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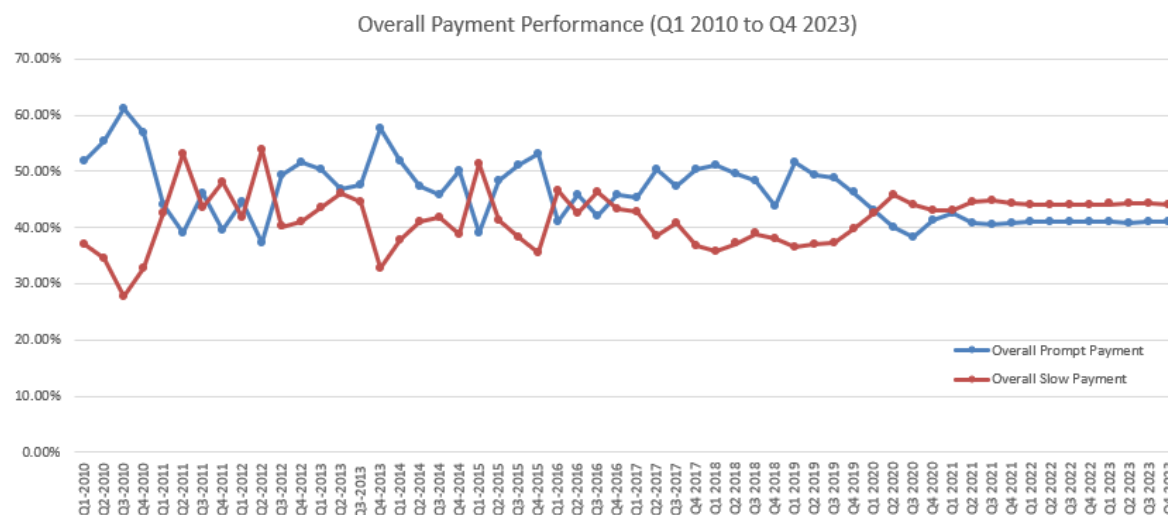
**Local payment performance improves
 for the second consecutive quarter in Q4 2023**
Annual payment delays deteriorates slightly year-on year in 2023
 - Singapore Commercial Credit Bureau

Singapore, 02 January 2024 – Payment performance improved for the second consecutive quarter in Q4 2023. According to Singapore Commercial Credit Bureau - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, both prompt and slow payments accounted for slightly more than two-fifths of total payment transactions.

On a quarter-on-quarter (q-o-q) basis, prompt payments improved slightly, up by 0.09 percentage points from 40.96 per cent in Q3 2023 to 41.05 per cent in Q4 2023. Year-on-year (y-o-y), prompt payments slid by 0.03 percentage points from 41.08 per cent in Q4 2022 to 41.05 per cent in Q4 2023.

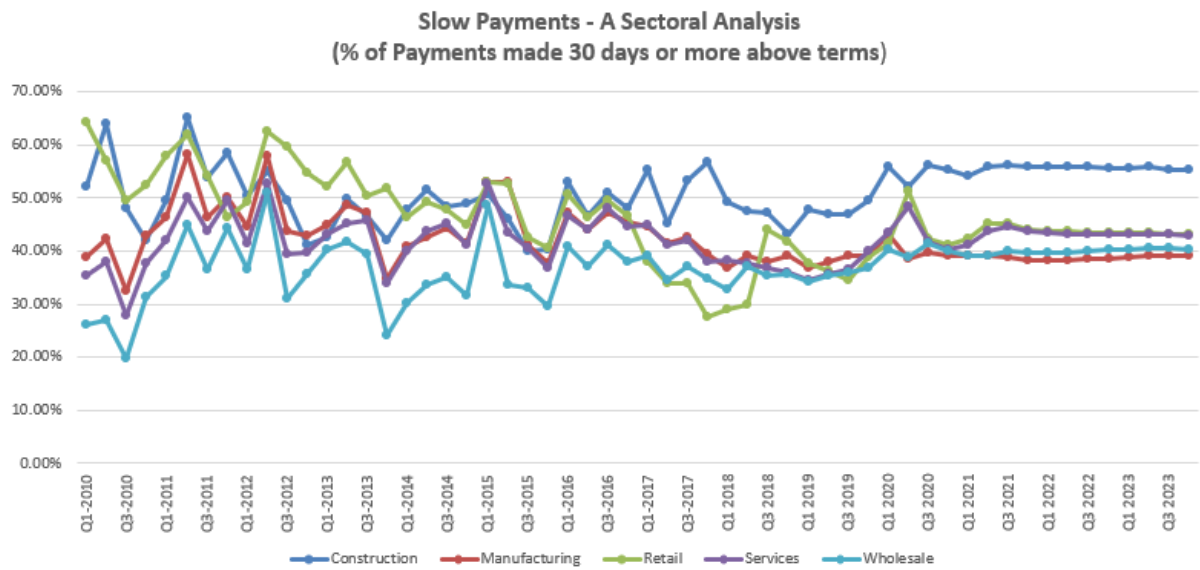
Slow payments fell slightly by 0.10 percentage points from 44.25 per cent in Q3 2023 to 44.15 per cent in Q4 2023. Y-o-y, slow payments remained unchanged at 44.15 per cent in Q4 2023.

Meanwhile, partial payments inched up by 0.01 percentage points from 14.79 per cent in Q3 2023 to 14.80 per cent in Q4 2023. Y-o-y partial payments climbed by 0.10 percentage points from 14.70 per cent in Q4 2022 to 14.80 per cent in Q4 2023.



From a sectoral perspective, q-o-q slow payments have fallen in all five industries in Q4 2023. On a y-o-y basis, 3 of five industries have also experienced improvements in slow payments.

Sector	% of Slow Payments			Percentage-Point Change	
	Q4 2023	Q3 2023	Q4 2022	Q-o-q	Y-o-y
Construction	55.32	55.40	55.60	-0.08	-0.28
Manufacturing	39.02	39.12	38.48	-0.10	+0.54
Retail	43.18	43.22	43.32	-0.04	-0.14
Services	42.90	43.02	43.12	-0.10	-0.22
Wholesale	40.35	40.50	40.25	-0.15	+0.10



Construction

Slow payments within the construction sector have fallen further in Q4 2023.

- ❖ Q-o-q slow payments fell by 0.08 percentage points from 55.40 per cent in Q3 2023 to 55.32 per cent in Q4 2023.
- ❖ The heavy construction sector registered the largest decrease in slow payments, down by 0.33 percentage points from 55.18 per cent in Q3 2023 to 54.85 per cent in in Q4 2023. Slow payments by the building construction sector fell by 0.22 percentage points from 56.02 per cent in Q3 2023 to 55.80 per cent in Q4 2023. Special trade contractors saw a similar decline, down by 0.20 percentage points from 55.50 per cent in Q3 2023 to 55.30 per cent in Q4 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.28 percentage points from 55.60 per cent in Q4 2022 to 55.32 per cent in Q 2023.

Manufacturing

Slow payments among manufacturers have fallen after six consecutive quarters of increase in Q4 2023 due to an drop in payment delays by manufacturers of electronics, chemicals and transportation equipment.

- ❖ Slow payments fell by 0.10 percentage points from 39.12 per cent in Q3 2023 to 39.02 per cent in Q4 2023.
- ❖ Payment delays by manufacturers of transportation equipment saw the largest decrease, down by 3.30 percentage points from 51.95 per cent in Q3 2023 to 48.65 per cent in Q4 2023. This is followed by manufacturers of electronics, down by 2.46 percentage points from 47.82 per cent in Q3 2023 to 45.36 per cent in Q4 2023. Manufacturers of chemical products saw the third largest decrease, down by 1.32 percentage points from 47.34 per cent in Q3 2023 to 46.02 per cent in Q4 2023.
- ❖ On a y-o-y basis, slow payments jumped by 0.54 percentage points from 38.48 per cent in Q4 2022 to 39.02 per cent in Q4 2023.

Retail

Payment delays in the retail sector have fallen further in Q3 2023. This is largely due to a decrease in slow payments by retailers of general merchandise, apparels and accessories and building materials.

- ❖ Slow payments slid by 0.04 percentage points from 43.22 per cent in Q3 2023 to 43.18 per cent in Q4 2023.
- ❖ Slow payments by retailers of general merchandise saw the largest decrease, down by 2.10 percentage points from 34.15 per cent in Q3 2023 to 32.05 per cent in Q4 2023. This is followed by retailers of building materials, down by 2.05 per cent from 36.20 per cent in Q3 2023 to 34. 15 per cent in Q4 2023. Retailers of apparels and accessories saw the third largest decrease in slow payments, down by 1.60 percentage points from 47.15 per cent in Q3 2023 to 45.55 per cent in Q4 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.14 percentage points from 43.32 per cent in Q4 2022 to 43.18 per cent in Q4 2023.

Services

Slow payments within the services sector continued to improve for the third consecutive quarter in Q4 2023 due to a decrease in payment delays by business, health and consumer services.

- ❖ Q-o-q slow payments dipped by 0.12 percentage points from 43.02 per cent in Q3 2023 to 42.90 per cent in Q4 2023.
- ❖ Payment delays by business services saw the largest decrease, down by 1.33 percentage points from 48.18 per cent in Q3 2023 to 46.85 per cent in Q4 2023. This is followed by consumer services, down by health services, down by 1.31 percentage points from 47.65 per cent in Q3 2023 to 46.34 per cent in Q4 2023. The health service sector saw the third largest decrease in slow payments, down by 1.22 percentage point from 36.34 per cent in Q3 2023 to 35.12 per cent in Q4 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.22 percentage points from 43.12 per cent in Q4 2022 to 42.90 per cent in Q4 2023.

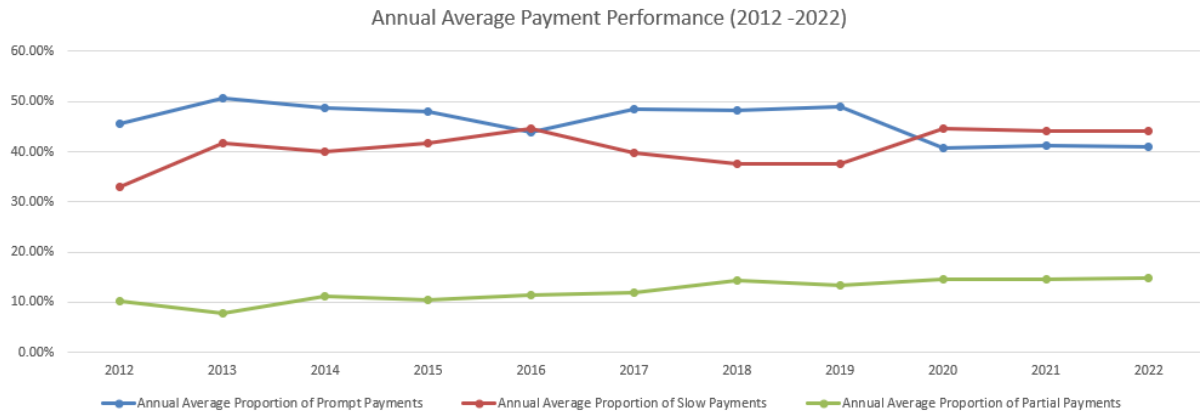
Wholesale Trade

Payment delays within the wholesale trade improved slightly in Q3 2023 due to a decrease in both slow payments by wholesalers of both durable and non-durable goods.

- ❖ Q-o-q payment delays fell by 0.15 percentage points from 40.50 per cent in Q3 2023 to 40.35 per cent in Q4 2023.
- ❖ Slow payments by wholesalers of durable goods fell by 0.05 percentage points, down from 40.20 per cent in Q3 2023 to 40.15 per cent in Q4 2023. Payment delays by wholesalers of non-durable goods dropped by 0.25 percentage points, down from 40.80 per cent in Q3 2023 to 40.55 per cent in Q4 2023.
- ❖ On a y-o-y basis, slow payments increased by 0.10 percentage points from 40.25 per cent in Q4 2022 to 40.35 per cent in Q4 2023.

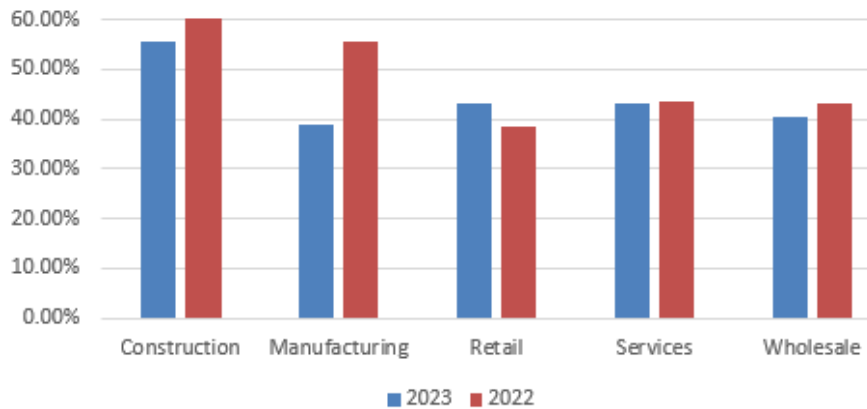
“On the overall, firms have continued to make more prompt payments for the final quarter of 2023. For the first time in two years since Q4 2021, we are seeing an improvement in slow payments across all sectors. However, the average payment delays have continued to increase further for the second consecutive year in 2023. Firms will have to continue to exercise more prudence in cashflow management and credit control in the months ahead.” commented Ms. Audrey Chia, SCCB’s Chief Executive Officer.

According to SCCB, the annual average proportion of slow payments has risen further from 44.15 per cent in 2022 to 44.24 per cent in 2023. Prompt payments have fallen from 41.08 per cent in 2022 to 40.99 per cent in 2023. Partial payments have inched up slightly from 14.76 per cent in 2022 to 14.78 per cent in 2023.



From a sectoral perspective, the construction, manufacturing and wholesale sectors have seen an y-o-y increase in average proportion of payment delays in 2023.

**Y-o-y comparison of Sectoral Slow Payments
(2022-2023)**



Commentary

Singapore Commercial Credit Bureau (SCCB) compiles the figures by monitoring more than 2.4 million payment transactions of firms. Payment data is contributed to the Bureau by local firms. Prompt payment refers to when 90% or more of total bills are paid within the agreed payment terms. Slow payment refers to when less than 50% of total bills are paid within the agreed terms. Partial payment refers to when between 50% and 90% of total bills are paid within the agreed payment terms.

About Singapore Commercial Credit Bureau

Established in 2005, Singapore Commercial Credit Bureau (SCCB) is a subsidiary of Credit Bureau Asia Limited, a credit and risk information solutions provider in Southeast Asia. SCCB operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners.

About Credit Bureau Asia Limited (www.creditbureauasia.com)

CBA is a leading player in the credit and risk information solutions market in Southeast Asia, providing credit and risk information solutions to an extensive client base of banks, financial institutions, multinational corporations, telecommunication companies, government bodies and public agencies, local enterprises and individuals across Singapore, Malaysia, Cambodia and Myanmar. CBA's business has two core segments, the FI Data Business and the Non-FI Data Business, covering both consumer and commercial credit risk information.

The Group, together with its joint ventures, is currently the dominant market leader in Singapore's FI Data Business and the sole market player in Cambodia's and Myanmar's FI Data Business. Depending on the territory involved, these credit bureaus operate to provide their subscribing members, mainly banks and financial institutions, with access to credit information on consumers or business entities, all of which are generated from up-to-date credit information contributed by subscribing members. As at 30 June 2020, the Group has close to 200 financial institution members across Singapore and Cambodia which include banks, microfinance institutions, leasing companies and rural credit operators.

For its Non-FI Data Business, the Group has more than 6,000 customers (including multinational corporations and small and medium-sized enterprises) and access to a database covering more than 330 million business records globally as at 6 November 2020. CBA's Non-FI Data Business operates in Singapore and Malaysia, where customers can access a wide range of business information and risk management services, sales and marketing solutions, commercial insights and other services, using data sourced from a variety of publicly

accessible registries and Dun & Bradstreet's extensive international network as well as information contributed by businesses which subscribe to CBA's payment bureau services.

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