

P R E S S R E L E A S E

22nd November 2017

BUSINESSES NEED BETTER CASH FLOW CERTAINTY

- **Credit days improve from 61 to 57 days for businesses.**
 - **Businesses in Leinster waiting longest to be paid.**
- **69% of businesses are experiencing delays of 2 months or more.**
- **73% of SMEs would favour a statutory 30 day payment regime.**
 - **Wholesale sector waits longest to be paid.**

ISME, The Irish SME Association today (November 22nd) publishes the results of its quarterly **Credit Watch Survey (Q3) for 2017**. Based on the findings, Credit days for this quarter have improved from 61 to 57 days. Businesses in Leinster are waiting longest to be paid with the Wholesale sector waiting on average 76 days to receive payment. The Association highlights the importance of cash flow certainty.

Commenting on the results ISME, CEO Neil McDonnell said *“Today’s results are a welcome improvement. Credit days are at their best since summer 2016. This trend needs to continuously improve; we don’t want a situation where progress in one quarter is followed by regression in the next.”*

“Businesses need to work together to improve cash flow certainty. We encourage businesses to sign up to the Prompts Payments Portal. The results today show us that multinationals/ big businesses are taking longest to pay; this is unacceptable”

“Multinationals do not experience the same level of cash flow uncertainty as many SMEs. They should be leading by example and paying smaller businesses promptly”

The main findings from 556 respondents in the second week of November are:

- Average payment period for SMEs in Q3’17 improves from 61 to 57 days.
- 69% of SMEs are experiencing delays of 2 months or more, up from 73% in Q1’17.
- 81% of respondents **do not** charge interest on late payments,
- 19% are afraid to charge for late payments in case they lose custom.
- 16% of business are waiting longer to be paid, compared to 12 months ago (down from 46% in Q2).

- 50% of multinationals are taking longer to make their payments, up from 21% in Q2' 17.
- 73% of SMEs favour a statutory 30 day payments regime; with no opt out.
- The Wholesale sector is waiting longest on payment at 76 days, while Hospitality waits 40 days.
- Businesses in Leinster are waiting longest on payment at 58 days.
- Businesses in Connaught wait the shortest time at 41 days.

The Association called on Government to;

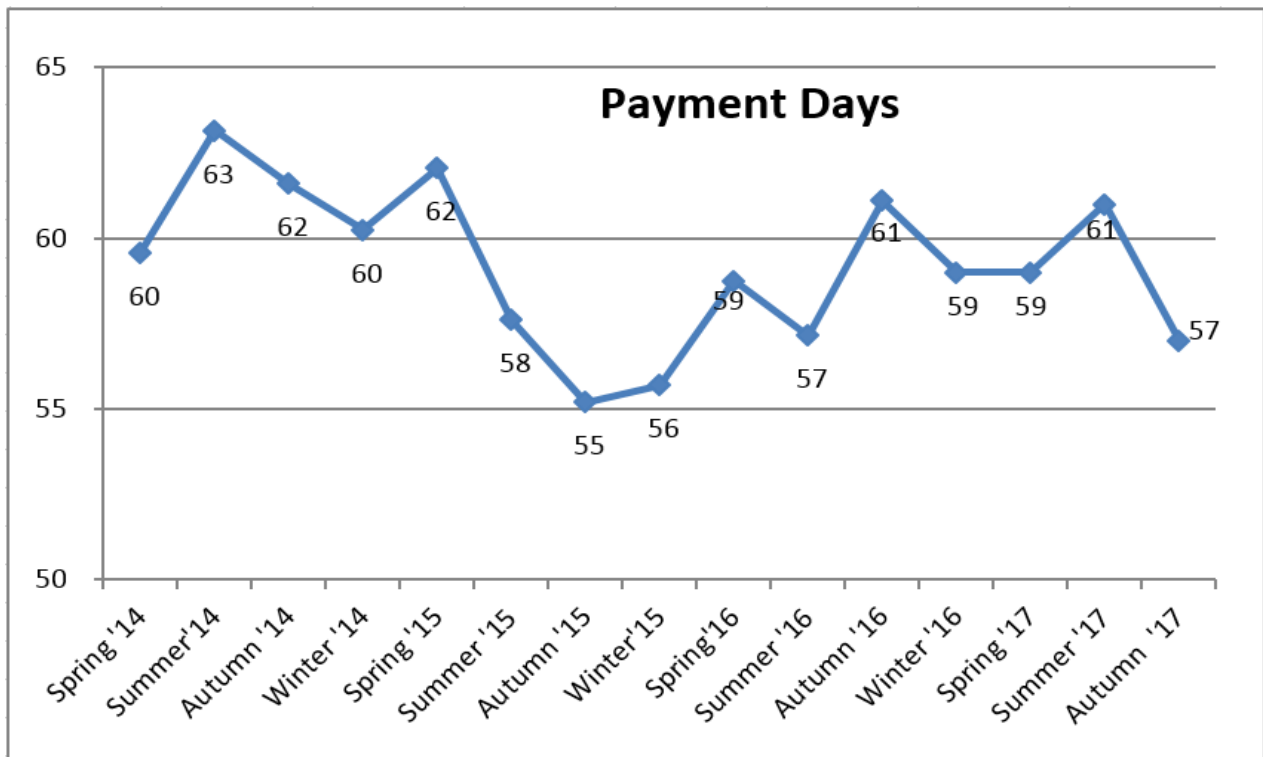
- **Actively publicise, promote, and champion the Fair Payment Code for all businesses.**
- **Insist on adherence to Fair Payment Charter as criterion for granting state contracts.**
- **Insist that all state agencies adhere to the 15 day rule.**
- **The office of Government Procurement should require all tenderers to publicise their creditor days.**

He added,

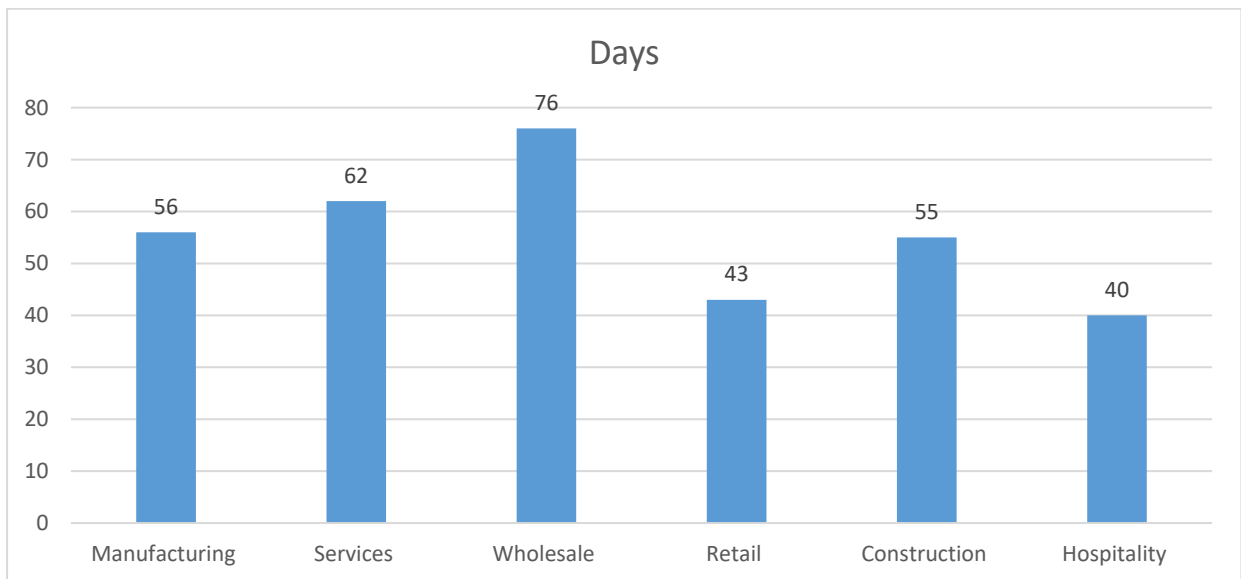
“Greater cash flow certainty creates growth and protects jobs, and this must be encouraged by government and businesses”

ENDS

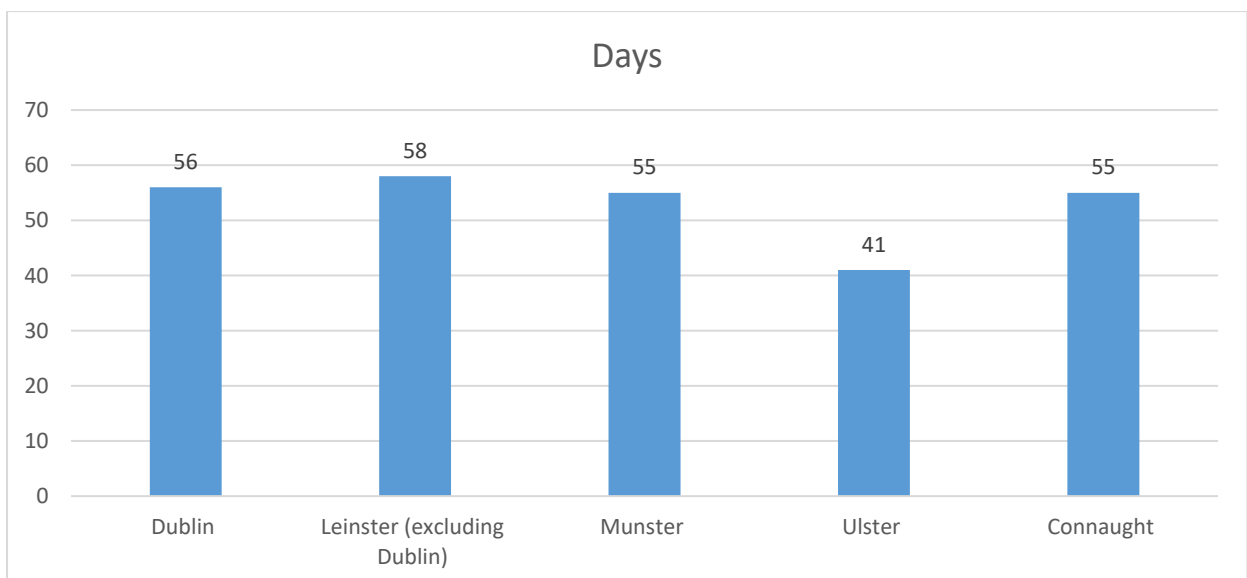
For further information, please contact
 Neil McDonnell, Chief Executive
 T: 01 6622755, M: 087 2995658
 E: neil@isme.ie



Business on average are waiting 57 days to be paid, this a four day improvement on the previous quarter (Q2'17).

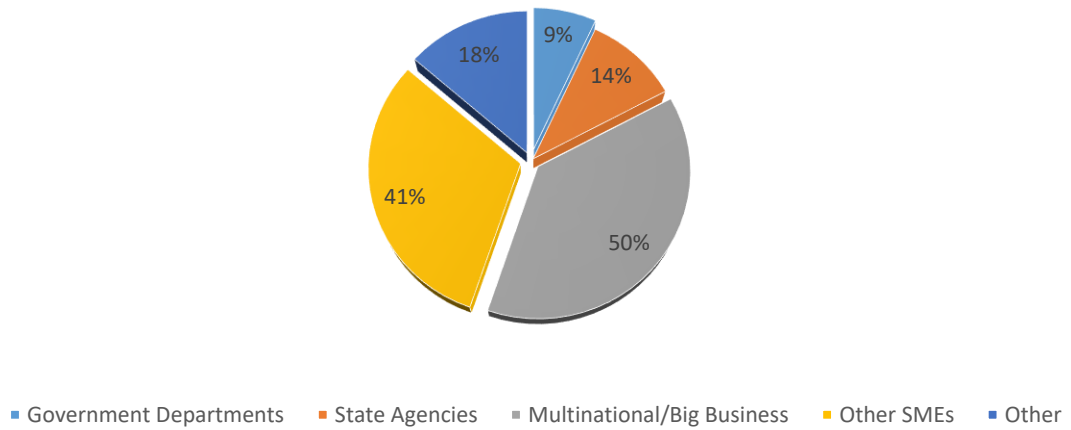


Sectorally, Businesses in the Wholesale sector are waiting longest to be paid at 76 days. Hospitality sector are waiting the shortest of time at 40 days. Services and Retail are waiting 62 and 43 days respectively, while the Construction sector is waiting 55 days, Manufacturing is waiting 56 days.



Regionally, Business in Leinster (excluding Dublin) are waiting longest to be paid at 58 days. Dublin business are waiting on average 56 days to be paid. Businesses in Munster and Connaught are waiting 55 days respectively. Ulster business are waiting 41 days.

Longest to pay



This data shows 50% of Multinational Corporations/Big Business are taking longer to pay SMEs on time. 41% of other SMEs are taking longer to make payment on goods and services. While 9% and 14% of Government departments and State agencies are taking longer to make payments on time.