



Prompt Payments Report Q4'21

PAYMENT DELAYS IMPROVE SLIGHTLY

- **Payment times for SMEs decrease slightly, now at 44 days.**
- **Businesses in Dublin are waiting longest to be paid at 56 days.**
- **47% of businesses are experiencing delays of 2 months or more.**
- **18% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, released its Prompt Payments Report for Q4'21. Based on the findings, credit days for this quarter have fallen slightly, now at 44 days. Businesses in Dublin are waiting the longest to be paid at 56 days followed by those with multiple sites at 55 days. The Construction and Wholesale sectors are waiting longest on payment; an average of 94 and 68 days, respectively. The Association emphasises the importance of businesses paying each other on time.

This report was generated using data from our Q4'21 business trends survey, published in the second week of December 2021. There were 132 SME respondents, 52% of whom employ less than 10; 39% employ between 11 and 49; and the remaining 9% employ between 50 and 250. Geographically, 36% are from Dublin; 53% are spread across the rest of the country; and 10% have multiple sites.

The main results of this study show:

- **Average payment period for SMEs in Q4'21 decreases from 46 to 44 days.**
- **47% of SMEs are experiencing delays of 2 months or more, down 6% from Q3'21.**
- **76% of respondents do not charge interest on late payments.**
- **14% are afraid to charge for late payments in case they lose custom, down 1% Q3'21.**
- **18% of multinationals are taking longer to make their payments.**
- **74% of SMEs favour a statutory 30-day payments regime; with no opt-out.**
- **Construction and Wholesale sectors are waiting longest on payment; at an average of 94 and 68 days, respectively.**
- **Businesses with multiple sites are waiting on average 55 days to be paid.**
- **Businesses in Dublin are waiting on average 56 days for payment.**
- **Businesses in Leinster are waiting on average 54 days for payment.**
- **Businesses in Munster are waiting on average 53 days for payment, while businesses in Connaught are waiting on average 39 days.**

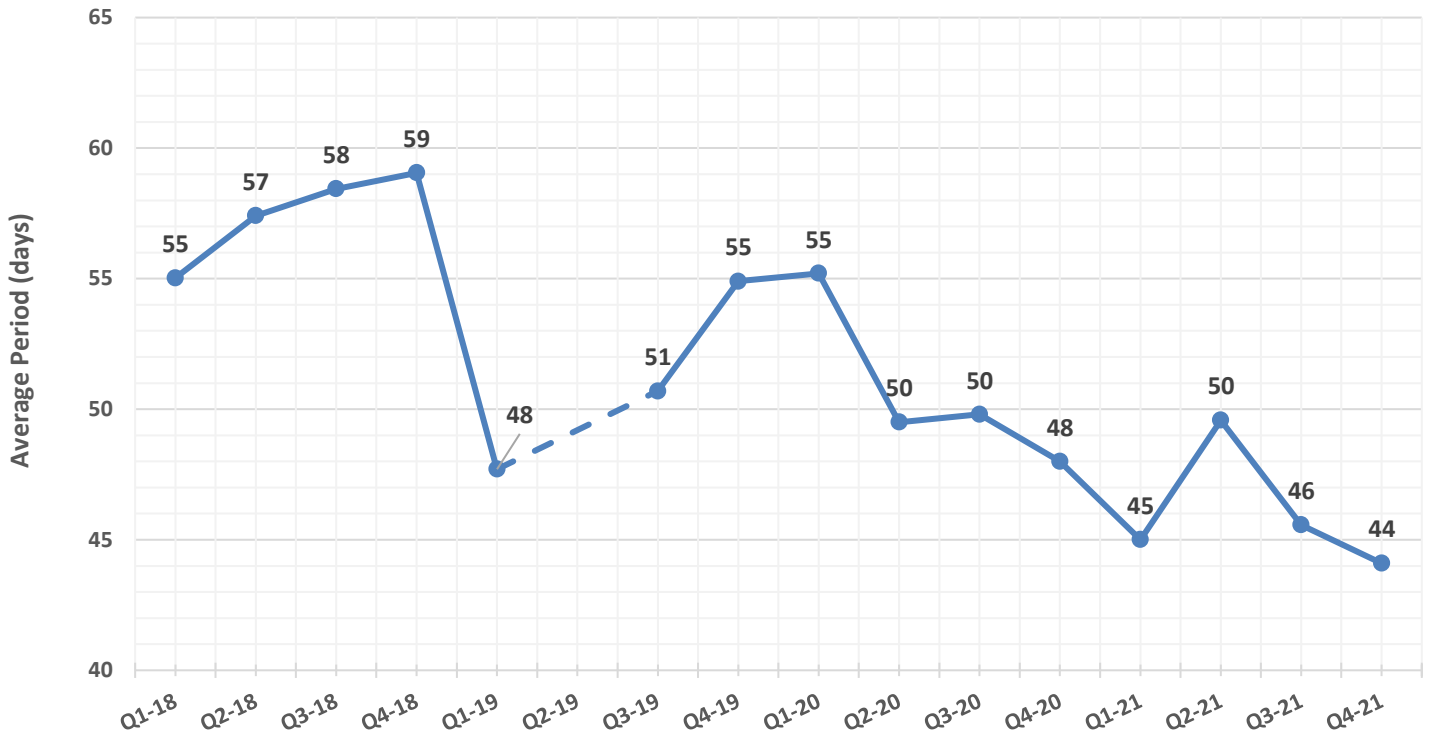
Our organisation persists in calling on the Government to:

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

Average credit period in days:

Businesses on average are waiting 44 days to be paid. This is a two day decrease on the previous quarter, remaining at similar levels as Q1'21.

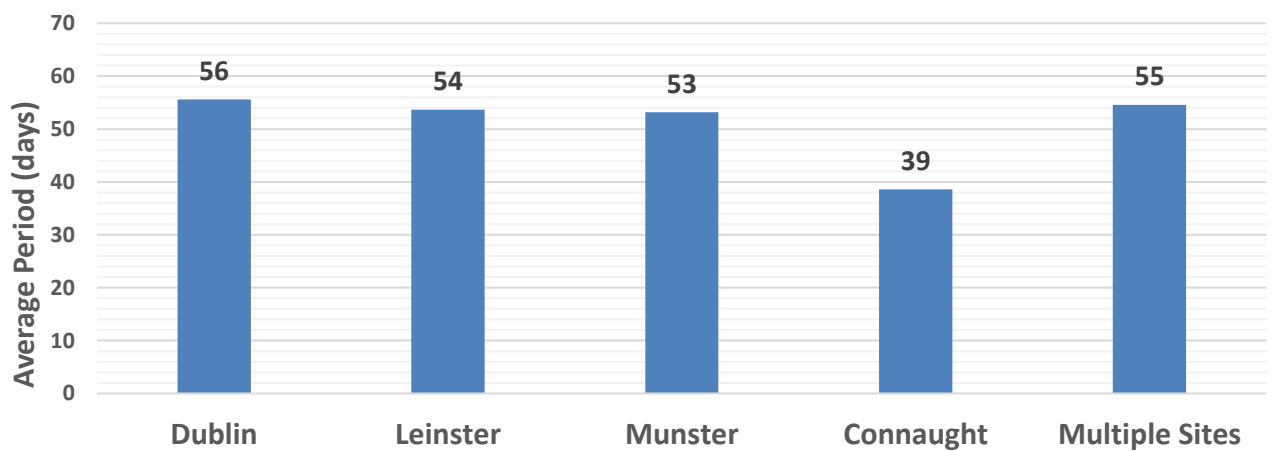
In general what is the credit period taken by your customers?



Regional breakdown of credit period:

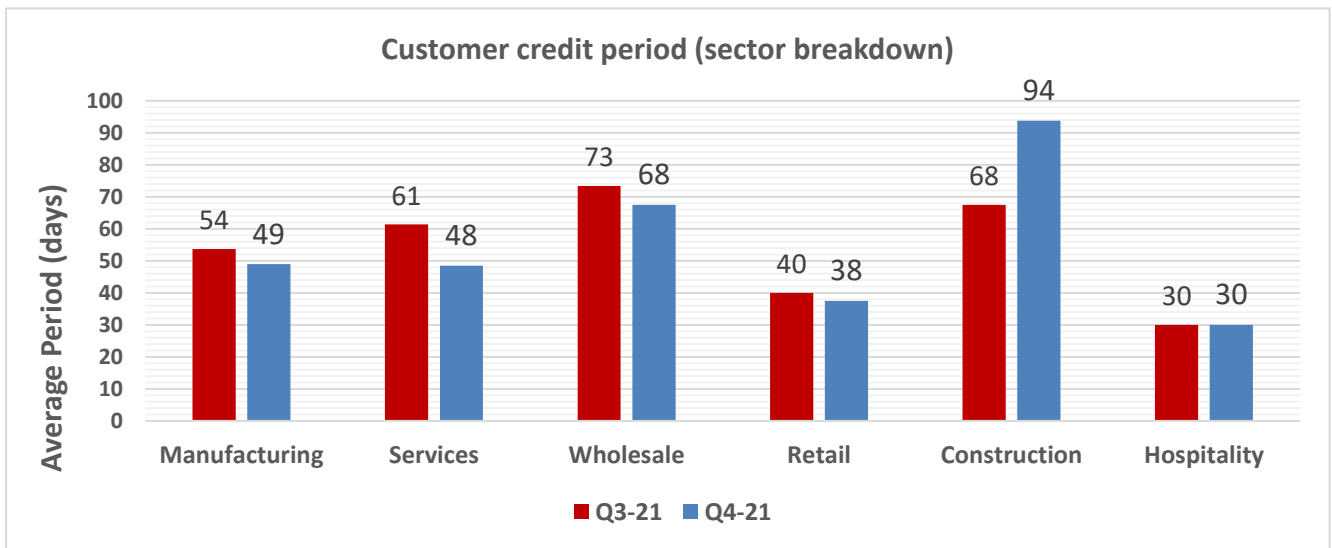
Businesses in Dublin are waiting longest to be paid at 56 days, followed by businesses with multiple sites at 55 days. Leinster and Munster businesses are waiting on average 54 and 53 days, respectively, while businesses in Connaught are waiting 39 days.

Customer credit period (regional breakdown)



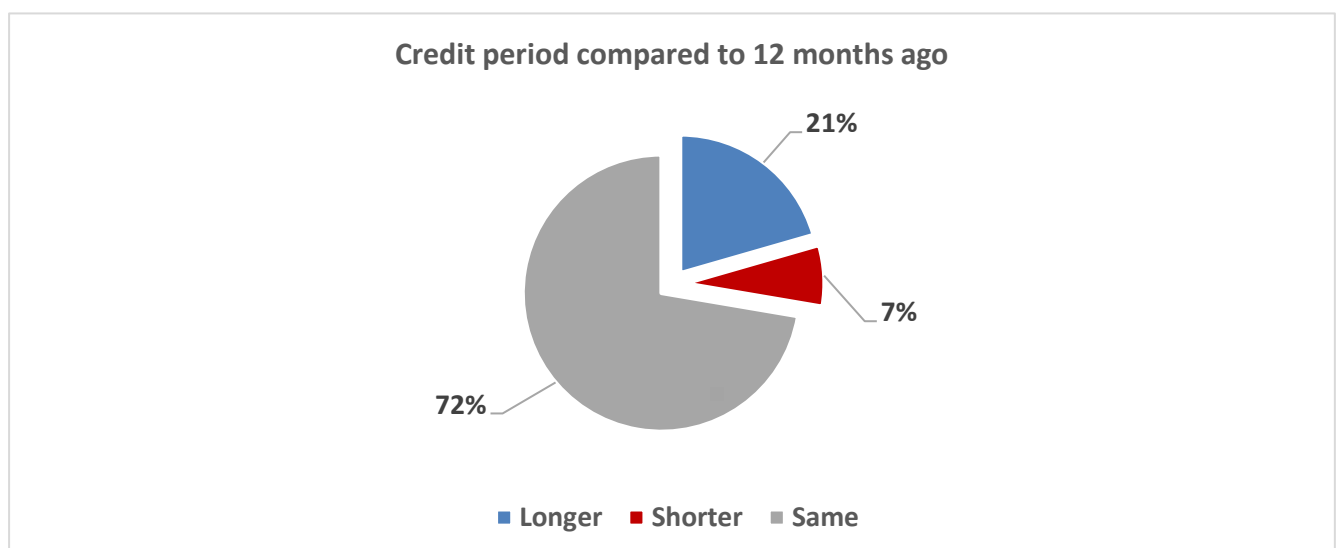
Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 49 and 48 days, respectively. Wholesale are waiting 68 days, while Retail are waiting 38 days for payment. This quarter marked decreases in all but two sectors. The Hospitality sector remains the same as Q3'21, waiting on average 30 days. A sharp increase was clear in the Construction sector, rising from 68 to 94 days.



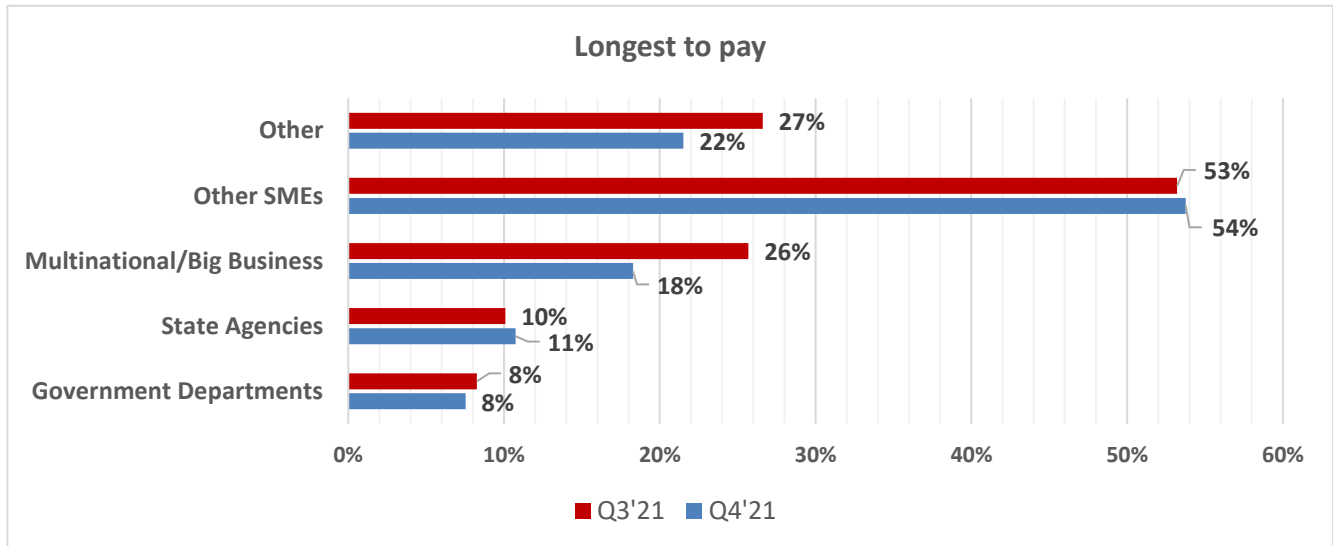
Longer or shorter period:

72% of members stated the credit period for this quarter was the same, 21% reported it was longer, while 7% said it was shorter.



Longest to pay:

We asked our members which category of customer was taking the longest to pay. 'Other SMEs' were reported as taking longest to pay at 54%. 18% of Big Businesses are taking longest to pay, down from 26% in Q3'21. Government Departments remain the lowest and State Agencies increased slightly from 10% to 11%.



This survey was published in the second week of December, covering the fourth quarter of 2021. There were 132 SME owner manager respondents. The results presented in this report are calculated as the aggregate response to a survey question, i.e., the sum of all positive and negative responses. For example, a survey question may ask: "Have you increased or reduced investment in your company in the last 12 months?". The breakdown of responses is as follows: 51% "Increased", 39% "Remain Same" and 13% "Decreased". The aggregate response to this question is calculated as the sum of the positive and negative sentiment expressed in the question: 51% - 13% = 38%. The neutral response, "Remain Same" is not considered.