



Prompt Payments Report Q1'22

4th February 2022

PAYMENT DELAYS IMPROVE SLIGHTLY

- **Payment times for SMEs increase to 48 days.**
- **Businesses with multiple sites are waiting longest to be paid at 62 days.**
- **55% of businesses are experiencing delays of 2 months or more.**
- **24% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today (4th February) released its Prompt Payments Report for Q1'22. Based on the findings, credit days for this quarter have risen slightly, now at 48 days. Businesses with multiple sites are waiting the longest to be paid at 62 days followed by those in Munster at 59 days. The Retail and Wholesale sectors are waiting longest on payment; an average of 83 and 64 days, respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q1'22 business trends survey, published in the final week of April 2022. There were 144 SME respondents, 40% of whom employ less than 10; 49% employ between 11 and 49; and the remaining 11% employ between 50 and 250. Geographically, 31% are from Dublin; 59% 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 Q1'22 increases from 44 to 48 days.**
- **55% of SMEs are experiencing delays of 2 months or more, down 8% from Q4'21.**

- **84% of respondents do not charge interest on late payments.**
- **9% are afraid to charge for late payments in case they lose custom, down 5% Q4'21.**
- **24% of multinationals are taking longer to make their payments.**
- **78% of SMEs favor a statutory 30-day payments regime; with no opt-out.**
- **Retail and Wholesale sectors are waiting longest on payment; at an average of 83 and 64 days, respectively.**
- **Businesses with multiple sites are waiting on average 62 days to be paid.**
- **Businesses in Dublin are waiting on average 53 days for payment.**
- **Businesses in Leinster are waiting on average 51 days for payment.**
- **Businesses in Munster are waiting on average 59 days for payment, while businesses in Connaught are waiting on average 43 days.**

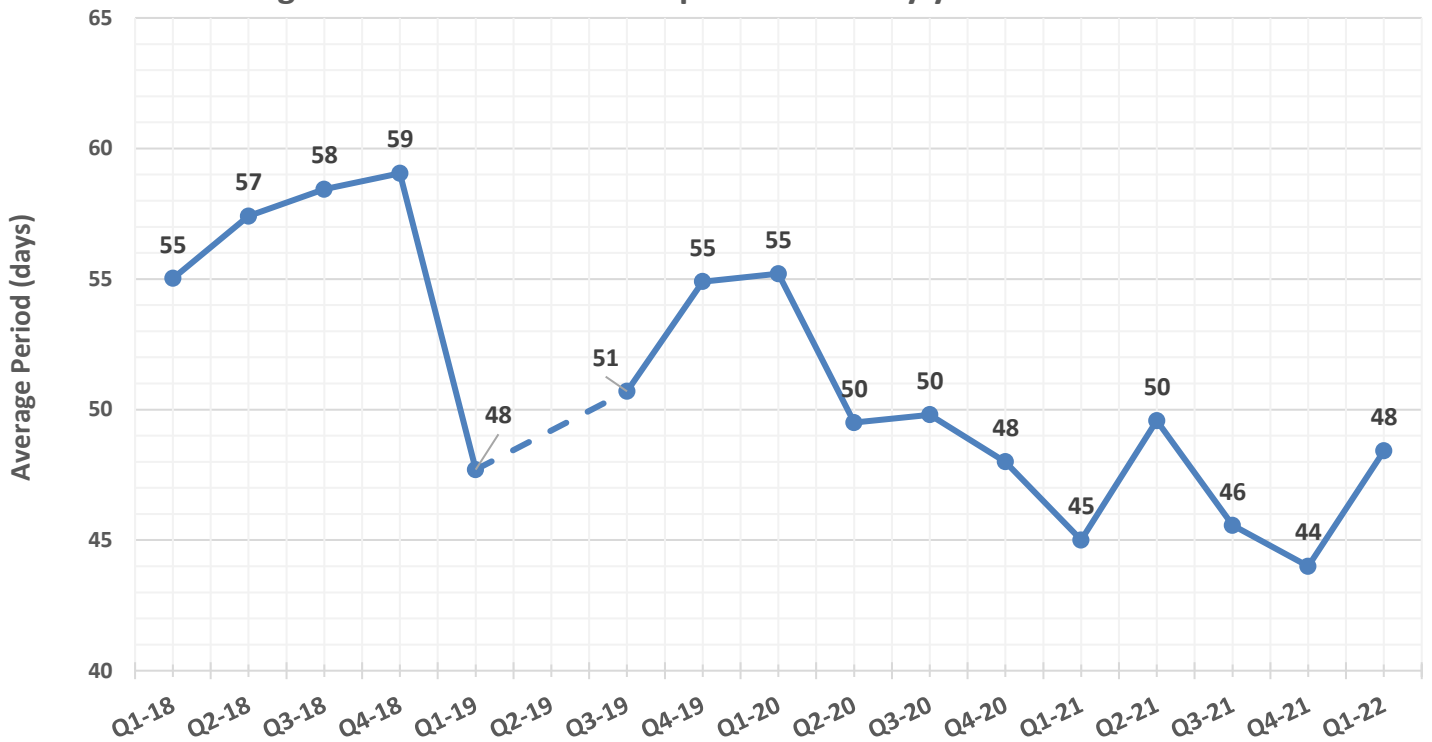
Our organization persists in calling on the Government to:

- **Actively publicize, 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 publicize their creditor days.**

Average credit period in days:

Businesses on average are waiting 48 days to be paid. This is a four day increase on the previous quarter, rising to similar levels as Q4'20.

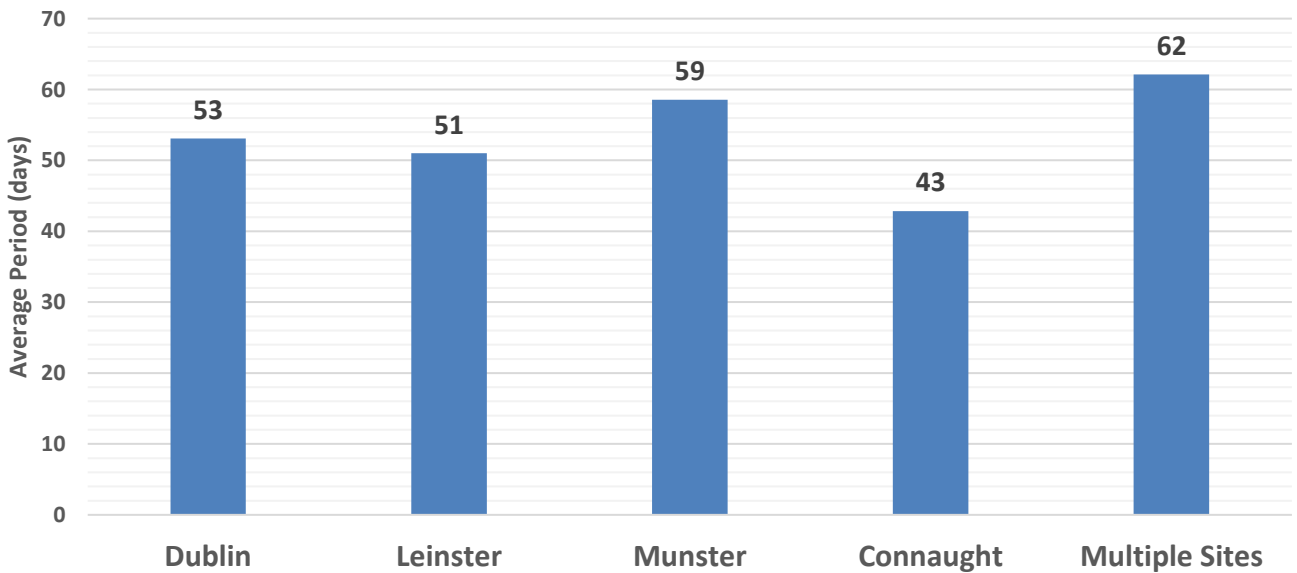
In general what is the credit period taken by your customers?



Regional breakdown of credit period:

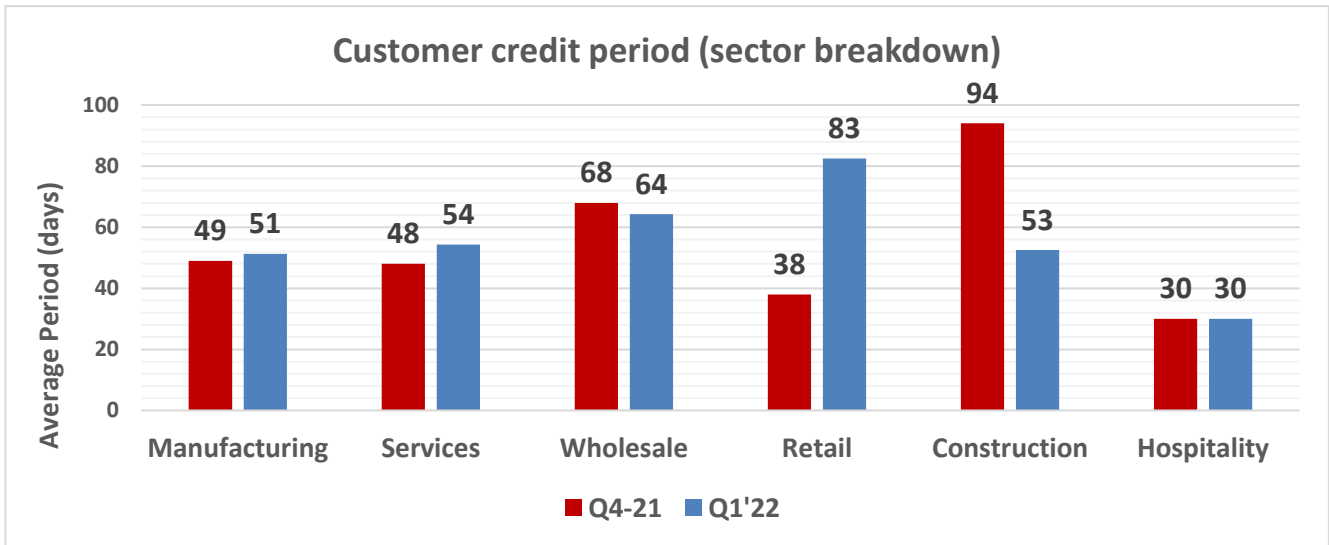
Businesses with multiple sites are waiting longest to be paid at 62 days, followed by businesses in Munster at 59 days. Dublin and Leinster businesses are waiting on average 53 and 51 days, respectively, while businesses in Connaught are waiting 43 days.

Customer credit period (regional breakdown)



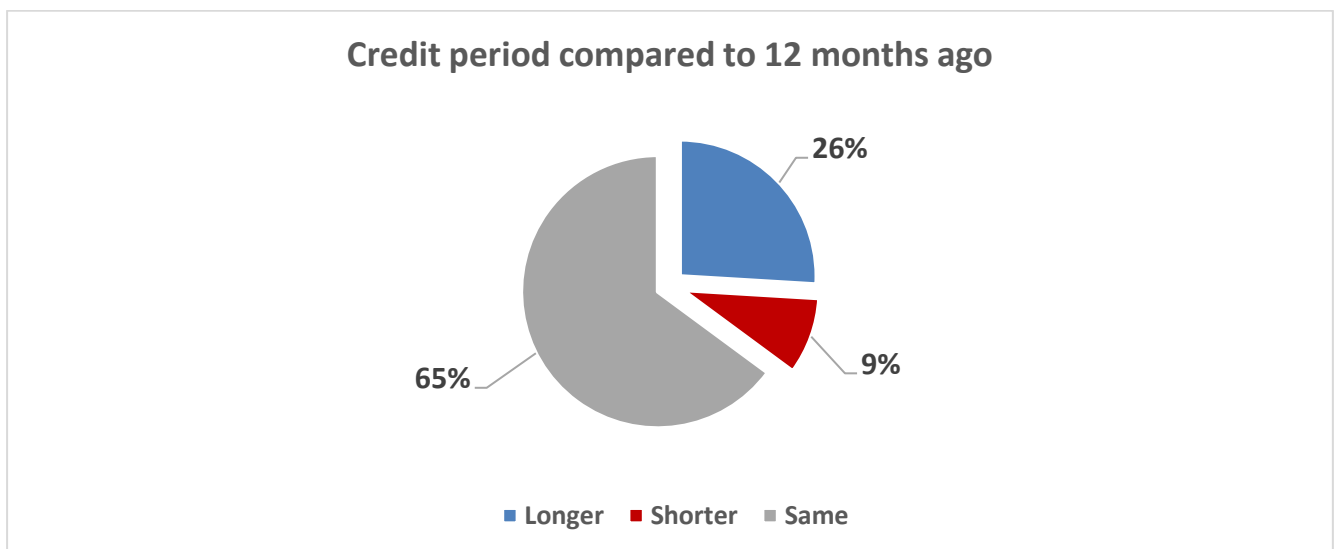
Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 51 and 54 days, respectively. Wholesale are waiting 64 days, while Retail are waiting 83 days for payment. This quarter marked increases in three out of six sectors. The Hospitality sector remains the same as Q4'21, waiting on average 30 days. A sharp decrease was clear in the Construction sector, rising from 94 to 53 days.



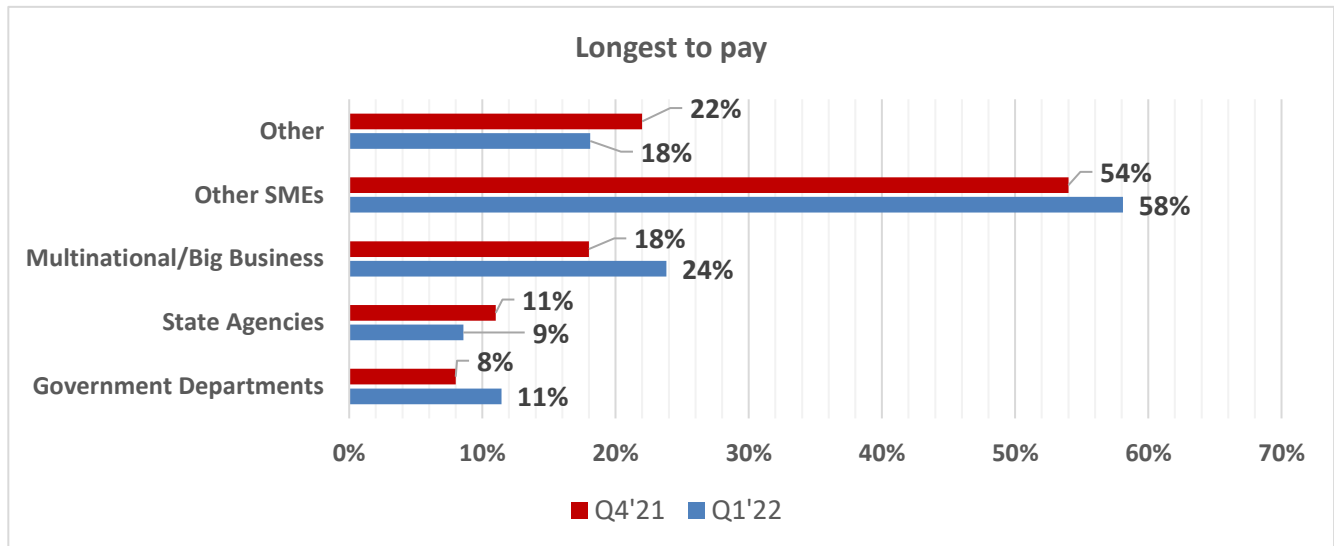
Longer or shorter period:

65% of members stated the credit period for this quarter was the same, 26% reported it was longer, while 9% 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 58%. 24% of Big Businesses are taking longest to pay, up from 18% in Q4'21. 11% of Government Departments are taking longest to pay, up from 8% in Q4'21. State Agencies now have the lowest percentage at 9%.



ENDS.

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Note to Editors:

This survey was published in the final week of April 2022, covering the first quarter of 2022. There were 144 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.