



## **Prompt Payments Report Q2'22**

20<sup>th</sup> July 2022

### **PAYMENT TIMES FOR SMEs INCREASE**

- **Payment times for SMEs increase to 50 days.**
- **Businesses in Munster are waiting longest to be paid at 63 days.**
- **28% of multinationals/big businesses taking longer to pay SMEs.**

**ISME, the Irish SME Association**, today 20<sup>th</sup> July released its Prompt Payments Report for Q2'22. Based on the findings, credit days for this quarter have risen slightly, now at 50 days. Businesses in Munster are waiting the longest to be paid at 63 days followed by those with multiple sites at 60 days. The Retail and Wholesale sectors are waiting longest on payment; an average of 75 and 60 days, respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q2'22 business trends survey, published in the final week of June 2022. There were 144 SME respondents, 43% of whom employ less than 10; 43% employ between 11 and 49; and the remaining 14% employ between 50 and 250. Geographically, 28% are from Dublin; 65% are spread across the rest of the country; and 7% have multiple sites.

The main results of this study show:

- **Average payment period for SMEs in Q2'22 increases from 48 to 50 days.**
- **81% of respondents do not charge interest on late payments.**
- **13% are afraid to charge for late payments in case they lose custom, up 4% Q1'22.**
- **28% of multinationals are taking longer to make their payments.**

- **76% 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 75 and 60 days, respectively.**
- **Businesses with multiple sites are waiting on average 60 days to be paid.**
- **Businesses in Dublin are waiting on average 59 days for payment.**
- **Businesses in Leinster are waiting on average 57 days for payment.**
- **Businesses in Munster are waiting on average 63 days for payment, while businesses in Connaught are waiting on average 53 days.**

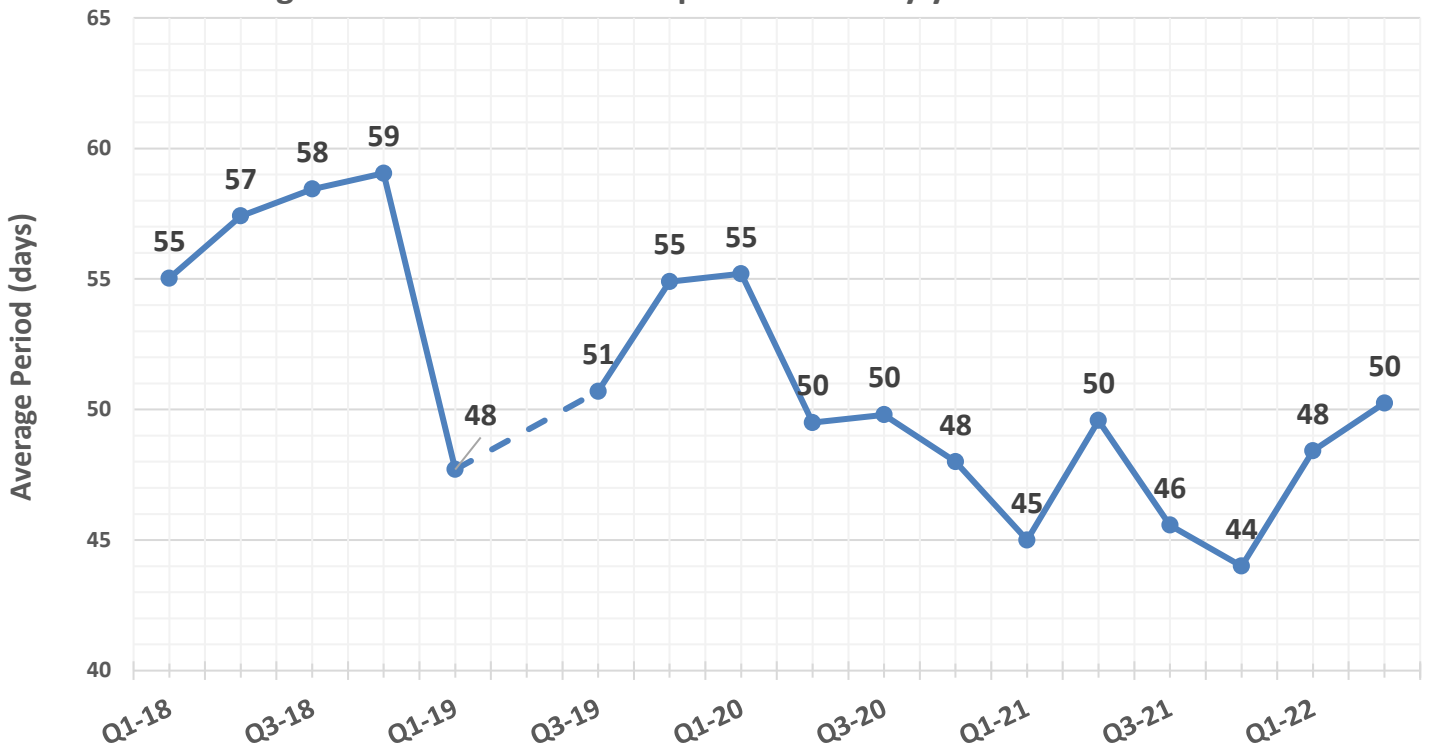
Our organization persists in calling on the Government to:

- **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 50 days to be paid. This is a two-day increase on the previous quarter, rising to similar levels as mid-2021.

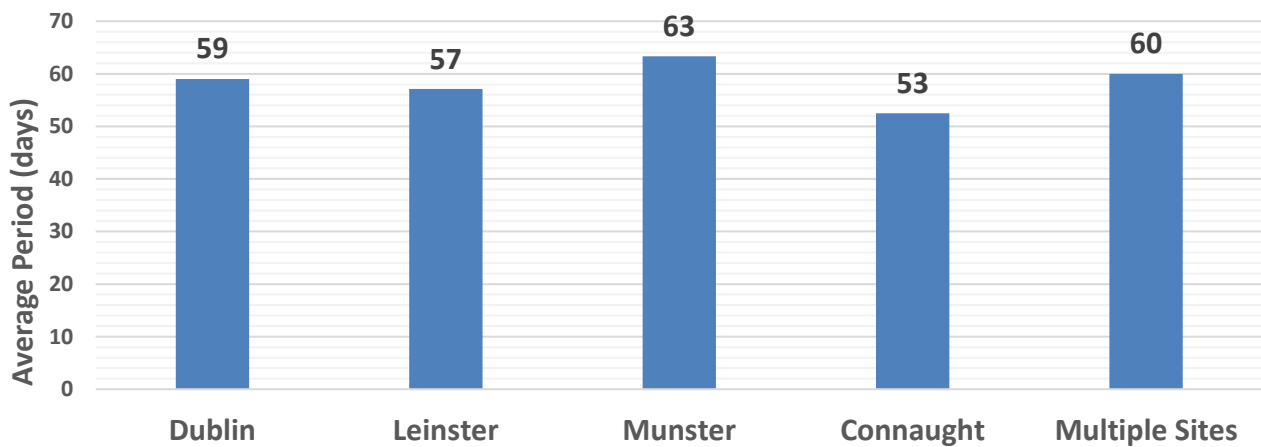
### In general what is the credit period taken by your customers?



### Regional breakdown of credit period:

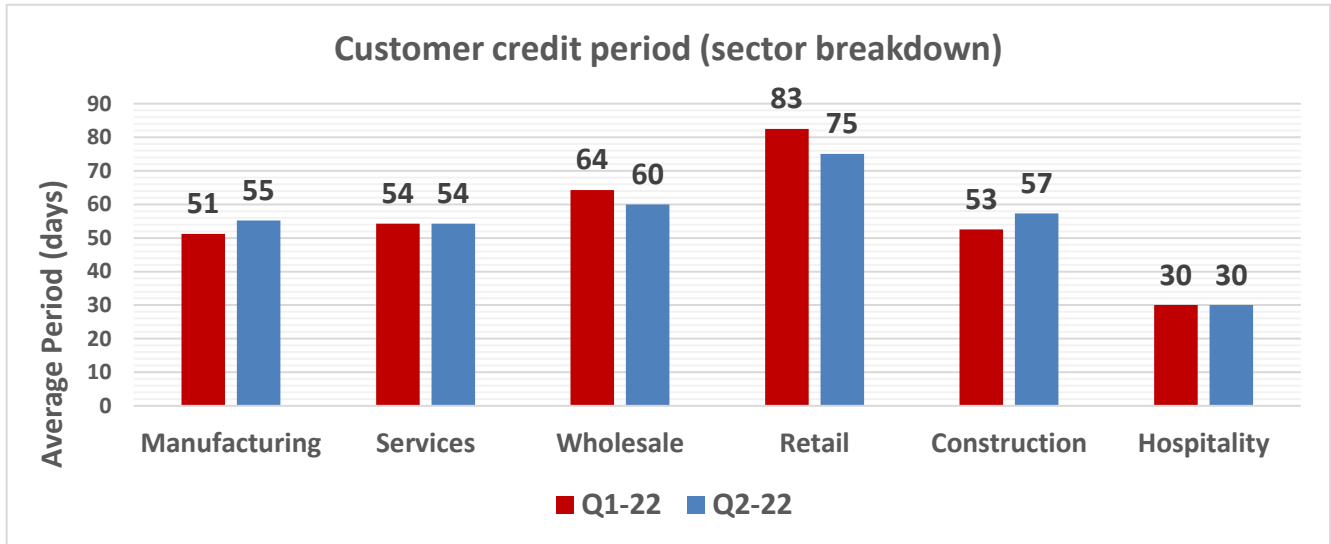
Businesses in Munster are waiting longest to be paid at 63 days, followed by business with multiple sites at 60 days. Dublin and Leinster businesses are waiting on average 59 and 57 days, respectively, while businesses in Connaught are waiting 53 days.

### Customer credit period (regional breakdown)



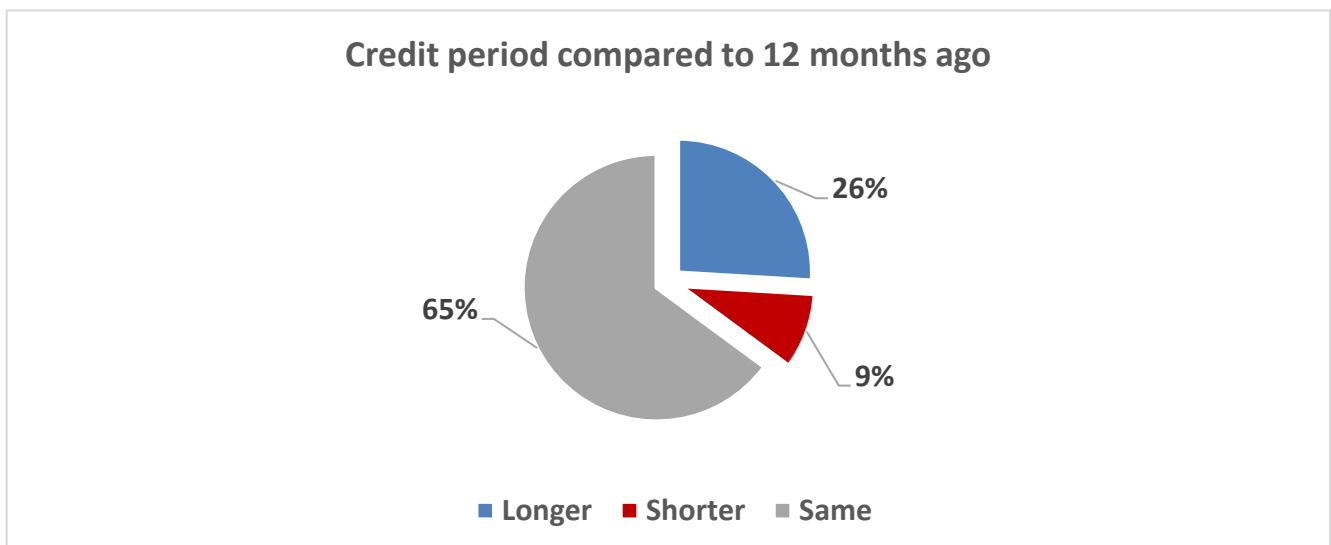
### Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 55 and 54 days, respectively. Wholesale are waiting 60 days, while Retail are waiting 75 days for payment. This quarter marked increases in two out of six sectors. The Hospitality sector remains the same as Q1'22, waiting on average 30 days. The Construction sector saw an increase in average credit period, going from 53 to 57 days.



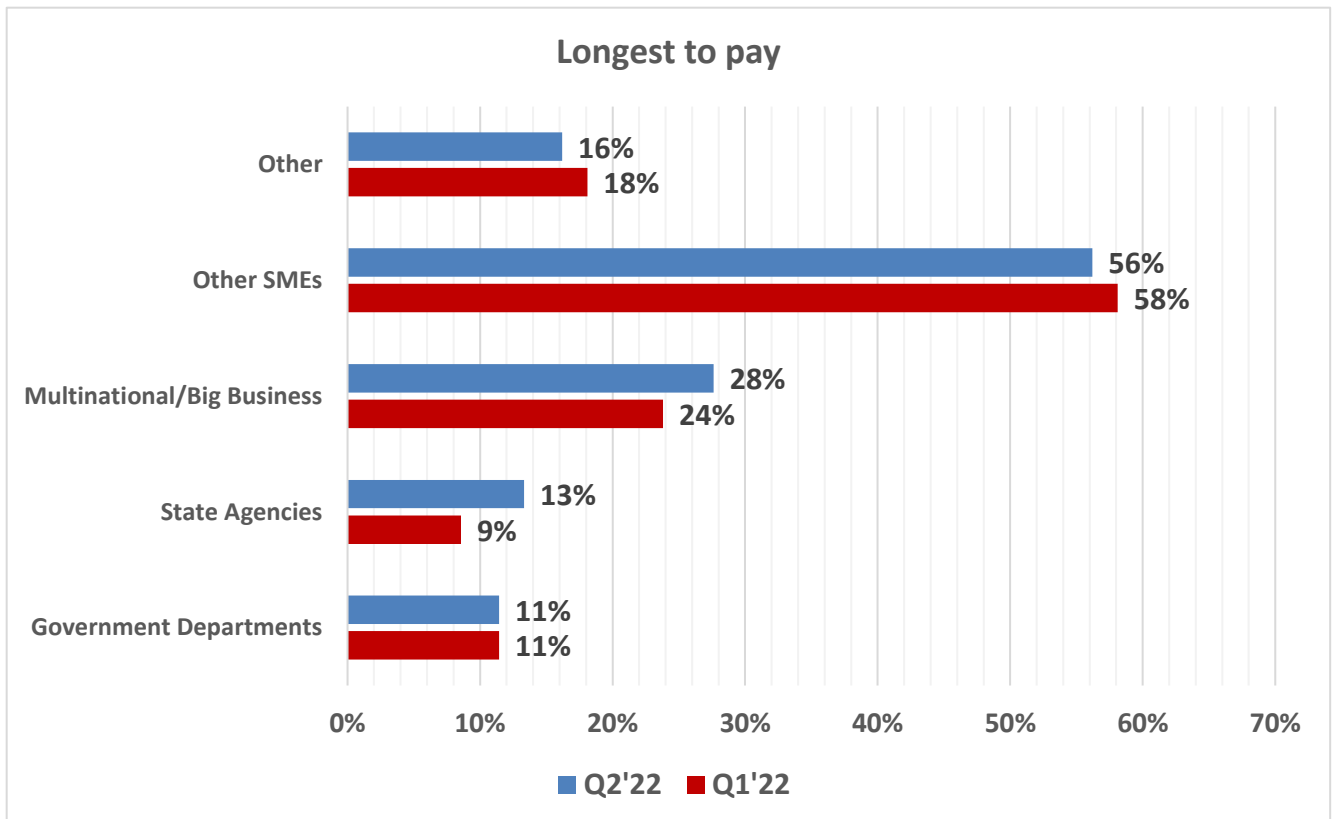
### Longer or shorter period:

65% of members stated the credit period for this quarter was the same, 26% reported it was longer, while 9% said it was it was shorter. These values remain unchanged from Q1'22.



## 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 56%. 28% of Big Businesses are taking longest to pay, up from 24% in Q1'22. 11% of respondents reported that Government Departments are taking longest to pay, remaining the same as in Q1'22 and the lowest for this quarter. 9% of respondents reported that State Agencies are taking the longest to pay.



ENDS.

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Note to Editors:

This survey was published in the final week of June 2022, covering the second 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.