



Prompt Payments Report Q3'22

2nd December 2023

PAYMENT TIMES FOR SMEs DECREASE

- **Payment times for SMEs decrease to 46 days.**
- **Businesses in Munster are waiting longest to be paid at 50 days.**
- **22% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today (2nd December) released its Prompt Payments Report for Q3'22. Based on the findings, credit days for this quarter have decreased slightly, now at 46 days. Businesses in Munster are waiting the longest to be paid at 50 days followed by those with multiple sites at 47 days. The Construction and Wholesale sectors are waiting longest on payment; an average of 60 and 58 days, respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q3'22 business trends survey, published in the final week of November 2022. There were 118 SME respondents, 38% of whom employ less than 10; 48% employ between 11 and 49; and the remaining 14% employ between 50 and 250. Geographically, 26% are from Dublin; 66% are spread across the rest of the country; and 8% have multiple sites.

The main results of this study show:

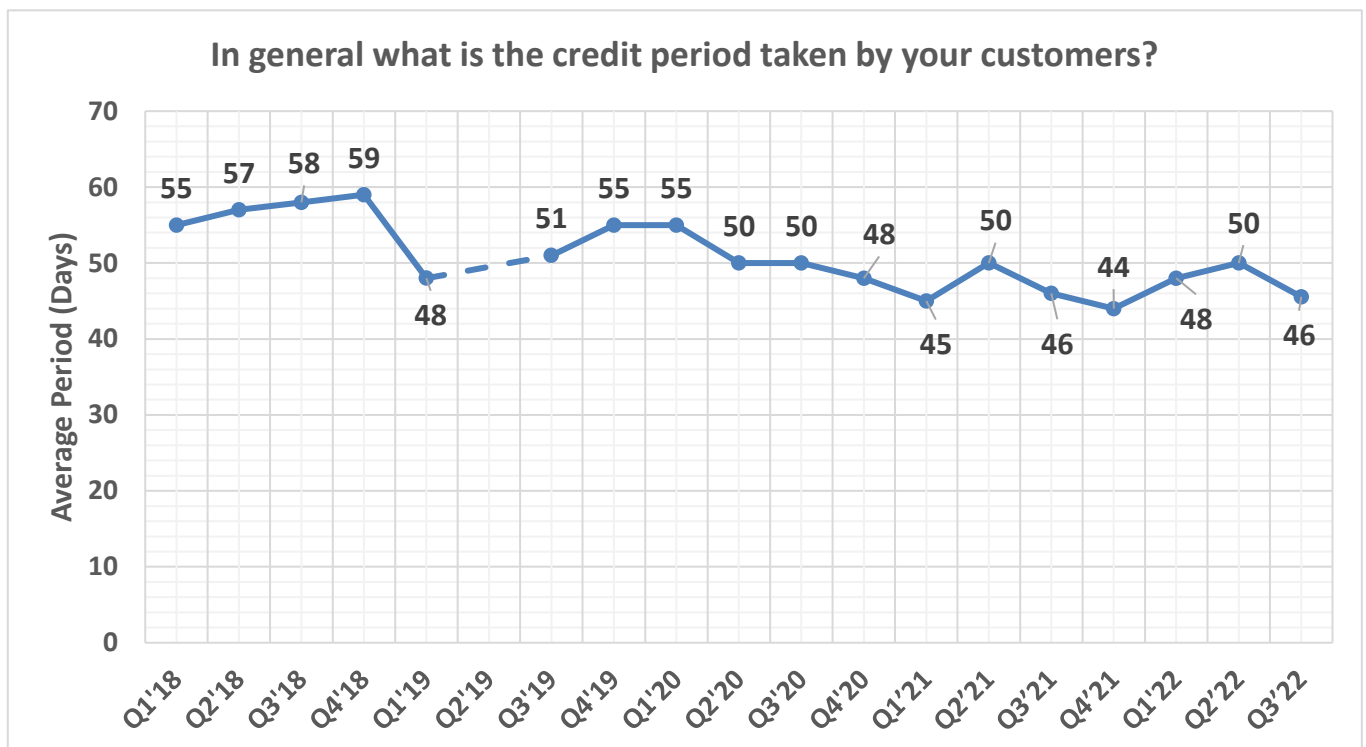
- **Average payment period for SMEs in Q3'22 decreases from 50 to 46 days.**
- **88% of respondents do not charge interest on late payments.**
- **13% are afraid to charge for late payments in case they lose custom, the same as in Q2'22.**
- **22% of multinationals are taking longer to make their payments.**
- **78% of SMEs favor a statutory 30-day payments regime; with no opt-out.**
- **Construction and Wholesale sectors are waiting longest on payment; at an average of 60 and 58 days, respectively.**
- **Businesses with multiple sites are waiting on average 47 days to be paid.**
- **Businesses in Dublin are waiting on average 46 days for payment.**

- **Businesses in Leinster are waiting on average 38 days for payment.**
- **Businesses in Munster are waiting on average 50 days for payment, while businesses in Connaught are waiting on average 40 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 46 days to be paid. This is a four-day decrease on the previous quarter.

Regional breakdown of credit period:

Businesses in Munster are waiting longest to be paid at 50 days, followed by business with multiple sites at 47 days. Dublin and Leinster businesses are waiting on average 46 and 38 days, respectively, while businesses in Connaught are waiting 40 days.

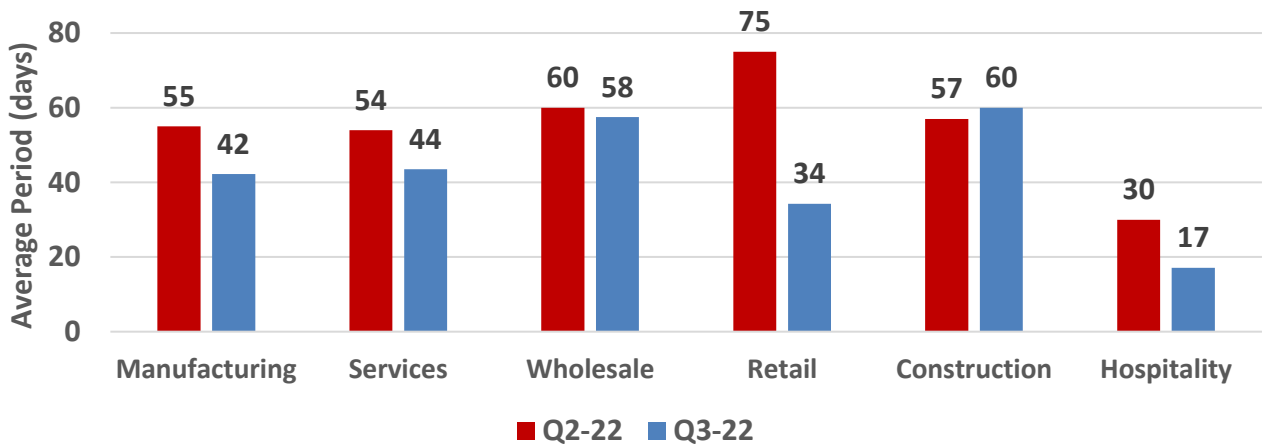
Customer credit period (regional breakdown)



Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 42 and 44 days, respectively. Wholesale are waiting 58 days, while Retail are waiting 34 days for payment. This quarter marked increases in one out of six sectors. The Hospitality sector decreased from 30 to 17 days while the Construction sector saw an increase in average credit period, going from 57 to 60 days.

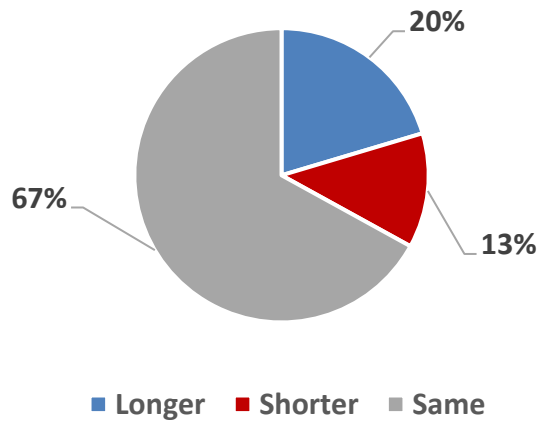
Customer credit period (sector breakdown)



Longer or shorter period:

67% of members stated the credit period for this quarter was the same, 20% reported it was longer, while 13% said it was shorter.

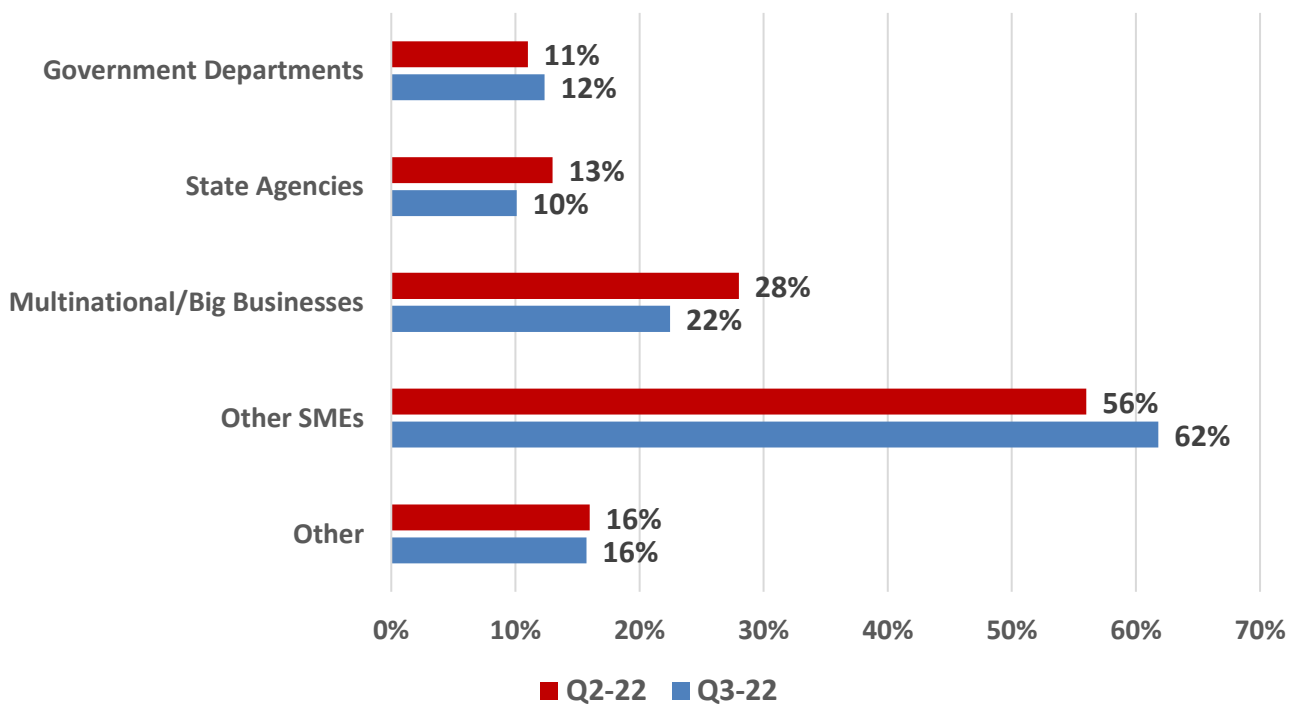
Credit period compared to 12 months ago



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 62%. 22% of Big Businesses are taking longest to pay, down from 28% in Q2’22. 12% of respondents reported that Government Departments are taking longest to pay, up from 11% in Q2’22. 10% of respondents reported that State Agencies are taking the longest to pay.

Longest to pay



ENDS.

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Note to Editors:

This survey was published in the final week of November 2022, covering the third quarter of 2022. There were 118 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.