



Prompt Payments Report Q4'22

3rd February 2023

PAYMENT TIMES FOR SMEs DECREASE

- **Payment times for SMEs decrease to 44 days.**
- **Businesses with multiple sites are waiting longest to be paid at 60 days.**
- **18% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today (3rd February) released its Prompt Payments Report for Q4'22. Based on the findings, credit days for this quarter have decreased slightly, now at 44 days. Businesses with multiple sites are waiting the longest to be paid at 60 days followed by those in Leinster at 50 days. The Construction and Wholesale sectors are waiting longest on payment; both with an average of 60 days. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q4'22 business trends survey. There were 44 SME respondents, 32% of whom employ less than 10; 54% employ between 11 and 49; and the remaining 14% employ between 50 and 250. Geographically, 30% are from Dublin; 61% are spread across the rest of the country; and 9% have multiple sites.

The main results of this study show:

- **Average payment period for SMEs in Q4'22 decreases from 46 to 44 days.**
- **73% of respondents do not charge interest on late payments.**
- **17% are afraid to charge for late payments in case they lose custom, decreasing from 18% in Q3'22.**
- **18% 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; both at an average of 60 days.**
- **Businesses with multiple sites are waiting on average 60 days to be paid.**
- **Businesses in Dublin are waiting on average 42 days for payment.**
- **Businesses in Leinster are waiting on average 50 days for payment.**

- **Businesses in Munster wait on average 47 days for payment, while businesses in Connaught are waiting on average 30 days.**

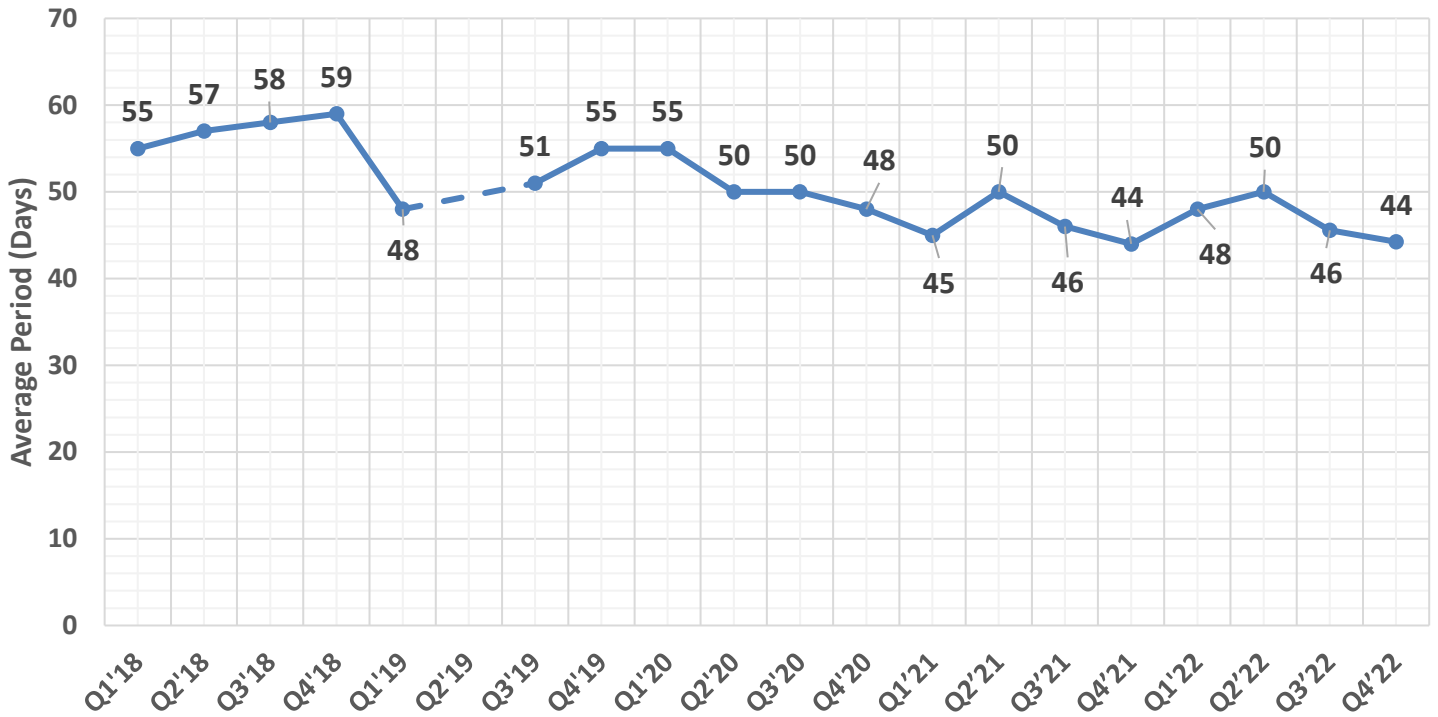
Our organization persists in calling on the Government to:

- **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 44 days to be paid. This is a two-day decrease on the previous quarter.

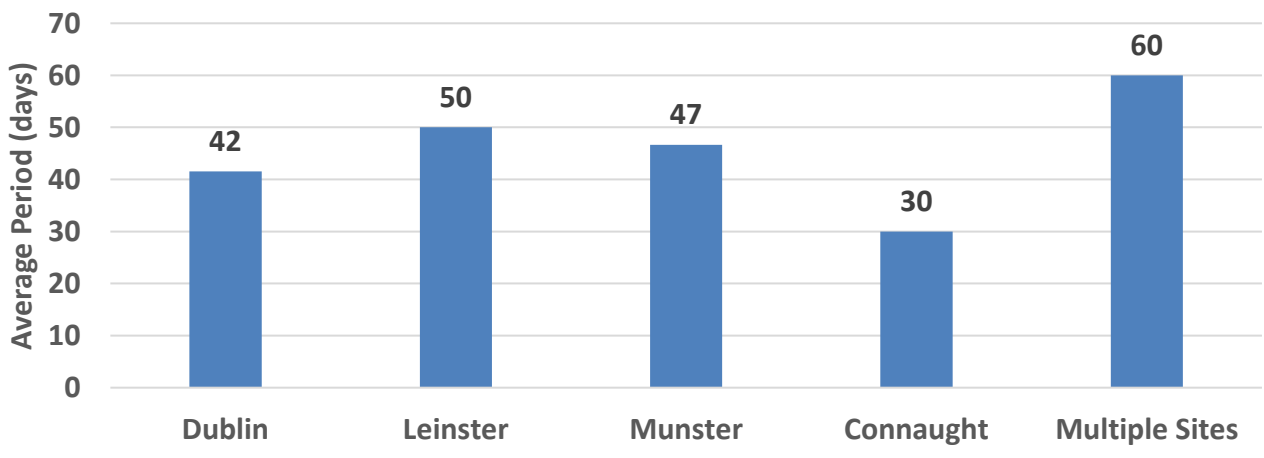
In general what is the credit period taken by your customers?



Regional breakdown of credit period:

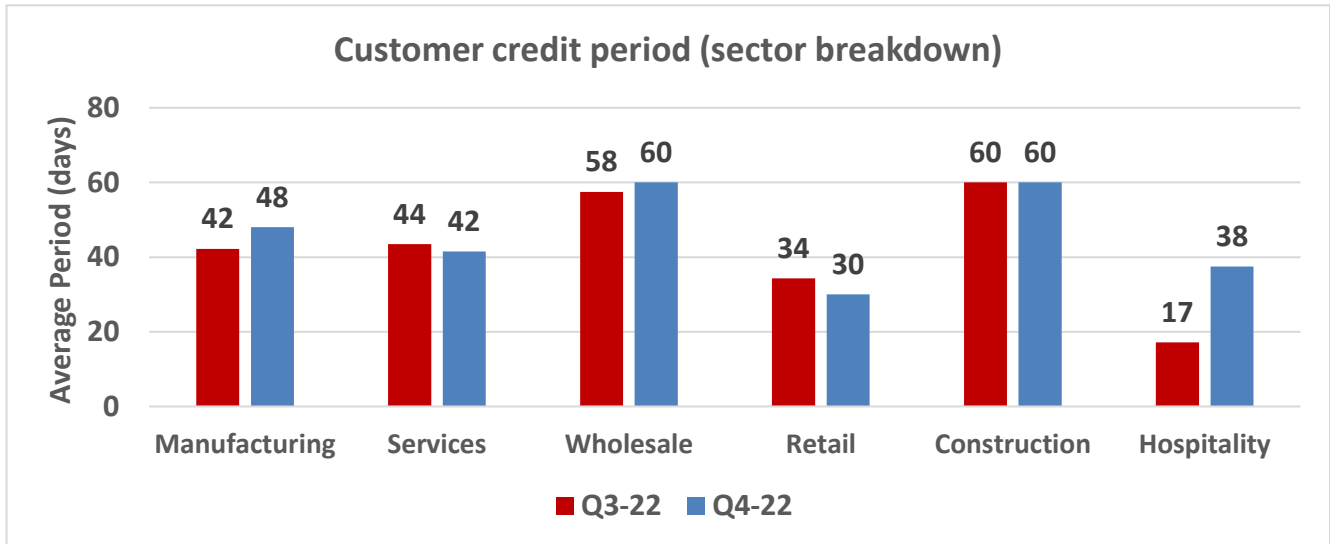
Businesses with multiple sites are waiting longest to be paid at 60 days, followed by businesses in Leinster at 50 days. Dublin and Munster businesses are waiting on average 42 and 47 days, respectively, while businesses in Connaught are waiting 30 days.

Customer credit period (regional breakdown)



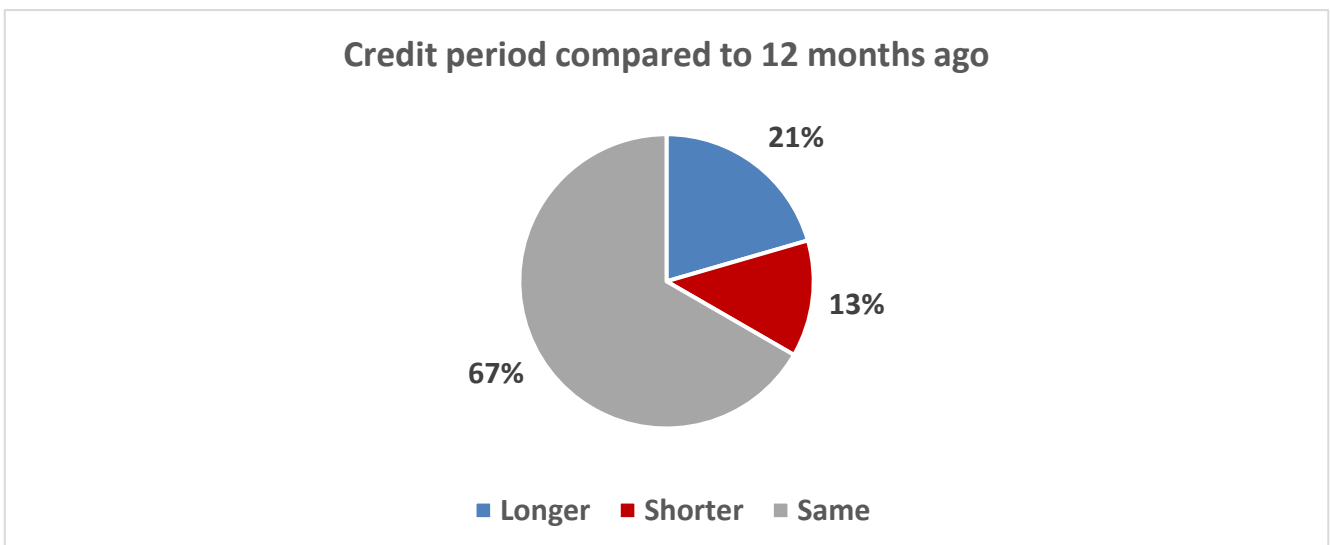
Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 48 and 42 days, respectively. Wholesale are waiting 60 days, while Retail are waiting 30 days for payment. This quarter marked increases in three out of six sectors. The Hospitality sector increased from 17 to 38 days while the Construction sector remained the same at 60 days.



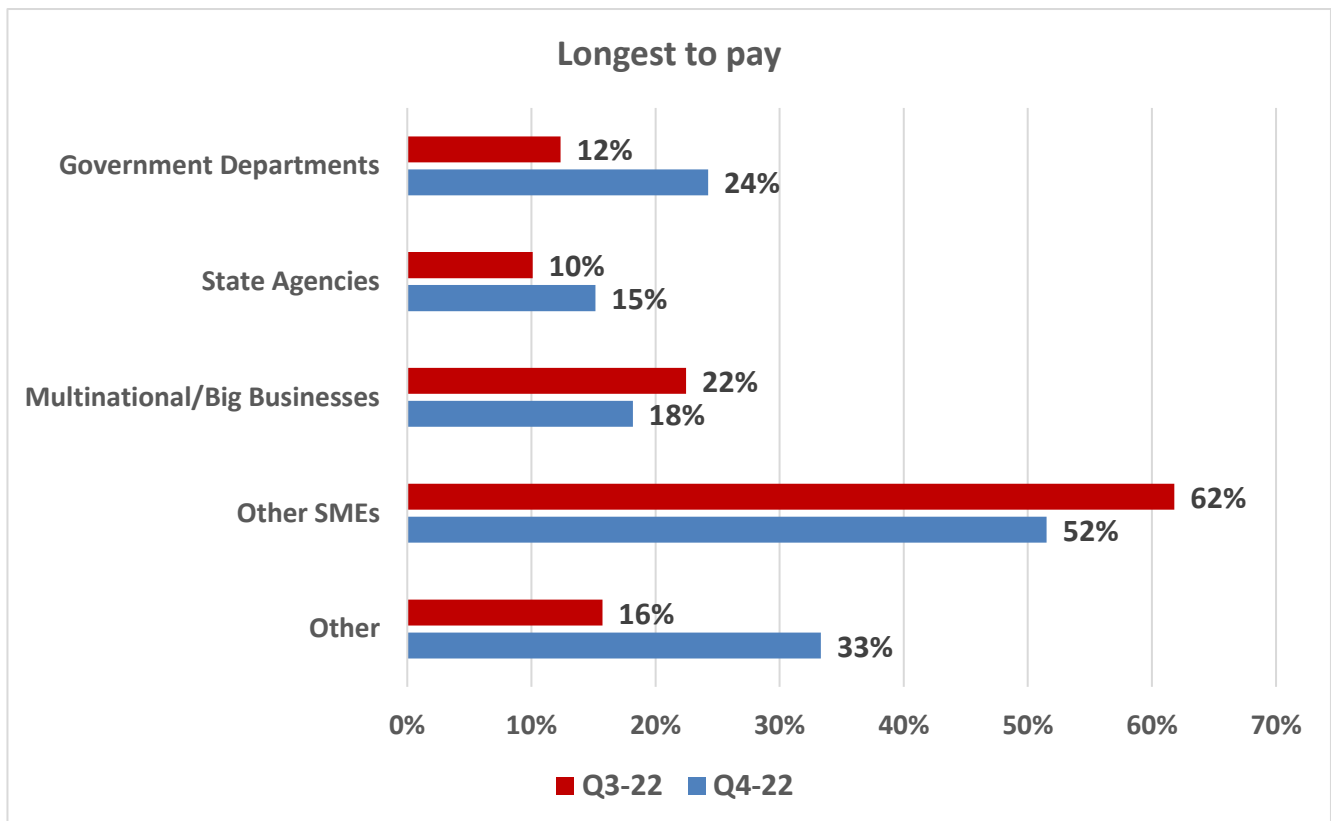
Longer or shorter period:

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



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 52%. 18% of Big Businesses are taking longest to pay, down from 22% in Q3'22. 24% of respondents reported that Government Departments are taking longest to pay, up from 12% in Q3'22. 15% of respondents reported that State Agencies are taking the longest to pay.



ENDS.

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