



Prompt Payments Report Q1'23

11th April 2023

PAYMENT TIMES FOR SMEs STEADY

- **Payment times for SMEs remain steady at 44 days.**
- **Businesses in Munster are waiting longest to be paid at 51 days.**
- **22% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today 11th April released its Prompt Payments Report for Q1'23. Based on the findings, credit days for this quarter have decreased slightly, now at 44 days. Businesses in Munster are waiting the longest to be paid at 51 days followed by those in Leinster at 45 days. The Manufacturing and Construction sectors are waiting longest on payment; with an average of 52 and 50 days respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q1'23 business trends survey, published in the third week of March 2023. There were 71 SME respondents, 48% of whom employ less than 10; 36% employ between 11 and 49; and the remaining 16% employ between 50 and 250. Geographically, 25% are from Dublin; 68% 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 Q1'23 remains at 44 days.**
- **75% of respondents do not charge interest on late payments.**
- **18% are afraid to charge for late payments in case they lose custom, increasing from 17% in Q4'22.**
- **22% of multinationals are taking longer to make their payments.**
82% of SMEs favor a statutory 30-day payments regime; with no opt-out.
- **Manufacturing and Construction sectors are waiting longest on payment; at an average of 52 and 50 days, respectively.**
- **Businesses with multiple sites are waiting on average 30 days to be paid.**
- **Businesses in Dublin are waiting on average 41 days for payment.**

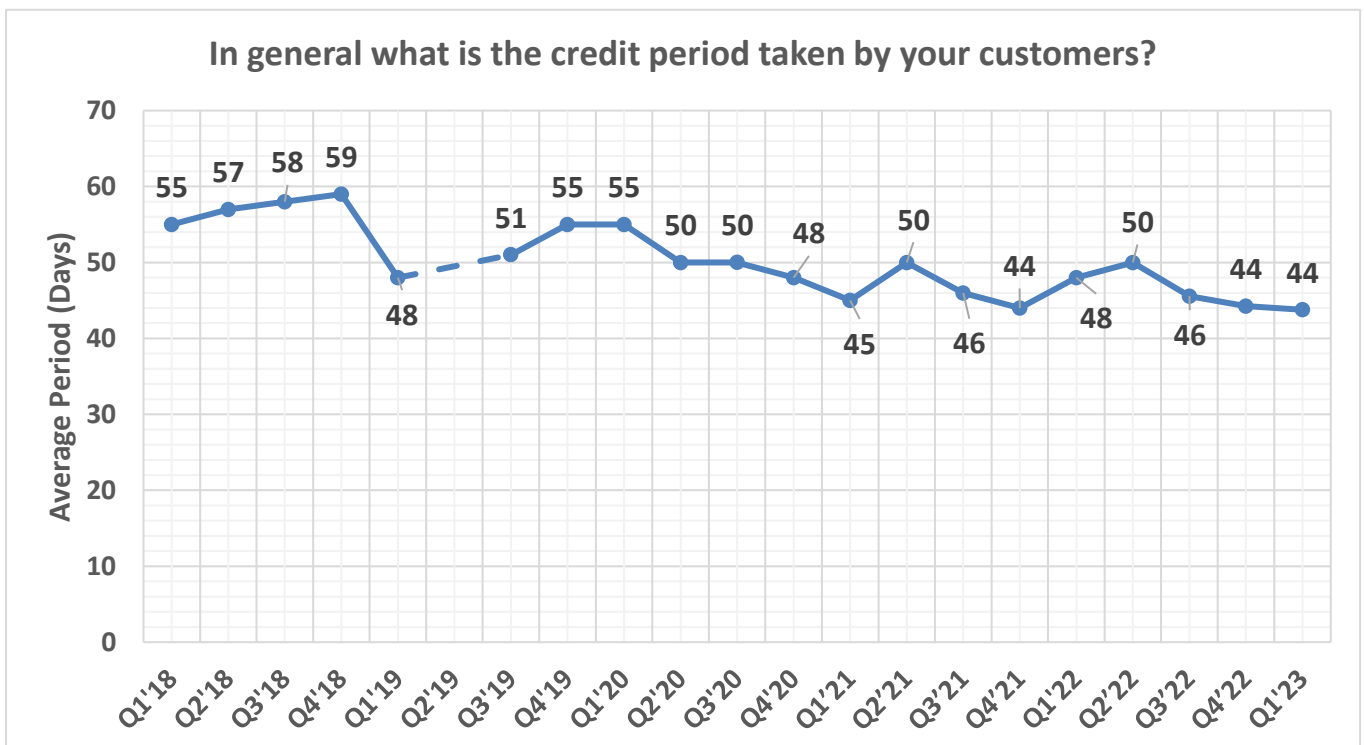
- **Businesses in Leinster are waiting on average 45 days for payment.**
- **Businesses in Munster are waiting on average 51 days for payment, while businesses in Connaught are waiting on average 38 days.**

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, remaining the same as the previous quarter.



Regional breakdown of credit period:

Businesses in Munster are waiting longest to be paid at 51 days, followed by businesses in Leinster at 45 days. Dublin and Connaught businesses are waiting on average 41 and 38 days, respectively, while businesses with multiple sites are waiting 30 days.

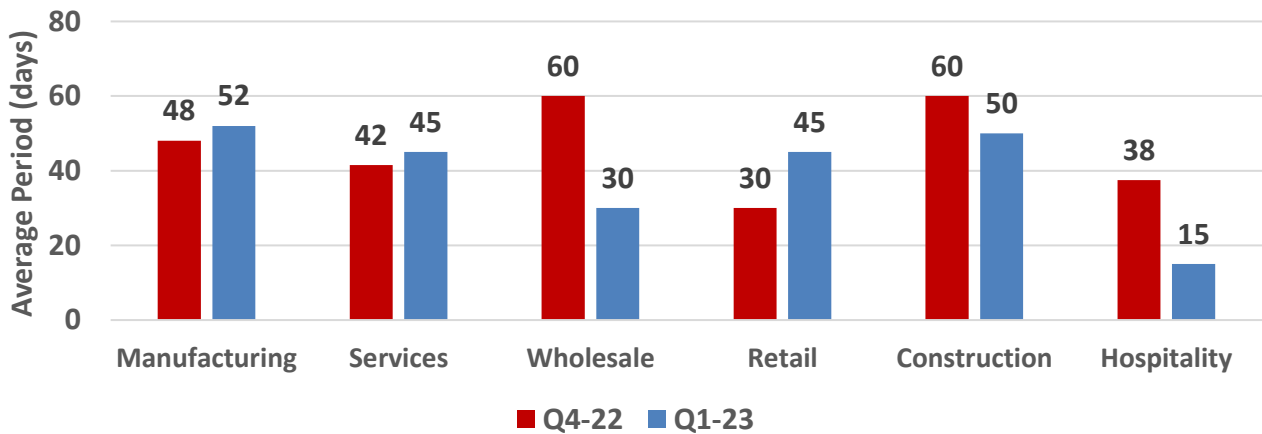
Customer credit period (regional breakdown)



Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 52 and 45 days, respectively. Wholesalers are waiting 30 days, while Retail are waiting 45 days for payment. This quarter marked increases in three out of six sectors. The Hospitality sector decreased from 38 to 15 days while the Construction sector decreased from 60 days to 50 days.

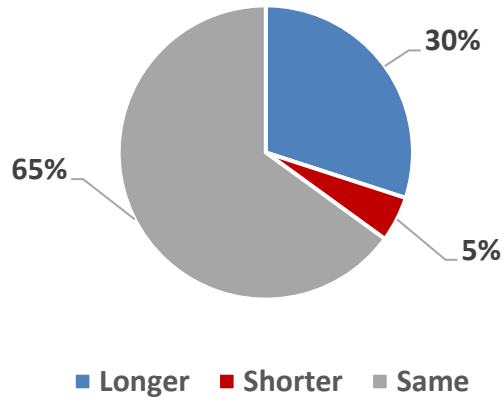
Customer credit period (sector breakdown)



Longer or shorter period:

65% of members stated the credit period for this quarter was the same, 30% reported it was longer, while 5% said it was shorter.

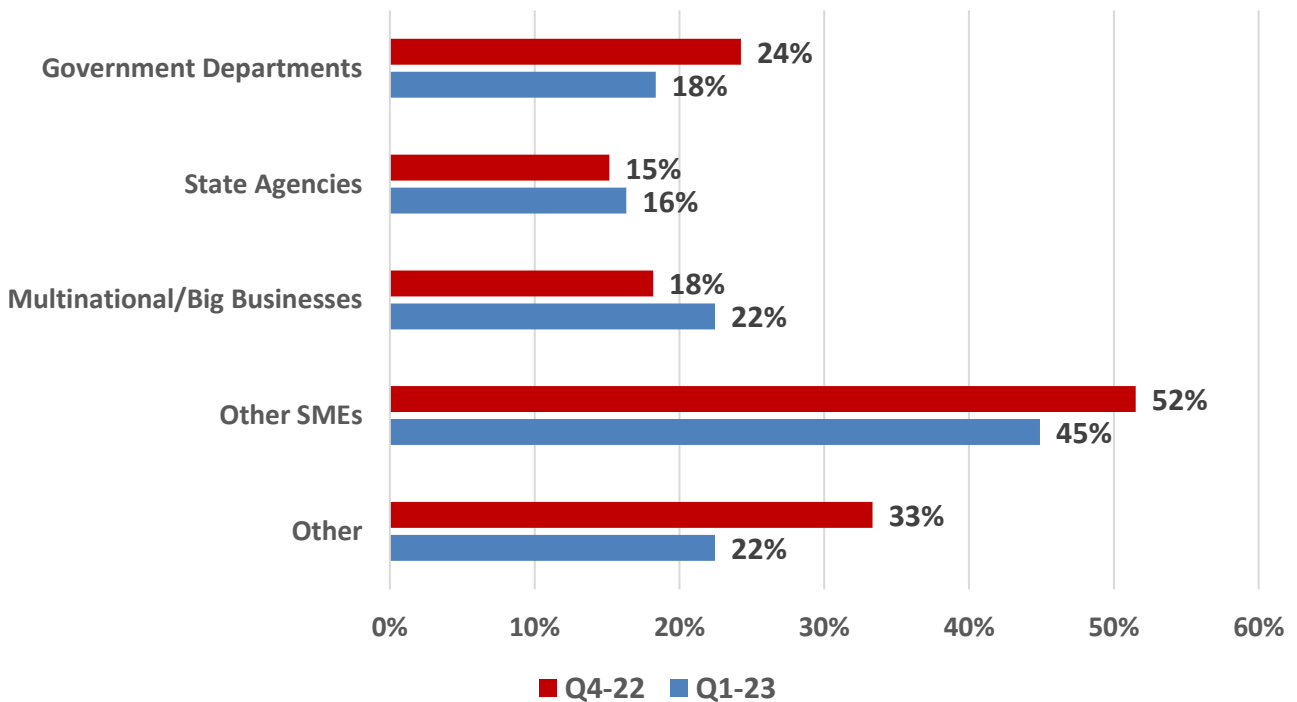
Credit period compared to 12 months ago



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 45%. 22% of Big Businesses are taking longest to pay, up from 18% in Q4'22. 18% of respondents reported that Government Departments are taking longest to pay, down from 24% in Q4'22. 16% of respondents reported that State Agencies are taking the longest to pay.

Longest to pay



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Note to Editors:

This survey was published in the third week of July 2023, covering the first quarter of 2023. There were 71 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.