



Prompt Payments Report Q3'23

11th October 2023

PAYMENT TIMES FOR SMEs AT 45 DAYS

- **Payment times for SMEs increase to 45 days.**
- **Businesses in Munster are waiting longest to be paid at 52 days.**
- **21% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today (11th October) released its Prompt Payments Report for Q3'23. Based on the findings, credit days for this quarter have increased slightly, now at 45 days. Businesses in Munster are waiting the longest to be paid at 52 days followed by those in Leinster at 48 days. The Construction and Services sectors are waiting longest on payment; with an average of 48 and 45 days respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q3'23 business trends survey, published in the first week of September 2023. There were 56 SME respondents, 46% of whom employ less than 10; 41% employ between 11 and 49; and the remaining 13% employ between 50 and 250. Geographically, 20% are from Dublin; 71% 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 Q3'23 remains at 45 days.**
- **87% of respondents do not charge interest on late payments.**
- **7% are afraid to charge for late payments in case they lose custom, decreasing from 12% in Q2'23.**
- **21% of multinationals are taking longer to make their payments.**
- **80% of SMEs favor a statutory 30-day payments regime; with no opt-out.**
- **Construction and Services sectors are waiting longest on payment; at an average of 48 and 45 days, respectively.**
- **Businesses with multiple sites are waiting on average 42 days to be paid.**

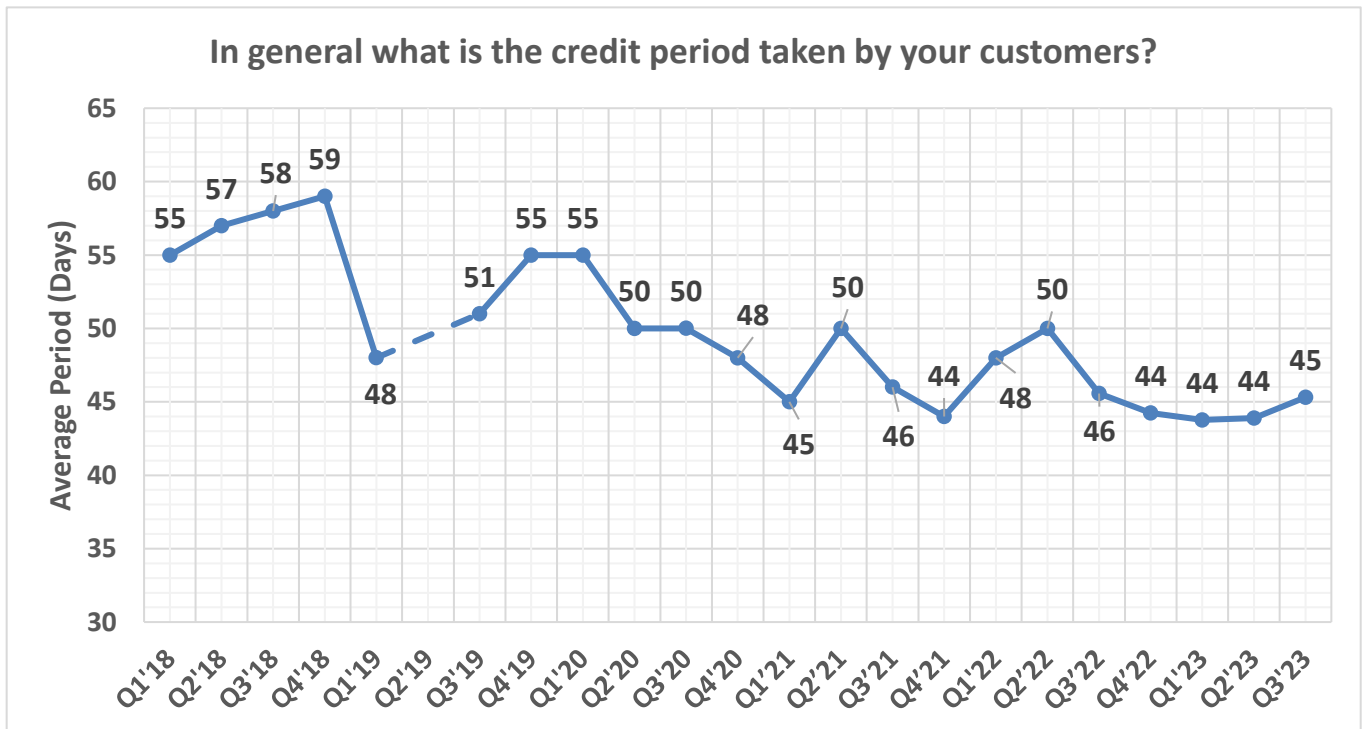
- **Businesses in Dublin are waiting on average 41 days for payment.**
- **Businesses in Leinster are waiting on average 48 days for payment.**
- **Businesses in Munster are waiting on average 52 days for payment, while businesses in Connaught are waiting on average 30 days.**

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 45 days to be paid, remaining the same as the previous quarter.

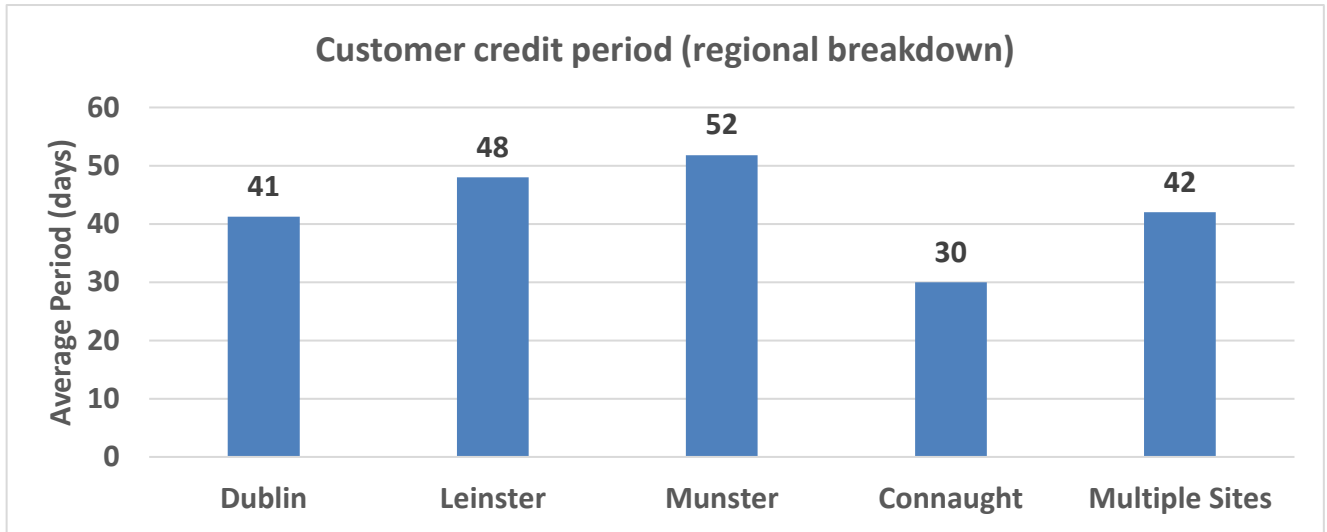


Regional breakdown of credit period:

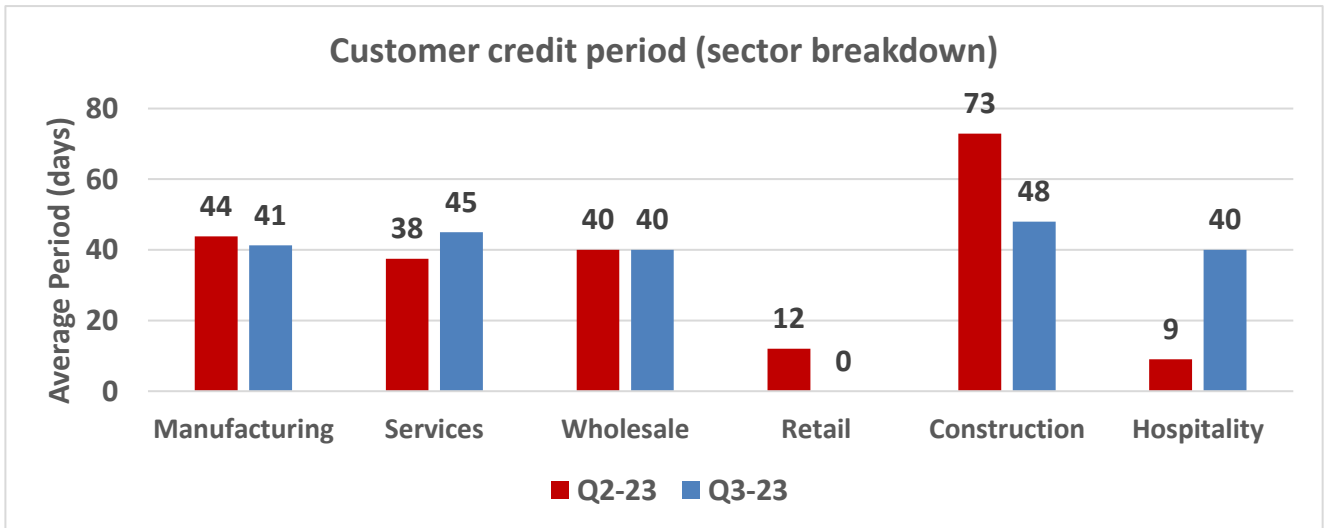
Businesses in Munster are waiting longest to be paid at 52 days, followed by businesses in Leinster at 48 days. Businesses with multiple sites and businesses in Dublin are waiting on

average 42 and 41 days, respectively, while businesses in Connaught are waiting 30 days.

Sectoral breakdown of credit period:



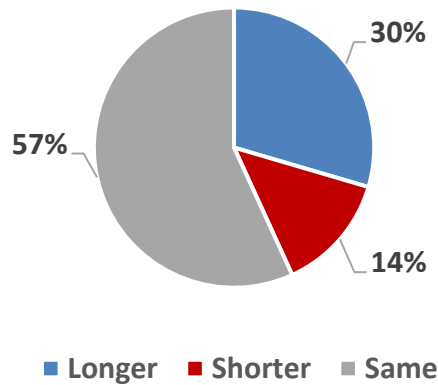
The Manufacturing and Services sectors are waiting on average 41 and 45 days, respectively. Wholesale are waiting 40 days, while Retail are waiting 0 days for payment. This quarter marked increases in one out of six sectors. The Hospitality sector increased from 9 to 40 days while the Construction sector decreased from 73 days to 48 days.



Longer or shorter period:

57% of members stated the credit period for this quarter was the same, 30% reported it was longer, while 14% said it was it was shorter.

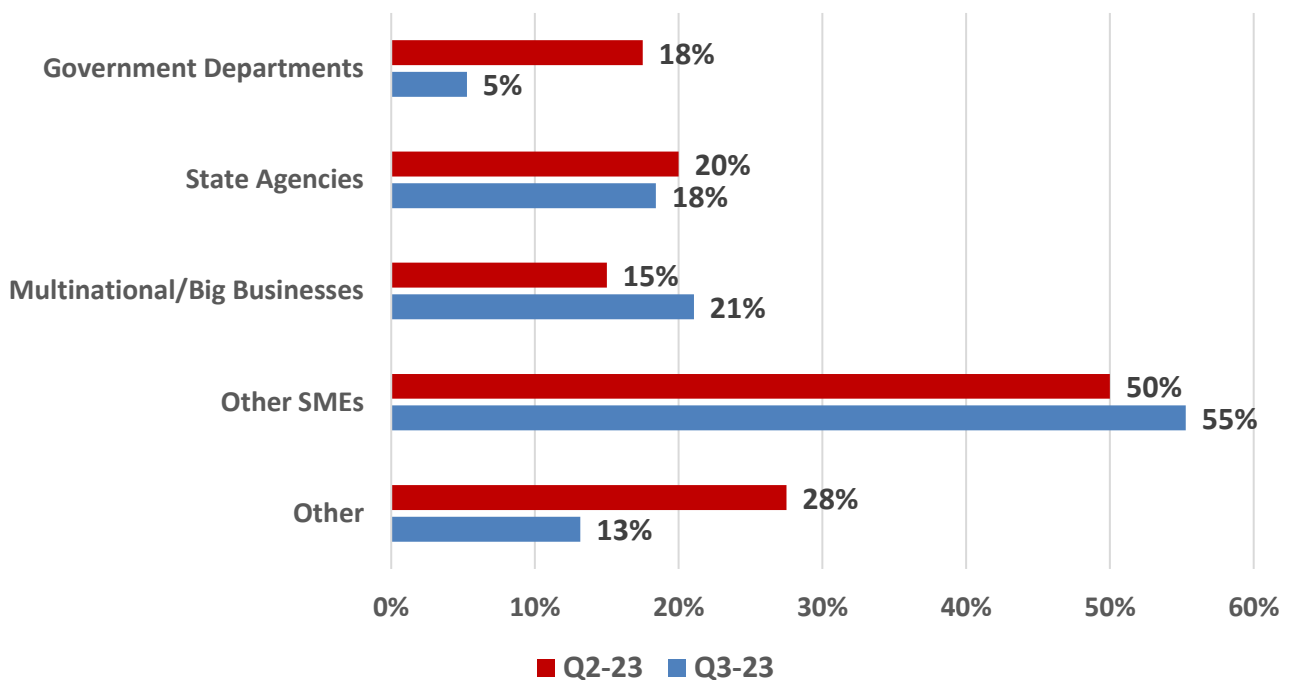
Credit period compared to 12 months ago



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 55%. 21% of Big Businesses are taking longest to pay, up from 15% in Q2'23. 5% of respondents reported that Government Departments are taking longest to pay, down from 18% last quarter. 18% 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 first week of September 2023, covering the third quarter of 2023. There were 56 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.