



## **Prompt Payments Report Q4'23**

*6<sup>th</sup> February 2024*

### **PAYMENT TIMES FOR SMEs AT 43 DAYS**

- **Payment times for SMEs increase to 43 days.**
- **Businesses in Munster are waiting longest to be paid at 54 days.**
- **29% of multinationals/big businesses taking longer to pay SMEs.**

**ISME, the Irish SME Association**, today (6<sup>th</sup> February) released its Prompt Payments Report for Q4'23. Based on the findings, credit days for this quarter have decreased slightly, now at 43 days. Businesses in Munster are waiting the longest to be paid at 54 days followed by those with multiple sites at 51 days. The Construction and Manufacturing sectors are waiting longest on payment; with an average of 60 and 65 days respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q4'23 business trends survey, published in the first week of December 2023. There were 54 SME respondents, 43% of whom employ less than 10; 46% employ between 11 and 49; and the remaining 11% employ between 50 and 250. Geographically, 33% are from Dublin; 52% are spread across the rest of the country; and 15% have multiple sites.

The main results of this study show:

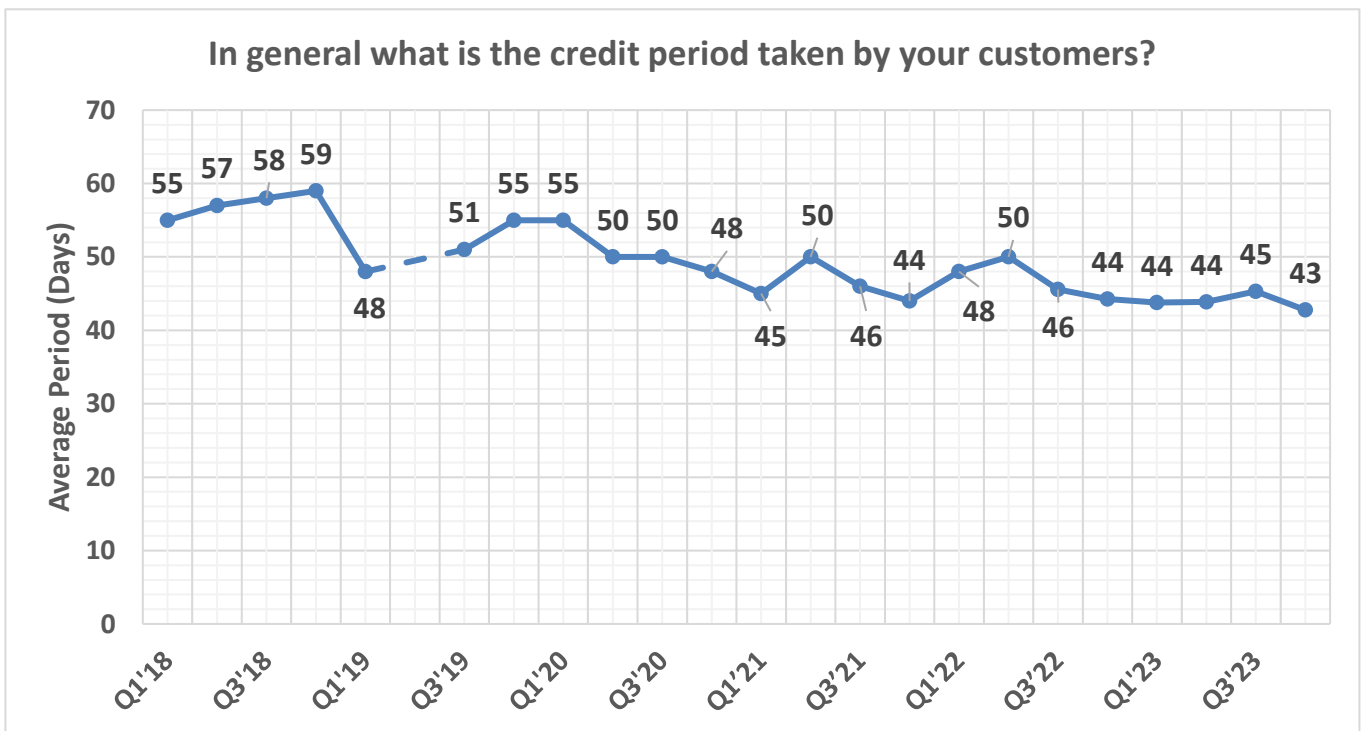
- **Average payment period for SMEs in Q4'23 remains at 43 days.**
- **81% of respondents do not charge interest on late payments.**
- **17% are afraid to charge for late payments in case they lose custom, increasing from 7% in Q3'23.**
- **29% of multinationals are taking longer to make their payments.**
- **75% of SMEs favor a statutory 30-day payments regime; with no opt-out.**
- **Construction and Manufacturing sectors are waiting longest on payment; at an average of 60 and 65 days, respectively.**
- **Businesses with multiple sites are waiting on average 51 days to be paid.**
- **Businesses in Dublin are waiting on average 34 days for payment.**

- **Businesses in Leinster are waiting on average 49 days for payment.**
- **Businesses in Munster are waiting on average 54 days for payment, while businesses in Connaught are waiting on average 45 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:**

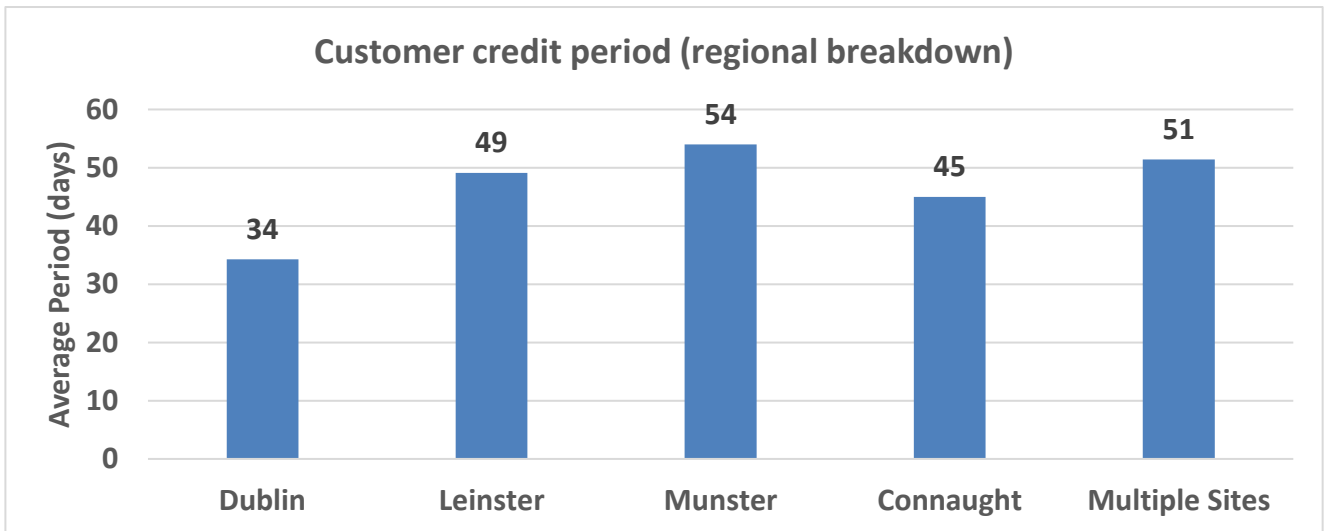


Businesses on average are waiting 43 days to be paid, remaining the same as the previous quarter.

**Regional breakdown of credit period:**

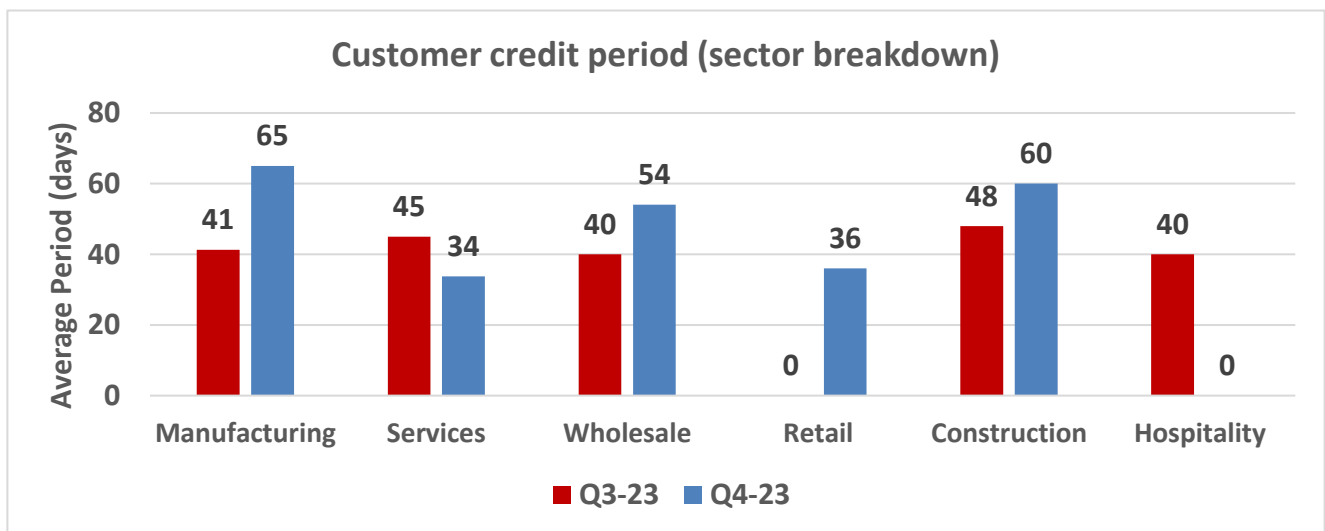
Businesses in Munster are waiting longest to be paid at 54 days, followed by businesses with multiple sites at 51 days. Businesses in Leinster and businesses in Connaught are waiting on

average 49 and 45 days, respectively, while businesses in Dublin are waiting 34 days.



**Sectoral breakdown of credit period:**

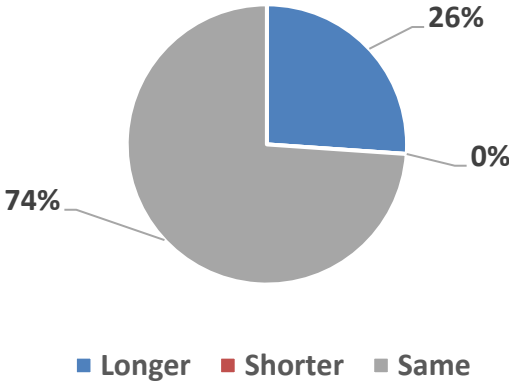
The Services and Hospitality sectors are waiting on average 34 and 0 days, respectively. This quarter marked increases in four out of six sectors. The Manufacturing sector increased from 41 to 65 days, while the Wholesale sector increased from 40 to 54 days. The Construction sector increased from 48 days to 60 days and the Retail sector increased from 0 to 36 days.



**Longer or shorter period:**

74% of members stated the credit period for this quarter was the same, 26% reported it was longer, while 0% said it was shorter.

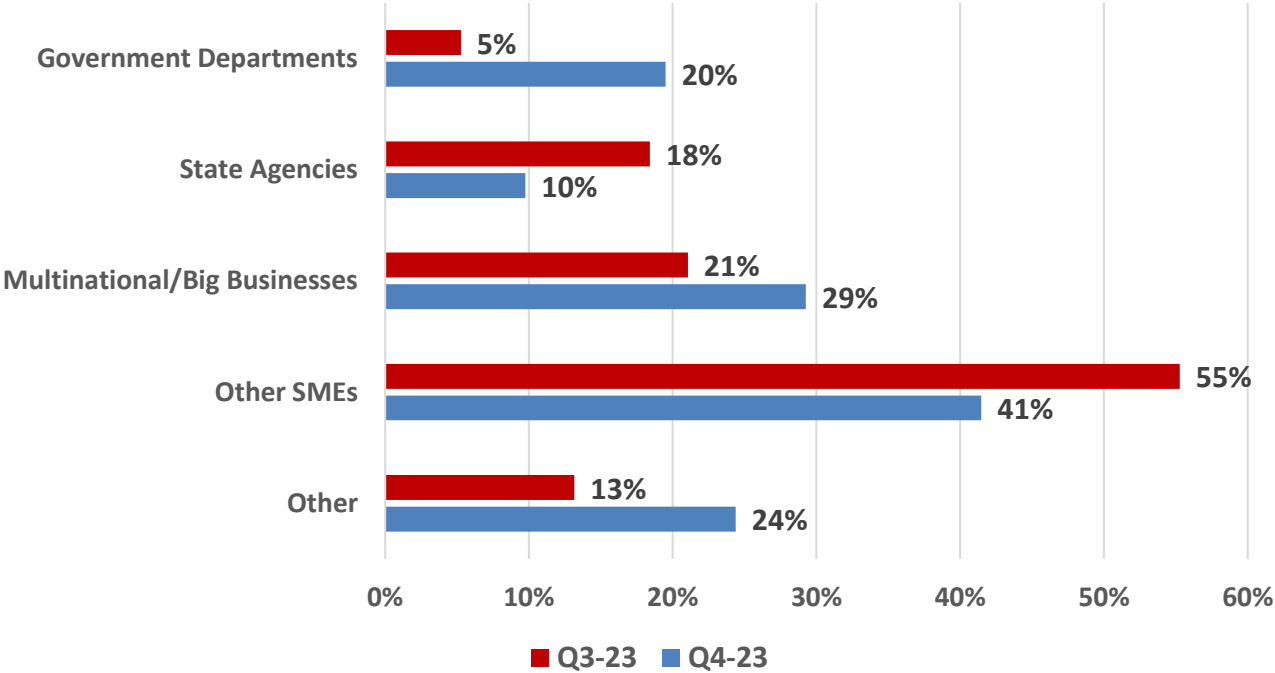
### Credit period compared to 12 months ago



### 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 41%. 29% of Big Businesses are taking longest to pay, up from 21% in Q3’23. 20% of respondents reported that Government Departments are taking longest to pay, up from 5% last quarter. 10% of respondents reported that State Agencies are taking the longest to pay.

### Longest to pay



**ENDS.**

For further information, please contact:

T: 01 6622755

E: [marketing@isme.ie](mailto:marketing@isme.ie)

**Note to Editors:**

This survey was published in first week of December 2023, covering the fourth quarter of 2023. There were 54 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.