



Prompt Payments Report Q4'24

30th January 2025

PAYMENT TIMES FOR SMEs AT 41 DAYS

- **Payment times for SMEs decrease to 41 days.**
- **Businesses with Connacht are waiting longest to be paid at 49 days.**
- **25% of multinationals/big businesses taking longer to pay SMEs, increasing from 15% last quarter.**

ISME, the Irish SME Association, today 30th January released its Prompt Payments Report for Q4'24. Based on the findings, credit days for this quarter have increased, now at 41 days. Businesses in Connacht are waiting the longest to be paid at 49 days followed by those in Munster at 47 days. The Construction and Wholesale sectors are waiting longest on payment; with an average of 65 and 53 days respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q4'24 business trends survey, published in the second week of December 2024. There were 130 SME respondents, 38% of whom employ less than 10; 52% employ between 11 and 49; and the remaining 10% employ between 50 and 250. Geographically, 30% are from Dublin; 54% are spread across the rest of the country; and 6% have multiple sites.

The main results of this study show:

- **Average payment period for SMEs in Q4'24 increased to 41 days.**
- **81% of respondents do not charge interest on late payments.**
- **11% are afraid to charge for late payments in case they lose custom.**
- **25% of multinationals are taking longer to make their payments.**
- **67% 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 65 and 53 days, respectively.**
- **Businesses with multiple sites are waiting on average 45 days to be paid.**
- **Businesses in Dublin are waiting on average 41 days for payment.**

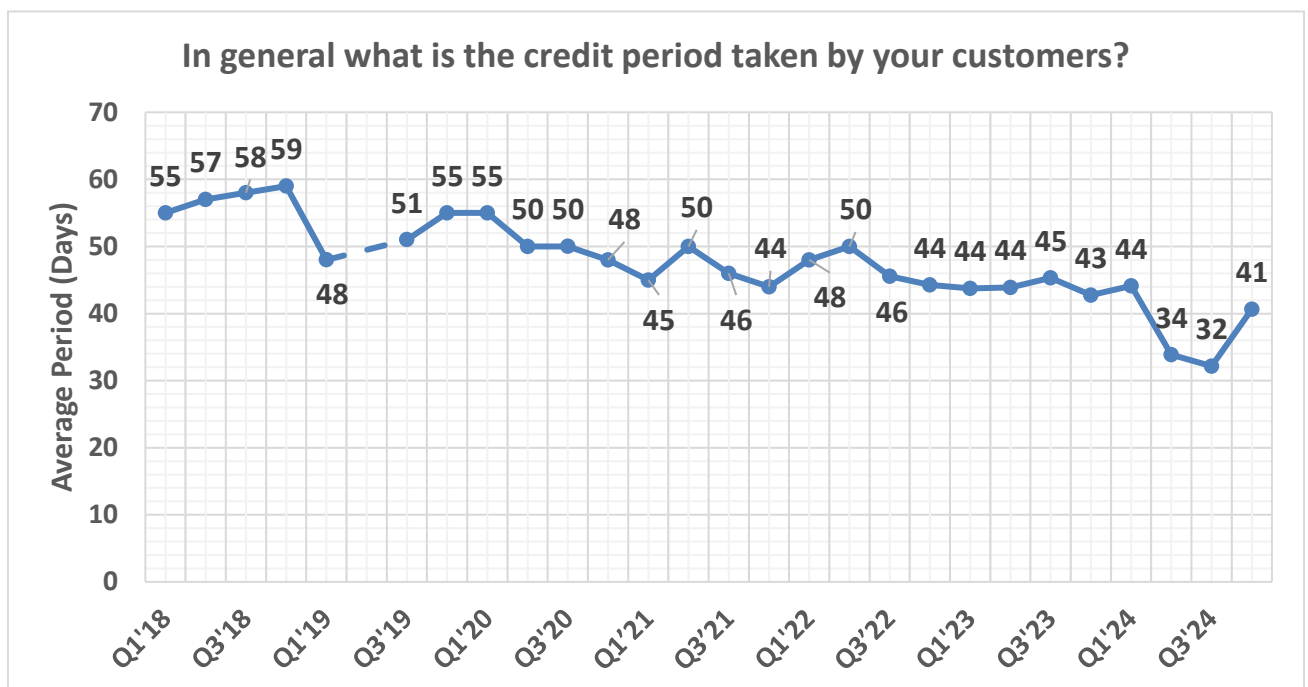
- Businesses in Leinster are waiting on average 32 days for payment.
- Businesses in Munster are waiting on average 47 days for payment, while businesses in Connacht are waiting on average 49 days.

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:

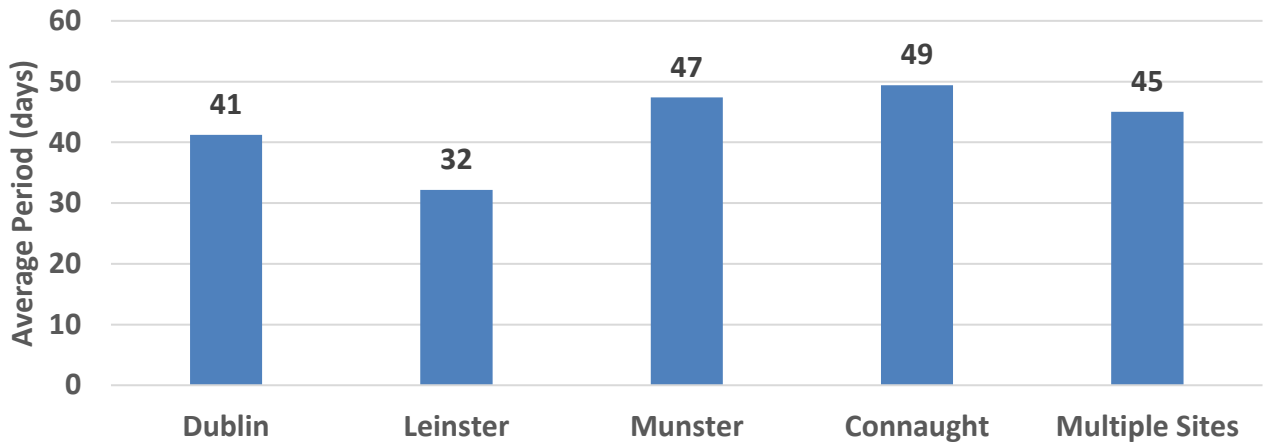
Businesses on average are waiting 41 days to be paid, 9 days higher than the previous quarter.



Regional breakdown of credit period:

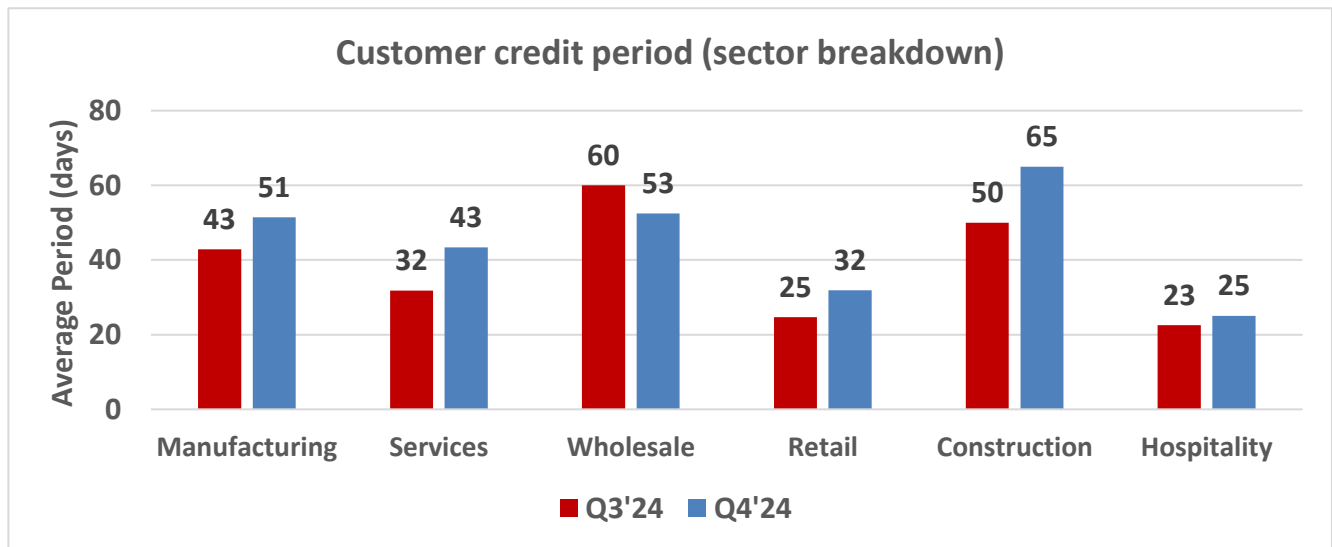
Businesses in Connacht are waiting longest to be paid at 49 days, followed by businesses in Munster at 47 days. Businesses in Dublin and businesses in Leinster are waiting on average 41 and 32 days, respectively, while businesses with multiple sites are waiting 45 days.

Customer credit period (regional breakdown)



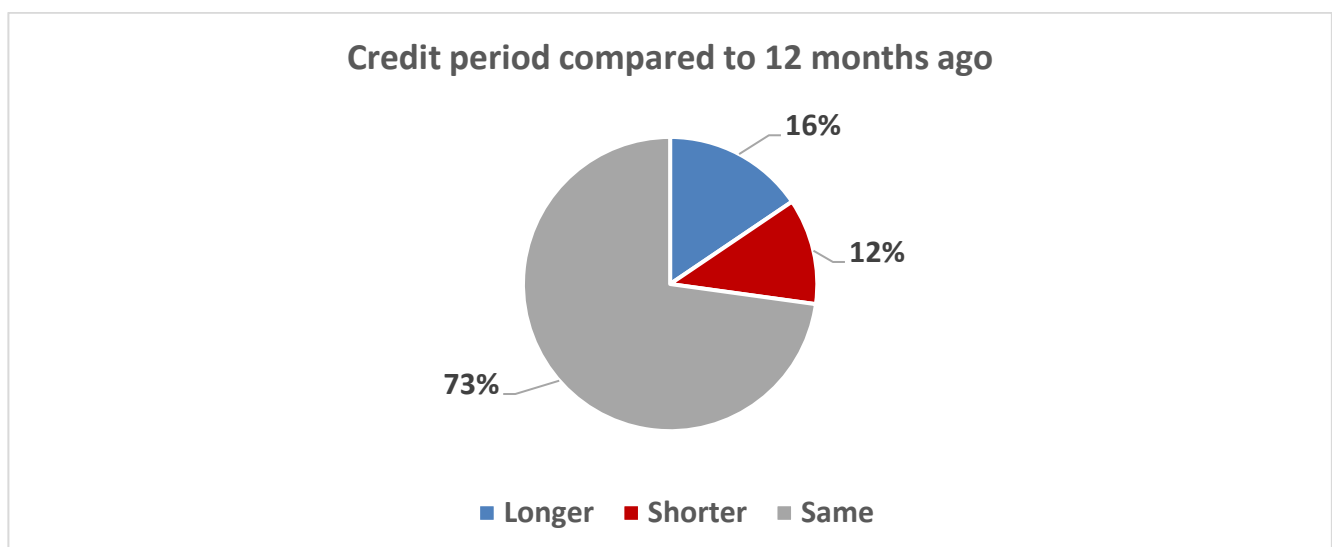
Sectoral breakdown of credit period:

The Manufacturing and Services sectors are waiting on average 51 and 43 days, respectively. Wholesale are waiting 53 days, while Retail are waiting 32 days for payment. This quarter marked increases in five out of six sectors. The Hospitality sector increased from 23 to 25 days and the Construction sector also increased from 50 days to 65 days.



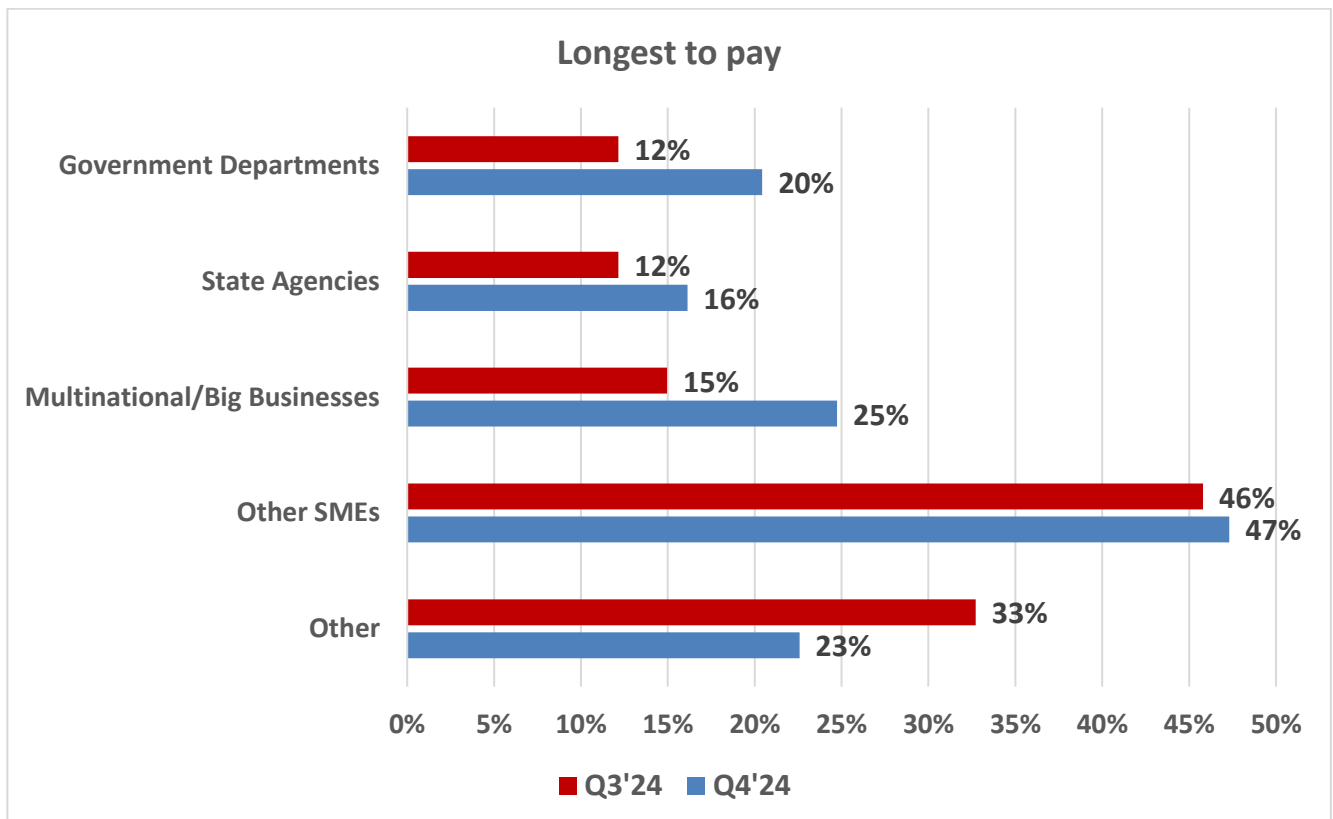
Longer or shorter period:

73% of members stated the credit period for this quarter was the same, 16% reported it was longer, while 12% 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 47%. 25% of Big Businesses are taking longest to pay, up from 15% in Q3'24. 20% of respondents reported that Government Departments are taking longest to pay, up from 12% last quarter. 16% of respondents reported that State Agencies are taking the longest to pay, up from 12% last quarter. 23% of respondents reported that Other are taking the longest to pay, up from 33% last quarter.



ENDS.

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Note to Editors:

This survey was published in second week of December 2024, covering the fourth quarter of 2024. There were 130 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.