



Prompt Payments Report Q1'24

15th May 2024

PAYMENT TIMES FOR SMEs AT 44 DAYS

- **Payment times for SMEs increase to 44 days.**
- **Businesses with multiple sites are waiting longest to be paid at 65 days.**
- **23% of multinationals/big businesses taking longer to pay SMEs.**

ISME, the Irish SME Association, today (15th May) released its Prompt Payments Report for Q1'24. Based on the findings, credit days for this quarter have increased slightly, now at 44 days. Businesses with multiple sites are waiting the longest to be paid at 65 days followed by those in Munster and Dublin at 48 days. The Construction and Wholesale sectors are waiting longest on payment; with an average of 75 and 60 days respectively. The Association emphasizes the importance of businesses paying each other on time.

ISME CEO Neil McDonnell said:

“While the late payment regulation from the EU appears to be shelved for the moment by the Belgian presidency, the likelihood is that we will see late payments addressed by either regulation or directive in the next 24 months. We believe the slightly longer payment period being experienced in Q1 is indicative of a more strained trading environment since the start of the year.”

This report was generated using data from our Q1'24 business trends survey, published in the first week of April 2024, covering the first quarter of 2024. There were 78 SME respondents, 38% of whom employ less than 10; 47% employ between 11 and 49; and the remaining 14% employ between 50 and 250. Geographically, 32% are from Dublin; 60% are spread across the rest of the country; and 18% have multiple sites.

The main results of this study show:

- **Average payment period for SMEs in Q1'24 remains at 44 days.**
- **88% of respondents do not charge interest on late payments.**
- **12% are afraid to charge for late payments in case they lose custom, decreasing**

from 17% in Q4'23.

- **23% of multinationals are taking longer to make their payments.**
- **79% 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 75 and 60 days, respectively.**
- **Businesses with multiple sites are waiting on average 65 days to be paid.**
- **Businesses in Dublin are waiting on average 48 days for payment.**
- **Businesses in Leinster are waiting on average 32 days for payment.**
- **Businesses in Munster are waiting on average 48 days for payment, while businesses in Connaught are waiting on average 39 days.**

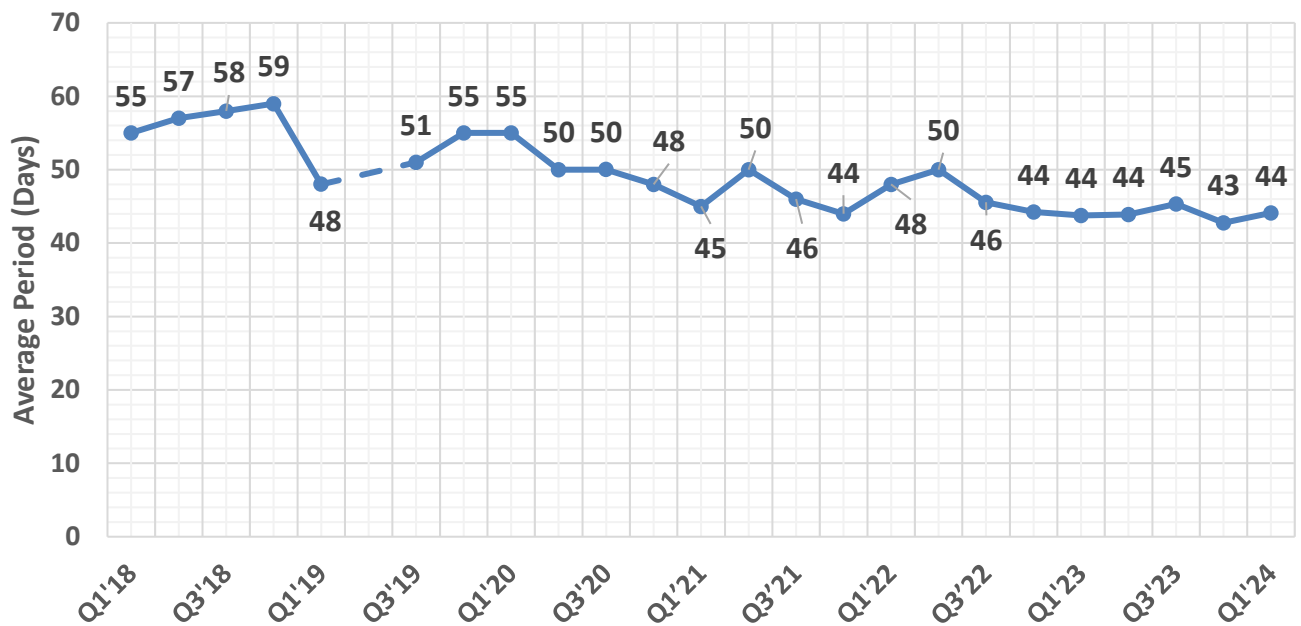
Our organization persists in calling on the Government to:

- **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 44 days to be paid, one day longer than last quarter.

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



Regional breakdown of credit period:

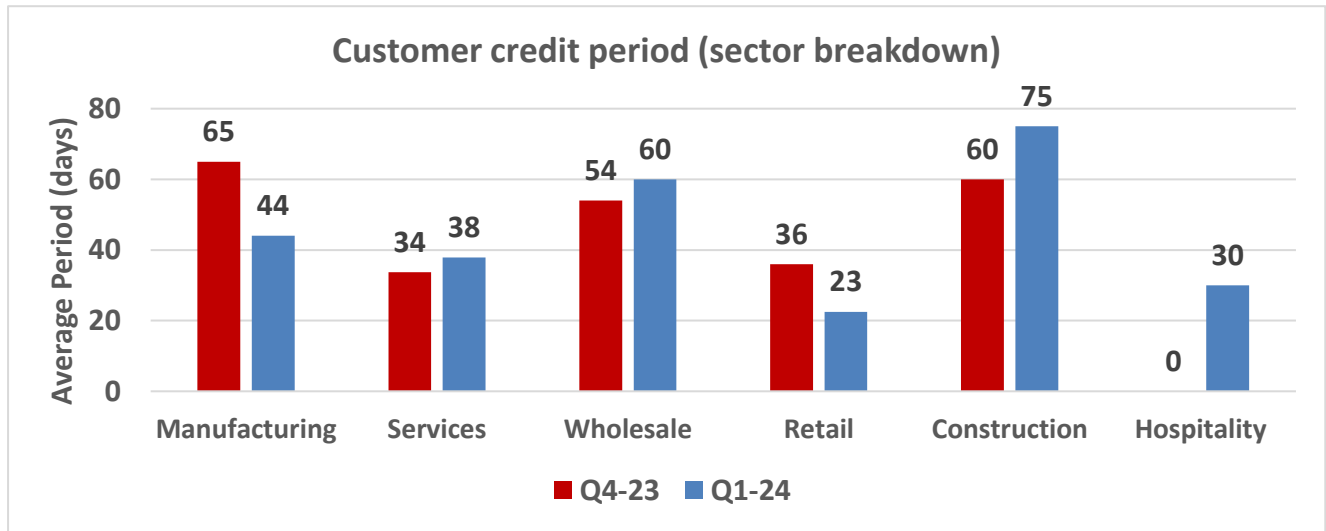
Businesses with multiple sites are waiting longest to be paid at 65 days, followed by businesses in Dublin and Munster, both at 48 days. Businesses in Leinster and businesses in Connaught are waiting on average 32 and 39 days, respectively.

Customer credit period (regional breakdown)



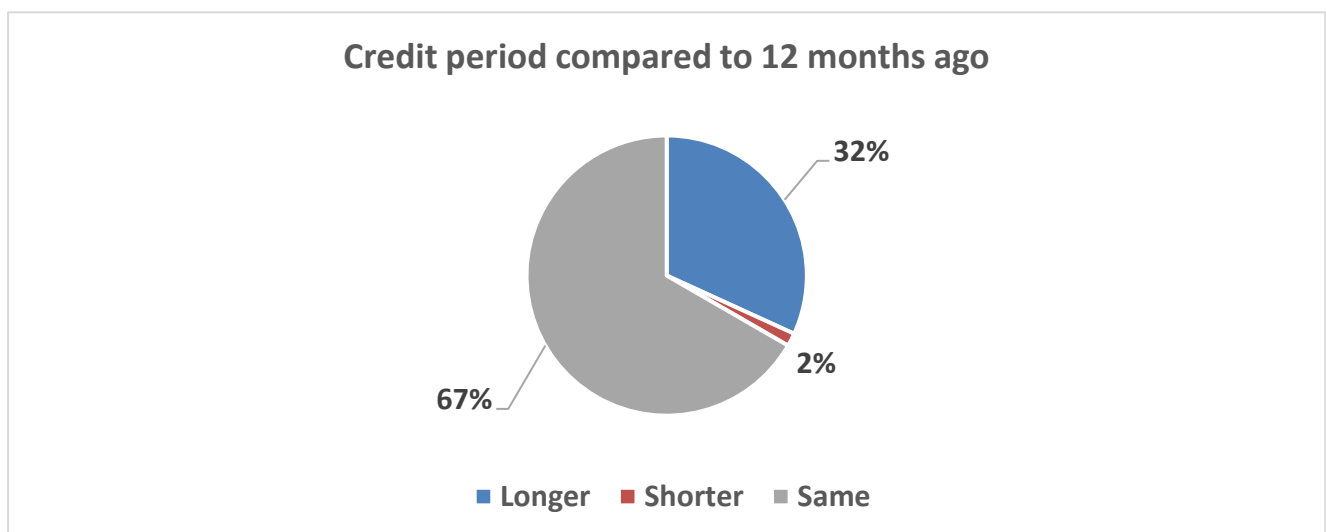
Sectoral breakdown of credit period:

The Services and Hospitality sectors are waiting on average 38 and 30 days, respectively. This quarter marked increases in four out of six sectors. The Manufacturing sector decreased from 65 to 44 days, while the Wholesale sector increased from 54 to 60 days. The Construction sector increased from 60 days to 75 days and the Retail sector decreased from 36 to 23 days.



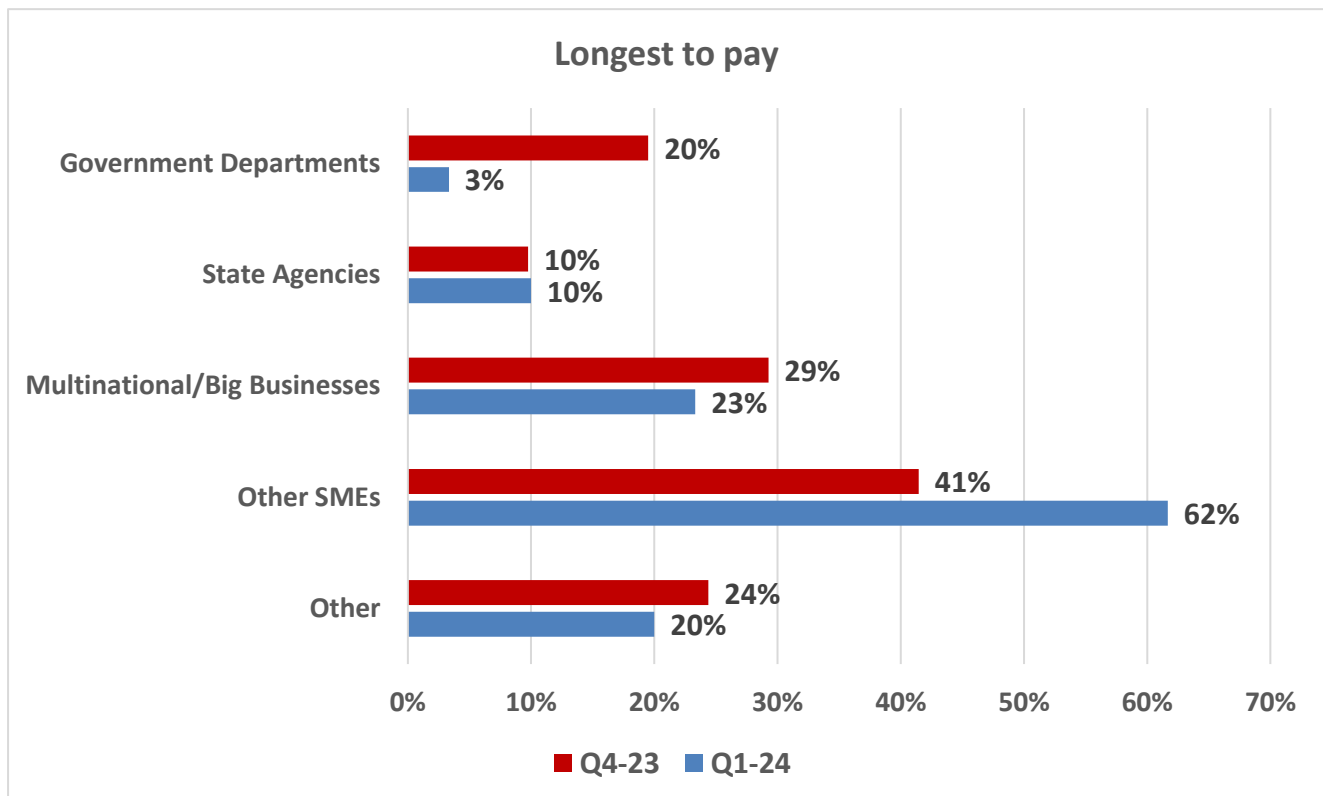
Longer or shorter period:

67% of members stated the credit period for this quarter was the same, 32% reported it was longer, while 2% 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 62%. 23% of Big Businesses are taking longest to pay, down from 29% in Q4'23. 3% of respondents reported that Government Departments are taking longest to pay, down from 20% last quarter. 10% of respondents reported that State Agencies are taking the longest to pay.



ENDS.

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Note to Editors:

This survey was published in the fourth week of March 2024, covering the first quarter of 2024. There were 78 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.