



## **Prompt Payments Report Q3'24**

*9<sup>th</sup> October 2024*

### **PAYMENT TIMES FOR SMEs AT 32 DAYS**

- **Payment times for SMEs decrease to 32 days.**
- **Businesses with multiple sites are waiting longest to be paid at 45 days.**
- **15% of multinationals/big businesses taking longer to pay SMEs, decreasing from 18% last quarter.**

**ISME, the Irish SME Association**, today (9<sup>th</sup> October) released its Prompt Payments Report for Q3'24. Based on the findings, credit days for this quarter have decreased slightly, now at 32 days. Businesses with multiple sites are waiting the longest to be paid at 45 days followed by those in Munster at 34 days. The Construction and Wholesale sectors are waiting longest on payment; with an average of 50 and 60 days respectively. The Association emphasizes the importance of businesses paying each other on time.

This report was generated using data from our Q3'24 business trends survey, published in the fourth week of September. There were 162 SME respondents, 41% of whom employ less than 10; 48% employ between 11 and 49; and the remaining 10% employ between 50 and 250. Geographically, 21% are from Dublin; 70% 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 Q3'24 decreased to 32 days.**
- **78% of respondents do not charge interest on late payments.**
- **10% are afraid to charge for late payments in case they lose custom.**
- **15% of multinationals are taking longer to make their payments.**
- **65% 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 50 and 60 days, respectively.**
- **Businesses with multiple sites are waiting on average 45 days to be paid.**
- **Businesses in Dublin are waiting on average 25 days for payment.**
- **Businesses in Leinster are waiting on average 30 days for payment.**

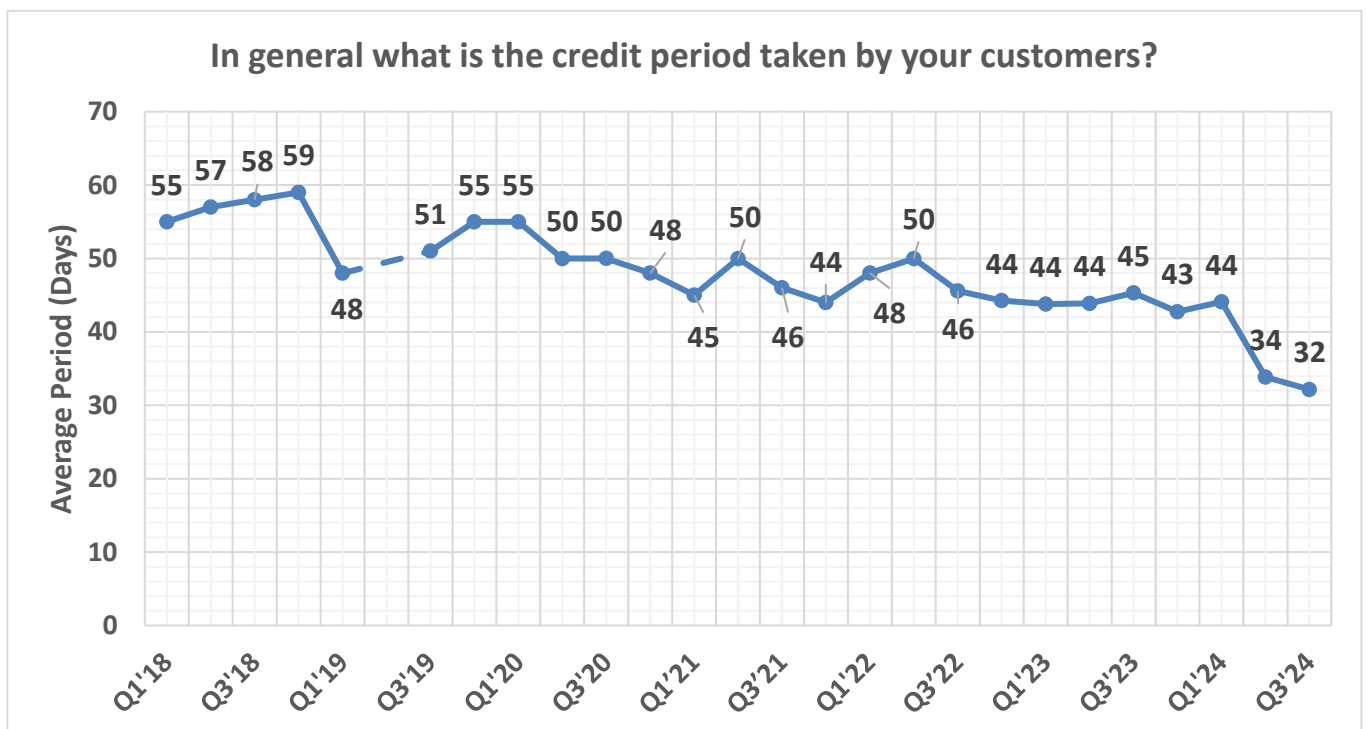
- **Businesses in Munster are waiting on average 34 days for payment, while businesses in Connaught are waiting on average 32 days.**

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.**

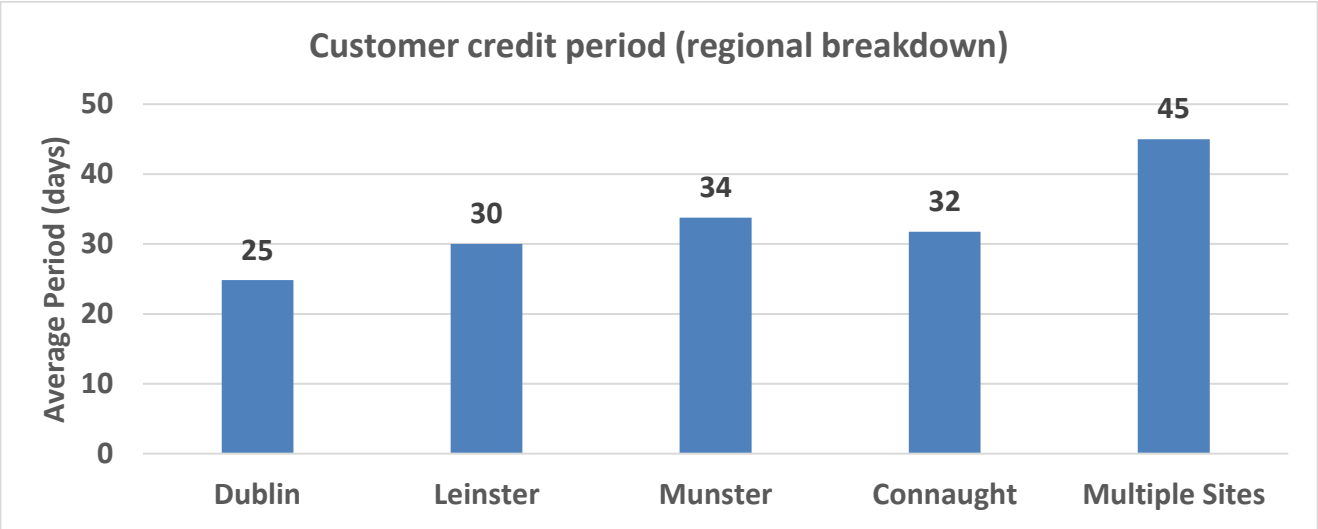
#### Average credit period in days:

Businesses on average are waiting 32 days to be paid, 2 days lower than the previous quarter.



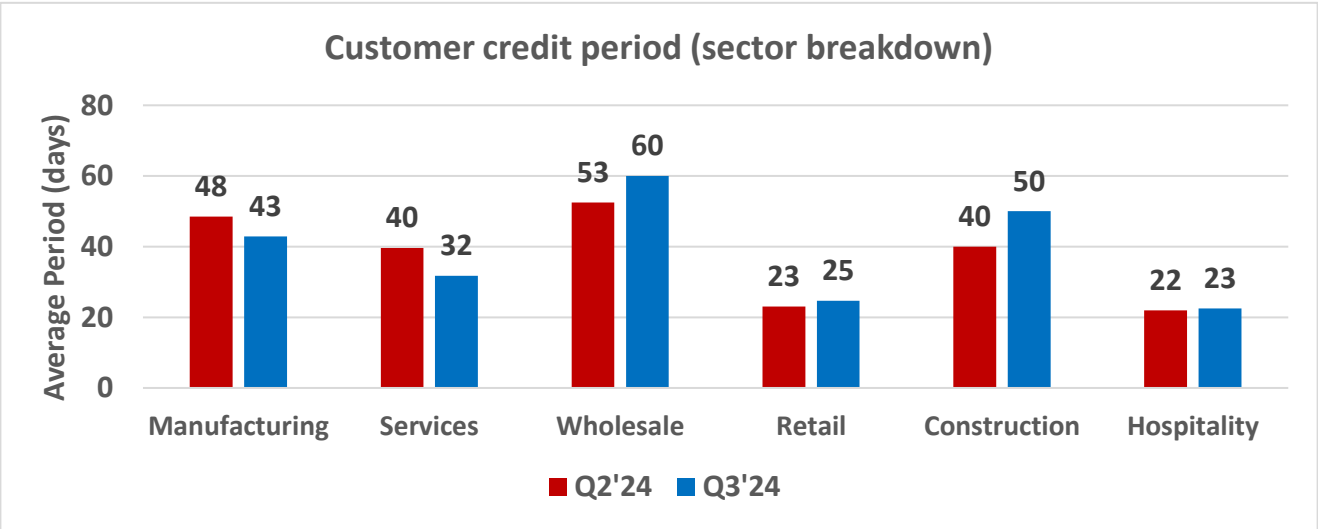
#### Regional breakdown of credit period:

Businesses with multiple sites are waiting longest to be paid at 45 days, followed by businesses in Munster at 34 days. Businesses in Connaught and businesses in Leinster are waiting on average 32 and 30 days, respectively, while businesses in Dublin are waiting 25 days.



**Sectoral breakdown of credit period:**

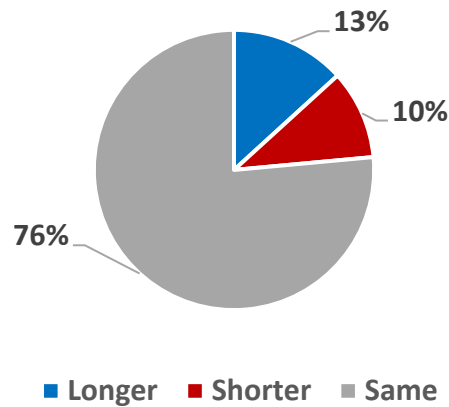
The Manufacturing and Services sectors are waiting on average 43 and 32 days, respectively. Wholesale are waiting 60 days, while Retail are waiting 25 days for payment. This quarter marked increases in four out of six sectors. The Hospitality sector increased from 22 to 23 days and the Construction sector also increased from 40 days to 50 days.



**Longer or shorter period:**

76% of members stated the credit period for this quarter was the same, 13% reported it was longer, while 10% said it was shorter.

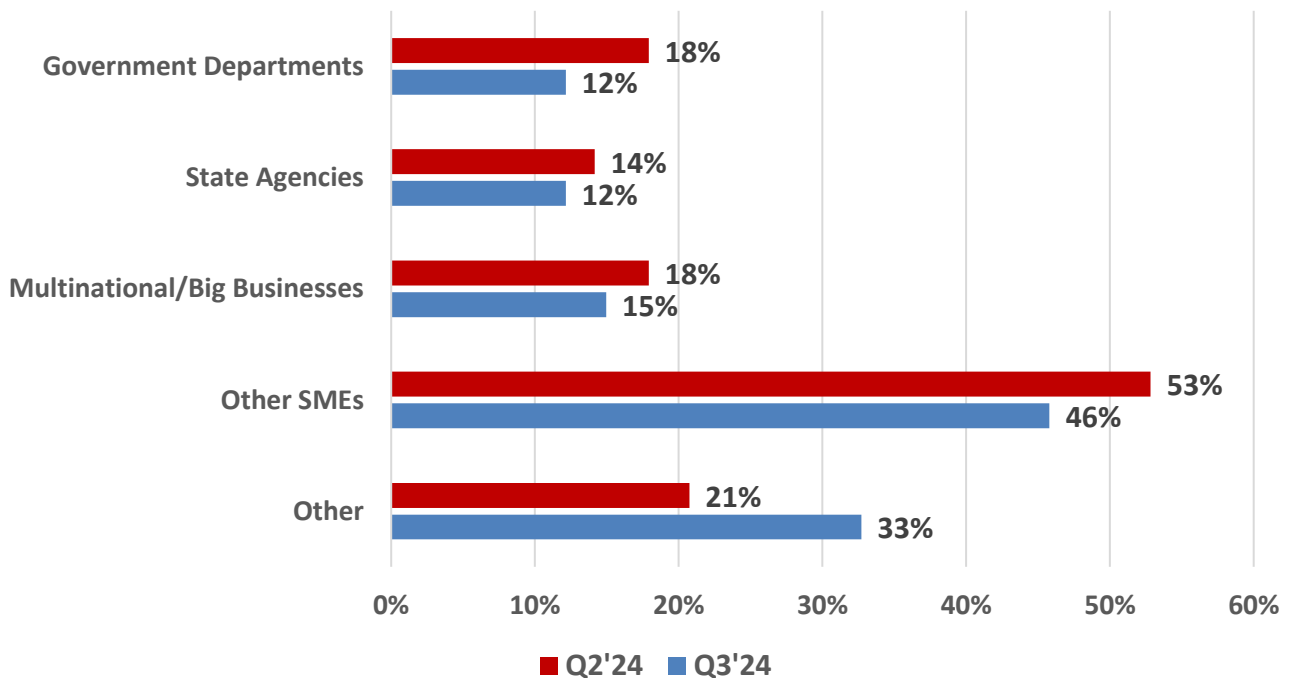
### Credit period compared to 12 months ago



### 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 46%. 15% of Big Businesses are taking longest to pay, down from 18% in Q2'24. 12% of respondents reported that Government Departments are taking longest to pay, down from 18% last quarter. 12% 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 fourth week of September 2024, covering the third quarter of 2024. There were 162 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.