



MEDIA RELEASE

For Immediate Release

MANUFACTURING COMPANIES THE MOST IMPROVED BILL PAYERS IN SINGAPORE

150% increase in time retail companies take to settle a debt

July 17, 2018 [Singapore]: Manufacturing and retail – two industries whose very different fortunes can be seen in the way they pay their bills.

In the last three years, the manufacturing sector has been the biggest improver when it comes to payment behaviour. The sector has slashed 14 days off the average time a company takes to pay a debt – from 42 days in Q2 2016 to 28 days in Q2 2018.

In contrast, the average time taken for a retail company to pay up has increased by more than 157 per cent, from 14 days in Q2 2016 to 36 days in Q2 2018.

Figure 1: DTC – Q2 2016 to Q2 2018

BAS Industry	Q2 2016	Q2 2017	Q2 2018	Change +/- days
Commerce-Retail	14	29	36	22
Commerce-Wholesale	36	30	29	-7
Construction	41	55	43	2
Hospitality / F&B	37	30	33	-4
Information & Communications	58	43	45	-13
Manufacturing	42	35	28	-14
Services	37	28	25	-12
Transport/Storage	20	32	30	10
Overall	29	35	33	4

The payment behaviour of the two sectors is revealed in an analysis of the quarterly Days Turned Cash National Average (DTC) - a measure of how quickly SMEs pay their debts. The

DTC is compiled and published by DP Information Group (DP Info), part of the Experian group of companies, and is based on the payment data of more than 120,000 companies.

Two other sectors have shown a strengthening of their payment behaviour. The Information and Communications sector is now paying their debts 13 days faster than three years ago, while the Services sector is paying their debts 12 days faster.

Mr James Gothard, General Manager, Credit Services & Strategy SEA of Experian said Singapore's manufacturing sector is experiencing a revival, and this strong performance is leading to quicker settlement of debts.

"Singapore is enjoying a manufacturing renaissance with double digit growth year on yearⁱ. Led by the biomedical and electronics sectors, manufacturing companies are enjoying the type of growth other sectors can only be envious of."

"Sustained growth has led to improved cashflow and creditworthiness among manufacturers. With more cash in the bank they are settling their debts faster, which is good news for their suppliers."

"The last three years have not been easy for retail companies. Manpower and rent costs have combined with the growth of online shopping to make life tough. Higher costs, lower sales and fierce competition are a formula for thinning margins and cash flow pressures. This explains why retailers are increasingly slow paying back money they owe."

"There are signs of a pickup in the retail sector with overall retail sales edging up 2.2 per cent in Mayⁱⁱ. And the Government's recently announced Industry Transformation Map promises to drive the sector towards the cutting-edge of digital commerce."

"While they may be slower in payment, retail companies have the lowest level of severely delinquent debt, with just six percent of money owed still unpaid after 90 days. So if an SME

is worried about a retail company that owes them money they should join an SME credit bureau. That way they will get an early warning if the debtor company's payment behaviour deteriorates," Mr Gothard said

- END -

For more information, contact:

Lorraine Chua
Rubicon Consulting
P: (65) 9819 9151
lorraine@rubicon.com.sg

April Ng
DP Information Group
P: (65) 6507 2340
april.ng@experian.com

About DP Information Group

DP Information Group (DP Info) is Singapore's leading provider of information, analysis and intelligence on the Singapore corporate sector. With an unparalleled database on the performance of local companies and access to the world's best analytical services, DP Info uncovers the meaning and significance in data and gives its customers the knowledge they need to make better business decisions.

Part of Experian, the world's leading global information services company, DP Info offers a range of powerful tools for assessing the credit worthiness and financial health of both companies and individuals. DP Info's key services include:

- QuestNet – An online information portal used by Singapore's leading financial institutions and law firms
- DP Credit Ratings – a proprietary credit rating model that reliably predicts the probability of company default
- DP SME Commercial Credit Bureau – a member-based platform where the payment records of each members' clients and suppliers are shared
- SME Advisory Bureau – Singapore's one-stop business advisory centre for entrepreneurs and business owners
- DP Credit Bureau – which analyses the credit records of millions of Singaporeans to assist financial institutions make lending decisions
- The Singapore 1000 Family of Awards – Singapore's most prestigious definitive corporate awards, honouring the nation's best performing companies

For more information, visit www.dpgroup.com.sg

About Experian

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have more than 16,000 people operating across 37 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our [global news blog](#) for the latest news and insights from the Group.

ⁱ On a year-on-year basis, Singapore's manufacturing output increased 11.1% in May 2018. Source: EDB (<https://www.edb.gov.sg/en/news-and-resources/news/monthly-manufacturing-performance.html>)

ⁱⁱ Excludes motor vehicle sales; Retail Sales Index, May 2018. Source: Department of Statistics Singapore <https://www.singstat.gov.sg/-/media/files/publications/industry/mrmsmay18.pdf>)