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PRESS RELEASE

Economic woes affect local SME payment trends

Singapore, 24 September 2008 — In the midst of many economic woes around the world, Singapore's economy has remained relatively buoyant. However, the 2nd quarter of 2008 has seen a decline in the overall performance of many Singaporean companies. As expected, this performance has been reflected in the overall payment patterns of Singaporean businesses for the second quarter of 2008.

Prompt payment is classified as when at least 90% of total bills are paid within the agreed payment terms while slow payment is classified as when more than 50% of total bills are paid later than the agreed credit terms. Based on the latest data released by Dun & Bradstreet Singapore, we see that in June 2008, only 43% of Singaporean companies paid their suppliers promptly. This is a 13% decrease from the 56% high reached at the end of the first quarter of 2008. Furthermore, the proportion of companies that were slow in payment has simultaneously increased by 12% over the same time period, where in May 2008 majority of Singaporean companies fell under the slow payment category.

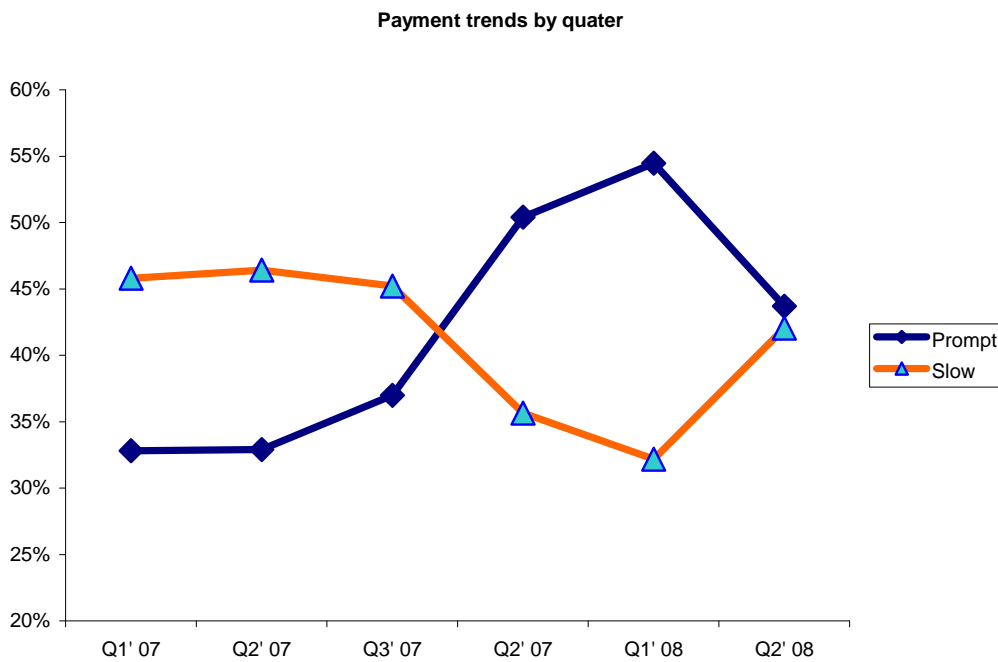
This pattern of payment practice has been reflected across all major industries, including the manufacturing, construction, wholesale and services industries.

The most significant decrease was by the wholesale industry with a 17% decrease in prompt payments from a 62% high in March 2008. Slow payment numbers for the wholesale industry rose by 15% to reach 40% by the end of the 2nd quarter.

The least affected industry was the construction industry with a 4% decrease in prompt payments and 5% increase in slow payments. This performance

should be mainly attributed to the boom in the property market which largely lasted through the last quarter of 2007 to the end of the 1st quarter of 2008. When compared to a year ago the construction industry has made 17% more prompt payments at the end of June 2008 than they did in July 2007.

Observations

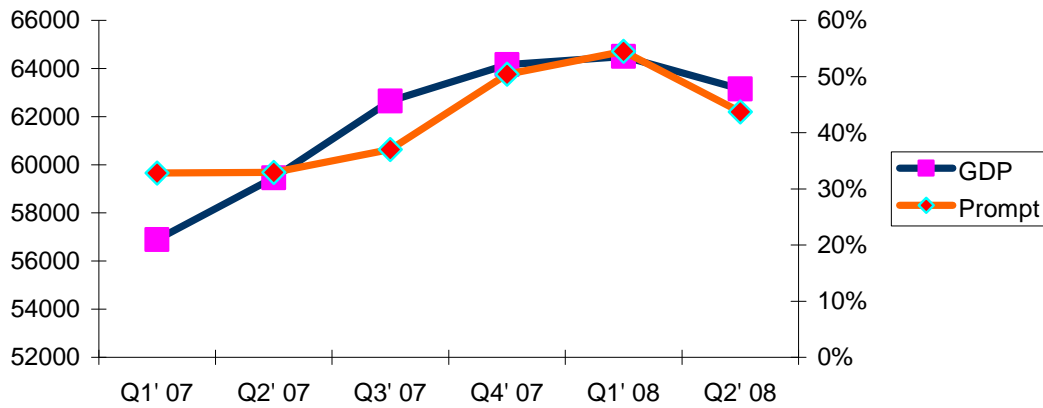


The above graph illustrates the relationships between ‘prompt’ and ‘slow’ payment trends over the time period between quarter 1 2007 to quarter 2 of 2008. As can be inferred from the graph, we see that from a peak in Q1 2008, the number of ‘prompt’ payments is on the decline while the number of ‘slow’ payments is on the rise.

A notable point would be the fact that from a 25% divergence in Q1 2008 the payment trends have pretty much converged by the end of quarter 2, 2008.

However, the 'prompt' payments were still 10% higher than that number at the end of quarter 1 in 2007.

This brings us to the question as to how the overall market would fair over next two quarters of 2008.



The above graph illustrates the GDP of Singapore at current market prices and the trend of prompt payments from quarter 1 in 2007 to the 2nd quarter of 2008. Upon inspection we see that the percentage of prompt payments has a relatively close relationship with the trend in GDP over the stated time period. One key observation to note is that companies seem relatively sluggish in making prompt payments over quarters where the GDP has increased. However, upon a decline of GDP the number of prompt payments declined by 10%. Therefore, it may be expected that slower payment trends may continue to the end of the 3rd quarter of 2008 regardless of whether Singapore's GDP improves.

Commenting on the payment patterns among Singapore-based companies, Mr Yun Kok Siong, CEO of D&B Singapore and Malaysia said, “It is observable that, although the number of prompt payments are 10% higher than what it was a year ago, prompt payment trends are on the decline, and looking at the current economic conditions in the world, it can be expected that this decline in prompt payments will continue through to the end of the second and third quarters of 2008”.

“It is a well known fact that most SME businesses constantly face difficulties in securing finance, this year will be no exception. Therefore, efficient cash flow management and effective credit policies should be their paramount concern. It is important to note that when companies are committed to making prompt payments, they demonstrate the ability to manage their cash flow efficiently, thus are likely to achieve better credit ratings which could translate into better credit terms. “

About D&B Singapore

Dun & Bradstreet (Singapore) Pte Ltd is Singapore's leading source of business information and insight, enabling companies to Decide with Confidence.

We also operate the SME Credit Bureau in Singapore, a database of local enterprises and their credit history.

Since its establishment in 2005, SME Credit Bureau has been actively building up its database. Payment data collected has increased six folds since 2005. Companies that contributed their payment data to the bureau consist of both large and small companies. For example, a major Fortune 500 PC maker has recently committed to provide their Asia Pacific trade data.

As a premier provider of credit, bureau, marketing, purchasing, and receivables management services, we help our customers mitigate risk, increase revenue, identify savings and as a result drive growth and profitability.

We further provide clients with the insight they need to build trust and improve the quality of their business relationships with their customers, suppliers and business partners by operating the SME Credit Bureau and Singapore SME Toolkit.

D&B Singapore is also part of the D&B Worldwide Network comprising more than 200 markets globally, which enhances the breadth and depth of our global data coverage. We have access to the biggest and best quality commercial business information database enhanced by D&B's proprietary DUNSRight Quality Process, which transforms the enormous amount of data collected daily into decision-ready insight.