

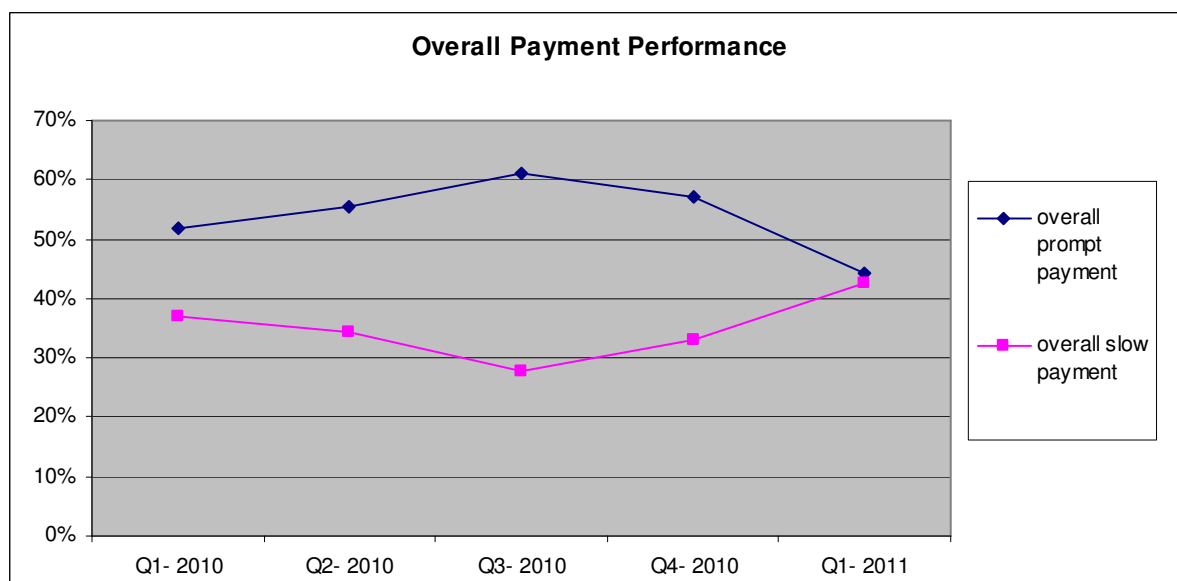
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Singapore payment promptness down 7.8% in first quarter- *Singapore Commercial Credit Bureau*

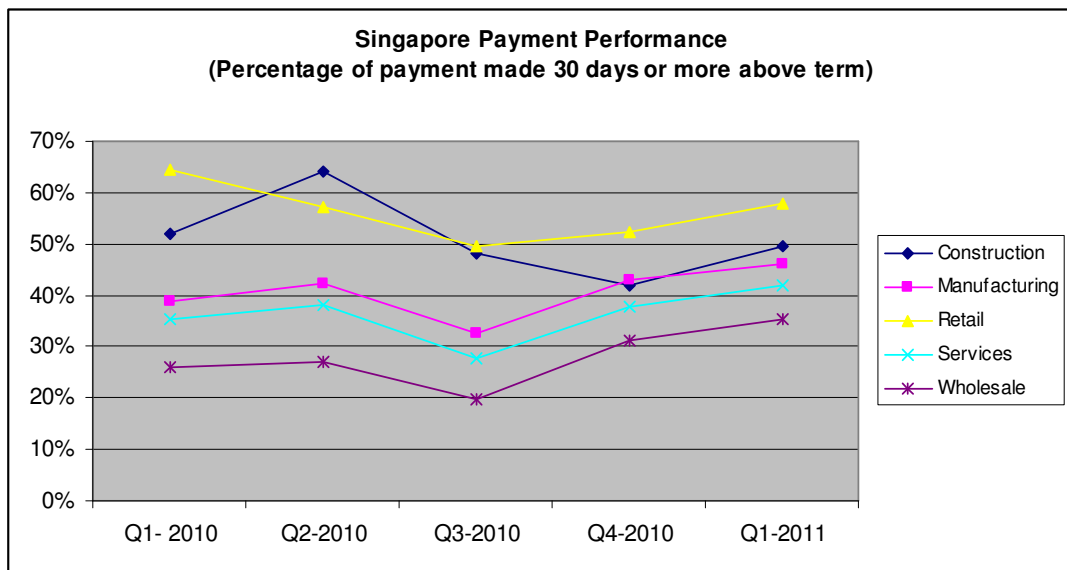
Singapore, 15 June 2011 – Singapore firms continue to slip in payment performance amidst a surprisingly strong economic expansion, down 7.8 percentage points on a year-on-year basis for the first three months of the year. Overall payment promptness also declined with a dip of 12.8 percentage points compared to Q4, 2010. The broad-based decline in payment promptness was expected from a commendable show in the first three quarters of 2010.

Singapore Payment Performance



Following an upward trend in Q4 2010, at 57.9 %, retailers continue to register the highest proportions of payments made 30 days or more above term. The increase may be attributed to a steepened contraction in retail sales volume since Q4 2010, largely weighed down by a decline in auto sales.

The construction sector is the next largest contributor of payment delays last quarter. At 49.4%, the sector also registered the highest jump in payment delays, up 7.5 percentage points from a better performing preceding quarter. Labour shortages, higher material costs, and tighter market margins may have augmented the payment delays within this sector. Notwithstanding a lacklustre payment performance, a rebound in the construction sector is expected from public sector construction demand this year, though private sector demand is expected to moderate amidst a more conservative stance taken by developers given a moderate economic setting.



Despite prospects of a double-dip recession receding, market risks remain on the downside. “Price pressure and rising interest rates will continue to hinder the local economy’s expansion. These inflationary pressures will raise the cost for local firms which will potentially undermine profit, cash flows and payment performances across businesses,” said Ms Audrey Chia, Senior Director, Singapore Commercial Credit Bureau.

Nonetheless, the moderate global recovery will remain supportive of Singapore’s business environment for the rest of this year. The Ministry of Trade and Industry (MTI) has earlier upgraded the national GDP growth forecast for 2011 from 4.0 to 6.0 per cent to 5.0 to 7.0 per cent.

Commentary

D&B Singapore compiles the figures by monitoring more than 1.5 million payment transactions of firms operating through its Singapore Commercial Credit Bureau (SCCB). Payment data is contributed to the Bureau by local firms. 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.

About Singapore Commercial Credit Bureau

Established in 2005, Singapore Commercial Credit Bureau (SCCB) operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners. SCCB operates under D&B Singapore.

About D&B

D&B is the world's leading provider of business-to-business credit, marketing and purchasing information and receivables management services. D&B manages the world's most valuable commercial database with information on more than 145 million companies. D&B has a database of 100 million tradelines on a global basis and 26 million within the Asia Pacific region.

Information is gathered in over 200 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than one million times daily as part of D&B's commitment to provide accurate, comprehensive information for its customers around the world.

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