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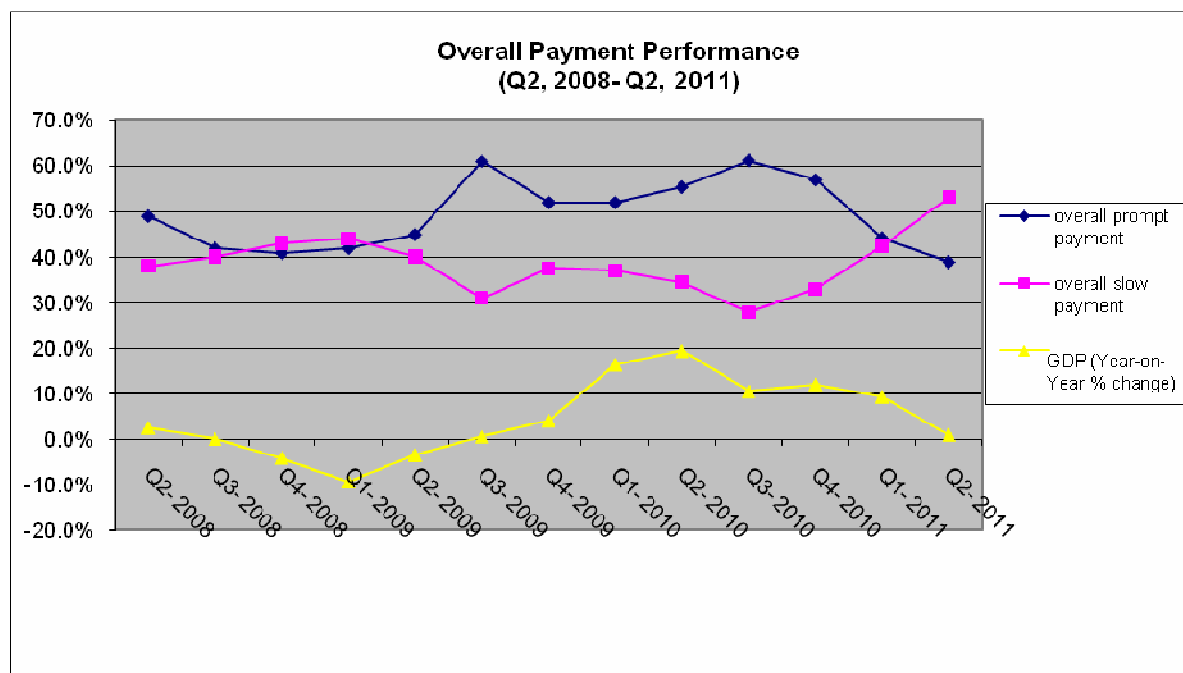
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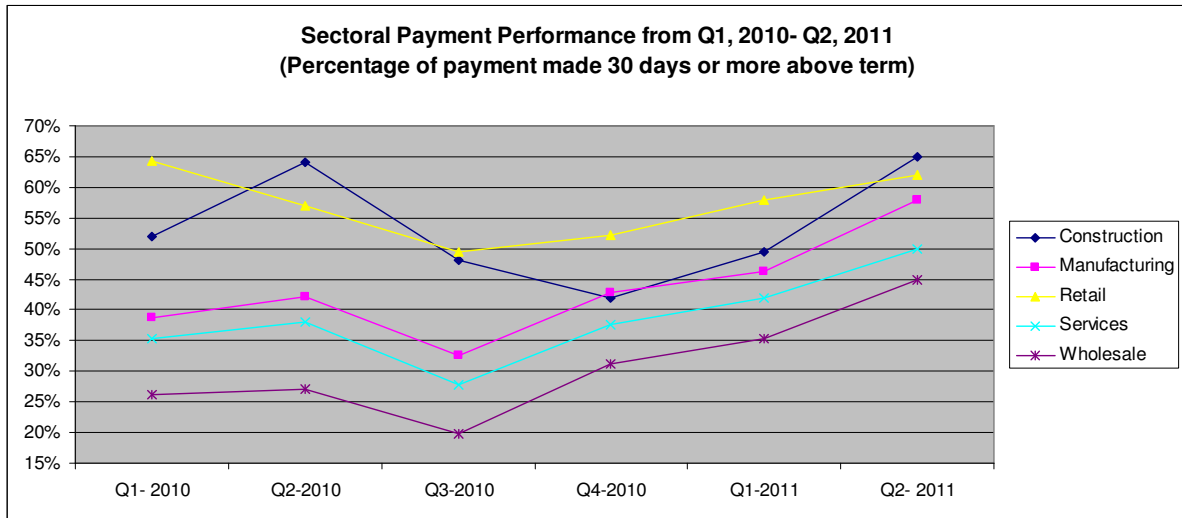
Unprecedented decline in Q2 payment performance- *Singapore Commercial Credit Bureau*

Singapore, 22 August 2011 – The gloomy global climate seems to have hampered the payment performance across local businesses during the last few months. Singapore Commercial Credit Bureau (SCCB) proprietary payment figures registered an unprecedented decline in payment promptness as local firms continue to grapple with challenging and uncertain economic conditions.

Indicative of a recession experienced in 2008, overall payment promptness among local firms dipped to an all-time low at 39 per cent, as compared to 55.4 per cent from a year ago in Q2, 2010. Official figures released earlier this month stated that the Singapore economy grew 0.9 per cent on a year-on-year basis in the second quarter of 2011. It is probable that Singapore may register zero growth this year.

Singapore Payment Performance





SCCB's latest analysis shows that all sectors experienced a decline in payment performance. Last quarter, the construction sector superseded the retail sector; traditionally the worst paymaster in the local market for the last three quarters, by registering the highest proportion of payment delays at 65 per cent, up 15.6 percentage points from Q1, 2011. Interestingly, businesses within the construction sector also observed the highest increase in payment delays, from a conservative 49.4 per cent in the first quarter this year. This could be indicative of a property slowdown within the local market; already a similar sentiment felt in neighboring Hong Kong with its cooling real estate market.

The retail sector is the next in line, registering the second highest payment delays at 62 per cent, up 4.1 percentage points from its preceding quarter. Effects of the spike may be a result of a flat growth registered by the wholesale and retail trade sector due to sluggish global trade flows in the second quarter. Businesses within the service sector also observed a notable increase in payment delays at 50 per cent, up 8 percentage points from Q1, 2011. The increase may be attributed to the sector's increased susceptibility to global investor sentiments since its expansion into a wide range of advanced service industries, including the business and financial services sector, as Singapore assumes its role as a regional hub.

"From our analysis, there was a dip in overall prompt payment in the previous recession beginning Q2, 2008, a rebound peaking with Q3, 2009 and a downward trend from Q3, 2010 onwards. With this year's second quarter figure at a record low of 39 per cent, the local economy seems to be heading for a recession. Current figures suggest that companies may be in for a tough season, especially smaller firms," commented Mr Yun Kok Siang, D&B Singapore Chief Executive Officer.

"A sharp economic slowdown in 2H11 seems highly possible. Problems in Europe and US are resurfacing and the whole world is waiting to see what the EU and Fed can do next. Comfortingly, emerging markets, including Singapore remain attractive to investors amidst the pessimism. Global inflationary pressures are on the rise and local monetary authorities have to stand ready to react decisively to stabilize prices and maintain investors' confidence in Singapore," added Mr Yun.

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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