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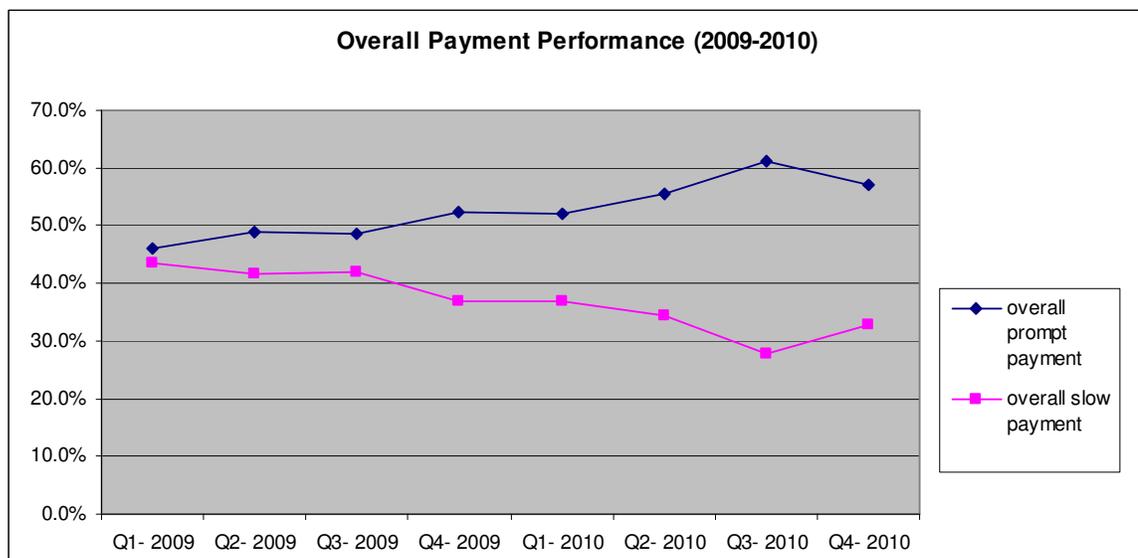
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Q4 payment promptness eases off after 3 straight quarters of buoyant performance

Singapore, 22 February 2011 – Local companies presented a confident show in the accounts receivable front in 2010, though Q4 payment performance started to decline with a drop in overall prompt payments, down 4.2 percentage points from Q3 2010. Optimism may seem to have rung back into the local business community, albeit not at past pre-crisis level.

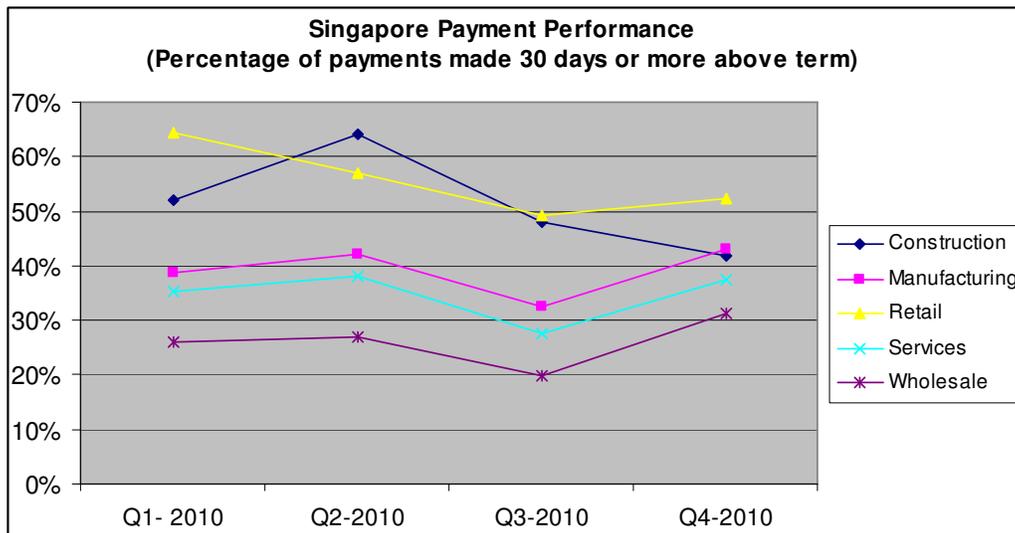
Singapore Payment Performance



Riding along the economy's recovery, local commercial payment performance rebounded through 2010 with prompt payment performances leading an upward trend since Q1, a marked improvement as compared to 2009 figures. Despite a slight decline in the final quarter, year on year comparison indicated a rise in Q4 payment promptness, up 4.7 percentage points.



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Although improved sales takings benefitted from a steady growth in the number of tourist arrivals, Q4 2010 saw retailers registering the highest proportion of payments made 30 days or more over term. At 52.3%, the retail sector was up 2.9 percentage points from Q3 2010. Conversely, the construction sector continues to gain industry consensus with delayed payments declining to 41.9%, a further dip of 6.2 percentage points from Q3 2010.

Recent announcement on further hikes in foreign levies may also pose further challenges to both the construction and manufacturing sectors. Local SMEs may have to bear the brunt of higher operational costs, compressing profit margins. Nonetheless, this year's Budget initiatives may encourage companies aiming to reduce overheads to invest in innovation and technology to maintain and maximize outputs in order to stay competitive in the market.

Inflation hit a two-year high of 4.6% in December last year. Official forecasts reveal that it will remain high in the first half of 2011. With further contagion from the debt crisis in Euro zone posing a core risk to the global recovery, gathering inflationary pressures within Asia could impair local business profits and trigger the balance of payment risks.

"2011 will be the year when good and bad economic management come more clearly to the fore. Local businesses should offer payment terms based on current evidence of the company's financial resiliency rather than reputation in managing their credit risks," commented Ms Audrey Chia, SCCB Senior Product Development and Marketing Director. Singapore firms' payment performance is expected to remain stable this year although less buoyant compared to 2010.

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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