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PRESS RELEASE

Coface APAC Payment Survey 2026: Twice as many Singapore firms report worsening payment delays as compared to improvements

- **49% of Singapore firms reported an increase in the frequency of payment delays over the past year,** more than twice the 21% that saw an improvement.
- **57% experienced at least one customer default,** compared with 45% across Asia Pacific (APAC).
- **The construction sector recorded the longest average payment delay at 85 days,** compared with Singapore's overall average of 66.3 days.
- **52% expect payment conditions to deteriorate,** with retail and chemicals firms among the most pessimistic.
- **More than half (54%) believe gradual increases in payment delays receive insufficient early attention,** highlighting the need for earlier intervention.

Hong Kong S.A.R, August 31st, 2026 – Payment discipline among Singapore businesses is showing signs of deterioration, with substantially more firms reporting an increase in both the frequency and severity of payment delays than an improvement over the past year, according to Coface's APAC Payment Survey 2026.

Nearly half (49%) of Singapore respondents said payment delays had become more frequent, compared with 21% that reported a decrease. A further 42% experienced an increase in the severity of delays, while 23% saw an improvement.

This deterioration comes despite Singapore's average payment terms and payment delays remaining slightly shorter than the regional averages. Singapore firms offered customers an average of 69 days to pay, compared with 70.2 days across APAC, while the average payment delay stood at 66.3 days, against 68.1 days regionally. Nevertheless, the incidence of payment delays remains widespread, with 55% of Singapore organisations reporting experiencing occasional or frequent late payments from customers during the past 12 months, similar to the APAC average of 57%.

Small businesses also offered considerably shorter payment terms than larger organisations. Small firms provided an average of 38 days, while large businesses typically extended terms of between two and three months. This may reflect the more limited capacity of smaller companies to absorb lengthy waits for payment.

The findings come against a resilient but uneven economic backdrop. Singapore's economy grew by 5.7% year-on-year in the second quarter of 2026, supported by strong expansion in electronics and precision engineering. However, other industries, including chemicals, contracted amid feedstock disruptions and continued geopolitical uncertainty.

"*Singapore's growth outlook reflects its uneven performance in the first half of 2026, led by AI-related boom. Against the backdrop of a two-speed economic growth, more firms are seeing payment delays become more frequent and severe, while customer defaults can have a significant financial impact*," said **Bernard Aw, Chief Economist for Asia Pacific at Coface**. "*With conditions varying considerably across sectors, businesses should continue to monitor counterparties closely and protect their cash flow.*"

Customer defaults more common in Singapore than across APAC

More than half (57%) of Singapore firms experienced at least one customer default during the past 12 months, compared with 45% across APAC.

The financial impact was also substantial for some organisations. Among Singapore firms that experienced defaults, 31% said they affected more than 10% of their total receivables, compared with 28% across the region. At the other end of the scale, 49% said defaults accounted for no more than 5% of receivables, against 54% across APAC.

Construction faces the longest payment delays

Payment experiences varied significantly across industries. Construction recorded the longest average payment delay at 85 days, well above the Singapore average of 66.3 days. ICT followed at 69 days, while automotive and mobility firms reported an average delay of 67 days.

The finding comes as Singapore's construction pipeline continues to expand. The Building and Construction Authority expects construction demand to reach between SGD47 billion and SGD53 billion in 2026.

While the strong pipeline creates opportunities for construction firms, higher volumes of work can also increase working-capital requirements across contractors and subcontractors. Longer project and payment chains make close monitoring of receivables particularly important for companies operating in the sector.

Relationship-based decisions may delay action

Relationships continue to play a significant role in how Singapore companies manage payment risk. Almost three-quarters (74%) said long-standing commercial relationships influence their willingness to tolerate late payments, while 84% said relationship considerations can sometimes outweigh financial warning signs.

This suggests that many businesses may be slow to respond to early signs of customer financial stress. Only 11% treat repeated payment delays of around 30 days as an immediate warning signal, while nearly two-thirds (65%) wait until delays exceed 60 days before strengthening payment terms or credit controls, compared with 47% across APAC.

Taking earlier action requires businesses to look beyond established relationships and past payment records. While 80% use financial information to at least a moderate extent when assessing customer risk, incomplete disclosure, inconsistent reporting standards and limited SME reporting quality can reduce its usefulness.

"*Long-standing relationships remain an important part of doing business in Singapore, but trust should be complemented by current and objective information*," said **Grishma Kewada, Chief Executive and Country Manager of Coface Singapore**. "*In a more uncertain economic environment, a customer's historical payment record may not fully reflect the pressures it is facing today. Businesses that combine financial information with early indicators of payment behaviour are better positioned to identify emerging risks, take timely action, and avoid payment delays escalating into more significant losses*."

For Singapore businesses, this means building a broader and more up-to-date view of customer risk by monitoring changes in payment behaviour, requests for extended credit, disputes and other emerging warning signs alongside traditional financial information. With 52% expecting payment conditions to deteriorate over the coming year, early identification and timely action will be increasingly important to protecting cash flow and limiting potential losses.

– Ends –

ABOUT COFACE APAC PAYMENT SURVEY 2026

The 16th edition of the Coface APAC Payment Survey, conducted in March and April 2026, gathered insights from 2,800 finance professionals across multiple sectors and 10 APAC markets, including 152 respondents in Singapore. The survey examines evolving payment behaviours, liquidity pressures, customer defaults and early warning indicators, while evaluating the governance, analytics, escalation frameworks and customer-engagement practices that strengthen organisational resilience to payment risk.

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