

14th January 2019

SMEs dissatisfied with Government throughout Q'3 18

- Medium sized enterprises most satisfied with government.
- Micro businesses least satisfied with government performance.
- Government's handling of business costs remains negative.
- Retail and Services sector most dissatisfied with government.
- Satisfaction drops dramatically for the Construction sector.

ISME, the Irish SME Association published the results of its latest Government Satisfaction report today (14th January). SMEs overall satisfaction with the Government worsened in Q3'18. ISME emphasises the need for greater action on business costs and access to finance. This report examines government satisfaction in key areas for the SME sector; 'Banking', 'Business Costs', 'Jobs' and 'Overall Satisfaction'.

ISME CEO, Neil McDonnell commenting on the results stated:

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“Our report reflects the diversity of the SME sector, with small businesses least satisfied with government, and medium sized enterprises most satisfied.”

Despite general economic improvements, government must not lose sight of the pressures SME's are facing. The pressures SMEs face on the ground echo the observations being made by the National Competitiveness Council at a macro level. Government simply must reduce business costs and improve access to finance. We need robust action plans for dealing with these issues.”

He added:

“In our pre-budget submission last year, we highlighted the practical measures that could be taken to reduce the pressures faced by SMEs. Sadly, Budget 2019 was a missed opportunity for the SME sector.”

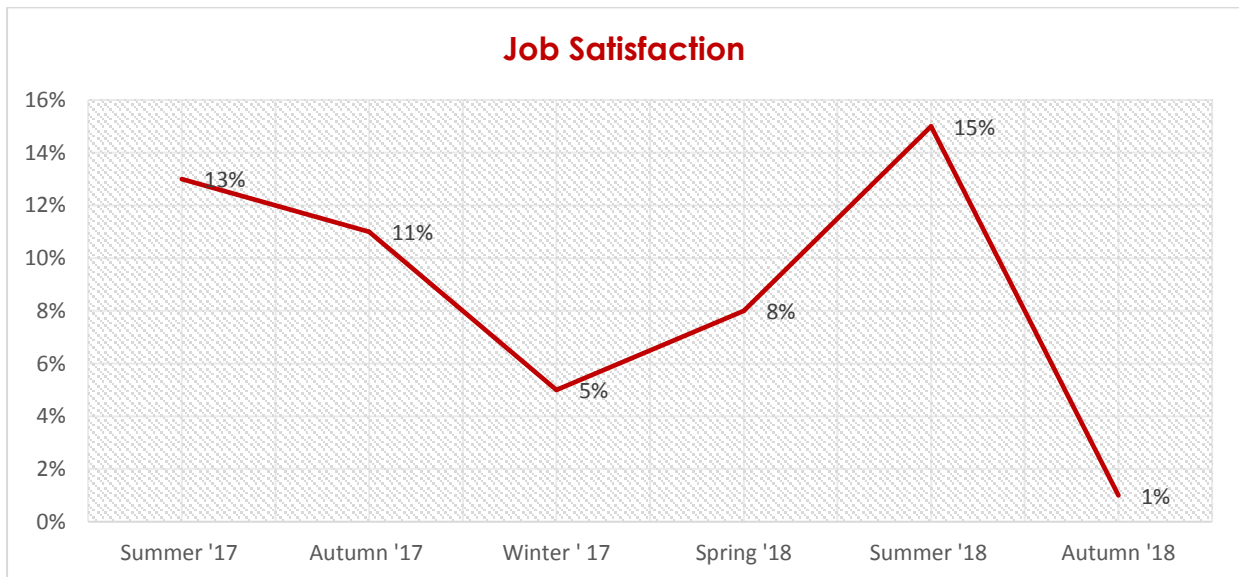
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This survey from was conducted in the second last week of September, with 787 SME respondents, 49% of whom employ less than 10; 36% employ between 11 and 49; and the remaining 15% employ between 50 and 250. Geographically, 28% are from Dublin; 71% are spread across the rest of the country; and 2% have multiple sites.

COMBINED RATING (+7% to -9%)

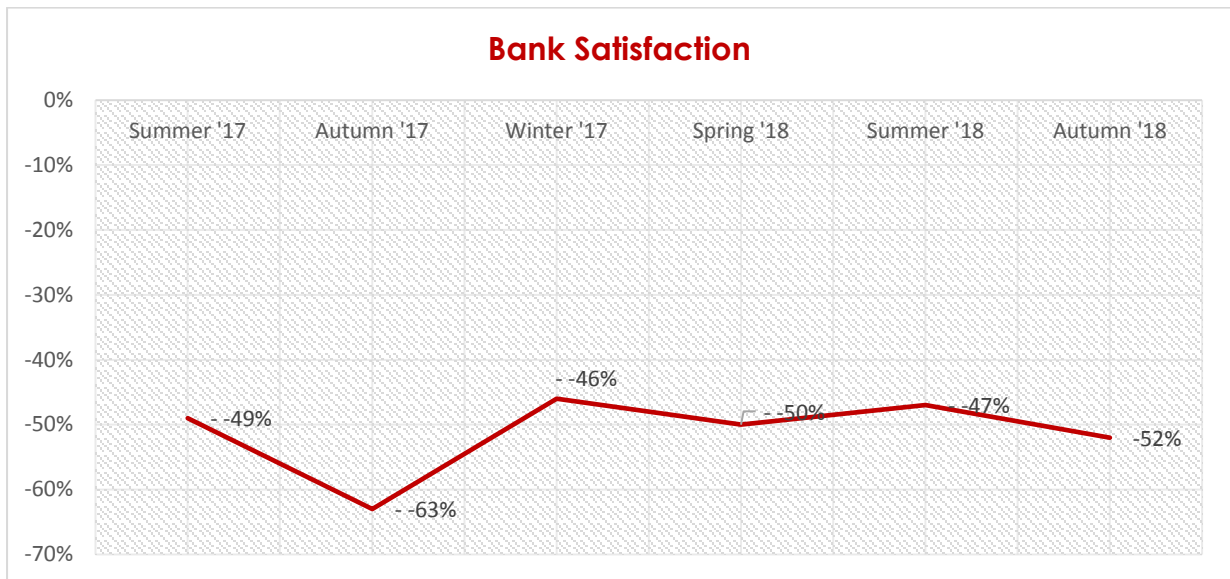
- The overall satisfaction rating for Q3'18 worsened from +7% (Q2'18) to -9% (Q3'18).
- Small enterprises are least satisfied with the government at -22%.
- Medium enterprises are most satisfied with the government's performance at +4%.
- While the Construction sector reported the biggest drop in government satisfaction, services and retail are most dissatisfied with the government at -3% respectively.

Jobs Rating (From +15% to +1%)



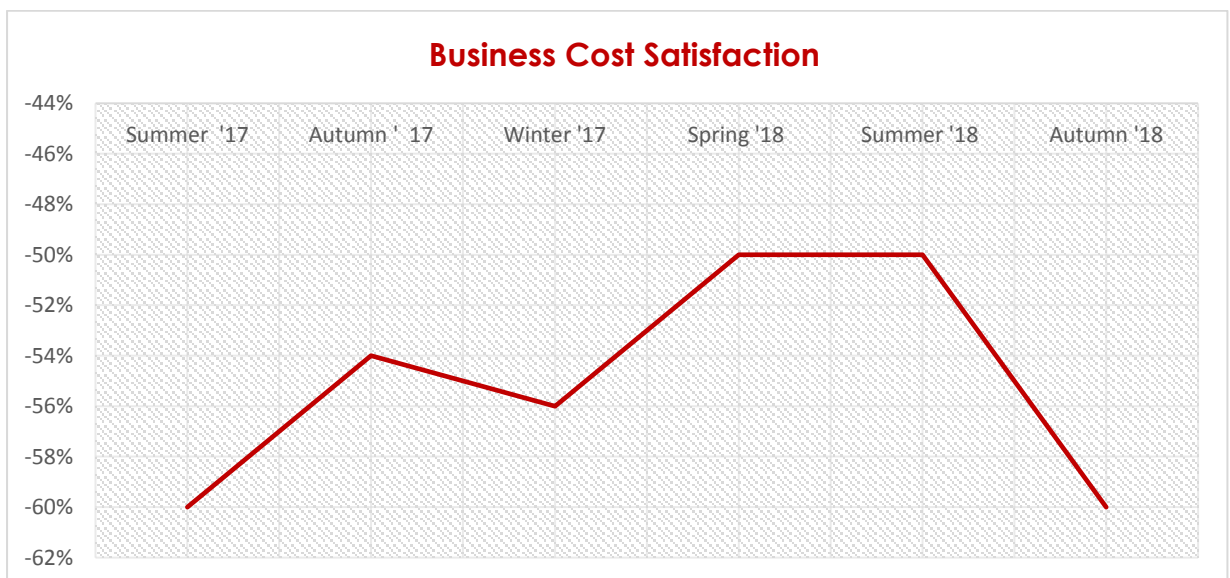
There was a decrease of -14% in the Government's handling of the job situation. While the Irish economy is almost at full employment, difficulties remain for the SME sector. SMEs are finding it difficult to both retain staff and attract new staff at income rates they can afford.

Banking (From -47% to -52%)



Banking and access to finance remains one of the biggest concerns for many small to medium sized enterprises. Until we make a step change in the dependence on the three main financial institutions, negative scoring around banking will likely remain. In our previous bank watch survey, 36% stated they were refused a loan. The interest charged to SMEs is twice the EU average.

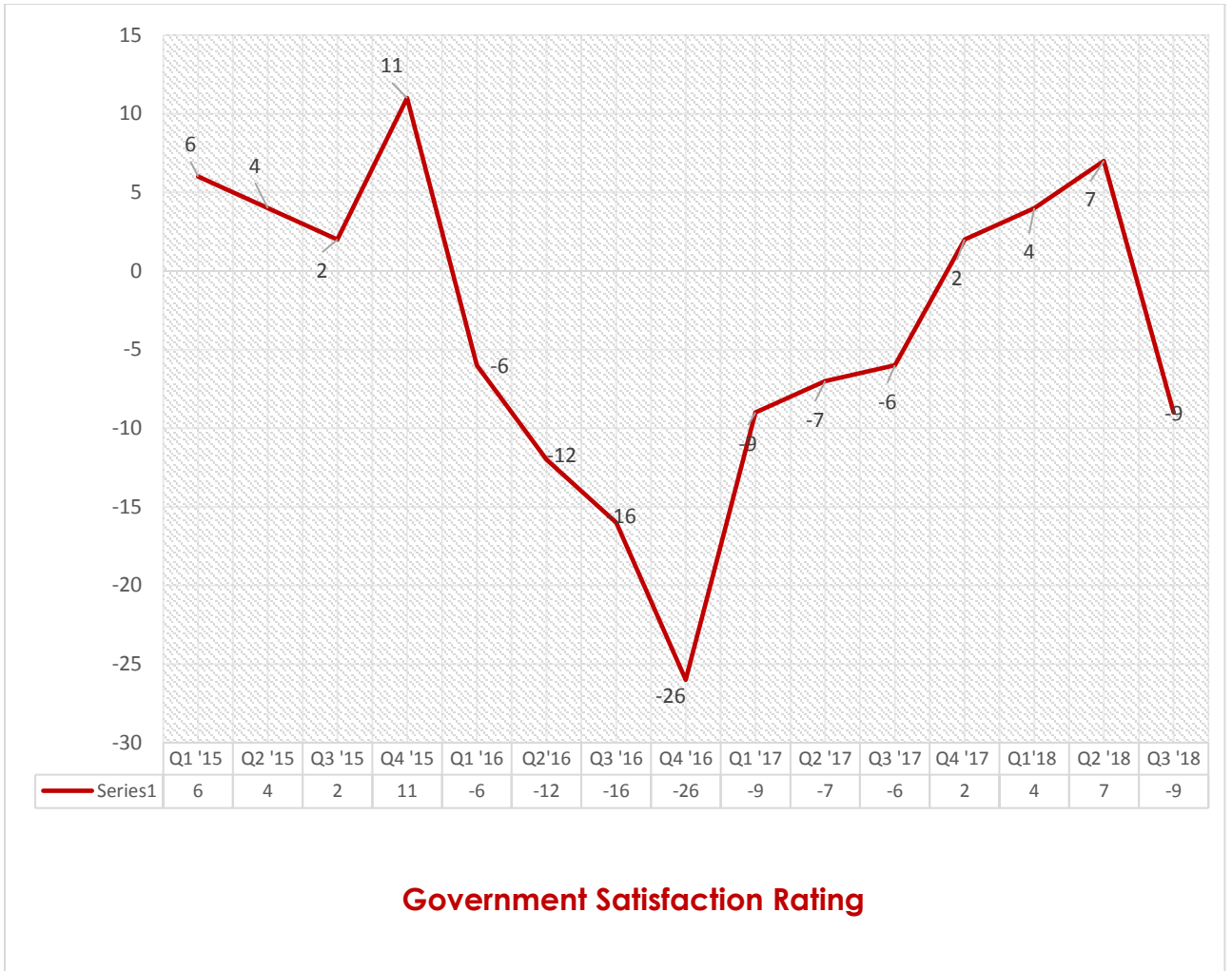
Business Costs (From -50% to -60%)



Business cost continue to be a worry for SMEs. The Association is concerned that the impact of a hard Brexit and continued labour pressures will affect our competitiveness. A report by the IMD competitiveness yearbook rankings 2018 shows Ireland dropped 6 places in the world rankings. Brexit and Economic Uncertainty are the biggest concerns for the SME sector.

Year to Year Breakdown

	JOBS	BANK	COSTS	OVERALL		
AUTUMN '18	+1	-52	-60	-9		
SUMMER '18	+15	-47	-50	+7		
SPRING '18	+8	-50	-50	+4		
WINTER '17	+5	-46	-56	+2		
AUTUMN '17	+11	-63	-54	-6		
Overall satisfaction ratings.						
	MICRO	SMALL	MEDIUM	TOTAL		
AUTUMN '18	-9	-22	+4	-9		
SUMMER '18	+1	+9	+25	+7		
SPRING '18	0	+8	+7	+4		
WINTER '17	-8	+2	+67	+2		
AUTUMN '17	-11	-8	+36	-6		
Sectors.						
	MANUFACTURING	SERVICES	WHOLESALE	RETAIL	CONSTRUCTION	TOTAL
AUTUMN '18	-1	-3	+1	-3	+1	-5
SUMMER '18	+12	-10	+11	0	+43	+7
SPRING '18	+12	+6	+21	+11	-15	+4
WINTER '17	+3	+3	-25	+33	-14	+2
AUTUMN '17	+14	0	0	-57	-46	-6



Notes:

* The satisfaction rating is made up from five specific questions on the Government’s performance in dealing with Jobs, Banking, Business Costs the Economy and Overall performance. The results are based on simple balances of the differences between positive and negative responses, for example the negative balance for Jobs means that a greater percentage of respondents were unsatisfied with the Government’s performance on the Jobs issue.