

20th September 2019

SMEs dissatisfied with Government throughout Q'2 19

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

ISME, the Irish SME Association published the results of its latest Government Satisfaction report today (20th September). SMEs overall satisfaction with the Government worsened in Q2'19. 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:



The health of the SME sector relies heavily on economic sentiment, which is challenged at the moment. As we face into a potentially disruptive Brexit, it is important for small business owners to feel the Government has their back. When they look at issues such as the Government's failure to tackle insurance costs, they don't feel that Government is with them.



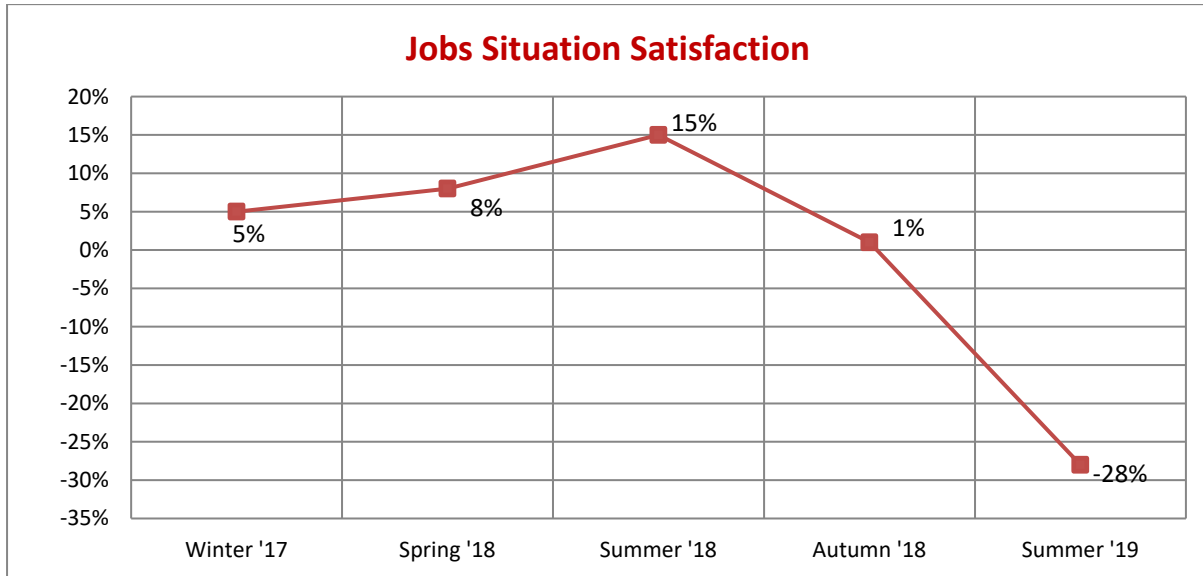
This survey from was conducted in the first week of July, with 432 SME respondents, 54% of whom employ less than 10; 38% employ between 11 and 49; and the remaining 8% employ between 50 and 250. Geographically, 28% are from Dublin; 58% are spread across the rest of the country; and 14% have multiple sites.

COMBINED RATING (+7% to -9%)

- The overall satisfaction rating for Q2'19 worsened from -9% (Q3'18) to -36% (Q2'19).
- Micro enterprises are least satisfied with the government at -43%.
- Medium enterprises are most satisfied with the government's performance at 0%.

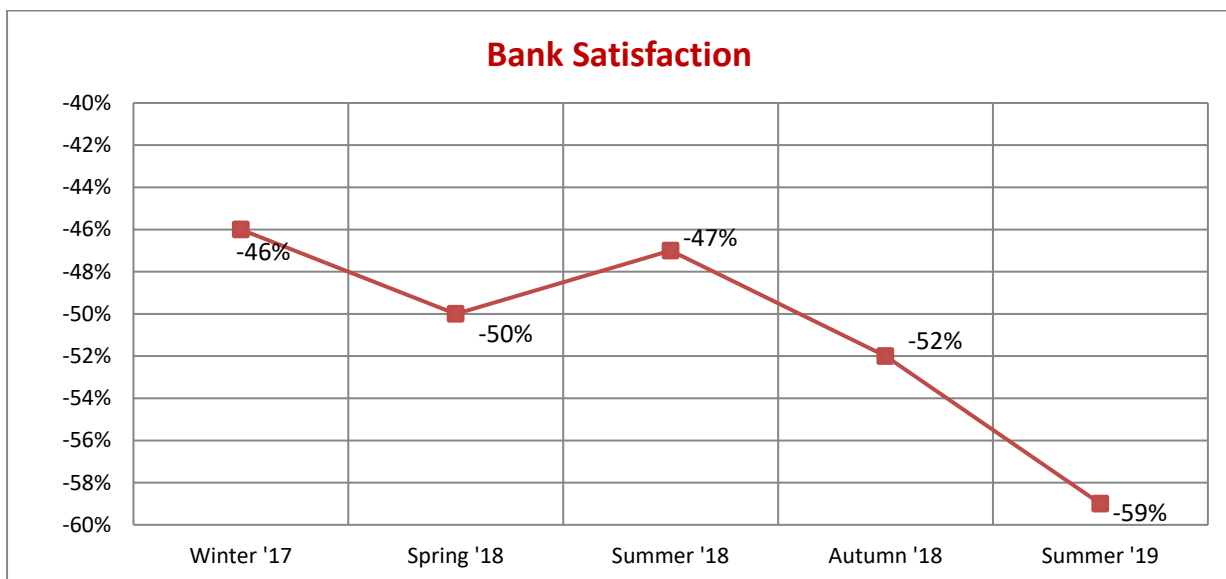
- While the retail sector reported a 12% increase in government satisfaction, the construction, services and manufacturing industries reported large decreases in satisfaction, at 34%, 47% and 44% decreases, respectively.

Jobs Rating (From +1% to -28%)



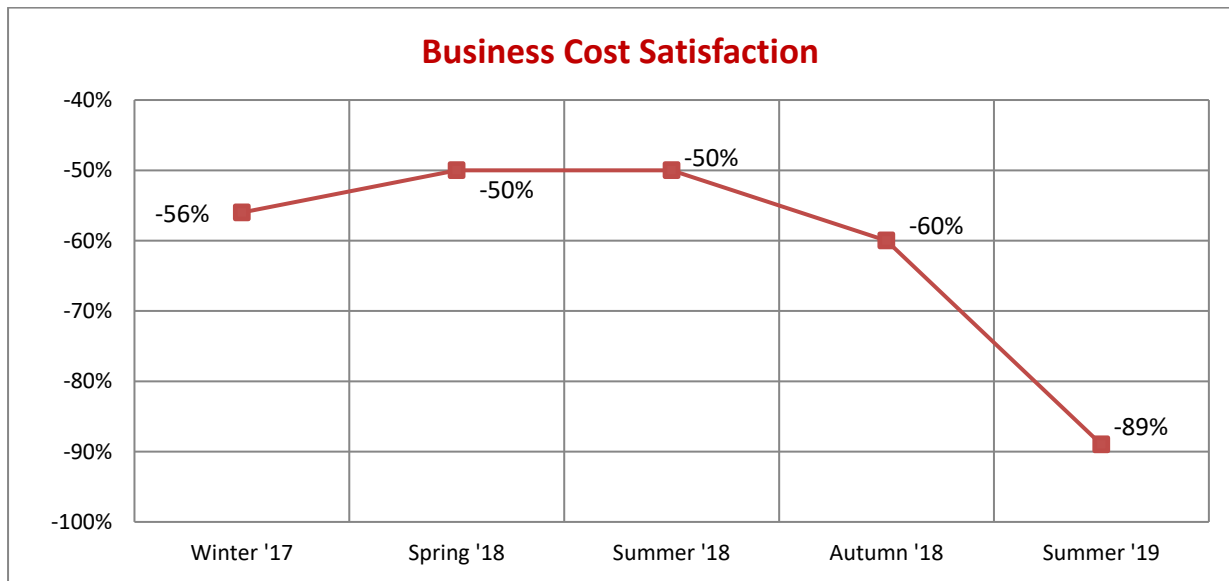
There was a decrease of -29% in the Government's handling of the jobs situation. While the Irish economy is almost at full employment, difficulties remain for the SME sector. SMEs are finding it difficult to both retain staff and attract new staff at income rates they can afford. Foreign multinationals and the State sector are offering significantly higher remuneration than most SMEs can afford.

Banking (From -52% to -59%)



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.

Business Costs (From -60% to -89%)



Business costs 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. Brexit and Economic Uncertainty are the biggest concerns for the SME sector.

	JOB	BANK	COSTS	OVERALL		
SUMMER '19	-28	-59	-89	-36		
AUTUMN '18	+1	-52	-60	-9		
SUMMER '18	+15	-47	-50	+7		
SPRING '18	+8	-50	-50	+4		
WINTER '17	+5	-46	-56	+2		
Overall satisfaction ratings.						
	MICRO	SMALL	MEDIUM	TOTAL		
SUMMER '19	-43	-33	0	-36		
AUTUMN '18	-9	-22	+4	-9		
SUMMER '18	+1	+9	+25	+7		
SPRING '18	0	+8	+7	+4		
WINTER '17	-8	+2	+67	+2		
Sectors.						
	MANUFACTURING	SERVICES	WHOLESALE	RETAIL	CONSTRUCTION	TOTAL
SUMMER '19	-45	-50	0	+9	-33	-5
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

Year to Year Breakdown



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.

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