

## **Government Satisfaction Report Q2'21**

*29<sup>th</sup> June 2021*

### **SME SATISFACTION WITH GOVERNMENT PERFORMANCE DECLINES**

- **Medium sized enterprises most satisfied with government.**
- **Small businesses least satisfied with government performance.**
- **Government's handling of costs to businesses begins to trend positively.**
- **Services and manufacturing sectors most dissatisfied with government performance.**

**ISME, the Irish SME Association**, today (29<sup>th</sup> June) released its Government Satisfaction Report for Q2'21. 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: 'jobs', 'banking', 'economy' and 'business costs'.

#### **ISME CEO Neil McDonnell said:**

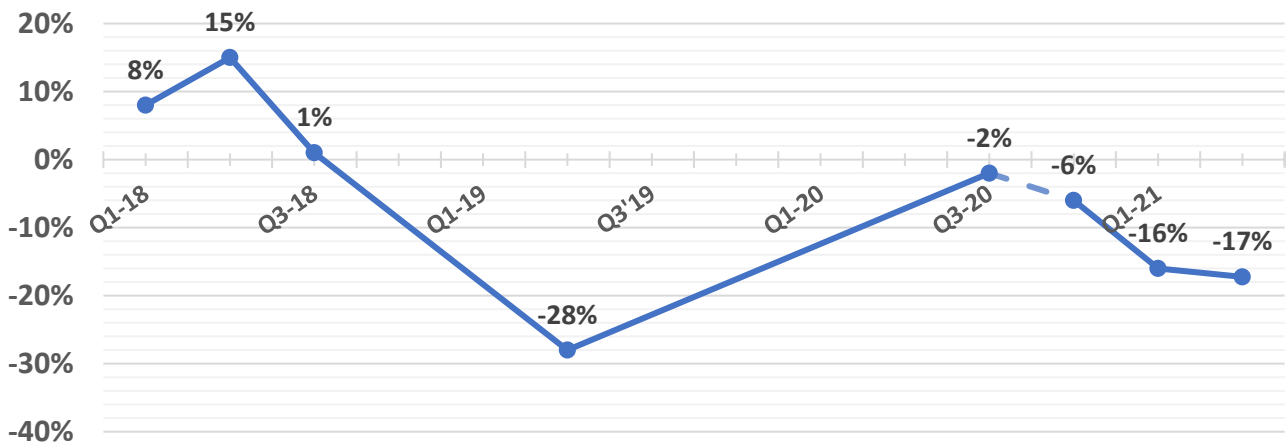
**We are delighted to see the business sentiment on overall economic performance by the government trend positive in quarter two. Business and consumer confidence in government management of the economy will be essential in ensuring a vibrant rebound in economic fortunes as we exit the pandemic.**

This report was generated using data from our Q2'21 business trends survey, conducted in the first week of June 2021. There were 102 SME respondents, 45% of whom employ less than 10; 45% employ between 11 and 49; and the remaining 10% employ between 50 and 250. Geographically, 39% are from Dublin; 51% are spread across the rest of the country; and 10% have multiple sites.

#### **Dealing with the job situation:**

The downward trend continues for the government's handling of the job situation. While still not as low as in the middle of 2019, there was a further decrease of 1% between Q1'21 and Q2'21. SMEs have run into difficulty in retaining current staff and attracting current staff, likely due to the COVID-19 crisis.

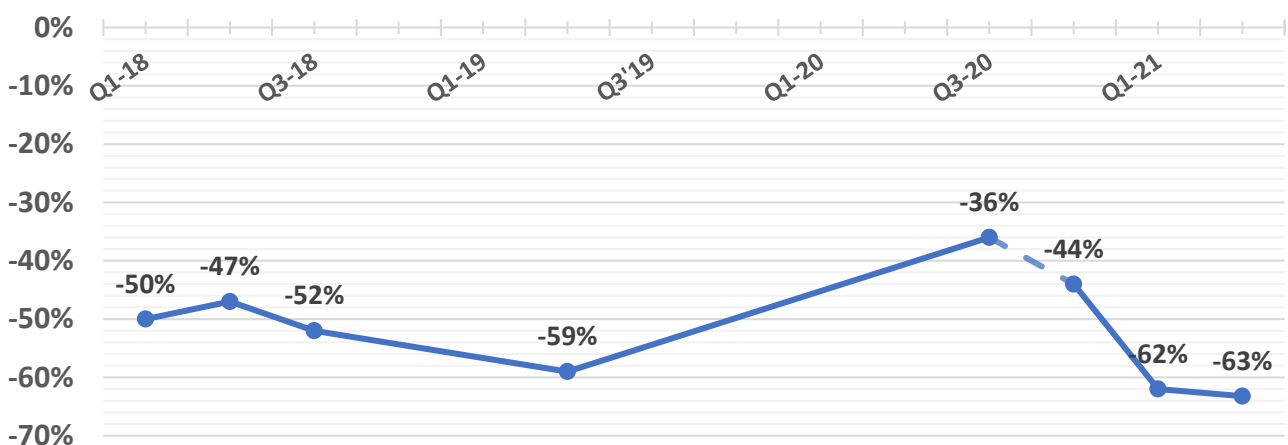
### Dealing with the job situation



### **Dealing with the banking situation:**

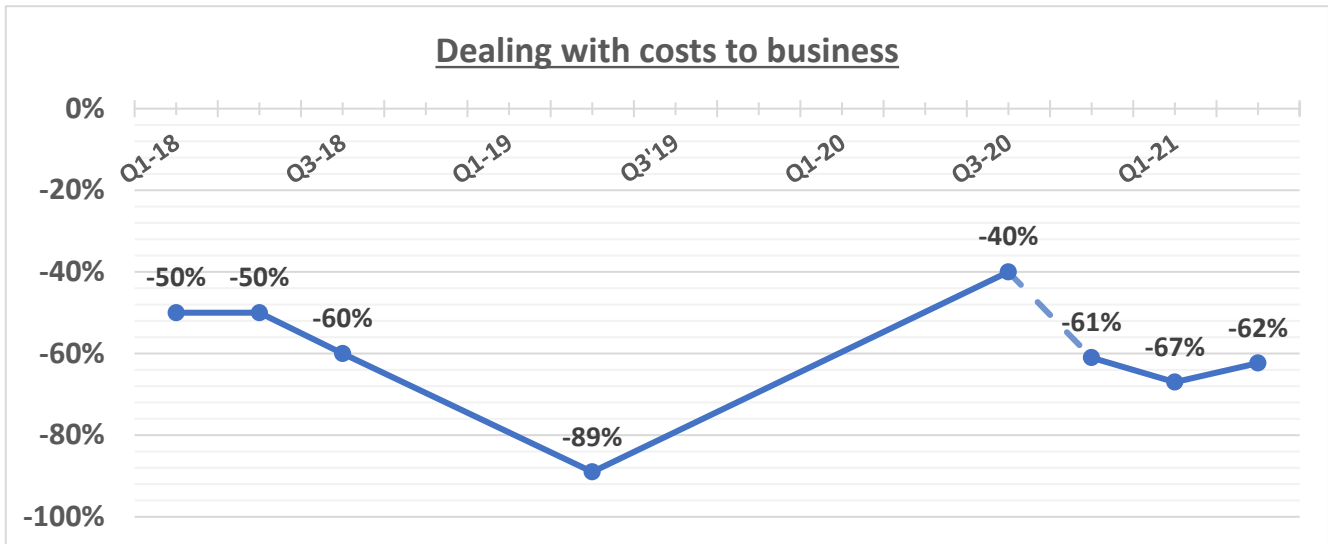
Banking, access to finance and the government's handling of the banking situation persists as one of the top two biggest sources of dissatisfaction for many small and medium enterprises. This trend decreased by 1%, going from -62% in Q1'21 to -63% in Q2'21. This most recent trend in the data is likely a consequence of the COVID-19 pandemic, the increased financial strain this has put on SMEs and the increased rates of loan refusal they have experienced this year. That said, it must be reiterated that until a change occurs in the dependence on the three main financial institutions in this country, the continuous negative trend around banking will likely persist.

### Dealing with the banking situation



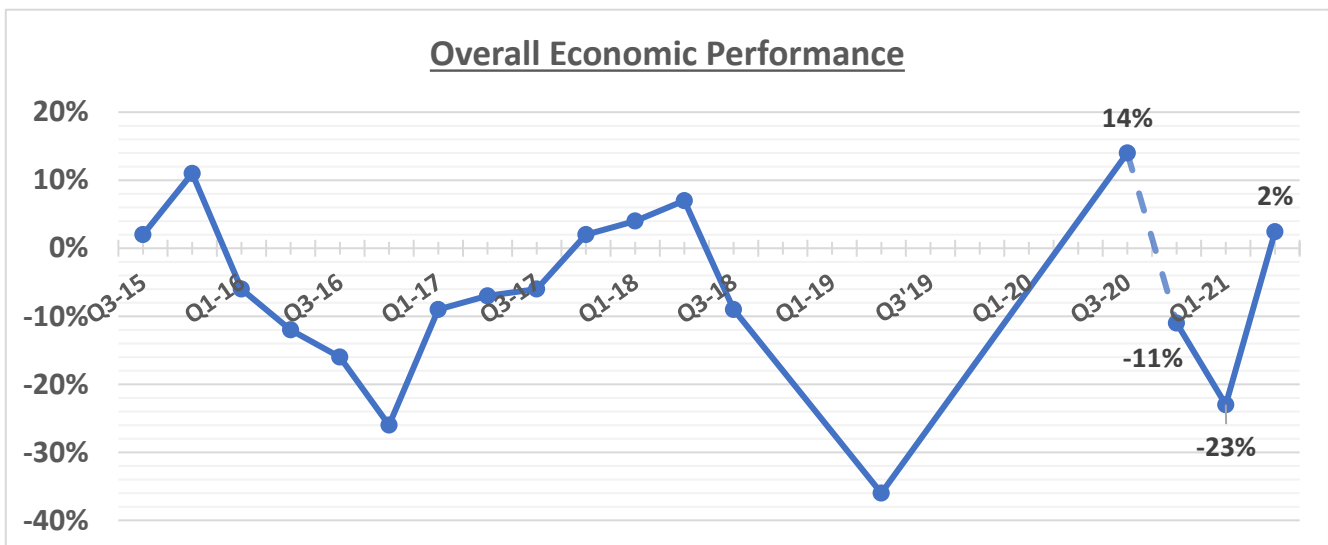
### Dealing with the costs to business:

Business cost satisfaction has been a consistent worry for SMEs. A clear upward trend can be seen between Q2'19 and Q3'20, which was undone throughout Q4'20 and Q1'21. As with the other areas covered in this report, this sudden downward trend stems from the COVID-19 pandemic. With that said, there was a slight increase of 5% in this satisfaction indicator in Q2'21, going from -67% to -62%.



### Overall Economic Performance:

The overall economic performance of the government, based on the responses of our SMEs, shows the sharpest overall recovery between Q1'21 and Q2'21 out of every key area assessed in this report. This increase of 25% could reflect the feelings of SMEs as the country comes out of lockdown.



## Summary Data:

Q1'21	SME Size		
	Micro (1-10)	Small (10-50)	Medium (50+)
Jobs	-22%	-24%	25%
Banking	-56%	-67%	-100%
Economy	11%	5%	-50%
Costs to business	-60%	-62%	-71%
Overall Economic Performance	-3%	-5%	50%

Q1'21	Sector		
	Manufacturing	Services	Retail
Jobs	25%	-26%	-20%
Banking	-63%	-63%	-20%
Economy	38%	26%	-20%
Costs to business	-87%	-41%	0%
Overall Economic Performance	0%	19%	20%

### NOTE:

The satisfaction ratings in this report are made up from five specific responses to a question 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.

**ENDS.**

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### Note to Editors:

This survey was conducted in the second week of June, covering the second quarter of 2021. There were 102 SME owner manager respondents. The results presented in this report are calculated as the aggregate response to a survey question, i.e., the sum of all positive and negative responses. For example, a survey question may ask: "Have you increased or reduced investment in your company in the last 12 months?". The breakdown of responses is as follows: 51% "Increased", 39% "Remain Same" and 13% "Decreased". The aggregate response to this question is calculated as the sum of the positive and negative sentiment expressed in the question: 51% - 13% = 38%. The neutral response, "Remain Same" is not considered.