

P R E S S R E L E A S E

Tuesday 27th February 2018

SME SATISFACTION WITH GOVERNMENT AT TWO-YEAR HIGH

- **Medium sized enterprises most satisfied with government**
- **Micro businesses least satisfied with government performance**
 - **Governments handling of business costs ‘unsatisfactory’**
- **Wholesale and Construction sectors least satisfied with government**

ISME, the Irish SME Association, published the results of its latest **Government Satisfaction report today (27th February)**. SMEs overall satisfaction with the Government continued to improve in 2017. The report examines government satisfaction in key areas for the SME sector; ‘Banking’, ‘Business Costs’, and ‘Jobs’ The Association notes that this is the fourth consecutive improvement in government satisfaction ratings, but highlights the need for better government supports and initiatives for SMEs.

ISME CEO, Neil McDonnell commenting on the results stated *“While we welcome the continued improvement in the government satisfaction ratings, there is still a lot to be done. We want to see government tackling business costs for SMEs.”*

“ISME has made several submissions to government departments in relation to business costs and national competitiveness, we believe the former to be too high, and the latter under threat”

He added,

“The government needs to invest more in the indigenous industrial sector, this is the engine behind our economy. The meaningful tackling of issues such as insurance and excessive business costs will impact positively on the SME sector”

The survey was conducted in the second week of November, with 516 SME respondents, 53% of whom employ less than 10; 39% employ between 11 and 49; and the remaining 8% employ between 50 and 250. Geographically, 35% are from Dublin; 53% are spread across the rest of the country; and 12% have multiple sites.

COMBINED RATING (-6% to +2%)

- The overall satisfaction rating has improved this quarter improved from -6% (Q3’17) to +2% (Q4’17). This is the highest satisfaction with government has been in over two years. Micro enterprises are least satisfied with the government at -8%. This is

consistent with anecdotal feedback we are getting from the sector: Micro businesses are the ones under greatest pressure at the moment.

- Small enterprise reported an improvement increasing from -8% to +2%.
- Medium sized enterprise are most satisfied with government at +67%, an increase from +36% in Q3'17.
- The Wholesale sector is most dissatisfied with government at -25%, while the Retail sector is most satisfied with government at 33%.
- The Services sector reported an improvement on government satisfaction this quarter, increasing from 0% to +3%.
- Manufacturing reported a dis-improvement in government satisfaction dropping from +14% in Q3'17 to +3% in Q4'17, while Construction improved from -46% to -14% in Q4'17.

JOB'S RATING (From +11% to +5%)

- There has been a continued drop in the satisfaction ratings with the Government's handling of the jobs situation, declining from +11% to +5%. This decline was anticipated given the nominal change in the monthly unemployment figures captured by the CSO recently. The jobs figure could be bettered, if government influenced costs were reduced.

BANKING (From -63% to -46%)

- Although there was an improvement in member satisfactions of government's handling of the banking score, it remains negative. Until we move away from the unhealthy relationship we have with the three main financial institutions, negative scoring around banking will persist. In our previous bank watch survey, 32% stated they were refused a loan. Furthermore, the interest charged to SMEs is twice the EU average. Until we see positive change in these areas, adverse scoring will continue.

ECONOMY (From +1% to +9%)

- This question examines how satisfied SMEs are with the Government's handling of the economy; there was an increase in government's handling of the economy overall, up from +1% to +8%.

BUSINESS COSTS (From -54% to -56%)

- Business costs continue to be a concern for SMEs. Excessive business costs have a major impact on businesses; this was reflected in our submission to the Oireachtas committee on business costs. The Association is concerned that the impact of a hard

Brexit and continued labour pressures will affect our competitiveness. We reiterate our call for the Government to conduct a review of all business costs to bring them into line with our main export competitors. In view of the generally positive sentiment towards Government the increased SME dissatisfaction with business costs should hopefully prove to be instructive.

ENDS

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Note to Editors:

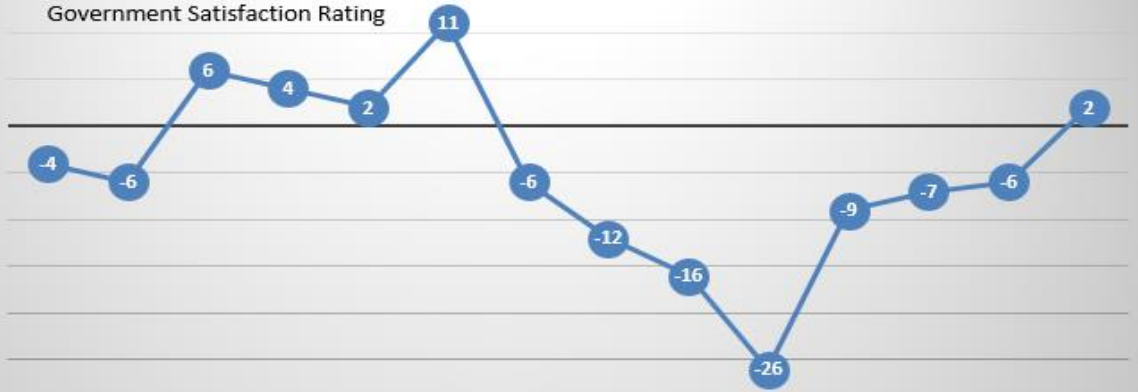
*** The satisfaction rating is made up from five specific questions on the Government's performance in dealing with Jobs, Banking, Business Costs the Economy and Overall performance. The results are based on simple balances of the differences between positive and negative responses, for example the negative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

	<i>JOBS</i>	<i>BANK</i>	<i>COSTS</i>	<i>OVERALL</i>
WINTER '17	+5	-46	-56	+2
AUTUMN '17	+11	-63	-54	-6
SUMMER '17	+13	-49	-60	-7
SPRING '17	+25	-33	-55	-9
WINTER '16	+2	-49	-67	-26

	Overall satisfaction ratings.			
	<i>MICRO</i>	<i>SMALL</i>	<i>MEDIUM</i>	<i>TOTAL</i>
WINTER '17	-8	+2	+67	+2
AUTUMN '17	-11	-8	+36	-6
SUMMER '17	-13	-10	+19	-7
SPRING '17	-16	-11	+21	-9
WINTER '16	-40	-16	+1	-26

	<i>MANUFACTURING</i>	<i>SERVICES</i>	<i>WHOLESALE</i>	<i>RETAIL</i>	<i>CONSTRUCTION</i>	<i>TOTAL</i>
WINTER'17	+3	+3	-25	+33	-14	+2
AUTUMN '17	+14	0	0	-57	-46	-6
SUMMER '17	+8	-7	-4	-62	+9	-7
SPRING '17	-5	-17	-11	-25	+15	-9
WINTER '16	-39	-22	-21	-27	0	-26
AUTUMN '16	+17	-23	-19	-25	+13	-16

Government Satisfaction Rating



	Autumn '14	Winter'14	Spring'15	Summer'15	Autumn'15	Winter'15	Spring '16	Summer'16	Autumn '16	Winter '16	Spring '17	Summer '17	Autumn '17	Winter '17
Series1	-4	-6	6	4	2	11	-6	-12	-16	-26	-9	-7	-6	2

Axis Title