



Government Satisfaction Report Q3'21

04th November 2021

SME SATISFACTION WITH GOVERNMENT PERFORMANCE DECLINES

- Medium sized enterprises least satisfied with government.
- Small businesses most satisfied with government performance.
- Government's handling of banking situation begins to trend positively.
- Manufacturing sector most dissatisfied with government performance.

ISME, the Irish SME Association, today (04th November) released its Government Satisfaction Report for Q3'21. 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:

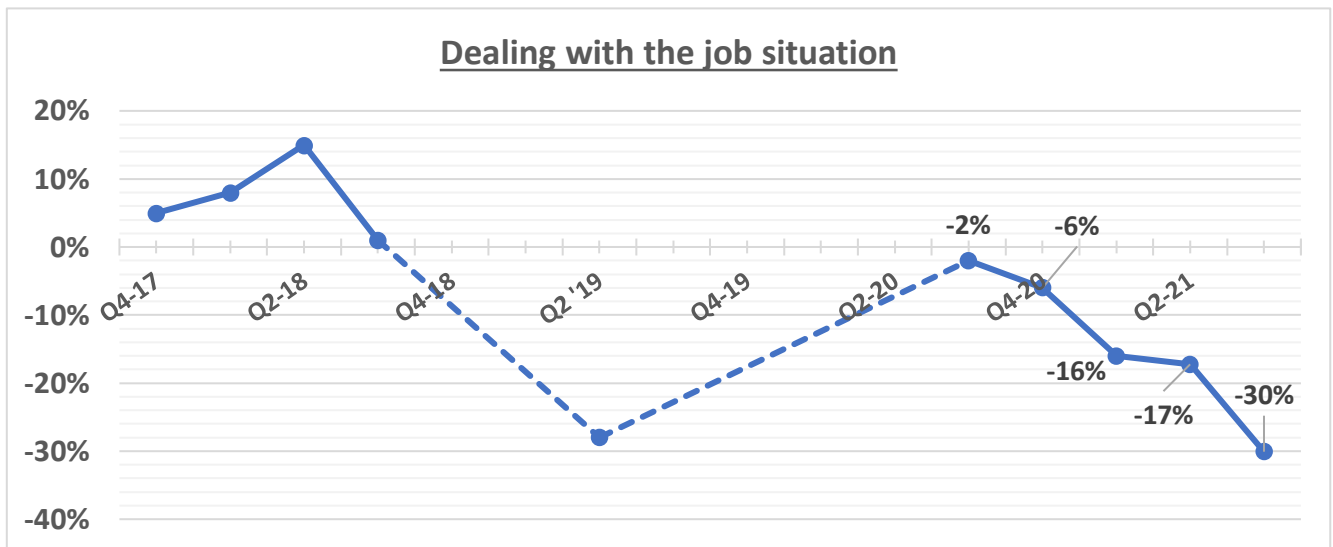
The issues of most significant concern to businesses at the moment are the difficulties in hiring and retaining staff, and in dealing with banking (and the cost agenda in general). SMEs are simply unable to compete against foreign multi-nationals and the public service in offering gold-plated terms, conditions and pay to workers. At the moment, they are losing talent to those who can afford to pay far more, while at the same time we have more than 100,000 unemployed.

This report was generated using data from our Q3'21 business trends survey, conducted in the first two weeks of October 2021. There were 143 SME respondents, 51% of whom employ less than 10; 43% employ between 11 and 49; and the remaining 5% employ between 50 and 250. Geographically, 40% are from Dublin; 50% are spread across the rest of the country; and 10% have multiple sites.

Dealing with the job situation:

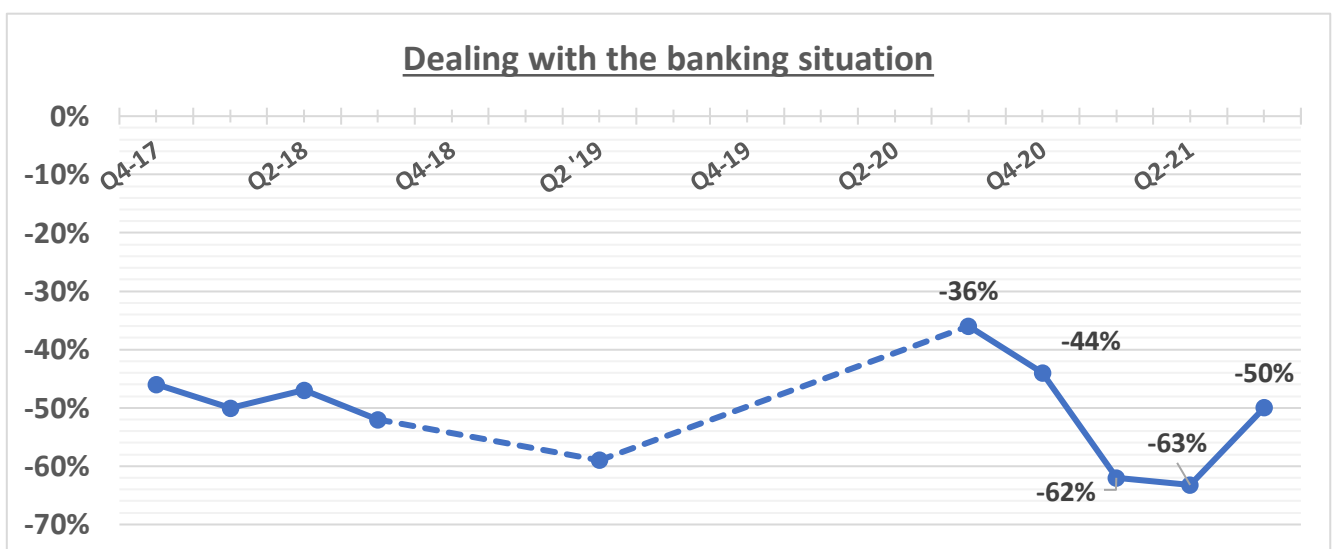
The downward trend continues for the Government's handling of the job situation. This indicator is now as low as in the middle of 2019, after a further decrease of 13% between Q2'21 and Q3'21. SMEs

have run into difficulty in retaining current staff and attracting new employees, likely due to the COVID-19 crisis.



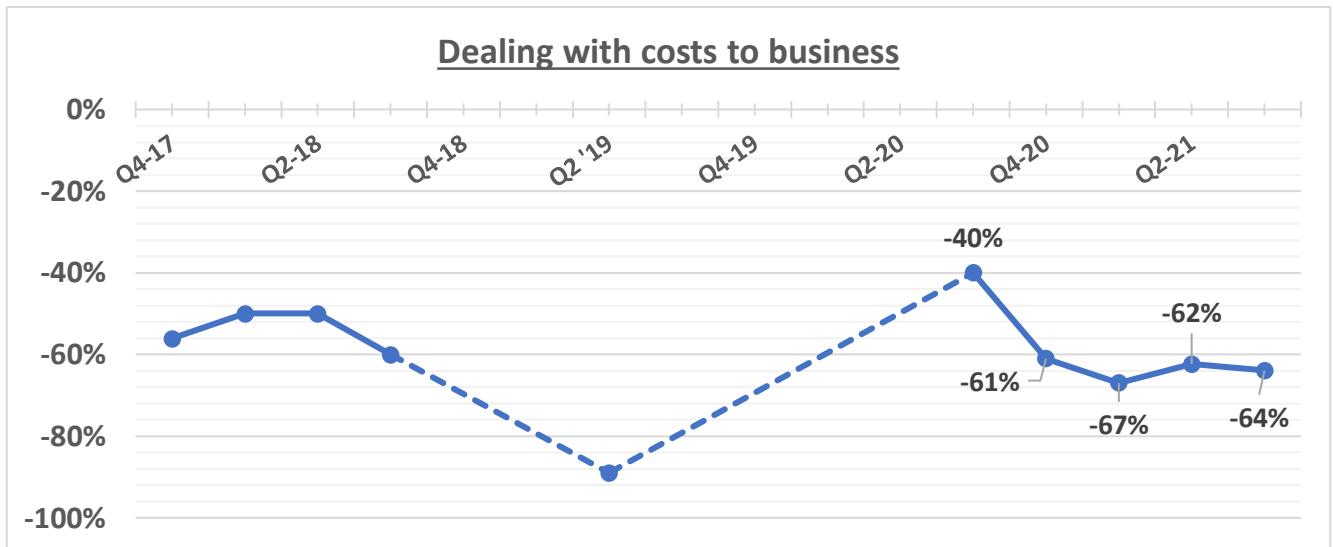
Dealing with the banking situation:

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 has recovered by 10%, increasing by 13% and going from -63% in Q2'21 to -50% in Q3'21. This persistent negative 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 costs to business:

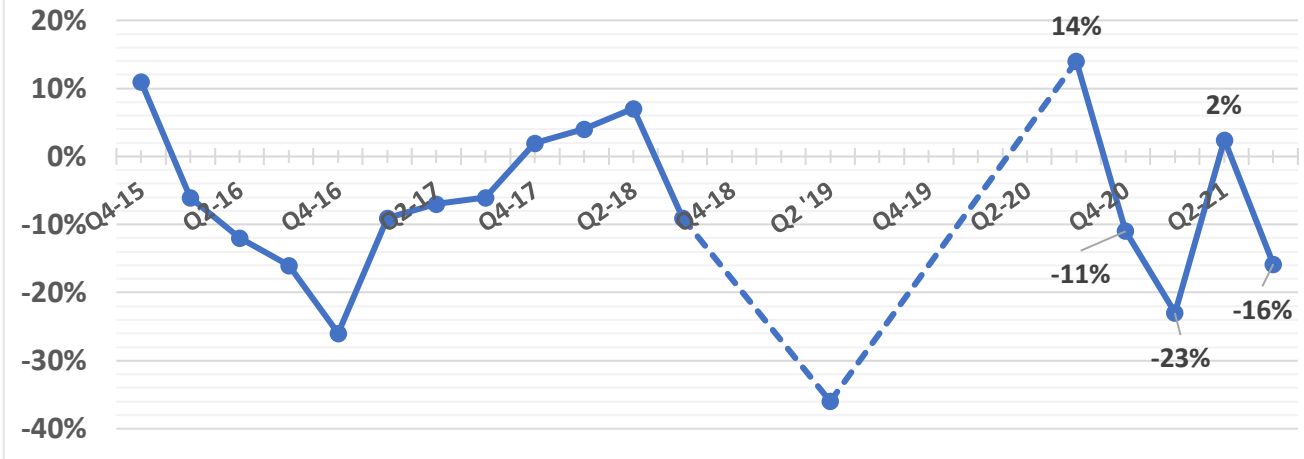
Business cost satisfaction has been a consistent worry for SMEs. A clear upward trend can be seen between Q2'19 and Q3'20, which was undone throughout Q4'20 and Q1'21. As with the other areas covered in this report, this sudden downward trend stems from the COVID-19 pandemic. This trend remains persistent, going from -62% in Q2'21 and -64% this quarter.



Overall Economic Performance:

The overall economic performance of the government, based on the responses of our SMEs, shows a sharp decline between Q2'21 and Q3'21.

Overall Economic Performance



Summary Data:

Q3'21	SME Size	
	Micro (1-10)	Small (10-50)
Jobs	-26%	-30%
Banking	-27%	-33%
Economy	-25%	-33%
Costs to business	-26%	-33%
Overall Economic Performance	-27%	-33%

Q3'21	Sector		
	Manufacturing	Services	Wholesale *
Jobs	-27%	-23%	27%
Banking	-35%	-23%	27%
Economy	-31%	-23%	27%
Costs to business	-31%	-23%	27%
Overall Economic Performance	-31%	-28%	27%

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 first 2 weeks of October, covering the third quarter of 2021. There were 143 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.

* Summary data based on a very small sample size.