

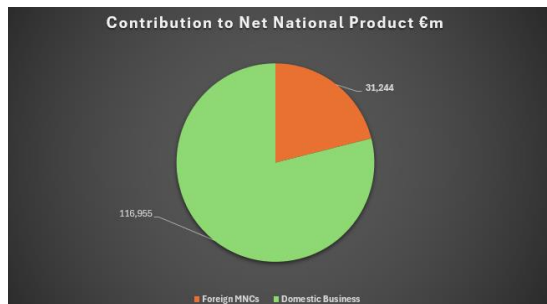


SAVE SMALL BUSINESS – [SAVEJOBS.IE](https://savejobs.ie)

HERE ARE THE FACTS:

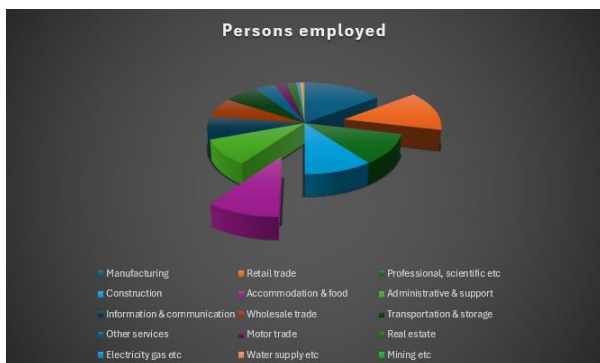
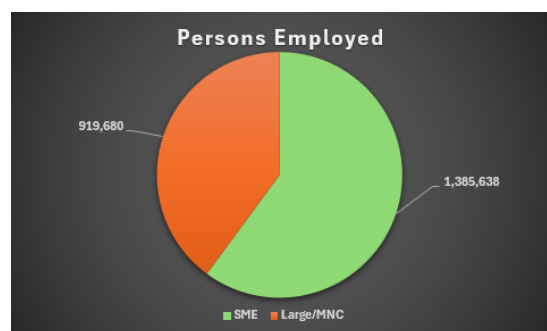
1. SMEs are THE major employers in Ireland, employing over 1.5 times as many workers as large/FDI companies.
2. SMEs contribute 3.7 times more than FDI business to the economy in Net National Product terms.
3. Retail and Hospitality are huge employers, employing some 24% of the workforce.
4. Government mandated increases in employment costs such as the minimum wage, additional public holiday and sick pay, and higher PRSI are adding €4,000 per employee to business costs and are strangling SMEs.
5. Government is passing these costs to employers rather than meeting them directly through the Social Protection system, as used to be the case.
6. Most SMEs do not have the capacity to absorb these increases or pass them on to customers.
7. Ireland is already an expensive place to do business with high wages, high insurance, banking, energy and compliance costs.
8. SME and service sector insolvencies are rocketing – for the current year PWC and Deloitte have predicted significant increases in insolvencies- above 2019 levels.
 - a. [PwC restructuring data](#) show insolvencies up 41% in the first quarter of 2024.
 - b. [Hospitality and Retail make up 40%](#) of these insolvencies.
9. We are not asking Government to bail out non-viable business. We are asking Government to recognise that a confluence of legislative measures have made many SMEs non-viable.
10. The [Save Small Business- SaveJobs campaign](#) seeks urgent Government intervention now. Many lack the cash to make it through to an October Budget so immediate support is needed including at a minimum:
 - PRSI reform.
 - Permanent restoration of the 9% VAT rate for the food, grooming and experiential sectors.
 - Permanent restoration of the 21% VAT rate.
 - Reform of the minimum wage setting mechanism to recognise that 48% of workers are employed in high-earning multinationals or the public service.
 - Recognition of SME employers in the Government's Labour Employer Economic Forum.
 - Regulatory impact assessment for all legislation affecting the cost base for SMEs.





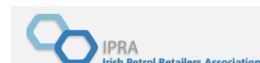
SMEs contribute 3.7 times more to the Irish economy than FDI businesses in Net National Product terms.

SMEs employ 1.5 times as many workers as large/FDI companies.



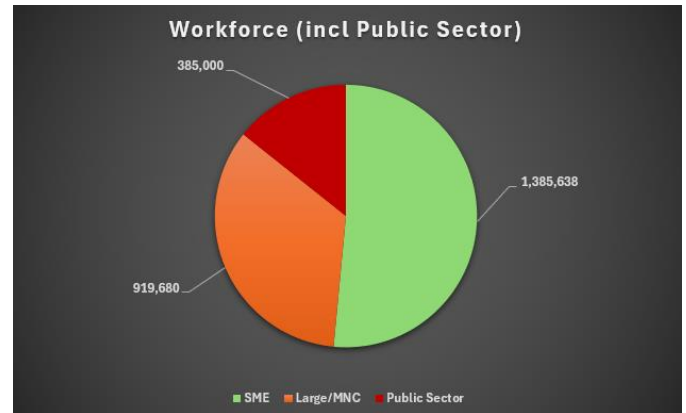
Retail and Accommodation & Food are large employment sectors, with 24% of the workforce.

There are big disparities in weekly earnings, with workers in large firms earning 42% more than those in small firms, and public sector workers earning 53% more than those in small firms.

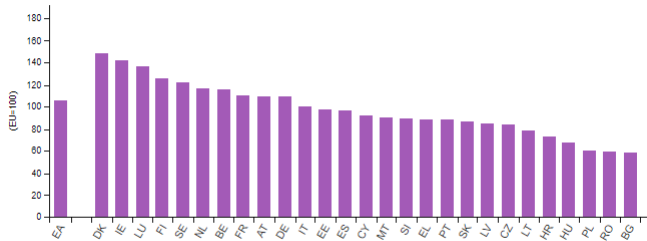




Because the Large/MNC and Public Sector together employ 48% of the Irish workforce, they have a real impact on workforce earnings. Use of the 50% of mean or 60% of median in order to set the National Minimum Wage is therefore problematic.



Price level index for final household expenditure (HFCE), 2022



Source: Eurostat (online data code: prc_ppp_ind)

Ireland's standard VAT rate is 4th highest in the EU, and our reduced rate is 3rd highest in the EU.

Member State	Standard rate	Member State	Reduced rate
Hungary	27	Hungary	5/18
Denmark	25	Czechia	10/15
Croatia	25	Finland	10/14
Sweden	25	Ireland	9/13.5
Greece	24	Austria	10/13
Finland	24	Greece	6/13
Ireland	23	Croatia	5/13
Poland	23	Portugal	6/13
Portugal	23	Belgium	6/12
Italy	22	Sweden	6/12
Slovenia	22	Spain	10
Belgium	21	France	5.5/10
Czechia	21	Italy	5/10
Spain	21	Slovakia	10
Lithuania	21	Slovenia	5/9.5
Latvia	21	Lithuania	5/9
Netherlands	21	Cyprus	5/9
Austria	20	Bulgaria	9
Bulgaria	20	Estonia	9
Estonia	20	Netherlands	9
France	20	Romania	5/9
Slovakia	20	Luxembourg	8
Cyprus	19	Poland	5/8
Germany	19	Germany	7
Romania	19	Malta	5/7
Malta	18	Latvia	12/5
Luxembourg	17	Denmark	-





Contribution to Net National Product

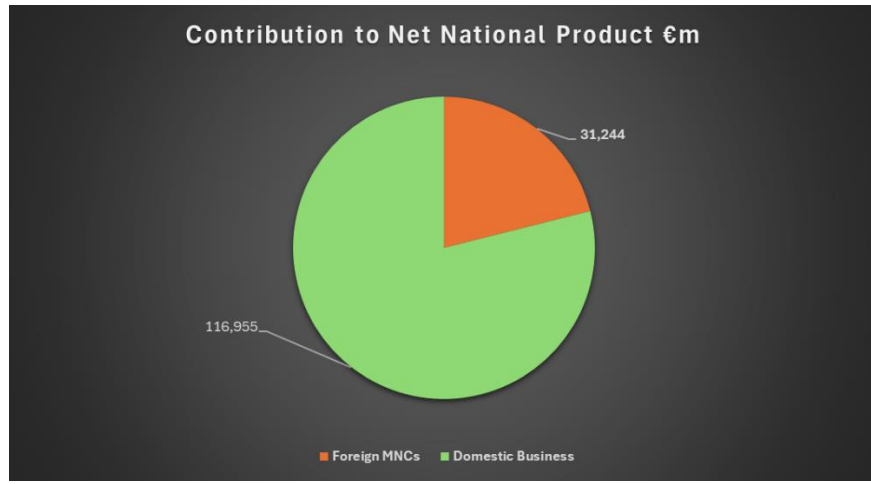
Indigenous enterprise contributes 3.7 times as much in NNP terms to the Irish economy as foreign multinationals, mostly through wages.

TABLE 1 NNP AT BASIC PRICES, BEFORE ADJUSTING FOR THE STATISTICAL DISCREPANCY, € MILLION

Foreign MNEs	2013	2014	2015	2016	2017	2018
1. Compensation of employees	18,056	18,848	20,201	21,089	22,373	23,308
2. Gross operating surplus/mixed income	52,654	59,552	117,723	118,073	131,425	145,830
3. Consumption of fixed capital	14,710	16,135	42,730	49,244	57,244	62,279
4. (2-3) Net operating surplus	37,944	43,417	74,993	68,829	74,181	83,551
5. (1+2) Gross value added	70,710	78,400	137,924	139,162	153,798	169,138
6. (5-3) Net value added	56,000	62,265	95,194	89,918	96,554	106,859
7. Corporate taxes	3,329	3,427	5,202	5,615	6,258	7,936
8. Factor flows - profit repatriations (allocation of primary income flows)	34,615	39,990	69,791	63,214	67,923	75,615
9. (6-8) Contribution to NNP	21,385	22,275	25,403	26,704	28,631	31,244
Domestic	2013	2014	2015	2016	2017	2018
1. Compensation of employees	52,591	54,250	57,588	61,579	65,778	69,986
2. Gross operating surplus/mixed income	41,267	45,924	48,977	53,266	57,671	63,958
3. Consumption of fixed capital	11,829	12,548	13,603	14,512	15,832	16,989
4. (2-3) Net operating surplus	29,438	33,376	35,374	38,754	41,839	46,969
5. (1+2) Gross value added	93,858	100,174	106,565	114,845	123,449	133,944
6. (5-3) Net value added	82,029	87,626	92,962	100,333	107,617	116,955
7. Corporate taxes	955	1,206	1,689	1,758	1,959	2,485
8. Factor flows - profit repatriations (allocation of primary income flows)	0	0	0	0	0	0
9. (6-8) Contribution to NNP	82,029	87,626	92,962	100,333	107,617	116,955
Total	2013	2014	2015	2016	2017	2018
1. Compensation of employees	70,647	73,098	77,789	82,668	88,151	93,294
2. Gross operating surplus/mixed income	93,921	105,476	166,700	171,339	189,096	209,788
3. Consumption of fixed capital	26,539	28,683	56,333	63,756	73,076	79,268
4. (2-3) Net operating surplus	67,382	76,793	110,367	107,583	116,020	130,520
5. (1+2) Gross value added	164,568	178,574	244,489	254,007	277,247	303,082
6. (5-3) Net value added	138,029	149,891	188,156	190,251	204,171	223,814
7. Corporate taxes	4,284	4,633	6,891	7,373	8,217	10,421
8. Factor flows - profit outflows	34,615	39,990	69,791	63,214	67,923	75,615
9. (6-8) Contribution to NNP	103,414	109,901	118,365	127,037	136,248	148,199
10. Residual factor outflows excluding profit repatriations and redomiciled PLCs	1,022	-1,888	-3,176	-6,456	-1,327	280
11. (9-10) NNP adjusted for redomiciled PLCs	102,392	111,789	121,541	133,493	137,575	147,919
12. Redomiciled PLCs	6,492	6,852	4,662	5,781	4,458	5,002
13. (11+12) NNP	108,884	118,641	126,203	139,274	142,033	152,921
NNP adjusted for redomiciled PLCs	102,392	111,789	121,541	133,493	137,575	147,919
Foreign MNEs % of GVA	43	44	56	55	55	56
Foreign MNEs % of NNP adjusted	21	20	21	20	21	21

Source: CSO Institutional Sector Accounts, Non-Financial and author's calculations.





Source: https://www.esri.ie/system/files/publications/QEC2020SUM_SA_FitzGerald.pdf

General Business Demography:



Business Demography 2021

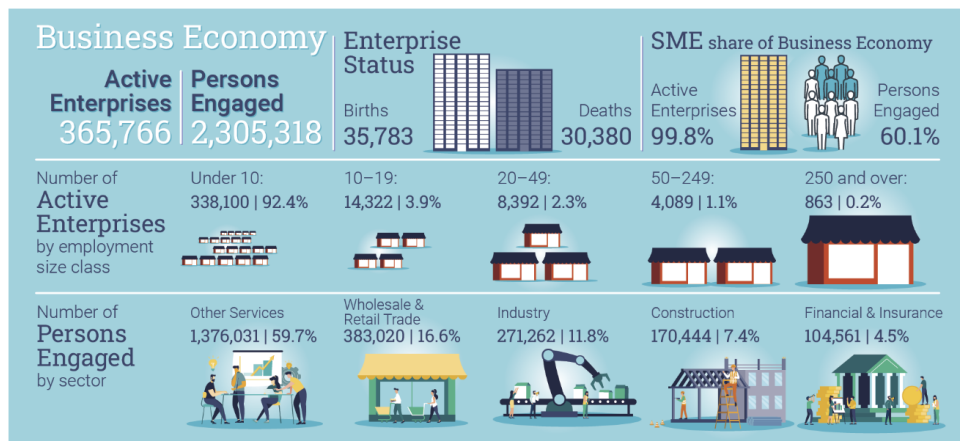
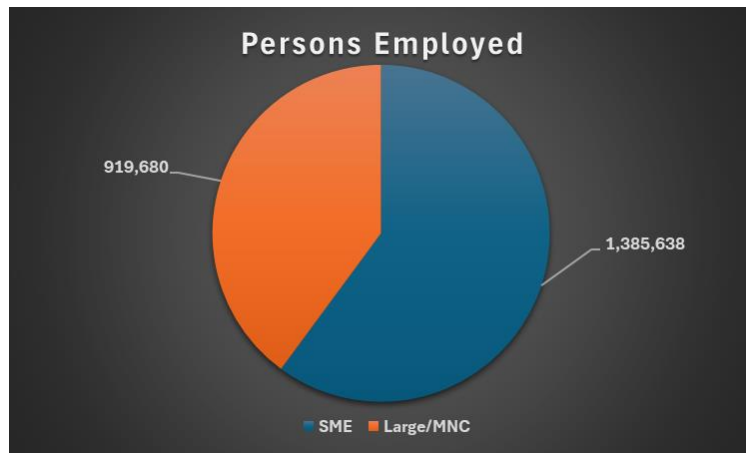




Table 4: Persons Engaged (Number) by Size Class		
	2021	Percentage of Total
All persons engaged size classes	2,305,318	100%
Under 10	545,717	24%
10-19	192,488	8%
20 - 49	249,492	11%
50 - 249	397,941	17%
250 and over	919,680	40%

Table 3: Active Enterprises (Number) by Size Class and Year ¹		
	2021	Percentage of Total
All active enterprises	365,766	100%
Under 10 persons engaged	338,100	92.4%
10-19 persons engaged	14,322	3.9%
20 - 49 persons engaged	8,392	2.3%
50 - 249 persons engaged	4,089	1.1%
250 and over persons engaged	863	0.2%



Source:

<https://www.cso.ie/en/releasesandpublications/ep/p-bd/businessdemography2021/>

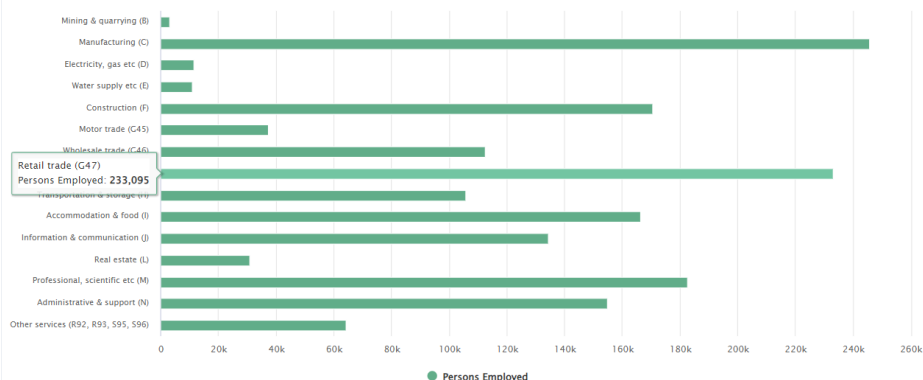
<https://www.cso.ie/en/releasesandpublications/ep/p-biir/businessinireland2021detailedresults/smallandmediumenterprises/>

Persons Employed by Sector:





Figure 2.2: Number of persons employed by detailed sector, 2021



Source: CSO Ireland

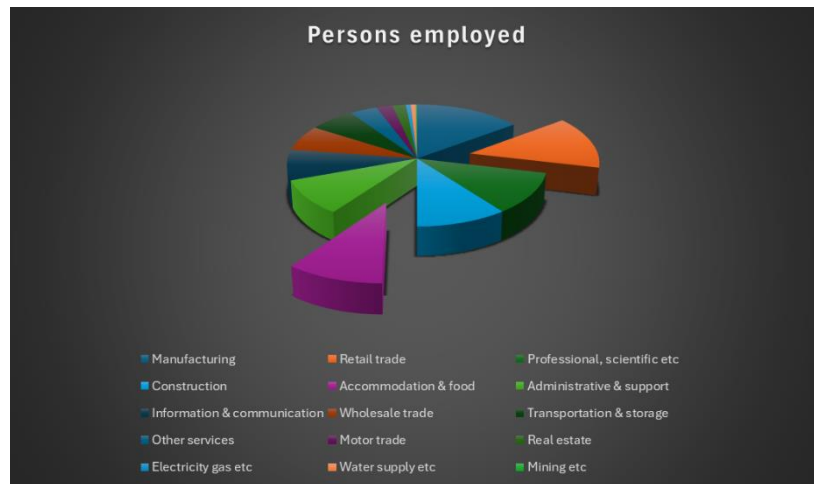
Table 2.1 Structural Business Statistics key variables by detailed sector, 2021

	Enterprises	Persons employed	Turnover	Gross value added
	No.	No.	€m	€m
Mining & quarrying (B)	473	3,116	1,052	554
Manufacturing (C)	18,206	245,561	364,747	152,199
Electricity gas etc (D)	821	11,622	12,201	4,207
Water supply etc (E)	1,095	10,964	2,842	628
Construction (F)	70,459	170,446	36,221	8,853
Motor trade (G45)	9,622	37,346	17,038	2,167
Wholesale trade (G46)	14,265	112,579	128,463	16,867
Retail trade (G47)	24,507	233,095	48,434	8,707
Transportation & storage (H)	24,052	105,690	18,888	4,693
Accommodation & food (I)	19,363	166,424	10,211	4,701
Information & communication (J)	18,533	134,280	256,617	74,141
Real estate (L)	17,101	30,807	4,499	1,907
Professional, scientific etc (M)	49,583	182,657	62,772	21,335
Administrative & support (N)	19,711	154,853	42,847	22,645
Other services (R92, R93, S95, S96)	21,888	64,146	7,017	2,402
Total Business Economy¹	309,679	1,663,586	1,013,849	326,005

Source: CSO Structural Business Surveys

¹Totals may differ due to rounding.





Source:

<https://www.cso.ie/en/releasesandpublications/ep/p-biisr/businessinireland2021summaryresults/detailedbusinesssectors/>





Wages:

Table 1 Average weekly earnings by economic sector and other characteristics and quarter - Preliminary estimates

NACE Principal Activity	2018	2019	2020	2021	2022	2023	2023	
	Q3	Q3	Q3	Q3	Q3	Q2	Q3	
	€	€	€	€	€	€	€	
Industry	875.54	883.24	890.24	945.34	970.62	1,042.99	1,024.79	
Construction	796.07	804.64	818.03	869.54	920.83	900.39	928.02	
Wholesale and retail trade; repair of motor vehicles and motorcycl	566.53	597.26	605.19	629.32	645.48	673.53	676.52	
Transportation and storage	818.45	833.22	780.66	778.36	850.90	890.41	850.71	
Accommodation and food services	368.18	376.82	387.95	403.83	421.93	432.25	440.23	
Information and communication	1,175.92	1,241.45	1,270.40	1,335.88	1,493.83	1,554.55	1,525.19	
Financial, insurance and real estate	1,056.70	1,090.20	1,119.87	1,154.70	1,211.93	1,336.21	1,244.44	
Professional, scientific and technical activities	901.37	948.00	906.67	1,031.24	1,034.48	1,118.99	1,107.11	
Administrative and support services	575.02	607.68	624.16	682.17	685.32	714.50	701.94	
Public administration and defence	945.47	966.73	978.47	1,006.19	1,020.17	1,112.23	1,098.50	
Education	857.76	865.60	901.01	961.73	947.24	946.03	987.29	
Human health and social work	715.26	727.10	758.21	809.06	826.43	858.30	885.07	
Arts, entertainment, recreation and other service activities	493.43	494.22	518.58	552.44	563.11	608.66	623.04	
	742.75	769.14	794.89	837.61	867.63	911.01	907.72	
Public/Private Sector¹								Public Sector Premium Over:
Private sector	681.70	709.30	731.11	773.44	811.49	852.59	843.40	33%
Public sector ²	960.14	972.76	997.24	1,050.48	1,058.98	1,105.71	1,125.92	0%
Size of Enterprise								
Less than 50 employees	586.35	608.02	625.73	655.49	688.26	730.52	734.76	53%
50-250 employees	684.16	706.26	738.28	780.57	807.14	849.85	826.13	36%
Greater than 250 employees	871.79	900.75	923.61	971.48	999.94	1,041.04	1,042.15	8%



Source:

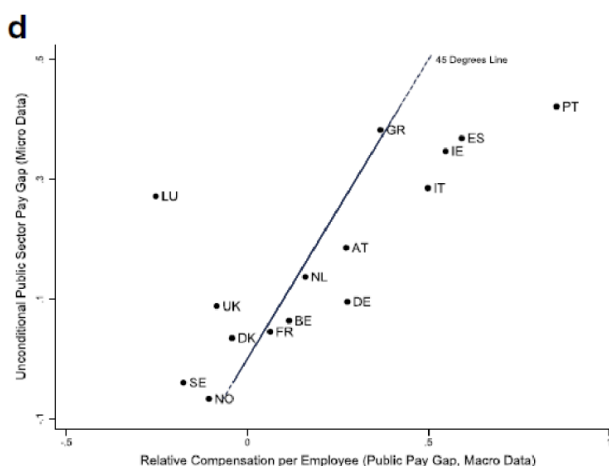
<https://www.cso.ie/en/releasesandpublications/ep/p-elcq/earningsandlabourcostsq22023finalq32023preliminaryestimates/>





Public Private Pay Gap:

Ireland has a bigger gap between public and private sector pay than any country other than Spain and Portugal, where private sector pay is much lower.



Source:

<https://izajolp.springeropen.com/articles/10.1186/s40173-017-0086-0>

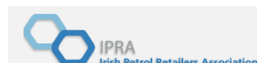
NMW:

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
NMW €/hr	8.65	7.65	8.65	8.65	8.65	8.65	9.15	9.25	9.55	9.80	10.10	10.20	10.50	11.30	12.70
weekly	337.35	298.35	337.35	337.35	337.35	337.35	356.85	360.75	372.45	382.2	393.9	397.8	409.5	440.7	495.3
Increase	0.0%	-11.6%	13.1%	0.0%	0.0%	0.0%	5.8%	1.1%	3.2%	2.6%	3.1%	1.0%	2.9%	7.6%	12.4%

Change in NMW 2024:

	31/12/2023	01/01/2024
NMW €/hr:	11.30	12.70
NMW €/wk	440.70	495.30
PRSI @ 8.8%	38.78	38.81
PRSI @ 11.05%		6.00
Weekly gross:	479.48	540.11
Annual Gross:	24,933.04	28,085.62
Weekly increase in NMW		60.63
Annual increase in NMW:		3,152.58

With the increase in the NMW of €3.1k for one worker, the max ICOB assistance of €5,000 for a business will cover the increase in wage cost for 1.6 workers only.



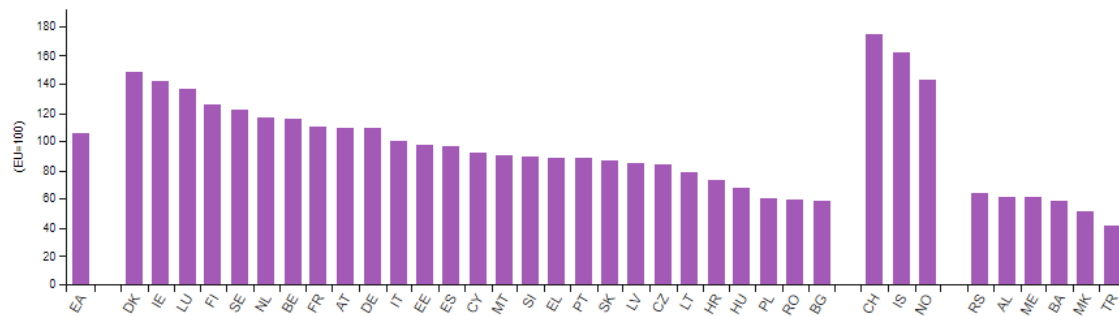




VAT Rates and Prices

Ireland has the second highest consumer prices, the 4th highest standard VAT rate, and the 3rd highest reduced VAT rate in the EU. We fail to see how Government can justify forcing wage rates upwards while it is the major contributor to the increased cost of living.

Price level index for final household expenditure (HFCE), 2022



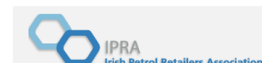
Source: Eurostat (online data code: prc_ppp_ind)

eurostat

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Italy	22	Sweden	6/12
Slovenia	22	Spain	10
Belgium	21	France	5.5 / 10
Czechia	21	Italy	5/10
Spain	21	Slovakia	10
Lithuania	21	Slovenia	5 / 9.5
Latvia	21	Lithuania	5/9
Netherlands	21	Cyprus	5/9
Austria	20	Bulgaria	9
Bulgaria	20	Estonia	9
Estonia	20	Netherlands	9
France	20	Romania	5/9
Slovakia	20	Luxembourg	8
Cyprus	19	Poland	5/8
Germany	19	Germany	7
Romania	19	Malta	5/7
Malta	18	Latvia	12/5
Luxembourg	17	Denmark	-

Source:

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative_price_levels_of_consumer_goods_and_services
https://europa.eu/youreurope/business/taxation/vat/vat-rules-rates/index_en.htm#inline-nav-6





UK Minimum pay (1/4/24) 11.44ph, £1,933.36pm, £23,200pa.

UK Median pay: £2,331pm, £27,972

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimeinformationuk/latest#median-monthly-pay>

