



An Roinn Fiontar,
Trádála agus Fostaíochta
Department of Enterprise,
Trade and Employment

Sixth meeting of the SME and State Bodies Group

Government Buildings

15 December 2022

Ministerial Attendees:

- An Tánaiste and Minister for Enterprise, Trade and Employment: Leo Varadkar TD
- Minister of State: Damien English TD
- Minister of State: Dara Calleary TD

Opening Remarks

The Tánaiste welcomed the SME representatives and State bodies to the first in person meeting of the group in Government buildings. Those who attended virtually as observers were also welcomed.

He noted the many achievements made by the Department during his time as Minister over the previous two and a half years such as the White Paper on Enterprise and attaining more than 2.5 million people in employment, exceeding the 2024 target date.

The Tánaiste discussed some of the current challenges facing SMEs such as the Covid 19 pandemic, the Energy crisis, and the War in Ukraine and referenced various schemes available to SMEs through the Department such as the Temporary Business Energy Support Scheme (TBESS), the Ukraine Credit Guarantee Scheme (UCGS) and a future Ukraine Energy Crisis Scheme.

Attendees were then advised that the format of the meeting would consist of a tour de table of the SME representatives followed by remarks from the State Bodies with closing remarks from the Ministers.

Input from SME representatives

Each representative body provided their individual input, the key points raised were:

- Some SMEs being reluctant to invest in green and sustainability due to cost concerns and a lack of resources;
- Lack of awareness regarding the green and digital transition – Younger and developing firms are unsure of what technology to invest in to improve their businesses;
- Issues for business in accessing the Temporary Business Energy Support Scheme;
- Issues around paperwork impeding and delaying mortgage and loan application process;
- SMEs are concerned with the expected expiration of the reduced VAT rate;
- Lack of awareness in SMEs of Government grants and supports available to them;
- Rising interest rates and low investor appetite are causing concern for some SMEs seeking alternatives to traditional bank finance.

Overall, the SME representatives thanked the government for the targeted supports, but they urged that such measures needed to be promoted more as a lack of awareness was a key issue for SMEs.

Banking & Payments Federation Ireland:

- Main focus for 2022 and into 2023 is the transition of banks with KBC and Ulster Bank leaving the Irish market – BPFi run a transition information programme fortnightly.
- An estimated 23,000 business bank accounts remain open.
- Some SMEs feel burdened with the level of paperwork to be completed for accessing overdrafts with many SMEs not having the time or resources to complete paperwork.

Euronext:

- The number of IPOs (Initial Public Offerings) joining new markets has dropped greatly with no new IPOs in Dublin so far this year.
- Capital Markets need to become more accessible to SMEs.

- Based on their work with participants, there are enhanced funding capabilities – Norway was suggested as a benchmark in this context due to its large ecosystem of capital market investment.

State Bodies:

The State Body Representatives provided an overview of how each of their schemes and initiatives are affecting SMEs. Energy and skills were some of the key issues mentioned. The recently published White Paper on Enterprise was widely welcomed and praised. Issues related to the exiting of KBC and Ulster Bank from the market was another key theme. It was noted that there would be an increasing need for overdrafts because of this.

Ministerial Responses

Minister English thanked the participants for their insights and feedback. In response to the issues around awareness, the SME Taskforce will utilise the SupportingSMEs.gov.ie website to signpost schemes and this may need to be matched with a loan mechanism.

Minister Calleary thanked the participants for their useful insights and commentary and welcomed them to follow up with the statistics and case examples mentioned during the meeting.

Leah Deverell

Finance for Growth Policy

15 December 2022

Attendees (in person)

IBEC	Sharon Higgins
Small Firms Association	Elizabeth Bowen
Irish Venture Capital Association	Sarah Jane Larkin
Chambers Ireland	Ian Talbot
Scale Ireland	Martina Fitzgerald
Irish Tourism Industry Confederation	Elaina Fitzgerald Kane
British Irish Chamber of Commerce	Aidan Finnegan
Irish Hotel Federation	Paul Gallagher
Restaurants Association of Ireland	Adrian Cummins
Family Business Network Ireland	John McGrane
Dublin Chambers	Mary Rose Burke
Banking & Payments Federation Ireland	Mags Fullen
Euronext	Niall Jones
DETE	Bernadette Hawkes Leah Deverell
Failte Ireland	Caeman Wall
EI	Donal Leahy Joe Healy
CRO	Catherine Collins
NTMA/ISIF	Nick Ashmore
LEO	Padraic McElwee