



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

3rd Meeting of the SME and State Bodies Group

Date: Wednesday, June 23rd, 2021, 2pm

Ministerial Attendees:

- An Tánaiste and Minister for Business, Enterprise and Innovation, Leo Varadkar TD
- Minister for Finance, Pascal Donohoe TD
- Minister for Public Expenditure and Reform, Michael McGrath TD
- Minister of State, Damien English TD
- Minister of State, Robert Troy TD

Note of Meeting

Opening Remarks

Jean Carberry, Assistant Secretary EUDAF opened the meeting and thanked everyone for their participation.

An Tánaiste welcomed the attendees and outlined that the government are keen to focus the relationship between SMEs and state bodies on issues around lending, profitability, and Brexit's impact and was looking forward to hearing from a diverse range of speakers.

Minister Donohoe explained how the Departments of Finance, Enterprise and Public Expenditure are working closely to put together supports for the struggling sectors in the economy.

Minister McGrath outlined that while Government are working to bring the State finance into a good position in the years to come, there are opportunities to invest in the green and digital agenda.

Tour de Table

The SME representatives were invited by An Tánaiste to make a brief submission on issues related to recent public health restrictions, credit requirements, the impact of Brexit, and the green and digital transition.

Issues raised by the SME bodies were:

- There was a broad appreciation for the range of Government schemes that have assisted SMEs and their employees. There were requests that a clear roadmap be developed to signpost a tapered approach to the discontinuance of these schemes.
- There was a broad acknowledgment of a muted demand for credit among SMEs.
- Concerns that costs of business (wages, PRSI, living wage, sick pay, Pension Auto Enrolment, energy) are increasing and will impact on SMEs as supports withdrawn. Additional administration costs associated with remote working are also a concern.
- A major issue for SMEs is the recruitment and retention of staff. A continued focus is needed on skilling/upskilling, especially as staff are moving from closed sectors to sectors that are open and operational.
- While there has been a 9% increase in seed and venture investment in Q1 2021, there remains concerns at the current levels of investment and a revised EIS could increase funding in this area.
- There was a broad acknowledgement that government, industries and SMEs should work together and coordinate clearly with regards to the green and digital transitions.
- Working from home and blended working present their own challenges, not only to town and city centres across the country, but also to employers in areas of insurance and health & safety for those working at home.
- Organisations have used the crisis to become more innovative and embrace digital, green and social values.

Banking & Payments Federation Ireland:

- It is important that SMEs come forward early and engage with financial institutions.
- There is no industry wide refusal or removal of finance to those on Government supports. Finance is provided based on affordability and suitability.
- The Credit Guarantee Scheme got off to a slow start, but drawdowns are going well, demand is steady and numbers are high; €13 million a week in draw downs.

Euronext:

- We need to build an equity financing culture in order to reduce SMEs reliance on debt.
- To increase investor access, we need to increase the number of Fund Managers in Ireland, which is lower now than ten years ago.
- Due to their success in the UK, Euronext would like to see Venture Capital Trusts set up in Ireland.
- Need products that help release capital in Ireland; EIS could play a role here.

State Bodies

- As restrictions reduce, expect more demand for credit.
- Export results for 2020 were very positive, slightly up on 2019, despite impact from Brexit and Covid.
- The Future Growth Loan Scheme continues to be an important funding source to the Agri food sector.
- The new Brexit Impact Loan Scheme will also be open for primary producers and can be used for working capital or investment by SMEs.
- Microenterprises have seen an increase in State funding and there is a focus on green education.
- There is a concern regarding bookings within the tourism industry. The real impact of Brexit on tourism won't be known until the dust settles.

Closing Remarks

In his closing remarks, **Minister English** stated that the Pathways to Work Plan will be finalised in the coming weeks and Financial literacy for SMEs was important.

Minister Troy outlined the importance of the Companies Bill, 2021 for SMEs as it will allow for a Small Company Administrative Rescue Process.

Minister McGrath acknowledged the importance of human capital and this was reflected in Ireland's application for funding under the Recovery and Resilience Fund.

Minister Donohoe reflected on the positive outlook from the group and noted that it may only be in the coming months and into 2022 that credit demand begins to recover.

Dr Orlaigh Quinn, Secretary General DETE, thanked those in attendance for their valued input and mentioned that actions have been, and will continue to be, taken to address the concerns of SMEs.

An Tánaiste closed the meeting by thanking the attendees for their input and invited participants to e-mail any further/follow up comments for response.

Appendix A
List of Attendees

State Bodies

Organisation	Contact Name
Strategic Banking Corporation of Ireland	Sean Farrell, Ian Black, Brian Colgan
Enterprise Ireland	Leo McAdams, Kevin Sherry, Paula McGuire, Eleanor Forrest, Jonathan McMillan, Donal Leahy, Claire Carroll, Donnchadh Cullinan
Enterprise Ireland Liaison Unit	Thomas Murray, Denise Cash, Phyllis Kelly
Department of Agriculture, Food and the Marine	Daniel Bassett, Angela Corcoran, Sean Bell
Department of Enterprise, Trade and Employment	Dr. Orlaigh Quinn, Jean Carberry, Declan Hughes, Bernadette Hawkes, Robert Furlong, Fiona Kilcullen, Eoghan Richardson, Michael Clifford, Elizabeth Harvey, Marc McEntegart, Catherine Keogh, Leah Deverell, Stephen Cadwell
Department of Finance	Alex Costello, John Palmer, Eric Gargan, Leona Cantillon, Matthew Day, Emma Cunningham, Lisa Berns
Department of Public Expenditure and Reform	Georgina Hughes-Elders, Andrew Gray, Jessica Lawless
Microfinance Ireland	Des McCarthy, Pat Kilbane
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Brendan Keehan, Bernard O'Shea
Fáilte Ireland	Caeman Wall
Local Enterprise Offices	Padraic McElwee
European Investment Bank	Cormac Murphy
Credit Review Office	Catherine Collins
Ireland Strategic Investment Fund	Nick Ashmore, Fergal McAleavey

SME Bodies

Organisation	Contact Name
Irish SME Association	Neil McDonnell
IBEC	Danny McCoy

Small Firms Association	Sven Spollen-Behrens
Chambers Ireland	Ian Talbot
Irish Venture Capital Association	Sarah-Jane Larkin
Scale Ireland	Martina Fitzgerald, Brian Caulfield
British Irish Chamber of Commerce	Paul Lynam
Dublin Chambers	Aebhric McGibney, Mary-Rose Burke
Irish Hotel Federation	Tim Fenn
Restaurants Association of Ireland	Adrian Cummins
Irish Tourism Industry Confederation	Eoghan O'Mara Walsh
Family Business Network Ireland	John McGrane

Banking & Capital Markets Representatives:

Organisation	Contact Name
Banking & Payments Federation Ireland	Marian McCarville
Euronext	Daryl Byrne, Orla O'Gorman