



4th Meeting of the SME and State Bodies Group

Date: Wednesday, 27 October 2021, 3.30pm

Ministerial Attendees:

- An Tánaiste and Minister for Enterprise, Trade and Employment, 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

An Tánaiste welcomed the attendees and outlined that the government are keen to focus the relationship between SMEs and state bodies on the measures introduced as part of Budget 2022, issues around lending, recovery and growth.

Minister Donohoe explained how the Departments of Finance, Enterprise and Public Expenditure worked closely to put together a budget that would benefit struggling sectors of the economy and boost investment in Irish enterprise.

Minister McGrath outlined that while Government are working to bring the State finances into a good position in the years to come, the measures announced in the budget will provide opportunities to invest in innovative SMEs and the green and digital agendas.

Tour de Table

The SME representatives were invited by An Tánaiste to make a brief submission on issues related to their experience on reopening and recovery to date and how the measures introduced as part of Budget 2022 can help SMEs to recover and grow.

Issues raised by the SME bodies were:

- A broad appreciation for the measures introduced as part of Budget 2022 and requests that any changes to the Covid-19 recovery plan be signposted clearly.
- Changes to the EIS were broadly welcomed.
- The Innovation Equity Fund was also broadly welcomed, and the speed of its deployment was noted as being important.
- Growing concern that the costs of business may lead to rising competition for staff among SMEs.
- Concerns that other costs of business (PRSI, living wage, sick pay, Pension Auto Enrolment, energy) are increasing.
- Discussion on ways to encourage the spending of deposits that have accrued over lockdown.
- Representatives from the hospitality sector highlighted the considerable impact that ongoing restrictions, costs of doing business, and staff shortages were having on their industry.
- Representatives from the hospitality and tourism sectors also pointed out that this winter season would not provide the boost in revenue that they had been expecting and expressed concerns about projections for 2022.
- An extension to the 9% VAT was also discussed.

Banking & Payments Federation Ireland:

- The loan schemes made available to SMEs are now totalling €1.4 billion.
- The BPFIE SME monitor was recently published and paints a positive picture of the SME landscape.
- Continued need to pursue the green and digital agendas
- The demand for credit has been muted overall, according to the Credit Demand Survey.

Euronext:

- Access to funding is more important now than ever.
- They welcomed proposed changes to the EIS and the announcement of the Innovation Equity Fund.
- They highlighted how the stock market is a proven way for SMEs to access equity funding.
- Euronext have introduced a number of initiatives to aid SMEs striving for IPO.

State Bodies:

- Broad acknowledgement that the supply of skilled labour is a major challenge.
- The need for rapid deployment of the Innovation Equity Fund is acknowledged and negotiations with the EIF are in their final stages.
- The need for continued support of the hospitality and tourism sector was noted.

Closing Remarks

In his closing remarks **An Tánaiste** noted that the government have heard the concerns over rising labour costs and legislative changes to labour practices, and highlighted that any changes would be made in a staggered fashion.

Minister Donohoe welcomed the positive feedback on changes to the EIS scheme and highlighted that this was a key feature of Budget 2022. Changes to further schemes will follow in due course.

Minister Troy explained that changes to the R&D tax credit should commence in the coming weeks, and reminded the attendees that expressions of interest for membership of the Enterprise Digital Advisory Forum (EDAF) were now open.

Minister English outlined that new guidelines on Employment Permits would be introduced the next day (October 28th) and also explained that while wait times are decreasing he hopes to see them reduce further. He also explained that the concern over hospitality in the city centre has been noted and a consultant has been engaged to provide insight on this matter.

Minister McGrath outlined the various measures from Budget 2022 to maintain wage supports, support the green and digital transitions, and target the most impacted sectors and our domestic start-ups. He also explained that the €165 billion National Development Plan will help improve the productive capacity of the economy and address the housing crisis.

Attendees

Secretary General – Department of Enterprise, Trade and Employment	Orlaigh Quinn
IBEC	Danny McCoy
Irish SME Association	Neil McDonnell
Small Firms Association	Sven Spollen-Behrens
Chambers Ireland	Ian Talbot
Irish Venture Capital Association	Sarah-Jane Larkin
Scale Ireland	Brian Caulfield
British Irish Chamber of Commerce	Paul Lynam
Irish Hotel Federation	Elaina Fitzgerald Kane
Family Business Network Ireland	John McGrane
Dublin Chambers	Fergus Sharpe
Banking & Payments Federation Ireland	Brian Hayes
	Marian McCarville
Euronext	Daryl Byrne
	Niall Jones
DETE	Declan Hughes
	Fiona Kilcullen
	Bernadette Hawkes
	Robert Furlong
	Stephen Cadwell
	Gillian Carberry
	Marc McEntegart
Catherine Keogh	
DAFM	Angela Corcoran
	Daniel Bassett
	John Palmer
	Eric Gargan
	Leona Cantillon
Matthew Day	
Failte Ireland	Martina Bromley
SBCI	Sean Farrell

	June Butler
	Leo McAdams
	Jim Barry
	Claire Carroll
EI Liaison	Thomas Murray
	Denise Cash
CRO	Catherine Collins
MFI	Des McCarthy
DPER	Georgina Hughes-Elders
	Adrian Hurley
NTMA/ISIF	John Cantwell
	Fergal McAleavey
	Kieran Bristow
TCAGSM	Brendan Keehan
LEO	Padraic McElwee