An Roinn Airgeadais
Department of Finance

SME Credit Demand Survey – 2024

Survey Report

Ipsos B&A

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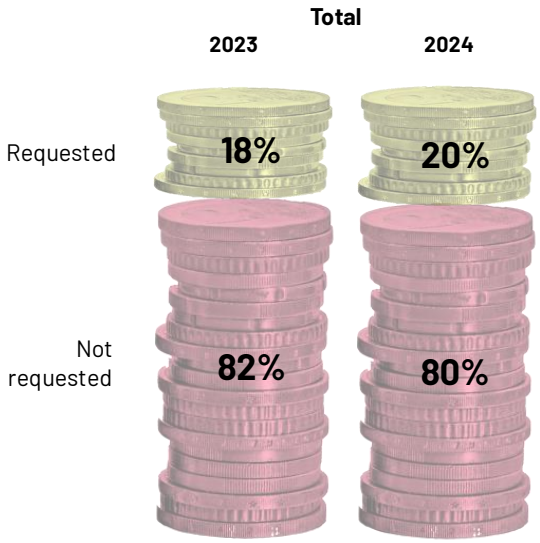
1. Summary of Main Findings

Overview of Report – Credit Demand (Jan-Dec 2024)

(Base: All SMEs – 1,503)

Demand

Requested 20%

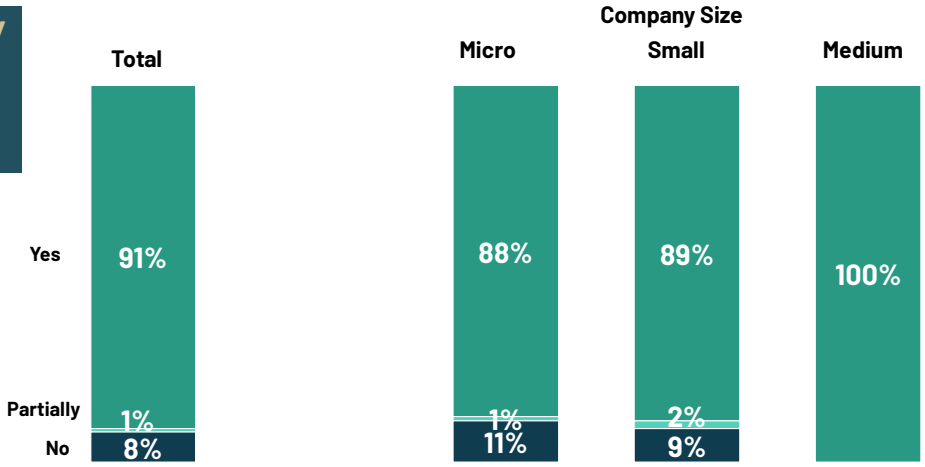


Requested by Company Size	
	Dec 2024
Micro	16%
Small	24%
Medium	21%

Status Of Application At Date Of Survey

(Base: All SMEs seeking Finance – 273)

Approval/ Partial 92%
+3% vs Dec 23



*Figures based on rounded percentages

(0.31)

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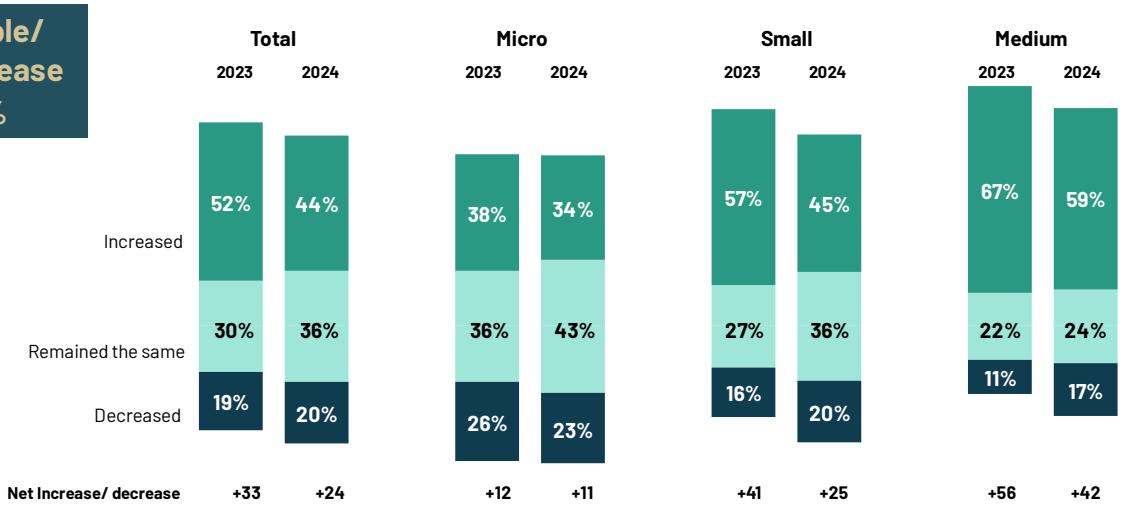
Turnover of the Business (Jan – Dec 2024)

(Base: All SMEs – 1,503)

Stable/ Increase 80%



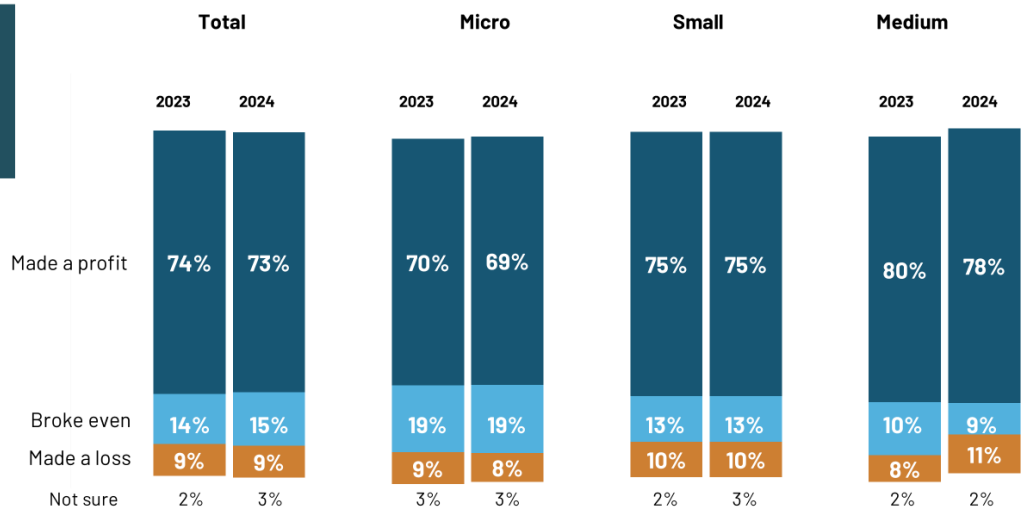
*Net Figure does not sum to Top 2 scores added together due to rounding

(Q.8ai)

Profit In The Business for the Year x Company Size

(Base: All SMEs – 1,503)

Made a Profit/ Broke Even 89%



*Net Figure does not sum to Top 2 scores added together due to rounding

(Q8c)

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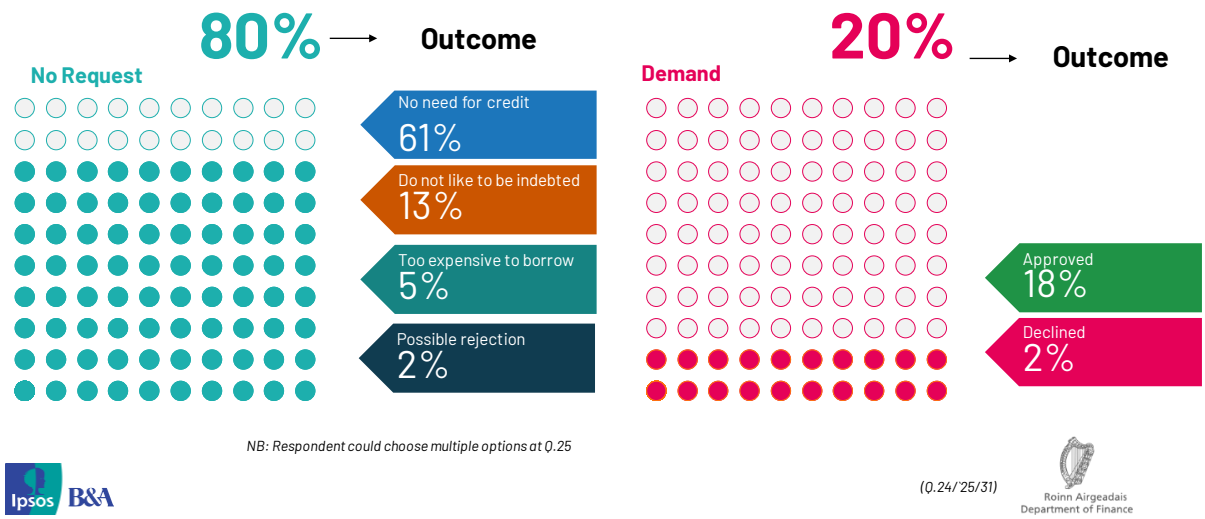
Demand & Outcome Summary



NB: Respondent could choose multiple options at Q.25

(Q.24/25/31)

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1.1 Trading Performance

The average reported turnover by SMEs for the 12-month period January to December 2024 was €5.4m. This was €1.1m for micro companies and €5.1m for small sized enterprises, while medium sized companies reported an average turnover of €13.7m.

44% of all businesses surveyed reported increased turnover for the calendar year 2024. This is down from the 2023 survey wave (52%). 20% of SMEs reported a decrease in turnover for the calendar year 2024, largely unchanged compared to 2023. 36% of SMEs reported no change in turnover for the year 2024.

The percentage of firms who reported an increase in turnover was highest for businesses within the Business Services and Construction sectors. The lowest reported turnover was Hotels and Restaurants, where 37% reported an increase in turnover, down notably from 64% in 2023.

While turnover improvement is down compared to 2023, profitability among SMEs remains stable. 73% of SMEs reported profit during the calendar year 2024, with 9% reporting a loss and 15% breaking even.

1.2 Demand for Bank Finance

20% of SMEs reported that they applied for bank finance during the calendar year 2024, up from 18% in 2023. Credit demand is higher among smaller sized companies (24%, up one point since 2023) compared to micro companies (16%, also up one point) and medium sized SMEs (21%, up four points).

Expected future demand for credit (next 12 months) is 17%, topping at 21% among smaller sized companies.

The main reason stated for not seeking credit in the past 12 months was that the company had sufficient internal funds already in place (74%). 21% stated that they did not apply for credit as current credit lines are sufficient, while 20% had a preference for using internal finance.

Of the companies that requested bank finance in the previous 12 months, new loans, and leasing or hire purchase were the most requested finance products, followed by new overdrafts.

The average reported cost of credit for the period January to December 2024 on outstanding loans was 6.2% – a decrease from 7.2% for 2023. It should be noted that just 6% of those who did not apply for bank finance mentioned cost of credit as a reason for not doing so.

1.3 Demand for Non-Bank Finance

9% of SMEs requested non-bank finance during the year 2023, including Government Support Schemes. The main purposes of the applications were new business ventures/expansion/ purchase of assets/equipment and working capital requirements.

1.4 The Application Process

Of those companies that requested bank finance, working capital (37%), business expansion (27%) and investment in machinery or equipment (27%) were cited as the main reasons for making a finance request. Reasons for seeking finance were broadly in line with 2023, with working capital previously being cited by 36%, business expansion by 31% and investment in equipment stood at 25%.

The average value of a credit application for new finance was €260,059, up from €185,587 during 2023, with the median figure for a credit application for new finance in 2024 being €60,000. The most frequently cited figure was €30,000.

The average value of applications for renewal/restructuring of existing finance was €64,048, down from €77,529 for 2023.

Of those applying for bank finance, 40% had to provide some type of collateral, up from 36% in 2023, with the main collateral types required being buildings, land, machines/equipment and inventories.

57% of all finance applications were processed within the 15 working days of receipt of all information from the company as stipulated by the Central Bank's regulations for firms lending to SMEs. This is similar to 2023 data, when 58% of applications were processed within the same timeframe. The average amount of time from application to decision was 24 working days. The proportion of loans that were still pending at time of survey stood at just 1%.

The proportion of credit applications declined stood at 8% for the year 2024, down from 11% in 2023. 91% of applications were approved in full, while just 1% was partially approved. Decline rates were higher for the Hotels & Restaurants sector (20%).

26% of the SMEs that were refused credit reported that they were informed of their right to an internal review – down from 33% for 2023. A notable proportion (23%) were unable to recall whether they were informed of their right to an internal review, while 51% were not informed of their right to an internal review, up from 41% in 2023. Just 12% of those who were refused credit reported that they were informed by the lender of their right to a review by the Credit Review Office, with 35% were unsure if they were informed or not. It should be noted these calculations are based on a very small base size of just 28 respondents who were refused credit.

1.5 SME Supports and Initiatives

A large majority of SMEs were aware of Enterprise Ireland (87%) and the Local Enterprise Offices (75%).

1% of the SMEs surveyed applied for the Ukraine Credit Guarantee Scheme, with 6% having applied for other Government financial support. This includes both loans schemes and other financial support.

2. Introduction

This Report presents the results for the latest wave of the SME Credit Demand Survey commissioned by the Department of Finance and covers the calendar year 2024. This wave of the survey has been conducted by Ipsos B&A, the independent market research and polling organisation.

This is the second year in this survey series that covers a full calendar year. The key parameters of the survey have been kept similar to the survey covering the calendar year 2023 in order to ensure comparability of data. This includes the quotas set for company size and industry, the database of leads used to select businesses for interview, and the core questions in the questionnaire itself.

Prior to the calendar year 2023, the survey was conducted bi-annually, with the last bi-annual wave covering the period April-September 2022.

The change to cover a full calendar year eases the interpretation of the survey results. Furthermore, it improves simplicity for respondents to provide an answer based on a full calendar year rather than a six-month period, e.g. April-September.

All interviews for the study were conducted using a telephone methodology (Computer Assisted Telephone Interviews). In total, 1,503 telephone interviews were conducted with a random sample of Irish based micro, small and medium sized firms. The interviews were conducted between 19th January 2025 and 11th March 2025.

2.1 Economic Context

In 2024 Modified Domestic Demand (MDD) increased by 2.7 per cent, reflecting relatively broad-based growth in consumer spending, government expenditure and investment. This growth has been supported by and reflected in the strong performance of the labour market, which has performed remarkably in the face of multiple 'once-in-a-generation' economic crises in recent years. There were 2.8 million people in employment at the end of 2024, with growth driven by increases in labour supply. As a result, three-quarters of our working age population are now in employment – a record high. The rate of unemployment has remained at - or close to - full employment for a number of years.

A significant contributor to the robust growth in consumer spending in 2024 was the decline in inflation. Inflation eased back significantly throughout 2024, following multi-decade highs throughout 2022 and 2023. The easing in inflation helped boost real incomes which supported solid growth in consumption.

While the economy – in aggregate terms – is undoubtedly in a relatively strong position at present, the near-term outlook for the Irish economy is clouded in considerable uncertainty. External developments will be a key determinant of economic trends in 2025 and the following year. Even in the case of an agreement being reached on trade between the US and the rest of the world, elevated levels of uncertainty are assumed to weigh on investment by the private sector; households may respond to higher levels of uncertainty by raising their precautionary savings.

On this basis, a moderation in growth is the most benign trajectory for the Irish economy over the short-term. Such an outcome is far-from guaranteed. Clearly, risks are firmly skewed to the downside, with the most pressing threat relating to the imposition of taxes on global trade. If these proved permanent, it would weigh not only on short-term demand but also on the supply capacity of the economy.

Navigating this more challenging external environment is a key priority for Government. While there are several strands to this, all ultimately involve polices that are designed to enhance the competitiveness of the domestic economy. Infrastructure delivery is a key part of the response. For instance, Government is investing in productive capital – boosting the stock of infrastructure, including in key strategic areas such as energy supply, water, housing and transport – in order to eliminate bottlenecks and support employment-creating inward investment. In addition, the Government continues to run budgetary surpluses – building buffers so that, in the event of a shock to the economy, budgetary policy can be deployed in a counter-cyclical manner in order to support economic activity.

2.2 Government Support Measures

Small and medium-sized enterprises account for 99.8% of all active enterprises in Ireland and 67.9% of total persons employed in the business economy[1]. The Programme for Government recognises that SMEs are the backbone of the Irish economy and are key drivers of employment. It contains a range of commitments aimed at ensuring an adequate pool of finance is available to SMEs and that the tax environment remains supportive of the sector.

Strategic Banking Corporation of Ireland

The Strategic Banking Corporation of Ireland (SBCI) was established by the Strategic Banking Corporation of Ireland Act 2014. The SBCI was set up in September 2014 to ensure that SMEs in Ireland have access to stable, lower-cost, long-term funding options. Its mission is to promote access to credit, encourage competition and address market failures in the Irish SME credit market. It does not lend directly to SMEs, but rather provides funding through its finance partners (known as 'on-lenders'), both bank and non-bank.

Since it began lending in 2015 up to end of December 2024, the SBCI has delivered financial supports to more than 62,000 SMEs and farm borrowers of circa. €4.4 billion.

The SMEs who received SBCI finance are from a variety of business and economic sectors, including agriculture, food, retail, healthcare, transport and manufacturing, and they are spread across every region of the country.

Current SBCI Schemes being delivered for SMEs:

The Ukraine Credit Guarantee Scheme

[1] Central Statistics Office, Business in Ireland 2022

In order to support businesses impacted by the on-going conflict in Ukraine, a State-backed Ukraine Credit Guarantee Scheme was introduced in January 2023, with a lending capacity of €1.2 billion. This scheme closed on the 31December 2024.

This scheme provided for low-cost working capital to SMEs, primary producers and small mid-caps (businesses with fewer than 500 employees) of up to €1 million, on a six-year term, with no collateral required for loans up to €250,000.

Up to the end of December a total of 4,889 loans to the value of €449.4 million were approved under this scheme. Following approval, 4,526 loans were drawn to the value of €405.5 million.

Growth and Sustainability Loan Scheme

The €500 million Growth and Sustainability Loan Scheme (GSLS) was launched on 19 September 2023. The Scheme provides for loans ranging from €25,000 to €3 million for terms of seven to 10 years. Loans of up to €500,000 can be unsecured.

The Growth and Sustainability Loan Scheme is available to SMEs, including farmers and fishers, with maximum loans to mid-caps limited to €937,500 due to De Minimis State Aid restrictions.

Recognising the importance of sustainable development and transitioning towards a low-carbon economy, 30% of the lending volume under the GSLS is reserved for investment in sustainability and energy efficiency. These "green loans" also attract a special discount interest rate. The remaining 70% of the lending volume is provided for investment in business growth and sustainability.

The SBCI delivers the scheme on behalf of the Minister for Enterprise, Trade and Employment and the Minister for Agriculture, Food and the Marine. This scheme is underpinned by a counter-guarantee from the European Investment Fund/European Investment Bank Group (EIF/EIBG).

By the end of December 2024, 1,207 loans were approved to the value of € 229,244,451 million. The drawn value of loans was €228,844,450. The Scheme will operate until 30 June 2026 or until the scheme has been fully subscribed, whichever is earlier.

Credit Review

Credit Review was established in 2010 by the Minister for Finance to ensure viable SME and farm businesses have access to credit from Irish banks (AIB, BOI, PTSB). It provides an independent appeals process, reviewing credit and loan applications of up to €3m refused by those banks. Appeals can review new credit applications, existing facilities that have been reduced or withdrawn, or requests to restructure a credit facility. Credit Review also operates

an informal "Help Line" service where the reviewers engage directly with SMEs/farmers who have credit/banking related issues, providing information and updates.

From its inception in April 2010 to end December 2024, Credit Review has received 1,425 applications, with 1,014 reaching a final conclusion. Credit Review supported 59% of those businesses and farms that completed an appeal. As a result of their recommendations, the banks have agreed to provide credit of €82.8m to SMEs and farms, helping to create / protect an estimated 5,204 jobs in these entities.

A further 46 applications seeking €7m were withdrawn during the appeal process and approved by the banks. Where credit applications cannot be supported at the time of the appeal, the outcome of the review will generally include a suggested roadmap to make future bank applications more likely to succeed.

Ireland Strategic Investment Fund

The Ireland Strategic Investment Fund (ISIF) invests on a commercial basis in a manner designed to support economic activity and employment in Ireland. Through its Scaling Indigenous Businesses theme, ISIF seeks to create a broad, dynamic and competitive range of funding options to support the growth plans of Irish businesses. ISIF seeks to do so in a number of ways, including investing in private sector funds that invest directly in Irish SMEs in a range of sectors, stages of the growth lifecycle and across the capital structure. All investments by ISIF are made on a commercial basis. The following debt fund commitments were made by ISIF in 2024 with a view to supporting the funding ecosystem for scaling Irish businesses:

Year	Name	Commitment (€m)	Description
2024	Cheyne SVC Hybrid Credit Fund	40	European fund providing loans to SME and lower middle market Irish companies
2024	Muzinich Pan European Private Debt III SCSp	65	Commitment to a European fund providing loans to SME and lower middle market pan-European companies
2024	Willow Corporate Credit DAC	100	Irish headquartered fund providing loans to SME and lower middle market companies

National Enterprise Hub

The National Enterprise Hub was launched by Minister Burke on 10th July 2024. The NEH is a new all-of-government service, staffed by expertly trained advisors and is focused on helping businesses access a range of government supports.

The hub brings together information and resources on over 250 government supports from 29 different departments and state agencies which can be accessed through the new online hub (www.neh.gov.ie) or by speaking to a member of the team of advisors by phone or via live chat.

This free service is making it easier for entrepreneurs to access and avail of supports such as grants, funding, loans and expert advice across a range of sectors, including retail, tourism and hospitality, food and beverages. It also aims to engage with small businesses who have yet to avail of government support.
The National Enterprise Hub is funded by the Department of Enterprise, Trade and Employment and operated by Enterprise Ireland.

Enterprise Ireland Seed & Venture Capital Scheme

The Seed & Venture Capital Schemes, operated by Enterprise Ireland, aim to foster a strong pipeline of high growth, innovative businesses in the Irish economy by increasing the availability of appropriate sources of risk capital for start-up/early-stage businesses with high growth potential at each stage of their development and by signalling strong Government support for an innovative enterprise culture.

The Seed and Venture Capital Scheme (2019–2024) provided a fund of €175m and is now fully committed. Under the Scheme, three calls for expressions of interest have taken place with fourteen funds supported. This has leveraged additional capital to a total combined fund size of over €1.175bn, with Enterprise Ireland committing over €175m in total to these funds.

In 2024, the Government made a further €250m available for the Seed & Venture Capital Scheme (2025-29). A 1st call for expressions of interest by fund managers for allocations of capital under this Scheme closed in February 2025 and allocations will be made during 2025.

Irish Innovation Seed Fund Programme

The Irish Innovation Seed Fund Programme is a €90 million fund-of-funds, made up of a €30 million investment from DETE, through EI, which is matched by a €30 million investment from the European Investment Fund (EIF), and a €30 million co-investment from ISIF. As a fund-of-funds, the programme invests in other specialist fund managers who target high growth innovative companies based on disruptive intellectual property, who are at the early stages of external funding for innovative, high growth, scalable sectors.

Two allocations of funding have been made to date: the first allocation of funding was announced in June 2023 when WakeUp Capital were allocated €25million. A further commitment of €20million has been allocated to Resolve Ventures. Options for the deployment of the remaining funds is currently being assessed with EIF hopeful that all funding will be deployed by end H1 2025.

Microfinance Loan Fund

Microfinance Ireland provides vital support to microenterprises by filling the lending gap in the market by lending to business that cannot obtain loans from other commercial lenders. It provides loans of €2,000 up to €50,000 to businesses that do not meet the conventional risk criteria applied by commercial lenders and applies interest rate charges for its lending which are not reflective of its credit risk.

The loan term is typically three years for working capital purposes and can be extended to five years for capital expenditures. Interest rates range from between 5.5% for clients of Local Enterprise Offices and other partners to 6.5% for direct applications.

There is wide regional spread of loans across the country with 78% of loans approved in 2024 to microenterprises outside Dublin. The dominant sectors availing of loans from MFI have been the wholesale and retail sector (19%), construction (11%), accommodation and food activities (10%) and other activities (10%).

Microfinance Ireland also provides post approval mentoring services to its borrowers through the Local Enterprise Office Network.

Since their establishment in 2012 and as of 31st December 2024, MFI have approved a total of 5,594 loans to the value of approx. €92.6 million supporting 11,000 jobs.

Tax Reliefs Benefitting the SME Sector

There are a number of supports and initiatives designed to assist start-up businesses and SMEs. Initiatives include tax incentives - tax reliefs, deductions and exemptions as well as supports and other initiatives some of which are detailed below.

Employment Investment Incentive

The Employment Investment Incentive (EII), Start-Up Relief for Entrepreneurs (SURE) and Start-Up Capital Incentive (SCI) are key tax reliefs which seek to provide SMEs and start-ups with an alternative risk-based source of funding, which helps to support the creation and retention of employment in SMEs across the economy.

The incentives have been amended in recent year to comply with changes to the EU General Block Exemption Regulation (GBER). The incentives were also enhanced as part of a wider package of enterprise measures announced in Budget 2024 and Budget 2025 which included increasing the investment limit on the amount that an investor can claim relief on to €1 million.

Angel Investor Relief

This Capital Gains Tax (CGT) relief was introduced in Finance (No. 2) Act 2023 to incentivise angel investment in innovative start-ups and SMEs in Ireland. It allows qualifying investors to avail of a reduced rate of CGT of 16% (18% if the investment is through a qualifying partnership) up to twice the value of their initial investment, with a lifetime limit of €10 million

of gains (legislated for in Finance Act 2024). The relief was subject to a commencement order and came into operation on 1 March 2025.

2.3 Rationale for Study

Since its inception in 2012, results from the Credit Demand Survey have had a significant influence on the State's actions aimed at enhancing access to credit amongst Irish SMEs. These independent and statistically significant surveys provide valuable insights into, inter alia, credit availability and demand amongst domestic SMEs and they gather data that is not available elsewhere. According to the Department of Finance's Retail Banking Review published in November 2022, the SME Credit Demand Surveys should continue to be carried out as an important part of the monitoring the SME lending market with a view to ensuring SMEs have continued and sufficient access to credit on reasonable terms.

2.4 Study Scope

The scope of this exercise was to establish a regular, independent measure of the demand for credit (encompassing all lending institutions) from the perspective of the SMEs. Additionally, and since the provision of credit to SMEs extends beyond the two pillar banks, information is required to inform Government as to the experience of micro, small and medium sized enterprises in accessing credit from the banking sector as a whole. In this context, the Department of Finance commissioned this study to ascertain the situation in relation to:

- trading conditions
- the demand for credit from SMEs
- why SMEs did not seek credit
- the reasons given for refusal of credit
- SMEs' level of knowledge on their rights in relation to credit.
- future business performance expectations
- price changes
- state supports and initiatives
- banking and bank relationships

In addition, the research addressed artificial intelligence this year for the first time.

Company Size

This review was conducted on the basis of companies falling into one of three categories of SMEs, as determined by the EU definition of each category, which can be broadly summarised as follows:

Description	Employee Numbers	Turnover	Balance Sheet
Micro	1-9	<=2million	**<=2million**
Small	10-49	<=10 million	**<=10 million**
Medium	50-250	<=50 million	**<=43 million**

**A company which satisfies two of the three criteria is deemed to be an SME, one of which is employees.*

Credit Products

The review covered the following credit products:

- Overdrafts
  - New overdraft
  - Renewal/restructuring of an existing overdraft
- Loan
  - New loan
  - Renewal/restructuring of an existing loan
- Invoice discounting
- Leasing or hire purchase
- Other credit products

Sectoral Analysis

In order to ensure that information produced as part of this study was comparable with previous studies and could be collated to form a sectoral picture, we have used Central Bank sectoral codes.

- Central Bank sectoral codes are those codes used by the Central Bank, and specified at EU level, under which individual banks submit their quarterly returns to that organisation. These codes are based on NACE Rev. 2 codes.
- The NACE code system is a pan-European classification system, which groups organisations according to their business activities. It assigns a unique five or six digit code to each industry sector, e.g. B – Mining and Quarrying, B5 –Mining of Coal and Lignite.
- In order to ensure that the results are representative of the overall SME population, the construction sector, insofar as property development and speculative activities are concerned, has been excluded. Only companies that support or supply to the construction sector have been included.

The specific sectors or subsectors included in our analysis on the basis of NACE codes are shown below:

NACE Categories
Agriculture/Forestry/Fishing
Manufacturing - Processing & Food
Manufacturing – High Tech
Manufacturing – Other
Construction – General Construction
Construction – Other
Wholesale
Retail, Trade and Repairs – Non-Motor
Retail, Trade and Repairs – Motor Only

Hotels & Restaurants (including Bars)
Transport/Storage/Communication
Financial & Other Business Services
Real Estate Activities (excl. Speculative)
Professional, Scientific and Technical
Human, Health and Social Work
Administration and Support Services

The specific sectors or sub-sectors excluded from the analysis are set out in detail below:

- Non-SME related financial intermediaries: non-bank credit grantors, credit unions, collective investment schemes, SPVs, asset-backed securities, pension funds
- Speculative real estate activities
- Speculative construction activities
- Education – schools and colleges
- Hospitals
- Churches and religious organisations
- Charities
- Government (central and other)
- Extra-territorial organisations and bodies
- Private household lending

Time Period of Study

In reviewing results, it should be noted that the time period of this study is a twelve month period from January to December 2024. The change to a full calendar year was implemented from the 2023 survey, allowing comparability between 2023 and 2024.

3. Methodology

This survey represents an Ipsos B&A study of lending to SMEs in Ireland examining the issue of credit availability. Fieldwork and analysis for the survey was carried out by Ipsos B&A, the independent market research company.

3.1 Sample Selection

The study sample was selected at random from an industry-leading database of all SMEs across Ireland supplied by Bill Moss, the leading compiler and database provider in Ireland. This database is compiled from multiple sources and updated regularly. At the date of writing, the database held approximately 110,000 SME records.

The starting sample of SMEs was randomly extracted from this database, across each SME size category and NACE sectoral group, ensuring that respondents included a reasonable spread of micro, small and medium sized SMEs and a proportional representation of the 16 key business sectors set out in Section 2.4 above.

In total, 17,036 companies were called, and contact was made with 9,462 companies. Of these 9,462 contacted, 1,503 interviews were completed, with some companies either falling outside of the quotas classifying SMEs, or others refusing to take part or to complete within the time frame set out for interview.

For the 2023 survey, 13,595 companies were called, contact was made with 10,830 and 1,500 interviews were completed.

Quotas were set in order to ensure that the sample was sufficiently representative of the SME population in terms of both SME size (micro, small and medium) and sector (as defined by NACE codes). Note due to the reticence of many medium sized enterprises in particular to participate in Covid-era research, the percentage of all completed interviews accounted for by this grouping was 9%, with the sub-sample statistically up-weighted to its more representative 23% at analysis stage (see Section 4.1). The remote/hybrid working implemented during the pandemic has had a significant impact on ability to reach decision makers within medium sized enterprises.

3.2 Sampling Reliability

A sample size of 1,503 SMEs is statistically very robust which means that the survey results are representative of the overall Irish SME sector. Based on a total database of approximately 110,000 SMEs in Ireland, the total sample of 1,500 companies has a possible sampling error of just +/-2.5%-points (at a 95% confidence level), while the sub-samples of micro, small and medium companies have a possible sampling error of between +/-9.2%-points (medium companies) to +/-3.4%-points (micro companies).

3.3 Collection of Data

Telephone interviews were conducted with 1,503 Irish micro, small and medium sized firms, based on a questionnaire finalised between the Department of Finance and B&A.

In addition to the core credit demand tracking questions, a range of questions was included to cover Government SME supports and initiatives. For this wave, a section on artificial intelligence was included as well.

All interviews were conducted between 19th January 2025 and 11th March 2025 and questions referred to the period from January to December 2024, covering the full calendar year. Over the course of the study, 1,503 SME interviews were conducted. The average length of interviewing was 22 minutes, with the shortest interview taking 13 minutes and the longest 42 minutes. The length of interviewing varied, depending on the level of credit demand.

Data from completed questionnaires was reviewed and analysed, and the results are presented in this report. The full study questionnaire is attached as an appendix to the report, and detailed results are presented in Sections 4-9. Please note that the figures in the report are based on rounded percentages, rather than to multiple decimal places, for ease of review. This is a standard occurrence in market research statistics and does not negate the accuracy of findings.

3.4 Comparative Results

It should be noted that the time period of this study is a twelve month period from January to December 2024. A calendar year approach was implemented from the 2023 survey, providing comparable data between 2023 and 2024.

All key parameters of the methodology used in this wave of the Credit Demand Survey were kept the same as the previous wave, in order to ensure direct comparability. This included the approach, quotas and sample database.

Within each micro, small and medium category, the number of study respondents by sector can vary slightly (+/-2% on a sectoral level). Results for this study were weighted to the same size profile as that used in the prior study, however.

Information relating to applications is based on actual results, on the basis that lenders must consider each application for credit on its own merit.

3.5 Sample Size

A total of 1,503 SMEs participated in the telephone interviews. Companies were allocated to micro, small and medium size categories based on employee numbers as a proxy for company size.

The three SME size categories have very different characteristics. As such, and in line with previous surveys, SMEs should not necessarily be considered as a single population but as three distinct populations – micro, small and medium. Study results have been provided separately for each category, and this report should be read on that basis.

It should be noted that, while the physical number of micro enterprises operating in Ireland is significantly higher than the number of small and medium enterprises, the economic weight

or value of each category of SME (micro, small and medium) to the Irish economy is broadly similar.[2]

3.6 Limitations

The results set out in this document should be considered in the context of the following limitations:

1. The study provides the consolidated opinions of a wide range of SMEs, but it is not a census of the entire population of SMEs in Ireland.

2. Each study collects responses from a random sample of SMEs, and hence the change in the underlying quality and characteristics of the business will contribute to some of the variations noted from study to study (however, sample error rates shown earlier should account for this).

3. Whilst every effort has been made to ensure that the study sample is as fully representative of the population as a whole as possible, it is possible that certain sub-groups are under-represented. It should be noted that the following sub-populations, for example, are relatively small for robust analysis:

    a) the study included a sample of companies which employed one person (i.e. were self-employed)
    b) the study included a number of companies who had been in business for up to two years, however this type of company has generally not filed company accounts and/or is not listed in Company Registration Office records and is not in the database used for sampling purposes.

4. Demand for credit and the bank lending decisions surrounding the approval of credit are complex, multi-faceted and unique to each individual SME application. Not every variable contributing to a credit decision can be probed during a telephone interview, and likewise the characteristics of a respondent's business cannot be fully and comprehensively captured in such a timeframe.

5. Slight rounding may occur in the graphical or other representation of figures in this document.

3.7 Privacy of the Respondent

Throughout the study process all interviews conducted with SMEs were carried out on a confidential basis and the respondents' rights under the Data Protection Act(s) were fully observed, including the rights of respondents to choose not to answer or to end the interview at any stage. In all instances, the interviewer ensured that responses were collected from the person who had primary responsibility for financial matters in their business.

The Department of Finance had no specific interest in the individual financial affairs of any of the SMEs that participated in this study. Rather, the key objective was to better inform

[2] Central Statistics Office, Business in Ireland 2020

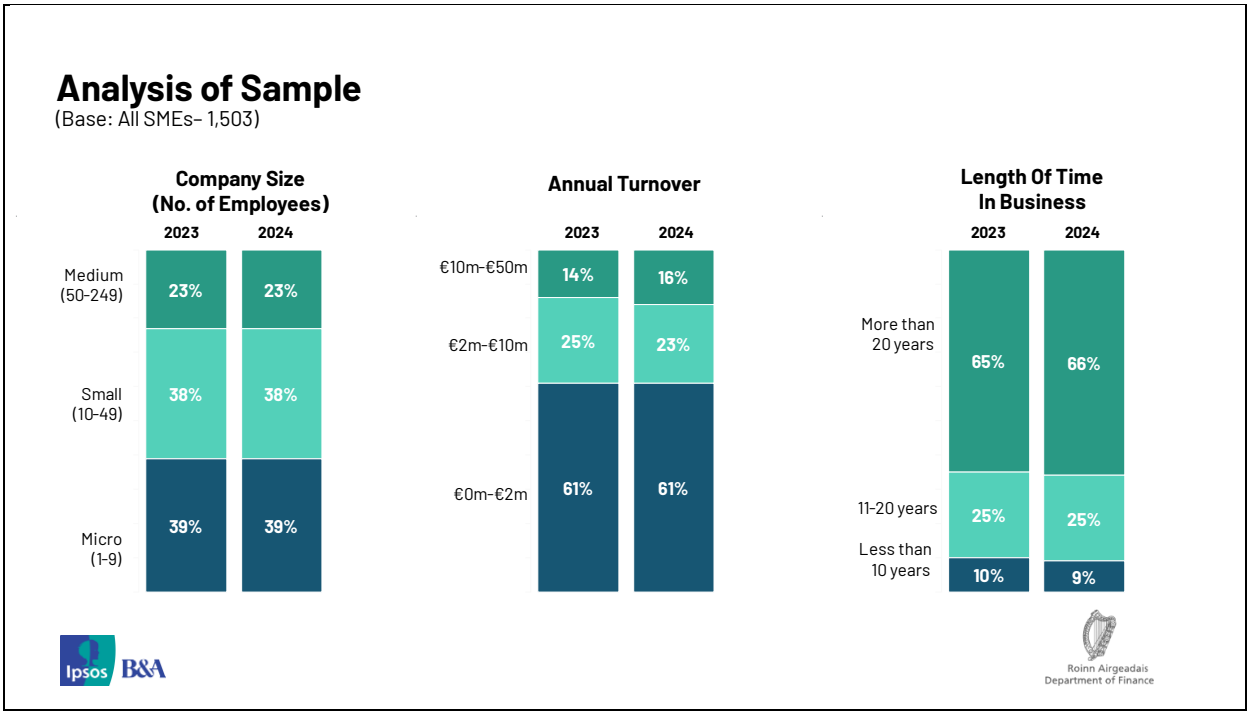
Government of the volume, nature and demand for credit in this key sector of the Irish economy.

We would like to express our sincere thanks to all those SMEs who have participated in this study.

4. Profile of Respondents

4.1 Company Size, Turnover & Length of Time in Business

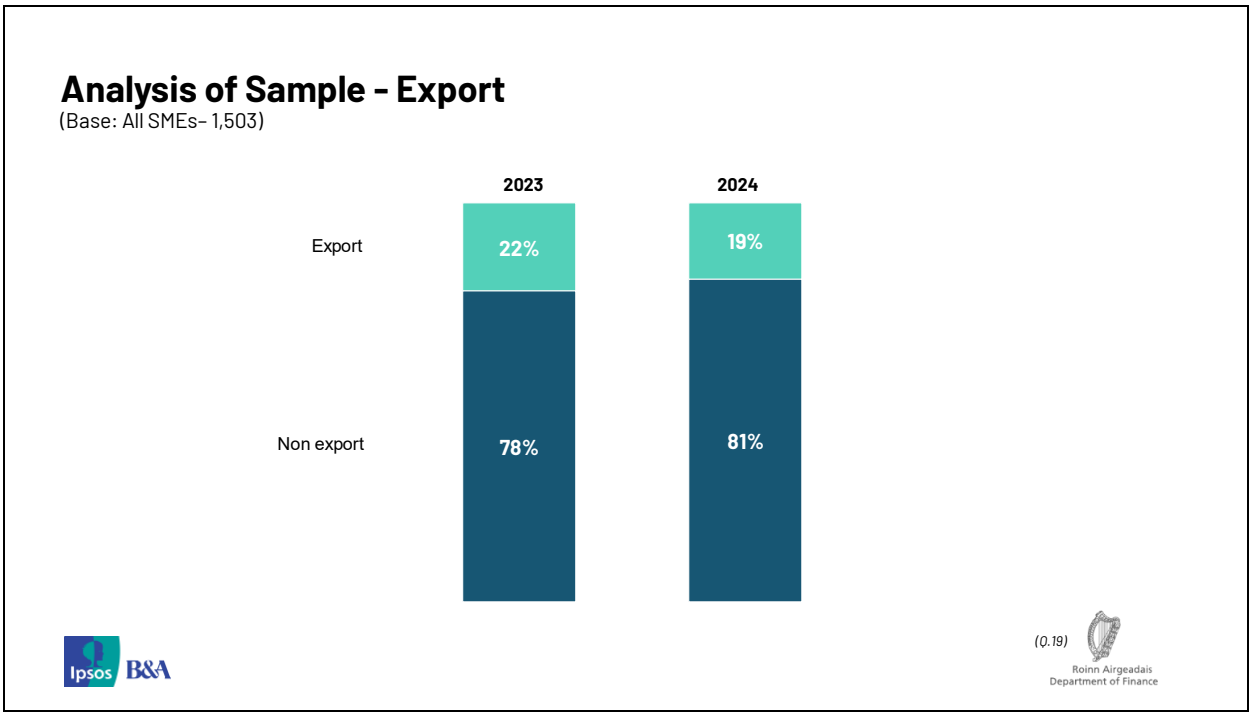
To be able to compare the results from the Credit Demand Survey series wave-by-wave, it is important that the samples achieved are similar on key business demographics. This is achieved through strict quota controls on company size and sector, and subsequent statistical weighting of the dataset in line with these quotas. Below, we have outlined the profile of the sample achieved for 2023 and 2024.



The sample structure for 2024 is similar to the 2023 wave and also previous waves, with identical distribution on company size and very similar distribution on turnover and length of time in business.

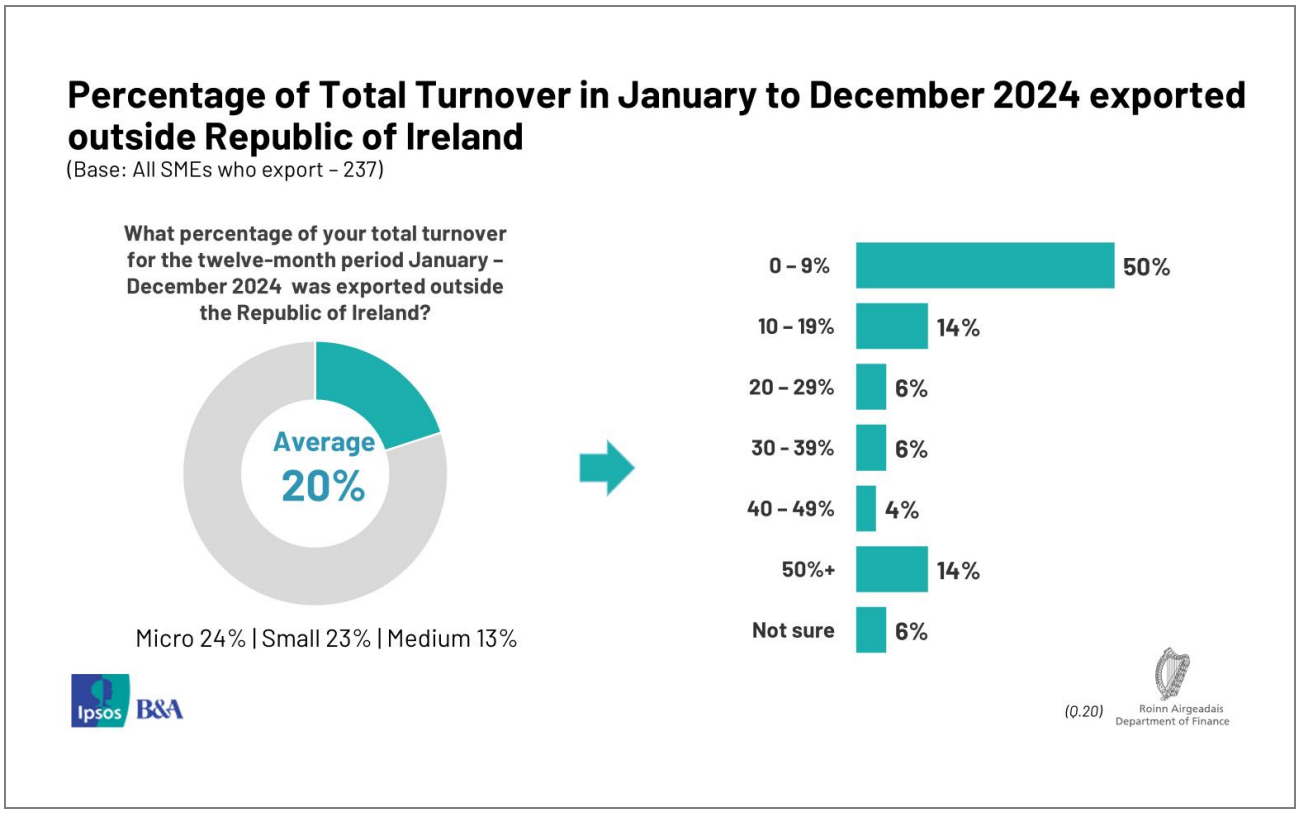
4.2 Exporting Companies

The percentage of companies exporting is 19%. This is down from 22% in the previous wave.



NB: The graphic above illustrates the average proportion of all exporting companies that export anything to areas outside of the Republic of Ireland and does not reflect the relative scale of different firms' exporting activity.

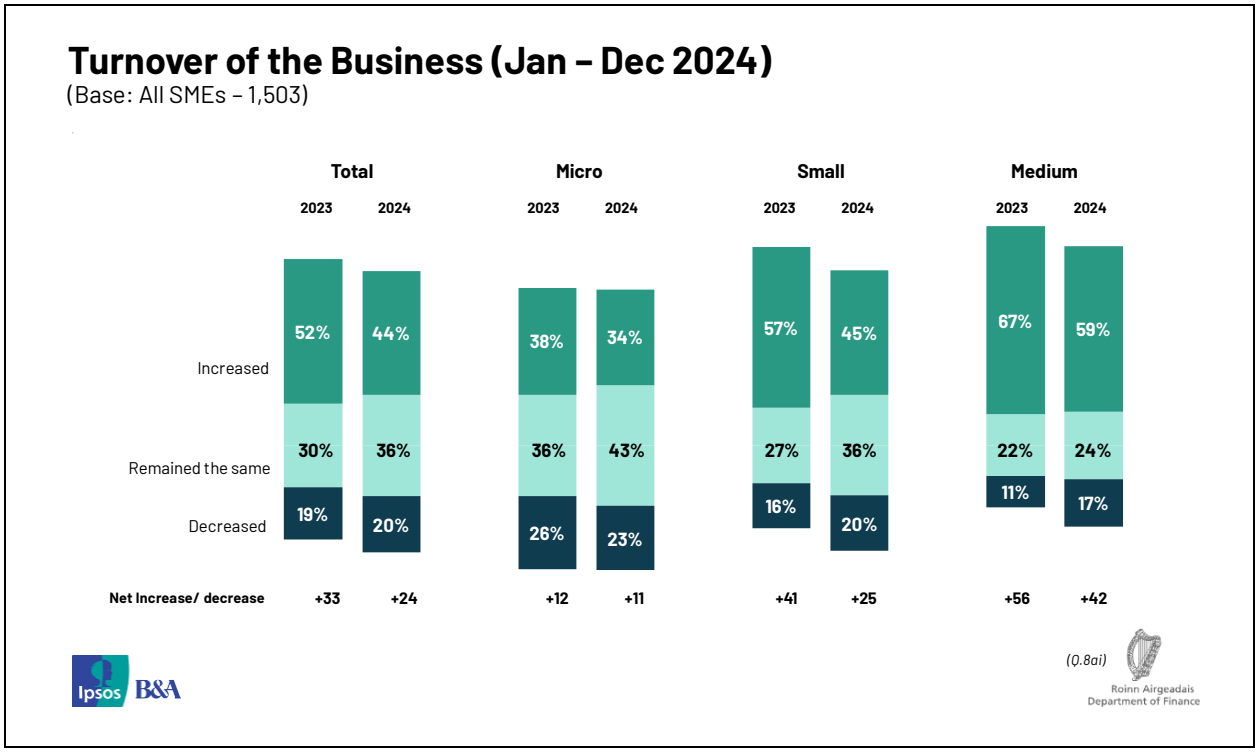
Approximately 20% of the turnover of exporting companies was exported outside the Republic of Ireland.



5. Trading Performance

5.1 Turnover Trends

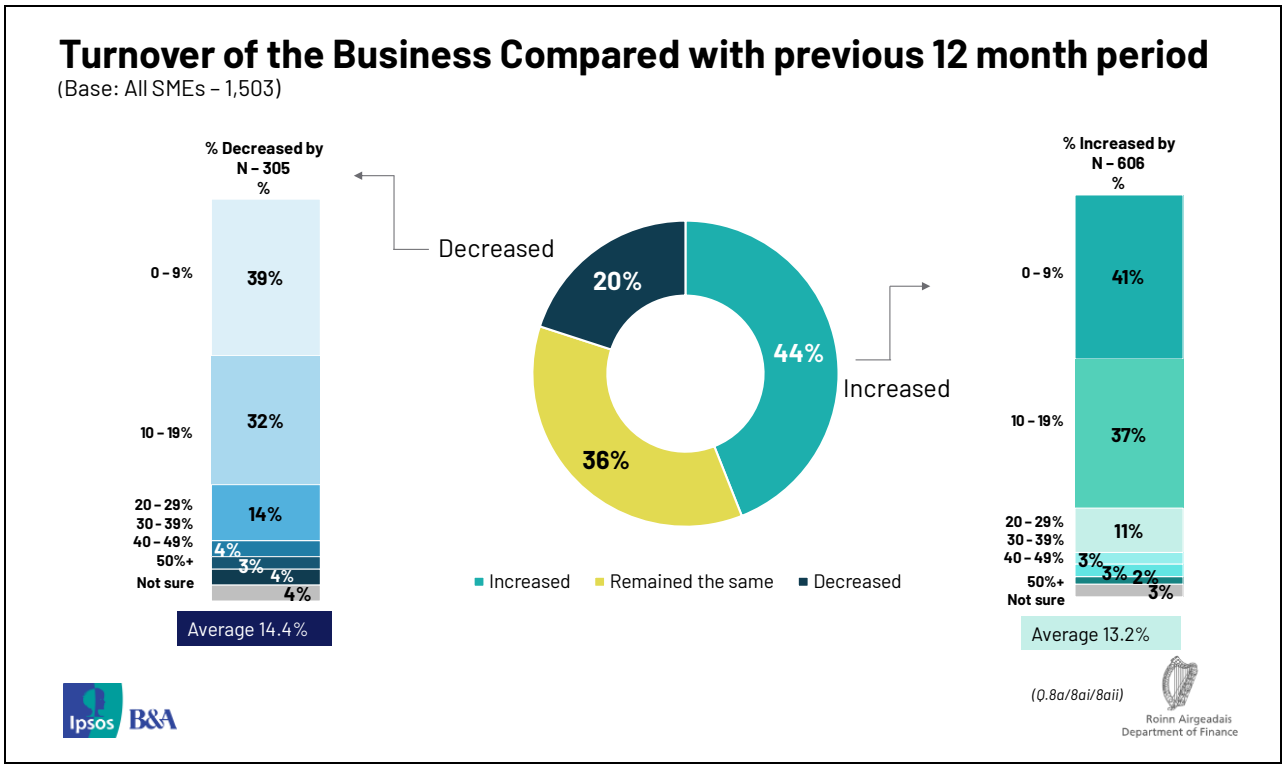
44% of SMEs reported increased turnover for the calendar year 2024 compared to the calendar year 2023, down from 52%. 36% reported no change in turnover, while 20% reported decreased turnover, similar to the 2023 wave.



Trading conditions were best among medium sized enterprises, where 59% reported increased turnover. Among Micro companies, 34% reported increased turnover. 45% of the small companies reported increased turnover in the past 12 months.

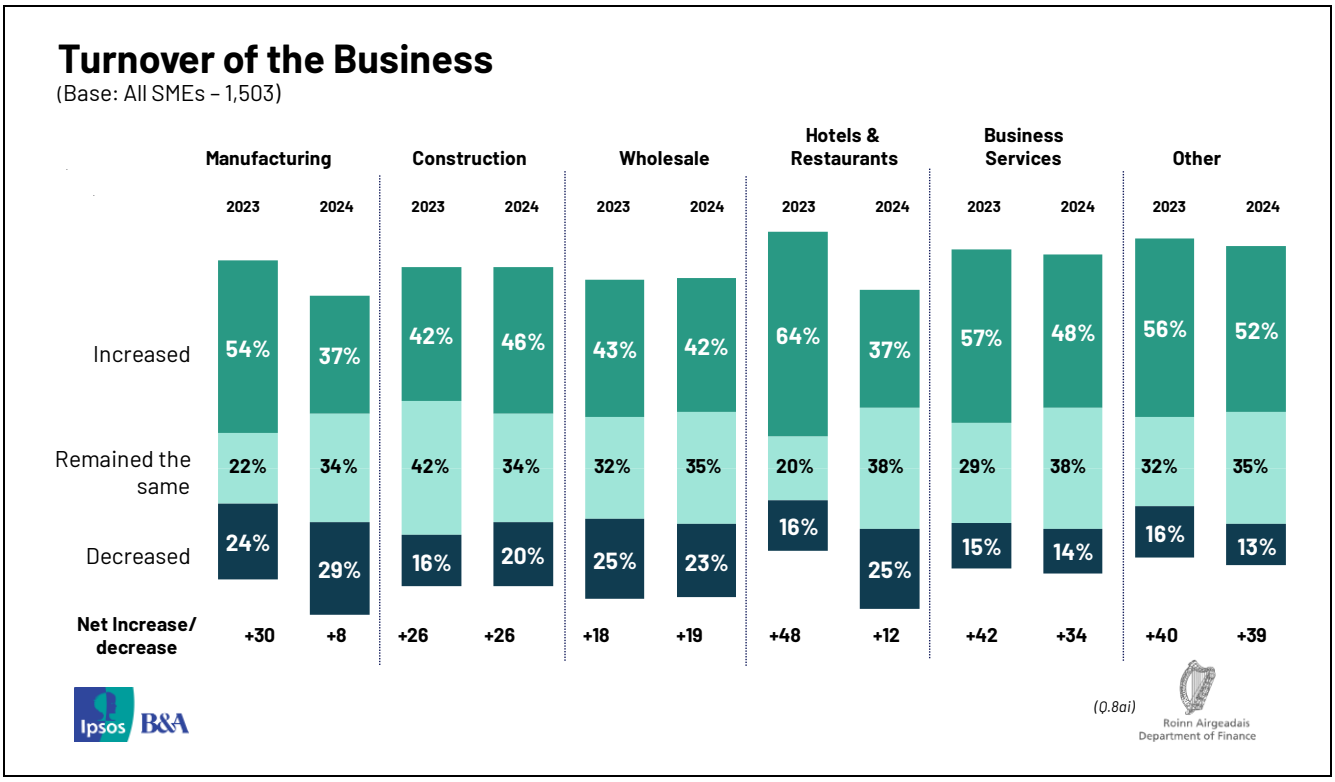
Among SMEs with increased turnover, 41% have seen a slight increase (0-9%), while 19% reported an increase of at least 20%.

Of the 20% who reported a decrease, 39% have had a modest decrease of 0-9%, with 15% reporting a decrease of more than 30%.



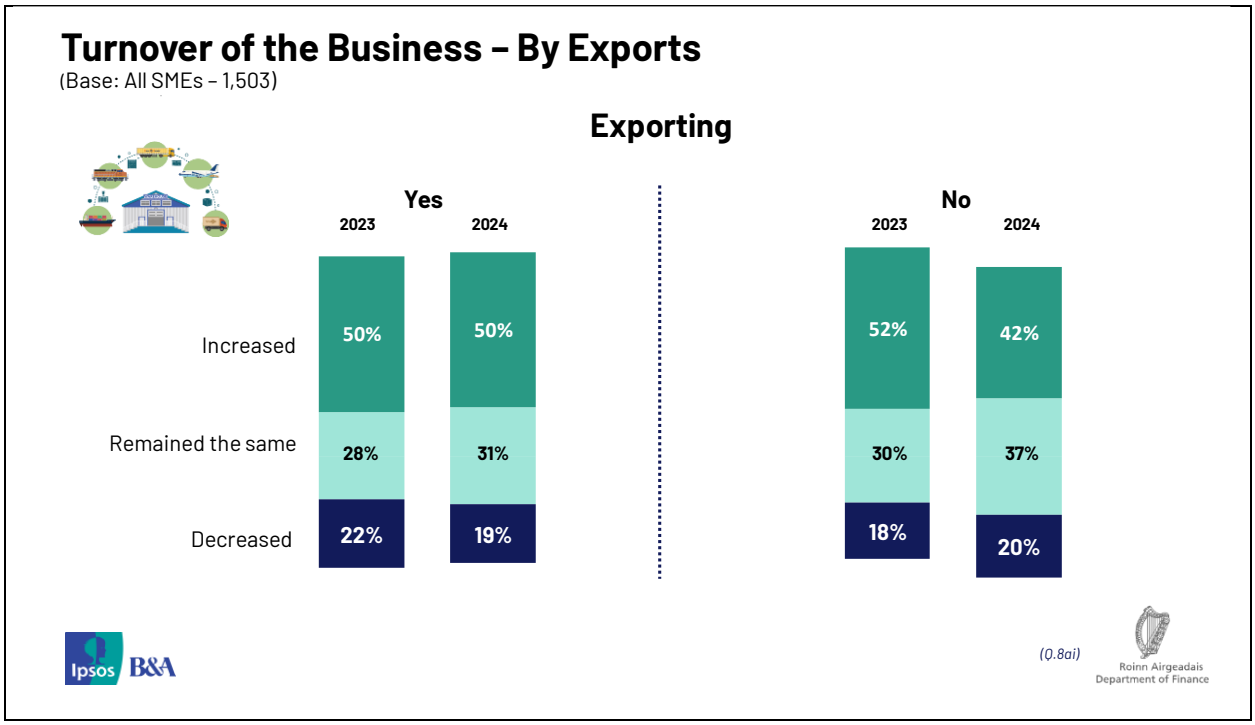
5.2 Turnover by Sector

The Business Services and Construction sectors reported the highest net turnover increase (increase minus decrease). The Hotels & Restaurants sector reported the lowest net turnover, with a notable decline seen in trading conditions from 2023 to 2024.



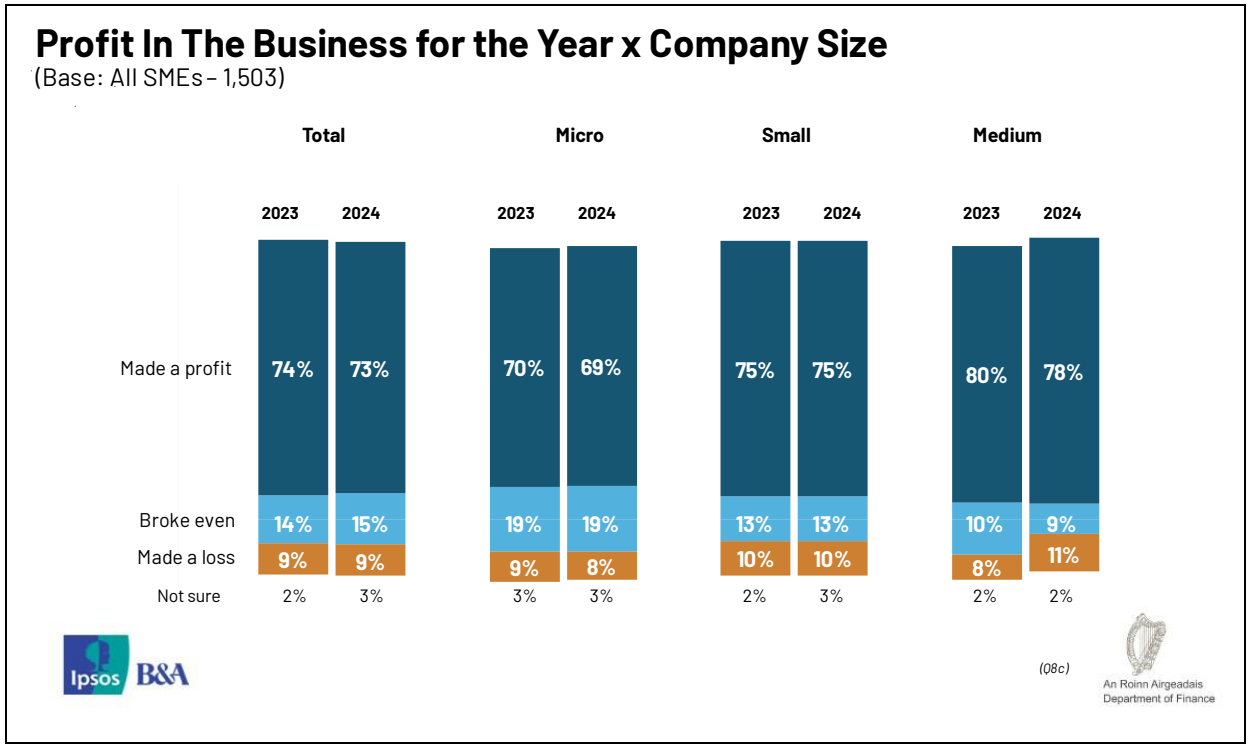
5.3 Turnover for Exporting Companies

SMEs who were exporting reported better turnover performance than those who do not export. Among exporting SMEs, 50% reported an increase in turnover, with 19% reporting a decline. 42% of non-exporting SMEs reported an increase, down from 2023.



5.4 Profit Trends

While turnover performance is down for the calendar year 2024 compared to 2023, profitability among SMEs is largely unchanged. 73% of SMEs reported profit during the year 2024, with 9% reporting a loss in 2024. 15% broke even.

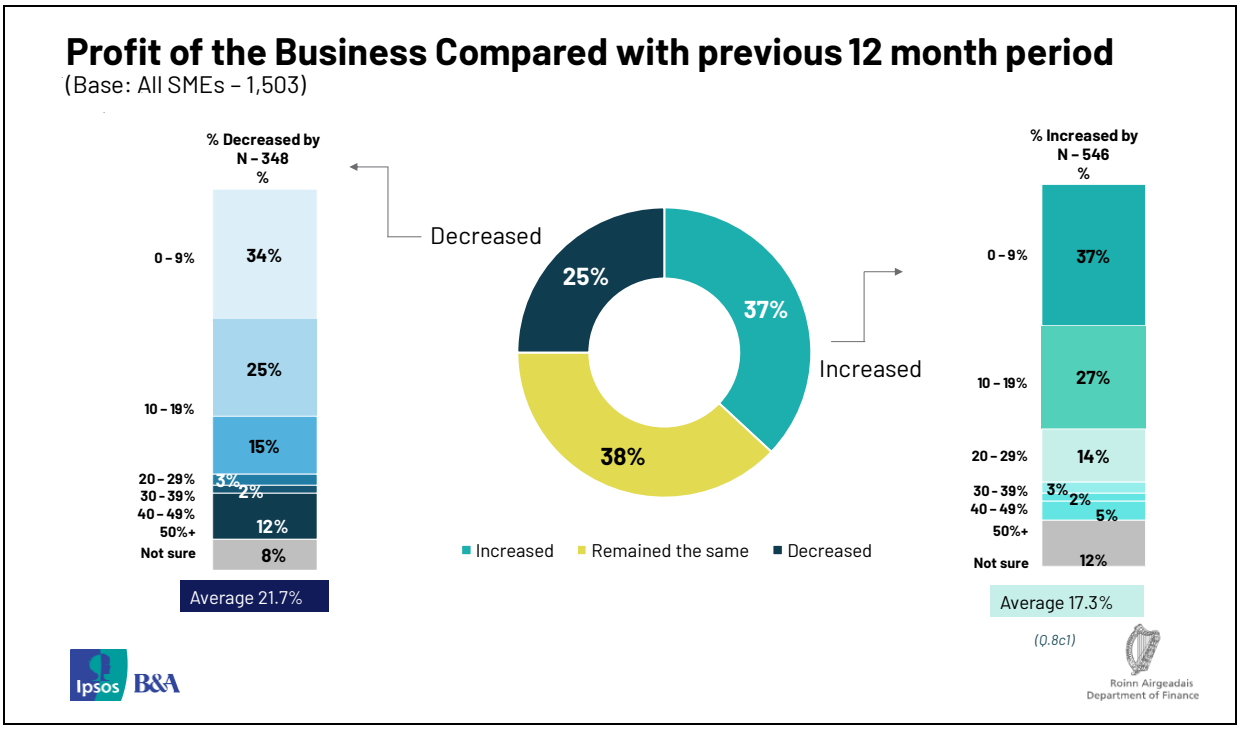


Small and medium sized companies were more likely to report profit in the calendar year of 2024 than micro companies, with the profit performance being largely similar from 2023 to 2024 for all three company sizes.

As has always been the case in the credit demand series, a strong relationship exists between turnover and profit performance, with companies having increased turnover being much more likely to report profit. SMEs with no change in turnover were more likely to report a loss.

Turnover – 2024	Turnover Increased	Turnover Remained the Same	Turnover Decreased
	%	%	%
Made a profit	87	51	69
Broke even	8	21	19
Made a loss	3	25	8
Not sure	1	3	4

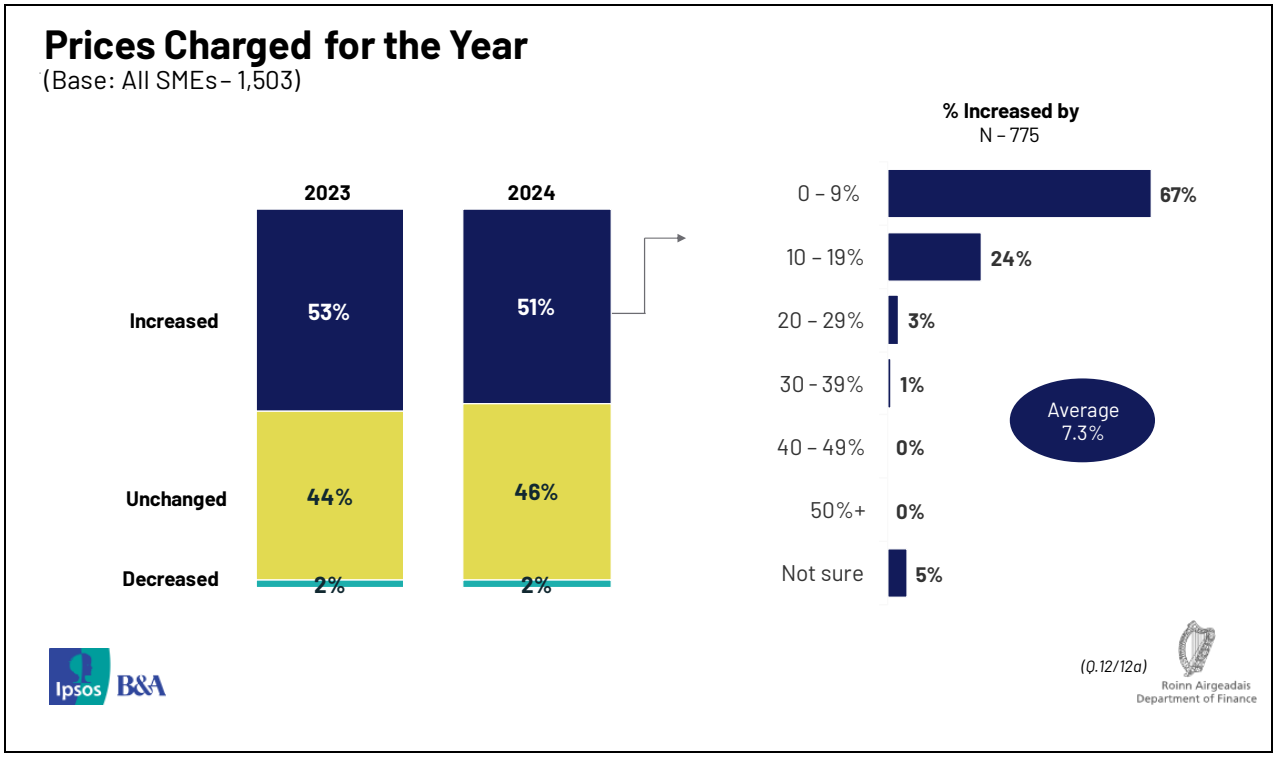
In terms of profitability of the SMEs over the past 12 months, 37% reported an increase in profit, with 25% reporting declining profitability. 38% reported no change.



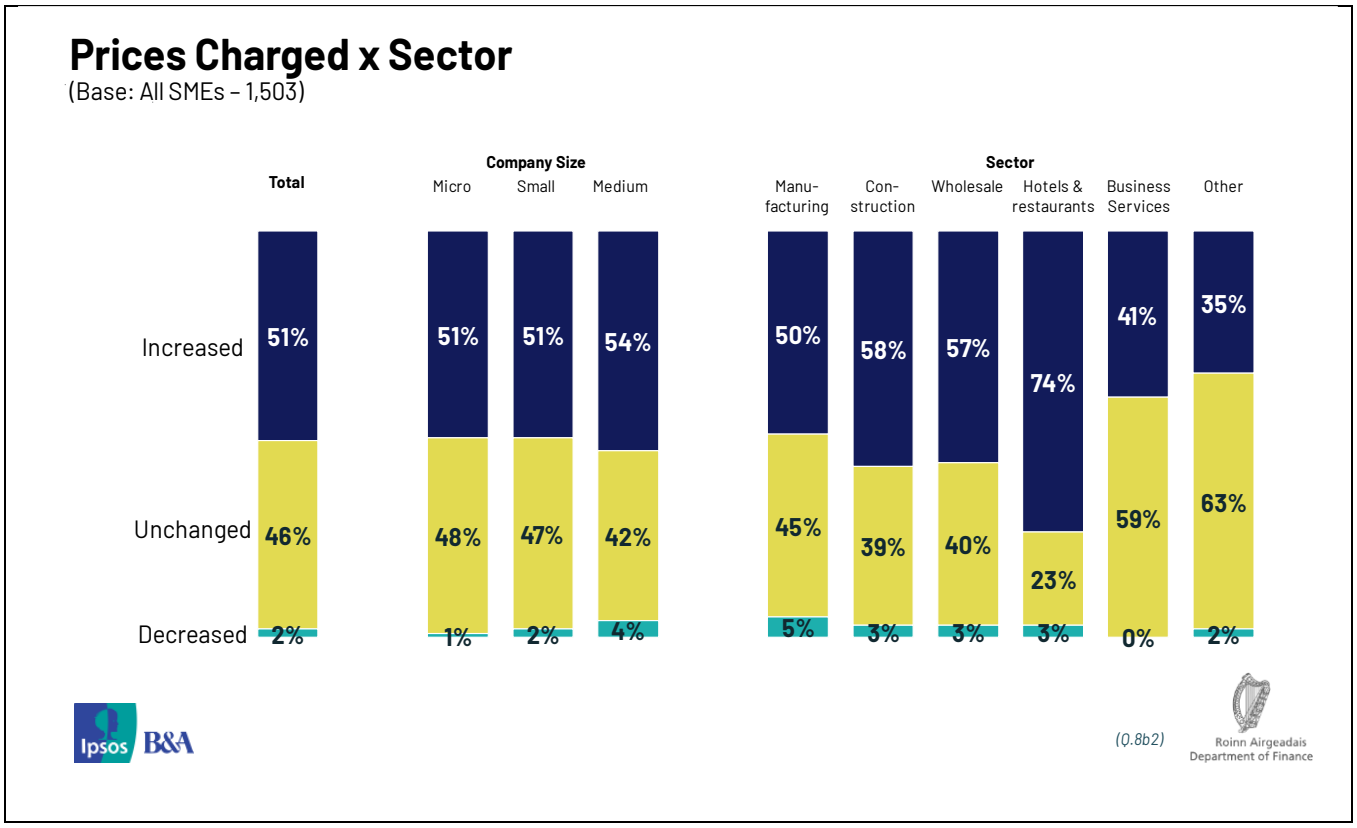
5.5 Price Changes

51% of SMEs reported that they had increased the price on their main product/service in the 12 months period from January to December 2024, largely unchanged from 2023. 46% had kept their prices unchanged while just 2% reporting a decrease in the prices charged.

Among those SMEs who increased their prices, 67% reported a price increase of less than 10%, with 4% reporting an increase over 20%.



Medium-sized firms are slightly more likely to report a price increase during 2024. In terms of sector, 74% of SMEs in the Hotels & Restaurant sector reported price increases in 2024.



Price increases are more likely to have occurred among SMEs with an increase in turnover or among SMEs who made a profit or broke even.

Prices Charged x Turnover & Profit in the Business

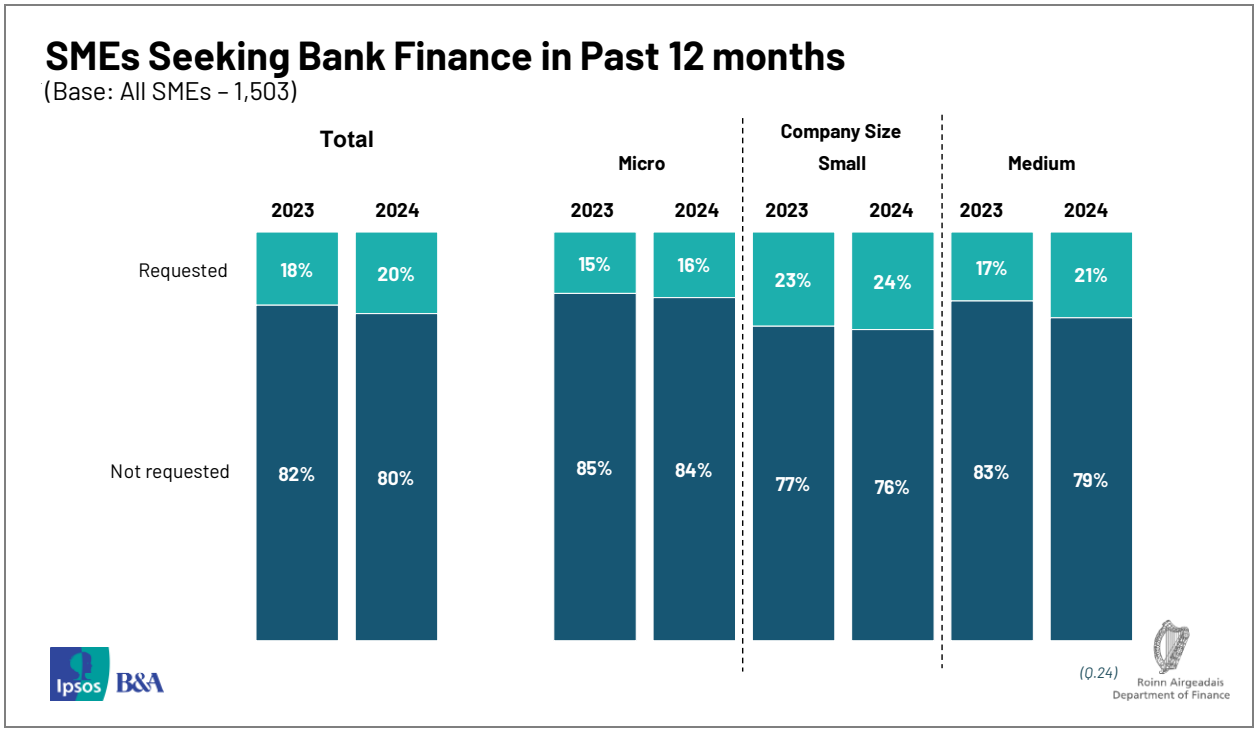
		Turnover last 12 months		
Turnover	TOTAL	Increased	Decreased	Remained the same
	1503	606	305	592
	%	%	%	%
Increased	51	58	51	44
Decreased	2	1	7	2
Unchanged	46	42	42	54

	Profit performance past 12 months				
Profit	TOTAL	Made a profit	Broke even	Made a loss	Not sure
	1503	1080	247	131	43
	%	%	%	%	%
Increased	51	54	50	43	31
Decreased	2	2	1	3	4
Unchanged	46	44	48	54	65

6. Demand for Bank Finance

6.1 Current Demand for Credit

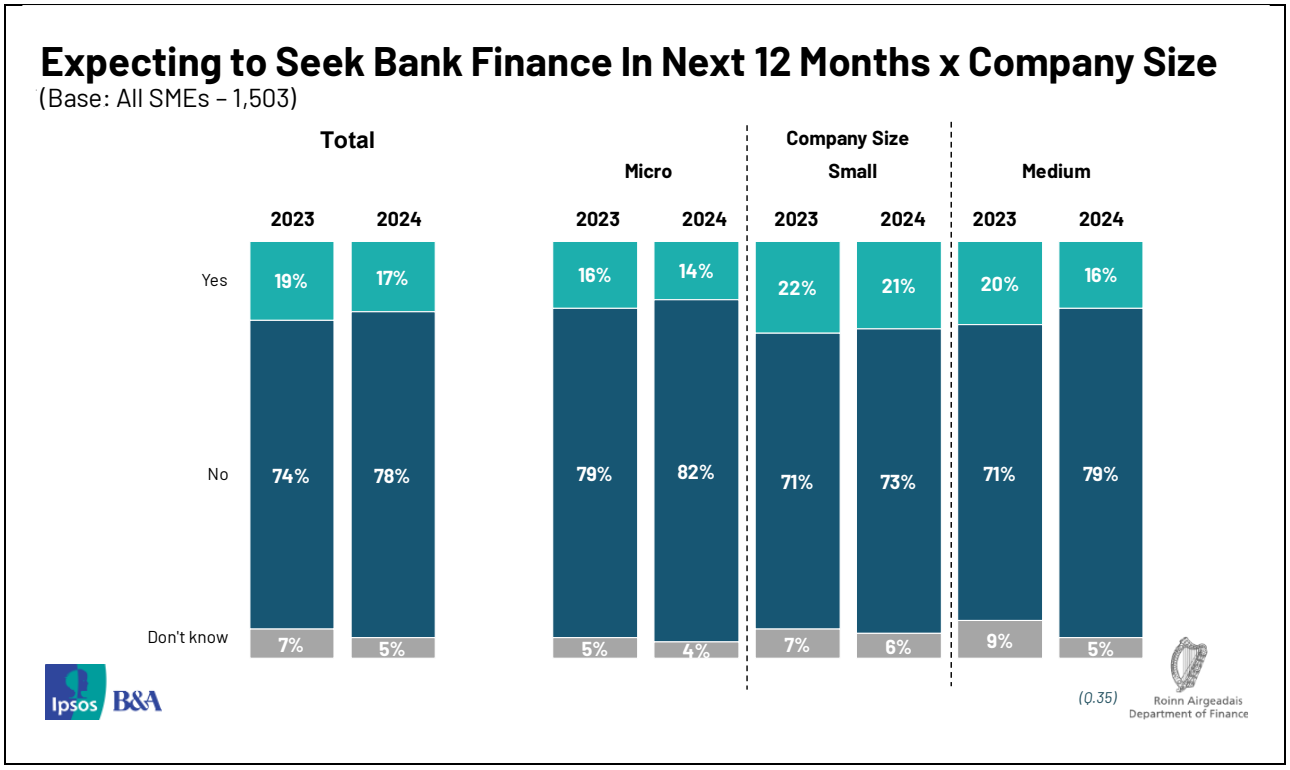
20% of SMEs applied for bank finance within the 12 months covering the year 2024. This is a two percentage point increase since 2023, and is at the highest level seen since 2019, when it also stood at 20%. Medium sized SMEs have seen the greatest uplift in seeking finance compared to last year (up four percentage points). Historically, medium and small SMEs tend to seek bank finance more than micro businesses.



Credit demand during the year 2024 was higher among smaller-sized companies where 24% applied for bank finance. 21% of medium-sized companies applied for finance during 2024, up from 17% in 2023, while 16% of micro companies applied for finance.

6.2 Future Demand for Credit

17% of SMEs expected to apply for bank finance in the next 12 months, with small sized SMEs being more likely to apply for bank finance in the next 12 months.

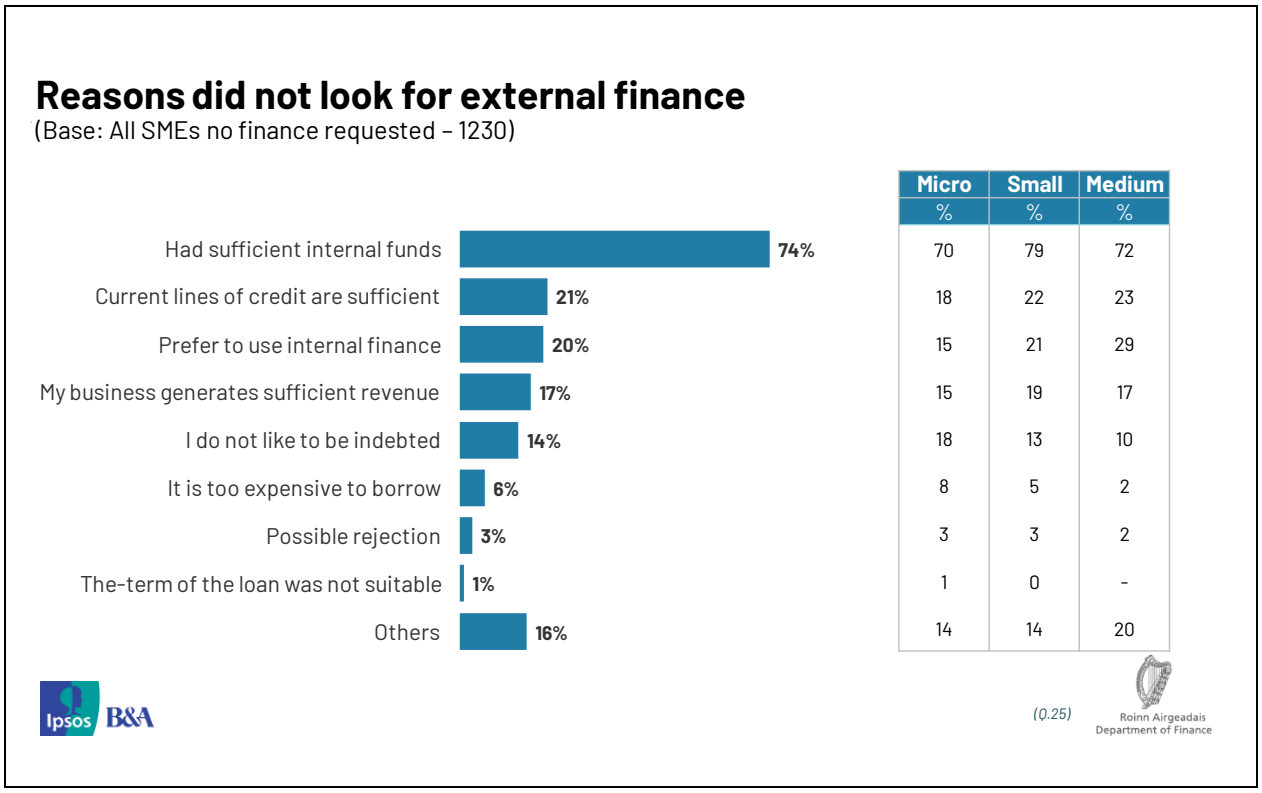


It is worth noting, however, that this is simply a prediction of possible future demand, and therefore should not be directly compared to actual credit demand reported in the past.

6.3 Reasons for Not Seeking Credit

In order to better understand the reasons behind SMEs' lack of demand for credit, companies were specifically asked to provide reasons for not seeking credit in the past 12 months. More than one reason could be given by survey respondents.

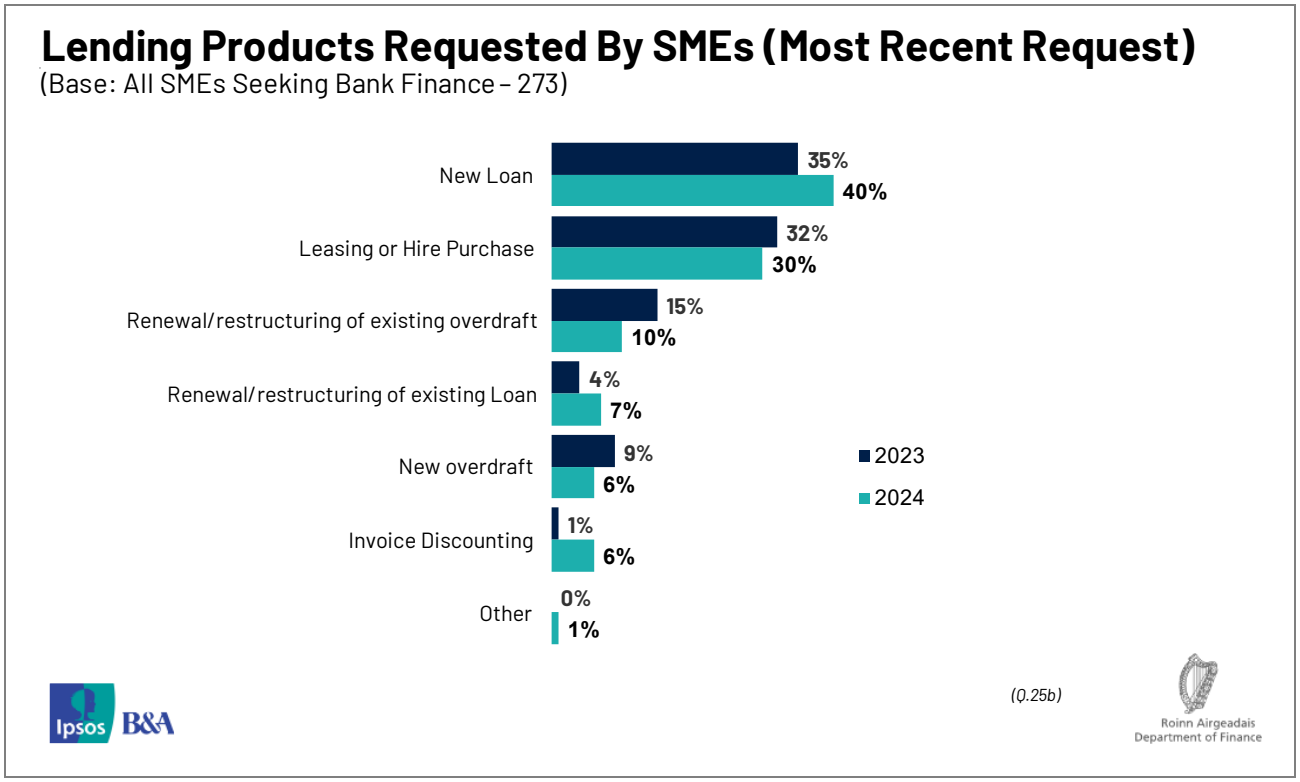
The main reason given was that that the business had sufficient internal funds,or did not want to be indebted (74% combined, with 61% mentioned the former as a reason and and 13% mentioning the latter). 21% did not apply for credit as the current lines of credit were sufficient, while 20% did not apply as they preferred to use internal finance. The reasons cited were similar across SME sizes, although 18% of Micro companies did not seek credit as they did not want to be indebted, higher than small and medium sized firms.



Please note that respondents were able to put forward more than one reason for not seeking external finance

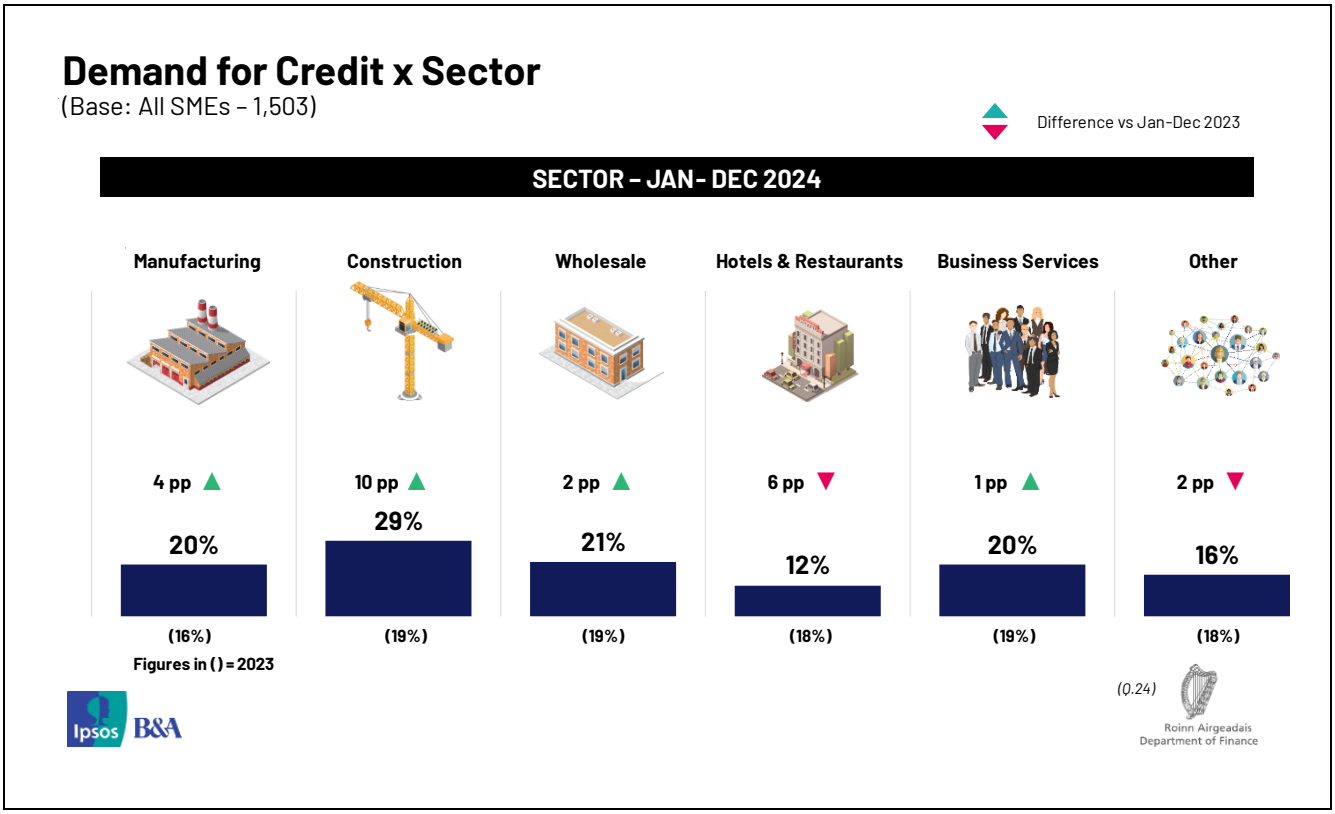
6.4 Demand for Credit by Product

Among those SMEs that requested bank finance in year 2024, new loans and leasing/hire purchase were the main bank finance products requested, followed by overdrafts.



6.5 Demand for Credit by Sector

Credit demand was highest within the Construction sector, with 29% having requested bank finance during 2024, up from 19% in 2023. Lowest credit demand was seen for the Hotels & Restaurants sector, with 12% having requested bank finance in the past year.



Demand for Credit x Sector

(Base: All SMEs – 1,503)

Difference vs Jan-Dec 2023

SECTOR – JAN- DEC 2024

Manufacturing	Construction	Wholesale	Hotels & Restaurants	Business Services	Other
4% ▲	10% ▲	2% ▲	6% ▼	1% ▲	2% ▼
20%	29%	21%	12%	20%	16%
(16%)	(19%)	(19%)	(18%)	(19%)	(18%)

Figures in ( ) = 2023

(0.24)

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Department of Finance

6.6 Demand for Credit by Turnover and Profit Performance

It is interesting to look at credit demand by business performance to gauge whether companies are requesting credit for growth or for stability/maintenance of the business.

From the results below, it is evident that both motivations play a role, with highest credit demand seen among SMEs with increased turnover.

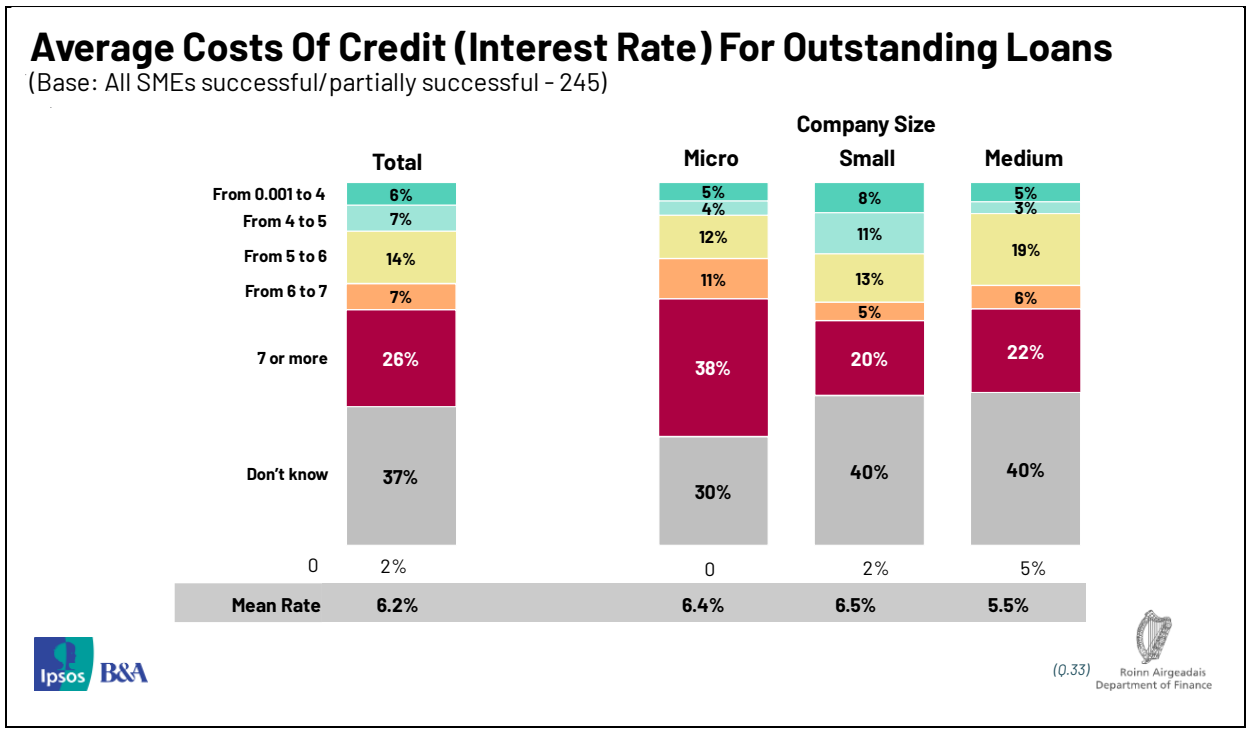
		Turnover past 12 months		
Turnover	TOTAL	Increased	Remained the same	Decreased
	1,503	*606*	*305*	*592*
	%	%	%	%
Any Demand	20	23	18	17
None	80	77	82	83

	Profit performance past 12 months			
Profit	TOTAL	Made a profit	Broke even	Made a loss
	1,503	*1080*	*247*	*131*
	%	%	%	%
Any Demand	20	21	18	18
None	80	79	82	82

SMEs that reported profit in the past 12 months have higher credit demand than companies than reported a loss or broke even.

6.7 Cost of Credit

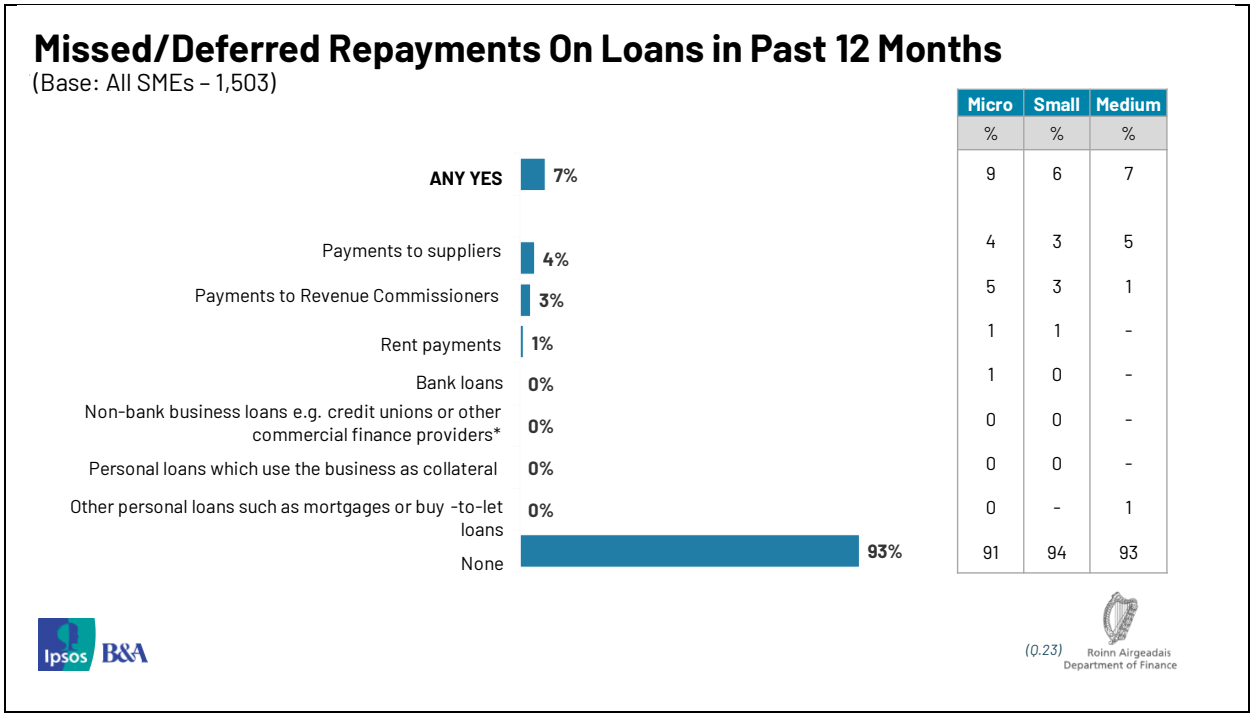
Amongst those SMEs with outstanding loans, the average (mean) claimed cost of credit was 6.2%. This is a decrease from the previous wave where claimed cost of credit was 7.2%.



As has been the case historically, a significant percentage of SMEs did not know the cost of their outstanding loans (37%). This represents a fall of five percentage points since 2023, when 42% of those availing of credit were not aware of the interest. With fluctuations in interest rates over the past year, it may well be the case that SMEs are more cognisant of the cost of credit.

6.8 Missed payments

7% of SMEs reported that they had missed repayments of any type of loans (e.g. bank loans, payments to suppliers, Revenue, etc.) in the period January to December 2024. This is similar to the 8% level seen for 2023. 4% have missed payments to Revenue, with 3% having missed payments to suppliers. It should be noted that more than one answer was possible.

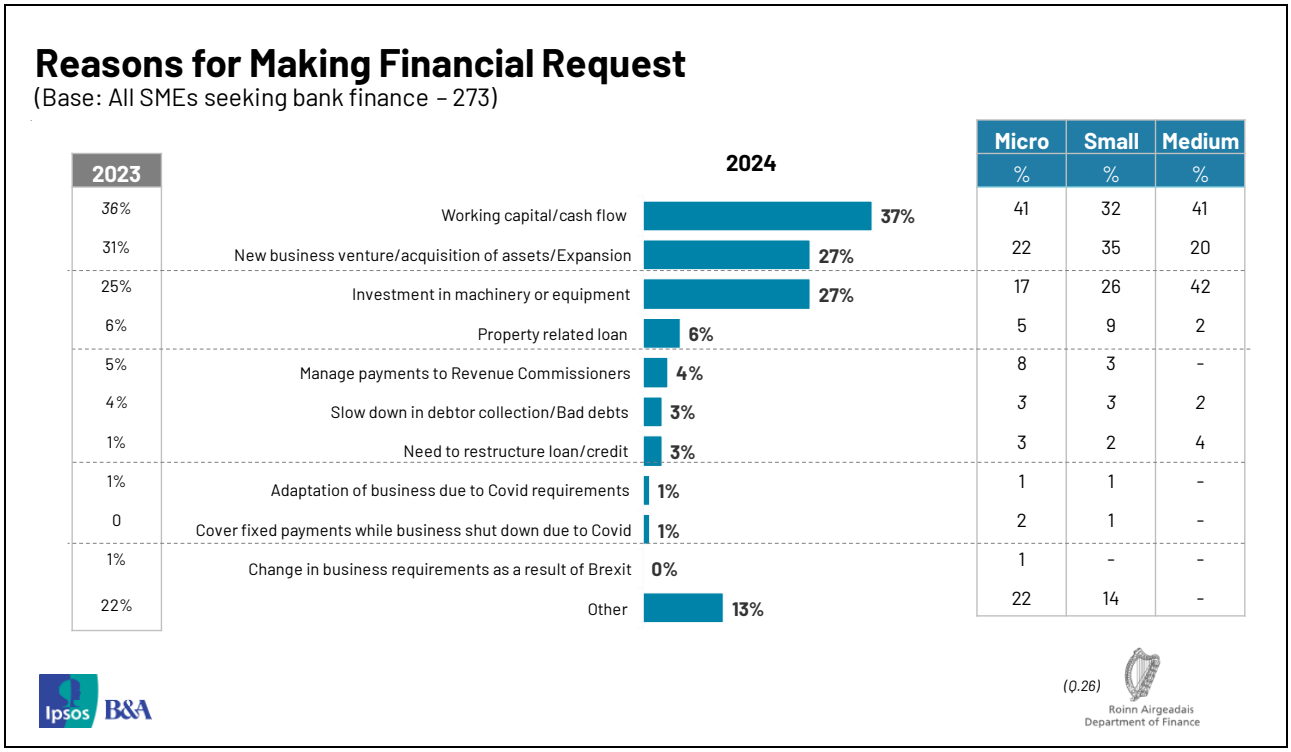


7. The Application Process

Of the 1,503 SMEs interviewed for this wave of research, 20% requested bank finance in the 12 months between January and December 2024.

7.1 Nature of Demand

Of those companies seeking finance, over one in three (37%) cited working capital/cash flow requirements as the primary reason for seeking a finance request. This was largely consistent across all company types. Other significant reasons for requesting finance were to aid in to new business development/expansion (27%) or to assist with investment in machinery or equipment (27%). This is largely in line with the 2023 survey.



Small sized companies were notably more likely to request bank finance for new business ventures/expansion (35%).

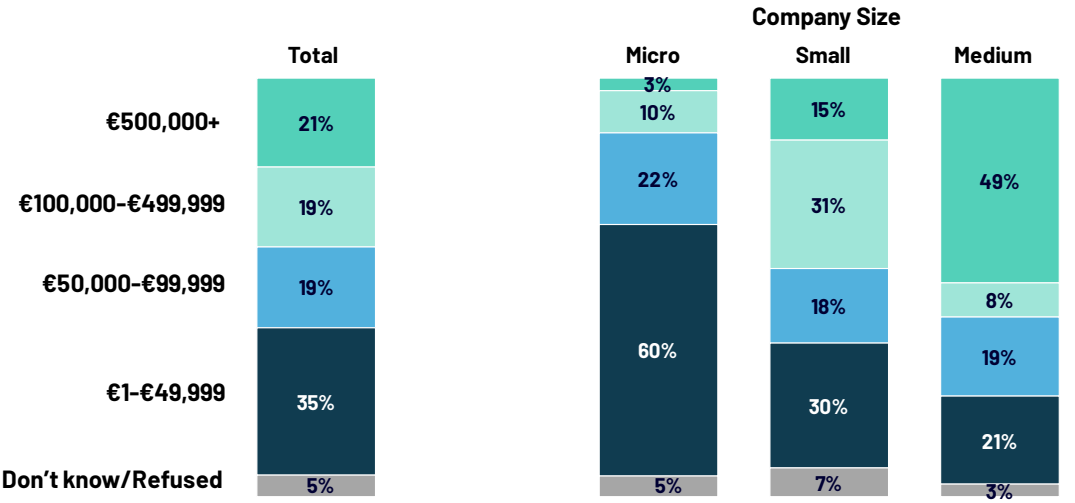
7.2 Economic Value of Credit Applications

Among those businesses that applied for new finance (and gave a monetary value), the average investment sought was €260,059, up from €185,857 compared to 2023.

Unsurprisingly the value sought increased in line with company size. Micro companies at €55,710, rising to €454,432 among medium sized enterprises.

New Finance – Value Applied for

(Base: All SMEs Requesting New Overdraft, Loan, Invoice Discounting, Lease/Hire Purchase, Bonds, Other– 221)

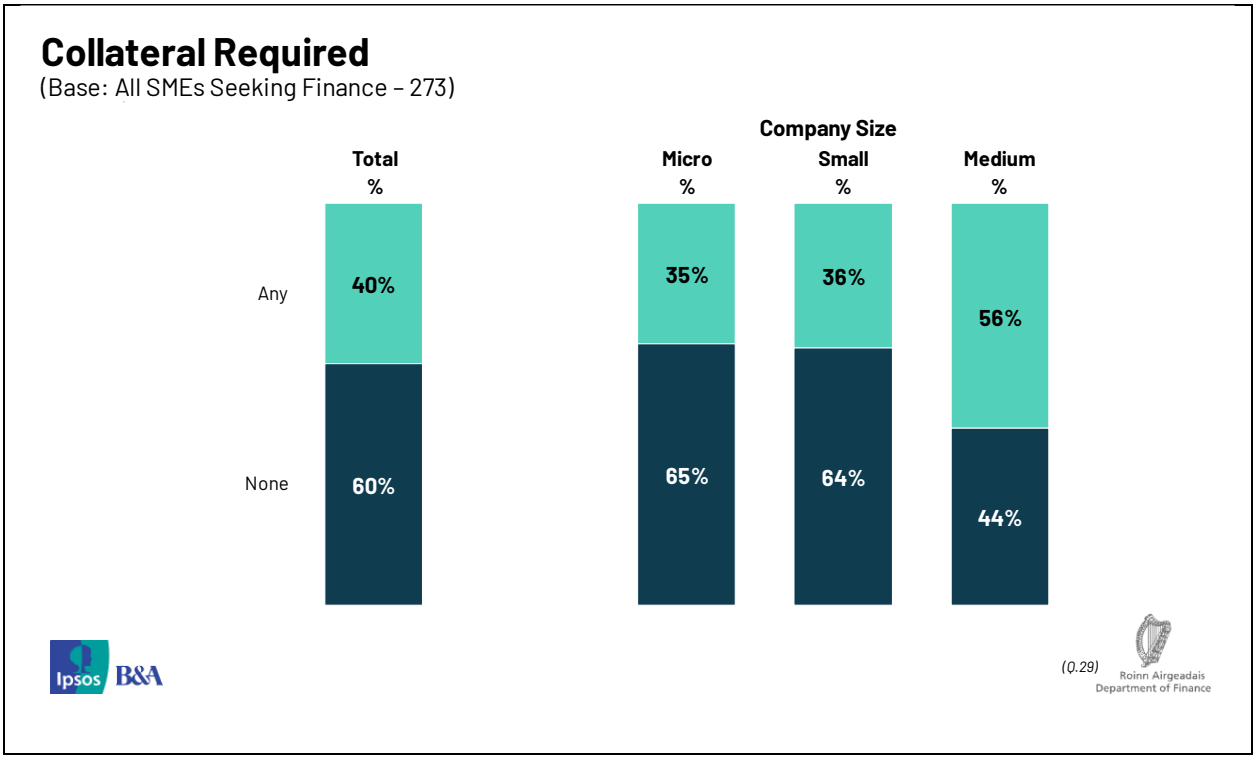


Please note however, that caution should be exercised in analysing differences between company sizes, due to small sub-sample sizes.

The average value of credit sought by the small number of SMEs (n=52) seeking renewal/restructuring finance renewal over the 12 months up to December 2024 was €64,048, down from €77,529 for the previous wave.

7.3 Collateral Required for Credit Applications

Among the SMEs that applied for bank finance, two in five (40%) required some type of collateral – up from 36% in 2023.



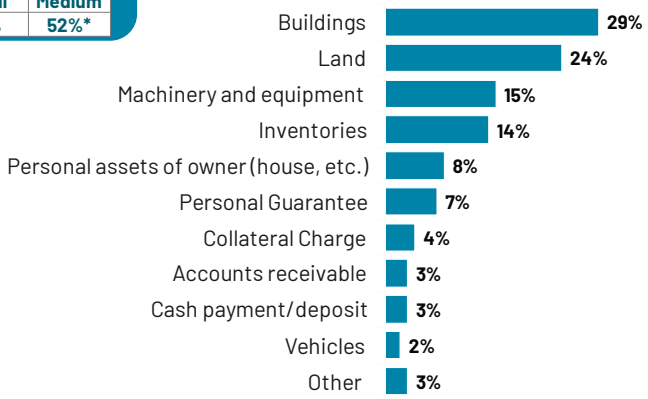
The most common kinds of collateral required of the 40% were buildings (29%), land (24%), followed by machinery and equipment (15%) and inventories (14%). Again, more than one answer was permissible.

What kind of Collateral Required

(Base: All SMEs Seeking Finance and requested to provide collateral - 95)

Average Value of Collateral as percentage of Loan Value 52%
(Base: 98 collateral used/needed)

Micro	Small	Medium
48%	53%	52%*



*Caution small number of Medium asked provide collateral

By Company Size		
Micro %	Small %	Medium %
%	%	%
12	47	20
14	12	45
11	14	19
13	4	26
16	9	-
21	3	-
-	5	6
2	7	-
3	4	-
6	-	-
5	5	-

(0.29/30)

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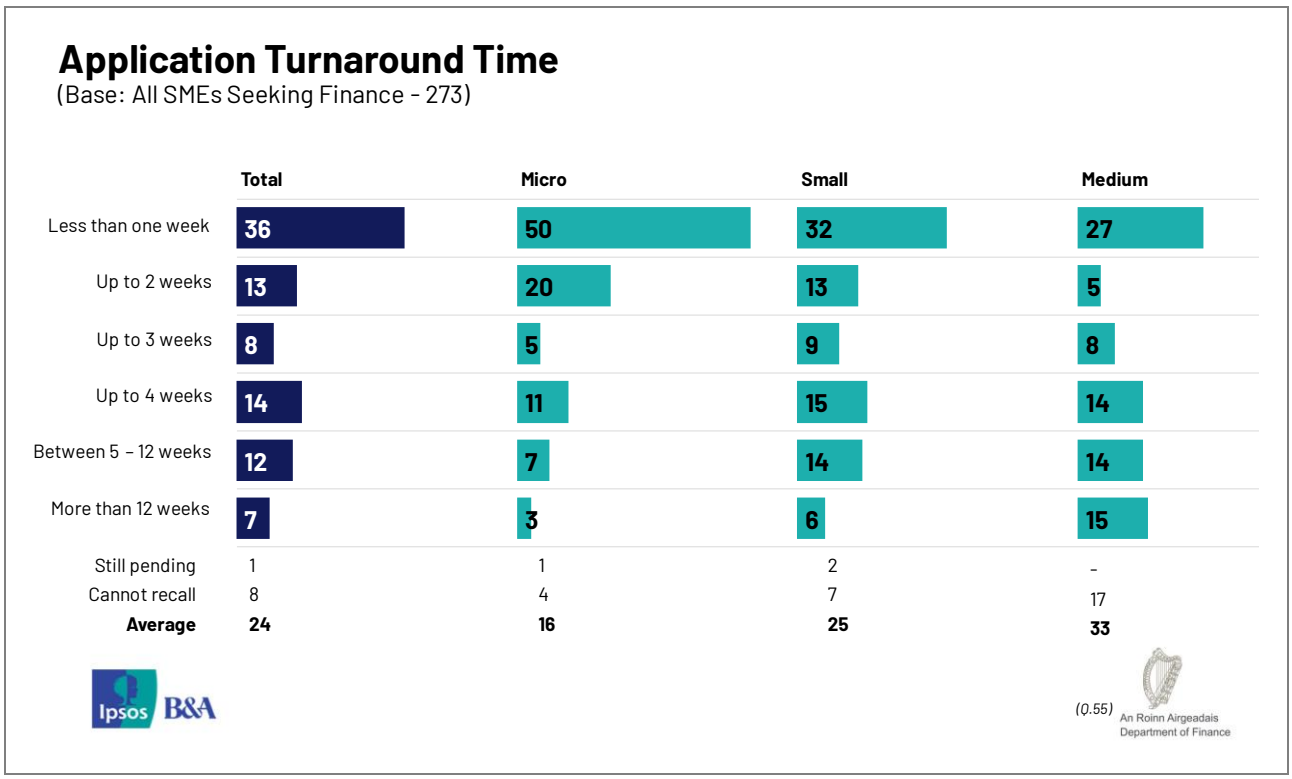
The average value of collateral required as a percentage of the loan was 52%. Please note that respondents were able to put forward more than one type of collateral, so the figures will add to more than 100% for not seeking external finance

7.4 Turnaround Time on Decisions

Based on the Central Bank of Ireland's 2015 regulations for firms lending to SMEs[3], lenders are required to inform SMEs of a decision on their loan within 15 working days of receiving all information they require from the company. Lenders other than credit unions were obliged to comply with this regulation from 1st July 2016 or in the case of credit unions from 1st January 2017[4].

According to the businesses themselves, 57% of all finance applications were processed within the 15 maximum working days for the calendar year 2024 – in line with the 58% incidence recorded for 2023.



The average amount of time from application to decision stood at 24 working days. Across the different business profiles, the turnaround time for smaller companies was 25 working days, with medium sized companies receiving decisions within 33 working days on average, and micro companies within 16 days.

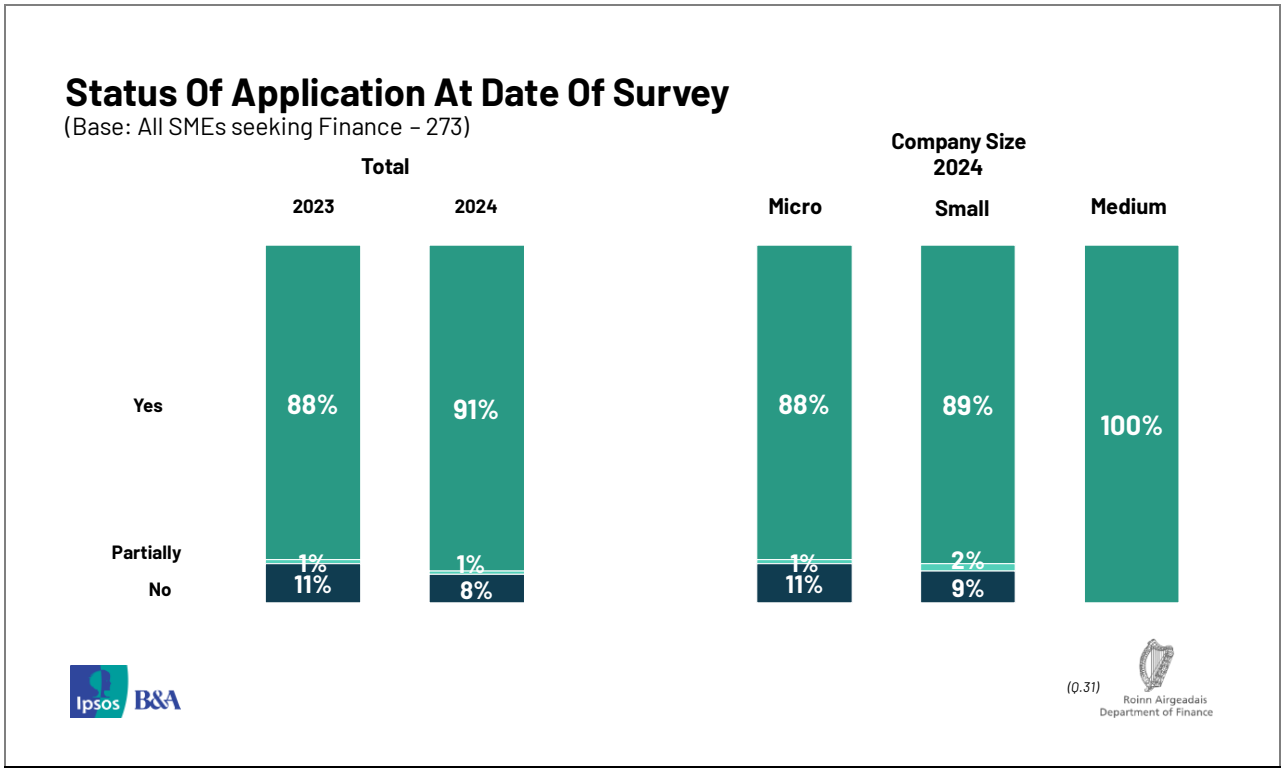
It should be noted that this does not differentiate between businesses that supply all information required by the lender at the outset and those that receive requests for further information. The proportion of loans that remained "still pending", stood at one percent.

[4] https://www.centralbank.ie/news/article/regulations-for-firms-lending-to-smes-from-2016

7.5 Decline Rate

The decline rate for all credit applications for 2024 stood at less than one in ten (8%) – down from 11% in 2023.

91% of all applications were approved in in their entirety over 2024, with 1% being partially approved.



Although based on small base sizes, medium-sized businesses seeking finance indicated higher approval rates compared to micro and small sized companies.

Decline Rate by Product

Decline rates varied across the type of finance requested. This is a reflection of the application processes differing in their complexity - some lending products can require more extensive or rigorous applications than others.

Lending Products	Yes	Partially	No
	%	%	%
New overdraft	79	2	19
Renewal/restructuring of existing overdraft	88	-	12
New Loan	88	2	10
Renewal/restructuring of existing Loan	86	3	11
Invoice Discounting	80	3	17
Leasing or Hire Purchase	98	1	1
Other	79	-	21

Note: Small base sizes per product; sum per product might not add to 100% due to rounding.

Decline Rate by Type of Credit Applied For

	Yes	Partially	No
	%	%	%
New business venture/acquisition of assets/Expansion	93	2	6
Working capital/cash flow	84	2	14
Slow-down in debtor collection/Bad debts	71	9	19
Property related loan	82	9	9
Investment in machinery or equipment	96	-	4
Need to restructure loan/credit	80	-	20
Manage payments to Revenue Commissioners	73	-	27
Change in business requirements as a result of Brexit	-	-	100
Adaptation of business due to Covid/social distancing requirements	-	46	54
Cover fixed payments while business shut down due to Covid	43	26	31
Other	90	2	8

Note: Small base sizes per type of credit applied for

Decline Rate by Export vs. Non-Export Companies

	Yes	Partially	No
	%	%	%
Export Business	97	1	2
Non Export Business	90	1	9

Decline rates among export businesses were lower than those experienced by non-export businesses.

Decline Rate by Sector

	Yes	Partially	No
	%	%	%
Manufacturing	97	2	1
Construction	86	6	8
Wholesale	93	1	7
Hotels & restaurants	80	-	20
Business Services	92	-	8
Other	91	-	9

Note: Small base sizes per sector

Decline rates were higher among businesses in the Hotels & Restaurants sector.

Decline Rate Linked To Company Trading Performance

Decline rates were higher for SMES with a decline in turnover (12%) compared to those with increased or unchanged turnover.

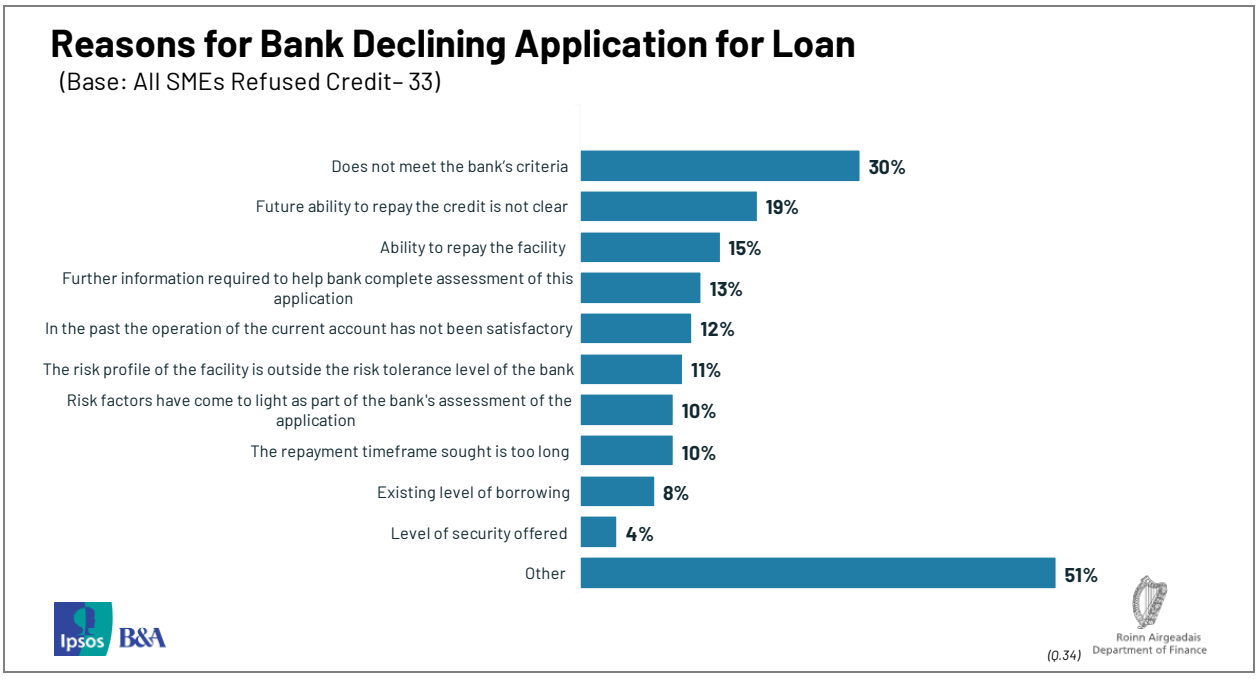
	Yes	Partially	No
	%	%	%
Increased	94	1	5
Decreased	85	3	12
Remained the same	90	1	9

Companies that made a loss were much more like to be declined credit with a refusal rate of 25%.

	Yes	Partially	No
	%	%	%
Made a profit	94	1	5
Broke even	86	6	8
Made a loss	75	-	25
Not sure	78	-	22

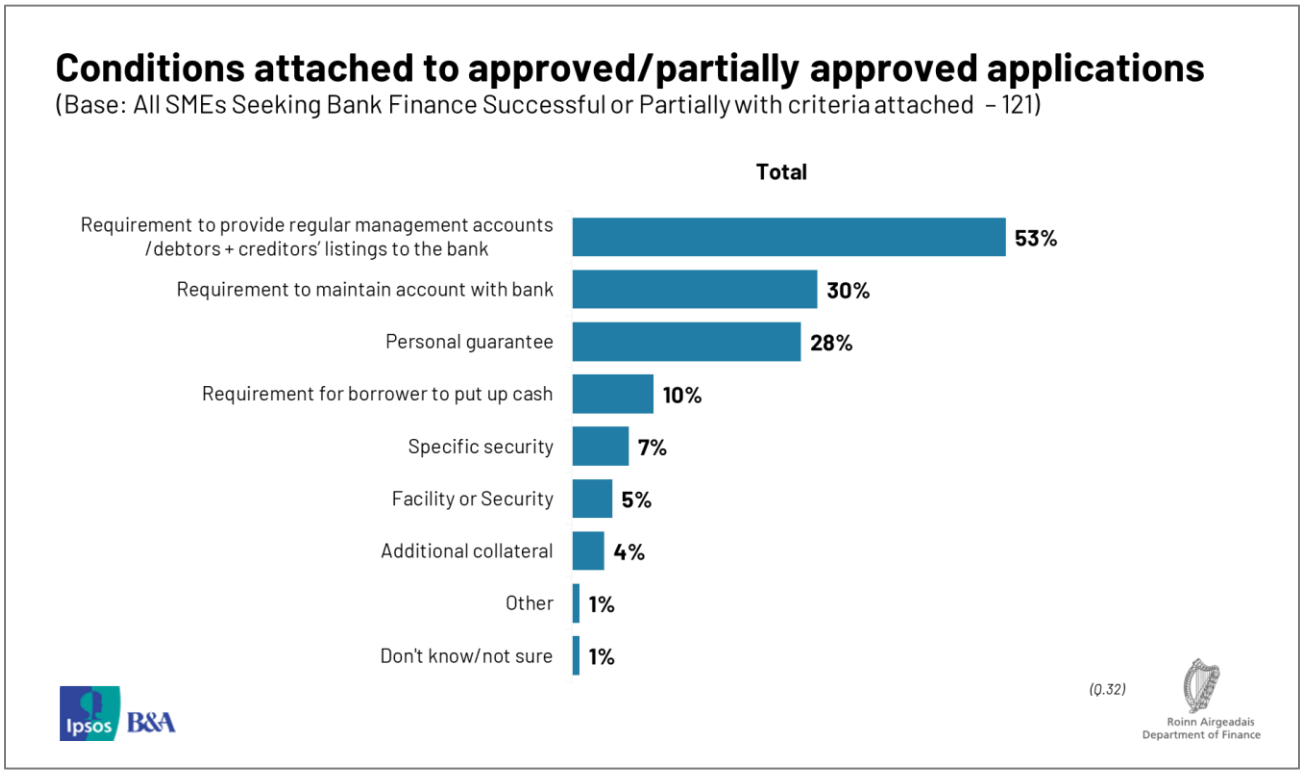
7.6 Reasons for Decline

The primary reason for banks declining an application was that their lending criteria was not met. Three in ten companies (30%) cited this as a factor in the process (albeit off a small base size of 33 companies). Another prominent reason mentioned were the future ability to repay the credit not being clear (19%). More than one answer was possible.



7.7 Criteria, Conditions and Interest Rates Attached to Approved Applications

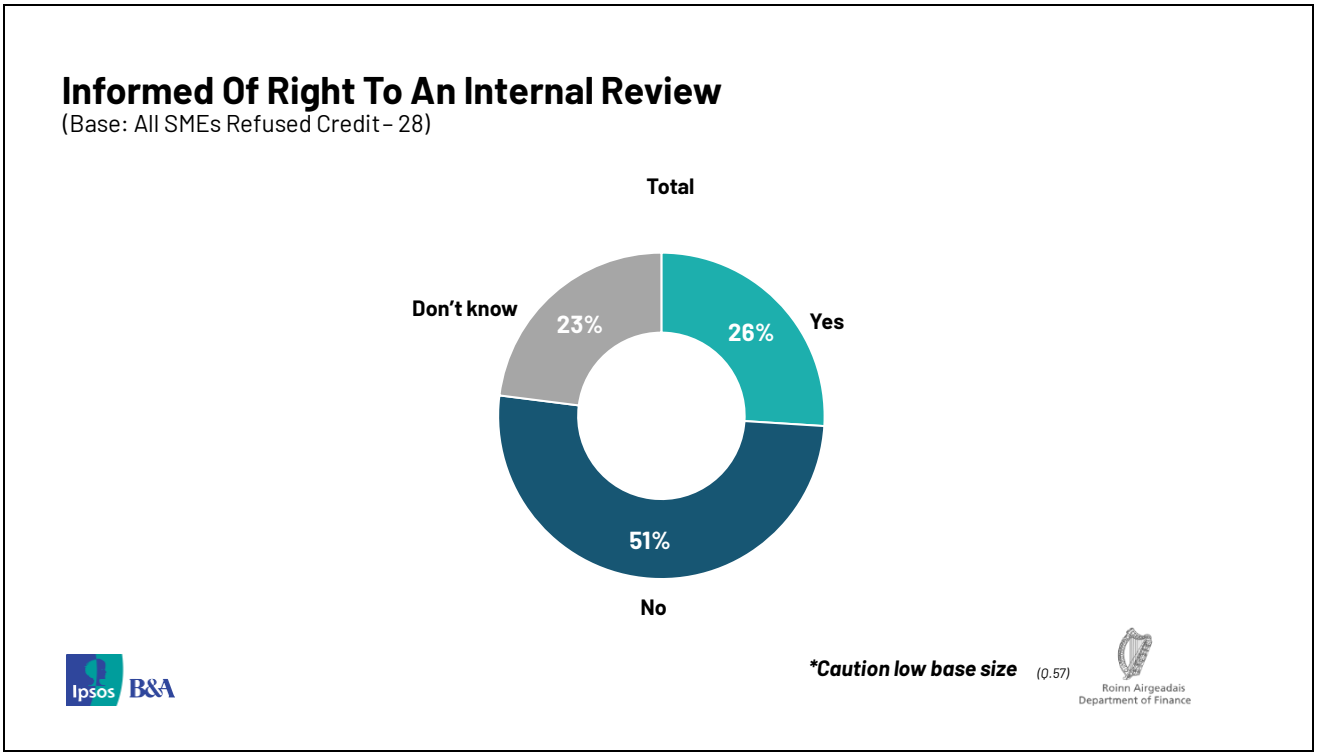
In terms of the conditions that were attached to successful applications, the most common condition was the requirement to provide regular management accounts (53%). Requirement to maintain account with bank were requested in nearly a third (30%) of all applications, with 28% being requested to provide a personal guarantee. More than one answer was possible.



7.8 The Right to an Internal Bank Review

More than one in four of SMEs (26%) who were refused credit stated that they were informed of the right to an internal review by the lender – down from 33% for the calendar year 2023.

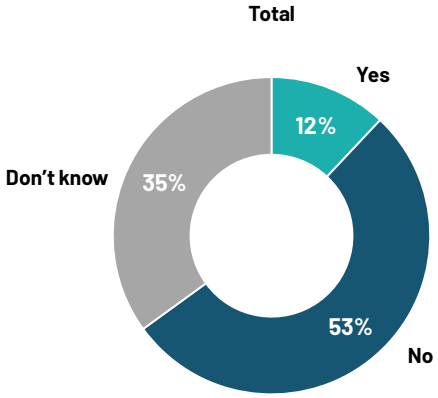
A further 23% denied finance were unsure as to whether a review process was offered or not. It should be noted that these figures are based on a very small base size.



7.9 Credit Review Office

12% of those refused credit report that they were informed of their right to appeal to the Credit Review Office, down from 26% in 2023, with more than half (53%) stating they were not informed to their knowledge. Again, these figures are based on a very small base size.

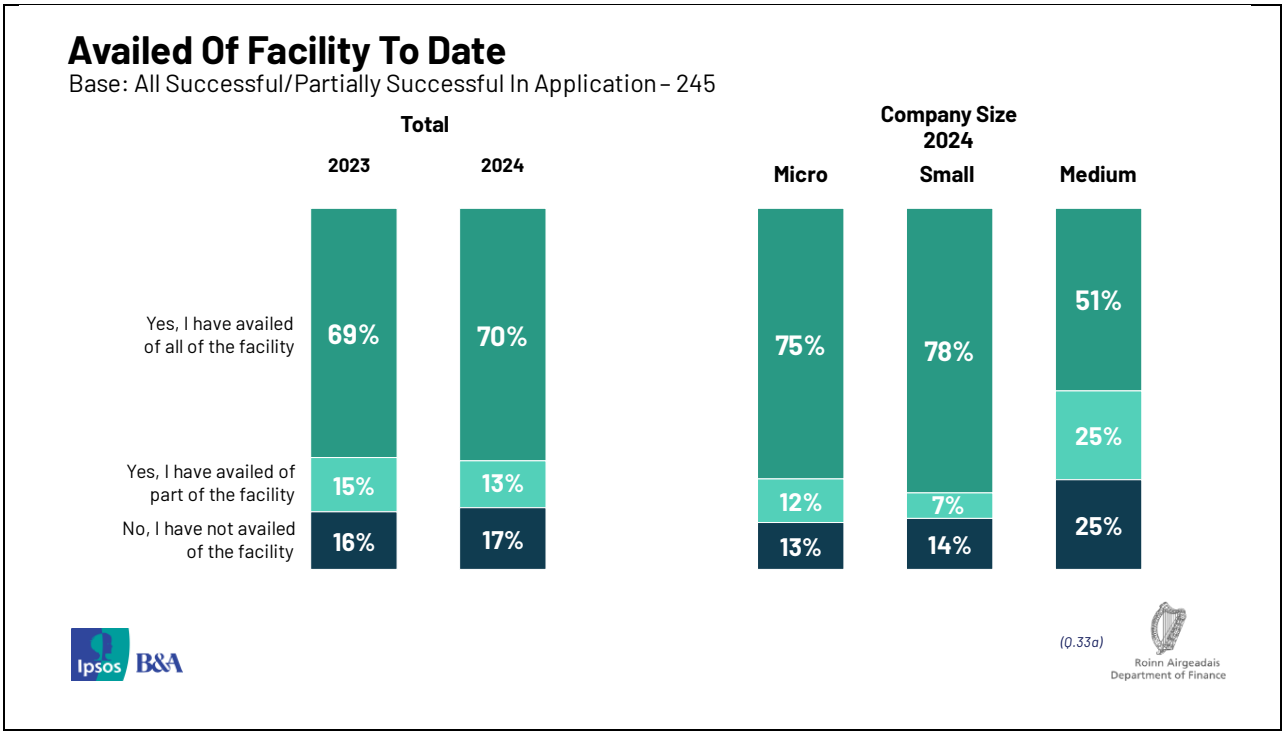
Main Banks – Informed Of Right To Review By Credit Review Office
(Base: All SMEs Refused Credit – 28)



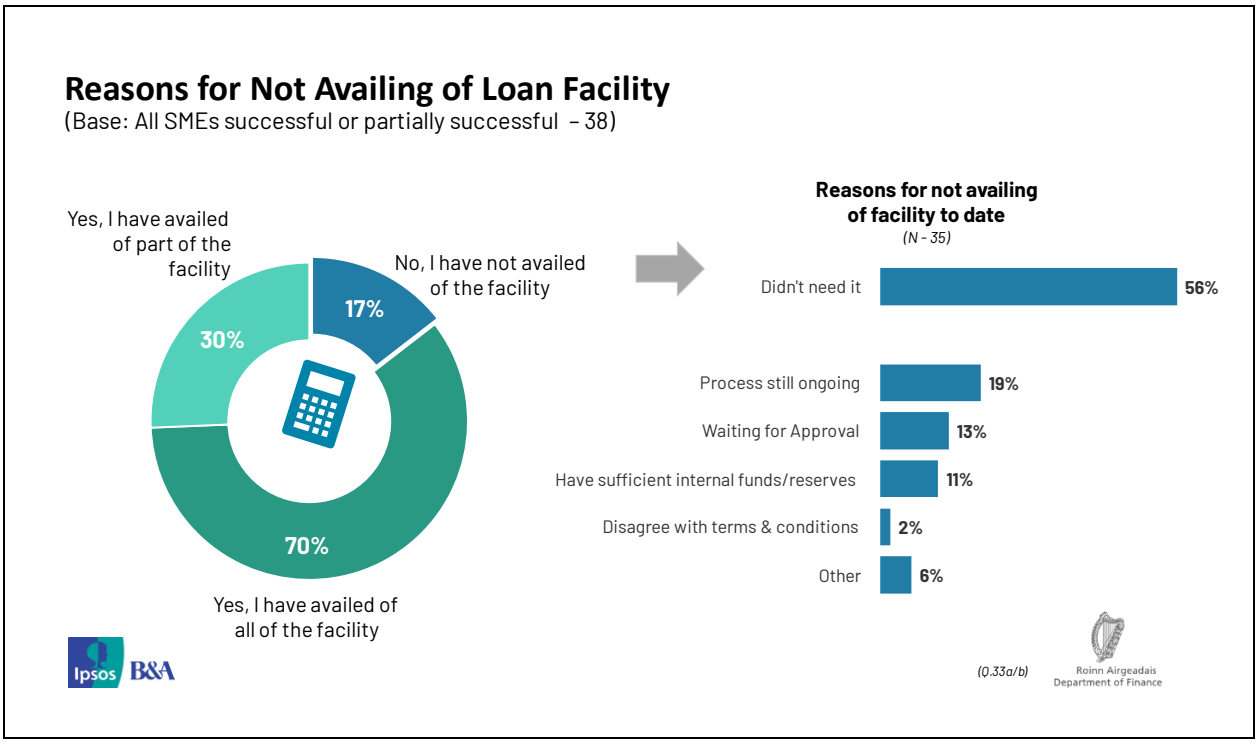
*Caution low base size (0.58)

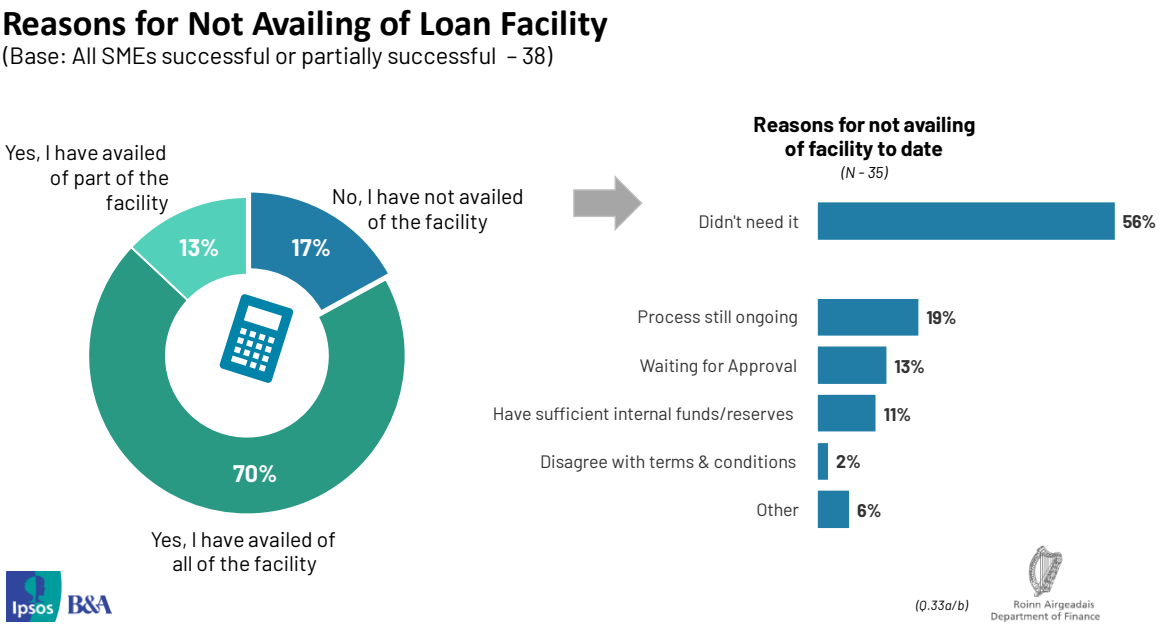
7.10 Drawdown of Approved Facilities

Of those applicants who were fully or partially successful in their credit application, seven in ten (70%), availed fully of the approved finance facility during 2024. 13% availed of part of the facility. Medium sized companies (51%) are less likely to have availed of the full loan facility.



Of the 17% who have not yet availed of the loan facility, more than half (56%) stated they did not need it. 13% were waiting for approval.





8. SME Supports & Initiatives

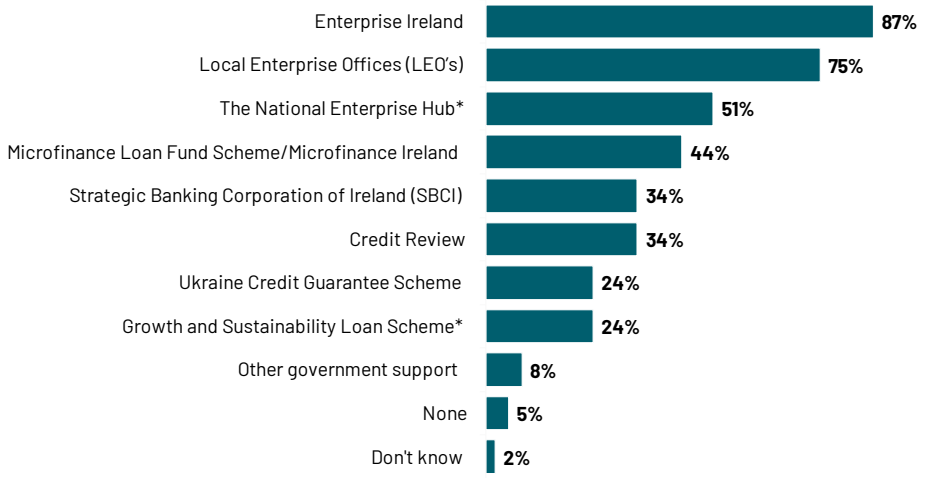
8.1 Awareness of Supports & Initiatives

In term of general awareness of business supports and initiatives, Enterprise Ireland initiatives (87%) and Local Enterprise Offices initiatives (75%) were most salient, and broadly in line with 2023 results. Awareness of Enterprise Ireland is consistent across Micro and Small companies, but increases among Medium sized companies (95%). Just under half (44%) were aware of Microfinance Ireland supports, while just over one in three (34%) were familiar with the Credit Review Office.

Bearing in mind that new initiatives were introduced to the survey this year, in total over nine in ten (93%) were aware of at least one initiative, compared to 91% in 2023.

Awareness of Supports & Initiatives

(Base: All SMEs – 1,503)



By Company Size		
Micro	Small	Medium
%	%	%
86	85	95
74	74	80
50	48	58
43	44	45
26	32	52
30	35	40
19	25	33
16	24	37
6	7	16
6	7	2
2	2	-

*Added in 2024

(0.37)

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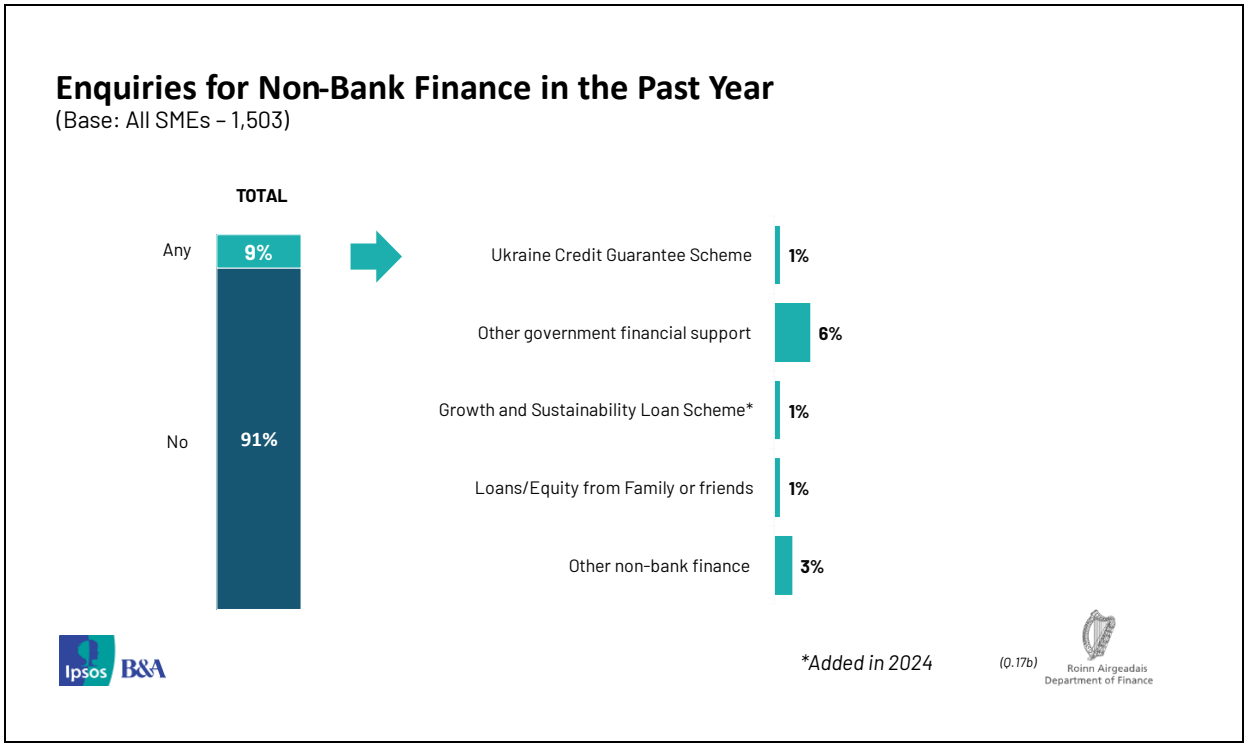
8.2 Use of Government Support Schemes & Other Non-Bank Finance

Just 9% of SMEs applied for Government financial support or other non-bank finance during 2024. Six percent applied for other Government financial support. Again, a new scheme was introduced to the range of options for the 2024 research.



Of those who applied for non-bank finance, the vast majority (88%) were fully successful, with a further two percent partially successful. Four percent of applications were still pending. This compares to 91% being fully successful when applying for bank finance in 2023, with 1% being partially successful.

		Success in obtaining non-bank Finance (All who applied)			
	Total	Ukraine Credit Guarantee Scheme	Microfinance Loan Fund Scheme	Growth and Sustainability Loan Scheme	Other government financial support
Base:	156	*15**	*4**	*8**	*67*
	%	%	%	%	%
Yes	88	72	52	100	91
No	6	24	48	-	3
Partially	2	4	-	-	2
Still pending	4	-	-	-	4

*NB: Very small base sizes

		Success in obtaining non-bank Finance (All who applied)			
	Total	Venture Capital Finance	Business Angel or Investor Finance	Loans/Equity from Family or friends	Loans/Equity from Business Partners
Base:	156	2*	*4**	*11**	*8**
	%	%	%	%	%
Yes	88	100	83	100	80
No	6	-	-	-	-
Partially	2	-	-	-	-
Still pending	4	-	17	-	20

*NB: Very small base sizes

		Success in obtaining non-bank Finance (All who applied)			
	Total	Crowd funding/Peer-to-Peer lending	Non-bank invoice finance related facilities	Non-bank asset finance related facilities	Other non-bank finance
Base:	156	1*	*2**	*2**	*35**
	%	%	%	%	%
Yes	88	100	100	100	88
No	6	-	-	-	6
Partially	2	-	-	-	-
Still pending	4	-	-	-	6

*NB: Very small base sizes

Of those who applied for non-bank finance, 40% applied due to a new business venture/expansion/purchase of assets or equipment, while one in six (16%) applied due to working capital requirements. Nearly one in five (18%) said it was offered to them/they were entitled to it. Please note: More than one answer was possible.

	Purpose of applying Government Supports (all who applied)				
	Total	Ukraine Credit Guarantee Scheme	Microfinance Loan Fund Scheme	Growth and Sustainability Loan Scheme	Other government financial support
Base:	156	15*	4*	8*	65
	%	%	%	%	%
New business venture/expansion/purchase assets or equipment	40	87	47	62	20
Working capital requirements	16	10	22	6	10
Property related loan	5	14	22	32	3
Need to restructure loan/credit	1	-	-	-	-
Refused credit from a bank	2	-	-	-	1
Pay salaries/increase employees	1	-	-	-	3
Help with bills	2	-	-	-	3
Support scheme/enhancement fund	11	-	-	-	19
It was offered/entitled to it/applied and got it	18	-	-	-	33
Quick Process	1	-	-	-	-
Type of financial product	4	-	31	-	1

*NB Very small base size. Answers for total 1% or less not shown

	Purpose of applying Government Supports (all who applied)				
	Total	Venture Capital Finance	Business Angel or Investor Finance	Loans/Equity from Family or friends	Loans/Equity from business partners
Base:	156	2*	4*	11*	8*
	%	%	%	%	%
New business venture/expansion/purchase assets or equipment	40	100	17	38	90
Working capital requirements	16	-	83	53	23
Property related loan	5	-	-	-	-
Need to restructure loan/credit	1	-	-	-	-
Refused credit from a bank	2	-	-	9	-
Pay salaries/increase employees	1	-	-	-	-
Help with bills	2	-	-	-	-
Support scheme/enhancement fund	11	-	-	-	-
It was offered/entitled to it/applied and got it	18	-	-	-	-
Quick Process	1	-	-	6	8
Type of financial product	4	-	-	-	-

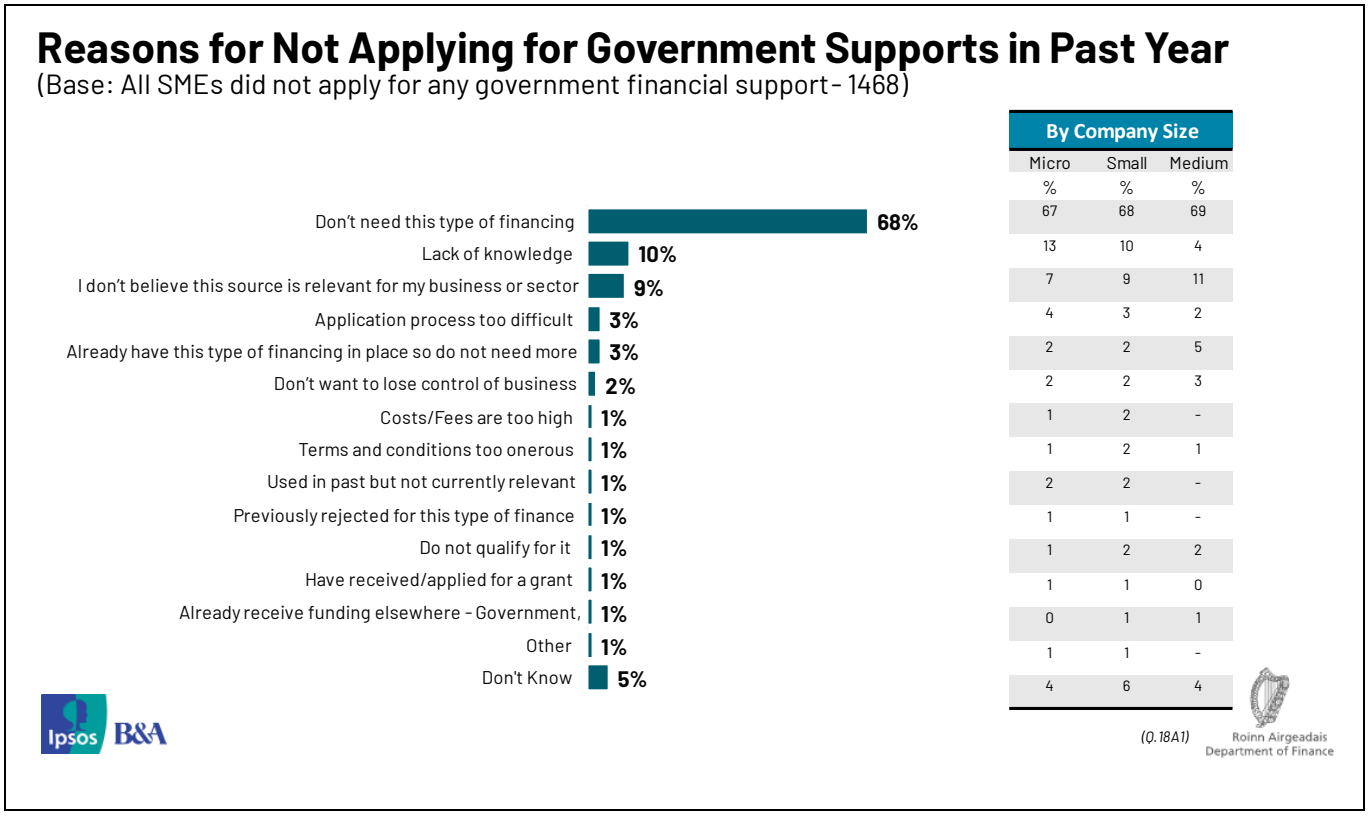
*NB Very small base size. Answers for total 1% or less not shown

		Purpose of applying Government Supports (all who applied)			
	Total	Crowd funding/Peer-to-Peer lending	Non-bank invoice finance related facilities	Non-bank asset finance related facilities	Other non-bank finance
Base:	156	1*	2*	2*	34*
	%	%	%	%	%
New business venture/expansion/purchase assets or equipment	40	-	53	100	47
Working capital requirements	16	100	100	-	8
Property related loan	5	-	-	-	4
Need to restructure loan/credit	1	100	-	-	4
Refused credit from a bank	2	100	-	-	2
Pay salaries/increase employees	1	-	-	-	-
Help with bills	2	-	-	-	-
Support scheme/enhancement fund	11	-	-	-	9
It was offered/entitled to it/applied and got it	18	-	-	-	9
Quick Process	1	-	-	-	-
Type of financial product	4	-	-	-	13

*NB Very small base size. Answers for total 1% or less not shown

8.3 Reasons for not applying for Government Supports

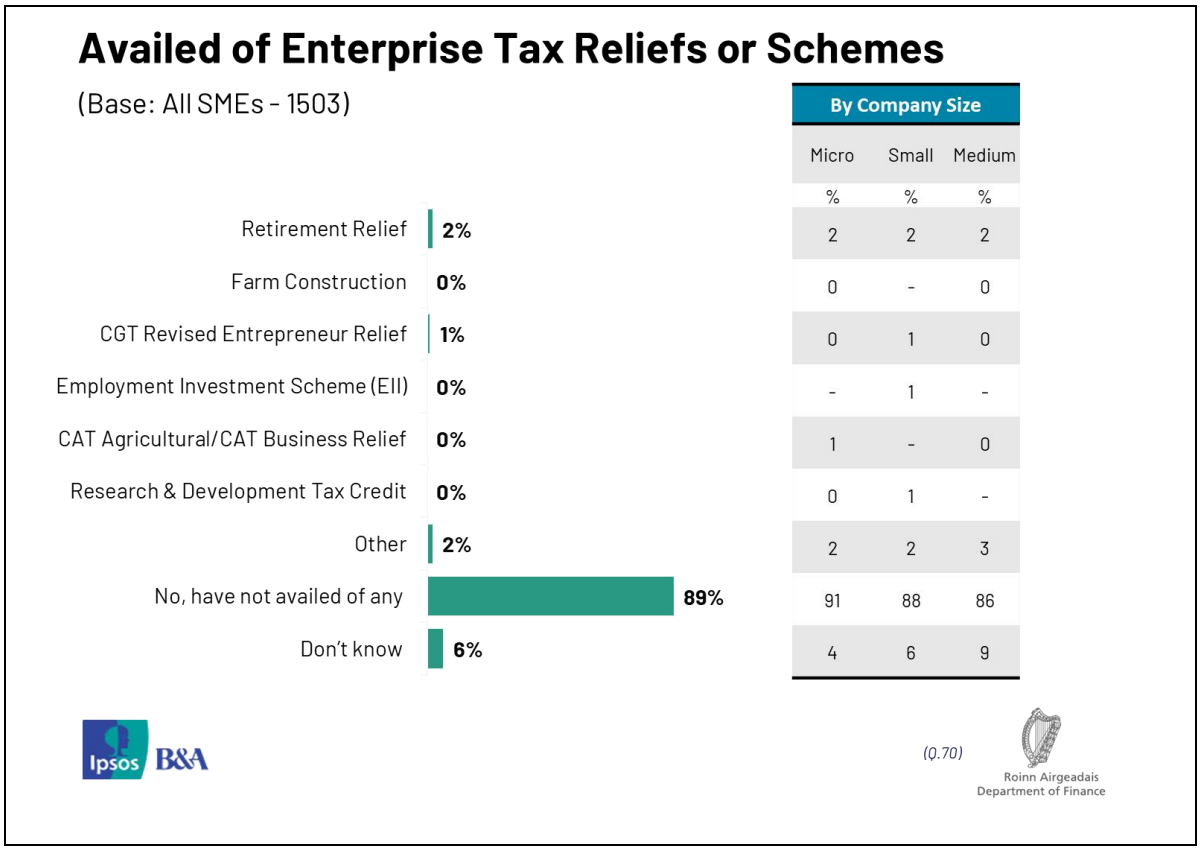
The main reason for not applying for Government Supports is that many SMEs (68%) feel they do not need this type of financing. This is consistent across all company sizes. One in ten (10%) are not familiar with these schemes while a further 9% do not believe that such Government Support Schemes are relevant for their business.



Please note respondents could give more than one reason for not applying for Government Supports.

8.4 The proportion of SMEs availing of Enterprise Tax Reliefs or Schemes.

The vast majority of SMEs (89%) did not avail of Enterprise Tax Reliefs or Schemes in the period between 2019 and 2023, with a further six percent now being able to answer. This equates to c75 SMEs availing of such schemes.



Construction and manufacturing companies were more likely to have applied for these type of supports, albeit still at relatively low levels of uptake.

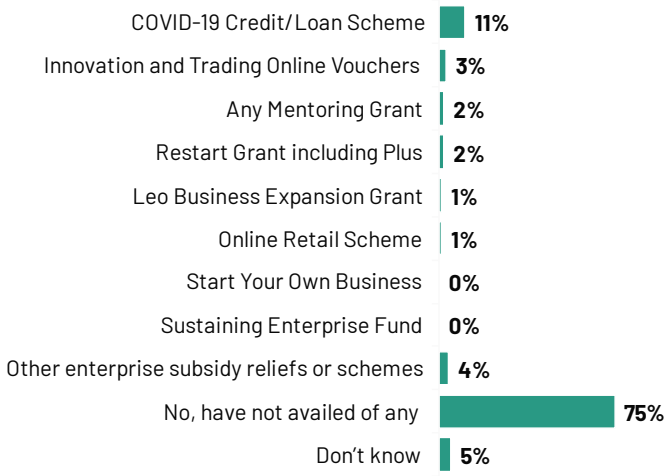
		Sector					
	TOTAL	Manu-facturing	Con-struction	Whole-sale	Hotels & Restaurants	Business Services	Other
	%	%	%	%	%	%	%
Retirement Relief	2	4	4	1	1	3	2
Farm Construction	0	1	-	-	-	-	1
CGT Revised Entrepreneur Relief	1	0	1	0	0	2	1
Employment Investment Scheme (EII)	0	1	-	-	0	-	1
CAT Agricultural/CAT Business Relief	0	1	-	0	-	0	1
Research & Development Tax Credit	0	2	2	-	-	0	-
Other	2	1	4	4	-	1	1
No, have not availed of any	89	88	84	89	85	93	86
Don't know	6	5	6	5	13	2	10

8.5 The proportion of SMEs availing of Subsidy Reliefs or Schemes.

One in five (20%) have availed of Enterprise Subsidy Reliefs or Schemes between 2019 and 2023, with the Covid-19 Credit/Loan Scheme being the most prominent. Small companies were most likely to have availed of this initiative.

Percentage Availed of Enterprise Subsidy Reliefs or Schemes

(Base: All SMEs - 1503)



By Company Size		
Micro	Small	Medium
%	%	%
9	14	10
5	2	-
2	4	0
2	1	2
1	2	-
1	0	-
-	0	-
0	1	1
3	6	4
77	70	79
4	5	5

(0.72)

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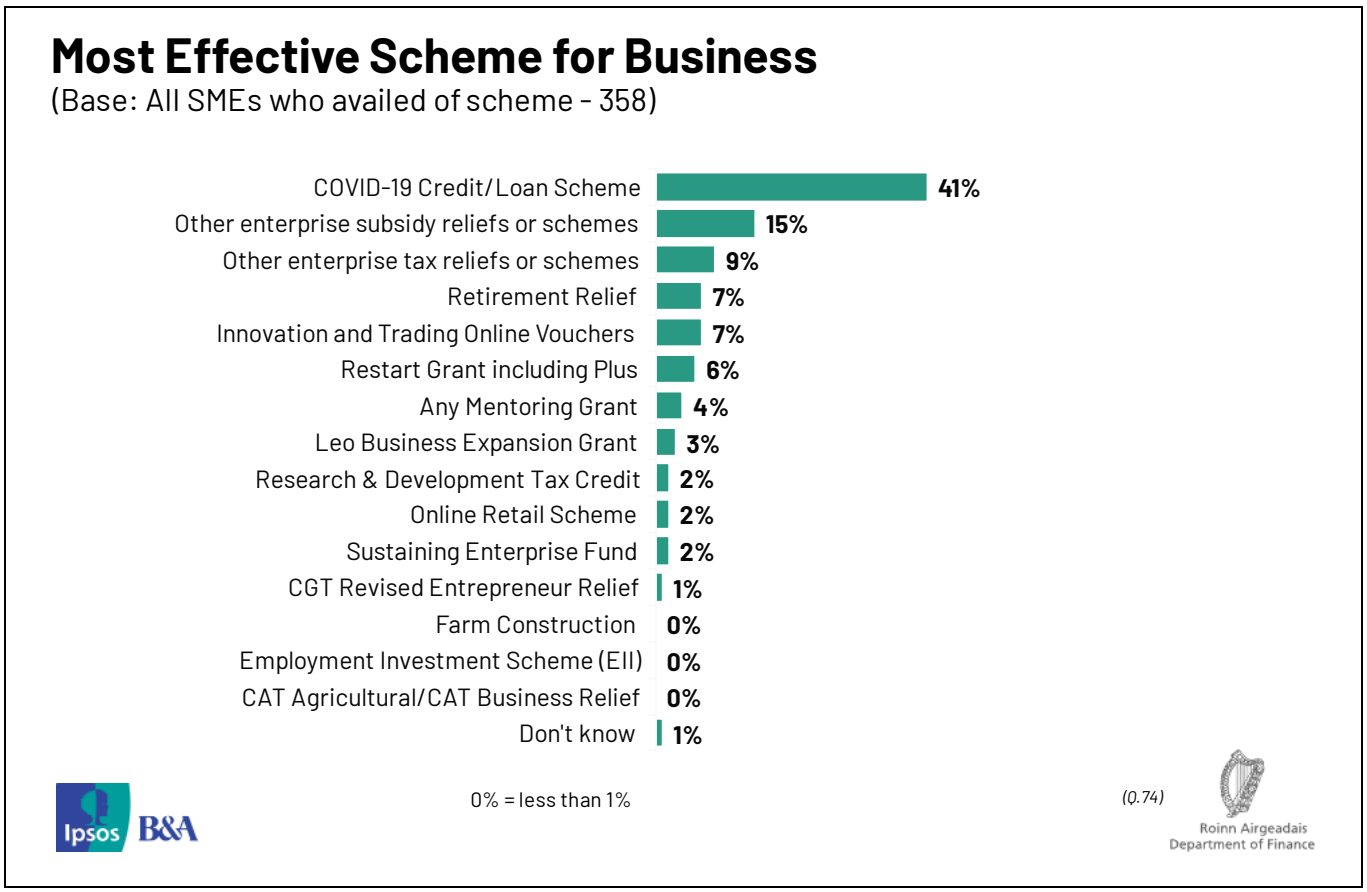
Those involved in the hospitality sector were most likely to have availed of the Covid-19 Credit/Loan scheme, equating to 174 companies in total.

	Sector						
	TOTAL	Manu-facturing	Construction	Wholesale	Hotels & Restaurants	Business Services	Other
	%	%	%	%	%	%	%
COVID-19 Credit/Loan Scheme	11	13	11	9	22	11	8
Innovation and Trading Online Vouchers	3	1	2	5	1	2	2
Any Mentoring Grant	2	3	2	2	1	4	1
Restart Grant including Plus	2	3	2	1	5	1	1
Leo Business Expansion Grant	1	2	1	1	1	1	1
Online Retail Scheme	1	-	-	2	0	0	0
Start Your Own Business	0	-	-	0	-	-	-
Sustaining Enterprise Fund	0	2	-	0	-	0	-
Other enterprise subsidy reliefs or schemes	4	3	2	4	3	5	6
No, have not availed of any	75	70	80	77	70	76	75
Don't know	5	6	3	4	3	4	9

8.6 Most Effective Scheme for Business

When those who had availed of any tax or subsidy reliefs or schemes (some had availed of more than one) were asked which scheme they felt was most effective for their business, the Covid-19 Credit/Loan Scheme was by far the most appreciated.

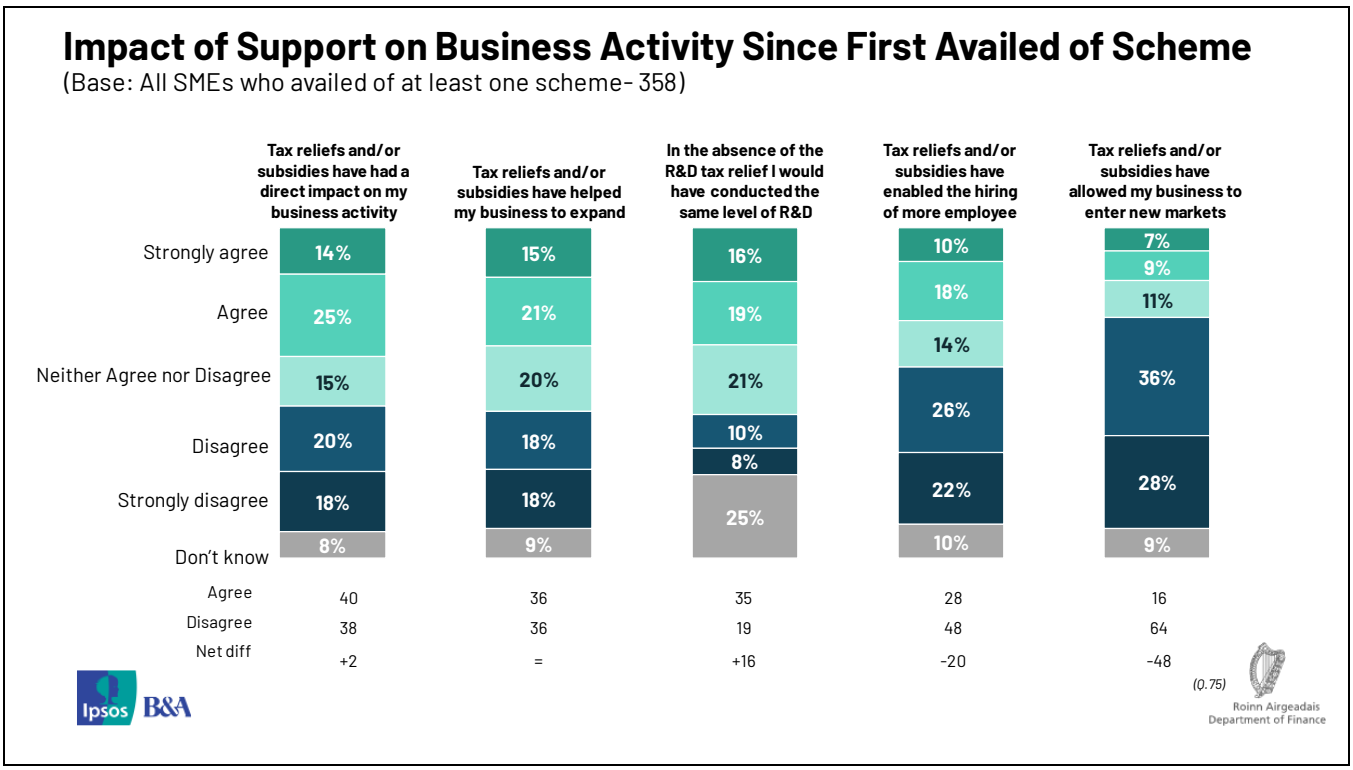
One in seven (15%) nominated other Enterprise Subsidy Reliefs/Schemes.



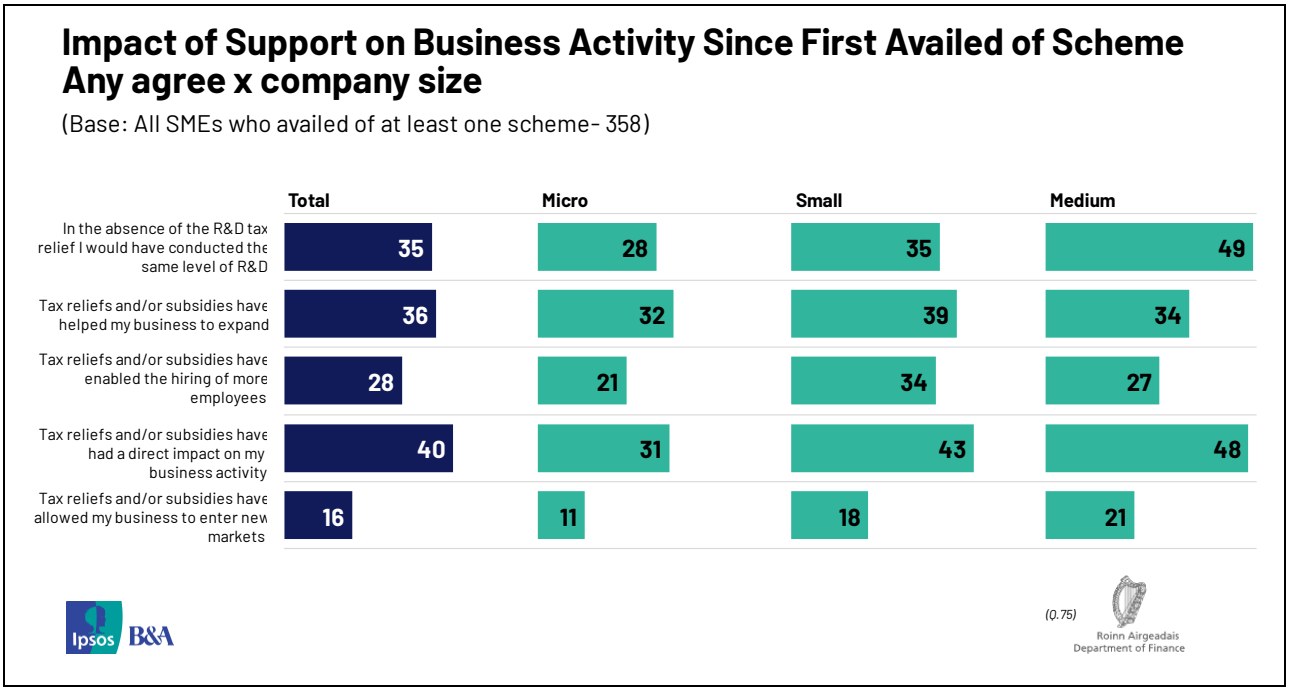
8.7 Impact of Support on Business Activity

Among those who have availed of either Tax Relief or Enterprise Subsidy Relief Schemes, two in five (40%) SMEs agreed that the support had a direct impact on their business. Over one in three (36%) stated the schemes helped their business to expand. However, a similar proportion (35%) thought that in the absence of R&D tax relief, they would have conducted the same R&D regardless.

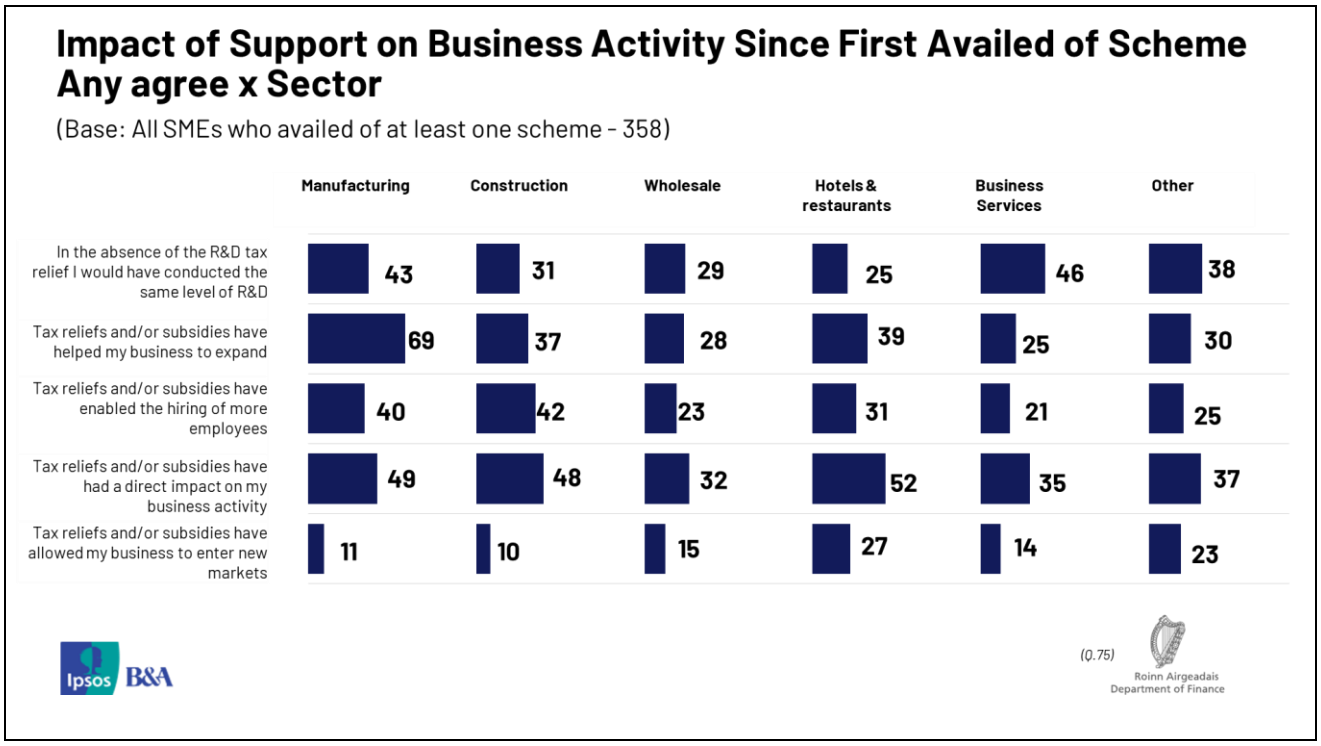
Nearly three in ten (28%) agreed that such subsidies enabled them to hire more employees.



Differences emerge in responses depending on the size of the company. Among those who have availed of schemes, small sized companies are significantly more likely to acknowledge that tax reliefs/subsidies have enabled them to hire more staff. Medium sized companies were more likely to claim they would have conducted the same level of R&D regardless of schemes available.



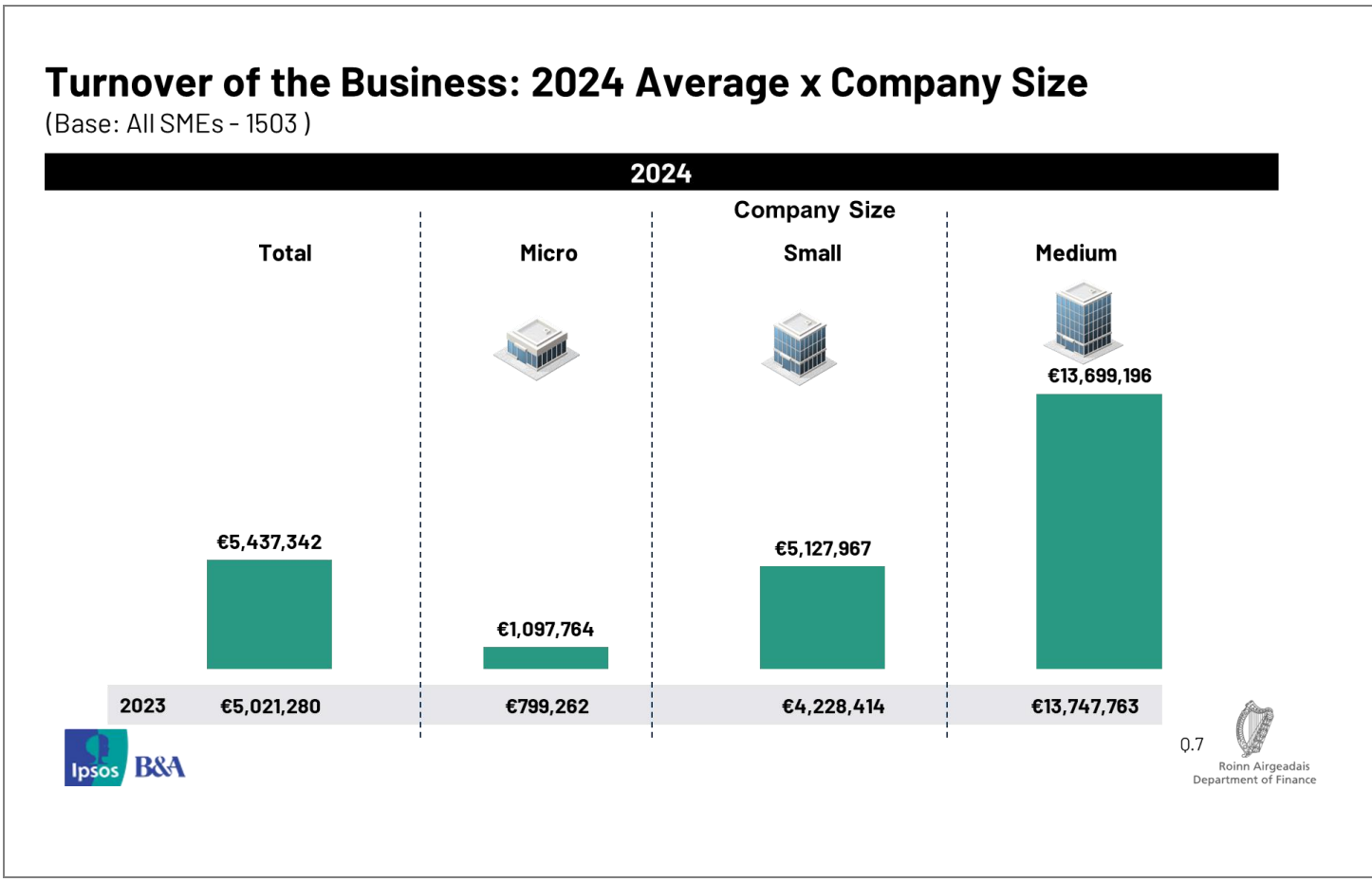
Across the different sectors, manufacturing, construction and hospitality sectors are more likely to acknowledge the benefits of such schemes.



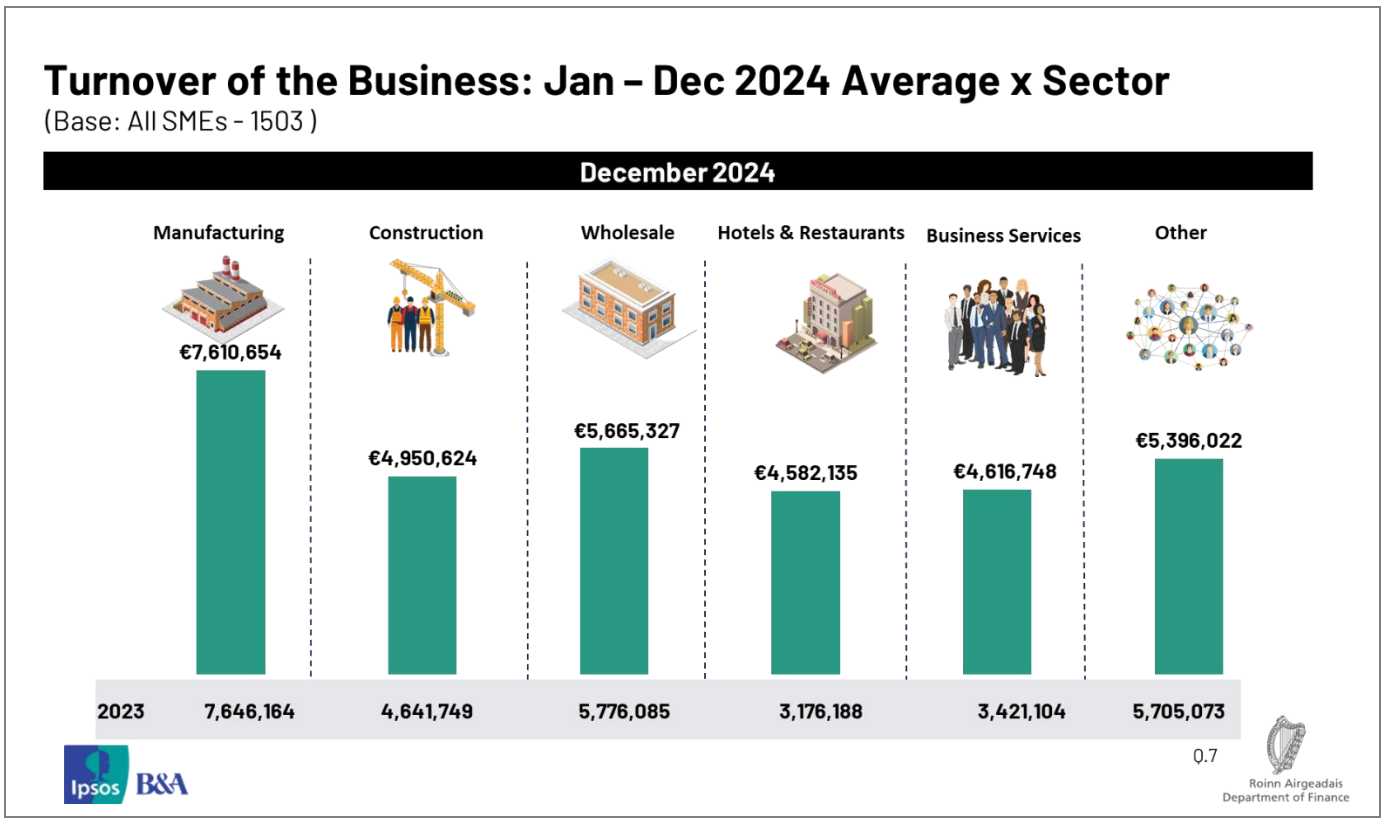
9. Business Performance

9.1 Turnover

Average reported turnover for Irish SMEs for the full year of 2024 was just over €5.4m. Micro companies reported turnover of circa €1.1m, rising to €13.7m among medium sized enterprises. Compaared to 2023, turnover increased overall, driven my micro and small SMEs.



Looking at industry sectors, turnover is highest for those involved in Manufacturing, followed by those operating in the Wholesale sector. Turnover tends to be lower in the Hospitality and Business Services areas.

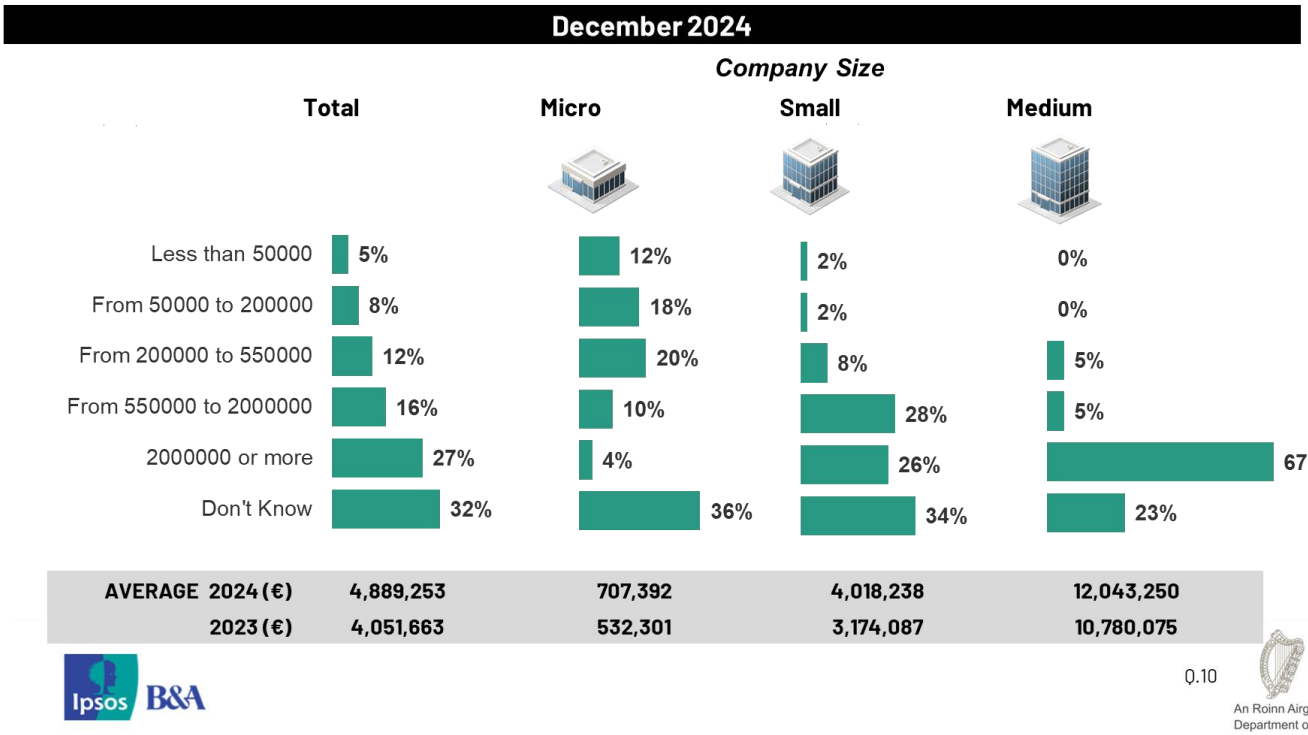


9.2 Operating Expenditure

For the period January to December 2024, the average SME operating expenditure was estimated at just below €4.9m overall. Micro enterprises had an average operating expenditure of €707k, rising to €4m among smaller sized businesses and €12m among medium sized businesses.

Operating Expenditure: Jan – Dec 2024 Average x Company Size

(Base: All SMEs - 1503)



0.10

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Over one third (35%) of SME expenditure was accounted for by the purchase of goods and services, with wages and salaries accounting for a similar proportion. Utilities was also prominent at seven percent, along with payments to the Revenue Commissioners.

Less than 2% of all expenditure was accounted for by interest and debt payments.

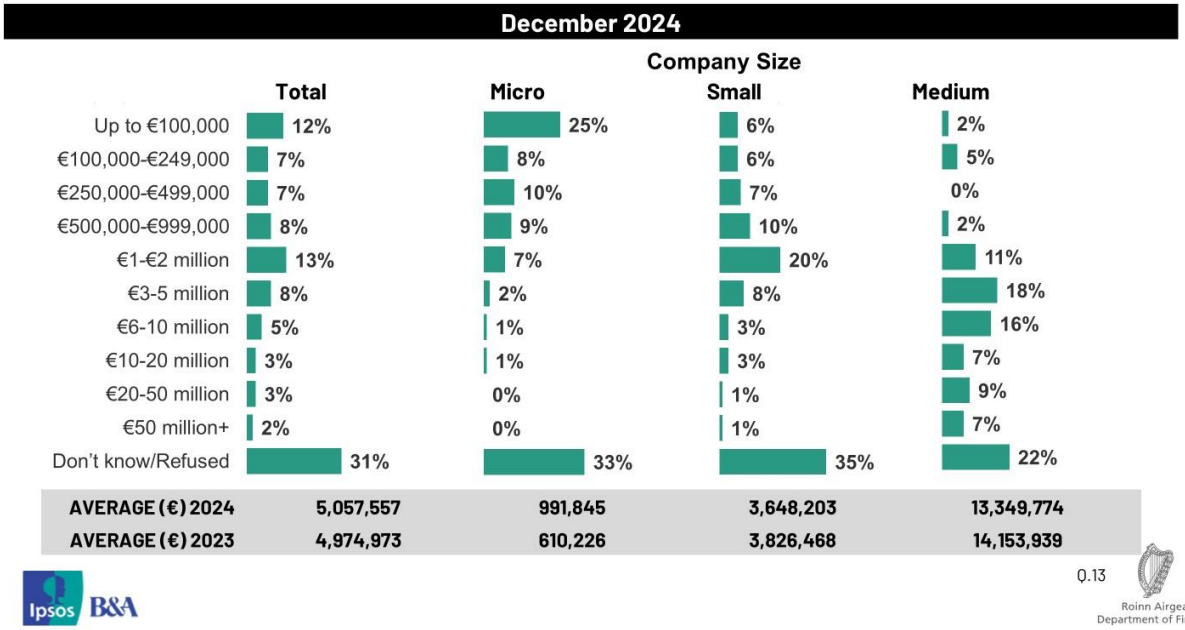
	In terms of your operating expenditure for the twelve-month period January-December 2024 can you tell me what percent of the operating expenditure was accounted for by the following items:							
	Purchases of goods and services	Wages and salaries/ personal costs	Utilities	Rent (if renter)	Interest and debt payments	Payments to the Revenue Commissioners	Commercial rates	Other
All who answered excluding DK	1233	1233	1233	1233	1233	1233	1233	1233
	%	%	%	%	%	%	%	%
0	4	1	5	33	38	14	21	15
From 1 to 10	14	10	68	34	27	35	46	20
From 11 to 20	11	16	12	7	2	16	2	10
From 21 to 30	17	22	4	1	0	6	0	5
From 31 to 40	15	15	0	0	0	1	-	3
From 41 to 50	10	10	0	0	0	0	-	2
From 51 to 60	9	9	0	-	-	0	-	1
From 61 to 70	5	5	-	0	-	-	-	0
From 71 to 80	5	4	-	-	-	-	-	0
From 81 to 90	2	1	-	-	-	-	-	0
From 91 to 100	2	1	-	-	-	-	-	3
Don't know	6	5	11	24	33	28	31	42
Mean	**34.48**	**34.22**	**7.33**	**3.38**	**1.51**	**7.24**	**2.00**	**9.85**

9.3 Company Assets

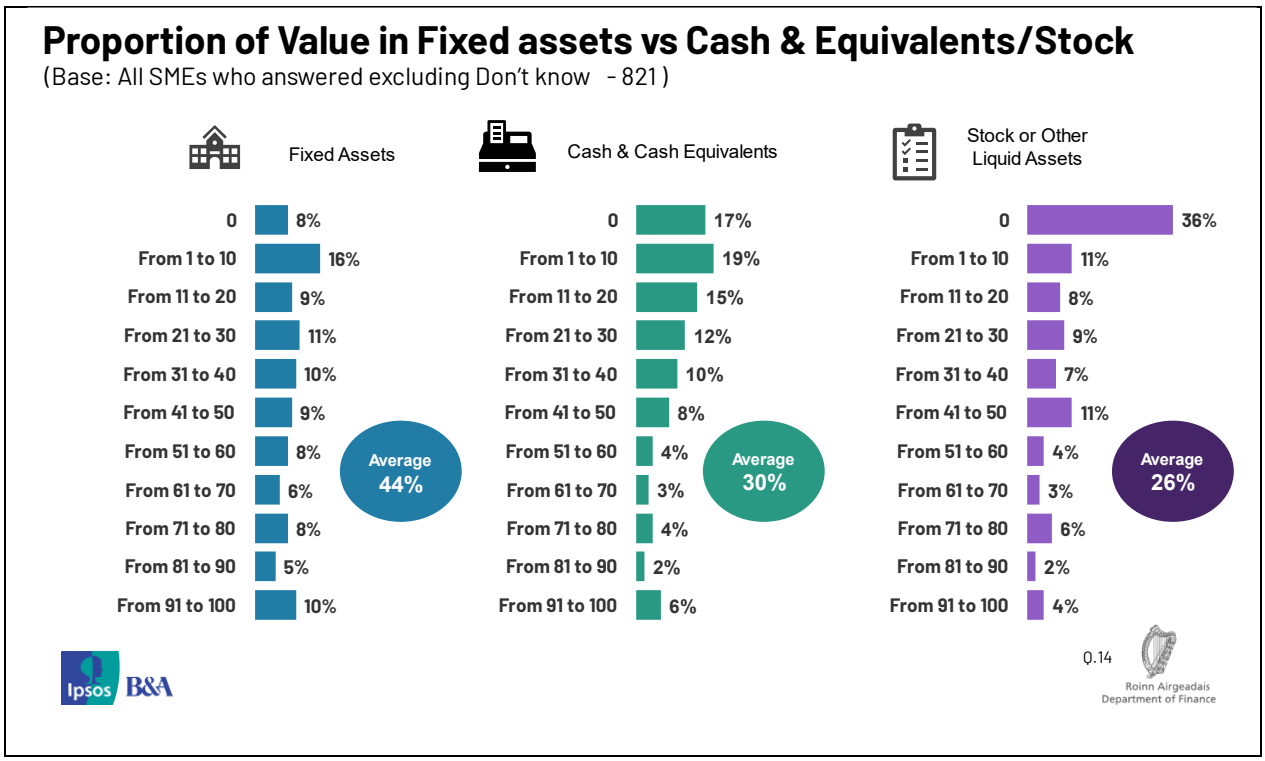
The average value of SME assets in 2024 was just over of €5m in total, similar to 2023. Asset value ranged from just short of a million for micro companies, with small companies reporting a value of €3.6m. Medium sized enterprises estimated their asset value at €13.4m.

Value of Company Assets: Jan – Dec 2024

(Base: All SMEs - 1503)

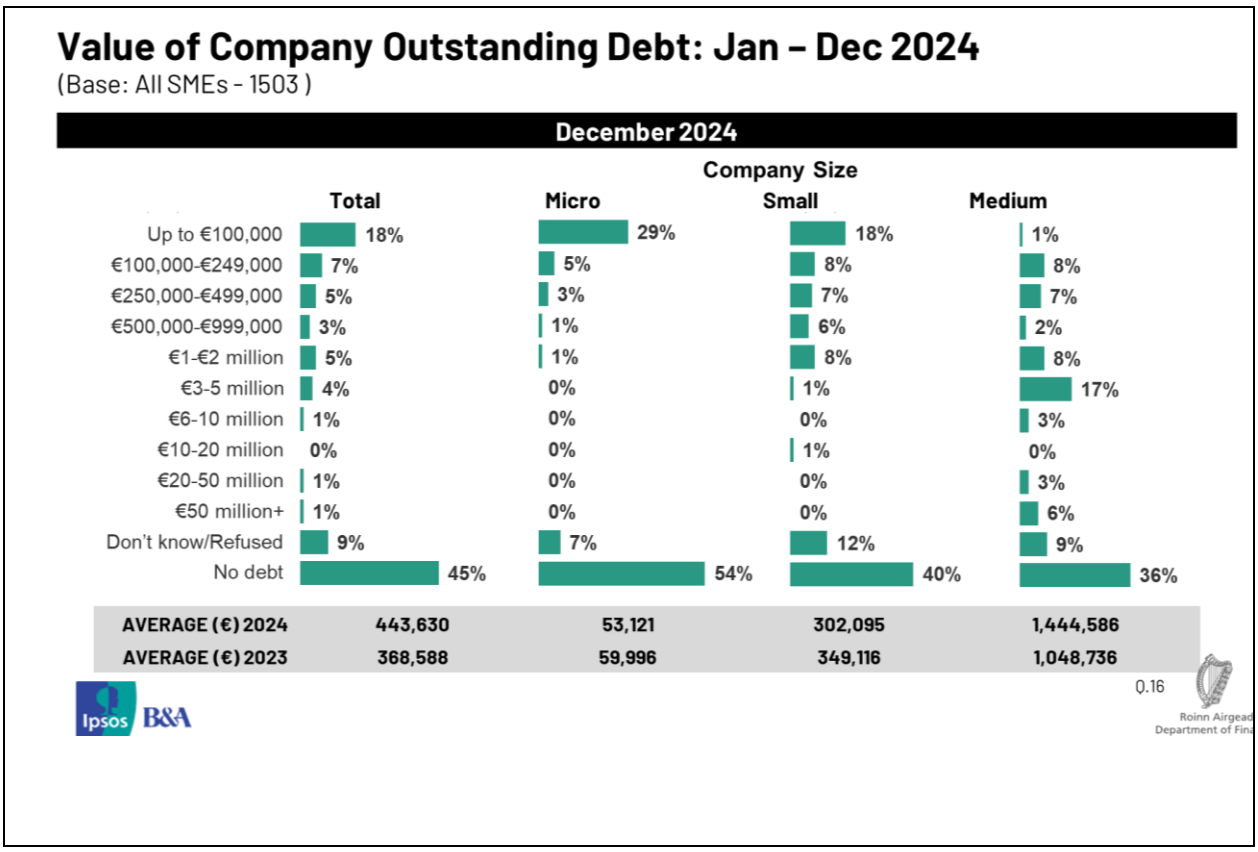


Less than half of all SME assets (44%) were accounted for by fixed assets, with three in ten (30%) of assets being characterised as cash or cash equivalents. Stocks or other liquid assets represented around a quarter of all assets.



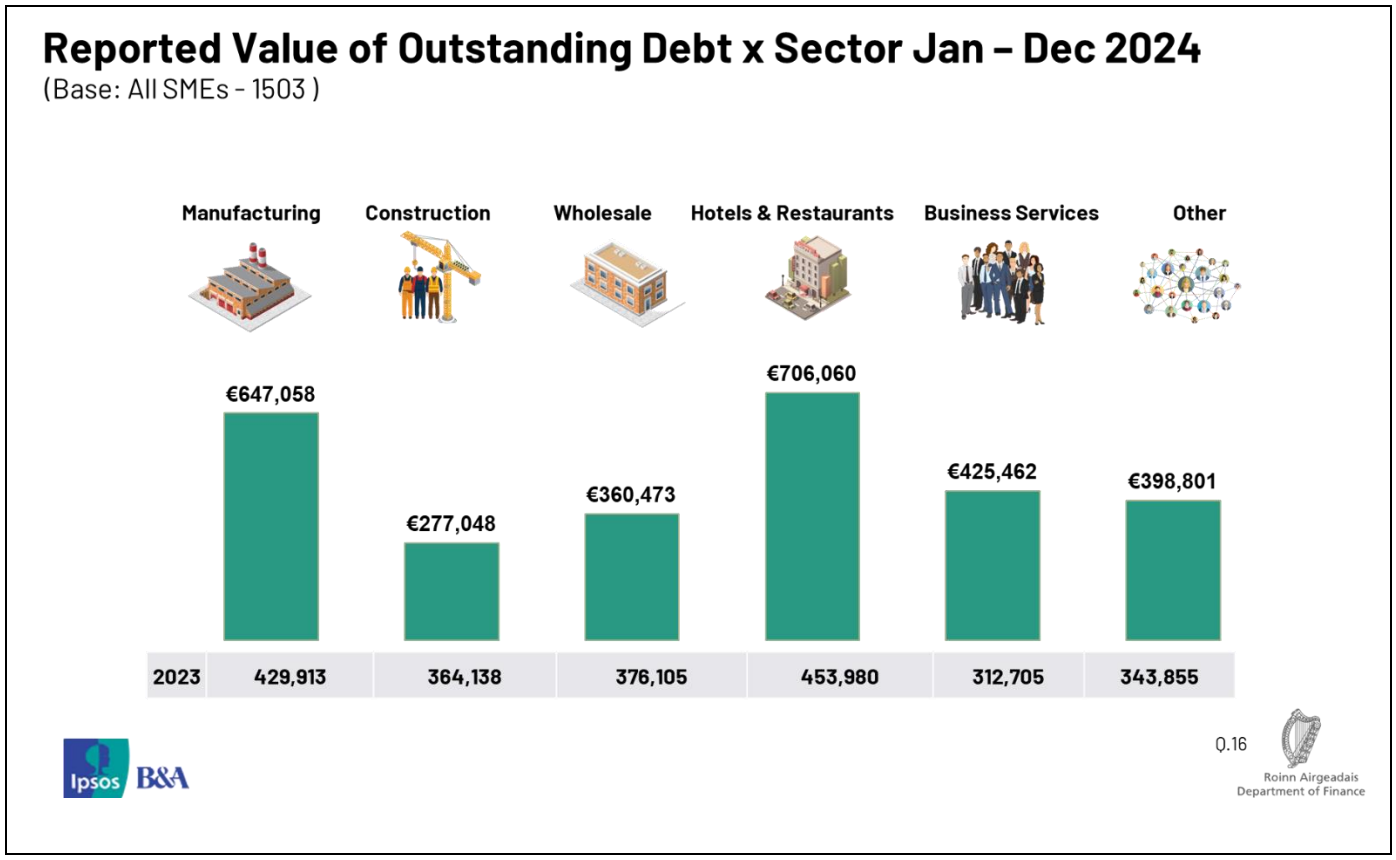
9.4 Outstanding Debt

The average Irish SME had outstanding debt of just under €444K for the 12 month period up to December 2024, up from €369K last year. Average outstanding debt ranged from €53k among micro businesses to €1.45m among medium sized companies.

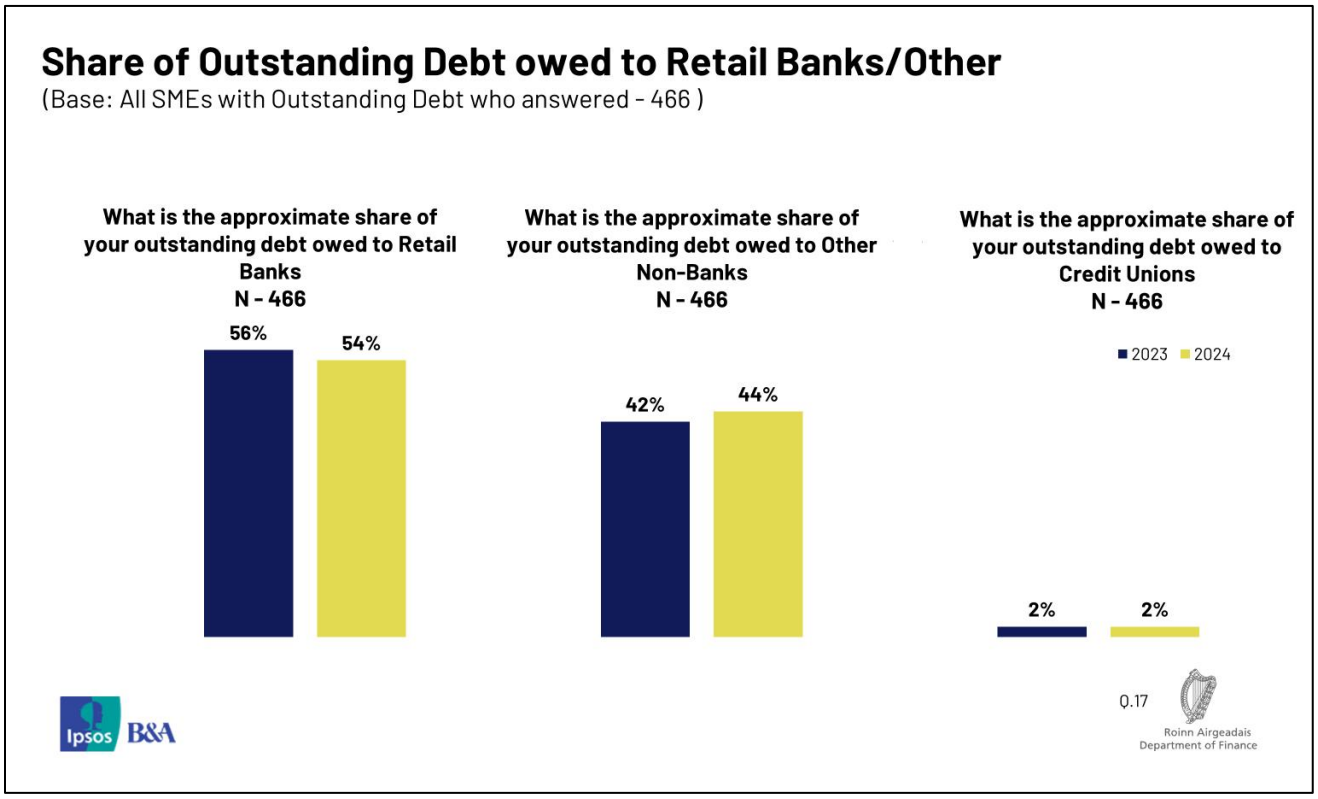


The average debt to asset for SMEs based on the reported assets and debt values is 8.8%. This ratio is higher for Medium (10.8%) and smaller sized (8.3%) companies.

Debt levels are highest within the Hotels & Restaurants and Manufacturing sectors, whereas the Construction sector reports lower levels of debt, followed by the Wholesale sector. Outstanding debt has increased overall in 2024, and particularly among those SMEs involved in the Hospitality sector.



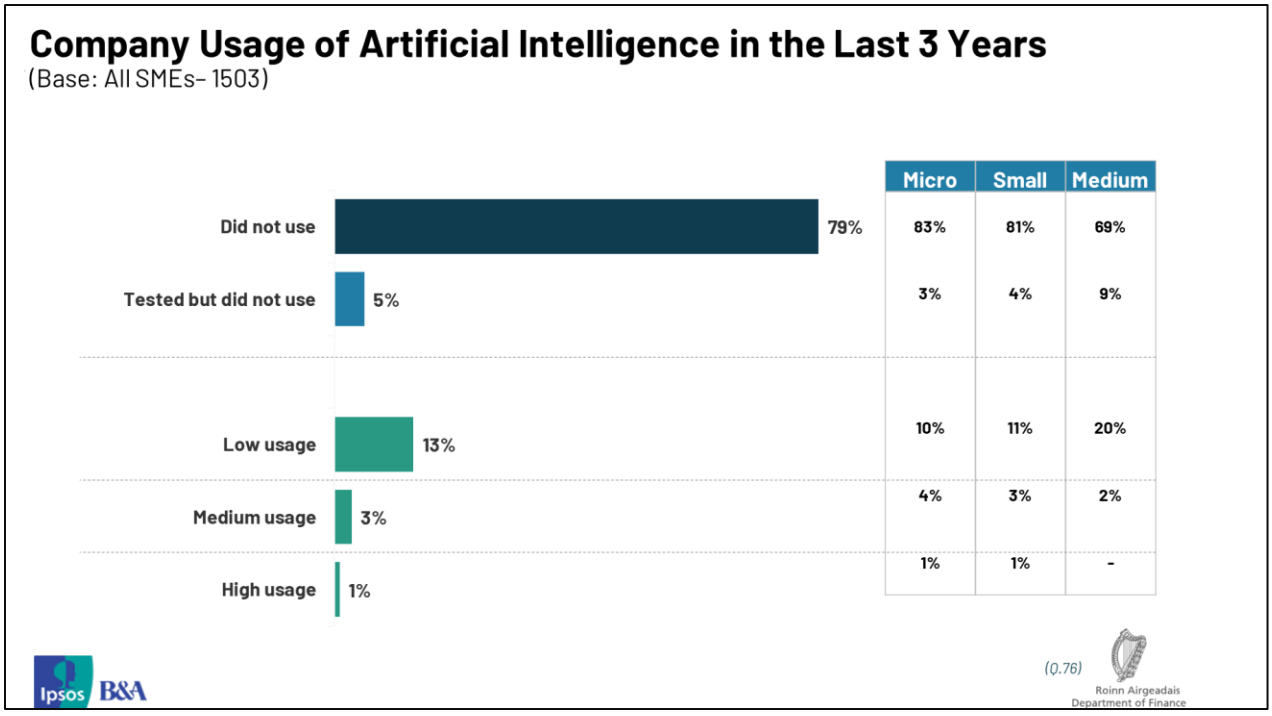
Outstanding debts owed to retail backs account for over half (54%) of all liabilities owed, with other non-bank bodies accounted for 44%. The proportion owed to Credit Unions is negligible.



10. Artificial Intelligence

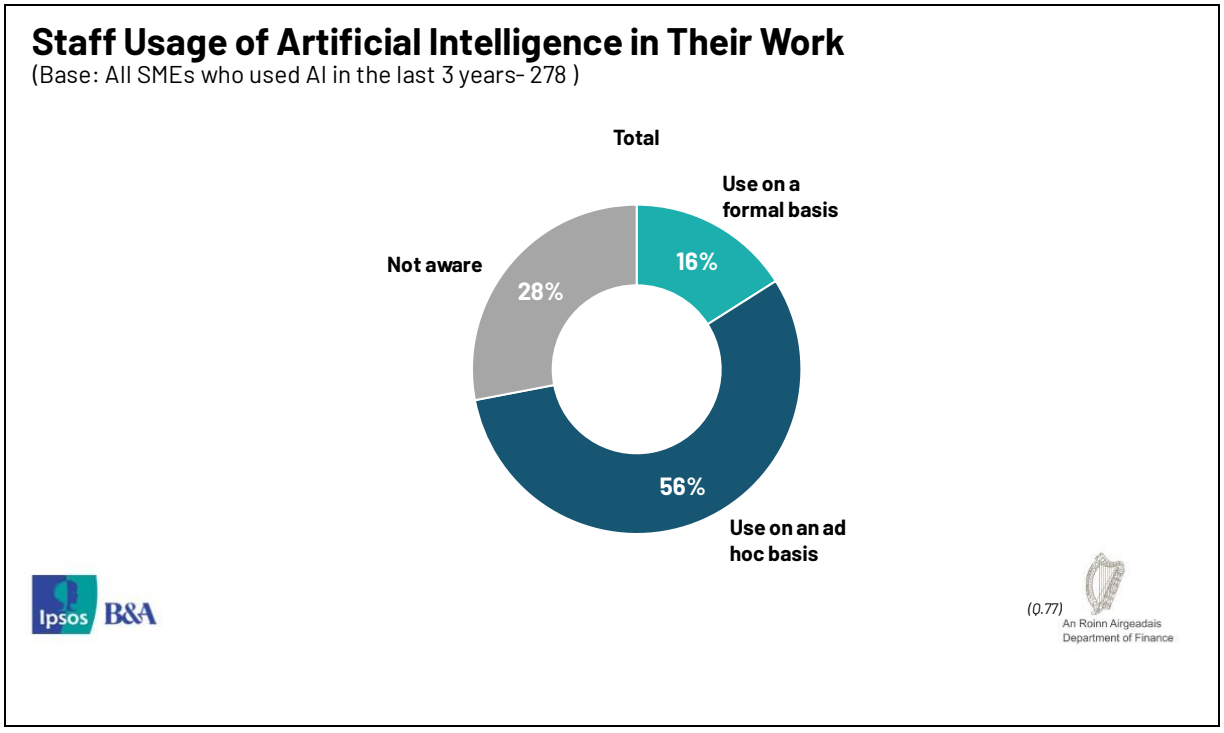
10.1 Use of Artificial Intelligence

A significant majority (79%) of SMEs stated that they did not use Artificial Intelligence in the production of goods or provision of services during the years 2022 to 2024. Just one in 20 SMEs (5%) stated that they had tested Artificial Intelligence, but did not use it. Medium sized companies are more likely to have used Artificial Intelligence or tested it.



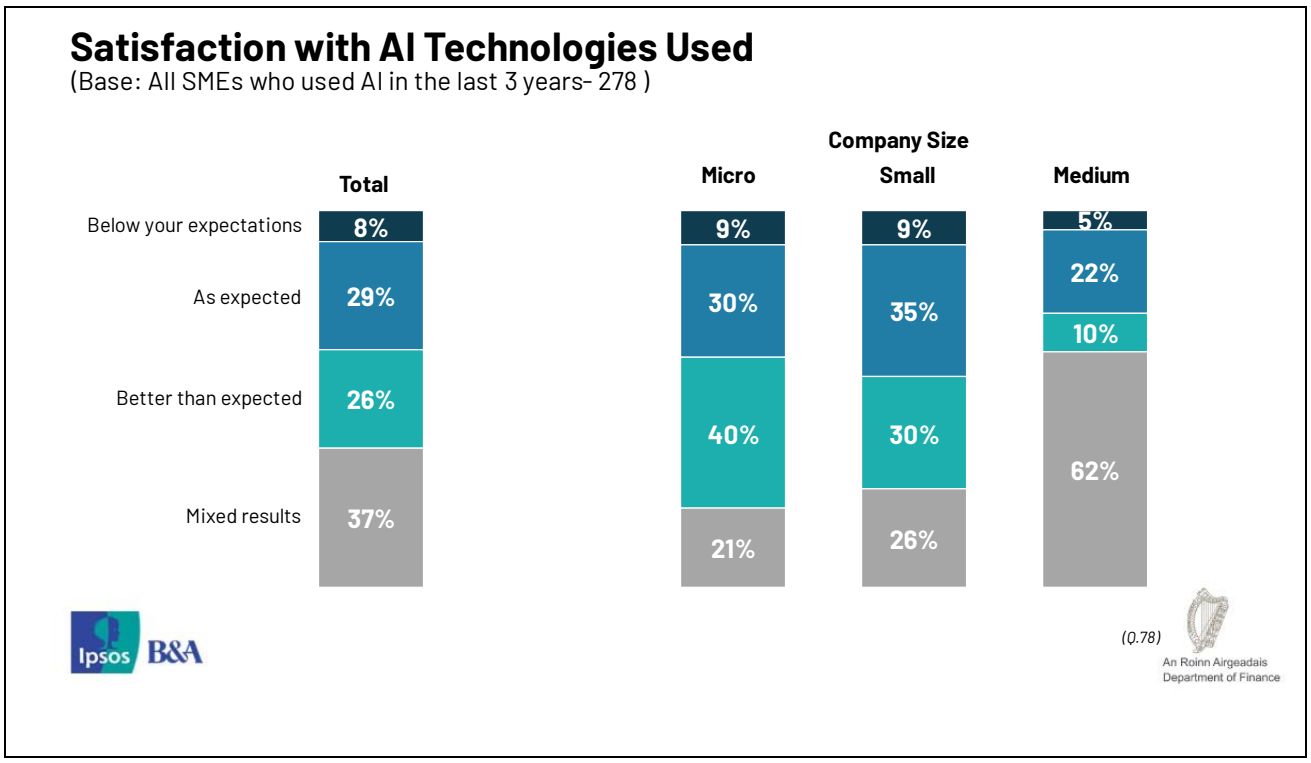
10.2 Staff Usage of Artificial Intelligence

Among SMEs that have had some interaction with Artificial Intelligence over the past three years, 16% stated that their employees used it on a formal basis, while the majority (56%) stated that staff used it on an ad hoc basis.



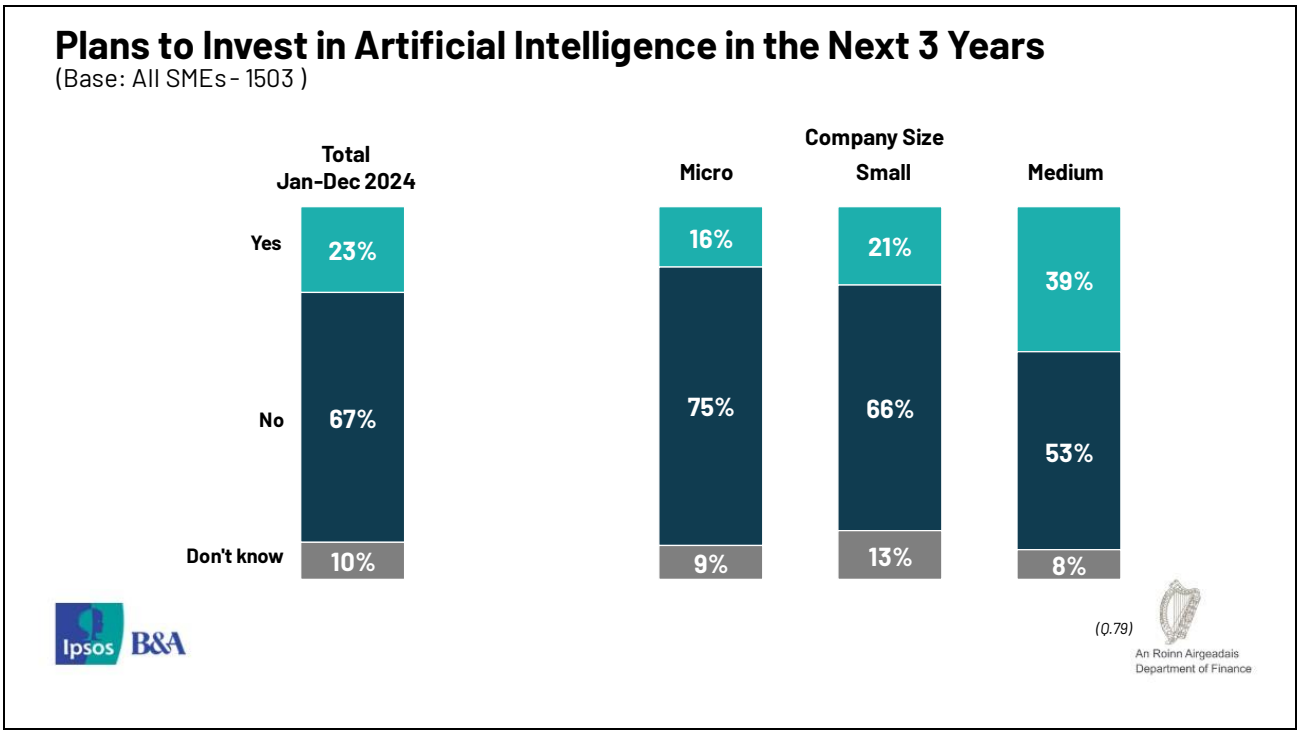
10.3 Satisfaction with Overall Performance of Artificial Intelligence Technologies

When those who had tested or used Artificial Intelligence technology over the past three years were asked whether it met their expectations or not, opinions are somewhat divided. More than one in four (26%) said that it exceeded their expectations, with more than half (55%) saying that it either met or exceeded their expectations. However, nearly two in five (37%) cited mixed results, and a further eight percent stated that the technology fell short of their expectations. Medium sized companies are more likely to cite mixed results.

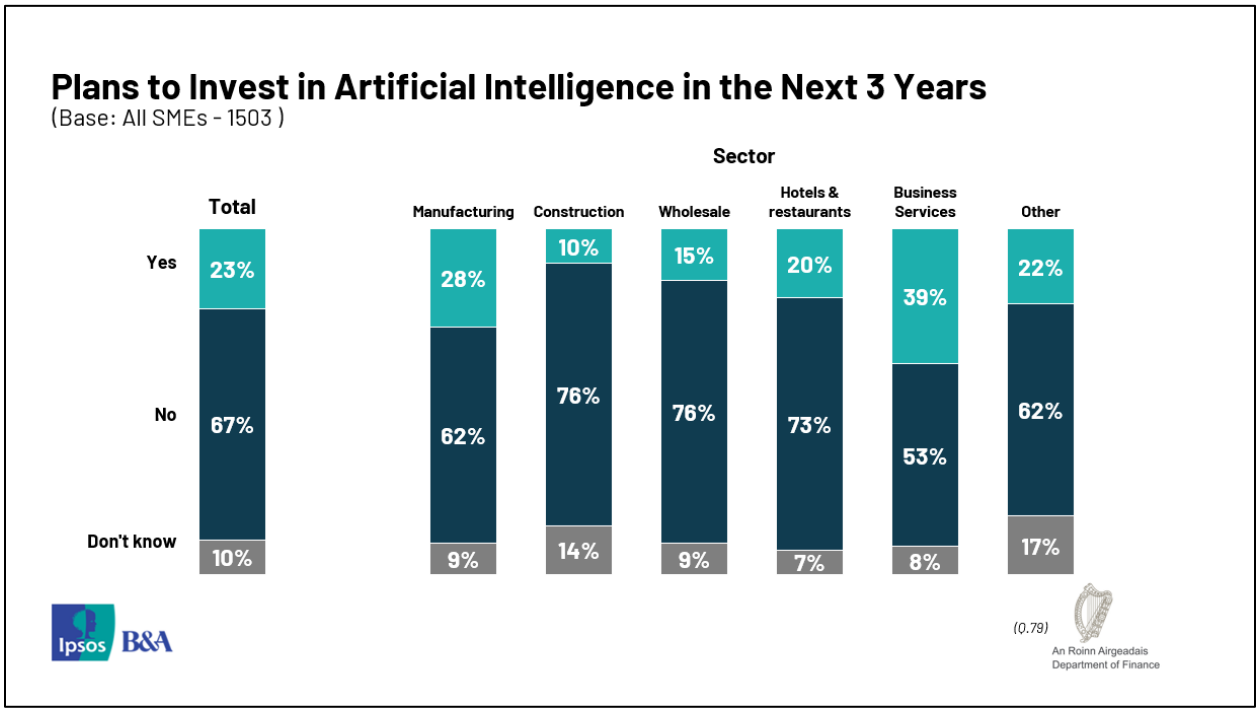


10.4 Plans to Investigate in Artificial Intelligence

Almost one in four (23%) of SMEs are planning to invest in Artificial Intelligence over the next three years. Anticipated uptake is highest among medium sized companies, with nearly two in five of them planning to do so.



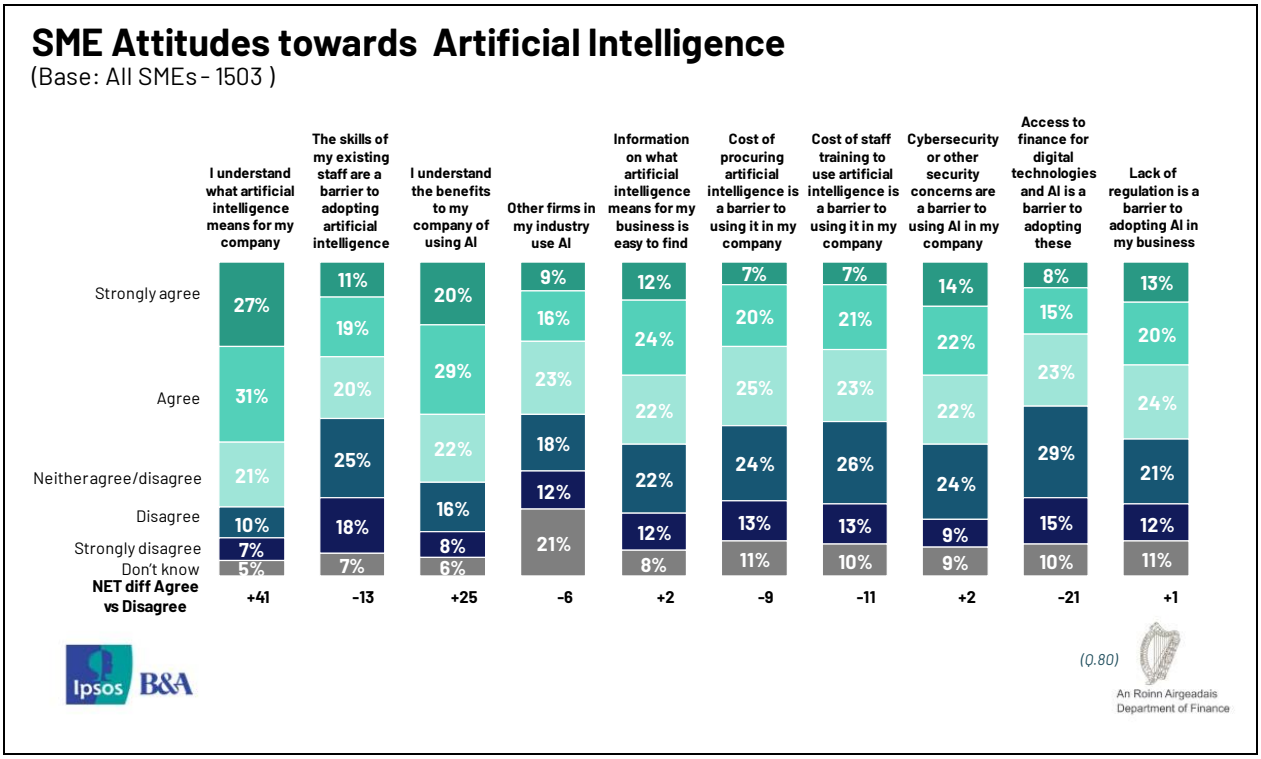
From a sectoral point of view, business services companies are most likely to be planning to invest in Artificial Intelligence, followed by companies operating in the manufacturing sector.



Overall, a sizable proportion of SMEs (58%) feel that they understand what Artificial Intelligence means for their company, and nearly half (49%) recognise the benefits of their company using Artificial Intelligence. Over one in three (36%) feel that information on Artificial Intelligence, and what it means for their business, is easy to find.

Just one four believe that other companies in their sector are using Artificial Intelligence. However, 30% feel that the skillset of their current employees is a barrier to adopting Artificial Intelligence, and the perceived costs associated with adopting this technology is an impediment for a noticeable minority (27%).

Cybersecurity concerns and a lack of regulation are also cited by some companies as an obstacle to investing in Artificial Intelligence (36% and 33% respectively).



Levels of agreement with Artificial Intelligence differs by company size. Medium sized companies are signficantly more likely to have a greater understanding of Artificial Intelligence, and the benefits it can offer to their business. They are also more aware of where to source information on Artificial Intelligence for their business.

Smaller companies tend to be more cautious in their anticipated future investment plans for Artificial Intelligence. Concerns revolve around perceived deficiencies in skillsets, perceived costs, concerns about security and lack of regulation.

		Company Size		
	TOTAL	Micro	Small	Medium
	%	%	%	%
I understand what artificial intelligence means for my company	58	53	55	70
I understand the benefits to my company of using AI	49	41	46	67
Information on what artificial intelligence means for my business is easy to find	36	36	34	40
Cybersecurity or other security concerns are a barrier to using AI in my company	35	35	38	33
Lack of regulation is a barrier to adopting AI in my business	33	30	39	30
The skills of my existing staff are a barrier to adopting artificial intelligence	30	25	37	26
Cost of staff training to use artificial intelligence is a barrier to using it in my company	28	26	33	24
Cost of procuring artificial intelligence is a barrier to using it in my company	27	24	30	27
Other firms in my industry use AI	25	26	24	27
Access to finance for digital technologies and AI is a barrier to adopting these for my company	23	24	25	16

In terms of industry sector, those operating within the business services area are more engaged with Artificial Intelligence, both in a positive and negative way. Those within the construction and hospitality sectors are more likely to cite barriers for investing in Artificial Intelligence, and tend to be less knowledgeable of the technology and the benefits it can bring to their companies.

	Sector						
	TOTAL	Manu-facturing	Con-struction	Whole-sale	Hotels & Restaurants	Business Services	Other
	%	%	%	%	%	%	%
I understand what artificial intelligence means for my company	58	56	48	53	48	69	65
I understand the benefits to my company of using AI	49	47	39	43	43	63	52
Information on what artificial intelligence means for my business is easy to find	36	45	33	33	30	44	29
Cybersecurity or other security concerns are a barrier to using AI in my company	35	34	39	33	37	39	34
Lack of regulation is a barrier to adopting AI in my business	33	36	32	31	39	32	35
The skills of my existing staff are a barrier to adopting artificial intelligence	30	38	30	31	26	26	30
Cost of staff training to use artificial intelligence is a barrier to using it in my company	28	25	34	27	24	31	30
Cost of procuring artificial intelligence is a barrier to using it in my company	27	28	27	26	27	28	27
Other firms in my industry use AI	25	21	15	22	29	36	20
Access to finance for digital technologies and AI is a barrier to adopting these for my company	23	23	22	21	25	21	27

Appendix – The Questionnaire

Please note that some of the question numbering is not sequential, this for data processing purposes to ensure comparability year on year.

DEPARTMENT OF FINANCE SME CREDIT DEMAND SURVEY QUESTIONNAIRE

December 2024 (for the period January – December 2024)

Good morning/afternoon/evening. My name is …… from Ipsos B&A, the independent Irish market research agency. We are conducting a survey on behalf of the Department of Finance. **Please may I speak to the person with primary responsibility for financial matters in your business? Verify right person.**

Q.1 Can I just confirm that you are the person who has primary responsibility for financial matters in your business?

Yes..... 1 CONTINUE
No..... 2

REPEAT ABOVE IF PASSED OVER TO SOMEONE ELSE

The study will take about 20 minutes depending on your answers. We are conducting a survey on bank lending and the economic impact the pandemic has had on SMEs on behalf of the Department of Finance. This survey has been conducted on a number of occasions and the Department has published the results. We may also be conducting this research again over the coming months. All information that we collect will be kept in the strictest confidence and results will be reported at a merged level only. It will not be possible to identify any particular individual or business in the results and no information will be provided to the Department of Finance or any bank that could identify you or your company.

This interview will be conducted in accordance with Market Research Society guidelines - for quality control purposes this call may be monitored by a supervisor.

1.	Yes	1
2.	Yes, later (INTERVIEWER MAKE APPOINTMENT)	2
3.	No/refusal to participate (INTERVIEWER PLEASE PROCESS AS A REFUSAL)	3

SECTION 1 – COMPANY INFORMATION

Q.2 Can you confirm the county in which is your main office is based? **SINGLE CODE**

List 26 counties, including none of these. If none of these → SCREEN OUT

Q.3a For this survey we need to talk to businesses of different sizes and in different industry sectors. Can you confirm that your business operates in_____(sector)?

Yes 1

No .....2 **IF 'NO' at Q.3a ASK Q.3b**

NOTE, ALL QUESTIONS IN THE SURVEY REFER TO THIS SPECIFIC BUSINESS, WHICH IS REFERRED TO THROUGHOUT AS 'YOUR BUSINESS', FOR EASE OF ADMINISTRATION

INDUSTRY SECTOR ASK Q.3b IF NO AT Q.3a

Q.3b What industry sector do you operate in? **PROBE TO PRECODES – SINGLE CODE**

CHECK QUOTAS

Agriculture & forestry & fishing	1	
Manufacturing - Processing & Food from agricultural activities + manufacturing of food from non-agricultural activities (tobacco and beverages)	2	
Manufacturing - High Tech (including pharmaceutical, electronic, electrical equipment etc.	3	
Manufacturing - All other manufacturing.	4	
Construction - General construction (including general building & civil engineering).	5	
Construction - All other construction activities (excluding speculative activities).	6	
Wholesale	7	
Retail Trade & Repairs (non-motor)	8	
Retail Trade & Repairs (motor only)	9	
Hotels & restaurants	10	
Transport, storage & communications	11	
Financial & Insurance Activities	12	
Real estate activities (excluding speculative activities)	13	
Professional, scientific & technical	14	
Administrative & Support Service Activities	15	
Human Health & Social Work Activities	16	
Other	17	CLOSE

ASK ALL

Q.4 How many years has your business been in operation?

_____ Years (Min-Max 0-999)

Q.5 Including yourself, how many people were employed in the business in the twelve-month period January-December 2024? **INTERVIEWERS PLEASE NOTE THAT THIS INCLUDES FULL AND PART TIME EMPLOYEES BUT SHOULD ONLY REFER TO THE Full Time Equivalent (FTE) number of EMPLOYEES.**
SCRIPTER: ALLOW DON'T KNOW

_____SCRIPTER: MIN-MAX 1-249, IF MORE THAN 250 CLOSE

ONLY FOR QUOTA CONTROL, NOT PART OF SCRIPT

1 (self-employed) 2 – 4 5 - 9	**1** **2** **3**	**MICRO: CHECK QUOTAS**
10 -20 21 – 49	**4** **5**	**SMALL: CHECK QUOTAS**
50 – 100 101 – 249	**6** **7**	**MEDIUM: CHECK QUOTAS**
250+ Refused/ don't know	**8** **9**	**CLOSE**

Q. 7 What was the approximate turnover of the company for the twelve-month period January – December 2024? Even if you are uncertain of the precise figure, please give your best estimate.

€ | | | | | | | | |

Don't know/Refused 1 **– ASK Q.8**

If greater than €50mn close.

Q.8 What was your business' turnover for the twelve-month period January – December 2024 as per the following bands?

READ OUT - SINGLE CODE

Up to €50,000 1
€50,001 - €100,000 2
€100,001 - €500,000..... 3
€500,001 - €1m 4
€1,000,001 - €2m 5
€2,000,001 - €5m 6
€5,000,001 - €10m..... 7
€10,000,001 - €20m 8
€20,000,001 - €50m 9
€50m+ ..... 10 **CLOSE**
Refused/don't know **(DNRO)** ..... 99 **CLOSE**

Q.8a1 For the 12 month period from January – December 2024, has the turnover of your business increased, decreased or stayed the same compared to the previous 12 month period?
SINGLE CODE

Increased 1
Decreased 2
Remained the same 3

ASK ALL WITH AN INCREASE OR DECLINE IN Q8a1 (CODE 1-2)

Q.8a2 In percentages, how much did your turnover increase/decline (BASED ON ANSWER IN Q8_1) in the 12 month period from January – December 2024 compared to the previous 12 month period? Even if you are uncertain of the precise figure, please give your best estimate.

% | | | | |

Don't know/Refused

ASK ALL

Q.8c For the 12 month period from January-December 2024, has your company made a profit, broke even, or made a loss?

READ OUT - SINGLE CODE

Made a profit.	1
Broke even	2
Made a loss	3
Refused	4
Not sure **(DNRO)**	5

ASK ALL WITH AN INCREASE OR DECLINE IN Q8b1 (CODE 1&3)

Q.8c2 In percentages, how much did your profit increase/decline (BASED ON ANSWER IN Q8b1) in the 12 month period from January-December 2024 compared to the previous 12 month period? Even if you are uncertain of the precise figure, please give your best estimate.

% | | | | |

Don't know/Refused

Q.10 What was the approximate total operating expenditure of the company for the twelve-month period January-December 2024? Again, even if you are uncertain of the precise figure, please give your best estimate. Please include all operating expenditure including purchases, debt and interest payments, rent, wage and salaries, utilities, etc. Do not include expenditure on investment items or replacement of depreciated items.

€ | | | | | | | | |

Don't know/Refused 1

Q.11 In terms of your operating expenditure for the twelve-month period January-December 2023, can you tell me what percent of the operation expenditure was accounted for by the following items:

Expenditure item READ OUT	Share of total operation expenditure
Purchases of goods and services	% of total
Wages and salaries/personal costs	% of total
Utilities	% of total
Rent (if renter)	% of total
Interest and debt payments	% of total
Payments to the Revenue Commissioners	% of total
Commercial rates	% of total
Other	% of total
Don't know/Refused	1

Q.12 For the 12 month period from January-December 2024, have you increased, decreased or kept unchanged the price charged for your main/most important product, excluding temporary discounts/special offers?

Increased 1
Decreased 2
Unchanged..... 3

ASK ALL WITH AN INCREASE OR DECLINE IN Q12 (CODE 1-2)

Q.12a In percentages, how much did increase/decrease (BASED ON ANSWER IN Q.12) the price charged for your main/most important product in the 12 month period from January-December 2024? If you are uncertain of the precise figure, please give your best estimate.

		%

Don't know/Refused

Q.13 And, what was the approximate value of your company's total assets for the twelve-month period January-December 2024? By total assets we mean all assets including fixed assets, cash, stocks or other liquid assets. Even if you are not entirely certain of this figure, please give your best estimate. RECORD PRECISE NUMBER BELOW.

€								

Q.14 Roughly what proportion of this _____ (VALUE FROM Q.13) in total assets was in fixed assets, and what proportion was in cash, stocks or other liquid assets?

Fixed assets				%
Cash and cash equivalents				%
Stocks or other liquid assets				%

Don't know/Refused 1

Q.16 What was the approximate value of your company's total outstanding debt, if any, for the twelve-month period January-December 2024? Please give your best estimate.

€								

Don't know/refused 1
None/No debt 2 **– GO TO Q.19**

Q.17 What was the approximate share of your outstanding debt for the twelve-month period January-December 2024 owed to the following:

Retail banks

		%

Don't know/refused 1
None/No debt 2

Credit Unions

		%

Don't know/refused 1
None/No debt 2

Other non-bank finance

		%

Don't know/refused 1
None/No debt 2

ASK ALL

Q.19 Does your company export any goods or services outside the Republic of Ireland?

Yes	1	**ASK Q.20**
No	2	**GO TO Q.23**

Q.20 What percentage of your total turnover for the twelve-month period January-December 2024 was exported outside the Republic of Ireland?

	%

SECTION 2 – FINANCING YOUR BUSINESS

ASK ALL

Q.23 In the period January-December 2024, have you missed or deferred repayments on the following? **READ OUT.**

READ OUT	Yes	No	Don't know
Bank loans*	1	2	0
Other business loans*	1	2	0
Personal loans while use the business as collateral*	1	2	0
Payments to Revenue Commissioners	1	2	0
Other personal loans such as mortgages or buy-to-let loans*	1	2	0
Rent payments	1	2	0
Payments to suppliers	1	2	0

*ASK ALL WHO ANSWER YES IN Q.23, I.E. HAVE MISSED ANY REPAYMENTS ON LOANS **

Q.23a Which of the following best describe how you have dealt with these missed repayments?

READ OUT FOR ALL ABOVE ASTERISKED

We have re-structured the loans with the creditor_____1
We have paid the balance without any need for re-structuring_____2
The balance is still outstanding without any re-structuring_____3
Other, please specify:_____(DO NOT READ OUT)_____4

ASK ALL

Q.24 In the period January-December 2024, did you request from any bank, any of the following types of finance? It does not matter if you were successful or not.

READ OUT - MULTICODE

New overdraft 1
Renewal/restructuring of existing overdraft. 2
New Loan 3
Renewal/restructuring of existing Loan 4
Invoice Discounting 5
Leasing or Hire Purchase 6
Other (specify)_____ 7

GO TO Q.25a

None ..... 8 - **GO TO Q.25**

Q.25 Why did you not look for external finance in the period January-December 2024? **READ OUT**

Had sufficient internal funds	1	
Current lines of credit were sufficient	2	
Preferred to use internal finance`	3	
My business generated sufficient revenue	4	
Possible rejection	5	
I do not like to be indebted	6	
The-term of the loan was not suitable	7	
It is too expensive to borrow	8	
Other specify (……)	9	– **GO TO Q.35**

IF MORE THAN ONE REQUEST FOR ONE PARTICULAR TYPE OF FINANCE AT Q.24, ASK ABOUT MOST RECENT

Q.25a I'm now going to ask you about your_____**(FROM Q.24)** request. In which month did you make this request? **SINGLE CODE**

January 2024	1
February 2024	2
March 2024	3
April 2024	4
May 2024	5
June 2024	6
July 2024	7
August 2024	8
September 2024	9
October 2024	10
November 2024	11
December 2024	12

IF MORE THAN ONE REQUEST FOR ONE PARTICULAR TYPE OF FINANCE AT Q.24, ASK ABOUT MOST RECENT

Q.26 I'm now going to ask you about your_____**(FROM Q.24)** request. Which, if any, of these were reasons for making your__**(FROM Q.24)** request? **READ OUT – MULTICODE**

New business venture/acquisition of assets/Expansion	1
Working capital/cash flow	2
Slowdown in debtor collection/bad debts	3
Property related loan	4
Investment in machinery or equipment…	5
Need to restructure loan/credit	6
Manage payments to Revenue Commissioners	….7
Change in business requirements as a result of Brexit	8
Adaptation of business due to Covid/social distancing requirements	
Cover fixed payments while business shut down due to Covid	9
Other (specify)_____	10

ASK Q.27 FOR ALL WHO ANSWERED CODES 1, 3, 5, 6, 7 in Q.24

Q27 What was the value of the_____**(FROM Q.24)** for which you applied?

OPEN END: INSERT AMOUNT

Don't know..... 8
Refused 9

ASK Q.28 FOR ALL WHO ANSWERED CODES 2 OR 4 @ Q.24

Q.28 What was the additional value of the_____**(FROM Q.24)** for which you applied?

OPEN END: INSERT AMOUNT
INTERVIEWERS PLEASE INSERT ZERO WHERE RESPONDENT HAS NOT RECEIVED ANY ADDITIONAL FUNDS, BUT HAS RESTRUCTURED THEIR EXISTING LOAN OR OVERDRAFT INSTEAD.

Don't know..... 8
Refused 9

Q.29 Thinking of your application for_____ (FROM Q.24) what kind of collateral (e.g. land, buildings, machinery, your home, etc.) was required, if any? **Probe fully:** What other collateral? Any other collateral?

MULTIPLE ANSWER ALLOWED

Land.....1
Buildings.....2
Machinery and equipment including movables 3
Accounts receivable 4
Inventories 5
Personal assets of owner (house, etc.).....6
Other (specify)_____.....7
None.....8

ASK Q.30 IF ANY COLLATERAL IN Q.29 (NOT CODE 8 AT Q.29)

Q.30 What was the approximate value of the collateral required as a percentage of the loan value?
INTERVIEWER: IF RESPONDENT IS UNSURE, ASK FOR HIS/HER BEST ESTIMATE.

_____% (MIN-MAX 0-100, ALLOW REFUSAL/NOT SURE)

Q.31 Were you successful in your_____**(FROM Q.24)** request? **SINGLE CODE**

Yes..... 1 **GO TO Q 32**
No ..... 2 **GO TO Q 34**
Partially ..... 3 **GO TO Q 32**

ASK Q.32, Q.33 AND Q.33a/b TO ALL SUCCESSFUL (CODE 1 AT Q.31) OR PARTIALLY (CODE 3 AT Q.31)

Q.32 Were any of the following criteria/conditions attached to your_____(FROM Q.24) request?

READ OUT – MULTICODE

Requirement to provide regular management accounts/debtors + creditors' listings to the bank 1
Personal guarantee.....2
Specific security.....3
Facility or security 4
Requirement to maintain account with bank..... 5
Additional collateral.....6
Requirement for borrower to put up cash.....7
Other (specify)_____.....8
No.....9

Q.33 What is the average interest rate attached to your_____(FROM Q.24) request?
INTERVIEWER: IF RESPONDENT IS UNSURE, ASK FOR HIS/HER BEST ESTIMATE.

_____% (MIN-MAX 0-99, ALLOW REFUSAL/NOT SURE)

Q 33a Have you availed of all or part of the facility or not availed of the facility? **SINGLE CODE**

Yes, I have availed of all of the facility 1
Yes, I have availed of part of the facility 2
No, I have not availed of the facility ..... 3 GO TO Q.33b

TO ALL WHO HAVE NOT AVAILED OF FACILITY AT Q.33a

Q.33b What are the reasons for not availing of the facility to date? **MULTICODE ALLOWED – PROBE FULLY**

Didn't need it 1
Have sufficient internal funds/reserves 2
Waiting for Approval 3
Too much collateral required 4
Disagree with terms & conditions 5
Other Specify _____ 6

ASK Q.34 TO ALL UNSUCCESSFUL IN APPLICATION (CODE 2 AT Q.31) OR PARTIALLY (CODE 3 AT Q.31) IN APPLICATION

Q.34 Were any of the following reasons given by the bank for turning down your _____ (FROM Q.24) request? **READ OUT – MULTICODE**

Ability to repay the facility	**1**
Does not meet the bank's criteria	**2**
The risk profile of the facility is outside the risk tolerance level of the bank	**3**
Risk factors have come to light as part of the bank's assessment of the application	**4**
Further information is required to help the bank complete assessment of this application	**5**
Future ability to repay the credit is not clear	**6**
In the past the operation of the current account has not been satisfactory	**7**
Missed repayments	**8**
Unsatisfactory ICB record	**9**
The goods are not suitable for HP/Leasing	**10**
The repayment timeframe sought is too long	**11**
Insufficient financial information was provided	**12**
Level of security offered	**13**
Existing level of borrowing	**14**
Other	**15**

ASK ALL

Q.35 Do you expect to seek bank finance for your business in the next 12 months? **SINGLE CODE**

Yes ..... 1 **GO TO Q.37**
No ..... 2 **GO TO Q.36**
Don't know (DNRO) ..... 3 **GO TO Q.37**

ASK Q.36 IF NO AT Q.35

Q.36 Why will you not be seeking bank finance/further bank finance in this period?
MULTICODE ALLOWED – PROBE FULLY

Don't need it 1
Have sufficient internal funds/reserves 2
Prefer not to borrow 3
Existing finance products/restructures are already in place 4
Inability to pay/meet requirements of bank finance 5
Don't trust the banks/believe they are not lending 6
Application process for bank finance is too difficult 7
Can raise finance from other non-bank sources 8
Other Specify_____ 9
No Reason X

ASK ALL

Q.53 Do you have a business bank account?

Yes	1
No	2

If yes proceed to Q53(a) & Q.54

Q 53(a) With what bank is your main business account?

SINGLE CODE

AIB	1
Bank of Ireland	2
PTSB	4
Other financial institution (specify)_____	5

ASK ALL WHO HAVE APPLIED FOR BANK FINANCE IN Q.24

Q.55 From the date of application, how long did it take the bank to process your (FROM Q.24) request and give a final answer?

SINGLE CODE

Less than one week	1
Up to 2 weeks	2
Up to 3 weeks	3
Up to 4 weeks	4
Between 5 – 12 weeks	5
More than 12 weeks	6
Still pending	7 **GO TO Q.56**
Cannot recall/don't know	9

IF STILL PENDING CODE 7 AT Q.55

Q.56 Has your bank asked you for additional information which you have not yet supplied e.g. accounts etc.?

Yes	1
No	2
Don't know	3

Q.57 Did the bank inform you of your right to an internal review of the decision to refuse credit?

SINGLE CODE

Yes	1
No	2
Don't know (DNRO)	3

Q.58 Did the bank inform you of your right to a review of the decision to refuse credit by the Credit Review Office? **SINGLE CODE**

Yes 1
No 2
Don't know (DNRO) 3

ASK ALL

Q. 24(a) In the period January-December 2024, did you request from any non-bank, e.g. finance providers that is not a bank, any of the following types of finance? It does not matter if you were successful or not.

New overdraft 1
Renewal/restructuring of existing overdraft. 2
New Loan 3
Renewal/restructuring of existing Loan 4
Invoice Discounting 5
Leasing or Hire Purchase 6
Other (specify)_____ 7
None 8

SECTION 3: SME Supports and Initiatives

ASK ALL

Q.37 Which of the following supports or initiatives are you aware of?

READ OUT - MULTICODE

The National Enterprise Hub	1
Ukraine Credit Guarantee Scheme	2
Microfinance Loan Fund Scheme/Microfinance Ireland	3
Enterprise Ireland	4
Local Enterprise Offices (LEOs)…	5
Strategic Banking Corporation of Ireland (SBCI)	6
Credit Review	7
Growth and Sustainability Loan Scheme	8
Other government support (specify)_____	9
None	10

Q.17b For the period January-December 2024, did you apply for any of the following types of finance?
READ OUT – MULTICODE

Ukraine Credit Guarantee Scheme 1
Microfinance Loan Fund Scheme/Microfinance Ireland 2
Growth and Sustainability Loan Scheme..... 7
Other government financial support (specify) 3

Venture Capital Finance 4
Business Angel or Investor Finance 5
Loans/Equity from Family or friends..... 6
Loans/equity from business partners..... 7

Crowd funding/Peer-to-Peer lending.....8
Non-bank invoice finance related facilities 9
Non-bank asset finance related facilities.....10
Other non-bank finance (specify) 11
None (DNRO) ..... 12 GO TO Q.18b

ASK Q.18 FOR EACH NON-BANK FINANCE OPTIONS APPLIED FOR (CODES 1-11 AT Q17b

Q.18 Were you successful, partially successful, or unsuccessful in obtaining finance from (FROM Q.17b) or is the decision still pending?
SINGLE CODE
Yes 1
No..... 2
Partially 3
Still pending..... 4

ASK Q.18a FOR EACH NON-BANK FINANCE OPTIONS IN Q17b (CODES 1 – 11)

Q.18a I'm now going to ask you about your (FROM Q.17b) request. Which, if any of these, were reasons for making your (FROM Q.17b) request?
READ OUT - MULTICODE
New business venture/expansion/purchase assets or equipment..... 1
Working capital requirements 2
Property related loan 3
Need to restructure loan/credit..... 4
Other (specify) 5

ASK Q.18a1 FOR THOSE WHO DID NOT APPLY FOR ANY GOVERNMENT FINANCIAL SUPPORT (NOT CODE 1, 2, 3 IN Q.17b)

Q.18a1 Why did you not apply for Government financial support in the last 12 months?
MULTICODE, PROBE FULLY, DO NOT READ OUT
Don't want to lose control of business 1
Costs/Fees are too high.....2
Terms and conditions too onerous 3
Lack of knowledge 4
Used in past but not currently relevant 5
Previously rejected for this type of finance.....6
Application process too difficult 7
I don't believe this source is relevant for my business or sector. 8
Don't need this type of financing..... 9
Already have this type of financing in place so do not need more..... 10
Other (specify).....11

SECTION 4: TAX & ENTERPRISE SUPPORTS

Q.70 Has your company, or investors or owners of the company, as appropriate, availed of any of the following enterprise tax reliefs or schemes in the tax years 2019-2023?
READ OUT – MULTICODE

Retirement Relief 1
Farm Construction 2
CGT Revised Entrepreneur Relief 3
Employment Investment Scheme (EII) 4
CAT Agricultural/CAT Business Relief 5
Research & Development Tax Credit 6
Other enterprise tax reliefs or schemes, please specify:_____ 7
No, have not availed of any (DO NOT READ OUT) 8
Don't know (DO NOT READ OUT) 9

ASK IF CODE 1-7 IN Q.70, ASK Q.71 FOR EACH CODE SELECTED IN Q.70

Q.71 In what tax years, did you avail of <INSERT ANSWER CHOSEN IN Q.70>?

2019 1
2020 2
2021 3
2022 4
2023 5
Don't know 6

Q.72 Has your company, or investors or owners of the company, as appropriate, availed of any of the following enterprise subsidy reliefs or schemes in the tax years 2019-2023?
READ OUT – MULTICODE

Any Mentoring Grant 1
Restart Grant including Plus 2
COVID-19 Credit/Loan Scheme 3
Start Your Own Business 4
Innovation and Trading Online Vouchers 5
Leo Business Expansion Grant 6
Online Retail Scheme 7
Sustaining Enterprise Fund 8
Other enterprise subsidy reliefs or schemes, please specify:_____ .. 9
No, have not availed of any (DO NOT READ OUT) 10
Don't know (DO NOT READ OUT) 11

ASK IF CODE 1-9 IN Q.72, ASK Q.73 FOR EACH CODE SELECTED IN Q.72

Q.73 In what tax years, did you avail of <INSERT ANSWER CHOSEN IN Q.70?

2019 1
2020 2
2021 3
2022 4
2023 5
Don't know 6

ASK IF AT LEAST TWO CODES WERE SELECTED IN Q.70 CODE 1-7 AND Q.72 CODE 1-9

Q.74 Which scheme was most effective for you and your business?
READ OUT – SINGLE CODE, ONLY SHOW CODES SELECTED IN Q.70 AND Q.72

Retirement Relief 1
Farm Construction 2
CGT Revised Entrepreneur Relief 3
Employment Investment Scheme (EII) 4
CAT Agricultural/CAT Business Relief 5
Research & Development Tax Credit 6
Other enterprise tax reliefs or schemes, please specify:_____ 7
Mentoring Grant 8
Restart Grant including Plus 9
COVID-19 Credit/Loan Scheme 10
Start Your Own Business 11
Innovation and Trading Online Vouchers 12
Leo Business Expansion Grant 13
Online Retail Scheme 14
Sustaining Enterprise Fund 15
Other enterprise subsidy reliefs or schemes, please specify:_____ .. 16
Don't know (DO NOT READ OUT) 17

ASK IF AT LEAST ONE CODE WERE SELECTED IN Q.70 CODE 1-7 AND Q.72 CODE 1-9

Q.75 I am now going to read out a couple of statements to do with the impact these supports have had directly on your business activity since you first availed of these. For each statement, please indicate whether you agree or disagree with it on a scale from 1 to 5 where 1 is strongly agree and 5 is strongly disagree. **READ OUT EACH STATEMENT IN TURN.**

	Strongly agree	**Agree**	**Neither Agree nor Disagree**	**Disagree**	**Strongly Disagree**	**Don't know**
In the absence of the R&D tax relief I would have conducted the same level of R&D	1	2	3	4	5	6
Tax reliefs and/or subsidies have helped my business to expand	1	2	3	4	5	6
Tax reliefs and/or subsidies have enabled the hiring of more employees	1	2	3	4	5	6
Tax reliefs and/or subsidies have had a direct impact on my business activity	1	2	3	4	5	6
Tax reliefs and/or subsidies have allowed my business to enter new markets	1	2	3	4	5	6

SECTION 5 – Artificial Intelligence

I would now like to ask you a few questions about using Artificial Intelligence (AI) in your business. AI technologies can be:

- Embedded in devices, like autonomous robots or drones.
- Or, software-based, such as chatbot virtual assistants based on natural language processing, object and face recognition, speech recognition, machine translation, or data analysis using machine learning.

Q.76 In the three years from 2022 to 2024, to what extent did your company use Artificial intelligence technologies in the production of goods or provision of services?
READ OUT, SINGLE CODE

1) Did not use
2) Tested but did not use
3) Low usage
4) Medium usage
5) High usage

ASK IF CODE 2-5 IN Q.76
Q.77 Are you aware of individual staff using AI in their work, and if so, do they use it on an ad hoc or formal basis? SINGLE CODE

1) Use on a formal basis
2) Use on an ad hoc basis
3) Not aware

ASK IF CODE 2-5 IN Q.76
Q.78 How satisfied are you with overall performance of AI technologies that your business has used or tested thus far? Do you feel the overall performance has been… SINGLE CODE, READ OUT

1) Below your expectations
2) As expected
3) Better than expected
4) Mixed results

ASK ALL
Q.79 In the next three years 2025 to 2027, does your company plan to invest in artificial intelligence to use in the production of goods or provision of services?

1) Yes
2) No
3) Don't know

Q.80 I am now going to read out a couple of statements to do with your attitudes towards AI. For each statement, please indicate whether you agree or disagree with it on a scale from 1 to 5 where 1 is strongly agree and 5 is strongly disagree. **READ OUT EACH STATEMENT IN TURN.**

	Strongly agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Don't know
I understand what artificial intelligence means for my company	1	2	3	4	5	6
The skills of my existing staff are a barrier to adopting artificial intelligence	1	2	3	4	5	6
I understand the benefits to my company of using AI	1	2	3	4	5	6
Other firms in my industry use AI	1	2	3	4	5	6
Information on what artificial intelligence means for my business is easy to find	1	2	3	4	5	6
Cost of procuring artificial intelligence is a barrier to using it in my company	1	2	3	4	5	6
Cost of staff training to use artificial intelligence is a barrier to using it in my company	1	2	3	4	5	6
Cybersecurity or other security concerns are a barrier to using AI in my company	1	2	3	4	5	6
Access to finance for digital technologies and AI is a barrier to adopting these for my company	1	2	3	4	5	6
Lack of regulation is a barrier to adopting AI in my business	1	2	3	4	5	6

ASK ALL

Q.59 And finally, would you be willing to allow us to retain your contact details with a view to being re-interviewed by Behaviour & Attitudes at some stage in the future in relation to the type of topics covered in today's survey?

Yes
No
Don't know/depends