



Survey on the access to finance of enterprises (SAFE)

Analytical Report 2021



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SUMMARY

Having sufficient access to finance is an important determinant for the development of an enterprise. It is a well-known phenomenon that small and medium-sized enterprises (SMEs¹) face different challenges when accessing finance than large scale enterprises (LSEs). LSEs, for instance, have direct access to capital markets, whereas for SMEs, this holds to a lesser extent or they have no access at all. Ultimately, the specific financing needs of SMEs warrant specific policy attention.

In 2008, the ECB and DG for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission established the Survey on the Access to Finance of Enterprises (SAFE). These surveys, are conducted across Europe on an annual basis. The 2021 wave covers 36 countries: the EU27 Member States and Albania, Bosnia and Herzegovina, Iceland, Kosovo², Montenegro, North Macedonia, Serbia, Turkey, and the United Kingdom. This report presents the results of the 2021 wave and includes significant developments since 2014.

Use of external financing

In all EU27 Member States, most SMEs used debt financing in some form in 2021 (77%). Credit line or overdraft is mentioned by 48% of the respondents as being relevant in 2021. Leasing or hire purchase is the second most relevant type of finance, with 47% of respondents mentioning this type of finance, which is a slight increase on 2019. Grants or subsidised bank loans are mentioned by 43%. Bank loans are mentioned by 46% of respondents, which is a substantial decrease when compared to 2014. Other loans, equity, trade credit, factoring, and debt securities are mentioned as relevant by a smaller percentage of SMEs compared to other types of finance. Their relevance has gradually decreased during the time period.

EU27 SMEs mentioned credit line or overdraft as the most relevant sources of external financing, which shows a slight but steady decrease when compared to previous years. Leasing or hire purchase and bank loans are considered to be the second and third most relevant. These same types of external financing were most relevant in previous years as well. The relevance of bank loans as a source of external financing has been consistently decreasing between 2014 and 2019, but increased slightly in 2020. In 2021, the relevance decreased again. In 2021, grants and subsidised loans are significantly more considered relevant than in previous years, although slightly less than in 2020.

Regarding the sources of finance actually used, EU27 SMEs most often report using credit line or overdraft, grants. The actual use of grants and subsidised bank loans has decreased in 2021 compared to 2020. The relevance of leasing or hire-purchase has been relatively stable during 2015 -2020, but increased in 2021. The relevance of credit line or overdraft and bank loans has declined since 2015 with a small increase in 2020 of the latter. The relevance of trade credit decreased in 2021.

¹ In this report SMEs are defined as enterprises with 1-249 employees (hence, enterprises without paid staff are excluded); large scale enterprises (LSEs) are enterprises with at least 250 employees. Within SMEs, a distinction is made between micro enterprises (1 -9 employees), small enterprises (10 -49 employees) and medium-sized enterprises (50 -249 employees).

² This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

In 2021, 24% of SMEs in the 27 Member States applied for credit line or overdraft in the past six months. Most of them were successful in doing so: 73% of all applications were granted in full, and another 6% were granted most of the amount applied for. In 2021, the rejection rate for credit line or overdraft applications was 6%. Most of the EU27 SMEs that did not apply for overdraft or credit line, mentioned the availability of sufficient internal funds as the most important reason for not doing so (46%).

Of the external financing obtained by SMEs, 35% related to amounts of less than EUR 100,000 in 2021; this proportion has been rather stable throughout the years. The sizes of the loans obtained vary considerably across countries. Small loans (less than EUR 25,000) are most often reported by SMEs in Lithuania followed by Greece and Bulgaria, while large loans are most often reported by SMEs in the Netherlands and Sweden. The size of the most recently obtained loan varies strongly with enterprise size, where the largest amounts obtained were found in enterprises with over 250 employees.

Regarding the principal reasons behind loan application, inventory and working capital and fixed investment were mentioned most often by EU27 SMEs. External financing used for fixed investment, hiring and training employees and developing and launching of new products or services has increased since 2020, whereas external financing for inventory and other working capital, refinancing or paying off obligations, and other purposes have decreased.

The interest rates charged on bank overdraft and credit line to EU27 SMEs has consistently been decreasing between 2014 and 2021.

Access to external sources of financing

In 2021, the proportion of SMEs that reported deterioration in the general economic outlook exceeded the proportion of SMEs that reported an improvement by 4%. This unfavourable result is likely to be influenced by the Covid pandemic. Regarding their own outlook with respect to sales, profitability and their business plan, SMEs were more positive. For access to public financial support, the number of SMEs that reported an improvement was higher than the number of SMEs reporting a deterioration. The net improvement was with 3% considerable lower than in 2020 (12%).

In 2021, SMEs indicated an improvement in the availability of bank loans and the availability of bank overdraft, credit line or credit cards. Over the survey years, the availability of bank overdraft, credit line or credit cards overdraft has developed similarly to that of loans, with a considerable decline in 2020 that recovered in 2021.

In 2021, the majority of SMEs in the EU27 report an increasing need of finance for any type of funding, with the exception of debt securities, which remained stable. In particular, for leasing and hire purchase, the proportion of EU27 SMEs, which reported that their needs had increased, has been larger than the proportion of EU27 SMEs reporting their needs had decreased.

The level of interest rates faced by EU27 SMEs has deteriorated in 2021. 14% of SMEs reported an improvement in the level of interest rates, whereas 20% were faced with a deterioration in the rates by banks. The resulting net effect amounts to a net deterioration of 6%. In the previous four years, the level of interest rates faced by EU27 SMEs has been reported as improving, with the exception of 2018.

Even though interest rates improved more often than they deteriorated over the past years, the other non-interest costs of financing have had a net deterioration in the past years, though it diminished in 2020 (net deterioration 20%). In 2021, 36% reported a deterioration versus an improvement for 4% of SMEs. The resulting net change equals

a 32% net deterioration. These costs include such items as charges, fees and commissions charged to SMEs when acquiring bank financing.

Future outlook

Half of the SMEs in the EU27 expect to experience annual turnover growth in the next two to three years: 12% expects to grow substantially, and another 55% expects to grow moderately. While the proportion of SMEs that expects substantial growth has shown a stable decrease in the period from 2017 to 2020, this share has increased in 2021 to the highest levels since 2014. SMEs in Greece, Cyprus, Romania and Lithuania are most ambitious in their expectations regarding turnover growth, and SMEs in France, Austria, and Bulgaria are the least. The proportion of enterprises expecting to grow substantially is higher among smaller enterprises than among large enterprises.

Amongst EU27 SMEs in the EU27, 67% felt confident in talking with banks about financing and obtaining the desired results. This share was a bit higher than in 2020 (64%). Within the countries of the EU27, SMEs in Portugal, Finland, Germany, Austria and Luxembourg are most confident in talks with banks, and these proportions are smallest for SMEs in Latvia, Lithuania and Slovenia. SMEs are slightly more positive regarding talks with equity investors and venture capital firms compared to 2020. The proportions are highest in the Netherlands, Denmark and Malta and lowest in Czechia, Italy and Latvia.

Debt financing in the form of loans is much more popular than financing through equity investments. In 2021, 65% of EU27 SMEs indicated that they prefer bank loans to finance their future growth ambitions, and another 16% reported loans from other sources. Equity investment is the preferred type for 6% of SMEs. These proportions are almost similar as in previous years.

In relation to the availability of types of financing available in the next six months, SMEs in the EU27 are positive in 2021, which is in contrast to 2020, where a net deterioration was found in all categories. The largest improvement can be found in relation to equity capital and retained earnings or the sale of assets. Until 2020, no net deterioration was reported for all categories (with the exception of debt securities issued) since 2014.

Characteristics and current state of enterprises

The financial state of EU27 SMEs has had a mixture of improvements and deteriorations in 2021. While there was a net improvement of 14% in turnover, 11% in fixed investments, 6% in inventories and other working capital, 6% in number of employees, and 1% in debt compared to assets, significant deteriorations materialised in labour costs (net -46%) and other costs (net -72%). Other deteriorations took place in interest expenses (net -10%) and profits (net -6%). Important to note is that the net deteriorations seen in profit and net improvements of turnover, fixed investment, inventories and other working capital, number of employees, and debt compared to assets all presented an increased value to the numbers seen in 2020 (suggesting a course to reach pre-COVID numbers). The most significant deterioration that was reported by SMEs was that of other costs (reported by 75%). Here Gazelles, high growth and innovative enterprises experienced more deteriorations than SMEs in EU27 on average.

In general, the most pressing problem for EU27 SMEs is the availability of skilled staff and/or experienced managers (reported by 27%). This problem is reported mostly from SMEs based in the Netherlands (40%), and Austria (37%). The next most pressing problem is that of finding customers (reported by 18%), which has become one of the least reported problems since 2014, despite having been the most prominent problem in 2020. The problem of access to finance was seen to drop to the lowest number seen in the past 6 years (reported by 7%), while the problem of regulation has remained at a

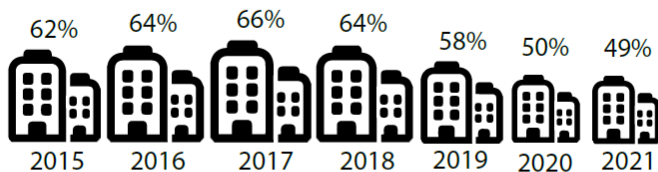
constant figure as reported by 11% in 2021. The third type of most pressing problems was identified to be other problems (reported by 14%). Within this category the majority of SMEs reported the COVID-19 pandemic to be the main issue, with Brexit and other issues falling far behind (significantly less referred to by SMEs).

Around 42% of the EU27 SMEs reported experiencing problems due to late payments. The most reported problem flowing from late payments was that of the effect on payments to suppliers (reported by 32%).

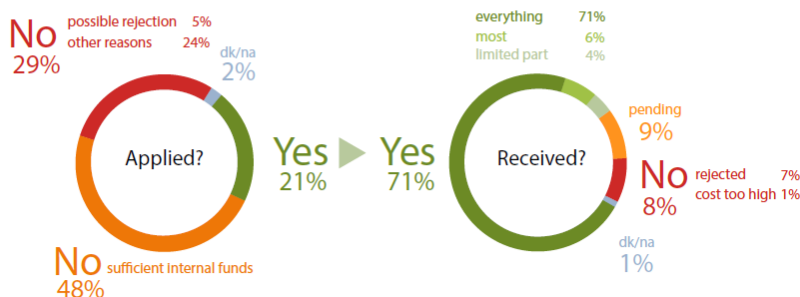
In term of innovativeness, 50% of EU27 SMEs can be considered as innovative. Within this figure, industry enterprises take the highest share (57%) and construction enterprises the lowest (36%). Country wise, Finland claims the highest share at 72% which is a figure 22% higher than the EU27 average.

In 2021, the number of high-growth enterprises remained the same as 2020 at 17%, with Romania claiming the highest share (37%) and Bulgaria, France and Austria claiming the lowest (12% by each). As a subset of high-growth enterprises, 1.4% of all EU27 SMEs were deemed a gazelle in 2021. Romanian SMEs again claim the highest share among SMEs constituting a gazelle (11%). 38% of all EU27 SMEs engage in exports, which is the lowest figure reported since 2014 (only slightly lower than the 39% of 2020). Most common exporters are SMEs from Estonia (62%) and Slovenia (61%). Enterprises in industry (74%) export significantly more than other SMEs active in other areas. This is a trend also seen in enterprises with high growth, identified as innovative, and with 250+ employees (40%, 45% and 65% respectively). Of the exporting SMEs, 89% report exporting to the euro area, followed by 53% reporting exports to the rest of the EU, and 43% reporting to export to regions outside the EU. Reports of exports to the UK remained the same as 2020 with 35% and decreased ever so slightly to 39% for markets in Europe but outside the EU (which includes Russia).

Growth ambitions of SMEs



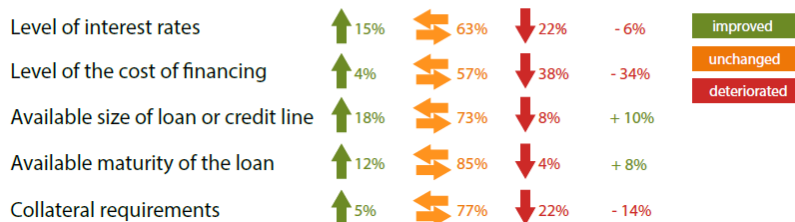
Bank loan applications



Availability of finance improves



Terms and conditions change



Remarks:

- Due to rounding, figures describing aggregates may differ slightly from the sum of the constituent parts.
- In the panels 'Availability of finance improves' and 'Terms and conditions tend to improve' categories 'not applicable' and 'don't know' have been excluded.

1. USE OF EXTERNAL FINANCING

1.1. Key findings

In all EU27 Member States, most SMEs used debt financing in some form in 2021 (77%). Credit line or overdraft is mentioned by 48% of the respondents as being relevant in 2021, Leasing or hire purchase is the second most relevant type of finance, with 47% of respondents mentioning this type of finance, which is a slight increase on 2019. Grants or subsidised bank loans are mentioned by 43% Bank loans are mentioned by 46% of respondents, which is a substantial decrease when compared to 2014. Other loans, equity, trade credit, factoring, debt securities are mentioned as relevant by a smaller percentage of SMEs when compared to other types of finance and their relevance has gradually decreased during the time period.

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In 2021, 24% of SMEs in the 27 Member States applied for credit line or overdraft. Most of them were successful in doing so: 73% of all applications were granted in full, and another 6% were granted most of the amount applied for. In 2021, the rejection rate for credit line or overdraft applications was 6%. Most of the EU27 SMEs that did not apply for overdraft or credit line, mentioned the availability of sufficient internal funds as the most important reason for not doing so (46%).

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The interest rates charged to EU27 SMEs has consistently been decreasing between 2014 and 2021.

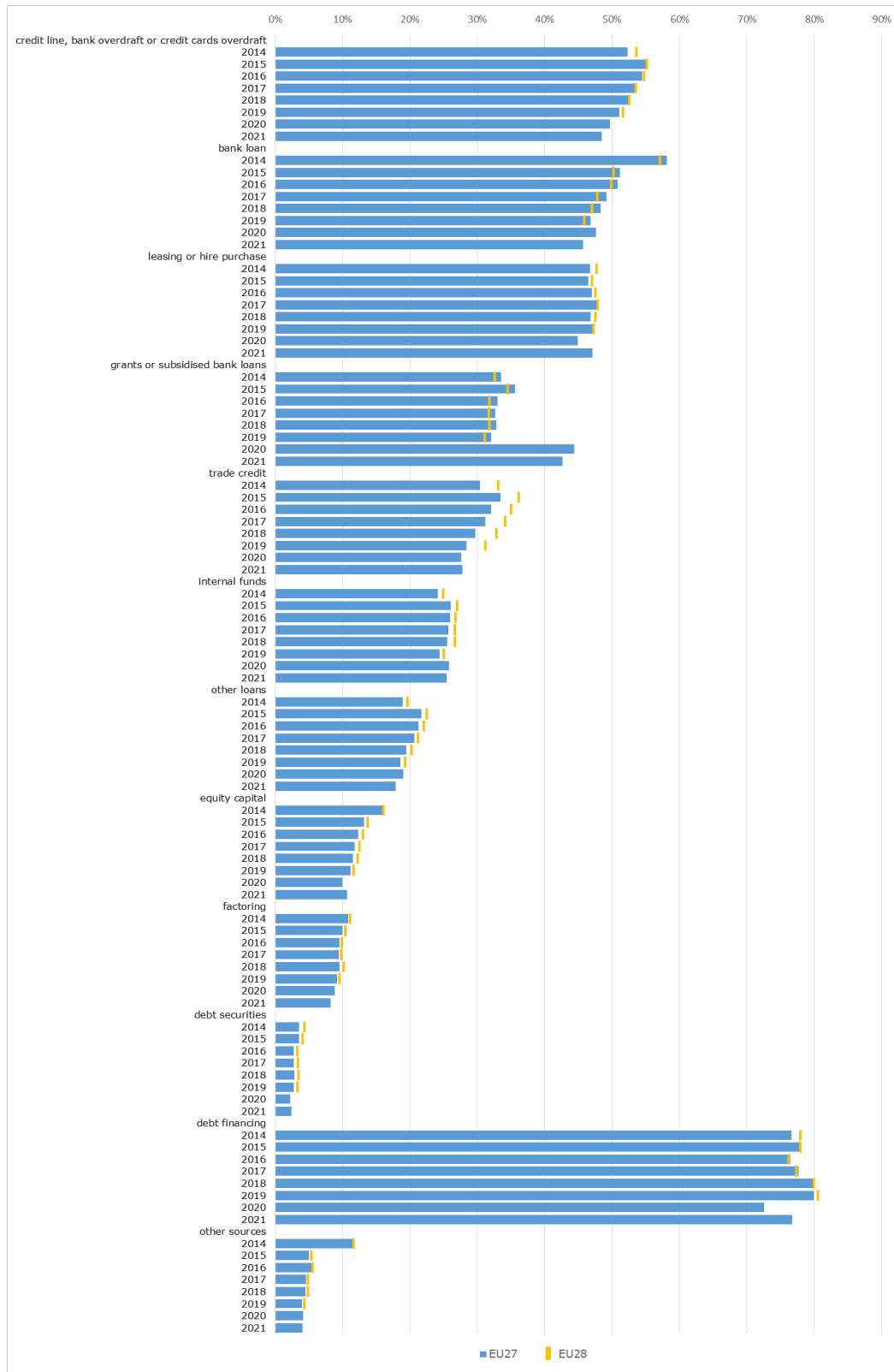
1.2. Relevance of sources of financing

The extent to which SMEs in the EU27 consider various funding sources relevant to them is presented in figure 1. In all EU27 Member States, most SMEs used debt financing in some form in 2021 (77%). Credit line or overdraft is mentioned by 48% of the respondents as being relevant in 2021, which shows a slight but steady decrease when compared to previous years. Leasing or hire purchase is the second most relevant type of finance, with 47% of respondents mentioning this type of finance, which is a slight increase on 2019. Grants or subsidised bank loans are mentioned by 43%. Bank loans are mentioned by 46% of respondents, which is a substantial decrease when compared to 2014. Other loans, equity, trade credit, factoring, debt securities are mentioned as relevant by a smaller percentage of SMEs when compared to other types of finance and their relevance has gradually decreased during the time period.

In figure 2, the relevance of debt financing is presented by country. In all the countries surveyed, the vast majority of SMEs indicated that at least one type of debt financing was relevant to their enterprise. For EU27 countries, the proportion of SMEs that indicated debt financing to be relevant ranged from 96% of all SMEs in Cyprus, to 66% in Hungary, which is lower than the lowest percentage for a Member State in 2020 (74% of all SMEs in Lithuania, The Netherlands, and interestingly, Cyprus).

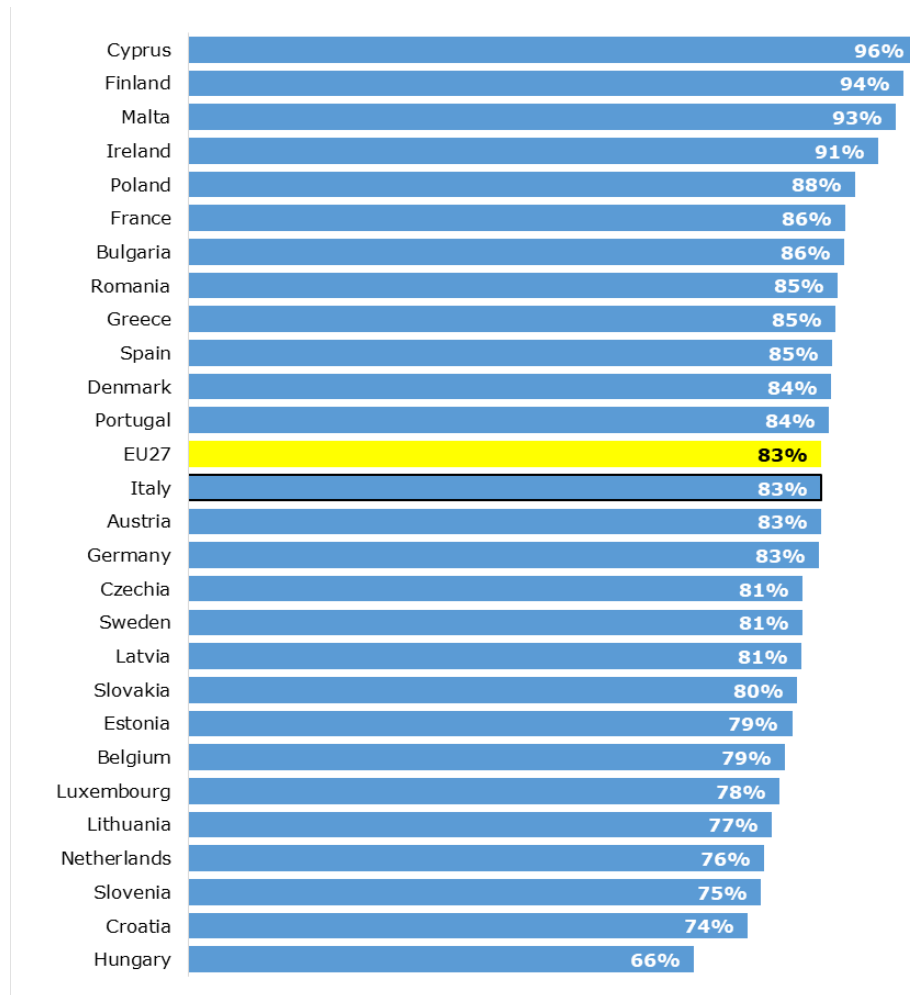
SMEs that reported that bank loans are not relevant to their enterprise were asked why this was the case (figure 3). In 2021, 75% (an increase of 2% in comparison to 2020) of SMEs in the EU27 for which bank loans are not relevant said this is because they do not need that type of financing. Of the SMEs in the EU27, 8% (the same as 2020) indicated that bank loans are not relevant because of the high interest rates and other costs. The remaining SMEs reported various other reasons for the irrelevance of bank loans, with insufficient collateral or guarantee, too much paperwork involved, and no bank loans available being the most common responses.

figure 1 Relevance of different types of financing for SMEs in the EU27 during 2014-2021



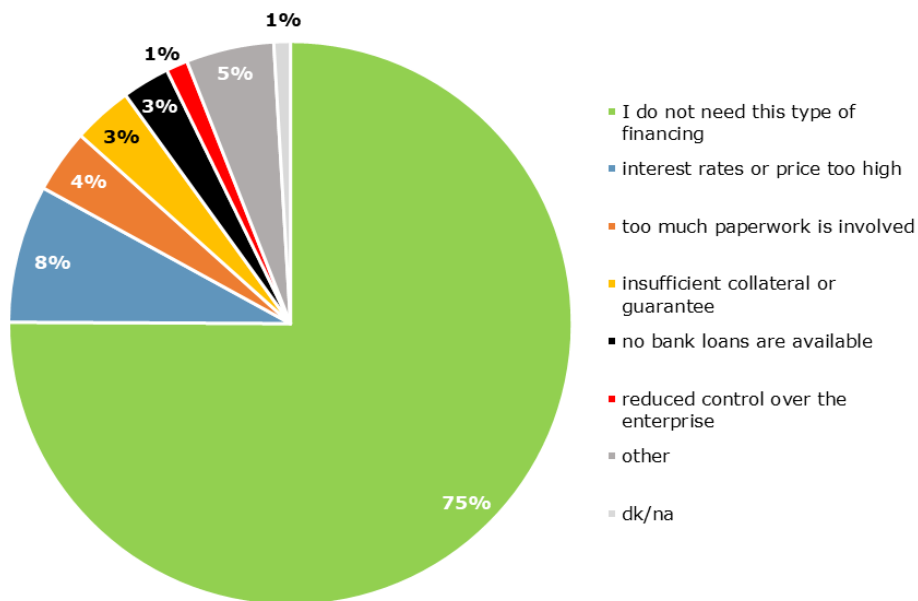
Note: Debt financing: credit line, bank overdraft or credit cards overdraft + leasing or hire-purchase + factoring + trade credit + bank loan + other loan + grants or subsidised bank loan + debt securities issued
 Source: SAFE (Q4); edited by Panteia.

figure 2 Relevance of debt financing for SMEs in the EU27, by country in 2021



Note: Debt financing: credit line, bank overdraft or credit cards overdraft + leasing or hire-purchase + factoring + trade credit + bank loan + other loan + grants or subsidised bank loan + debt securities issued
Source: SAFE (Q4); edited by Panteia.

figure 3 Reason why bank loans are not relevant for enterprise for SMEs in the EU27 in 2021

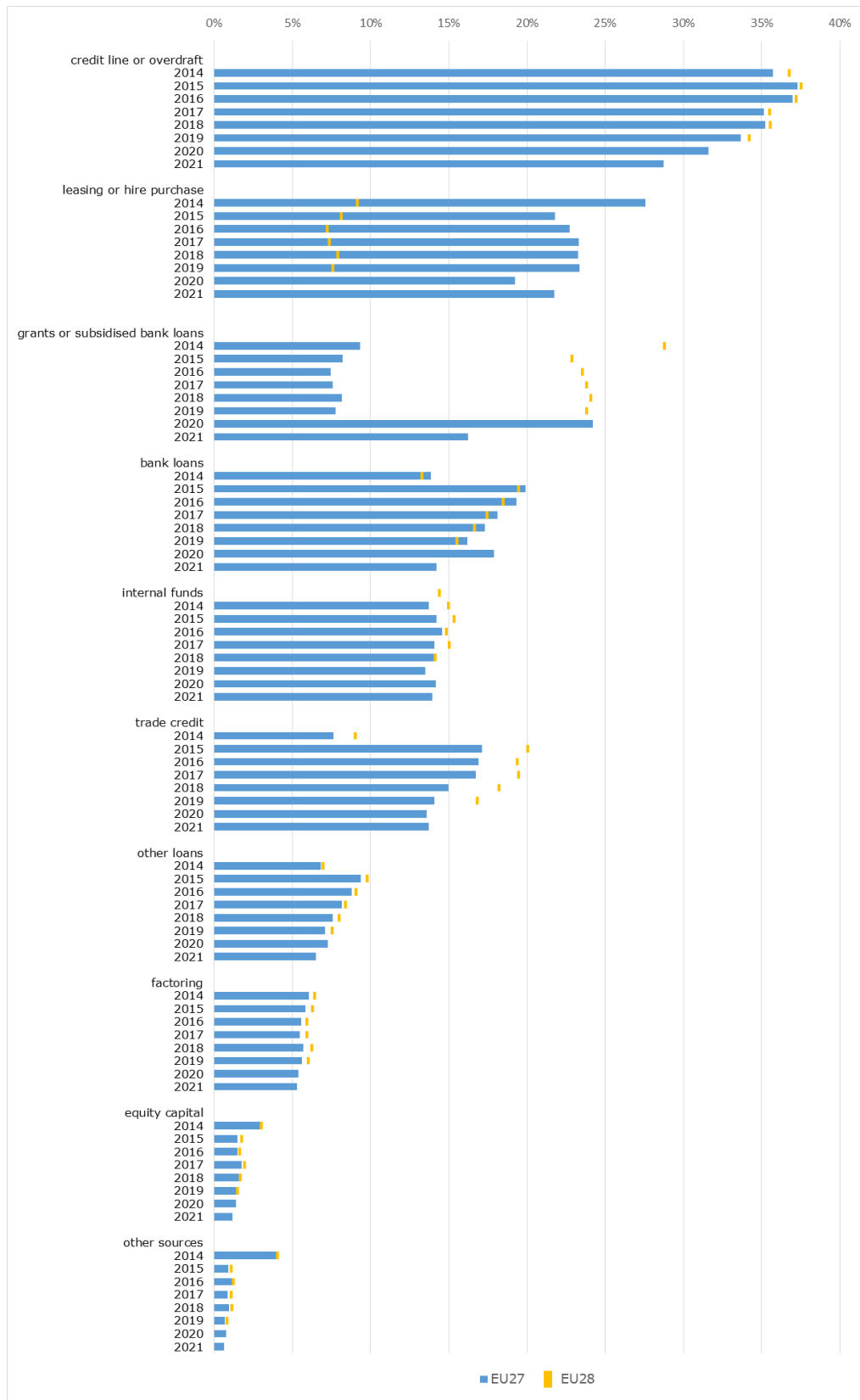


Source: SAFE (Q32); edited by Panteia.

1.3. What sources of finance were used?

Figure 4 presents the percentage of enterprises that actually used the different types of financing from 2014 to 2021. Credit line or overdraft have been used most often as sources of external financing throughout the time period. In 2021, 29% of all EU27 SMEs used credit line or overdraft in the past six months compared to 32% in 2020 and 34% in 2019. In 2020, leasing or hire purchase were the second most often used type of financing (22%), with a slight increase when compared to 2020 (19%). In 2021, 16% of all EU27 SMEs made use of grants or subsidised bank loans (compared to 24% in 2020), and 14% used bank loans, 14% used internal funds, 14% used trade credit, 7% used other types of loans and 5% made use of factoring. Equity (1%) and other sources (1%) were the least popular types of financing.

figure 4 Use of different types of financing in the past six months for SMEs in the EU27 during 2014-2021



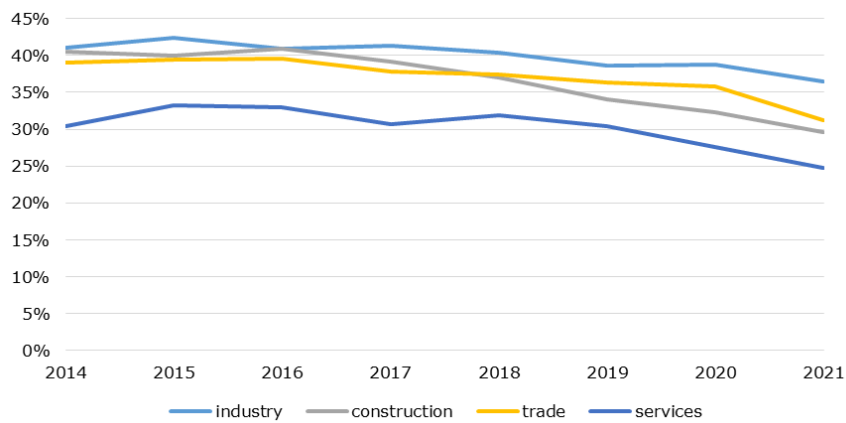
Source: SAFE (Q4); edited by Panteia.

1.3.1 Credit line, bank overdraft or credit cards overdraft

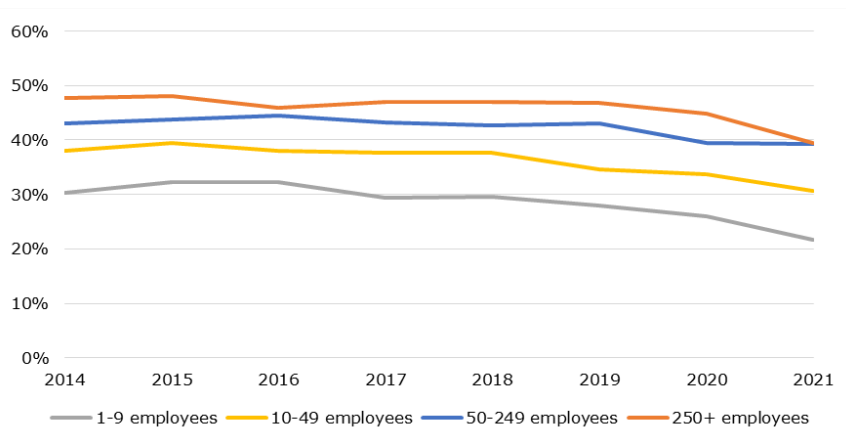
This section presents a more detailed breakdown of the use of credit line and overdraft over time by sector (figure 5A) and by size-class (figure 5B). Figure 5A shows that the reported use of credit line and overdraft by SMEs in the industry sector and the trade sector has slightly decreases in all sectors when compared to 2020. The biggest decrease can be seen in the trade sector (31% in 2021 compared to 36% in 2020). A decrease of 3% can be seen in the industry and services sectors, with a 2% decrease in the construction sector. As indicated in figure 5B, the use of credit line and overdraft increases with firm size. The use of credit line and overdraft has declined most significantly for larger enterprises, with the biggest decrease seen in enterprises of 250+ persons (40% in 2021 compared to 45% in 2020).

figure 5 Use of credit line, bank overdraft or credit overdraft during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector



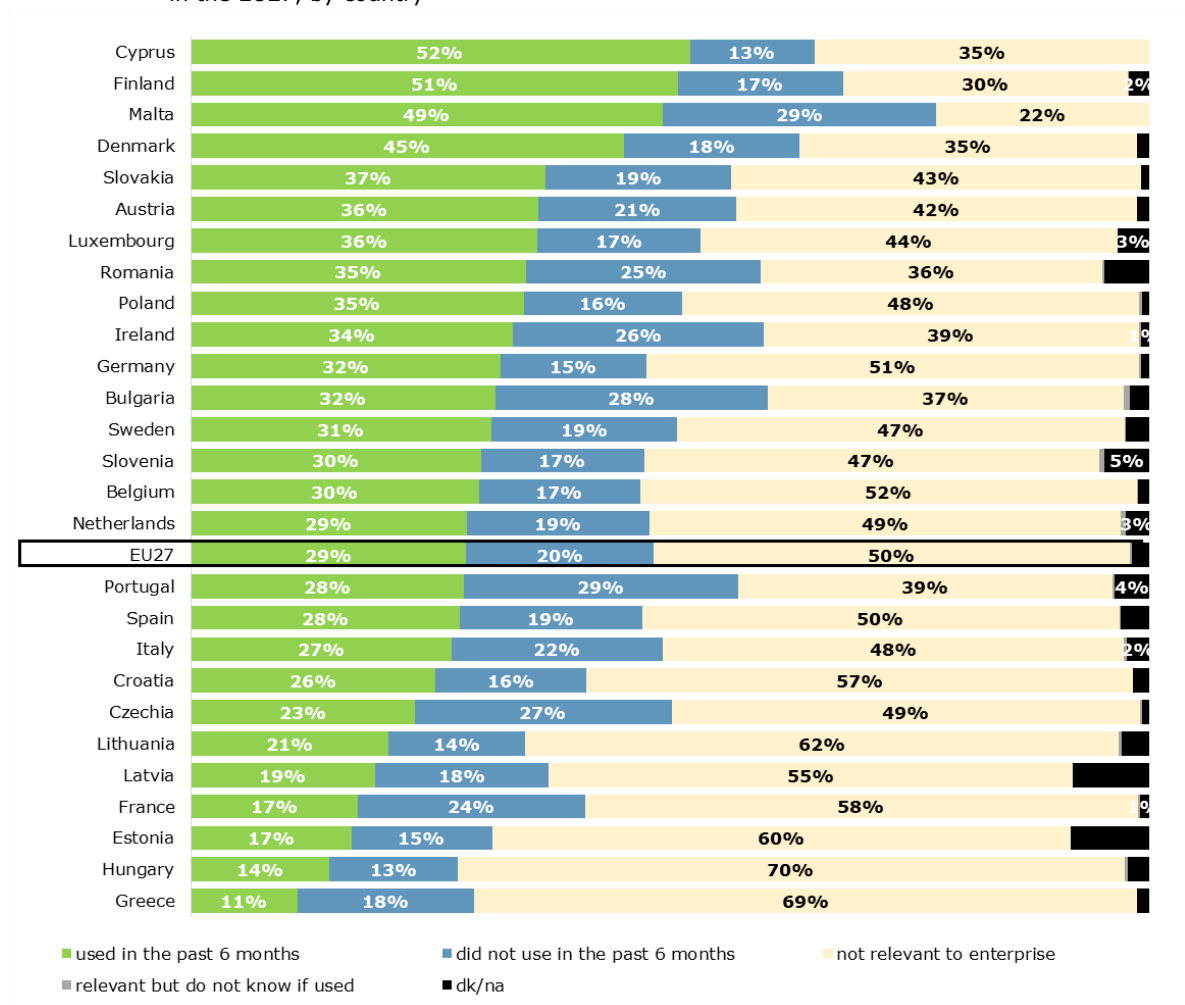
B. by size-class



Source: SAFE (Q4c); edited by Panteia.

Figure 6 presents a breakdown of results for SMEs by country in each of the EU27 countries. In general, 29% of the EU27 SMEs made use of credit line and overdraft in the past six months, while 20% did not. This method of funding is not relevant to 52% of the SMEs in the EU27 Member States. The highest percentage of SMEs which used credit line and overdraft in the past 6 months, are in Cyprus (52%), while in Greece only 11% of the SMEs did this. The largest percentage of SMEs which did not make use of this method of funding in the last 6 months are in Malta and Portugal (29%), whilst the lowest percentage can be found in Hungary and Cyprus (13%). A significant proportion of SMEs in Hungary and Greece (70% and 69%, respectively) stated that the use of credit line and overdraft was not relevant for the enterprise.

figure 6 Use of credit line, bank overdraft or credit overdraft during April to September 2021 for SMEs in the EU27, by country

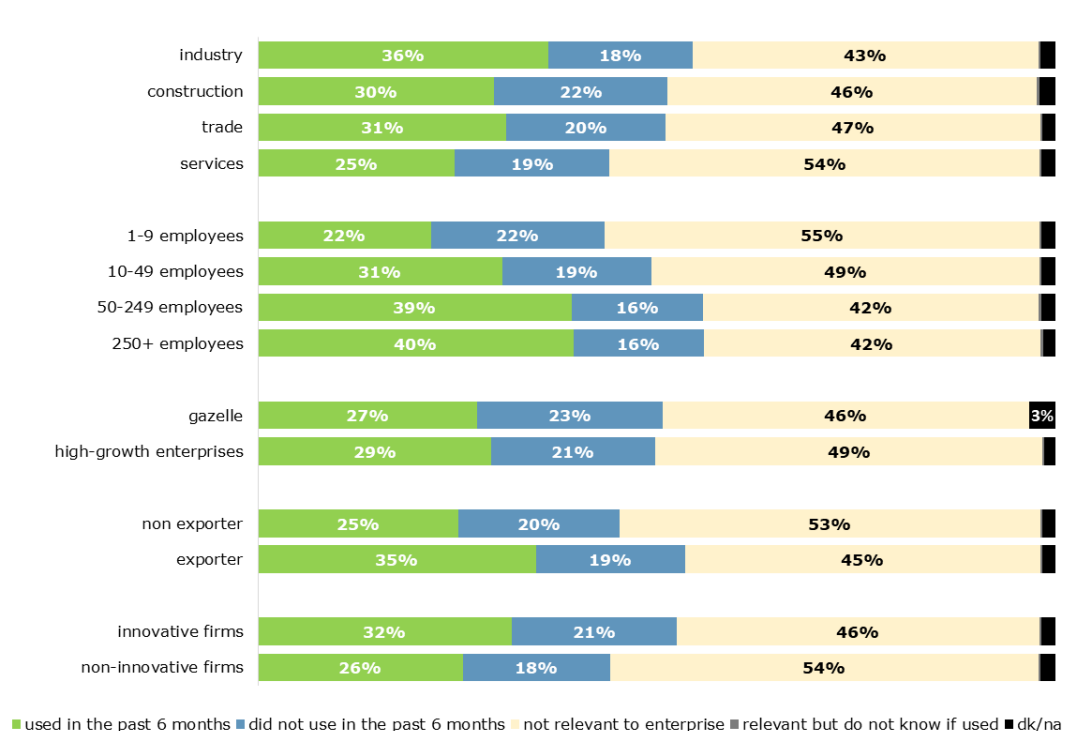


Source: SAFE (Q4c); edited by Panteia.

Figure 7 presents a breakdown by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for EU27 SMEs except when presented by size class. Among the four sectors distinguished, SMEs in industry most often used credit line and overdraft (36%) and SMEs in services use this type of financing least often (25%). The proportion of enterprises that used credit line or overdraft increases with enterprise size, with the use of credit line or overdraft most prevalent among large enterprises (with at least 250 employees) and smallest among

micro enterprises (1 to 9 employees). The use of credit line or overdraft for high-growth SMEs (29%) is the same as the EU average. Exporting SMEs are more likely to use credit line or overdraft than their non-exporting counterparts. Furthermore, the use of this type of financing is more prevalent among innovative SMEs, with 32% making use of it compared to 26% of non-innovative firms, although this indicates a slight decrease when compared to 2020.

figure 7 Use of credit line, bank overdraft or credit overdraft during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4c); edited by Panteia.

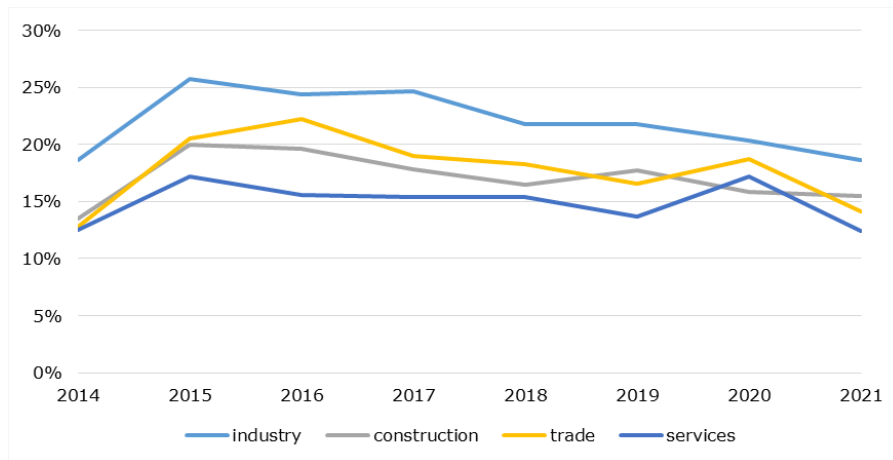
1.3.2 Bank loans

This section presents a more detailed breakdown of the use of bank loans.

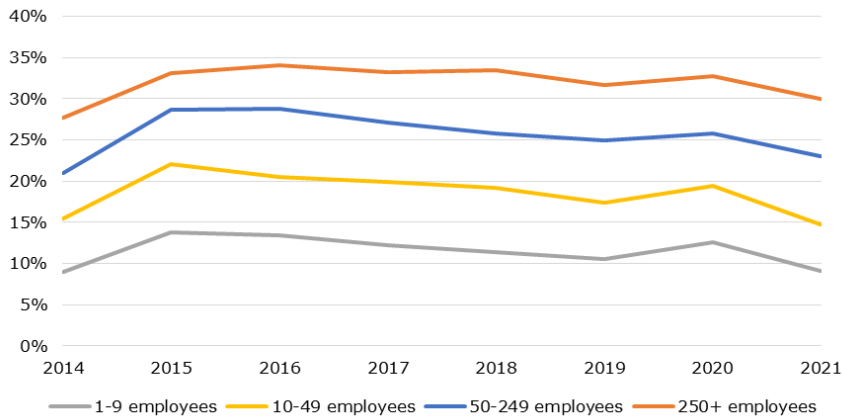
Figure 8 presents a more detailed breakdown of the use of bank loans in the past six months for SMEs in the EU27 from 2014 to 2021, by sector (figure 8A) and by size-class (figure 8B). Enterprises in the industry sector have made the most use of bank loans during the aforementioned time period, ranging from 26% in 2015 to 19% in 2021. In contrast, SMEs in the services sector made the least use of bank loans in 2021 (12%, down from 17% in 2020), with the trade and constructions sectors also making less use of bank loans when compared to 2020. The use of bank loans increases with firm size (figure 8B). The use of bank loans by all firm sizes remains slightly higher in larger enterprises when compared to 2014.

figure 8 Use of bank loans during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector



B. by size-class

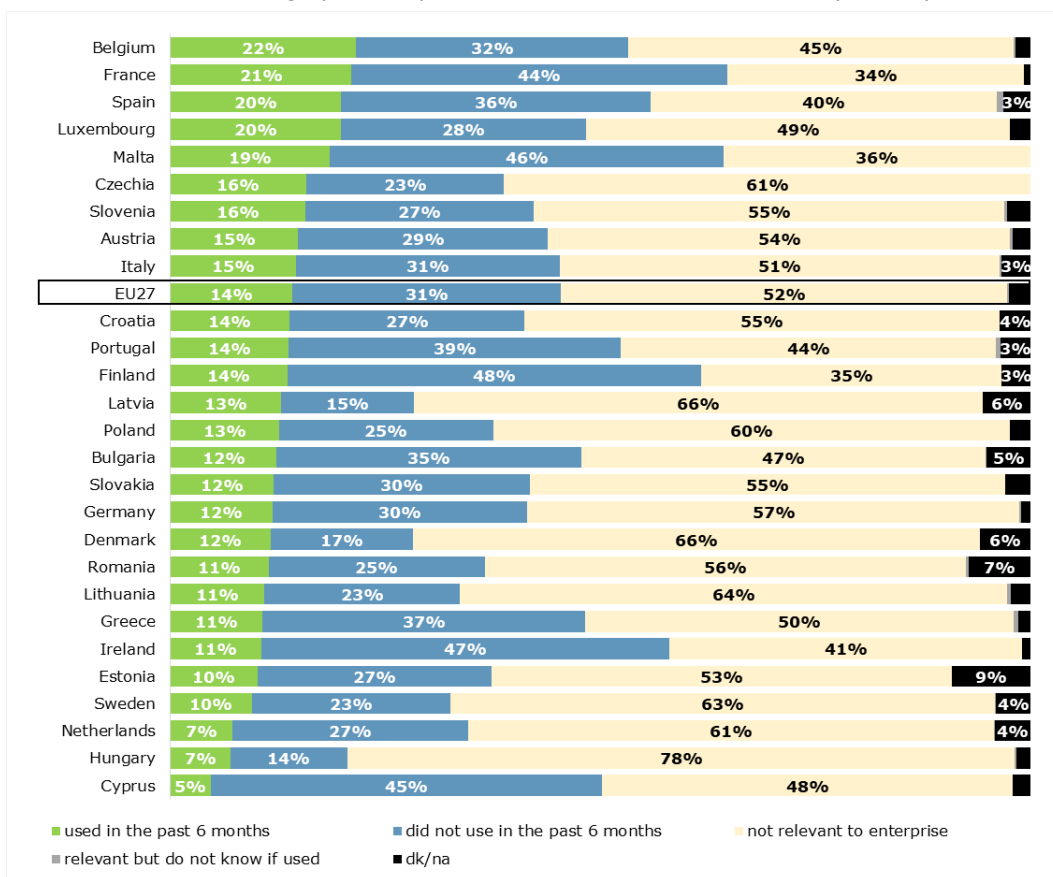


Source: SAFE (Q4d); edited by Panteia.

Figure 9 presents a breakdown of results for SMEs in each of the EU27 countries. 31% of SMEs in the EU27 did not make use of bank loans in the past six months, while only 14% did, compared to a figure of 18% in 2020. The figure shows that SMEs in Belgium, France, Spain and Luxembourg made use of bank loans most often. In contrast, in Cyprus, Hungary and The Netherlands, less than 10% made use of bank loans.

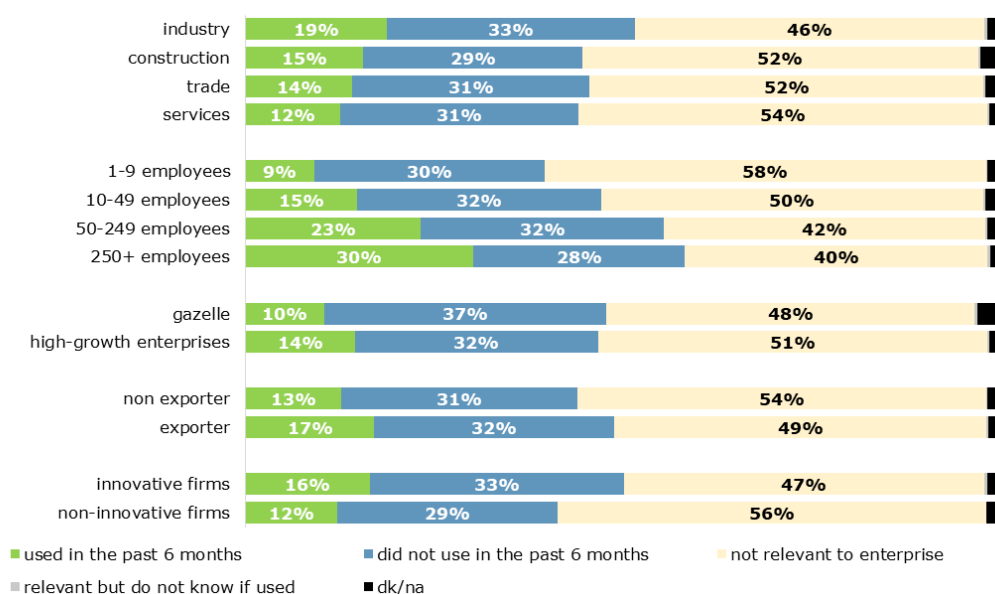
A breakdown by enterprise characteristic in figure 10 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class.

figure 9 Use of bank loan during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4d); edited by Panteia.

figure 10 Use of bank loans during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4d); edited by Panteia.

Among the four sectors distinguished, SMEs in industry most often used bank loans and SMEs in services use this type of financing least often. The proportion of enterprises that used bank loans increases with enterprise size. The use of bank loans is most prevalent among large enterprises (with at least 250 employees) and smallest among micro enterprises (1 to 9 employees). The use of bank loans occurs the least among gazelles: 10% of the SMEs in this category. The use of bank loans for high-growth SMEs (14%) is the same as the EU27 average. Exporting SMEs (17%) are more likely to use bank loans than their non-exporting (13%) counterparts. Furthermore, the use of this type of financing is more prevalent among innovative SMEs, with 16% making use of it, compared to 12% of non-innovative firms, although both of these figures are slightly lower than in 2020.

1.3.3 Leasing or hire-purchase

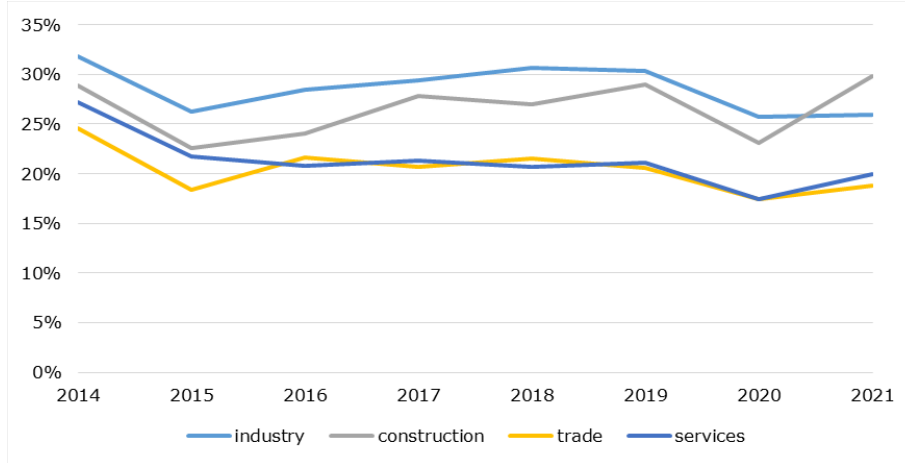
This section presents a more detailed breakdown of the use of leasing or hire-purchase by sector (figure 11A) and by size-class (figure 11B). SMEs in the trade and services sectors have made the least use of leasing or hire-purchase (19% and 20%, respectively), in comparison to enterprises in the industry and construction sectors (26% and 30%, respectively). It should be noted that this has decreased across all sectors, except the construction sector, since 2014. When considering micro enterprises with 1-9 employees, such firms have made the least use of this method of financing. On the other hand, larger firms with 50-249 and 250+ employees most often used leasing or hire-purchase in the given time period.

A breakdown by country in figure 12 presents results concerning the use of leasing or hire-purchase in the past six months for SMEs in each country of the EU27. In the EU27, 22% of SMEs used leasing or hire-purchase as a method for financing, whilst 25% did not use this type of financing. Again, the use of this type of financing varies greatly among countries. Predominantly, SMEs in Austria and Poland, Finland and Sweden used leasing or hire-purchase (30% or above). The countries in which SMEs made use of this method the least include Greece, Malta and Cyprus (below 10%).

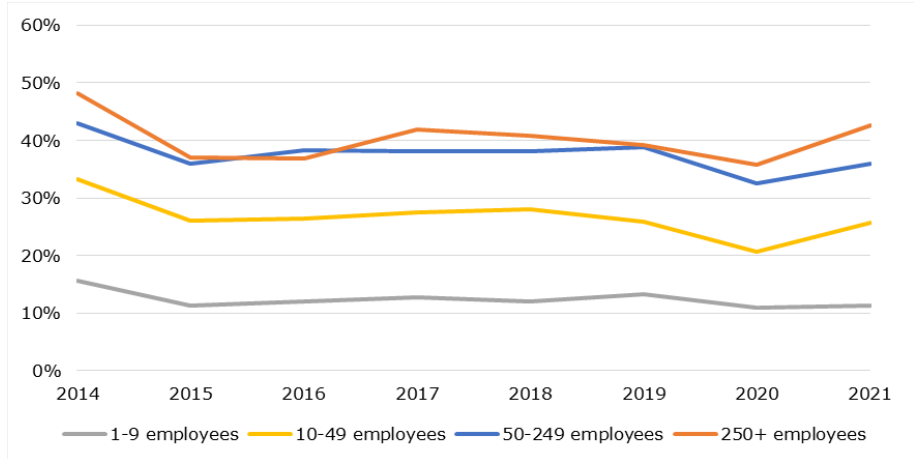
A breakdown by enterprise characteristic in figure 13 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class. SMEs in construction (30%) most often used leasing or hire purchase and SMEs in trade used this type of financing the least often (19%). The use of leasing or hire-purchase increases with enterprise size. The use is most prevalent among medium-sized (50 to 249 employees) and large enterprises (with at least 250 employees) and smallest among micro enterprises (1 to 9 employees). Gazelles and high-growth enterprises are similar in respect of their use of leasing or hire purchase (24%). Compared to non-exporting SMEs, exporting SMEs are more likely to use leasing or hire-purchase. Furthermore, the use of this type of financing is more prevalent among innovative SMEs than among non-innovative SMEs.

figure 11 Use of leasing or hire-purchase during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

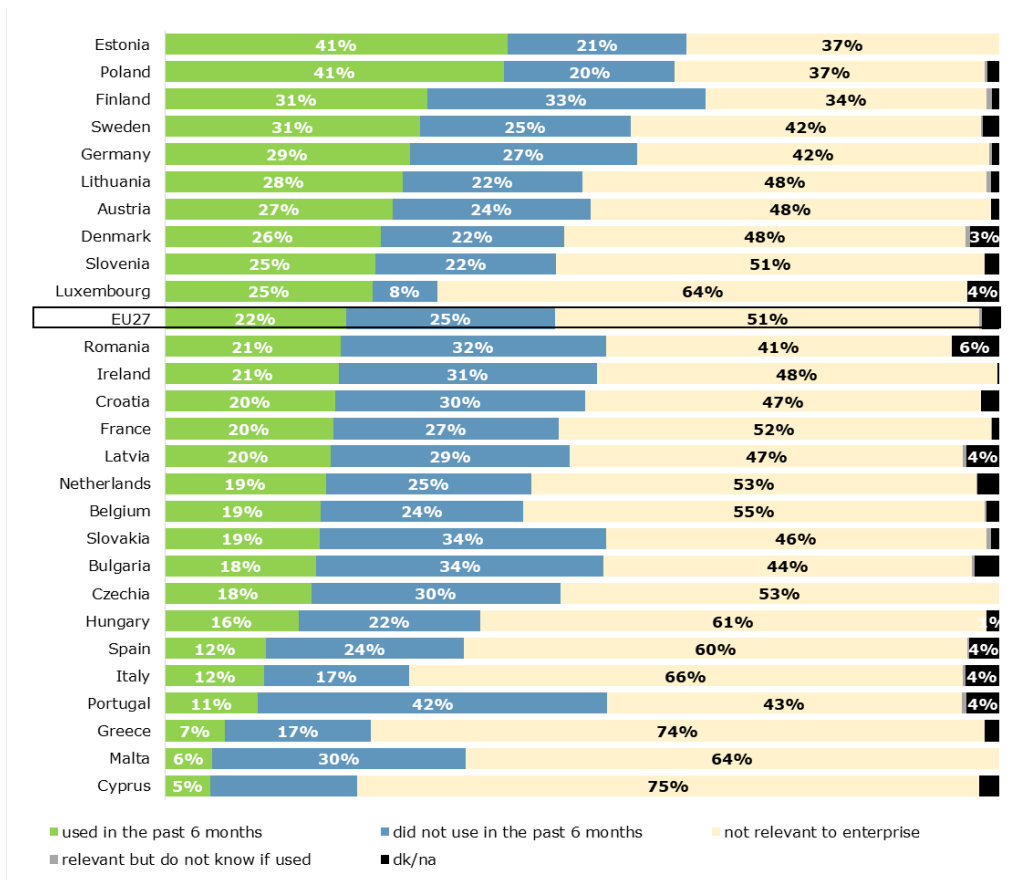


B. by size-class



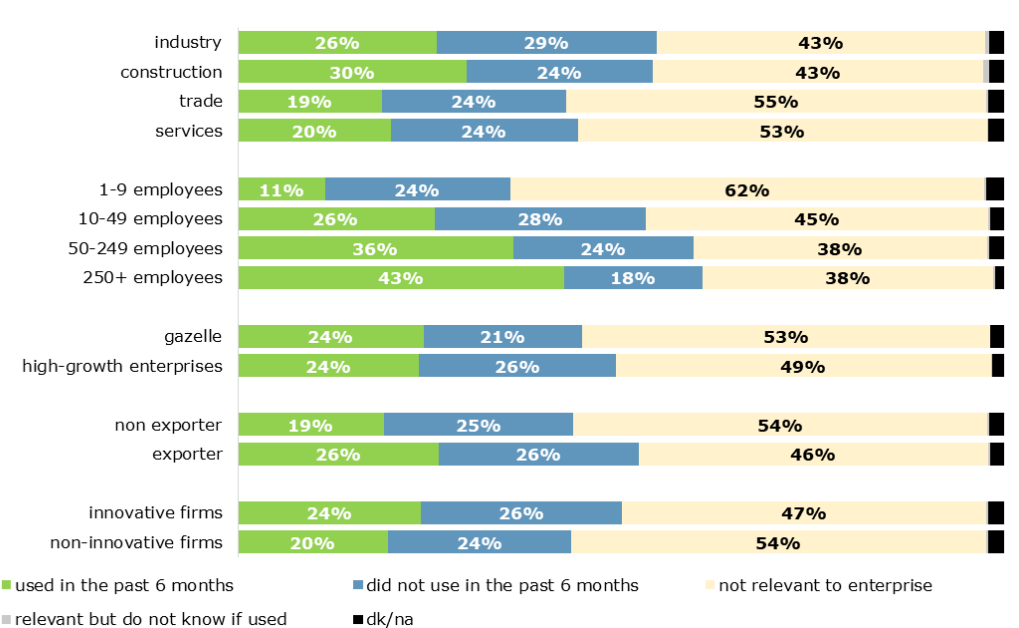
Source: SAFE (Q4m); edited by Panteia.

figure 12 Use of leasing or hire-purchase during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4m); edited by Panteia.

figure 13 Use of leasing or hire-purchase during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4m); edited by Panteia.

1.3.4 Trade credit

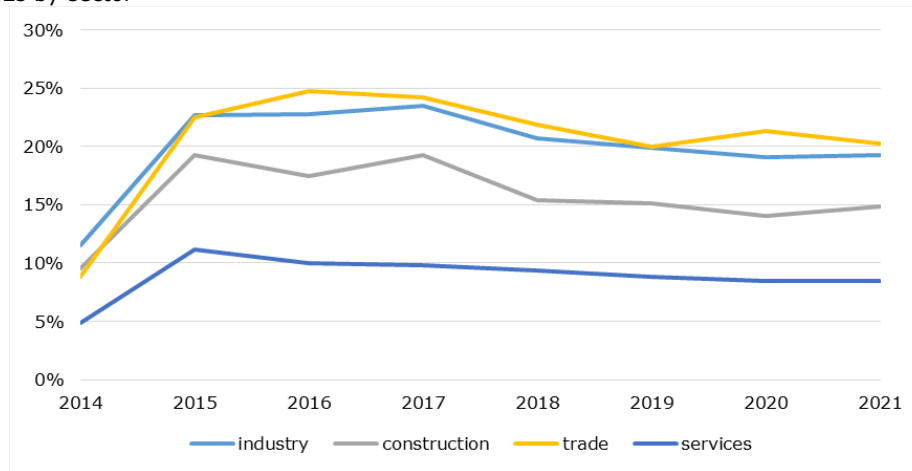
This section presents a more detailed breakdown of the use of trade credit from 2014 to 2021, by sector (figure 14A) and by size-class (figure 14B). Since 2014, there has been a growth in enterprises making use of trade credit in all sectors, though there has been a slight decline in the use of trade credit for all sectors since 2015. The use of trade credit has followed a similar trend for enterprises of different size classes, with the exception of enterprises of 250+ employees (figure 14B).

Figure 15 presents a breakdown of results for SMEs using trade credit in the past six months by country in the EU27. The data shows substantial differences between countries. SMEs in Ireland made far more use of trade credit as a source of financing compared to other Member States (45%), whereas less than 10% of SMEs in 10 Member States obtained this type of financing, with SMEs in Slovenia, Croatia and Hungary below 5%.

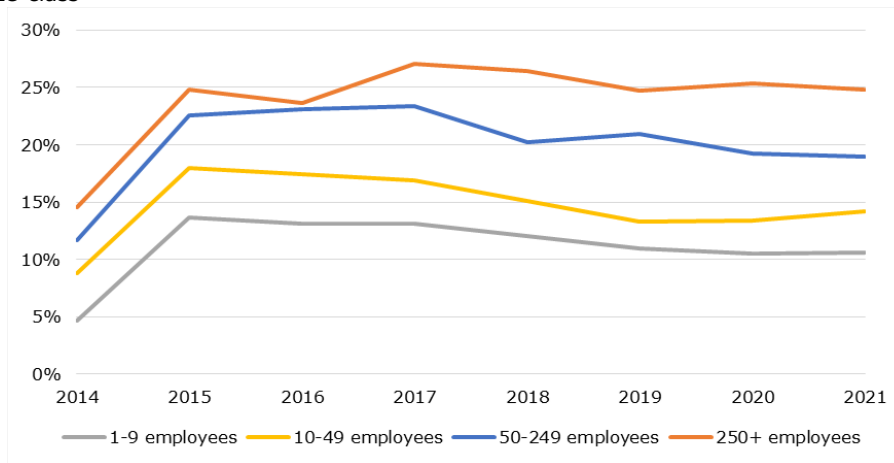
A breakdown by enterprise characteristic in figure 16 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class. Among the four sectors distinguished, SMEs in trade and industry are most likely to have obtained trade credit, whereas SMEs in services are least likely to have used this type of financing. The proportion of enterprises that obtained trade credit increases with enterprise size. The use of trade credit is most prevalent among large enterprises (with at least 250 employees) and smallest among micro enterprises (1 to 9 employees). The proportion of use of trade credit for those SMEs which can be categorised as gazelles (12%) is slightly lower than the SMEs in the EU27 on average (14%). Compared to non-exporting SMEs, exporting SMEs more often obtained trade credit. In addition, the proportion of SMEs that obtained trade credit between April and September 2021 is higher among innovative SMEs (16%) than among non-innovative SMEs (12%).

figure 14 Use of trade credit during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

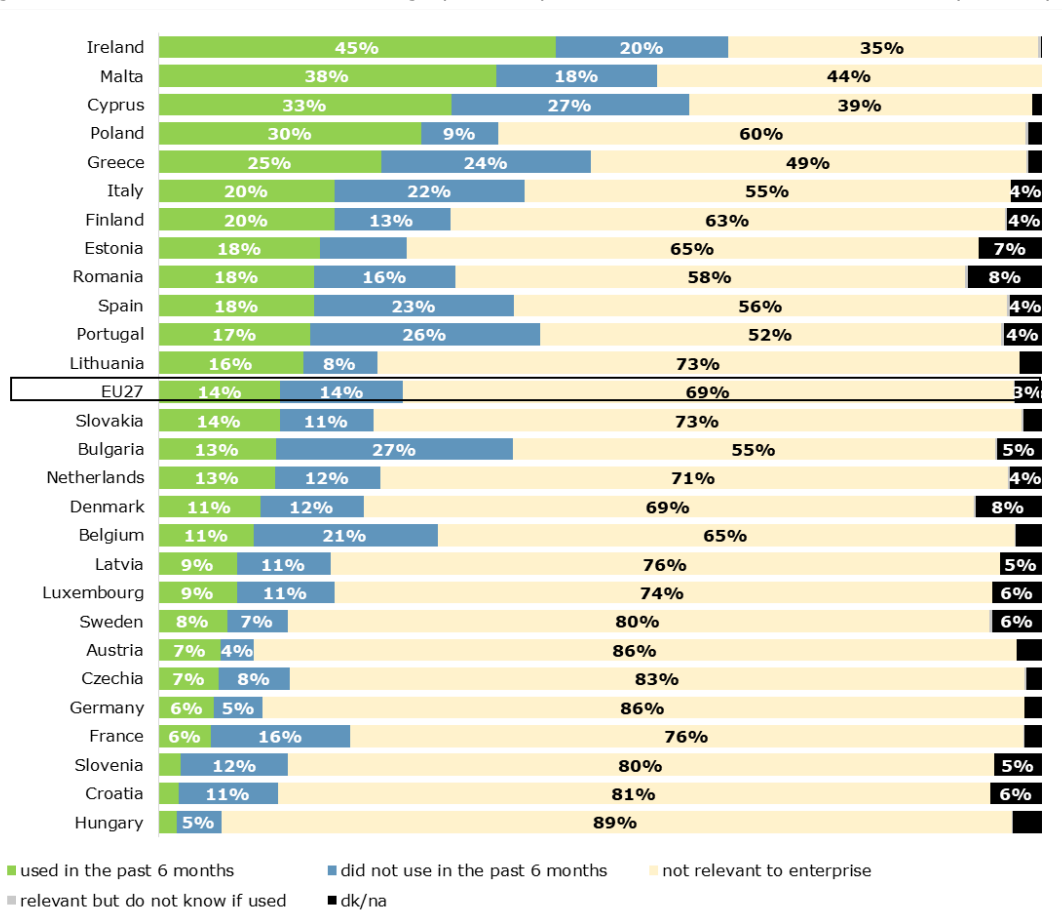


B. by size-class



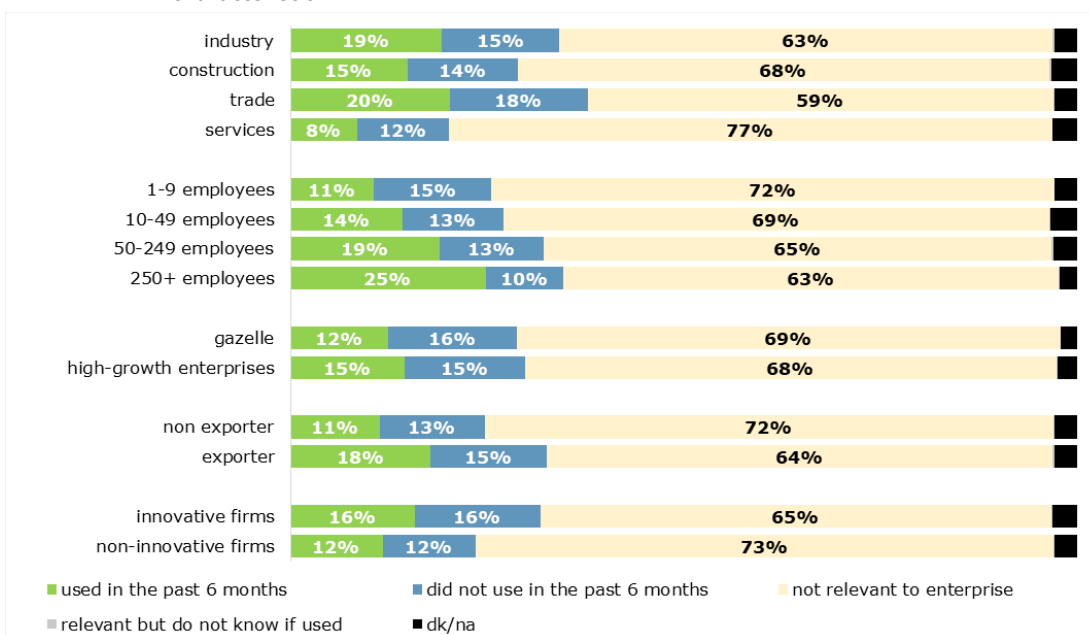
Source: SAFE (Q4e); edited by Panteia.

figure 15 Use of trade credit during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4e); edited by Panteia.

figure 16 Use of trade credit during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4e); edited by Panteia.

1.3.5 Grants or subsidised bank loans

This section presents a more detailed breakdown of the use of grants or subsidised bank loans from 2014 to 2021, by sector (figure 17A) and by size-class (figure 17B). Between 2014 and 2019, the use of grants or subsidised bank loans had, for the most part, declined in all sectors. However, 2020 showed significant increases for all sectors and size classes. These figures decreased significantly in 2021. Decreases were also seen across all size classes in 2021 when compared to 2020.

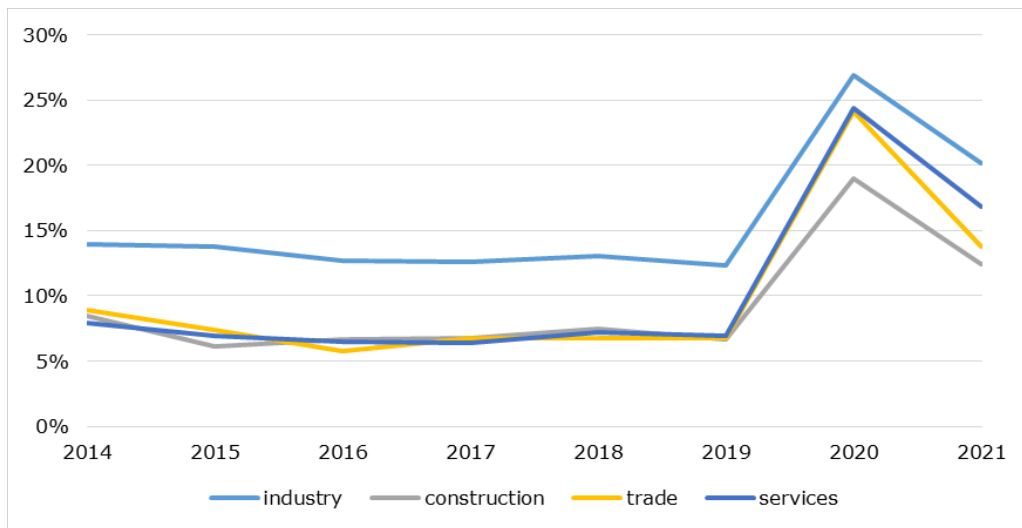
Figure 18 presents a breakdown of results for SMEs using grants or subsidised bank loans in the past six months in each country of the EU27. Generally, in the EU27, this type of financing was used by 16% of SMEs, which is lower than the figures for 2020 (24% of SMEs). Enterprises in Italy, Greece, Spain and Austria were amongst the ones who made use of grants or subsidised bank loans the most in the given time period (all above 20%). In contrast, only a small percentage of firms in Denmark, Slovakia, Cyprus and The Netherlands made use of this method of financing (all less than 5%).

A breakdown by enterprise characteristic in figure 19 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class.

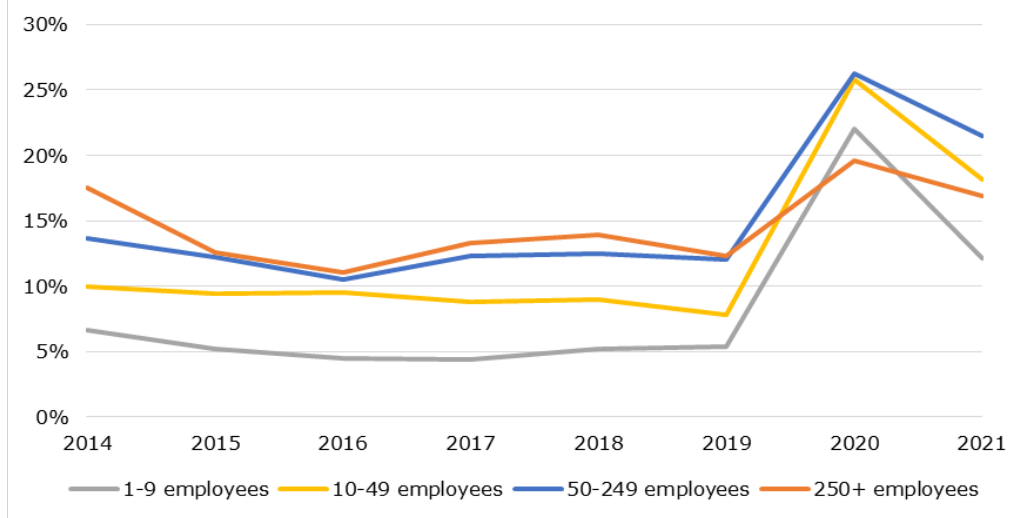
For the use of grants or subsidised bank loans, SMEs in industry are the largest users in comparison to other sectors (20%), although this is lower than in 2020 (27%). When comparing across enterprise classes, the use of grants or subsidised bank loans is most prevalent among small and medium sized enterprises (10-49 and 50 to 249 employees). The use of grants or subsidised loans by gazelles is slightly above the EU27 average, whereas this figure is the same for high-growth SMEs. Exporting SMEs are more likely to use grants or subsidised loans than their non-exporting counterparts. In addition, relatively more innovative SMEs used grants or subsidised loans in 2021 than non-innovative SMEs.

figure 17 Use of grants or subsidised bank loans during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

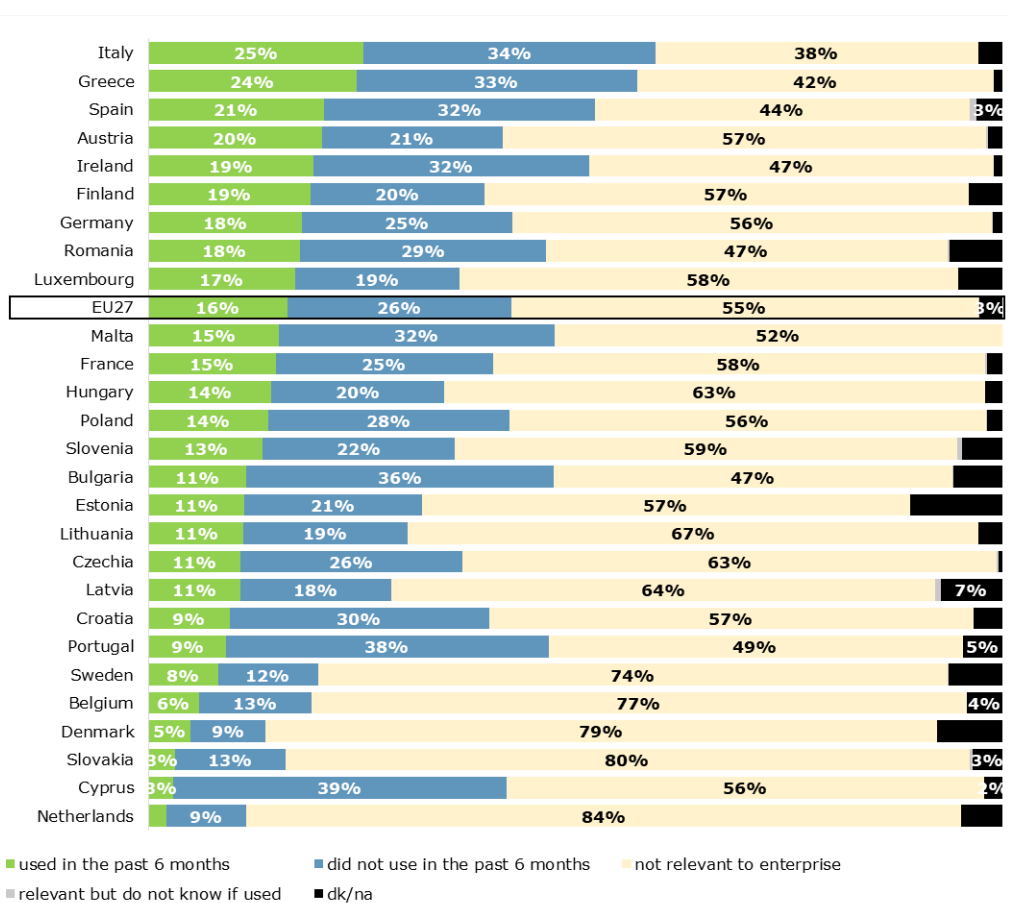


B. by size-class



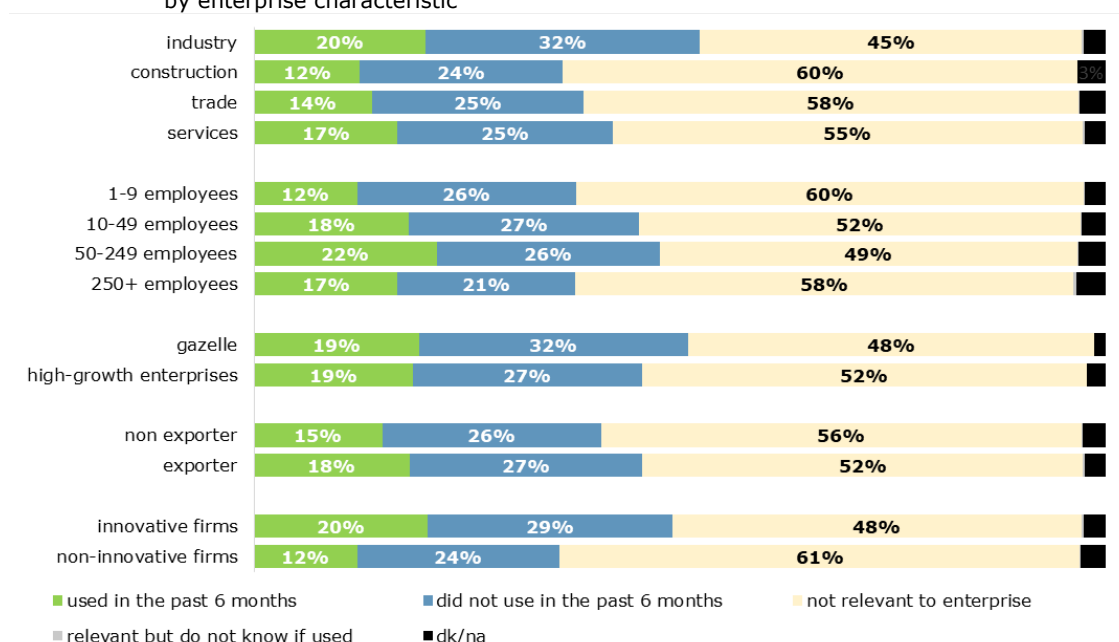
Source: SAFE (Q4b); edited by Panteia.

figure 18 Use of grants or subsidised bank loans during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4b); edited by Panteia.

figure 19 Use of grants or subsidised bank loans during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4b); edited by Panteia.

1.3.6 Retained earnings or sale of assets

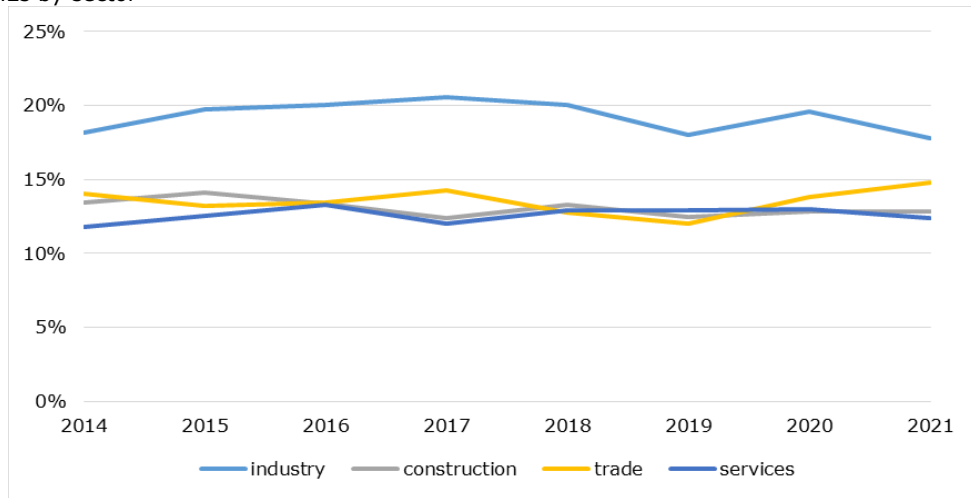
This section presents a more detailed breakdown of retaining of earnings or selling of assets from 2014 to 2021, by sector (figure 20A) and by size-class (figure 20B). The use of retained earnings or sale of assets has decreased for SMEs in all sectors when compared to 2020, with the exception of SMEs in construction, which has remained the same (13%). Over the past year, the use of retained earnings or sale of assets is mostly used by larger enterprises (250+ employees).

Figure 21 presents a breakdown of results for SMEs using retained earnings or sale of assets in the EU27 countries in the past six months. The majority of the SMEs (71%) in the EU27 stated that this method of financing is not relevant to them, and in Greece and The Netherlands, this figure is over 80%. Though, in Latvia and Malta, 31% and 28%, respectively, of SMEs in these countries made use of retained earnings or sale of assets. In contrast, 5% of the SMEs in Greece did the same.

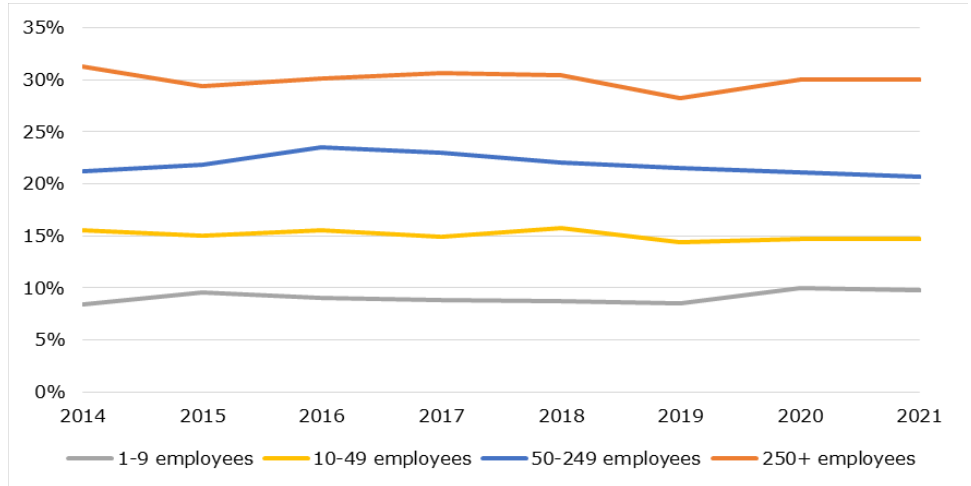
A breakdown by enterprise characteristic in figure 22 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. Results are for all EU27 SMEs except when presented by size class. Among the four sectors distinguished, SMEs in industry are most likely to use retained earnings or sell assets (18%). The relative number of enterprises that used retained earnings or sold assets increases with enterprise size. Retaining earnings or selling assets is most prevalent among large enterprises (with at least 250 employees) and smallest among micro enterprises (1 to 9 employees). The proportion of gazelles that retained earnings or sold assets is lower than the EU27 average, and the proportion of high-growth SMEs that did this is the same compared to the EU27 average. Exporting SMEs more often retained earnings and sold assets in comparison to non-exporting SMEs. Furthermore, the proportion of SMEs that retained earnings or sold assets between April and September 2021 is higher among innovative SMEs than among non-innovative SMEs.

figure 20 Use of retained earnings or sale of assets during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

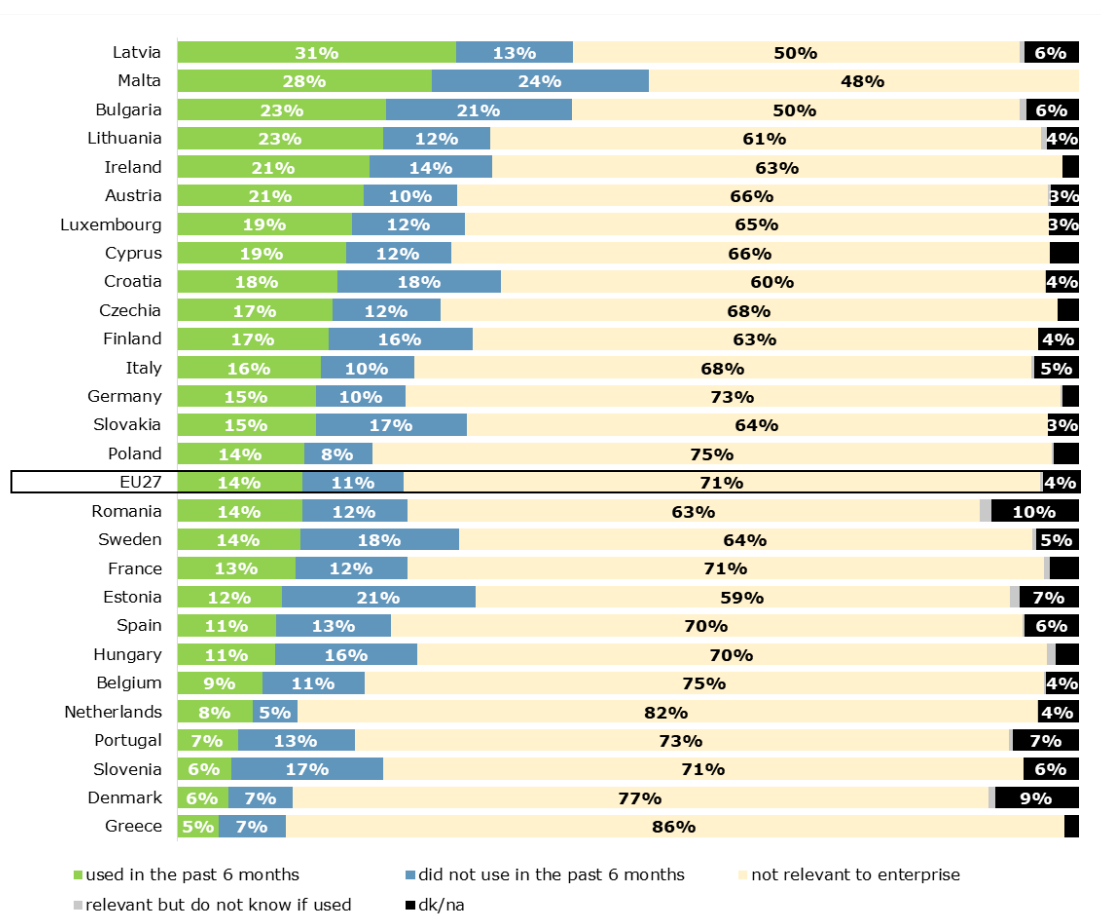


B. by size-class



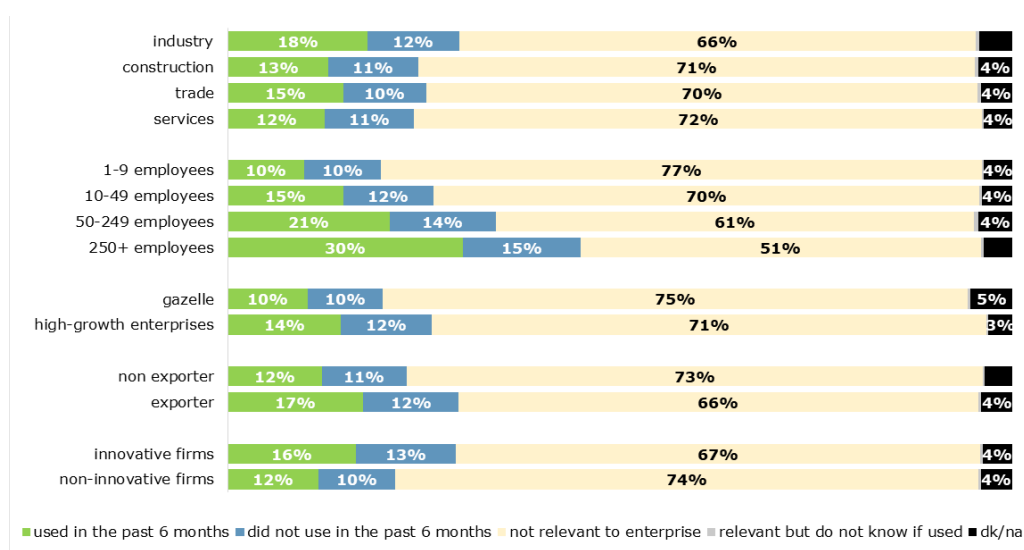
Source: SAFE (Q4a); edited by Panteia.

figure 21 Use of retained earnings or sale of assets during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4a); edited by Panteia.

figure 22 Use of retained earnings or sale of assets during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4a); edited by Panteia.

1.3.7 Other loans

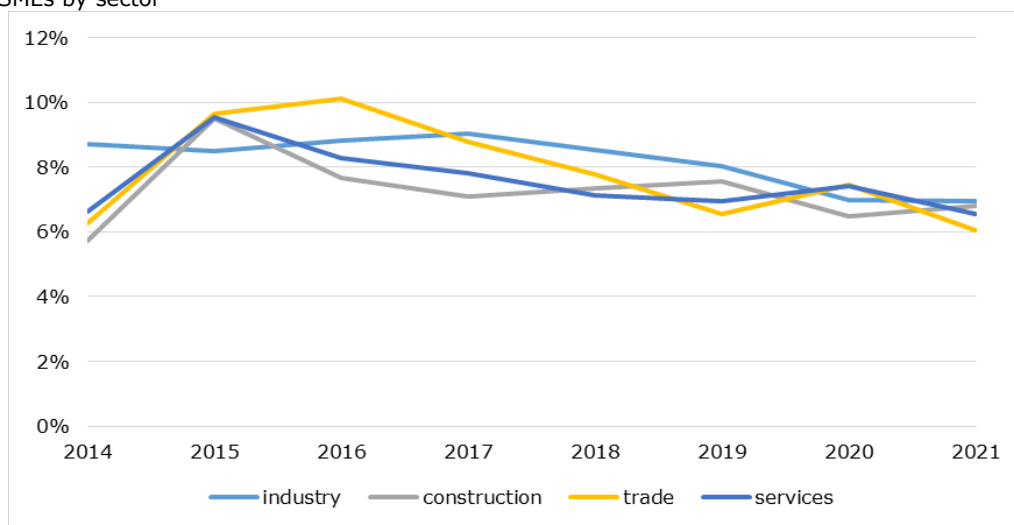
This section presents a more detailed breakdown of the use of other loans from 2014 to 2021, for example, from family and friends, a related enterprise or shareholders in the previous six months. Results are presented for SMEs by sector (figure 23A) and by size-class (figure 23B). The use of other loans has remained relatively stable for SMEs in all sectors, with slight decreases in the trade sector and a slight increase for the construction sector when compared to 2020. For small (10-49 employees) and medium (250+ employees) enterprises, the use of other loans has remained stable compared to 2020. For the other categories, the use of other loans has decreased slightly.

Figure 24 presents a breakdown of results for EU27 SMEs using other loans in the past six months by country. The figure shows that SMEs in Bulgaria most often used other types of loans (13%), compared to a EU27 average of 7%. Alternatively, the proportions of SMEs that used other types of loans between April and September 2021 in Italy, France, Greece, and Luxembourg were all 3% or below. In total, this type of financing was not relevant for 79% of EU27 SMEs, which is slightly above the figures for 2020 (77%).

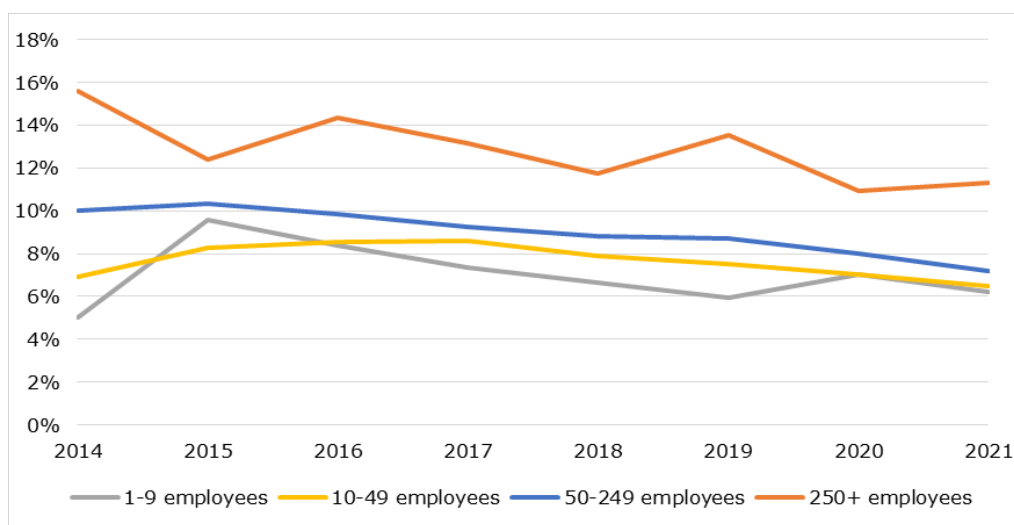
A breakdown by enterprise characteristic in figure 25 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for EU27 SMEs except when presented by size class. There are no large differences between the four sectors distinguished. There is also only a small variation across enterprise size. The proportion of SMEs that have taken out or renewed other types of loans is highest among large enterprises (with at least 250 employees). The proportion of SMEs that used other types of loans is highest among gazelles: 14% of SMEs in this category compared to 7% of SMEs in total EU27. The proportion of high-growth SMEs that used other types of loans is the same as SMEs in the total EU27. Exporting SMEs are more likely to use other types of loans, and innovative SMEs used this form of financing more often than non-innovative firms.

figure 23 Use of other loans during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

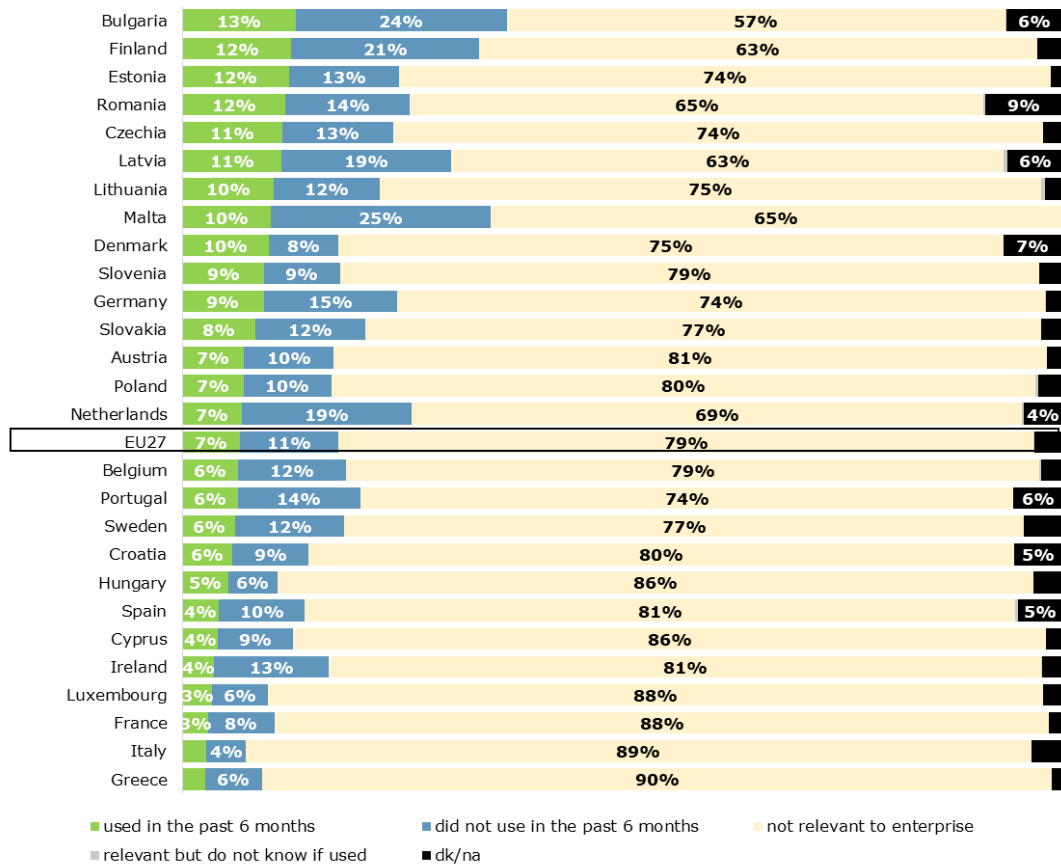


B. by size-class



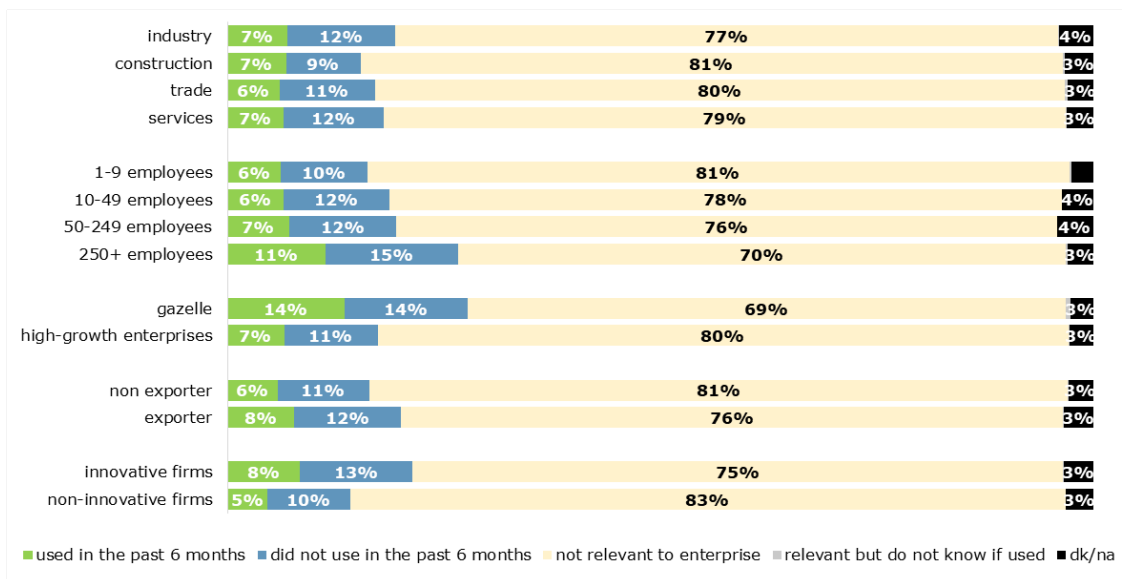
Source: SAFE (Q4f); edited by Panteia.

figure 24 Use of other loan during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4f); edited by Panteia.

figure 25 Use of other loans during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4f); edited by Panteia.

1.3.8 Equity capital

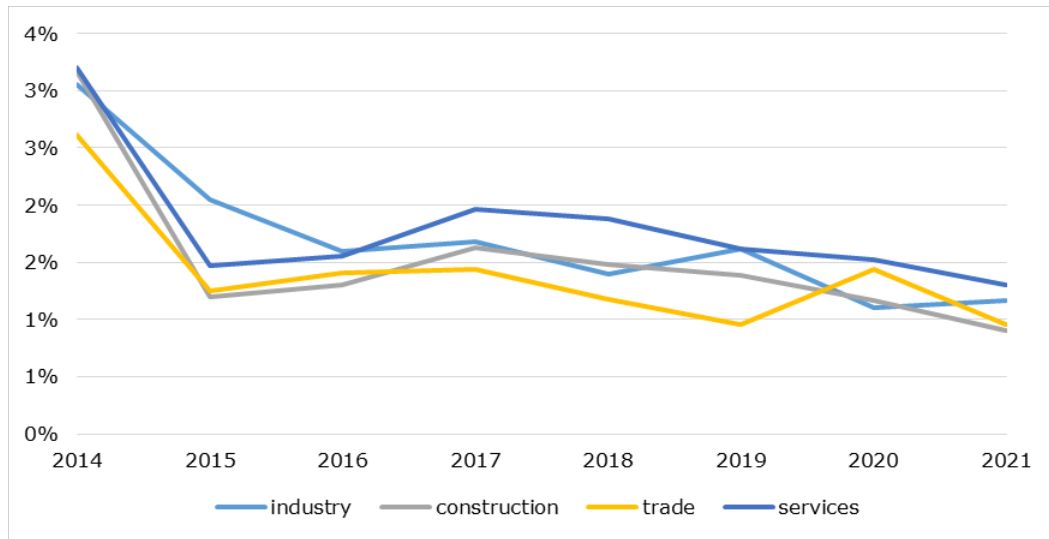
This section presents a more detailed breakdown of the use of equity capital from 2014 to 2021, by SMEs in the EU27 for the period April to September by sector (figure 26A) and by size-class (figure 26B). There has been a gradual decrease in the use of equity capital by SMEs in the four identified sectors when compared to 2014. When looking at the size of the enterprise, the use of equity capital has also decreased in all categories when compared to 2014.

Figure 27 presents a breakdown of results for SMEs using equity capital in the past six months in each country of the EU27. 85% of the SMEs in the EU27 stated that the use of this method of financing was not relevant to their enterprise. Between April and September 2021, equity was issued by only a small proportion of the EU27 SMEs (1%). The proportions of SMEs that issued equity range from 9% in Latvia and 7% in Sweden and Luxembourg to zero in Bulgaria, Croatia, Cyprus, Czechia, Hungary, Italy, Malta, Portugal, Slovakia and Spain.

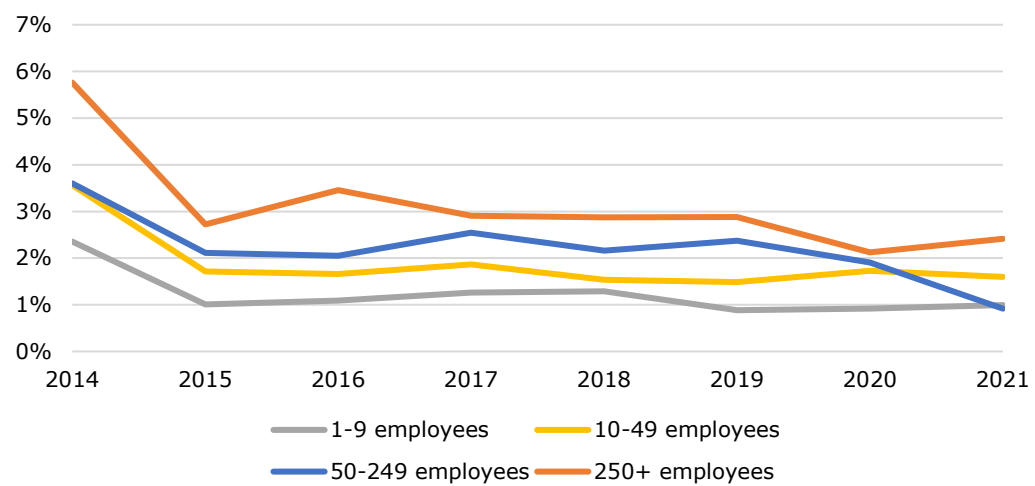
A breakdown by enterprise characteristic in figure 28 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class. Among the distinguished types of enterprises, the proportion of SMEs that have issued equity only varies slightly and is very low. Innovative firms are more likely to utilize equity capital as means of financing than their non-exporting counterparts, albeit by a small margin.

figure 26 Use of equity capital during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

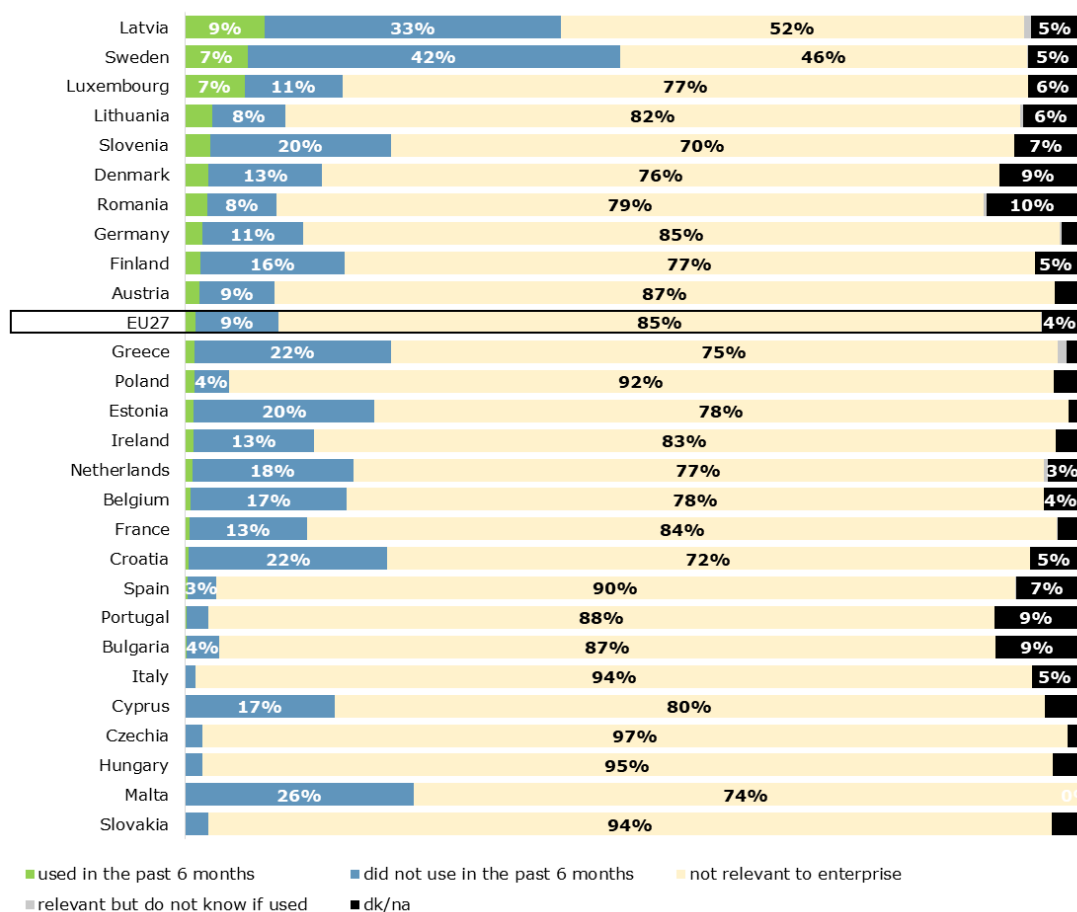


B. by size-class



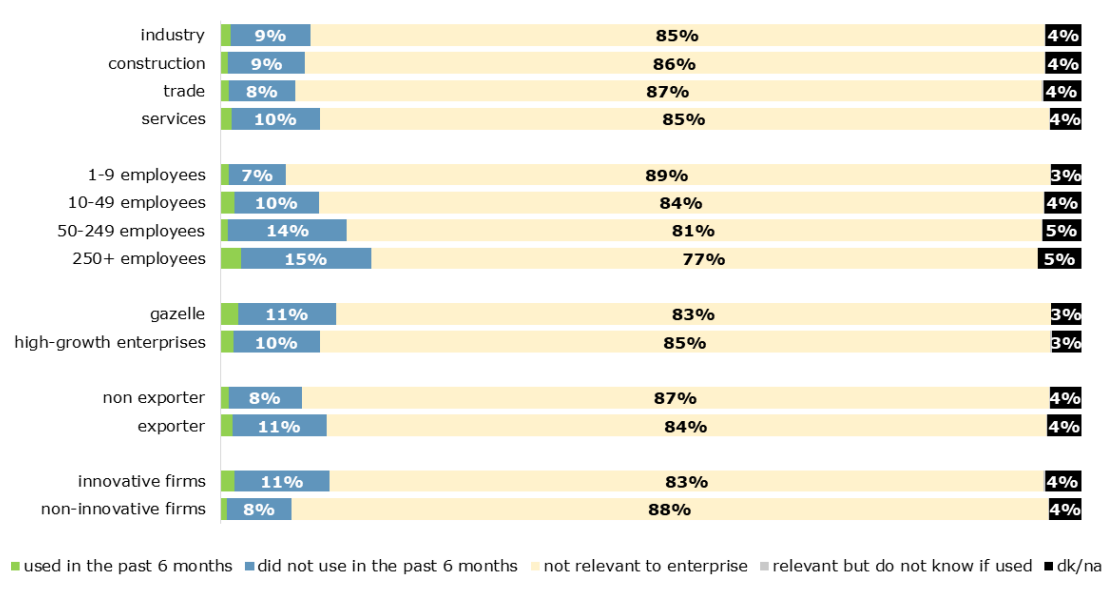
Source: SAFE (Q4j); edited by Panteia.

figure 27 Use of equity capital during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4j); edited by Panteia.

figure 28 Use of equity capital during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4j); edited by Panteia.

1.3.9 Factoring

This section presents a more detailed breakdown of the use of factoring by SMEs in the EU27 from 2014 to 2021 by sector (figure 29A) and by size-class (figure 29B). The use of factoring is most prevalent in industry, albeit it with a slight decrease on 2020. Since 2020, the use of factoring has remained stable for enterprises of all sizes.

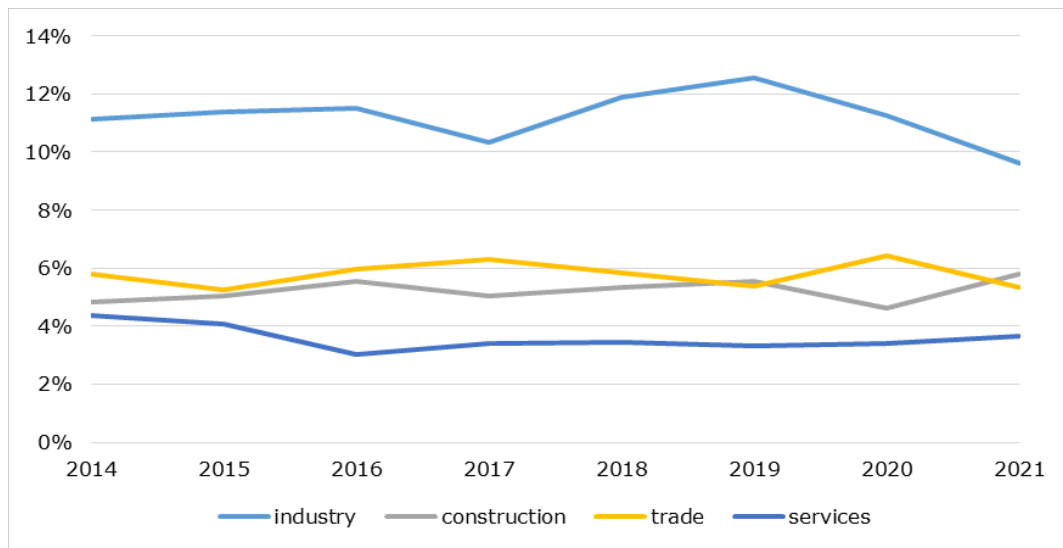
Figure 30 presents a breakdown of results for SMEs in each country of the EU27. Between April and September 2021, on average, only 5% of SMEs in the EU27 have used factoring. Enterprises in Finland have utilized it most often (13%), while only 1% firms in Hungary reported making use of factoring.

A breakdown by enterprise characteristic in figure 31 presents the results by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for all EU27 SMEs except when presented by size class.

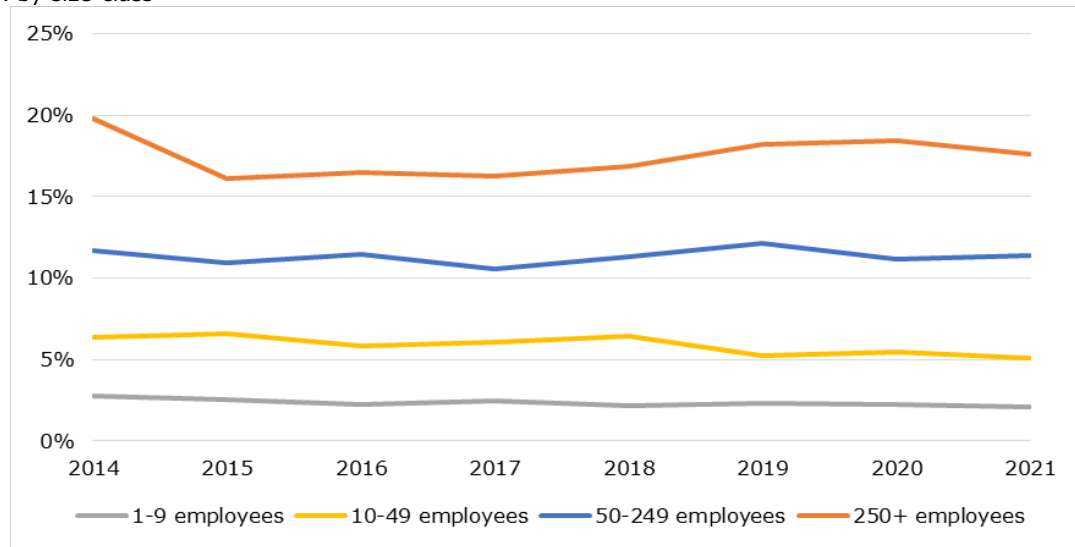
Comparing across sectors, SMEs in industry most often used factoring and SMEs in services used this type of financing the least. The proportion of enterprises that used factoring increases with enterprise size. The proportion of SMEs that have used factoring between April and September 2021 is highest among large enterprises (with at least 250 employees) and smallest among micro enterprises (1 to 9 employees). The proportion of gazelles and high-growth enterprises is 1% higher than the average EU27 SME. Exporting SMEs are more likely to have used factoring than non-exporting SMEs, 9% in comparison to 3%. Furthermore, innovative SMEs more often used factoring than their non-innovative counterparts.

figure 29 Use of factoring during April to September for SMEs in the EU27, 2014-2021

A. SMEs by sector

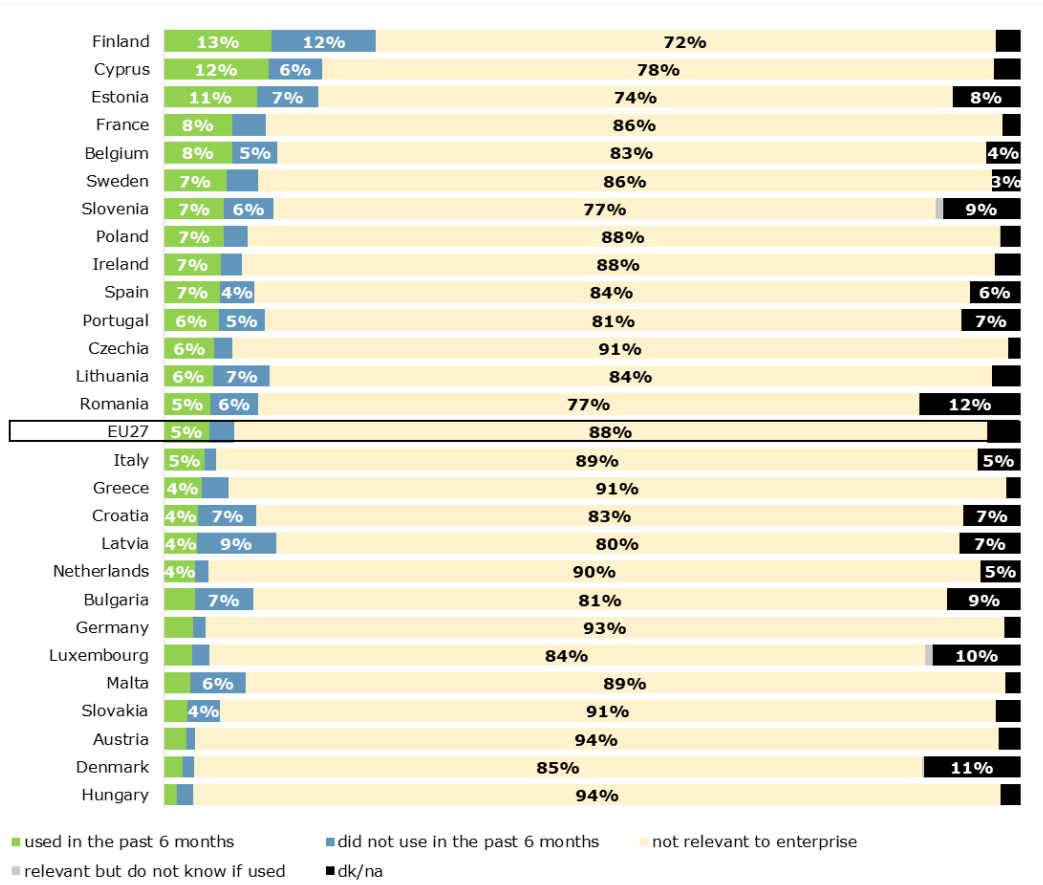


B. by size-class



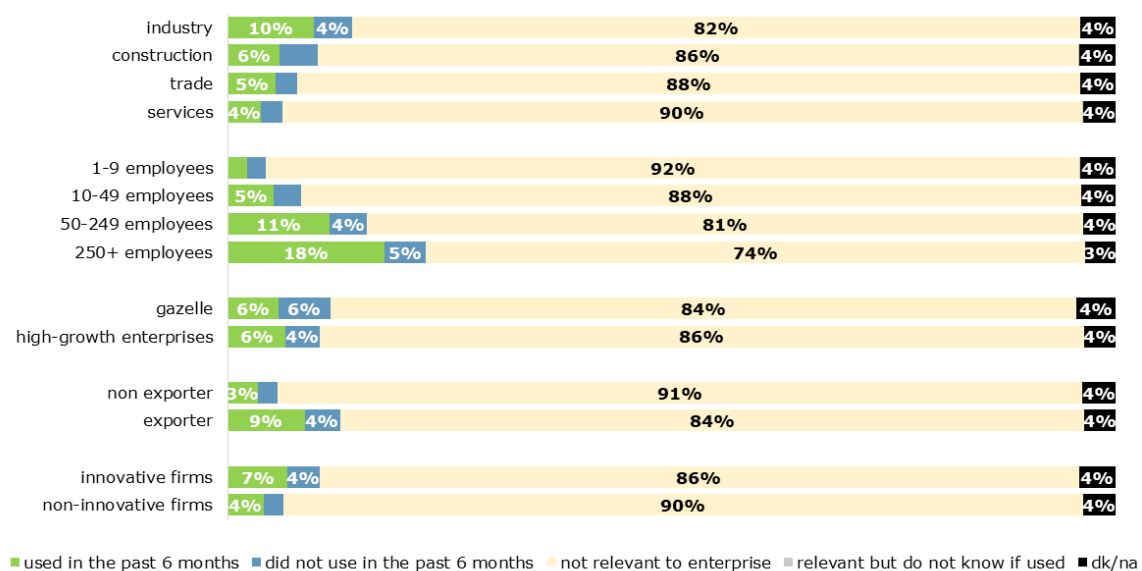
Source: SAFE (Q4r); edited by Panteia.

figure 30 Use of factoring during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q4r); edited by Panteia.

figure 31 Use of factoring during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q4r); edited by Panteia.

1.4. Types of external financing applied for

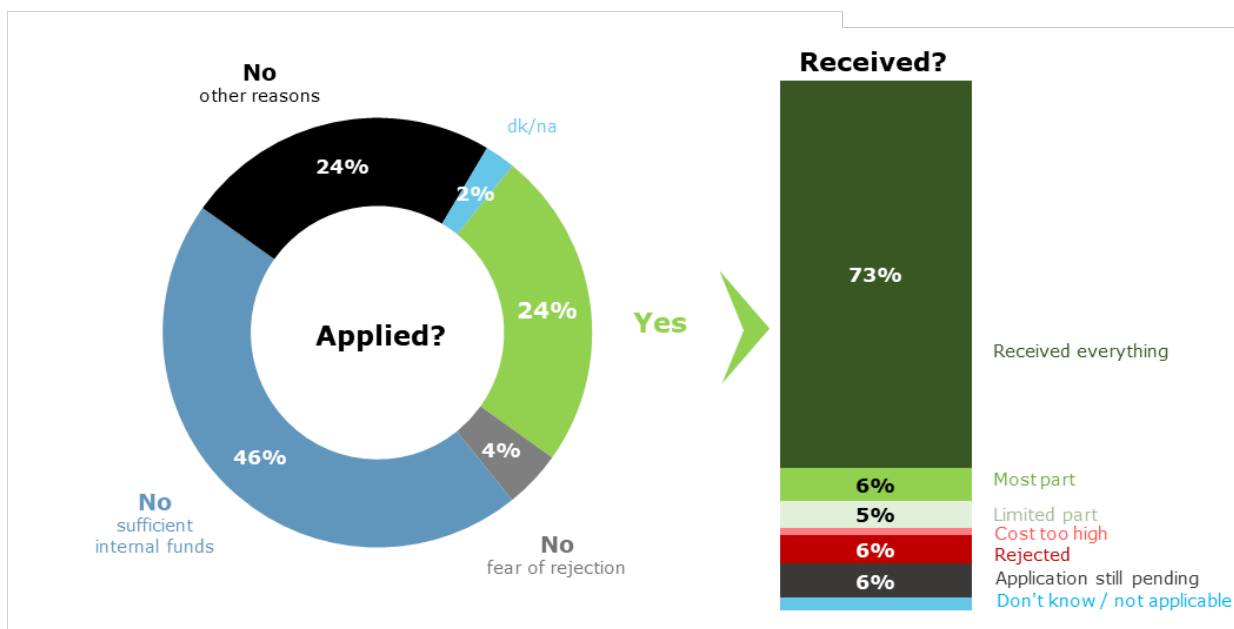
This section covers the types of external financing that SMEs actually applied for. The proportion of SMEs applying for a type of financing and the outcome of these applications are discussed for credit line and overdraft, bank loans, trade credit and other types of external financing.

The discussion of each type will follow the same structure. First, overall results are presented for SMEs in the EU27, with the most recent results being compared to preceding survey years. This is followed by a comparison by country and enterprise characteristics.

1.4.1 Credit line, bank overdraft or credit cards overdraft

The proportion of EU27 SMEs that applied for credit line, bank overdraft or credit cards overdraft - or did not do so due to various reasons - as well as the corresponding success rates are presented in figure 32. The proportions refer to SMEs that indicated credit line or overdraft to be relevant to their enterprise. In 2021, 24% of SMEs in the 27 Member States of the EU applied for credit line or overdraft. Most of them were successful in doing so: 73% of all applications were granted in full, and another 6% were granted most of the amount applied for. In 2021, the rejection rate for credit line or overdraft applications was 6%. Most of the EU27 SMEs that did not apply for overdraft or credit line, mentioned the availability of sufficient internal funds as the most important reason for not doing so (46%).

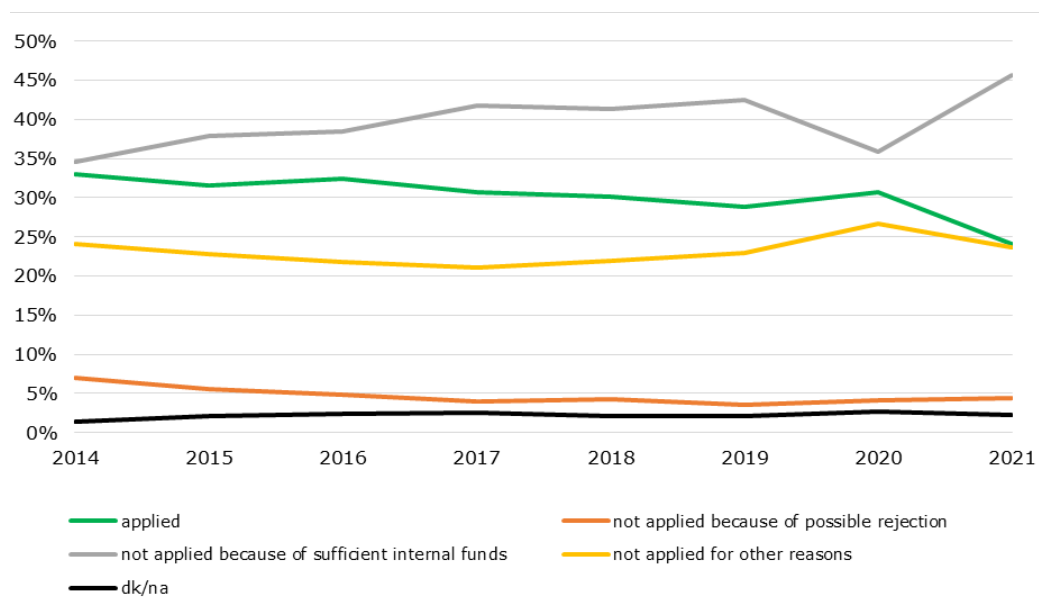
figure 32 Proportion of EU27 SMEs that applied for credit line, bank overdraft or credit cards overdraft during April to September 2021 and the results they obtained, where "most" means that at least 75% of the requested amount was obtained and "limited part" means that less than 75% of the requested amount was obtained. The proportions relate to SMEs that indicated credit line and overdraft are relevant to their enterprise.



Source: SAFE (Q7ad; Q7bd); edited by Panteia.

Figure 33 presents the proportion of SMEs in the EU27 that applied for credit line, overdraft or did not do so due to possible rejection, sufficient internal funds or other reasons, for the period April to September, from 2014 to 2021. The share of SMEs not applying due to sufficient internal funds increased in 2021. The proportion of SMEs that have applied for bank loans has decreased in 2021 when compared to 2020.

figure 33 Proportion of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September, during 2014-2021. The proportions relate to SMEs that indicated credit line and overdraft are relevant to their enterprise



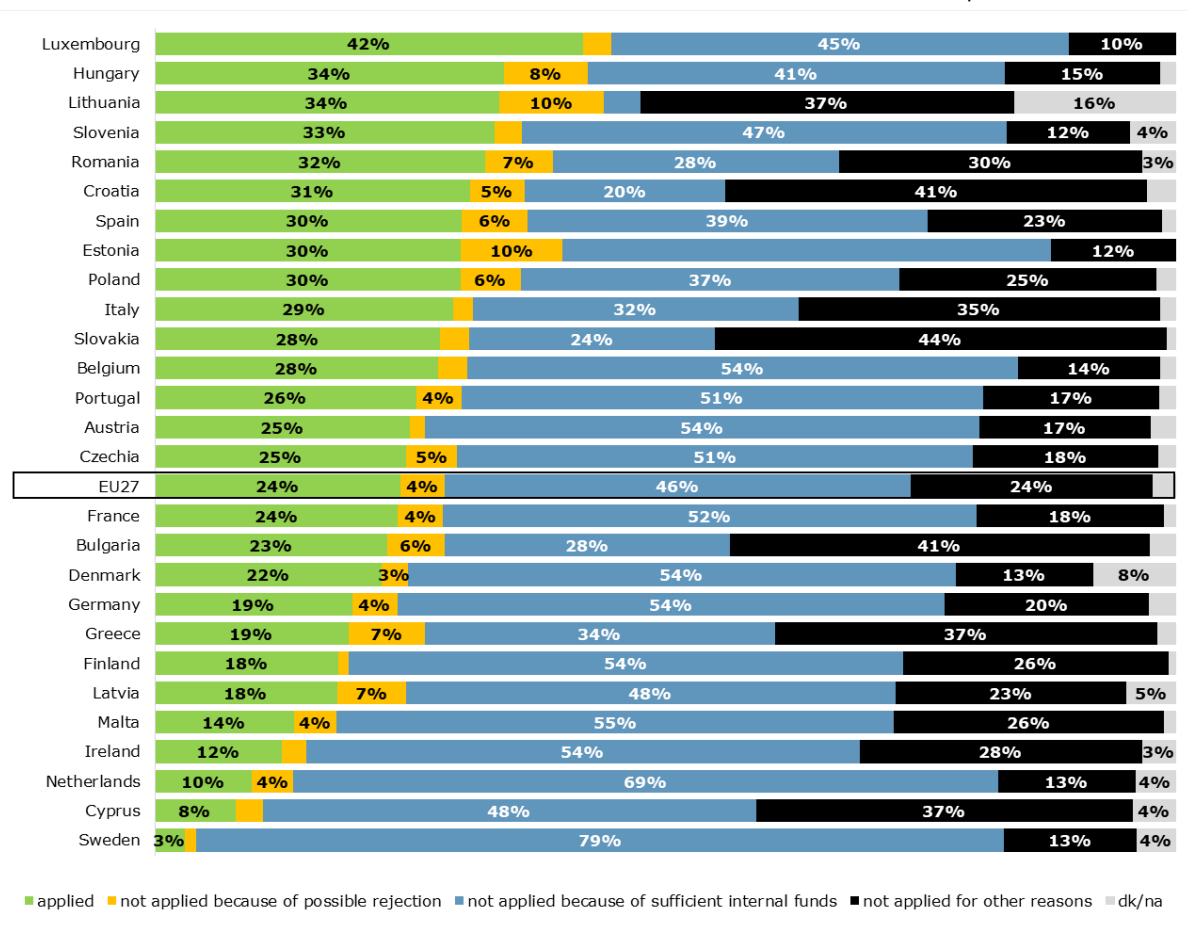
Source: SAFE (Q7ad); edited by Panteia.

The proportion of SMEs in the EU27 that considered credit line or overdraft to be relevant to their enterprise between April and September 2021 and their subsequent success rates vary between countries. In figure 34 the differences regarding the proportion of SMEs that did and did not apply are presented. This figure shows that 42% of the SMEs in Luxembourg and 34% of SMEs in Hungary and Lithuania that consider credit line or overdraft to be relevant applied for it in 2021. Other countries, where a relatively large proportion of SMEs applied for credit line or overdraft, were Slovenia, Romania, Croatia, Spain, Estonia and Poland (30% or above). Comparatively few SMEs applied for this type of external financing in The Netherlands (10%), Cyprus (8%) and Sweden (3%).

In most countries, the most often reported reason for not applying for overdraft or credit line were the sufficient availability of internal funds, with Sweden and The Netherlands having the largest proportions of SMEs citing this reason for not applying for credit line or overdraft. In other countries, most SMEs indicated they did not apply due to other reasons. Slovakia has the largest proportion (41%) of SMEs citing "other reasons" for not applying for credit line or overdraft. In Estonia and Lithuania, the proportion of SMEs reporting fear of rejection is relatively high (10%).

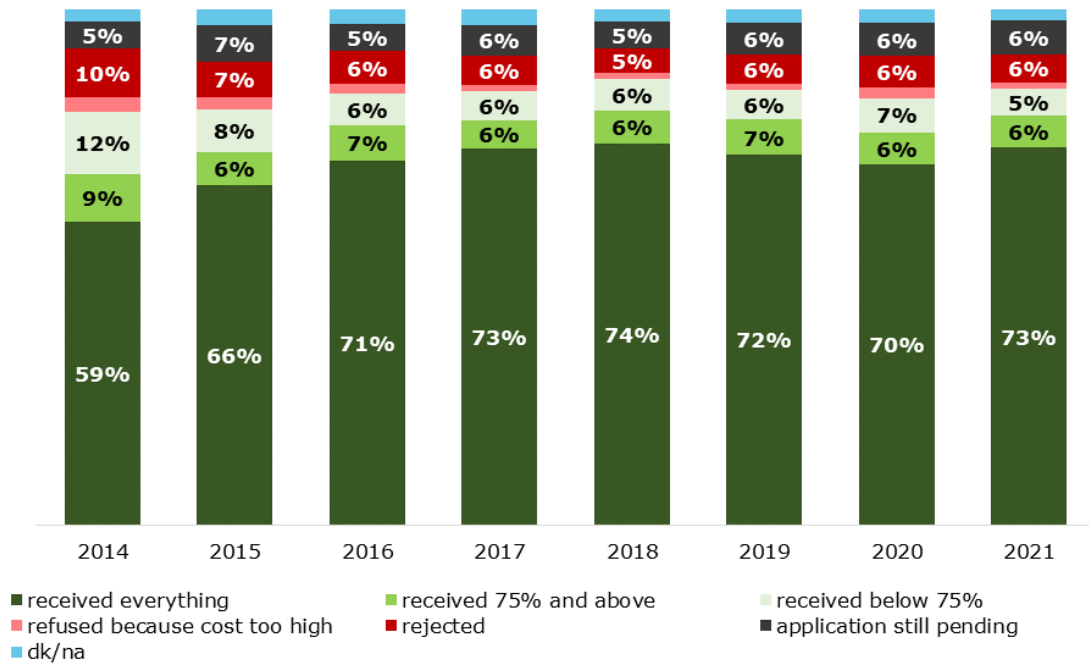
In figure 35, results are presented of SMEs in the EU27 that applied for credit line and overdraft during 2014-2021. Since 2014, the proportion of SMEs that applied and received everything has gradually increased from 59% in 2014 to 73% in 2021. The rejection rate has remained fairly stable over the past few years.

figure 34 Proportion of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated credit line and overdraft are relevant to their enterprise



Source: SAFE (Q7ad); edited by Panteia.

figure 35 Obtained result of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft during 2014-2021

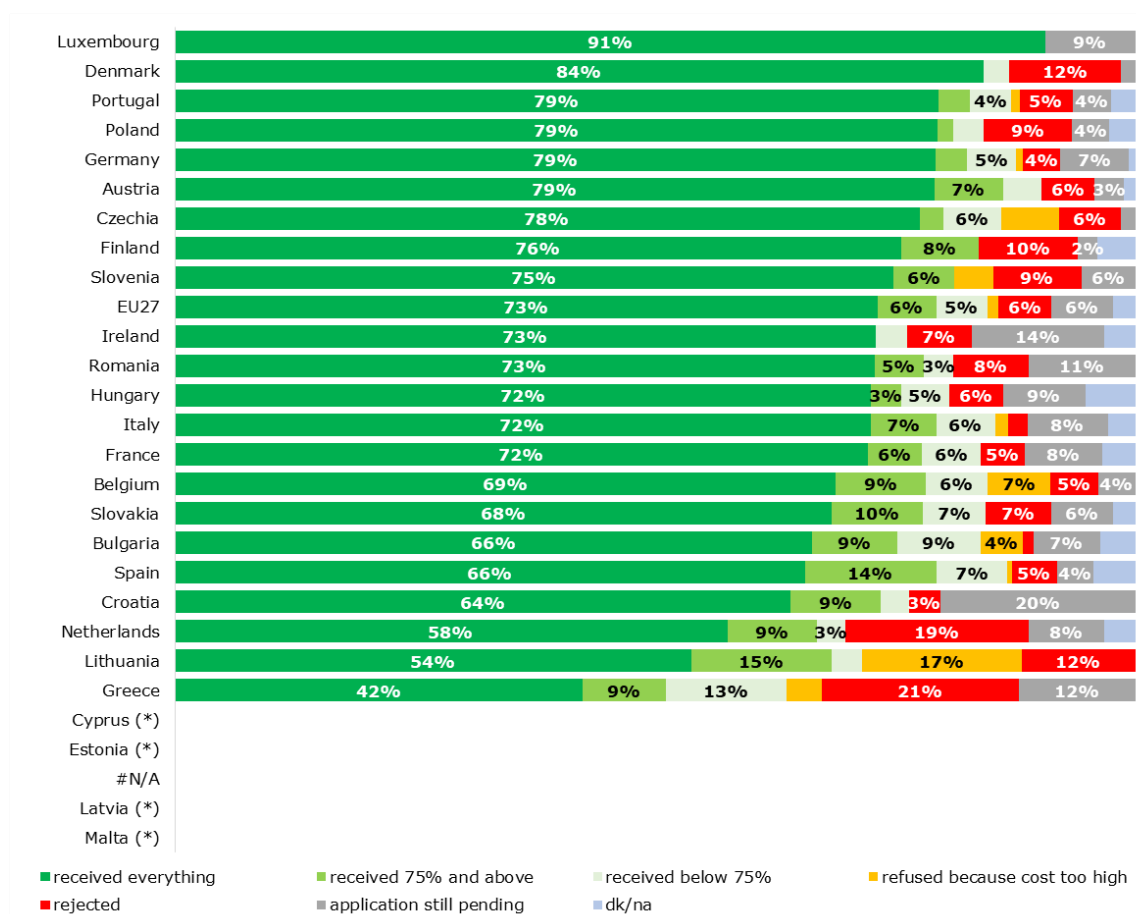


Source: SAFE (Q7bd); edited by Panteia.

In figure 36, the results after application for credit line or overdraft are presented by country. The success rate is highest in Luxembourg, where most applying SMEs received the full amount (91%). Also, in Denmark a high proportion of SMEs received the full amount applied for (above 80%). In Greece, only 42% of SMEs received the total amount of financing they applied for, with 58% or less receiving everything also in The Netherlands and Lithuania. Rejection rates were highest in Greece and The Netherlands (21% and 19%, respectively).

Of the four economic sectors distinguished in figure 37, the highest proportion of SMEs to apply for credit line or overdraft is found in industry: 27% of all SMEs in this sector applied for this type of external financing versus 23% in the construction and services and 25% in trade. The proportion of enterprises that applied for credit line, bank overdraft or credit cards overdraft between April and September 2021 increases with size; 37% of large enterprises (with at least 250 employees) applied for credit line, bank overdraft or credit cards overdraft compared to 20% of micro enterprises (1 to 9 employees). High-growth enterprises and gazelles were more likely to apply when compared to the EU average. The proportion of exporting SMEs that applied for this type of external financing is higher than that of non-exporting SMEs. Furthermore, innovative SMEs applied for credit line, bank overdraft or credit cards overdraft more often than non-innovative SMEs.

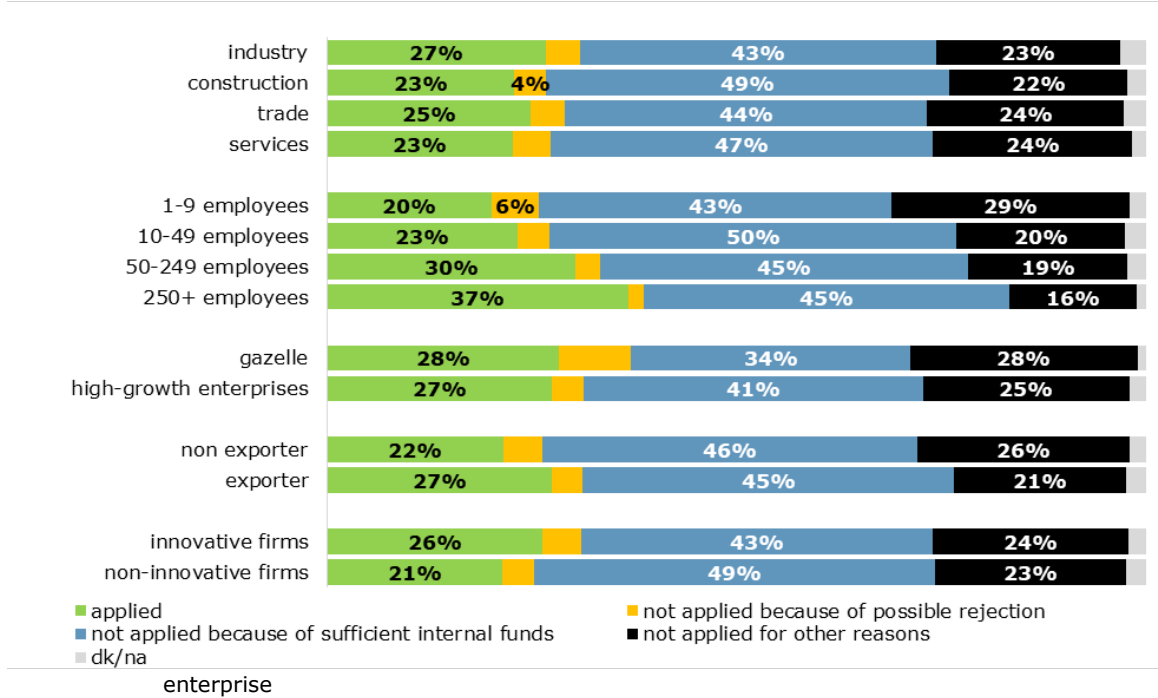
figure 36 Obtained result of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft, by country in 2021. The proportions relate to SMEs that indicated that credit line and overdraft are relevant to their enterprise



* Results are not reliable, because of too low a number of observations.

Source: SAFE (Q7bd); edited by Panteia.

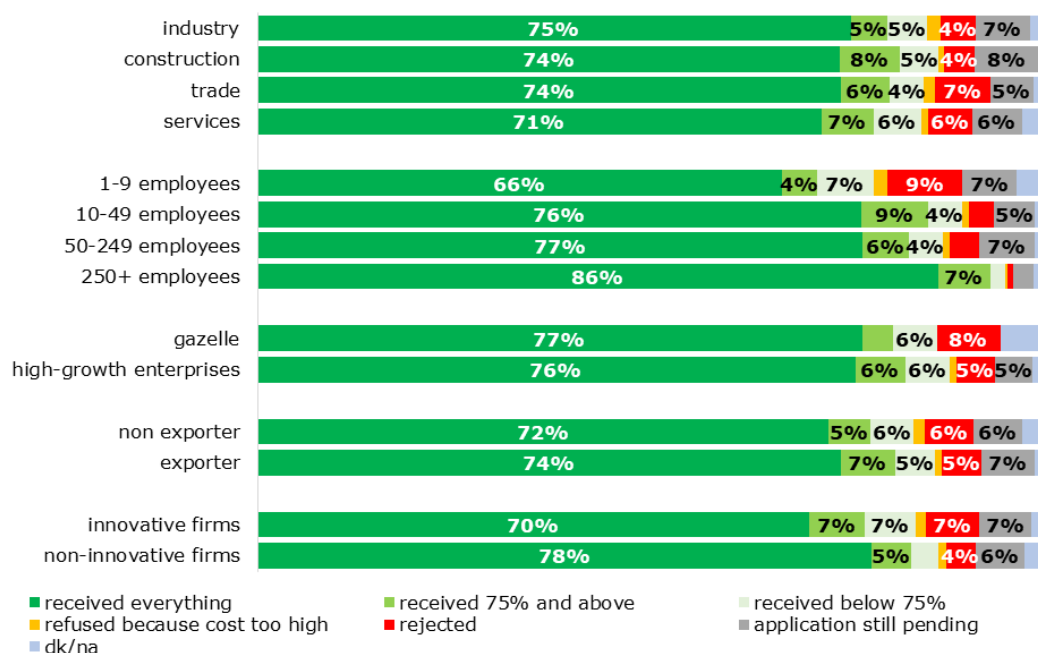
figure 37 Proportion of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by enterprise characteristic. The proportions relate to SMEs that indicated credit line and overdraft are relevant to their



Source: SAFE (Q7ad); edited by Panteia.

Compared to other sectors, SMEs in services have the lowest proportion of applicants that received everything (figure 38), with SMEs in industry having the highest proportion. The proportion of SMEs that received the total amount applied for increases with size: 86% for large enterprises (with at least 250 employees), compared to 66% for micro enterprises (1 to 9 employees). 77% of SMEs that can be categorised as gazelles received everything they had applied for, compared to 73% of SMEs in the total EU27. The proportion of high-growth SMEs that applied and received everything (76%) is also slightly higher than the proportion of SMEs in the total EU27. Non-innovative SMEs were more successful than innovative SMEs in having their applications approved. With respect to rejection rates, there are no large differences between the four sectors distinguished, with SMEs in trade higher than the rest. The rejection rate decreases with the size of the firm. The rejection rate for large enterprises was 1% compared to 9% of micro enterprises. The rejection rates across high-growth SMEs, exporters and non-exporters and innovative and non-innovative SMEs were similar, with the rejection rate for gazelles being slightly higher (8%).

figure 38 Obtained result of SMEs in the EU27 that applied for credit line, bank overdraft or credit cards overdraft, by enterprise characteristic in 2021. The proportions relate to SMEs that indicated



that credit line and overdraft are relevant to their enterprise

Source: SAFE (Q7bd); edited by Panteia.

1.4.2 Bank loans

The proportion of SMEs in the EU27 that applied for a bank loan - or did not do so due to various reasons - as well as the corresponding success rates are presented in figure 39. The proportions presented refer to SMEs that indicated bank loans to be relevant for their enterprise. In 2021, 21% of these SMEs in the 27 EU27 Member States applied for a bank loan. Most of them were successful in doing so: 71% of all applications were granted in full, and another 6% were granted most of the amount applied for. In 2021, the rejection rate for bank loan applications was 7%. Most SMEs that did not apply for a loan, cited the availability of sufficient internal funds as the most important reason for not doing so.

Figure 40 presents the proportion of SMEs in the EU27 that applied for bank loans or did not do so due to possible rejection, sufficient internal funds or other reasons, from 2014 to 2021. The share of SMEs in the EU27 that applied for bank loans has decreased significantly when compared to 2020, which goes against the sharp increase that took place in 2020. Concurrently, the share of SMEs reporting sufficient internal funds has increased in 2021 when compared to 2020.

figure 39 Proportion of EU27 SMEs that applied for bank loans during April to September 2021 and the results they obtained, where "most" means that at least 75% of the requested amount was obtained and "limited part" means that less than 75% of the requested amount was obtained. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise

Source: SAFE (Q7aa; Q7ba); edited by Panteia.

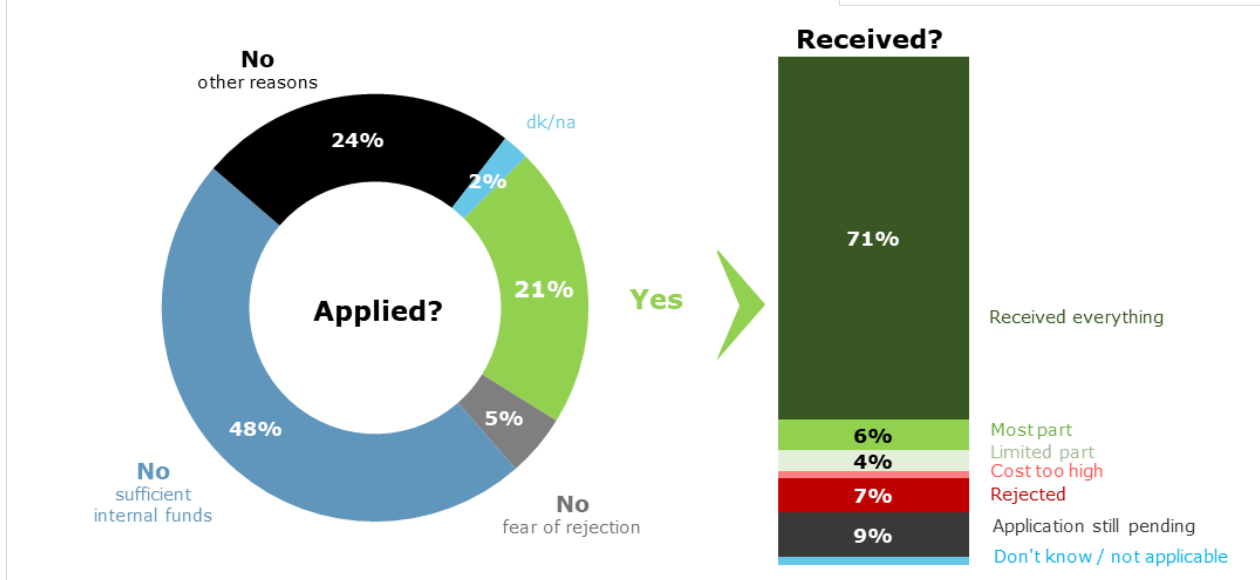
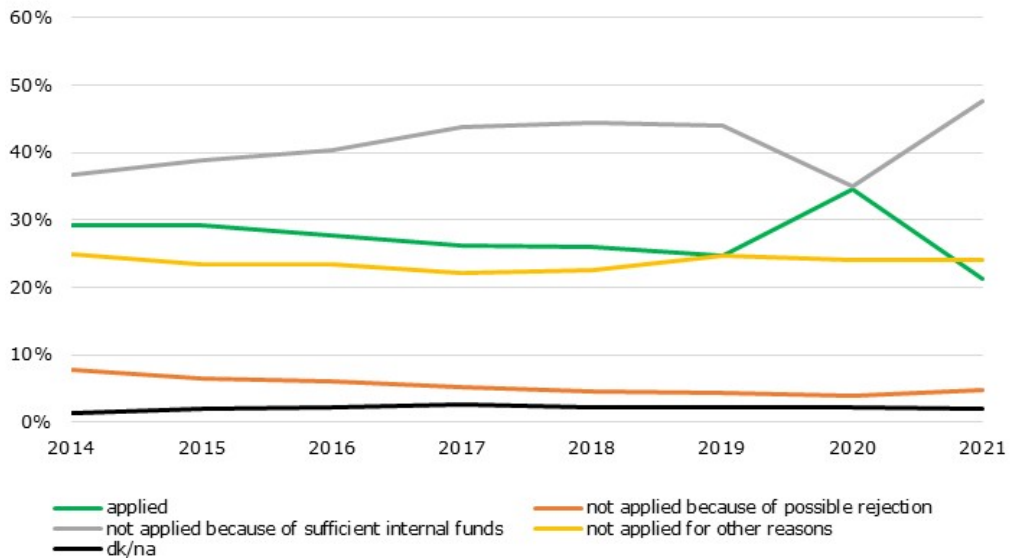


figure 40 Proportion of SMEs in the EU27 that applied for bank loans or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September during 2014-2021. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise



Source: SAFE (Q7aa); edited by Panteia.

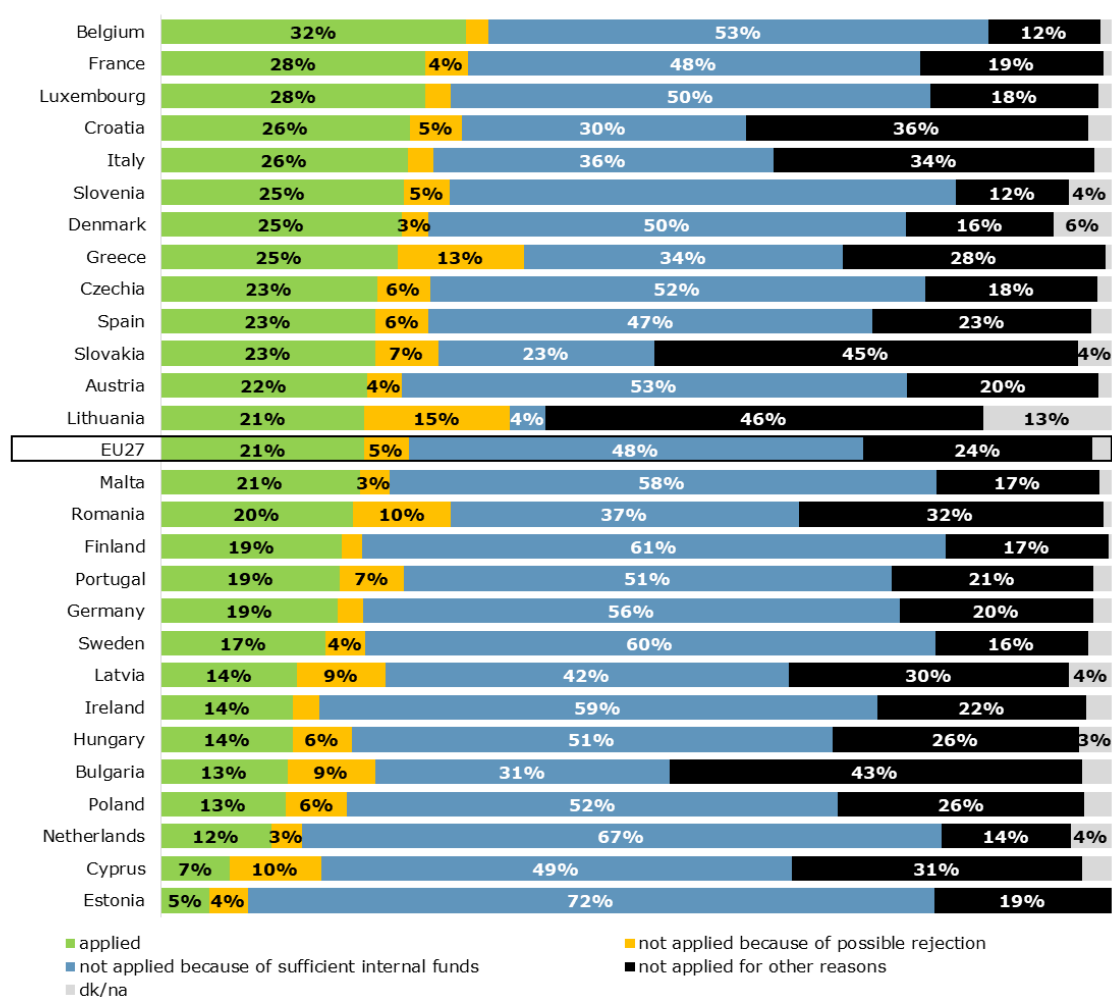
Figure 41 shows the differences between countries regarding the proportion of SMEs applying for bank loans, in the period between April and September 2021. In Belgium, France, Luxembourg, Croatia, Italy, Slovenia, Denmark, Greece, Czechia, Spain, Slovakia and Austria, the proportion was higher than the EU27 average of 21%, which

is notably lower than the EU27 average for 2020 (35%). In Estonia and Cyprus, the proportion of SMEs applying for bank loans was 7% or lower. It should be noted that in Greece and in Lithuania, many SMEs (13% and 15%, respectively) did not apply for bank loans because of fear of rejection. 72% of SMEs in Estonia cited sufficient internal funds as the most important reason for not applying for a bank loan.

In figure 42, results are presented of SMEs in the EU27 that applied for bank loans during 2014-2021. Since 2014, the proportion of SMEs that applied and received everything has gradually increased (from 60% in 2014 to 71% in 2021), though this share has gradually fallen over the past years (73% in 2018). The rejection rate has fallen since 2014, from 12% in 2014 to 7% in 2021, which is 1% higher than in 2020.

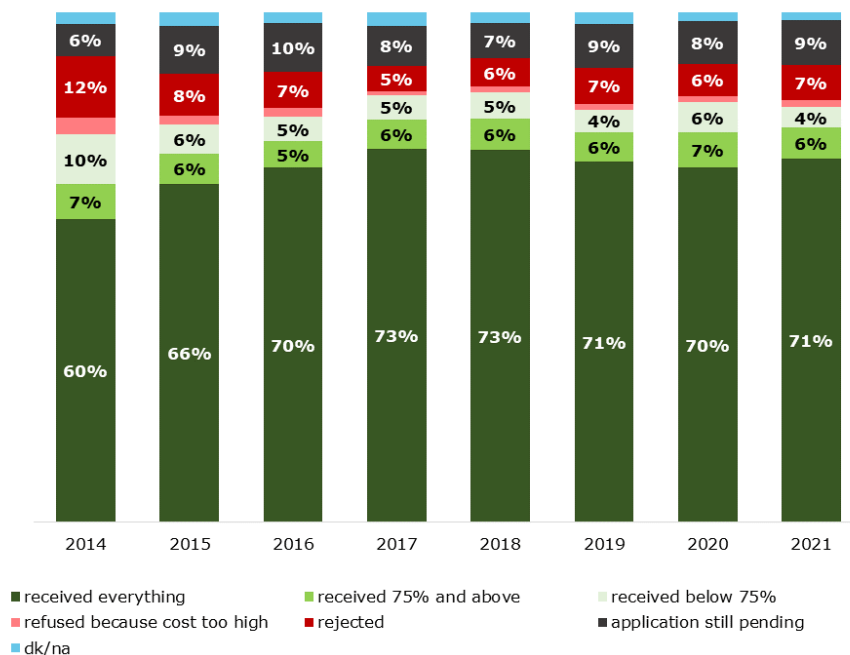
The extent to which SMEs have been successful in applying for bank loans is further detailed in figure 43. In many EU27 Member States more than 70% of the SMEs received everything, with SMEs in France, Italy and Austria the most successful. In Lithuania, the proportion of SMEs receiving everything is much lower (26%).

figure 41 Proportion of SMEs in the EU27 that applied for bank loans or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise.



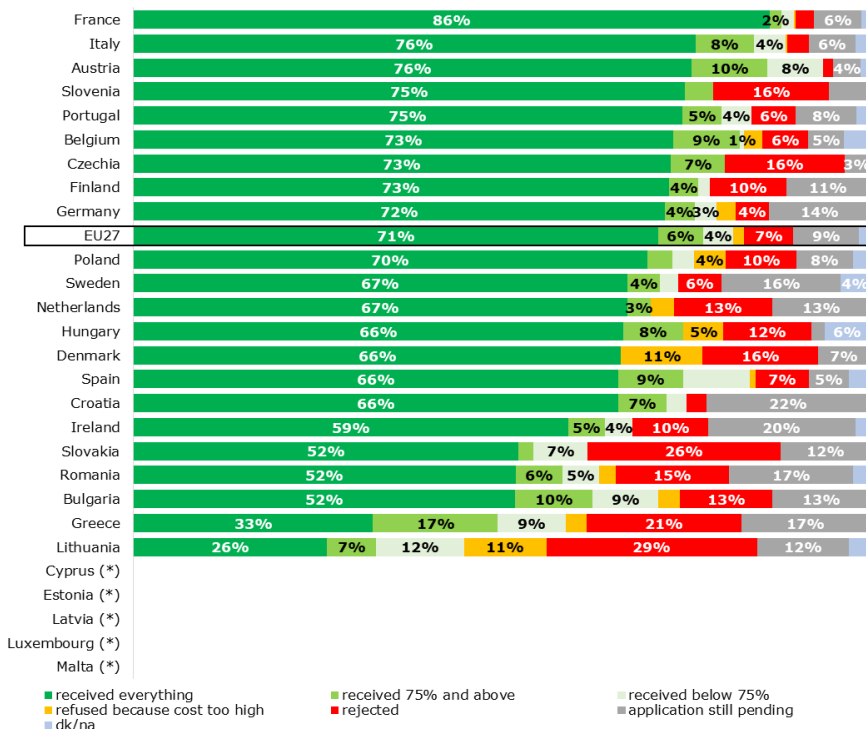
Source: SAFE (Q7aa); edited by Panteia.

figure 42 Obtained result of SMEs in the EU27 that applied bank loan during 2014-2021



Source: SAFE (Q7ba); edited by Panteia.

figure 43 Obtained result of SMEs in the EU27 that applied for bank loans, by country in 2021. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.

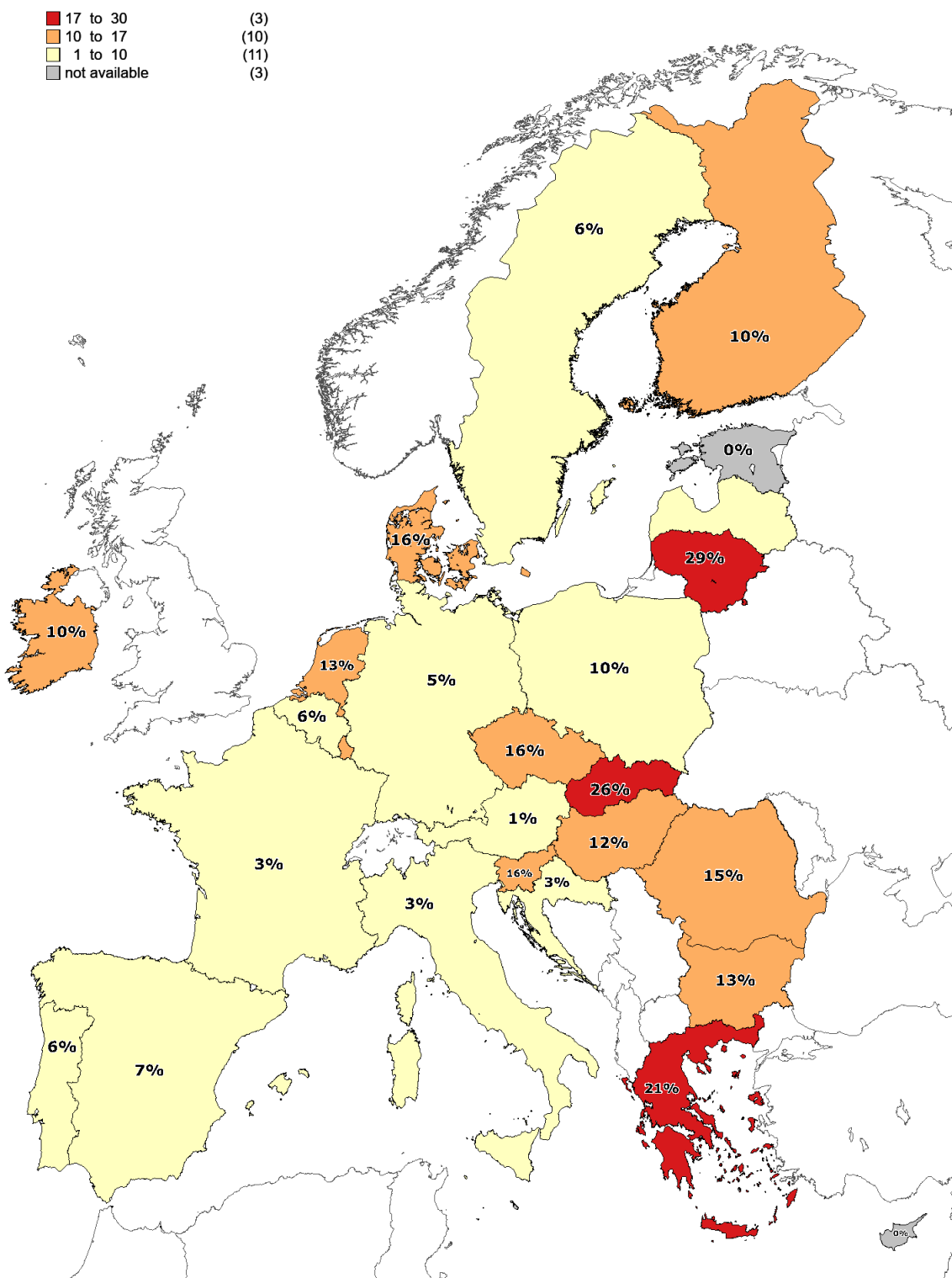


* Results are not reliable, because of too low a number of observations.

Source: SAFE (Q7ba); edited by Panteia.

Figure 44 presents the rejection rates of EU27 SMEs by country. The highest rejection rate was found in Lithuania, with 29% of the SMEs reporting that the application had been rejected. The second highest rejection rate was found in Slovakia (26%).

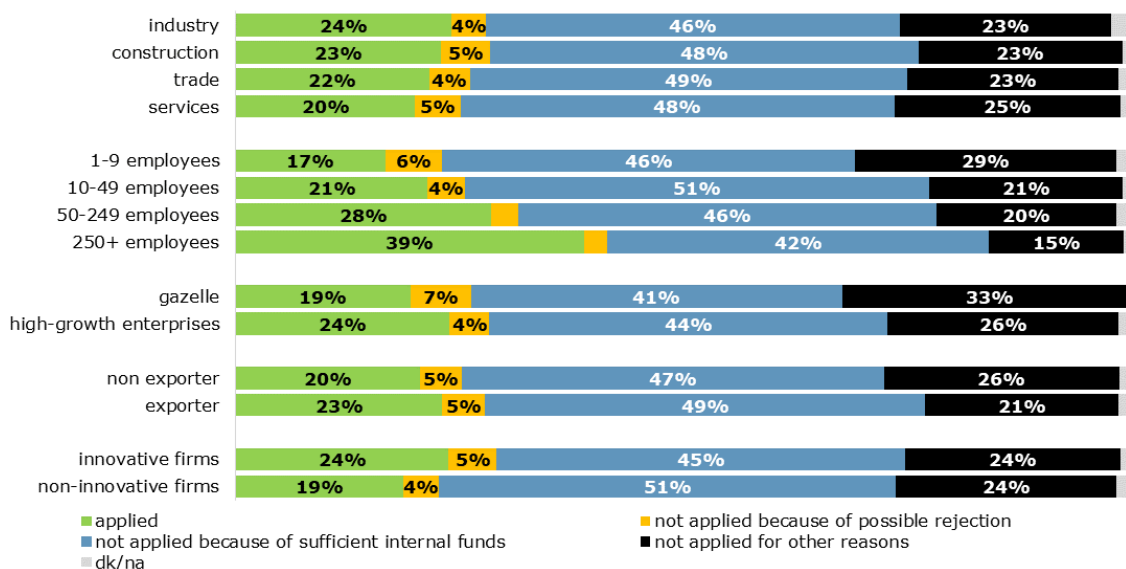
figure 44 Rejection rates of bank loan applications of SMEs in the EU27, by country in 2021



Source: SAFE (Q7ba); edited by Panteia.

The application for bank loans is further detailed by enterprise characteristic in figure 45. There is little variation regarding the proportion of SMEs applying for bank loans across sectors, with the highest percentage of applications in industry (24%) and the lowest percentage in services (20%). There is a strong correlation between enterprise size and the proportion of enterprises applying for bank loans: 17% of micro enterprises (1 to 9 employees) report having applied for bank loans, whereas this proportion amounts to 39% for enterprises with more than 250 employees. High-growth SMEs apply for bank loans more than the average EU27 SME, with gazelles doing so less. Exporting SMEs apply for bank loans more often than non-exporting SMEs (23% in comparison to 20%). The proportion of innovative SMEs applying for bank loans is larger than the proportion of non-innovative SMEs.

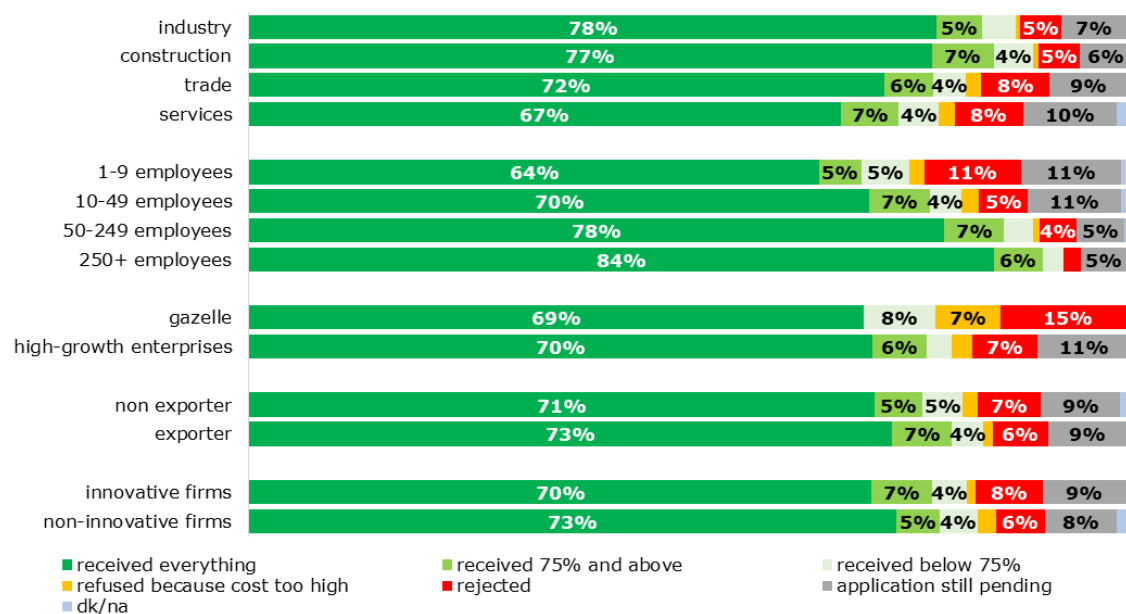
figure 45 Proportion of SMEs in the EU27 that applied for bank loans or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by enterprise characteristic. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise.



Source: SAFE (Q7aa); edited by Panteia.

Figure 46 shows how successful the application for bank loans has been. 78% of the SMEs in industry received everything they applied for; for the other sectors this proportion was 77% for construction, 72% for trade and 67% for services. The proportion of enterprises reporting having got everything varied between 64% in micro enterprises (1 to 9 employees) and 84% in enterprises with more than 250 employees. The proportion of enterprises that report to have received everything differs only slightly between the other categories distinguished.

figure 46 Obtained result of SMEs in the EU27 that applied for bank loans, by enterprise characteristic in 2021. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.



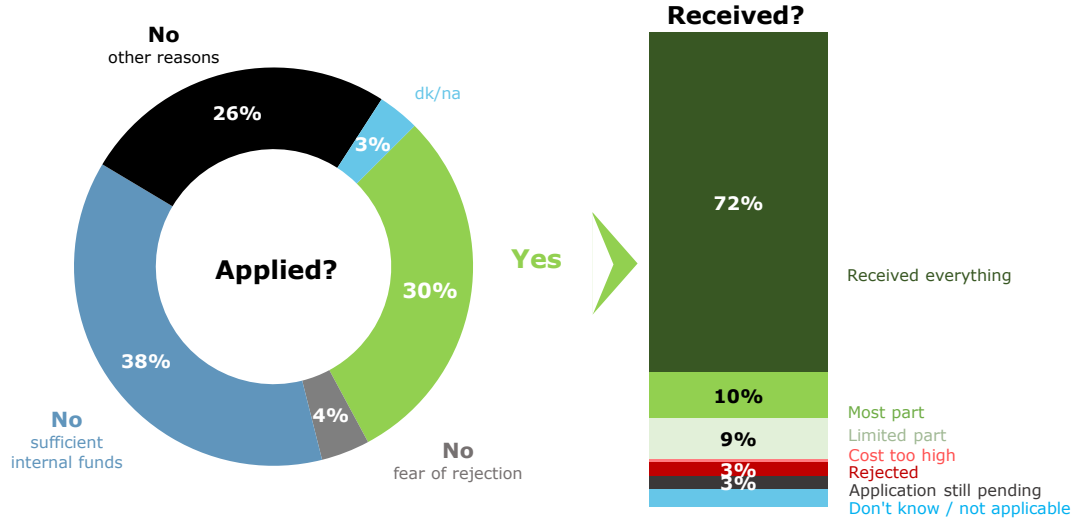
Source: SAFE (Q7ba); edited by Panteia.

1.4.3 Trade credit

The proportion of the EU27 SMEs that applied for trade credit - or did not do so due to various reasons - as well as the corresponding success rates, are presented in figure 47. The proportions refer to SMEs that indicated trade credit to be relevant to their enterprise. In 2021, 30% of these SMEs in the EU27 applied for trade credit. Most of them were successful in doing so: 72% of all applications were granted in full, and another 10% were granted most of the amount applied for. In 2021, the rejection rate for trade credit applications was 3% which is the same as in 2020. Most SMEs that did not apply for trade credit, did so with the availability of sufficient internal funds, which was cited as the most important reason (38% in 2021).

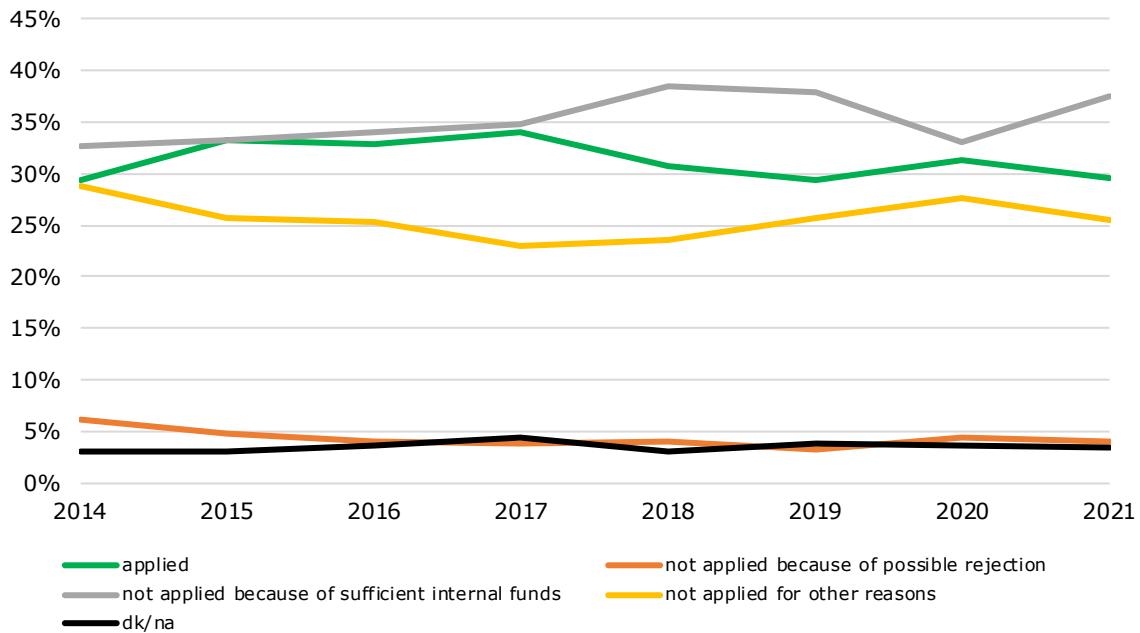
Figure 48 presents the proportion of SMEs in the EU27 that applied for trade credit or did not do so due to possible rejection, sufficient internal funds or other reasons, from 2014 to 2021. Since 2020, the share of SMEs that have applied for trade credit has decreased slightly.

figure 47 Proportion of EU27 SMEs that applied for trade credit during April to September 2021 and the results they obtained, where “most” means that at least 75% of the requested amount was obtained and “limited part” means that less than 75% of the requested amount was obtained. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Source: SAFE (Q7ab; Q7bb); edited by Panteia.

figure 48 Proportion of SMEs in the EU27 that applied for trade credit or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September during 2014-2021. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise

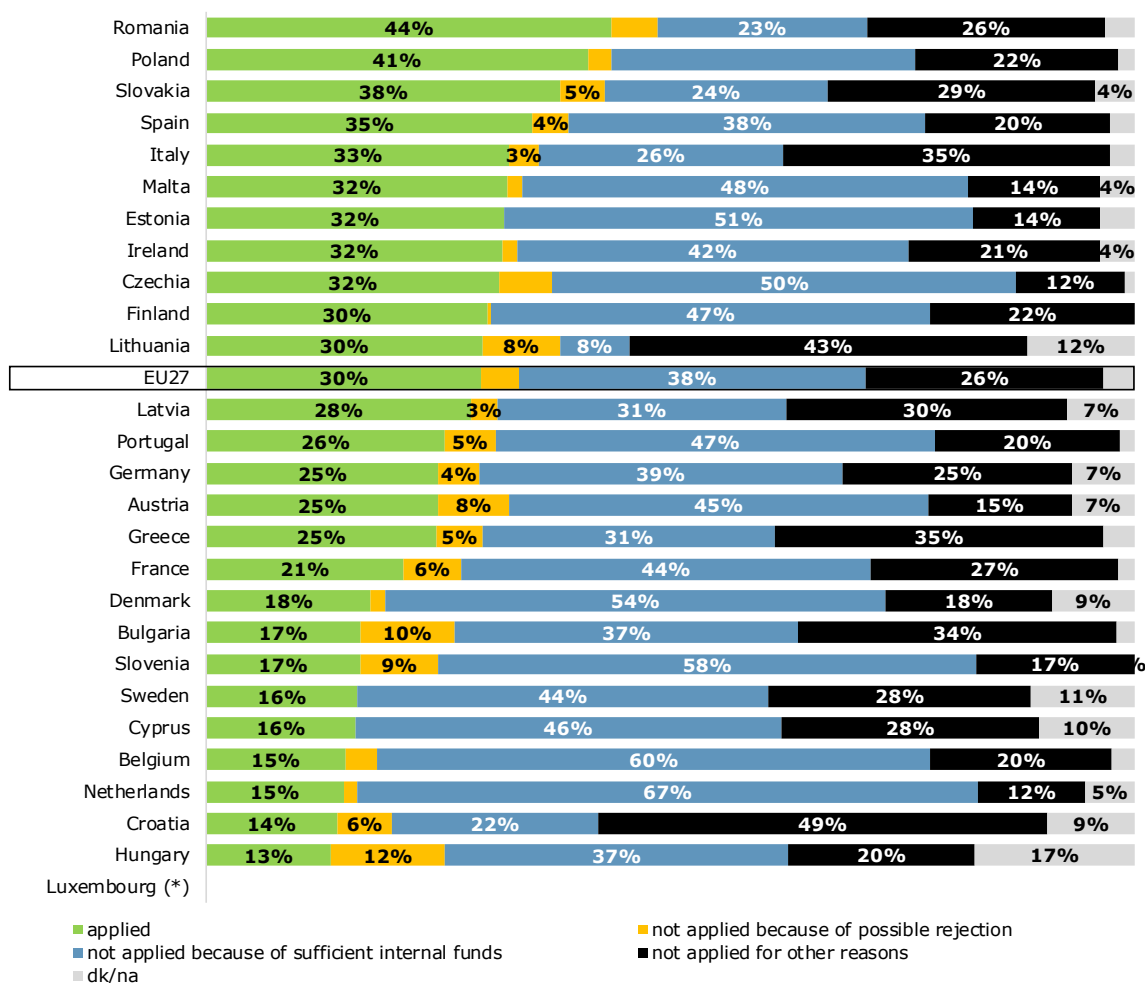


Source: SAFE (Q7ab); edited by Panteia.

The proportion of SMEs applying for trade credit varied considerably across countries, as shown in figure 49. Within the EU27, this proportion of SMEs that applied for trade credit varied between 44% in Romania and 13% in Hungary. Enterprises in The

Netherlands (67%) Belgium (60%) and Slovenia (58%) reported not applying because of sufficient internal funds, which is significantly higher than other EU27 Member States.

figure 49 Proportion of SMEs in the EU27 that applied for trade credit or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.

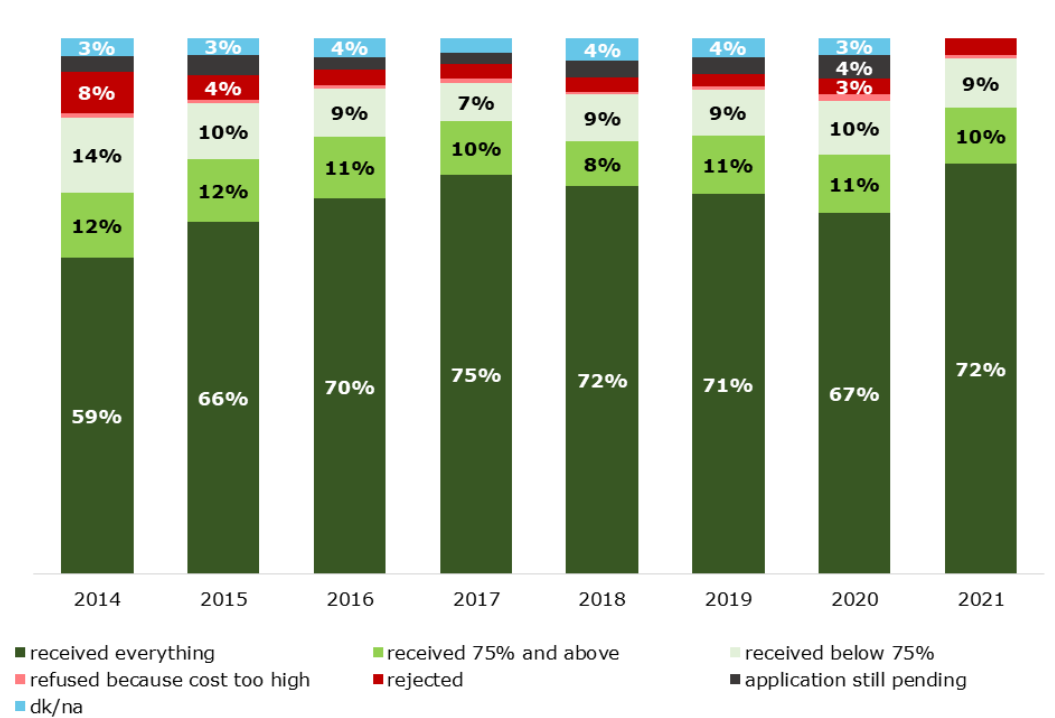


* Results are not reliable, because of too low a number of observations.

Source: SAFE (Q7ab); edited by Panteia.

Figure 50 presents the proportion of SMEs in the EU27 that applied for trade credit and the obtained result, for the period 2014-2021. Since 2017, the share of SMEs that applied for trade credit and received everything has declined (from 75% in 2017 to 67% in 2020), although there has been a slight increase in 2021 (72%). The rejection rate has declined over the time period, from an 8% rejection rate in 2014 to a 2% rejection rate in 2016. However, the rejection rate has increased to 3% in 2020 and has remained the same in 2021.

figure 50 Obtained result of SMEs in the EU27 that applied for trade credit, during 2014-2021. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise

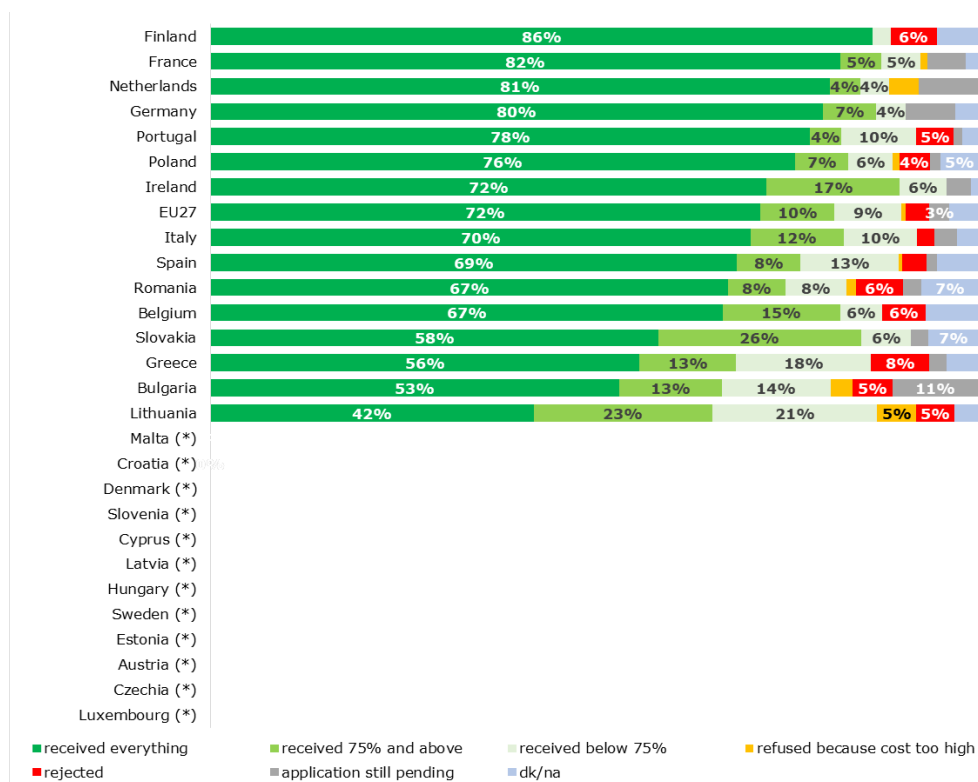


Source: SAFE (Q7bb); edited by Panteia.

Figure 51 shows the obtained result of SMEs in the EU27 that applied for trade credit in 2020. 72% of the SMEs in the EU27 that applied for trade credit received everything. Most of the SMEs in Finland, France, The Netherlands and Germany that applied received everything (above 80%). Rejection rates for trade credit are relatively high in Greece (8%).

Figure 52 shows that 35% of the SMEs in industry and 34% in trade applied for trade credit, while this proportion amounted to 33% in construction and 27% in services. Fewer enterprises with 1-9 employees apply for trade credit than enterprises with 250 or more employees (26% and 43%, respectively). The proportion of gazelles SMEs (43%) is notably higher than the EU27 SME average, with the proportion of high-growth SMEs (34%) having applied for trade credit being slightly higher than the average for EU27 SMEs. Exporters more often apply for trade credit (34%) than non-exporters (29%). The proportion of innovative SMEs applying for trade credit is higher than that of non-innovative SMEs.

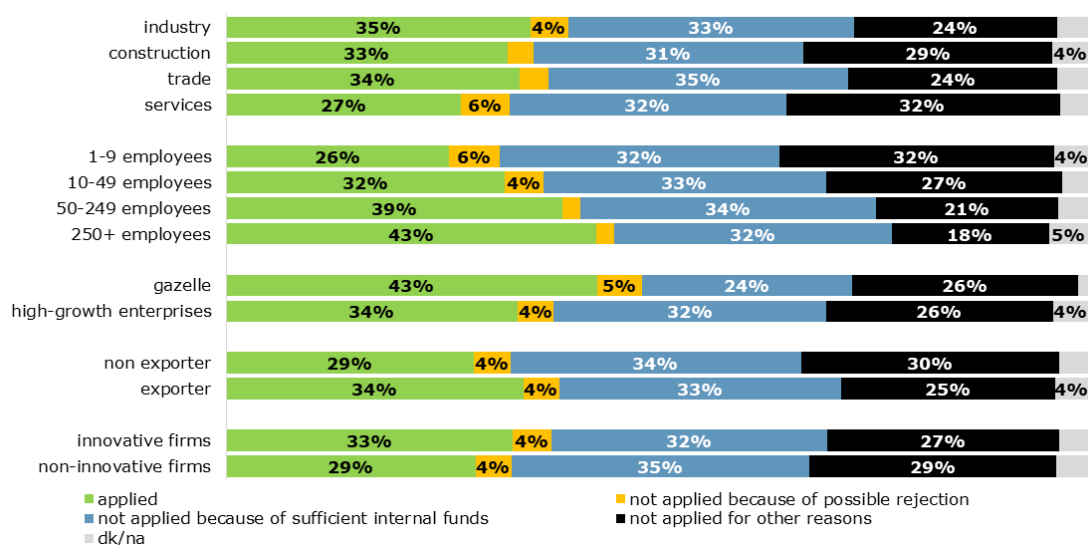
figure 51 Obtained result of SMEs in the EU27 that applied for trade credit, by country in 2021. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Source: SAFE (Q7bb); edited by Panteia.

* Results are not reliable, because of too low a number of observations.

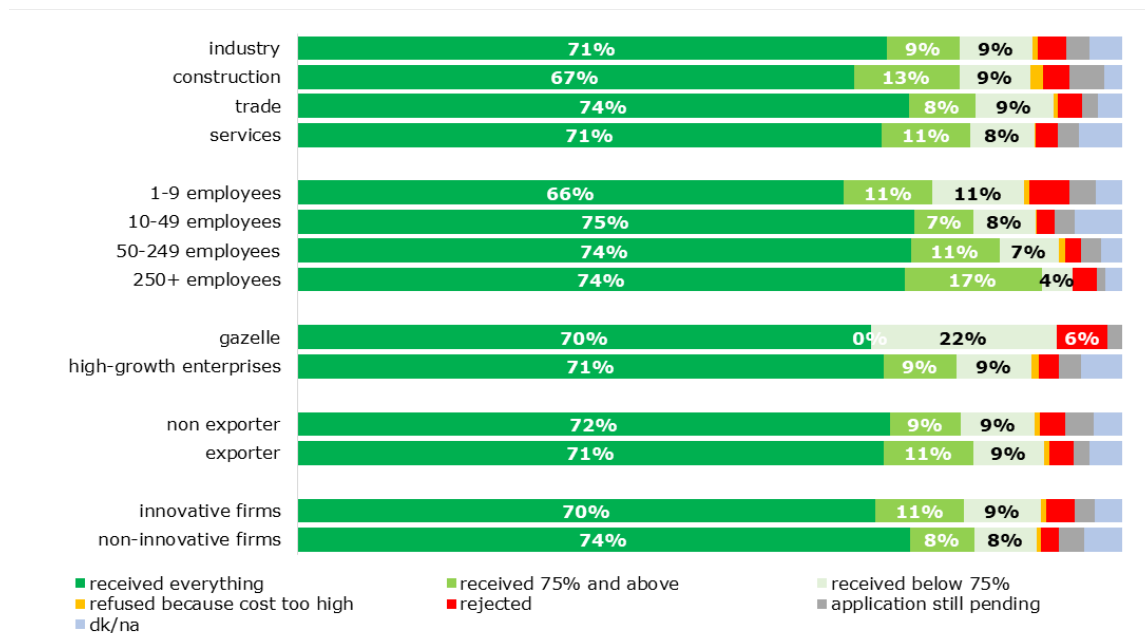
figure 52 Proportion of SMEs in the EU27 that applied for trade credit or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by enterprise characteristic. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Source: SAFE (Q7ab); edited by Panteia.

The proportion of SMEs in trade that applied for trade credit and received everything is 74%; this is slightly higher than the proportion of SMEs in industry and services (71%) and construction (67%). The proportion of enterprises that applied for trade credit and obtained everything is lowest in enterprises with 1-9 employees and highest in enterprises with 10-49 employees, although this is only slightly above enterprises with 50-249 employees and 250+ employees. The proportion of gazelles (70%) is similar to the proportion of high-growth enterprises (71%) reporting they applied for trade credit and obtained everything, which are both slightly below the EU27 average. Non-exporters have been slightly more successful than exporters in obtaining all trade credit they applied for. Also, non-innovative SMEs have been slightly more successful in obtaining all trade credit they applied for than innovative SMEs.

figure 53 Obtained result of SMEs in the EU27 that applied for trade credit, by enterprise characteristic in 2021. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.

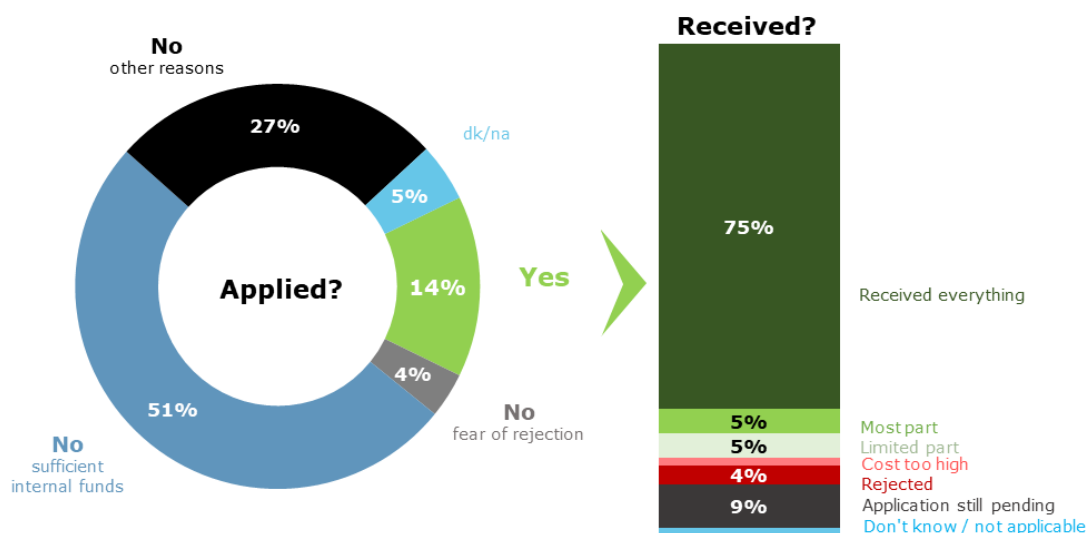


Source: SAFE (Q7bb); edited by Panteia.

1.4.4 Other external financing

The proportion of EU27 SMEs that applied for other external financing - or did not do so due to various reasons - as well as the corresponding success rates are presented in figure 54. In 2021, 14% of these SMEs in the EU27 applied for other external financing. Most of them were successful in doing so: 75% of all applications were granted in full, and another 5% were granted at least 75% of the amount applied for. In 2021, the rejection rate for other types of external financing was 4%. Most SMEs that did not apply for other external financing, did so with the availability of sufficient internal funds (51% in 2021).

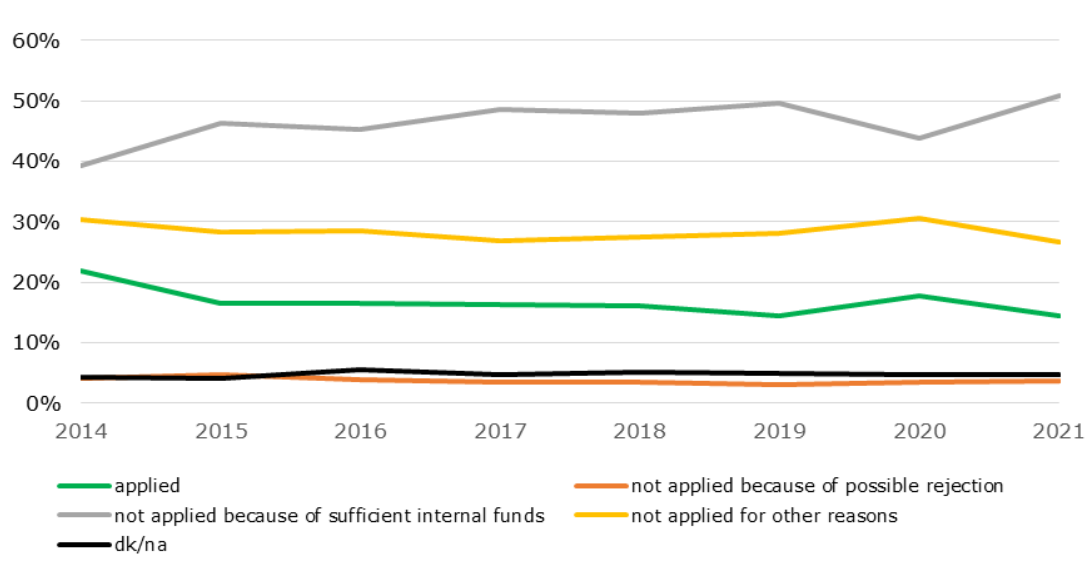
figure 54 Proportion of EU27 SMEs that applied for other external financing during April to September 2021 and the results they obtained, where "most" means that at least 75% of the requested amount was obtained and "limited part" means that less than 75% of the requested amount was obtained.



Source: SAFE (Q7ac; Q7bc); edited by Panteia.

Figure 55 presents the proportion of SMEs in the EU27 that applied for other external financing or did not do so due to possible rejection, sufficient internal funds or other reasons, for the period April to September, during 2014-2021. While the share of SMEs in the EU27 that have applied for other external financing has generally declined since 2014, this increased in 2020, although the share has decreased back to the level seen in 2019 during 2021. The share of SMEs that report having sufficient internal funds has increased during the same time period, although decreased slightly in 2020.

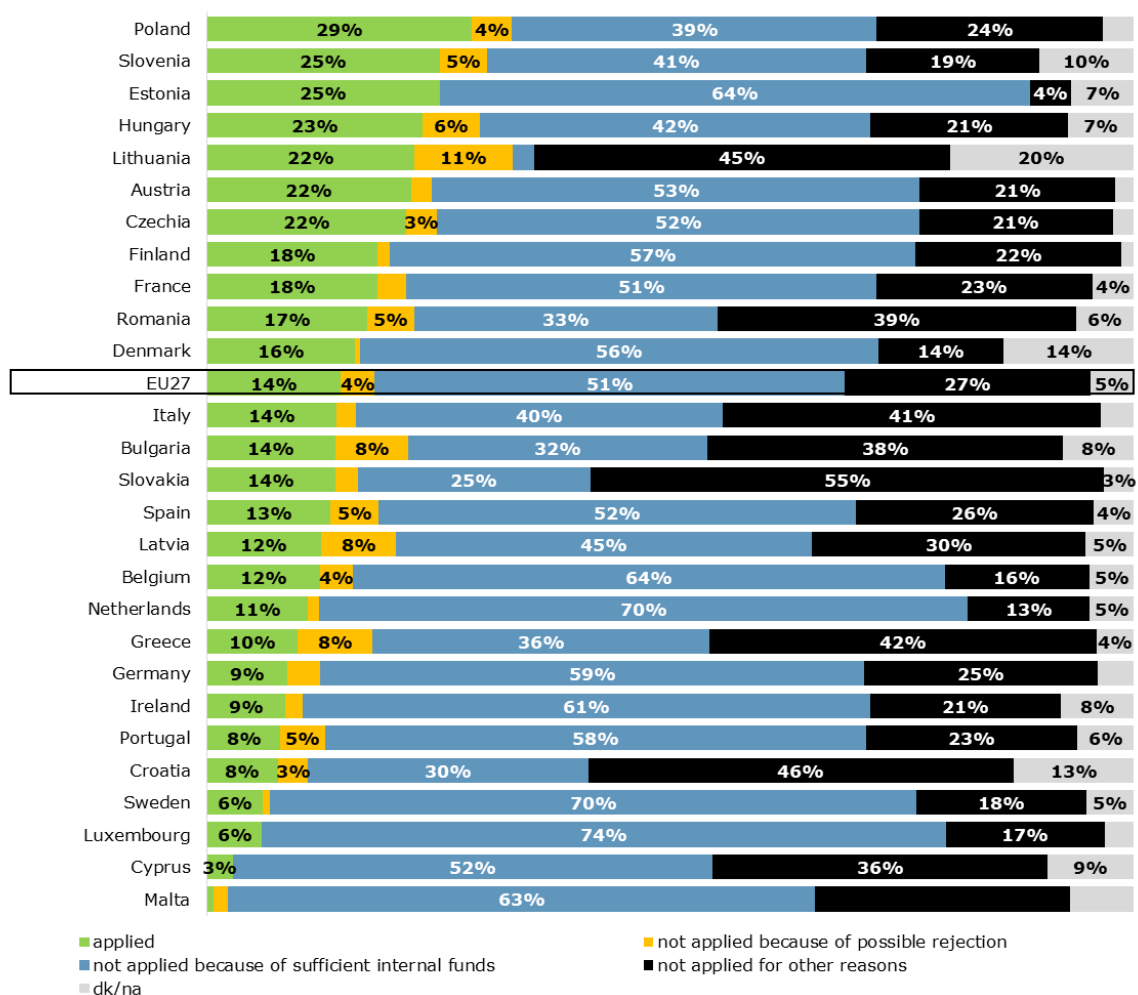
figure 55 Proportion of SMEs in the EU27 that applied for other external financing or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September, during 2014-2021



Source: SAFE (Q7ac); edited by Panteia.

Figure 56 shows that the proportion of SMEs applying for other external financing varied considerably across countries. Only 14% of SMEs in the EU27 applied for other external financing, and the highest percentage of SMEs that have applied is in Poland (29%), Slovenia and Estonia (both 25%). 1% of SMEs in Malta report applying for other external financing. Notably, 74% of SMEs in Luxembourg, and 70% of SMEs in The Netherlands and Sweden cite not applying for other external financing due to sufficient internal funds.

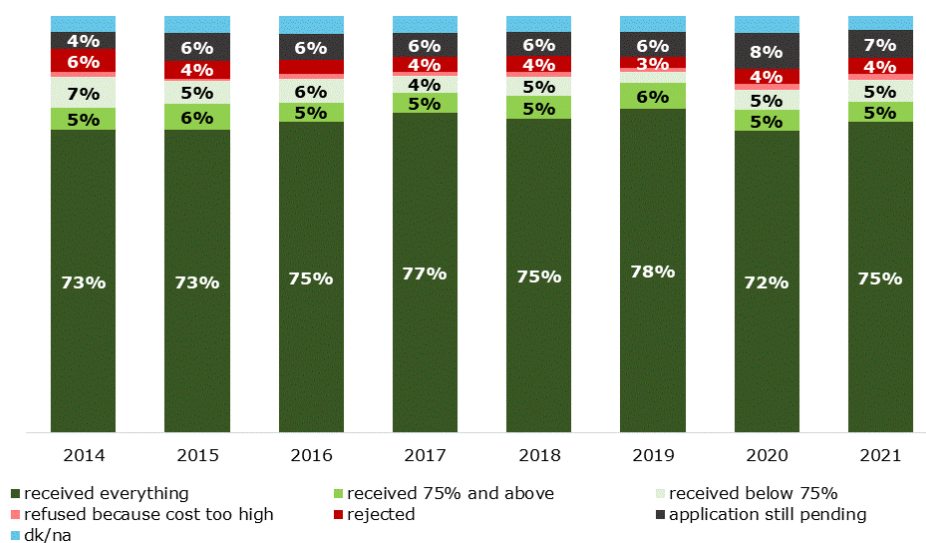
figure 56 Proportion of SMEs in the EU27 that applied for other external financing or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country



Source: SAFE (Q7ac); edited by Panteia.

Figure 57 presents the proportion of SMEs in the EU27 that applied for other external financing and the obtained result, for the period 2014-2021. Since 2014, the share of SMEs that applied for other external financing and received everything increased (from 73% in 2014 to 78% in 2019). However, this percentage decreased significantly in 2020 (down to 72%), but has risen to 75% in 2021. The rejection rate has remained fairly stable since 2015, ranging between 3% and 4%.

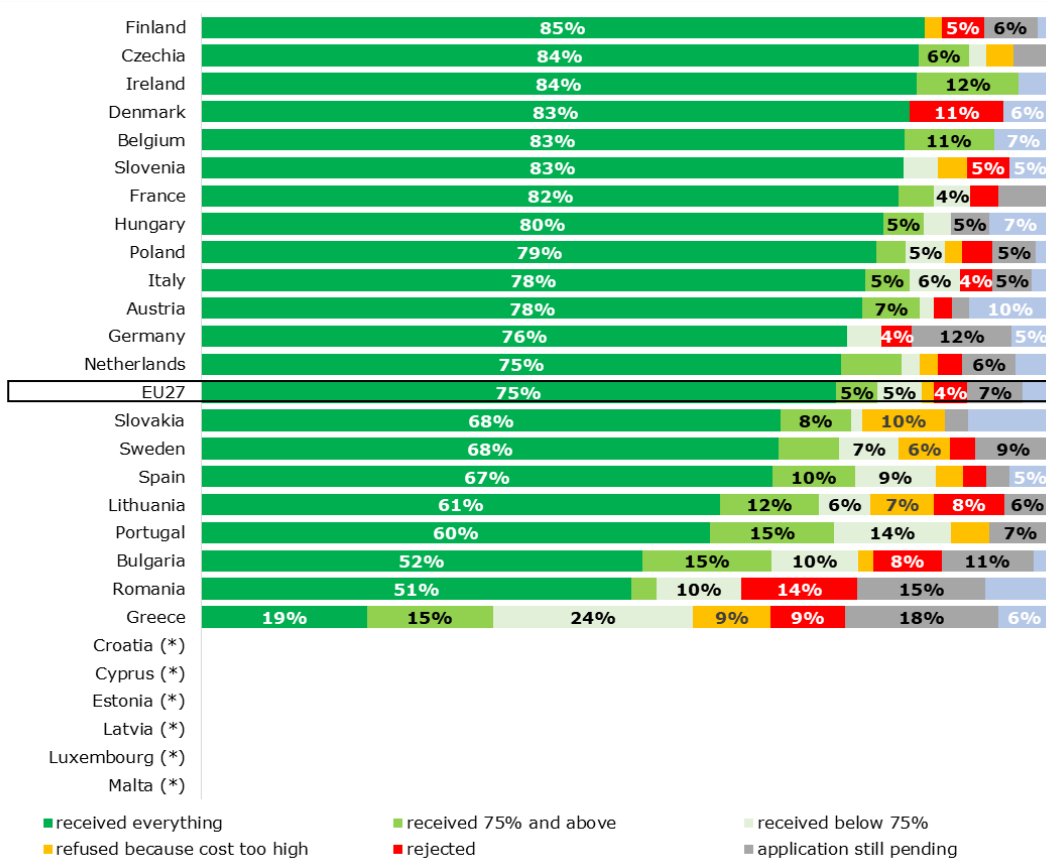
figure 57 Obtained result of SMEs in the EU27 that applied for other external financing, during 2014-2021. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Source: SAFE (Q7bc); edited by Panteia.

In several countries, the proportion of SMEs that received the full amount of other external financing they applied for is higher than the EU27 average of 75% (figure 58). This holds in particular for Hungary, France, Slovenia, Belgium, Denmark, Ireland, Czechia and Finland (80% and above). On the other hand, only a relatively small proportion of SMEs in Greece (19%) report they received all of the other financing they applied for. The largest rejection rate in the EU27 can be seen in Romania (14%).

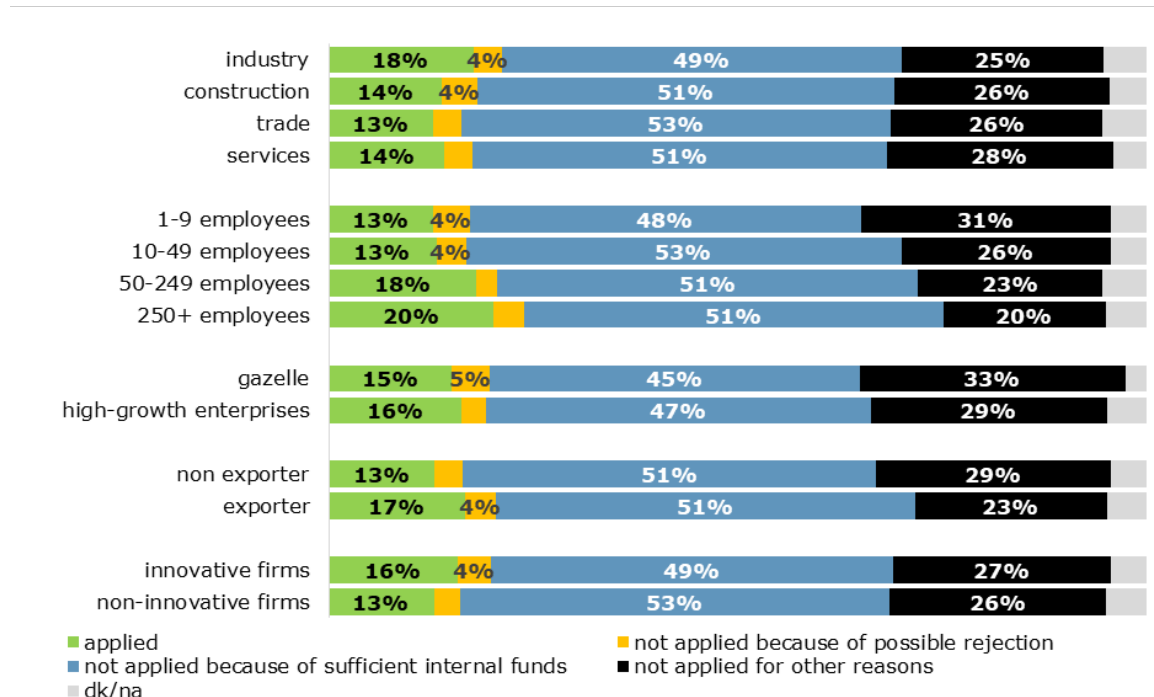
figure 58 Obtained result of SMEs in the EU27 that applied for other external financing, by country in 2021.



* Results are not reliable, because of too low a number of observations.
 Source: SAFE (Q7bc); edited by Panteia.

In figure 59, results on enterprises that apply or did not apply for specific reasons for other external financing are disaggregated by enterprise characteristic. The proportion of SMEs that applied for other external financing is the highest in industry (18%) and lowest in trade (13%). The proportion of enterprises with 1-9 and 10-49 employees that applied for other external financing (both 13%) is smaller than the proportion of enterprises with more than 250 employees applying for other external financing (20%). 16% of high-growth enterprises applied for other types of external financing and 15% of gazelles did so. Exporting SMEs report having applied for other external financing to a slightly larger extent than non-exporters (17% versus 13%). Innovative SMEs more often report to have applied for other external financing than non-innovative SMEs (16% versus 13%).

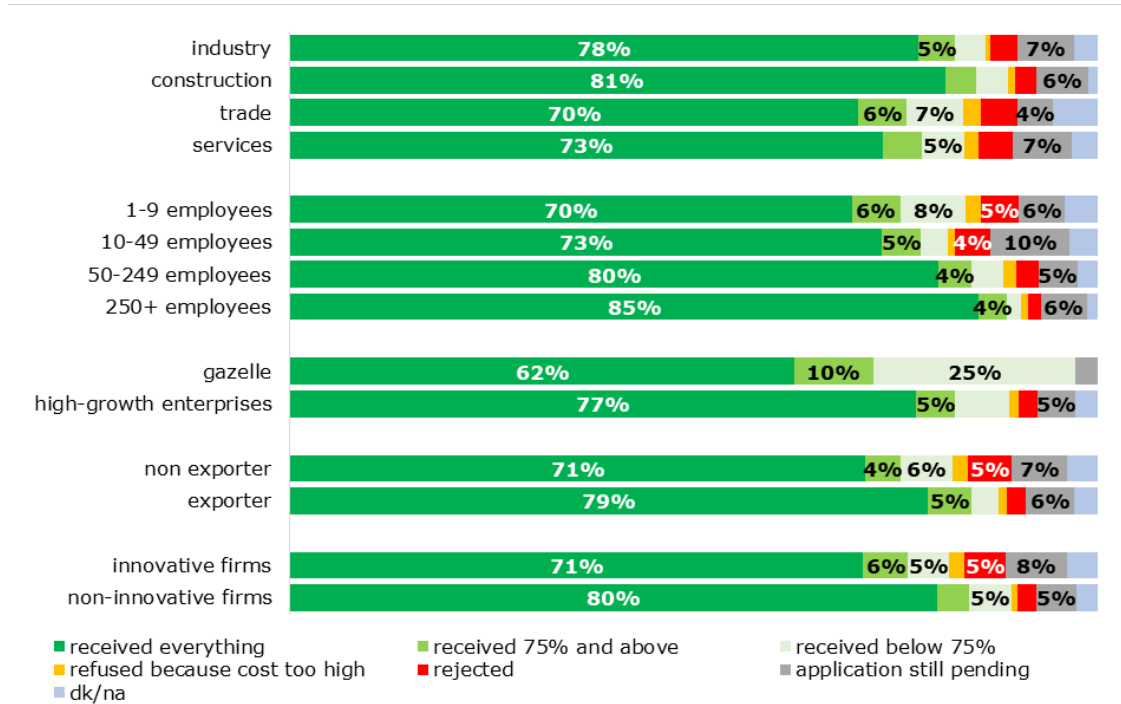
figure 59 Proportion of SMEs in the EU27 that applied for other external financing or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by enterprise characteristic.



Source: SAFE (Q7ac); edited by Panteia.

Figure 60 shows the results obtained from applying for other external financing disaggregated by enterprise characteristic. SMEs in construction (81%) have been the most successful in getting everything they applied for; SMEs in industry were slightly less successful (78%). SMEs in trade were the least successful (70%). The proportion of enterprises with 1-9 employees reporting they got everything they applied for is less than the corresponding proportion for the total group of SMEs, which is in turn less than the proportion for large enterprises (more than 250 employees). More high-growth enterprises report they got everything they applied for than gazelles (77% in comparison to 62%). Exporting SMEs differed to non-exporting SMEs with respect to the proportion reporting they got all other external financing they applied for (79% to 71% respectively). A lower proportion of innovative SMEs reports having obtained all other external financing they applied for than non-innovative SMEs (71% and 80% respectively).

figure 60 Obtained result of SMEs in the EU27 that applied for other external financing, by enterprise characteristic in 2021.



Source: SAFE (Q7bc); edited by Panteia.

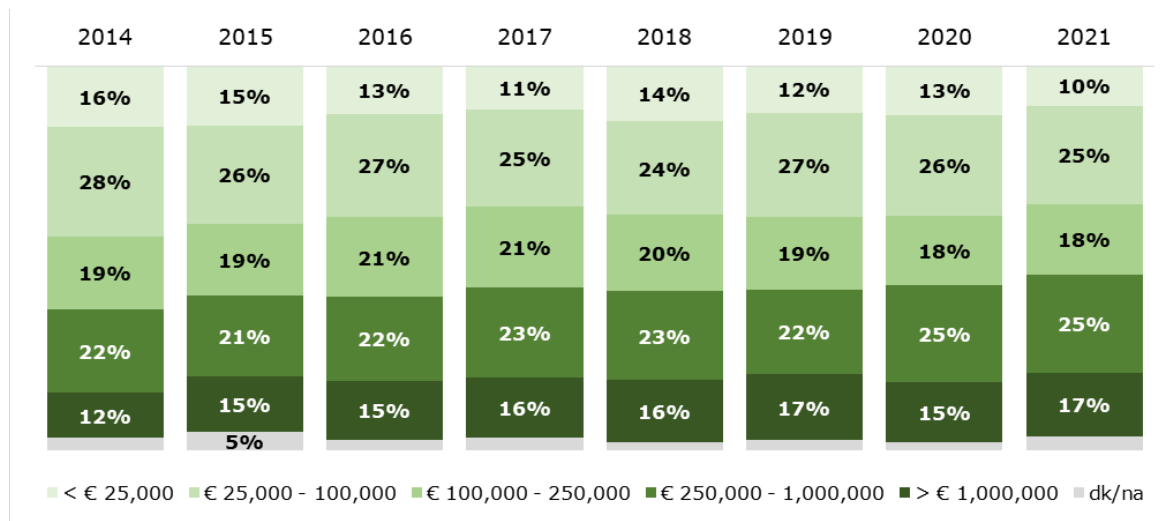
1.5. Last obtained amount of external finance

In 2021, 25% of EU27 SMEs report that the last loan they have obtained amounted to between EUR 25,000 and EUR 100,000, which is a slight decrease in comparison to 2020 (figure 61). In 2021, 10% reported that the last loan obtained amounts to less than EUR 25,000; 18% reported that the last loan obtained amounts to between EUR 100,000 and EUR 250,000, while 42% reported of an even larger loan. These proportions have remained relatively rather stable since 2016.

The size of loans obtained varies considerably across countries (figure 62). Small loans (less than EUR 25,000) are most often reported by SMEs in Lithuania (18% of SMEs that applied for a loan). Large loans (more than EUR 1 million) are most often reported by SMEs in the Netherlands (56%) and Sweden (33%).

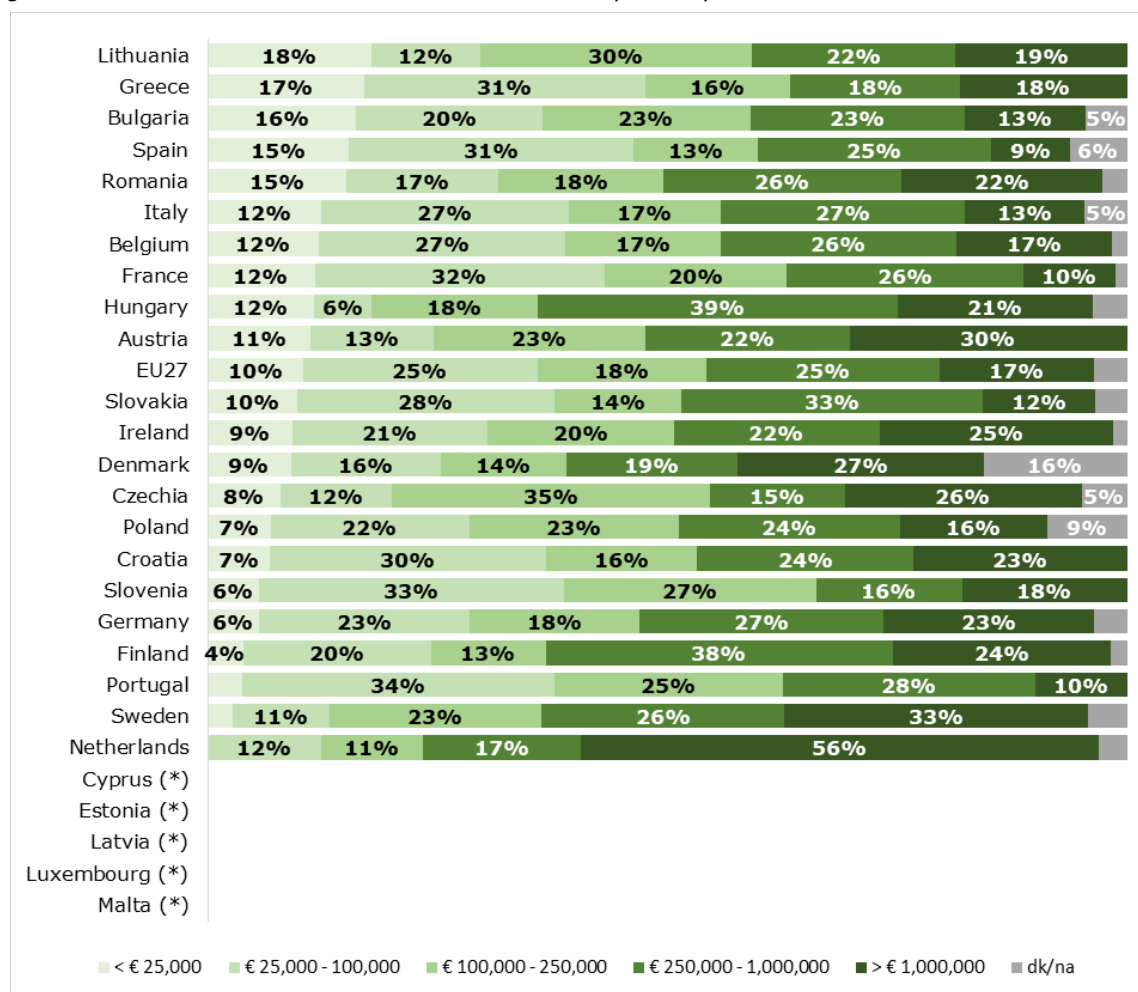
Figure 63 shows the distribution of loan size by enterprise characteristic in 2021. SMEs in industry more often report larger loans: the proportion of loans obtained larger than EUR 250,000 in industry is larger than the corresponding figures for construction, trade and services. Loan size is correlated to enterprise size. For instance, 66% of the enterprises with less than 10 employees report that the last loan obtained is less than EUR 100,000, whereas for enterprises with 10-49 employees, this proportion amounts to 36%. Conversely, for enterprises with more than 250 employees, 71% of loans obtained are at least EUR 1 million. 41% of the loans obtained by high-growth enterprises are less than EUR 100,000. Non-exporters more often obtain loans of less than EUR 100,000 (44%) than exporters (26%). The size distribution of loans for innovative SMEs does not differ much from the size distribution of loans for non-innovative SMEs.

figure 61 Size of the last loan of SMEs in the EU27 for the period 2014-2021



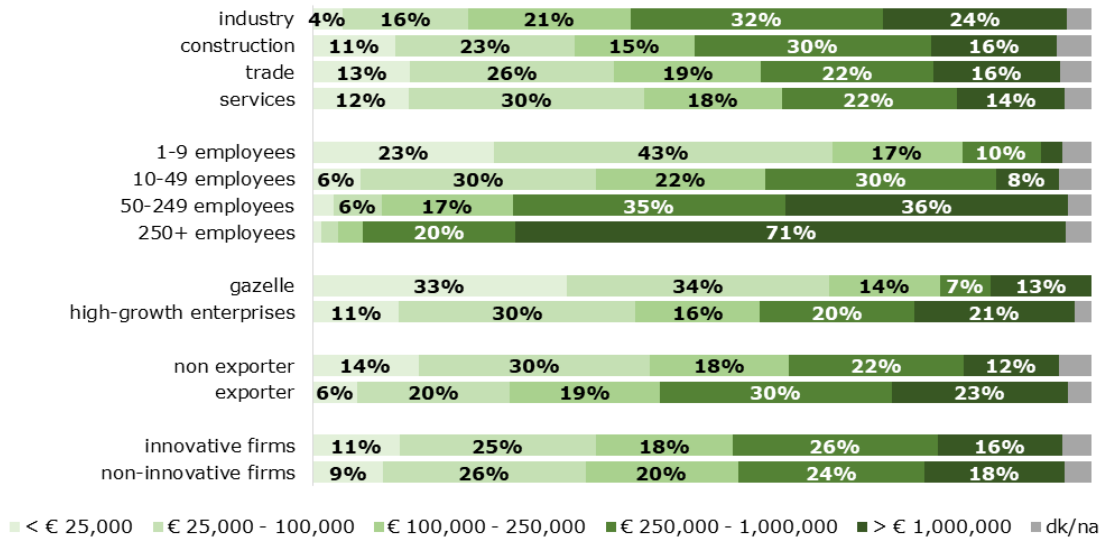
Source: SAFE (Q8a); edited by Panteia.

figure 62 Size of the last loan of SMEs in the EU27 by country in 2021



* Results are not reliable, because of too low a number of observations.
Source: SAFE (Q8a); edited by Panteia.

figure 63 Size of the last loan of SMEs in the EU27, by enterprise characteristic in 2021

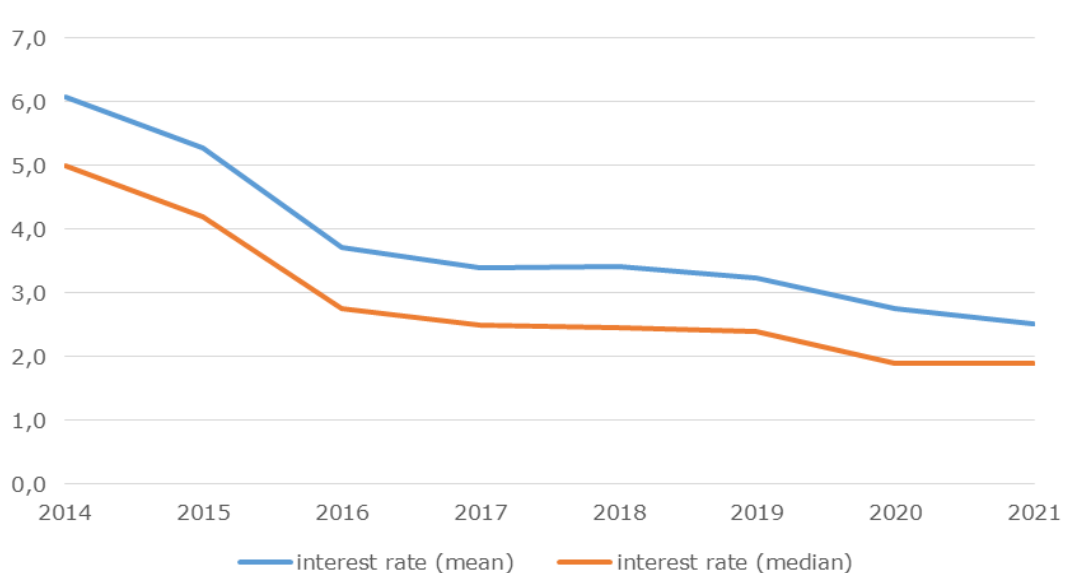


Source: SAFE (Q8a); edited by Panteia.

1.6. Charged interest rate

Figure 64 presents the mean and median value of the interest rate on bank overdraft and credit line for SMEs in the EU27 for the period 2014-2021. Both the mean and median interest rate has gradually decreased from 6.1 for mean value and 5.0 for median, to 2.5 (mean) and 1.9 (median).

figure 64 Mean and median value of the interest rate on bank overdraft and credit line for SMEs in the EU27 during 2014 -2020

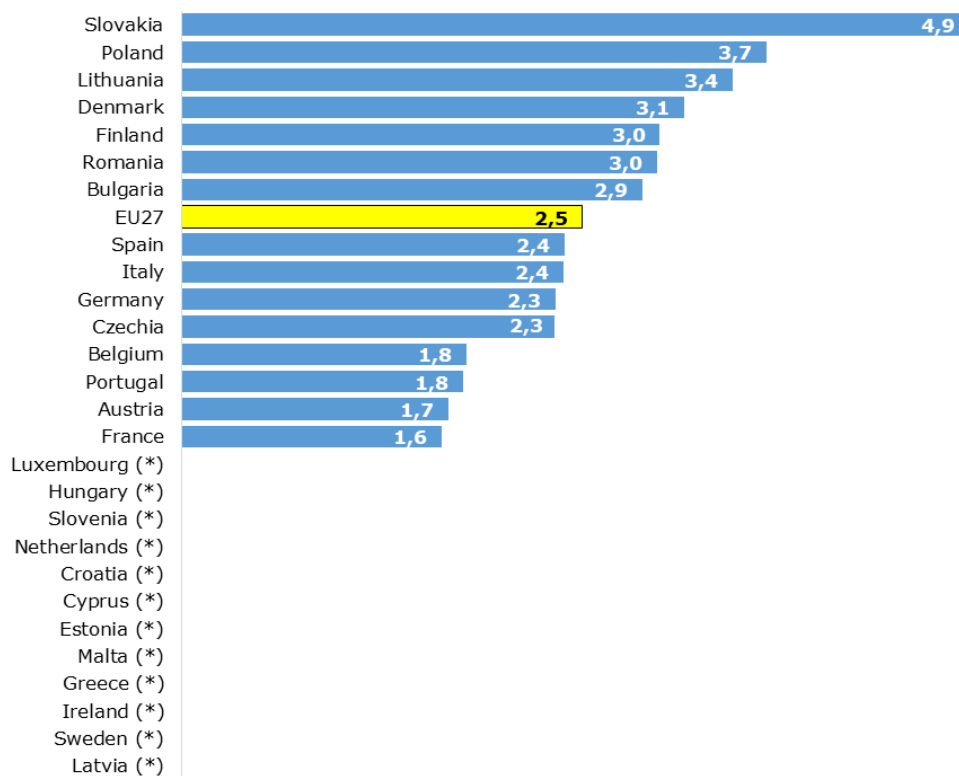


Source: SAFE (Q8b); edited by Panteia.

In 2021, the interest rate on bank overdraft and credit line paid by SMEs in the EU27 amounted to 2.5% (figure 65). The interest rates charged to SMEs' bank overdraft and

credit line varies considerably across countries. Within the EU27, it is highest in Slovakia (4.9%), Poland (3.7%), Lithuania (3.4%) and Denmark (3.1%). Within the EU27, the lowest rates can be found in Austria (1.7%) and France (1.6%).

figure 65 Mean of the interest rate on bank overdraft and credit line for SMEs in the EU27, by country

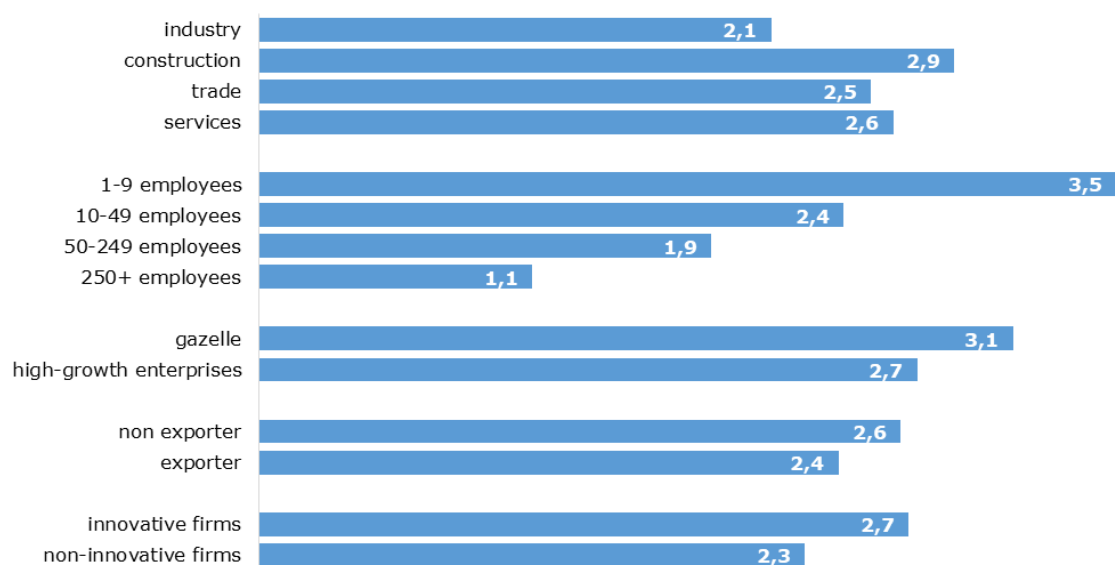


* Results are not reliable, because of too low a number of observations.

Source: SAFE (Q8b); edited by Panteia.

The interest rate on bank overdraft and credit line paid by SMEs is differentiated by enterprise characteristic in figure 66. There are few differences between sectors, with SMEs in construction having slightly higher rates (2.9%) when compared to industry (2.1%), trade (2.5%) and services (2.6%). Micro enterprises are charged a higher interest (3.5%) rate than the average EU27 SME. Gazelles, high-growth enterprises and innovative enterprises pay higher than average interest rates, whereas exporting and non-exporting enterprises and non-innovative enterprises pay below average rates.

figure 66 Mean of the interest rate on bank overdraft and credit line for SMEs in the EU27, by enterprise characteristic in 2021



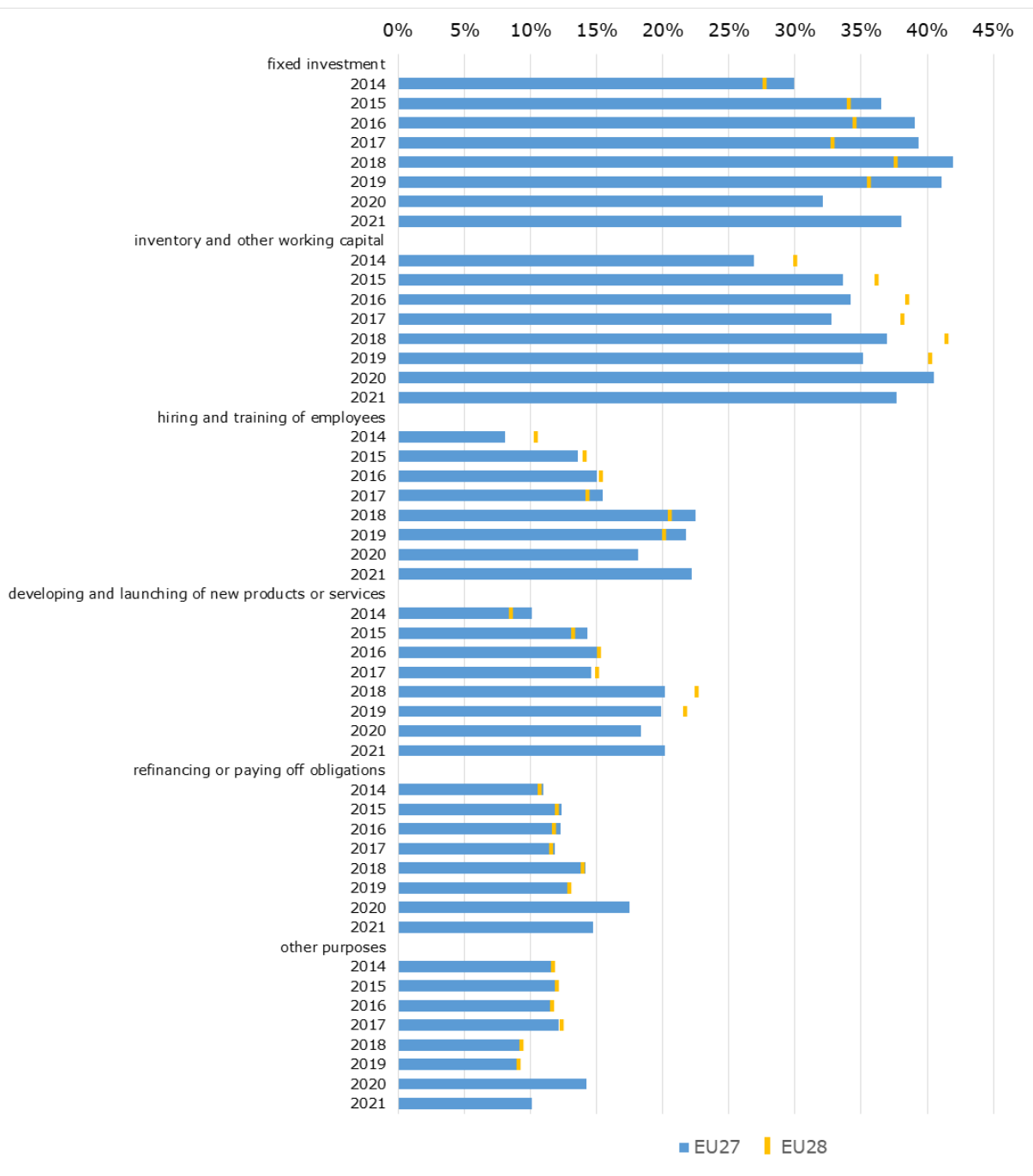
* Results are not reliable, because of too low a number of observations.
Source: SAFE (Q8b); edited by Panteia.

1.7. Purpose of the most recent loan

Figure 67 shows for what purpose the EU27 SMEs have been using the most recent external financing obtained during the last six months during 2014-2021. The largest categories reported are inventory and other working capital and fixed investment (both reported by 38% of SMEs). Other specific categories reported are: hiring and training of employees (22%), developing and launching of new products or services (20%) and refinancing or paying off obligations (15%). External financing used for fixed investment, hiring and training employees and developing and launching of new products or services has increased since 2020, whereas external financing for inventory and other working capital, refinancing or paying off obligations and other purposes have decreased.

In the next sections, more detailed results are presented for fixed investments and inventory and working capital, since these are the most often reported purposes for obtained financing.

figure 67 Purpose for which external financing has been used by SMEs in the EU27 in the past six months (April to September) during 2014-2021

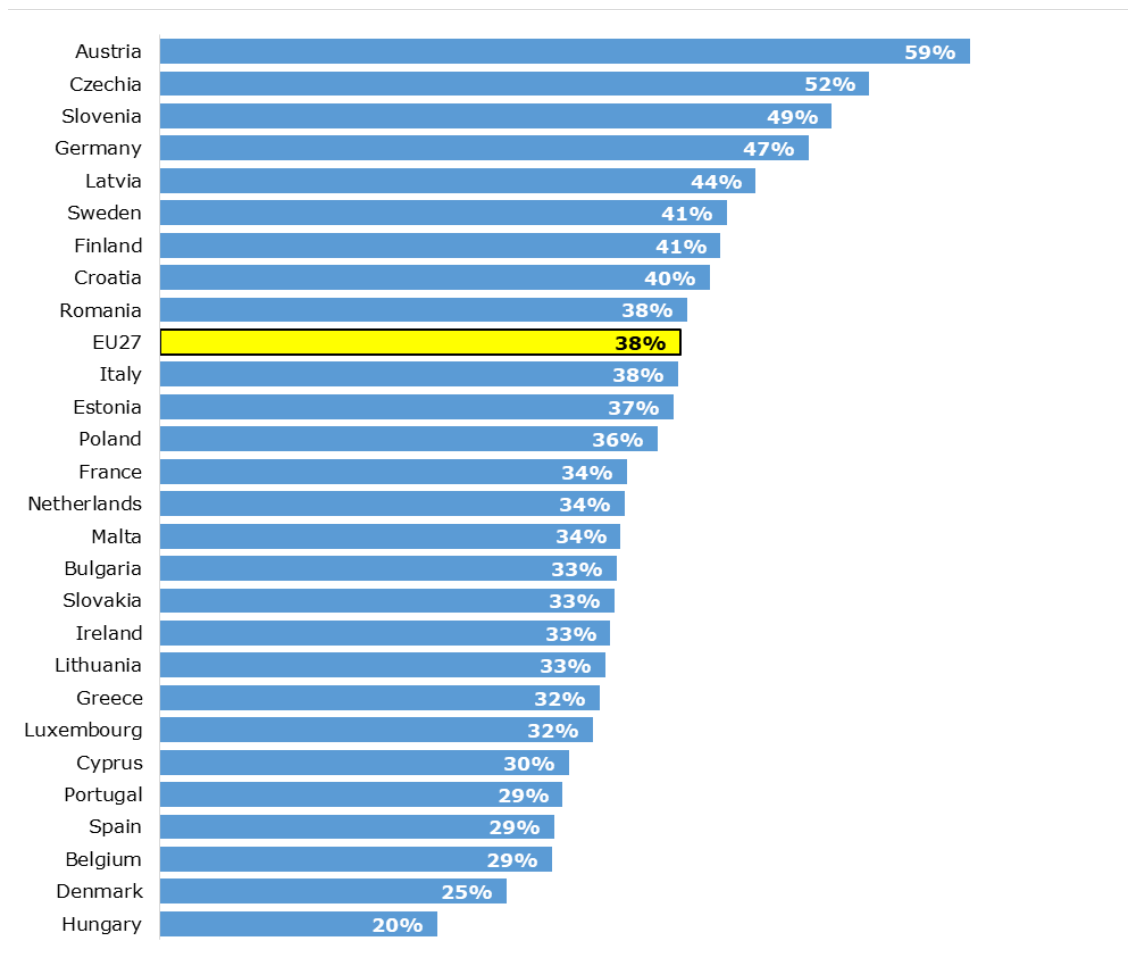


Source: SAFE (Q6a); edited by Panteia.

1.7.1 Fixed investment

The last external finance obtained has been used the most for fixed investment in Austria (59%) and Czechia (52%). External finance for fixed investment is used the least in Hungary (20%) and Denmark (25%). In the large majority of EU27 Member States, the use of the last obtained external finance for fixed investment has increased compared to 2020 (from an EU27 SME average of 32% to 38%).

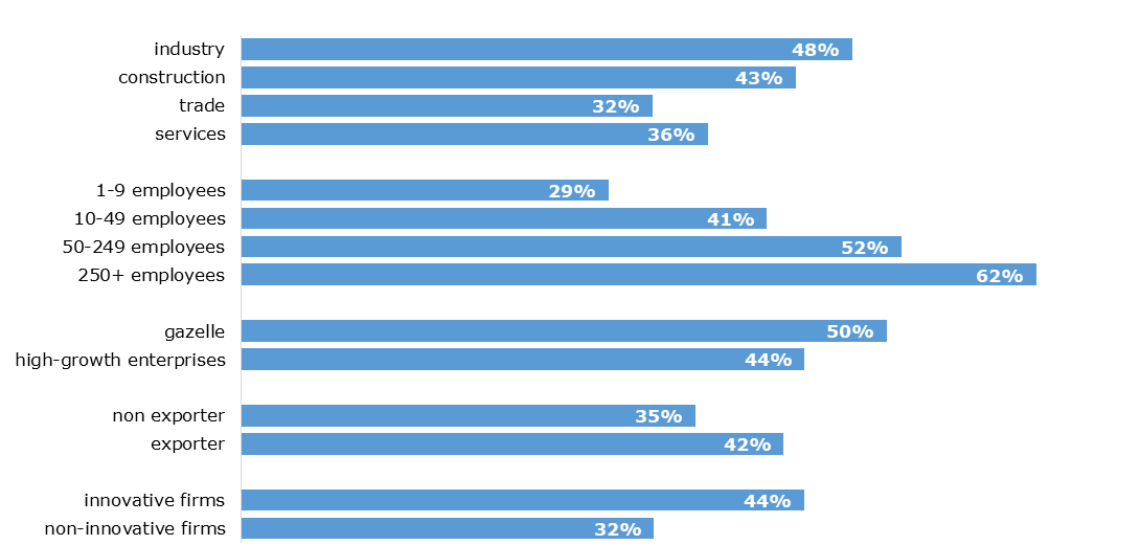
figure 68 External financing used as investments in property, plant or equipment (fixed investment) by SMEs in the EU27 during April to September 2021, by country



Source: SAFE (Q6a1); edited by Panteia.

The use of the last obtained external financing for fixed investment is most often reported in industry (48%) (figure 69), followed by construction (43%) and services (36%). There is a clear correlation between enterprise size and the use of the last obtained external financing for fixed investment: it is lowest in enterprises with less than 10 employees (29% of enterprises) and largest in enterprises with more than 250 employees (62%). Gazelles and high-growth SMEs use the last obtained external financing more often for fixed investment than the average for SMEs in the EU27. The same holds for exporters and for innovative SMEs.

figure 69 External financing used as investments in property, plant or equipment (fixed investment) by SMEs in the EU27 during April to September 2021, by enterprise characteristic



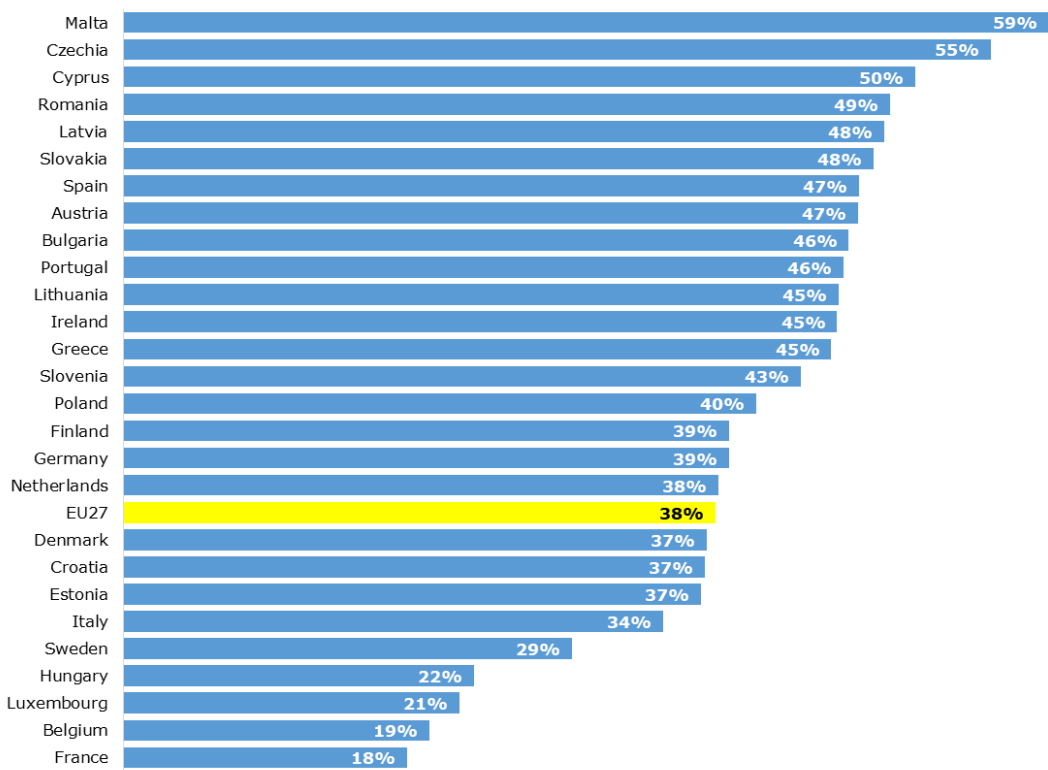
Source: SAFE (Q6a1); edited by Panteia.

1.7.2 Inventory or other working capital

Figure 70 shows the use of the last obtained external financing for inventory or other working capital in the EU27 countries. The average for SMEs in the EU27 is 38%, which is lower than in 2020 (41%). It is largest in Malta (59%), Czechia (55%) and Cyprus (50%). The use of external financing for inventory or other working capital is the lowest in France and Belgium (below 20%).

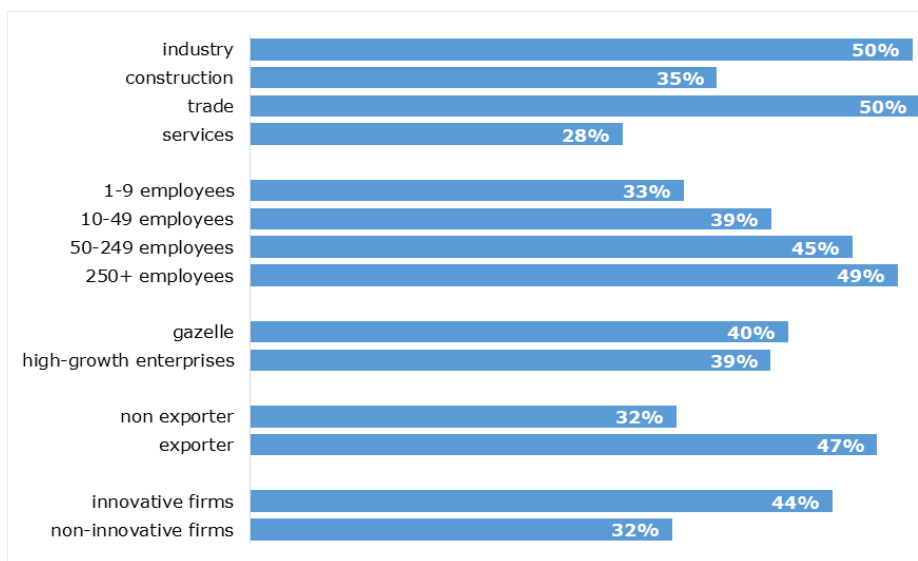
In figure 71, the use of the last obtained external finance is disaggregated by enterprise characteristic. Viewed by economic sector, use of the last obtained external finance for inventory or other working capital is mentioned most often in trade and industry (both 50%). The use of the last obtained external finance for inventory or other working capital is mentioned least by enterprises with less than 10 employees (33%) and most often by enterprises with more than 250 employees (49%). Exporting SMEs mention use of the last obtained external finance for inventory or other working capital more often than non-exporting SMEs (47% and 32%, respectively). The same holds for innovative SMEs compared to non-innovative SMEs (44% and 32%, respectively).

figure 70 External financing used as inventory or other working capital by SMEs in the EU27 during April to September 2021, by country



Source: SAFE (Q6a2); edited by Panteia.

figure 71 External financing used inventory or other working capital by SMEs in the EU27 during April to September 2021, by enterprise characteristic



Source: SAFE (Q6a2) edited by Panteia.

2. ACCESS TO EXTERNAL SOURCES OF FINANCE

This chapter details the access to external sources of finance for European SMEs. The chapter covers changes in the general economic and financial environment for SMEs (2.2), changes in the availability of various types of finance (2.3), changes in the need for external financing (2.4) and changes in the terms and conditions of bank financing faced by enterprises (2.5).

2.1. Key findings

In 2021, the proportion of SMEs that reported deterioration in the general economic outlook exceeded the proportion of SMEs that reported an improvement by 4%. This unfavourable result is likely to be influenced by the Covid pandemic. Regarding their own outlook with respect to sales, profitability and their business plan, SMEs were more positive. For public financial support, the number of SMEs that reported an improvement was higher than the number of SMEs reporting a deterioration.

In 2021, SMEs indicated an improvement in the availability of bank loans and the availability of bank overdraft, credit line or credit cards. Over the survey years, the availability of bank overdraft, credit line or credit cards overdraft has developed similarly to that of loans, with a considerable decline in 2020.

In 2021, the majority of SMEs in the EU27 report an increasing need of finance for any type of funding, with the exception of debt securities, which remained stable. In particular for leasing and hire purchase, the proportion of EU27 SMEs, which reported that their needs had increased, has been larger than the proportion of EU27 SMEs reporting their needs had decreased.

The level of interest rates faced by EU27 SMEs has deteriorated in 2021. 14% of SMEs reported an improvement in the level of interest rates, whereas 20% were faced with a deterioration in the rates by banks. The resulting net effect amounts to a net deterioration of 6%. In the previous four years, the level of interest rates faced by EU27 SMEs has been reported as improving, with the exception of 2018.

Even though interest rates improved more often than they deteriorated over the past years, the other non-interest costs of financing have had a net deterioration in the past years, though it diminished slightly in 2020. These costs include such items as charges, fees and commissions charged to SMEs when acquiring bank financing. In 2021, 36% reported a deterioration versus an improvement for 4% of SMEs. The resulting net change equals a 32% net deterioration.

2.2. Changes in the general economic and financial environment

This section covers changes in eight factors affecting the availability of external financing for SMEs, detailing changes over the years and a breakdown by country and enterprise characteristic for a subset of four of these types. The four types that are discussed in more detail are: public financial support, the firm-specific outlook, SMEs' own capital and their credit history. Changes in these factors are first presented for SMEs in the EU27 for the period 2014-2021 in figure 72. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

In 2021, 19% of SMEs indicated that the general economic outlook had improved, while 23% reported a deterioration. This results in a net deterioration of 4%. In 2020, there was a net deterioration of 40%.

In 2021, 31% of EU27 SMEs reported an improvement in their own outlook with respect to sales, profitability and their business plan. Another 19% indicated a deterioration, resulting in a net improvement of 12%. This net change has been positive during 2014-2019, a notable exception being 2020.

The enterprise's own capital includes both capital provided by the owners and by the shareholders of the enterprise. When enterprises realise profits, their equity balance improves and their own capital stock grows. In 2021, 25% of EU27 SMEs reported an improvement in the enterprise's own capital. Another 12% reported a deterioration, resulting in a net improvement of 14%. This net change has also been positive during the past six years, with the exception of 2020, where there was a net deterioration of 7%.

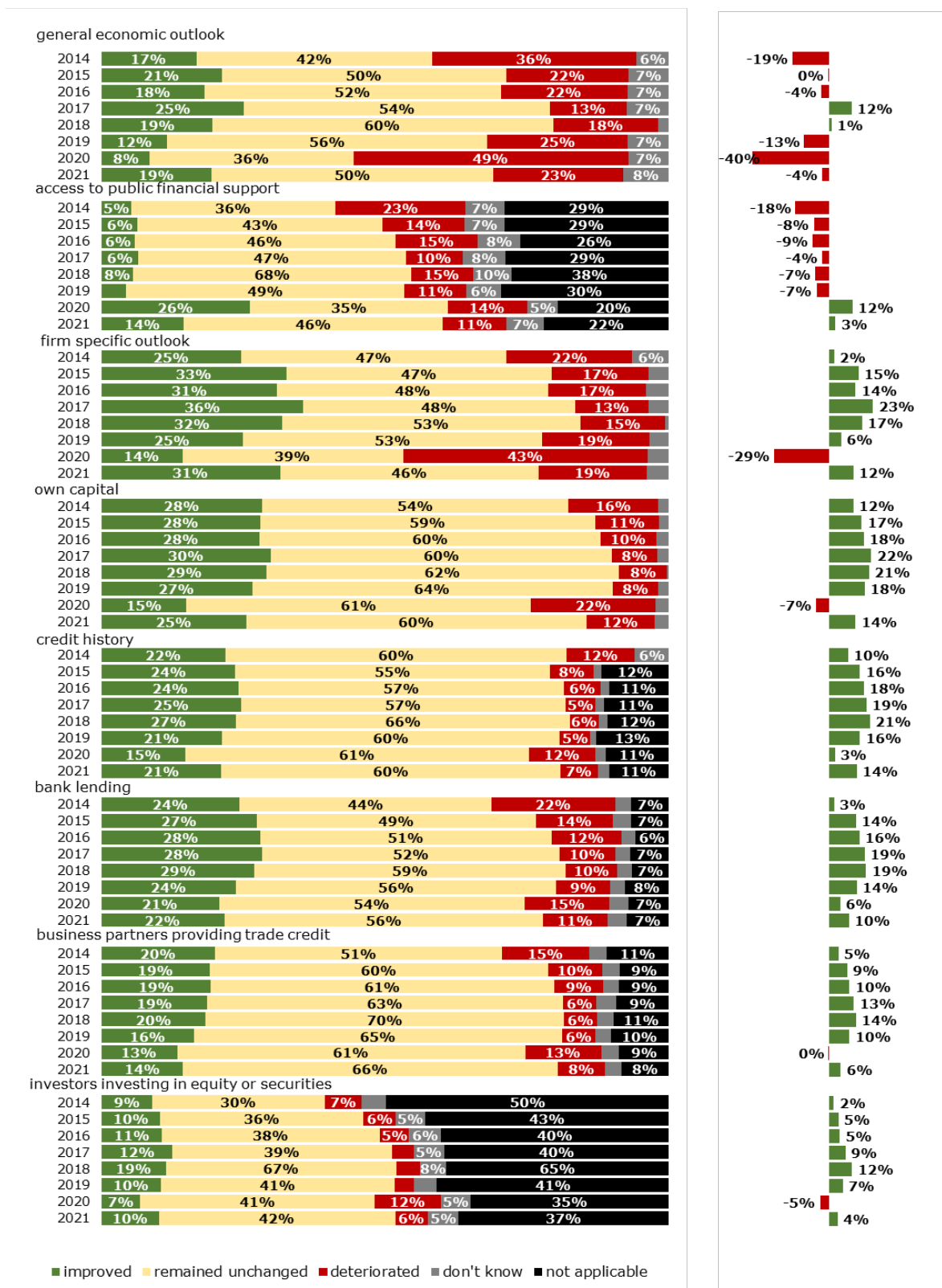
Changes in credit history have followed a similar pattern. In 2021, 21% of EU27 SMEs reported that their credit worthiness had improved, while 7% indicated a deterioration in their track record of repaying past debts. This results in a net improvement of EU27 SME's credit history equal to 14%, which is higher than in 2020.

In 2021, 22% perceived an improvement in banks' willingness to provide credit to their enterprise versus 11% perceiving a deterioration. This resulted in a rounded net improvement of 10%.

In 2021, 14% indicated an improvement in their business partners' willingness to provide trade credit to their enterprise. Another 8% perceived a deterioration, resulting in a rounded net improvement of 6%, compared to 0% in 2020.

In 2021, the factor 'investors investing in their enterprise's equity or securities' saw a rounded net improvement equal to 4%: 10% of SMEs indicated an improvement, while 6% reported a deterioration. From 2014 to 2019, SMEs consistently indicated a deterioration of public financial support. However, in 2020, Public financial support showed a net improvement equal to 12%. This positive trend has continued in 2021: 14% of SMEs indicated an improvement, while 11% reported a deterioration, although these figures are lower than evident in 2020.

figure 72 Changes in factors affecting the availability of external financing for SMEs in EU27 during 2014-2021, for SMEs in the EU27.

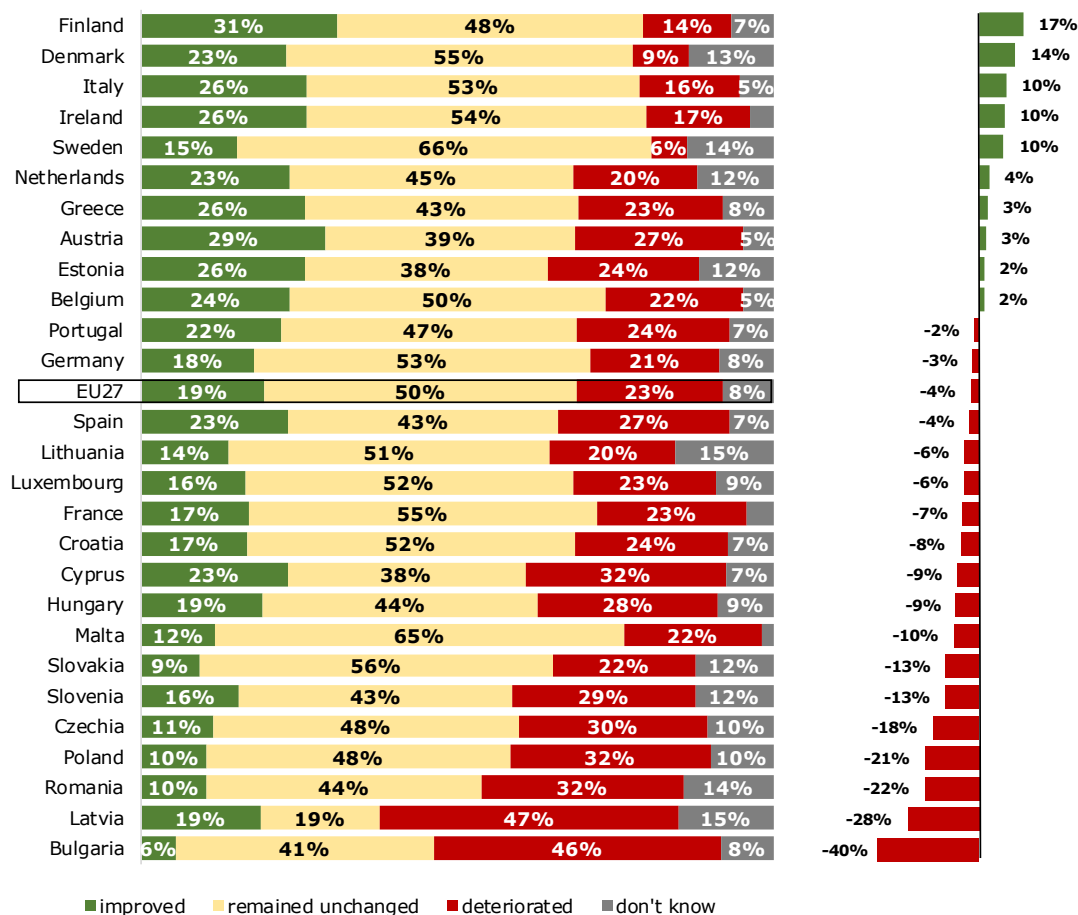


Source: SAFE (Q11); edited by Panteia.

2.2.1 General economic outlook

Improvements in the general economic outlook are reported by 19% of all SMEs in the EU27 (figure 73), with another 23% having experienced deteriorations in outlook, resulting in a net deterioration of 40%. Among the countries of the EU27, SMEs in Finland report the biggest improvement in general economic outlook (17%), and SMEs in Bulgaria have the largest net deterioration (40%).

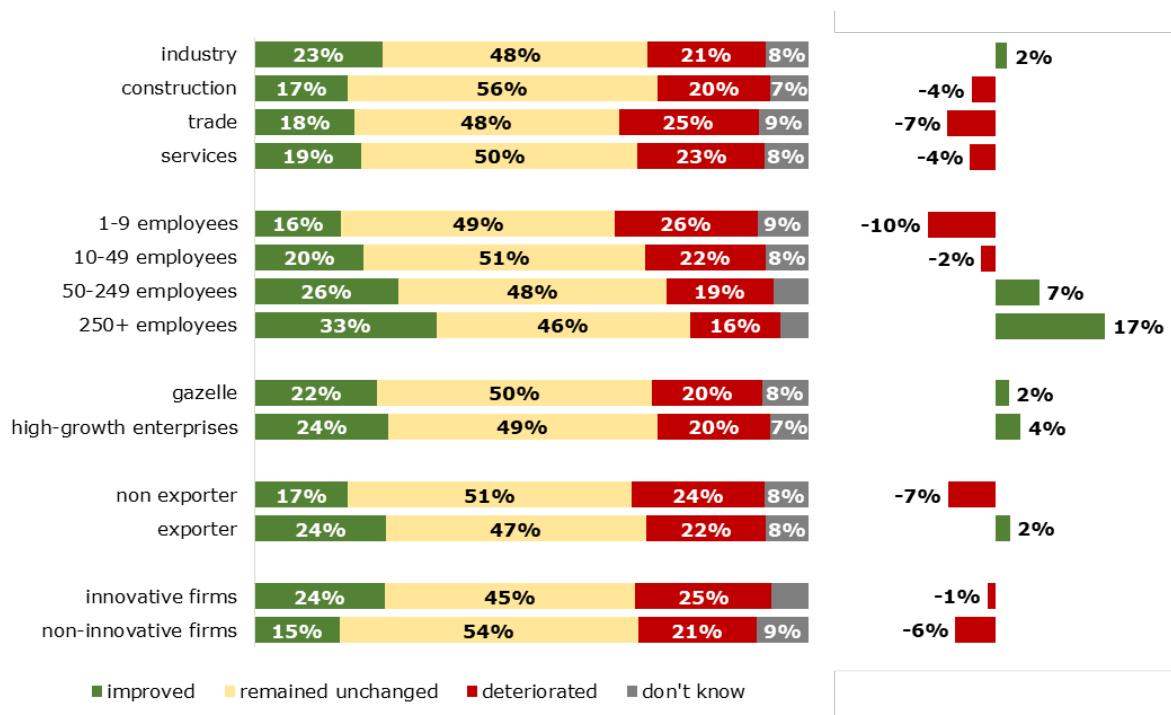
figure 73 Changes in general economic outlook during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q11a); edited by Panteia.

Broken down by enterprise characteristic, the groups identified report various net changes in their general economic outlook in 2021 (figure 74). Among the various sectors, SMEs in industry report a positive change in general economic outlook with a net improvement of 2%, and those in trade report the highest net deterioration (7%). Enterprises with 1-9 employees have experienced the greatest deterioration, with a net deterioration of 10%. Enterprises with 250+ employees saw an improvement of 17%. High-growth enterprises experienced a slightly greater improvement than gazelles, with a net improvement of 4% and 2%, respectively. Exporters experienced a slight improvement of 2%, whereas non-exporters experienced a net deterioration of 7%. Lastly, non-innovative firms experienced a slightly greater deterioration than innovators, with a net deterioration of 6% and 1%, respectively.

figure 74 Changes in general economic outlook during April to September 2021 for SMEs in the EU27, by enterprise characteristic



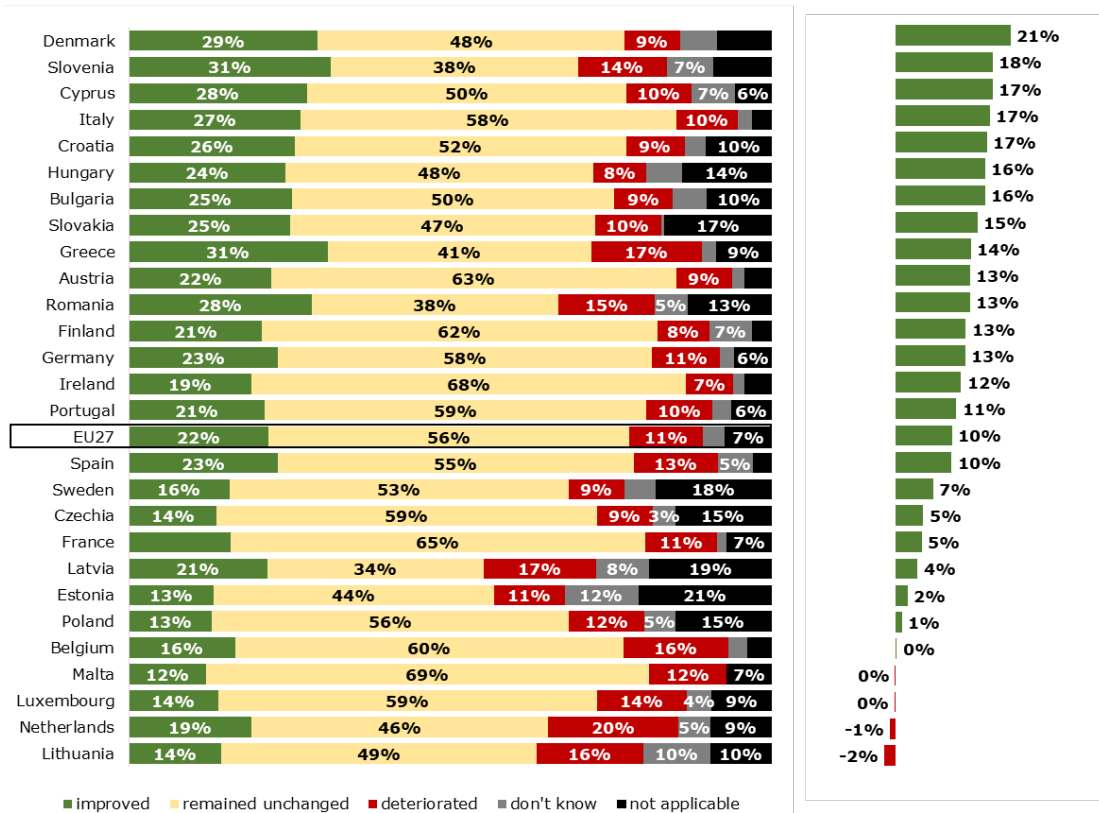
Source: SAFE (Q11a); edited by Panteia.

2.2.2 Bank lending

This section presents a more detailed breakdown of changes in bank lending and its effect on the availability of external financing. A breakdown by country in figure 75 presents the results for SMEs in each country of the EU27. In addition, in figure 77, there is a map, which shows the net change for SMEs in the member states of the EU27. A breakdown by enterprise characteristic in figure 76 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net balance of reported improvements minus deteriorations.

Improvements in bank lending are reported by 22% of all SMEs in the EU27, with another 11% having experienced deteriorations in such access, resulting in a rounded net improvement of 10% (figure 75). Among the countries of the EU27, SMEs in Denmark report the largest net improvement (21%), and Lithuania reports the greatest net deterioration (2%). Figure 77 shows the geographical distribution of these results for the EU27 Member states.

figure 75 Changes in bank lending during April to September 2021 for SMEs in the EU27, by country

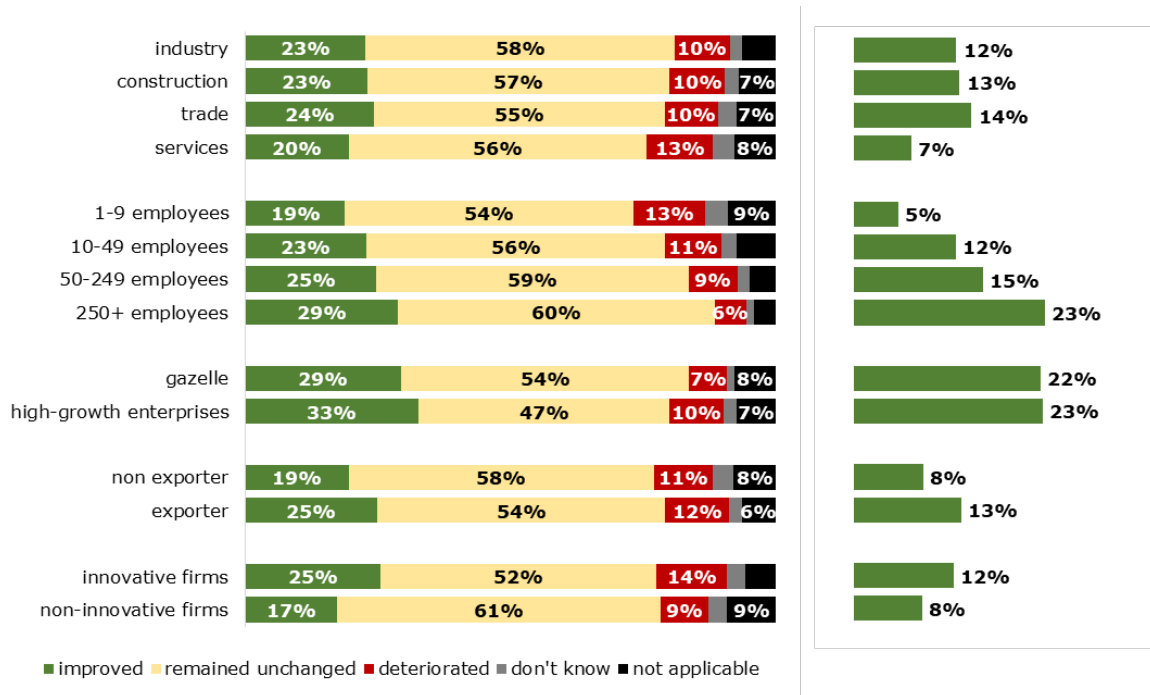


Source: SAFE (Q11f); edited by Panteia.

Broken down by enterprise characteristic (figure 76), all of the groups identified report net improvements in bank lending in 2021. Among the various sectors, SMEs in trade report the largest net improvement (14%) and in services the smallest net improvement (7%). Enterprises with 250 or more employees have experienced the largest improvement (net 23%), while micro-sized enterprises of no more than 9 employees experienced a relatively small improvement (net 5%).

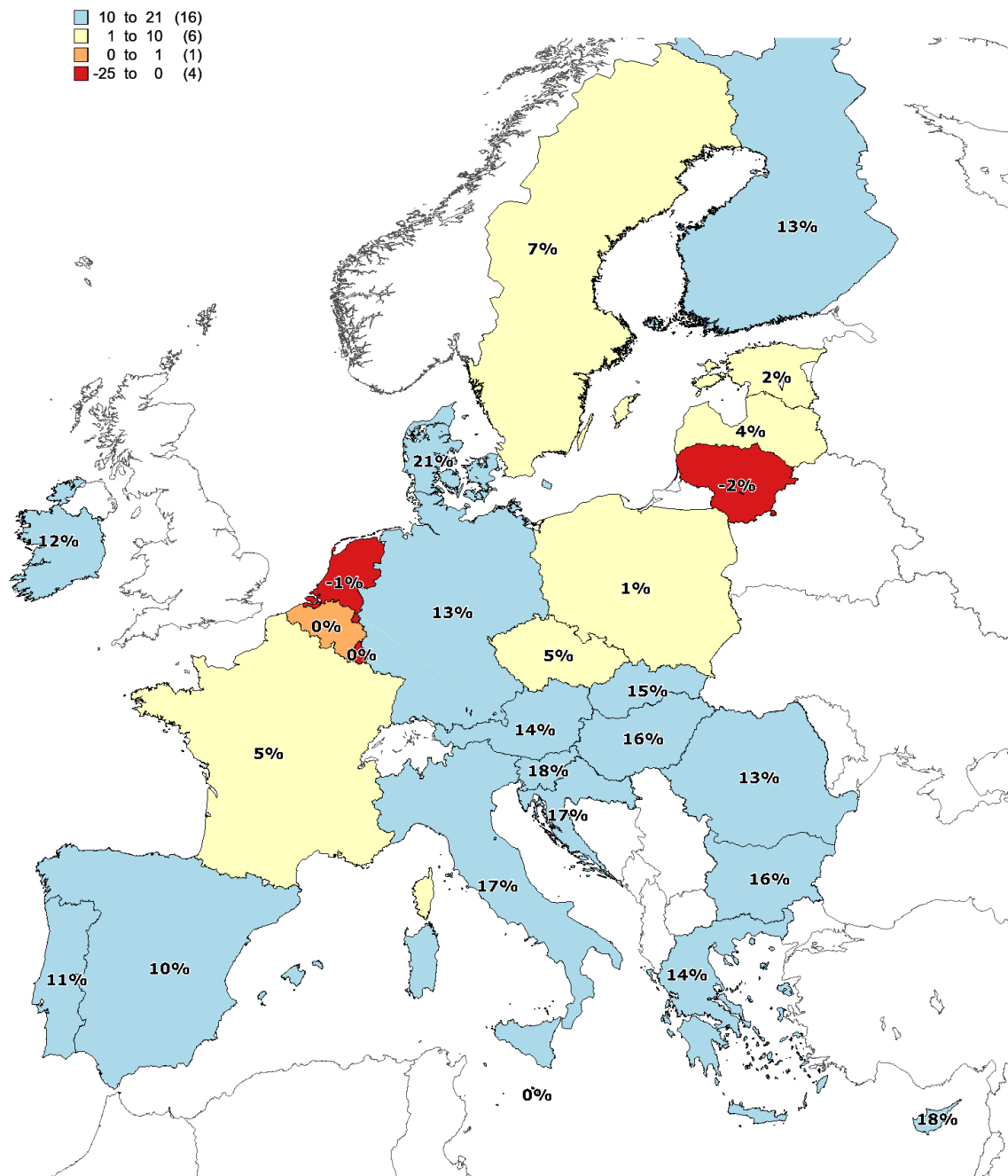
High-growth firms are slightly more positive about the development of bank lending over the past 6 months than gazelles. Exporters (net 13%) are more positive about changes in bank lending than SMEs that do not export (net 8%), and innovative SMEs (net 12%) are more positive than non-innovative SMEs (net 8%) are.

figure 76 Changes in bank lending during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q11f); edited by Panteia.

figure 77 Changes (the net change between the categories improved and deteriorated) in the willingness of banks to provide credit for SMEs in EU27 in 2021, for SMEs in the EU27.



Source: SAFE (Q11f); edited by Panteia.

2.3. Changes in the availability of financing

This section covers changes in the availability of seven types of financing for SMEs, detailing changes over the years and a breakdown by country and enterprise characteristic for a subset of four of these types. The four types that are discussed in more detail are: credit line, bank overdraft or credit card overdraft, bank loans, trade

credit and equity financing. Changes in the availability for these types in the six months preceding the survey are first presented for SMEs in the EU27 for the period 2014-2021 in figure 78. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations. It should be noted that leasing or hire purchase was only introduced as a separate category in 2015.

The effect of bank lending as a factor that impacts the availability of external financing for SMEs in the EU27 has seen a significant net improvement since 2015, as was discussed in section 2.2. However, this net improvement has declined since 2017. Following that, the actual availability of bank loans to European SMEs has also experienced a net improvement in the same years. However, this decreased from a net improvement of 12% in 2017 to a net improvement of 6% in 2021. In 2021, 16% indicated an improvement in the availability of bank loans versus 10% that reported a deterioration. This results in a net improvement in the availability of bank loans of 6%.

Another type of bank financing experienced a strongly similar development: the availability of bank overdraft, credit line or credit cards. Whereas 14% of EU27 SMEs reported improved availability of this type of financing, another 9% reported a deterioration. This results in a 6% net improvement for 2021. Over the survey years, the availability of bank overdraft, credit line or credit cards overdraft has developed similarly to that of loans, with a considerable decline in 2020.

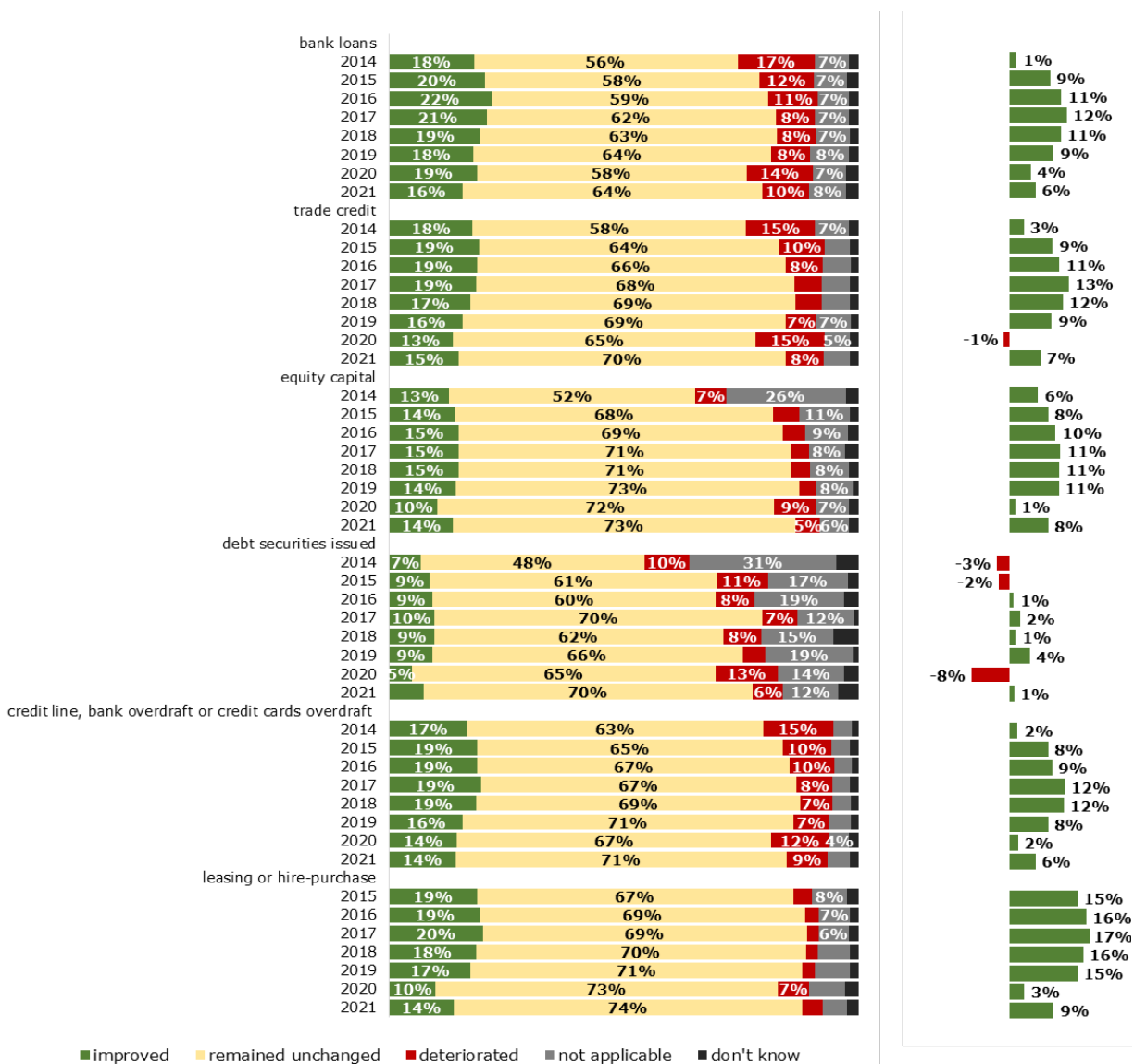
The availability of trade credit has improved over the survey years, from a net improvement equal to 3% in 2014 to a net improvement of 9% in 2019. However, in 2020, the availability of this type of financing declined to a net deterioration of 1%. However, in 2021, there is a net improvement of 7%.

Equity capital is a type of financing that is both internal (retained earnings and capital provided by the owners) and external (capital provided by external shareholders, both existing and new). In 2021, 14% of EU27 SMEs reported an improvement in the availability of equity financing versus 5% that indicated it has deteriorated. This results in a net improvement of 8%, a significant increase when compared to 2020.

In 2020, debt securities saw a net deterioration of 8%. In 2021, there is a net improvement of 1%, with 7% of EU27 SMEs reporting an improvement, whereas 6% report a deterioration.

The availability of the leasing or hire-purchase, which was first included as a category in 2015, experienced a net improvement in 2021, which is significantly larger than in 2020. It refers to obtaining the use of a fixed asset in exchange for regular payments, but without immediate ownership of the asset. In 2021, 14% of EU27 SMEs reported an improvement in the availability of leasing or hire-purchase as a type of financing to them, whereas 4% reported a deterioration.

figure 78 Changes in in the availability of different types of financing for SMEs in EU27 in the period 2014-2021, for SMEs in the EU27.



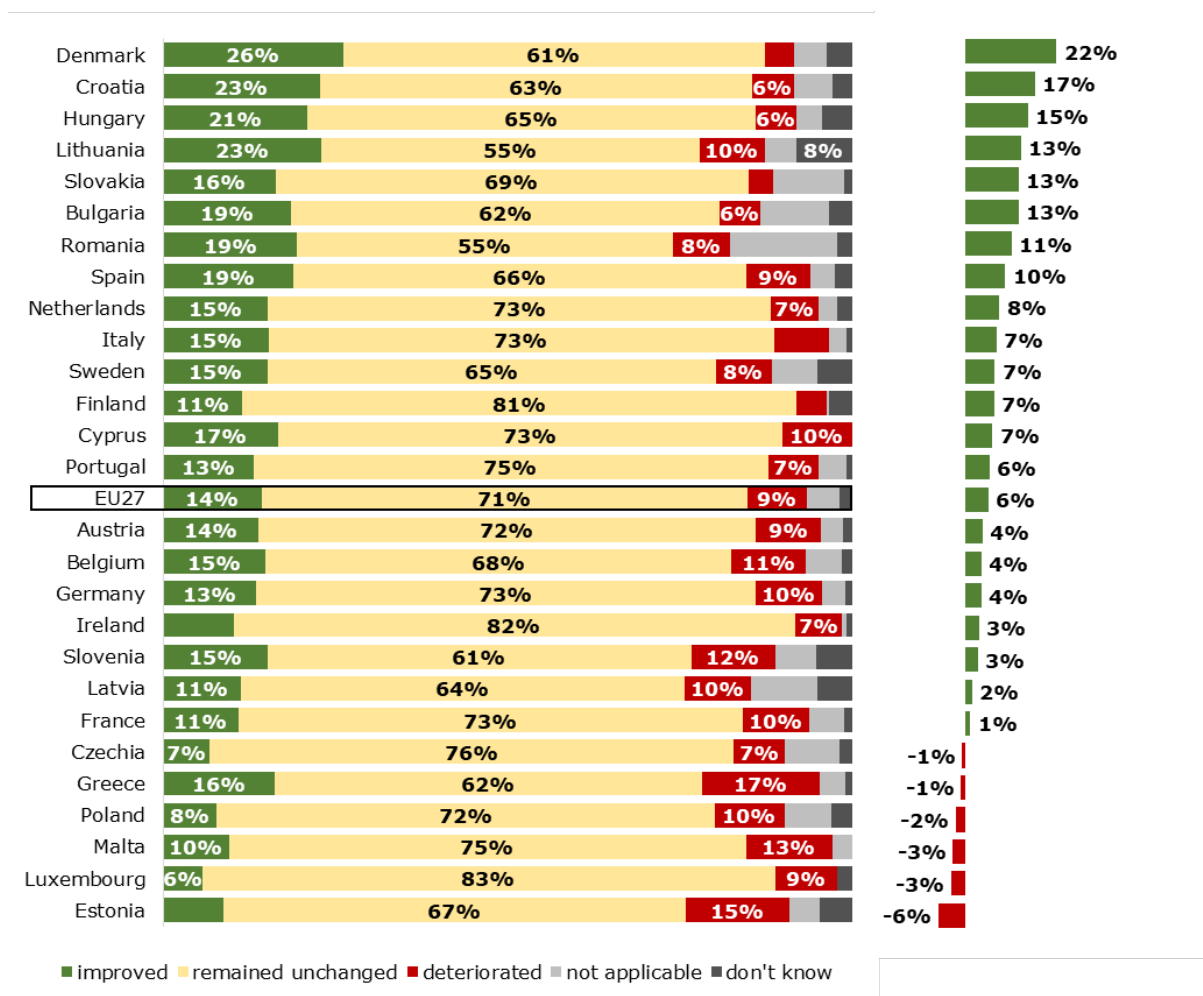
Source: SAFE (Q9); edited by Panteia.

2.3.1 Credit line, bank overdraft or credit cards overdraft

This section presents a more detailed breakdown of changes in the availability of credit line, bank overdraft or credits to EU27 SMEs. A breakdown by country in figure 79 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 80 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net balance of reported improvements minus deteriorations.

Figure 79 presents data concerning the changes in the availability of credit line, bank overdraft or credit cards overdraft in the past six months for SMEs in the EU27. In 2021, improvements in the availability of this method of financing were reported by 14% of all SMEs in the EU27, with another 9% having experienced deteriorations in such changes, resulting in a net improvement of 6%. Among the EU27 Member States, SMEs in Denmark and Croatia report the largest net improvement for this type of financing (22% and 17%, respectively) and SMEs in Estonia the largest net deterioration. 5 other EU27 Member States also reported a net deterioration: Czechia, Greece, Poland, Malta and Luxembourg.

Figure 79 Changes in the availability of credit line, bank overdraft or credit cards overdraft during April to September 2021 for SMEs in the EU27, by country

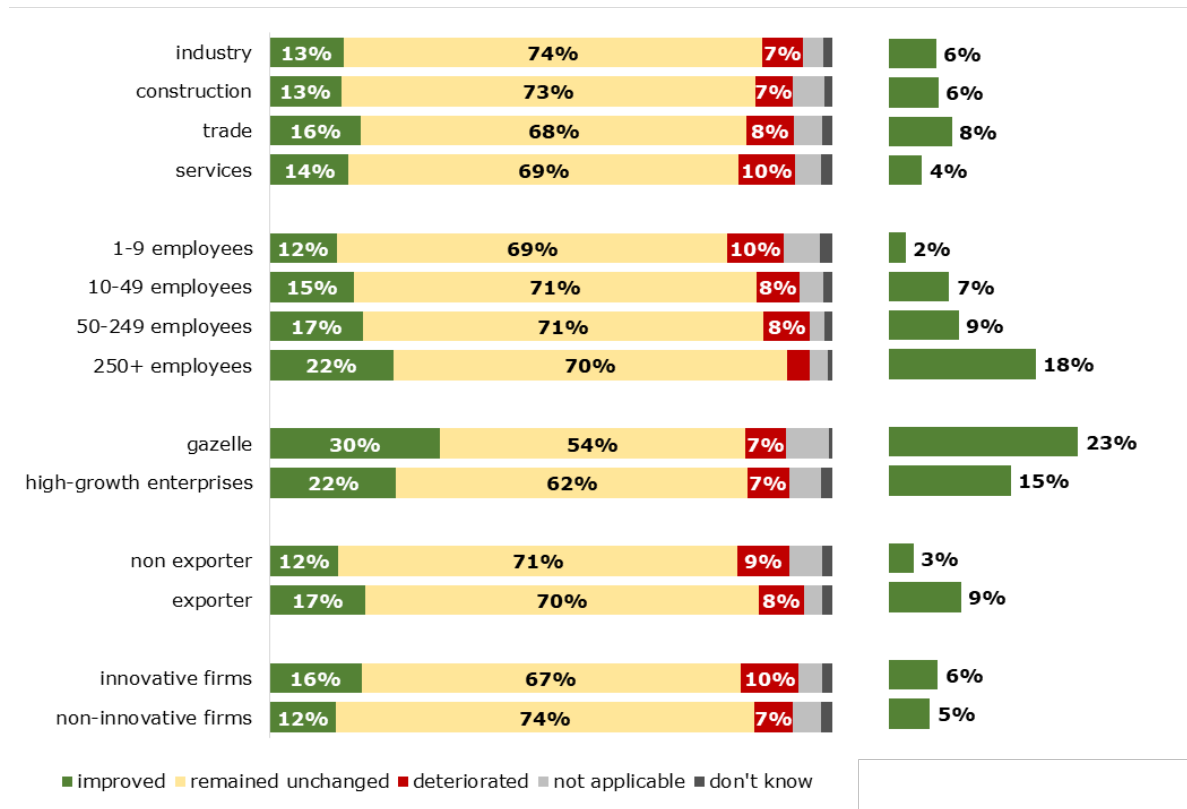


Source: SAFE (Q9f); edited by Panteia.

Broken down by enterprise characteristic, all of the groups identified report net improvements in availability in 2021. Among the various sectors, SMEs in trade report the largest net improvement (8%) and those in services experienced the least improvement (4%). For SMEs, there exists a clear relation between the size of an enterprise and changes in the availability of this type of financing: enterprises with less than 10 employees experienced a net improvement of 2% while enterprises with 10-49 employees experienced a net improvement of 7% and enterprises with 50-249 employees, a net improvement of 9%. Enterprises with 250 employees or more experience a net improvement of 18%.

There exists a difference in the perceived changes in the availability of this type of financing for high-growth SMEs diversified by age: high-growth SMEs, in general, experienced a net improvement of 15%, while gazelles (high-growth SMEs no older than 5 years) experienced a net improvement of 23%. Exporters are more positive than non-exporters (net 9% versus 3%) and innovative SMEs are slightly more positive regarding the availability of credit line, bank overdraft or credit cards overdraft to them than non-innovative SMEs are (net 6% versus net 5%).

figure 80 Changes in the availability of credit line, bank overdraft or credit cards overdraft during April to September 2021 for SMEs in the EU27, by enterprise characteristic



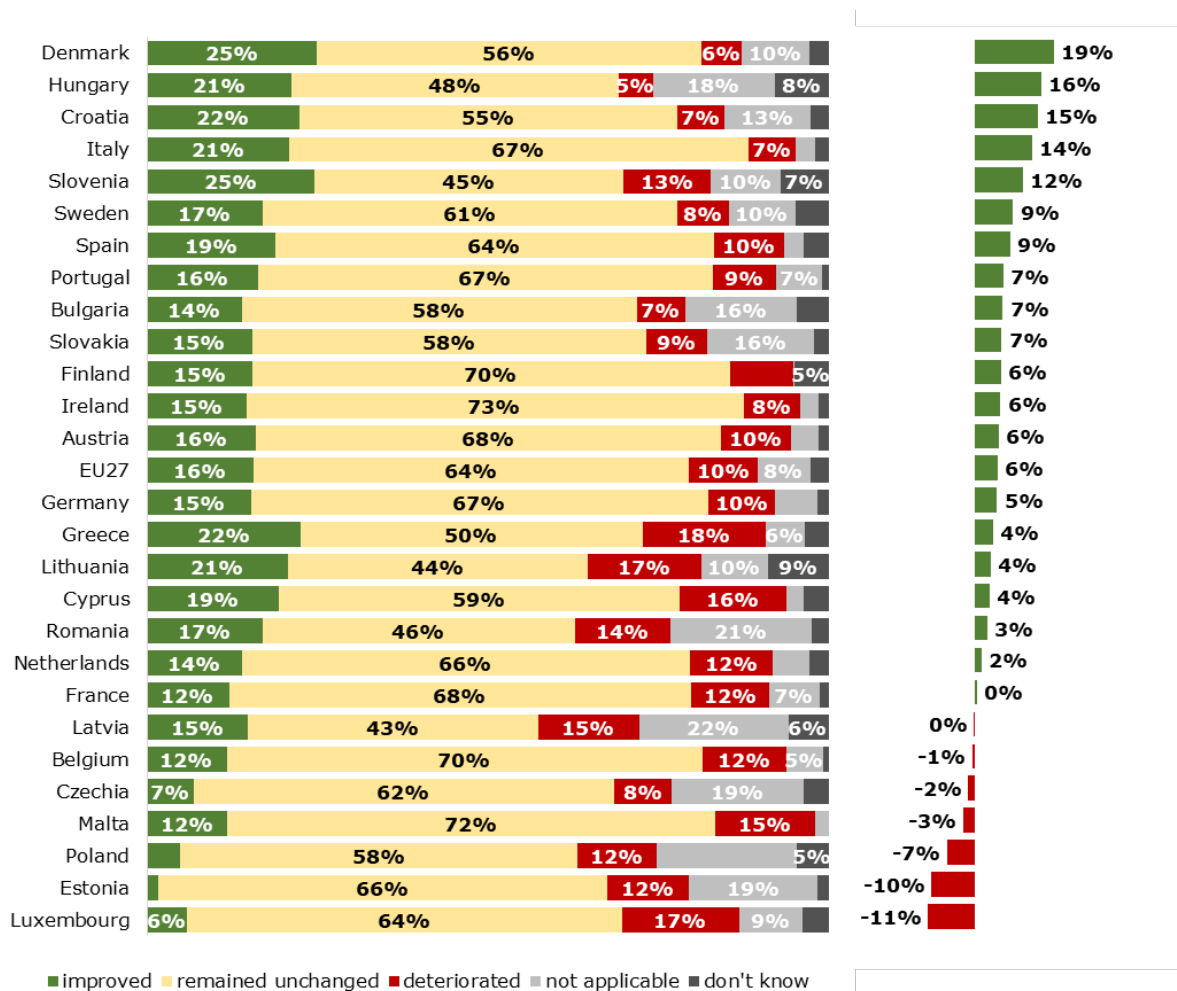
Source: SAFE (Q9f); edited by Panteia.

2.3.2 Bank loans

This section presents a more detailed breakdown of changes in the availability of bank loans to EU27 SMEs. A breakdown by country in figure 81 presents results for SMEs in each country of the EU27. In addition, figure 83 is a map, which shows the net change for SMEs in the member states of the EU27. A breakdown by enterprise characteristic in figure 83 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

Improvements in the availability of bank loans are reported by 16% of all SMEs in the EU27, with another 10% having experienced deteriorations in such changes, resulting in a net improvement of 6%. Among the countries of the EU27, SMEs in Denmark report the largest net improvement for this type of financing and SMEs in Luxembourg report the largest net deteriorations. Figure 83 shows the geographical distribution of these results for the EU27 Member States.

Figure 81 Changes in the availability of bank loans during April to September 2021 for SMEs in the EU27, by country

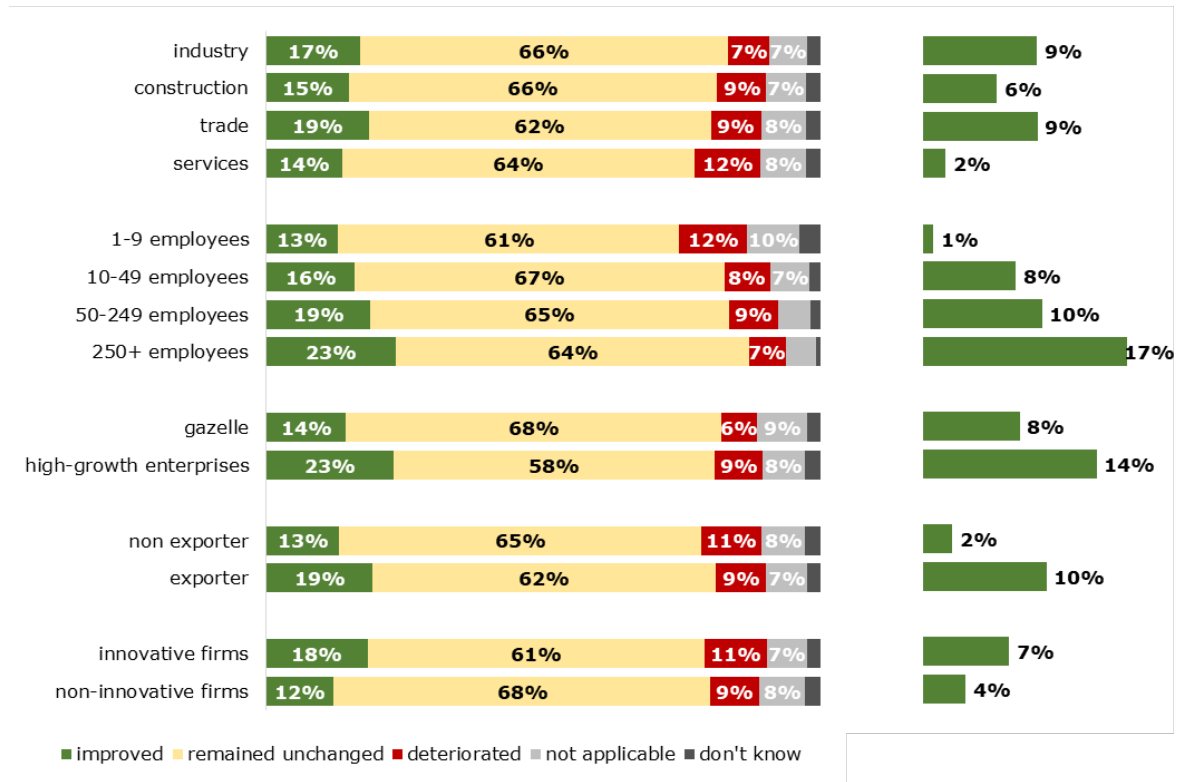


Source: SAFE (Q9a); edited by Panteia.

Figure 82 presents data on the changes in the availability of bank loans in the past six months for SMEs by enterprise characteristics. Broken down by enterprise characteristics, all of the groups identified report net improvements in availability in 2021. Among the various sectors, SMEs in industry and trade report the largest net improvement (9%) and those in services the smallest (2%). Enterprises with 250+ employees have experienced the largest improvement (net 17%), while micro-sized enterprises of no more than 9 employees experienced the least improvement (1% net).

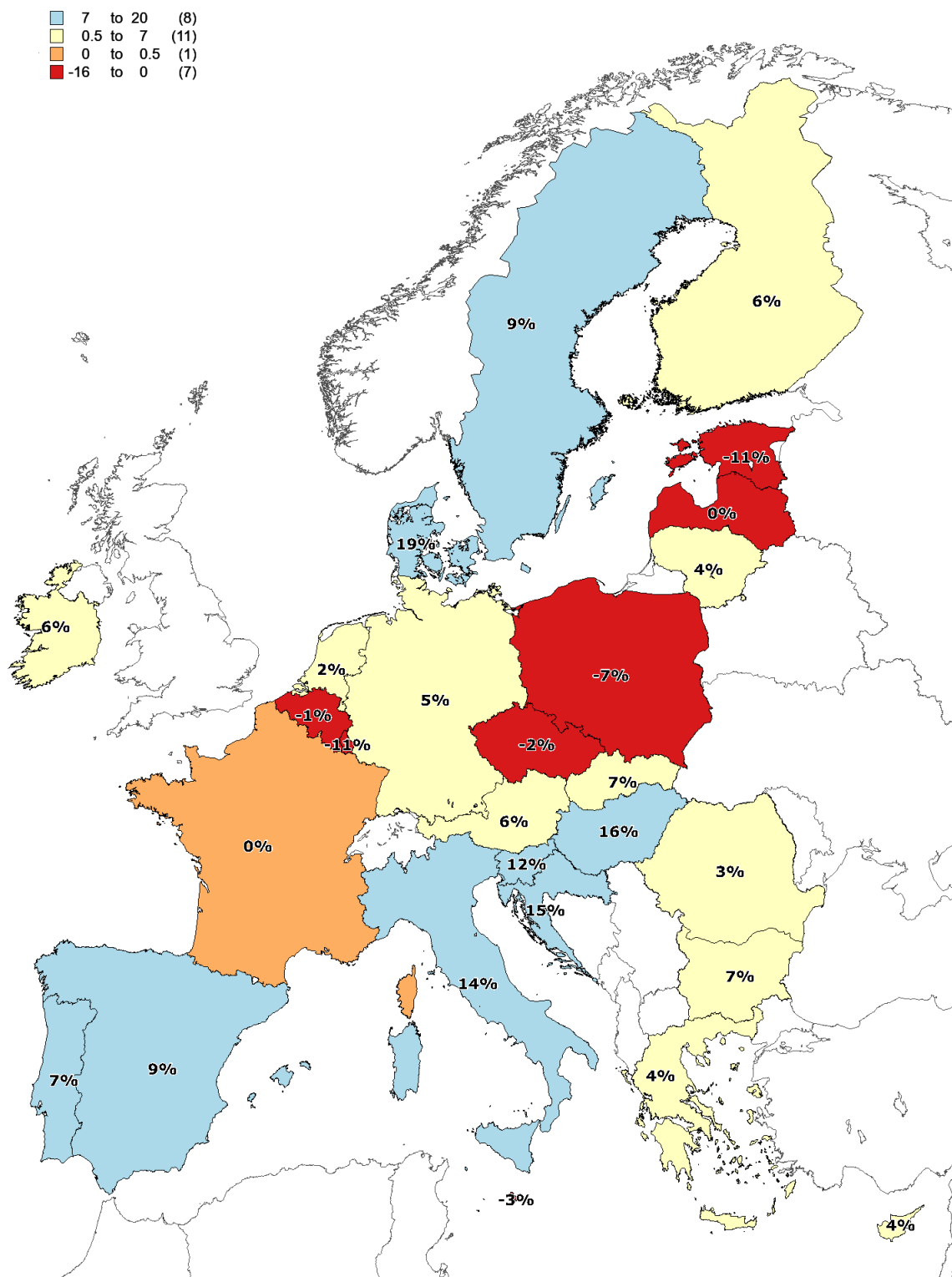
There exists some difference in the perceived changes in the availability of this type of financing for high-growth SMEs diversified by age: the net improvement for high-growth SMEs is 14% and for gazelles, 8%. Exporters are more positive than non-exporters (net 10% versus 2%) and innovative SMEs are slightly more positive regarding the availability of bank loans to them than non-innovative SMEs are (net 7% versus 4%).

figure 82 Changes in the availability of bank loans during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q9a); edited by Panteia.

figure 83 Changes (the net change between the categories improved and deteriorated) in the availability of bank loans during April to September 2021 for SMEs in the EU27, by country



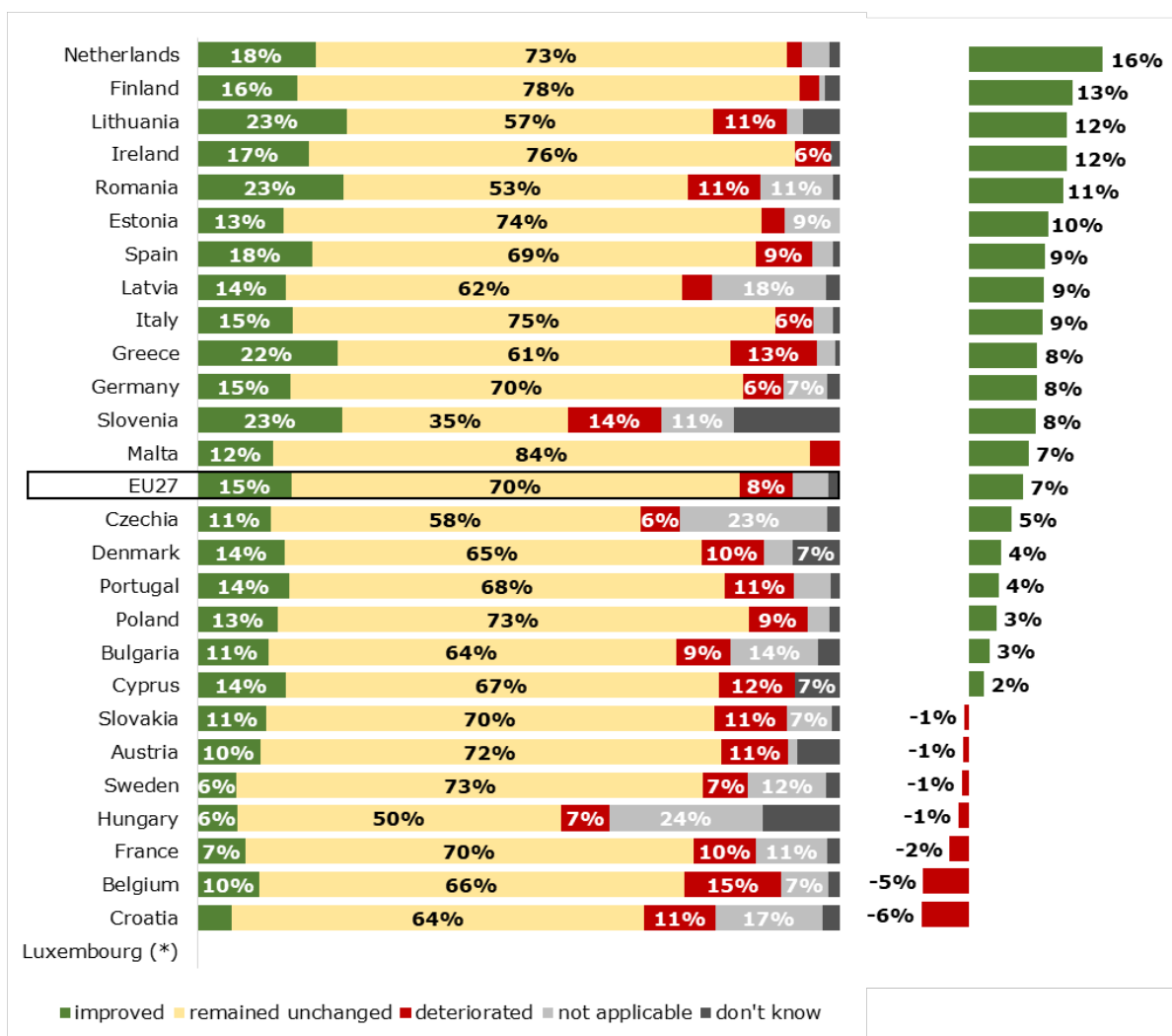
Source: SAFE, (Q9a); edited by Panteia.

2.3.3 Trade credit

This section presents a more detailed breakdown of changes in the availability of trade credit to EU27 SMEs. A breakdown by country in figure 84 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 85 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported increases minus decreases.

Figure 84 contains data showing that improvements in the availability of trade credit are reported by 15% of all SMEs in the EU27, with another 8% having experienced deteriorations in such changes, resulting in a net improvement of 7%. Among the countries of the EU27, SMEs in The Netherlands report the largest net improvement for this type of financing and SMEs in Croatia report the largest net deterioration.

figure 84 Changes in the availability of trade credit during April to September 2021 for SMEs in the EU27, by country

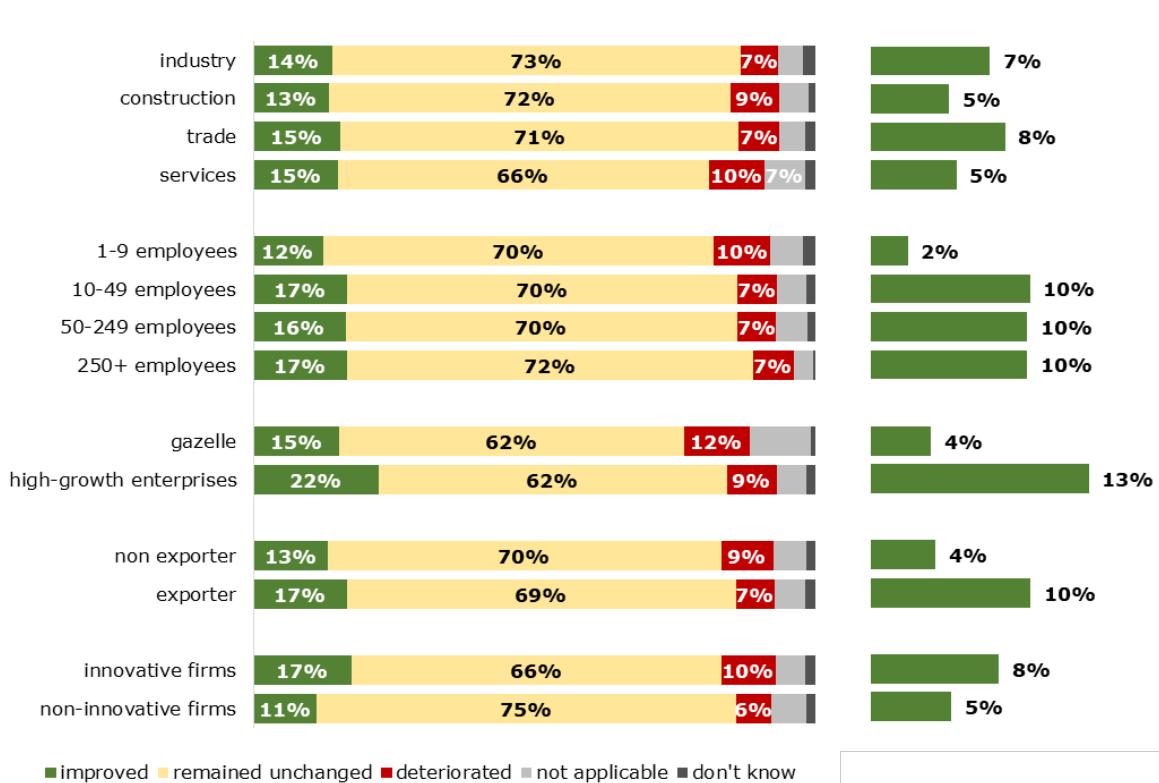


* Results are not reliable because of too low a number of observations.
Source: SAFE (Q9b); edited by Panteia.

Figure 85 presents data on the changes in the availability of trade credit in the past six months for SMEs by enterprise characteristics. Broken down by enterprise charac-

teristic, all of the groups identified report net improvements in availability in 2021. Among the various sectors, those in trade report the largest net improvement (8%). Enterprises with 1-9 employees report a net improvement of 2%, whereas the remaining size classes report a net improvement of 10%. High-growth enterprises more often report an improvement (13%) in the availability of this type of financing than regular gazelles do (net 4%). Exporters are more positive towards changes in the availability of trade credit with a net improvement of 10% versus a net improvement of 4% for non-exporters. Both innovative and non-innovative firms experience an improvement in the availability of trade credit: net 8% and 5%, respectively.

figure 85 Changes in the availability of trade credit during April to September 2021 for SMEs in the EU27, by enterprise characteristic



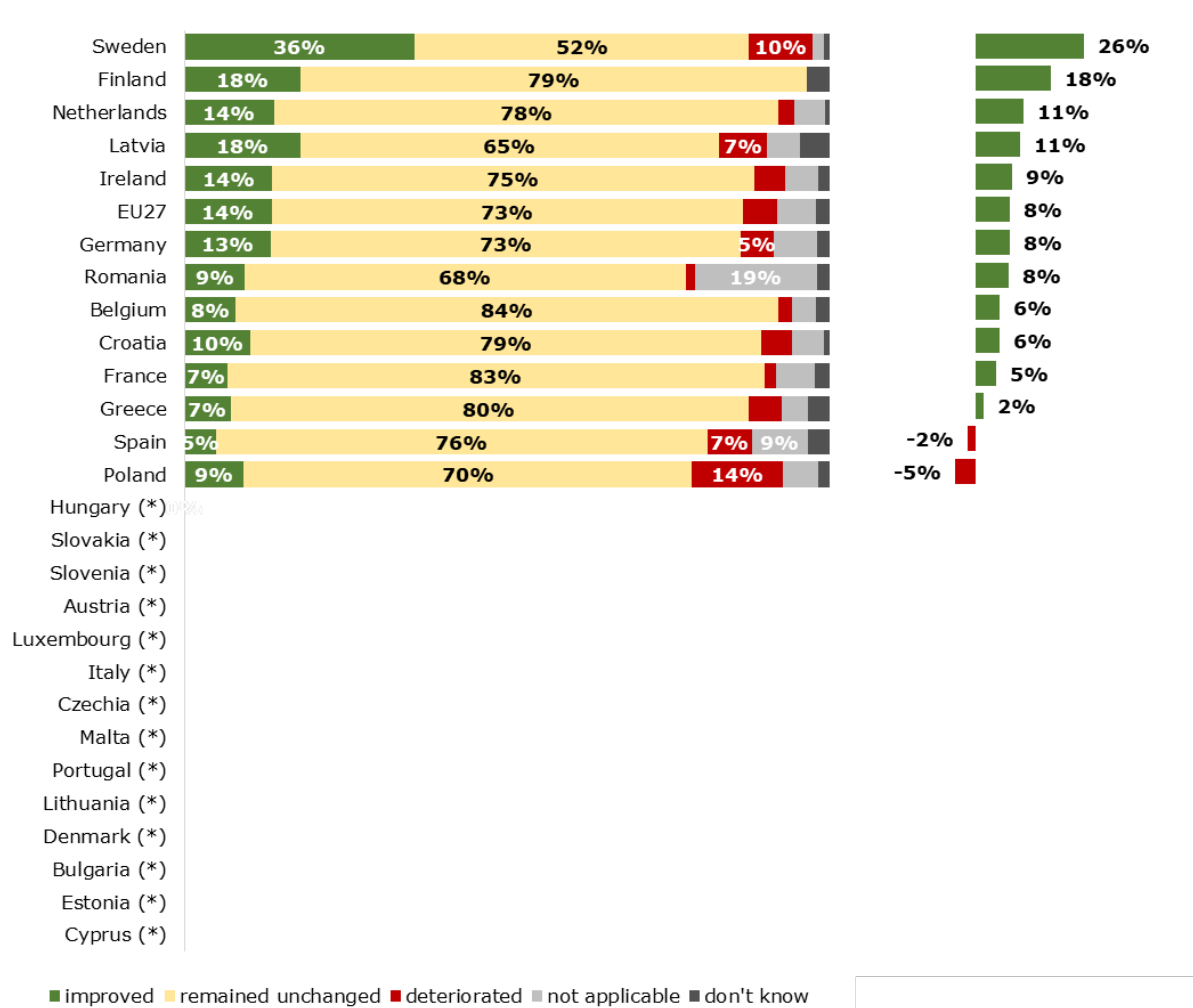
Source: SAFE (Q9b); edited by Panteia.

2.3.4 Equity capital

This section presents a more detailed breakdown of changes in the availability of equity capital to EU27 SMEs. A breakdown by country in figure 86 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 87 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

Figure 86 shows data on the changes in the availability of equity capital in the past six months for SMEs in the EU27 Member States, which are suitable for analysis³. Improvements in the availability of equity capital are reported by 14% of all SMEs in the EU27, with another 5% having experienced deteriorations in such changes. Among the countries of the EU27, SMEs in Sweden report the largest net improvement for this type of financing (26%). SMEs in Poland report the largest net deterioration (5%).

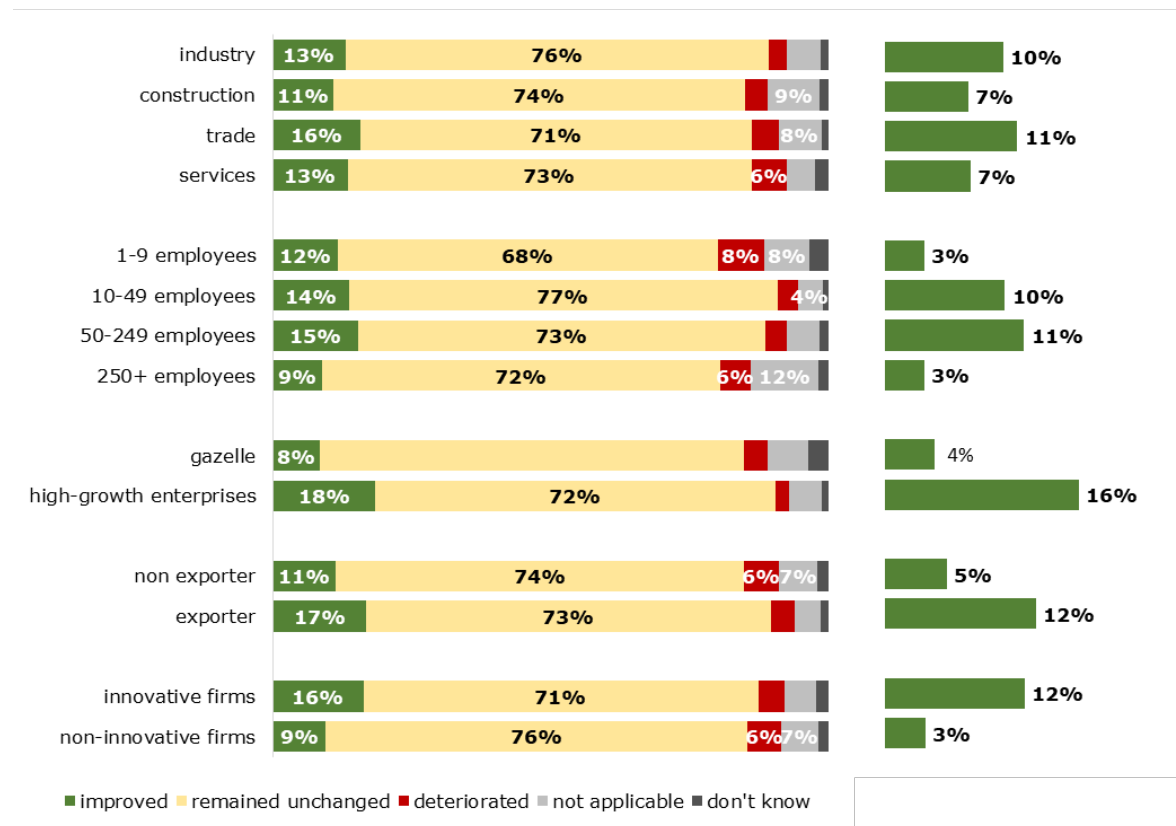
figure 86 Changes in the availability of equity capital during April to September 2021 for SMEs in the EU27, by country



* Results are not reliable because of too low a number of observations.
Source: SAFE (Q9c); edited by Panteia.

³ As noted in figure 86, results are not reliable for some EU Member States due to low number of observations.

figure 87 Changes in the availability of equity capital during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q9c); edited by Panteia.

Figure 87 presents data on the changes in the availability of equity capital in the past six months for SMEs by enterprise characteristics. Broken down by enterprise characteristic, all of the groups identified report net improvements in availability in 2021. Among the various sectors, SMEs in trade report the largest net improvement (11%). SMEs in industry report a 10%, and SMEs in construction and services report a net improvement of 7%. The perceived development of the availability of equity capital becomes more positive as firm size increases for SMEs, but drops for large firms. Larger enterprises with 250 or more employees have a reported rounded net improvement of 3%, while enterprises with 50-249 employees have reported a net improvement of 11%. High-growth SMEs have reported net improvement of 16%, which is higher than the average SME in the EU27. Exporters are more positive than non-exporters in terms of availability of equity capital (net 12% and net 5%, respectively), and innovative SMEs are more positive regarding the availability of equity capital to them than non-innovative SMEs are (net 12% versus 3%).

2.4. Changes in the need for external financing

This section covers changes in the need for six types of financing of SMEs, detailing changes over the years and a breakdown by country and enterprise characteristic for a subset of three of these types. The three types that are discussed in more detail are: bank loans, equity capital and leasing or hire-purchasing. Changes in these needs in the six months preceding the survey are first presented for SMEs in the EU27 for the period 2014-2021 in figure 88. Net changes are reported, which correspond to the net effect

of reported increases minus decreases. Leasing and hire-purchase was only introduced as a separate category in 2015.

In 2021, 18% of EU27 SMEs reported that their needs for bank loans increased. A decreased need was reported by 16%, resulting in a rounded net balance of 2%. This is a significant decrease in the need for bank loans compared to 2020. In the previous 6 years, the increased need for bank loans remained between net 0% and 2%.

The need for trade credit supplied by business partners has decreased in the period of 2014 to 2016, but increased in 2017 and 2018. In 2021, the need decreased compared to 2020, with 18% of EU27 SMEs indicated that their need for trade credit increased, whereas 10% indicated that their need for trade credit decreased, resulting in a positive net balance of 9%.

The need for equity capital (including venture capital and business angels) has slightly declined throughout the survey years. In 2021, 14% of SMEs indicated that their need for equity capital has increased, which is lower compared to the previous year. In contrast, 6% reported that there has been a decrease, resulting in 8% net increase.

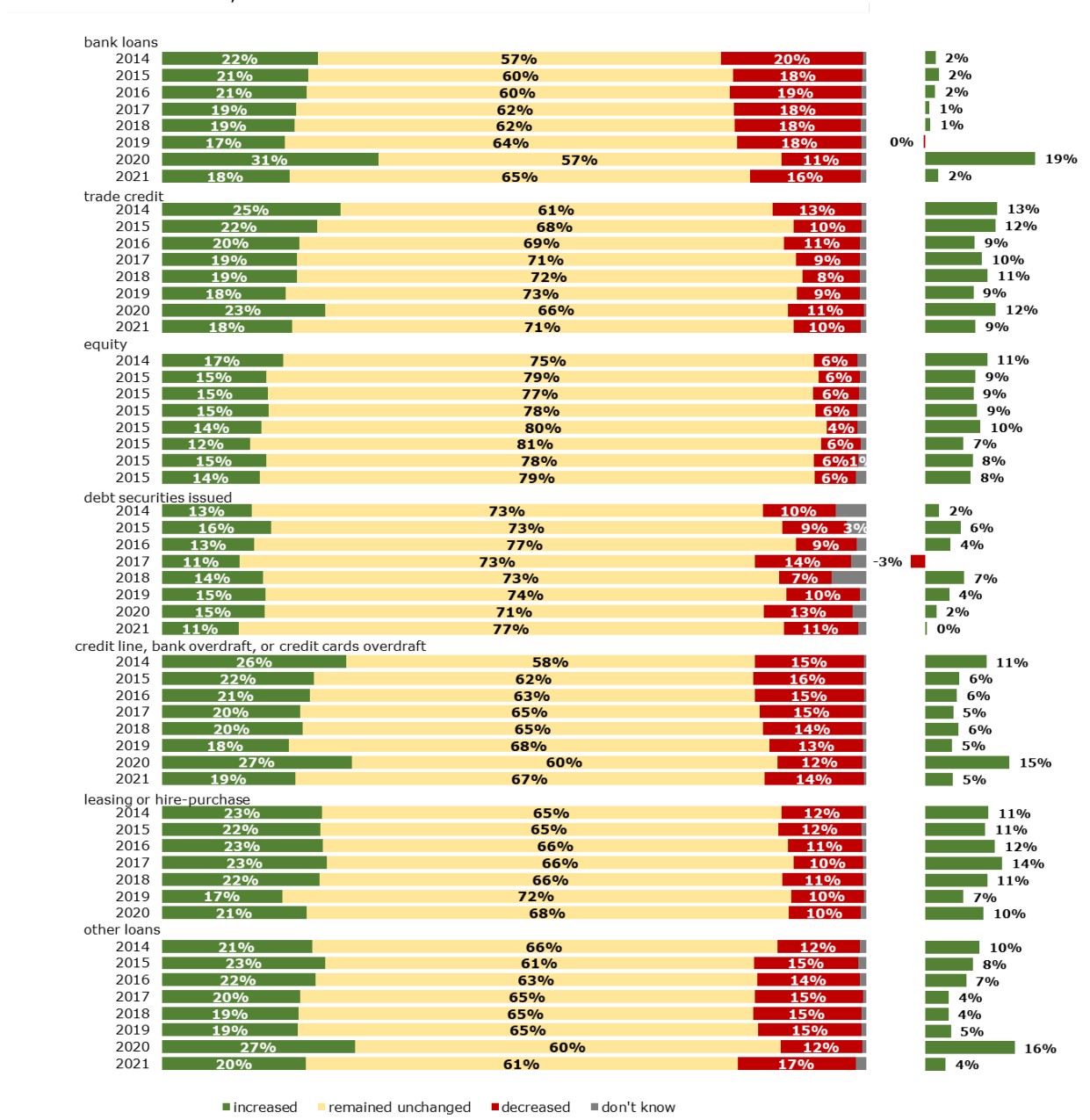
The availability of debt securities issued (consisting of short-term commercial paper or longer-term corporate bonds issued by the enterprise) has experienced a different development. The net effect varied from -3% in 2017 to 7% in 2018. In 2021, 11% of EU27 SMEs indicated an increased need for this type of financing, and another 11% reported a decreased need, resulting in a 0% net figure.

The availability of credit line or overdraft has remained fairly stable since 2015 until last year. In 2020, the need for this type of financing increased significantly, with 27% of EU27 SMEs reported an increased need for this type of financing, with 12% reporting a decreased need, resulting in a 15% net increased need. In 2021, a 19% increased need was reported, and a 14% decreased need was reported, resulting in a 5% net improvement.

In 2021, 21% of the EU27 SMEs reported an increased need for leasing or hire-purchase as a type of financing. Of the EU27 SMEs, 10% indicated that their needs for this type of financing had decreased, resulting in a net a rounded net increase of 10%.

Loans that do not originate from banks, but from other sources such as family and friends, a related enterprise (excluding trade credit) or shareholders, were not first included in the 2015 survey, but its contents have changed as leasing or hire-purchase was added and therefore essentially excluded from the other loan category. In the 2021 survey, 20% of EU27 SME's indicated an increased need for this type of financing, versus a decreased need for 17% of these enterprises. This results in a rounded net increased need of 4%. Compared to 2020, there is a considerable decrease in need for this type of financing in 2021.

figure 88 Changes in in the need for different types of financing for SMEs in EU27 in the period 2014-2021, for SMEs in the EU27.



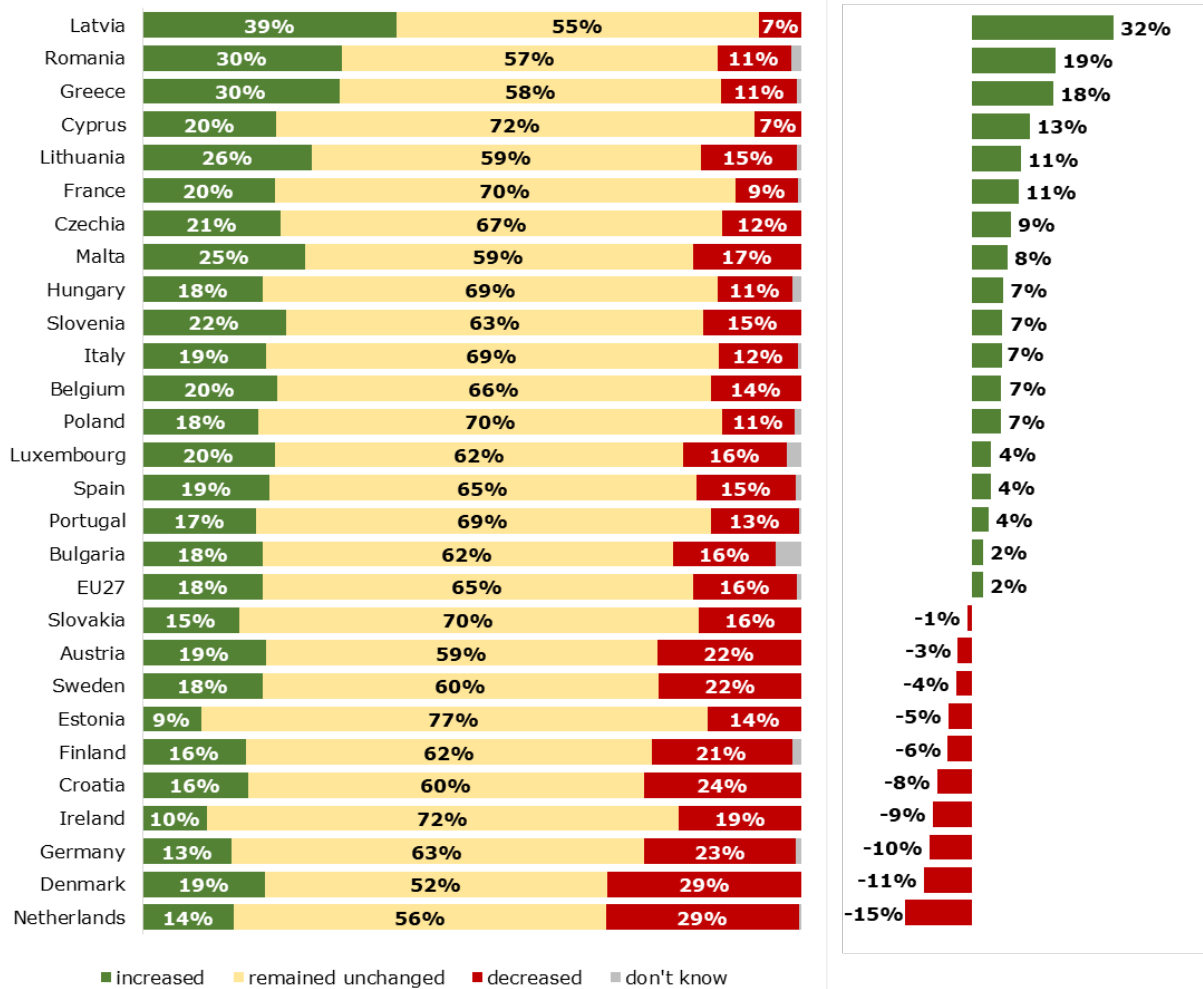
Source: SAFE (Q5); edited by Panteia.

2.4.1 Bank loans

This section presents a more detailed breakdown of changes in the need for bank loans to EU27 SMEs. A breakdown by country in figure 89 presents results for SMEs in each country of the EU27. In addition, figure 90 is a map, which shows the net change for SMEs in the member states of the EU27. A breakdown by enterprise characteristic in figure 91 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported increases minus decreases.

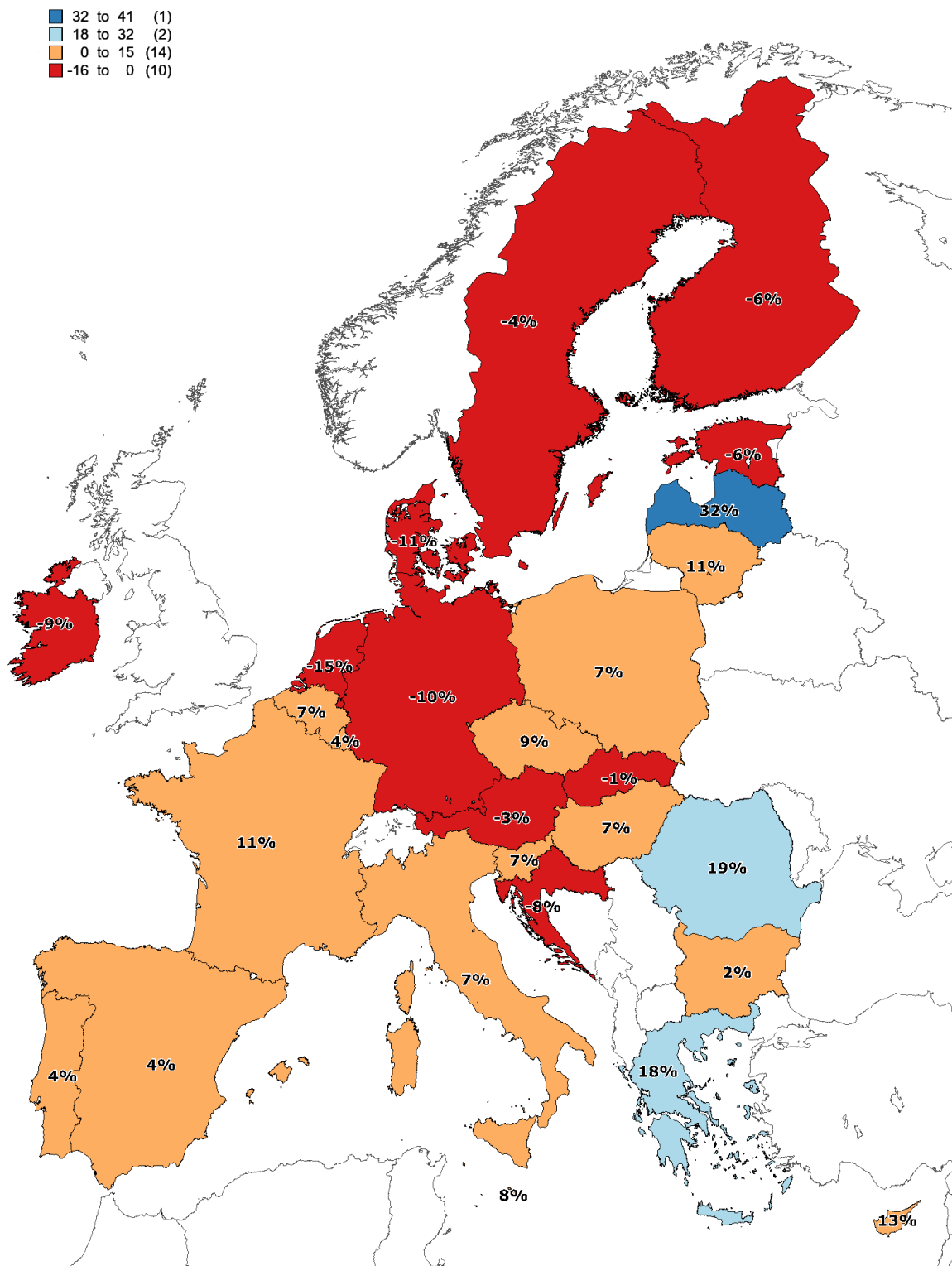
Increases in the need for bank loans are reported by 18% of all SMEs in the EU27, with another 16% having experienced decreased needs, resulting in a net increased need of 2%. Among the countries of the EU27, SMEs in Latvia report the largest net increased need (32%) for this type of financing. SMEs in the Netherlands report the largest net decreased need (15%). Figure 90 shows the geographical distribution of these results for the EU27 Member States.

figure 89 Changes in the need for bank loans during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q5a); edited by Panteia.

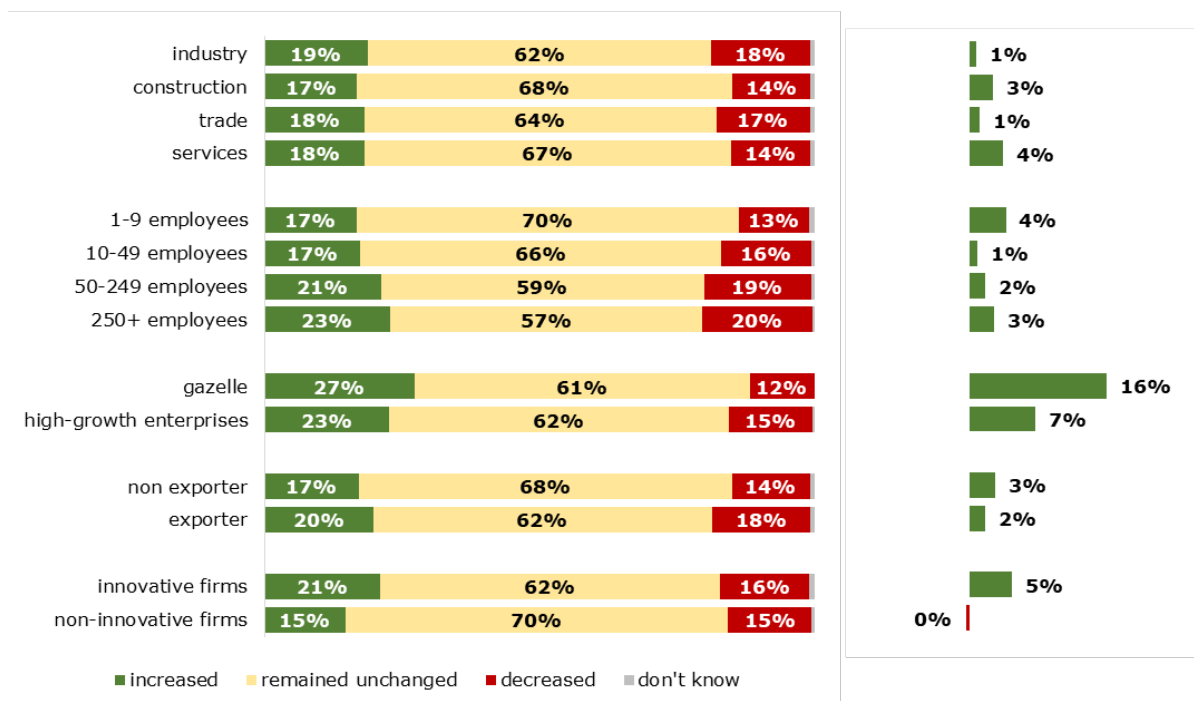
figure 90 Changes (the net change between the categories increased and decreased) in the need for bank loans during April to September 2021 for SMEs in the EU27, by country



Source: SAFE, (Q5a); edited by Panteia.

Figure 91 shows data relating to the changes in the need for bank loans during April to September 2021 for SMEs in accordance with enterprise characteristics. All four sectors report an increased need for bank loans in 2021, with services reporting the greatest increased need (net 4%). Firms with 1 to 9 employees report the greatest increased need for bank loans (net 4%). Gazelles reported a higher net increased need for this type of financing compared to high-growth enterprises (16% and 7%, respectively). Exporters and non-exporters both report similar increased needs for bank loans (net 2% and net 3%, respectively). Innovative enterprises report an increased need for bank loans (net 5%), whereas non-innovative firms report a 0% change.

figure 91 Changes in the need for bank loans during April to September 2021 for SMEs in the EU27, by enterprise characteristic



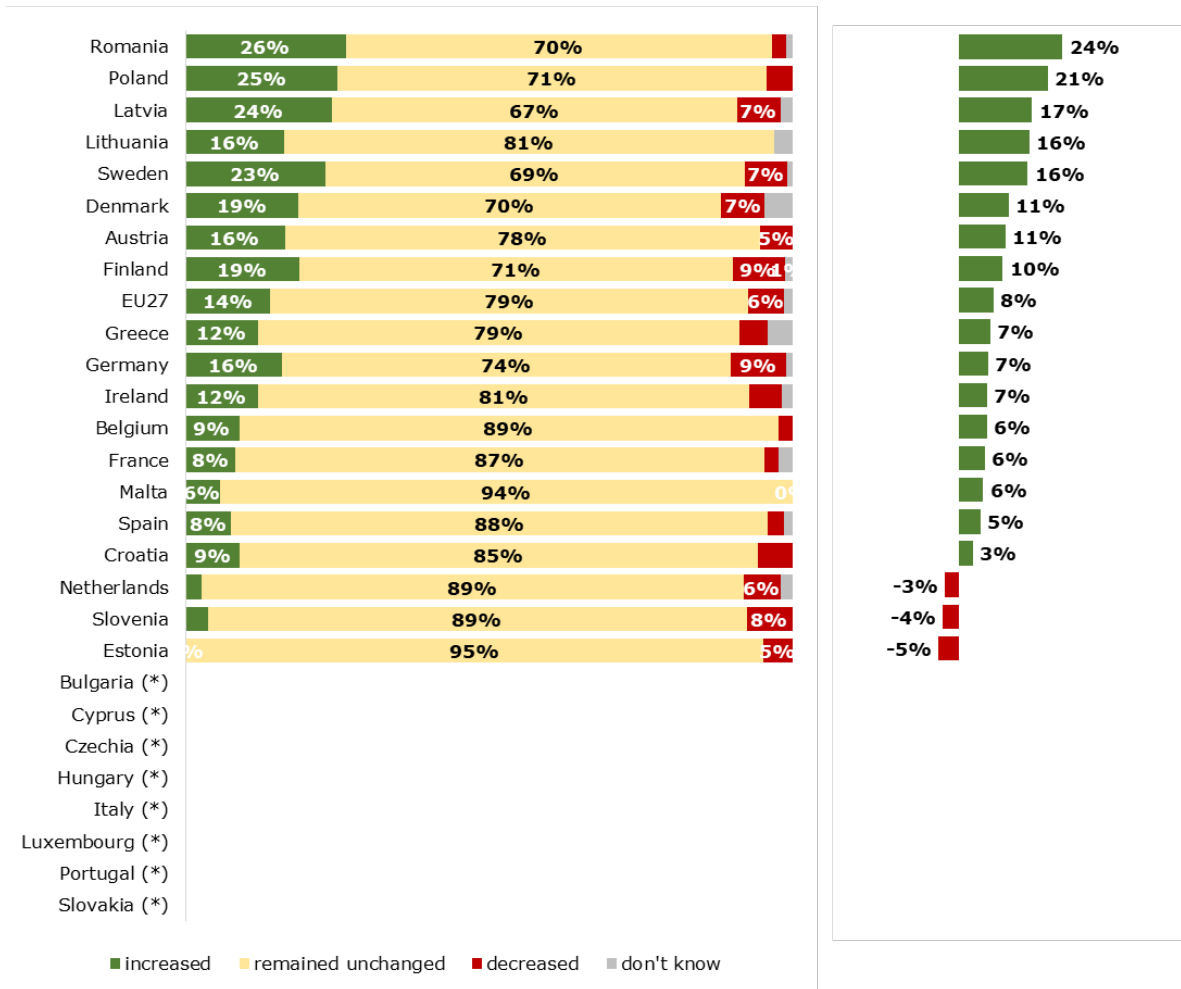
Source: SAFE (Q5a); edited by Panteia.

2.4.2 Equity capital

This section presents a more detailed breakdown of changes in the need for equity capital (including venture capitalists and business angels) to EU27 SMEs. A breakdown by country in figure 92 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 93 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported increases minus decreases.

Increases in the need for equity capital are reported by 14% of all EU27 SMEs, with another 6% experiencing a decreased need, resulting in a net increase of 8%. Among the EU27 Member States, which sufficient responses are available (i.e., at least 20), SMEs in Romania report the largest net increased need for this type of financing (24%). SMEs in The Netherlands, Slovenia and Estonia are the only ones to report a net decreased need for equity capital.

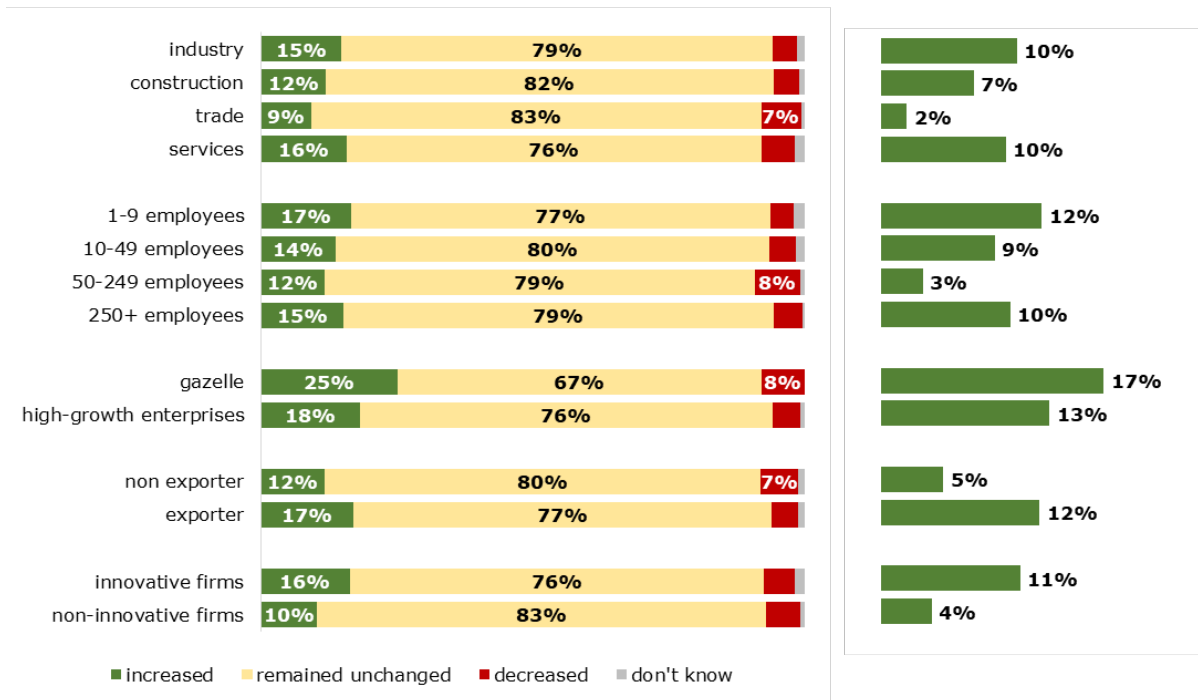
figure 92 Changes in the need for equity capital during April to September 2021 for SMEs in the EU27, by country



* Results are not reliable because of too low a number of observations.
 Source: SAFE (Q5c); edited by Panteia.

In figure 93, data on the changes in the need for equity capital is broken down by enterprise characteristic, all types of enterprises report net increases in the need for equity capital in 2021. Among the various sectors, SMEs in industry and services report the largest net increase (10%), and those in trade the smallest (2%). Enterprises with less than 10 employees experienced a net increased need equal to 12%, and for large enterprises of at least 250 employees, there is a net increase of 10%. Gazelles (17%) more often report a net increased need for equity capital than regular high growth SMEs (13%) do. Exporters experience greater increased needs than non-exporters (net 12% versus 5%) and innovative SMEs experience more need for equity capital than non-innovative SMEs do (net 11% versus 4%).

figure 93 Changes in the need for equity capital in the past six months (April to September 2021) for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q5c); edited by Panteia.

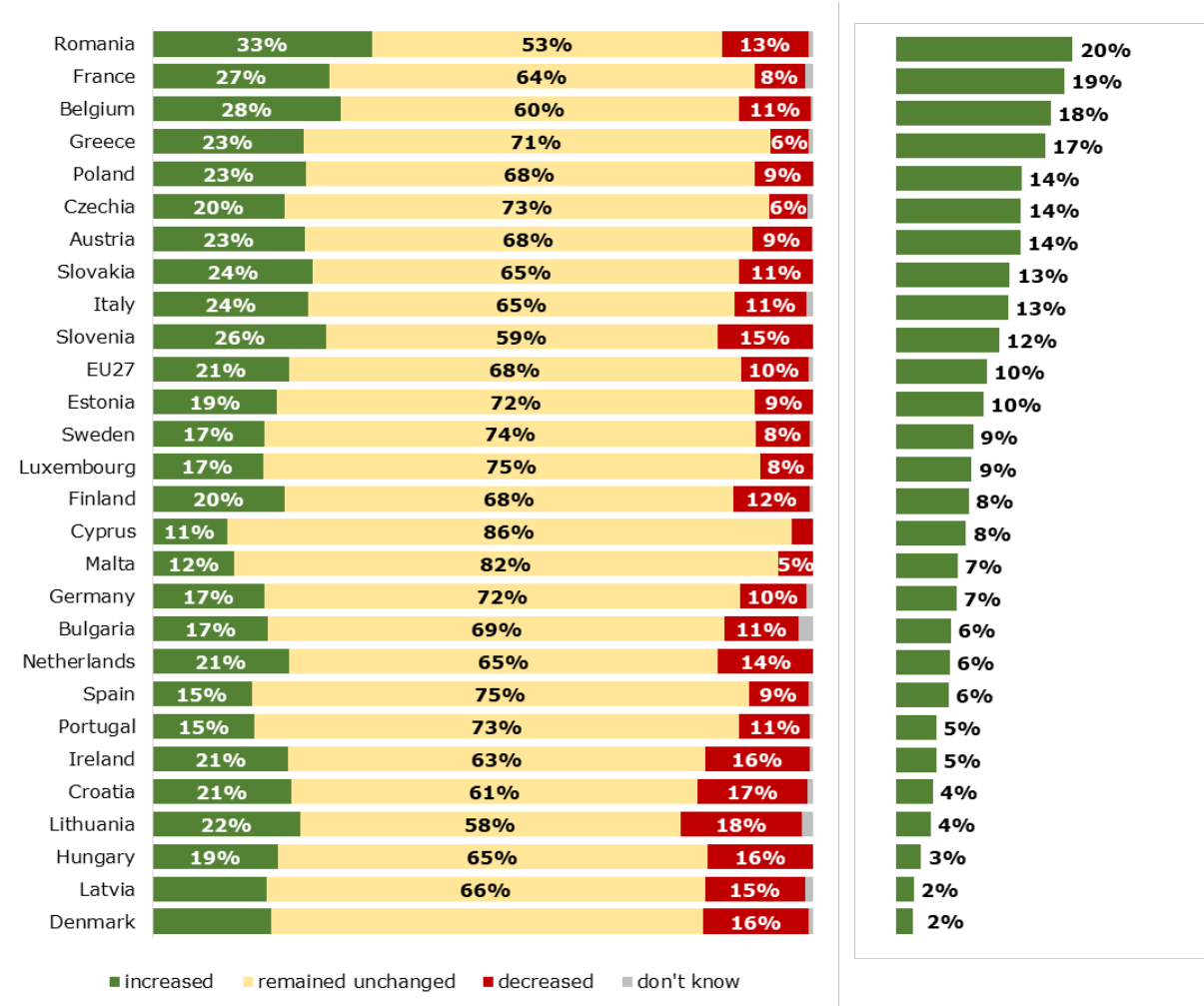
2.4.3 Leasing or hire-purchase

This section presents a more detailed breakdown of changes in the need for leasing or hire-purchase (obtaining the use of a fixed asset, in exchange for regular payments, but without the immediate ownership of the asset) to EU27 SMEs. A breakdown by country in figure 94 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 95 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported increases minus decreases.

Figure 94 presents data on the changes in the need for leasing or hire-purchase in the past six months for SMEs in the EU27. Increases in the need for leasing or hire-purchase are reported by 21% of all SMEs in the EU27, with another 10% having experienced decreased needs, resulting in a rounded net increase of 10%. Among the countries of the EU27, SMEs in Romania report the largest net increased need for this type of

financing (20%); SMEs in Latvia and Denmark are the EU27 Member States report the lowest net increased need (2%).

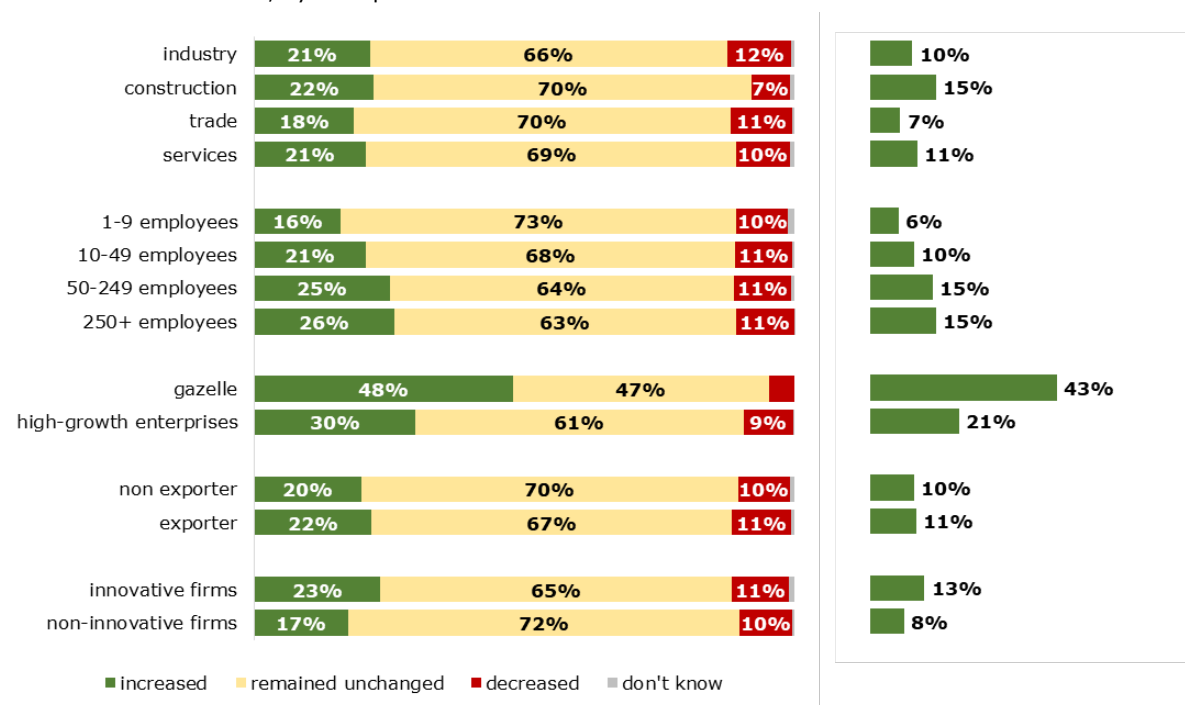
figure 94 Changes in the need for leasing or hire-purchase during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q5g); edited by Panteia.

In figure 95, the changes in the need for leasing or hire-purchase for the given period are broken down by enterprise characteristic, all types of enterprises report net increases in the need for leasing or hire-purchase in 2021. Among the various sectors, SMEs in construction report the largest net increase (15%), and those in trade the smallest (7%). For SMEs, the need for leasing or hire-purchase increases with size. While micro enterprises (less than 10 employees) report a net increased need of 6%, medium-sized enterprises (50-249 employees) and large enterprises (at least 250 employees) report a net increased need of 15%. Gazelles report a net increase in the need significantly more often than the average EU27 SME (net 43% and net 21%, respectively). Exporters experience slightly higher increases in the need for leasing or hire-purchase compared to non-exporters (net 11% versus net 10%). Innovative SMEs experience more increases in the need for leasing or hire-purchase than non-innovative SMEs do (net 13% and net 8%, respectively).

figure 95 Changes in the need for leasing or hire-purchase during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q5g); edited by Panteia.

2.5. Changes in the terms and conditions of bank financing

This section covers changes in the terms and conditions for bank financing for SMEs, detailing changes over the years and a breakdown by country and enterprise characteristic for a subset of two types of these terms and conditions. The two types that are discussed in more detail are: the levels of interest rates and collateral requirements. Changes in these terms and conditions in the six months preceding the survey are first presented for SMEs in the EU27 for the period 2014-2021 in figure 96. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

The level of interest rates faced by EU27 SMEs has deteriorated in 2021. 14% of SMEs reported an improvement in the level of interest rates, whereas 20% were faced with a deterioration in the rates by banks. The resulting net effect amounts to a net

deterioration of 6%. In the previous four years, the level of interest rates faced by EU27 SMEs has been reported as improving, with the exception of 2018.

Even though interest rates improved more often than they deteriorated over the past years, the other non-interest costs of financing have had a net deterioration in the past years, though it diminished slightly in 2020. These costs include such items as charges, fees and commissions charged to SMEs when acquiring bank financing. In 2021, 36% reported a deterioration versus an improvement for 4% of SMEs. The resulting net change equals a 32% net deterioration.

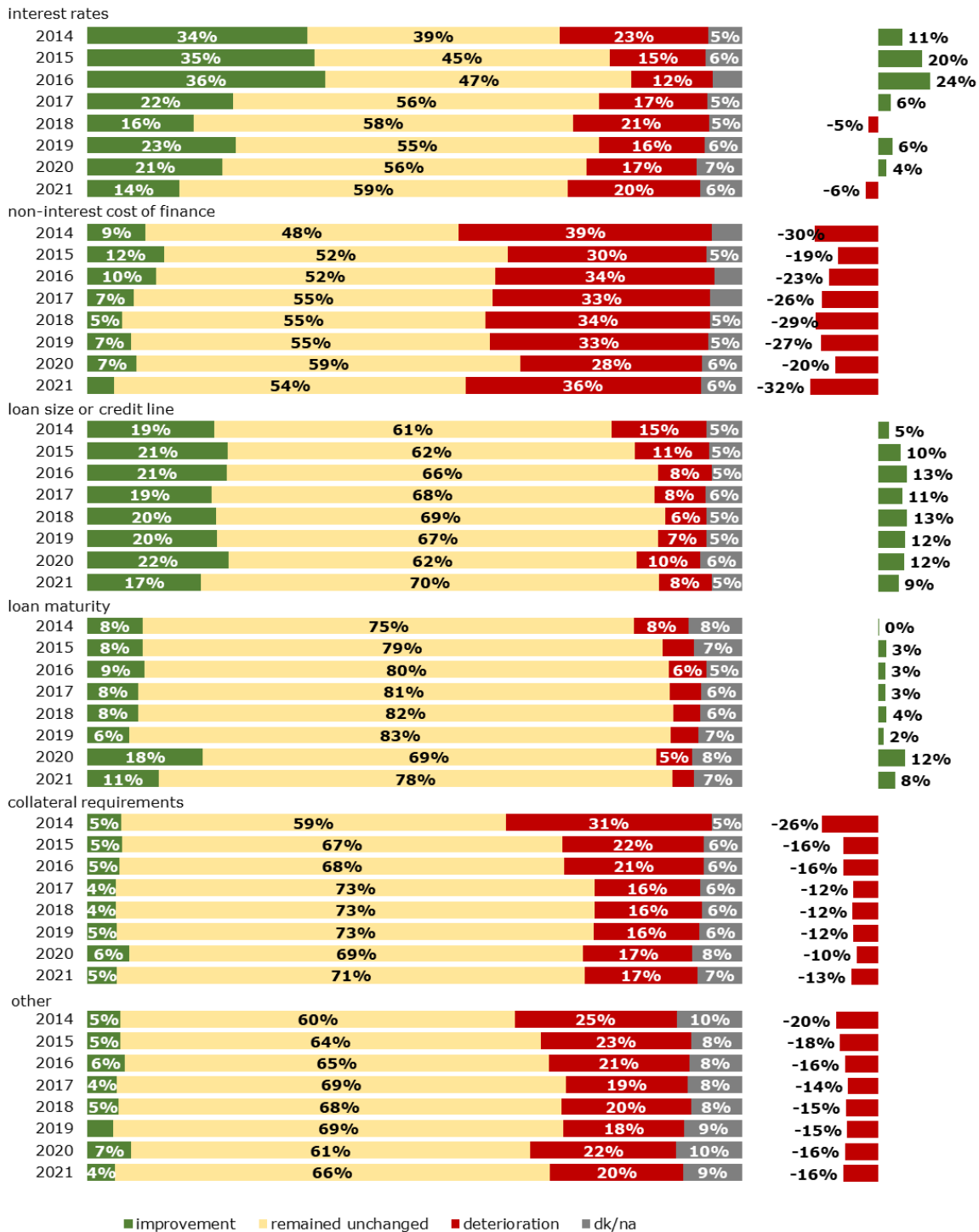
The size of loans or credit lines available to EU27 SMEs improved, signalling an improvement of this financing term. In 2021, 17% reported an improvement in size. Another 8% reported a deterioration in size, resulting in a net improvement for 9% of SMEs.

Loan maturity saw a net improvement for the first time in 2015, after a few years of net changes equalling 0%. In 2021, 11% of EU27 SMEs reported an improvement in the maturity of available loans. Another 3% indicated that the maturity had deteriorated, resulting in a rounded net improvement of 8%, which is lower than in 2020 (12% improvement).

Collateral may be required by banks as a form of security given by the borrowing enterprise to the lender as a pledge for the repayment of the loan, often in the form of fixed assets. Collateral requirements have continuously been reported in a net deterioration, though increasingly becoming smaller. However, in 2021, 17% of EU27 SMEs reported a deterioration in collateral requirements versus an improvement reported by 5%. The rounded net deterioration equals 13%.

A similar development, with subsequent deteriorations for each of the survey years, can be observed for other terms and conditions for bank financing. These include, but are not limited to, required guarantees, information requirements, procedures, the time required for loan approval and loan covenants. In 2021, 20% of EU27 SMEs reported a deterioration in the other terms and conditions for bank financing. Another 4% indicated that it had improved, resulting in a rounded net deterioration of 16%, which is the same as last year.

figure 96 Changes in the terms and conditions for bank financing for SMEs in EU27 in the period 2014-2021, for SMEs in the EU27.



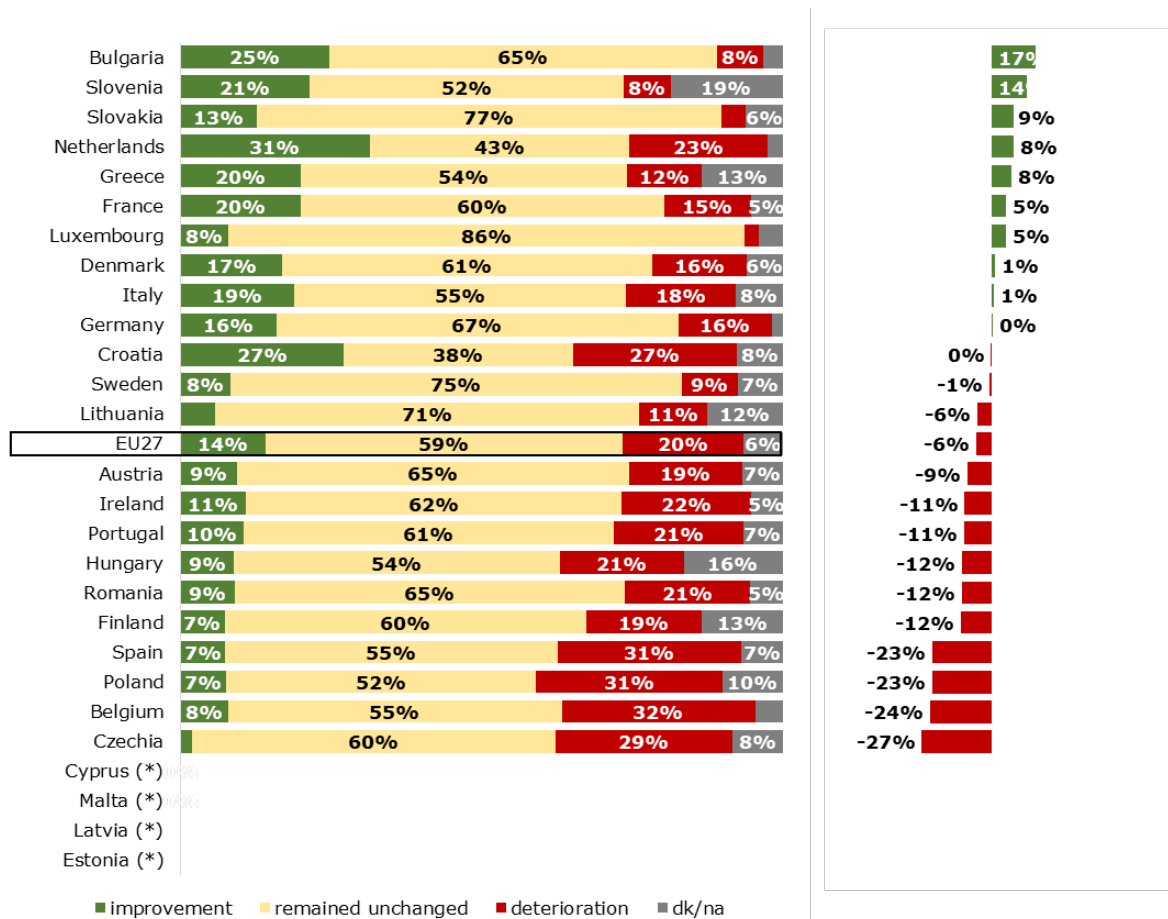
Source: SAFE (Q10); edited by Panteia.

2.5.1 Level of interest rates

This section presents a more detailed breakdown of changes in the level of interest rates charged to EU27 SMEs. A breakdown by country in figure 97 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 98 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

Figure 97 shows the changes in the level of interest rates in the past six months for SMEs in the EU27. Deteriorations in the level of interest rates charged are reported by 20% of all SMEs in the EU27, with another 14 having experienced an improvement in levels, resulting in a net deterioration of 6%. Among the countries of the EU27, SMEs in Bulgaria report the largest net improvements in the level of interest rates, and SMEs in Czechia report the largest net deteriorations.

figure 97 Changes in the level of interest rates during April to September 2021 for SMEs in the EU27, by country

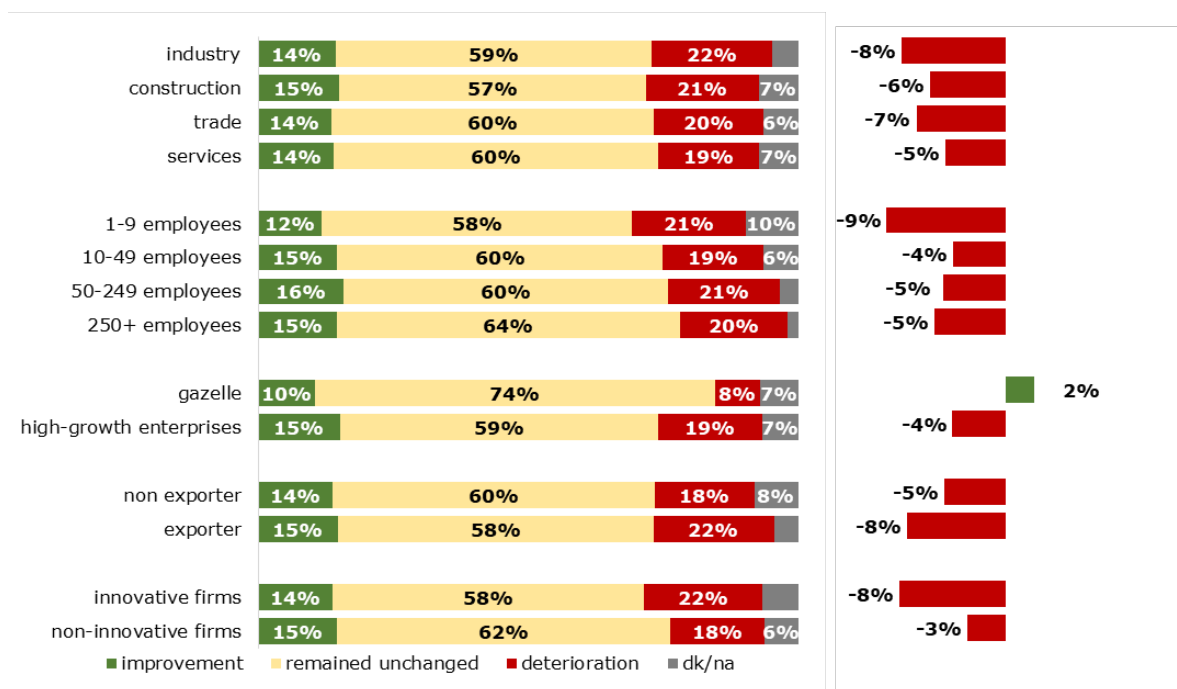


* Results are not reliable because of too low a number of observations.
Source (Q10a); edited by Panteia.

In figure 98, data on the changes in the level of interest rates has been broken down by enterprise characteristic. Among the various sectors, SMEs in industry reported the greatest net deterioration (8%) and those in services the smallest (5%). All size classes of enterprises reported a deterioration in the level of interest rates. Enterprises with 1-9 employees report the largest net deterioration (9%) and enterprises with 10-49

employees the least deterioration (4%). In 2021, gazelles experienced an improvement in the level of interest rate (net 2%), while high-growth enterprises experienced a deterioration (4%). Exporters experienced an 8% deterioration in the level of interest rates, while non-exporters experienced a 5% deterioration. Innovative SMEs faced a deterioration in interest levels slightly more often than non-innovative enterprises (net 8% and net 3%, respectively).

figure 98 Changes in the level of interest rates in the past six months (April to September 2021) for SMEs in the EU27, by enterprise characteristic



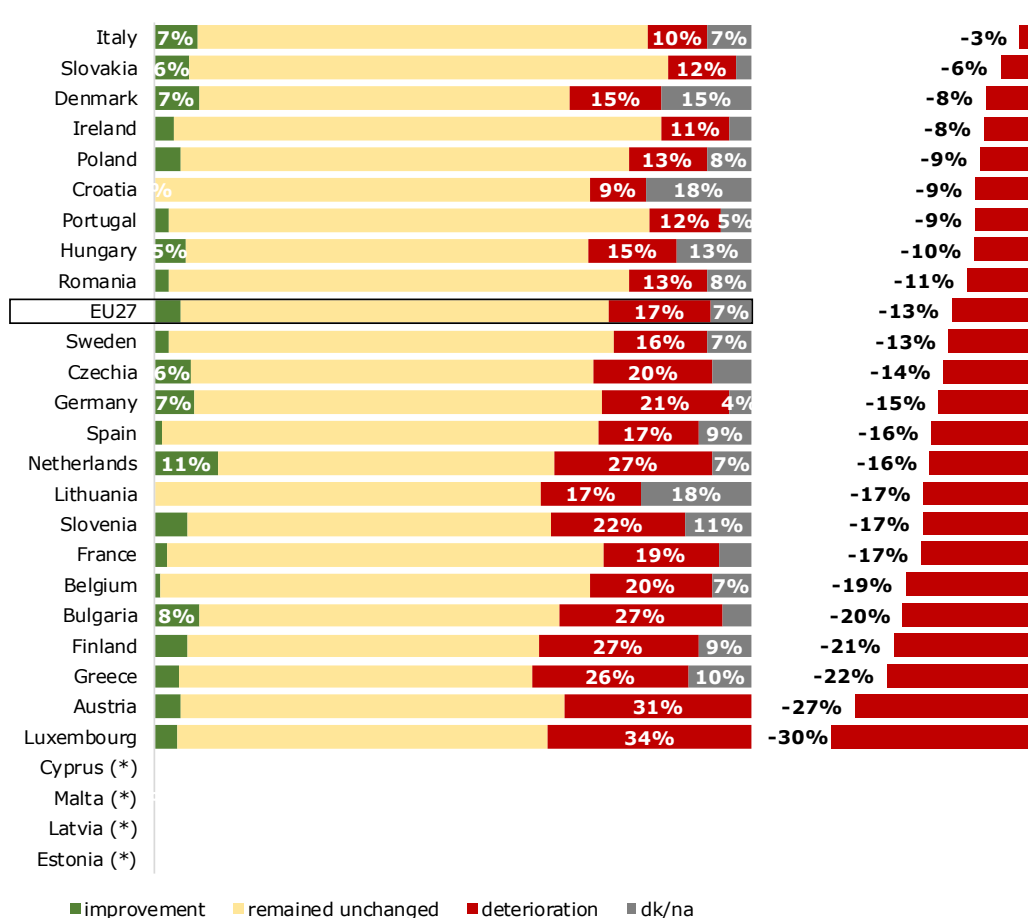
Source: SAFE (Q10a); edited by Panteia.

2.5.2 Collateral requirements

This section presents a more detailed breakdown of changes in collateral requirements faced by EU27 SMEs. A breakdown by country in figure 99 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 100 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

In figure 99, results regarding the changes in the collateral requirements in the past six months are presented. All of the EU27 Member States that are available (with 20 or more observations) experienced a net deterioration in the collateral requirements in 2021. Deterioration in collateral requirements is reported by 17% of all SMEs in the EU27, with another 5% having experienced improvements, resulting in a rounded net deterioration of 13%. Among the countries of the EU27, SMEs in Italy report the smallest net deterioration (3%). SMEs in Luxembourg report to largest net deterioration (30%).

figure 99 Changes in collateral requirements during April to September 2021 for SMEs in the EU27, by country

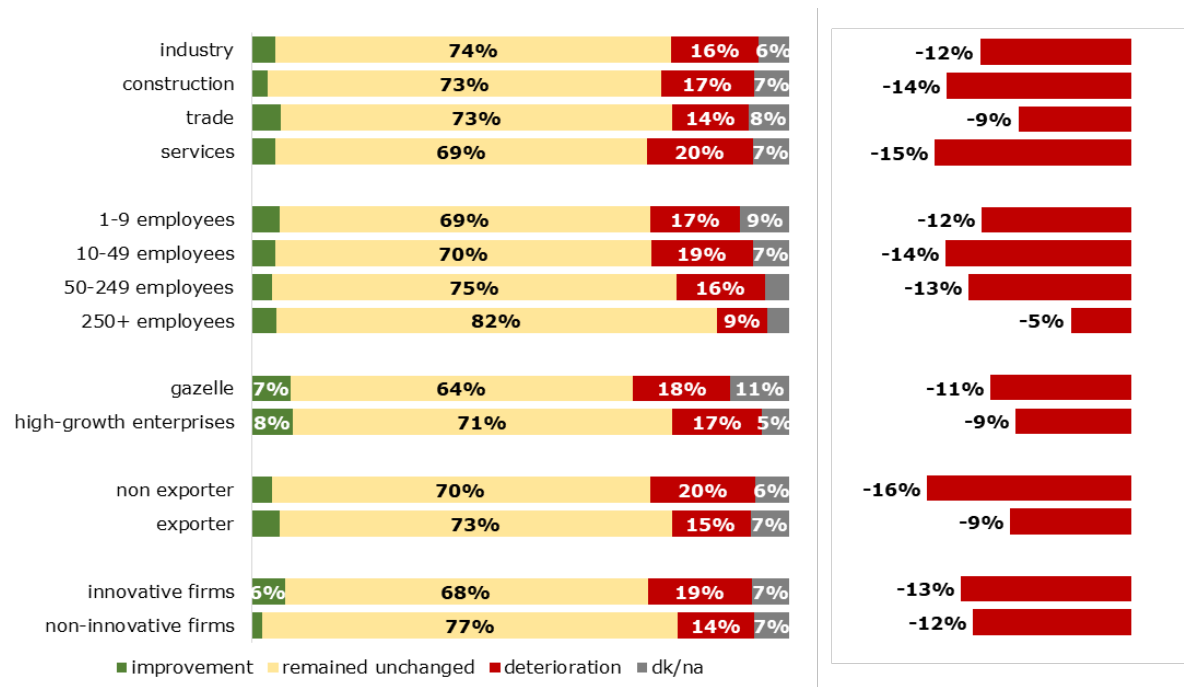


* Results are not reliable because of too low a number of observations.

Source: SAFE (Q10e); edited by Panteia.

Figure 100 shows the changes in collateral requirements, broken down by enterprise characteristic, all types of enterprises report net deterioration in collateral requirements in 2021. Among the various sectors, SMEs in services face the largest net deterioration (15%), and those in trade the smallest deterioration (9%). Enterprises of at least 250 employees have experienced a net deterioration equal to 5%, while enterprises of 10-49 employees most often experienced a deterioration in these requirements (14%). Gazelle SMEs report a greater net deterioration in collateral requirements (11%) compared to high-growth SMEs (9%). Non-exporters experience a deterioration in requirements more often than non-exporters, and innovative SMEs are faced with a deterioration in requirements slightly more often than non-innovative enterprises.

figure 100 Changes in collateral requirements during April to September 2021 for SMEs in the EU27, by enterprise characteristic



Source: SAFE (Q10e); edited by Panteia.

3. OUTLOOK FOR THE FUTURE

3.1. Key findings

Half of the SMEs in the EU27 expect to experience annual turnover growth in the next two to three years: 12% expects to grow substantially, and another 55% expects to grow moderately. While the proportion of SMEs that expects substantial growth has shown a stable decrease in the period from 2017 to 2020, this share has increased in 2021 to the highest levels since 2014. SMEs in Greece, Cyprus, Romania and Lithuania are most ambitious in their expectations regarding turnover growth, and SMEs in France, Austria, and Bulgaria are the least. The proportion of enterprises expecting to grow substantially is higher among smaller enterprises than among large enterprises.

Amongst EU27 SMEs in the EU27, 67% felt confident in talking with banks about financing and obtaining the desired results. At the same time, 20% did not. Similar results are observed for 2018 and 2019; with a slight increase in 2020. SMEs are less positive regarding talks with equity investors and venture capital firms. Within the countries of the EU27, Portuguese SMEs are most confident in talks with banks, and this proportion is smallest for Latvia SMEs.

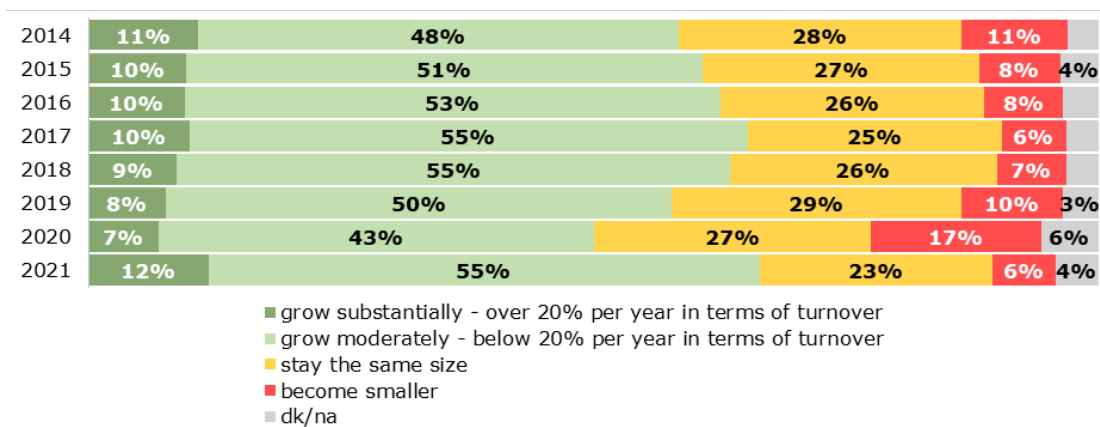
Debt financing in the form of loans is much more popular than financing through equity investments. In 2021, 65% of EU27 SMEs indicated that they prefer bank loans to finance their future growth ambitions and another 16% reported loans from other sources. Equity investment is the preferred type for 6% of SMEs. These proportions are the vary little since 2016; in 2014 and 2015, the preference for bank loans was somewhat lower.

In relation to the availability of types of financing available in the next six months, SMEs in the EU27 are positive in 2021, which is in contrast to 2020, where a net deterioration was found in all categories. The largest improvement can be found in relation to equity capital and retained earnings or sale of assets. Until 2020, no net deterioration was reported for all categories (with the exception of debt securities issued) since 2014.

3.2. Expected growth SMEs

This section covers the annual growth in turnover SMEs expect in the coming two to three years, detailing changes over the years and a breakdown by country and enterprise characteristic of expected growth. Expected growth is presented for SMEs in the EU27 for the period 2014-2021 in figure 101 making a distinction between moderate and substantial growth.

figure 101 Expected growth in turnover in the next two to three years by SMEs in the EU27, during 2014-2021



Source: SAFE (Q17); edited by Panteia.

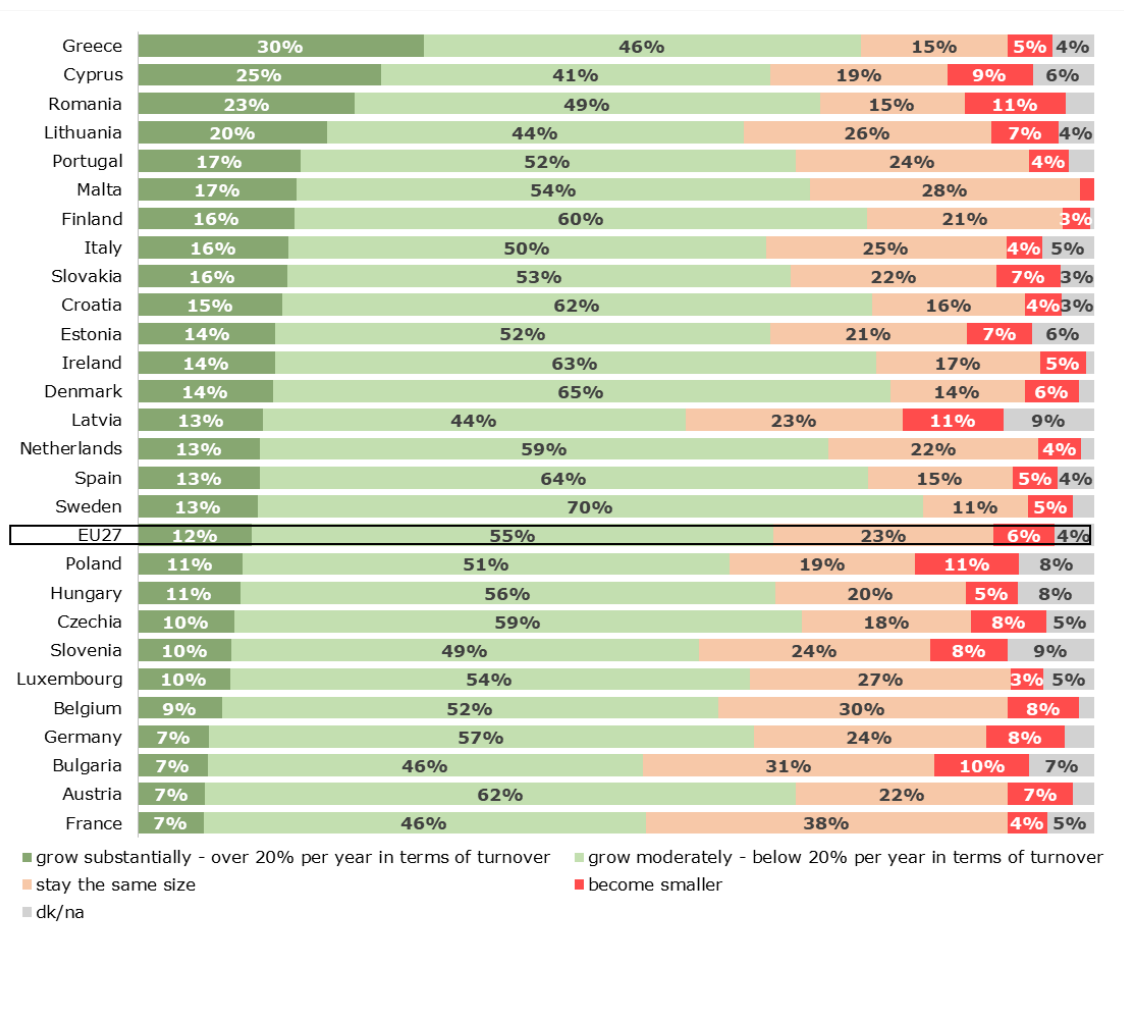
Figure 101 shows that half of the SMEs in the EU27 expect to experience annual turnover growth in the next two to three years: 12% expects to grow substantially and another 55% expects to grow moderately. While the proportion of SMEs that expects substantial growth has shown a stable decrease in the period from 2017 to 2020, this has increased in 2021 to the highest levels since 2014. The group that expects moderate turnover growth increased from 48% in 2014 to 55% in 2021 and the share of SMEs that expects turnover to become smaller decreased from 11% to 7% between 2014 and 2018, but however, rose back to 10% in 2019, with a further increase to 17% in 2020. In 2021, this figure decreased to 6%.

Figure 102 provides a breakdown of SMEs' expected turnover growth by country in the EU27. The EU27 proportions correspond to those for 2021 in the graph presenting annual variations. Within the countries of the EU27, Greek SMEs are most ambitious in their expectations regarding turnover growth: 30% expect to grow substantially. This proportion is the smallest for SMEs in France (7%). The proportion of SMEs that expect turnover to shrink is the largest in Romania, Latvia and Poland (all 11%).

A breakdown by enterprise characteristic is presented in figure 103 and details how expected turnover growth varies among sectors of the economy, size-classes, growth types, exporter status and innovativeness. EU27 SMEs active in industry are most positive regarding their future turnover: 72% expects moderate to substantial growth. There appears to be a clear positive relation between enterprise size and expected turnover growth. While 61% of micro-sized enterprises expect moderate to substantial growth in the next two to three years, 79% of large enterprises expect turnover to grow.

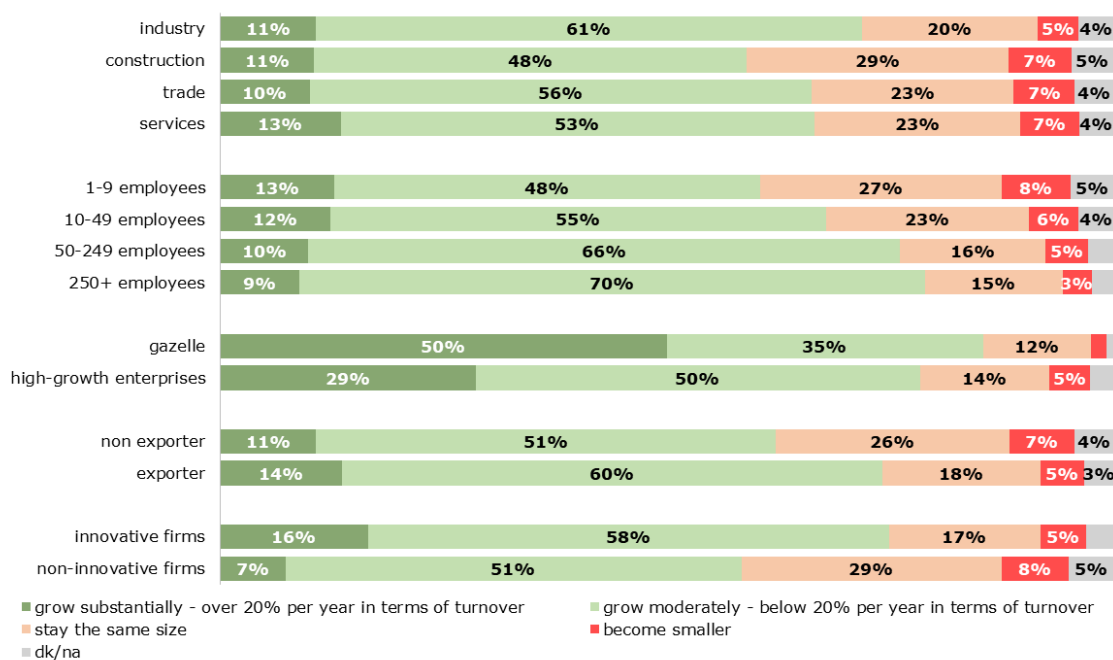
The proportion consistently grows with enterprise size. Conversely, the share of SMEs that expect substantial growth decreases with firm size.

figure 102 Expected turnover growth in the next two to three years by SMEs in the EU27, by country.



Source: SAFE (Q17); edited by Panteia.

figure 103 Expected growth in turnover in the next two to three years by SMEs in the EU27, by enterprise characteristic.



Source: SAFE (Q17); edited by Panteia.

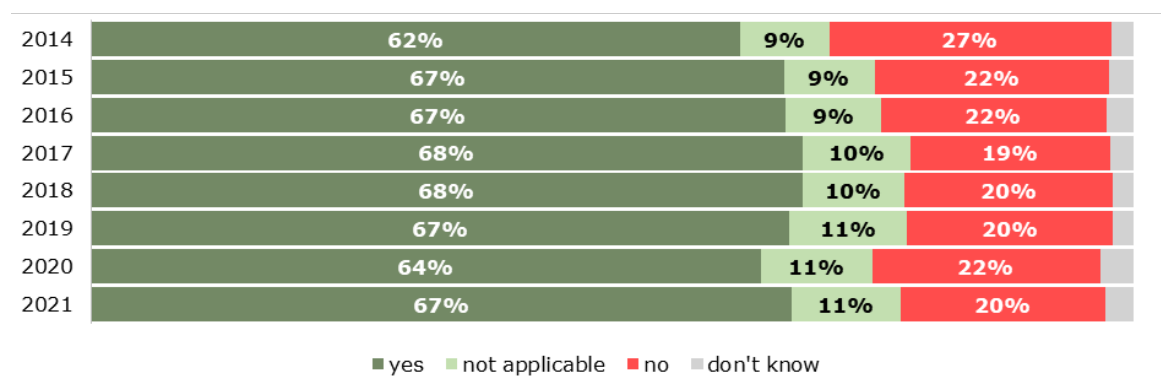
High-growth enterprises and gazelles are defined by their realised growth in recent years. Having realised substantial growth rates recently, it seems these enterprise types also expect to maintain such substantial growth rates in the future. The proportion of SMEs that expects substantial turnover growth is by far the greatest among these two types: 29% of high-growth enterprises and 50% of gazelles.

SMEs that export (74% expects some degree of growth) are more ambitious in their expected growth rates than non-exporters (62%). More innovative SMEs (74%) expect their turnover to grow moderately or substantially than do the non-innovative SMEs (58%).

3.3. Confidence in being able to get future financing

To realise their growth ambitions, SMEs will need to invest, innovate and expand by entering new markets. This section covers the expected talks with financiers undertaken by SMEs to obtain the required funding, detailing changes over the years and a breakdown by country and enterprise characteristic of the confidence SMEs have in bringing these talks to a successful close. Changes in this confidence are presented for SMEs in the EU27 for the period 2014-2021 in figure 104.

figure 104 Confidence in talking with banks, equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU27, during 2014-2021.



Source: SAFE (Q19a); edited by Panteia.

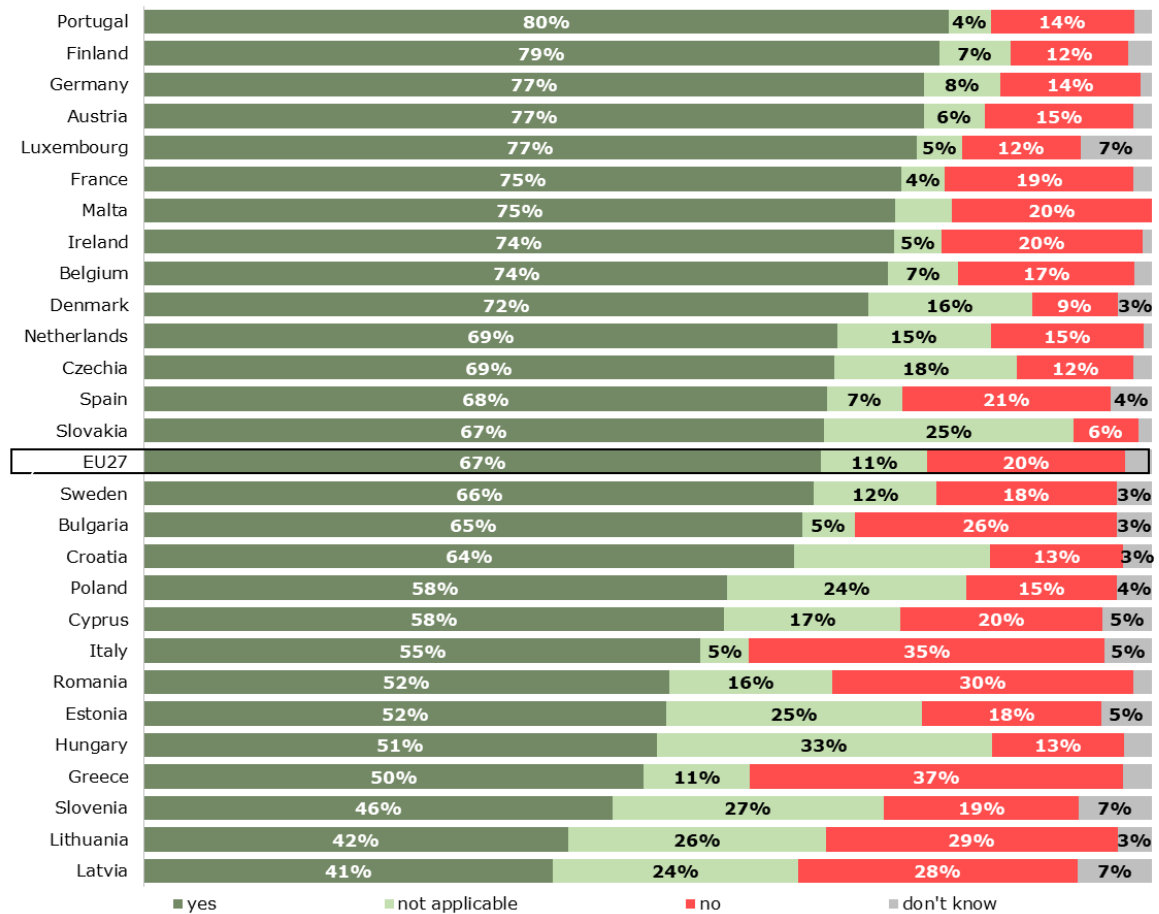
In 2021, 67% of all SMEs in the EU27 felt confident in talking with banks about financing and obtaining the desired results. At the same time, 20% did not. Similar results are observed for 2018 and 2019; with a slight increase in 2020. Previously in 2014, SMEs were less confident in talking with banks obtaining financing. SMEs are less positive regarding talks with equity investors and venture capital firms. Only 22% of EU27 SMEs indicate that they feel confident in talking with these types of financiers in 2021, while 35% do not (figure 107).

When interpreting these proportions it is key to realise that there exists a large difference in the degree to which the two types of financiers are considered relevant by SMEs. Talking with equity investors to obtain external financing is not considered relevant to their situation by 85% of SMEs (figure 1 in section 1.2).

Figure 105 provides a breakdown of SMEs' confidence in talking with banks to obtain future financing by country in the EU27. The EU27 proportions correspond to those for 2021 in the figure presenting annual variations. Within the countries of the EU27, Portuguese SMEs are most confident in talks with banks (80%). For talks with banks, this proportion is smallest for Latvia SMEs (41%).

figure 105 Confidence in talking with banks about financing and obtaining the desired results for SMEs in the EU27 in 2021, by country.

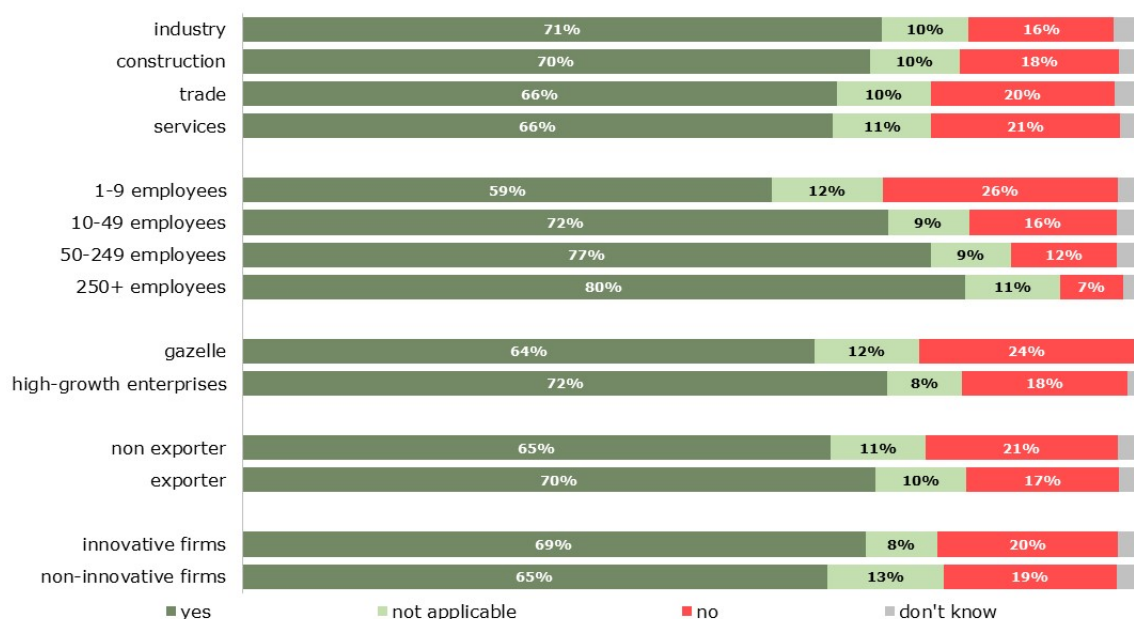
Source: SAFE (Q19a); edited by Panteia.



A breakdown by enterprise characteristic is presented in figure 106 and details how confidence in financing talks varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. EU27 SMEs active in industry are generally most confident when talking with banks (71%). There appears to be a clear positive relation between enterprise size and confidence. Even though more than half of micro enterprises (59%) feel confident to have talks with banks, 80% of large enterprises do so. The proportion consistently grows with enterprise size. High-growth enterprises are above the average EU27 SMEs in terms of confidence when talking to banks about financing and obtaining the desired results. Exporters (70%) are slightly more confident than their non-exporting counterparts (65%). Innovative firms are slightly more confident than non-innovative firms (69 and 65%, respectively).

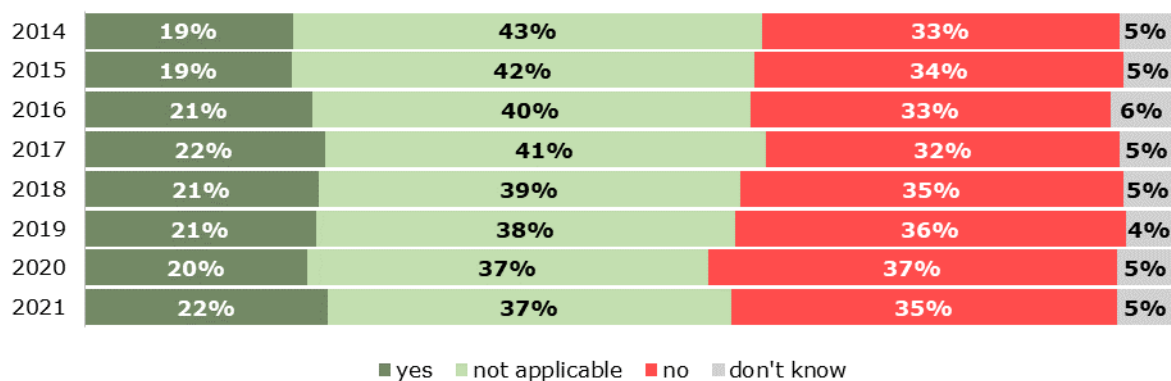
From the data presented in figure 107, it can be noted that the share of SMEs that are not confident in talking with equity investors and venture capital enterprises about financing (35%) is higher than the percentage of firms that feel confident to do so (22%).

figure 106 Confidence in talking with banks about financing and obtaining the desired results for SMEs in the EU27, by enterprise characteristic.



Source: SAFE (Q19a); edited by Panteia.

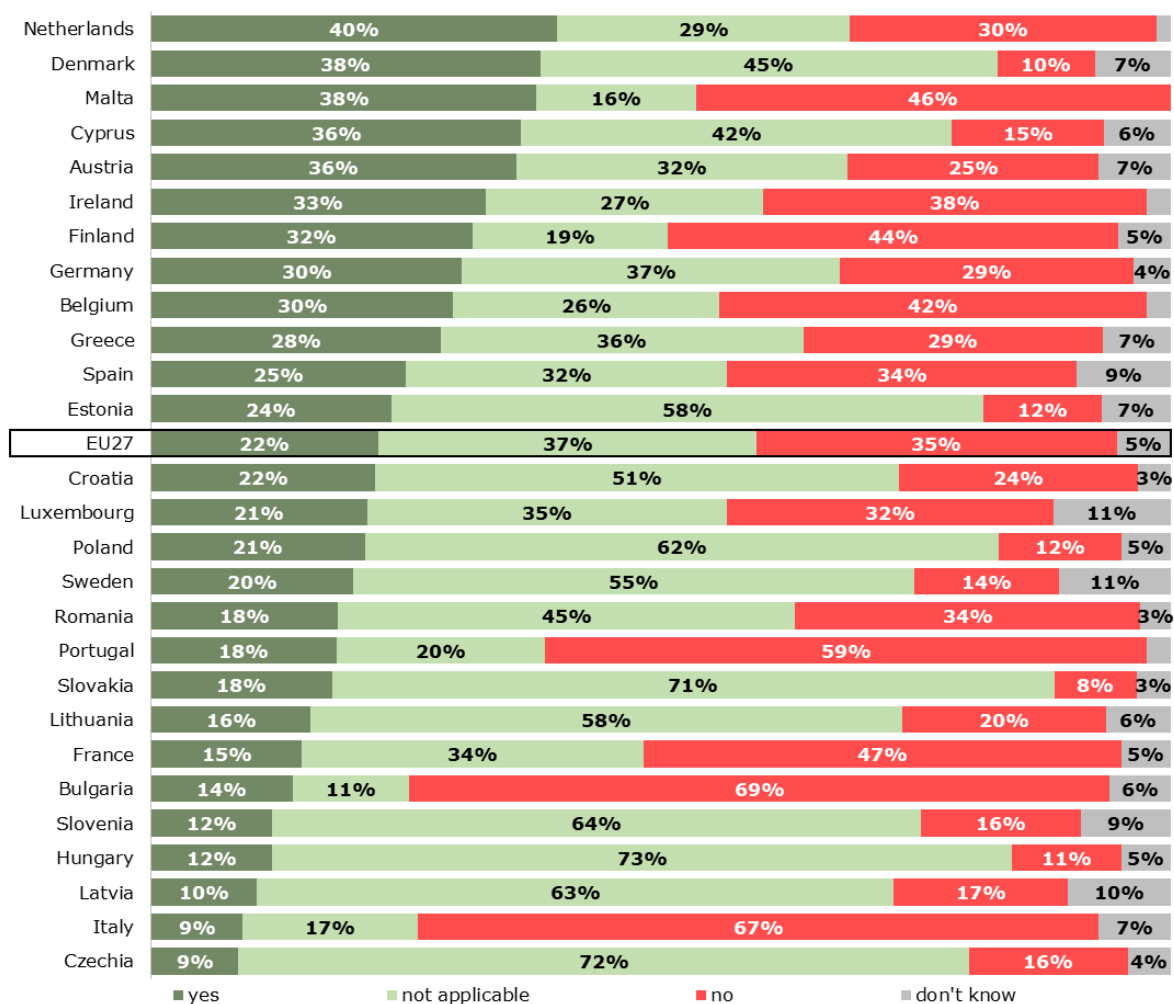
Figure 107 Confidence in talking with equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU27, during 2014-2021.



Source: SAFE (Q19b); edited by Panteia.

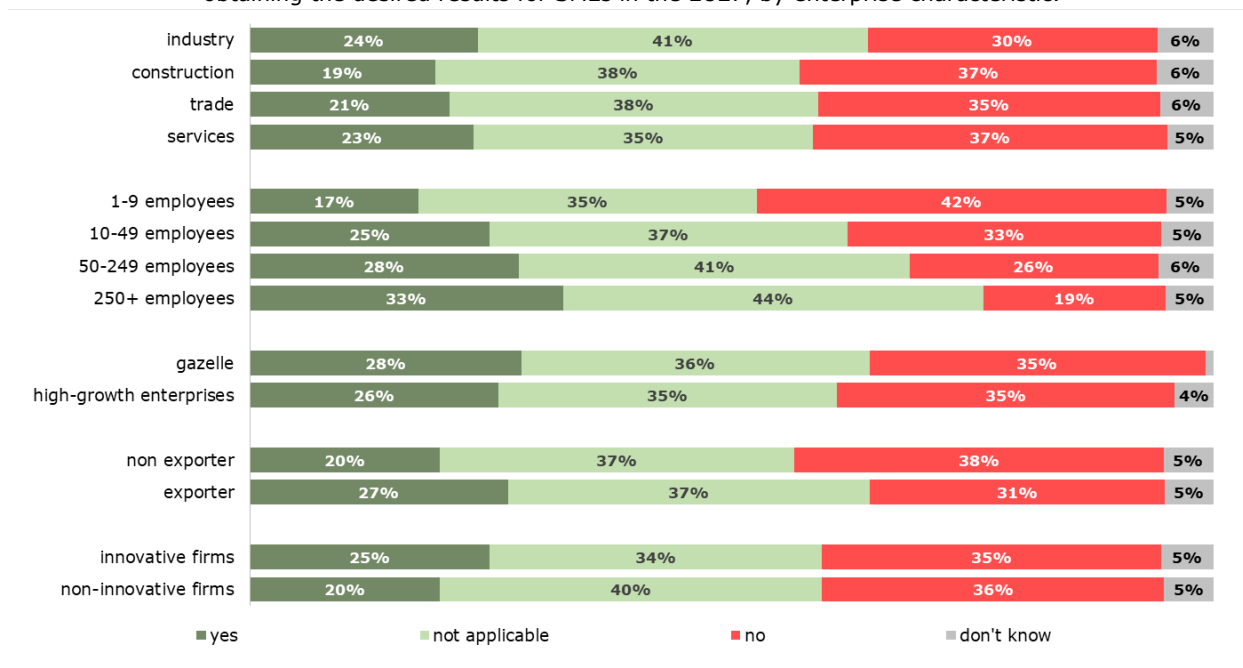
Figure 108 provides a breakdown of SMEs' confidence in talking with equity investors and venture capital firms to obtain future financing by country in the EU27. Within the countries of the EU27, Dutch SMEs are most confident in such talks (40%), while Italian and Bulgarian SMEs are the least confident, with 67% and 69% of SMEs, respectively, reporting not having confidence.

figure 108 Confidence in talking with equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU27 in 2021, by country.



Source: SAFE (Q19b); edited by Panteia.

figure 109 Confidence in talking with equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU27, by enterprise characteristic.



Source: SAFE (Q19b); edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 109 and details how confidence in financing talks varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. EU27 SMEs active in industry are generally the most confident in the outcome of these talks: 24%. There appears to be a clear positive relation between enterprise size and confidence. Only 17% of micro enterprises feel confident for talks with equity investors and venture capital enterprises, while in contrast, 33% of large firms do. Gazelles and high-growth firms report a higher percentage (28% and 26%, respectively) than the average EU27 SMEs regarding the confidence in talking to equity investors and venture capital firms about financing. Exporting as well as innovative firms tend to be more confident in talks with equity investors and venture capital firms, compared to their counterparts.

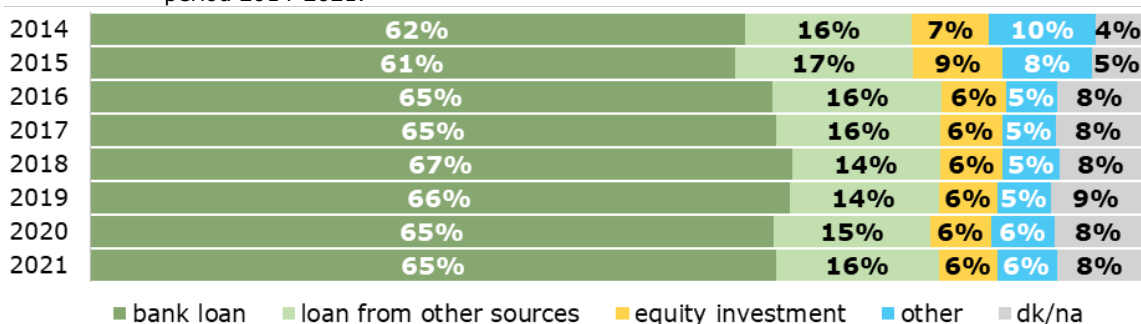
3.4. External financing in the future

This section covers various aspects of external financing for SMEs in the future. It discusses the preferred type (3.4.1), factors limiting the access to future financing (3.4.2) and size of the external financing (3.4.3).

3.4.1 Preferred type of financing

This subsection covers the type of financing SMEs prefer to realise their growth ambitions, detailing changes over the years and a breakdown by country and enterprise characteristic of expected growth. Preferred type of external financing is presented for SMEs in the EU27 for the period 2014-2021 in figure 110 and distinguishes between three main types: bank loans, loans from other sources and equity investments. Other sources for loans include trade credit, related enterprises, shareholders and public sources.

figure 110 Types of external financing preferred to realise growth ambitions for SMEs in the EU27, for the period 2014-2021.

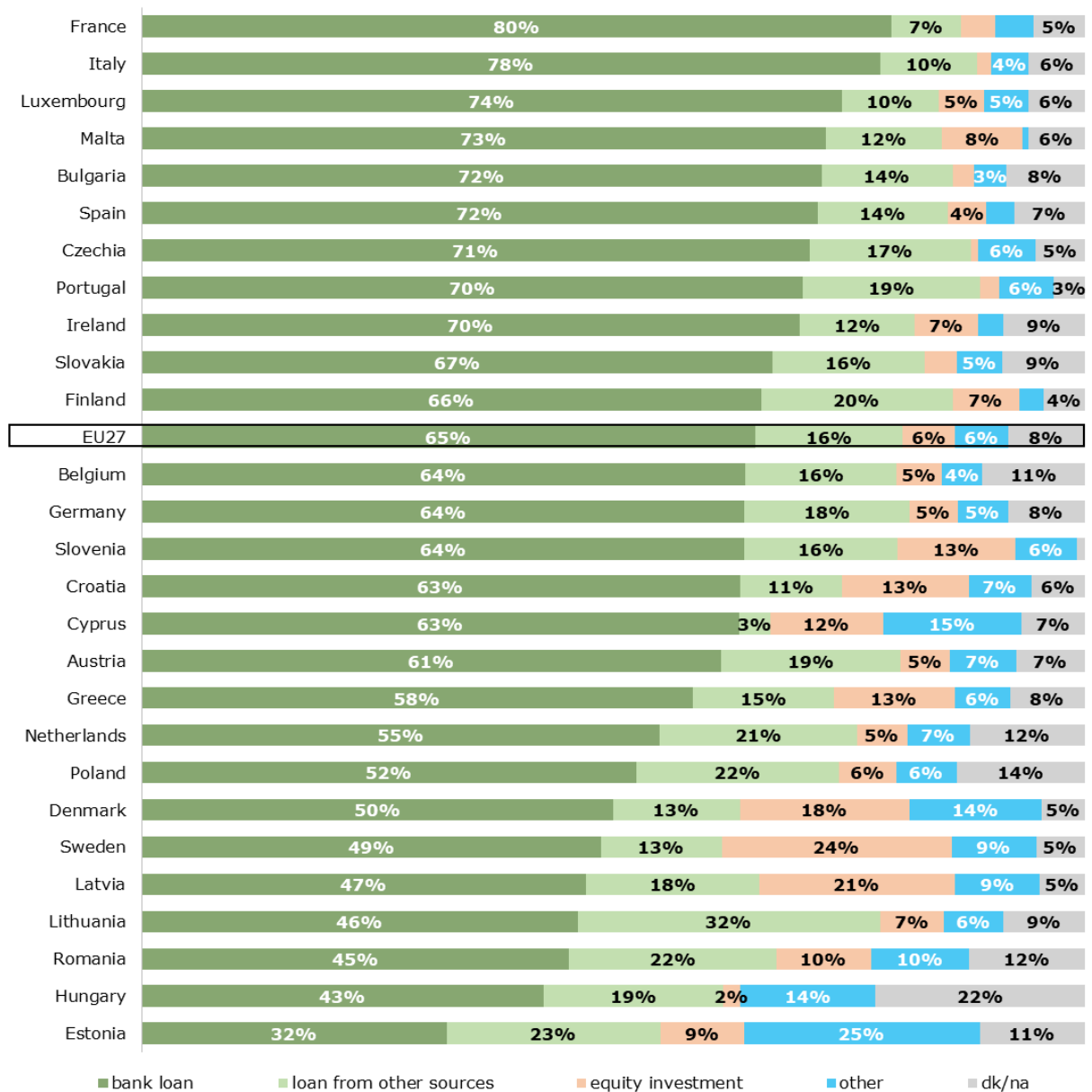


Source: SAFE (Q20); edited by Panteia.

Debt financing in the form of loans is much more popular than financing through equity investments. In 2021, 65% of EU27 SMEs indicated that they prefer bank loans to finance their future growth ambitions and another 16% reported loans from other sources. Equity investment is the preferred type for 6% of SMEs. These proportions are the vary little since 2016; in 2014 and 2015, the preference for bank loans was somewhat lower.

Figure 111 provides a breakdown of SMEs' preference for type of external financing by country in the EU27. The EU27 proportions correspond to those for 2021 in the graph presenting annual variations. Within the countries of the EU27, French and Italian SMEs (80% and 78%, respectively) have the strongest preference for bank loans and Estonian SMEs (32%) have the weakest preference for this type. When taken together, debt financing in the form of loans from both banks and other sources is most popular in Italy (88%) and least in Estonia (55%). Compared to other EU countries equity investments are most popular in Sweden (24%). Loans from other sources are particularly popular in Lithuania (32%). Other alternatives are most popular in Estonia (25%).

figure 111 Types of external financing preferred to realise growth ambitions for SMEs in the EU27, by country.

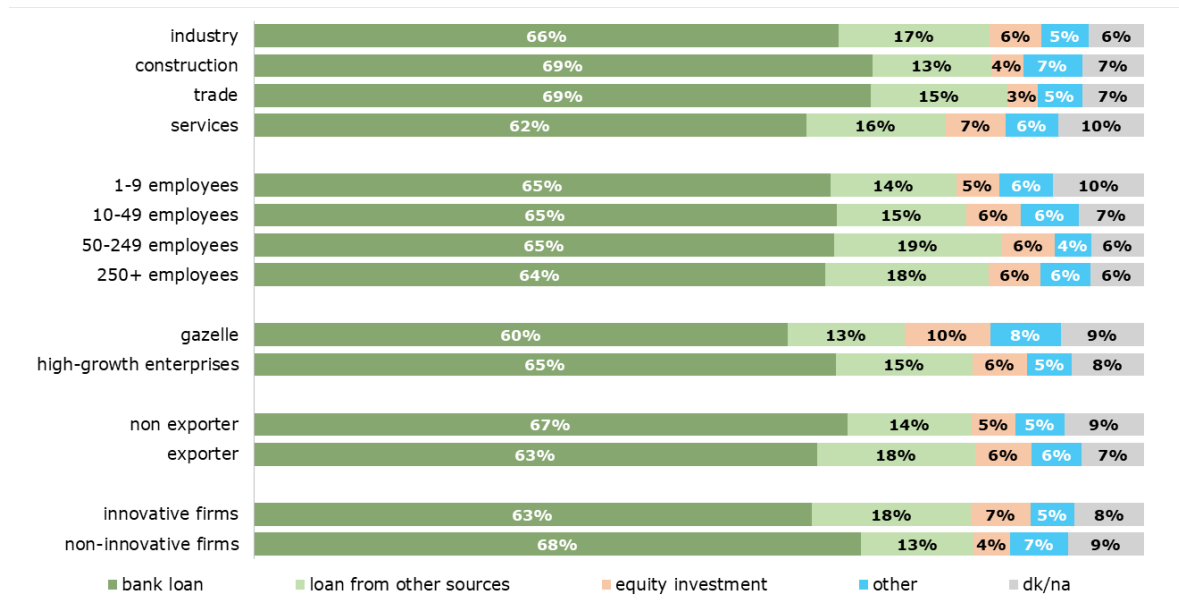


Source: SAFE (Q20); edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 112 and details how preference for certain financing types varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. Debt financing in the form of loans is most popular amongst SMEs within the trade sector (84%). (Bank) loans are least popular as a type of financing among EU27 SMEs active in services: 62%. There does not appear to be a clear relation between enterprise size and the preferred type of external financing to realise growth ambitions.

Of all the SME categories, gazelles are likely to use bank loans less than the EU27 average. Exporters and innovative firms are less likely to use bank loans compared to non-exporters and non-innovative firms.

figure 112 Types of external financing preferred to realise growth ambitions for SMEs in the EU27, by enterprise characteristic.



Source: SAFE (Q20); edited by Panteia.

3.4.2 Perceived limiting factors to obtaining financing

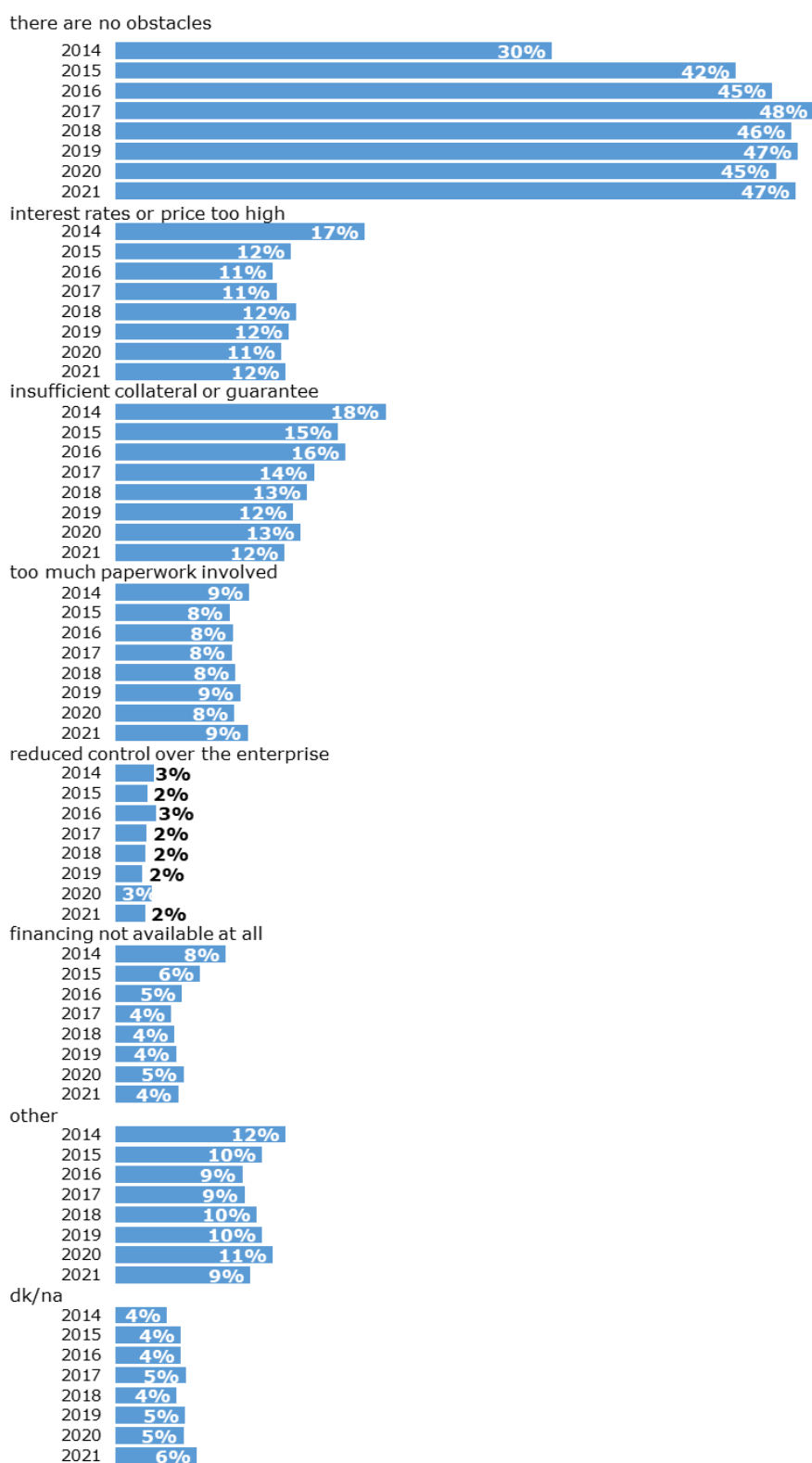
This section covers the perceived limiting factors to obtaining the future financing required by SMEs to realise their growth ambitions, detailing changes over the years and a breakdown by country and enterprise characteristic of expected growth. Perceived limitations are presented for SMEs in the EU27 for the period 2014-2021 in figure 113 and distinguishes between five main limitations: collateral, costs of the financing, paperwork, availability and control.

A large share of the SMEs in the EU27 that are looking to obtain external funds to finance their growth ambitions expect to run into no obstacles at all: 47% in 2021, which is similar to 2019.

Most of the EU27 SMEs that do feel that there are limiting factors, consider costs associated with the financing, including interest rates and price (12%) as well as insufficient collateral or guarantee (12%) as the prime limitation. It should be noted that this limitation is only applicable to enterprises that prefer debt financing for future financing.

Too much paperwork is considered by 9% of EU27 SMEs to be the most important limiting factor, followed by the unavailability of financing (4%) and reduced control over the enterprise (2%). 9% reported other reasons as being the most limiting factor.

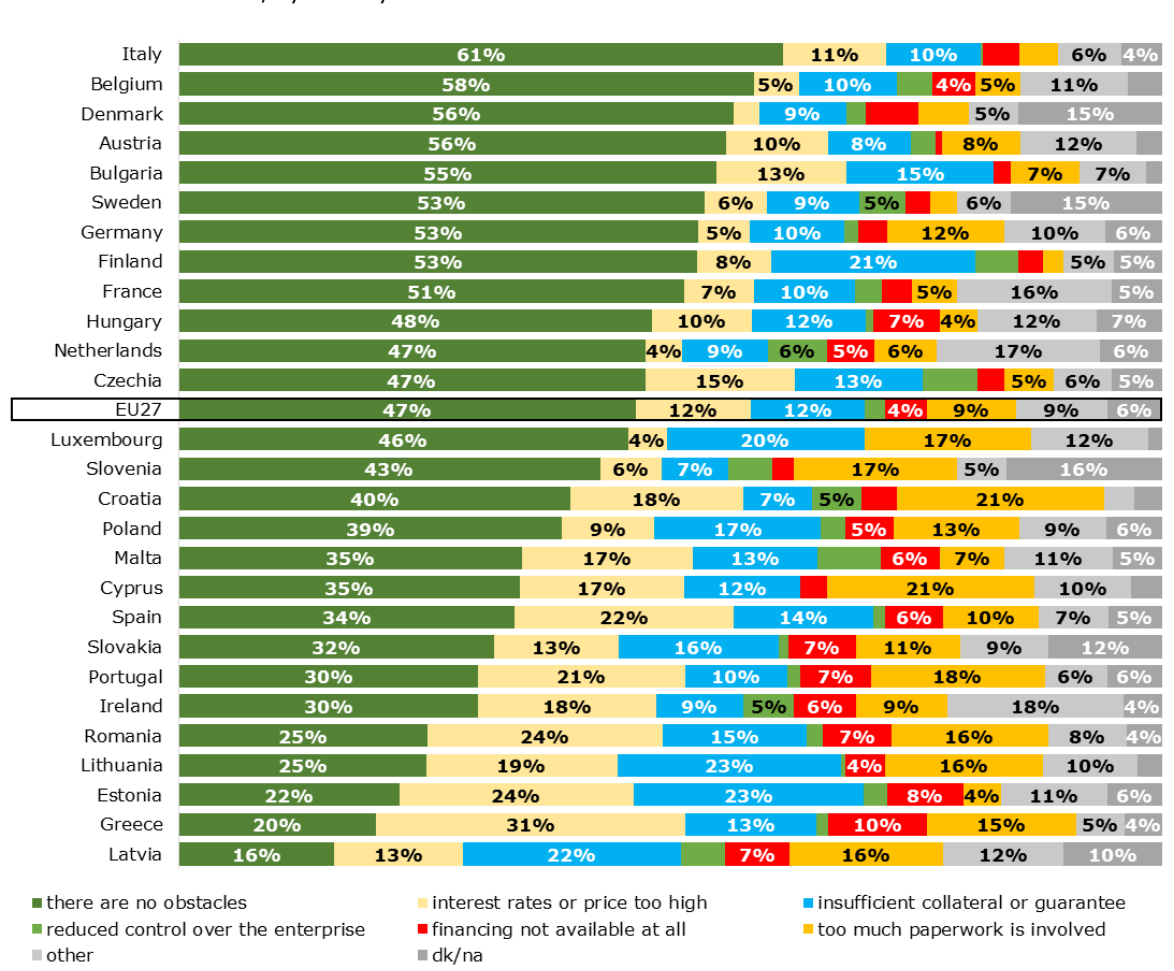
figure 113 Perceived factors limiting the access to future financing for SMEs in the EU27, for the period 2014-2021.



Source: SAFE (Q22); edited by Panteia.

Figure 114 provides a breakdown of SMEs’ most cited limiting factors in obtaining future financing for growth ambitions by country in the EU27. Within the countries of the EU27, SMEs from Italy and Belgium (61% and 58%, respectively) most often expect to run into no obstacles at all, whereas Latvian SMEs are most likely to run into obstacles (16% reporting no obstacles). Insufficient collateral or guarantees is most often cited as a perceived limitation in Lithuania and Estonia (both 23%). Interest rates or the price of financing are most often cited as a limitation by SMEs in Greece (31%). Financing not being available is relatively an important issue in Greece (10%). SMEs in Croatia (21%) consider too much paperwork a major limitation to accessing future financing.

figure 114 Three most cited perceived factors limiting the access to future financing for SMEs in the EU27 in 2021, by country.

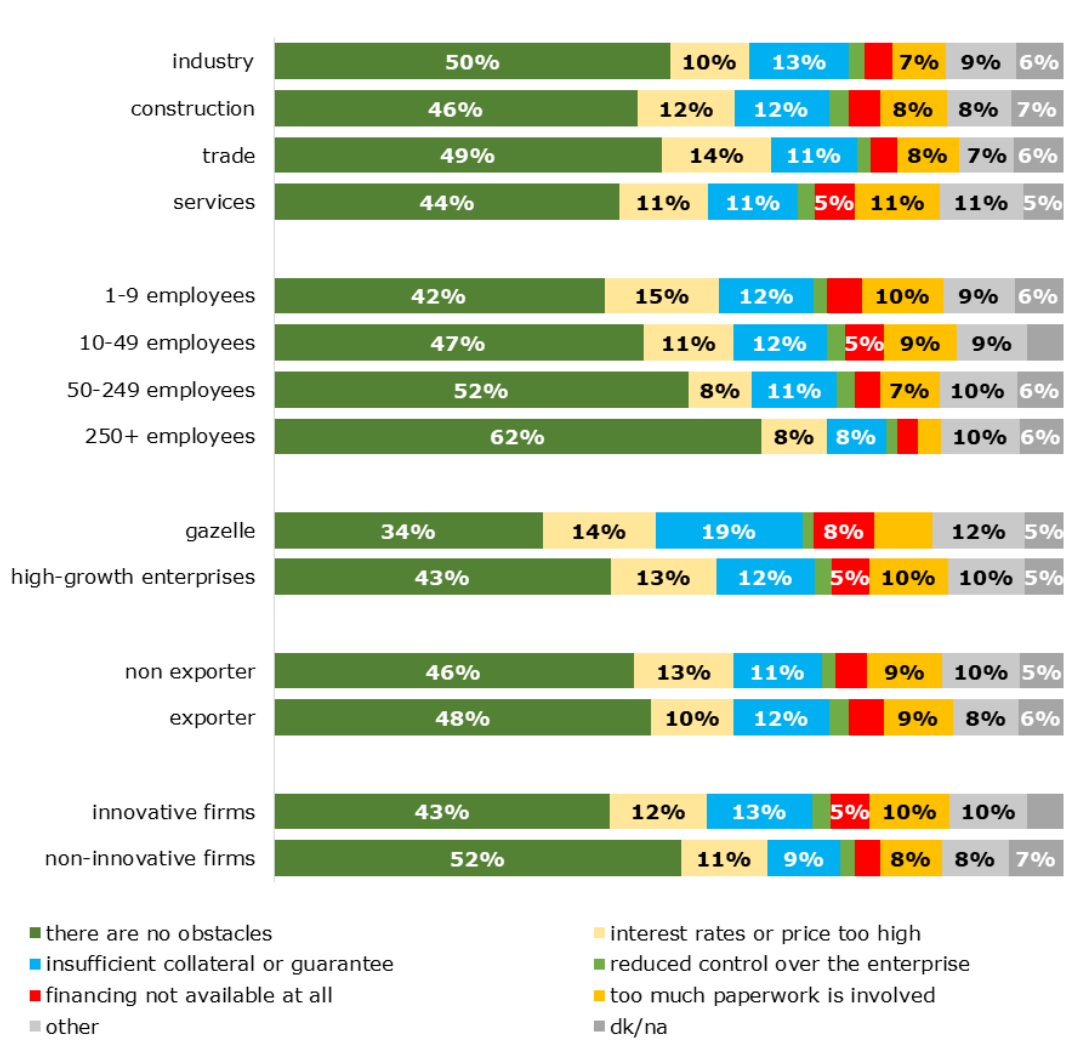


Source: SAFE (Q22); edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 115. Details relating to perceived factors limiting the access to finance of SMEs vary among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. 50% of the SMEs in the industry have reported that they do not encounter any obstacles, compared to 44% in services. Insufficient collateral or guarantee is has been reported as a factor limiting access to finance by 13% of enterprises in the industry. There appears to be a clear relation between enterprise size and perceived obstacles. 42% of micro SMEs reported that they do not encounter any obstacles compared to 62% of large firms. Gazelles are more likely to see obstacles, with only 34% reporting no

obstacles (compared to the EU27 average of 47%). There is only a slight difference in relation to any obstacles present when it comes to exporter and non-exporter firms (48% and 46%, respectively, reporting no obstacles). Results for non-innovative firms' show that 52% of them are likely to come across no obstacles, with compared to 43% of innovative firms.

figure 115 Three most cited perceived factors limiting the access to future financing for SMEs in the EU27 in 2021, by enterprise characteristic.



Source: SAFE (Q22); edited by Panteia.

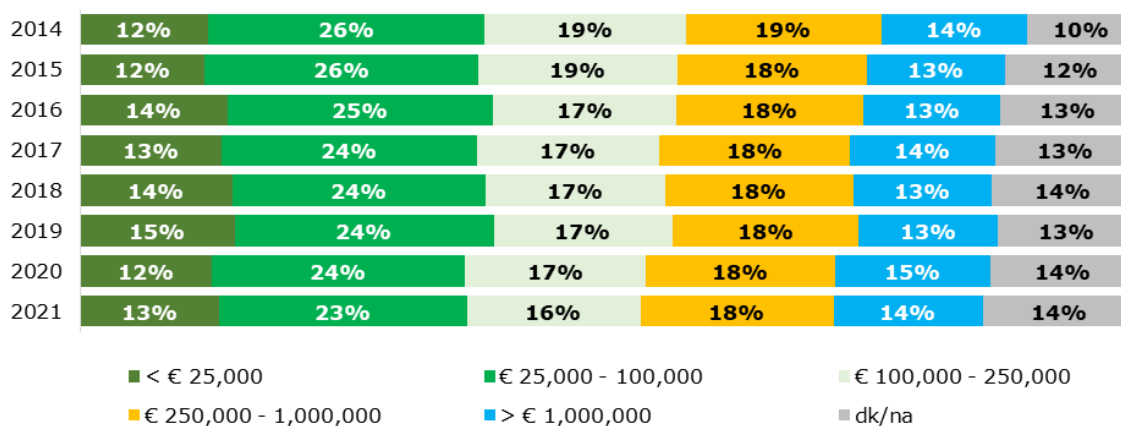
3.4.3 Amount of financing

This subsection covers the amount of future financing SMEs require to realise their growth ambitions, detailing a breakdown by five classes of financing size, followed by a breakdown by country and enterprise characteristic. The amount of external financing required is presented for SMEs in the EU27 for 2021 in figure 116.

The largest proportion of EU27 SMEs are looking to obtain future external financing in the range of EUR 25,000 to EUR 100,000 in size to realise their growth ambitions for the next two to three years: this is the size-class in which the amount falls for 23% of

EU27 SMEs, which is slightly lower than in 2020. 14% of SMEs need over EUR 1,000,000 in 2021. These amounts are mostly suitable for large enterprises.

figure 116 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU27 during 2014-2021



Source: SAFE (Q21); edited by Panteia.

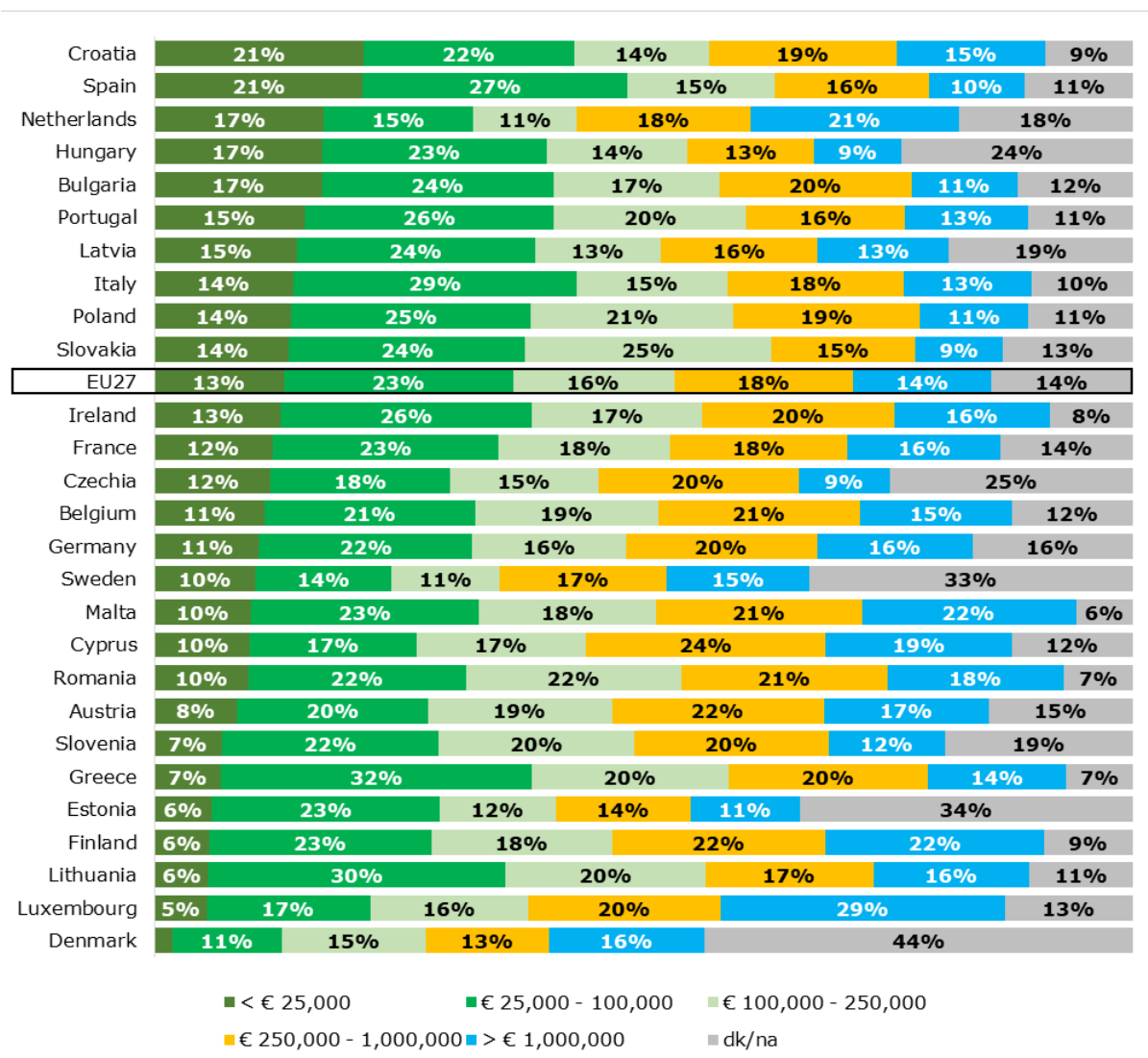
Figure 117 provides a breakdown of the amount of external financing SMEs seek to finance their future growth ambitions by country in the EU27. Within the countries of the EU27, SMEs in Luxembourg have the largest proportion seeking financing amounts over EUR 250.000: 49%. This proportion is smallest in Hungary, for which it is only 23%. Future financing needs seem to be smallest in Denmark: 44% of SMEs indicate that external financing to realise growth ambitions is not relevant to them (or unknown). SMEs in Croatia and Spain (both 21%) have the largest proportion of SMEs seeking future financing less than EUR 25.000.

A breakdown by enterprise characteristic is presented in figure 118 and details how the amount of future financing varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. The largest financing amounts are needed by EU27 SMEs active in industry, with 49% requiring an amount greater than EUR 250,000. Around a quarter of SMEs in construction, trade and services need an amount in the range from EUR 25,000 to EUR 100,000. The amount of other future financing needed is relatively similar among SMEs that operate in construction, trade and services.

There appears to be a clear positive relation between enterprise size and the amount of future external financing needed to realise growth ambitions: larger enterprises require larger financing needs. While only 3% of micro-sized enterprises requires a financing amount greater than EUR 1 million, 64% of large enterprises require this amount.

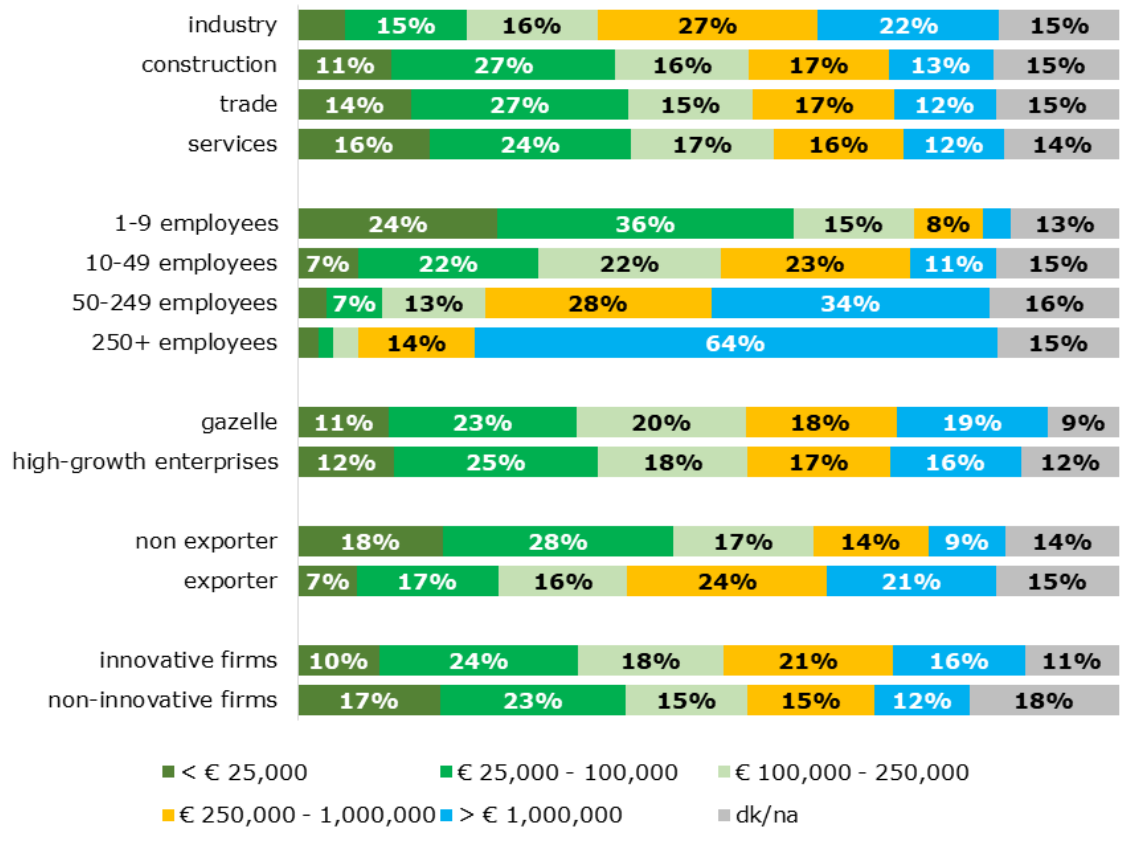
Gazelles and high-growth enterprises need similar amounts of future financing to realise their growth ambitions, although gazelles are more likely to require larger amounts. SMEs that generate part of their turnover from exports are more likely to require external funds sized EUR 250,000 and over (45%) than non-exporting SMEs (24%). Innovative SMEs (37% needs an amount over EUR 250,000) also need more funds to realise their ambitions than non-innovative SMEs (27%).

figure 117 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU27 in 2021, by country.



Source: SAFE (Q21); edited by Panteia.

figure 118 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU27 in 2021, by enterprise characteristic.

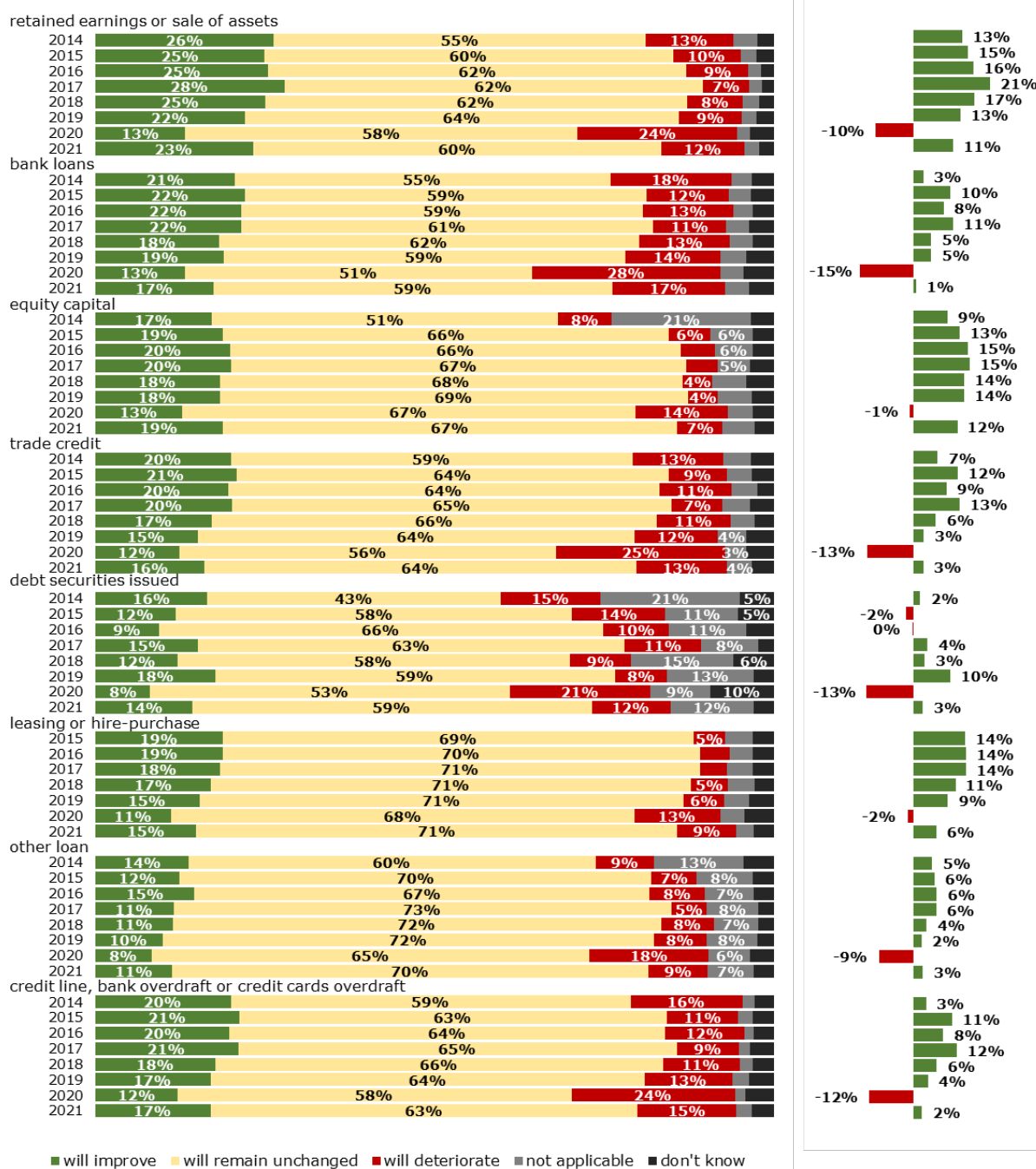


Source: SAFE (Q21); edited by Panteia.

3.5. Expected availability of internal funds and external financing

SMEs prefer to finance their expected growth mostly using debt, either originating from banks or other sources (section 3.4.1). This section covers expected changes in the availability of eight types of financing, detailing changes over the years. The eight types are: internal finance, bank loans, other loans, equity capital, trade credit, debt securities, credit line and leasing. Expected changes in availability are presented for SMEs in the EU27 for the period 2014-2021 in figure 119. Net changes are reported which correspond to the net effect of reported improvements minus deteriorations. When years are excluded, the particular financing type was only first included in a later survey year.

Figure 119 Changes in the availability of types of financing available in the next six months (October to March) for SMEs in the EU27, during 2014-2021



Source: SAFE (Q23); edited by Panteia.

SMEs in the EU27 report net improvement in all categories in 2021, which is in contrast to 2020, where a net deterioration was found in all categories. The largest improvement can be found in relation to equity capital (12%) and retained earnings or sale of assets (11%). Until 2020, no net deterioration was reported for all categories (with the exception of debt securities issued) since 2014.

The expected net improvement for the availability of credit line, bank overdraft or credit card overdraft is 2%. EU27 SMEs expect the availability of financing via a credit line, bank overdraft or credit cards overdraft to improve (17%) more often than deteriorate (15%).

The availability of bank loans is also expected to remain stable: the same amount of EU27 SMEs expect an improvement of availability (17%) as they do a deterioration improvement (17%) for a round net improvement of 1%. This is a significant improvement compared to 2020.

Leasing or hire-purchases are explicitly distinguished as a separate type of financing since 2015. Of the EU27 SMEs, 15% expects an improvement in the availability of this type of financing, while 9% expects a deterioration, for a net improvement of 6%.

The other loan category has been included for 2014-2021 in the figure, even though it was part of earlier surveys. The reason for this choice is that leasing or hire-purchase was an implicit part of this type of financing in the previous waves, rendering temporal comparisons moot.

4. CHARACTERISTICS AND CURRENT STATE OF ENTERPRISES

This chapter presents background information on the characteristics and the current state of enterprises. It serves as a comparative framework against all of the other tables and figures, which may be viewed as a means to help explain part of the differences that are observed between years, countries and types of enterprises. The chapter covers the financial state of enterprises (section 4.2), the most pressing problems experienced by enterprises (section 4.3; this section also discusses the prevalence and some consequences of late payments) and a set of enterprise characteristics that consists of innovativeness, growth and export (sections 4.4 to 4.6).

4.1. Key findings

The financial state of EU27 SMEs has had a mixture of improvements and deteriorations in 2021. While there was a net improvement of 14% in turnover, 11% in fixed investments, 6% in inventories and other working capital, 6% in number of employees, and 1% in debt compared to assets, significant deteriorations materialised in labour costs (net -46%) and other costs (net -72%). Other deteriorations took place in interest expenses (net -10%) and profits (net -6%). Important to note is that the net deteriorations seen in profit and net improvements of turnover, fixed investment, inventories and other working capital, number of employees, and debt compared to assets all presented an increased value to the numbers seen in 2020 (suggesting a course to reach pre-COVID numbers). The most significant deterioration that was reported by SMEs was that of other costs (reported by 75%). Here Gazelles, high growth and innovative enterprises experienced more deteriorations than SMEs in EU27 on average.

In general, the most pressing problem for EU27 SMEs is the availability of skilled staff and/or experienced managers (reported by 27%). This problem is reported mostly from SMEs based in the Netherlands (40%), and Austria (37%). The next most pressing problem is that of finding customers (reported by 18%), which has become one of the least reported problems since 2014, despite having been the most prominent problem in 2020. The problem of access to finance was seen to drop to the lowest number seen in the past 6 years (reported by 7%), while the problem of regulation has remained at a constant figure as reported by 11% in 2021. The third type of most pressing problems was identified to be other problems (reported by 14%). Within this category the majority of SMEs reported the COVID-19 pandemic to be the main issue, with Brexit and other issues falling far behind (significantly less referred to by SMEs).

Around 42% of the EU27 SMEs reported experiencing problems due to late payments. The most reported problem flowing from late payments was that of the effect on payments to suppliers (reported by 32%).

In terms of innovativeness, 50% of EU27 SMEs can be considered as innovative. Within this figure, industry enterprises take the highest share (57%) and construction enterprises the lowest (36%). Country wise, Finland claims the highest share at 72% which is a figure 22% higher than the EU27 average.

In 2021, the number of high-growth enterprises remained the same as 2020 at 17%, with Romania claiming the highest share (37%) and Bulgaria, France and Austria claiming the lowest (12% by each). As a subset of high-growth enterprises, 1.4% of all EU27 SMEs were deemed a gazelle in 2021. Romanian SMEs again claim the highest share among SMEs constituting a gazelle (11%). 38% of all EU27 SMEs engage in exports, which is the lowest figure reported since 2014 (only slightly lower than the

39% of 2020). Most common exporters are SMEs from Estonia (62%) and Slovenia (61%). Enterprises in industry (74%) export significantly more than other SMEs active in other areas. This is a trend also seen in enterprises with high growth, identified as innovative, and with 250+ employees (40%, 45% and 65% respectively). Of the exporting SMEs, 89% report exporting to the euro area, followed by 53% reporting exports to the rest of the EU, and 43% reporting to export to regions outside the EU. Reports of exports to the UK remained the same as 2020 with 35% and decreased ever so slightly to 39% for markets in Europe but outside the EU (which includes Russia).

4.2. The financial state of enterprises

This section covers the financial state of enterprises, detailing changes in indicators over the years and a breakdown by country and enterprise characteristic for each of these indicators. These more detailed breakdowns are presented for a selected set of key indicators. Changes in company indicators in the six months preceding the survey are presented for SMEs in the EU27 for the period 2014-2021 in figure 120. The financial state of enterprises is detailed using changes in: turnover, labour costs, other costs, interest expenses, profits, fixed investments, inventories and working capital, the number of employees and the ratio of debt compared to assets.

Turnover (or sales or revenues) is an important indicator of the financial state of enterprises and the economy in general. In 2021, 41% of all SMEs in the EU27 reported that their turnover had improved in the preceding six months, while 26% reported a deterioration in turnover. The net balance is an improvement 14% in turnover, which is notably in contrast to the significant deterioration in 2020.

The costs of inputs to the production process more often deteriorated than improved in the six months from April to September 2021. The proportion of SMEs in the EU27 that reported deterioration in costs was far greater than the proportion of SMEs that reported improvements for both labour costs (46% deterioration) (including social contributions) and other costs (72% deterioration) (consisting among others of materials and energy costs). These net deteriorations have increased significantly in comparison to 2020. From 2014 onward, there have been net deteriorations in costs for each survey year. In terms of the proportion of SMEs reporting them, these deteriorations in costs outweigh the improvements in turnover.

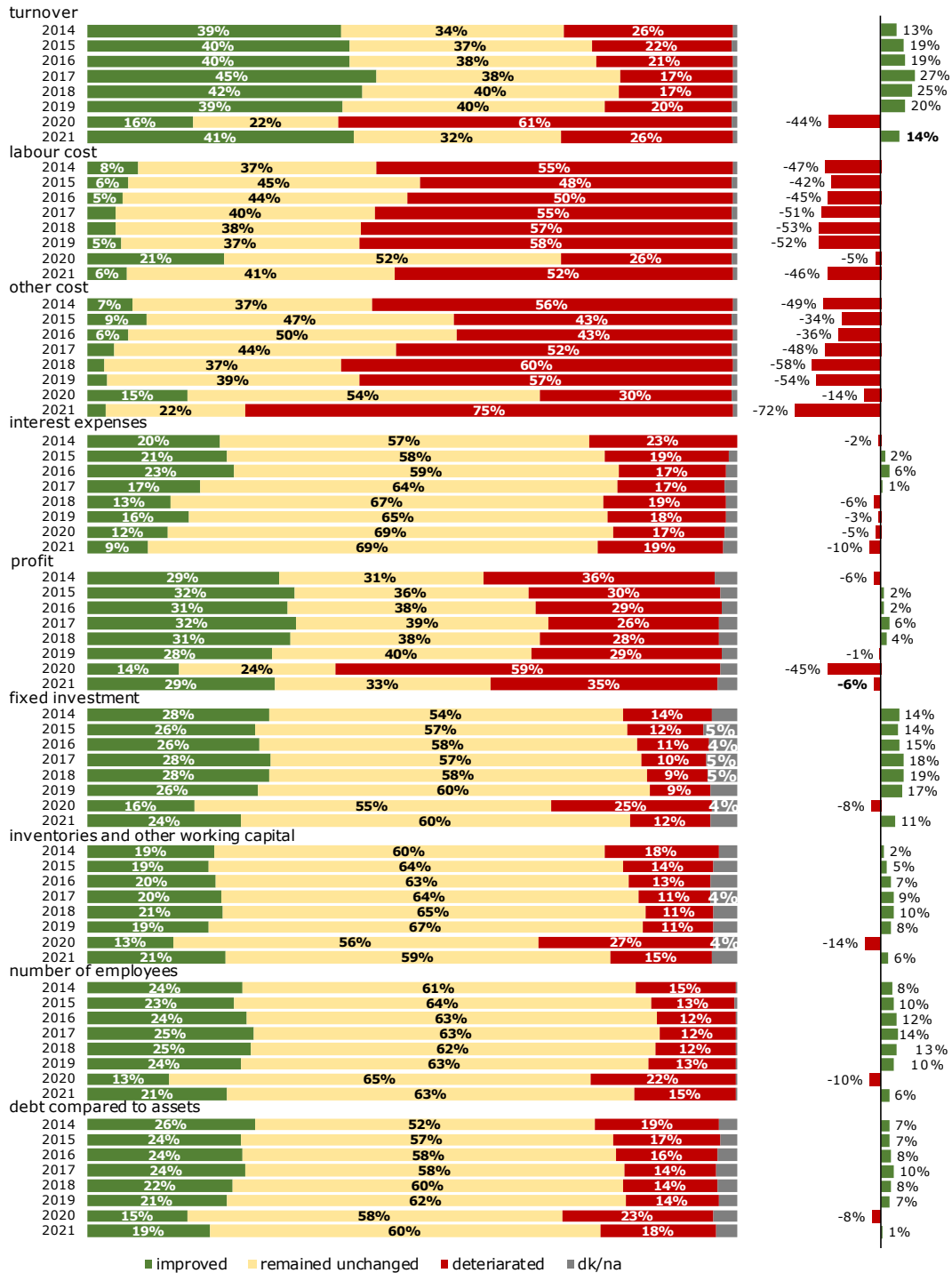
Interest expenses have deteriorated for a share of EU27 SMEs greater than the share reporting improvements. The net effect over the period from April to September 2021 is therefore slightly negative (net -10%). In the previous survey year, this was slightly less negative (net -5%). The interest rates charged to enterprises consist of a base interest and a risk mark-up. The base follows the Euribor (Euro interbank offered rate), which is a benchmark rate on the money market. The Euribor peaked in October 2008, which was followed by a very strong and continuing drop. From April 2010 to October 2011 it increased, after which it again dropped and reached a consistent rate close to zero percent. The net changes reported by enterprises partially reflect these movements in the Euribor. Starting from 2013, the negative net effect has been decreasing resulting in a net improvement in interest expenses in 2015 and 2016, a trend that has reversed since 2017.

Investments in fixed assets (property, plant and equipment) are means for enterprises to grow, to expand the scale of their operations and to introduce new methods of production. Investments in fixed assets have a higher rate of return than inventories and working capital, which are necessary in the day-to-day operation of an enterprise. Enterprises will want to keep the size of stock and highly liquid funds to a minimum.

Both investments in fixed assets and inventories and working capital experienced net improvement from 2014 to 2019, although 2020 saw a net deterioration. In 2021, a net improvement of 11% can be seen.

On balance, a larger proportion of EU27 SMEs report an improvement in the number of employees rather than a deterioration from 2014 to 2019. In 2020 the net balance was negative (minus 10%), while it became positive again in 2021 (plus 6%). Additionally, EU27 SMEs reported a net deterioration in the ratio of debt to their assets in 2020, although this has changed to a small net improvement of 1% in 2021.

Figure 120 Changes in company indicators in the past six months for SMEs in the EU27 during 2014-2021



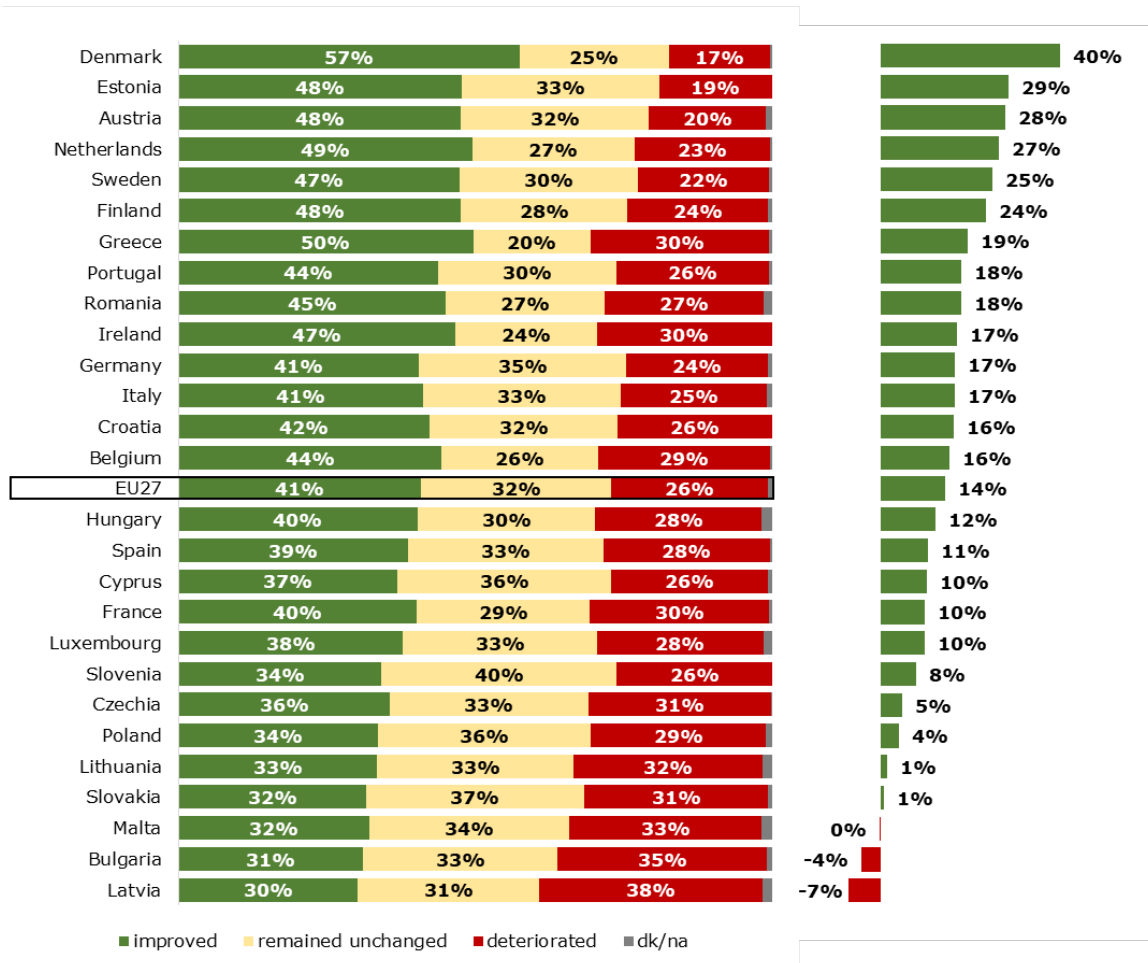
Source: SAFE (Q2); edited by Panteia.

4.2.1 Turnover

This section presents a more detailed breakdown of changes in turnover. A breakdown by country in figure 121 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 122 presents these results by enterprise category. Net changes are reported, which correspond to the net effect of reported improvement minus deterioration.

Improvements in turnover are reported by 41% of all SMEs in the EU27, with 26% having experienced decreases in turnover, resulting in a rounded net positive change of 14%. Among the countries of the EU27, SMEs in most countries reported a positive net change, with Denmark reporting the highest positive net change (40%) and Bulgaria and Latvia reporting a net deterioration (4% and 7%, respectively).

figure 121 Changes in turnover during April to September 2021 for SMEs in the EU27, by country.

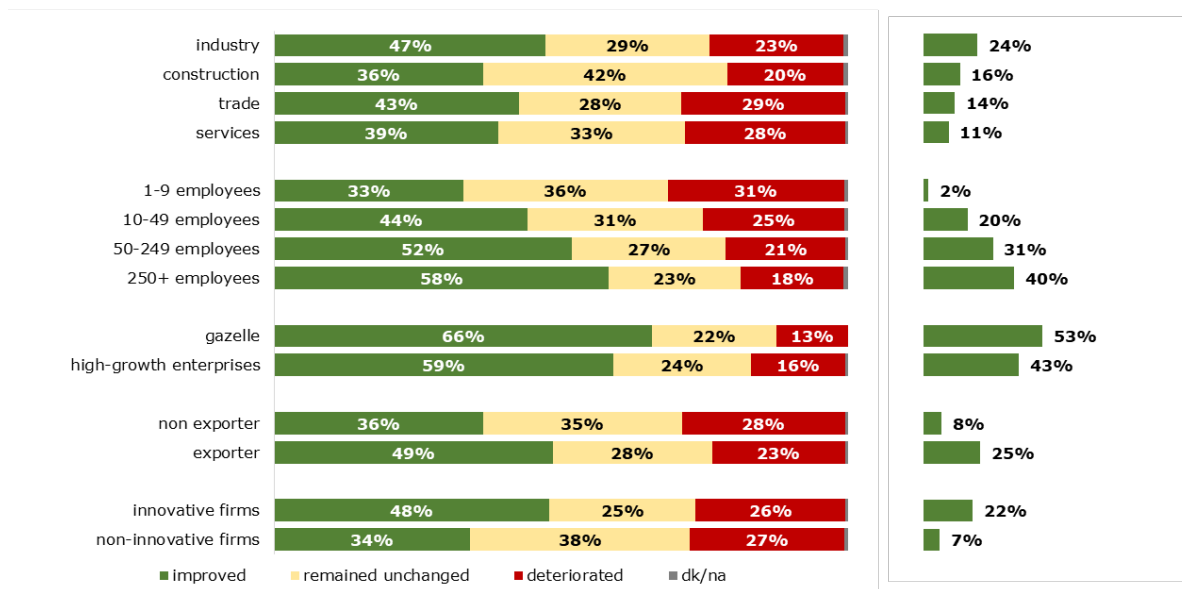


Source: SAFE (Q2a); edited by Panteia.

Figure 122 presents the changes in turnover broken down by enterprise characteristic. All of the groups identified report positive net changes in turnover in 2021. Among the various sectors, enterprises in industry report the largest net positive changes (24%) and services the smallest net positive change (11%). There exists a clear relation between the enterprise size and changes in turnover. Large enterprises ((250+ employees) have experienced the most improvement in turnover (40%), micro enterprises (1 to 9 employees) the least (2%).

Gazelles and high-growth enterprises both experience improvement more than the EU27 average. Exporting enterprises more often report that turnover increased than non-exporting enterprises. Innovative enterprises report greater levels in improvement in turnover when compared to non-innovative enterprises.

figure 122 Changes in turnover during April to September 2021 for SMEs in the EU27, by enterprise characteristics.



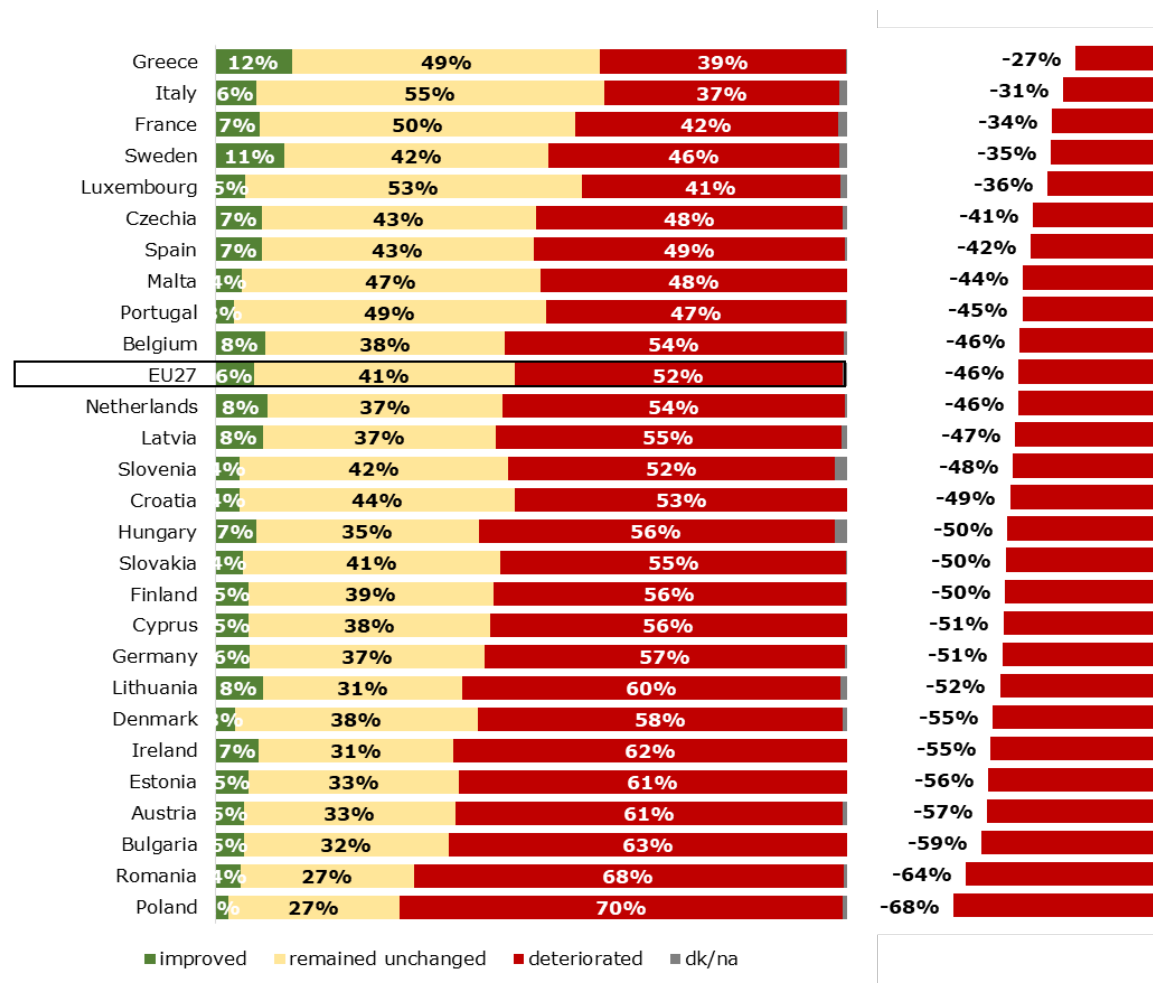
Source: SAFE (Q2a); edited by Panteia.

4.2.2 Labour costs

This section presents a more detailed breakdown of changes in labour costs (including social contributions). A breakdown by country in figure 123 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 124 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvements minus deteriorations.

Deterioration in labour costs are reported by 52% of all EU27 SMEs, with another 6% having experienced improvements in labour costs, resulting in a rounded net deterioration in costs of 46%. Among the countries of the EU27, SMEs in Poland, Romania and Bulgaria report the largest net deterioration and SMEs in Greece and Italy the least net deterioration.

figure 123 Changes in labour costs (including social contributions) during April to September 2021 for SMEs in the EU27, by country.

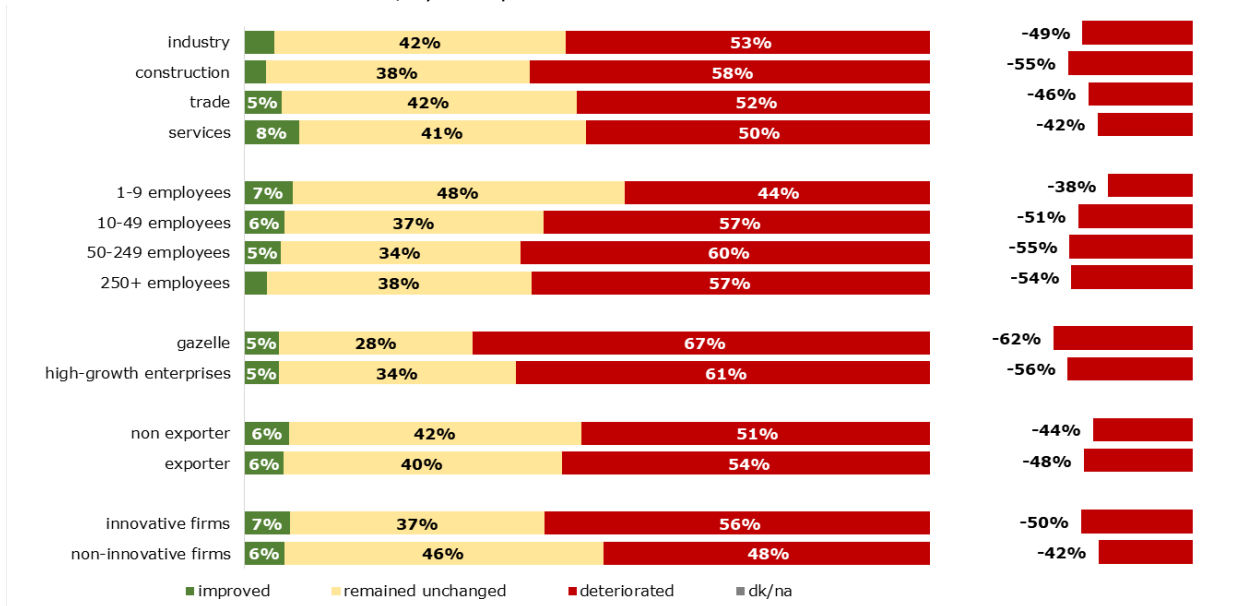


Source: SAFE (Q2b); edited by Panteia.

In figure 124, the changes in labour costs are presented, broken down by enterprise characteristic. SMEs in industry, construction and trade reported a deterioration in labour costs in 2021, with the largest net decrease for the construction sector. There is no clear relation between the size of an enterprise and changes in labour costs, with micro enterprise (1-9 employees) experiencing the least deterioration in labour costs (38%), and enterprises with 50-249 employees the most (net 55%).

There exists a difference in the changes in labour costs between high-growth enterprises and gazelles with net deterioration of 56% and 62%, respectively. Non-exporting enterprises report deterioration in labour costs less often than exporting enterprises. Innovative enterprises experienced deterioration in labour costs slightly more often than those that are not identified as being non-innovative.

figure 124 Changes in labour costs (including social contributions) during April to September 2021 for SMEs in the EU27, by enterprise characteristics.



Source: SAFE (Q2b); edited by Panteia.

4.2.3 Other costs

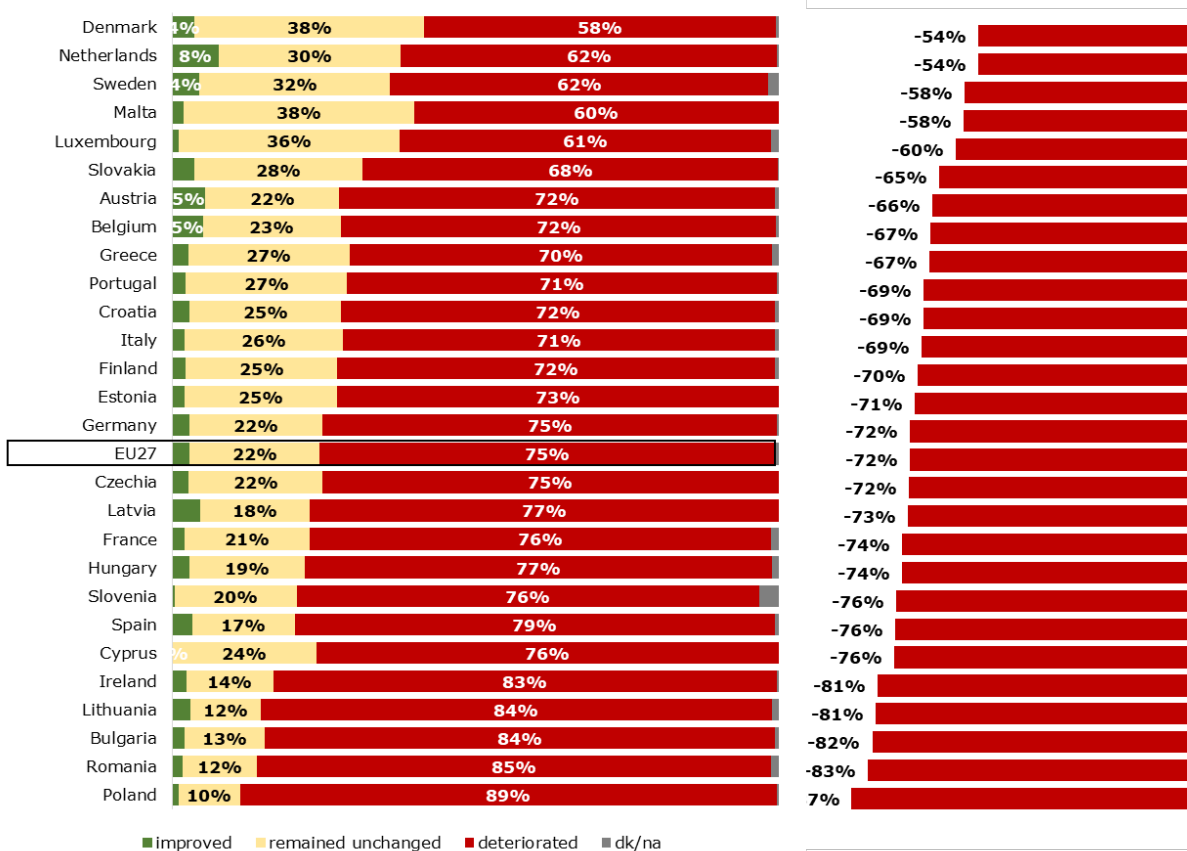
This section presents a more detailed breakdown of changes in other costs (materials, energy and other). A breakdown by country in figure 125 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 126 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvement minus deterioration.

Deterioration in other costs are reported by 75% of all SMEs in the EU27, with another 3% having experienced improvements in other costs, resulting in a net deterioration in costs of 72%. Among the countries of the EU27, SMEs in Poland, Romania and Bulgaria report the largest net deterioration and SMEs in Denmark, The Netherlands, Sweden and Malta report the least net deterioration.

In figure 126, changes in other costs are broken down by enterprise characteristic, all of the groups identified report net deteriorations of other costs in 2021. Among the various sectors, industry has the largest net deterioration (86%) and services the smallest net deterioration (63%). The enterprise size is correlated to the net deterioration of other costs, whereby the smaller the enterprise is, the smaller the net deterioration.

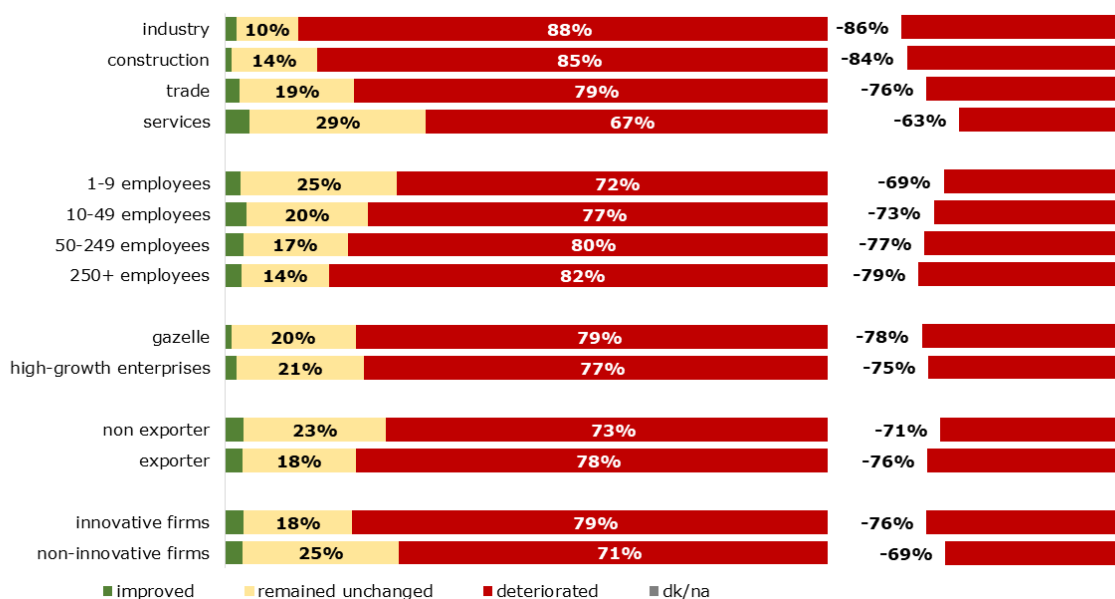
Gazelles and high growth enterprises in general experience more deteriorations in other costs than the average EU27 SME, with a net deterioration of 78% and 75%, respectively. Non-exporting enterprises experienced lower net deteriorations than exporting enterprises (71% and 76%, respectively). Innovative enterprises experienced a deterioration in other costs more often than those that are not identified as being innovative.

figure 125 Changes in other costs (materials, energy, other) during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q2c); edited by Panteia.

figure 126 Changes in other costs (materials, energy, other) during April to September 2021 for SMEs in the EU27, by enterprise characteristics.



Source: SAFE (Q2c); edited by Panteia.

4.2.4 Interest expenses

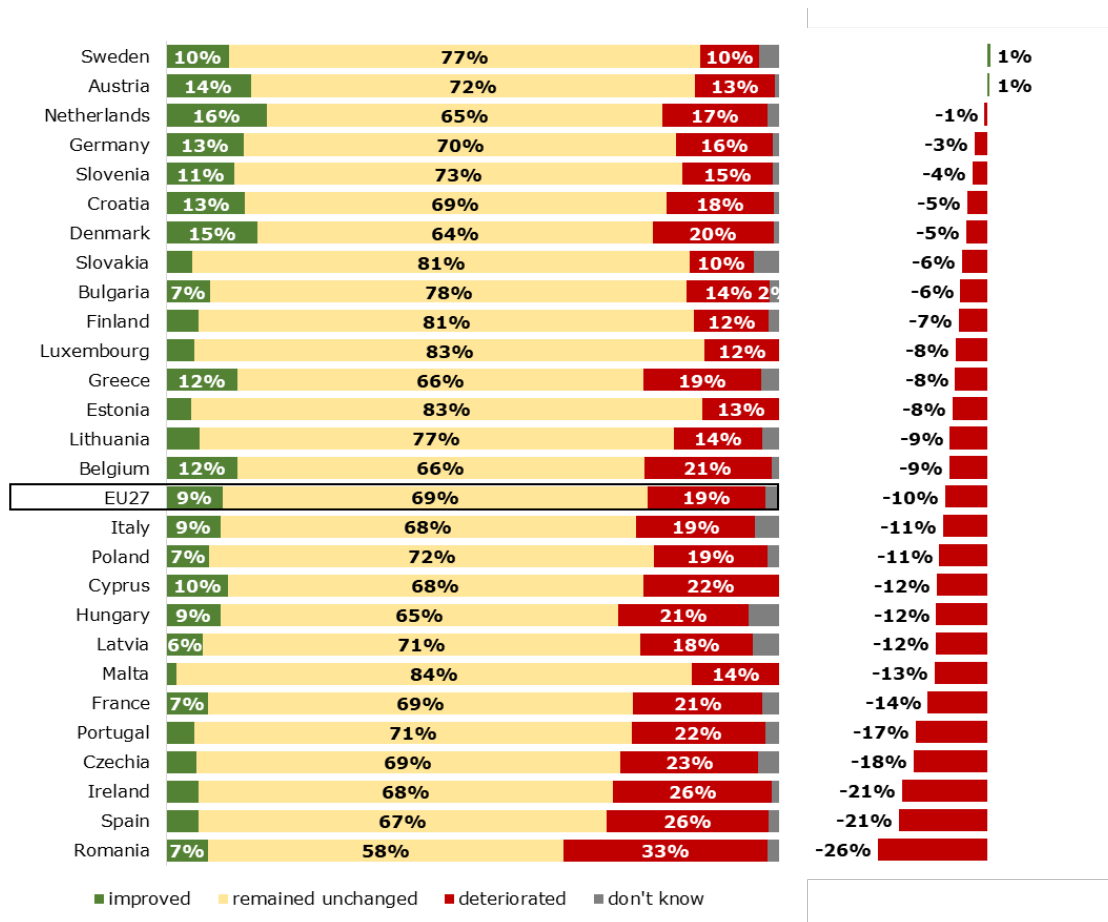
This section presents a more detailed breakdown of changes in interest expenses. A breakdown by country in figure 127 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 128 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvement minus deterioration.

Deteriorations in interest expenses are reported by 19% of all SMEs in the EU27, with another 9% having experienced improvements in interest expenses, resulting in a net deterioration of 10%. Among the countries of the EU27, only in Sweden and Austria SMEs indicate a small net improvement; The largest net deterioration are indicated in Romania, Spain and Ireland. In other words, the interest costs of financing have deteriorated most strongly in these Member States.

Broken down by enterprise characteristic in figure 128, the construction sector has experienced the largest net deterioration of interest expenses (14%). No sector experiences a net improvement in interest expenses. Smaller enterprises see a larger net deterioration (13%) when compared to large enterprises (close to zero %).

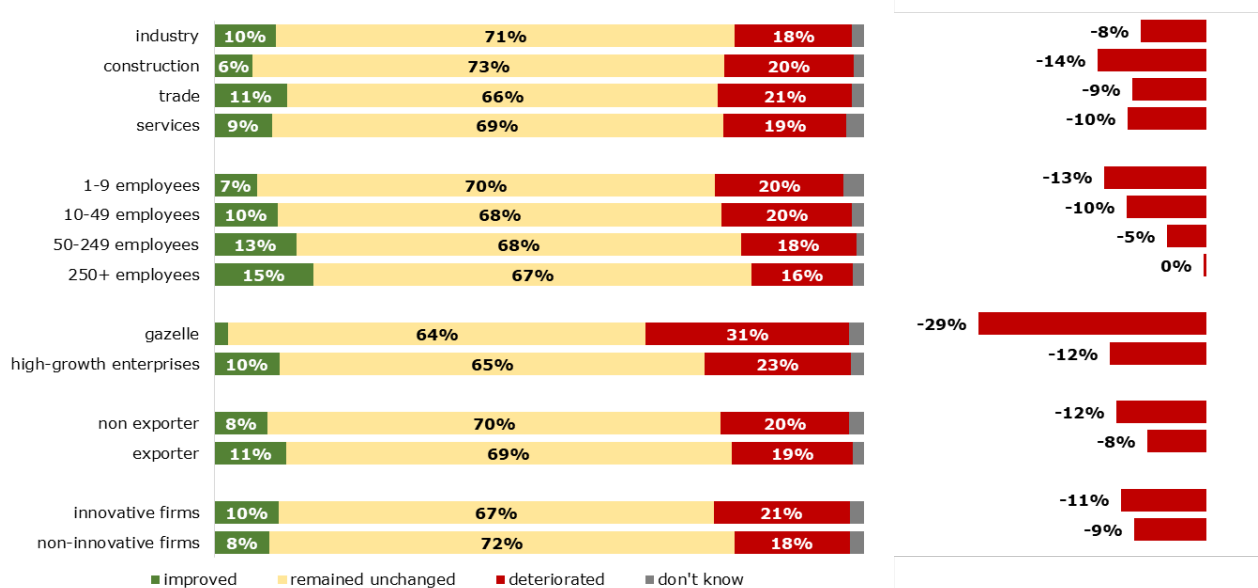
High-growth SMEs and gazelles experienced a net 12% and net 29% deterioration, respectively, in interest expenses, which are both higher than the average for the EU27 (net deterioration of 10%). Non-exporting enterprises report a higher deterioration when compared to exporting enterprises, and innovative enterprises report a net deterioration slightly more than their non-innovative counterparts.

figure 127 Changes in interest expenses during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q2d); edited by Panteia.

figure 128 Changes in interest expenses during April to September 2021 for SMEs in the EU27, by enterprise characteristics



Source: SAFE (Q2d); edited by Panteia.

4.2.5 Profit

This section presents a more detailed breakdown of changes in profits. A breakdown by country in figure 129 presents results for SMEs in each country of the EU27. A breakdown by enterprise characteristic in figure 130 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness. Net changes are reported, which correspond to the net effect of reported improvement minus deterioration.

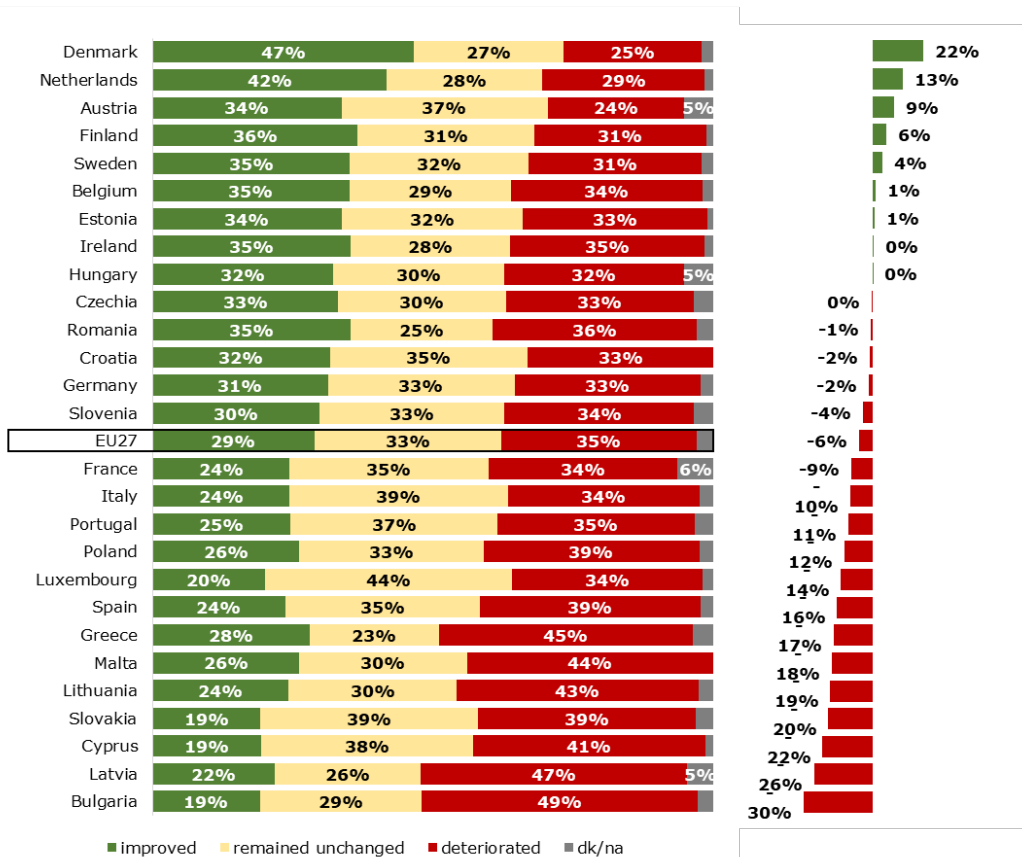
Improvements in profits are reported by 29% of all SMEs in the EU27, with another 35% having experienced deteriorations in profits, resulting in a net deterioration of 6%. Among the countries of the EU27, SMEs in all Member States reported net deteriorations, with Bulgaria reporting the largest net deterioration followed by Latvia and Cyprus. Danish SMEs reported the largest net improvement (22%).

Broken down by enterprise characteristic, there are some distinct variations in net effects between the groups identified (figure 130). The largest net deterioration is experienced by the construction sector (10%) followed by the services sector (7%).

Enterprises up to 50 employees experienced net deteriorations while large enterprise (more than 250 employees) experienced net improvement in profit

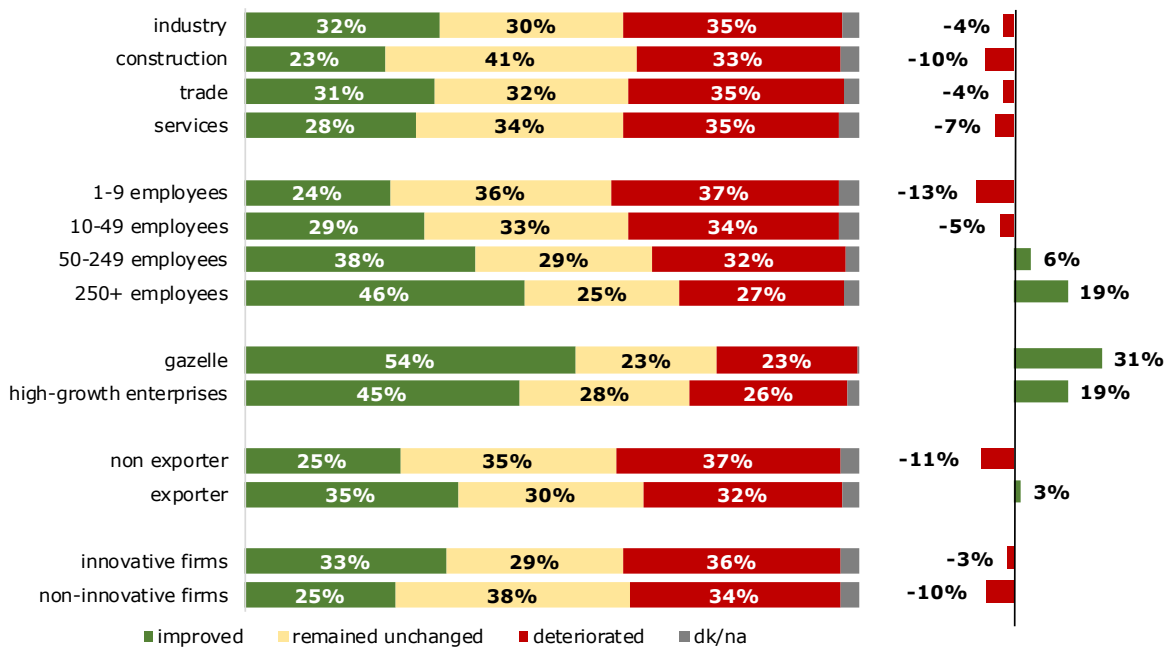
High-growth SMEs have experienced a net improvement of 19%, while gazelles 31%. Non-exporting enterprises report a net deterioration of 11%, while exporting enterprises report a small improvement (3%). Innovative enterprises also experienced a smaller net deterioration in profits than those that are identified as being non-innovative.

figure 129 Changes in profit during April to September 2021 for SMEs in the EU27, by country



Source: SAFE (Q2e); edited by Panteia.

figure 130 Changes in profit during April to September 2021 for SMEs in the EU27, by enterprise characteristics



Source: SAFE (Q2e); edited by Panteia.

4.3. The most important problems

This section covers the most pressing problems to SMEs, detailing changes in various sources of problems over the years and a breakdown by country and enterprise characteristic for each of these indicators. Changes in problems in the six months preceding the survey are presented for SMEs in the EU27 for the period 2014-2021 in figure 131. The problems identified are: finding customers, the availability of skilled staff, competition, regulation, costs of production or labour and access to finance.

From the varied set of potential problems enterprises may encounter, SMEs in the EU27 most often cite availability of skilled staff or experienced managers as the most pressing problem (figure 131). This ranking is calculated based on grades respondents were asked to assign to a fixed set of problems: the problem given the highest importance is then designated the most pressing problem. For 27% of the SMEs in the EU27, this is the most pressing problem at the moment.

The second most pressing problem is finding customers: the problem is most urgent to 18% of SMEs in the EU27. In 2020, this was reported as the most pressing problem, and this problem has decreased in 2021.

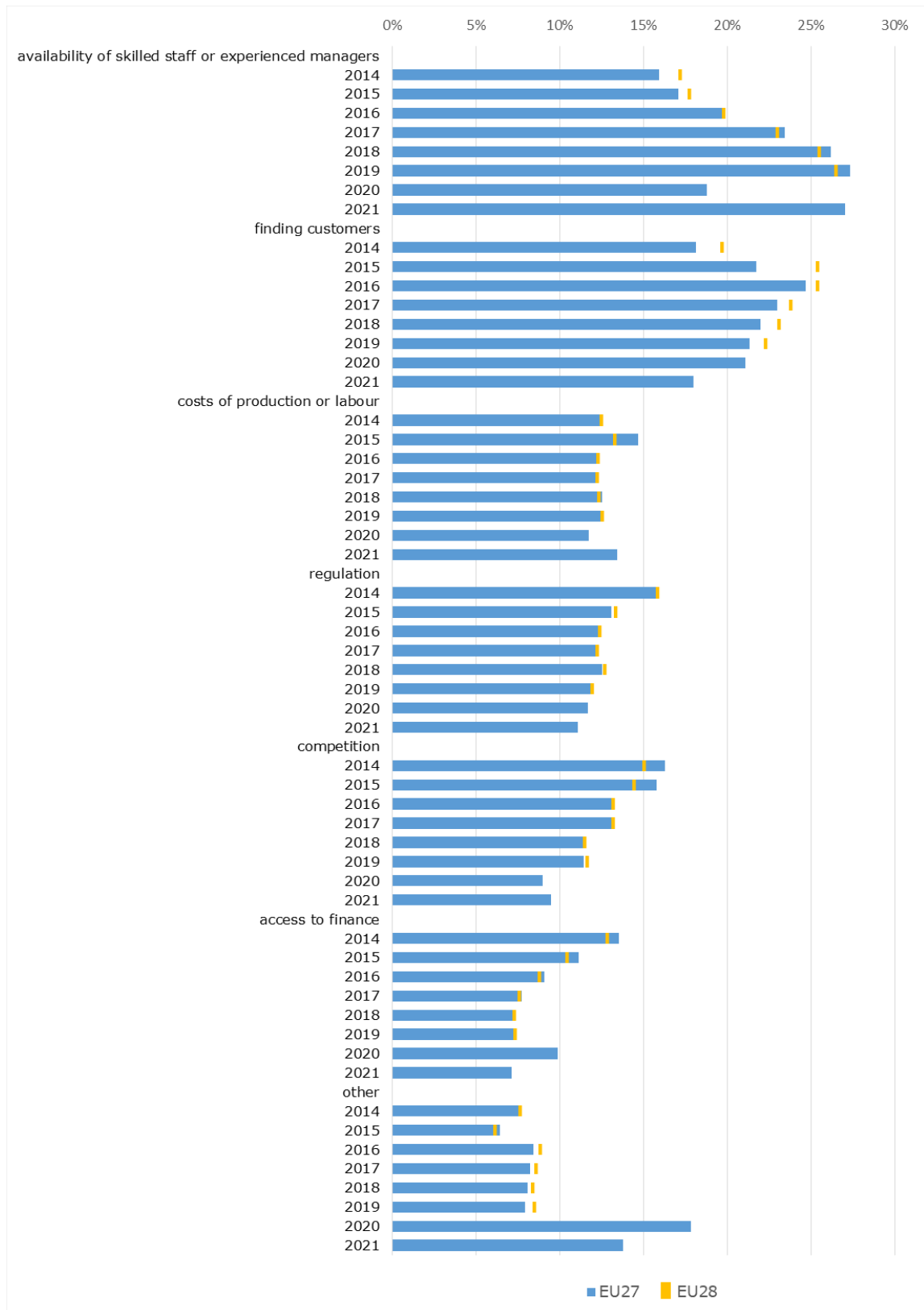
Costs of production or labour have been reported in third place among the most pressing problems: these problems are most urgent to 13% of SMEs in the EU27. This has remained stable since 2014.

The fourth most pressing problem is regulation (European and national laws and industrial regulations): this problem is most urgent by 11% of SMEs in the EU27 and has remained fairly constant around that proportion ever since 2015. Competition is the most pressing problem to 9% of SMEs in the EU27 in 2020.

Access to finance has steadily declined in importance throughout the survey years, yet saw an increase in 2020. In 2014, it was the fourth most pressing problem, and thereafter, it has been the least urgent problem reported by SMEs in the EU27, whereby in 2020 it was the fifth most important problem. In 2021, 7% of SMEs report this as the most pressing problem. The map (figure 133) presents for all EU27 countries the proportion of SMEs for which access to finance is the most important problem. Other problems are considered the most important problem in 2021 by 14% of SMEs, down from 18% in 2020.

Figure 132 provides a breakdown of the most pressing problems SMEs face in the EU27 by country. The EU27 proportions correspond to those for 2021 in figure 131. It follows that among the countries in the EU27, availability of skilled staff or experienced managers is the most urgent problem for SMEs in several EU27 Member States; most notably in: The Netherlands (40%), Austria (37%), Estonia, Finland, Germany, Croatia and Belgium (all 35%).

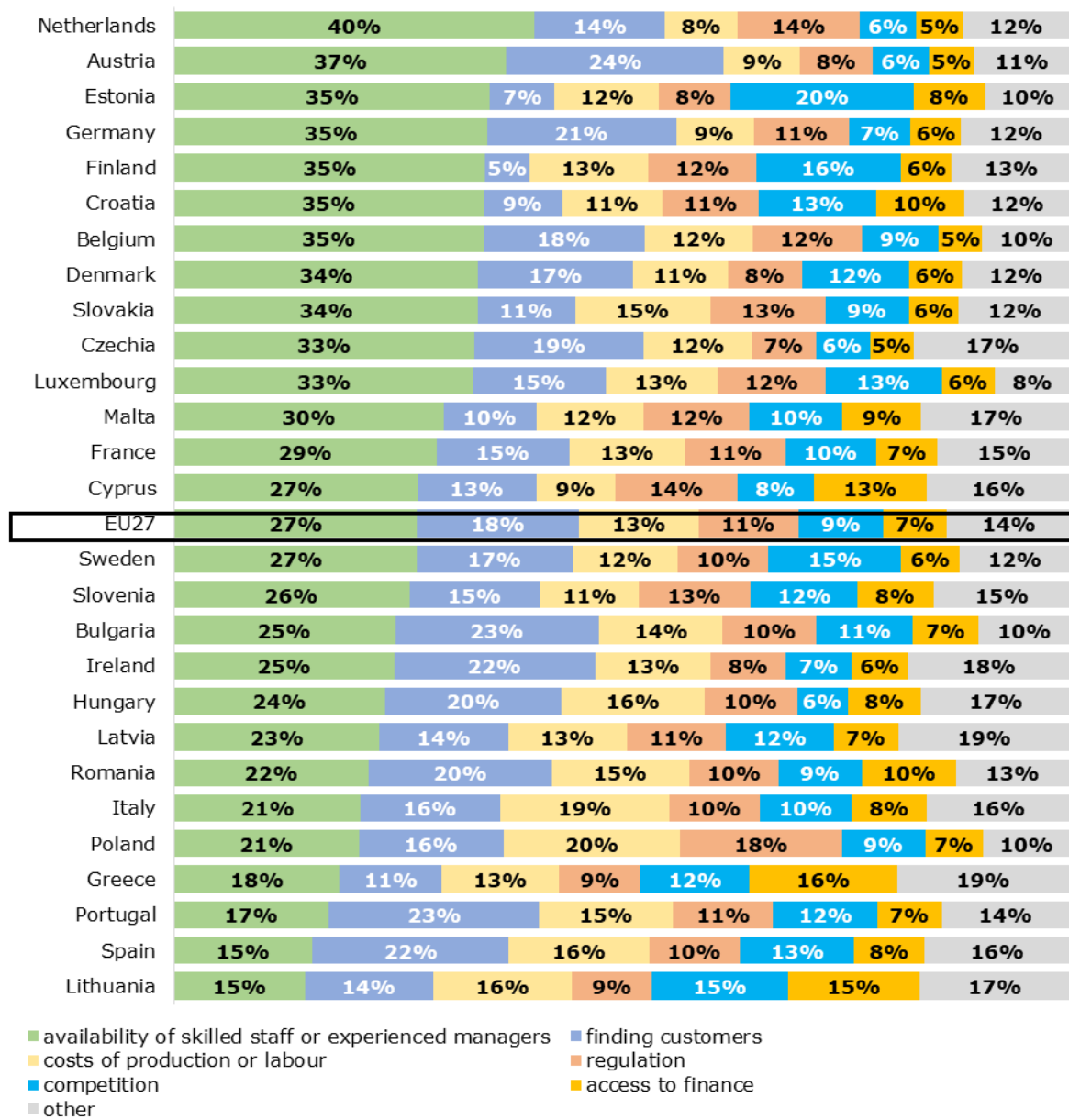
figure 131 Most pressing problems in the past six months (April to September) for SMEs in the EU27. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem



Source: SAFE (Q0); edited by Panteia.

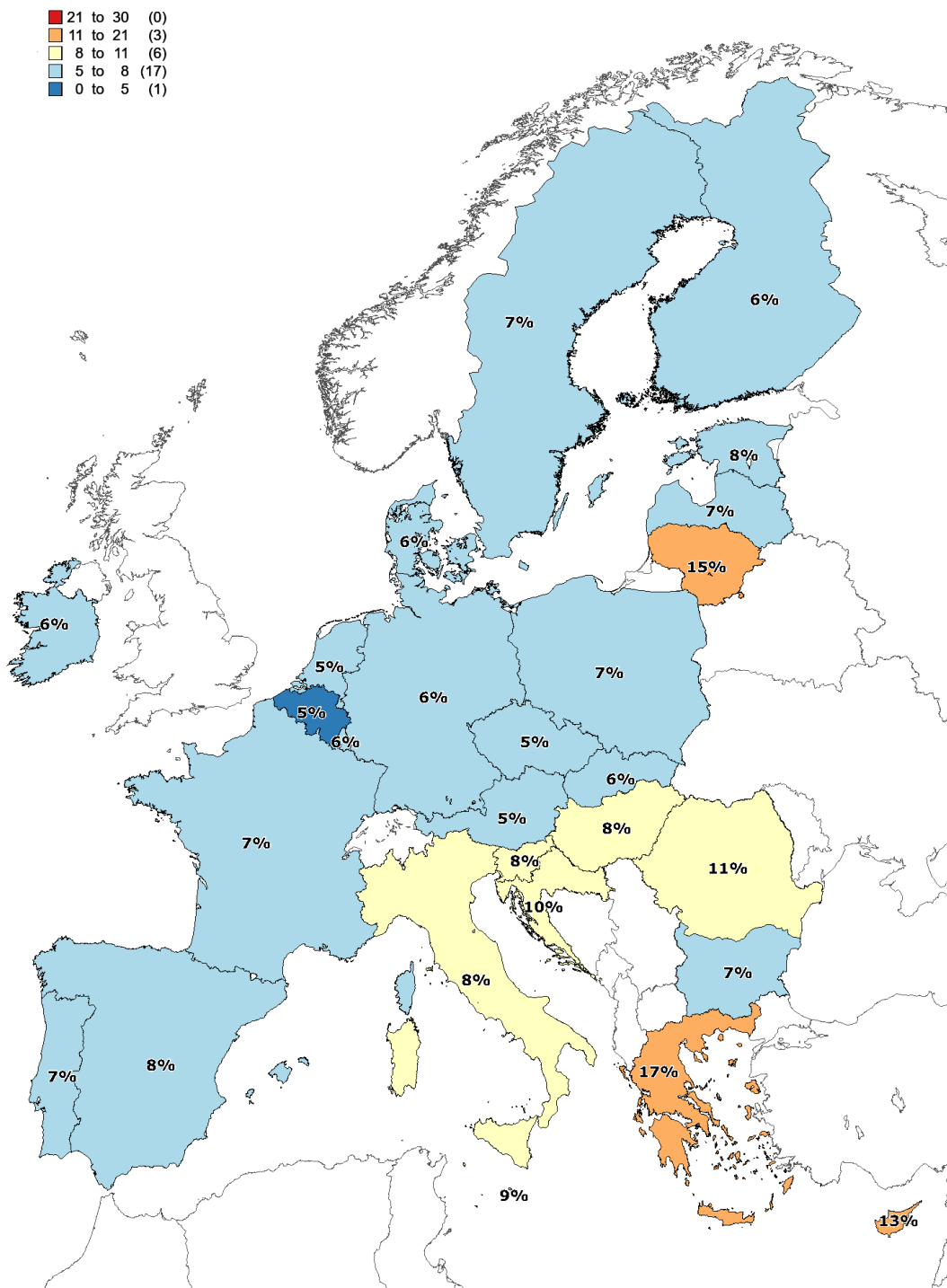
Finding customers is most urgent as a problem to SMEs in Austria, Portugal, Spain and Bulgaria, and least to SMEs in Finland and Estonia. Competition is much more of an urgent issue to SMEs Estonia and relatively little so in Hungary, Czechia, The Netherlands and Austria. Access to finance is more of a pressing problem to SMEs in Greece and Lithuania, and least so in The Netherlands, Belgium, Austria and Czechia. The cost of labour and production is a more urgent issue in Poland and Italy, and relatively little so in The Netherlands. Regulation is relatively a more pressing problem in Poland. Figure 133 illustrates a map of the EU27 Member States, indicating the importance of access to finance as a problem for each country.

Figure 132 Most pressing problems during April to September 2021 for SMEs in the EU27, by country. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem



Source: SAFE (Q0); edited by Panteia.

Figure 133 Proportion of SMEs that indicated access to finance as the most important problems during April to September 2021, EU27 by country



Source: SAFE (Q0b); edited by Panteia.

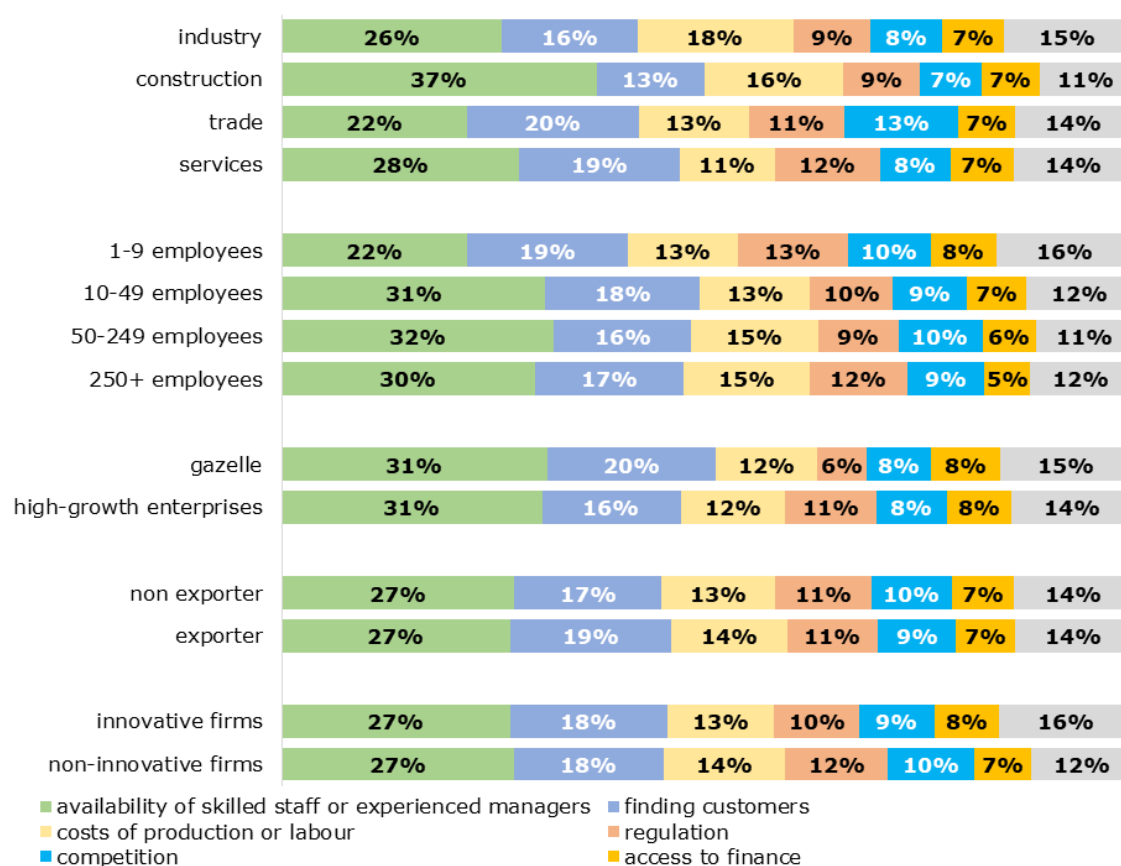
A breakdown by enterprise characteristic is presented in figure 134. Comparing the problems identified among the various characteristics to the SME average reveals that enterprise characteristics account for much less of the variation in the urgency of

problems that enterprises experience than differences at a national level do, although it is notable that enterprises in construction have significantly more problems when it comes to the availability of skilled staff and experienced managers. Aside from the construction sector, this is reported as the most pressing problem for all categories of enterprises.

Enterprises with 50-249 employees express the most urgency concerning the availability of skilled staff or experienced managers (32%). All sizes of enterprise report this also as the most pressing problem.

Gazelles report slightly more often that access to finance is a problem compared to the EU27 average. However, for the most part there is little variation between the characteristics concerning type of growth, exporter status, and innovativeness.

Figure 134 Most pressing problems during April to September 2021 for SMEs in the EU27, by enterprise characteristic. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem



Source: SAFE (Q0); edited by Panteia.

Late Payments

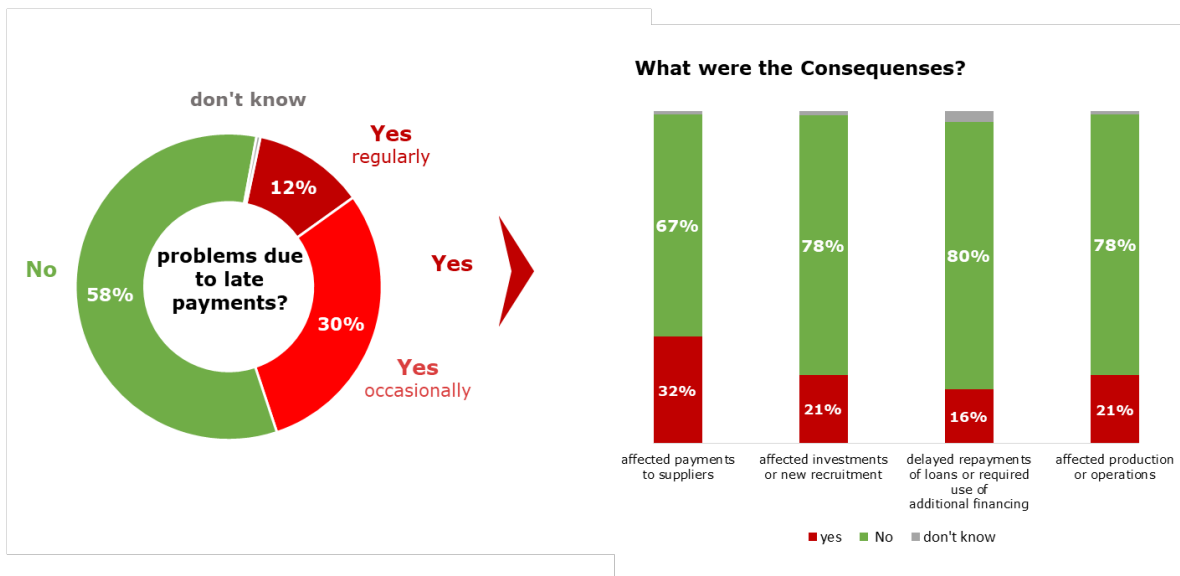
This section covers the problems EU27 SMEs experience due to late payments and considers the consequences SMEs have faced in the previous year due to late payments from any private or public entities. The consequences of late payments identified are: affecting payments to suppliers, affecting investments or new recruitment, delaying repayments of loans or required use of additional financing, and affecting production or

operations. The proportion of SMEs in the EU27 that have faced problems due to late payments, and more specifically what those problems entailed, is presented in figure 135. Figure 136 presents a breakdown by country of the share of SMEs in each EU27 Member State that report problems due to late payments. A breakdown by enterprise characteristic in figure 137 presents these results by sector of the economy, enterprise size, type of growth, exporter status and innovativeness.

Around 42% of all SMEs in the EU27 reported that they experienced problems due to late payments in 2021. Of those that reported problems due to late payments, 12% reported that they experienced these issues regularly, and 30% reported that they experienced problems with late payments occasionally.

Of the identified consequences of late payments, its effect on payments to suppliers was the most reported issue (32%). Both the effect on investments or new recruitment and the effect on production or operations were the second most reported issues (both 21%). Delays in repayments of loans or required use of additional financing were the least reported issue due to late payments (16%).

figure 135 Proportion of SMEs in the EU27 that experienced problems due to late payments from any private or public entities in the past six months and the resulting consequences.



Source: SAFE (QA2; QA3); edited by Panteia.

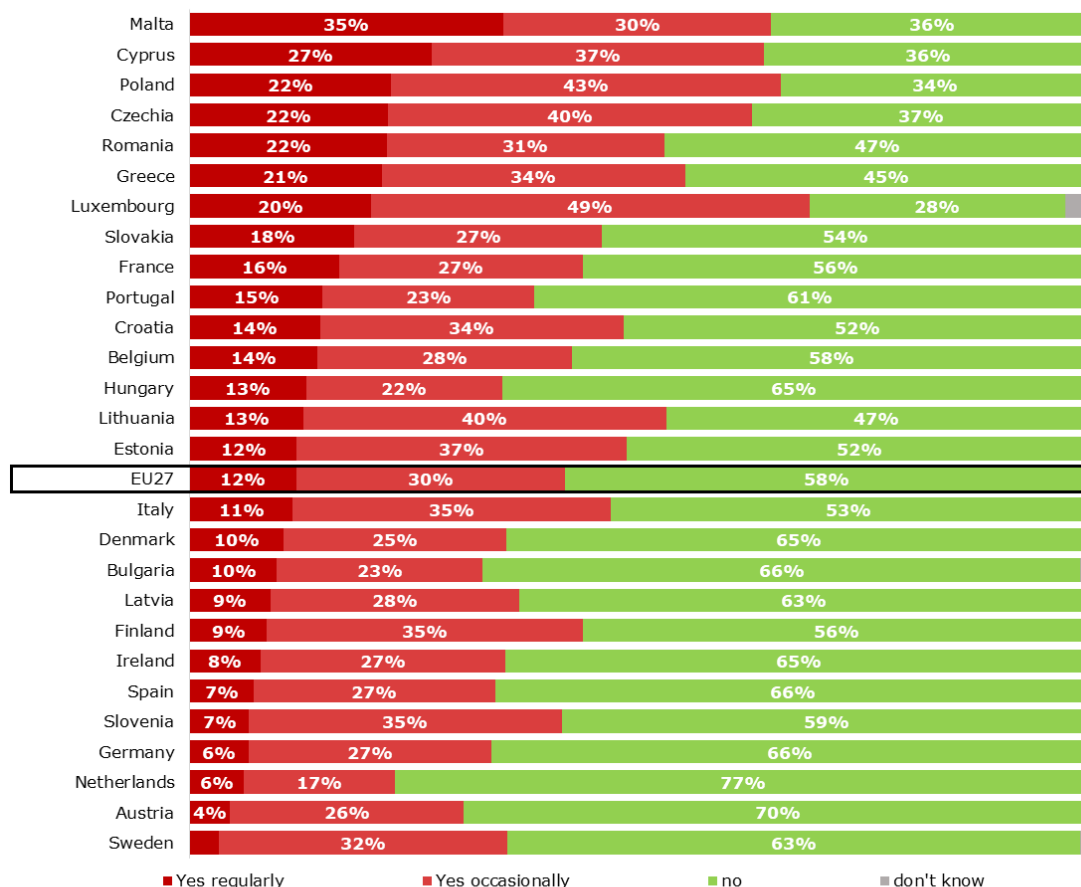
Figure 136 provides a breakdown of the share of SMEs that experience problems due to late payments by country. SMEs in Luxembourg report experiencing problems with late payments the most, with 69% reporting they occasionally or regularly face problems due to late payments. Dutch SMEs experience problems due to late payments the least: still, 23% of Dutch SMEs report occasionally or regularly face problems due to late payments.

A breakdown by enterprise characteristic is presented in figure 137. SMEs in construction experience problems the most, with 46% reporting they occasionally or regularly face problems due to late payments. There is little distinction regarding the characteristic of enterprise and regularly experiencing problems regarding late payments. Enterprises with 50-249 employees are more likely to report the most

problems due to late payments, although the differences between the size classes are relatively small.

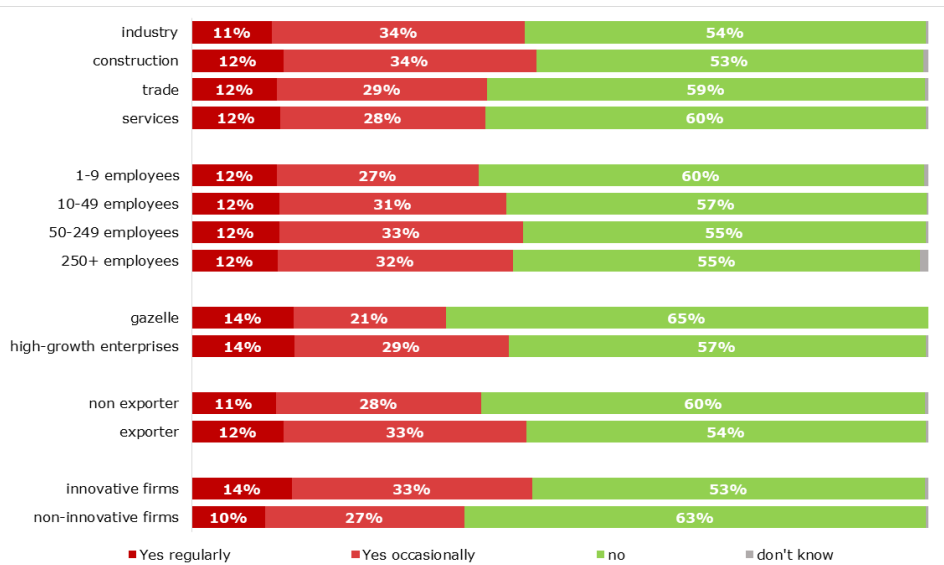
High-growth enterprises report problems with late payments more than the average EU27 SME. Exporting SMEs tend to have problems due to late payments more and more often than their non-exporting counterparts. Innovative firms also tend to face these problems more and more often than their non-innovative counterparts.

figure 136 Proportion of SMEs in the EU27 that experienced problems due to late payments from any private or public entities in the past six months and the resulting consequences, by country.



Source: SAFE (QA2); edited by Panteia.

figure 137 Proportion of SMEs in the EU27 that experienced problems due to late payments from any private or public entities in the past six months and the resulting consequences, by enterprise characteristic.

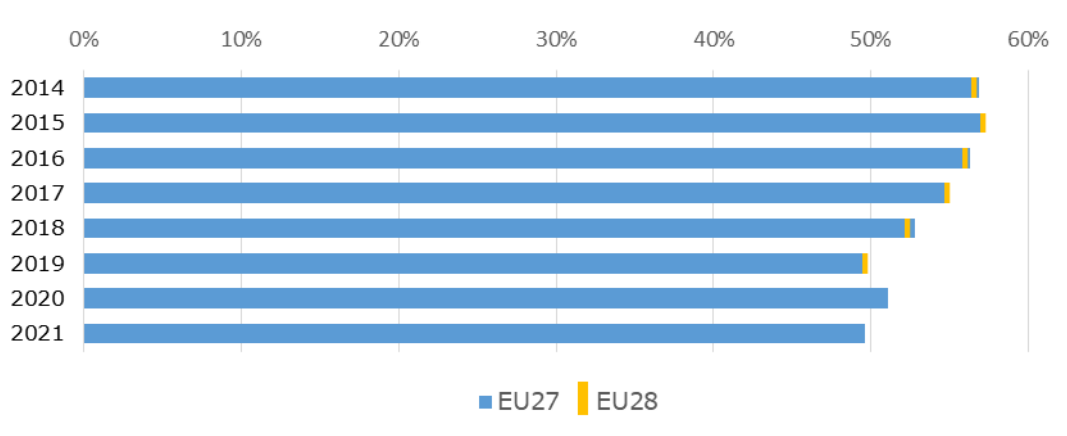


Source: SAFE (QA2); edited by Panteia.

4.4. Innovativeness

This section is the first of three to cover variations in background details by country and enterprise characteristic as a means to help interpret and explain the variations in the access to finance uncovered by the preceding chapters. The section focuses on the innovativeness of enterprises. The share of innovative EU27 SMEs during 2014-2021 is presented in figure 138.

figure 138 Share of innovative enterprises among SMEs in the EU27, 2014-2021

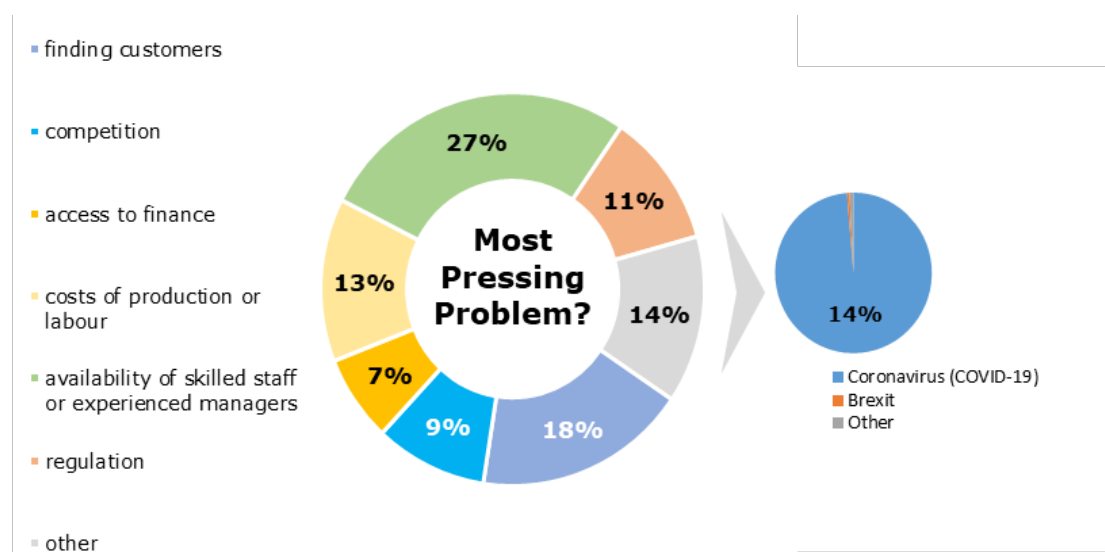


Source: SAFE (Q1); edited by Panteia.

An enterprise is considered innovative when it has introduced a new or significantly improved product or service to the market, a new or significantly improved production process or method, a new organisation of management, or a new way of selling your goods or services.

Other problems have been reported in third place among the most pressing problems. These problems are most urgent to 14% of EU27 SMEs. Enterprises that indicated 'other problems' as the most pressing one were asked to specify further which problems were most pressing. The following categories were distinguished: Brexit and the Coronavirus, as well as 'other' problems. Of the 14% of those who reported other problems, the Coronavirus was indicated as the most pressing problem. If the Coronavirus had been included as a single separate category, it would have been the third most pressing problem of EU enterprises.

Figure: Most pressing problems in the past six months (April to September) for SMEs in the EU27. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem.

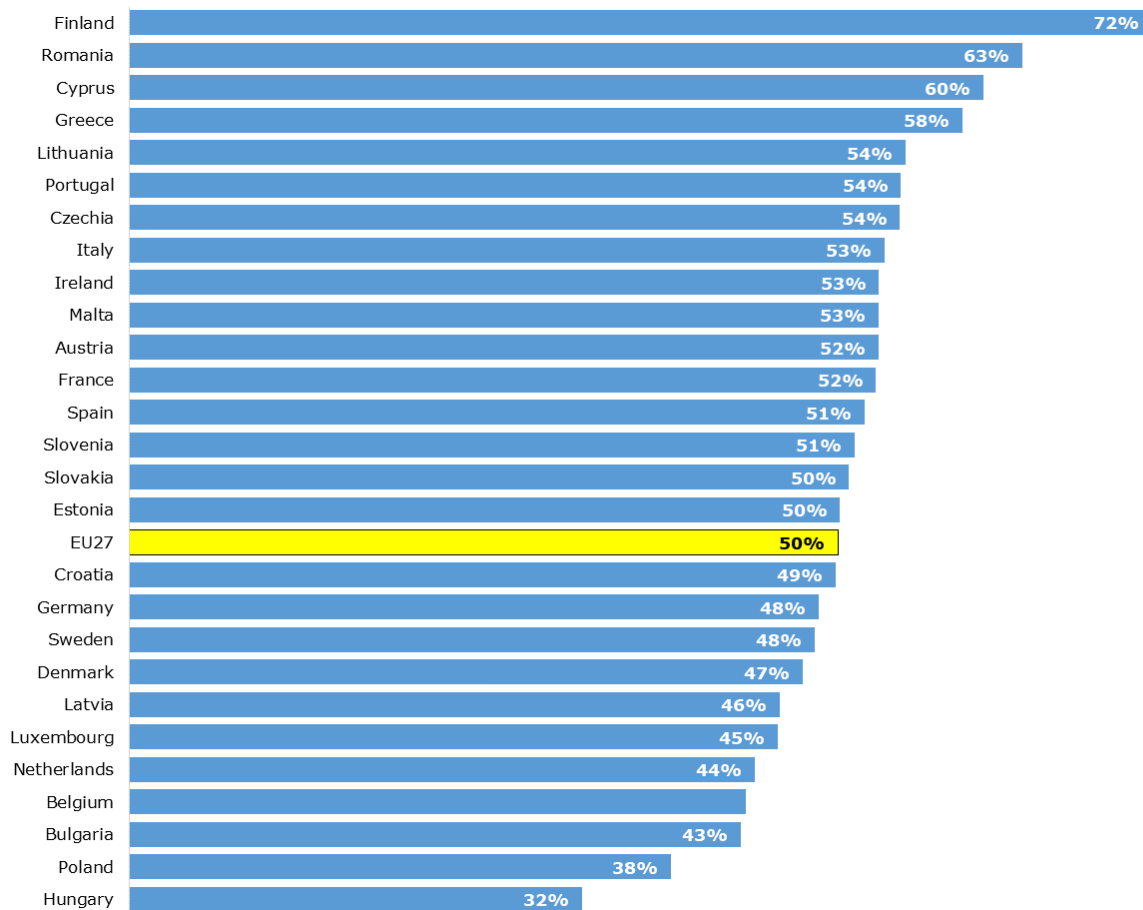


Source: SAFE (QA2); edited by Panteia

An enterprise is considered innovative when it has introduced either a new or significantly improved product, service, production process, organisation of management or way of selling goods or services in the past twelve months. Innovation is an important source of improvements in labour productivity and hence of economic growth. Additionally, it has the potential to increase consumer welfare and to increase the efficiency of the production process. After 2015, the share of EU27 SMEs that identify as innovative has gradually declined. In 2020, the figure rose slightly, and 51% of all SMEs in the EU27 were considered innovative. This has decreased slightly in 2021 to 50%. Among the EU27 countries, the share of SMEs that consider themselves innovative is the highest in Finland and the lowest in Hungary (figure 139).

In figure 140, the share of innovative enterprises is broken down by enterprise characteristic. The share is lowest in construction (36%), and highest in industry (57%). Process innovation is likely to be an important source of innovation in industry when compared to the other sectors of the economy. There exists a relationship between enterprise size and innovativeness. Among micro enterprises (1 to 9 employees) 46% are innovative. Among large enterprises, the proportion equals 57%. Exporting firms (59%) tend to be more innovative than their non-exporting counterparts (44%).

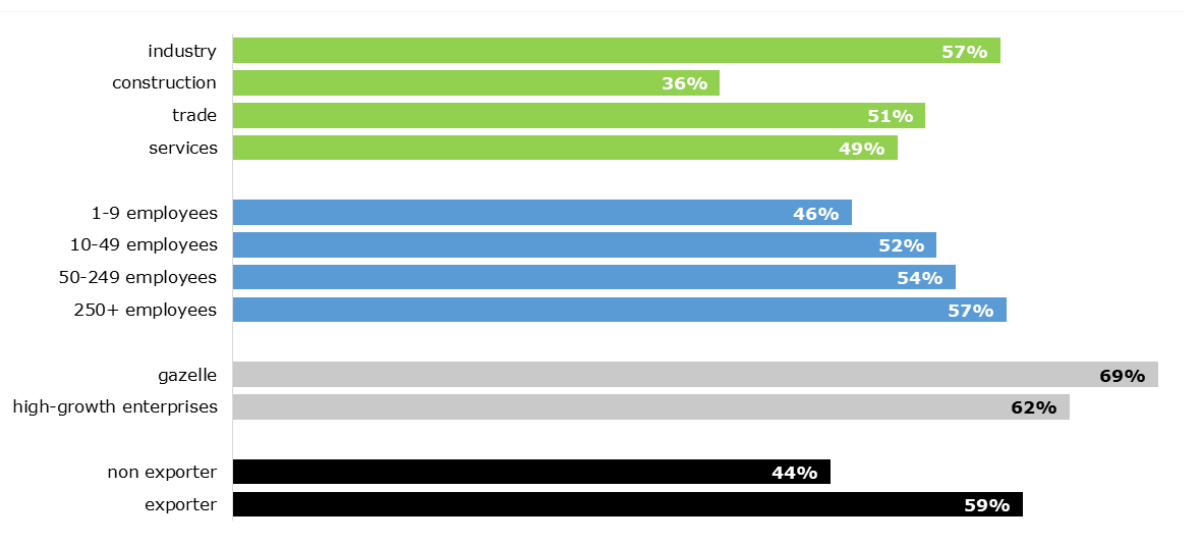
figure 139 Proportion of innovative enterprises among SMEs in the EU27, by country, 2021



Source: SAFE (Q1); edited by Panteia.

An enterprise is considered innovative when it has introduced a new or significantly improved product or service to the market, a new or significantly improved production process or method, a new organisation of management, or a new way of selling your goods or services.

figure 140 Proportion of innovative enterprises among SMEs in the EU27, by enterprise characteristic, 2021.



Source: SAFE (Q1); edited by Panteia.

An enterprise is considered innovative when it has introduced a new or significantly improved product or service to the market, a new or significantly improved production process or method, a new organisation of management, or a new way of selling your goods or services.

4.5. High-growth enterprises and gazelles

This section is the second of three to cover variations in background details by country and enterprise characteristic as a means to help interpret and explain the variations in the access to finance uncovered by the preceding chapters.

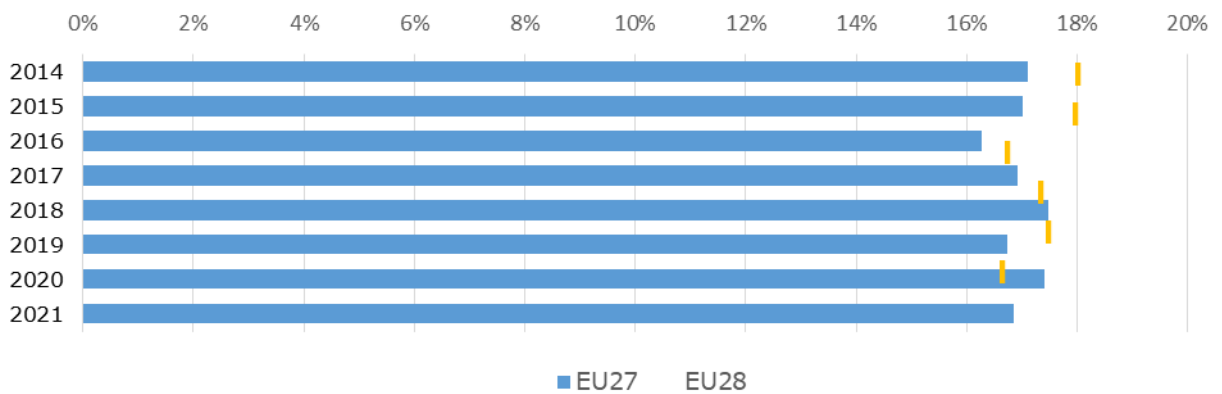
4.5.1 High-growth enterprises

The section focuses on the growth of enterprises. The share of high-growth SMEs during 2014-2021 is presented in figure 141.

An enterprise is considered a high-growth enterprise when it indicated that it has experienced an average annualised growth of 20% per annum over a three-year period. The fast growth these high-growth enterprises experience make them an important source of employment but also of special policy interest as certain conditions have to be in place to facilitate this degree of enterprise growth. The share of high-growth enterprises among SMEs in the EU27 has remained fairly stable over the past few years. In 2021, roughly 17% of all SMEs in the EU27 were considered a high-growth enterprise. Among the EU27 countries, the share is the highest in Romania (37%) and the lowest in Austria, France and Bulgaria (figure 142).

A breakdown by enterprise characteristic is presented in figure 143. Enterprises active in industry least often experience high-growth (14%), enterprises in construction most often do so (21%). Enterprises with 1-9 and 10-49 employees most often experience a high rate of growth than larger enterprises. The share of innovative SMEs and the share of exporting SMEs (21% and 18%, respectively) indicating a high growth, is larger than non-innovative SMEs and non-exporter SMEs (16% and 13%, respectively).

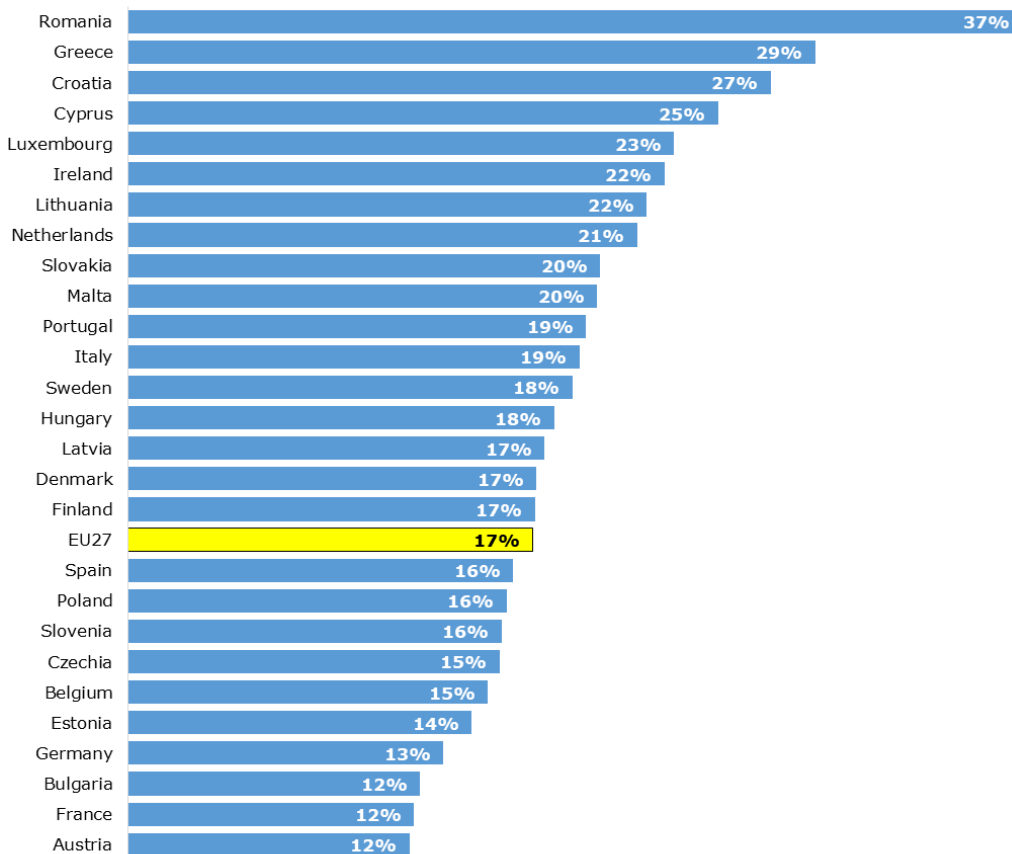
figure 141 Proportion of high-growth enterprises among SMEs in the EU27, 2014-2021



Source: SAFE (Q16); edited by Panteia.

An enterprise is considered to have experienced high-growth if it experienced an average annualised growth of 20% per annum over a three-year period.

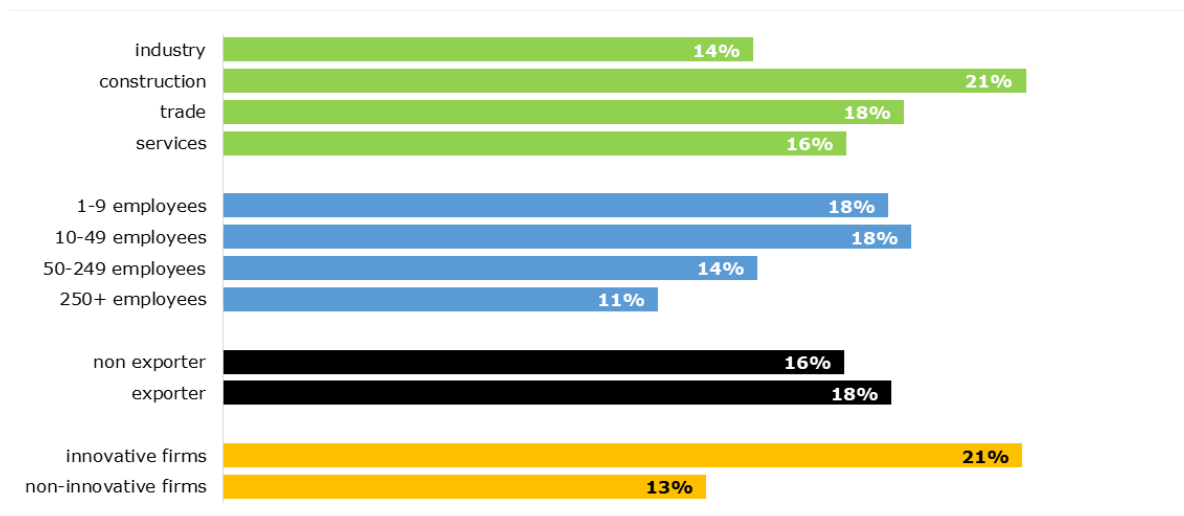
Figure 142 Proportion of high-growth enterprises among SMEs in the EU27, by country, 2021.



Source: SAFE (Q16); edited by Panteia.

An enterprise is considered to have experienced high-growth if it experienced an average annualised growth of 20% per annum over a three-year period.

figure 143 Proportion of high-growth enterprises among SMEs in the EU27, by enterprise characteristic, 2021.



Source: SAFE (Q16); edited by Panteia.

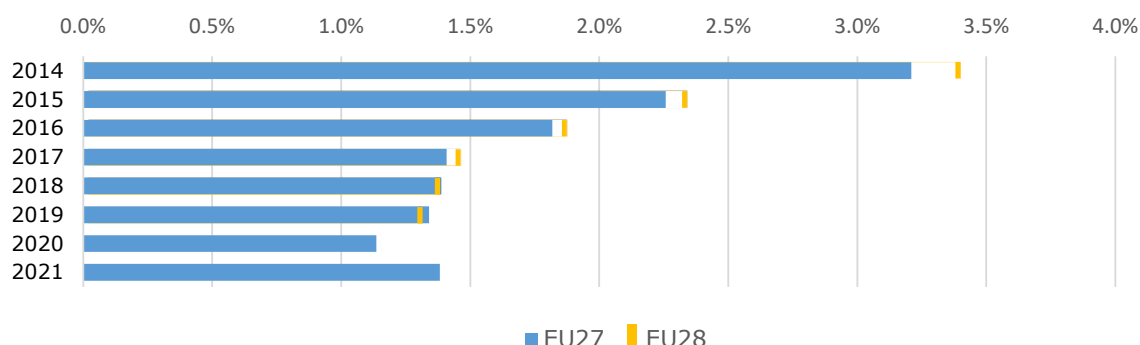
An enterprise is considered to have experienced high-growth if it experienced an average annualised growth of 20% per annum over a three-year period.

4.5.2 Gazelles

The share of SMEs considered to be gazelles during 2014-2021 is presented in figure 144.

An enterprise is considered to be a gazelle when it experiences high-growth and less than five years old. Hence, this category is a subset of high-growth enterprises: 7% of all high-growth enterprises is a gazelle (figure 146). In addition to requiring conditions to facilitate such rates of growth, gazelles also face the additional challenges related to starting and expanding a business. In the period 2014 to 2020, of the share of gazelle enterprises in the EU27 has declined. In 2021, 1.4% of all SMEs in the EU27 were considered a gazelle, which is a slight increase in comparison to 2020 (1.1%). Among the EU27 countries, Romanian SMEs can most often be labelled gazelles (11%) which is significantly higher than most of the Member States (figure 145).

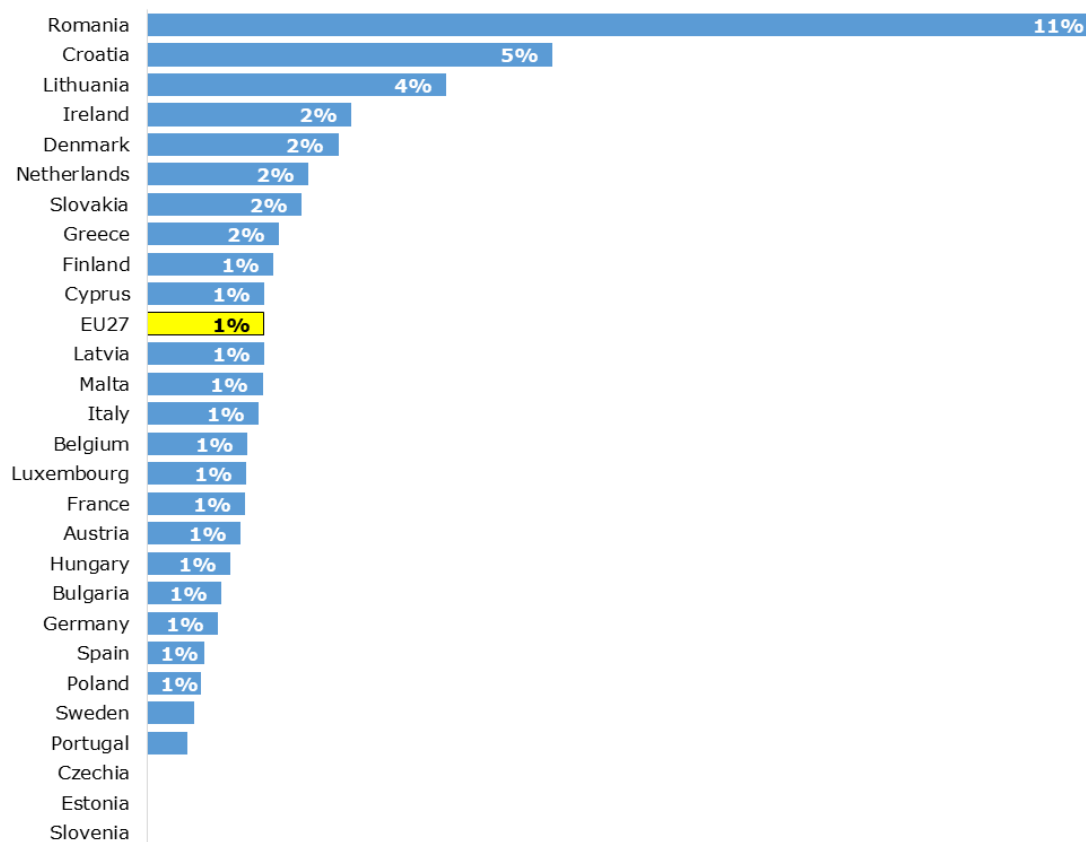
figure 144 Proportion of gazelles among SMEs in the EU27, 2014-2021.



Source: SAFE (Q16); edited by Panteia.

An enterprise is considered to be a gazelle if it experienced an average annualised growth of 20% per annum over a three-year period and is up to five years old.

figure 145 Proportion of gazelles among SMEs in the EU27, by country, 2021.



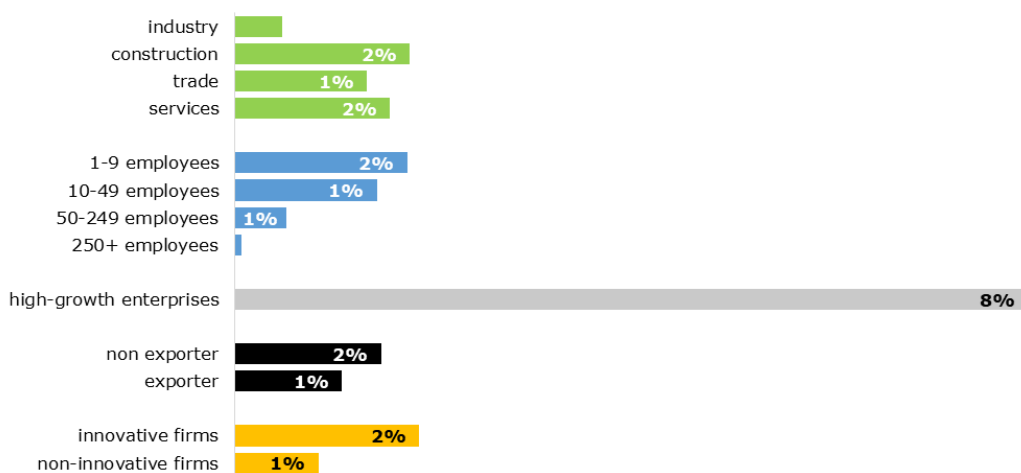
Source: SAFE (Q16); edited by Panteia.

An enterprise is considered to be a gazelle if it experienced an average annualised growth of 20% per annum over a three-year period and is up to five years old.

A breakdown by enterprise characteristic is presented in figure 146. Due in part to the relatively small number of gazelles, variation among the group is not particularly pronounced. Gazelles occur slightly more often among enterprises active in services and construction (2%). It is more likely that smaller enterprises are gazelles as the age criterion practically excludes large enterprises with at least 250 employees from being characterised as a gazelle.

There is little variation between innovative enterprises and non-innovative enterprises, but the share of innovative enterprises is a bit higher. The same applies to non-exporting and exporting enterprises.

figure 146 Proportion of gazelles among SMEs in the EU27, by enterprise characteristic, 2021.



Source: SAFE (Q16); edited by Panteia.

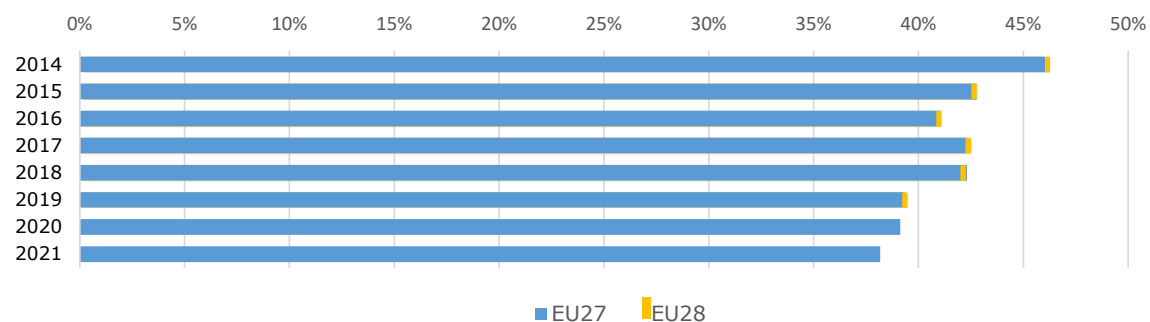
An enterprise is considered to be a gazelle if it experienced an average annualised growth of 20% per annum over a three-year period and is up to five years old.

4.6. Exporters

This section is the third of three to cover variations in background details by country and enterprise characteristic as a means to help interpret and explain the variations in the access to finance uncovered by the preceding chapters. The section focuses on the exporting enterprises and their exporting markets. The share of exporting SMEs during 2014-2021 is presented in figure 147.

An enterprise is considered to be an exporter when at least some percentage of its turnover is accounted for by exports of goods or services. In 2021, 38% of all SMEs in the EU27 were exporting, which is slightly lower than in the previous two years, as shown in figure 147. This is also lower than the share of exporting firms reported in between 2014-2018. Among the EU27 countries, SMEs in Estonia and Slovenia are most often exporters (62% and 61%, respectively) and Romanian and French SMEs least often (29% and 27%, respectively) (figure 148).

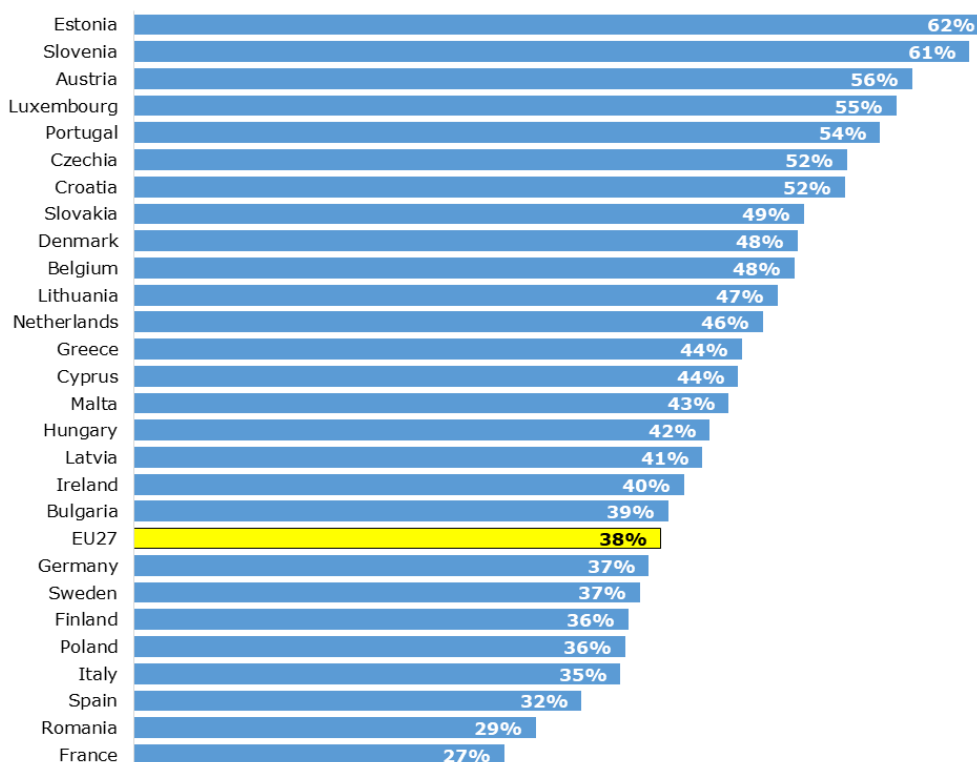
figure 147 Proportion of exporters among SMEs in the EU27, 2014-2021.



Source: SAFE (D7); edited by Panteia.

An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

figure 148 Proportion of exporters among SMEs in the EU27, by country, 2021



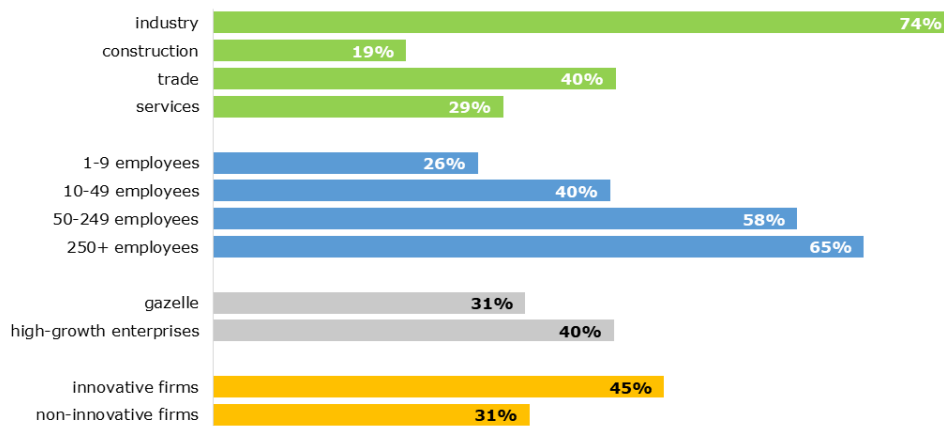
Source: SAFE (D7); edited by Panteia.

An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

A breakdown by enterprise characteristic is presented in figure 149. Three in four (74%) EU27 SMEs in industry export. Among micro-sized enterprises, with 1 to 9 employees, 26% export. Among large enterprises (250+ employees), the proportion equals 65%.

As also illustrated in section 4.4, innovative enterprises are more often exporters than the average EU27 SME (45% compared to 38%) and then non-innovative enterprises 45% versus 31%, respectively). This shows a relation between innovativeness and export. High-growth SMEs, in general, are more often exporters than gazelles. This may be related to the age criterion inherent to gazelles (less than 5 years old).

figure 149 Proportion of exporters among SMEs in the EU27, by enterprise characteristic, 2021



Source: SAFE (D7); edited by Panteia.

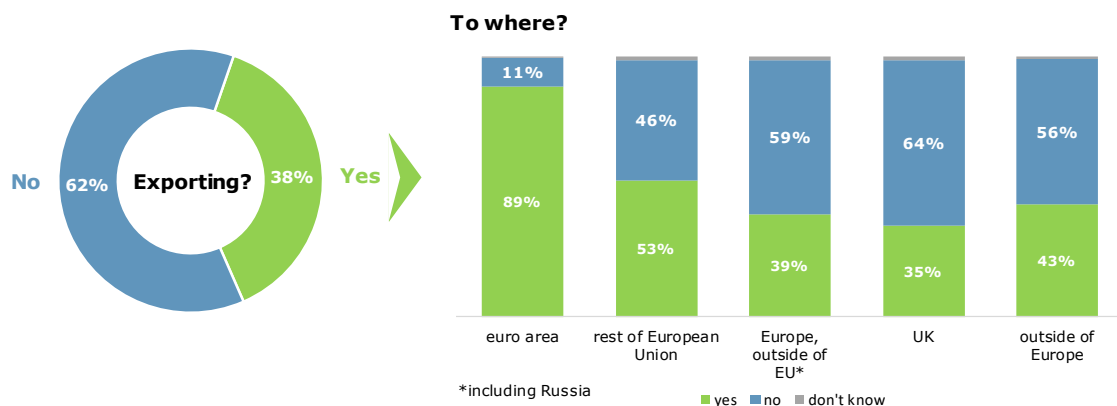
An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

Export markets

In the 2021 survey, exporting enterprises were asked to which markets they exported their goods or services, within and outside of Europe. Figure 150 presents the share of exporting SMEs that exported to the following markets: euro area, rest of European Union, Europe, outside of EU (including Russia), the UK and outside of Europe.

Of the 38% of EU27 SMEs that export, the majority reported exporting to markets within the euro area (89%) (figure 150). Over half of the exporting enterprises reported exporting to markets within the rest of the European Union (53%). 39% of exporting SMEs reported exporting to markets that are within Europe but not included in the EU. Around 43% of the exporting SMEs reported exporting to markets outside of Europe and 35% reported exporting to the UK.

figure 150 Markets that SMEs in the EU27 exported to in the previous year.



*including Russia

Source: SAFE (D7; QA1); edited by Panteia.

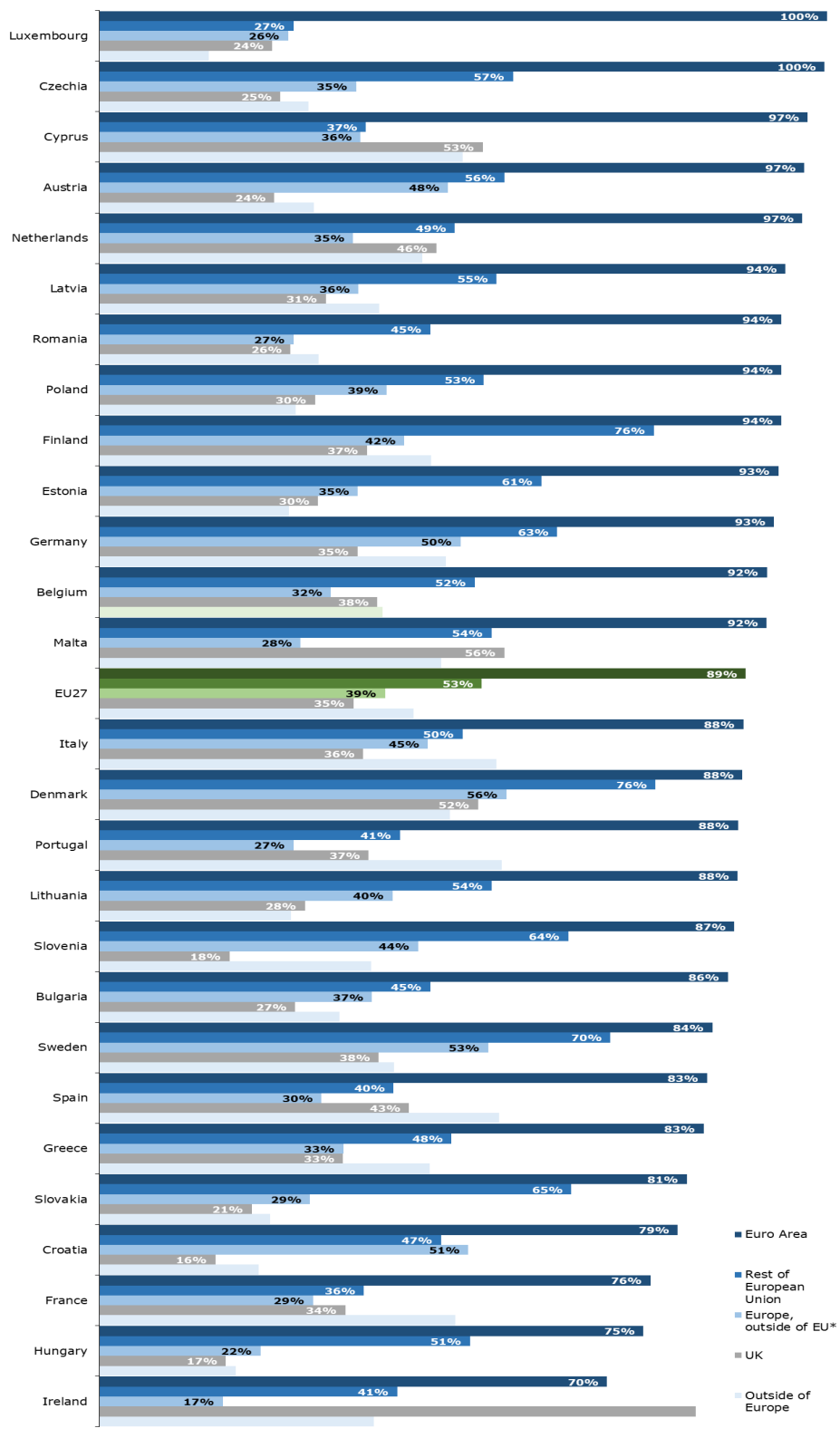
An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

Figure 151 provides a breakdown of the exporting markets of EU27 SMEs by country. Reporting exporting enterprises from Lithuania and Czechia most often report exporting to markets within the euro area (100%), followed closely by Cyprus, Austria and The Netherlands (all 97%) and Austria (97%). Danish and Finnish SMEs report exporting to markets within the rest of the European Union the most often, with 76% of exporting enterprises from these countries reporting exporting to these markets. Danish enterprises also export to markets within Europe but outside of the European Union the most often (56%). Exporting SMEs from Portugal and Spain export to markets outside of Europe the most often (55%). SMEs from Ireland export to the UK most often (82%).

A breakdown by enterprise characteristic is presented in figure 152. Exporting SMEs in the industry sector export to all of the market segments distinguished, the most, with 94% exporting within the euro area, 63% exporting within the rest of the European Union, 49% exporting within Europe, but outside of the EU, and 57% exporting outside of Europe. For all the exporting market categories, the share of exporting SMEs that export in those markets increases with size-class. Amongst the different SME size-classes, large enterprises (250+ employees), report exporting to all the various international market segment the most often and micro enterprises, with less than 10 employees, report exporting to all the various international market segment the least often.

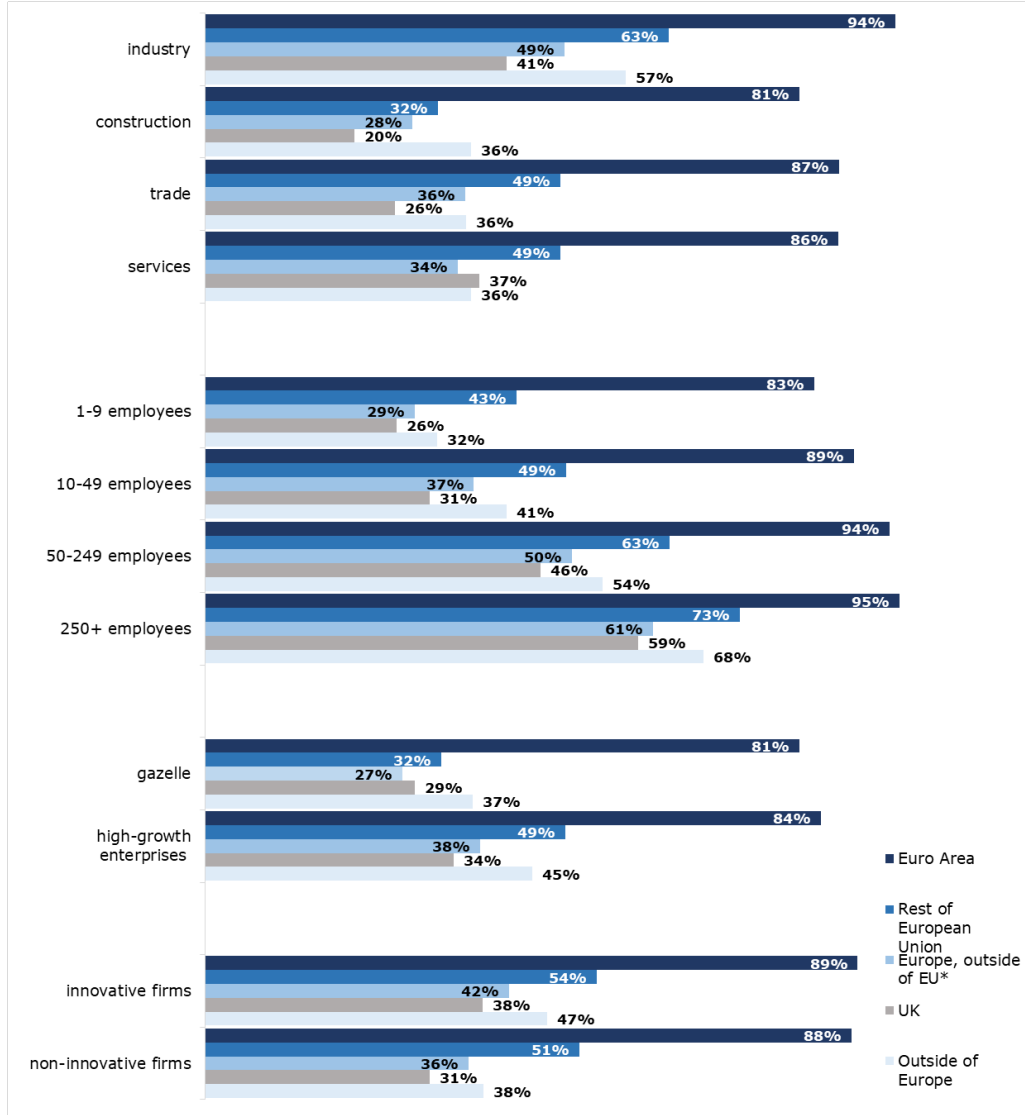
Gazelles and high growth firms report exporting to all of the different international market less often or similar to the average EU27 exporting SME when considering the various categories. Innovative firms report exporting to markets within the euro area slightly more often than the average EU27 non-innovative SME. Innovative firms are also more likely to report exporting to markets outside of Europe than the average EU27 non-innovative SME.

figure 151 Markets that SMEs in the EU27 exported to in the previous year, by country.



**including Russia*
 Source: SAFE (QA1); edited by Panteia.

figure 152 Markets that SMEs in the EU27 exported to in the previous year, by enterprise characteristic.



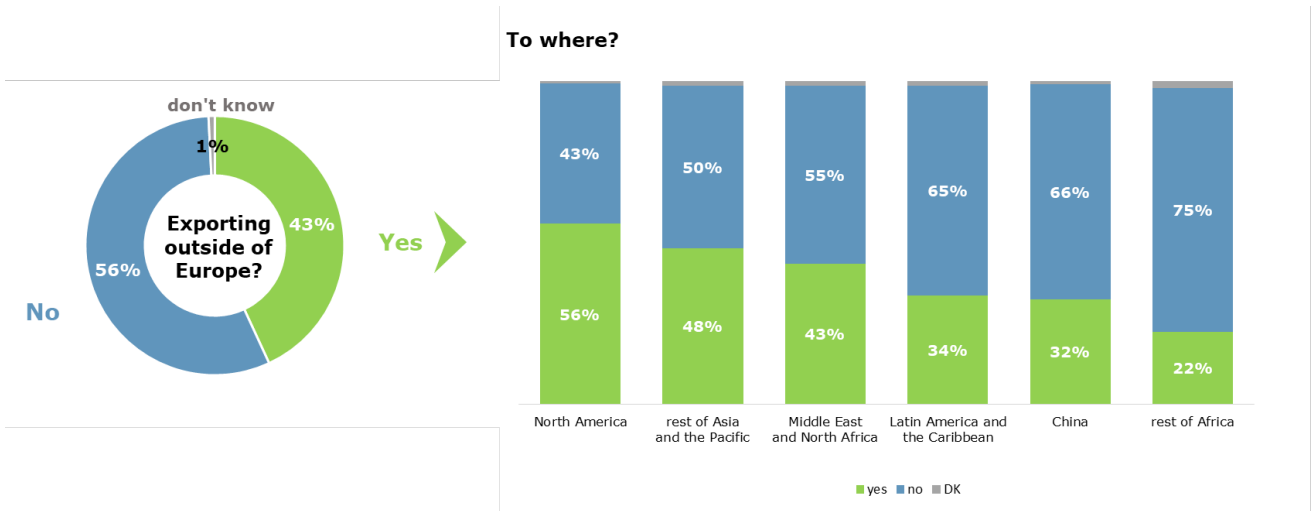
**including Russia*
 Source: SAFE (QA1); edited by Panteia.

Enterprises that export outside of Europe were asked to which markets outside of Europe they exported their goods or services to. Figure 153 presents the share of exporting SMEs that exported to the following markets outside of Europe: North America, Latin America and the Caribbean, China, rest of Asia and the Pacific, Middle East and North Africa, and rest of Africa.

These exporting SMEs reported exporting to North America the most often (56%). The second most popular market outside of Europe was Asia and the Pacific (48%). Around 43% of the exporting enterprises that export outside of Europe reported exporting to markets in the Middle East and North Africa, and 32% reported exporting to markets in China. Around 34% of the SMEs exporting outside of Europe reported exporting to

markets in Latin America and the Caribbean. EU27 SMEs that export outside of Europe reported exporting to markets in Africa, excluding North Africa, the least, with less than a quarter of these enterprises reporting exporting to these markets.

figure 153 Markets outside of Europe that SMEs in the EU27 exported to in the previous year.



Source: SAFE (D7; QA1); edited by Panteia.

An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

APPENDIX 1 METHODOLOGICAL NOTES

The survey sample was selected randomly according to three criteria:

- Country: 27 EU members states, Albania, Bosnia and Herzegovina, Iceland, Kosovo⁴, Montenegro, North Macedonia, Serbia, Turkey and the United Kingdom.
- Enterprise size: micro (1-9 employees), small (10-49 employees), medium-sized (50-249 employees) and large (250 or more employees).
- Sector of industry. The following industries have been taken into account⁵:
 - Industry (NACE B, C, D, E).
 - Construction (NACE F).
 - Trade (NACE G).
 - Services (NACE H, I, J, L, M, N, R, S).

The number of completed interviews is summarised in table A1.1.

The fieldwork has been done between 6 September and 13 October 2021.

The distribution of interviews across countries, sectors of industry and enterprise size-classes is not the same as the distribution of the population of enterprises along these dimensions. Hence, calibrated weights were used with regard to company size and economic activity. Since the economic weight of the enterprises varies according to their size, weights that restore the proportions of the economic weight of each size class, economic activity and country. The number of persons employed is used as a proxy for economic weight.

The calibration targets were derived from the latest figures from Eurostat's Structural Business statistics (SBS) in terms of the number of persons employed, economic activity, size class and country, with figures from national accounts and different country-specific registers used to cover activities not included in the SBS regulations, as well as from figures from the European Commission's SME Performance Review.

The questionnaire has been included in Appendix 3. Since the 9th wave, some questions have been changed. Specifically, question Q4 was reformulated so that first the respondent is asked if a particular instrument is relevant, *i.e.* the enterprise used it in the past or considered using it in the future. If yes, the follow-up question is asked whether the instrument had been used in the past 6 months. Such reformulation caused an increase in the category "not relevant" and a drop in category "relevant", and introduced a structural break in the series so the past data are not directly comparable. The filter based on Q4 also affected questions Q5, Q7A, Q7B, Q9, Q10, Q11, Q8A and Q23.

For consistency reasons and to avoid structural breaks in the time series, past aggregated data were revised accordingly. The impact on the time series is minimal to small in most cases, and is only visible when the sample sizes are small. In all cases, the changes are within the confidence intervals of the survey. In particular, to enable

⁴ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

⁵ The NACE Rev. 2 classification of economic activities has been used.

comparison over time, the past aggregated results were aligned by excluding the responses from the enterprises for which a specific instrument was not relevant. Such ex-post filter was applied to the questions Q5, Q9, Q7A, Q11 (items f, g, h) and Q23, having also an indirect impact on questions Q7B and Q10 since they are based of the newly filtered question Q7A. It also affects the question Q12, which was replaced by the question Q8A, now filtered by the question Q7B.

Detailed methodological information can be found on the ECB's website (<https://www.ecb.europa.eu/stats/money/surveys/sme/html/index.en.html>).

Table A1.1 sample size by country

<i>country</i>	<i>number of completes</i>
<i>Italy</i>	<i>1504</i>
<i>France</i>	<i>1400</i>
<i>Germany</i>	<i>1220</i>
<i>Spain</i>	<i>1301</i>
<i>Austria</i>	<i>419</i>
<i>Belgium</i>	<i>501</i>
<i>Finland</i>	<i>501</i>
<i>Greece</i>	<i>501</i>
<i>Ireland</i>	<i>499</i>
<i>Netherlands</i>	<i>751</i>
<i>Portugal</i>	<i>502</i>
<i>Cyprus</i>	<i>101</i>
<i>Estonia</i>	<i>100</i>
<i>Latvia</i>	<i>176</i>
<i>Luxembourg</i>	<i>100</i>
<i>Malta</i>	<i>100</i>
<i>Slovakia</i>	<i>341</i>
<i>Slovenia</i>	<i>175</i>
<i>Bulgaria</i>	<i>455</i>
<i>Croatia</i>	<i>300</i>
<i>Czech Republic</i>	<i>369</i>
<i>Denmark</i>	<i>367</i>
<i>Hungary</i>	<i>500</i>
<i>Lithuania</i>	<i>302</i>
<i>Poland</i>	<i>944</i>
<i>Romania</i>	<i>501</i>
<i>United Kingdom</i>	<i>301</i>
<i>Sweden</i>	<i>500</i>
<i>Bosnia and Herzegovina</i>	<i>100</i>
<i>Iceland</i>	<i>101</i>
<i>Kosovo</i>	<i>107</i>
<i>Montenegro</i>	<i>97</i>
<i>Albania</i>	<i>102</i>
<i>North Macedonia</i>	<i>100</i>
<i>Turkey</i>	<i>300</i>
<i>Serbia</i>	<i>202</i>
Total	15840

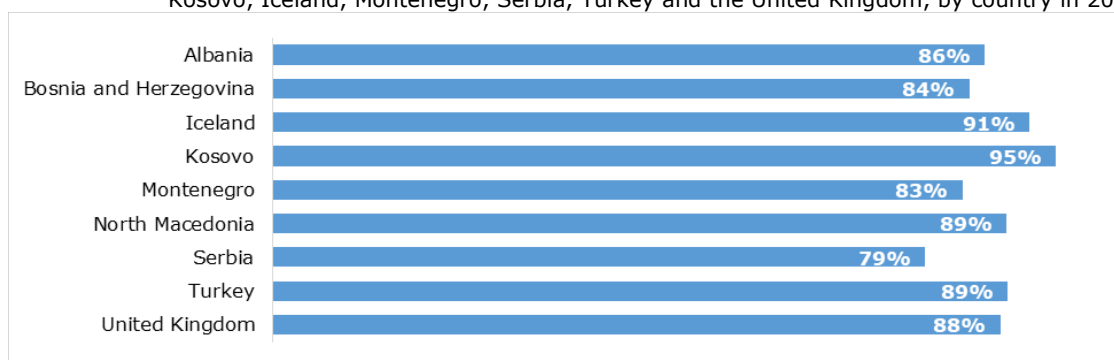
Source: GDCC/Panteia

APPENDIX 2 RESULTS FOR NON-EU COUNTRIES

This annex reproduces all figures from the main report containing country-specific information, with results for Albania, Bosnia and Herzegovina, North Macedonia, Kosovo⁶, Iceland, Montenegro, Serbia, Turkey and the United Kingdom. For ease of reference, the numbering of the figures in this appendix follows the numbering in the main report; for example, figure A2.2 below corresponds to figure 2 in the main report.

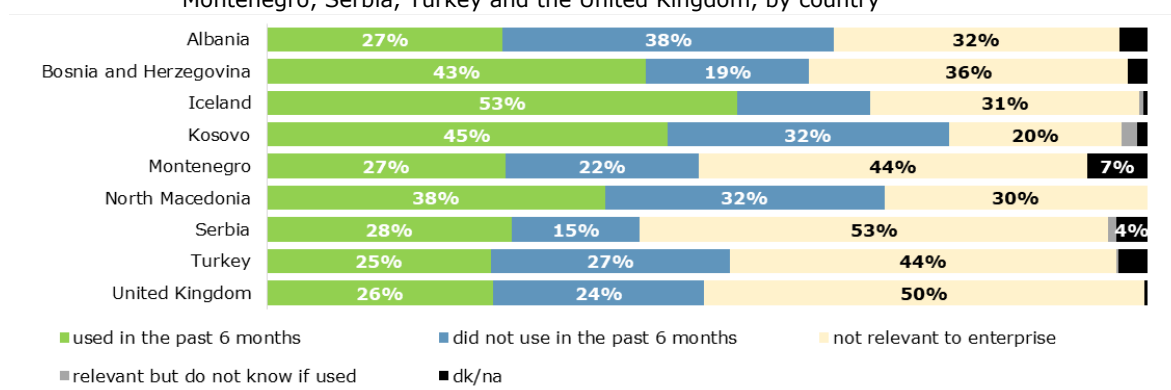
2.1 Use of external financing

figure A2.1 Relevance of debt financing for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country in 2021



Note: Debt financing: credit line, bank overdraft or credit cards overdraft + leasing or hire-purchase + factoring + trade credit + bank loan + other loan + grants or subsidised bank loan + debt securities issued
Source: SAFE, (Q4); edited by Panteia.

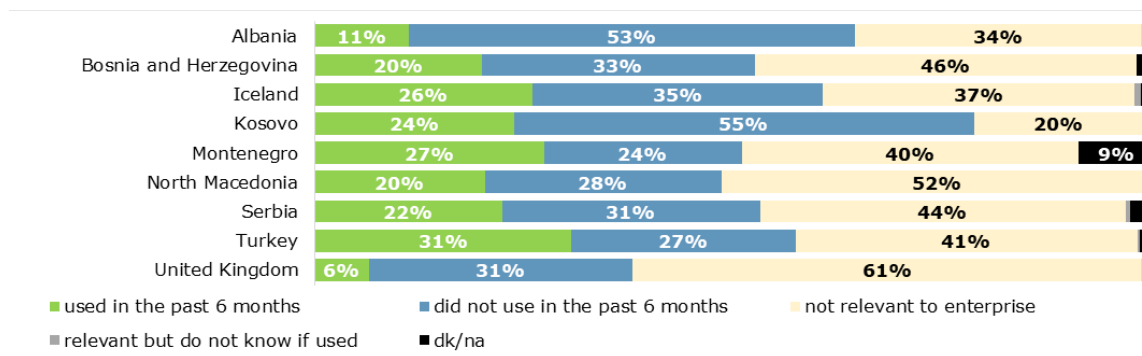
figure A2.2 Use of credit line, bank overdraft or credit overdraft in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country



Source: SAFE, (Q4c); edited by Panteia.

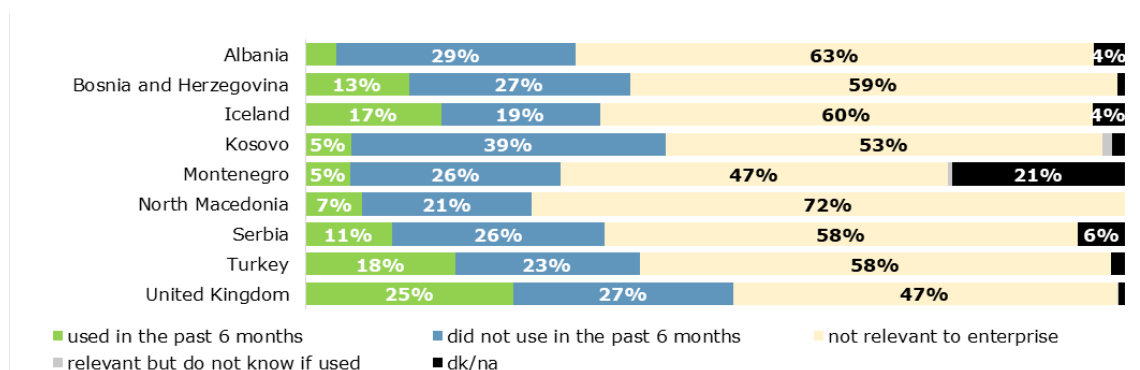
⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

figure A2.3 Use of bank loan in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



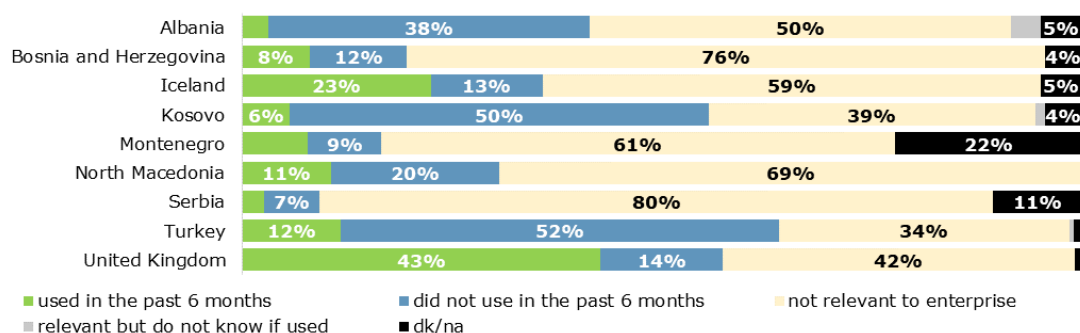
Source: SAFE, (Q4d); edited by Panteia.

figure A2.4 Use of leasing or hire-purchase in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



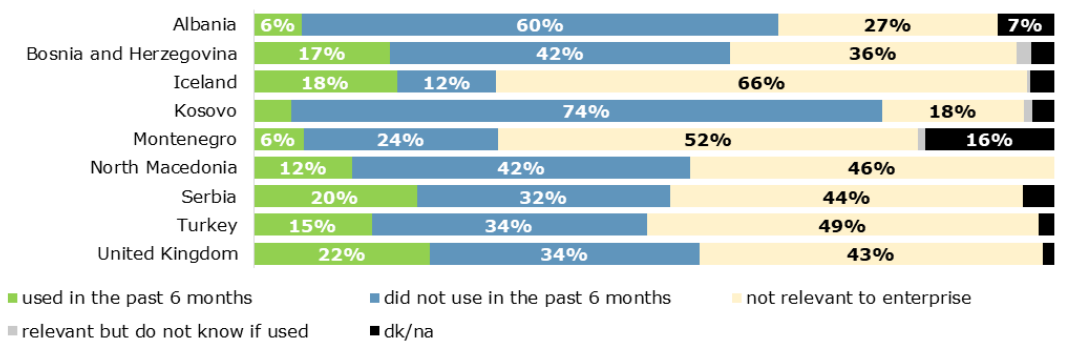
Source: SAFE, (Q4m); edited by Panteia.

figure A2.5 Use of trade credit in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



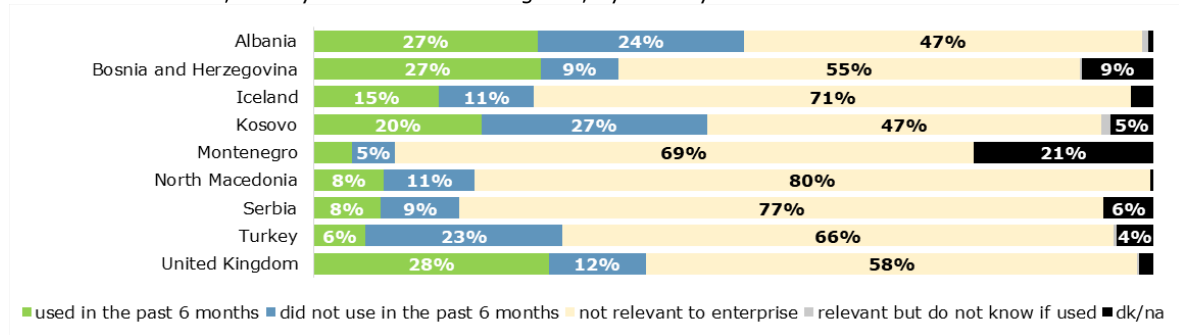
Source: SAFE, (Q4e); edited by Panteia.

figure A2.6 Use of grants or subsidised bank loans in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



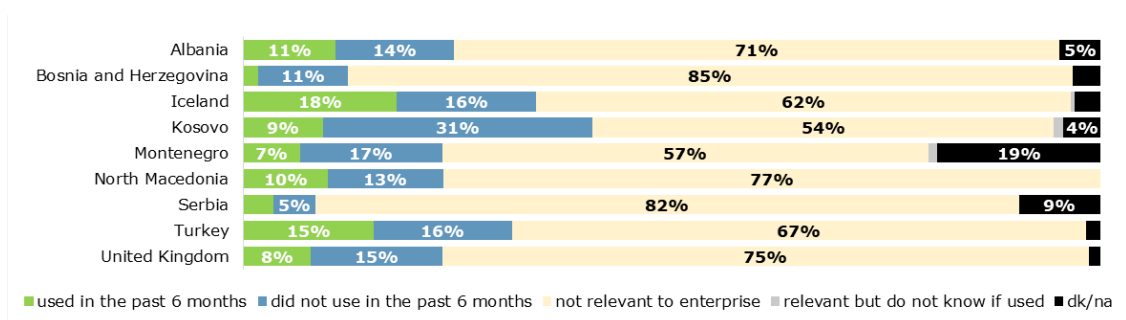
Source: SAFE, (Q4b); edited by Panteia.

figure A2.7 Use of retained earnings or sale of assets in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



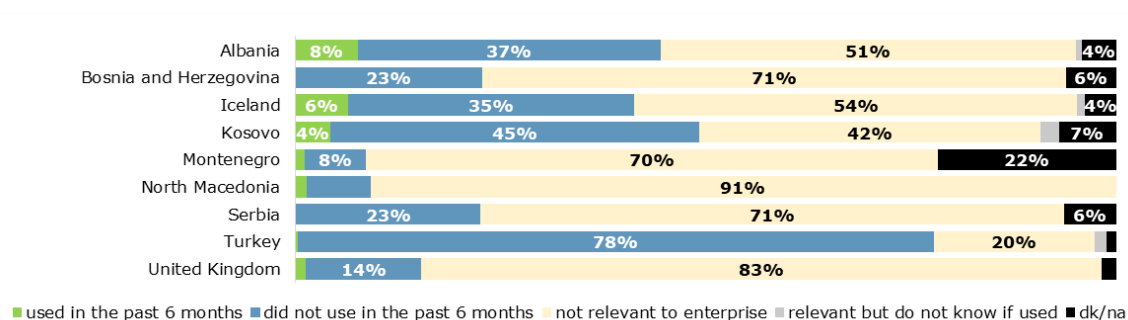
Source: SAFE, (Q4a); edited by Panteia.

figure A2.8 Use of other loan in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



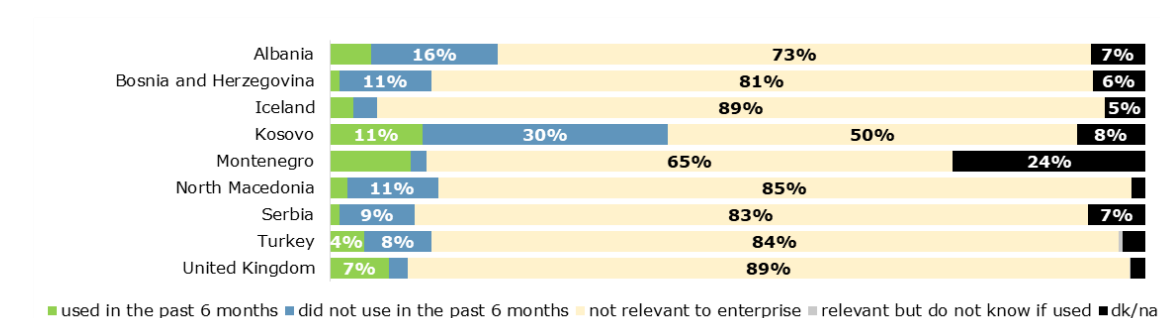
Source: SAFE, (Q4f); edited by Panteia.

figure A2.9 Use of equity capital in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



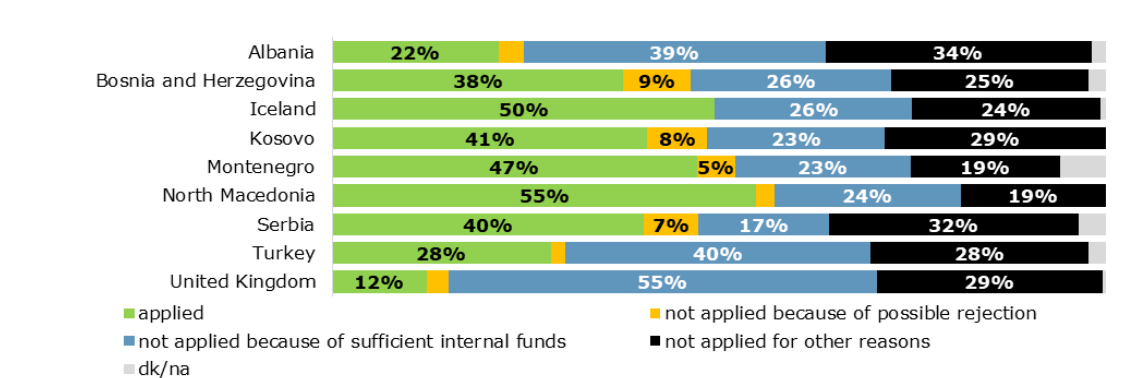
Source: SAFE, (Q4j); edited by Panteia.

figure A2.10 Use of factoring in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



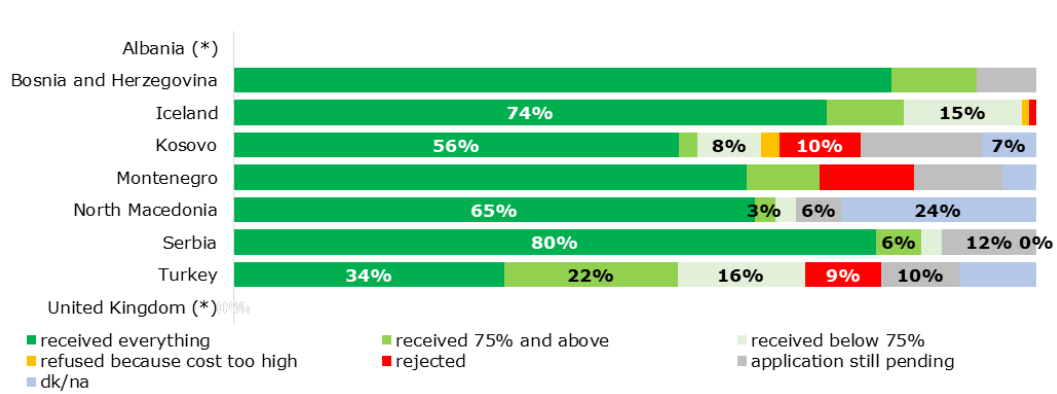
Source: SAFE, (Q4r); edited by Panteia.

figure A2.11 Proportion of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for credit line, bank overdraft or credit cards overdraft or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated credit line and overdrafts are relevant to their enterprise.



Source: SAFE, (Q7ad); edited by Panteia.

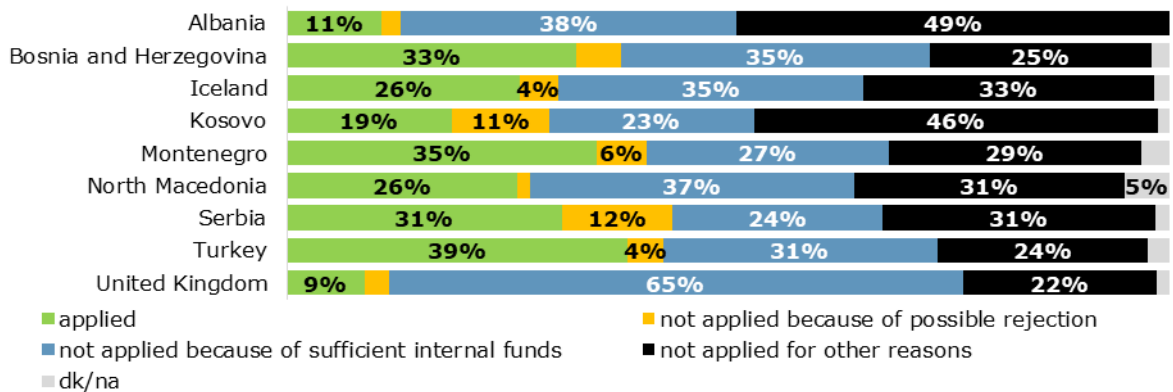
figure A2.12 Obtained result of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for credit line, bank overdraft or credit cards overdraft, by country in 2021. The proportions relate to SMEs that indicated that credit line and overdrafts are relevant to their enterprise.



Source: SAFE, (Q7bd); edited by Panteia.

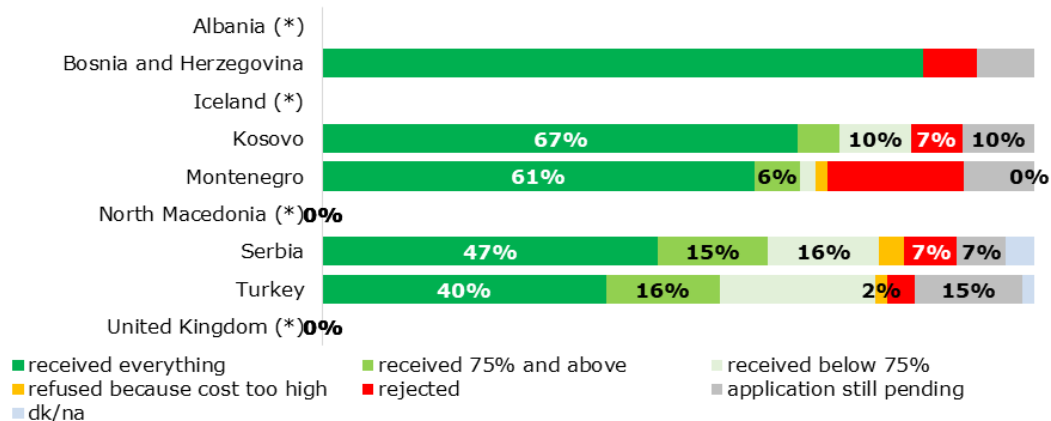
* Results are not reliable, because of too low a number of observations (below 20).

figure A2.13 Proportion of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for bank loans or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise.



Source: SAFE, (Q7aa); edited by Panteia.

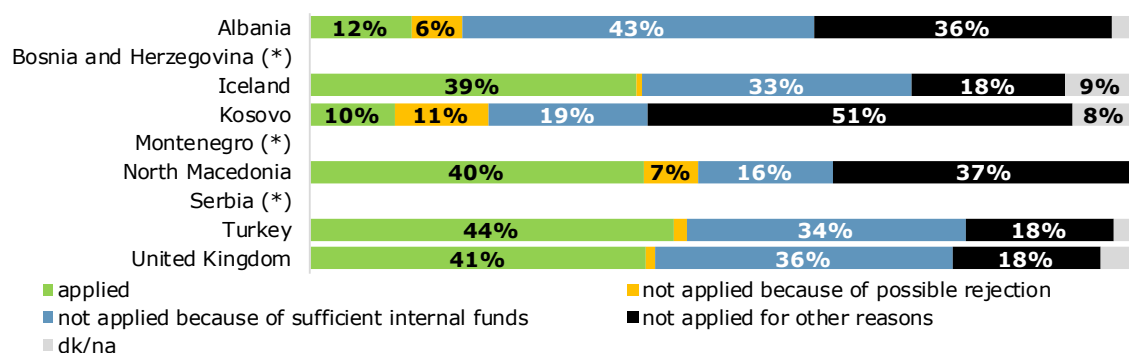
figure A2.14 Obtained result of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for bank loans, by country in 2021. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.



Source: SAFE, (Q7ba); edited by Panteia.

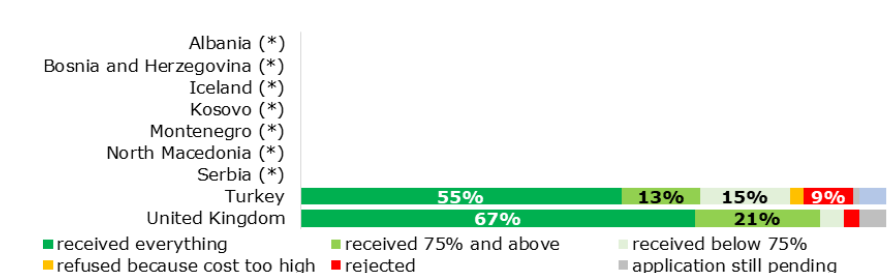
* Results are not reliable, because of too low a number of observations (below 20).

figure A2.15 Proportion of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for trade credit or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Source: SAFE, (Q7ab); edited by Panteia.

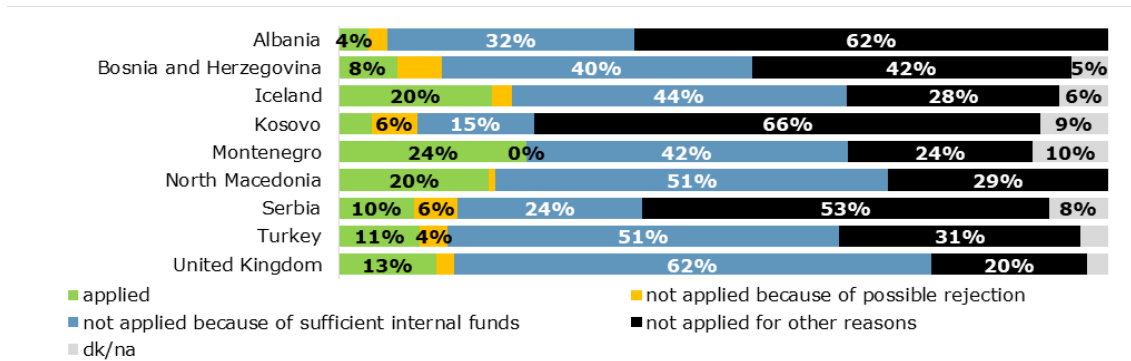
figure A2.16 Obtained result of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, that applied for trade credit. Sorted by SMEs that applied and did not get the financing they had planned for. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.



Source: SAFE, (Q7bb); edited by Panteia.

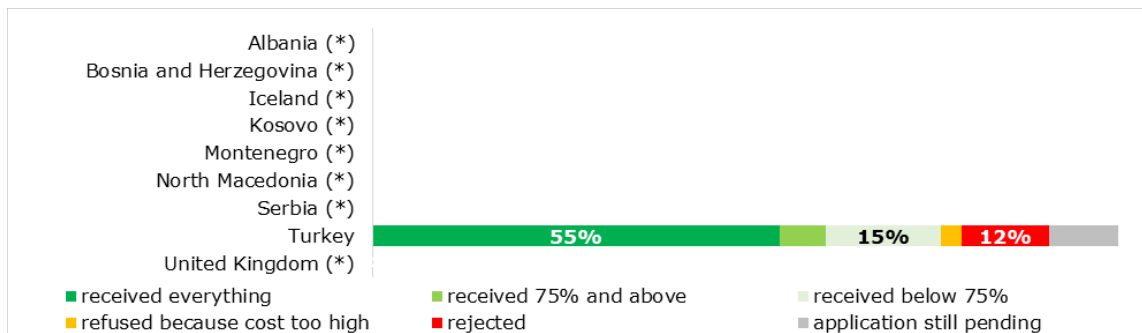
* Results are not reliable, because of too low a number of observations (below 20).

figure A2.17 Proportion of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for other external financing or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2021, by country.



Source: SAFE, (Q7ac); edited by Panteia.

figure A2.18 Obtained result of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom that applied for other external financing, by country in 2021.

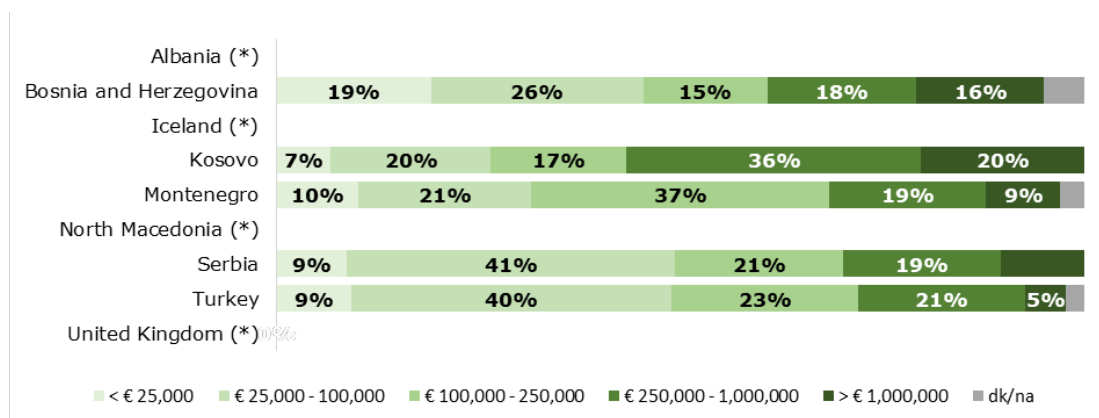


Source: SAFE, (Q7bc); edited by Panteia.

* Results are not reliable, because of too low a number of observations (below 20).

figure A2.19 Size of the last loan of SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom by country in 2021

Source: SAFE, (Q8a); edited by Panteia.



* Results are not reliable, because of too low a number of observations (below 20).

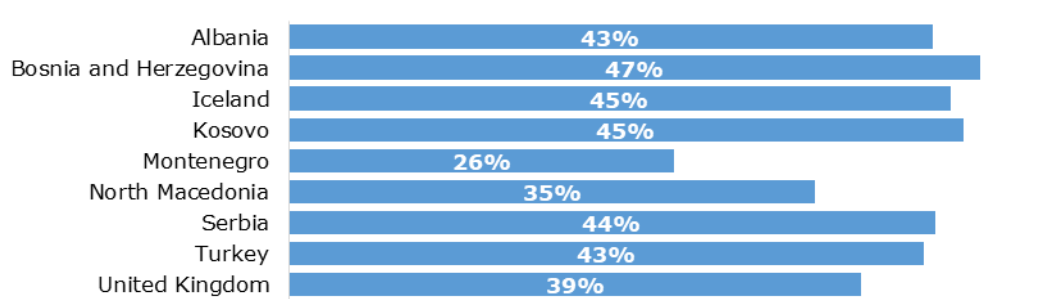
figure A2.20 Mean of the interest rate on bank overdraft and credit line for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country in 2021



Source: SAFE, (Q8b); edited by Panteia.

* Results are not reliable, because of too low a number of observations (below 20).

figure A2.21 External financing used as investments in property, plant or equipment (fixed investment) by SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom in the past six months (April to September 2021), by country



Source: SAFE, (Q6a1); edited by Panteia.

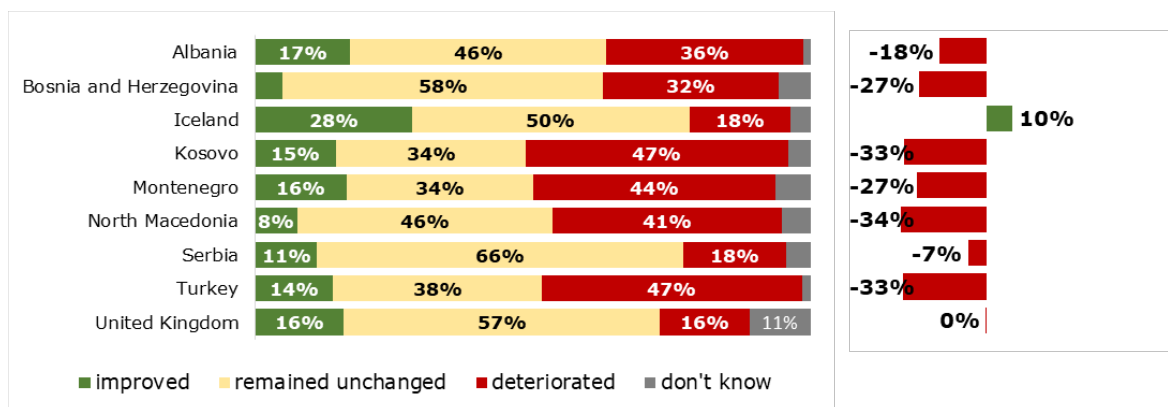
figure A2.22 External financing used as inventory or other working capital by SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom in the past six months (April to September 2021), by country



Source: SAFE, (Q6a2); edited by Panteia.

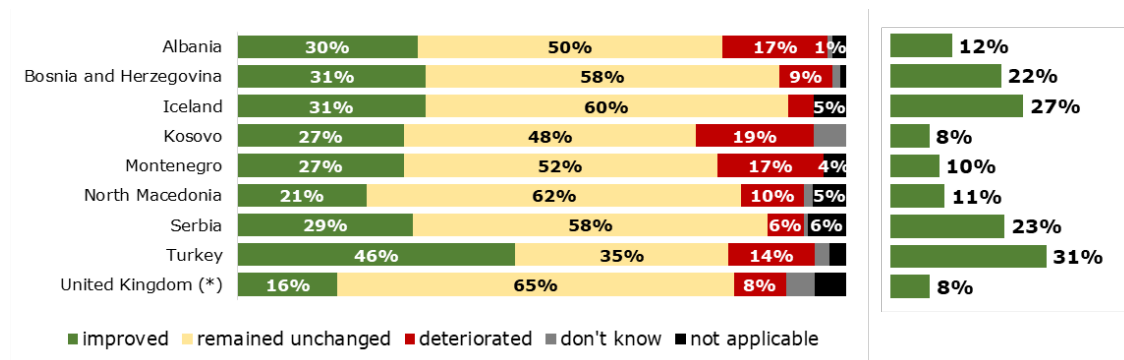
2.2 Access to external sources of finance

figure A2.23 Changes in general economic outlook in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



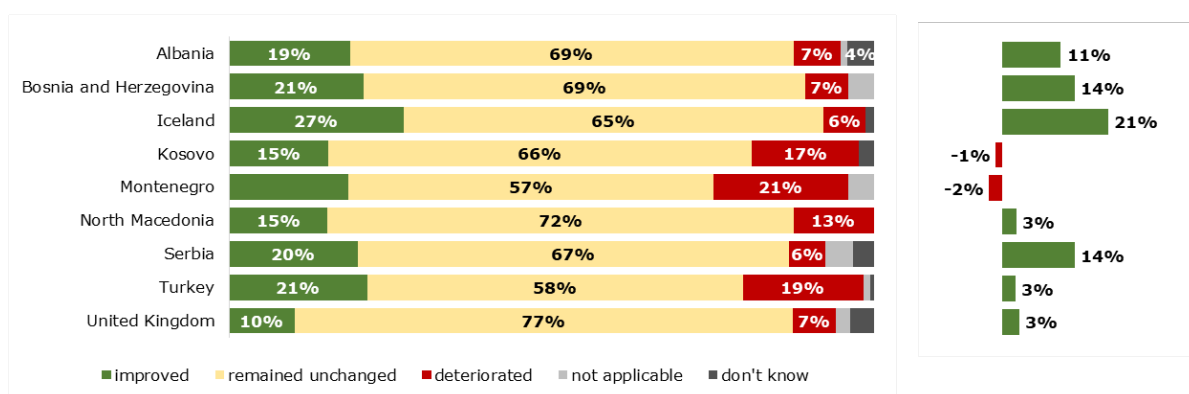
Source: SAFE, (Q11a); edited by Panteia.

figure A2.24 Changes in bank lending in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



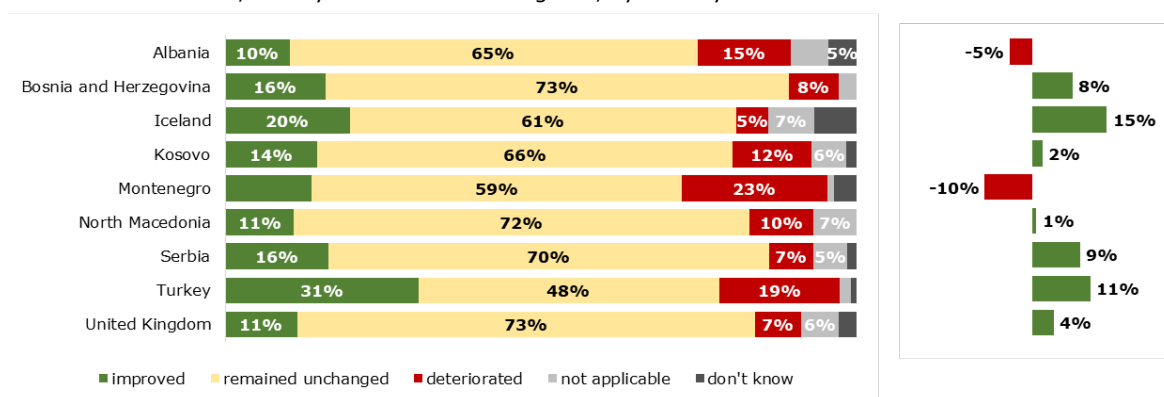
Source: SAFE, (Q11f); edited by Panteia.

figure A2.25 Changes in the availability of credit line, bank overdraft or credit cards overdraft in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



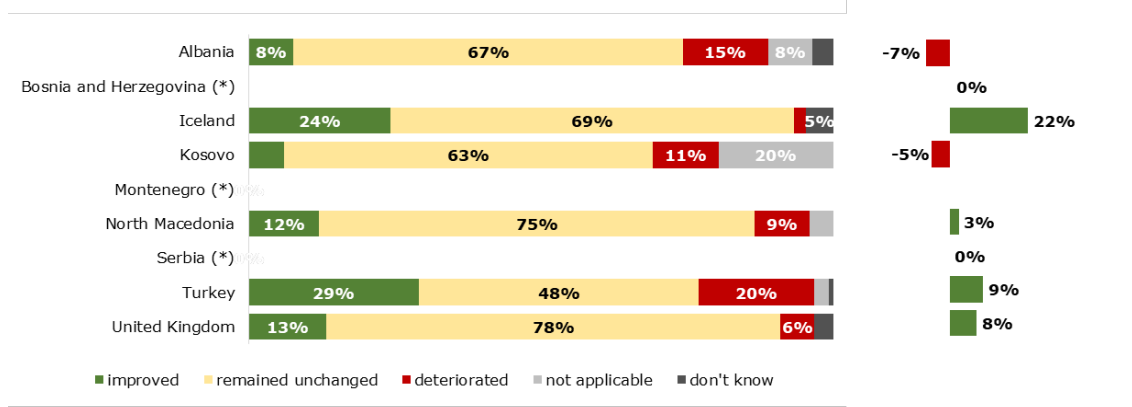
Source: SAFE, (Q9f); edited by Panteia.

figure A2.26 Changes in the availability of bank loans in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q9a); edited by Panteia.

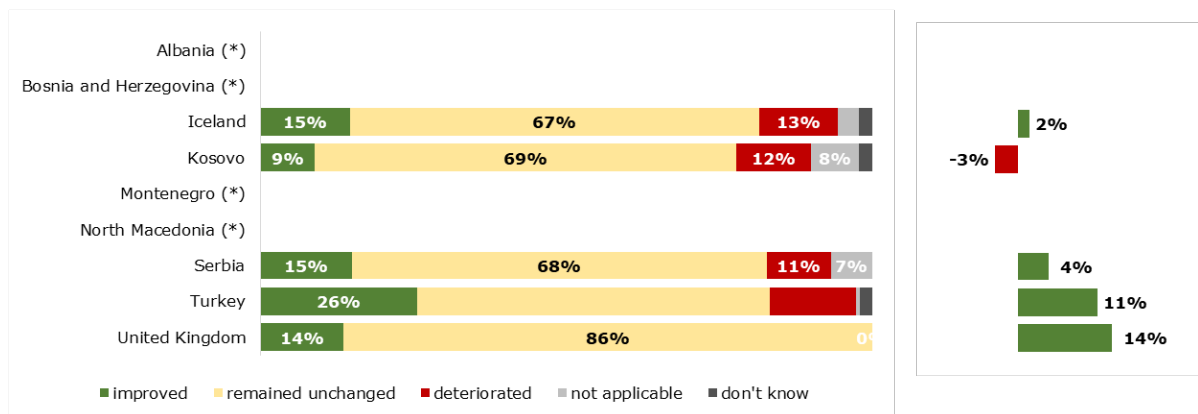
figure A2.27 Changes in the availability of trade credit in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q9b); edited by Panteia.

* Results are not reliable, because of too low a number of observations (below 20).

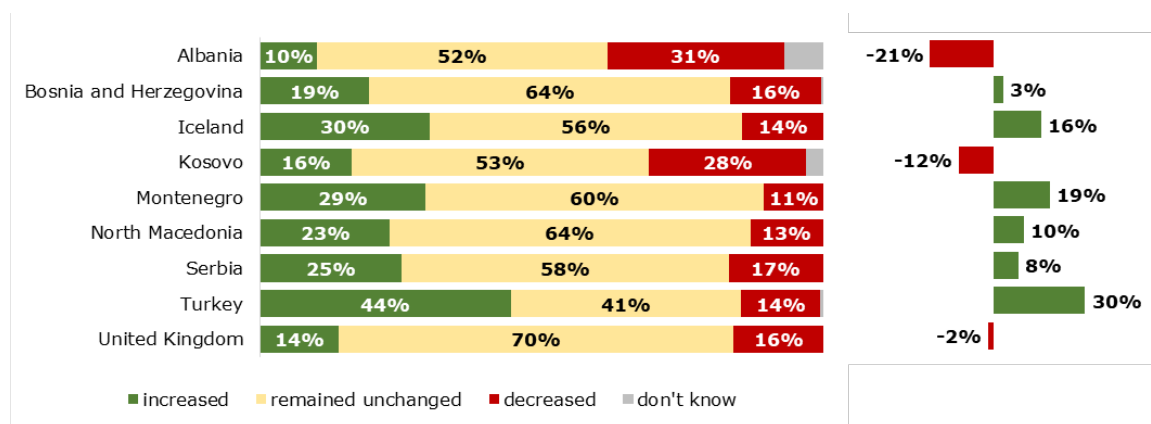
figure A2.28 Changes in the availability of equity capital in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q9c); edited by Panteia.

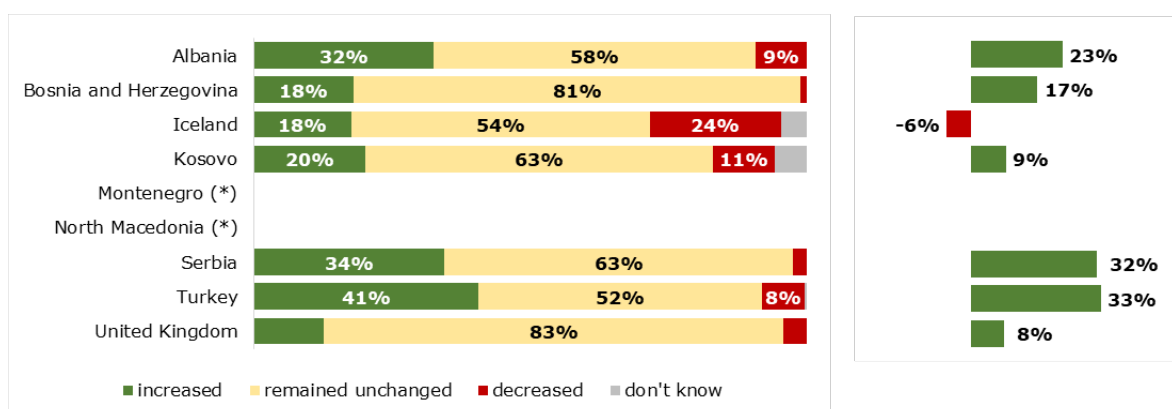
* Results are not reliable, because of too low a number of observations (below 20).

figure A2.29 Changes in the need for bank loans in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q5a); edited by Panteia.

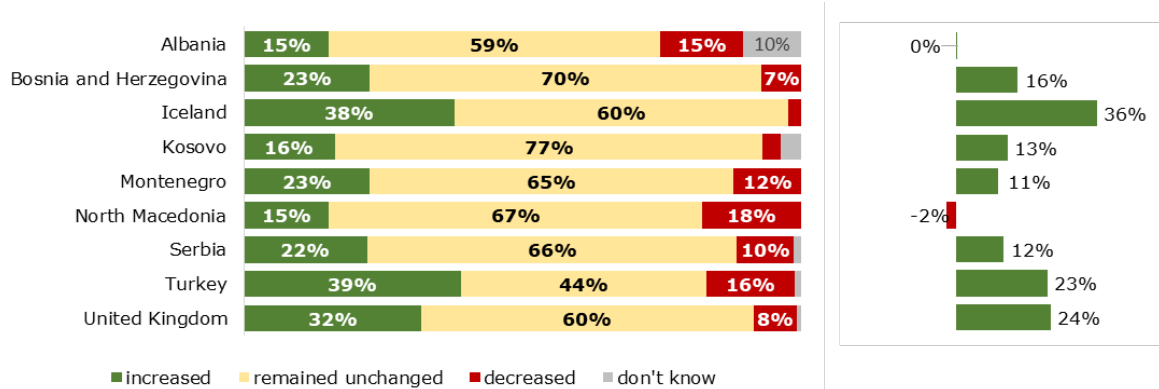
figure A2.30 Changes in the need for equity capital in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q5c); edited by Panteia.

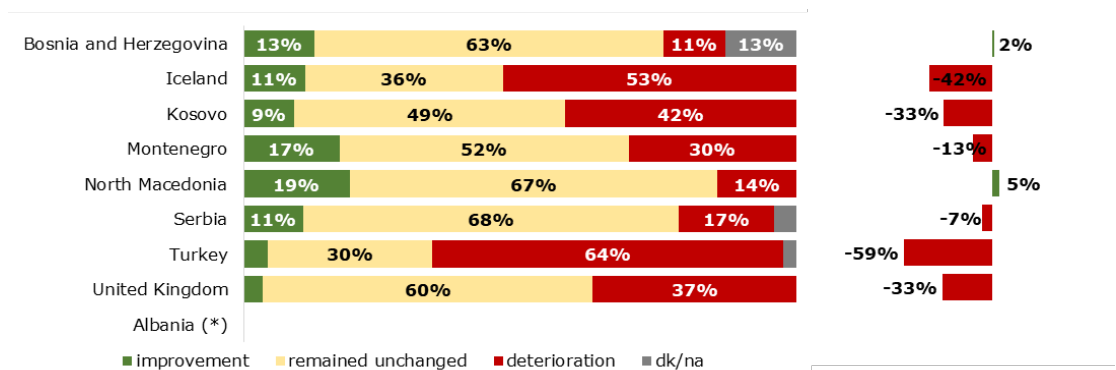
* Results are not reliable, because of too low a number of observations (below 20).

figure A2.31 Changes in the need for leasing or hire-purchase in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q5g); edited by Panteia.

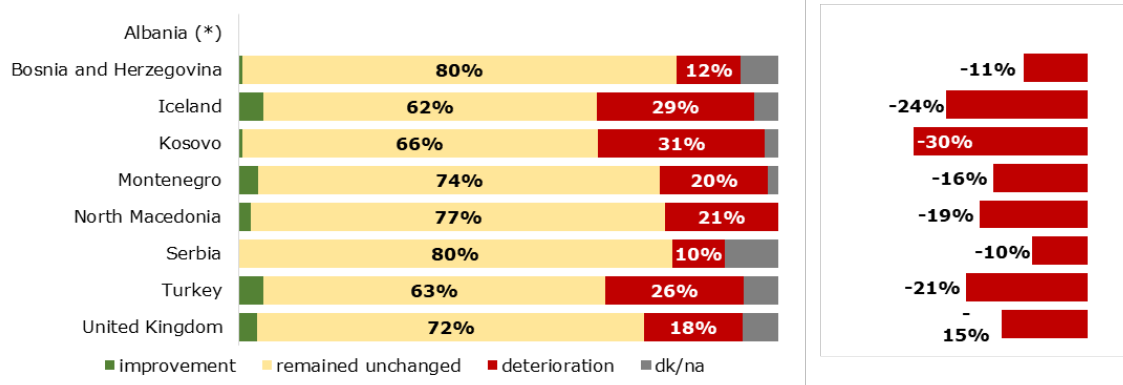
figure A2.32 Changes in the level of interest rates in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q10a); edited by Panteia.

* Results are not reliable, because of too low a number of observations (below 20).

figure A2.33 Changes in collateral requirements in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.

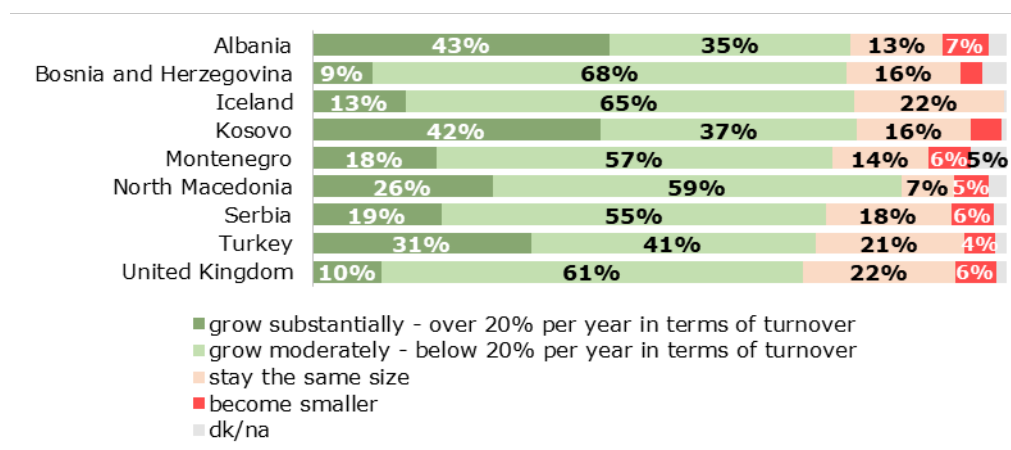


Source: SAFE, (Q10e); edited by Panteia.

* Results are not reliable, because of too low a number of observations (below 20).

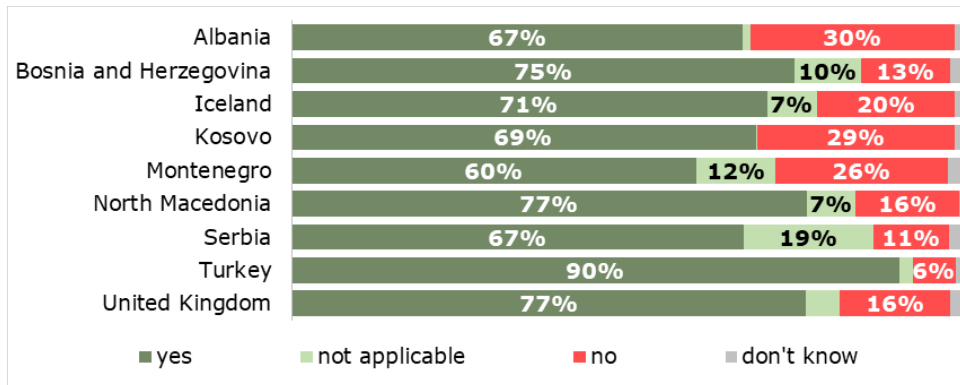
2.3 Outlook for the future

figure A2.34 Expected growth in turnover in the next two to three years by SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



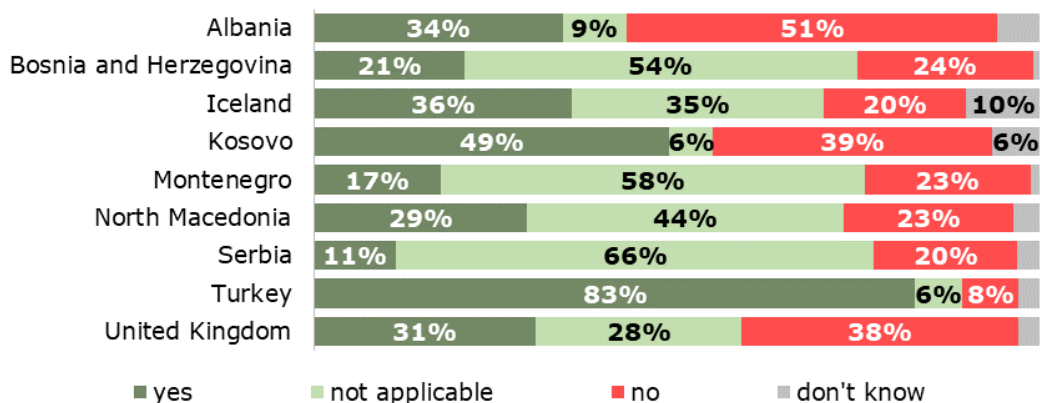
Source: SAFE, (Q17); edited by Panteia.

figure A2.35 Confidence in talking with banks about financing and obtaining the desired results for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



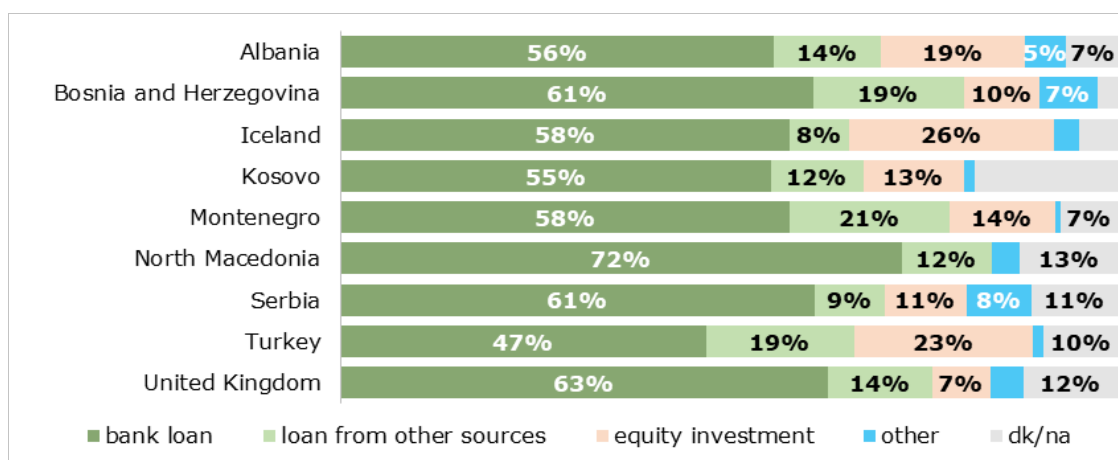
Source: SAFE, (Q19a); edited by Panteia.

figure A2.36 Confidence in talking with equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



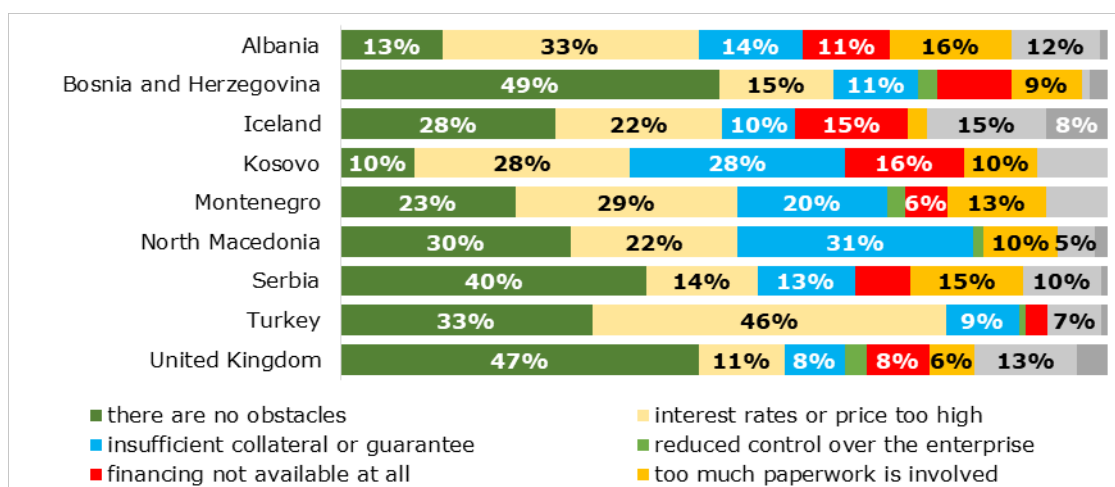
Source: SAFE, (Q19b); edited by Panteia.

figure A2.37 Types of external financing preferred to realise growth ambitions for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



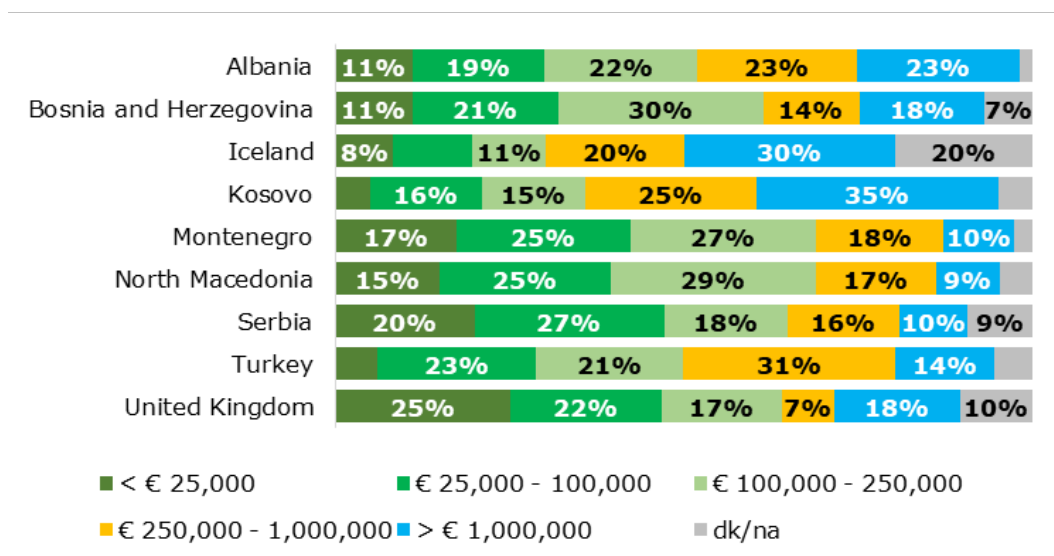
Source: SAFE, (Q20); edited by Panteia.

figure A2.38 Perceived factors limiting the access to future financing for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q22); edited by Panteia.

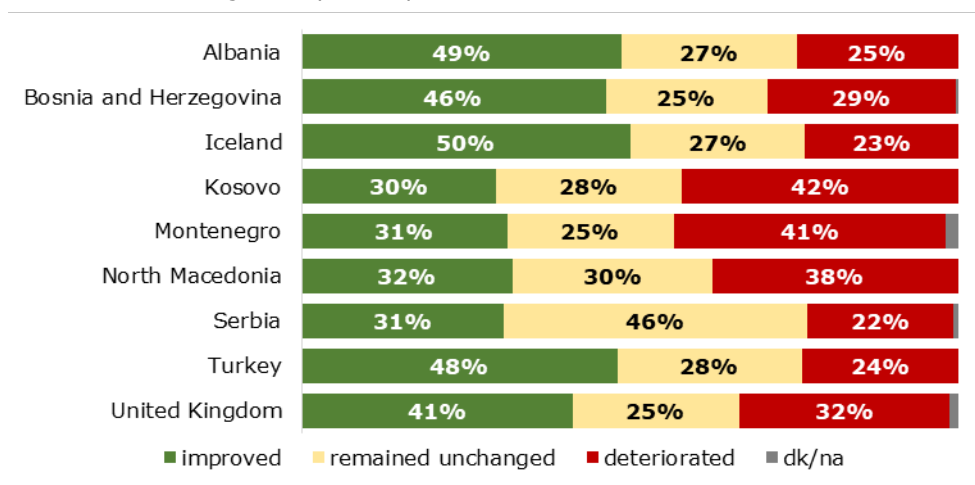
figure A2.39 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q21); edited by Panteia.

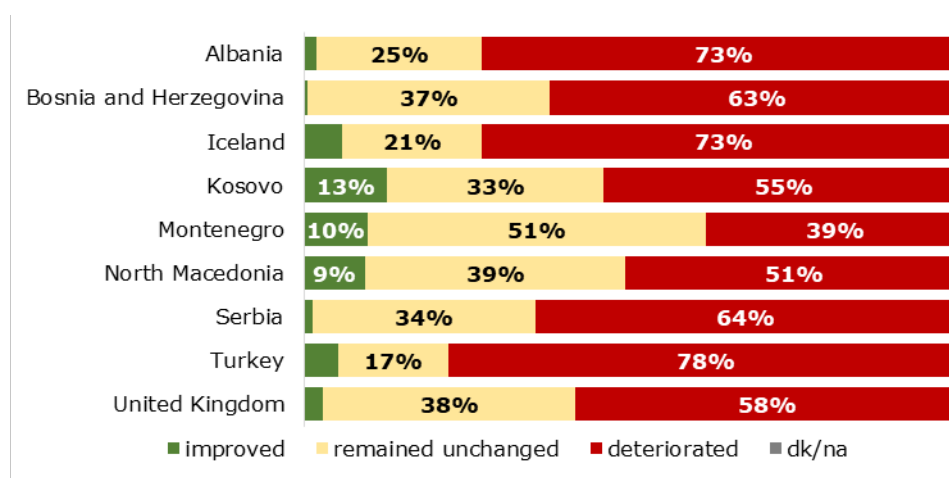
2.4 Characteristics and current state of enterprises

figure A2.40 Changes in turnover in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



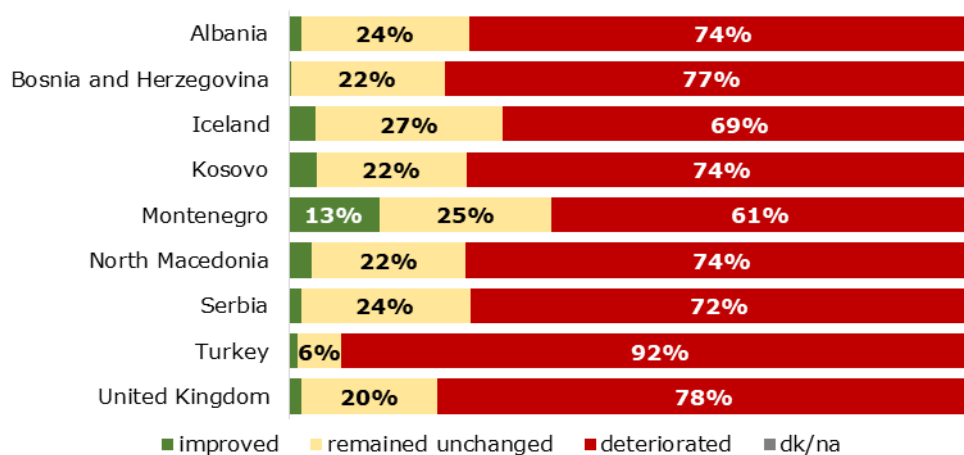
Source: SAFE, (Q2a); edited by Panteia.

figure A2.41 Changes in labour costs (including social contributions) in the past six months (April to September 2010) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



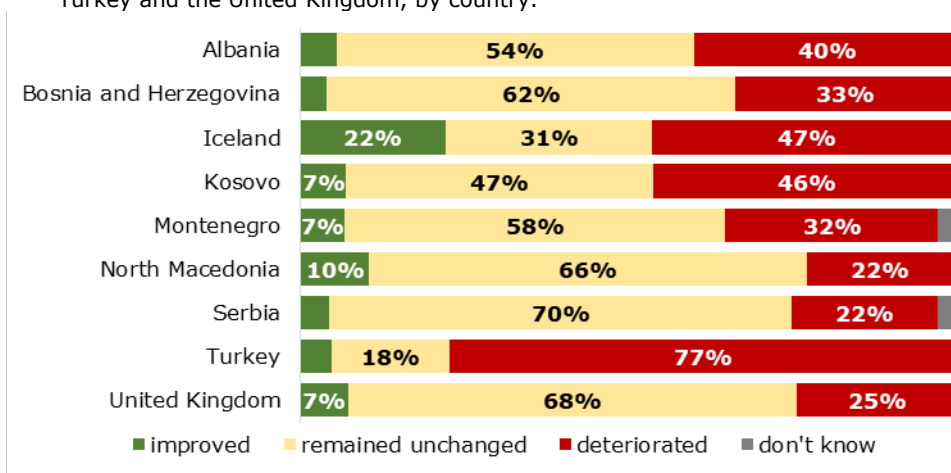
Source: SAFE, (Q2b); edited by Panteia.

figure A2.42 Changes in other costs (materials, energy, other) in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



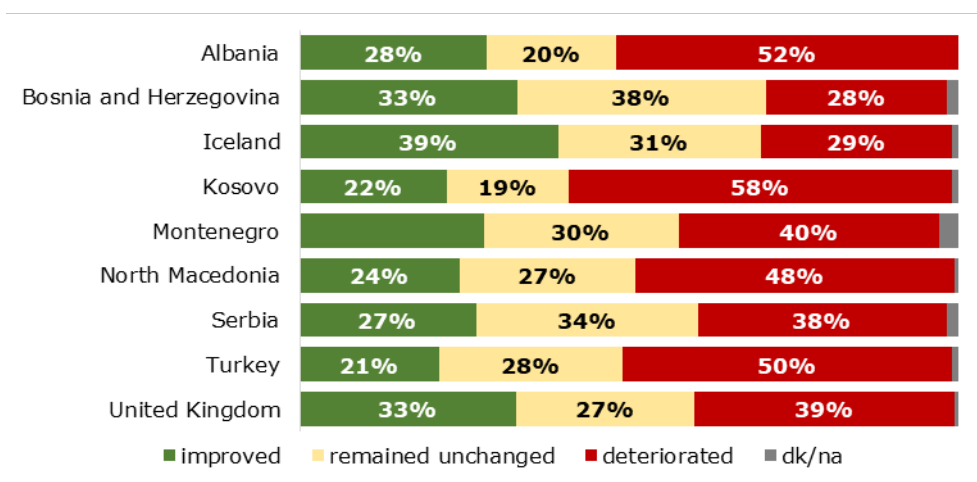
Source: SAFE, (Q2c); edited by Panteia.

figure A2.43 Changes in interest expenses in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



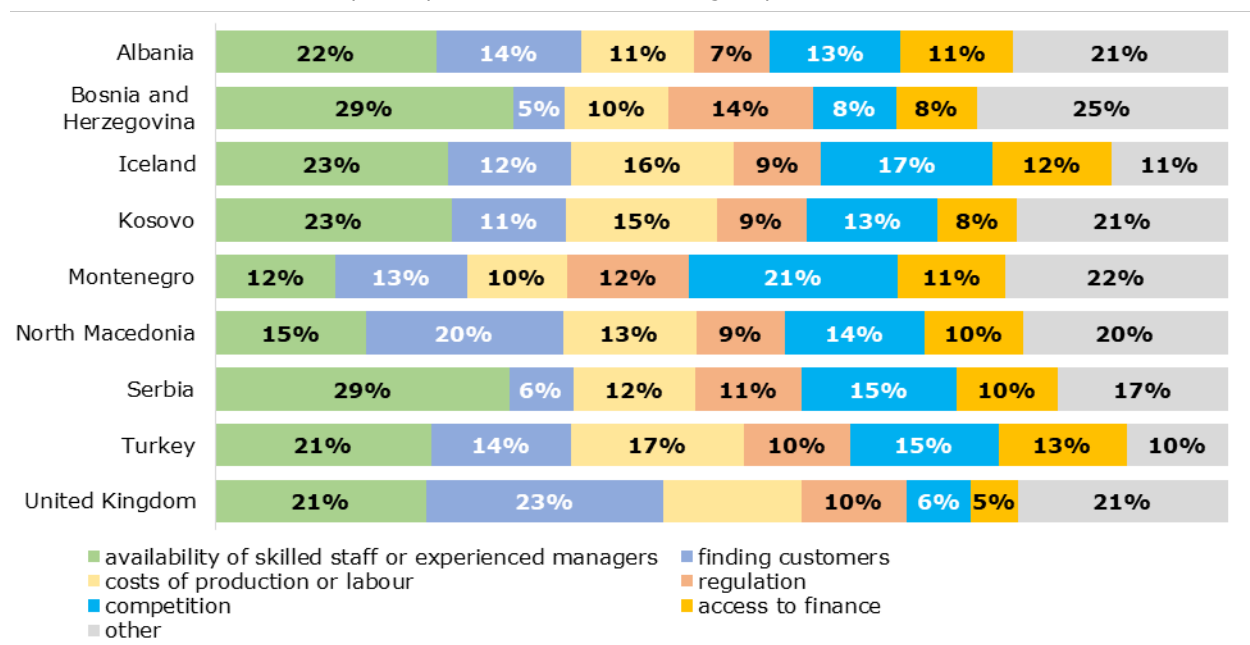
Source: SAFE, (Q2d); edited by Panteia.

figure A2.44 Changes in profit in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



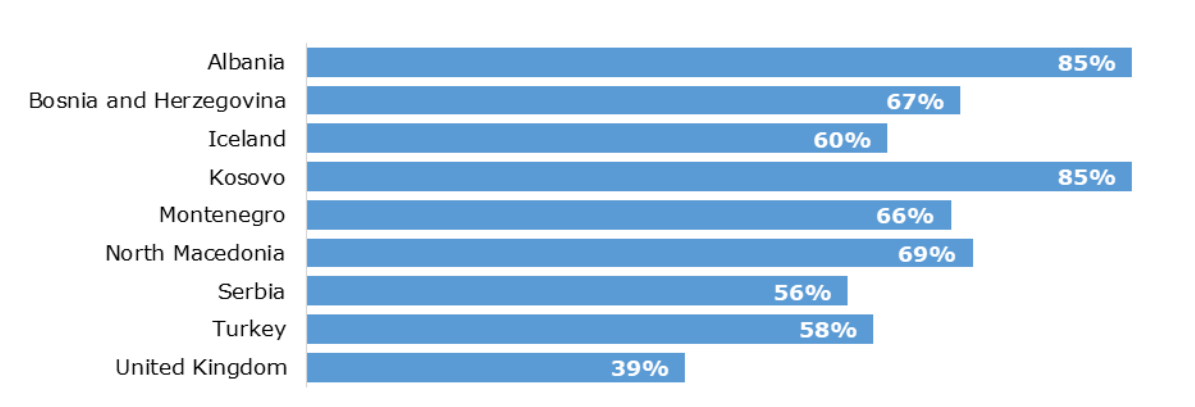
Source: SAFE, (Q2e); edited by Panteia.

figure A2.45 Most pressing problems in the past six months (April to September 2021) for SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem.



Source: SAFE, (Q0b); edited by Panteia.

figure A2.46 Share of innovative enterprises among SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q1); edited by Panteia.

figure A2.47 Share of high-growth enterprises among SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.

Source: SAFE, (Q16); edited by Panteia.

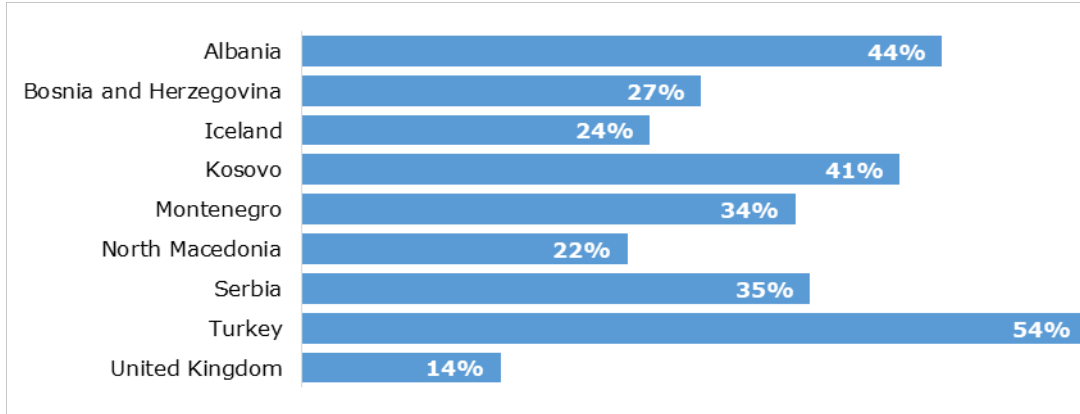
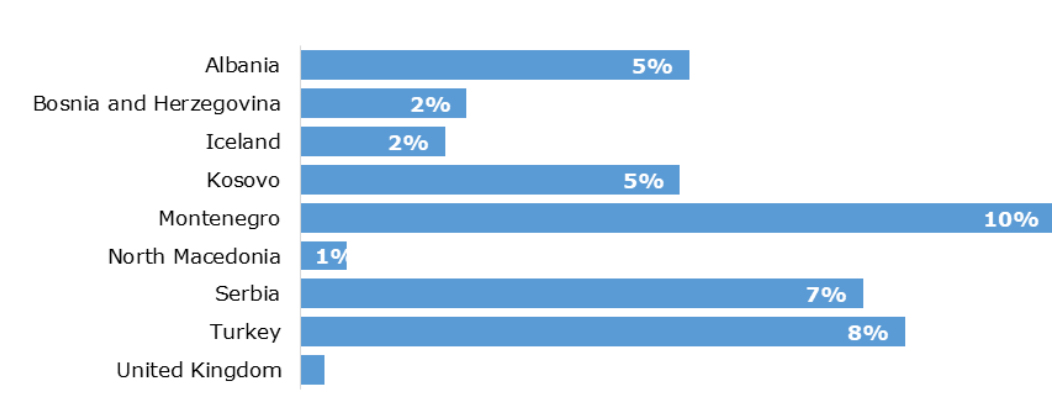
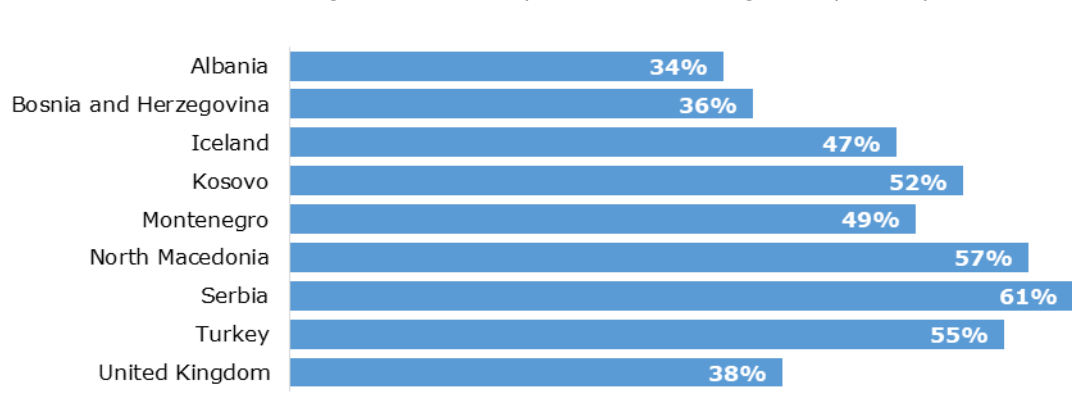


figure A2.48 Share of gazelles among SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (Q16; D5); edited by Panteia.

figure A2.49 Share of exporters among SMEs in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Iceland, Montenegro, Serbia, Turkey and the United Kingdom, by country.



Source: SAFE, (D7); edited by Panteia.

APPENDIX 3 QUESTIONNAIRE

European Commission and European Central Bank
 Survey on the access to finance of enterprises,
 April to September 2021

[Introduction to the online survey]

Welcome to the Survey on the access to finance of enterprises: a joint initiative of the European Commission and the European Central Bank. Your business has been selected to participate in this Europe-wide survey, which aims to assess the financing needs and the availability of financing among companies like yours. We very much appreciate your participation. Your answers to this voluntary survey will be treated in strict confidence, used for statistical or policy research purposes and published in aggregate form only. Please click 'next' to continue.

[Introduction to the telephone survey]

Hello, my name is <interviewer> and I am calling from <survey company> on behalf of the European Commission and the European Central Bank. Your business has been selected to participate in a Europe-wide survey on the financing needs and the availability of financing among companies like yours. European policymakers want to have a better understanding of the issues and circumstances faced by small, medium-sized and large non-financial enterprises when it comes to accessing finance from banks and other institutions. This survey is now being conducted across Europe and your input is of the utmost importance: the responses to the survey will help shape policy decisions by the European Commission and the European Central Bank.

[IF RESPONDENT IS FROM PANEL: You may remember that we spoke to you about <INSERT CORRECT TIME PERIOD (e.g. six months, one year, one and a half years)> ago and you kindly said that you would be willing to participate again in the survey at around this time.]

[READ IF NECESSARY (IF RESPONDENTS ASK FOR MORE INFORMATION ABOUT THE PROJECT): The results of the survey will help the European Commission in its evidence-based policymaking to improve the access to finance for businesses and in the monetary policy of the European Central Bank. Can I email you some more information about the survey?]

May I speak with the most appropriate person – the person best able to provide information on how your company is financed?

[READ IF NECESSARY: This person could be the owner, a finance manager, the finance director or the chief financial officer (CFO).]

Your answers to this voluntary survey will be treated in strict confidence, used for statistical or policy research purposes and published in aggregate form only.

[READ IF NECESSARY: Would you prefer to participate in the survey by phone or online?]

D0. Can you please confirm that the name of your company is correct? If not, please indicate the correct company name.

Section 1 General characteristics of the enterprise

(Demographic part, common)

[FOR PANEL MEMBERS:]

First a few demographic questions – you may have already answered these, but it would be good to confirm that the details are still correct.

D2. NEW RESPONDENTS:

How would you characterise your enterprise? Is it...

D2. PANEL MEMBERS:

Can you confirm that your enterprise is <STATE ANSWER FROM PREVIOUS WAVE>?

[READ IF NECESSARY: If not, what is the correct category?]

[ONLY ONE ANSWER IS POSSIBLE]

a subsidiary of another enterprise

[READ IF NECESSARY: a separate, distinct legal entity that is part of a profit-oriented enterprise] 4

a branch of another enterprise

[READ IF NECESSARY: branches are controlled by a parent company and are not separate legal entities] 5

an autonomous profit-oriented enterprise, making independent financial decisions

[READ IF NECESSARY: in the sense of making independent management decisions; this includes partnerships and cooperatives] 2

a non-profit enterprise

[READ IF NECESSARY: foundation, association, semi-government] 3

[DK/NA] 9

[IF 3 (NON-PROFIT) STOP INTERVIEW INTERVIEW NOT VALID]

[IF 4 (SUBSIDIARY) MAKE THE FOLLOWING REQUEST]

In your replies to all the following questions, please respond on behalf of the subsidiary.

[IF 5 (BRANCH) ASK THE FOLLOWING QUESTION]

Are you knowledgeable about the finances of the whole enterprise, that is, the head office and all branches?

[IF NO STOP INTERVIEW INTERVIEW NOT VALID]

[IF YES: Please respond on behalf of the whole enterprise, that is, the head office and all branches.]

[FILTER: IF D2 FEATURES 4 OR 5]

D2A. NEW RESPONDENTS:

In which country is the parent company of your enterprise located?

D2A. PANEL MEMBERS: Can you confirm that the parent company of your enterprise is located in <STATE ANSWER FROM PREVIOUS WAVE>?

[READ IF NECESSARY: If not, what is the correct country?]

[DO NOT READ OUT – USE ISO COUNTRY CODES]

[LIST OF MAIN COUNTRY CODES]

Euro area countries		Other EU Member States		Other countries
AT Austria	BG	Bulgaria	AL	Albania
BE Belgium	HR	Croatia	BA	Bosnia and Herzegovina
CY Cyprus	CZ	Czech Republic	CN	China
EE Estonia	DK	Denmark	MK	North Macedonia
FI Finland	HU	Hungary	IS	Iceland
FR France	PL	Poland	JP	Japan
DE Germany	RO	Romania	ME	Montenegro
GR Greece	SE	Sweden	NO	Norway
IE Ireland			RS	Serbia
IT Italy			RU	Russian Federation
LT Lithuania			CH	Switzerland
LV Latvia			TR	Turkey

LU Luxembourg		US	United States
MT Malta	XK		Kosovo
NL Netherlands	UK		United Kingdom
PT Portugal			
SK Slovakia			
SI Slovenia			
ES Spain	-99		Don't know

[FILTER: ALL ENTERPRISES]

D1. How many people does your enterprise currently employ either full or part-time at all its locations <in your country>? Please do not include unpaid family workers and freelancers working regularly for your enterprise.
 [READ IF NECESSARY: Full-time and part-time employees should each count as one employee. Employees working less than 12 hours per week are to be excluded.]

[ONLY ONE ANSWER IS POSSIBLE]

NUMERICAL ANSWER [1-999999]

[DK/NA]

[READ IF 1 EMPLOYEE: The business must have at least one employee beyond the owner(s). Can you confirm that the employee is not the owner?]

[IF 0 EMPLOYEES STOP INTERVIEW INTERVIEW NOT VALID]

D1_rec. [IF NA/DK ASK ABOUT APPROXIMATE NUMBER IN BRACKETS – ONLY ONE ANSWER IS POSSIBLE IF STILL NA/DK

STOP INTERVIEW INTERVIEW NOT VALID]

What is the approximate number?

from 1 employee to 9 employees 1

from 10 employees to 49 employees 2

from 50 employees to 249 employees 3

250 employees or more 4

[DK/NA] 9

D1_C. PANEL MEMBERS: [IF THE NEW CATEGORY DIFFERS SIGNIFICANTLY (I.E. BY MORE THAN ONE CATEGORY) FROM THE PREVIOUS WAVE, ASK THE FOLLOWING QUESTION.]

The last time your enterprise was interviewed, it had <STATE ANSWER FROM PREVIOUS WAVE> employees. Can you confirm that the number <has increased/decreased> to <STATE ANSWER FROM CURRENT WAVE>? [READ IF NECESSARY: If not, what is the correct number?]

D3. What is the main activity of your enterprise?

[ONLY ONE ANSWER IS POSSIBLE]

construction 2

industry

[READ IF NECESSARY: it includes manufacturing, mining and electricity, gas and water supply] 12

wholesale or retail trade 4

transport 5

agriculture

[STOP INTERVIEW INTERVIEW NOT VALID] 8

public administration

[STOP INTERVIEW INTERVIEW NOT VALID] 9

financial services

[STOP INTERVIEW INTERVIEW NOT VALID] 10

other services to businesses or persons

[READ IF NECESSARY: for example, hotels and restaurants, IT services] 13

[READ IF NECESSARY: If none of these, please specify.]

[IF RECODING IS NOT POSSIBLE, STOP INTERVIEW INTERVIEW NOT VALID] 11

[DK/NA] [STOP INTERVIEW INTERVIEW NOT VALID] 99

D3_C. PANEL MEMBERS: [IF SECTOR DIFFERS FROM THE PREVIOUS WAVE, ASK THE FOLLOWING QUESTION.]

The last time your enterprise was interviewed, it was active in <STATE ANSWER FROM PREVIOUS WAVE>. Can you confirm that it is involved in <STATE ANSWER FROM CURRENT WAVE>? [READ IF NECESSARY: If not, what is the correct category?]

D6. NEW RESPONDENTS:

Who owns the largest stake in your enterprise?

D6. PANEL MEMBERS: Can you confirm that the largest stake in your enterprise is still owned by <STATE ANSWER FROM PREVIOUS WAVE>?

[READ IF NECESSARY: If not, what is the correct category?]

[ONLY ONE ANSWER IS POSSIBLE. IF RESPONDENT CLASSIFIES THE ENTERPRISE IN ONE OF THE FIRST CATEGORIES, THERE IS NO NEED TO READ ALL THE CATEGORIES]

[READ IF NECESSARY (NOTE ON THE REFERENCE TO THE LIMITED LIABILITY COMPANY): A limited liability company is a legal form of an enterprise that provides protection against personal liability to its owners. The owners can be natural persons or other enterprises. To which category would you classify the owner with the largest stake in your enterprise? READ THE CATEGORIES]

one owner only, that is yourself or another natural person 5

family or entrepreneurs [READ IF NECESSARY: more than one owner] 2

other enterprises or business associates 3

public shareholders, as your enterprise is listed on the stock market 1

venture capital enterprises or business angels [READ IF NECESSARY: individual investors providing capital or know-how to young innovative enterprises] 4

other 7

[DK/NA] 9

D4. What was the annual turnover of your enterprise in 2020?

[READ IF NECESSARY: Please include all locations of your enterprises, both <in your country> and abroad.]

[ONLY ONE ANSWER IS POSSIBLE]

[For non-euro area countries, the amounts in euro will be converted to national currency.]

up to €500,000 5

more than €500,000 and up to €1 million 6

more than €1 million and up to €2 million 7

more than €2 million and up to €10 million 2

more than €10 million and up to €50 million 3

more than €50 million 4

[DK/NA] 9

Survey on the access to finance of enterprises (SAFE)

D4_C. PANEL MEMBERS: [IF THE NEW CATEGORY DIFFERS SIGNIFICANTLY (I.E. BY MORE THAN ONE CATEGORY) FROM THE PREVIOUS WAVE, ASK THE FOLLOWING QUESTION.]

The last time your enterprise was interviewed, the turnover was <STATE ANSWER FROM PREVIOUS WAVE>. Can you confirm that it is now <STATE ANSWER FROM CURRENT WAVE>? [READ IF NECESSARY: If not, what is the correct category?]

D7. What percentage of your company's total turnover in 2020 is accounted for by exports of goods and services?

[READ IF NECESSARY: Exports comprise sales of goods or the provision of services to non-residents, including to foreign tourists visiting the relevant country.]

NUMERICAL ANSWER IN PERCENTAGES [0-100]

[DK/NA: -99]

D7_rec. [IF (NA/DK) ASK WHETHER ONE OF THE FOLLOWING CATEGORIES WOULD APPLY – ONLY ONE ANSWER IS POSSIBLE]

Which of the following categories apply?

0% – my enterprise did not export any goods and services last year 1

less than 25% 2

between 25% and 50% 3

over 50% 4

[DK] 9

D7_C. PANEL MEMBERS: [IF THE NEW CATEGORY DIFFERS SIGNIFICANTLY (I.E. BY MORE THAN ONE CATEGORY) FROM THE PREVIOUS WAVE, ASK THE FOLLOWING QUESTION.]

The last time your enterprise was interviewed, the share of total turnover accounted for by exports was <STATE ANSWER FROM PREVIOUS WAVE>. Can you confirm that it is now <STATE ANSWER FROM CURRENT WAVE>?

[READ IF NECESSARY: If not, what is the correct number?]

[FILTER: IF D7_rec FEATURES CODE 2, 3 OR 4 ("enterprise exported")]

QA1A. To which markets did your company export goods or services in 2020? Did you export to a country in Europe?

Yes 1

No 2

[DK] 99

[ONE ANSWER PER LINE]

Euro area [READ IF NECESSARY: countries that use the euro as their common currency, namely: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia or Spain] 1 2 99

Rest of European Union (this excludes the United Kingdom) [READ IF NECESSARY: Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Romania or Sweden] 1 2 99

10. The United Kingdom 1 2 99

European countries outside the European Union including Russia and excluding the United Kingdom [READ IF NECESSARY: Albania, Andorra, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Iceland, Kosovo, Liechtenstein, Moldova, Monaco, Montenegro, North Macedonia, Norway, Russia, San Marino, Serbia, Switzerland, Ukraine or Vatican City] 1 2 99

[FILTER: IF D7_rec FEATURES CODE 2, 3 OR 4 ("enterprise exported")]

QA1B. Did you export to markets outside Europe? 1 2 99

[FILTER: IF QA1B FEATURES CODE 1 ("YES - exported outside Europe")]

QA1C. To which of the following markets outside Europe did you export?

North America (the United States or Canada) 1 2 99

Latin America and the Caribbean 1 2 99

China 1 2 99

Rest of Asia and the Pacific 1 2 99

Middle East and North Africa 1 2 99

Rest of Africa 1 2 99

[FILTER: ALL ENTERPRISES]

D5. NEW RESPONDENTS:

In which year was your enterprise first registered?

[READ IF NECESSARY: In the case of a past acquisition, please refer to the year when the acquiring enterprise was registered or, in the case of a merger, to the largest enterprise involved (in terms of employees)].

D5. PANEL MEMBERS: Can you please confirm that your enterprise was registered in <STATE ANSWER FROM PREVIOUS WAVE>?

[READ IF NECESSARY: If not, what is the correct year?]

NUMERICAL ANSWER [1700-2021] <FOUR DIGITS, LESS OR EQUAL THAN YEAR OF SURVEY>

[DK/NA]

[THE AGE OF THE ENTERPRISE IS CALCULATED AS 2021 MINUS THE YEAR OF REGISTRATION.]

D5_rec. [IF NA/DK ASK WHETHER ONE OF THE FOLLOWING CATEGORIES WOULD APPLY – ONLY ONE ANSWER IS POSSIBLE]

Approximately, how old is your enterprise?

10 years or more 1

5 years or more, but less than 10 years 2

2 years or more, but less than 5 years 3

less than 2 years 4

[DK/NA] 9

Section 2 General information on the type and situation of the enterprise

We will now turn to your enterprise's current situation. When asked about the changes experienced by your enterprise over the past six months, please report just the changes that have occurred between April 2021 and now.

[FILTER: ALL ENTERPRISES]

Q0b. How important have the following problems been for your enterprise in the past six months? Please answer on a scale of 1-10, where 1 means it is not at all important and 10 means it is extremely important.

[ONE ANSWER PER LINE. DK/NA (CODE 99) OPTION PERMITTED]

Finding customers

Competition

Access to finance

[READ IF NECESSARY: Financing of your business – bank loans, trade credit, equity, debt securities, other external financing]

Costs of production or labour

[READ IF NECESSARY: If your company does not have production costs, please refer only to labour costs. Labour costs include wages, employee benefits and payroll taxes paid by an employer.]

Availability of skilled staff or experienced managers

Regulation, for example European and national laws, industrial regulations

Other, please specify

[READ IF NECESSARY: For "Other", please specify, "Is there anything else which has been a problem for your enterprise in the past six months?"]

[WRITE DOWN THE VERBATIM ANSWER. USE THE FOLLOWING CODES, IF THE ANSWER CAN BE CLASSIFIED AS ONE OF THE FOLLOWING CATEGORIES: 11 - Taxes, 12 - Cash flow / liquidity, 13 - Bureaucracy, 14 - Exchange rate fluctuations, 15 - Political instability/economic crisis, 16 - Brexit, 17 - Coronavirus (COVID-19)]

Q2. Have the following company indicators decreased, remained unchanged or increased over the past six months?

[ONLY ONE ANSWER PER LINE]

Increased 1

Remained unchanged 2

Decreased 3

[NOT APPLICABLE, ENTERPRISE HAS NO DEBT] 7

[DK/NA] 9

[AS REGARDS ITEM (d) and (j), IF THE COMPANY HAS NO DEBT, CODE 7 (NOT APPLICABLE) SHOULD BE USED.]

Turnover 1 2 3 9

Labour costs (including social contributions) 1 2 3 9

Other costs (materials, energy, other) 1 2 3 9

Interest expenses

[READ IF NECESSARY: what your company pays in interest for its debt] 1 2 3 7 9

Profit

[READ IF NECESSARY: net income after taxes] 1 2 3 9

(g) Investments in property, plant or equipment

[READ IF NECESSARY: fixed investment] 1 2 3 9

(h) Inventories and other working capital

[*READ IF NECESSARY: Inventories are the goods and materials that a business holds for the ultimate purpose of resale. *READ IF NECESSARY: Working capital is the difference between current assets, such as inventories and invoices, and current liabilities, that is, debt or other obligations coming due within a year.] 1 2 3 9

(i) Number of employees

[READ IF NECESSARY (IF RESPONDENTS GIVES THE NUMBER): Please indicate if it increased or decreased in the past six months] 1 2 3 9

(j) Debt compared to assets

[READ IF NECESSARY: that is the ratio of all kinds of debt to total assets] 1 2 3 7 9

Section 3 Financing of the enterprise

We will now turn to the financing of your enterprise.

Q4. Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future?

Please provide a separate answer in each case.

[ONE ANSWER PER LINE IS POSSIBLE (CODE 3, 7 OR 9)]

Yes, this source is relevant to my enterprise

[READ FOR THE FIRST TWO ITEMS, AFTERWARDS IF NECESSARY: that is, I have used it in the past or considered using it in the future] 3

No, this source is not relevant to my enterprise 7

[DK/NA] 9

[FOR EACH FINANCING SOURCE, IF THE ANSWER IS "YES" (CODE 3), ASK THE RELEVANT FOLLOW-UP QUESTION - ONE ANSWER PER LINE IS POSSIBLE (CODE 1, 2 OR 99)]

Yes 1

No 2

[DK/NA] 99

(c) Credit line, bank overdraft or credit cards overdraft.

[*READ IF NECESSARY: A credit line is a pre-arranged loan that can be used, in full or in part, at discretion and with limited advance warning.

*READ IF NECESSARY: The difference between a bank loan and a credit line is that in the case of a bank loan, the precise amount of loan and the dates of repayments are usually fixed, while in the case of a credit line, the borrower can draw only part of the money at discretion up to an agreed maximum balance, and interest is charged only on money actually withdrawn.

*READ IF NECESSARY: A bank overdraft is the negative balance on a bank account with or without specific penalties.

*READ IF NECESSARY: A credit card overdraft is a negative balance on a credit card.] 3 7 9

IF "YES" (CODE 3)

Have you drawn on such types of credit in the past six months? 1 2 99

(b) Grants or subsidised bank loans

[READ IF NECESSARY: involving, for example, support from public sources in the form of guarantees or reduced interest rate loans.] 3

7 9

IF "YES" (CODE 3)

Have you obtained new financing of this type in the past six months? 1 2 99

(d) Bank loan (excluding subsidised bank loans, overdrafts and credit lines)

[*READ IF NECESSARY: both short and long-term.

*READ IF NECESSARY: The difference between a bank loan and a credit line is that in the case of a bank loan, the precise amount of loan and the dates of repayments are usually fixed, while in the case of a credit line, the borrower can draw only part of the money at discretion up to an agreed maximum balance, and interest is charged only on money actually withdrawn.] 3 7 9

IF "YES" (CODE 3)

Have you taken out a new loan or renewed such a loan in the past six months? 1 2 99

(e) Trade credit

[READ IF NECESSARY: that means paying your suppliers at the later agreed date, usually 30, 60 or 90 days after the delivery of the purchased goods or services] 3 7 9

IF "YES" (CODE 3)

Have you obtained trade credit from your business partners in the past six months? 1 2 99

(f) Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit 3 7 9

IF "YES" (CODE 3)

Have you taken out or renewed such a loan in the past six months? 1 2 99

(m) Leasing or hire-purchase

[READ IF NECESSARY: obtaining the use of a fixed asset (for example, cars or machinery) in exchange for regular payments, but without the immediate ownership of the asset] 3 7 9

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- IF "YES" (CODE 3)
 Have you obtained new financing of this type in the past six months? 1 2 99
 (h) Debt securities issued [READ IF NECESSARY: short-term commercial paper or longer-term corporate bonds issued by your enterprise] 3 7 9
 IF "YES" (CODE 3) Have you issued any debt securities in the past six months? 1 2 99
 (j) Equity capital
 [*READ IF NECESSARY: Equity capital refers to raising capital through the sale of shares in your enterprise. It is usually associated with the financing of companies listed on an exchange via public offerings. It can also involve a private sale, in which the transaction between investors and the enterprise takes place directly.
 *READ IF NECESSARY: Equity capital includes quoted and unquoted shares or other forms of equity provided by the owners themselves or by external investors, including venture capital or business angels.
 *READ IF NECESSARY: Venture capital enterprises or business angels are individual investors providing capital or know-how to young innovative enterprises.] 3 7 9
 IF "YES" (CODE 3) Have you issued equity in the past six months? 1 2 99
 (r) Factoring
 [READ IF NECESSARY: selling your invoices to a factoring company; this company gets your debt and has to collect it; it will make a profit by paying you less cash than the face value of the invoice] 3 7 9
 IF "YES" (CODE 3) Have you used factoring in the past six months? 1 2 99
 (a) Retained earnings or sale of assets [READ IF NECESSARY: internal funds like cash or cash equivalent, resulting for instance from savings, retained earnings or sale of assets] 3 7 9
 IF "YES" (CODE 3) Have you retained earnings or sold assets in the past six months? 1 2 99
 (p) Other sources of financing, for example subordinated debt instruments, participating loans, peer-to-peer lending, crowdfunding
 [*READ IF NECESSARY: Subordinated debt is repayable only after other debts have been satisfied.
 *READ IF NECESSARY: A participating loan gives the lender the right to convert the loan into an ownership or equity interest in the company under specified clauses and conditions.
 *READ IF NECESSARY: Peer-to-peer lending consists of lending money to an unrelated individual or enterprise without a traditional financial intermediary, usually via dedicated online lending portals.
 *READ IF NECESSARY: Crowdfunding involves raising monetary contributions from a large number of people, typically via the internet] 3 7 9
 IF "YES" (CODE 3)
 Have you obtained such sources of financing in the past six months? 1 2 99
 [FILTER: IF ITEM Q4.d) (BANK LOANS) IS "NOT RELEVANT" (CODE 7)]

Q32. You mentioned that bank loans are not relevant for your enterprise. What is the main reason for this?

[ONLY ONE ANSWER IS POSSIBLE]

- Insufficient collateral or guarantee 1
 Interest rates or price too high 2
 Reduced control over the enterprise 3
 Too much paperwork is involved 6
 No bank loans are available 4
 I do not need this type of financing 8
 Other 5
 [DK] 9

[FILTER: FOR EACH Q4 ITEM THAT IS "RELEVANT" (CODE 1, 2, 99), NAMELY Q4.c), Q4.d), Q4.b), Q4.e), Q4.h) AND Q4.j), FILL THE RELEVANT ITEM IN Q5]

Q5. For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

[ONE ANSWER PER LINE IS POSSIBLE]

- Increased 1
 Remained unchanged 2
 Decreased 3
 [INSTRUMENT NOT APPLICABLE TO MY ENTERPRISE] 7
 [DK] 9

[FILTER: IF Q4.c) FEATURES CODE 1, 2 OR 99]

(f) Credit line, bank overdraft or credit card overdraft 1 2 3 7 9

[FILTER: IF Q4.d) OR Q4.b) FEATURES CODE 1, 2 OR 99]

(a) Bank loans (excluding overdraft and credit lines) 1 2 3 7 9

[FILTER: IF Q4.e) FEATURES CODE 1, 2 OR 99]

(b) Trade credit 1 2 3 7 9

[FILTER: IF Q4.j) FEATURES CODE 1, 2 OR 99]

(c) Equity capital [READ IF NECESSARY: including venture capital or business angels] 1 2 3 7 9

[FILTER: IF Q4.h) FEATURES CODE 1, 2 OR 99]

(d) Debt securities issued [READ IF NECESSARY: short-term commercial paper or longer-term corporate bonds issued by your enterprise] 1 2 3 7 9

[FILTER: IF Q4.m) FEATURES CODE 1, 2 OR 99]

(g) Leasing or hire-purchase [READ IF NECESSARY: obtaining the use of a fixed asset, for example, cars or machinery, in exchange for regular payments, but without the immediate ownership of the asset] 1 2 3 7 9

[FILTER: IF Q4.f) FEATURES CODE 1, 2 OR 99]

(h) Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit 1 2 3 7 9

[FILTER: IF Q4.b) OR Q4.c) OR Q4.d) IS "RELEVANT" (CODE 3)]

Q7A. Have you applied for the following types of financing in the past six months?

[READ IF NECESSARY: Please also take into account renewal of the existing contracts.]

[ONE ANSWER PER LINE IS POSSIBLE]

- Applied 1
 Did not apply because of possible rejection 2
 Did not apply because of sufficient internal funds 3
 Did not apply for other reasons 4
 [DK/NA] 9

[FILTER: IF Q4.c) FEATURES CODE 1, 2 OR 99]

(d) Credit line, bank overdraft or credit card overdraft 1 2 3 4 9

[FILTER: IF Q4.d) OR Q4.b) FEATURES CODE 1, 2 OR 99]

- (a) Bank loan (excluding overdraft and credit lines) 1 2 3 4 9
 [FILTER: IF Q4.e) FEATURES CODE 1, 2 OR 99]
- (b) Trade credit [READ IF NECESSARY: It covers not only an explicit request for trade credit to the business partners, but also if you have received a trade credit within a standard business practice] 1 2 3 4 9
 [FILTER: IF AT LEAST ONE OF THE Q4 ITEMS Q4.f), Q4.h), Q4.j), Q4.m), Q4.r) OR Q4.p) IS "RELEVANT" (CODE 1, 2, 99)]
- (c) Other external financing [READ IF NECESSARY: for example, loans from a related company, shareholders or family and friends, leasing, factoring, grants, subordinated debt instruments, participating loans, peer-to-peer lending, crowdfunding, and issuance of equity and debt securities] 1 2 3 4 9
 [FILTER: FOR EACH Q7A ITEM THAT IS "APPLIED" (CODE 1), FILL THE RELEVANT ITEM IN Q7B]

Q7B. If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome? Please provide a separate answer in each case.

[ONLY ONE ANSWER PER LINE IS POSSIBLE]

- Received everything 1
 Received 75% and above
 [DO NOT READ: received most of it] 5
 Received below 75%
 [DO NOT READ: only received a limited part of it] 6
 Refused because the cost was too high 3
 Was rejected 4
 Application is still pending 8
 [DK] 9

[FILTER: IF Q7A.d) FEATURES CODE 1]

- (d) Credit line, bank overdraft or credit card overdraft 1 3 4 5 6 8 9

[FILTER: IF Q7A.a) FEATURES CODE 1]

- (a) Bank loan (excluding overdraft and credit lines) 1 3 4 5 6 8 9

[FILTER: IF Q7A.b) FEATURES CODE 1]

- (b) Trade credit 1 3 4 5 6 8 9

[FILTER: IF Q7A.c) FEATURES CODE 1]

- (c) Other external financing

[READ IF NECESSARY: for example, loans from a related company, shareholders or family and friends, leasing, factoring, grants, subordinated debt instruments, participating loans, peer-to-peer lending, crowdfunding, and issuance of equity and debt securities] 1 3 4 5 6 8 9

[FILTER: IF Q7B.a) FEATURES CODE 1, 3, 4, 5, 6 OR 8]

Q8A. What is the size of the last bank loan that your enterprise...

[IF Q7B. a) FEATURES CODE 1, 5 or 6]

...obtained or renegotiated in the past six months?

[IF Q7B. a) FEATURES CODE 3, 4 or 8]

...attempted to obtain in the past six months?

[ONLY ONE ANSWER IS POSSIBLE]

[For non-euro area countries, the amounts in euro will be converted into national currency.]

- up to €25,000 1
 more than €25,000 and up to €100,000 2
 more than €100,000 and up to €250,000 5
 more than €250,000 and up to €1 million 6
 over €1 million 4
 [DK/NA] 9

[FILTER: IF Q7B.d) FEATURES CODE 1, 3, 5 OR 6]

Q8B_TYPE. What interest rate was charged for the credit line or bank overdraft for which you applied? Was it fixed or variable rate?

[READ IF NECESSARY: variable interest rates are generally characterised by the reference rate and the spread, for example 6-month EURIBOR plus 1.5%.]

fixed 1

variable 2

[FILTER: IF Q8B_TYPE IS "FIXED" (CODE 1)]

Q8B_FIX. Please indicate the interest rate.

NUMERICAL ANSWER IN PERCENTAGES [0-100],

UP TO FOUR DECIMAL PLACES, SEPARATED BY DECIMAL POINT, FOR EXAMPLE: 12.5988%, 0.5%

[DK/NA: -99]

[FILTER: IF Q8B_TYPE IS "VARIABLE" (CODE 2)]

Q8B_VAR. Please indicate the name of the reference rate and the spread

[READ IF NECESSARY: variable interest rates are characterised by the reference rate, the maturity of the reference rate and the spread, for example 6-month EURIBOR plus 1.5%. The most frequently used reference rate in the euro area is EURIBOR, the euro interbank offered rate. The maturity of the reference rate usually varies from 1 week to 12 months. The spread is a fixed percentage over the reference rate]

Q8B_VAR_REFERENCE RATE

What was the reference rate?

DROP-DOWN LIST:

- EURIBOR – 1 week 1
 EURIBOR – 1 month 3
 EURIBOR – 3 months 5
 EURIBOR – 6 months 6
 EURIBOR – 12 months 8
 EURIBOR – unknown maturity 9

EONIA [READ IF NECESSARY: euro overnight index average] 10

Other, please specify 11

[DK] -99

[FILTER: IF Q8B_REF_RATE FEATURES CODE 11]

Q8B_VAR_OTHER. What was the reference rate?

VERBATIM ANSWER [0-30 CHARACTERS]

[DK/NA: -99]

[FILTER: IF Q8B_TYPE IS "VARIABLE" (CODE 2)]

Q8B_VAR_SPREAD. What was the spread?

NUMERICAL ANSWER IN PERCENTAGES [0-100],

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UP TO FOUR DECIMAL PLACES, SEPARATED BY DECIMAL POINT, FOR EXAMPLE: 12.5988%, 0.5%

[DK/NA: -99]

[FILTER: IF Q8B_VAR_REF_RATE IS "DK" (CODE -99)]

Q8B_VAR_TOTAL. If you do not know the reference rate, what was the final interest rate charged by the bank?

[READ IF NECESSARY: that is the sum of reference rate and the spread]

Final interest rate:

NUMERICAL ANSWER IN PERCENTAGES [0-100],

UP TO FOUR DECIMAL PLACES, SEPARATED BY DECIMAL POINT, FOR EXAMPLE: 12.5988%, 0.5%

[DK/NA: -99]

[IF Q8B_FIX, Q8B_VAR_SPREAD OR Q8B_VAR_TOTAL IS HIGHER THAN 15%, THEN READ: The interest rate charged is relatively high.

Could you confirm that it was indeed <STATE ANSWER OF THE RESPONDENT> percent?]

[IF Q8B_FIX OR Q8B_TOTAL IS EQUAL TO 0%, THEN READ: Could you confirm that no interest rate was indeed charged?]

[FILTER: ALL ENTERPRISES]

Q6A. For what purpose was financing used by your enterprise during the past six months?

[READ IF NECESSARY: Financing could have been obtained both from the external sources and from funds generated by your enterprise.]

Yes 1

No 2

[DK/NA (NOT APPLICABLE TO MY ENTERPRISE - I HAVE NOT USED ANY FINANCING)] 99

Investments in property, plant or equipment [READ IF NECESSARY: fixed investment] 1 2 99

Inventory and other working capital 1 2 99

Hiring and training of employees 1 2 99

Developing and launching of new products or services 1 2 99

Refinancing or paying off obligations 1 2 99

Other 1 2 99

[FILTER: ALL ENTERPRISES]

Section 4 Availability of finance and market conditions

In this part of the survey, we would like to ask about your enterprise's experiences and views on the availability of finance and market conditions.

Q11. For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?

[ONE ANSWER PER LINE]

Improved 1

Remained unchanged 2

Deteriorated 3

[NOT APPLICABLE TO MY ENTERPRISE - ONLY FOR b), e), f), g), h)] 7

[DK] 9

General economic outlook, insofar as it affects the availability of external financing 1 2 3 9

Access to public financial support, including guarantees 1 2 3 7 9

Your enterprise-specific outlook with respect to your sales and profitability or business plan

[READ IF NECESSARY: insofar as it affects the availability of external financing for you] 1 2 3 9

Your enterprise's own capital

[READ IF NECESSARY: capital provided by the owners or shareholders of the enterprise] 1 2 3 9

Your enterprise's credit history

[READ IF NECESSARY: in other words, your credit worthiness, that is your track record of repaying past debts] 1 2 3 7 9

[FILTER: IF THE ITEM Q4.c) (CREDIT LINE, BANK OVERDRAFT, CREDIT CARD OVERDRAFT), Q4.d) (BANK LOAN) OR Q4.b)

(SUBSIDISED BANK LOAN) IS "RELEVANT" (CODE 1, 2, 99)]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.d), OR Q7A.a)]

(f) Willingness of banks to provide credit to your enterprise

[READ IF NECESSARY: lender's attitude] 1 2 3 7 9

[FILTER: IF THE ITEM Q4.e) (TRADE CREDIT) IS "RELEVANT" (CODE 3)]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.b)]

(g) Willingness of business partners to provide trade credit

[READ IF NECESSARY: business partners' attitude] 1 2 3 7 9

[FILTER: IF ONE OF THE Q4 ITEMS Q4.f) (OTHER LOAN), Q4.h) (DEBT SECURITIES), Q4.j) (EQUITY CAPITAL) OR Q4.p) (OTHER

SOURCES OF FINANCING) IS "RELEVANT" (CODE 1, 2, 99)]

(h) Willingness of investors to invest in your enterprise [READ IF NECESSARY: investors' attitudes towards, for example, investing in equity or

debt securities issued by your enterprise] 1 2 3 7 9

[FILTER: FOR EACH OF THE Q4 ITEMS THAT ARE "RELEVANT" (CODE 1, 2, 99), NAMELY Q4.c), Q4.d), Q4.b), Q4.e), Q4.h) AND Q4.j),

FILL THE RELEVANT ITEM IN Q9]

Q9. For each of the following types of financing, would you say that their availability has improved, remained unchanged or deteriorated for your enterprise over the past six months?

[ONE ANSWER PER LINE]

Improved 1

Remained unchanged 2

Deteriorated 3

[NOT APPLICABLE TO MY ENTERPRISE] 7

[DK] 9

[FILTER: IF Q4.c) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.d)]

(f) Credit line, bank overdraft or credit card overdraft 1 2 3 7 9

[FILTER: IF Q4.d) OR Q4.b) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.a)]

(a) Bank loans (excluding overdraft and credit lines) 1 2 3 7 9

[FILTER: IF Q4.e) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.b)]

(b) Trade credit 1 2 3 7 9

[FILTER: IF Q4.j) FEATURES CODE 1, 2 OR 99]

(c) Equity capital [READ IF NECESSARY: including venture capital or business angels] 1 2 3 7 9

[FILTER: IF Q4.h) FEATURES CODE 1, 2 OR 99]

(d) Debt securities issued

[READ IF NECESSARY: short-term commercial paper or longer-term corporate bonds issued by your enterprise] 1 2 3 7 9

[FILTER: IF Q4.m) FEATURES CODE 1, 2 OR 99]

(g) Leasing or hire-purchase

[READ IF NECESSARY: obtaining the use of a fixed asset (for example, cars or machinery) in exchange for regular payments, but without the immediate ownership of the asset] 1 2 3 7 9

[FILTER: IF Q4.f) FEATURES CODE 1, 2 OR 99]

(h) Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit 1 2 3 7 9

[FILTER: Q7A.A) OR Q7A.D) IS "APPLIED" (CODE 1) (BANK LOANS, AND CREDIT LINES, BANK OVERDRAFT AND CREDIT CARD OVERDRAFTS)]

Q10. We will turn now to the terms and conditions of bank financing, such as bank loans, overdrafts and credit lines. Please indicate whether the following items increased, remained unchanged or decreased in the past six months.

[ONE ANSWER PER LINE]

Was increased by the bank 1

Remained unchanged 2

Was decreased by the bank 3

[DK/NA] 9

Price terms and conditions:

Level of interest rates 1 2 3 9

Level of the cost of financing other than interest rates, such as charges, fees, commissions 1 2 3 9

Non-price terms and conditions:

Available size of loan or credit line 1 2 3 9

Available maturity of the loan 1 2 3 9

Collateral requirements

[READ IF NECESSARY: the security given by the borrower to the lender as a pledge for the repayment of the loan] 1 2 3 9

Other, for example, required guarantees, information requirements, procedures, time required for loan approval, loan covenants

[READ IF NECESSARY: an agreement or stipulation laid down in loan contracts under which the borrower pledges either to take certain action or to refrain from taking certain action] 1 2 3 9

[FILTER: FOR EACH Q4 ITEM THAT IS "RELEVANT" (CODE 1, 2, 99), NAMELY Q4.c), Q4.d), Q4.e), Q4.h), Q4.j) and Q4.a), FILL THE RELEVANT ITEM IN Q23]

Q23. Looking ahead, for each of the following types of financing available to your enterprise, please indicate whether you think their availability will improve, deteriorate or remain unchanged over the next six months.

[ONE ANSWER PER LINE]

Will improve 1

Will remain unchanged 2

Will deteriorate 3

[INSTRUMENT NOT APPLICABLE TO MY ENTERPRISE] 7

[DK] 9

[FILTER: IF Q4.c) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.d)]

(g) Credit line, bank overdraft or credit card overdraft 1 2 3 7 9

[FILTER: IF Q4.d) OR Q4.b) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.a)]

(b) Bank loans (excluding overdraft and credit lines) 1 2 3 7 9

[FILTER: IF Q4.e) FEATURES CODE 1, 2 OR 99]

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES HAVING "APPLIED" (CODE 1) IN Q7A.b)]

(d) Trade credit 1 2 3 7 9

[FILTER: IF Q4.j) FEATURES CODE 1, 2 OR 99]

(c) Equity capital

[READ IF NECESSARY: including venture capital or business angels] 1 2 3 7 9

[FILTER: IF Q4.h) FEATURES CODE 1, 2 OR 99]

(e) Debt securities issued

[READ IF NECESSARY: short-term commercial paper or longer-term corporate bonds issued by your enterprise] 1 2 3 7 9

[FILTER: IF Q4.a) FEATURES CODE 1, 2 OR 99]

(a) Retained earnings or sale of assets [READ IF NECESSARY: internal funds] 1 2 3 7 9

[FILTER: IF Q4.m) FEATURES CODE 1, 2 OR 99]

(i) Leasing or hire-purchase

[READ IF NECESSARY: obtaining the use of a fixed asset (for example, cars or machinery) in exchange for regular payments, but without the immediate ownership of the asset] 1 2 3 7 9

[FILTER: IF Q4.f) FEATURES CODE 1, 2 OR 99]

(j) Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit 1 2 3 7 9

[FILTER: ALL ENTERPRISES]

Q26. Looking ahead, please indicate whether you think your company's turnover will increase, decrease or remain unchanged over the next six months.

[ONE ANSWER PER LINE]

Will increase 1

Will remain unchanged 2

Will decrease 3

[DK] 9

QA2. We will turn now to the subject of late payments. Has your company experienced problems due to late payments from any private or public entities in the past six months?

[READ IF NECESSARY: a late payment is a payment not made within the contractual or statutory period of payment, unless the debtor is not responsible for the delay, and when the creditor has fulfilled all its legal and contractual obligations]

[ONLY ONE ANSWER IS POSSIBLE]

Yes, regularly 1

Yes, occasionally 2

No 3

[DK] 99

[FILTER: IF QA2 FEATURES CODE 1 OR 2 ("YES")]

QA3. What were the consequences of those late payments?

Yes 1

No 2
 [DK/NA] 99
 [ONE ANSWER PER LINE]
 It affected payments to suppliers 1 2 99
 It affected investments or new recruitment 1 2 99
 It delayed repayments of loans or we had to use additional financing 1 2 99
 It affected production or operations 1 2 99

[FILTER: ALL ENTERPRISES]

Section 5 Future, growth and obstacles to growth

Finally, we would like to ask you a few questions about the longer-term prospects for your enterprise.

[FILTER: ALL ENTERPRISES]

Q1. During the past 12 months have you introduced...?

[ONE ANSWER PER LINE]

Yes 1
 No 2
 [DK/NA] 9
 ... a new or significantly improved product or service to the market 1 2 9
 ... a new or significantly improved production process or method
 [READ IF NECESSARY: not applicable if the enterprise does not produce anything] 1 2 9
 ... a new organisation of management
 [READ IF NECESSARY: for example, re-organisation of different parts of the enterprise or reporting hierarchy to increase efficiency or reduce costs] 1 2 9
 ... a new way of selling your goods or services 1 2 9

Q16. Over the past three years (2018-2020), how much did your enterprise grow on average per year ...?

[ONE ANSWER PER LINE]

Over 20% per year 1
 Less than 20% per year 2
 No growth 3
 Got smaller 4
 [NOT APPLICABLE, THE ENTERPRISE IS TOO RECENT] 7
 [DK] 9
 [CODE 7 IS NOT TO BE USED FOR ENTERPRISES REGISTERED BEFORE 2018 (QUESTION D5)]
 in terms of employment regarding the number of full-time or full-time equivalent employees ? 1 2 3 4 7 9
 and in terms of turnover? 1 2 3 4 7 9

Q17. Considering the turnover over the next two to three years (2021-2023), how much does your enterprise expect to grow per year?

[ONLY ONE ANSWER IS POSSIBLE]

Grow substantially – over 20% per year in terms of turnover 1
 Grow moderately – below 20% per year in terms of turnover 2
 Stay the same size 3
 Become smaller 4
 [DK/NA] 9

Q19. Do you feel confident talking about financing with banks and that you will obtain the desired results? And how about with equity investors/venture capital enterprises?

[ONE ANSWER PER LINE]

Yes 1
 No 2
 [NOT APPLICABLE] 7
 [DK] 9
 with banks 1 2 7 9
 with equity investors/venture capital enterprises 1 2 7 9
 [FILTER: IF Q17 FEATURES CODE 1 OR 2 (ENTERPRISE EXPECTS TO GROW)]

Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?

[ONLY ONE ANSWER IS POSSIBLE]

Bank loan 1
 Loan from other sources, for example trade credit, related enterprises, shareholders, public sources 2
 Equity capital [READ IF NECESSARY: including venture capital or business angels] 3
 Other 5
 [DK/NA] 9
 [FILTER: IF Q17 FEATURES CODE 1 OR 2 (ENTERPRISE EXPECTS TO GROW)]

Q21. If you need external financing to realise your growth ambitions over the next two to three years [READ IF NECESSARY: that is, 2021 to 2023], what amount of financing would you aim to obtain?

[ONLY ONE ANSWER IS POSSIBLE]

[For non-euro area countries, the amounts in euro will be converted to national currency.]

up to €25,000 1
 more than €25,000 and up to €100,000 2
 more than €100,000 and up to €250,000 5
 more than €250,000 and up to €1 million 6
 over €1 million 4
 [DK/NA] 9
 [FILTER: IF Q20 FEATURES A BANK LOAN, A LOAN FROM OTHER SOURCES OR EQUITY INVESTMENT RESPECTIVELY (CODE 1, 2 OR 3)]

Q22. What do you see as the most important limiting factor to get this financing?

[ONLY ONE ANSWER IS POSSIBLE]

There are no obstacles 8

Insufficient collateral or guarantee [NOT TO BE USED IF Q20 FEATURES EQUITY CAPITAL (CODE 3)]	1
Interest rates or price too high	2
Reduced control over the enterprise	3
Too much paperwork is involved	6
Financing not available at all	4
Other	5
[DK/NA]	9

[FILTER: ALL ENTERPRISES]

C1/ Would you like to receive a copy of the published results?

[READ IF NECESSARY: In addition to the public report, you will also receive a report that is made available only to survey respondents.]

[SINGLE CODE]

Yes 1

READ: Please provide your email address and we will send you a link to the publication.

WRITE EMAIL ADDRESS. CONFIRM EMAIL ADDRESS.

No 2

C3/ This survey will be repeated in around six months. Your input constitutes an important part of the findings that the European Central Bank and the European Commission use to inform their policies that contribute to smoothing businesses' access to finance. Are you willing to be contacted on this topic again?

[SEVERAL ANSWERS POSSIBLE (NOT IN COMBINATION WITH CODE 2)]

Yes, via telephone CONFIRM AND MAKE A NOTE OF THE RESPONDENT'S FULL NAME] 3

Yes, via email (for web-based survey) [CONFIRM AND MAKE A NOTE OF THE RESPONDENT'S FULL NAME AND EMAIL ADDRESS]4

No 2

[Quality control]

For quality control purposes, may I please note down your name and job title?

Name: [VERBATIM]

Telephone: [VERBATIM]

Email: [VERBATIM]

Job title

Owner 1

Finance manager 2

Finance director 3

Chief financial officer (CFO) 4

Chief Executive Officer (CEO) 6

Managing director 7

Other, please specify [WRITE DOWN THE VERBATIM ANSWER] 5

C4/ Do you agree to share your contact details with the European Central Bank and the European Commission in order to complement other information already included in business registers? Please note that any information you may provide will be used solely for scientific and policy research purposes.

[SINGLE CODE]

Yes 1

No 2

Those are all of the questions. Thank you for your time.

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