



2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT

Ireland

This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.

Table of contents of the SME-focused topics


KEY NOWCASTS & FORECASTS	2
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	2
SOCIAL ASPECTS OF SUSTAINABILITY	3
DIGITALISATION	4
INNOVATION	5
SKILLS	5
ADMINISTRATIVE BURDEN	6
REGULATORY OBSTACLES	6
ACCESS TO FINANCE	7
LATE PAYMENTS	8
ACCESS TO MARKETS	9
START-UP ENVIRONMENT	10
SCALE-UP ENVIRONMENT	10
IMPACT OF THE COVID-19 CRISIS	11
NATIONAL RECOVERY AND RESILIENCE PLAN	12
NATIONAL INDUSTRIAL ECOSYSTEMS*	12
OTHER RELEVANT TOPICS	13



Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS	 KEY NOWCASTS & FORECASTS
In 2021, SMEs in Ireland grew by 5.0% in value added and 1.2% in employment. SMEs were outperformed by large enterprises, which grew by 20.2% in value added and 3.3% in employment.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
SMEs in the <i>digital</i> ecosystem generated outstanding growth in both 2020 and 2021. SME value added increased by 26.6% in 2020 and 10.4% in 2021, while SME employment grew by 4.9% and 8.4% respectively.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>tourism</i> ecosystem, which experienced a sharp decline in both SME value added (-10.0%) and SME employment (-5.7%) in 2020, recovered partially in terms of value added, with a growth rate of 2.6% in 2021. However, SME employment declined by a further 6.6% in 2021.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
Based on data from early 2022, it was expected that SME value added and SME employment in Ireland would continue to grow by 8.1% and 2.2% respectively, but Russia's war of aggression against Ukraine will affect these estimates.	Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database and forecasts from the AMECO database.
Irish SMEs accounted for 68.0% of employment in 2021, slightly above the EU average of 64.4%. However, at 30.2%, the share of SMEs in value added in Ireland is significantly lower than the EU average (51.8%).	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	 ENVIRONMENTAL ASPECTS OF SUSTAINABILITY
The Government launched the 'Climate Toolkit 4 Business' in December 2021 – an online toolkit to enable Irish SMEs to take steps to reduce their climate impact and make sustainable choices. By entering information such as energy and water bills and usage data, and company travel and freight data, SMEs can gauge their carbon footprint and develop a tailored action plan to reduce their environmental impact.	<p>Irish Government, Climate Toolkit 4 Business, December 2021: https://www.climatetoolkit4business.gov.ie/</p> <p>Department of Enterprise, Trade and Employment and the Department of the Environment, Climate and Communications, Tánaiste and Minister Ryan launch new website to help SMEs decarbonise, December 2021: https://www.gov.ie/en/press-release/e2eaa-tanaiste-and-minister-ryan-launch-new-website-to-help-smes-decarbonise7</p>
Research conducted at ACCA Ireland's Sustainability in Finance event found that 83% of SMEs believe that future funding and access to finance will be directly related to their environmental sustainability performance, driven by pressure from lenders and regulators.	<p>ACCA Ireland/Global, Going Green Pays Off, September 2021: https://abmagazine.accaglobal.com/global/articles/2021/sep/business/going-green-pays-off.html</p> <p>Irish Independent, SMEs Lacking Green Credentials Risk Banks Boycott, July 2021: https://www.independent.ie/business/small-business/smes-lacking-green-credentials-risk-banks-boycott-40604036.html</p>
Ireland's Environmental Protection Agency (EPA) published revised guidance on Green Public Procurement in September 2021. The guidance provides step-by-step instructions and criteria for implementing green public procurement in line with policy and legislation for use when procuring goods and services across the public sector.	<p>Environmental Protection Agency (EPA), EPA publishes Green Public Procurement: Guidance for the Public Sector, September 2021: https://www.epa.ie/news-releases/news-releases-2021/epa-publishes-green-public-procurement-guidance-for-the-public-sector.php</p>

<p>In June 2021, the Irish Government launched its Rebuilding Sustainable Enterprises Strategy, which includes an allocation of €10 million in government grant funding, as well as €55 million in EU funding as part of Ireland's National Recovery and Resilience Plan (NRRP), to support enterprise decarbonisation and sustainability.</p>	<p>Government of Ireland, Department of the Taoiseach, Pillar 3: Re-building Sustainable Enterprises, June 2021: https://www.gov.ie/ga/foilsuichan/d28d9-pillar-3-re-building-sustainable-enterprises/</p> <p>Department of Enterprise, Trade and Employment, April 2021: https://www.gov.ie/en/press-release/9f10e-tanaiste-and-minister-ryan-launch-new-climate-fund-to-help-businesses-adapt/</p>
<p>The enterprise sector (associated with production processes, i.e.: manufacturing combustion, industrial processes and fluorinated or F-gases) accounts for 13% of Ireland's emissions, so it has an important role to play in Ireland's national Climate Action Strategy, helping to reduce national emissions by 7% annually and by 51% by 2030. Other key emitters include sectors such as agriculture (37%), energy (15%), transport (18%) and residential (12%).</p>	<p>Knowledge Transfer Ireland, Press Release, Tánaiste announces €338,000 for new Technology Gateway to help business become more energy efficient, March 2021: https://www.knowledgetransferireland.com/News/T%C3%A1naiste-announces-%E2%82%AC338-000-for-new-Technology-Gateway-to-help-business-become-more-energy-efficient.html</p> <p>Department of Enterprise, Trade and Employment, Press Release, Enterprise Ireland encourages companies to start planning for a green future now, May 2021: https://enterprise.gov.ie/en/News-And-Events/Department-News/2021/May/20210526.html</p> <p>Environmental Protection Agency (EPA), Latest emissions data, September 2021: https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/latest-emissions-data/</p>
<p>A small number of large companies account for the largest share (71%) of enterprise sector emissions and are covered by the EU Emissions Trading System (ETS); however, SMEs account for a large proportion of enterprise emissions outside of the EU ETS, including those working with industrial gases (F-gases – e.g.: used in refrigeration, air conditioning and semiconductor manufacturing).</p>	<p>Knowledge Transfer Ireland, Press Release, Tánaiste announces €338,000 for new Technology Gateway to help business become more energy efficient, March 2021: https://www.knowledgetransferireland.com/News/T%C3%A1naiste-announces-%E2%82%AC338-000-for-new-Technology-Gateway-to-help-business-become-more-energy-efficient.html</p> <p>Department of Enterprise, Trade and Employment, Press Release, Enterprise Ireland encourages companies to start planning for a green future now, May 2021: https://enterprise.gov.ie/en/News-And-Events/Department-News/2021/May/20210526.html</p>
<p>SOCIAL ASPECTS OF SUSTAINABILITY</p>	
<p>An estimated 1 400 Social Enterprises are operating in communities all over Ireland, offering essential services and tackling problems in society, such as food poverty, housing or environmental issues.</p>	<p>Recycle IT, Social Enterprise in Ireland, July 2021: https://communityrecycleit.wordpress.com/2021/07/15/social-enterprise-in-ireland/</p>
<p>The social enterprise sector in Ireland supports approximately 25 000–35 000 jobs, about €1.4 billion in economic activity and addresses numerous challenges faced by Irish society.</p>	<p>Recycle IT, Social Enterprise in Ireland, July 2021: https://communityrecycleit.wordpress.com/2021/07/15/social-enterprise-in-ireland/</p>
<p>The Social Enterprise and Employment Strategy 2021-2023 allocates €1.5 million to encourage social enterprises to employ people with previous convictions, and to enable those with past</p>	<p>Department of Justice, Press Release, Minister McEntee launches strategy to help reduce recidivism by supporting employment options for people with past convictions, November 2020:</p>



**SOCIAL
ASPECTS OF
SUSTAINABILITY**


convictions to qualify for civil and public service positions and to become entrepreneurs.	https://www.gov.ie/en/press-release/63311-minister-mcentee-launches-strategy-to-help-reduce-recidivism-by-supporting-employment-options-for-people-with-past-convictions/ Department of Justice, Working to Change: Social Enterprise and Employment Strategy 2021-2023, November 2020: https://www.gov.ie/en/publication/76b9e-working-to-change-social-enterprise-and-employment-strategy-2021-2023/
EUR 400 000 in public-private grant funding is being made available to social enterprises in 2021 to help lead the post-Covid economic and social recovery through Rethink Ireland's Social Enterprise Development Fund 2021.	Dún Laoghaire-Rathdown County Council, Press Release, Rethink Ireland's Social Enterprise Development Fund 2021 - Open for Applications, February 2021: https://www.dlrcoco.ie/en/news/general-news/rethink-ireland%E2%80%99s-social-enterprise-development-fund-2021-open-applications Rethink Ireland, Social Enterprise Development Fund 2021, July 2021: https://rethinkireland.ie/awarded_fund/social-enterprise-development-fund-2021/
DIGITALISATION  DIGITALISATION	
Research commissioned by Virgin Media Ireland reveals that 87% of businesses have invested in digital technologies over the past year, and 1 in 5 have already spent over €100 000, with nearly a third of businesses intending to invest that much over the next 2 years.	Digital Business Ireland, Press Release, 1 in 5 Irish businesses invested over €100,000 in digital technology during pandemic – Research, October 2021: https://www.digitalbusinessireland.ie/news/backing-business-dbi/?utm_source=rss&utm_medium=rss&utm_campaign=backing-business-dbi
Virgin Media Ireland research shows that the main areas of investment made by the businesses surveyed were IT hardware or infrastructure (32%), IT software and applications (31%), followed by cloud storage or services (12%) and e-commerce and marketplace technologies (12%).	Digital Business Ireland, Press Release, 1 in 5 Irish businesses invested over €100,000 in digital technology during pandemic – Research, October 2021: https://www.digitalbusinessireland.ie/news/backing-business-dbi/?utm_source=rss&utm_medium=rss&utm_campaign=backing-business-dbi
A 2021 survey of 500 SMEs, commissioned by Vodafone Ireland, reveals that 65% of firms with 10 to 49 employees have invested in cloud computing, while the number for smaller firms of 1 to 9 employees stands at 47%.	Vodafone Ireland, Press Release, COVID-19 and the Irish SME sector: supporting recovery and growth, February 2021: https://www.vodafone.com/business/news-and-insights/blog/gigabit-thinking/covid-19-and-the-irish-sme-sector-supporting-recovery-and-growth Vodafone Ireland, Covid-19 and The Irish SME Sector: Supporting Recovery and Growth, February 2021, page 3: https://vodafone.digital-hub.global/vodafone-covid19-and-the-irish-sme-sector-supporting-recovery-and-growth-report/p/3
Digital adoption in Ireland is being driven by the National AI Strategy and substantial digital initiatives (as part of the National Recovery and Resilience Plan) to a total value of EUR 295 million.	Government of Ireland, Department of the Taoiseach, June 2021: https://www.gov.ie/ga/foilsuichan/d28d9-pillar-3-re-building-sustainable-enterprises/
The Digital Transition Fund will be launched as part of Ireland's National Resilience and Recovery Plan by the end of Q2 2026. The DTF (EUR 85 million	


through to 2026) will help SMEs at all stages of their digital journey. It will increase digitalisation of all businesses across products, processes, supply chains and business models. This will bring about productivity gains, access to new markets, increased innovation and improved competitiveness. EUR 10 million was allocated under Budget 2022.	
The National Digital Strategy was launched in February 2022. It is a high-level framework that sets out a pathway to drive and enable the digital transition across the economy and society, to maximise the well-being of our citizens, the efficiency of public services, the productivity and innovation of enterprise, as well as our overall competitiveness and sustainability. The Strategy focuses on four core dimensions across Business; Infrastructure; Skills; and Public Services, in line with the four cardinal points of the EU's Digital Compass.	gov.ie - Harnessing Digital - The Digital Ireland Framework (www.gov.ie)
INNOVATION  INNOVATION	
The latest CSO figures on R&D business expenditure published in March 2021 show that R&D spent by Irish-owned enterprises increased by 12.1% or €104.1 million, up from €858.8 million in 2017 to €963 million in 2019, and was expected to grow to €978 million in 2020.	Central Statistics Office (CSO), CSO Statistical Release, Business Expenditure on Research and Development 2019-2020, March 2021: https://www.cso.ie/en/releasesandpublications/er/berd/businessexpenditureonresearchdevelopment2019-2020/
The latest CSO figures on R&D business expenditure published in March 2021 show that SMEs accounted for 33.9% of total R&D spent in 2019, with small enterprises accounting for 14.3% of total spending and medium-sized enterprises accounting for 19.6%.	Central Statistics Office (CSO), CSO Statistical Release, Business Expenditure on Research and Development 2019-2020, March 2021: https://www.cso.ie/en/releasesandpublications/er/berd/businessexpenditureonresearchdevelopment2019-2020/
The latest CSO figures on R&D business expenditure published in March 2021 show that a total of 27,755 persons were engaged in R&D in Ireland in 2019, with more than half (54.6%) employed by SMEs, 28.8% (7,995) employed by small enterprises and 25.8% (7,164) by medium-sized enterprises.	Central Statistics Office (CSO), CSO Statistical Release, Business Expenditure on Research and Development 2019-2020, March 2021: https://www.cso.ie/en/releasesandpublications/er/berd/businessexpenditureonresearchdevelopment2019-2020/
SKILLS  SKILLS	
Dublin Chamber's Quarterly Business Survey for Q4 2021 revealed that more than half (54%) of the 300 companies surveyed view staff retention and recruitment as their biggest challenge in 2022.	Dublin Chamber, Dublin Chamber Q4 Survey, December 2021: https://dublinchamber.ie/News-and-Media/News-Article/ArtMID/1537/ArticleID/289/Dublin-Chamber-Q4-Survey
The Expert Group on Future Skills Needs reported in June 2021 that 88% of SMEs view the development of management skills as an important strategic priority, yet 49% of those firms do not have a formal budget for management and leadership development.	Department of Enterprise, Trade and Employment, Expert Group on Future Skills Needs, Statement of Activity 2020, June 2021: http://www.skillsireland.ie/all-publications/2021/egfsn-annual-activity-report-2020-final.pdf
The Ibec Engineering Network Skills Survey of nearly 200 engineering companies in 2021 revealed that more than 83% are facing a skills shortage, particularly in key areas such as computer numerical control machining (89%), computer-aided design (95%), data analytics and statistical process control (64.5%), and management training (95%).	Ibec for Irish Business (Ireland's largest lobby and business representative group), Press Release, Engineering Skillnet launched to address skills shortages in the engineering sector, May 2021: https://www.ibec.ie/connect-and-learn/media/2021/05/19/engineering-skillnet-launched-to-address-skills-shortages-in-the-engineering-sector


<p>The Office of Government Procurement (OGP) announced in May 2021 that it was implementing a pilot project with the OECD to review the OGP's adoption of and alignment with the new ProcurCompEU framework to support professionalism in public procurement.</p>	<p>Office of Government Procurement (OGP), Minister of State Smyth welcomes new competency framework for public procurement in Ireland, May 2021: https://www.gov.ie/en/news/78437-minister-of-state-smyth-welcomes-new-competency-framework-for-public-procurement-in-ireland/</p>
<p>The Office of Government Procurement (OGP) officially launched the training prospectus of its Commercial Skills Academy (CSA) in May 2021. The purpose of the CSA is to enhance the commercial delivery capabilities of key spending departments and public sector bodies through focused training programmes for public servants.</p>	<p>Office of Government Procurement (OGP), Commercial Skills Academy Training Prospectus, May 2021: https://www.gov.ie/en/news/d91e6-commercial-skills-academy-training-prospectus/</p>
ADMINISTRATIVE BURDEN	
<p>Grant Thornton Ireland's International Business Report in August 2021 reveals that 37% of businesses surveyed during the first six months of the year are experiencing longer lead times in supply chains as a consequence of Brexit, with 22% needing to recruit alternative global suppliers and 21% recruiting alternative suppliers in Ireland.</p>	<p>Grant Thornton Ireland, Press Release, Irish businesses highlight effects of Brexit as supply chains and red tape hamper growth, August 2021: https://www.grantthornton.ie/news-centre/irish-businesses-highlight-effects-of-brexit-as-supply-chains-and-red-tape-hamper-growth/</p>
<p>Grant Thornton Ireland's International Business Report, published in August 2021, reveals that almost one fifth (17%) of businesses have had to outsource or recruit to deal with the additional bureaucracy caused by new EU/UK import and export checks.</p>	<p>Grant Thornton Ireland, Press Release, Irish businesses highlight effects of Brexit as supply chains and red tape hamper growth, August 2021: https://www.grantthornton.ie/news-centre/irish-businesses-highlight-effects-of-brexit-as-supply-chains-and-red-tape-hamper-growth/</p>
<p>Grant Thornton Ireland's International Business Report, published in August 2021, reveals that more than half of businesses (51%) noted red-tape and regulation as a constraint to the growth of their business.</p>	<p>Grant Thornton Ireland, Press Release, Irish businesses highlight effects of Brexit as supply chains and red tape hamper growth, August 2021: https://www.grantthornton.ie/news-centre/irish-businesses-highlight-effects-of-brexit-as-supply-chains-and-red-tape-hamper-growth/</p>
<p>The administrative burden associated with trade with Great Britain has led some businesses to adjust their supply chains and increase cross border trade on the island of Ireland. Central Statistics Office (CSO) data shows that imports from Northern Ireland in 2021 grew to €3 956 million, up by €1 556 million (+65%) on the previous year. Similarly, exports to Northern Ireland reached €3 696 million in 2021, up by €1 290 million (+54%) on the previous year.</p>	<p>Central Statistics Office (CSO), CSO Statistical Release (15 February 2022), Goods Exports and Imports, December 2021: https://www.cso.ie/en/releasesandpublications/er/qei/goodsexportsandimportsdecember2021/</p>
REGULATORY OBSTACLES	
<p>The Department of Enterprise, Trade and Employment published Ireland's SME Test on 30 April 2021 and announced that it is leading its roll-out and implementation across Government. The SME Test requires legislators and policymakers to apply the "Think Small First" Principle as part of Regulatory Impact Assessment (RIA) procedures.</p>	<p>Department of Enterprise, Trade and Employment, Ireland's SME Test, April 2021: https://www.gov.ie/en/publication/0cf13-irelands-sme-test/</p>
<p>In July 2021, the Government announced the successful passage of the Companies (Small Company Administrative Rescue Process and Miscellaneous Provisions) Bill 2021 through the Houses of the Oireachtas. The new legislation provides a dedicated rescue framework for small and micro companies.</p>	<p>Department of Enterprise, Trade and Employment, General Scheme of the Companies (Small Company Administrative Rescue Process and Miscellaneous Provisions) Bill 2021, May 2021: https://enterprise.gov.ie/en/Legislation/General-Scheme-SCARP.html</p>



	<p>Department of Enterprise, Trade and Employment, Press release, Minister Troy welcomes the successful passage of legislation to provide for a dedicated rescue framework for small and micro companies through the Houses of the Oireachtas, July 2021: https://www.gov.ie/en/press-release/bce74-minister-troy-welcomes-the-successful-passage-of-legislation-to-provide-for-a-dedicated-rescue-framework-for-small-and-micro-companies-through-the-houses-of-the-oireachtas/</p>
42% of Irish SMEs and 65% of construction sector SMEs that responded to the latest CSO SME survey (June 2021) have identified increased prices resulting from new Brexit-related custom procedures and duties as their main concern for 2021.	<p>Central Statistics Office (CSO), CSO Statistical Release, Business Impact of Brexit on SMEs 2020, June 2021: https://www.cso.ie/en/releasesandpublications/er/bibs/businessimpactofbrexitonsmes2020/</p>
47% of SMEs in the industry sector and 38% of SMEs in the services sector report difficulties in transporting goods to/from the UK, due to new Brexit-related custom procedures/duties, as their biggest concern for 2021, according to the latest CSO SME survey published in June 2021.	<p>Central Statistics Office (CSO), CSO Statistical Release, Business Impact of Brexit on SMEs 2020, June 2021: https://www.cso.ie/en/releasesandpublications/er/bibs/businessimpactofbrexitonsmes2020/</p>
In preparation for new custom procedures / duties resulting from Brexit, according to the latest CSO SME survey (June 2021), 8% of respondents have increased preparedness, whereas 60% have taken no steps.	<p>Central Statistics Office (CSO), CSO Statistical Release, Business Impact of Brexit on SMEs 2020, June 2021: https://www.cso.ie/en/releasesandpublications/er/bibs/businessimpactofbrexitonsmes2020/</p>
The Personal Insolvency (Amendment) Act 2021 entered into force in June 2021, introducing a number of urgent changes to the Personal Insolvency Act 2012. Key reforms include the removal of regulatory barriers to help people who are struggling to pay their debts to have more effective access to personal insolvency processes and solutions, in light of the COVID-19 pandemic.	<p>Department of Justice, Ministers Humphreys and Browne announce commencement of the main provisions of the Personal Insolvency (Amendment) Act 2021, June 2021: https://www.gov.ie/en/press-release/e762e-ministers-humphreys-and-browne-announce-commencement-of-the-main-provisions-of-the-personal-insolvency-amendment-act-2021/</p>
<p>ACCESS TO FINANCE</p> <div>  <p>ACCESS TO FINANCE</p> </div>	
The Linked Finance SME Confidence Index for Q4 2021 finds that nearly two-thirds (63%) of Irish SMEs are experiencing access to finance difficulties, which is hindering economic recovery. The access to finance outlook for 2022 is described as 'very difficult' by 22% of SMEs and 'somewhat difficult' by 41%.	<p>Linked Finance, Linked Finance SME Confidence Index Q4 2021, February 2022: https://www.linkedfinance.com/blog/linked-finance-sme-confidence-index-q4-2021/</p>
The Government launched the Brexit Impact Loan Scheme (BILS) in October 2021, through the Strategic Banking Corporation of Ireland (SBCI), to replace the previous Brexit Loan Scheme. The BILS is providing up to €330 million in medium-term lending (1 to 6-year loan terms) to SMEs, including those in the primary agriculture (farmers) and seafood sectors, impacted by Brexit and COVID-19.	<p>Strategic Banking Corporation of Ireland (SBCI), Brexit Impact Loan Scheme, October 2021: https://sbci.gov.ie/products/brexit-impact-loan-scheme-bils</p> <p>Department of Enterprise, Trade and Employment, Press release, Brexit Impact Loan Scheme, October 2021: https://enterprise.gov.ie/en/What-We-Do/Supports-for-SMEs/Access-to-Finance/Brexit-Impact-Loan-Scheme/</p>
The Covid Credit Guarantee Scheme was launched in September 2020. The Scheme has been extended three times in line with the State Aid Temporary Framework. The Future Growth Loan Scheme (FGLS) was launched in 2019 and makes lending available to SMEs and small mid-caps seeking financing for long-term strategic investment, including in response to the impacts of Brexit and COVID-19. The	<p>Additional links: Microfinance Ireland (MFI), News, October 2021: SBCI partners with Microfinance Ireland (MFI) to provide €30m in new lower-cost funding to Irish small businesses Small Business Loans</p> <p>Department of Enterprise, Trade and Employment,</p>

<p>scheme initially made available up to €300m in lending, however it was expanded by €500m in July of 2020 in response to the impacts of the pandemic. A total of 3 410 loans to a value of €723.5m have been approved up to 31 December 2021.</p> <p>The Microenterprise Loan Fund administered by Microfinance Ireland (MFI) was established in 2012. The purpose of the fund has been to provide loans of €2 000 up to €25 000 to microenterprises who cannot obtain funding through traditional sources. In September 2021, MFI signed an agreement with the Strategic Banking Corporation of Ireland (SBCI) to become their funders on the market with a commitment of €30m. A total of 3 746 loans to a value of €69.9m have been drawn up to 31 December 2021.</p>	<p>Microenterprise Loan Fund Scheme Reports 2021 - DETE</p>
<p>The Central Bank of Ireland's latest statistical release (December 2021) on Q3 2021 lending reveals that gross new lending to core SMEs (in non-financial and non-property-related sectors) totalled €3.1 billion over the four quarters to end-Q3 2021, which is the first year-on-year increase (€67 million) to core SMEs since Q1 2020.</p>	<p>Central Bank of Ireland, Statistical Release, Trends in SME and Large Enterprise Credit and Deposits: Q3 2021, December 2021, page 2: https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/business-credit-and-deposits/trends-in-sme-and-large-enterprise-credit-and-deposits-q3-2021.pdf?sfvrsn=4</p>
<p>LATE PAYMENTS</p>	
<p>The latest Prompt Payments Report for Q3 2021, published by the Irish SME Association (ISME) in November 2021, reveals that the average payment period for SMEs in Q3 2021 fell slightly to 46 days, having risen from 45 to 50 days in Q2 2021, which had bucked a steady downward trend that was evident throughout 2020.</p>	<p>Irish SME Association (ISME), Prompt Payments Report Q3 2021, November 2021, page 1: https://www.isme.ie/wp-content/uploads/2021/11/Q3-2021-Prompt-Payments-pdf.pdf</p> <p>Irish SME Association (ISME), Prompt Payments Report Q2 2021, June 2021, page 2: https://www.isme.ie/wp-content/uploads/2021/06/Prompt-Payments-Q221.pdf</p>
<p>The latest Prompt Payments Report for Q3 2021, published by the Irish SME Association (ISME) in November 2021, reveals that businesses at multiple sites are waiting longest to be paid at 79 days, followed by businesses in Leinster at 59 days. Dublin and Munster businesses are waiting an average of 56 days, whereas businesses in Connaught are waiting 47 days.</p>	<p>Irish SME Association (ISME), Prompt Payments Report Q3 2021, November 2021, page 3: https://www.isme.ie/wp-content/uploads/2021/11/Q3-2021-Prompt-Payments-pdf.pdf</p>
<p>The latest Prompt Payments Report for Q3 2021, published by the Irish SME Association (ISME) in November 2021, reveals that the Wholesale sector is waiting longest for payment with an average of 73 days, followed by the Construction sector at 68 days and the Services and Manufacturing sectors at 61 and 54 days, respectively. The Hospitality sector remains the lowest, waiting 30 days on average. Q3 featured marked increases in 3 out of 6 sectors, as well as a significant fall in the Retail sector, down from 68 to 40 days.</p>	<p>Irish SME Association (ISME), Prompt Payments Report Q3 2021, November 2021, page 4: https://www.isme.ie/wp-content/uploads/2021/11/Q3-2021-Prompt-Payments-pdf.pdf</p> <p>Irish SME Association (ISME), Prompt Payments Report Q2 2021, June 2021, pages 2, 4: https://www.isme.ie/wp-content/uploads/2021/06/Prompt-Payments-Q221.pdf</p>
<p>The latest Prompt Payments Report for Q3 2021, published by the Irish SME Association (ISME) in November 2021, reveals the payment performance of customer categories, based on feedback from ISME members. 'Other SMEs' accounted for 53% of late payments in Q3, down from 59% in Q2. 'Other'</p>	<p>Irish SME Association (ISME), Prompt Payments Report Q3 2021, November 2021, page 5: https://www.isme.ie/wp-content/uploads/2021/11/Q3-2021-Prompt-Payments-pdf.pdf</p>

customers rose from 20% to 27% and 'big business' rose from 13% to 26%. 'State agencies' fell from 13% to 10% and 'government departments' dropped from 12% to 8%.	
ACCESS TO MARKETS 	
Following the UK's exit from the EU and the new regulations affecting Ireland/UK trade, the UK's share of Ireland's total imports fell to just over 12% by February 2021, down from 25% in 2015. In contrast, the UK's share of Ireland's total exports declined more modestly to 8% by February 2021, down from 12.4% in 2015.	Department of Finance, Initial impact of Brexit on Ireland-UK trade flows, December 2021, page 10: https://www.gov.ie/en/publication/f57a5-initial-impact-of-brexit-on-ireland-uk-trade-flows/
The fall in the share of Great Britain in total exports, from 10.9% in 2015 to 6.3% in 2021, is only very slightly offset by a 0.3% increase in exports to Northern Ireland, up from 1.4% to 1.7%. However, the impact varies by sector. As an example, particularly large reductions in the share of commodity exports to Great Britain, from 32.9% in 2015 to 0.6% in 2021, contrast with an increase in the same type of exports to Northern Ireland, up from 6.8% to almost 12.4% in the same period.	Department of Finance, Initial impact of Brexit on Ireland-UK trade flows, December 2021, pages 10 and 13: https://www.gov.ie/en/publication/f57a5-initial-impact-of-brexit-on-ireland-uk-trade-flows/ Economic & Social Research Institute (ESRI), Shift in Irish imports from Great Britain to Northern Ireland due to Brexit, December 2021: https://www.esri.ie/news/shift-in-irish-imports-from-great-britain-to-northern-ireland-due-to-brexit
The sharp fall in the share of Great Britain in total imports, from 23.2% in 2015 to 7.2% in 2021, is slightly offset by an increase in imports from Northern Ireland, from 1.5% to 5%. However, the impact varies by sector. As an example, particularly large reductions in the share of food (29.1% to 11.9%) and beverage (31% to 9.3%) imports coming from Great Britain, between 2015 and 2021, contrast with a substantial increase in the same type of imports from Northern Ireland, up from 5% to almost 20% in the same period.	Department of Finance, Initial impact of Brexit on Ireland-UK trade flows, December 2021, pages 11 and 13: https://www.gov.ie/en/publication/f57a5-initial-impact-of-brexit-on-ireland-uk-trade-flows/ Economic & Social Research Institute (ESRI), Shift in Irish imports from Great Britain to Northern Ireland due to Brexit, December 2021: https://www.esri.ie/news/shift-in-irish-imports-from-great-britain-to-northern-ireland-due-to-brexit
The share of Northern Ireland in total Irish-UK trade grew from 12% of Irish exports to the UK in 2015 to 21% in 2021. In the same period, the share of Irish imports from the UK originating in Northern Ireland grew from 6% to 40%.	Department of Finance, Initial impact of Brexit on Ireland-UK trade flows, December 2021, pages 11-12: https://www.gov.ie/en/publication/f57a5-initial-impact-of-brexit-on-ireland-uk-trade-flows/ Economic & Social Research Institute (ESRI), Shift in Irish imports from Great Britain to Northern Ireland due to Brexit, December 2021: https://www.esri.ie/news/shift-in-irish-imports-from-great-britain-to-northern-ireland-due-to-brexit
The latest quarterly Trends Report (Q3 2021), published by the Irish SME Association (ISME), reveals 'current exports' to be the only negative SME confidence indicator in 2021, recording values of -8% in Q3, -7% in Q2 and -12% in Q1. This indicator is, however, less negative than in Q4 2020 (-29%). In contrast, 'export expectations' continue to increase, up from 0% in Q3 2020 to 34% in Q3 2021.	Irish SME Association (ISME), ISME Q3 Trends Report 2021, November 2021, page 3: https://www.isme.ie/report/q321-trends-report/
The latest quarterly Trends Report (Q3 2021), published by the Irish SME Association (ISME), reveals that Brexit uncertainty remains a significant concern for 37% of SMEs surveyed, marking the fourth quarter in a row that this indicator has decreased, down from 50% in Q3 2020.	Irish SME Association (ISME), ISME Q3 Trends Report 2021, November 2021, page 3: https://www.isme.ie/report/q321-trends-report/
The latest quarterly Trends Report (Q3 2021), published by the Irish SME Association (ISME),	Irish SME Association (ISME), ISME Q3 Trends Report 2021, November 2021, page 13:

reveals that more than half (54%) of SMEs surveyed believe that Brexit will have a negative impact on their bottom line, up from 43% in Q2. In contrast, 6% say that Brexit will have a positive impact on their business, down from 7% in Q2.	https://www.isme.ie/report/q321-trends-report/
Enterprise Ireland and the Institute of International and European Affairs (IIEA) launched a three-part webinar event series in May 2021 to explore and inform Irish SMEs of the untapped business opportunities within the Eurozone and the EU Single Market.	Department of Enterprise, Trade and Employment, Eurozone represents one of the most valuable marketplaces for Irish exporters, May 2021: https://www.gov.ie/en/press-release/89cec-eurozone-represents-one-of-the-most-valuable-marketplaces-for-irish-exporters/
The OECD Review of SME and Entrepreneurship Policy in Ireland found that Ireland has one of the lowest ratios of exporters to total enterprise numbers in the EU, with only 6.3% of SME employer firms engaged in exporting activity. This compares with 9.6% in France, 17% in the UK and 27% in Denmark.	Department of Enterprise, Trade and Employment, Report of the SME Taskforce: National SME and Entrepreneurship Growth Plan, January 2021, page 33: https://enterprise.gov.ie/en/Publications/Publication-files/SME-Taskforce-National-SME-and-Entrepreneurship-Growth-Plan.pdf
START-UP ENVIRONMENT  START-UP ENVIRONMENT	
In February 2021, the Irish Government announced that Enterprise Ireland invested more than €48 million in Irish start-ups in 2020 – a record amount and double the investment made in 2019 – and supported a total of 125 new start-up companies.	Enterprise Ireland, Press Release, Tánaiste announces €48 million invested in start-ups by Enterprise Ireland in 2020, February 2021: https://www.enterprise-ireland.com/en/news/pressreleases/2021-press-releases/tanaiste-announces-euro-48-million-invested-in-startups-by-enterprise-ireland-in-2020.html
A record 25 695 new company start-ups were recorded in Ireland in 2021, up by 17% on 2020.	CRIP Vision-net, The Annual 'Business in Ireland' Review for 2022, February 2022: https://www.vision-net.ie/news/the-annual-business-in-ireland-review-for-2022/
Dublin was the centre of start-up activity in 2021, accounting for 11 815 of all new registrations (+18% on 2020), followed by Cork (2,504, +17%), Galway (992, +15%) and Kildare (952, +17%). Mayo was the only county to record a decrease in 2021 (-330, down 2% on 2020).	CRIP Vision-net, 2021 Review: Irish Start-up Figures Surpass Pre-pandemic Levels, February 2022: https://www.vision-net.ie/news/2021-review-irish-start-up-figures-surpass-pre-pandemic-levels/
TechIreland's Start-Up Funding Review 2021 announced that funds raised by female founders surpassed €100 million for the first time, although that represents less than 10% of total funding. On average, female founded companies continue to raise smaller rounds than their male counterparts raise - €2.1 million vs €4.5 million.	Tech Ireland, Funding Review 2021 Edition, September 2021, page 6: https://www.techireland.org/content/snapshots/TechIreland%20Funding%20Review%202021%20Edition.pdf
SCALE-UP ENVIRONMENT  SCALE-UP ENVIRONMENT	
TechIreland's Start-Up Funding Review 2021 announced that, for the first time, Irish high-growth technology businesses raised over €1.1 Billion in 2020, an enormous 68% increase on 2019 and a 25% increase on the previous high of €950 million in 2018.	Tech Ireland, Funding Review 2021 Edition, September 2021, page 5: https://www.techireland.org/content/snapshots/TechIreland%20Funding%20Review%202021%20Edition.pdf
TechIreland's Start-Up Funding Review 2021 reveals that the number of companies funded in 2020 grew by just 9% to 264, up from 243 in the previous year.	Tech Ireland, Funding Review 2021 Edition, September 2021, page 5: https://www.techireland.org/content/snapshots/TechIreland%20Funding%20Review%202021%20Edition.pdf Tech Ireland, Funding Review 2021 Edition, September 2021, page 4:

	https://www.techireland.org/content/snapshots/TechIreland%20Funding%20Review%202020%20Edition.pdf
TechIreland's Start-Up Funding Review 2021 finds that Artificial Intelligence companies doubled their funding year-on-year and Enterprise SaaS businesses continued their dominance, increasing the amount raised by 68% to €219 million.	Tech Ireland, Funding Review 2021 Edition, September 2021, page 6: https://www.techireland.org/content/snapshots/TechIreland%20Funding%20Review%202021%20Edition.pdf
IMPACT OF THE COVID-19 CRISIS 	
The negative effects of the COVID-19 crisis may be long lasting, particularly in the labour market, with unemployment forecast to average just under 16% in 2020 and to remain above 10% in 2021.	Industrial Development Agency (IDA) Ireland, Driving Recovery and Sustainable Growth 2021-2024, January 2021, page 4: https://www.idaireland.com/getmedia/4caa3e4c-f68c-40f3-bc40-5902034514ff/IDA_STRATEGY_Draft_15.pdf.asp
SMEs in manufacturing, wholesale/retail, construction, business services and a group of miscellaneous sectors all experienced average revenue declines of between 20% and 25% over 2020/21.	Department of the Taoiseach, Draft National Risk Assessment 2021/2022 - Public Consultation, Draft National Risk Assessment - Overview of Strategic Risks 2021/2022, July 2021, page 17: https://www.gov.ie/en/consultation/10488-draft-national-risk-assessment-20212022-public-consultation/
The latest SME Credit Demand Survey, published by the Department of Finance in February 2022, reports that conditions for SMEs have improved significantly in 2021, to a level similar to 2019, following a difficult 2020. 46% of SMEs reported increased turnover for the 6-month period ending September 2021, compared to just 12% in 2020. 31% reported no change in turnover, while 24% reported decreased turnover, which is higher than the 21% recorded in the pre-pandemic year of 2019.	Department of Finance, SME Credit Demand Survey – April-September 2021, February 2022, page 26: https://www.gov.ie/en/press-release/e068e-credit-demand-survey-shows-significant-recovery-in-overall-sme-performance-compared-to-2020/
According to the latest SME Credit Demand Survey, published by the Department of Finance in February 2022, a recovery is also evident from reported profit trends, although not to the same degree as the turnover trend. 57% of SMEs reported profit during 2021, compared to 31% in 2020. This remains lower than the 69% who reported profit in 2019. 14% reported a loss in 2021, while 26% broke even.	Department of Finance, SME Credit Demand Survey – April-September 2021, February 2022, page 31: https://www.gov.ie/en/press-release/e068e-credit-demand-survey-shows-significant-recovery-in-overall-sme-performance-compared-to-2020/
The number of businesses that believe they can keep trading for more than 9 months has increased to 68% in Q2 2021, up 5% on the previous quarter, according to the latest SME survey by ISME.	Irish SME Association (ISME), July 2021 COVID Report, page 1: https://isme.ie/wp-content/uploads/2021/07/july-2021-covid-report.pdf
A recent working paper published by the Economic and Social Research Institute (ESRI) and the Department of Finance in January 2022, entitled 'SME Financial Distress and the Macroeconomic Recovery', finds that: there are currently about 50% more loss-making firms than there were in 2019, as a result of the pandemic; and that the share of firms making losses throughout 2020 and 2021 could have been around one-third higher had government supports not been available.	Department of Finance, Minister Donohoe welcomes publication of ESRI paper on 'SME Financial Distress and the Macroeconomic Recovery', January 2022, page 4: https://www.gov.ie/en/press-release/a27cf-minister-donohoe-welcomes-publication-of-esri-paper-on-sme-financial-distress-and-the-macroeconomic-recovery/
The 'SME Financial Distress and the Macroeconomic Recovery' working paper published by the Economic and Social Research Institute (ESRI) and the Department of Finance in January 2022, finds that the share of 'highly distressed firms' could grow from	Department of Finance, Minister Donohoe welcomes publication of ESRI paper on 'SME Financial Distress and the Macroeconomic Recovery', January 2022, page 24:

5% in mid-2020 to over 20% by the end of 2024, even with a strong recovery in turnover. However, the report states that this is a possibility rather than a prediction.	https://www.gov.ie/en/press-release/a27cf-minister-donohoe-welcomes-publication-of-esri-paper-on-sme-financial-distress-and-the-macroeconomic-recovery/
The 'SME Financial Distress and the Macroeconomic Recovery' working paper published by the Economic and Social Research Institute (ESRI) and the Department of Finance in January 2022, estimates that the share of firms availing of government supports peaked at around 65% in the middle part of 2020, when the restrictions on economic activity were at their most stringent.	Department of Finance, Minister Donohoe welcomes publication of ESRI paper on 'SME Financial Distress and the Macroeconomic Recovery', January 2022, page 23: https://www.gov.ie/en/press-release/a27cf-minister-donohoe-welcomes-publication-of-esri-paper-on-sme-financial-distress-and-the-macroeconomic-recovery/
NATIONAL RECOVERY AND RESILIENCE PLAN  NATIONAL RECOVERY AND RESILIENCE PLAN	
The National Recovery and Resilience Plan (NRRP), published in June 2021, allocates a budget of €915 million to help people return to work and support sectors which have been disproportionately affected by the pandemic.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, page 1: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/
Ireland's National Recovery and Resilience Plan (NRRP) 2021 allocates €518 million to help advance the green transition, €291 million to help accelerate and expand digital reforms and transformation, and €181 million to support social and economic recovery and job creation.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, pages 5, 7, 9: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/
Ireland's National Recovery and Resilience Plan (NRRP) 2021 is aligned with domestic policies, such as the Economic Recovery Plan (ERP) and the ongoing review of the National Development Plan (NDP), which will see Ireland investing €116 billion in capital spend over the period from 2018 to 2027.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, page 3: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/
Consistent with Ireland's National Recovery and Resilience Plan (NRRP) 2021, the priorities of the National Development Plan (NDP) include reform, sustainability, regional development, innovation and skills, and climate action.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, page 3: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/
Ireland's National Recovery and Resilience Plan (NRRP) 2021 will accelerate the decarbonisation of the enterprise sector by providing supports for Irish SMEs and exporters to address their emissions, and by investing in carbon measurement and abatement technologies for manufacturing companies.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, page 5: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/ Department of the Environment, Climate and Communications, Climate Action Plan 2021, November 2021, page 107: https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/
Ireland's National Recovery and Resilience Plan (NRRP) 2021 will roll out a National Grand Challenges Programme of mission-orientated funding through Science Foundation Ireland.	Department of Public Expenditure and Reform, Ireland's National Recovery and Resilience Plan 2021, June 2021, page 5: https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/ Department of the Environment, Climate and Communications, Climate Action Plan 2021, November 2021, page 107: https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/
NATIONAL INDUSTRIAL ECOSYSTEMS*  NATIONAL INDUSTRIAL ECOSYSTEMS	

Four SME-dominated sectors were heavily impacted by the pandemic, resulting in a significant contraction in Gross Value Added in construction (-10%), professional administration and support services (-9%), distribution, transport, hotels and restaurants (-19%), and arts and others (-26%).	Houses of the Oireachtas, Parliamentary Budget Office, Ireland's Dual Economy, September 2021, page 2: https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2021-09-15_ireland-s-dual-economy_en.pdf
The latest Production in Building and Construction Index (Q3 2021) reports that the volume of production in construction increased by 7.5% in Quarter 3 2021 compared to Quarter 2 2021 on a seasonally adjusted basis. On an annual basis, volume fell by 1.4% in Quarter 3 2021. Activity in the construction sector remains lower than pre-pandemic levels with production volume in Q3 2021 down 9.8% on Q3 2019.	Central Statistics Office (CSO), CSO Statistical Release, Production in Building and Construction Index, Quarter 3 2021 (Provisional) Quarter 2 2021 (Final), December 2021: https://www.cso.ie/en/releasesandpublications/er/pbci/productioninbuildingandconstructionindexquarter32021/
The professional services (legal, accounting and business) sector reported the highest number of new company start-ups in 2021 (4592, up 4% on 2020). Other sectors that reported high numbers of new company start-ups in 2021 include finance (4195, +27%), wholesale and retail (3669, +55%) and construction (2470, +19%).	CRIP Vision-net, Business Barometer Ireland, 2021 Review: Irish Start-up Figures Surpass Pre-pandemic Levels, February 2022: https://www.vision-net.ie/news/2021-review-irish-start-up-figures-surpass-pre-pandemic-levels/ CRIP Vision-net, 2021 Review: Irish Start-up Figures Surpass Pre-pandemic Levels, February 2022: https://www.vision-net.ie/news/2021-review-irish-start-up-figures-surpass-pre-pandemic-levels/
The community, social, and personal activity industry was the only sector to experience a decline in the number of new company start-ups in 2021 (1834, -26%).	CRIP Vision-net, Business Barometer Ireland, 2021 Review: Irish Start-up Figures Surpass Pre-pandemic Levels, February 2022: https://www.vision-net.ie/news/2021-review-irish-start-up-figures-surpass-pre-pandemic-levels/ CRIP Vision-net, 2021 Review: Irish Start-up Figures Surpass Pre-pandemic Levels, February 2022: https://www.vision-net.ie/news/2021-review-irish-start-up-figures-surpass-pre-pandemic-levels/
The hotel and restaurant sector continues to be the most at-risk sector, with approximately three in five companies (63%) being categorised as 'high-risk', a 5% increase on Q3 2020.	CRIP Vision-net, Business Barometer Ireland, 28% Rise in Start-ups Year to Date, But Growth Slows in Q3, November 2021: https://www.vision-net.ie/news/28-rise-in-start-ups-year-to-date-but-growth-slows-in-q3/
Other sectors to feature prominently in the high-risk category include computers (59%), construction (58%), transport and storage (54%) and wholesale and retail (54%).	CRIP Vision-net, Business Barometer Ireland, 28% Rise in Start-ups Year to Date, But Growth Slows in Q3, November 2021: https://www.vision-net.ie/news/28-rise-in-start-ups-year-to-date-but-growth-slows-in-q3/
OTHER RELEVANT TOPICS	
The Annual 'Business in Ireland' Review for 2022, published by CRIP Vision-net, reports that there were a total of 444 company insolvencies in Ireland in 2021, down by 6% on the previous year (471), continuing a downward trend since 2017 (1018).	CRIP Vision-net, The Annual 'Business in Ireland' Review for 2022, February 2022: https://www.vision-net.ie/news/the-annual-business-in-ireland-review-for-2022/

* "National industrial ecosystems" refer to the national aspects of the industrial ecosystems as defined by the EC.
<https://op.europa.eu/en/publication-detail/-/publication/6355326c-ae95-11eb-9767-01aa75ed71a1/language-en>