



Survey on the access to finance of enterprises (SAFE)

Analytical Report 2015

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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 SMEs¹ face different challenges when accessing finance compared to large scale enterprises (LSEs). LSE's 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 actions.

In 2008, the ECB and DG Enterprises and Industry of the European Commission established the Survey on the Access to Finance of Enterprises (SAFE). These surveys, conducted across the EU Member States and several additional countries, were held in June-July 2009, in August-October 2011, in August-October 2013, in September - October 2014, and in September - October 2015. The most recent wave covers the EU-28 Member States and Iceland, Turkey, Montenegro, Albania and FYROM. The current report discusses the results of the September - October 2015 wave and presents significant developments over time.

Use of external financing

EU28 SMEs mention credit line or overdraft and bank loans as the most relevant sources of external financing. Leasing and hire purchase is considered to be the third most relevant source. These types of external financing were most relevant both in 2014 and 2015. Regarding the sources of finance actually used, credit line or overdraft, leasing or hire-purchase, trade credit and bank loans were reported most often. With the exception of leasing or hire-purchase, the use of these types has increased between 2014 and 2015.

In 2015, 30% of EU28 SMEs applied for credit line, bank overdraft or credit line overdraft. Of these applications, 73% were successful in the sense that these SMEs obtained at least 75% of the amount applied for. Comparable results were obtained for bank loans and trade credit. Regarding other forms of external financing, 16% of the EU28 applied for these, of which the vast majority obtained at least 75% of what they requested

External financing obtained by SMEs usually concerns amounts under EUR 100,000. The amount of the most recently obtained loan varies strongly with enterprise size, where the largest amounts obtained were in enterprises with over 250 employees.

SMEs reported the interest rate decrease between 2014 and 2015.

Access to external sources of financing

For the first time since the first survey wave in 2009, perceptions regarding the development of the general economic outlook faced by the EU28 SMEs was positive in 2015. The proportion of SMEs which reported an improvement slightly exceeded the proportion of SMEs which reported a deterioration. In addition, the number of SMEs that reported an improvement was higher than the number of SMEs reporting a

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)

deterioration of the firm's-specific outlook, and the availability of most types of financing. On the other hand, SMEs are less positive about changes in public financial support.

In 2015, the majority of SMEs in the EU28 reported an improvement in the availability of finance for any of the types of funding, except for debt securities.

In EU28, more enterprises experienced a decrease in interest rates than an increase. In addition, a larger proportion of SMEs reported an increase rather than a decrease of loan size and loan maturity. However, increases in the non-interest rate costs of financing and collateral requirements were reported more often by enterprises than a decline in these costs and requirements.

Future outlook

A majority of the EU28 SMEs expect to experience growth in turnover in the next two to three years. This proportion of SMEs expecting growth has been improving systemically since 2009.

SMEs are more confident when talking to banks about financing and obtaining the desired results than when talking to equity investors and venture capital firms (20%). This is so even when accounting for the fact that the former source of financing is relevant to a greater proportion of SMEs.

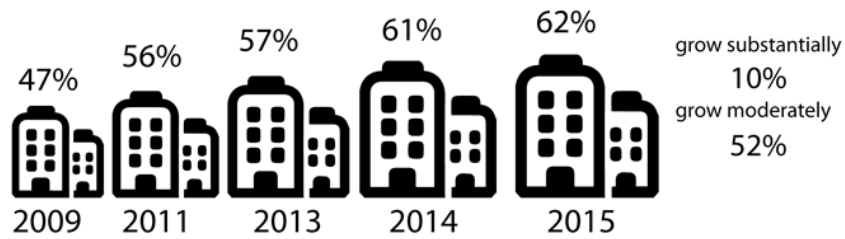
SMEs prefer debt financing over equity financing.

Less than half of SMEs perceive no limitations in their access to future financing, namely 41% in the EU28. Those that do perceive such limitations most often cite insufficient collateral or guarantees, and interest rates and prices of financing being too high. SMEs in Germany most often saw no obstacles to future financing while this was least often the case in Greece. The more enterprises grow and the larger they become, the fewer obstacles they see in obtaining financing.

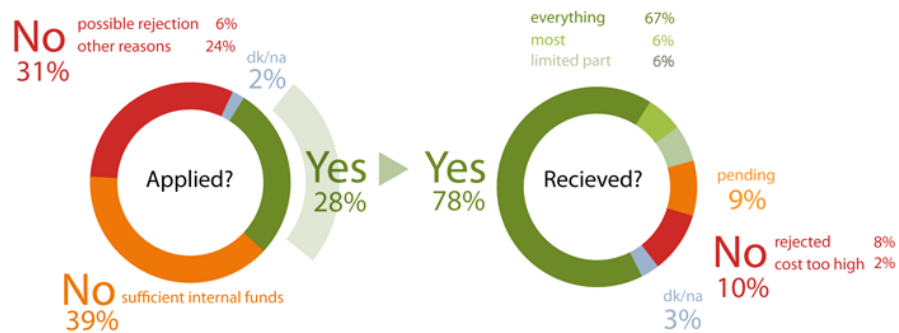
One out of four SMEs in the EU28 needs financing between EUR 25,000 and EUR 100,000 to realise their growth ambitions. SMEs active in industry require the largest amounts to realise their ambitions and these required amounts increase with enterprise size.

SMEs expect the availability of all types of financing to improve in the six months between October 2015 and March 2016.

Growth ambitions of SMEs increase



Bank loan applications



Availability of finance improves



Terms and conditions tend to improve



1. USE OF EXTERNAL FINANCING

This chapter shows to what extent external financing is used by European SMEs in 2014 and 2015. First the relevance (1.2) of different types of financing is presented. Next, the actual use of financing (1.3) and the types of external finance applied for (1.4) is presented. The final sections cover the last obtained amount of external financing (1.5) and charged interest rate (1.6) and the purpose of the most recent loan (1.7).

1.1. Key findings

EU28 SMEs mention credit line or overdraft and bank loans as the most relevant sources of external financing. Leasing and hire purchase are considered to be third most relevant. These same four types of external financing were most relevant in 2014 and 2015. Regarding the sources of finance actually used, EU28 SMEs most often report using credit line or overdraft, bank loans, leasing or hire-purchase, and trade credit. With the exception of leasing or hire-purchase, the use of these types has increased between 2014 and 2015.

In 2015, 30% of EU28 SMEs had applied for credit line, bank overdraft or credit line overdraft. Of these applications, 73% were successful in the sense that these SMEs obtained at least 75% of the required amount. Comparable results are obtained for bank loans and trade credit. Of the EU28 SMEs, 28% applied for a bank loan in 2015, and for 73% of these applications at least 75% of the amount required was actually obtained. Amongst EU28 SMEs, 35% applied for trade credit, and for 80% of these applications at least 75% of the amount required was obtained. Regarding other forms of external financing, 16% of the EU28 applied for these, of which the vast majority obtained at least 75%.

Of the external financing obtained by SMEs, 41% related to amounts of less than EUR 100,000. The sizes of the loans obtained varies considerably across countries. Small loans are most often reported by SMEs in Lithuania and Croatia, and large loans are most often reported by SMEs in the Netherlands. 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.

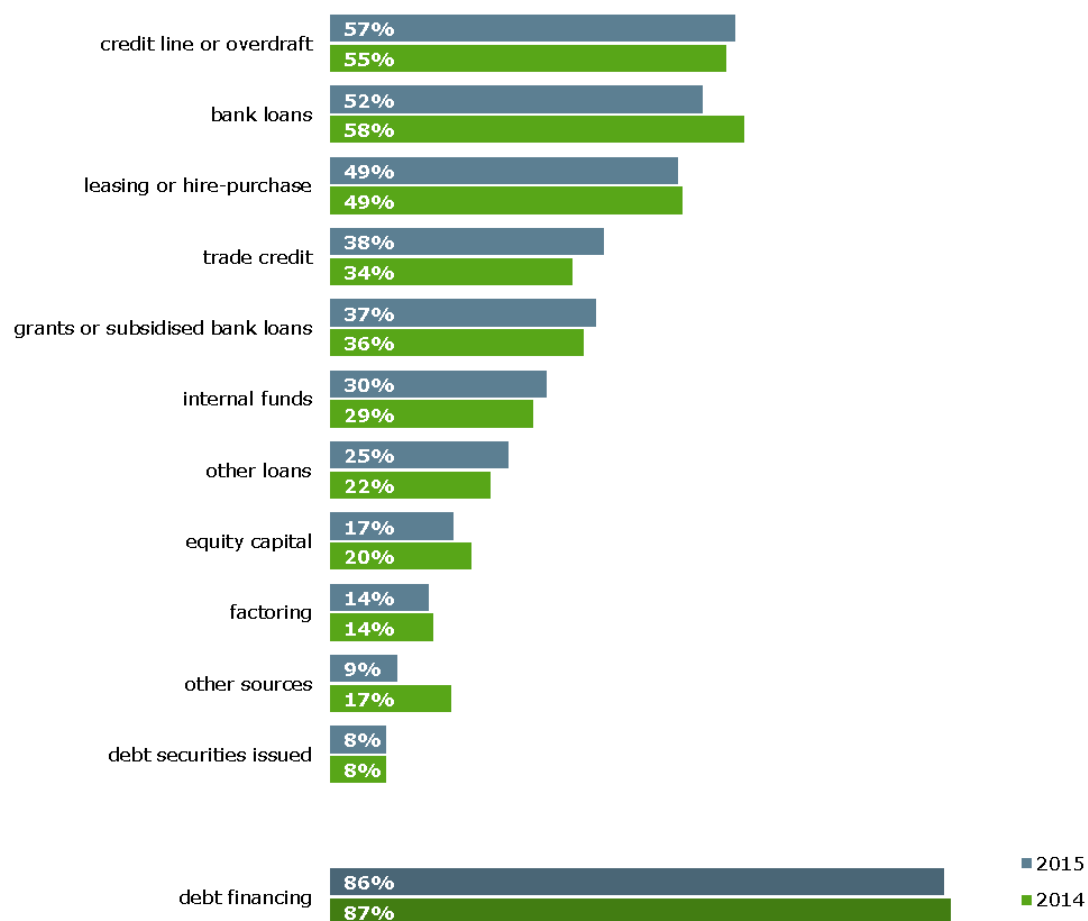
Between 2014 and 2015 the interest rates decreased. The highest interest rates were reported in Romania and the lowest in Finland. Regarding the principal reasons behind loan application, fixed investment, inventory, and working capital were mentioned most often by EU28 SMEs.

1.2. Relevance of sources of financing

The extent to which SMEs in the EU28 consider various funding sources relevant to them is presented in figure 1. Credit line or overdraft and bank loans are mentioned by more than half of the respondents as being relevant in 2015 and 2014. In 2015, the percentage of enterprises that reported bank loans to be relevant was lower than in 2014. Leasing and hire purchase is third most relevant followed by trade credit, and grants or subsidies bank loans. Almost a quarter of the enterprises considered other loans, for example from family and friends, a related enterprise or shareholders, relevant to their enterprise. Equity, factoring, other sources and debt securities is

mentioned as relevant by less than 20% of the SMEs. In 2015, 86% of SMEs in EU28 consider at least one type of debt financing to be relevant.

figure 1 Relevance of different types of financing for SMEs in the EU28 in 2015 and 2014.

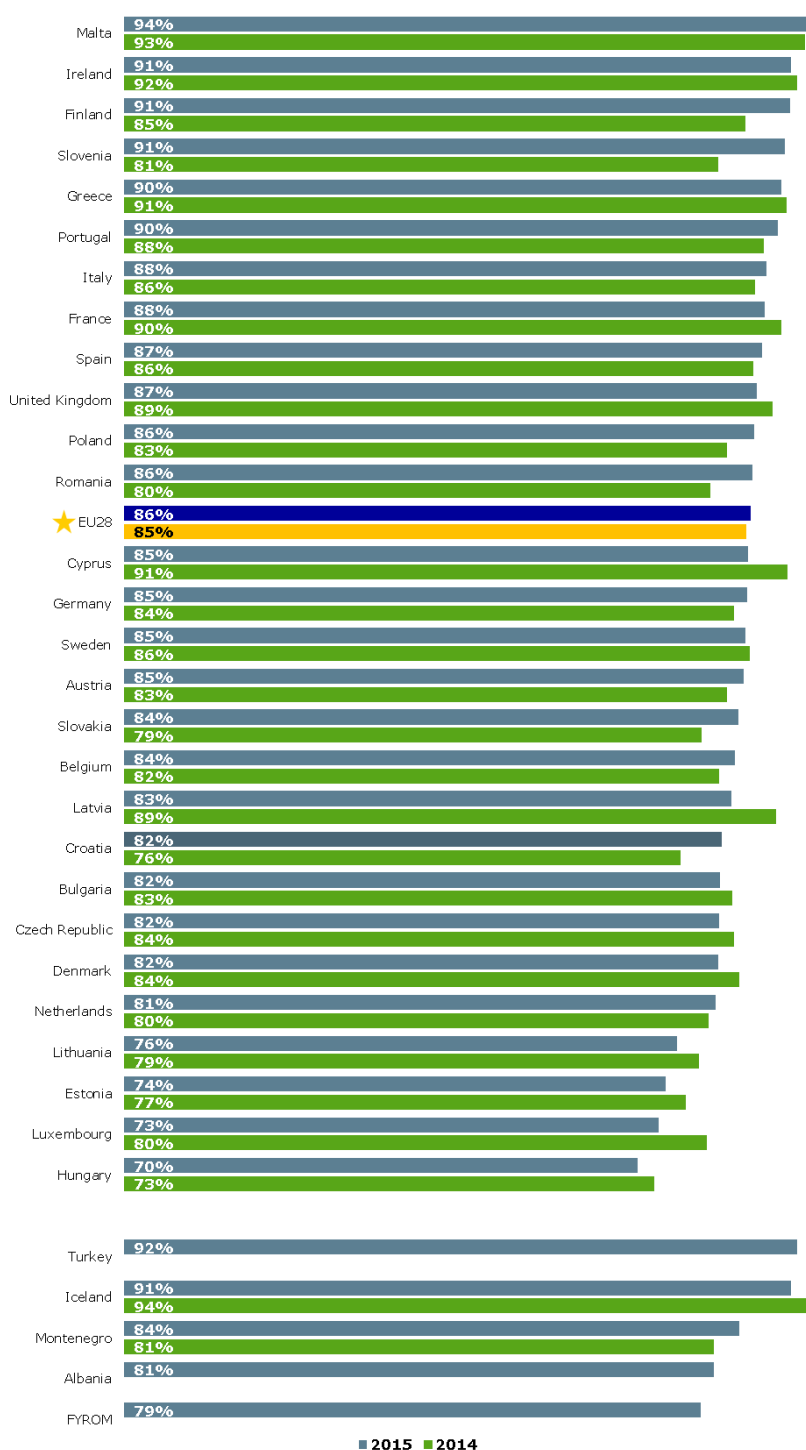


Q4. Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future?

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, 2014 and 2015; edited by Panteia.

In figure 2 the relevance of debt financing is presented by country. In all the surveyed countries the majority of SMEs indicated that at least one type of debt financing was relevant to their enterprise. For EU28 countries the proportion of SMEs that indicated debt financing to be relevant ranged from 94% of all SMEs in Malta, to 70% of all SMEs in Hungary. For the non-EU28 countries the proportions ranged from 92% of all SMEs in Turkey, to 79% of all SMEs in the FYROM. For most countries, the extent to which debt financing was relevant to SMEs did not change significantly since 2014. Only in Slovenia did the relevance increase substantially.

figure 2 Relevance of debt financing for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country in 2014 and 2015

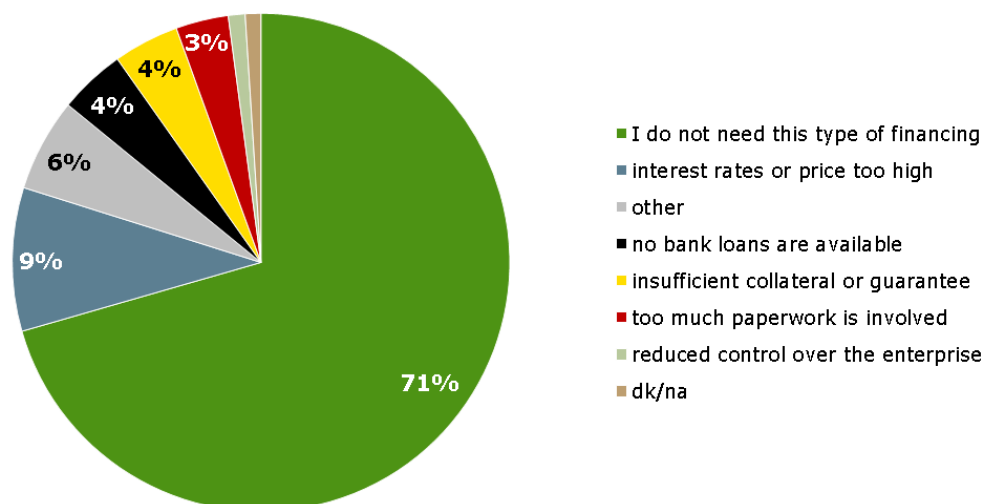


Q4. Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future?

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, 2014 and 2015; edited by Panteia.

figure 3 Reason why bank loans are not relevant for enterprise for SMEs in the EU28 in 2015



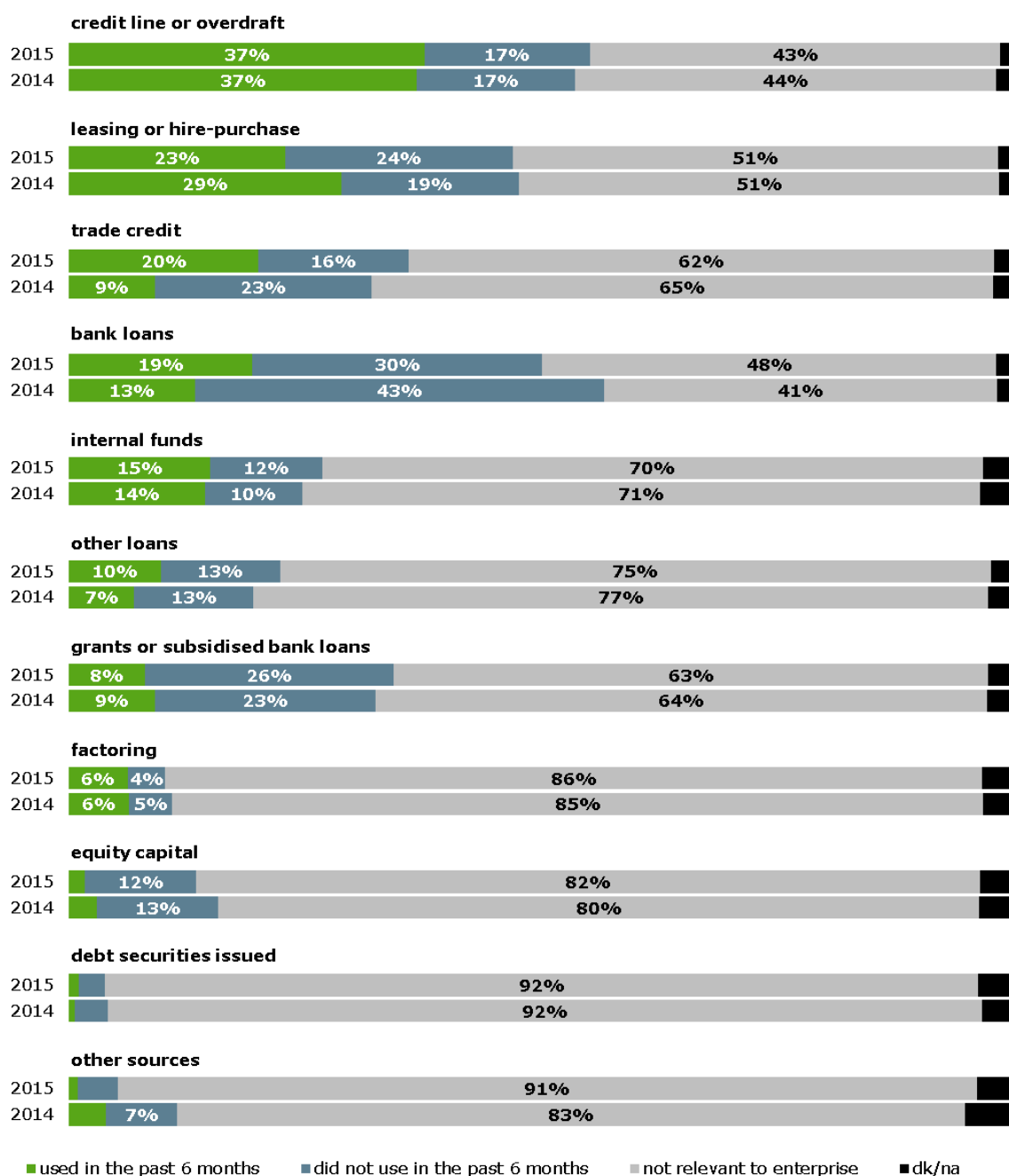
Q32. You mentioned that bank loans are not relevant for your enterprise. What is the main reason for this?
Source: SAFE, 2015; edited by Panteia.

SMEs which reported that bank loans are not relevant to their enterprise were asked why this was the case (figure 3). In 2015, 71% (67% in 2014) of SMEs in the EU28 for which bank loans are not relevant said this is because they do not need that type of financing. Of those SMEs, 9% (11% in 2014) 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.

1.3. Used sources of financing

Figure 4 presents the percentage of enterprises that actually used the different types of financing. Credit line, bank overdraft or credit cards overdraft have been used most often as sources of external financing. In 2014 and 2015, 37% of all EU28 SMEs used credit line, bank overdraft or credit cards overdraft in the past six months. In 2015, leasing or hire-purchase (23%) and trade credit (20%) were the second and third most often used type of financing. Compared to the same period in 2014 the use of trade credit increased in 2015. Bank loans were used by 19% of the SMEs between April and September 2015, which was also an increase compared to the same period in 2014. In 2015, 15% of all EU28 SMEs made use of internal funds, 10% used other types of loans, 8% of the SMEs used grants or subsidised bank loans, and another 6% made use of factoring. Equity (2%), other sources (1%), and debt securities (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 EU28 in 2014 and 2015



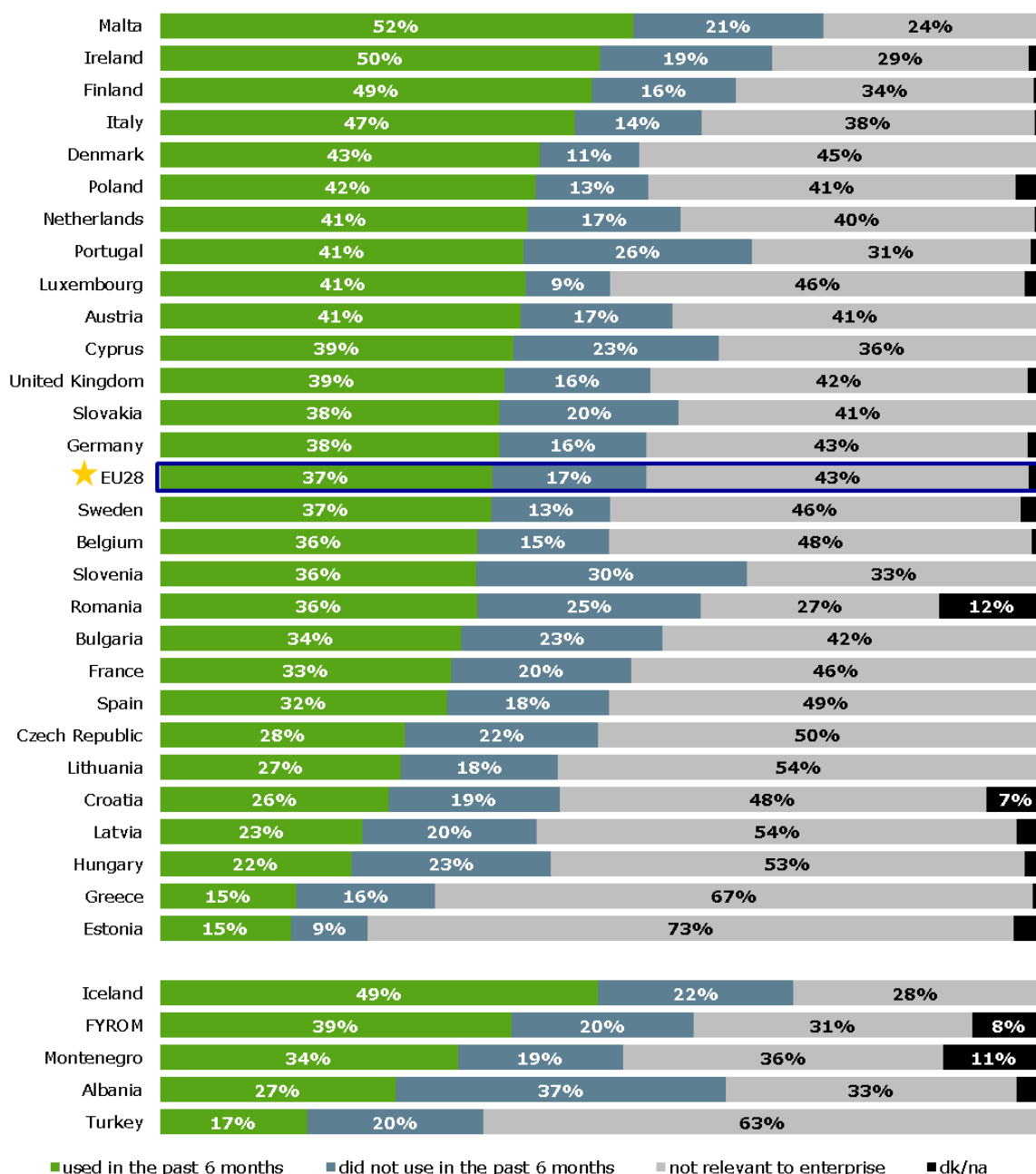
Q4. Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained new financing of this type in the past six months?

Source: SAFE, 2014 and 2015; edited by Panteia.

1.3.1 Credit line, bank overdraft or credit cards overdraft

This section presents more detailed breakdowns of the use of credit line and overdrafts. Figure 5 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 5 Use of credit line, bank overdraft or credit overdraft in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



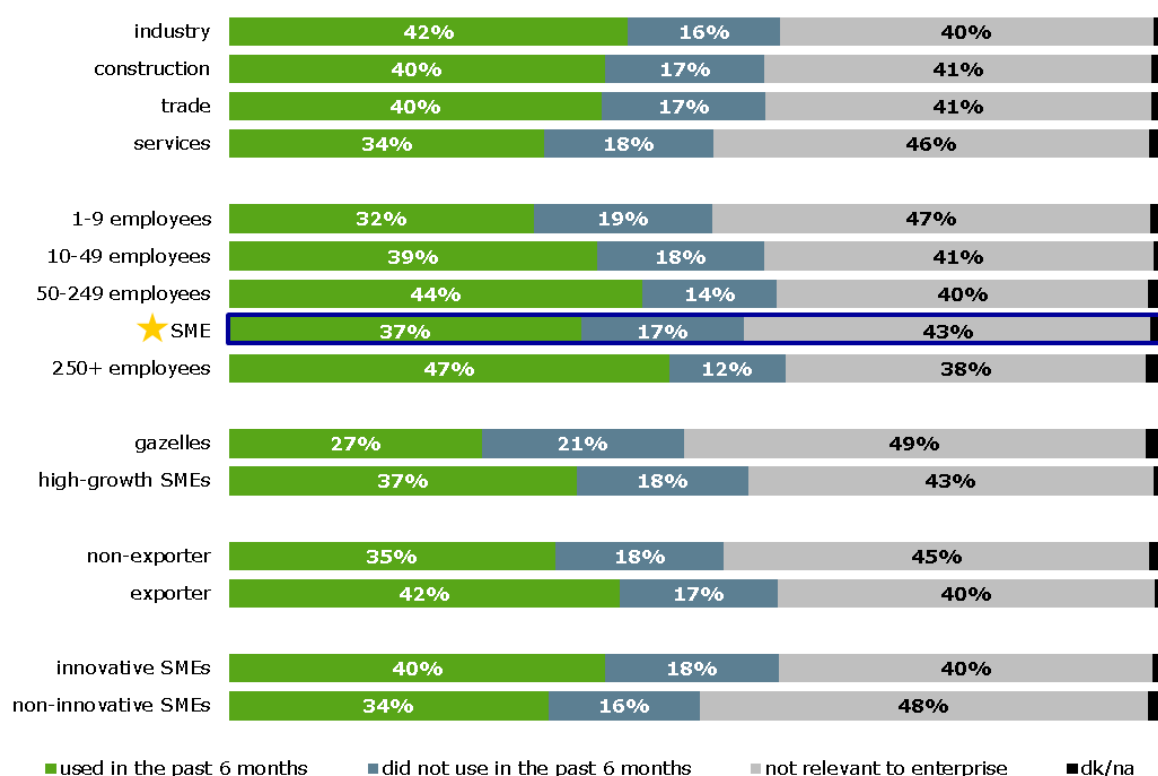
Q4c. Credit line, bank overdraft or credit overdraft - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained trade credit from your business partners in the past six months?

Source: SAFE, 2015; edited by Panteia.

The data in the figure shows that there are substantial differences between countries. In Malta, Ireland, Finland, and Italy about half of all SMEs used credit line or overdraft whereas in Greece and Estonia only 15% of all SMEs used this type of financing. Among non-EU28 countries, the Icelandic SMEs used credit line or overdraft most often, and Turkish SMEs did so least often.

Figure 6 presents a breakdown by enterprise characteristic by economic sector, enterprise size, type of growth, exporter status and innovativeness. All results are for SMEs except when presented by size class.

figure 6 Use of credit line, bank overdraft or credit overdraft in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



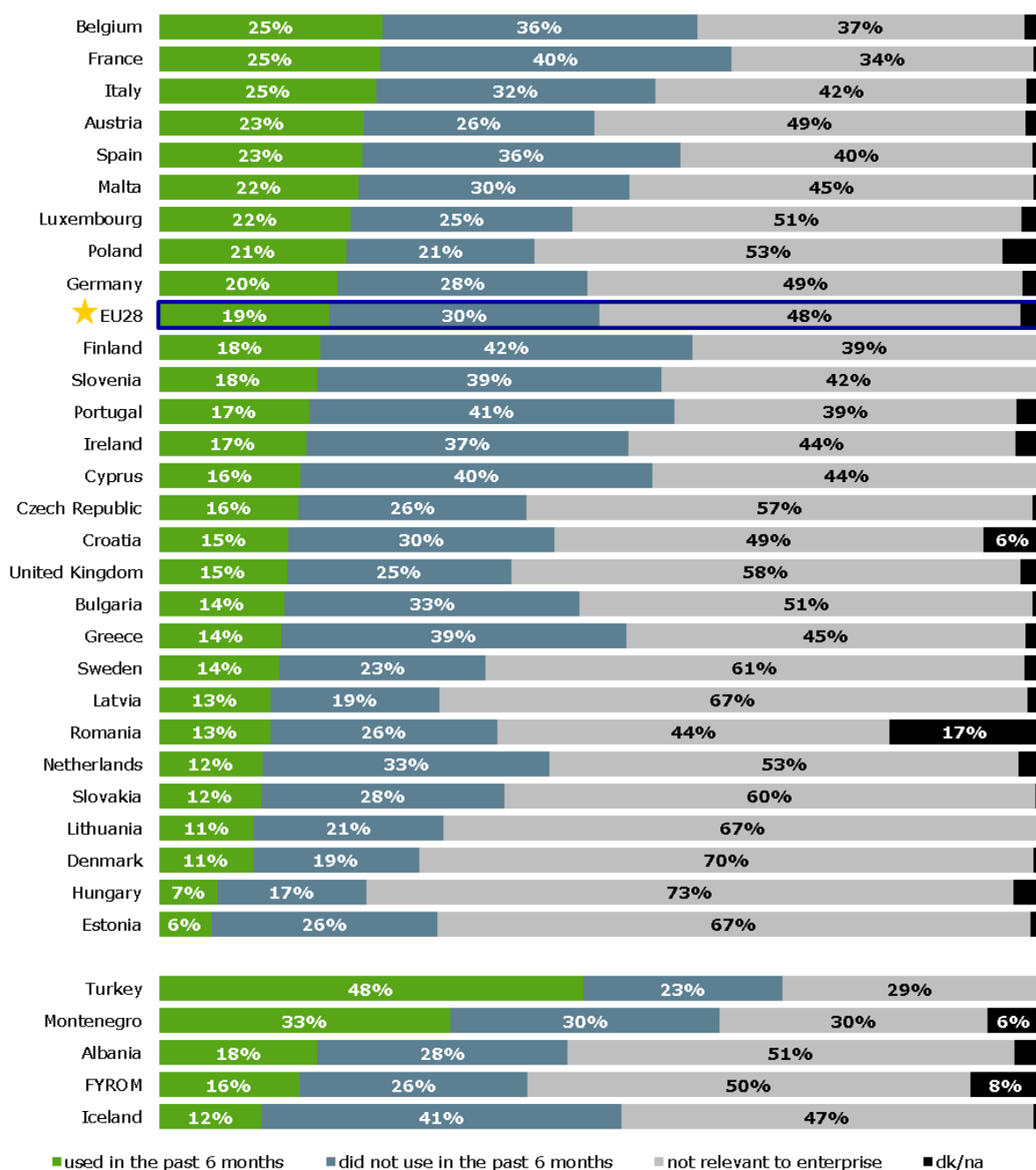
Q4c. Credit line, bank overdraft or credit overdraft - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you retained earnings or sold assets in the past six months?
 Source: SAFE, 2015; edited by Panteia.

Among the four sectors distinguished, SMEs in industry most often used credit line and overdraft and SMEs in services use this type of financing least often. The proportion of enterprises that used credit line or overdraft increases with enterprise size. The use of credit line or overdraft is 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 occurs the least among gazelles: 27% of SMEs in this category compared to 37% of SMEs in the total EU28. The use of credit line or overdraft for high-growth SMEs is on par with EU28. 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.

1.3.2 Bank loans

This section presents more detailed breakdowns of the use of bank loans. A breakdown by country in figure 7 presents the results for SMEs in each country of the EU28 as well as Iceland, Turkey, Montenegro, Albania and FYROM.

figure 7 Use of bank loan in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



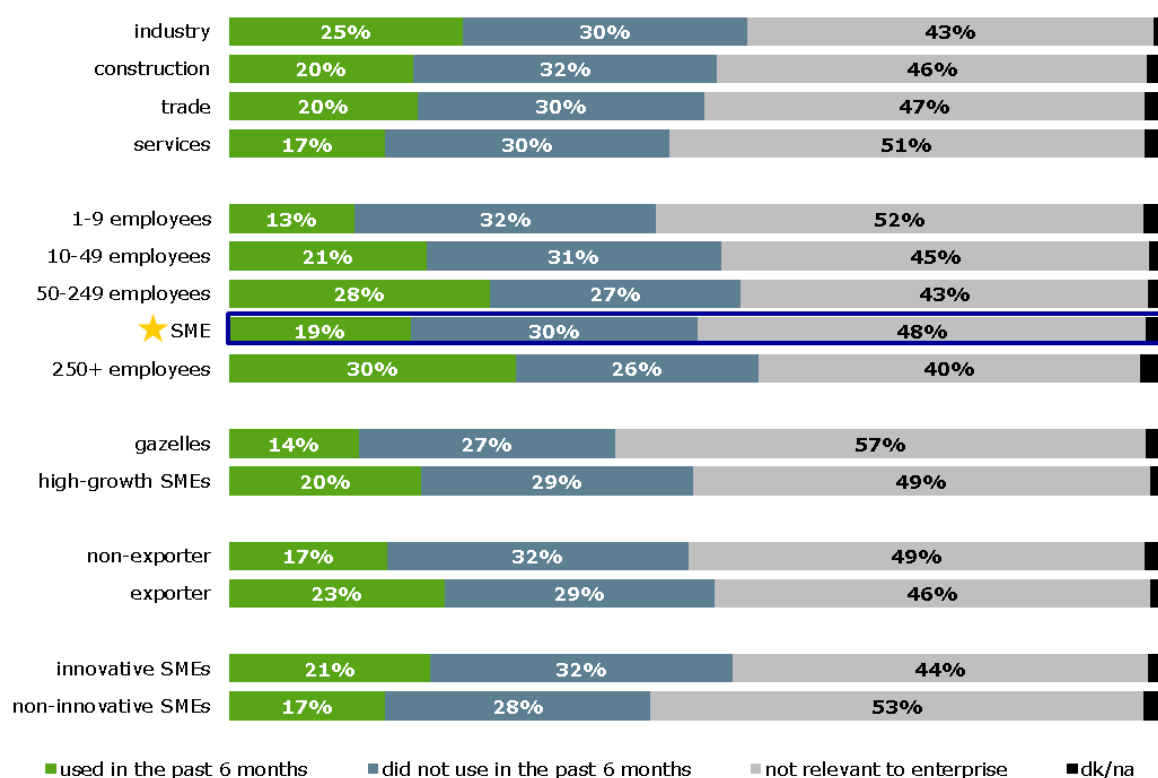
Q4d. Bank loan - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you taken out a new loan or renewed such a loan in the past six months?

Source: SAFE, 2015; edited by Panteia.

The figure shows that SMEs in Belgium, France and Italy made use of bank loans most often. A quarter of SMEs in these countries used bank loans between April and September 2015. In contrast, in Hungary and Estonia less than one out of ten SMEs used this type of financing. Among non-EU28 countries, Turkish SMEs used bank loans most often and Icelandic SMEs the least often.

A breakdown by enterprise characteristic in figure 8 presents the results by economic sector, enterprise size, type of growth, exporter status, and innovativeness. All results are for all SMEs except when presented by size class.

figure 8 Use of bank loans in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4d. Bank loans - 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? Have you taken out a new loan or renewed such a loan in the past six months?

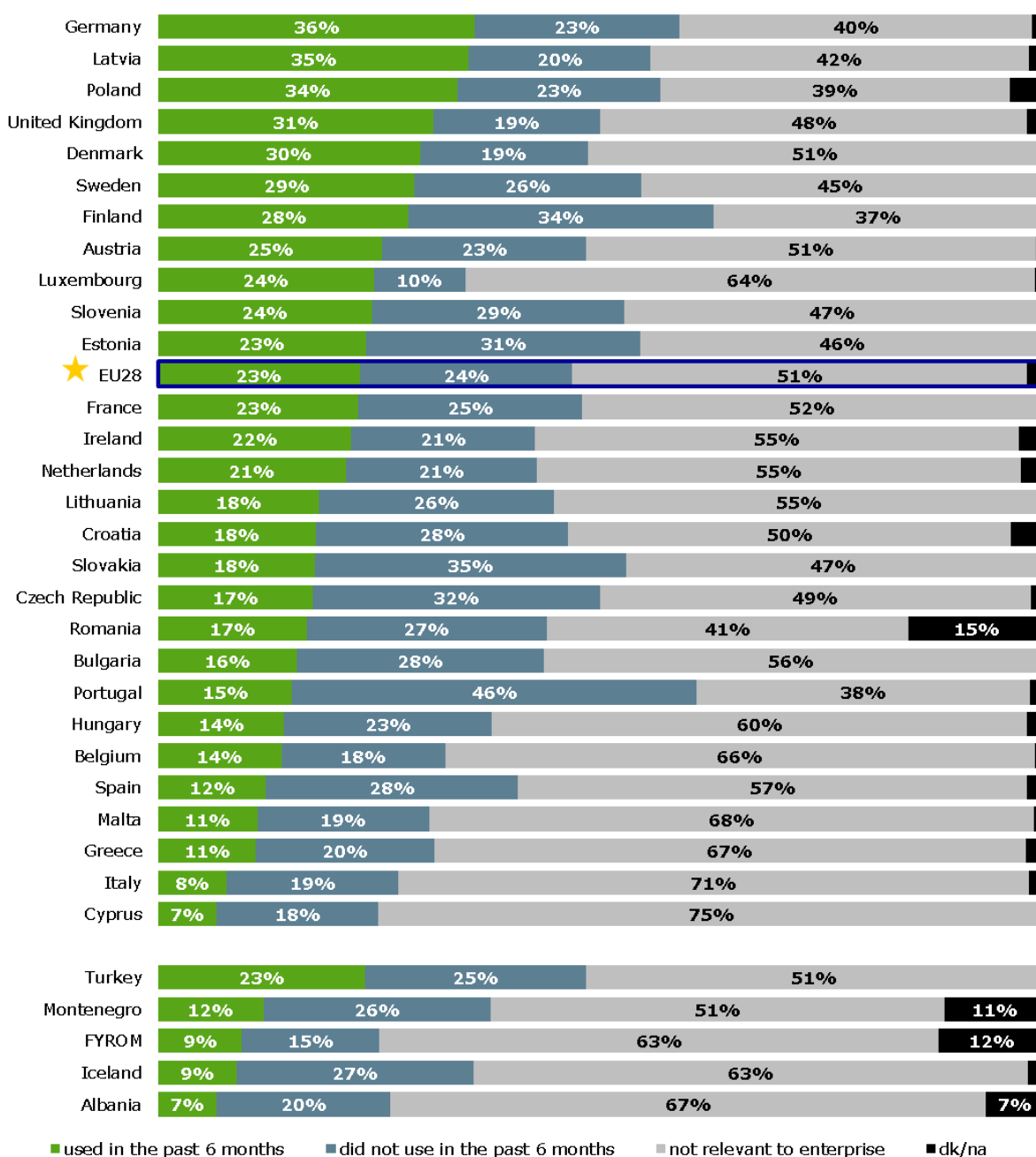
Source: SAFE, 2015; edited by Panteia.

Comparing across sectors, SMEs in industry most often used bank loans and SMEs in services used 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). Between April and September 2015, 14% of gazelles used a bank loan compared to 19% of SMEs in the total EU28. The proportion of use for high-growth SMEs is on par with that of SMEs in the EU28. Compared to non-exporting SMEs, exporting SMEs are more likely to use bank loans. Furthermore, the use of this type of financing is more prevalent among innovative SMEs.

1.3.3 Leasing or hire-purchase

This section presents more detailed breakdowns of the use of leasing or hire-purchase. A breakdown by country in figure 9 presents results for SMEs in each country of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and FYROM.

figure 9 Use of leasing or hire-purchase in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



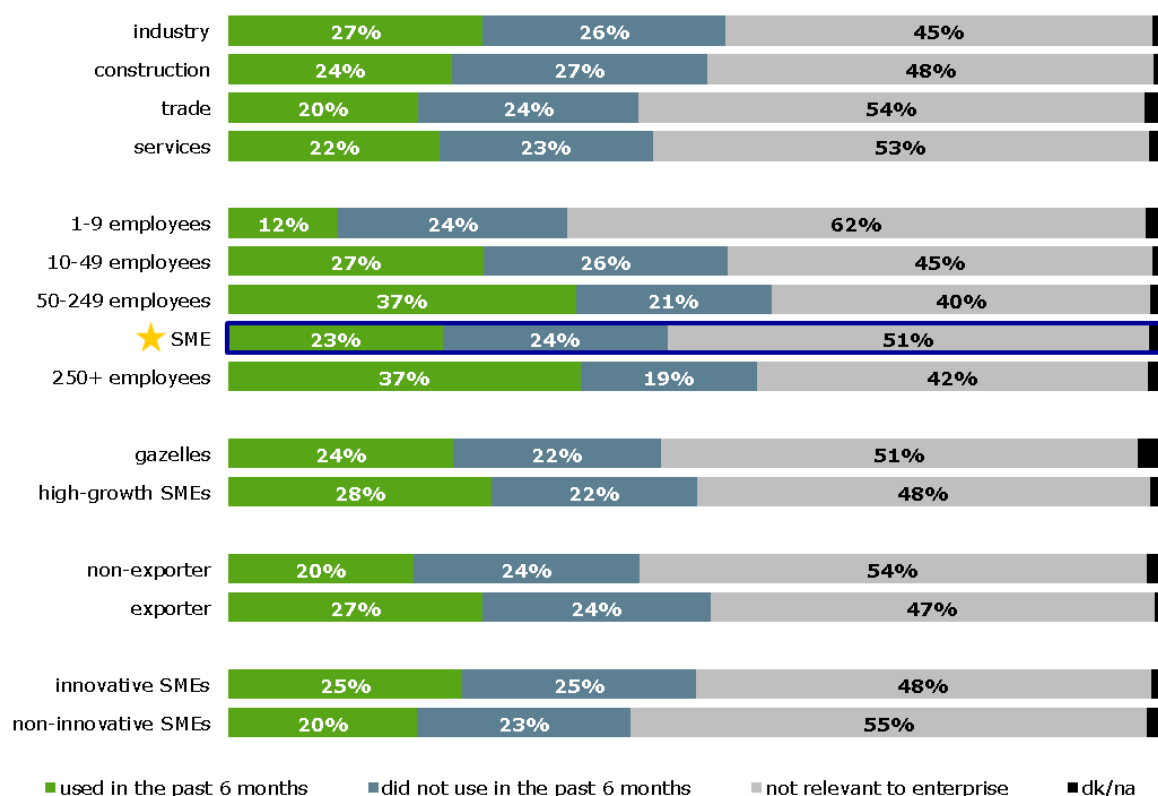
Q4m. Leasing or hire-purchase - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained new financing of this type in the past six months?

Source: SAFE, 2015; edited by Panteia.

Again, the use varies greatly among countries. In Germany, Latvia and Poland about a third of all SMEs used leasing or hire-purchase, whereas in Italy and Cyprus only 8% and 7% respectively used this type of financing between April and September 2015. Among non-EU28, countries SMEs in Turkey and most often and SMEs in Albania least often used credit line or overdraft.

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

figure 10 Use of leasing or hire-purchase in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



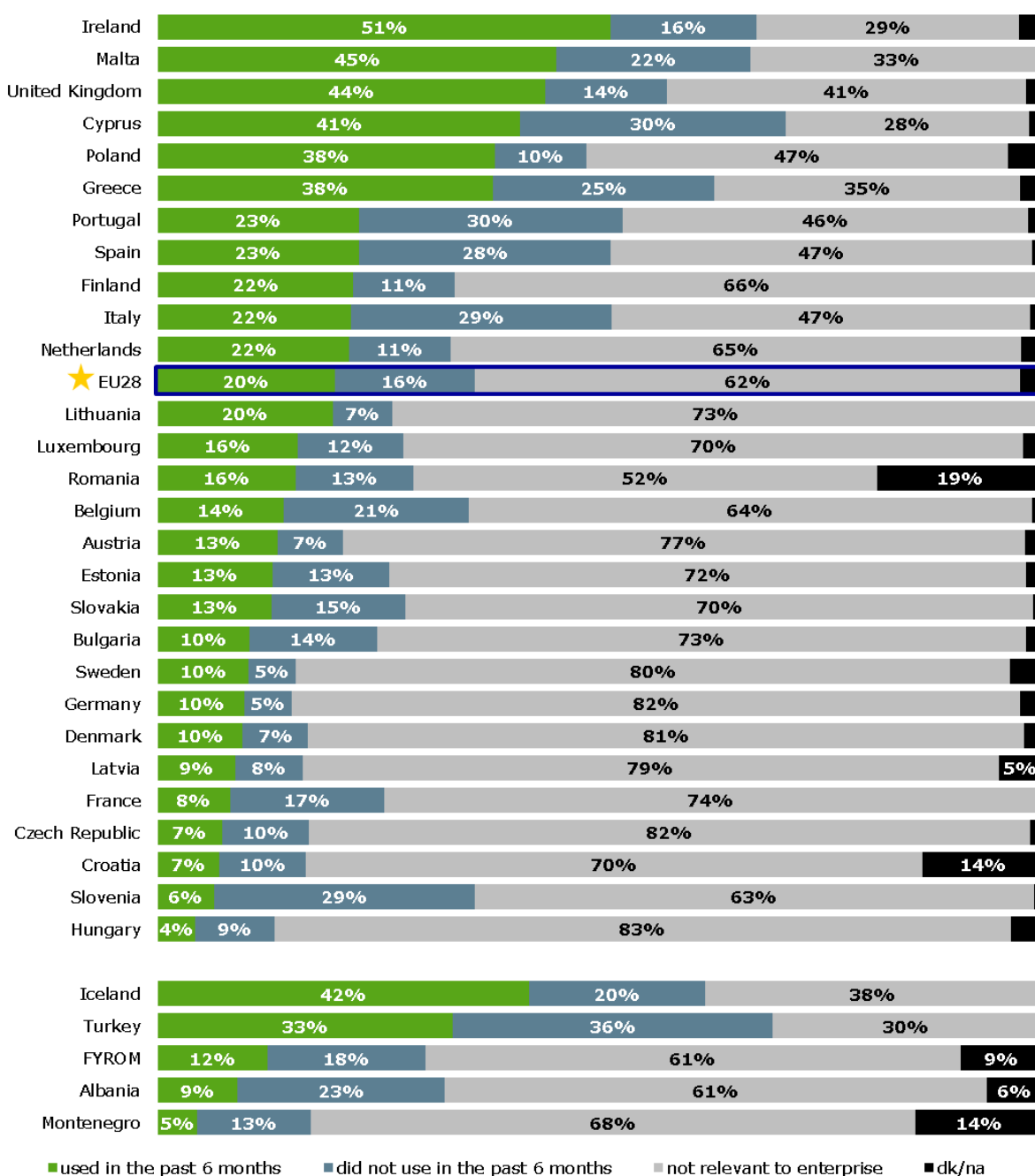
Q4m. Leasing or hire-purchase - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained new financing of this type in the past six months?
Source: SAFE, 2015; edited by Panteia.

Between April and September 2015, SMEs in industry most often used leasing or hire-purchase and SMEs in trade used this type of financing the least often. The use of leasing or hire-purchase varies greatly across size. The use is most prevalent among medium (50 to 249 employees) and large enterprises (with at least 250 employees), and smallest among micro enterprises (1 to 9 employees). The proportion of use for those SMEs which can be categorised as gazelles is on par with that of SMEs in EU28. The proportion of high-growth SMEs that used leasing or hire-purchase is slightly higher than that of SMEs in the total EU28. 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.

1.3.4 Trade credit

This section presents more detailed breakdowns of the use of trade credit. Figure 11 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 11 Use of trade credit in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



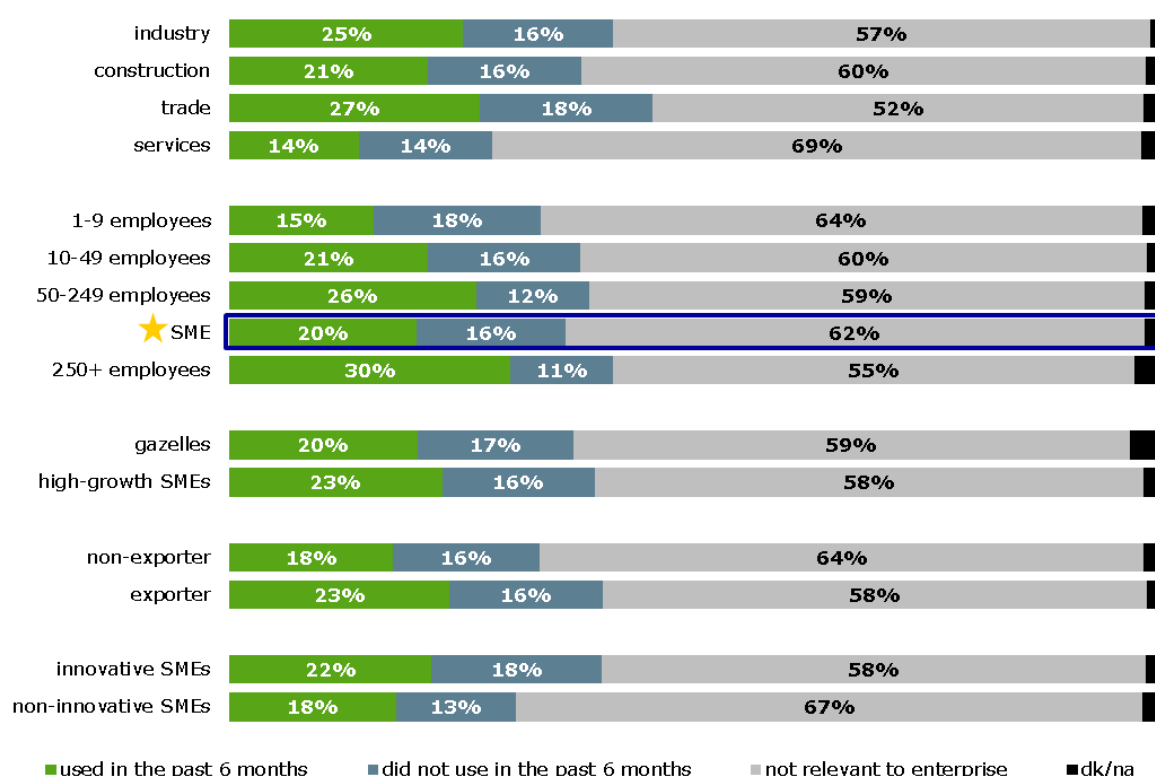
Q4e. Trade credit - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained trade credit from your business partners in the past six months?

Source: SAFE, 2015; edited by Panteia.

The data in the figure reveal that there are substantial differences between countries. In Ireland, Malta and the United Kingdom about half of all SMEs obtained trade credit whereas in Slovenia and Hungary respectively only 6% and 4% of all SMEs obtained this type of financing. Also among non-EU28 countries there are large differences: SMEs in Iceland most often and SMEs in Montenegro least often used leasing or hire-purchase.

A breakdown by enterprise characteristic in figure 12 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 12 Use of trade credit in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4e. Trade credit - 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? Have you obtained trade credit from your business partners in the past six months?

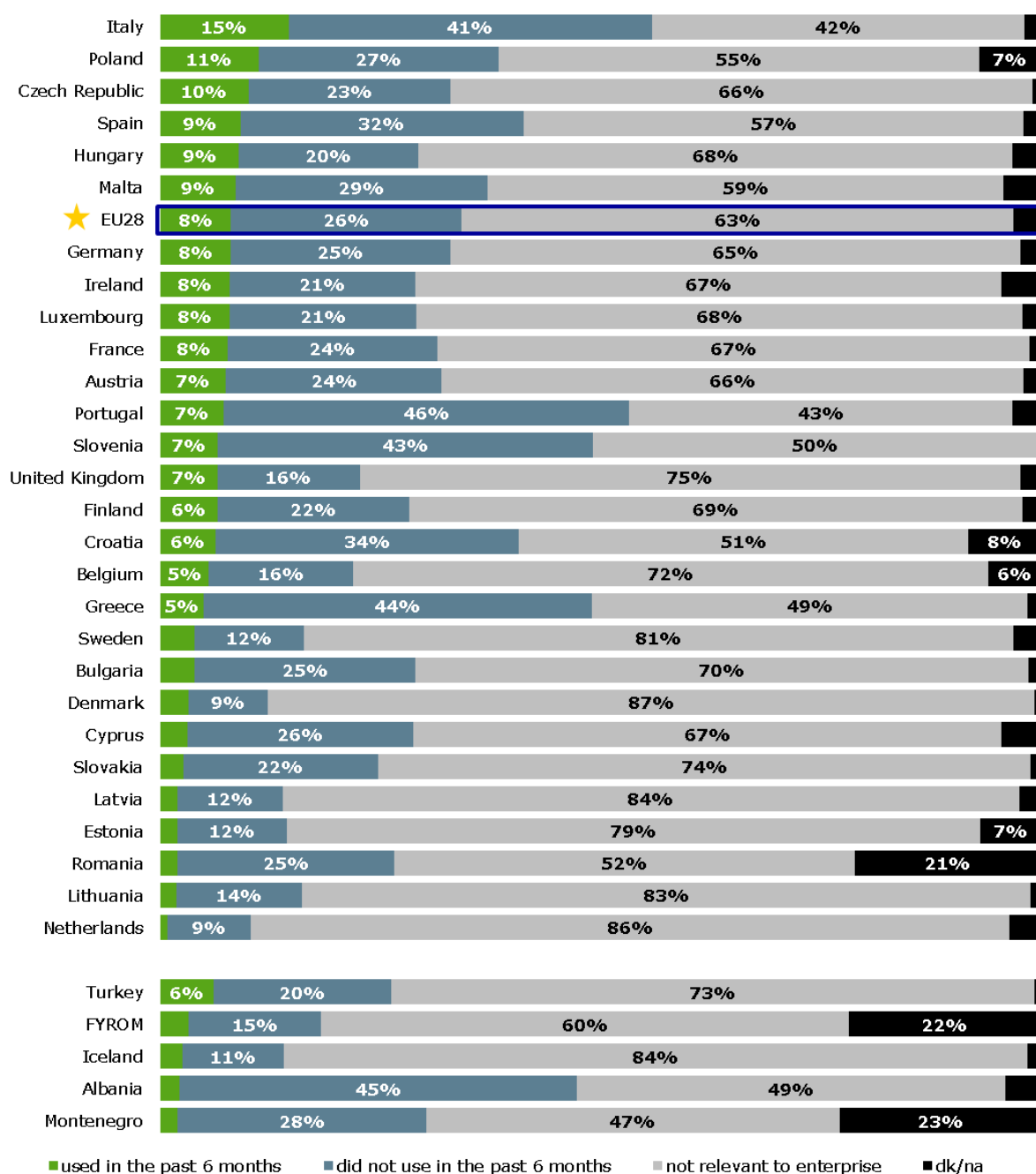
Source: SAFE, 2015; edited by Panteia.

Among the four distinguished sectors, SMEs in trade are most likely to have obtained trade credit and SMEs in services least likely to use 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 use of trade credit for gazelles is on par with EU28. The use of trade credit among high-growth SMEs is slightly higher than the EU28 average for SMEs. 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 2015 is higher among innovative SMEs than among non-innovative SMEs.

1.3.5 Grants or subsidised bank loans

This section presents more detailed breakdowns of the use of grants or subsidies bank loans. Figure 13 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 13 Use of grants or subsidies bank loans in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



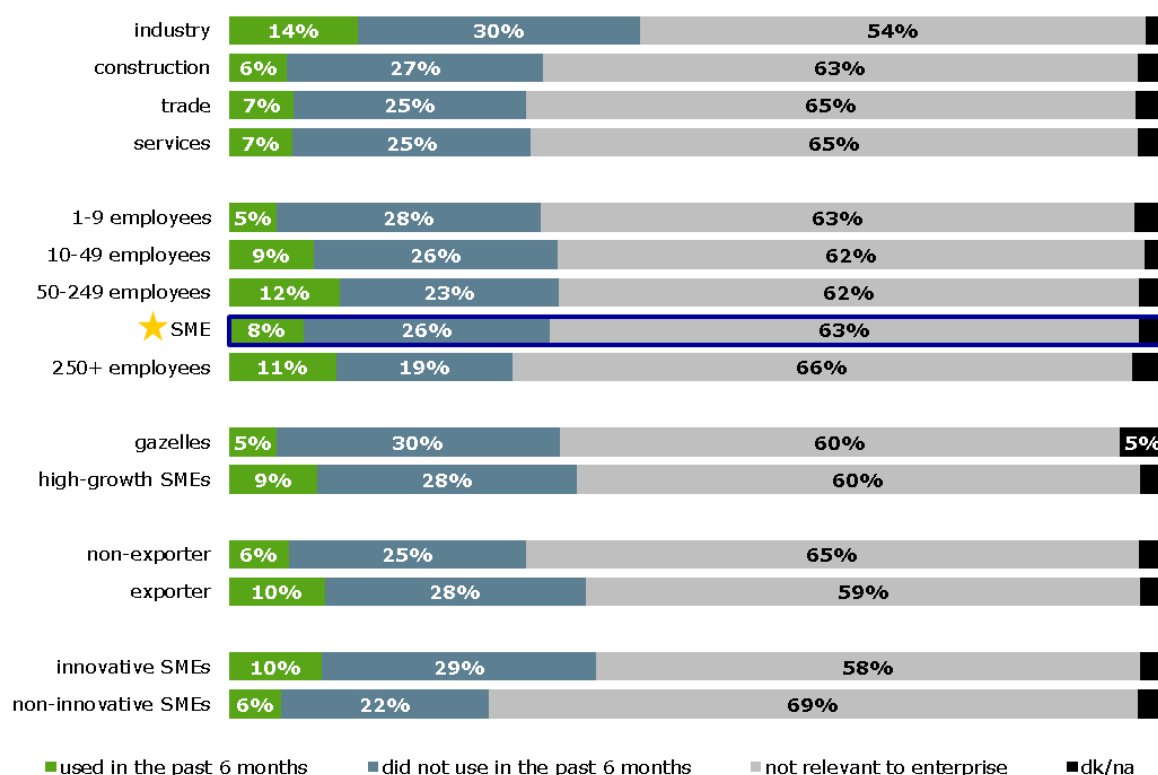
Q4b. Grants or subsidies bank loans - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you obtained new financing of this type in the past six months?

Source: SAFE, 2015; edited by Panteia.

Between April and September 2015 SMEs in Italy most often used grants or subsidies bank loans. In the Netherlands this type of financing was only used by 1% of all SMEs. Among non-EU28 countries the proportions of SMEs that used grants or subsidies bank loans ranged from 6% in Turkey to 2% in Montenegro.

A breakdown by enterprise characteristic in figure 14 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 14 Use of grants or subsidies bank loans in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4b. Grants or subsidies bank loans - 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? Have you obtained new financing of this type in the past six months?

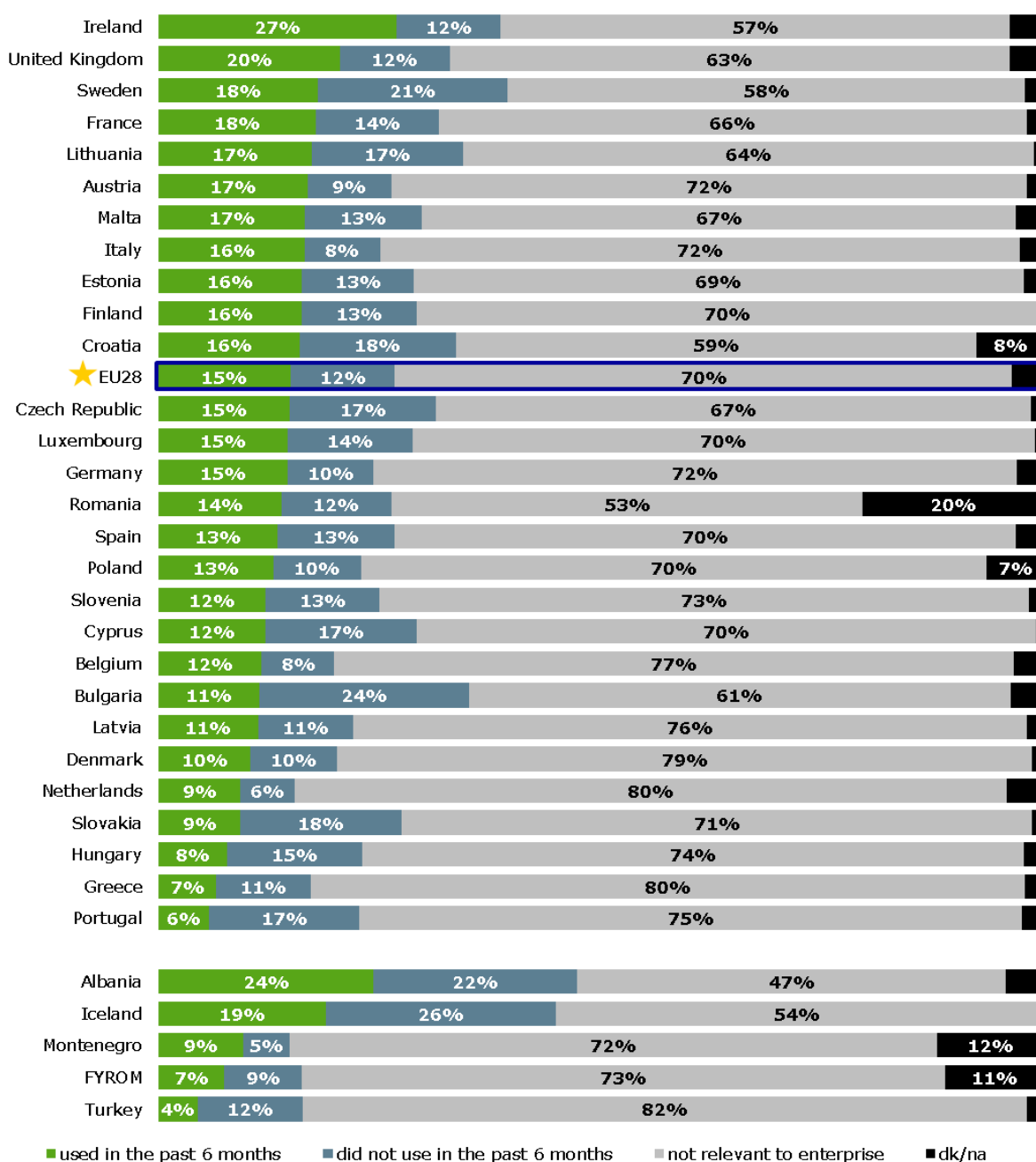
Source: SAFE, 2015; edited by Panteia.

Also for the use of grants or subsidies bank loans, SMEs in industry are the biggest users in comparison to other sectors. When comparing across size of the enterprise, the use of grants or subsidies bank loans is most prevalent among medium sized enterprises (5 to 249 employees) and least prevalent among micro enterprises (1 to 9 employees). The use of grants or subsidies loans is the least among gazelles: 5% of SMEs in this category versus 8% of SMEs in the total EU28. The proportions of high-growth SMEs that used grants or subsidised between April and September 2015 is on par with the proportion in EU28. Exporting SMEs are more likely to use grants or subsidised loans than their non-exporting counterparts. In addition, relatively more innovative SMEs than non-innovative SMEs used grants or subsidised in 2015.

1.3.6 Retained earnings or sale of assets

This section presents more detailed breakdowns of retaining of earnings or sale of assets. Figure 15 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 15 Use of retained earnings or sale of assets in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



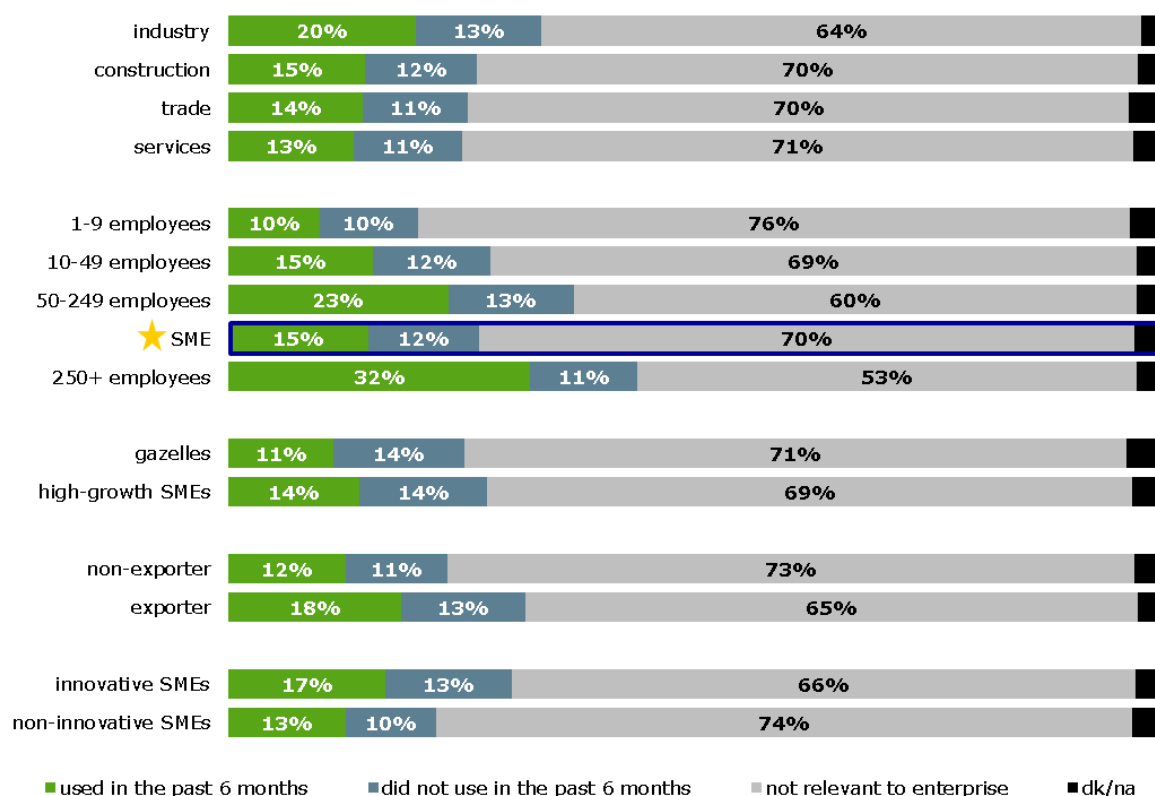
Q4a. Retained earnings or sale of assets - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you retained earnings or sold assets in the past six months?

Source: SAFE, 2015; edited by Panteia.

Between April and September 2015 SMEs in Ireland about a quarter of all SMEs retained earnings or sold assets. In Greece and Portugal only 7% and 6% of all SMEs retained their earnings or sold their assets. Among non-EU28 countries the proportions of SMEs that retained their earnings or sold their assets ranged from 24% in Albania to 4% in Turkey.

A breakdown by enterprise characteristic in figure 16 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 16 Use of retained earnings or sale of assets in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4a. Retained earnings or sale of assets - 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? Have you retained earnings or sold assets in the past six months?

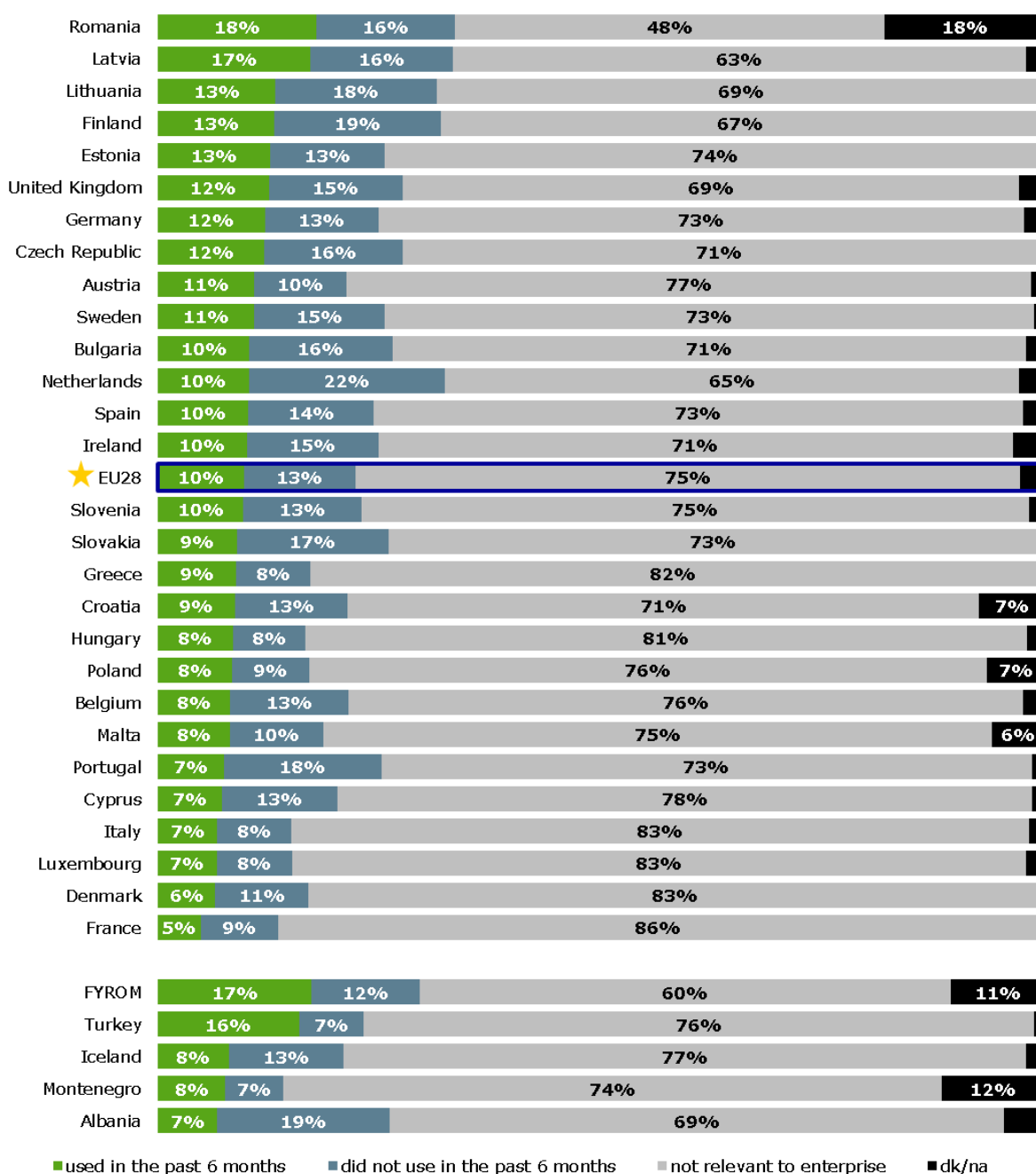
Source: SAFE, 2015; edited by Panteia.

Among the four distinguished sectors, SMEs in industry are most likely to retain earnings or sell assets and SMEs in services least likely to do this. The relative number of enterprises that 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 SMEs that retained earnings or sold assets is lowest among gazelles: 11% of SMEs in this category compared to 15% of SMEs in total EU28. The proportion of high-growth SMEs that did this is on par with EU28. 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 2015 is higher among innovative SMEs than among non-innovative SMEs.

1.3.7 Other loans

This section presents more detailed breakdowns of the use of other loans. Figure 17 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 17 Use of other loan in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



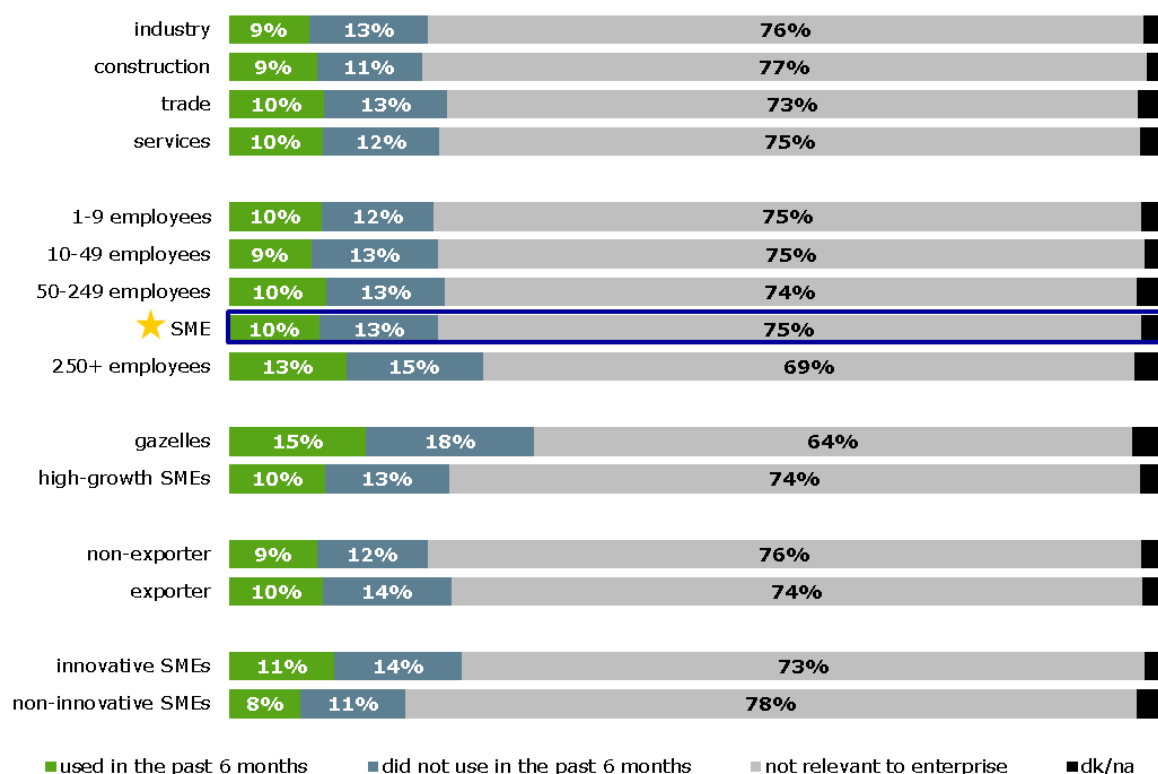
Q4f. Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you taken out or renewed such a loan in the past six months?

Source: SAFE, 2015; edited by Panteia.

The figure shows that SMEs in Romania and Latvia most often used other types of loans, for example from family and friends, a related enterprise or shareholders. The proportions of SMEs that used other types of loans between April and September 2015 range from 18% in Romania to 5% in France. In the non-EU28 countries, SMEs in FYROM most often and SMEs in Albania least often used other loans.

A breakdown by enterprise characteristic in figure 18 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 18 Use of other loans in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4f. Other loan, for example from family and friends, a related enterprise or shareholders, excluding trade credit - 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? Have you taken out or renewed such a loan in the past six months?

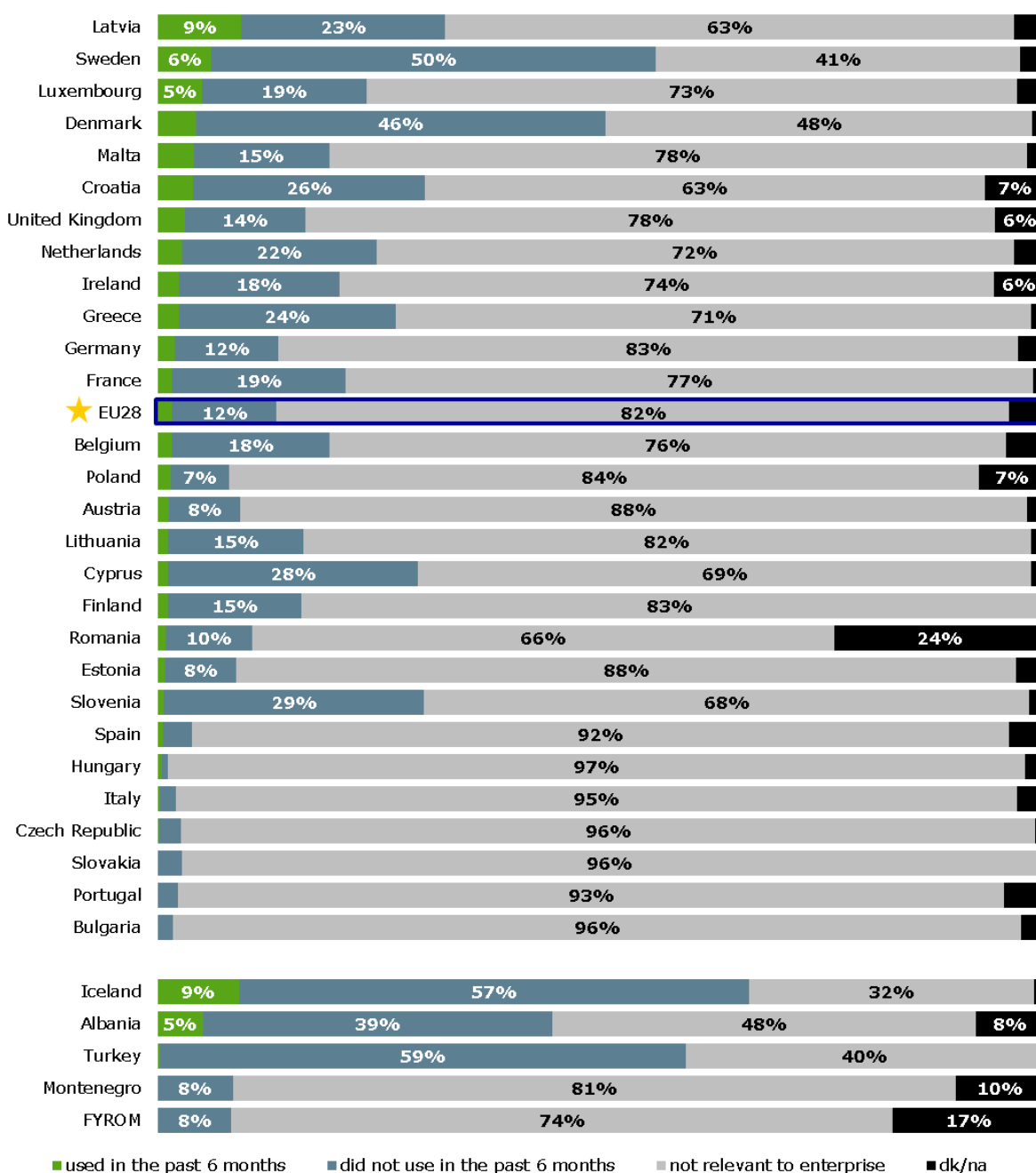
Source: SAFE, 2015; edited by Panteia.

There are no big differences between the four distinguished sectors. In all sectors one out of ten SMEs used other loans. Also across size there is only little variation. The proportion of SMEs that have taken out or renewed other types of loans is highest among large enterprises (with at least 250 employees) and lowest among small enterprises (10 to 49 employees). The proportion of SMEs that used other types of loans is highest among gazelles: 15% of SMEs in this category compared to 10% of SMEs in total EU28. The proportion of high-growth SMEs that used other types of loans is on pair with EU28. Also for exporting and non-exporting SMEs and innovative and non-innovative SMEs there are no big differences in the extent to which other types of loans were used.

1.3.8 Equity capital

This section presents more detailed breakdowns of the use of equity capital. Figure 19 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 19 Use of equity capital in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



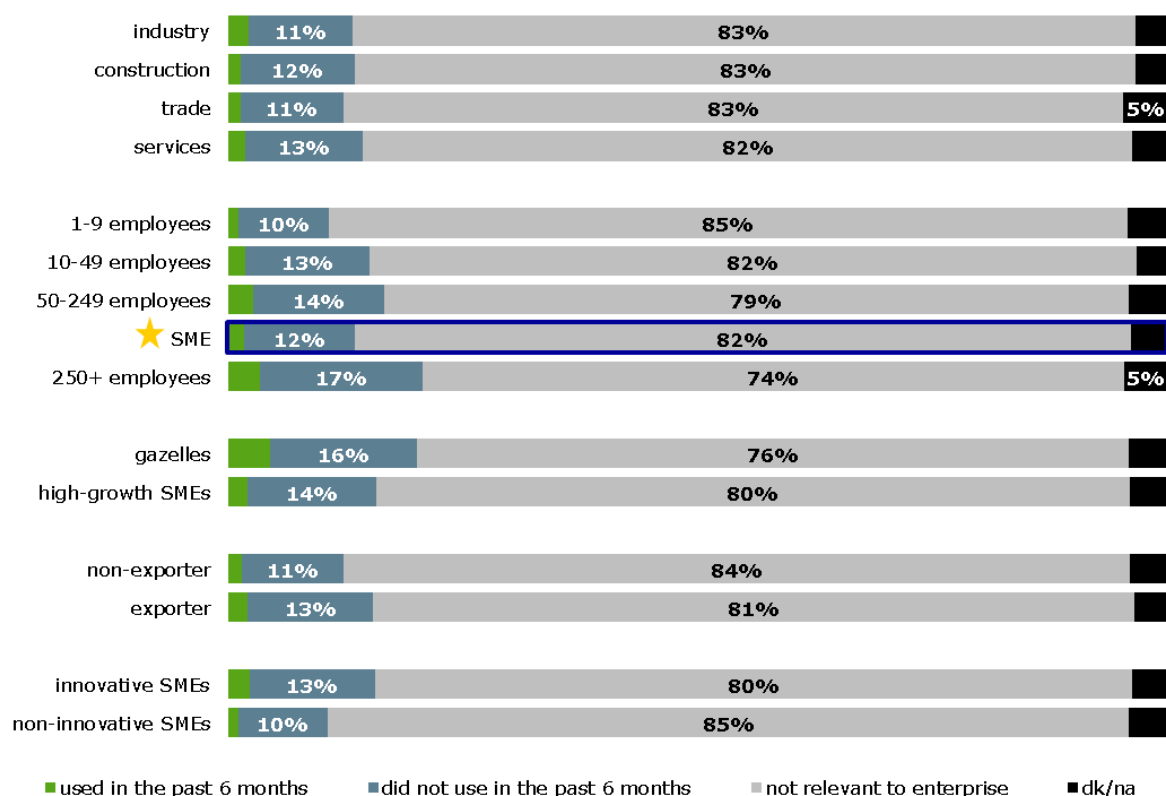
Q4j. Equity capital - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you issued equity in the past six months?

Source: SAFE, 2015; edited by Panteia.

Between April and September 2015 equity was issued by only a small proportion of the European SMEs. The proportions of SMEs that issued equity range from 9% in Latvia tot zero in Italy, the Czech Republic, Slovakia, Portugal end Bulgaria. Of the non-EU28 countries only SMEs in Iceland and Albania reported to have issued equity between April and September 2015

A breakdown by enterprise characteristic in figure 20 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 20 Use of equity capital in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4j. Equity capital - 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? Have you issued equity in the past six months?

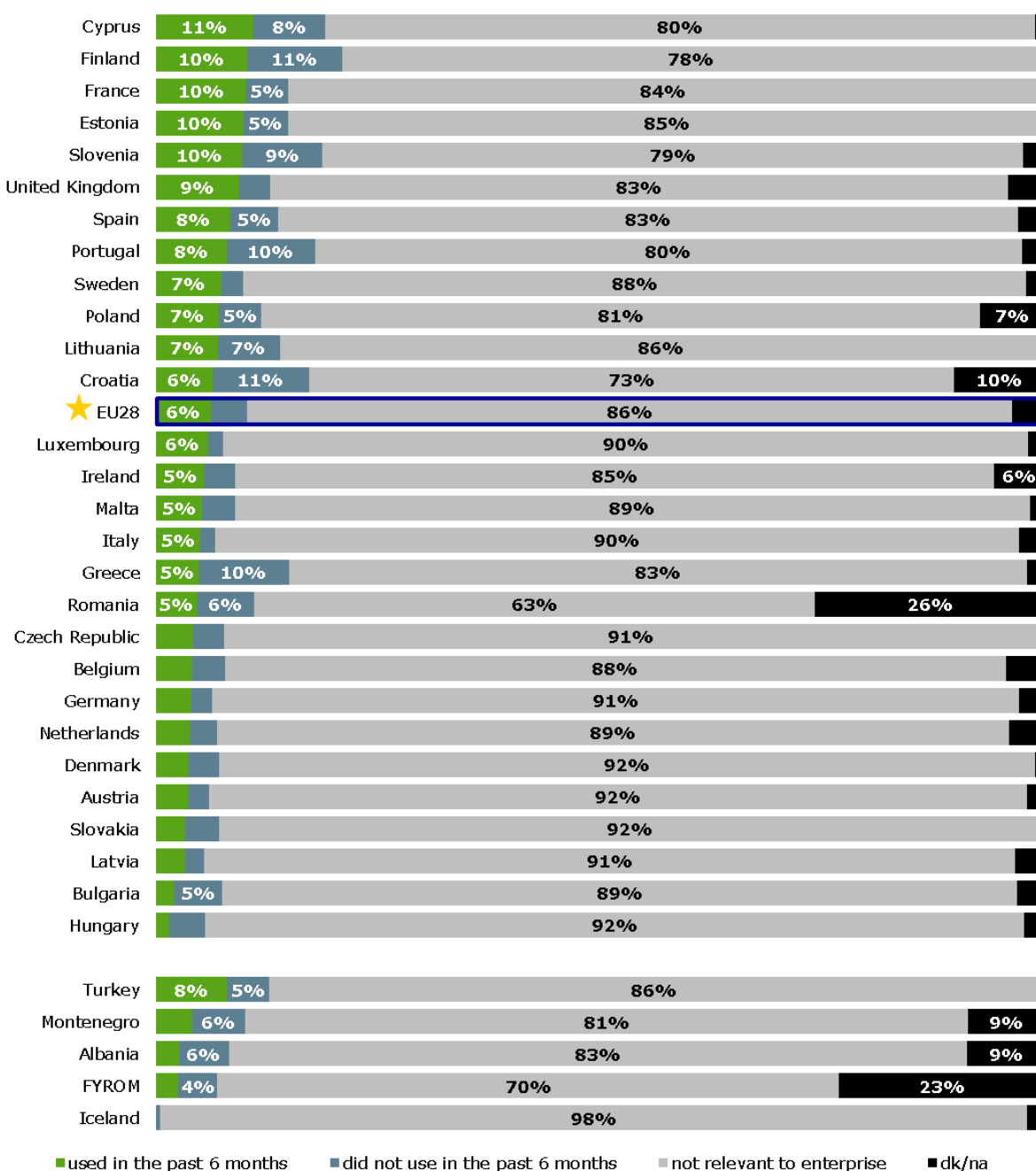
Source: SAFE, 2015; edited by Panteia.

Among the distinguished types of enterprises the proportion of SMEs that have issued equity only varies slightly. The proportion of SMEs that have issued equity is highest among gazelles: 4% of SMEs in this category compared to 2% of SMEs in total EU28.

1.3.9 Factoring

This section presents more detailed breakdowns of the use of factoring. Figure 21 presents a breakdown of results for SMEs by country in each of the EU28 as well as in Iceland, Turkey, Montenegro, Albania and the FYROM.

figure 21 Use of factoring in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

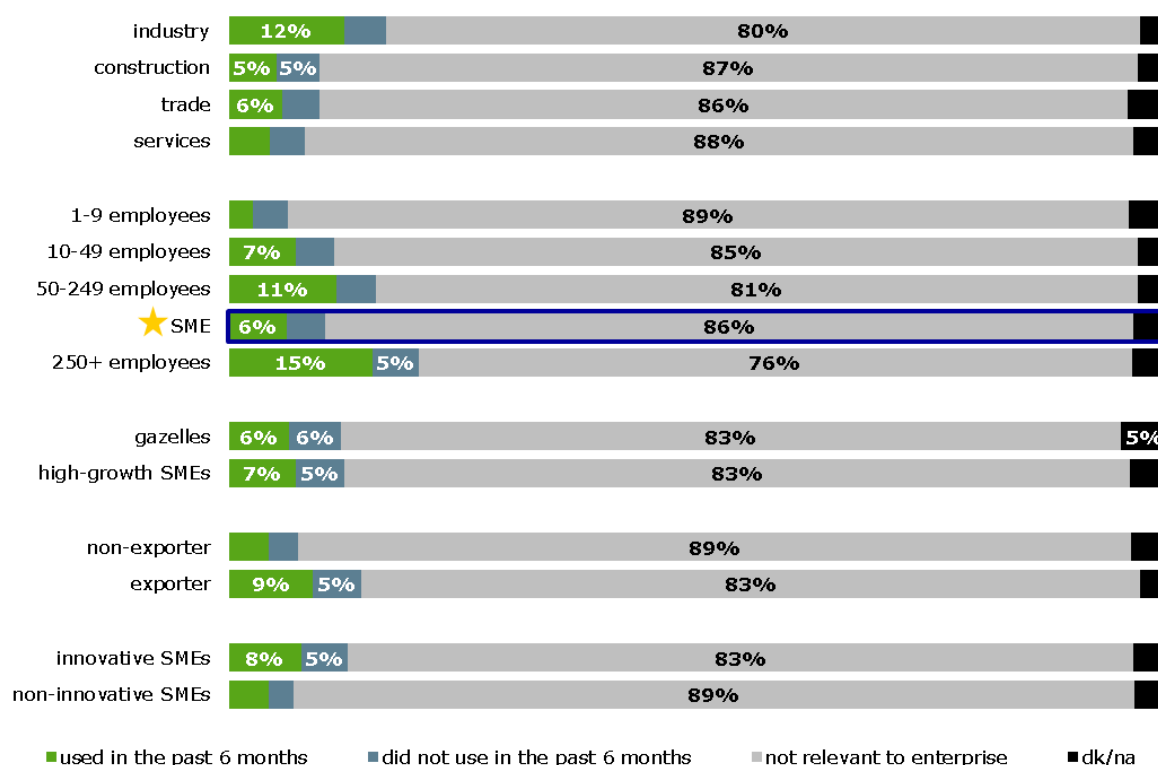


Q4r. Factoring - Are the following sources of financing relevant to your enterprise, that is, have you used them in the past or considered using them in the future? Have you used factoring in the past six months?
Source: SAFE, 2015; edited by Panteia.

The proportions of SMEs that have used factoring between April and September 2015 range from 11% in Cyprus to 1% in Hungary for the EU28 countries. For the other European countries the proportions range from 8% in Turkey to zero in Iceland.

A breakdown by enterprise characteristic in figure 22 presents the results by economic sector economy, enterprise size, type of growth, exporter status and innovativeness. All results are for all SMEs except when presented by size class.

figure 22 Use of factoring in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics



Q4r. Factoring - 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? Have you used factoring in the past six months?
Source: SAFE, 2015; edited by Panteia.

Comparing across sectors, SMEs in industry most often used factoring and SMEs in services least often used this type of financing. The proportion of enterprises that used factoring increases with enterprise size. The proportion of SMEs that have used factoring between April and September 2015 is highest among large enterprises (with at least 250 employees) and smallest among small enterprises (10 to 49 employees). The relative number of gazelles and high-growth SMEs that used factoring is on par with EU28. Exporting SMEs are more likely to have used factoring than non-exporting SMEs. Furthermore, innovative SMEs more often used factoring than their non-innovative counterparts.

1.4. Types of external financing applied for

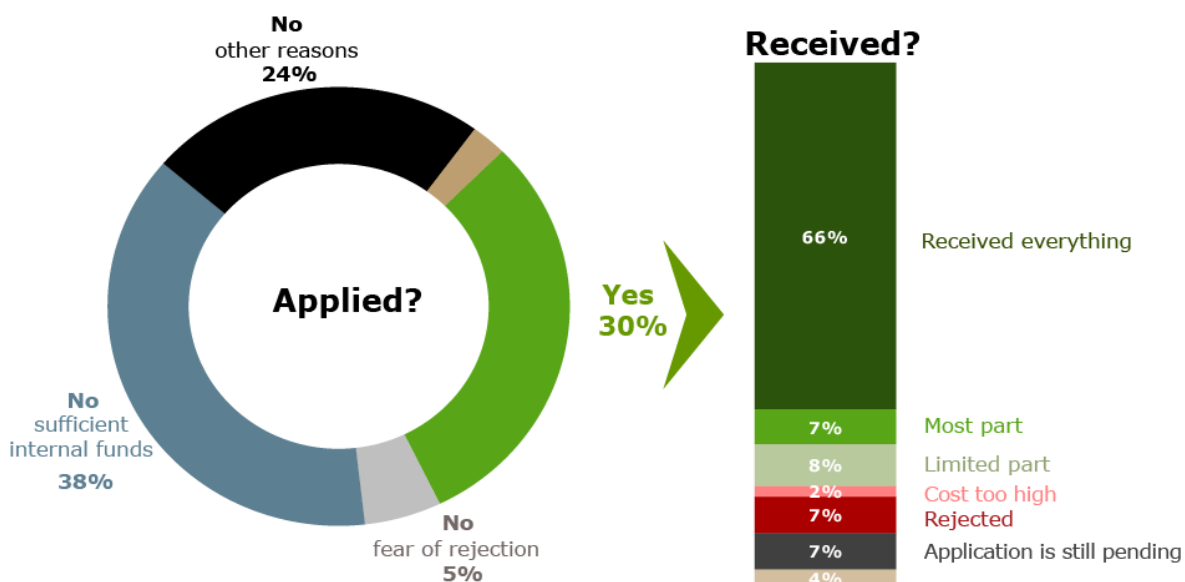
This section covers the types of external financing that SMEs actually applied for. The proportion of SMEs applying for a type of financing and the outcome of these applications are discussed for credit line and overdraft, bank loans, trade credit and other types of external financing.

The discussion of each type will follow the same structure as before. First, overall results are presented for SMEs in EU28 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 EU28 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 23. The proportions refer to SMEs that indicated credit line or overdrafts to be relevant to their enterprise. In 2015, 30% (32% in 2014) of SMEs in the 28 Member States of the EU applied for credit line or overdraft. Most of them were successful in doing so: 66% (59% in 2014) of all applications were granted in full and another 7% (9% in 2014) were granted most of the amount applied for. In 2015, the rejection rate for credit line or overdraft applications was 7% (10% in 2014). Most SMEs that did not apply for overdraft or credit line, mentioned the availability of sufficient internal funds cited as the most important reason for not doing so (38% in 2015 and 35% in 2014).

figure 23 Proportion of EU-28 SMEs that applied for credit line, bank overdraft or credit cards overdraft in the past six months (April to September 2015) 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 overdrafts are relevant to their enterprise.



Q7ad. Credit line, bank overdraft or credit cards overdraft - Have you applied for the following types of financing in the past six months?

Q7bd. Credit line, bank overdraft or credit cards overdraft - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

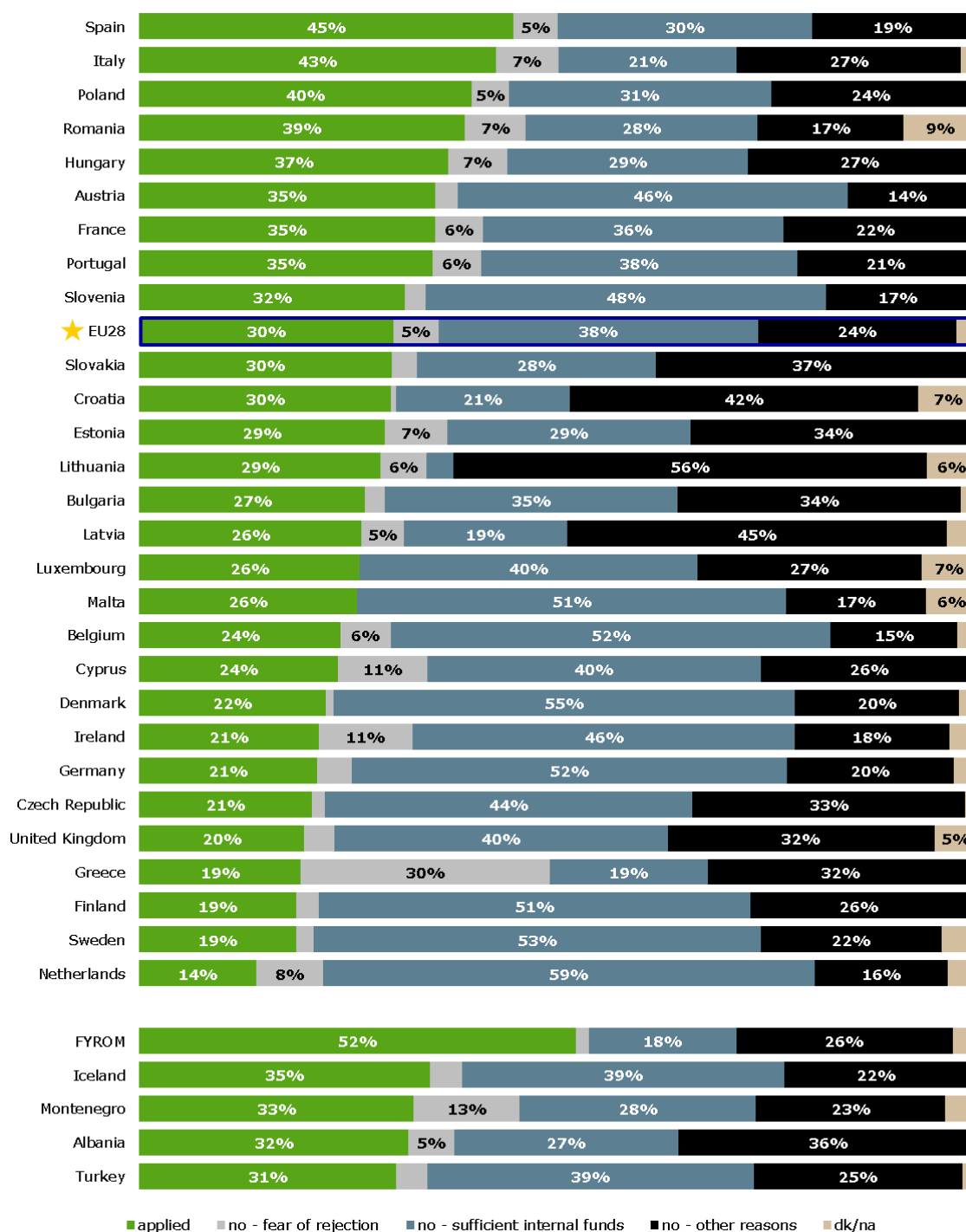
The proportion of SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM that considered credit line or overdraft to be relevant to their enterprise and applied for a bank loan between April and September 2015 and their subsequent success rates vary strongly between countries.

In figure 24 the differences regarding the proportion of SMEs that did and did not apply are presented. This figure shows that 45% of the SMEs in Spain and 52% of SMEs in FYROM that consider credit line or overdraft to be relevant applied. Other countries where a relatively large proportion of SMEs applied for credit line or overdraft were Italy (43%) and Poland (40%). Comparatively few SMEs applied for this type of external financing in the Netherlands (14%), Greece, Finland and Sweden (19%)

In most countries, the most often reported reason for not applying for overdraft or credit line were the sufficient availability of internal funds. Netherlands and Denmark have the largest proportions of SMEs citing this reason for not applying for credit line or overdraft. In the other countries, most SMEs indicated they did not apply due to other reasons. Lithuania has by far the greatest proportion of SMEs citing "other reasons" for not applying for a bank loan. In Greece, the proportion of SMEs reporting fear of rejection is relatively high (30%).

In figure 25 the results after application for credit line or overdraft are presented. The success rate is highest in Finland, where most applying SMEs received the full amount (82%). Also in Slovakia, Croatia and Poland high proportion of SMEs received the full amount applied for. In Greece, only 29% of SMEs received the total amount of financing they applied for. Flat-out rejection rates were highest in the Netherlands (26% of overdraft or credit line applications were rejected completely), Greece (21%) and Lithuania (20%).

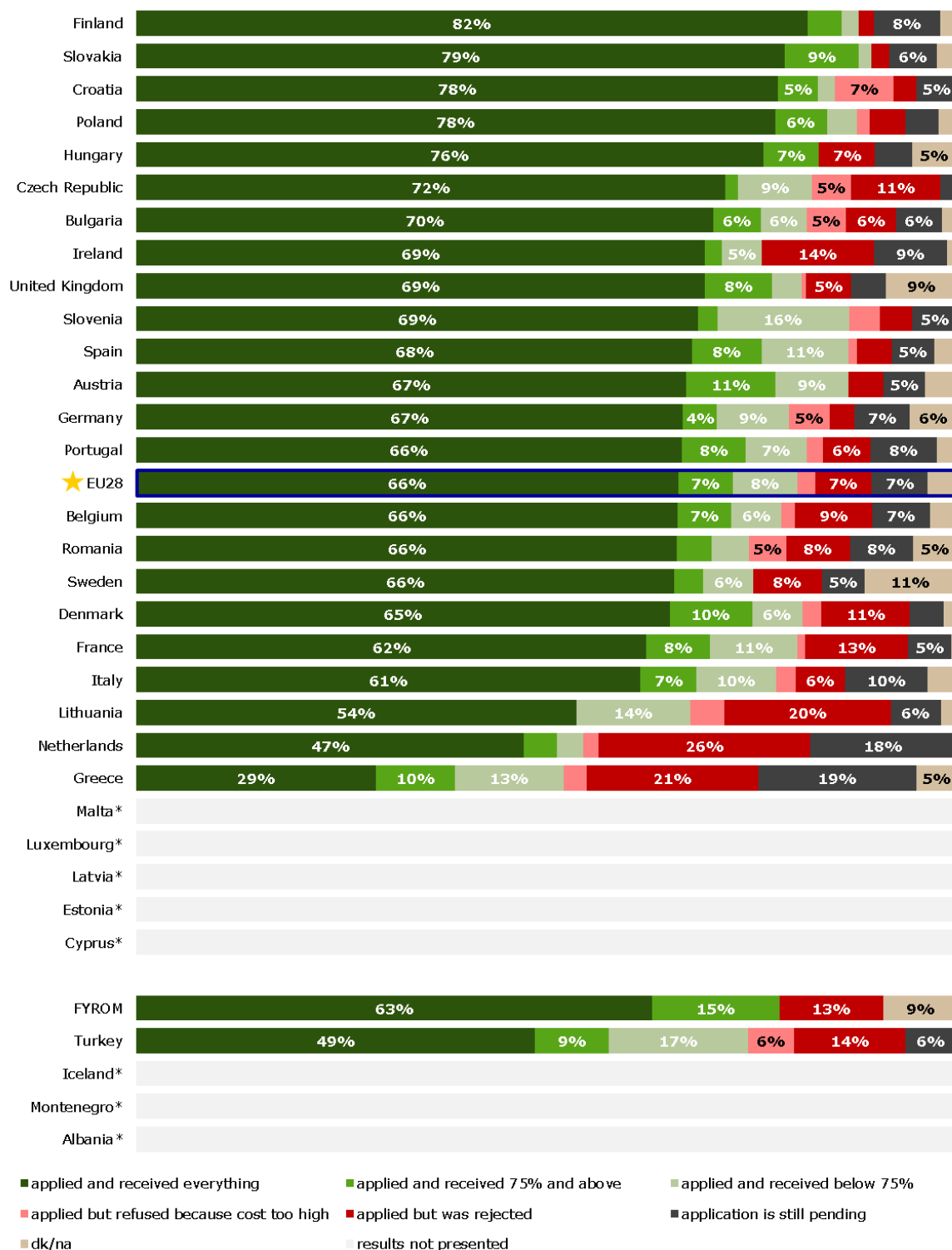
figure 24 Proportion of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for credit line, bank overdraft or credit cards overdraft or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2015, by country. The proportions relate to SMEs that indicated credit line and overdrafts are relevant to their enterprise.



Q7ad. Credit line, bank overdraft or credit cards overdraft - Have you applied for the following types of financing in the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 25 Obtained result of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for credit line, bank overdraft or credit cards overdraft, by country in 2015. The proportions relate to SMEs that indicated that credit line and overdrafts are relevant to their enterprise.

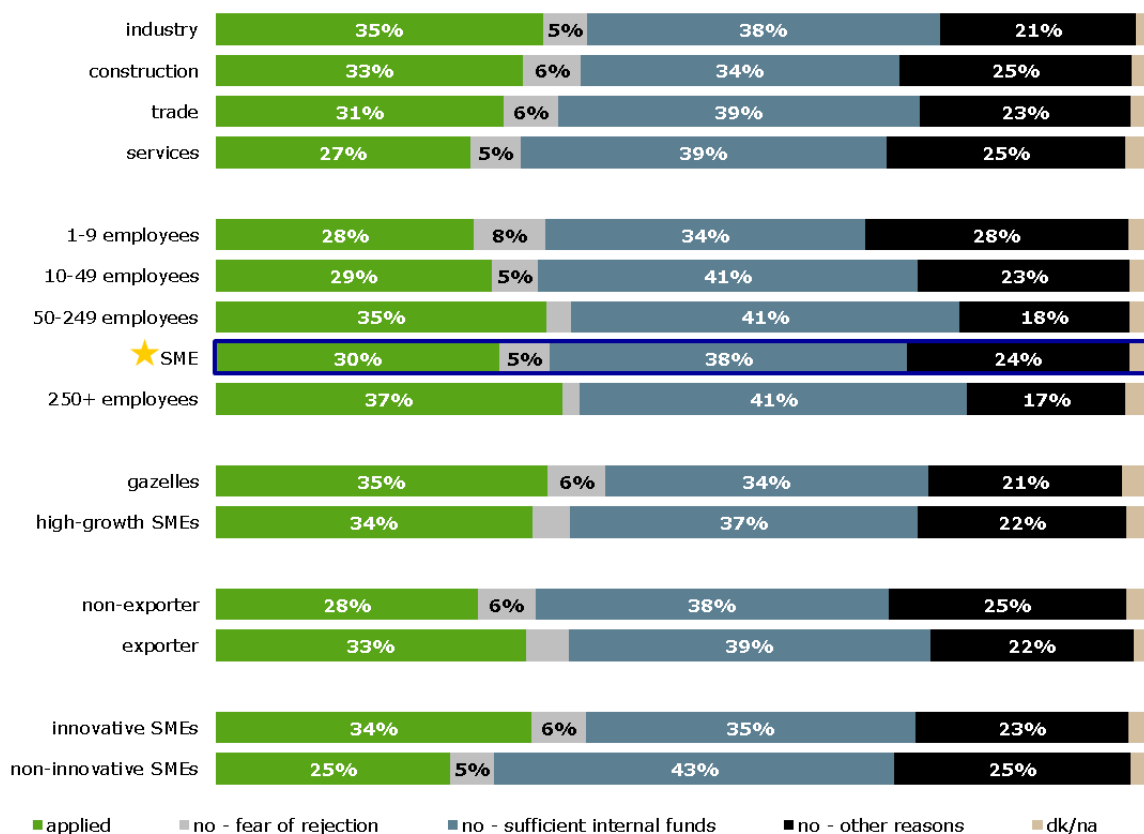


Q7bd. Credit line, bank overdraft or credit cards overdraft - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, because of low unweighted number of observation.

figure 26 Proportion of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM 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 2015, by enterprise characteristics. The proportions relate to SMEs that indicated credit line and overdrafts are relevant to their enterprise.



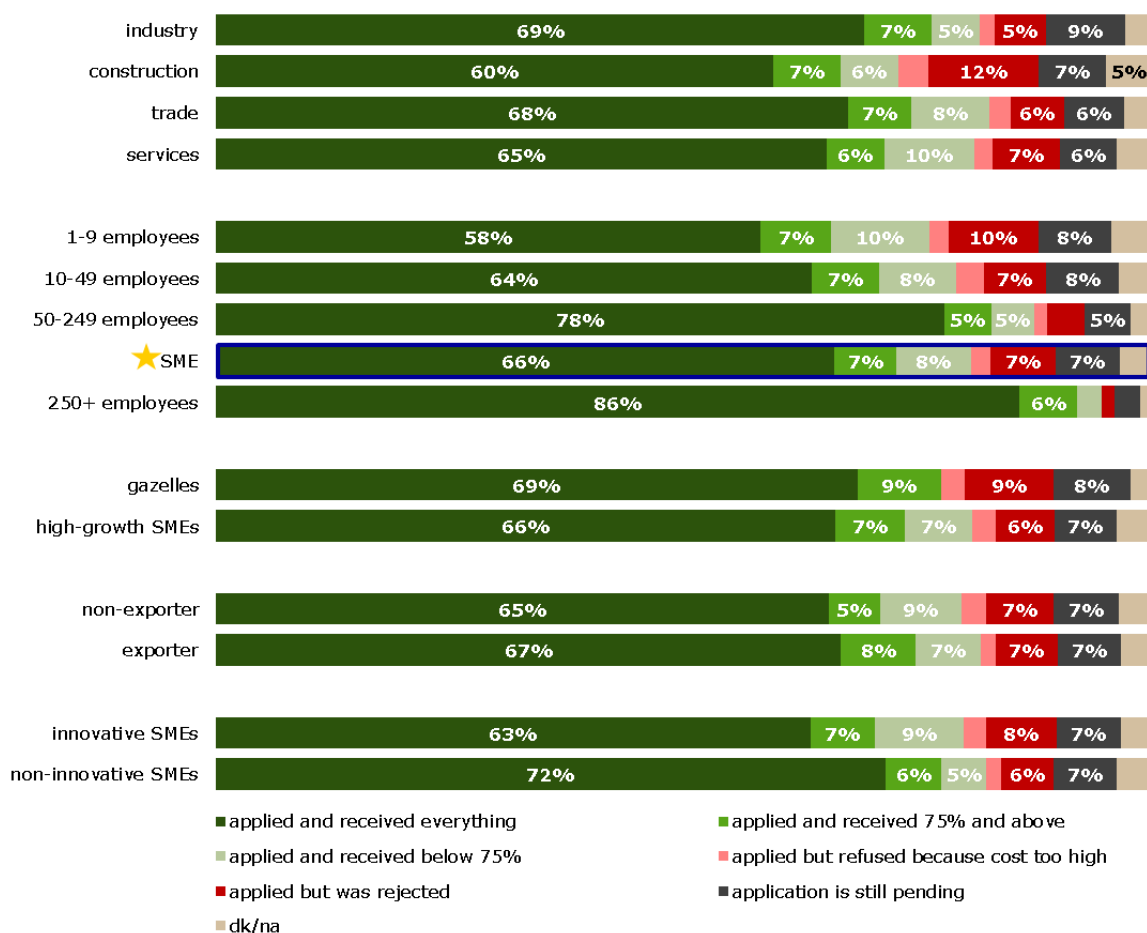
Q7ad. Credit line, bank overdraft or credit cards overdraft - Have you applied for the following types of financing in the past six months?

Source: SAFE, 2015; edited by Panteia.

Of the four economic sectors distinguished, the highest proportion of SMEs to apply for credit line or overdraft is found in Industry: 35% of all SMEs in this sector applied for this type of external financing versus 27% in the business services. The proportion of enterprises that applied for credit line, bank overdraft or credit cards overdraft between April and September 2015 increases with size. 37% of large enterprises (with at least 250 employees) applied for credit line, bank overdraft or credit cards overdraft compared to 28% of micro enterprises (1 to 9 employees).

SMEs that can be considered as gazelles or high-growth enterprises are more likely to have applied for credit line or overdraft than EU28 SMEs. The proportion of exporting SMEs that applied for this type of external financing is slightly 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 27 Obtained result of SMEs in EU-28 that applied for credit line, bank overdrafts or credit cards overdraft, by enterprise characteristics in 2015. The proportions relate to SMEs that indicated that credit line and overdrafts are relevant to their enterprise.



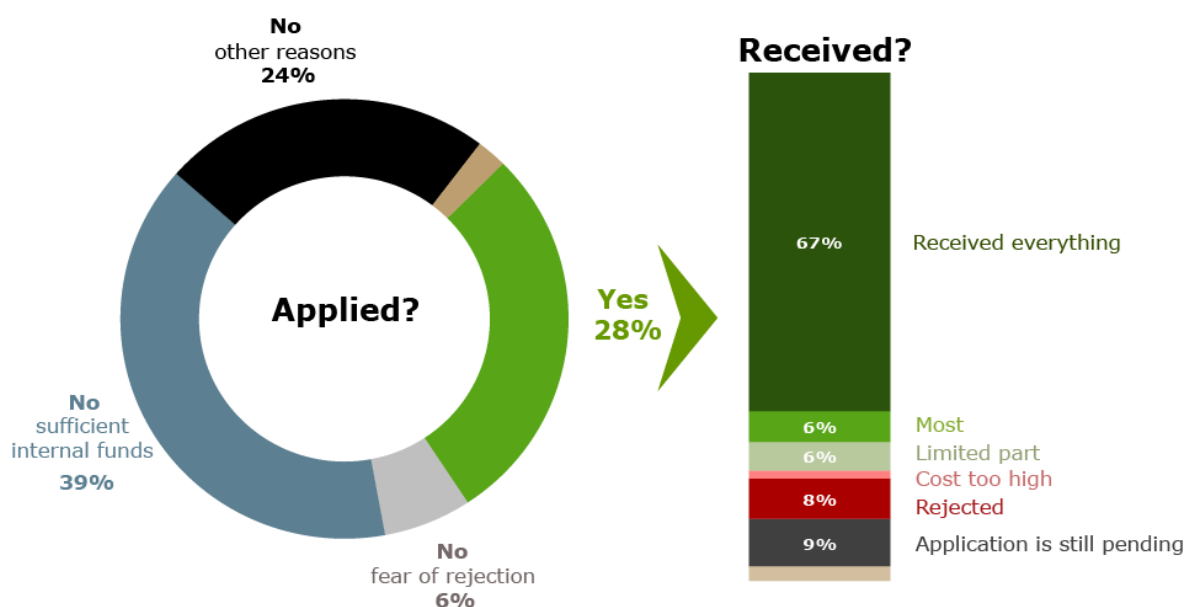
Q7bd. Credit line, bank overdraft or credit cards overdraft - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?
 Source: SAFE, 2015; edited by Panteia.

Compared to other sectors, SMEs in industry have the highest proportion of applicants that received everything. 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 58% for micro enterprises (1 to 9 employees). 69% of SMEs that can be categorised as gazelles received everything they had applied for compared to 66% of SMEs in total EU28. The proportion of high-growth SMEs that applied and received everything is on par with the proportion of SMEs in total EU28. Innovative SMEs more often applied successfully than non-innovative SMEs. SMEs in services have the highest rejection rate for credit line or overdraft applications (10%). The rejection rate decreases with size. The rejection rate for large enterprises was 1% compared to 10% of micro enterprises. The rejection rate across gazelles, high-growth SMEs, exporters and non-exporters and innovative and non-innovative SMEs did only vary slightly.

1.4.2 Bank loans

The proportion of SMEs in the EU28 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 28. The proportions presented refer to SMEs that indicated bank loans to be relevant for their enterprise. In 2015, 28% of these SMEs in the 28 EU Member States applied for a bank loan, which was slightly on par with the proportion of applications in 2014. Most of them were successful in doing so: 67% (60% in 2014) of all applications were granted in full and another 6% (7% in 2014) were granted most of the amount applied for. In 2015, the rejection rate for bank loan applications was 8% compared to 12% in 2014. Most SMEs that did not apply for a loan, did so with the availability of sufficient internal funds cited as the most important reason for not doing so (39% in 2015 and 38% in 2014).

figure 28 Proportion of EU-28 SMEs that applied for bank loans in the past six months (April to September 2015) 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.



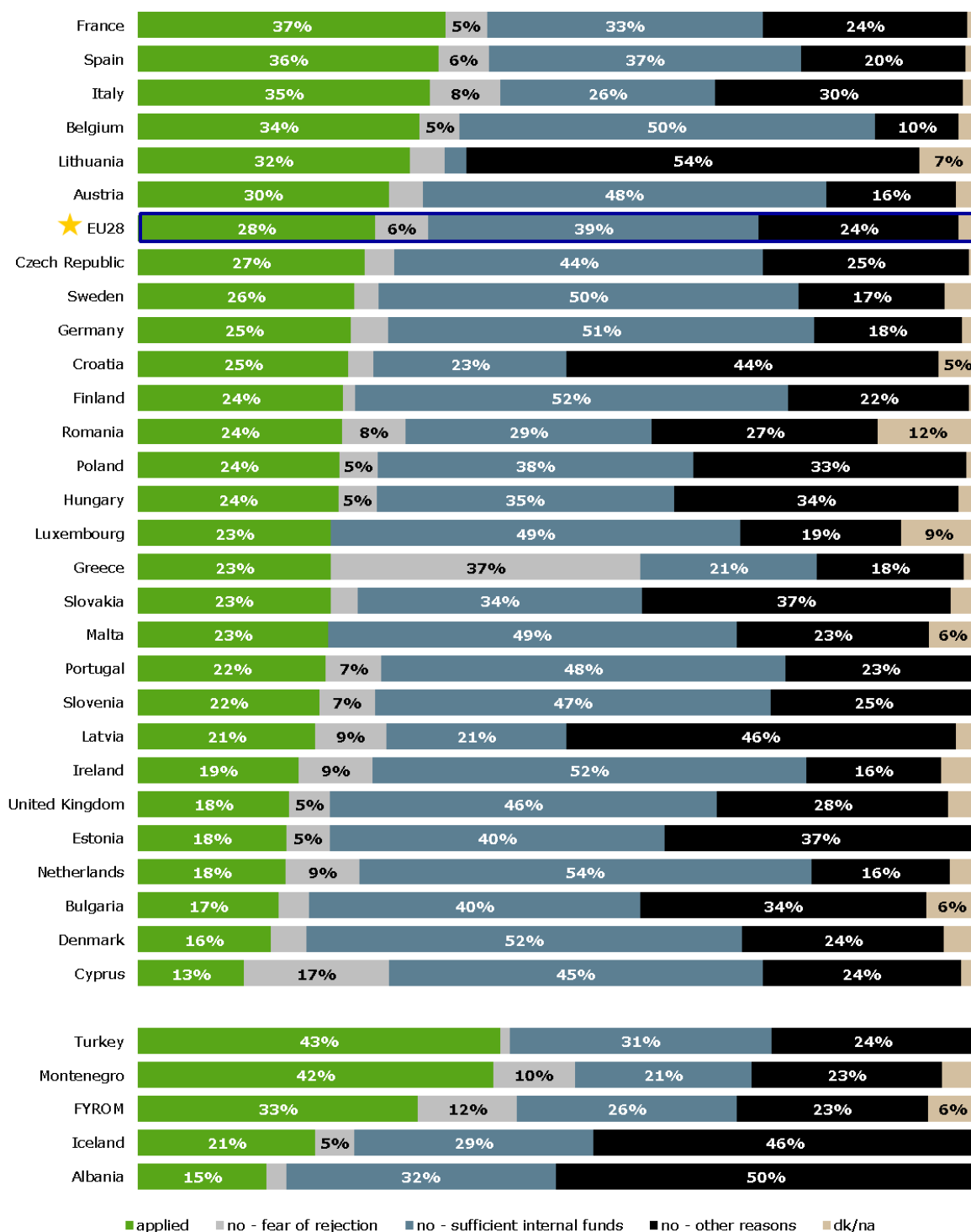
Q7aa. Bank loan (excluding overdraft and credit lines) - Have you applied for the following types of financing in the past six months?

Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

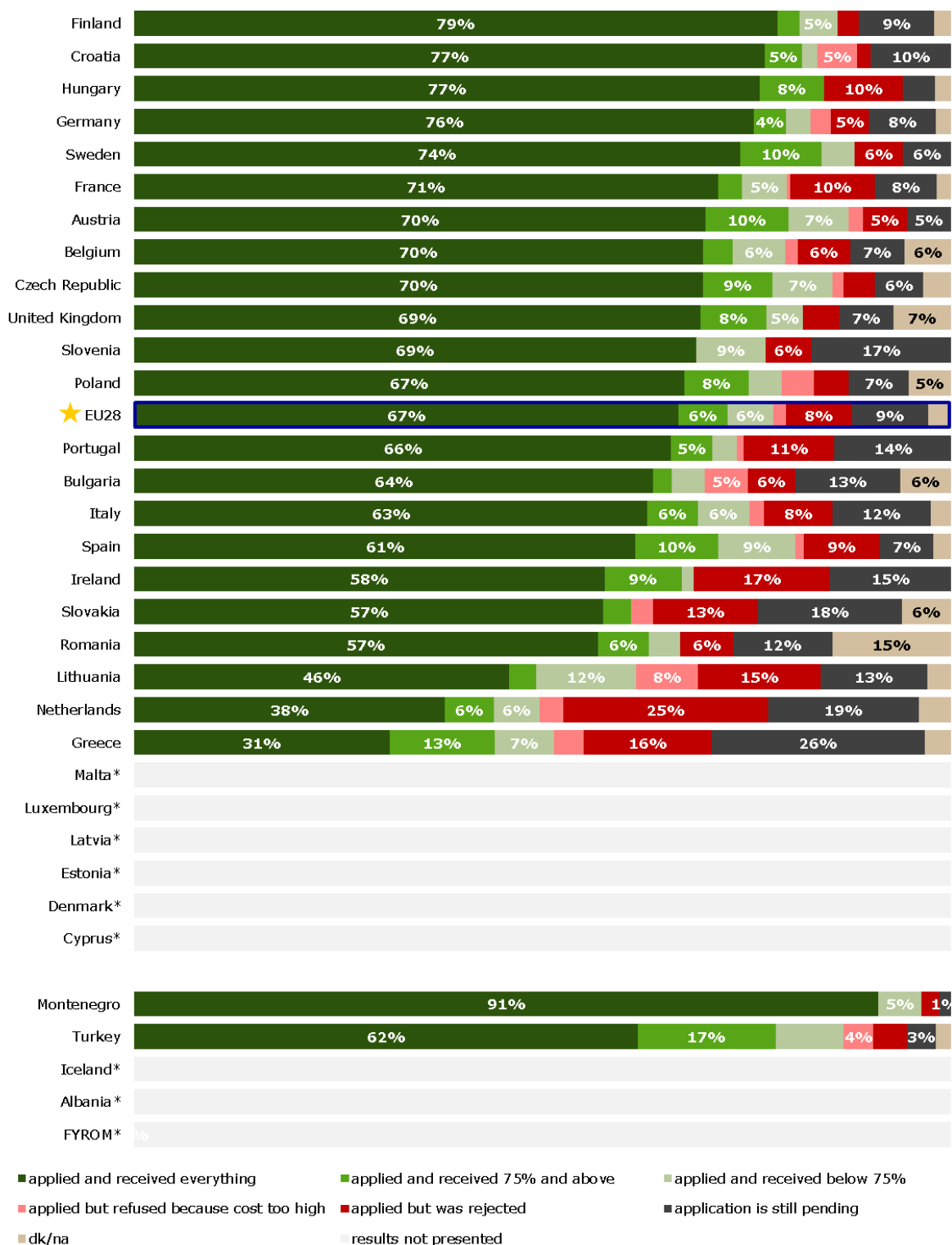
Figure 29 shows that there are large differences between countries regarding the proportion of SMEs applying for bank loans. In France, Spain, Italy, Belgium, Lithuania and Austria the proportion was higher than the EU28 average of 28%. In Ireland, the United Kingdom, Estonia, the Netherlands, Bulgaria, Denmark and Cyprus the proportion of SMEs applying for bank loans was less than 20%. Also the non-EU countries show remarkable differences regarding the proportion of SMEs applying for bank loans. It should be noted that in Greece, many SMEs (37%) did not apply for bank loans because of fear of rejection; to a lesser extent, the same holds for Cyprus (17%).

figure 29 Proportion of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM 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 2015, by country. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise.



Q7aa. Bank loan (excluding overdraft and credit lines) - Have you applied for the following types of financing in the past six months?
 Source: SAFE, 2015; edited by Panteia.

figure 30 Obtained result of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for bank loans, by country in 2015. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.

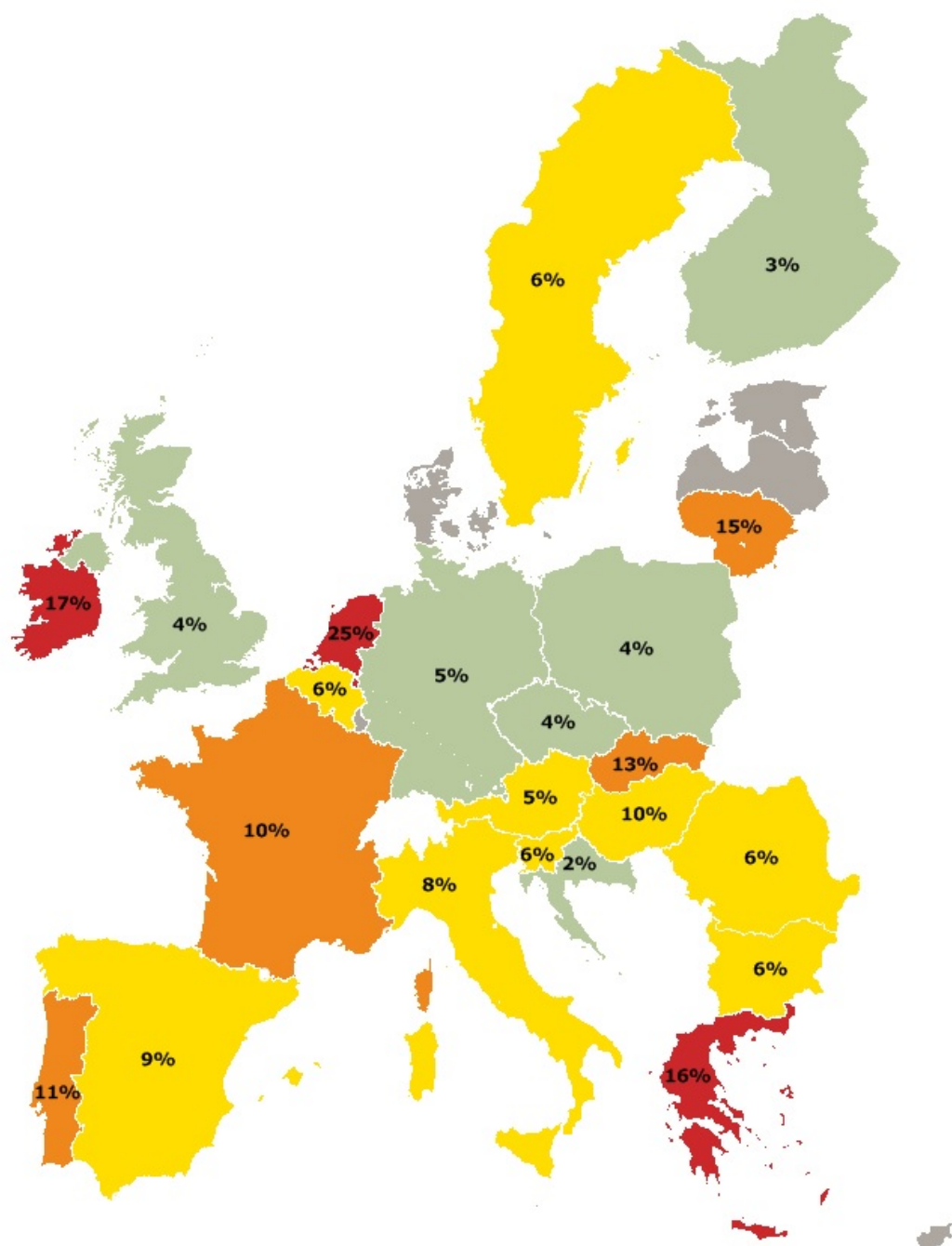


Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, because of low unweighted number of observation.

figure 31 Rejection rates of bank loan applications of SMEs in EU-28, by country in 2015.



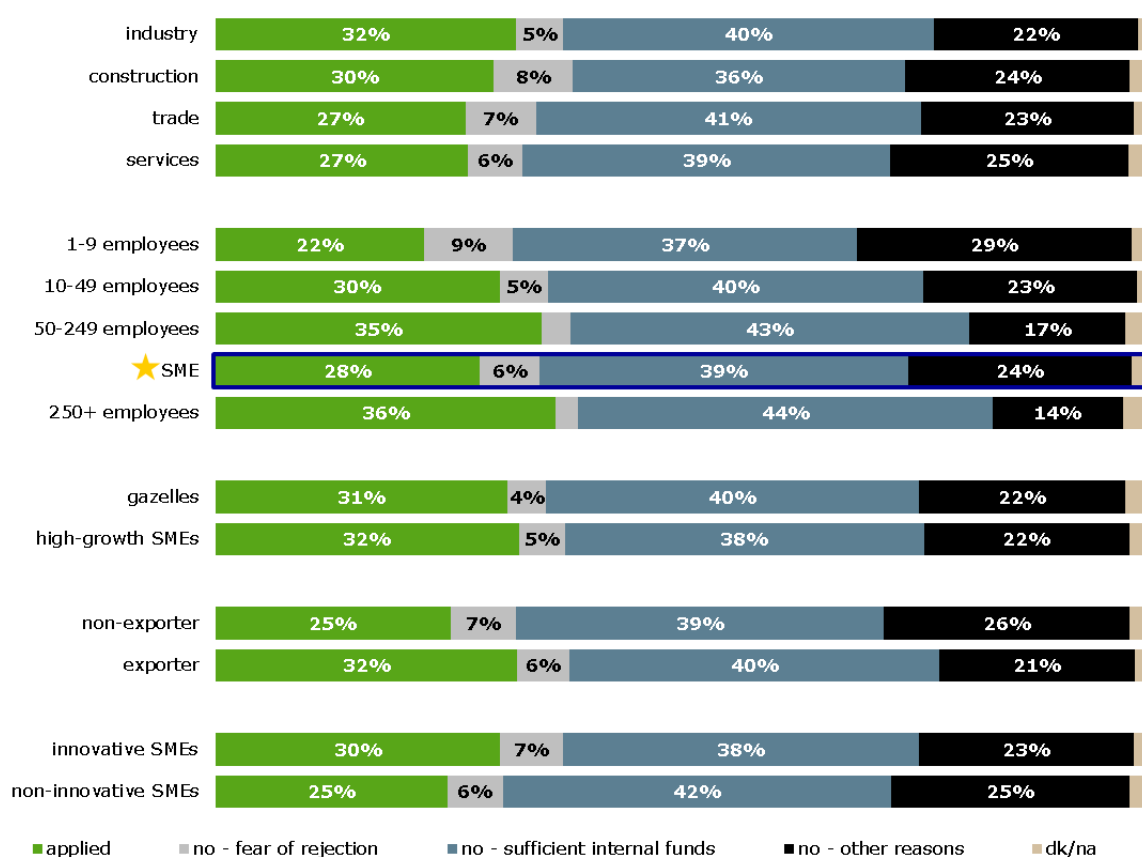
Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

* Grey coloured countries indicate that the unweighted number of observations was low and therefore results are not presented.

The extent to which SMEs have been successful in applying for bank loans is further detailed in figure 30. In most EU Member States more than 50% of the SMEs received everything. In Lithuania, the Netherlands and Greece the proportion of SMEs receiving everything is much lower. In Greece this is often the result of the application still being pending. Figure 31 presents the rejection rates of EU28 SMEs by country. The highest rejection rate was found in the Netherlands were 25% of the SMEs reported that the application has been rejected. More than two thirds of the SMEs on Montenegro report that they received the full bank loan they applied for; the proportion of SMEs in Turkey (62%) reporting that they received everything is less than the EU average.

figure 32 Proportion of SMEs in EU-28 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 2015, by enterprise characteristics. The proportions relate to SMEs that indicated bank loans are relevant to their enterprise.



Q7aa. Bank loan (excluding overdraft and credit lines) - Have you applied for the following types of financing in the past six months?

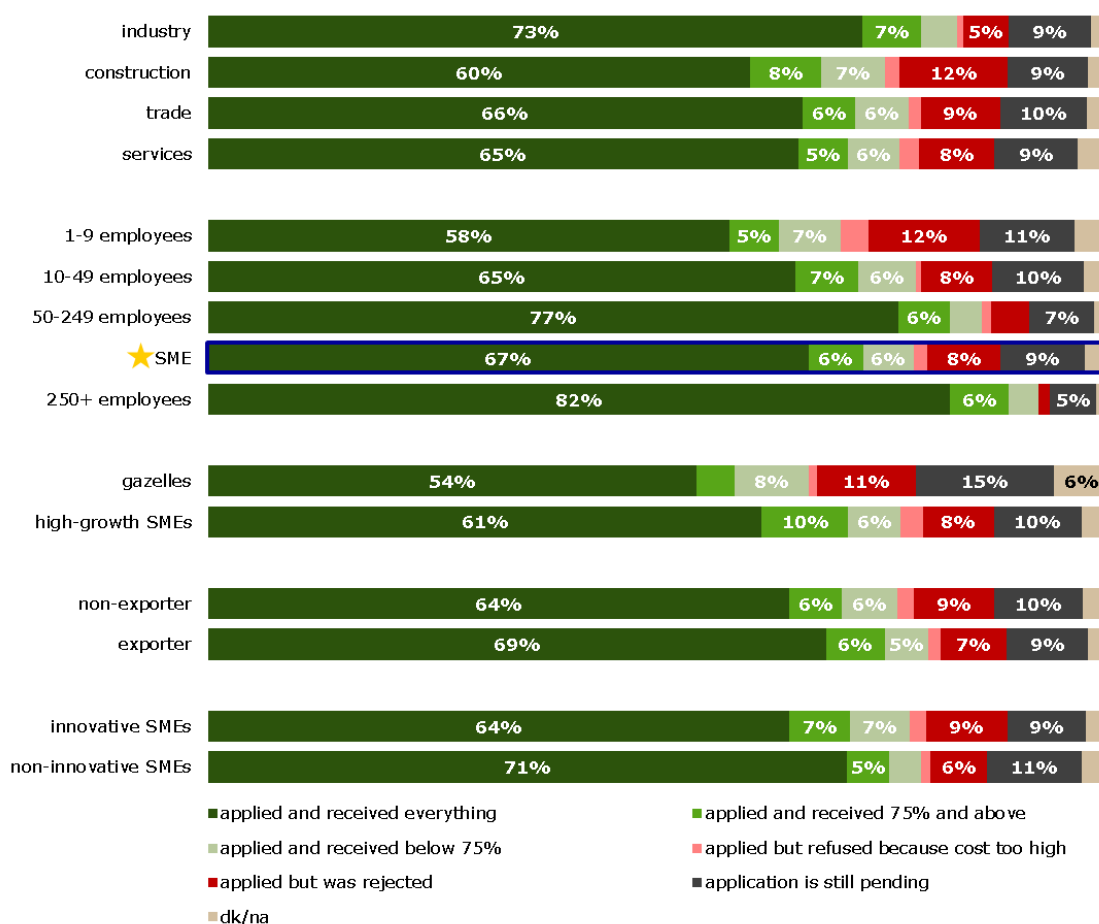
Source: SAFE, 2015; edited by Panteia.

The application for bank loans is further detailed by enterprise characteristic in figure 32. There is little variation regarding the proportion of SMEs applying for bank loans across sectors of industry. There is a strong correlation between enterprise size and the proportion of enterprises applying for bank loans: only 22% of micro enterprises (1 to 9 employees) report having applied for bank loans, whereas this proportion amounts to 36% for enterprises with more than 250 employees. Gazelles and high-growth SMEs more often than average apply for bank loans. Exporting SMEs more

often than non-exporting SMEs apply for bank loans. The proportion of innovative SMEs applying for bank loans is larger than the proportion of non-innovative SMEs.

Figure 33 shows how successful the application for bank loans has been. 73% of the SMEs in industry received everything they applied for; for the other sectors of industry this proportion varied between 60% and 66%. The proportion of enterprises reporting having got everything varied between 58% in micro enterprises (1 to 9 employees), and 77% in enterprises with more than 250 employees. The proportion of gazelles (54%) and high-growth enterprises (61%) that report to have received everything is below the average for EU SMEs (67%). Slightly more exporters (69%) report they have received everything than average. 64% of innovative firms report they have received everything, while for non-innovative firms this proportion amounts to 71%.

figure 33 Obtained result of SMEs in EU-28 that applied for bank loans, by enterprise characteristics in 2015. The proportions relate to SMEs that indicated that bank loans are relevant to their enterprise.

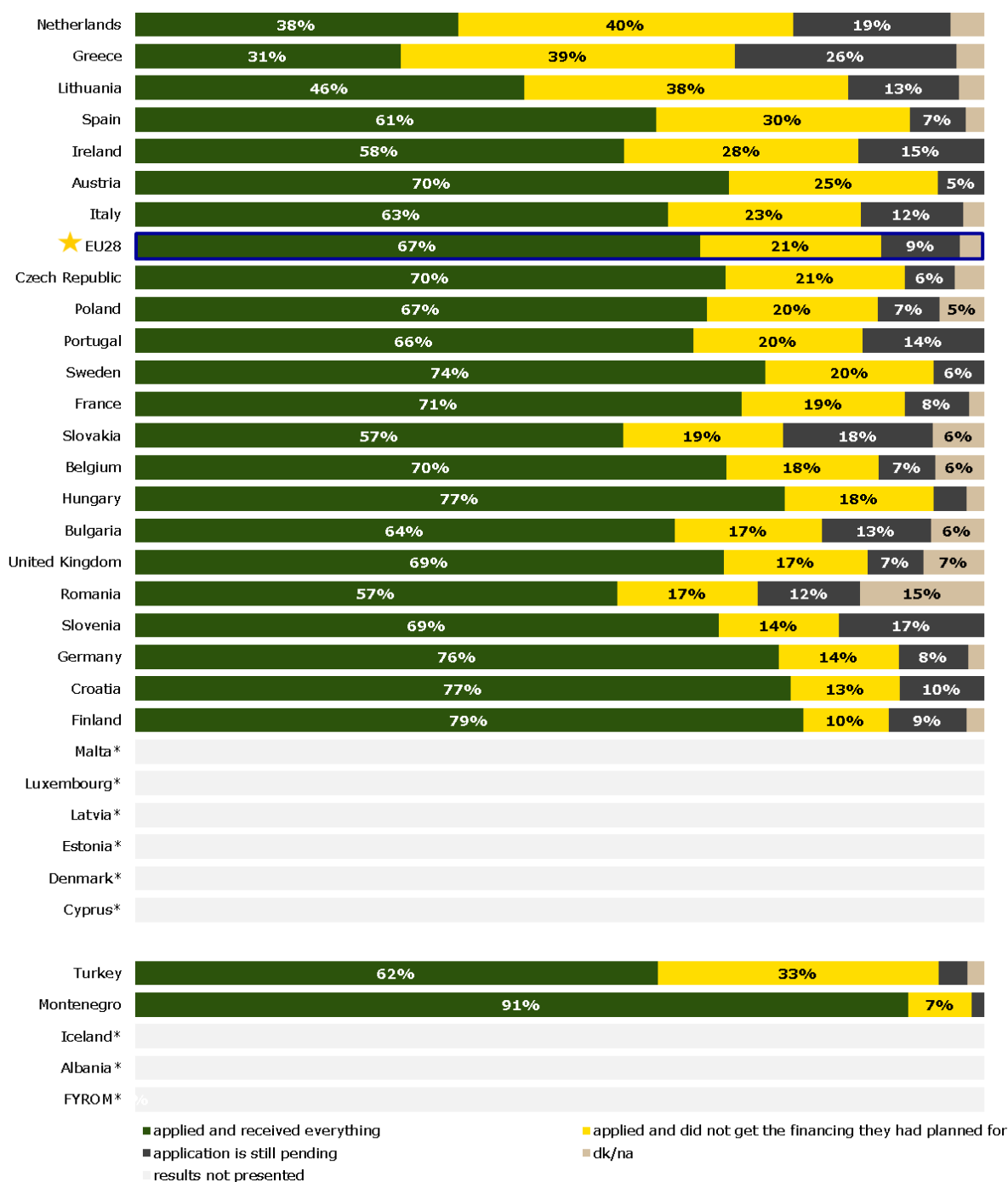


Q7bb. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?
 Source: SAFE, 2015; edited by Panteia.

According to figure 34, 67% of the EU28 SMEs applied for bank loans and received everything; 21% of the SMEs applied but did not obtain the financing the had planned for. These proportions vary strongly across countries. The proportion of SMEs that applied for bank loans but did not get the financing they planned for was highest in The Netherlands, Greece, Lithuania and Spain. It was lowest in Finland. Also in Turkey

the proportion of SMEs that reported they had applied for bank loans but have not obtained the financing they planned for is considerable.

figure 34 Obtained result of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for bank loans. 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.



Q7bb. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

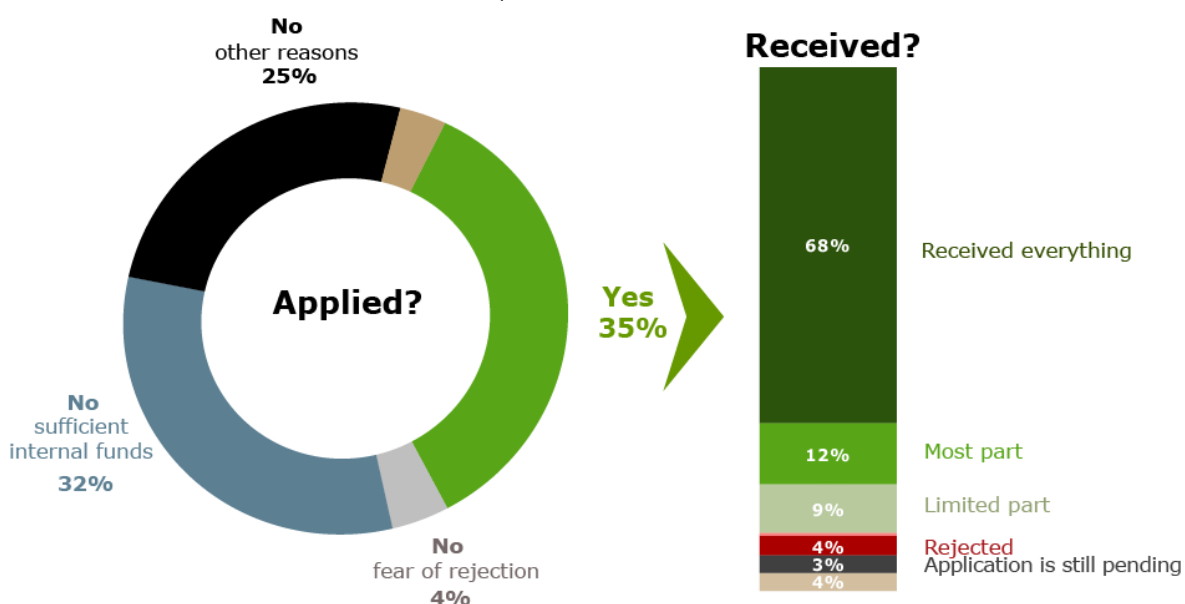
Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, because of low unweighted number of observation.

1.4.3 Trade credit

The proportion of EU-28 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 35. The proportions refer to SMEs that indicated trade credit to be relevant to their enterprise. In 2015, 35% of these SMEs in the 28 Member States of the EU applied for trade credit, which was higher than in 2014 (31%). Most of them were successful in doing so: 68% (64% in 2014) of all applications were granted in full and another 12% (11% in 2014) were granted most of the amount applied for. In 2015, the rejection rate for trade credit applications was 4% compared to 6% in 2014. Most SMEs that did not apply for trade credit, did so with the availability of sufficient internal funds cited as the most important reason for not doing so (32% in 2015 and 33% in 2014).

figure 35 Proportion of EU-28 SMEs that applied for trade credit in the past six months (April to September 2015) 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.



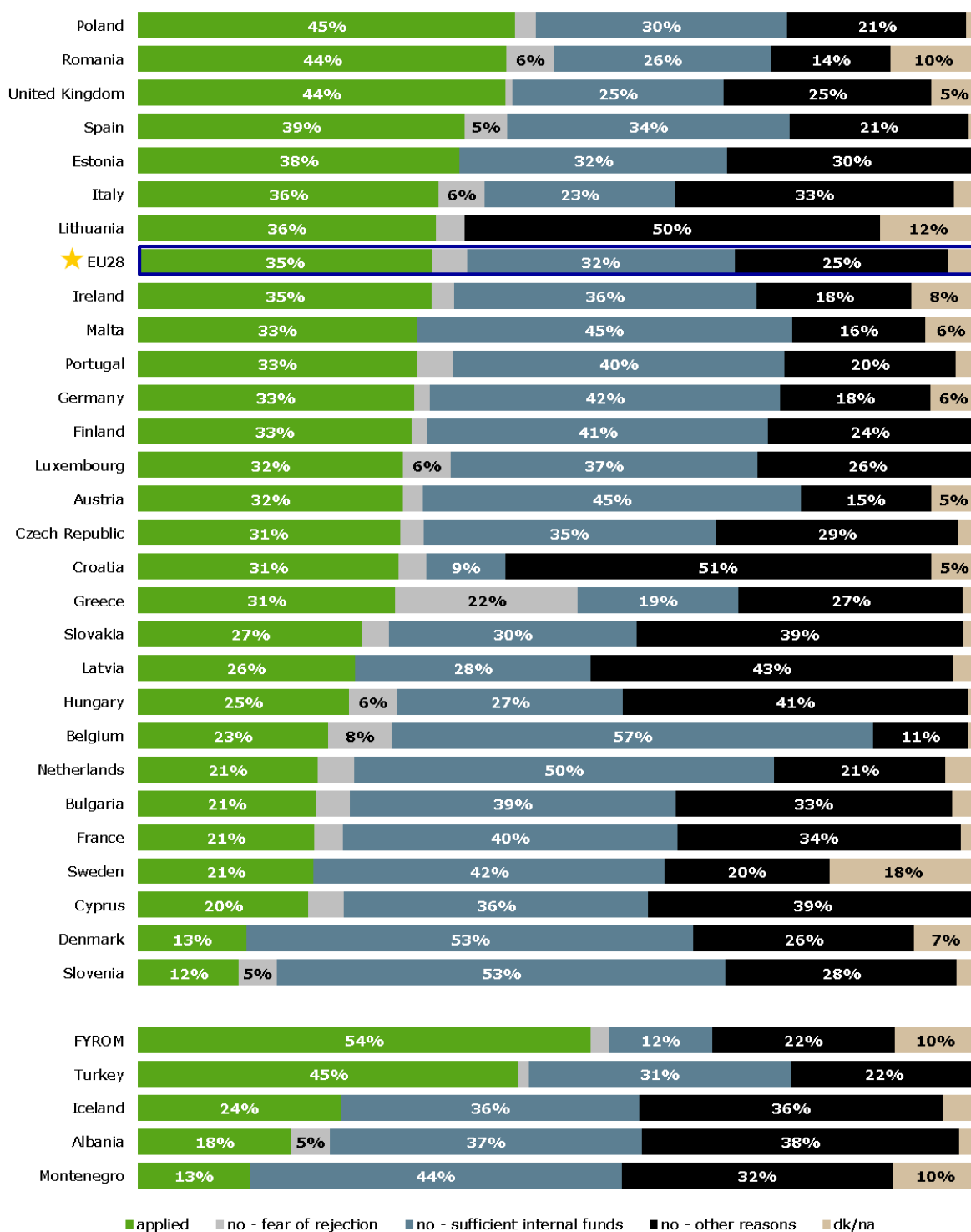
Q7ab. Trade credit - Have you applied for the following types of financing in the past six months?

Q7bb. Trade credit - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

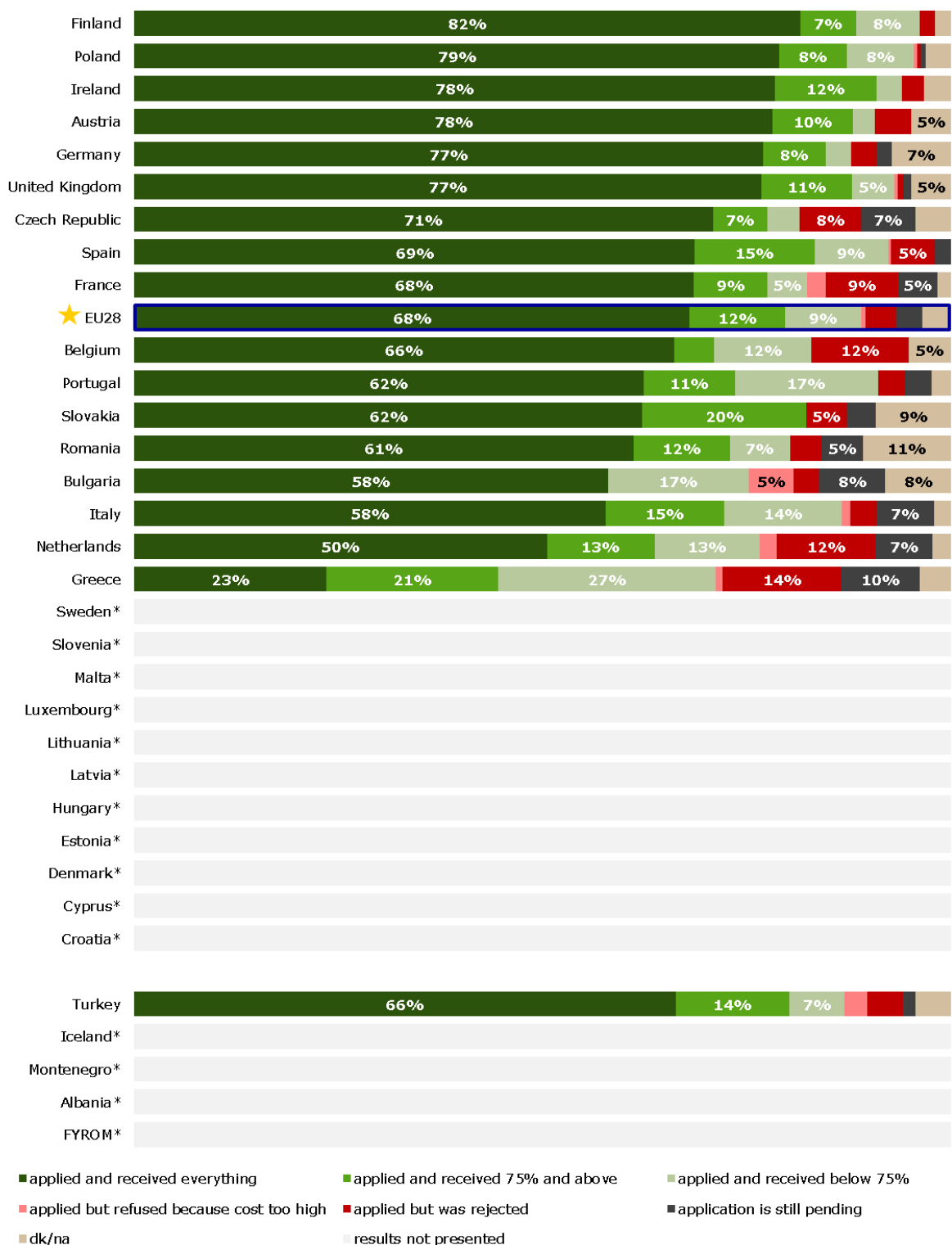
The proportion of SMEs applying for trade credit varied considerably across countries, as shown in figure 36. Within the EU28, this proportion varied between 12% in Slovenia and 13% in Denmark on the one hand, and over 40% in the United Kingdom, Romania and Poland. 22% Of the Greek SMEs report not having applied for trade credit because of fear of rejection; this is much higher than in other countries. In Belgium, Denmark, Slovenia, and the Netherlands, more than 50% of the SMEs report not having applied for trade credit because they had sufficient internal funds.

figure 36 Proportion of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM 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 2015, by country. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Q7ab. Trade credit - Have you applied for the following types of financing in the past six months?
 Source: SAFE, 2015; edited by Panteia.

figure 37 Obtained result of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for trade credit, by country in 2015. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



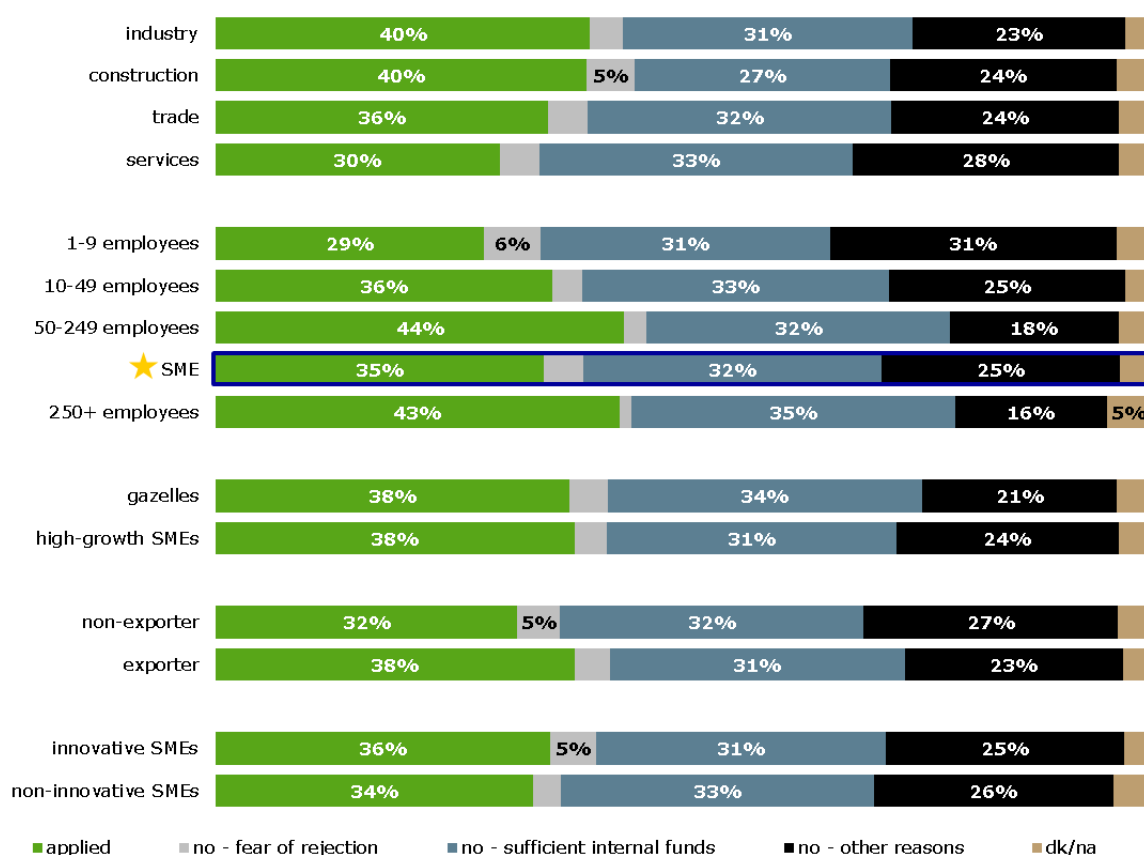
Q7bb. Trade credit - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, because of low unweighted number of observation.

In EU28, 68% of the SMEs report they received everything they applied for, and another 12% report they received not everything but at least 75% of what they applied for. Figure 37 shows that in general the proportion of SMEs reporting they received everything varies between 50% in the Netherlands, and 82% in Finland. The situation in Greece is still different, with only 23% of the SMEs reporting they received everything, and still another 21% receiving at least 75%, and 27% receiving some but less than 75% of what they applied for.

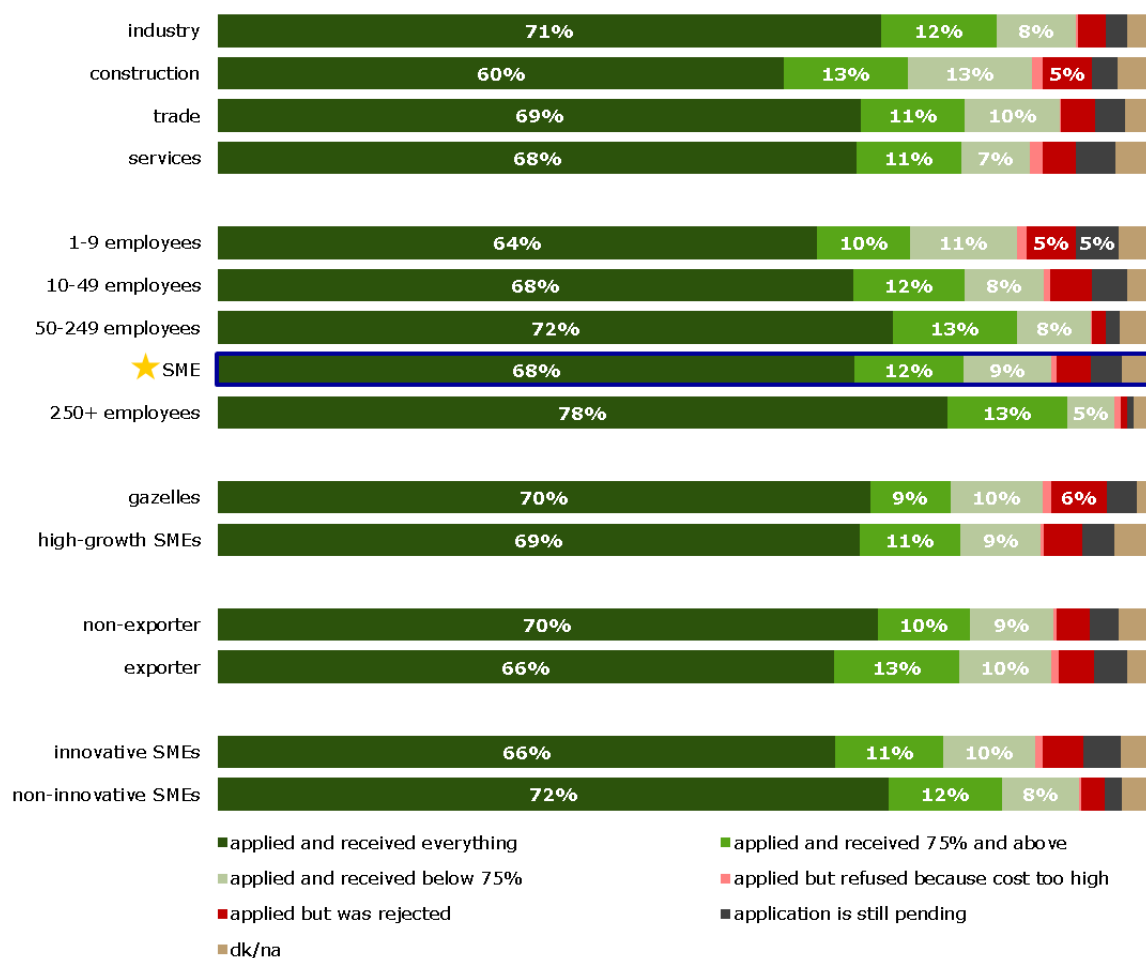
figure 38 Proportion of SMEs in EU-28 that applied for trade credit or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2015, by enterprise characteristics. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Q7ab. Trade credit - Have you applied for the following types of financing in the past six months?
Source: SAFE, 2015; edited by Panteia.

Figure 38 shows that SMEs in industry and construction applied for trade credit, while this proportion amounted to 36% in trade, and 30% in services. Less enterprises with 1 -9 employees apply for trade credit than enterprises with 50 or more employees, with enterprises with 10 -49 employees in between. The proportion of gazelles and high-growth SMEs having applied for trade credit (38%) is above average of EU SMEs. Exporters more often apply for trade credit than non-exporters. The proportion of innovative and non-innovative SMEs applying for trade credit do not differ much.

figure 39 Obtained result of SMEs in EU-28 that applied for bank loans, by enterprise characteristics in 2015. The proportions relate to SMEs that indicated that trade credit is relevant to their enterprise.



Q7bb. Trade credit - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

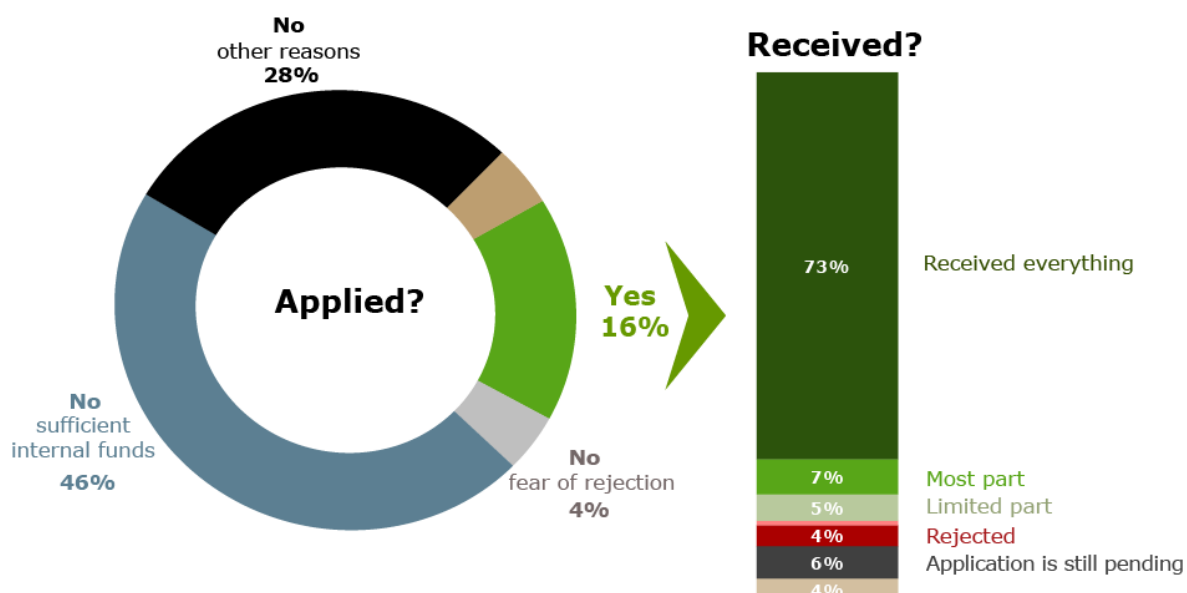
Source: SAFE, 2015; edited by Panteia.

The proportion of SMEs in construction that applied for trade credit and received everything is 60%; this is less than the proportion of SMEs that applied for trade credit and received everything in other sectors of industry (figure 39). 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 over 350 employees. Gazelles and high-growth enterprises do not differ much regarding the proportion reporting they applied for trade credit and obtaining everything. Non-exports have been more successful than exporters in obtaining all trade credit they applied for. Also non-innovative SMEs have been more successful in obtaining all trade credit they applied for than non-innovative SMEs.

1.4.4 Other external financing

The proportion of EU-28 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 40. In 2015, 16% of these SMEs in the 28 Member States of the EU applied for other external financing, which was lower than in 2014 (22%). Most of them were successful in doing so: 73% (also 73% in 2014) of all applications were granted in full and another 7% (5% in 2014) were granted most of the amount applied for. In 2015, the rejection rate for other types of external financing was 4% compared to 5% in 2014. Most SMEs that did not apply for other external financing, did so with the availability of sufficient internal funds cited as the most important reason for not doing so (46% in 2015 and 40% in 2014).

figure 40 Proportion of EU-28 SMEs that applied for other external financing in the past six months (April to September 2015) 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.



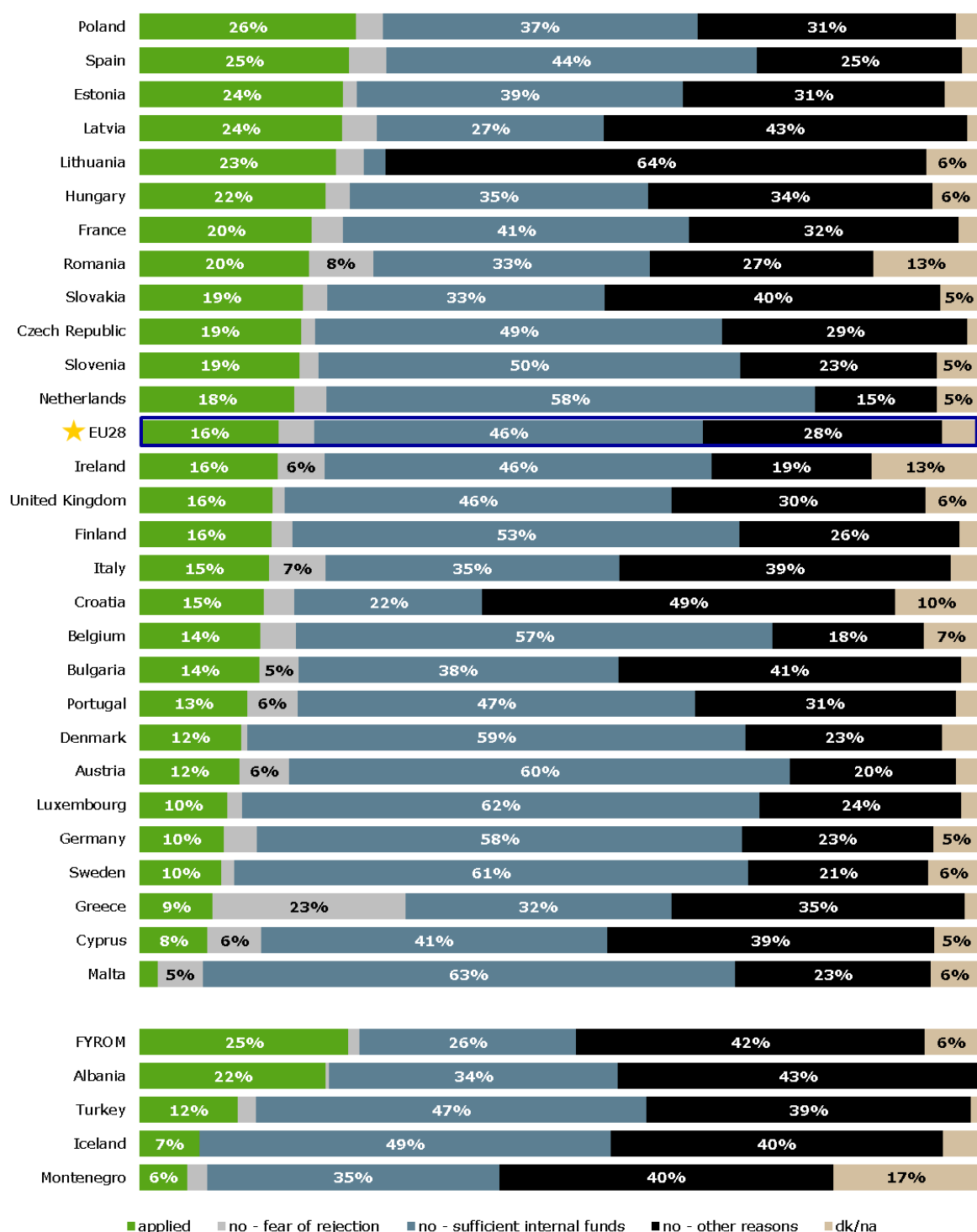
Q7ac. Other external financing - Have you applied for the following types of financing in the past six months?

Q7bc. Other external financing - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

Figure 41 shows that the proportion of SMEs applying for other external financing varied considerably across countries. The proportion of SMEs applying for other external financing was lowest in Greece, Cyprus, Iceland, Montenegro and Malta, and highest in Poland, FYROM and Spain. In Greece, a large proportion of MSEs did not apply for other external financing due to the fear of being rejected.

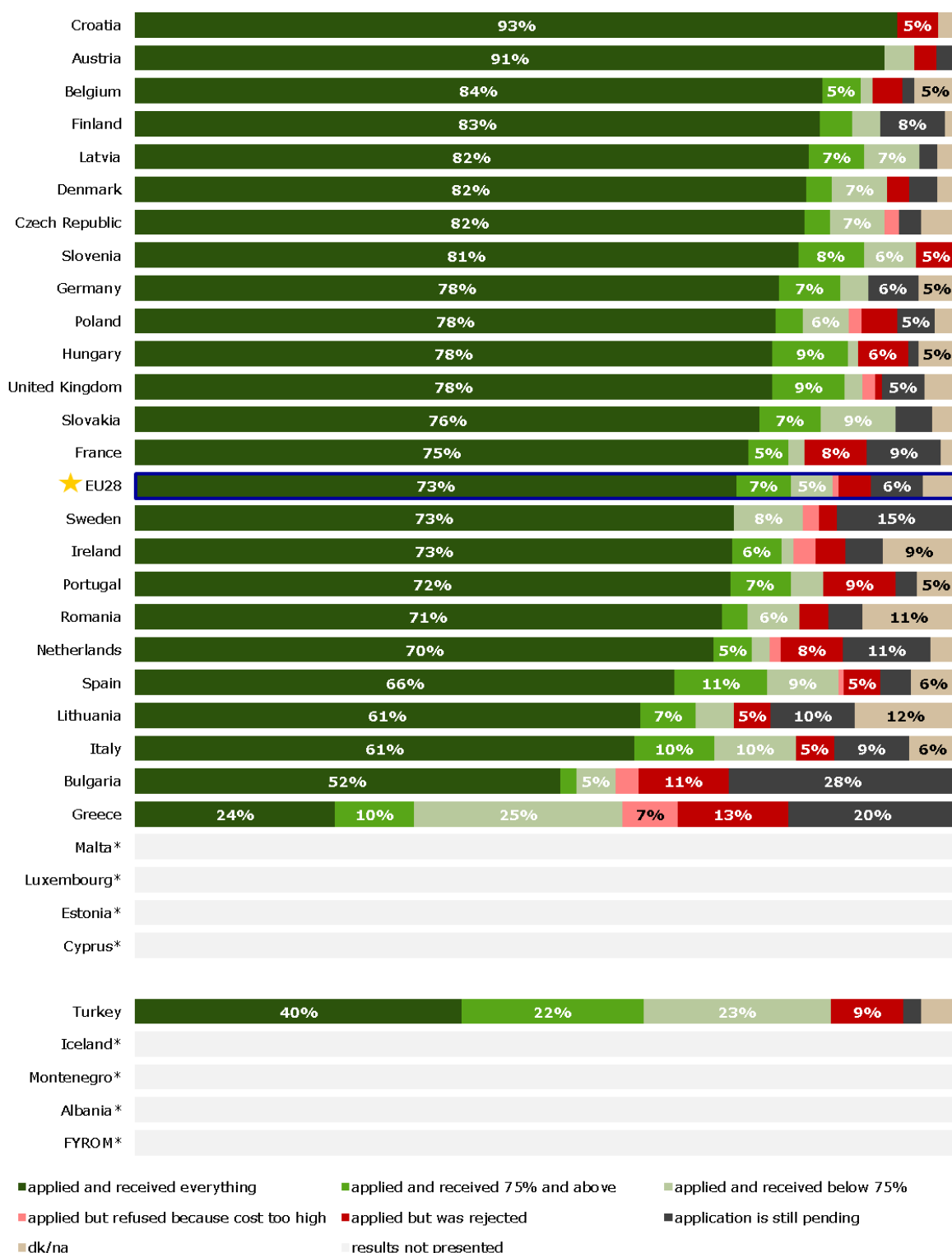
figure 41 Proportion of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for other external financing or did not apply because of possible rejection, sufficient internal funds or other reasons, in the period between April and September 2015, by country.



Q7ac. Other external financing - Have you applied for the following types of financing in the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 42 Obtained result of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM that applied for other external financing, by country in 2015.



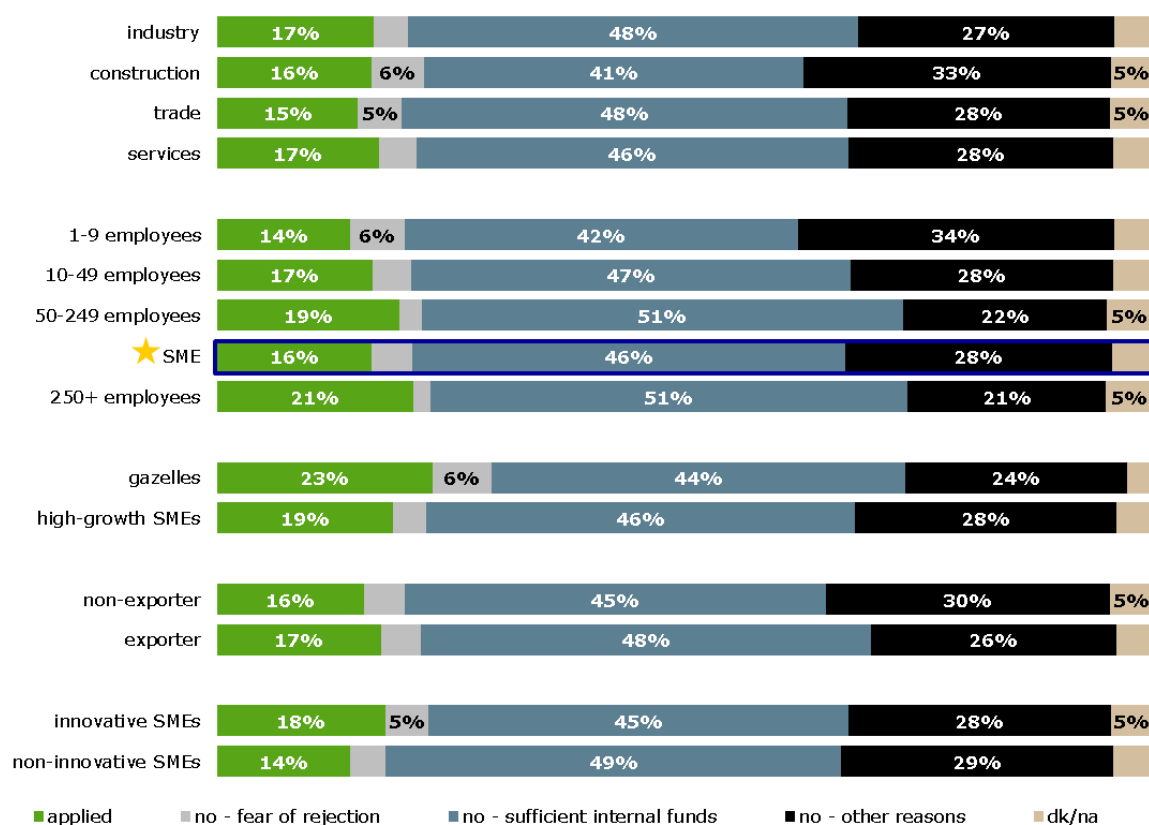
Q7bc. Other external financing - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, because of low unweighted number of observation.

In many countries, the proportion of SMEs that received the full amount of trade credit they applied for is higher than the EU28 average (figure 42). This holds in particular for Luxembourg, Iceland, Croatia, Estonia and Austria. On the other hand, only a relatively small proportion of SMEs in FYROM, Bulgaria, Turkey and Greece report they received all trade credit they applied for. For Greece, FYROM and Turkey this corresponds with a large proportion of SMEs getting only a limited part.

figure 43 Proportion of SMEs in EU-28 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 2015, by enterprise characteristics.

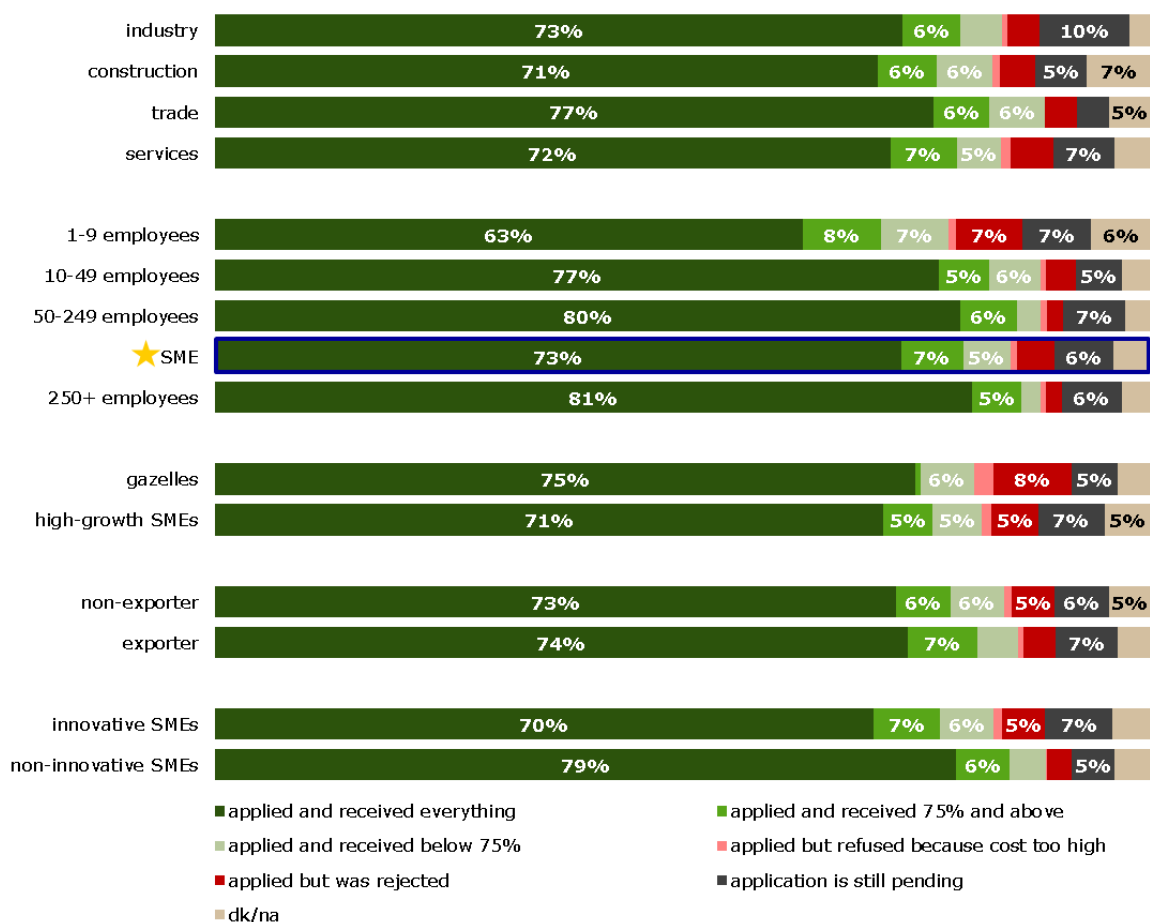


Q7ac. Other external financing - Have you applied for the following types of financing in the past six months?

Source: SAFE, 2015; edited by Panteia.

In figure 43 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 does not vary much across sectors of industry. The proportion of SMEs that applied for other external financing (16%) is smaller than the proportion of enterprises with more than 250 employees applying for other external financing (21%). There is a positive correlation between applying for other external financing and enterprise growth: whereas the proportion SMEs that applied for other external financing on average amounts to 16%, the same proportion amounts to 19% for high-growth enterprises, and to 23% for gazelles. Exporting SMEs report having applied for other external financing to about the same extent as non-exporters. Innovative SMEs more often report to have applied for other external financing than non-innovative SMEs.

figure 44 Obtained result of SMEs in EU-28 that applied for bank loans, by enterprise characteristics in 2015.



Q7bc. Other external financing - If you applied and tried to negotiate for this type of financing over the past six months, what was the outcome?

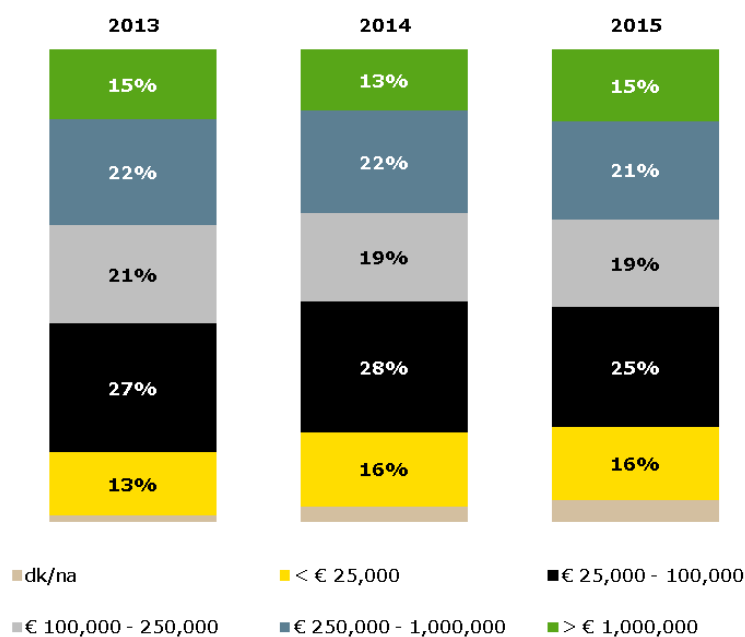
Source: SAFE, 2015; edited by Panteia.

Figure 44 shows the results obtained from applying for other external financing disaggregated by enterprise characteristic. SMEs in trade have been most successful in getting everything they applied for; SMEs in industry, services and construction were slightly less successful. 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. Relatively more gazelles report they got everything they applied for than the group of SMEs as a whole; the converse holds for high-growth enterprises. Exporting and non-exporting SMEs did not differ much with respect to the proportion reporting they got all other external financing they applied for. A lower proportion of innovative SMEs reports having obtained all other external financing they applied for than non-innovative SMEs.

1.5. Last obtained amount of external finance

In 2015, 25% of EU28 SMEs report that the last loan they have obtained amounts to between EUR 25,000 and EUR 100,000. In the same year, 16% reports the last loan obtained amounts to less than EUR 25,000; 19% reports the last loan obtained amounts to between EUR 100,000 and EUR 250,000, while 36% reports an even larger loan (figure 45). These proportions have remained rather stable since 2013.

figure 45 Size of the last loan of SMEs in EU-28 for the period 2013-2015

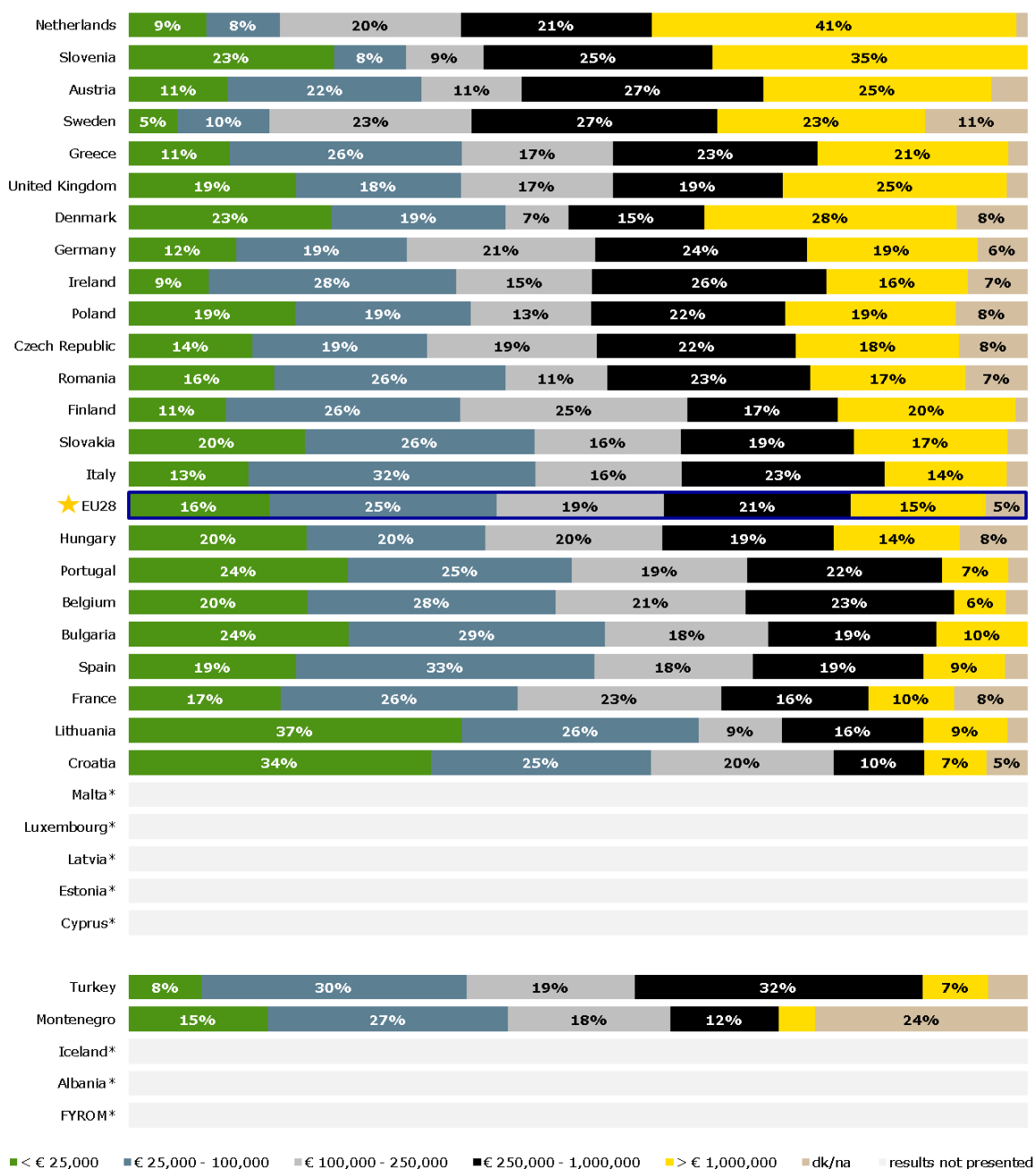


Q8a. What is the size of the last bank loan that your enterprise obtained or renegotiated in the past six months? / What is the size of the last bank loan that your enterprise attempted to obtain in the past six months?

Source: SAFE, 2013, 2014 and 2015; edited by Panteia.

The size of loans obtained varies considerably across countries (figure 46). Small loans (less than EUR 25,000) are most often reported by SMEs in Lithuania (37% of SMEs that applied for a loan) and Croatia (34%). Large loans (more than EUR 1 million) are most often reported by SMEs in the Netherlands (41%).

figure 46 Size of the last loan of SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM by country in 2015

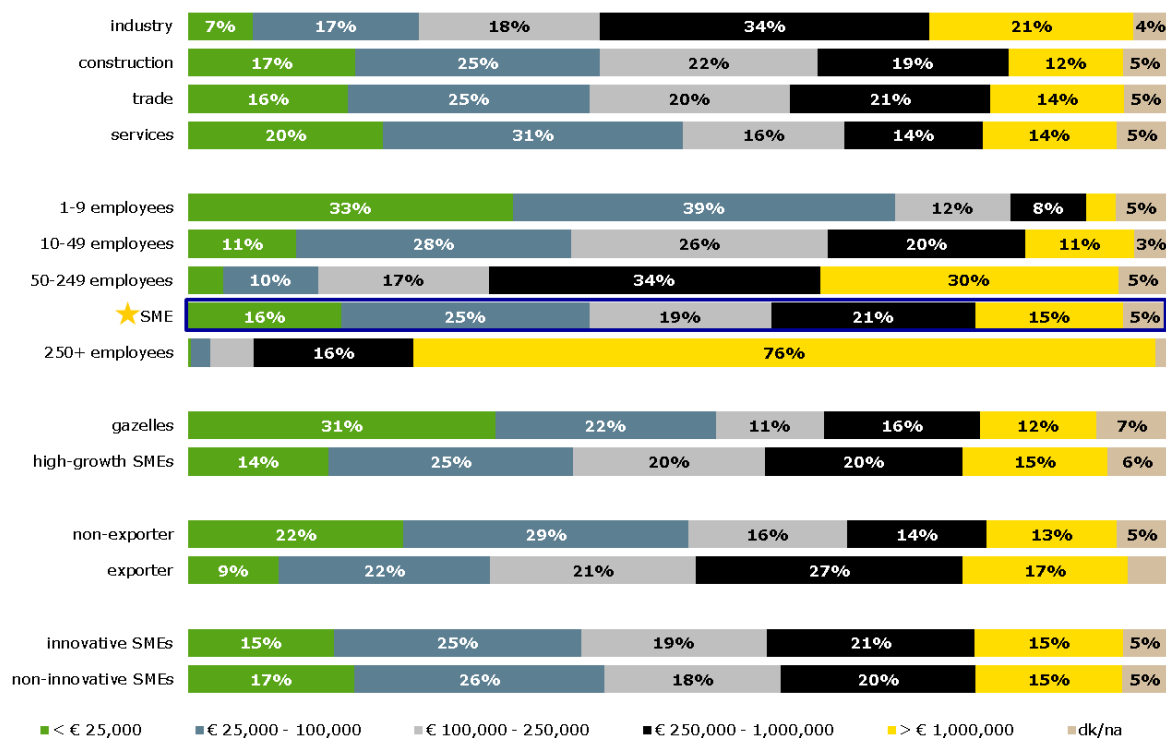


Q8a. What is the size of the last bank loan that your enterprise obtained or renegotiated in the past six months? / What is the size of the last bank loan that your enterprise attempted to obtain in the past six months?

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, unweighted number of observations is below 20.

figure 47 Size of the last loan of SMEs in EU-28, by enterprise characteristics in 2015



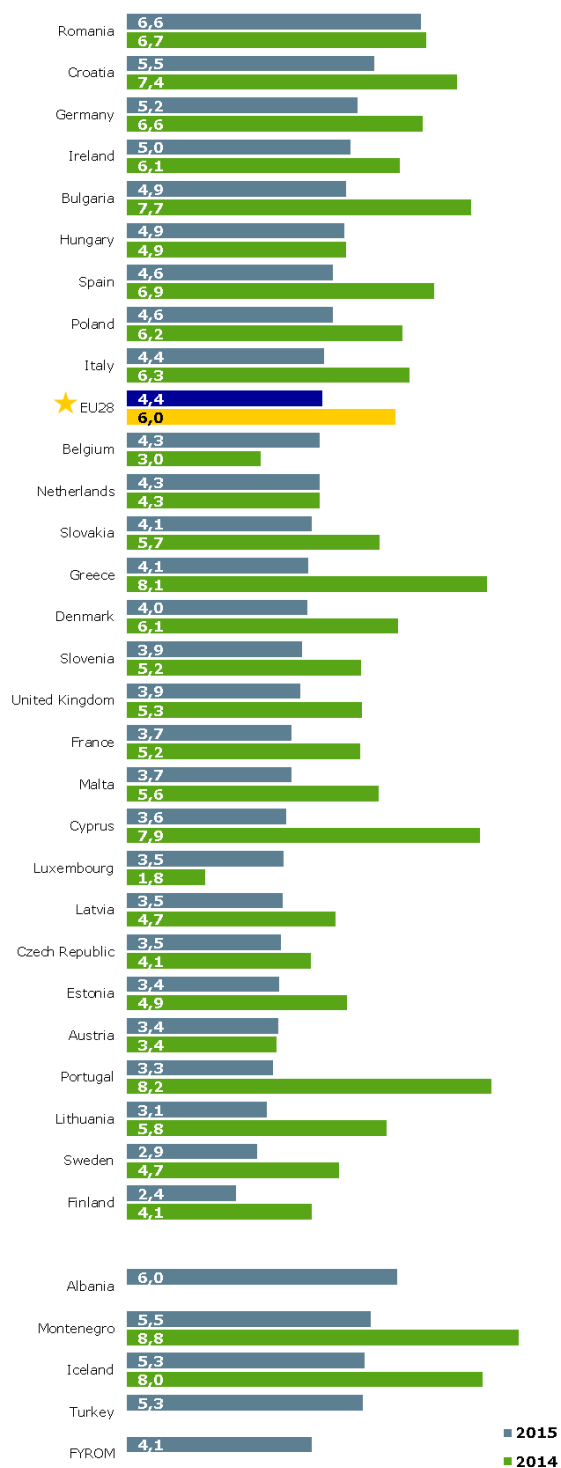
Q8a. What is the size of the last bank loan that your enterprise obtained or renegotiated in the past six months? / What is the size of the last bank loan that your enterprise attempted to obtain in the past six months?

Source: SAFE, 2015; edited by Panteia.

Figure 47 shows the distribution of loan size by enterprise characteristic. SMEs in industry more often report larger loans: the proportion of loans obtained larger than EUR 100,000 in industry is much larger than the corresponding figure for construction, trade and services. Loan size is correlated to enterprise size. For instance, 72% of the enterprises with less than 10 employees report that the last loan obtained is less than EUR 100,000, whereas for SMEs as a whole this proportion amounts to 41%. Conversely, for enterprises with more than 250 employees 76% of loans obtained is at least EUR 1 million. More than one half of the loans obtained by gazelles is less than EUR 100,000; for high-growth SMEs this figure amounts to 39%. Non-exporters more often obtain loans of less than EUR 100,000 (51%) than exporters (31%). The size-distribution of loans for innovative SMEs does not differ much from the size-distribution of loans for non-innovative SMEs.

1.6. Charged interest rate

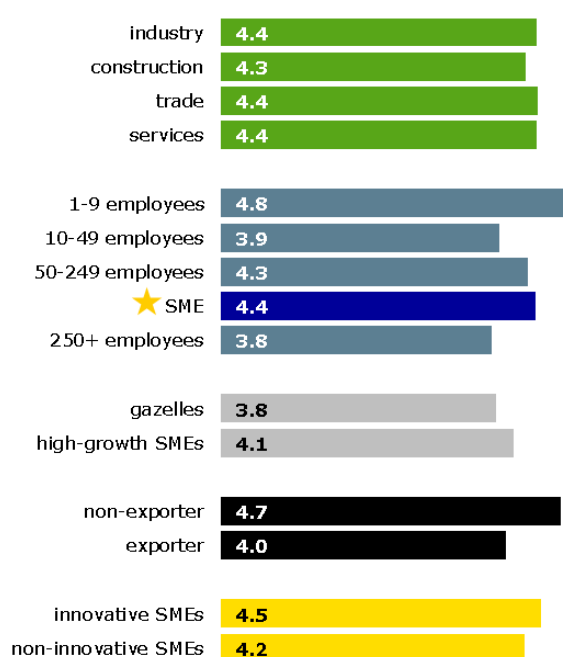
figure 48 Mean of the interest rate on bank overdraft and credit line for SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM, by country in 2015



Q8b. What interest rate was charged for the credit line or bank overdraft for which you applied?
Source: SAFE, 2015; edited by Panteia.

In 2014, the interest rate on bank overdraft and credit line paid by SMEs in EU28 amounted to 6%; in 2015, this has decreased to 4.4% (figure 48). The interest rates charged to SMEs' bank overdraft and credit line varies considerably across countries. Within the EU, it is highest in Romania, Croatia, Germany and Ireland (5% or more in 2015), and lowest in Sweden and Finland (less than 3%). In most Member States, interest rates charged to SMEs have been stable or have decreased. Exceptions to this are Belgium and Luxembourg, where interest rates have increased. Interest rates charged to SMEs in Albania, Montenegro, Iceland and Turkey are higher than the EU28 average. At 4.1%, interest rates charged to SMEs in FYROM are lower than the rates charged to EU SMEs.

figure 49 Mean of the interest rate on bank overdraft and credit line for SMEs in EU-28, by enterprise characteristics in 2015



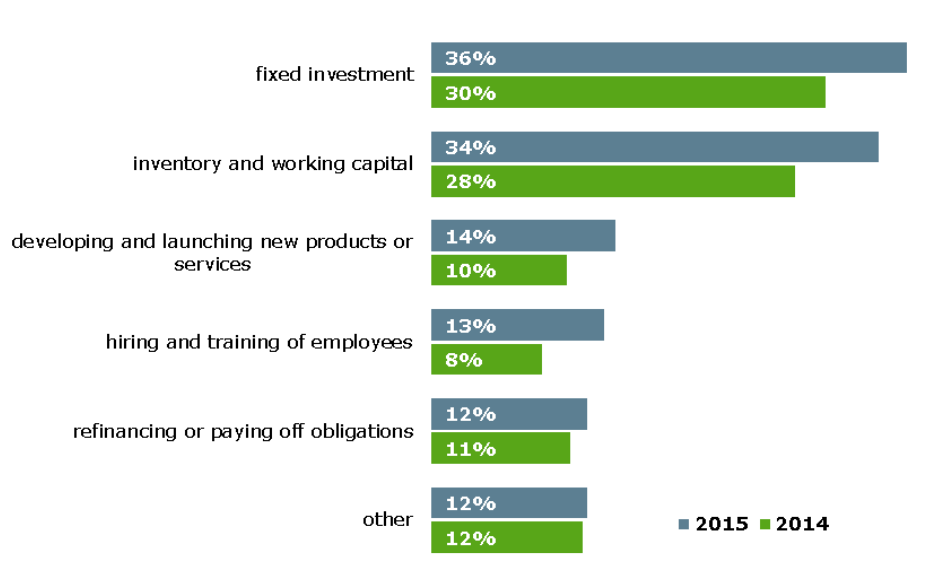
Q8b. What interest rate was charged for the credit line or bank overdraft for which you applied?
Source: SAFE, 2015; edited by Panteia.

The interest rate on bank overdraft and credit line paid by SMEs is differentiated by enterprise characteristic in figure 49. There are only minor differences between sectors of industry. Micro enterprises (1 to 9 employees) are charged a higher interest rate than the EU28 average for SMEs. Both gazelles and high-growth enterprises pay below-average interest rates. Non-exporting SMEs are charged interest rates that are higher than average, while exporting SMEs pay below average rates. Innovative firms pay higher-than-average interest rates.

1.7. Purpose of the most recent loan

Figure 50 shows for what purpose EU28 SMEs have been using the most recent external financing obtained during the last six months in 2014 and 2015. The largest categories reported are fixed investment (reported by 36% of SMEs) and inventory and working capital (reported by 34% of SMEs); both categories have increased by 6 percent-point. Other specific categories reported are development and launching of new products or services (14%), hiring and training of employees (13%), and refinancing or paying off obligations (12%); the prevalence of these categories has increased as well.

figure 50 Purpose for which external financing has been used by SMEs in EU-28 in the past six months (April to September 2015)



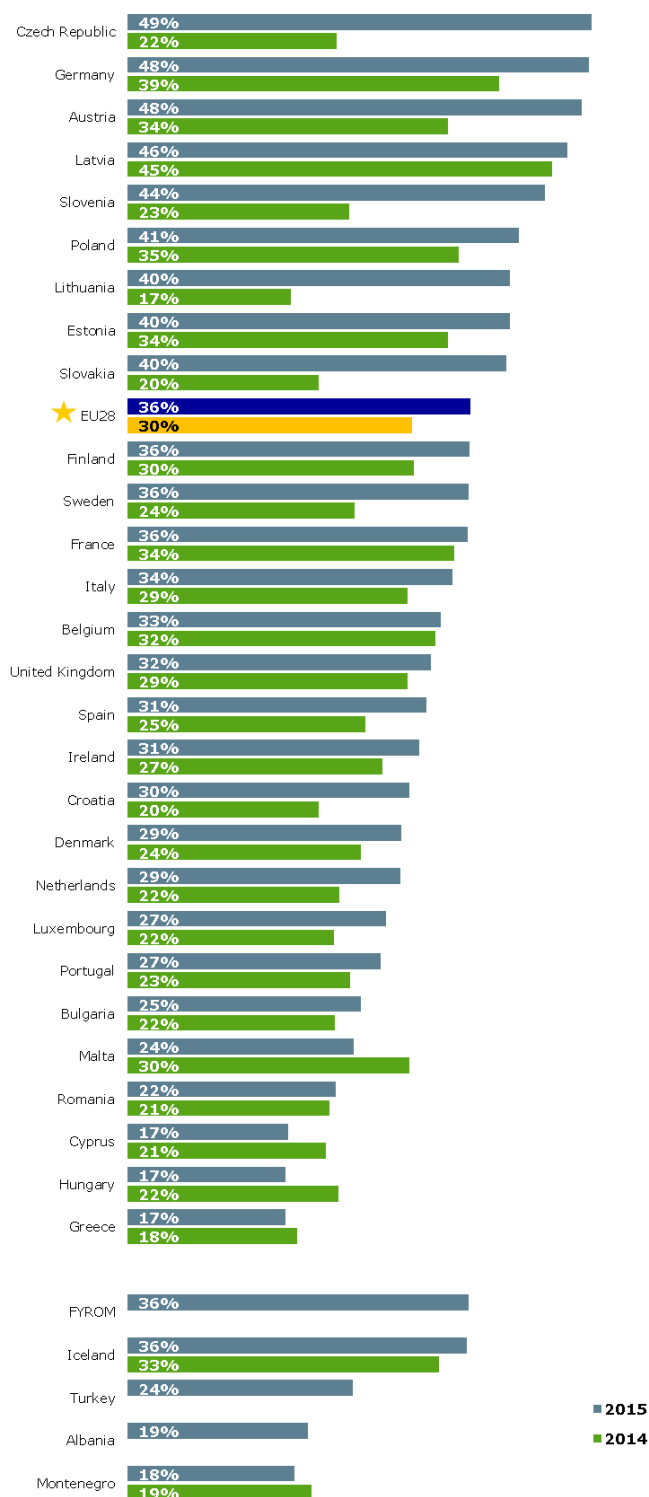
Q6a. For what purpose was financing used by your enterprise during the past six months
Source: SAFE, 2015; edited by Panteia.

In the next section 1.7.1 and 1.7.2 more detailed results are presented for fixed investments and inventory and working capital, since these are the most often reported purposes for obtained financing.

1.7.1 Fixed investment

The last external finance obtained has been used most for fixed investment in the Czech Republic, Germany and Austria (figure 51). And the least in Cyprus, Hungary and Greece. In Malta, Cyprus, Hungary and Greece, use of the last obtained external finance for fixed investment has decreased, whereas in the other EU Member States, it has increased. In non-EU countries, use of the last obtained external finance for fixed investment varies between 36% of SMEs in FYROM and Iceland, and 18% in Montenegro.

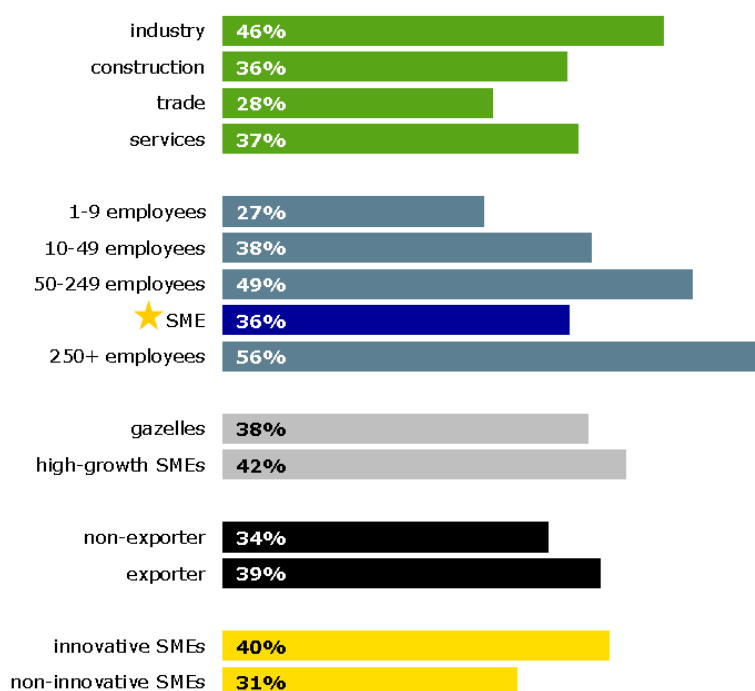
figure 51 External financing used as investments in property, plant or equipment (fixed investment) by SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM in the past six months (April to September 2015), by country



Q6a1. Investments in property, plant or equipment (fixed investment) - For what purpose was financing used by your enterprise during the past six months?
 Source: SAFE, 2014 and 2015; edited by Panteia.

The use of the last obtained external financing for fixed investment is most often reported in industry, by 46% of EU28 SMEs (figure 52). Second in rank are services and construction. 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 (27% of enterprises), and largest in enterprises with more than 250 employees (56%). Gazelles and in particular high-growth SMEs use the last obtained external financing more often for fixed investment than SMEs on average. The same holds for exporters (versus non-exporters) and for innovative SMEs (versus non-innovative firms)

figure 52 External financing used as investments in property, plant or equipment (fixed investment) by SMEs in EU-28 in the past six months (April to September 2015), by enterprise characteristics



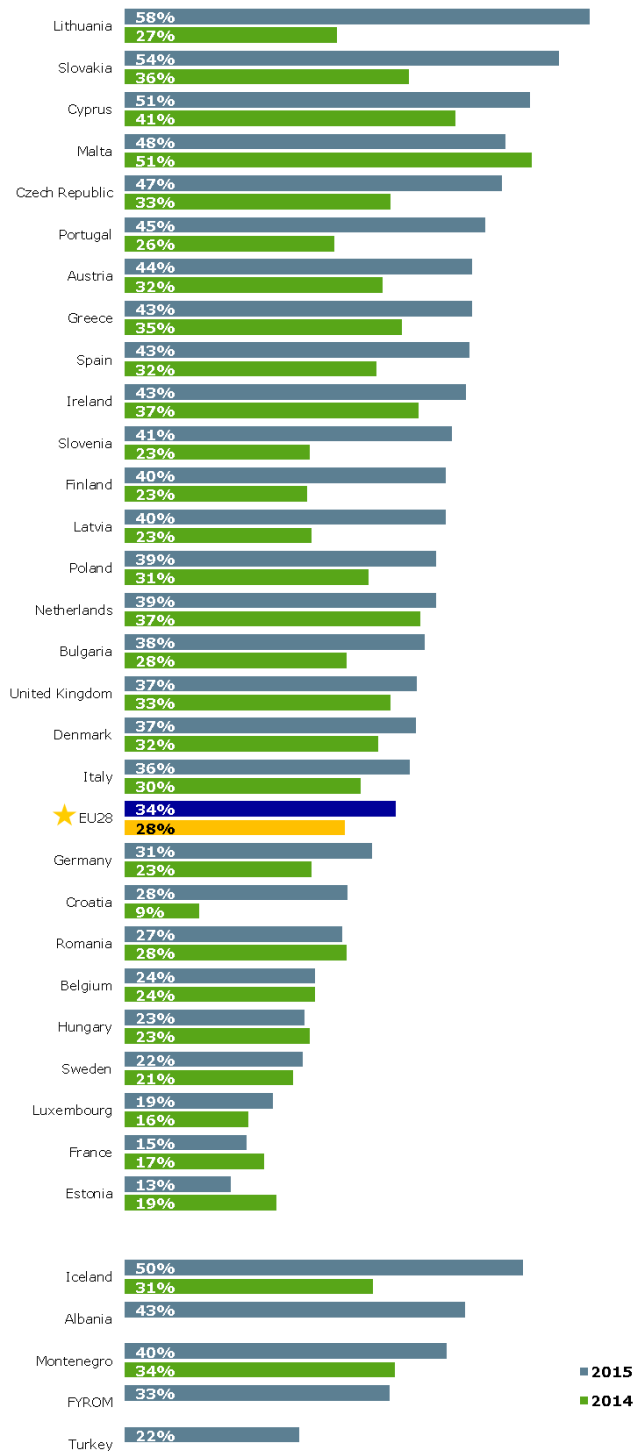
Q6a1. Investments in property, plant or equipment (fixed investment) - For what purpose was financing used by your enterprise during the past six months?

Source: SAFE, 2015; edited by Panteia.

1.7.1 Inventory or other working capital

The use of the last obtained external financing for inventory or other working capital in EU28 countries is largest Lithuania, Slovakia and Cyprus, and lowest in Luxembourg, France and Estonia (figure 53). Outside EU28, the extent to which SMEs report having used the last obtained external financing for inventory or other working capital varies between 50% in Iceland, and 22% in Turkey.

figure 53 External financing used as inventory or other working capital by SMEs in EU-28, Iceland, Turkey, Montenegro, Albania and FYROM in the past six months (April to September 2015), by country

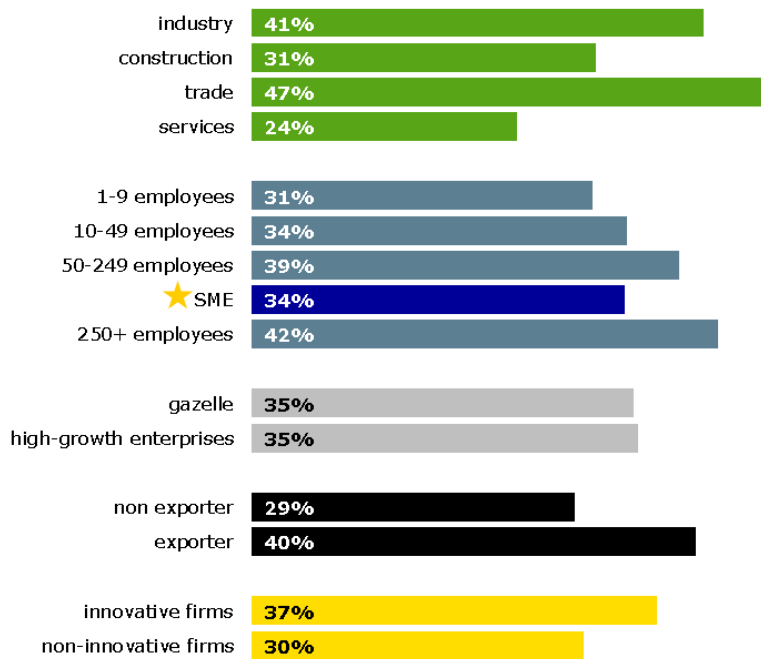


Q6a2. Inventory and other working capital - For what purpose was financing used by your enterprise during the past six months?

Source: SAFE, 2014 and 2015; edited by Panteia.

In figure 54, the use of the last obtained external finance is disaggregated by enterprise characteristic. Viewed by sector of industry, use of the last obtained external finance for inventory or other working capital is mentioned most often in trade (47%) and industry (41%). The use of the last obtained external finance for inventory or other working capital is mentioned least in enterprises with less than 10 employees, and most often in enterprises with more than 250 employees. Exporting SMEs mention use of the last obtained external finance for inventory or other working capital more often than non-exporting SMEs. The same holds for innovative SMEs compared to non-innovative SMEs.

figure 54 External financing used inventory or other working capital by SMEs in EU-28 in the past six months (April to September 2015), by enterprise characteristics



Q6a2. Inventory and other working capital - For what purpose was financing used by your enterprise during the past six months?

Source: SAFE, 2015; 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

For the first time since the surveys held in 2009, perceptions regarding the development of general economic outlook faced by EU28 SMEs was positive in 2015. The proportion of SMEs that reported an improvement in their economic outlook slightly exceeded the proportion of SMEs that reported a deterioration. In addition, the number of SMEs that reported an improvement was higher than the number of SMEs reporting a deterioration for firm-specific outlook, credit history, bank lending, business partners providing trade credit and investments in equity, and securities. On the other hand, SMEs are less positive about changes in public financial support.

In 2015 SMEs in the EU28 were generally positive about changes in the availability of different types of financing. Regarding the availability of bank loans, trade credit, equity, credit line and overdraft, leasing or hire-purchase, and other types of loans, the proportion of SMEs that reporting an improvement was higher than the proportion of SMEs reporting a deterioration. In contrast, more SMEs reported a deterioration in the availability of equity rather than an improvement.

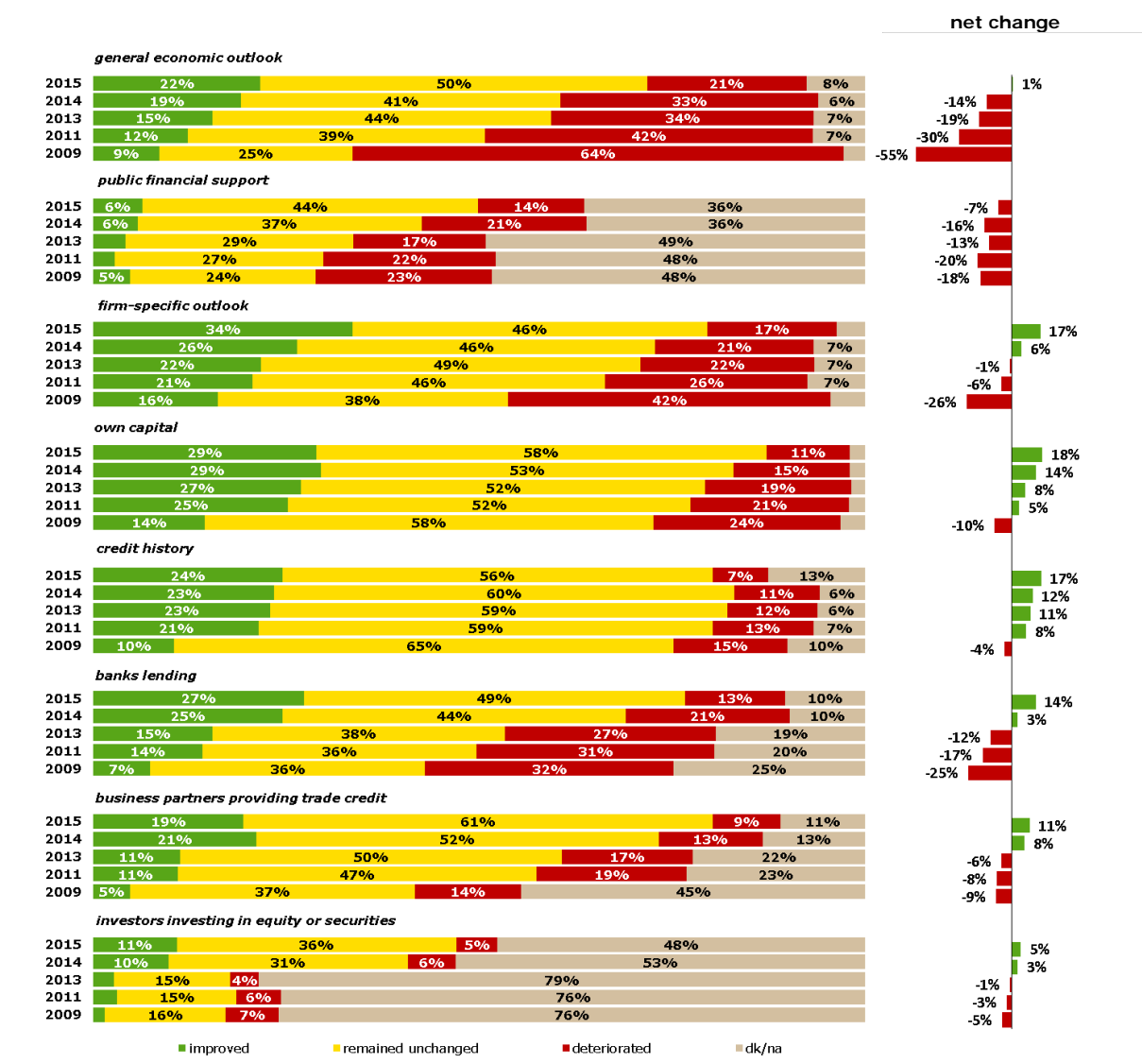
In 2015, the majority of SMEs in the EU28 did not experience any changes in the availability of finance for any of the types of funding. The proportion of EU28 SMEs which reported that their needs had increased were slightly higher than the proportion of SMEs reporting a decrease in their needs for bank loans, trade credit, equity, debt securities issued, leasing or hire-purchase, or other types of loans.

In the EU28, the proportion of enterprises which experienced a decrease in interest rates exceeded the proportion of enterprises which experienced an increase. Increases in the non-interest rate costs of financing and collateral requirements were reported by a larger proportion of enterprises than those reporting a decline. Furthermore, a larger proportion of SMEs reported an increase rather than a decrease in loan size and loan maturity.

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 EU28 for the period 2009-2015 in figure 55. Net changes are reported which correspond to the net effect of reported improvements minus deteriorations.

figure 55 Changes in factors affecting the availability of external financing for SMEs in EU-28 in the period 2009-2015, for SMEs in the EU28.



Q11. For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?

Source: SAFE, 2009-2015; edited by Panteia.

Perceptions regarding the development of general economic outlook faced by EU28 SMEs was positive in 2015 for the first time since 2009. A bit more than one in five (22%) SMEs indicated that the general economic outlook improved, while another

21% reported a deterioration. This results in a net positive improvement for 1%. In preceding survey years, this net change has always been negative, even equalling a 55% net deterioration in 2009. In this year, the Euro area experienced a strong 4.3% decline in GDP.

Improvements in SMEs' perception of the general economic outlook have been modest and lagging a bit. The perception regarding firm-specific outlook, however, have always been better and caught on to general economic improvements (in the form of Euro area GDP growth since 2014) earlier. In 2015, 34% of EU28 SMEs reported an improvement in their own outlook with respect to sales, profitability and their business plan. Another 17% indicated a deterioration, resulting in a net improvement for 17%. Throughout the period analysed in the figure, this net change has been steadily improving from a net deterioration of 26% in 2009.

The stock of own capital follows suit with improvements (or decreasing deteriorations) in both the general economic outlook and the firm-specific outlook. 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 the own capital stock grows. In 2015, 29% of EU28 SMEs reported an improvement in the enterprise's own capital. Another 11% reported a deterioration, resulting in a net improvement for 18%. This net change has been positive in most survey years, with the exception of 2009. Since then, the net change has been constantly improving.

Changes in credit history have followed a similar pattern. In 2015, 24% of EU28 SMEs reported that their credit worthiness had improved, while only 7% indicated a deterioration in their track record of repaying past debts. This results in a net improvement of EU28 SME's credit history equal to 17%. In 2009, the net change equalled a 4% deterioration. Since that year, the net effect has been constantly improving.

Even though EU28 SMEs perceived improvements in their credit history as early in 2011, their access to bank loans only started improving in 2014. In 2015, 27% perceived an improvement in banks' willingness to provide credit to their enterprise versus 13% perceiving a deterioration. This resulted in a net improvement of 14%, which represents a marked improvement over all recent survey years.

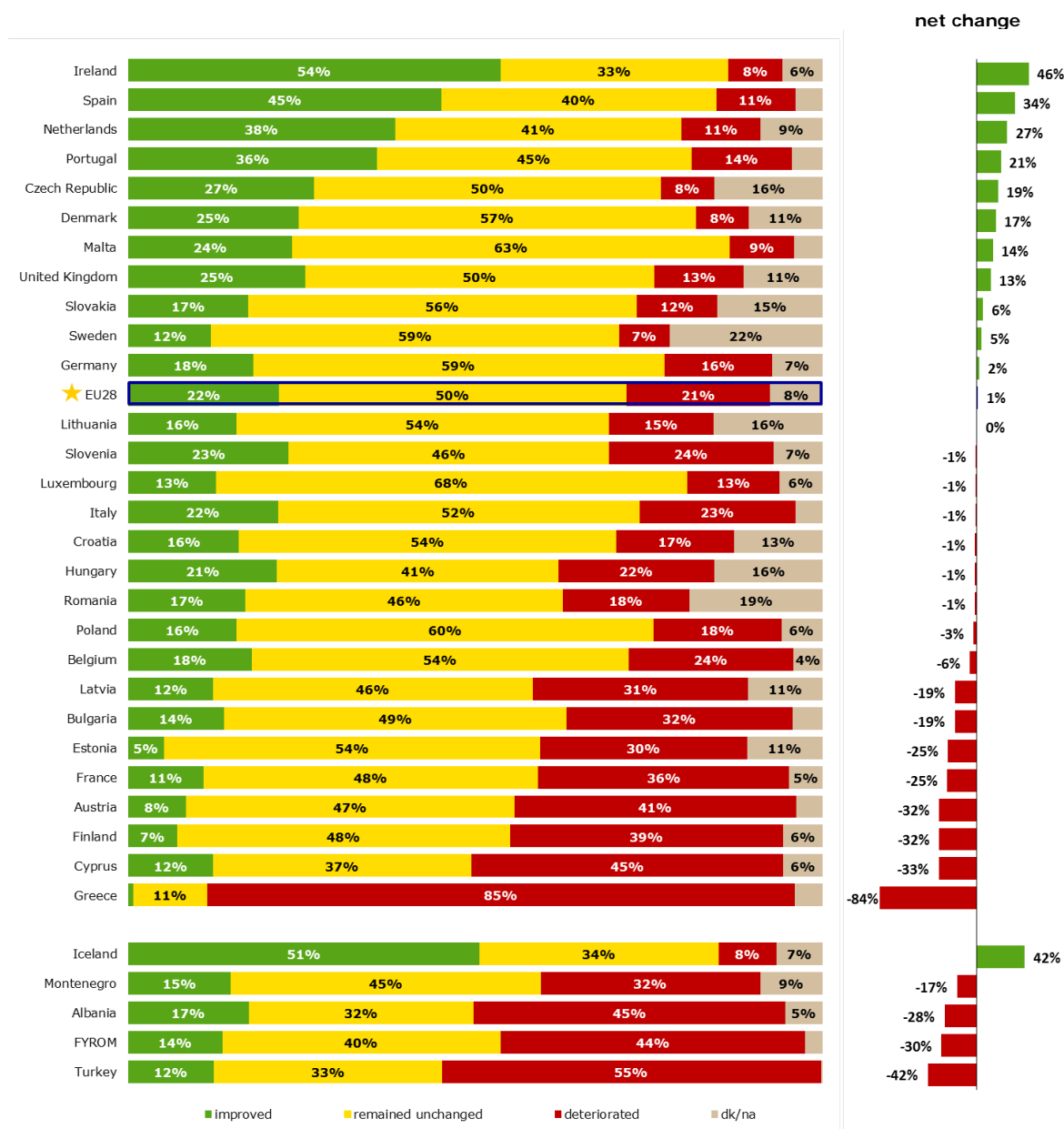
Access to another type of debt financing also improved in the eyes of EU28 SMEs. In 2015, 19% indicated an improvement in their business partners' willingness to provide trade credit to their enterprise. Another 9% perceived a deterioration, resulting in a net improvement for 11%. Changes in the access to trade credit have developed in a fashion similar to perceived changes in access to bank loans: from net deteriorations decreasing in size from 2009 tot 2013, to increasing net improvements in thereafter.

The two factors that were least often applicable to EU28 SMEs were public financial support and investors investing in their enterprise's equity or securities. The latter saw a rounded net improvement in 2015 equal to 5%: 11% of SMEs indicated an improvement, while 5% reported a deterioration. Public financial support has been lacking since 2009 in the perception of SMEs as they have reported a net deterioration in every survey year. The net deterioration in 2015 equals -7%.

2.2.1 General economic outlook

This section presents more detailed breakdowns of changes in general economic outlook and its effect on the availability of external financing. A breakdown by country in figure 56 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 57 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.

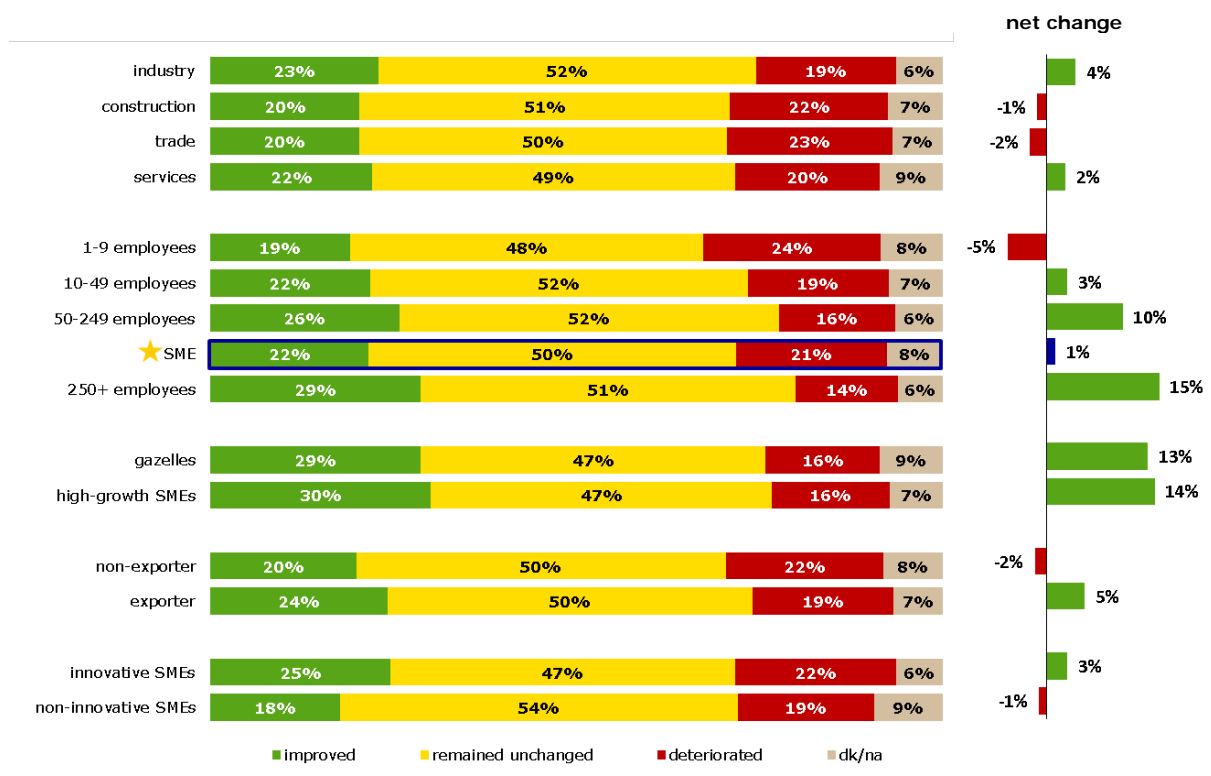
figure 56 Changes in general economic outlook in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q11a. General economic outlook, insofar as it affects the availability of external financing - For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 57 Changes in general economic outlook in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q11a. General economic outlook, insofar as it affects the availability of external financing - For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?

Source: SAFE, 2015; edited by Panteia.

Improvements in the general economic outlook are reported by 22% of all SMEs in the EU28, with another 21% having experienced deteriorations in outlook, resulting in a rounded net improvement of 1%. Among the countries of the EU28, SMEs in Ireland report the largest net increase and SMEs in Greece the largest net deterioration: more than twice that of the next ranked country with a net deterioration.

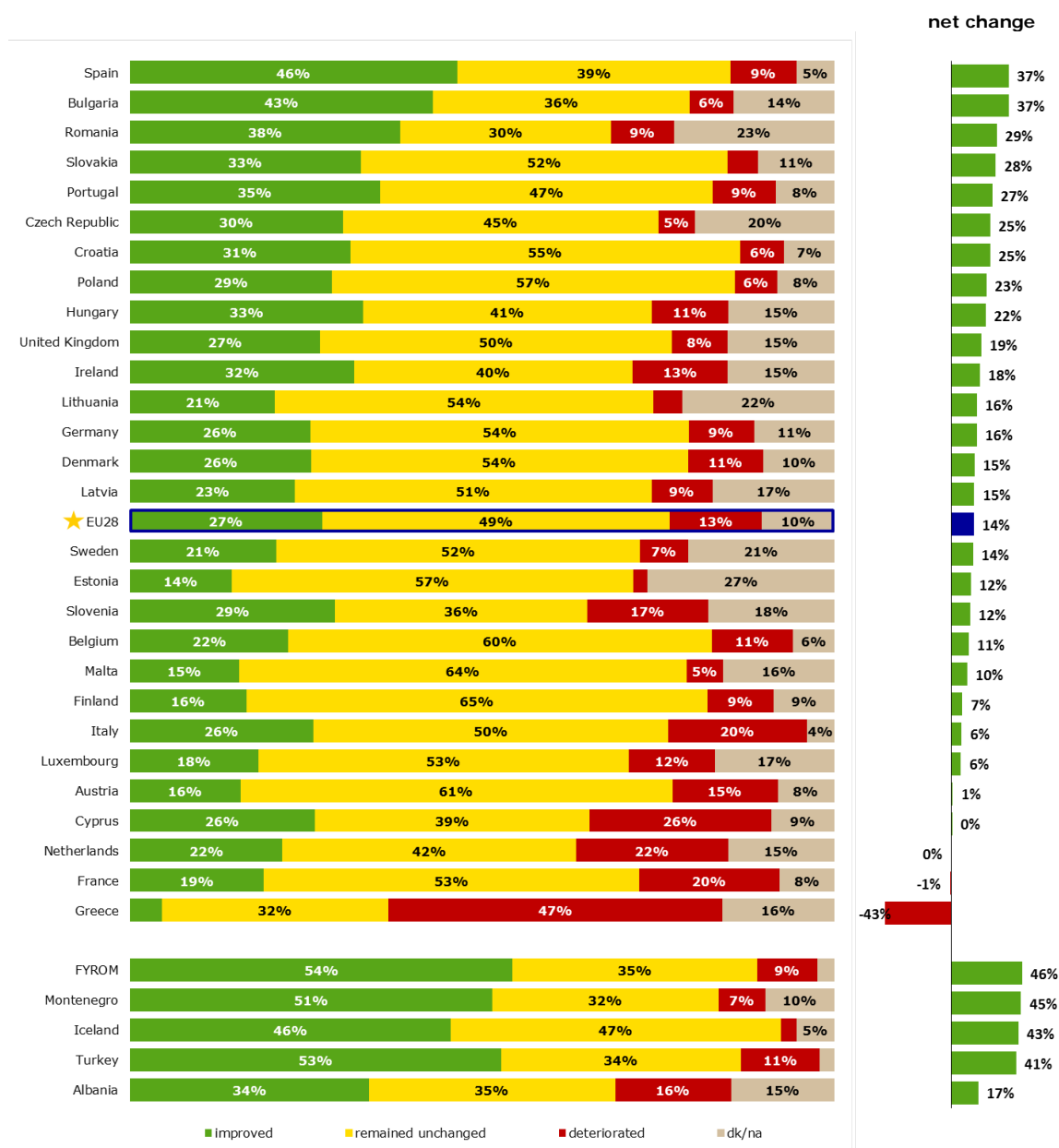
Broken down by enterprise characteristic, the identified groups report various net changes in their general economic outlook in 2015. Among the various sectors, SMEs in industry report the largest net improvement (4%) and those in trade the largest net deterioration (-2%). There exists a clear relation between the size of an enterprise and changes in the general economic outlook. Large enterprises of at least 250 employees have experienced the largest improvement (net 15%), while micro-sized enterprises of no more than 9 employees experienced a deterioration (net -5%).

There exists relatively little difference in the changes in the general economic outlook between the two discerned types of turnover growth. This means that general economic outlook did not improve (or deteriorate) significantly more or less for gazelles than for regular high-growth SMEs. Exporters (net 5%) are more positive about changes in general economic outlook than SMEs that do not export (-2%) and innovative SMEs (3%) are more positive than non-innovative SMEs (-1%) are.

2.2.2 Bank lending

This section presents more detailed breakdowns of changes in bank lending and its effect on the availability of external financing. A breakdown by country in figure 58 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. In addition figure 59 is a map which shows the net change for SMEs in the member states of the EU28. A breakdown by enterprise characteristic in figure 60 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 58 Changes in bank lending in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q11f. Willingness of banks to provide credit to your enterprise - For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?
 Source: SAFE, 2015; edited by Panteia.

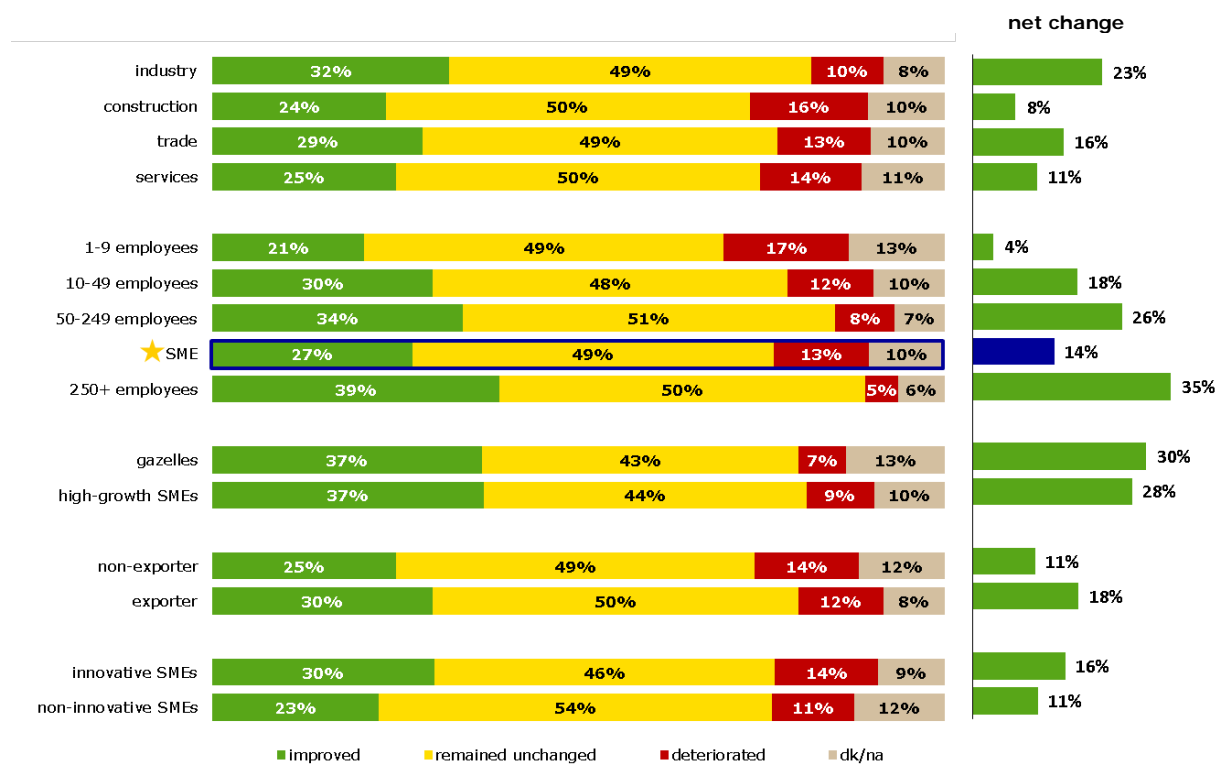
Improvements in bank lending are reported by 27% of all SMEs in the EU28, with another 13% having experienced deteriorations in such access, resulting in a rounded net deterioration of 14%. Among the countries of the EU28, SMEs in Spain report the largest net increase and SMEs in Greece the largest net deterioration: multiple times that of the next ranked country with a net deterioration.

figure 59 Changes (the net change between the categories improved and deteriorated) in the willingness of banks to provide credit for SMEs in EU-28 in the period 2009-2015, for SMEs in the EU28.



Q11f. The willingness of banks to provide credit to your enterprise - For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?
 Source: SAFE, 2009-2015; edited by Panteia.

figure 60 Changes in bank lending in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q11f. Willingness of banks to provide credit to your enterprise - For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?

Source: SAFE, 2015; edited by Panteia.

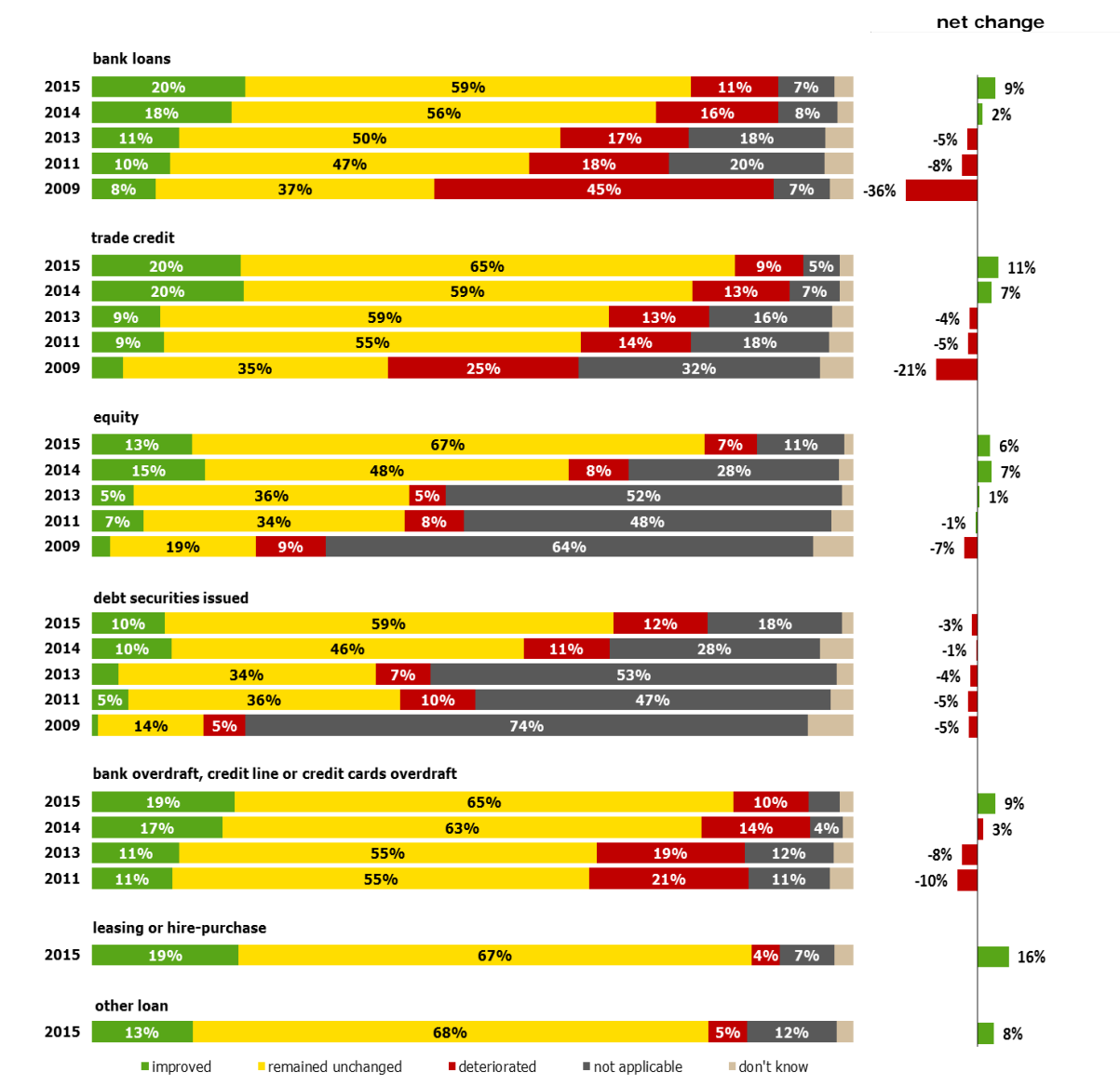
Broken down by enterprise characteristic, all of the identified groups report net improvements in bank lending in 2015. Among the various sectors, SMEs in industry report the largest net improvement (23%) and in construction the smallest net improvement (8%). There exists a clear relation between the size of an enterprise and changes in access to public financial support. Large enterprises of at least 250 employees have experienced the largest improvement (net 35%), while micro-sized enterprises of no more than 9 employees experienced a relatively weak improvement (net 4%).

There exists relatively little difference in the changes in bank lending between the two discerned types of turnover growth. This means that bank lending did not improve (or deteriorate) significantly more or less for gazelles than for regular high-growth SMEs. Exporters (net 18%) are more positive about changes in bank lending than SMEs that do not export (11%) and innovative SMEs (16%) are more positive than non-innovative SMEs (11%) are.

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 EU28 for the period 2009-2015 in figure 61. 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 61 Changes in in the availability of different types of financing for SMEs in EU-28 in the period 2009-2015, for SMEs in the EU28.



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?
Source: SAFE, 2009-2015; edited by Panteia.

The effect of bank lending as a factor that impacts the availability of external financing for SMEs in the EU28 has seen net improvements in 2014 and 2015, as was discussed in section 2.2. Following that, the actual availability of bank loans to European SMEs has also improved in the same years. In 2015, 20% indicated an improvement in the availability of bank loans versus 11% that reported a deterioration. This results in a net improvement in the availability of bank loans for 9% of SMEs. Their availability deteriorated strongly in 2009 at a net change of -36%, following the financial crisis of the two preceding years. In the subsequent survey years, the net deteriorations grew smaller and changed to increasing improvements.

Another type of bank financing experienced a strongly similar development: the availability of bank overdraft, credit line or credit cards overdraft improved in the six months from April to September of 2015. Whereas 19% of EU28 SMEs reported improved availability of this type of financing, another 10% reported a deterioration. This results in a 9% net improvement. Over the survey years, the availability of bank overdraft, credit line or credit cards overdraft has developed similarly to that of loans.

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 essentially excluded from the other loan category. The net change in their availability is similar in size to that of bank loans, however: 13% of EU28 SMEs indicated that availability of other loans improved. Another 5% reported a deterioration, resulting in a net improvement equal to 8%.

A similar development is observed for the availability of trade credit. The availability of this type of financing has improved over the survey years, from a net deterioration equal to -21% in 2009 to a net improvement of 11% in 2015. The latter is the result of 20% of EU28 SMEs reporting an improvement in the availability of trade credit and 9% reporting a deterioration in its availability.

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 2015, 13% of EU28 SMEs reported an improvement availability of equity financing versus 7% that indicated it has deteriorated. This results in a net improvement of 6%, similar in size to the net change reported in 2014. The most remarkable development in the availability of equity financing to EU28 SMEs, however, is that it has become a relevant type of financing to a much larger proportion of these enterprises in the survey years.

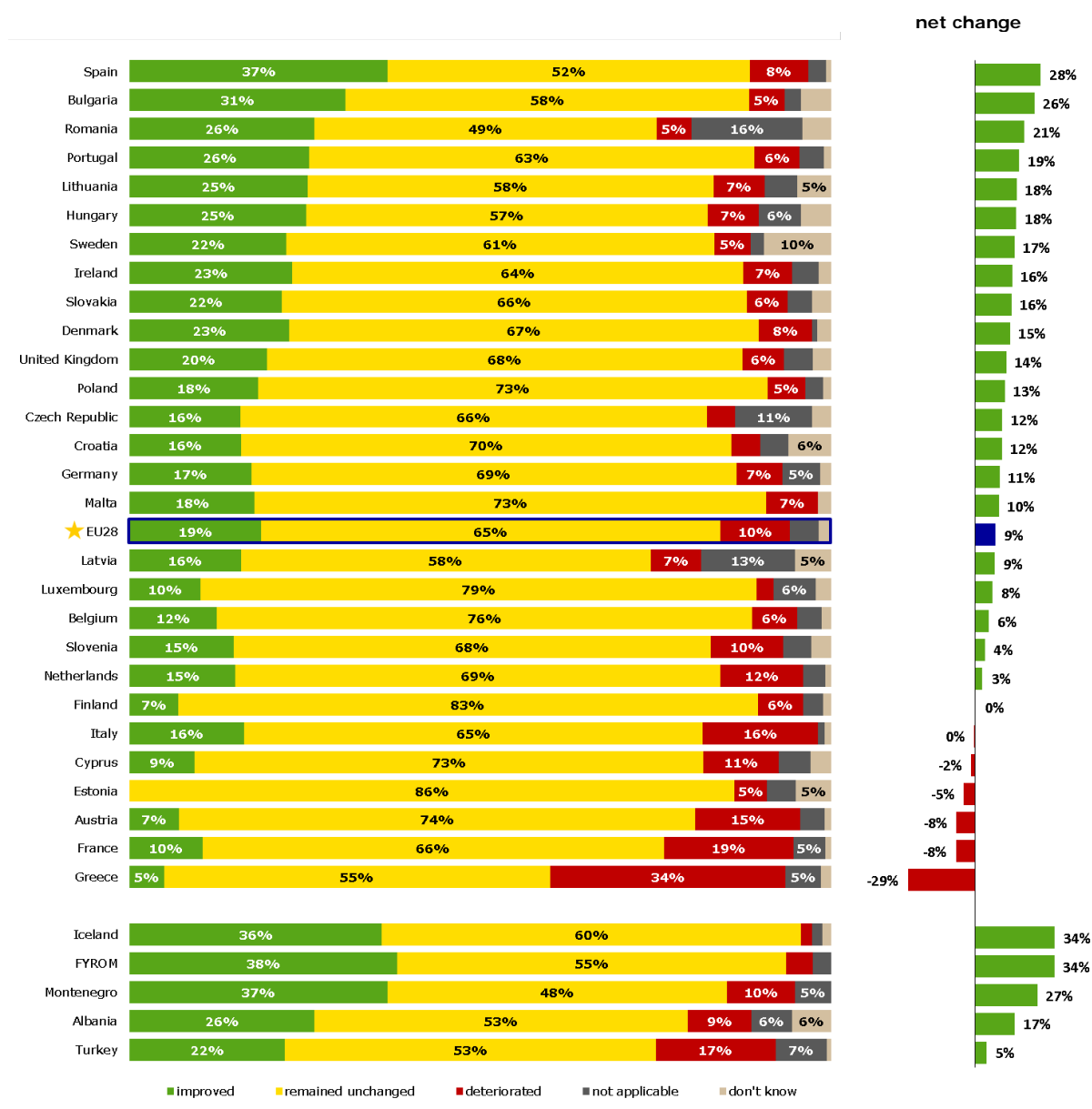
The only type of financing of which availability deteriorated in 2015 was that of debt securities issued: short-term commercial paper or longer-term corporate bonds issued by enterprises. Whereas 10% reported an improvement, 12% reported a deterioration which resulted in a net deterioration of 3%. The relevance of debt securities to SME financing seems to have improved over the years, as it also has for equity financing. Nonetheless, the proportion of EU28 SMEs that reports a deterioration of availability has consistently been larger than the proportion that reports an improvement in every single survey year since 2009.

The largest net improvement in the availability of the discerned financing types occurred for leasing or hire-purchase, which was first included as a category in 2015. It refers to obtaining the use of a fixed asset in exchange for regular payments, but without immediate ownership of the asset. In 2015, 19% of EU28 SMEs reported an improvement in the availability of leasing or hire-purchase as a type of financing to them. As only 4% reported a deterioration, the net improvement equals 16%.

2.3.1 Credit line, bank overdraft or credit cards overdraft

This section presents more detailed breakdowns of changes in the availability of credit line, bank overdraft or credits to EU28 SMEs. A breakdown by country in figure 62 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 63 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.

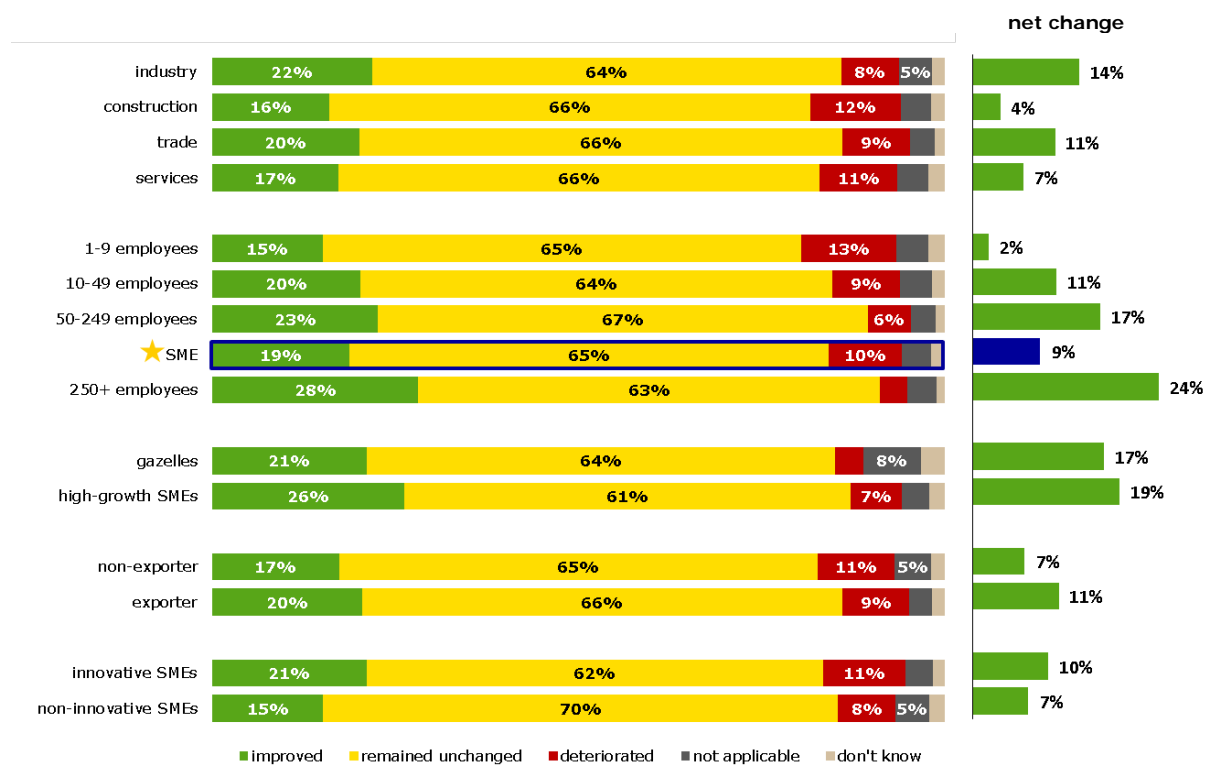
figure 62 Changes in the availability of credit line, bank overdraft or credit cards overdraft in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q9f. Credit line, bank overdraft or credit cards overdraft - 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?

Source: SAFE, 2015; edited by Panteia.

figure 63 Changes in the availability of credit line, bank overdraft or credit cards overdraft in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q9f. Credit line, bank overdraft or credit cards overdraft - 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?

Source: SAFE, 2015; edited by Panteia.

Improvements in the availability of credit line, bank overdraft or credit cards overdraft are reported by 19% of all SMEs in the EU28, with another 10% having experienced deteriorations in such changes, resulting in a rounded net improvement of 9%. Among the countries of the EU28, SMEs in Spain report the largest net improvement for this type of financing and SMEs in Greece the largest net deterioration: multiple times that of the next ranked country with a net deterioration.

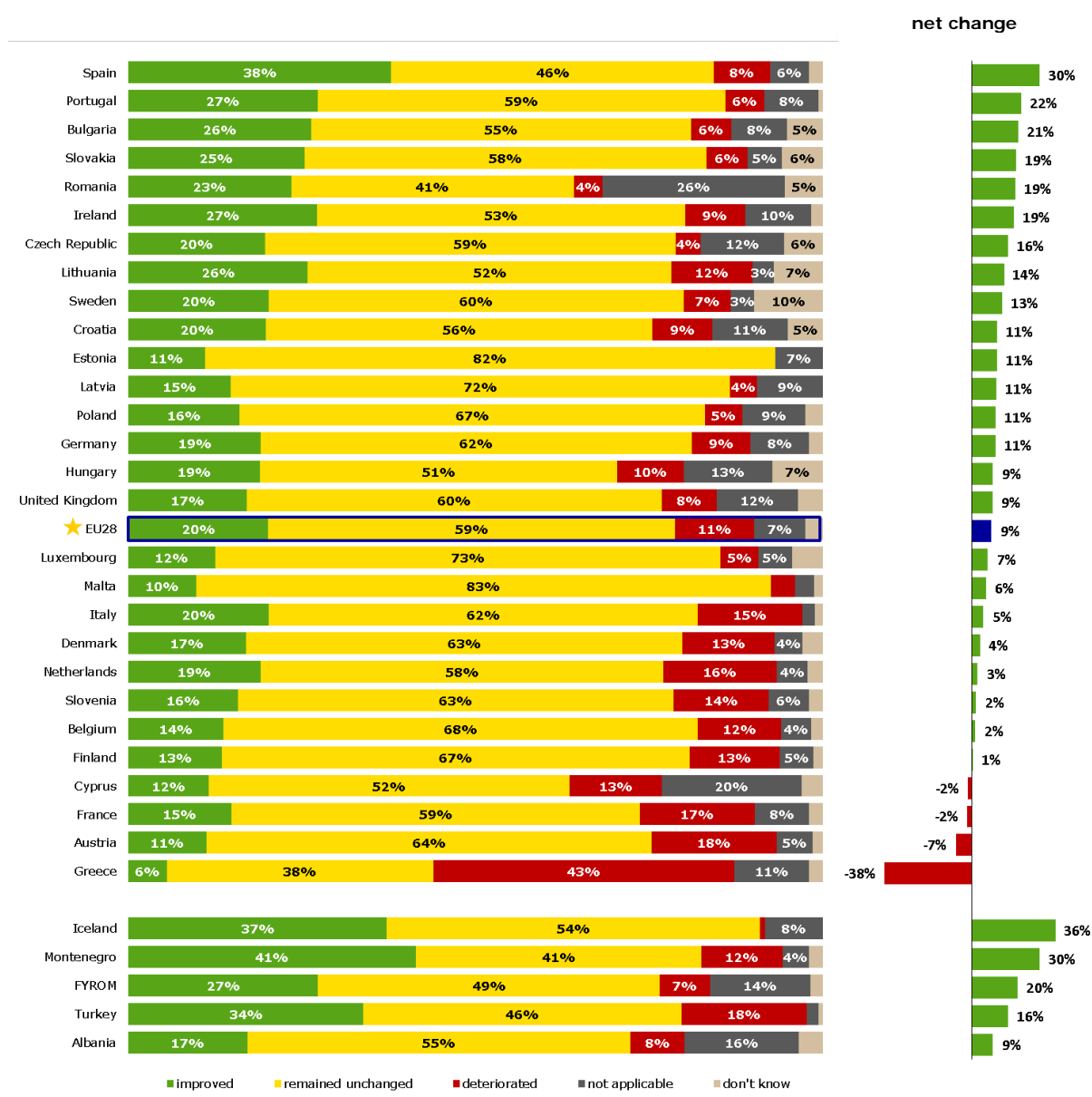
Broken down by enterprise characteristic, all of the identified groups report net improvements in availability in 2015. Among the various sectors, SMEs in industry report the largest net improvement (14%) and those in construction the smallest (4%). There exists a clear relation between the size of an enterprise and changes in the availability of this type of financing. Large enterprises of at least 250 employees have experienced the largest improvement (net 24%), while micro-sized enterprises of no more than 9 employees experienced an improvement least often (net 2%).

There exists little difference in the perceived changes in the availability of this type of financing for high-growth SMEs diversified by age: the net improvements are nearly equal in size for both regular high-growth SMEs and gazelles (the latter consisting of high-growth SMEs no older than 5 years). Exporters are more positive than non-exporters (net 11% versus 7%) and innovative SMEs are more positive regarding the availability of credit line, bank overdraft or credit cards overdraft to them than non-innovative SMEs are.

2.3.2 Bank loans

This section presents more detailed breakdowns of changes in the availability of bank loans to EU28 SMEs. A breakdown by country in figure 64 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. In addition figure 65 is a map which shows the net change for SMEs in the member states of the EU28. A breakdown by enterprise characteristic in figure 66 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.

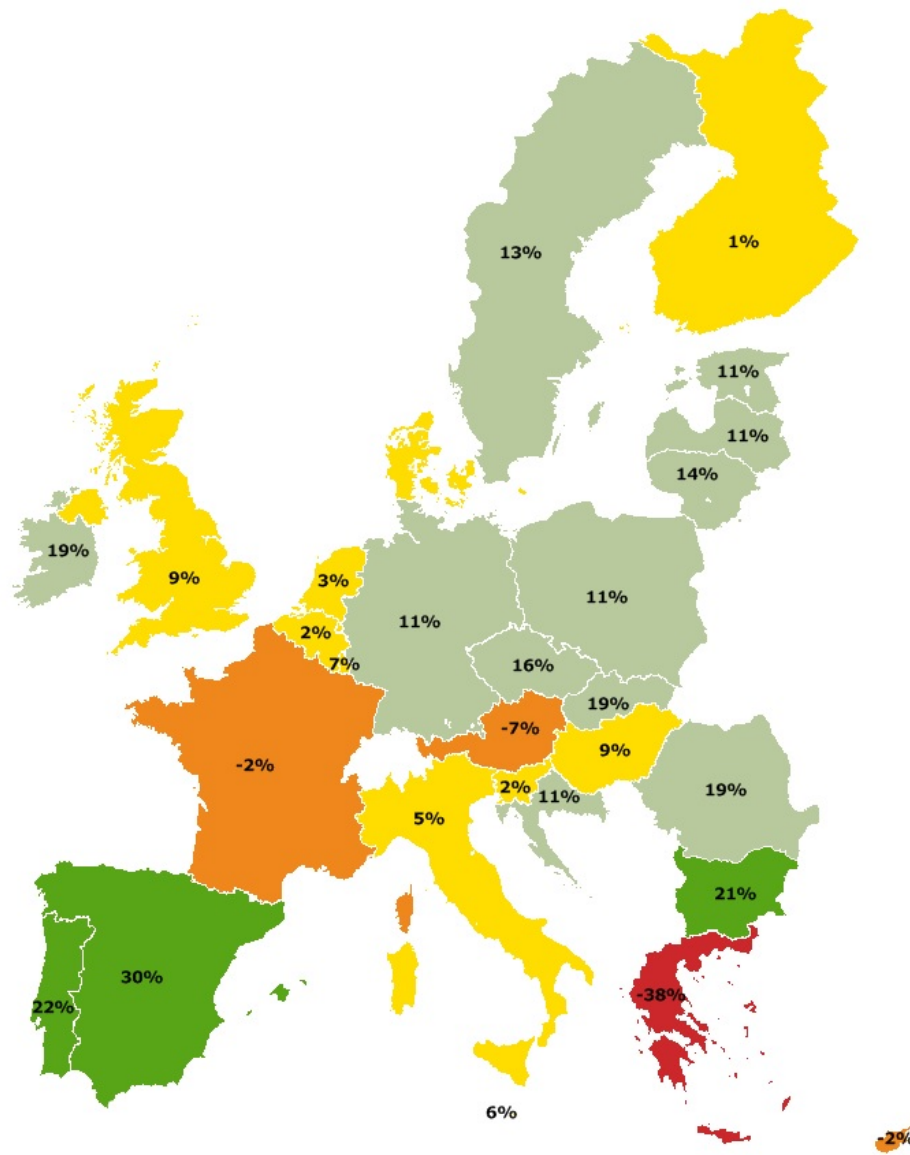
figure 64 Changes in the availability of bank loans in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q9a. Bank loans (excluding overdraft and credit lines) - 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?

Source: SAFE, 2015; edited by Panteia.

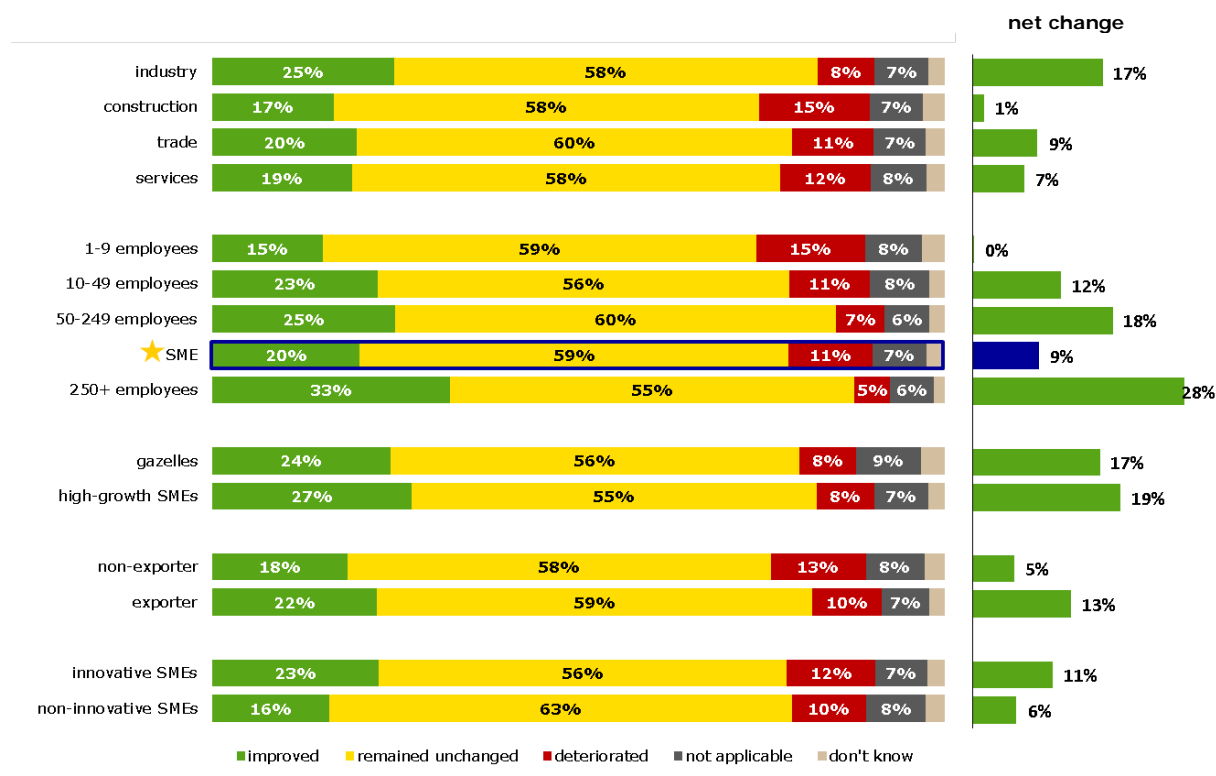
figure 65 Changes (the net change between the categories improved and deteriorated) in the availability of bank loans in the past six months (April to September 2015) for SMEs in the EU28, by country.



Q9a. Bank loans (excluding overdraft and credit lines) - 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?

Source: SAFE, 2015; edited by Panteia.

figure 66 Changes in the availability of bank loans in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q9a. Bank loans (excluding overdraft and credit lines) - 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?

Source: SAFE, 2015; edited by Panteia.

Improvements in the availability of bank loans are reported by 20% of all SMEs in the EU28, with another 11% having experienced deteriorations in such changes, resulting in a rounded net improvement of 9%. Among the countries of the EU28, SMEs in Spain report the largest net improvement for this type of financing and SMEs in Greece the largest net deterioration: multiple times that of the next ranked country with a net deterioration.

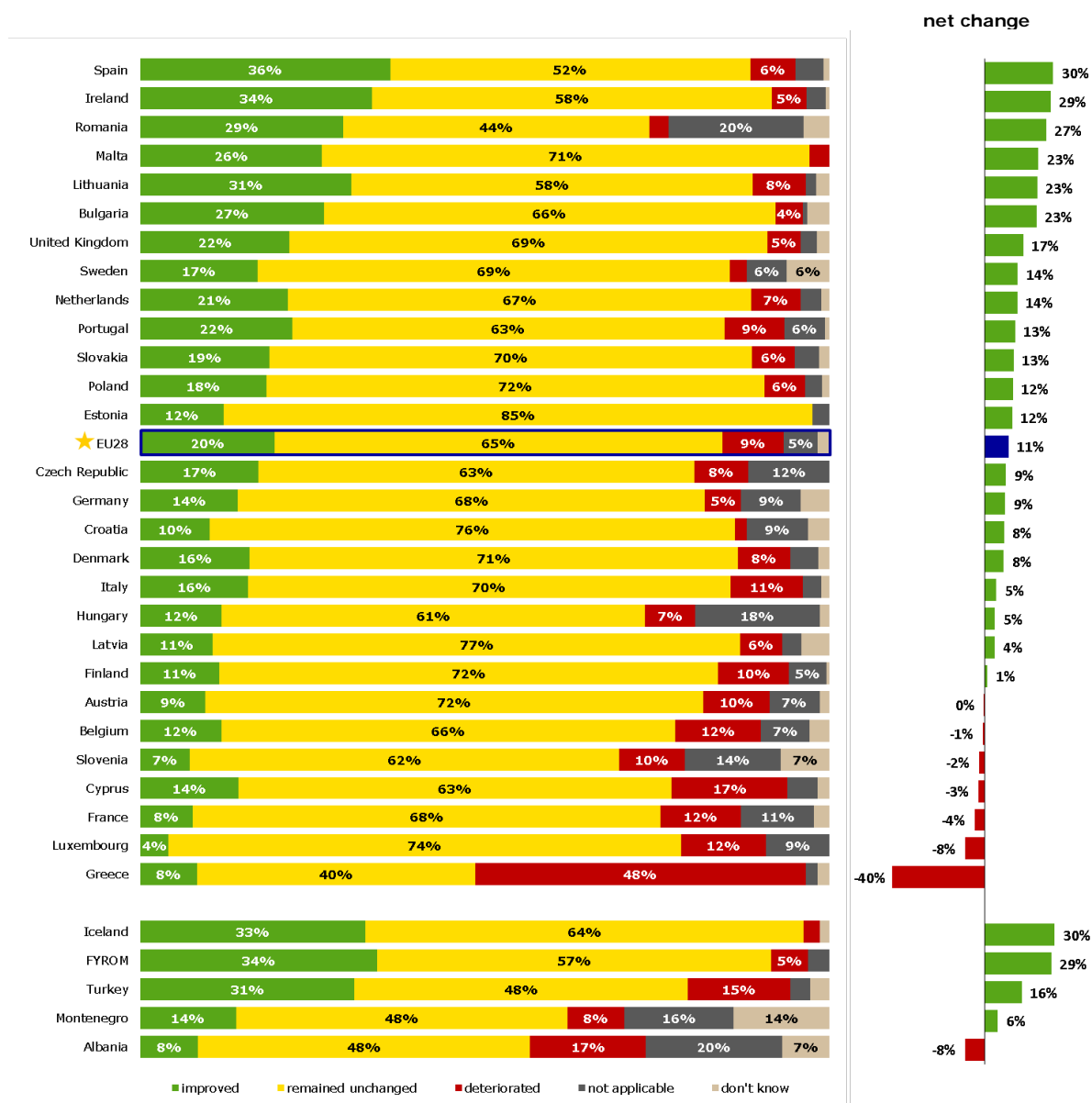
Broken down by enterprise characteristic, all of the identified groups report net improvements in availability in 2015. Among the various sectors, SMEs in industry report the largest net improvement (17%) and those in construction the smallest (1%). There exists a clear relation between the size of an enterprise and changes in the availability of this type of financing. Large enterprises of at least 250 employees have experienced the largest improvement (net 28%), while micro-sized enterprises of no more than 9 employees experienced an improvement least often (net 0%).

There exists little difference in the perceived changes in the availability of this type of financing for high-growth SMEs diversified by age: the net improvements are nearly equal in size for both regular high-growth SMEs and gazelles (the latter consisting of high-growth SMEs no older than 5 years). Exporters are more positive than non-exporters (net 13% versus 5%) and innovative SMEs are more positive regarding the availability of bank loans to them than non-innovative SMEs are.

2.3.3 Trade credit

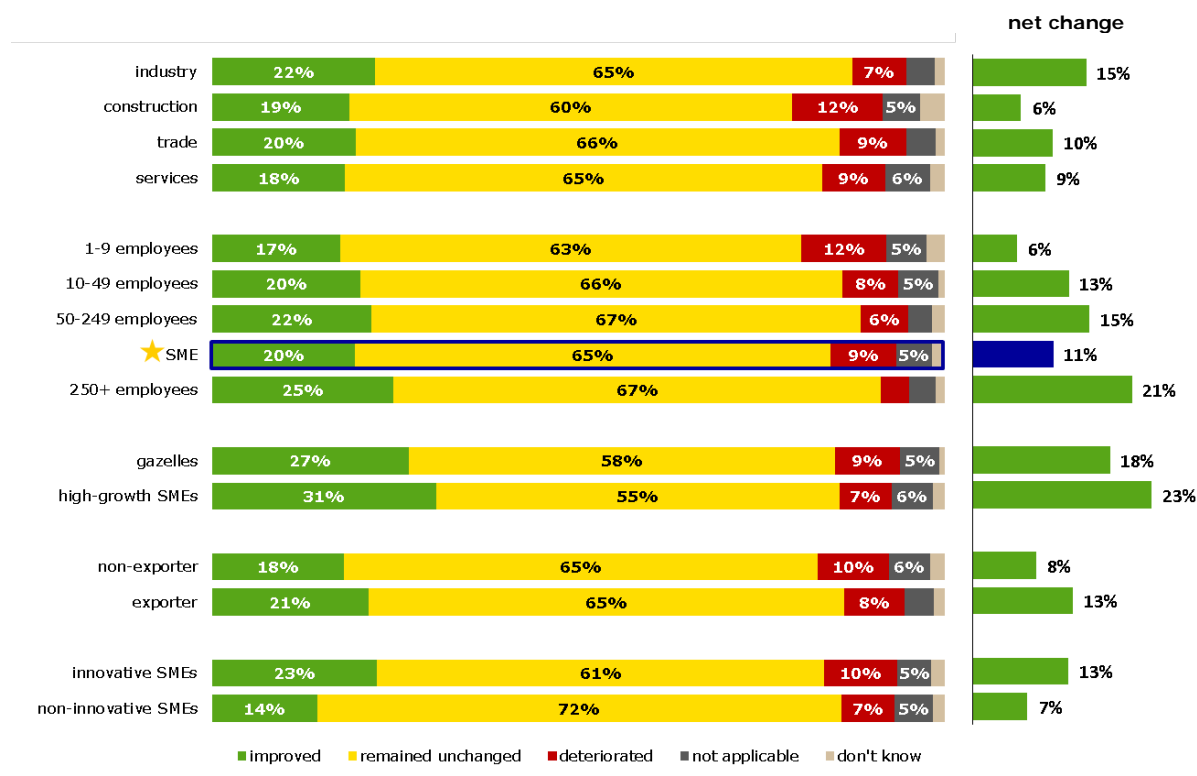
This section presents more detailed breakdowns of changes in the availability of trade credit to EU28 SMEs. A breakdown by country in figure 67 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 68 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 67 Changes in the availability of trade credit in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q9b. Trade credit - 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?
 Source: SAFE, 2015; edited by Panteia.

figure 68 Changes in the availability of trade credit in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q9b. Trade credit - 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?
Source: SAFE, 2015; edited by Panteia.

Improvements in the availability of trade credit are reported by 20% of all SMEs in the EU28, with another 9% having experienced deteriorations in such changes, resulting in a rounded net improvement of 11%. Among the countries of the EU28, SMEs in Spain report the largest net improvement for this type of financing and SMEs in Greece the largest net deterioration: multiple times that of the next ranked country with a net deterioration.

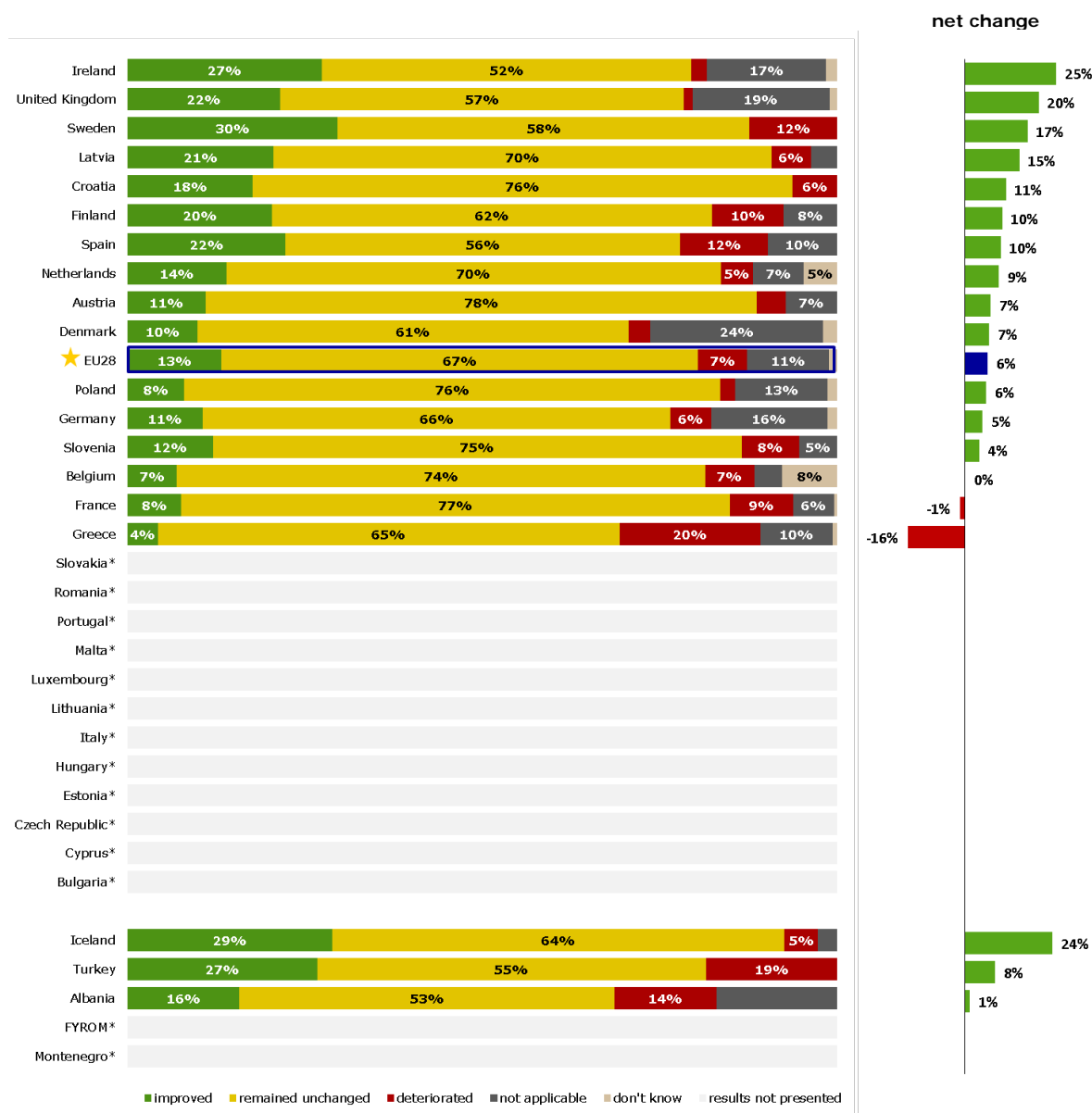
Broken down by enterprise characteristic, all of the identified groups report net improvements in availability in 2015. Among the various sectors, SMEs in industry report the largest net improvement (15%) and those in construction the smallest (6%). There exists a clear relation between the size of an enterprise and changes in the availability of this type of financing. Large enterprises of at least 250 employees have experienced the largest improvement (net 21%), while micro-sized enterprises of no more than 9 employees experienced an improvement least often (net 6%).

Non-gazelle high-growth SMEs (23%) more often report a net improvement in the availability of trade credit to them than gazelles (18%) do. Compared to gazelles, regular high-growth SMEs are older and therefore have had a longer time to build a track record with their business partners. Exporters are more positive than non-exporters (net 13% versus 8%) and innovative SMEs are more positive regarding the availability of trade credit to them than non-innovative SMEs are.

2.3.4 Equity capital

This section presents more detailed breakdowns of changes in the availability of equity capital to EU28 SMEs. A breakdown by country in figure 69 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 70 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.

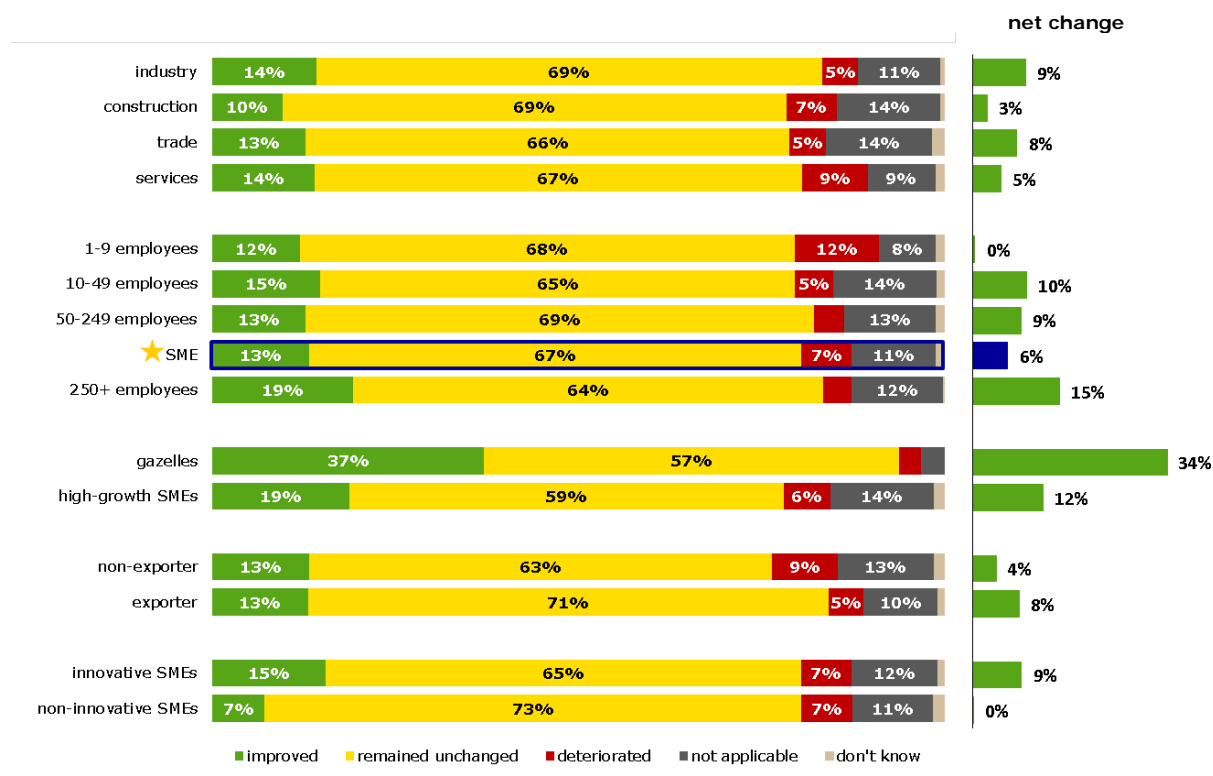
figure 69 Changes in the availability of equity capital in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q9c. Equity capital - 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?
Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, unweighted number of observations is below 20.

figure 70 Changes in the availability of equity capital in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q9c. Equity capital - 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?
Source: SAFE, 2015; edited by Panteia.

Improvements in the availability of equity capital are reported by 13% of all SMEs in the EU28, with another 7% having experienced deteriorations in such changes, resulting in a rounded net improvement of 6%. Among the countries of the EU28, SMEs in Romania report the largest net improvement for this type of financing and SMEs in Greece the largest net deterioration.

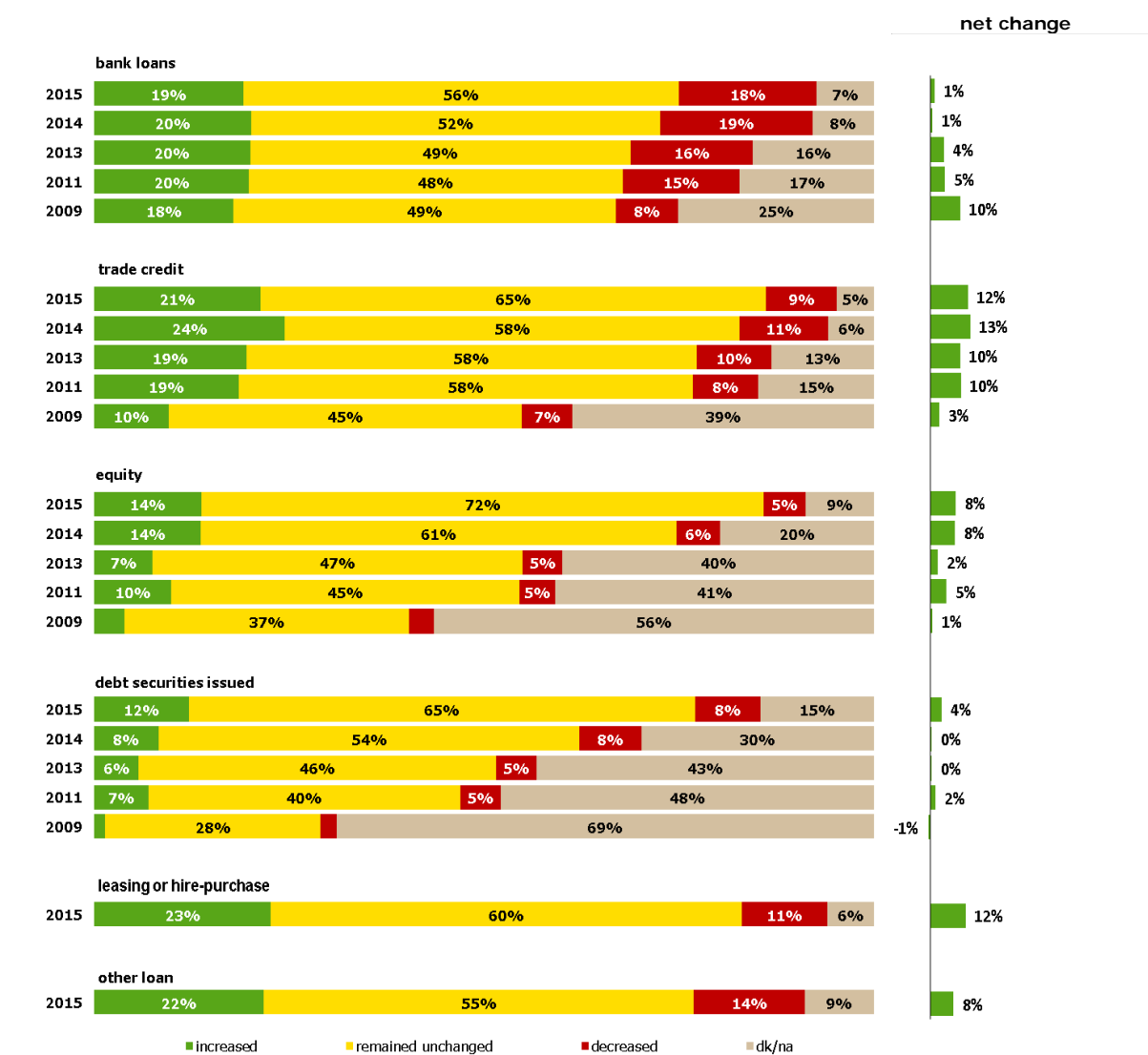
Broken down by enterprise characteristic, all of the identified groups report net improvements in availability in 2015. Among the various sectors, SMEs in industry report the largest net improvement (9%), slightly larger than the one in trade (8%) and those in construction the smallest (3%). There does not exist as clear a relation between the size of an enterprise and changes in the availability of this type of financing as is the case for the three other types discussed in some detail. Large enterprises of at least 250 employees have experienced the largest improvement (net 15%), while micro-sized enterprises of no more than 9 employees experienced an improvement least often (net 0%). The seeming linearity of this relation ends with small and medium-sized enterprises, however.

Gazelles (34%) more often report a net improvement in the availability of equity capital to them than non-gazelle high-growth SMEs (12%) do. These young high-growth enterprises might be of more interest to venture capitalists and business angels. Exporters are more positive than non-exporters (net 8% versus 4%) and innovative SMEs are more positive regarding the availability of equity capital to them than non-innovative SMEs are.

2.4. Changes in the need for external financing

This section covers changes in the need for sixed 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-purchase. Changes in these needs in the six months preceding the survey are first presented for SMEs in the EU28 for the period 2009-2015 in figure 71. Net changes are reported which correspond to the net effect of reported increases minus decreases. When years are excluded, the particular financing type was only first included in a later survey year.

figure 71 Changes in in the need for different types of financing for SMEs in EU-28 in the period 2009-2015, for SMEs in the EU28.



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.

Source: SAFE, 2009-2015; edited by Panteia.

In 2015, 19% of EU28 SMEs reported that their needs for bank loans increased. A decreased need was reported by 18%, resulting in a net increased need of 1%. From 2009 onward, the proportion of SMEs that indicated an increased need has remained relatively stable. The proportion indicating a decreased need, on the other hand, increased from 8% in 2009 to 18% in the most recent survey. As a result, the net change remained an increase, but the size of this positive change decreased.

In contrast to this development (and perhaps related to it), the need for trade credit supplied by business partners has increasingly grown. In 2015, 21% of EU28 SMEs indicated that their need for trade credit increased. At the same time, 9% reported a decreased need for a net increase of 12%. In 2009, the net increase amounted to a mere 3%. Since then, the net effect has remained positive and grown in size. Here, the proportion of SMEs reporting a decreased need has remained roughly the same, while the proportion indicating an increased need has grown in size.

A similar development can be observed for equity capital (including venture capital and business angels). The proportion of SMEs reporting a decreased need has remained relatively constant throughout the survey years, while the proportion of SMEs indicating an increased need has grown from 4% in 2009 to 14% in 2015. Contrasted with a proportion of 5% of EU28 SMEs that experienced a decreased need for equity capital, this results in a 2015 net increase equal to 8%. Another important development regarding equity capital is that it has become relevant to a greater proportion of SMEs throughout the survey years. This holds especially true when compared to 2009, when equity capital was relevant to less than half of all EU28 SMEs.

The relevance of debt securities issued (consisting of short-term commercial paper or longer-term corporate bonds issued by the enterprise) has experienced a similar development in relevance. It too was relevant to less than half of SMEs in 2009. In 2015, 12% of EU28 SMEs indicated an increased need for this type of financing. Another 8% reported a decreased need, resulting in a net increased need of 4%.

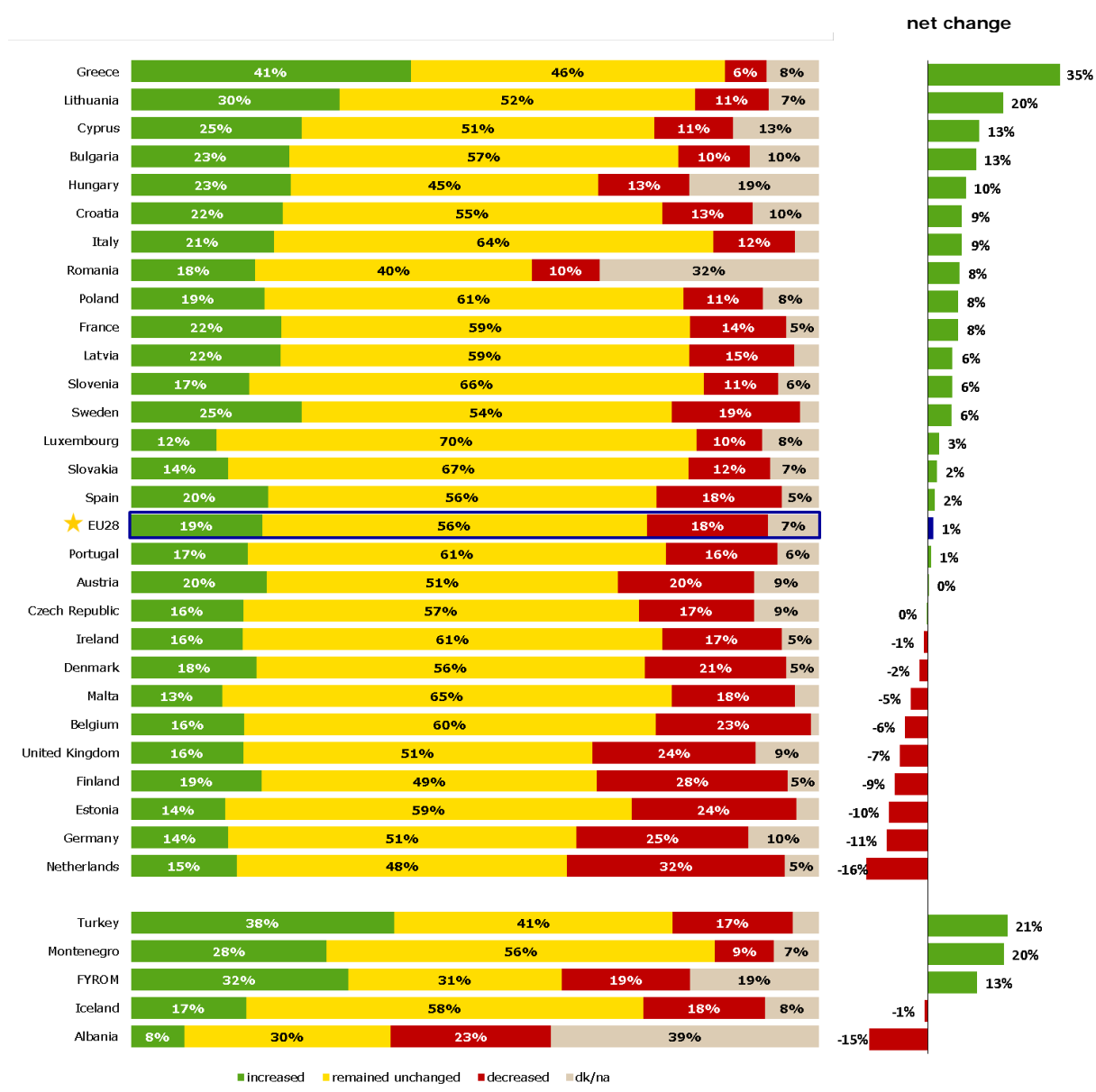
In 2015, 23% of EU28 SMEs reported an increased need for leasing or hire-purchase as a type of financing. About half (11%) indicated that their needs for this type had decreased, resulting in a net increase of 12%. The increase in the need for leasing and hire-purchase was therefore similar in size to that for trade credit and much larger than for bank loans.

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 2015, 22% of EU28 SME's indicated an increased need for this type of financing, versus a decreased need for 14% of these enterprises. This results in a net increased need equal to 8%.

2.4.1 Bank loans

This section presents more detailed breakdowns of changes in the need for bank loans to EU28 SMEs. A breakdown by country in figure 72 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. In addition figure 73 is a map which shows the net change for SMEs in the member states of the EU28. A breakdown by enterprise characteristic in figure 74 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.

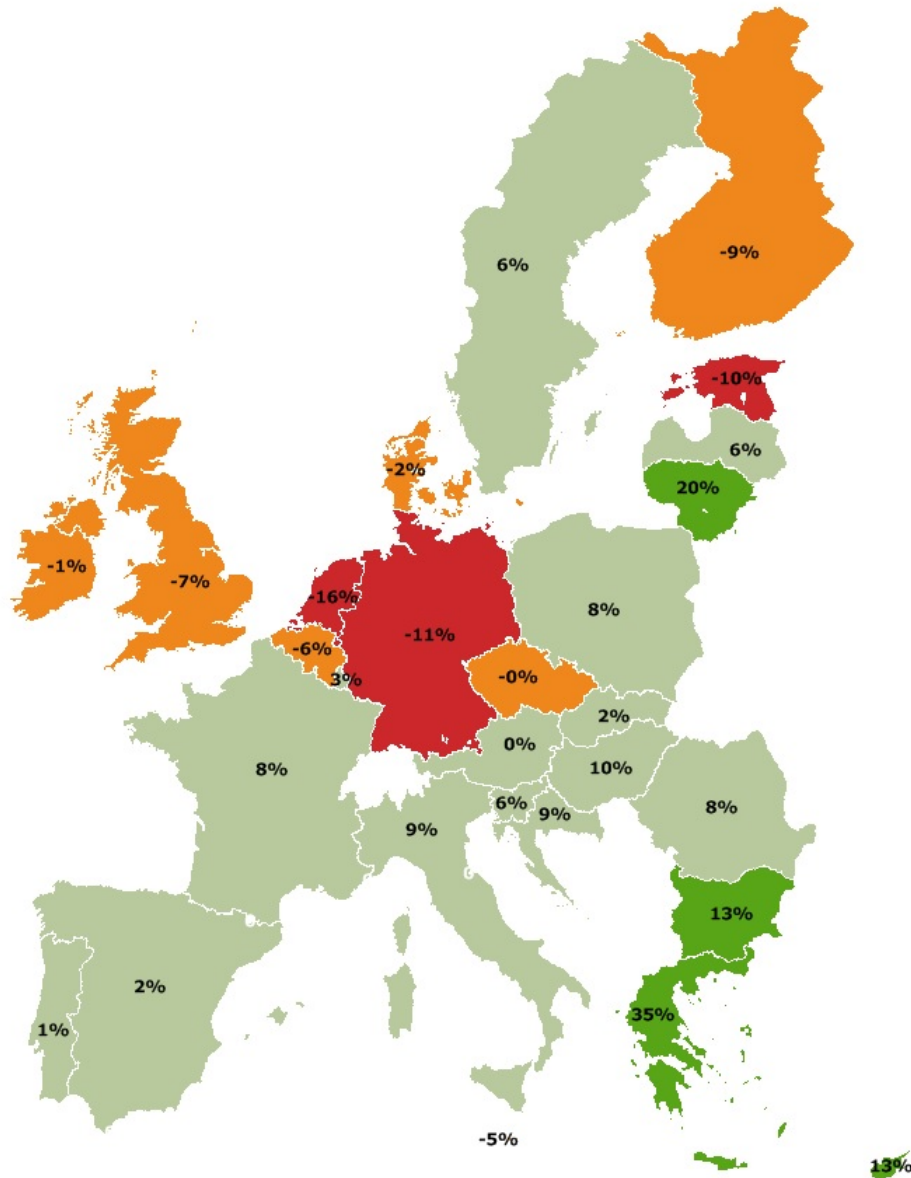
figure 72 Changes in the need for bank loans in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q5a. Bank loans (excluding overdraft and credit lines) - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

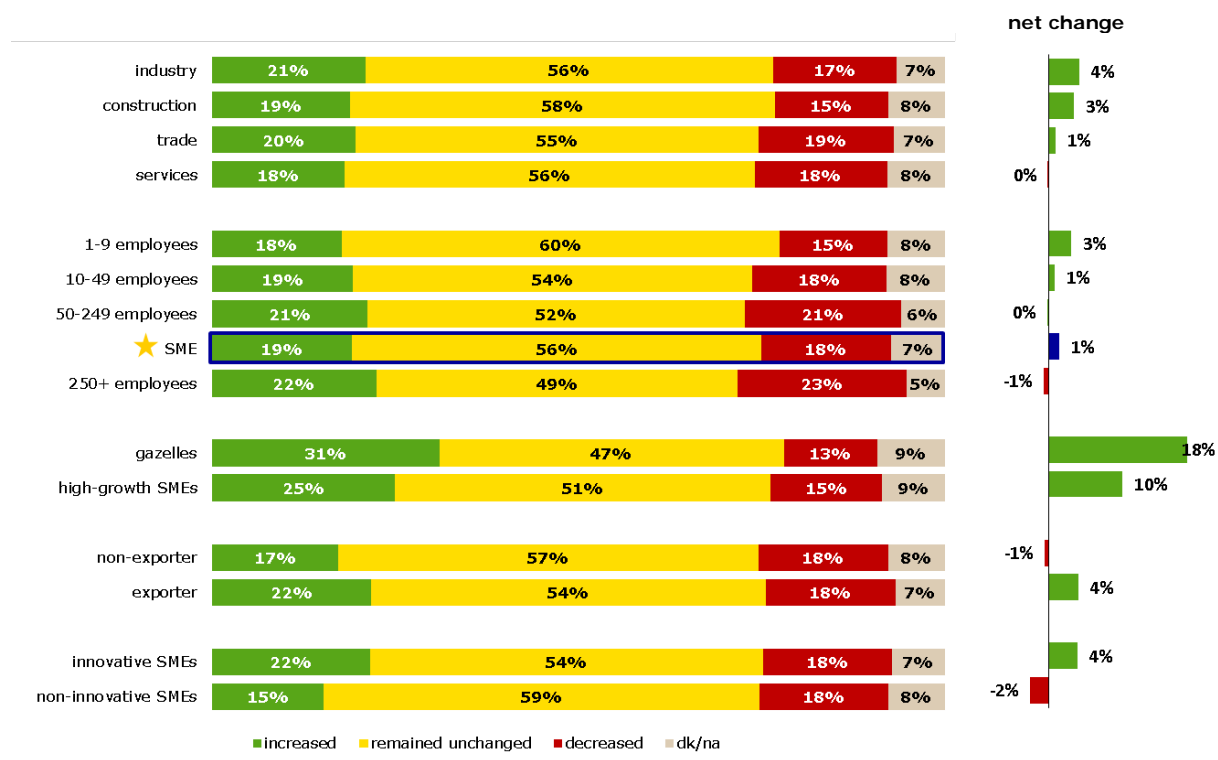
figure 73 Changes (the net change between the categories increased and decreased) in the need for bank loans in the past six months (April to September 2015) for SMEs in the EU28, by country.



Q5a. Bank loans (excluding overdraft and credit lines) - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

figure 74 Changes in the need for bank loans in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q5a. Bank loans (excluding overdraft and credit lines) - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

Increases in the need for bank loans are reported by 19% of all SMEs in the EU28, with another 18% having experienced decreased needs, resulting in a rounded net increase of 1%. Among the countries of the EU28, SMEs in Greece report the largest net increased need for this type of financing and SMEs in the Netherlands the largest net decreased need.

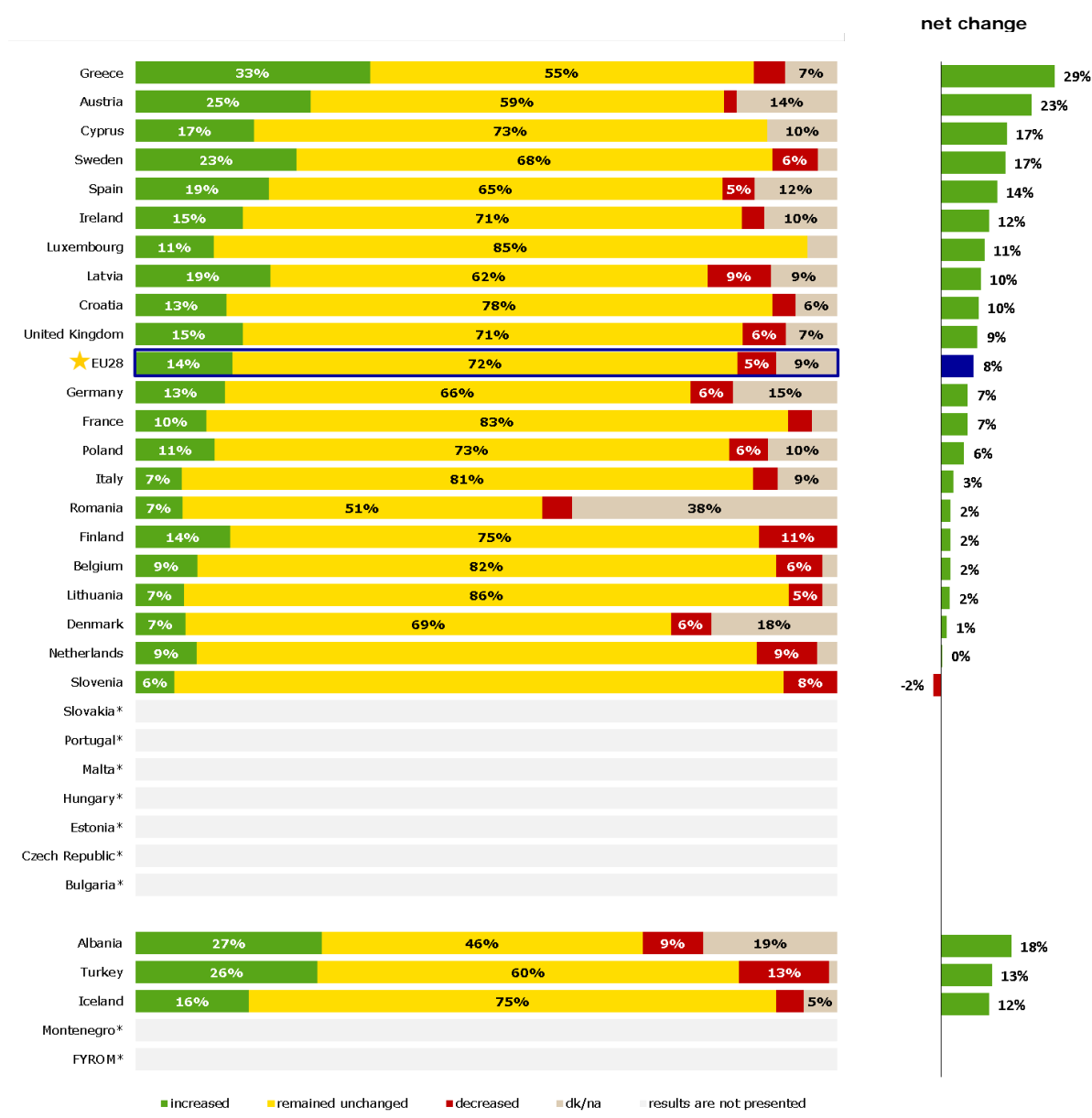
Broken down by enterprise characteristic, there exists some variation in the reported net changes in the need for bank loans in 2015. Among the various sectors, SMEs in industry report the largest net increase (4%), slightly larger than the one in construction (3%) and those in services the smallest (0%). There exists a relation between the size of an enterprise and changes in the need for this type of financing. Large enterprises of at least 250 employees have experienced a decreased need (net -1%), while micro-sized enterprises of no more than 9 employees experienced an increased need (net 3%). The variations between size-classes are relatively limited.

Gazelles (18%) more often report a net increased need for bank loans than non-gazelle high-growth SMEs (10%) do. These young high-growth enterprises are still in a relatively early phase of their life-cycle and may be more dependent on external financing than other SMEs are: their net increased need is highest among all types. Exporters experience greater increased needs than non-exporters (net 4% versus -1%) and innovative SMEs experience more needs for bank loans than non-innovative SMEs do.

2.4.2 Equity capital

This section presents more detailed breakdowns of changes in the need for equity capital (including venture capitalists and business angels) to EU28 SMEs. A breakdown by country in figure 75 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. 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 effect of reported increases minus decreases.

figure 75 Changes in the need for equity capital in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

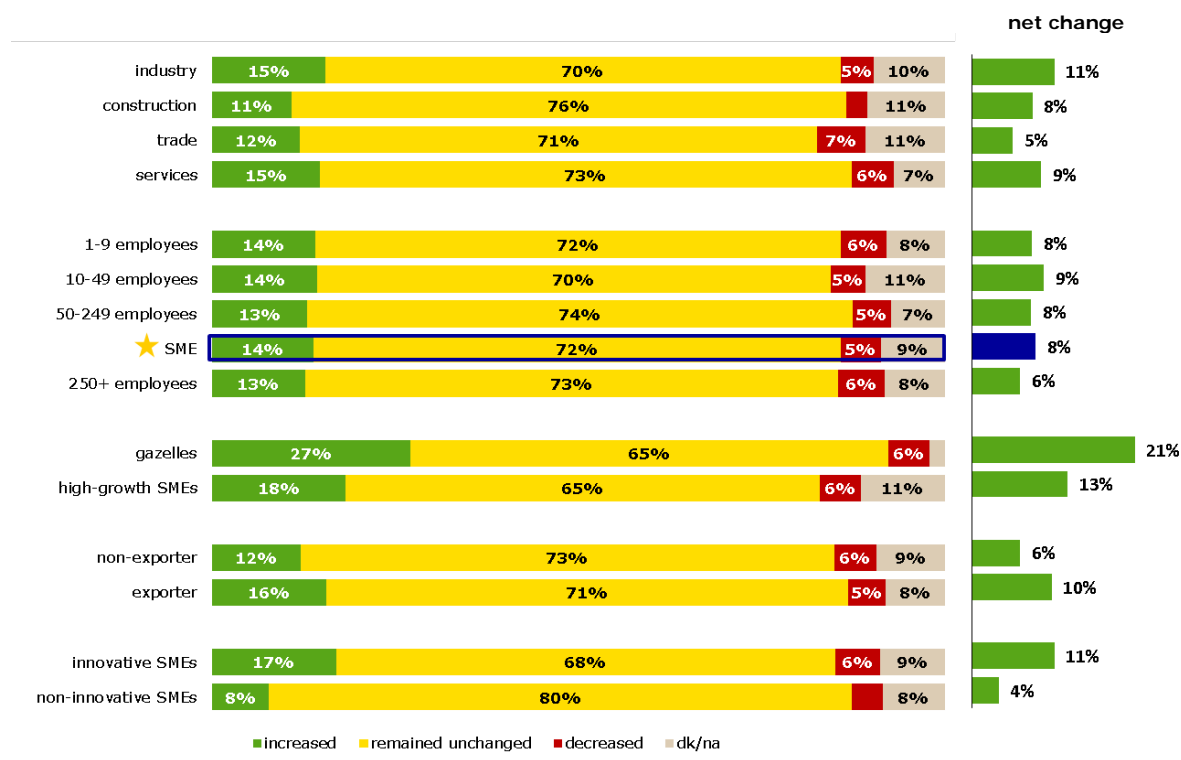


Q5c. Equity capital - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, unweighted number of observations is below 20.

figure 76 Changes in the need for equity capital in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q5b. Equity capital - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

Increases in the need for equity capital are reported by 14% of all SMEs in the EU28, with another 5% having experienced decreased needs, resulting in a rounded net increase of 8%. Among the countries of the EU28, SMEs in Greece report the largest net increased need for this type of financing and SMEs in Slovenia the largest net decreased need.

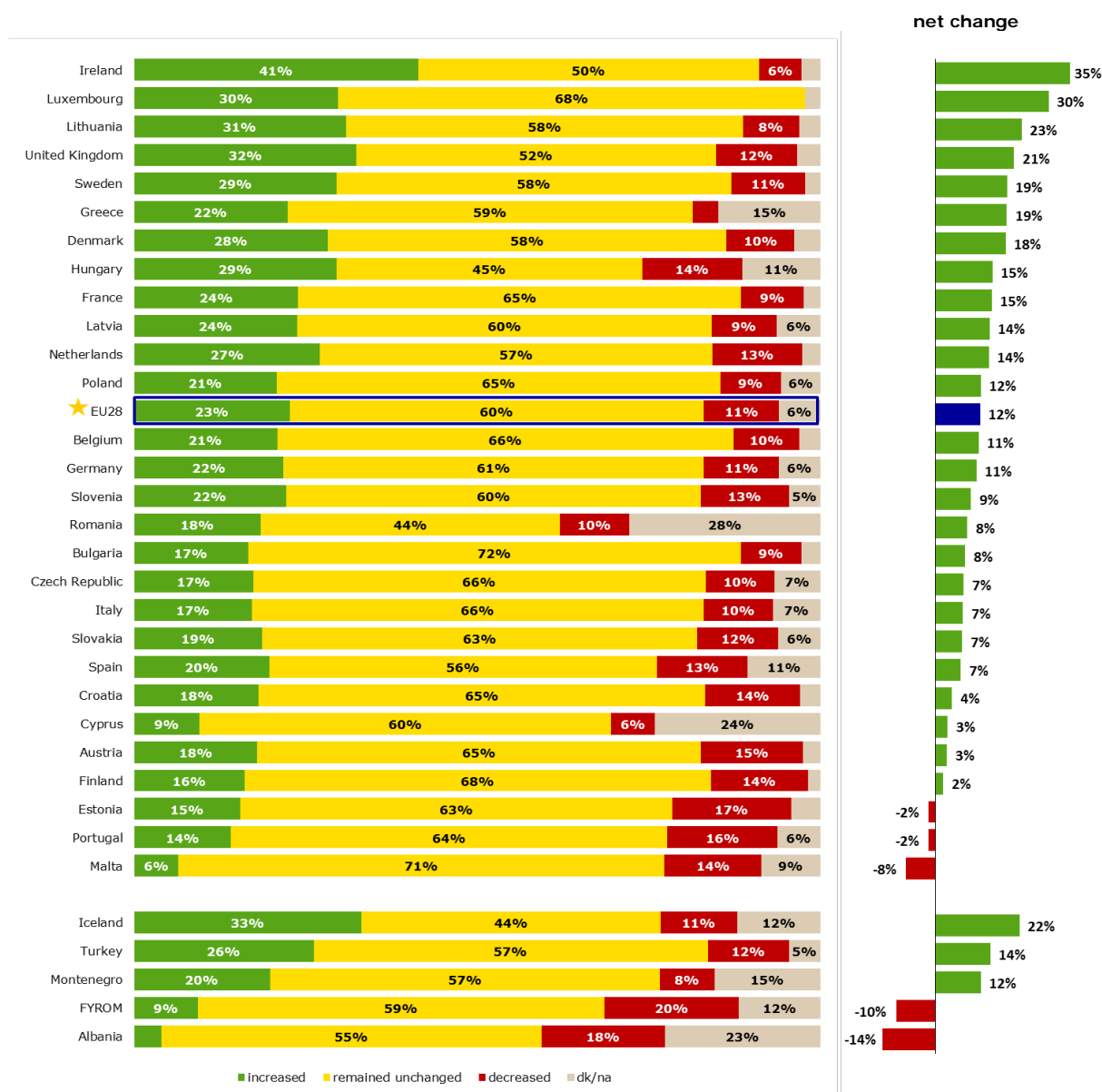
Broken down by enterprise characteristic, all types of enterprises report net increases in the need for equity capital in 2015. Among the various sectors, SMEs in industry report the largest net increase (11%), and those in trade the smallest (5%). There does not exist a clear relation between the size of an enterprise and changes in the need for this type of financing. Large enterprises of at least 250 employees have experienced the smallest increase in need (net 6%), while micro-sized enterprises of no more than 9 employees experienced a net increased need equal to 8%. This net effect, however, does not asymptotically decrease in enterprise size.

Gazelles (21%) more often report a net increased need for equity capital than non-gazelle high-growth SMEs (13%) do. These young high-growth enterprises are still in a relatively early phase of their life-cycle and may be more dependent on external financing than other SMEs are: their net increased need is highest among all types. Exporters experience greater increased needs than non-exporters (net 10% versus 6%) and innovative SMEs experience more needs for equity capital than non-innovative SMEs do.

2.4.3 Leasing or hire-purchase

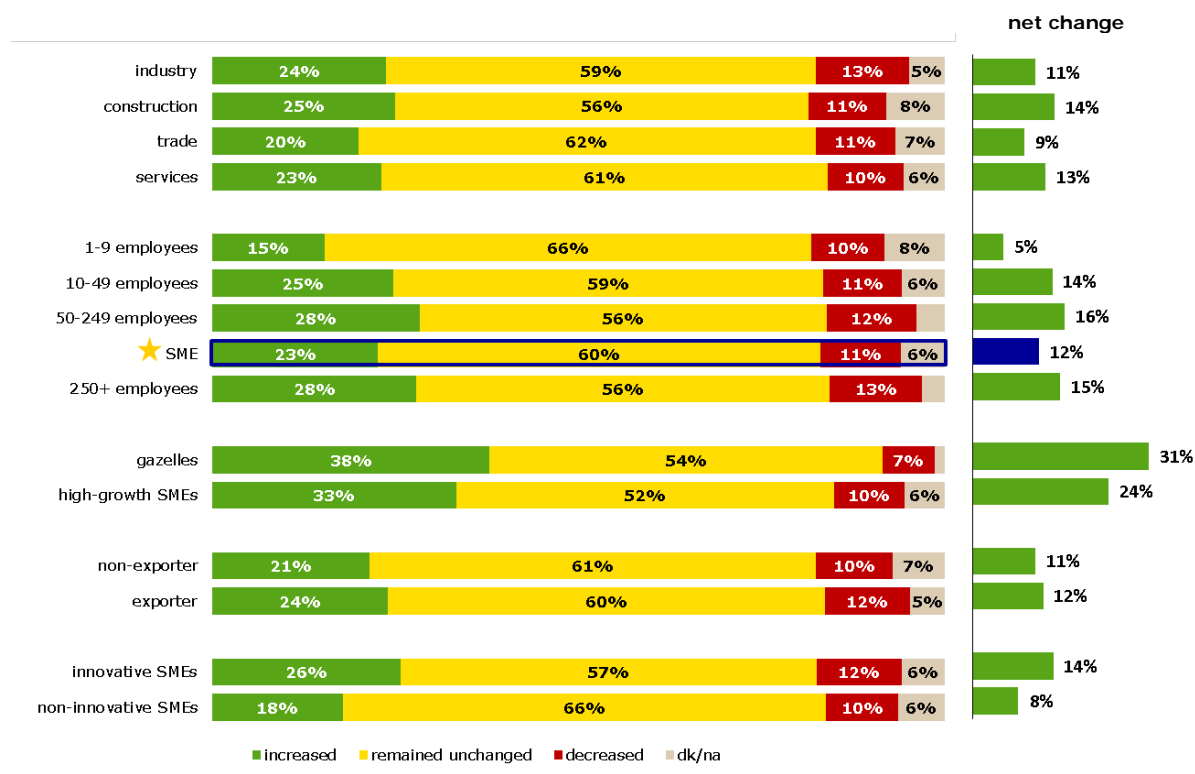
This section presents more detailed breakdowns of changes in the need for leasing or hire-purchase (obtaining the use of a fixed asset, in exchange for regular payments, but without the immediate ownership of the asset) to EU28 SMEs. A breakdown by country in figure 77 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 78 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 77 Changes in the need for leasing or hire-purchase in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q5g. Leasing or hire-purchase - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.
Source: SAFE, 2015; edited by Panteia.

figure 78 Changes in the need for leasing or hire-purchase in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q5g. Leasing or hire-purchase - For each of the following types of external financing, please indicate if your needs increased, remained unchanged or decreased over the past six months.

Source: SAFE, 2015; edited by Panteia.

Increases in the need for leasing or hire-purchase are reported by 23% of all SMEs in the EU28, with another 11% having experienced decreased needs, resulting in a rounded net increase of 12%. Among the countries of the EU28, SMEs in Ireland report the largest net increased need for this type of financing and SMEs in Malta the largest net decreased need.

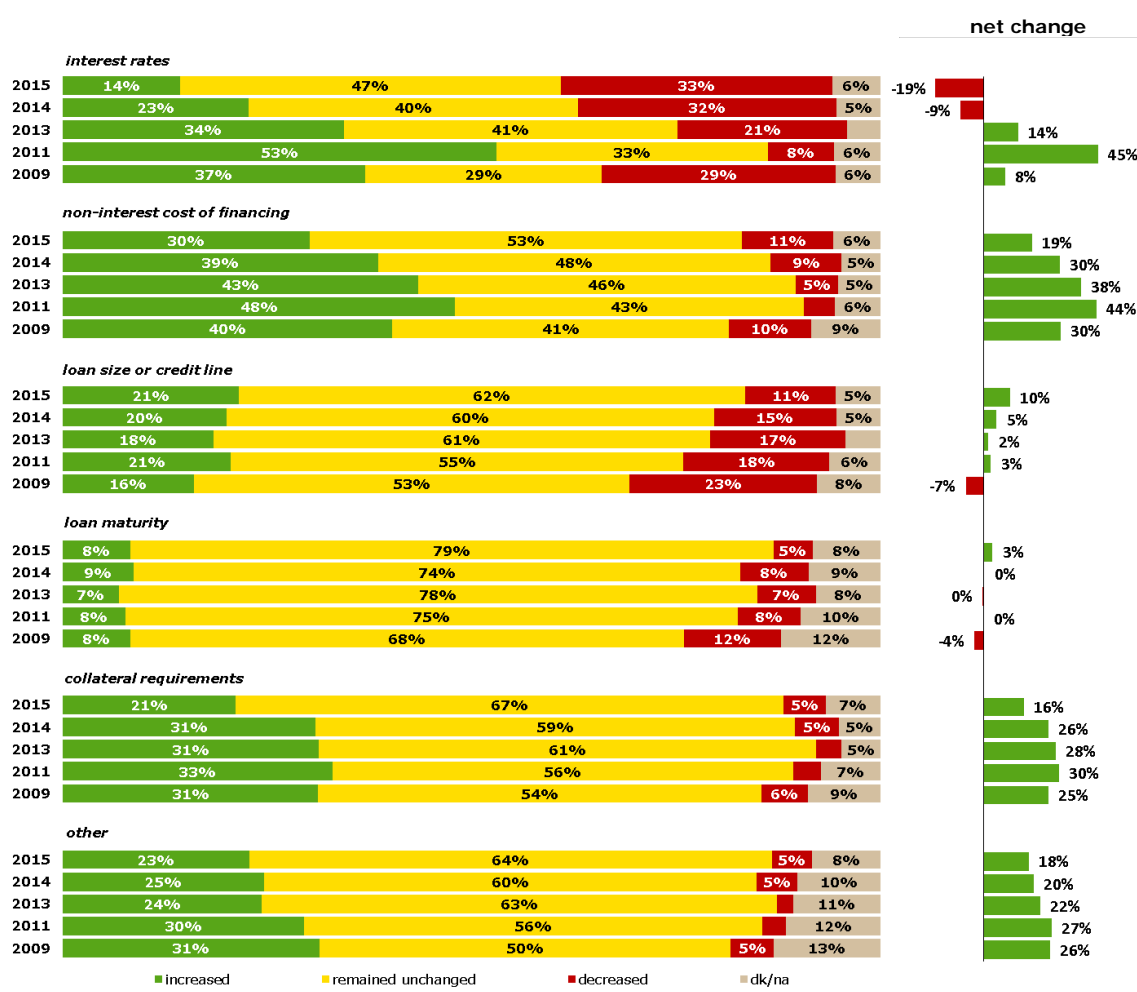
Broken down by enterprise characteristic, all types of enterprises report net increases in the need for leasing or hire-purchase in 2015. Among the various sectors, SMEs in construction report the largest net increase (14%), and those in trade the smallest (9%). There does not exist a clear relation between the size of an enterprise and changes in the need for this type of financing. Large enterprises of at least 250 employees have experienced a net increase in need equal to 15%, while micro-sized enterprises of no more than 9 employees experienced the smallest net increased need (5%). This net effect, however, does not asymptotically increase in enterprise size.

Gazelles (31%) more often report a net increased need for leasing or hire-purchase than non-gazelle high-growth SMEs (24%) do. These young high-growth enterprises are still in a relatively early phase of their life-cycle and may be more dependent on external financing than other SMEs are: their net increased need is highest among all types. Exporters experience similar increases in needs for leasing or hire-purchase than non-exporters (net 12% versus 11%) and innovative SMEs experience more needs for leasing or hire-purchase than non-innovative SMEs do.

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 EU28 for the period 2009-2015 in figure 79. Net changes are reported which correspond to the net effect of reported increases minus decreases. When years are excluded, the particular financing type was only first included in a later survey year.

figure 79 Changes in the terms and conditions for bank financing for SMEs in EU-28 in the period 2009-2015, for SMEs in the EU28.



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.

Source: SAFE, 2009-2015; edited by Panteia.

The level of interest rates faced by EU28 SMEs has been decreasing for two subsequent years in 2014 and in 2015. In the most recent survey, 14% of SMEs reported an increase in the level of interest rates versus 33% that was faced with decreased rates by banks. The resulting net effect amounts to a net decrease by 19%. The first survey years each saw net increases in interest rates, especially so in 2011. A net proportion equal to 45% of EU28 SMEs experienced an increase in the level of interest rates by banks.

Even though interest rates decreased more often than they increased, the other non-interest costs of financing increased. These costs include such items as charges, fees and commissions charged to SMEs when acquiring bank financing. In 2015, 30% reported an increased level versus a decrease by 11% of SMEs. The resultant net change equalled a 19% increase.

The size of loans or credit lines available to EU28 SMEs also increased, signally an improvement of this financing term. In 2015, 21% reported a size increase. Another 11% reported a decreased size, resulting in a net increase for 10% of SMEs. In 2009, the proportion that was faced with a decrease in the size of available loans or credit lines was still larger than the proportion that faced increases.

Loan maturity saw a net increase for the first time in 2015, after a few years of net changes equalling 0%. This year, 8% of EU28 SMEs reported an increase in the maturity of available loans. Another 5% indicated that the maturity had decreases, resulting in a net increase for 3% of SMEs.

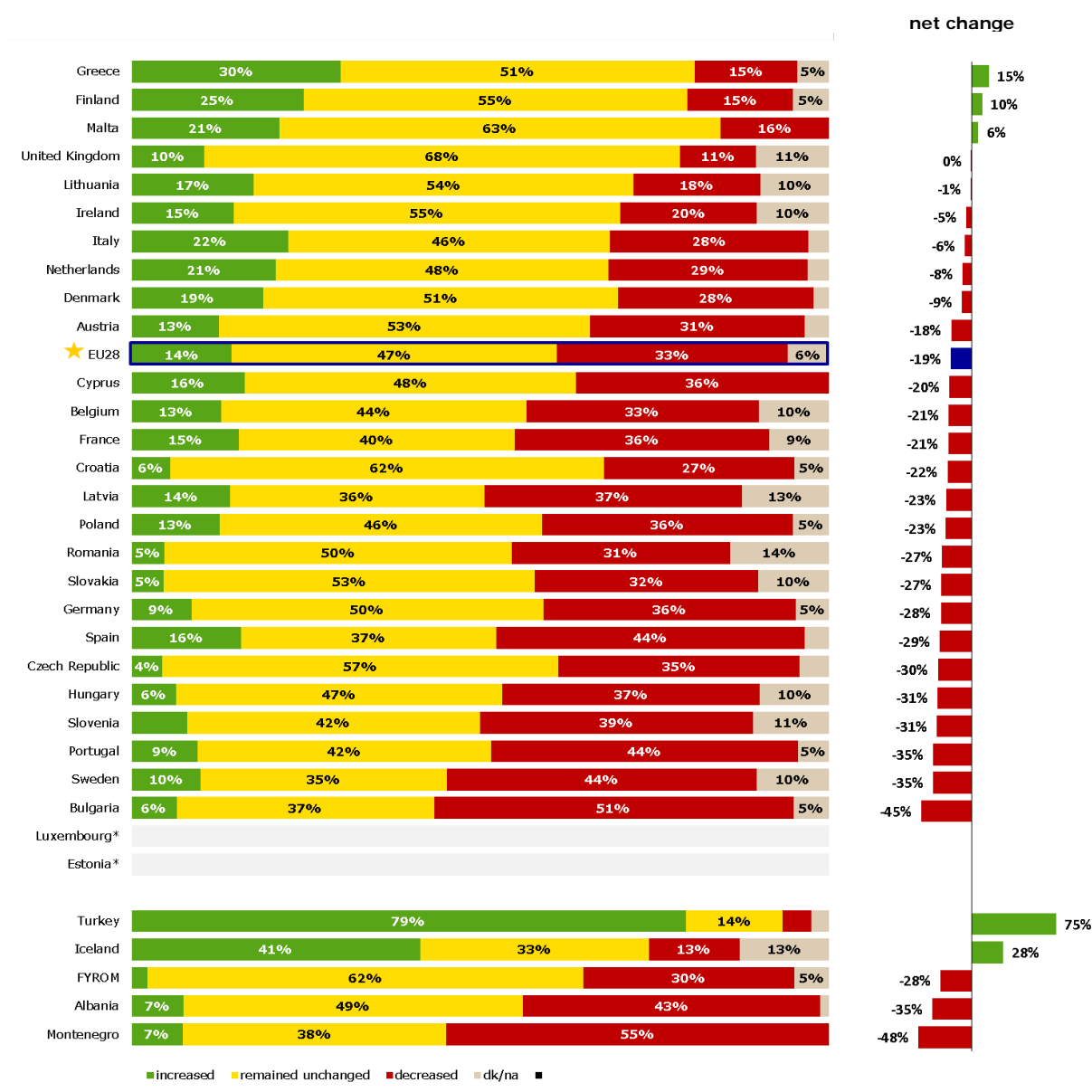
Collateral may be required by banks as a form of security given by the borrowing enterprise to the lender as a pledge for the repayment of the loan, often in the form of fixed assets. Even though the level of interest rates charged to EU28 SMEs and the size of available loans and credit lines have improved over the years, collateral requirements (like the non-interest costs of financing) increased - and thus worsened. In 2015, 21% of EU28 SMEs reported an increase in collateral requirements versus a decrease reported by 5%. The net increase equals 16% of SMEs.

A similar development, with subsequent increases 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, time required for loan approval and loan covenants. The size of the net increase has decreased over the years, however, and equals 18% in 2015. This is the net change with 23% of EU28 SMEs reporting an increase in other terms and conditions versus 5% reporting a decrease. Specifically, the proportion indicating a decrease has remained relatively stable, while the proportion indicating an increase has become smaller throughout the survey years.

2.5.1 Level of interest rates

This section presents more detailed breakdowns of changes in the level of interest rates charged to EU28 SMEs. A breakdown by country in figure 80 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 81 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 80 Changes in the level of interest rates in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

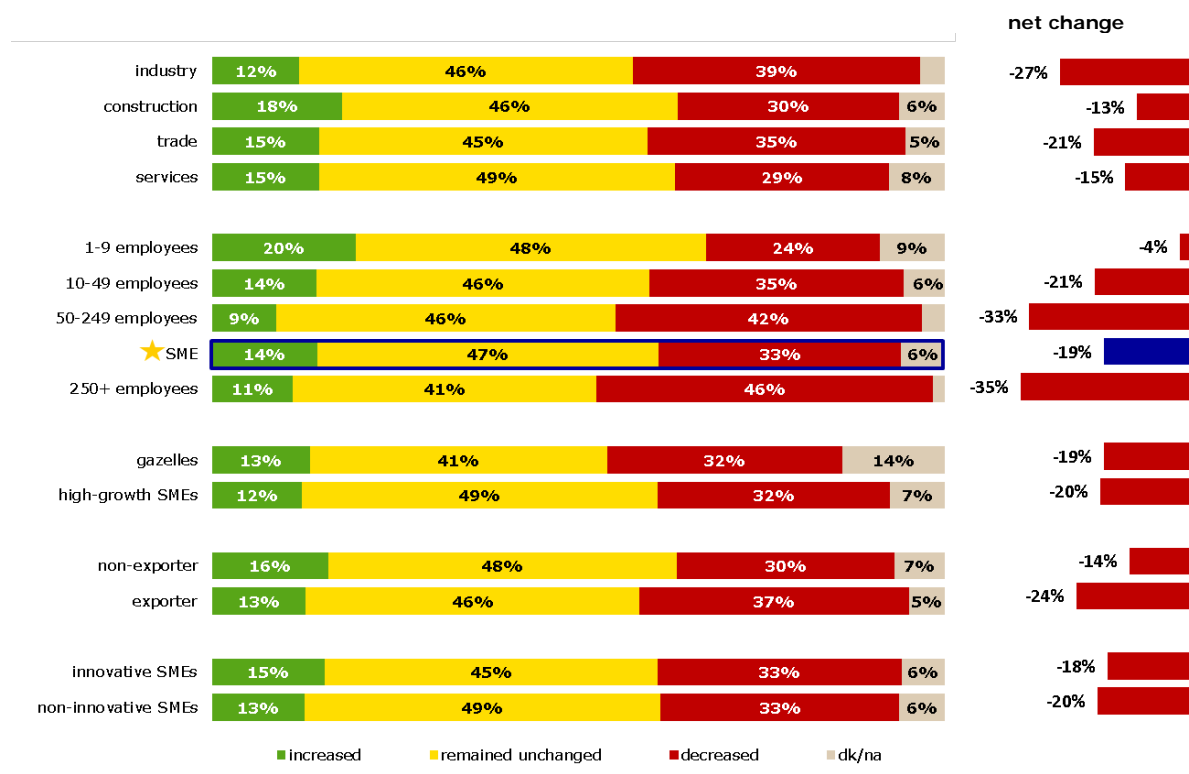


Q10a. Level of interest rates - We will turn now to the terms and conditions of bank financing, such as bank loans, overdrafts and credit lines. Please indicate whether the following items increased, remained unchanged or decreased in the past six months.

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, unweighted number of observations is below 20.

figure 81 Changes in the level of interest rates in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q10a. Level of interest rates - 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.

Source: SAFE, 2015; edited by Panteia.

Increases in the level of interest rates charged are reported by 14% of all SMEs in the EU28, with another 33% having experienced decreased levels, resulting in a rounded net decrease of 19%. Among the countries of the EU28, SMEs in Bulgaria report the largest net decreased level (and thus the largest improvement) and SMEs in Greece the largest net increased level.

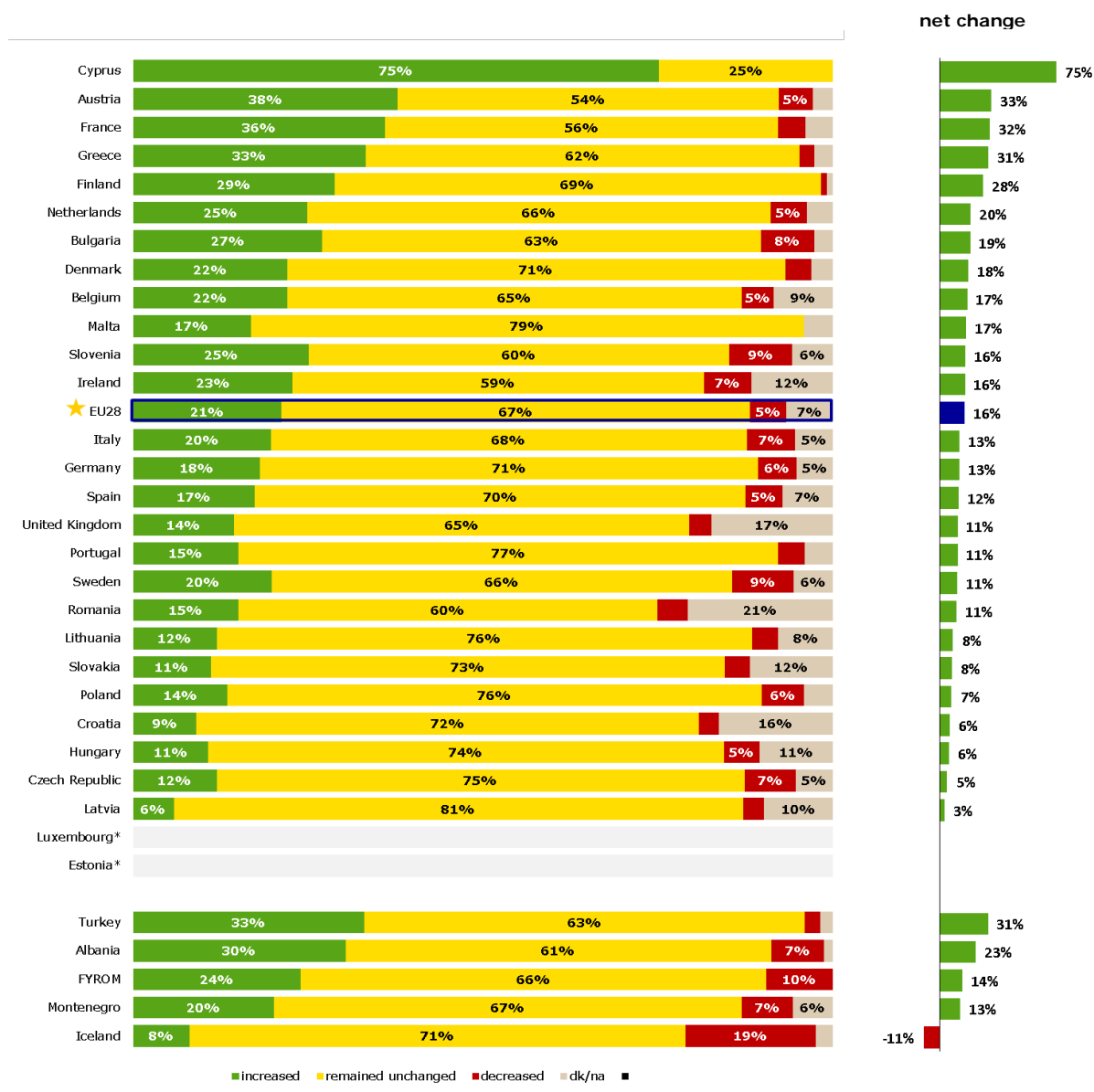
Broken down by enterprise characteristic, all types of enterprises report net decreases in the level of interest rates charged in 2015. Among the various sectors, SMEs in industry face the largest net decrease (-27%), and those in construction the smallest (-13%). There exists a relation between the size of an enterprise and changes in the level of interest expenses charged. Large enterprises of at least 250 employees have experienced a net decrease equal to -35%, while micro-sized enterprises of no more than 9 employees least often experienced a net decrease in this level (-4%).

There exists little difference in the perceived changes in the availability of this type of financing for high-growth SMEs diversified by age: the net decreases are nearly equal in size for both regular high-growth SMEs and gazelles (the latter consisting of high-growth SMEs no older than 5 years). Exporters more often experience decreases than non-exporters (net -24% versus -14%) while innovative SMEs are faced with decrease interest levels slightly less often than non-innovative enterprises.

2.5.2 Collateral requirements

This section presents more detailed breakdowns of changes in collateral requirements faced by EU28 SMEs. A breakdown by country in figure 82 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. 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 increases minus decreases.

figure 82 Changes in collateral requirements in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

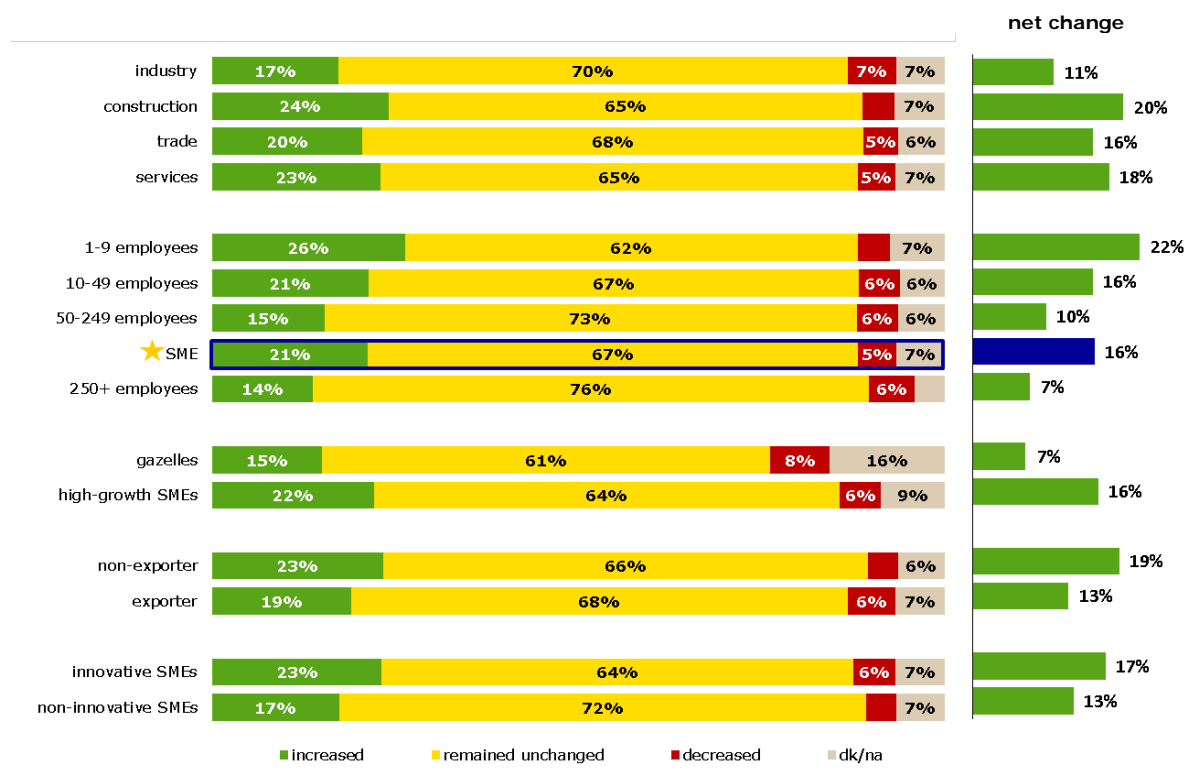


Q10e. Collateral requirements - We will turn now to the terms and conditions of bank financing, such as bank loans, overdrafts and credit lines. Please indicate whether the following items increased, remained unchanged or decreased in the past six months.

Source: SAFE, 2015; edited by Panteia.

* Results are not reliable, unweighted number of observations is below 20.

figure 83 Changes in collateral requirements in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q10e. Collateral requirements - 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.

Source: SAFE, 2015; edited by Panteia.

Increases in collateral requirements are reported by 21% of all SMEs in the EU28, with another 5% having experienced decreased levels, resulting in a rounded net increase of 16%. Among the countries of the EU28, SMEs in Cyprus report the largest net increases and SMEs in Latvia the smallest net increased requirements.

Broken down by enterprise characteristic, all types of enterprises report net increases in collateral requirements in 2015. Among the various sectors, SMEs in construction face the largest net increase (20%), and those in industry the smallest (11%). There exists a relation between the size of an enterprise and changes in the level of interest expenses charged. Large enterprises of at least 250 employees have experienced a net increase equal to only 7%, while micro-sized enterprises of no more than 9 employees most often experienced a net increase in these requirements (22%).

Non-gazelle high-growth SMEs (16%) more often report a net increase in collateral requirements gazelles (7%) do. These young high-growth enterprises are still in a relatively early phase of their life-cycle and may simply not possess sufficient collateral: the net increased requirements they face are among the lowest among all types. Exporters less often are faced with increased requirements than non-exporters (net 13% versus 19%) while innovative SMEs are faced with increased requirements more often than non-innovative enterprises.

3. OUTLOOK FOR THE FUTURE

This chapter changes the setting to the future by detailing the growth that European SMEs expect to achieve and the external financing means they require to realise their ambitions. The chapter covers the expected growth of SMEs (3.2), their confidence in obtaining the required external funding to realise this growth (3.3), various aspects of this future financing including the preferred type, perceived obstructions and the amount required (3.4), the expected availability of funding in the future (3.5) and finally factors that affect future financing (3.6).

3.1. Key findings

Most SMEs in the EU28 expect to experience turnover growth in the next two to three years, indeed 62% expects either moderate or substantial growth. This proportion has increased in each survey year since 2009. Among countries in the EU28, SMEs in Ireland, Romania and Denmark are most positive about their expected growth. SMEs in Greece and France are the least positive regarding growth expectations. In Greece, 16% of SMEs expects that their turnover will fall - the highest proportion in the EU28. Furthermore, growth expectations are highest in industry and these increase with enterprise size.

Amongst EU28 SMEs, 67% are more confident when talking with banks about financing and obtaining the desired results, than when talking to equity investors and venture capital firms (20%). Among countries in the EU28, SMEs in Malta and Portugal are most confident in their talks with banks, SMEs in Greece and Cyprus were the least confident. Maltese SMEs in general are very confident in such talks, also with equity investors and venture capital firms.

Debt financing is preferred over equity financing by SMEs. In the EU28, 61% preferred bank loans in 2015, while another 17% preferred loans from other sources (*e.g.* trade credit), and 9% preferred equity investments. Another 9% preferred other types of equity financing. Looking at different SME types, gazelles preferred equity investment the most (13%).

Less than half of SMEs do not perceive any limitations in their access to future financing; this was 41% in the EU28. Those that do perceive such limitations most often cite insufficient collateral or guarantees (15%) and interest rates and prices of financing being too high (12%) as the main causes. SMEs in Germany most often see no obstacles and while this is least often the case amongst SMEs in Greece. The more enterprises grow and the larger they become, the less obstacles they see in obtaining finance.

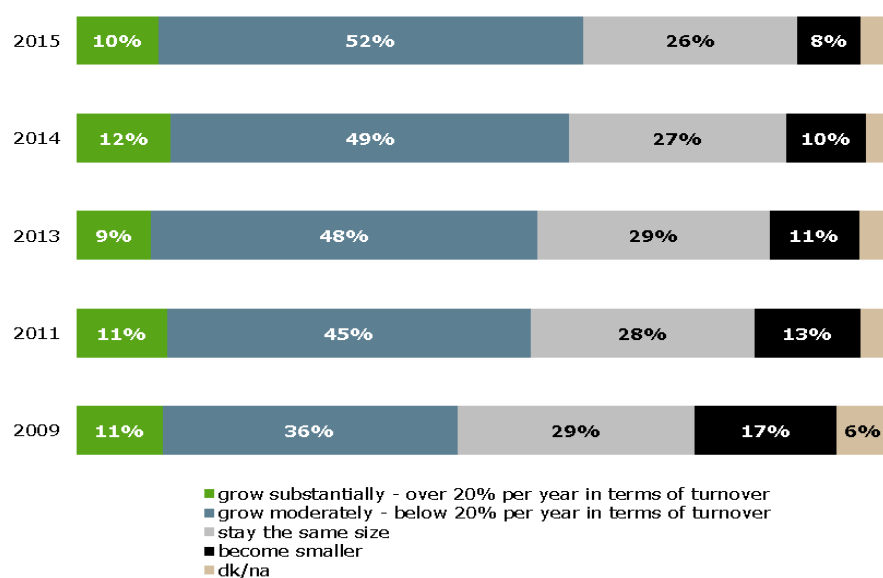
One out of four SMEs (25%) in the EU28 needs financing amounts of between € 25,000 and € 100,000 to realise their growth ambitions. The proportions requiring larger amounts of finance decreases with size of the financing amount. SMEs active in industry require the largest amounts to realise their ambitions and the required amounts increase with enterprise size.

SMEs expect the availability of all types of financing (ranging from internal financing to such external types as bank loans, equity capital and trade credit) to improve in the six months from October 2015 to March 2016. Debt securities have increasingly become a more relevant type of financing for SMEs. In 2009, 61% did not consider it applicable and by 2015 this proportion had decreased to 12%.

3.2. Expected growth of 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 EU28 for the period 2009-2015 in figure 84 and makes a distinction between moderate and substantial growth.

figure 84 Expected growth in turnover in the next two to three years by SMEs in the EU28, for the period 2009-2015.



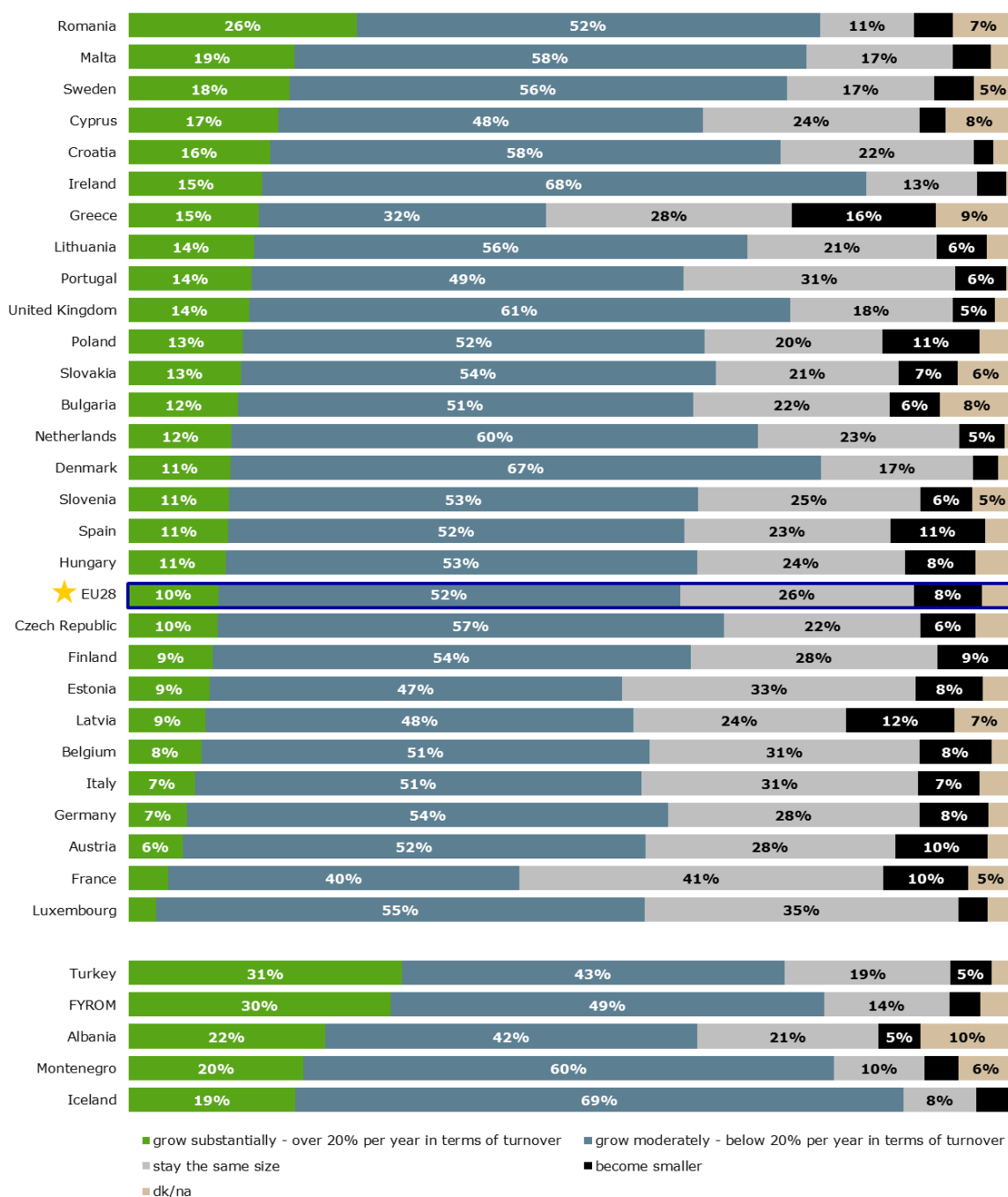
Q17. Considering the turnover over the next two to three years (2015-2017), how much does your enterprise expect to grow per year?

Source: SAFE, 2009-2015; edited by Panteia.

More than half of the SMEs in the EU28 expect to experience annual turnover growth in the next two to three years: 10% expects to grow substantially and another 52% expects to grow moderately. More SMEs have become positive on their future outlook. The proportion of SMEs that expects substantial growth has remained relatively stable in the period from 2009 to 2015, as has the proportion that expects turnover to remain at the same size. Changes in these years then come from the group that expects moderate turnover growth (which increased in proportion from 36% in 2009 to 52% in 2015) and the group that expects turnover to become smaller. The latter decreased from 17% to only 8% between 2009 and 2015.

Figure 85 provides a breakdown of SMEs' expected turnover growth by country in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The EU28 proportions correspond to those for 2015 in the graph presenting annual variations. Within the countries of the EU28, Romanian SMEs are most ambitious in their expectations regarding turnover growth: 26% expects to grow substantially. This proportion is the smallest for Luxembourg: only 3% (percentages below 5% are not included in the figure to improve readability). Grouping both substantial and moderate growth expectations, Irish SMEs expect growth most (83%) and French SMEs expect growth least (44%). The proportion of SMEs that expect turnover to shrink is the largest in Greece (16% of SMEs).

figure 85 Expected growth in turnover in the next two to three years by SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

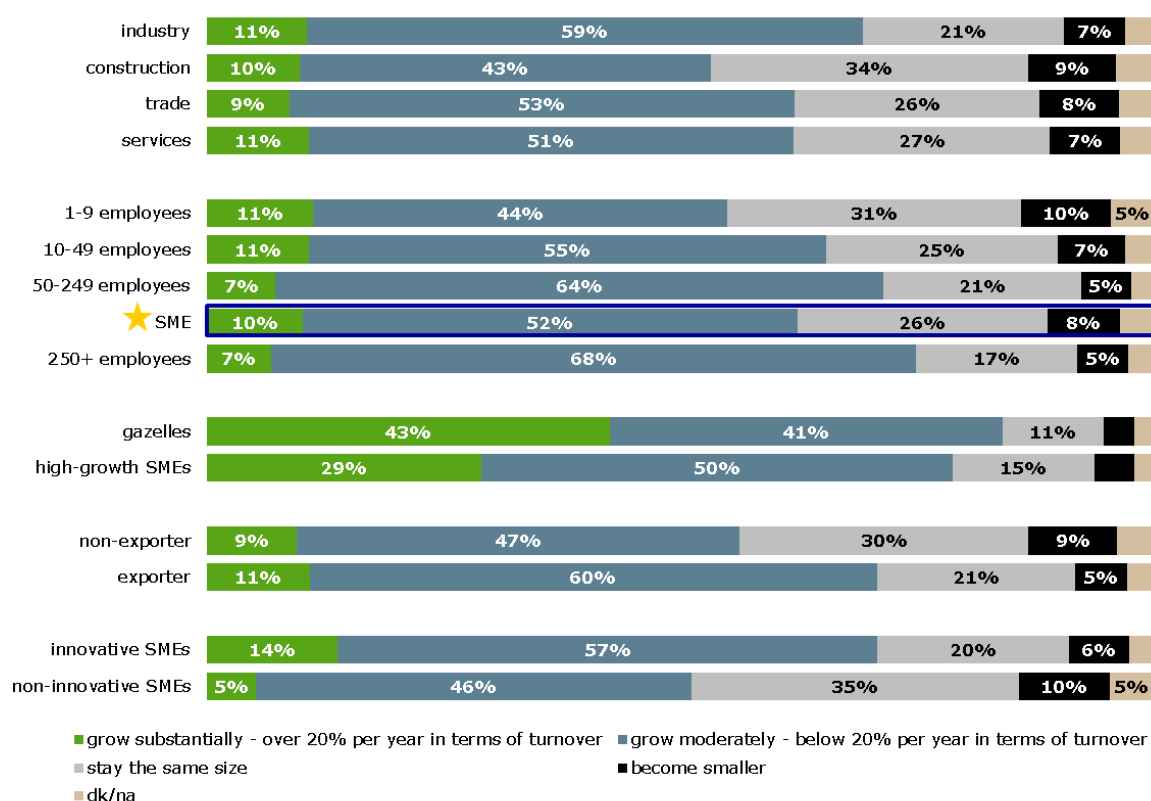


Q17. Considering the turnover over the next two to three years (2015-2017), how much does your enterprise expect to grow per year?
 Source: SAFE, 2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 86 and details how expected turnover growth varies among sectors of the economy, size-classes, growth types, exporter status and innovativeness. EU28 SMEs active in industry are most positive regarding their future turnover: 70% expects moderate to substantial growth.

There appears to be a clear positive relation between enterprise size and expected turnover growth. Even though more than half of micro-sized enterprises (55%) expects moderate to substantial growth in the next two to three years, three out of four (75%) of large enterprises expects turnover to grow. The proportion consistently grows with enterprise size.

figure 86 Expected growth in turnover in the next two to three years by SMEs in the EU28, by enterprise characteristic.



Q17. Considering the turnover over the next two to three years (2015-2017), how much does your enterprise expect to grow per year?
 Source: SAFE, 2015; edited by Panteia.

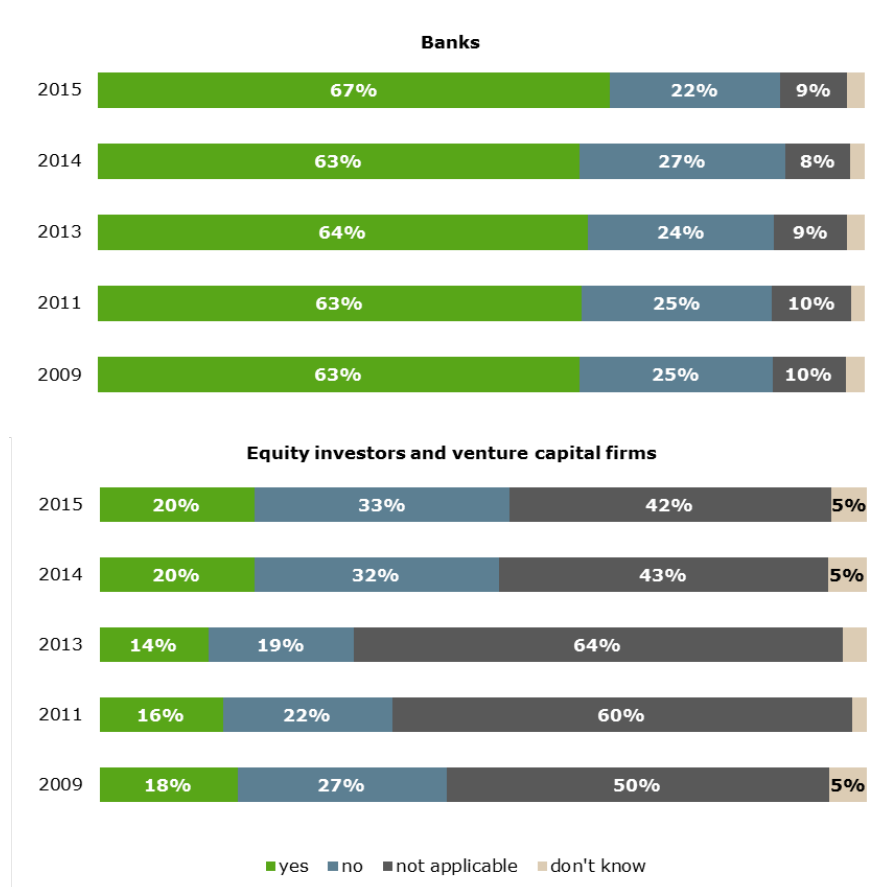
High-growth enterprises and gazelles are defined by their realised growth in recent years. Having realised substantial growth rates, it seems these enterprise types also expect to maintain such substantial growth rates in the future. The proportion of SMEs that expects substantial turnover growth is by far the greatest among these two types: 29% for high-growth enterprises and even more impressive 43% for gazelles.

SMEs that export (71% expects some degree of growth) are more ambitious in their expected growth rates than non-exporters (56%). More innovative SMEs (71%) expect their turnover to grow moderately or substantially than do the non-innovative SMEs (51%).

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 EU28 for the period 2009-2015 in figure 87.

figure 87 Confidence in talking with banks, equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU-28, for the period 2009-2015.



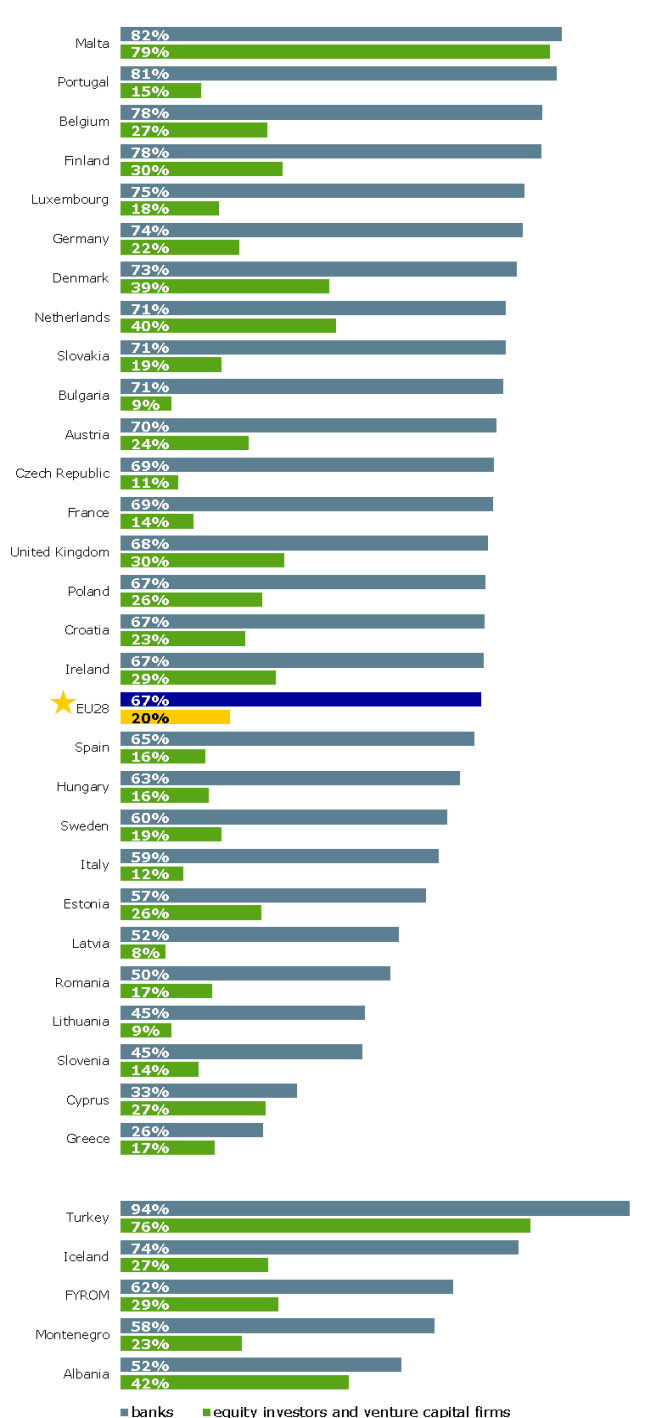
Q19. Do you feel confident talking about financing with banks and that you will obtain the desired results? And how about with equity investors/venture capital enterprises?
Source: SAFE, 2009-2015; edited by Panteia.

In 2015, 67% of all SMEs in the EU28 felt confident in talking with banks about financing and obtaining the desired results. At the same time, 22% did not. This reflects an improved perception towards such talks compared to 2009. SMEs are less positive regarding talks with equity investors and venture capital firms. Only 20% of EU28 SMEs indicates that they feel confident in talking with these types of financiers in 2015, while 33% does not.

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 banks to obtain external financing is not considered to apply to their situation by 9% of SMEs, while this proportion is 42% for equity investors and venture capital firms. The latter category represents a source of equity financing which

is used less often as a source of funding than debt financing (section 1.2). Nonetheless, even when accounting for this (by relating the proportion that answers yes to the sum of the proportions that answer yes and no), SMEs are less confident in talking to these types of financiers and obtaining the desired results.

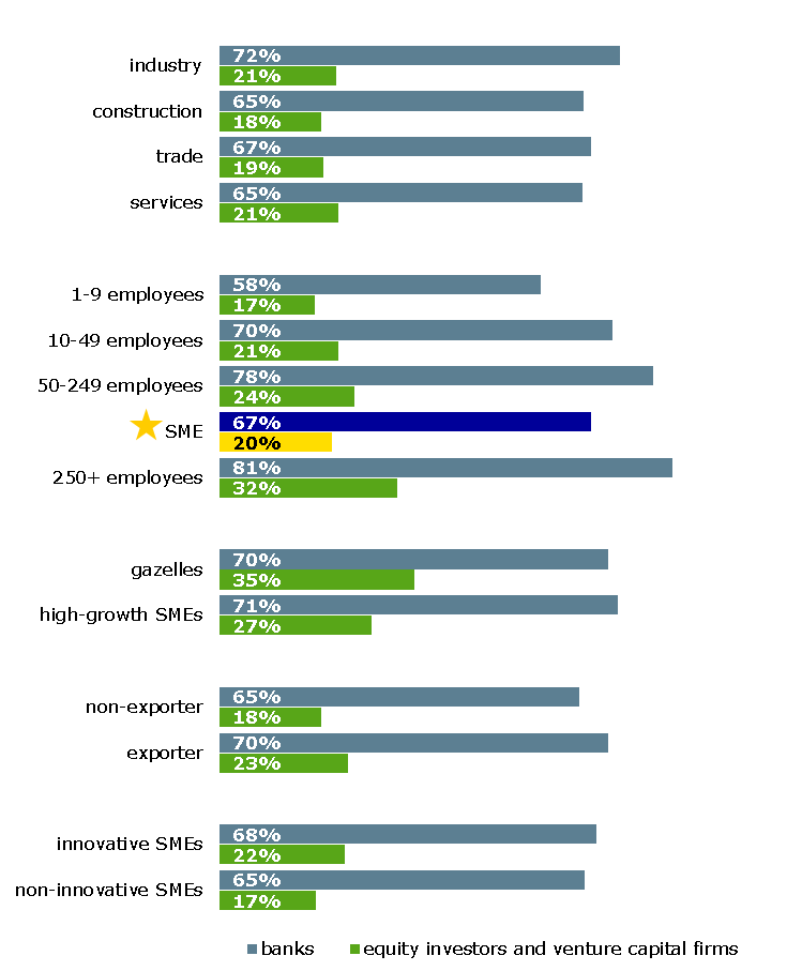
figure 88 Confidence in talking with banks, equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU-28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



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?
Source: SAFE, 2015; edited by Panteia.

Figure 88 provides a breakdown of SMEs' confidence in talking with banks and equity investors and venture capital firms to obtain future financing by country in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The EU28 proportions correspond to those for 2015 in the graph presenting annual variations. Within the countries of the EU28, Maltese SMEs are most confident in talks with both types of financiers: 82% indicates so for banks and 79% for equity investors and venture capital firms. For talks with banks, this proportion is smallest for Greek SMEs (26%). For talks with equity investors and venture capital firms, this proportion is smallest for Latvia (8%).

figure 89 Confidence in talking with banks, equity investors and venture capital enterprises about financing and obtaining the desired results for SMEs in the EU-28, by enterprise characteristic.



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?
Source: SAFE, 2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 89 and details how confidence in financing talks varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. EU28 SMEs active in industry are generally most confident in these talks their outcome: 72% when talking with banks and 21% with equity investors and venture capital firms. There appears to be a clear positive relation between enterprise size and confidence. Even though more than half of micro-sized enterprises (58%) feel confident to have talks with banks, 81% of large enterprises do so. The proportion consistently grows with enterprise size.

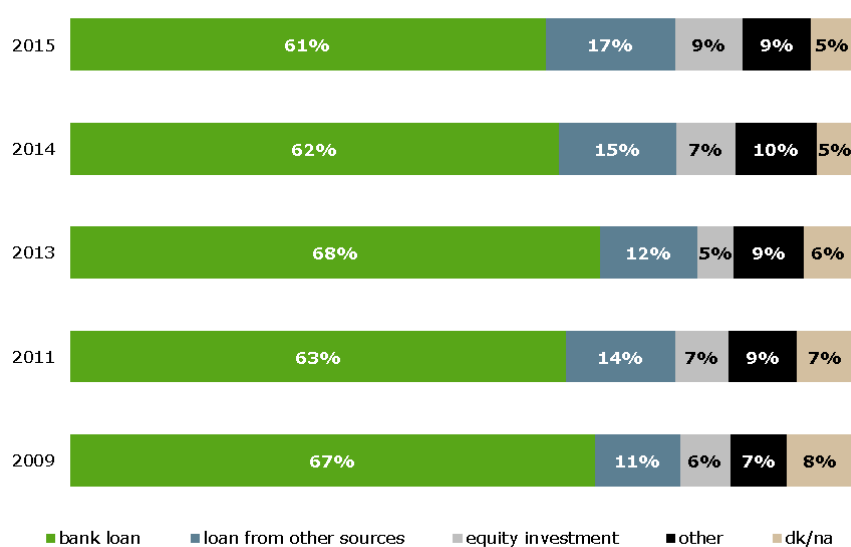
3.4. External financing in the future

This section covers various aspects of external financing for SMEs in the future. It discusses the preferred type (3.4.1), factorings 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 EU28 for the period 2009-2015 in figure 90 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 90 Types of external financing preferred to realise growth ambitions for SMEs in the EU-28, for the period 2009-2015.



Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?

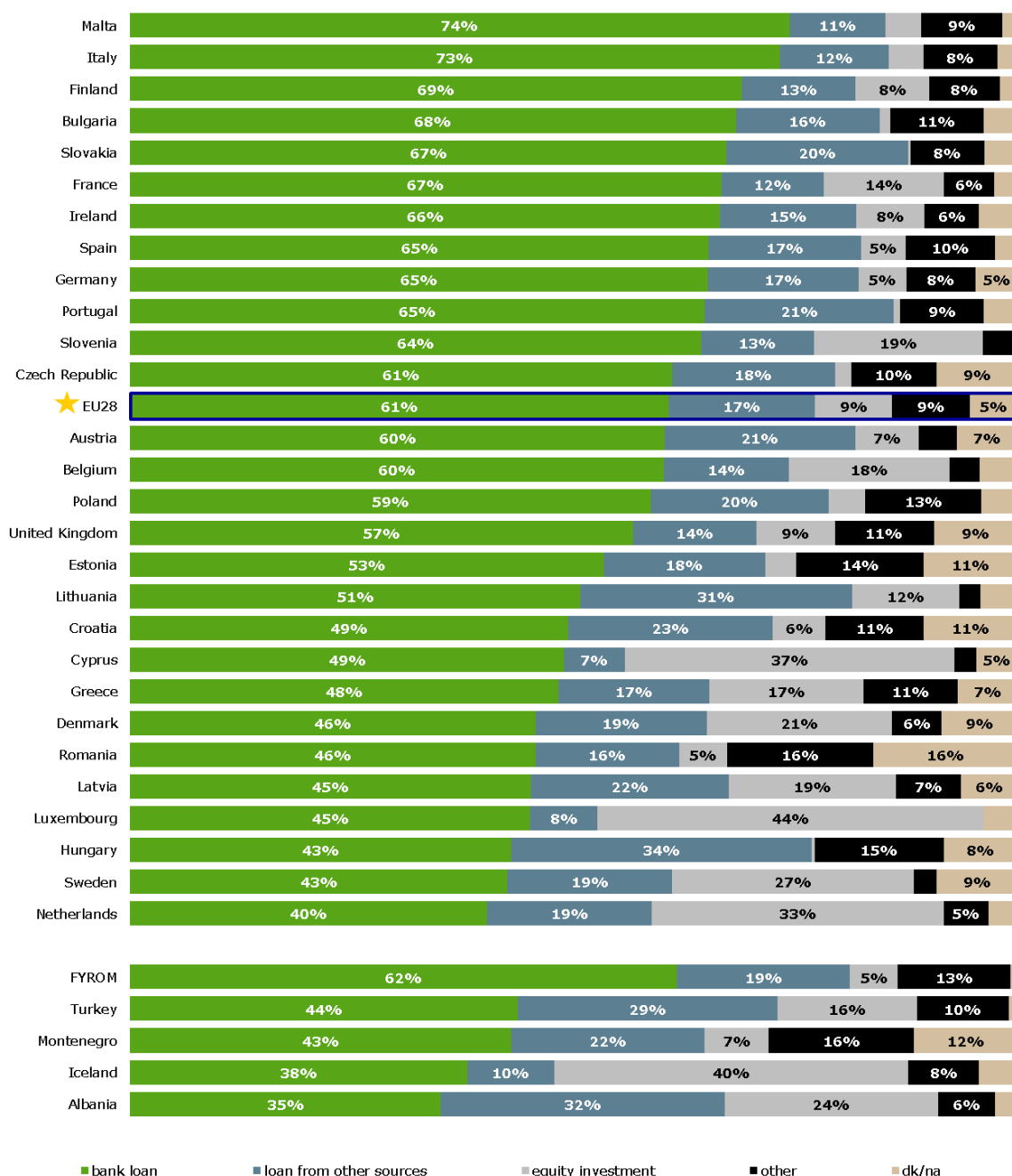
Source: SAFE, 2009-2015; edited by Panteia.

Debt financing in the form of loans are much more popular than financing through equity investments. In 2015, 61% of EU28 SMEs indicates that they prefer bank loans to finance their future growth ambitions and another 17% reported loans from other sources. Equity investment is the preferred type by 9% of SMEs. These proportions vary relatively little over the survey years since 2009. Equity investment has become slightly more prominent.

Figure 91 provides a breakdown of SMEs' preference for type of external financing by country in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The EU28 proportions correspond to those for 2015 in the graph presenting annual variations. Within the countries of the EU28, Maltese SMEs (74%) have the strongest preference for bank loans and Dutch SMEs (40%) 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 Slovakia (87%) and least in Luxembourg (53%), in which

equity investments are most popular (44%). Loans from other sources are particularly popular in Hungary (34%). Other alternatives are most popular in Romania (16%).

figure 91 Types of external financing preferred to realise growth ambitions for SMEs in the EU-28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



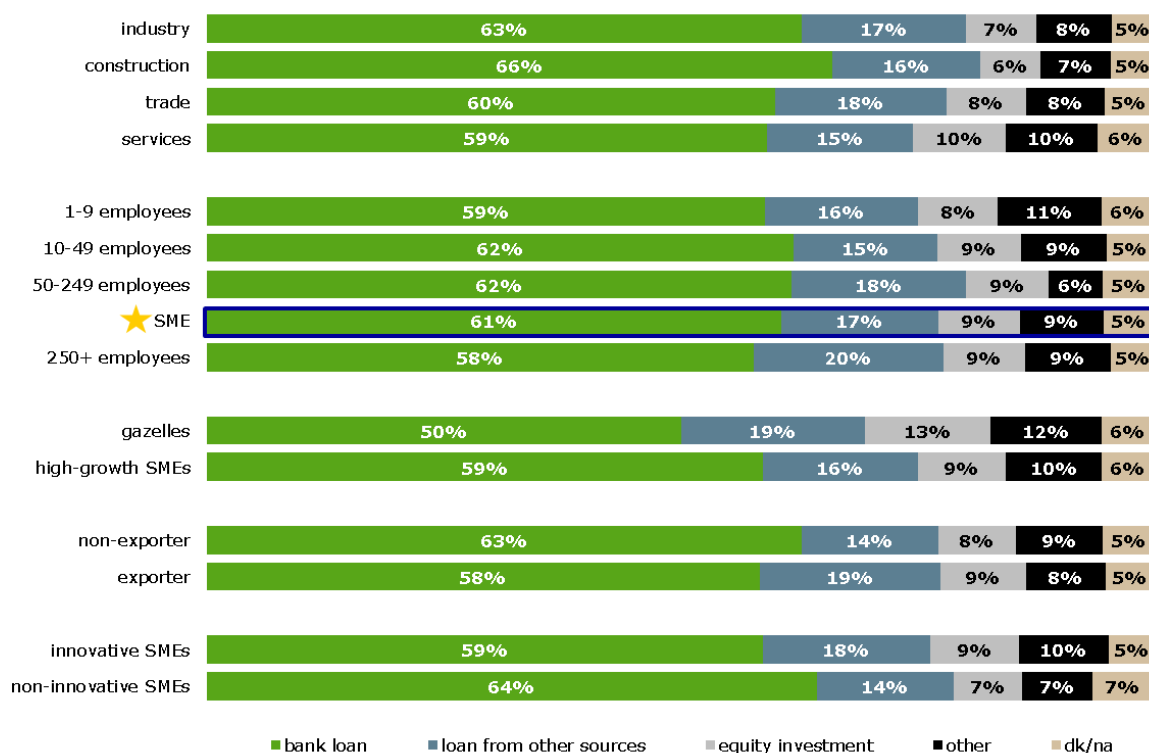
Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?

Source: SAFE, 2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 103 and details how preference for certain financing types varies among different sectors of the economy, size-classes, growth types, exporter status and innovativeness. (Bank) loans are most

popular as a type of financing among EU28 SMEs active in construction: 82%. There does not appear to be a clear relation between enterprise size and the preferred type of external financing to realise growth ambitions. Micro-sized enterprises rely least on loans.

figure 92 Types of external financing preferred to realise growth ambitions for SMEs in the EU-28, by enterprise characteristic.



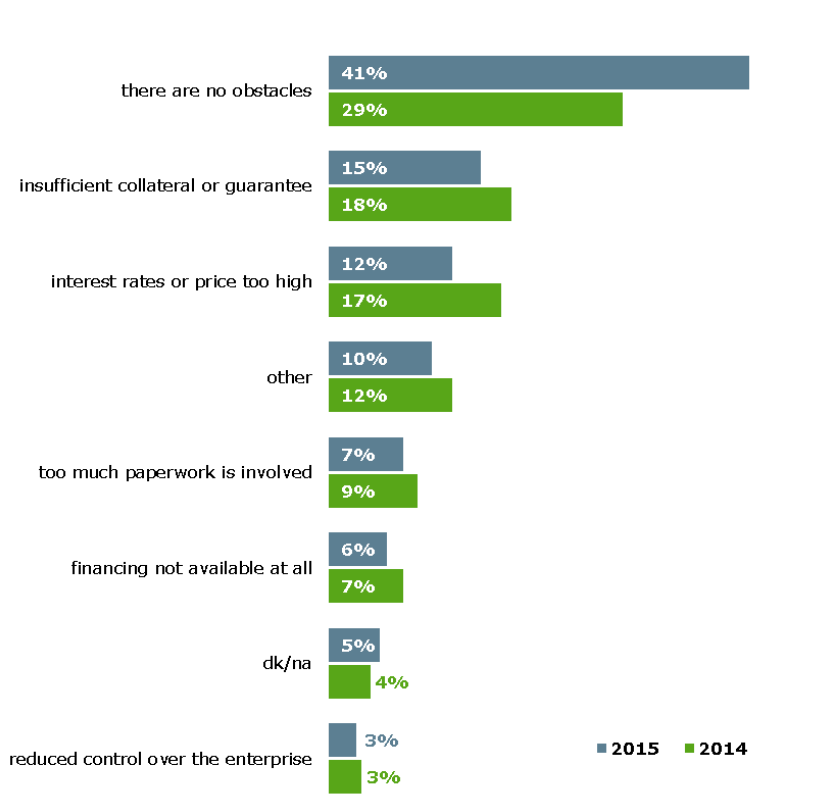
Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?
 Source: SAFE, 2015; edited by Panteia.

Gazelles are the SME type that is most likely to make use of equity investments as a source of external financing to realise their growth ambitions: 13% versus the EU28 SME average of 9%. This may be related to the age criterion used to identify this type of enterprise as a similar reliance is not observed for the non-gazelle high-growth enterprises. Young high-growth enterprises are more likely to make attract venture capitalists and business angels. Gazelles are also most likely to make use of other alternatives to loans and equity investments: 12%. This translates to a relatively limited reliance on bank loans (50%) by this type.

3.4.2 Perceived limiting factors to obtaining financing

This subsection 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 EU28 for the period 2009-2015 in figure 92 and distinguishes between five main limitations: collateral, costs of the financing, paperwork, availability and control.

figure 93 Perceived factors limiting the access to future financing for SMEs in the EU-28, for the period 2009-2015.



Q22. What do you see as the most important limiting factor to get this financing?
Source: SAFE, 2014-2015; edited by Panteia.

Most SMEs in the EU28 that are looking to obtain external funds to finance their growth ambitions expect to run into no obstacles at all in doing so: 41% in 2015, which is a strongly increased proportion in comparison to 2014, when 29% of SMEs expected there to be no obstacles. Due to this increase, every single other limitation has declined in proportion.

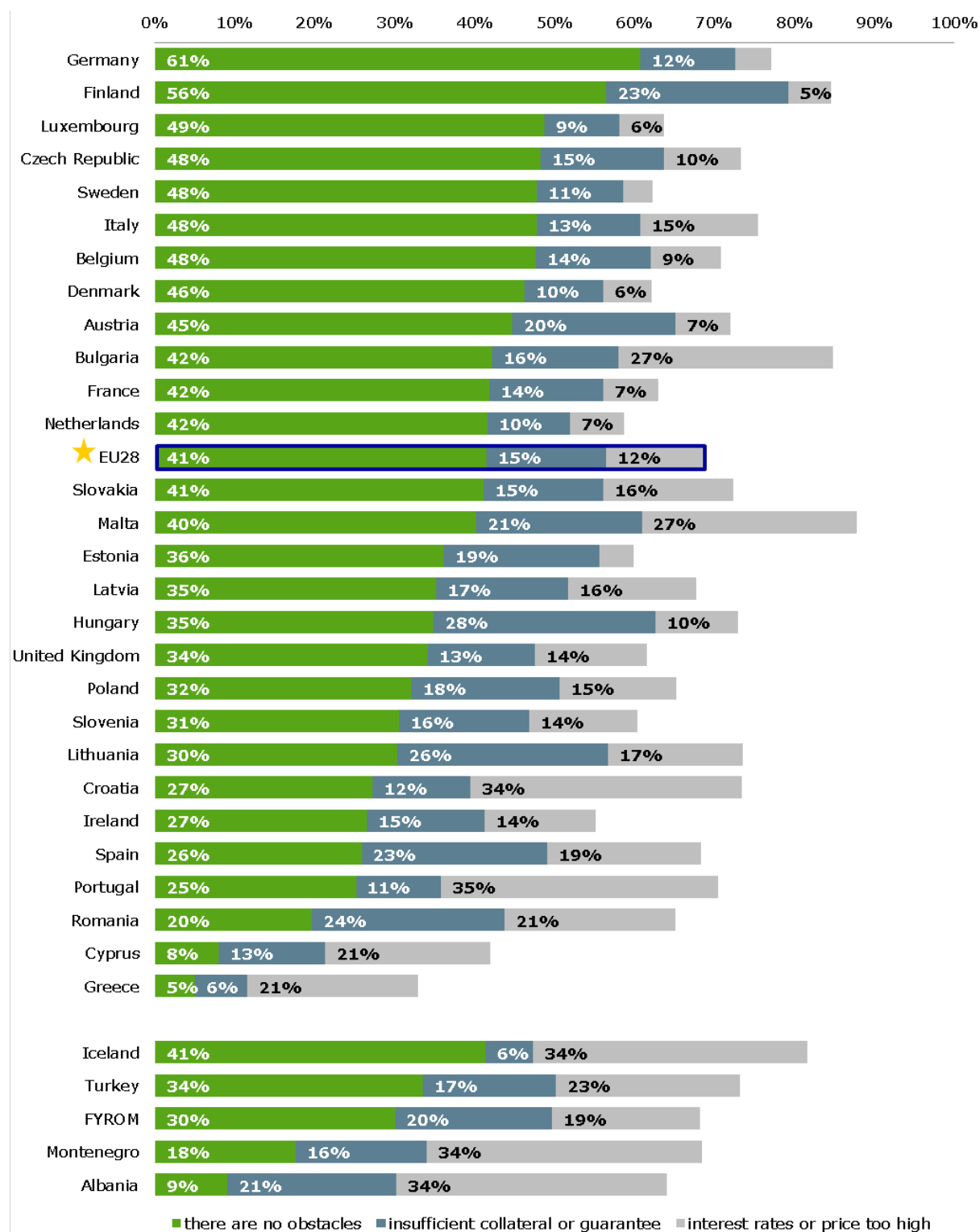
Most of the EU28 SMEs that do feel that there are limiting factors, consider the insufficient availability of collateral or guarantees in their organisation as the prime limitation: 15%. It should be noted that this limitation is only applicable to enterprises that prefer debt financing for future financing. Collateral refers to assets that are pledged as a security for payment of debt in the case of default on this payment.

Costs associated with the financing, including interest rates and price are considered by 12% of EU28 SMEs to be the most important limiting factor, followed by too much paperwork (7%), the unavailability of financing (6%) and reduced control over the enterprise (3%).

Figure 93 provides a breakdown of SMEs' the most cited limiting factors in obtaining future financing for growth ambitions by country in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The graph is limited to the three most relevant responses. The EU28 proportions correspond to those for 2015 in the graph presenting annual variations (figure 92). Within the countries of the EU28, German SMEs (61%) most often expect to run in no obstacles at all, which is by far least often the case for Cypriote (8%) and Greek SMEs (5%). Insufficient collateral or guarantees is most often cited as a perceived limitation in Hungary (28%). Interest rates or the price of

financing are most often cited as a limitation by SMEs in Portugal (35%) and Croatia (34%).

figure 94 Three most cited perceived factors limiting the access to future financing for SMEs in the EU-28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

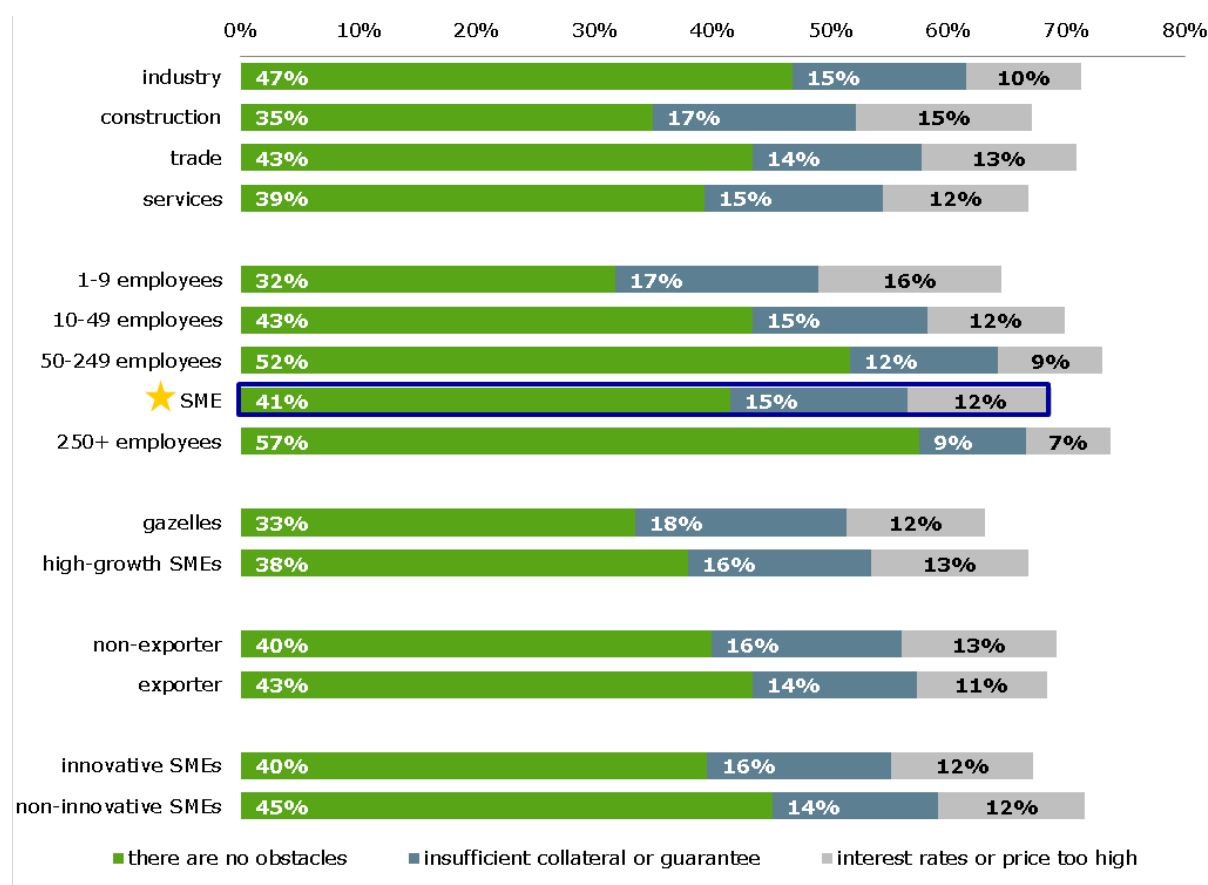


Q22. What do you see as the most important limiting factor to get this financing?
Source: SAFE, 2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 94 and details how the perceived limitations in obtaining future financing vary among sectors of the economy, size-classes, growth types, exporter status and innovativeness. The graph is limited to the three most relevant responses. EU28 SMEs active in industry are most confident in their ability to attract the financing required to fund their growth ambitions: 47% expects no obstacles. SMEs active in construction least often expect no obstacles (35%).

There appears to be a clear positive relation between enterprise size and the proportion of enterprises not expecting there to be obstacles. A third of micro-sized enterprises (32%) expects no obstacles, but this is more than half (57%) of large enterprises. The proportion consistently grows with enterprise size. Insufficient collateral as a limiting factor showcases a reverse correlation, decreasing in relevance as enterprise size increases. Micro-sized enterprises also most often report that interest rates or too high prices may limit their access to future financing.

figure 95 Three most cited perceived factors limiting the access to future financing for SMEs in the EU-28, by enterprise characteristic.



Q22. What do you see as the most important limiting factor to get this financing?

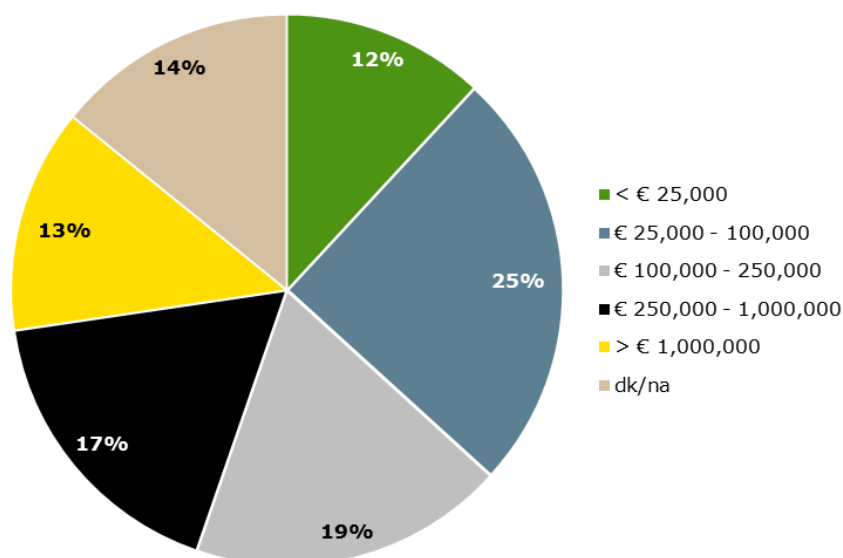
Source: SAFE, 2015; edited by Panteia.

Gazelles are both most likely to see obstacles (33% expects there to be *no* obstacle) and most likely to feel that their enterprises do not contain sufficient collateral or guarantees.

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 EU28 for 2015 in figure 96.

figure 96 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU-28, 2015.



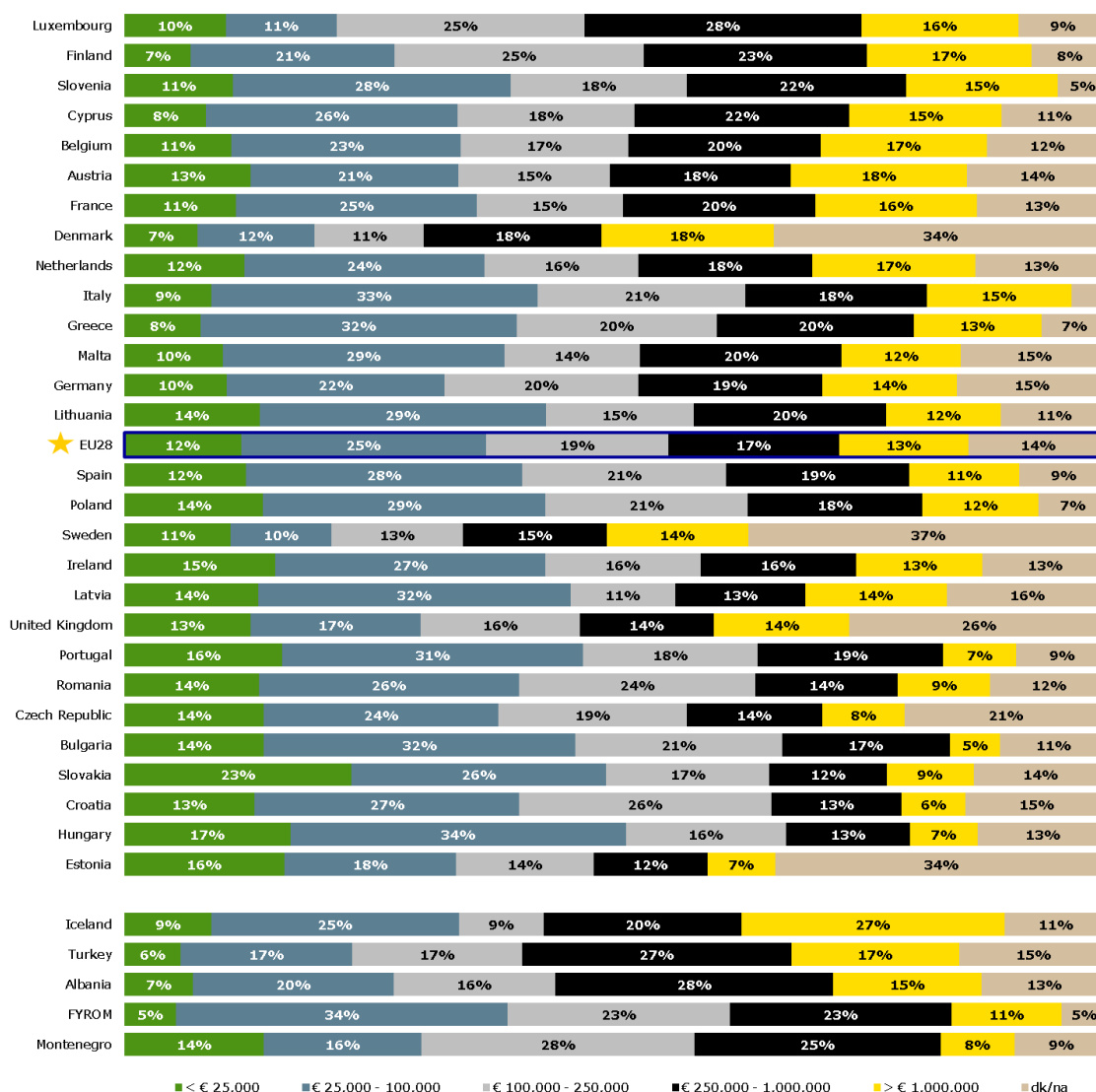
Q21. If you need external financing to realise your growth ambitions over the next two to three years (2015-2017), what amount of financing would you aim to obtain?

Source: SAFE, 2015; edited by Panteia.

The largest proportion of EU28 SMEs is 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 25% of EU28 SMEs. The smallest proportion of SMEs looks to obtain financing in the range below EUR 25,000: 12%. These amounts are mostly suitable only to micro-sized enterprises. Aside from that category, the larger the financing sum becomes, the smaller the proportion of SMEs seeking it.

Figure 97 provides a breakdown of the amount of external financing SMEs seek to finance their future growth ambitions by country in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The EU28 proportions correspond to figure 96. Within the countries of the EU28, SME's in Luxembourg has the largest proportion seeking financing amounts over EUR 250.000: 44%. This proportion is smallest in Estonia, for which it is only 18%. Future financing needs seem to be smallest in Sweden: 37% of SMEs indicates that they external financing to realise growth ambitions is not relevant to them (or they do not know). SME's in Slovakia (23%) have the largest proportion of SMEs seeking future financing no greater than EUR 25.000.

figure 97 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU-28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q21. If you need external financing to realise your growth ambitions over the next two to three years (2015-2017), what amount of financing would you aim to obtain?

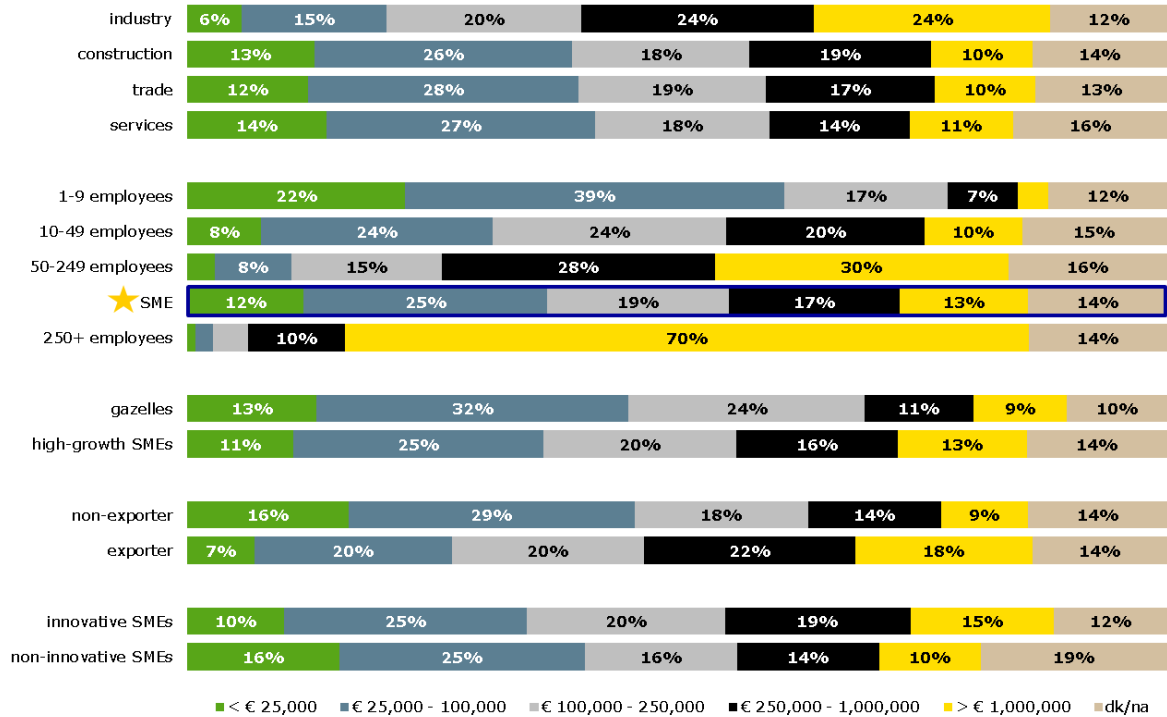
Source: SAFE, 2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 97 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 EU28 SMEs active in industry: 24% needs an amount greater than EUR 1,000,000 and another 24% needs an amount in the range from EUR 250,000 up. The size of 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: the larger enterprises are, the larger the proportions for the larger financing size-classes. While only 3% of micro-sized enterprises requires a financing amount greater than EUR 1 million

(values under 5% are suppressed in the figure), 70% does so among large enterprises.

figure 98 Amount of external financing needed to realise growth ambitions over the next two to three years for SMEs in the EU-28, by enterprise characteristic.



Q21. If you need external financing to realise your growth ambitions over the next two to three years (2015-2017), what amount of financing would you aim to obtain?
 Source: SAFE, 2015; edited by Panteia.

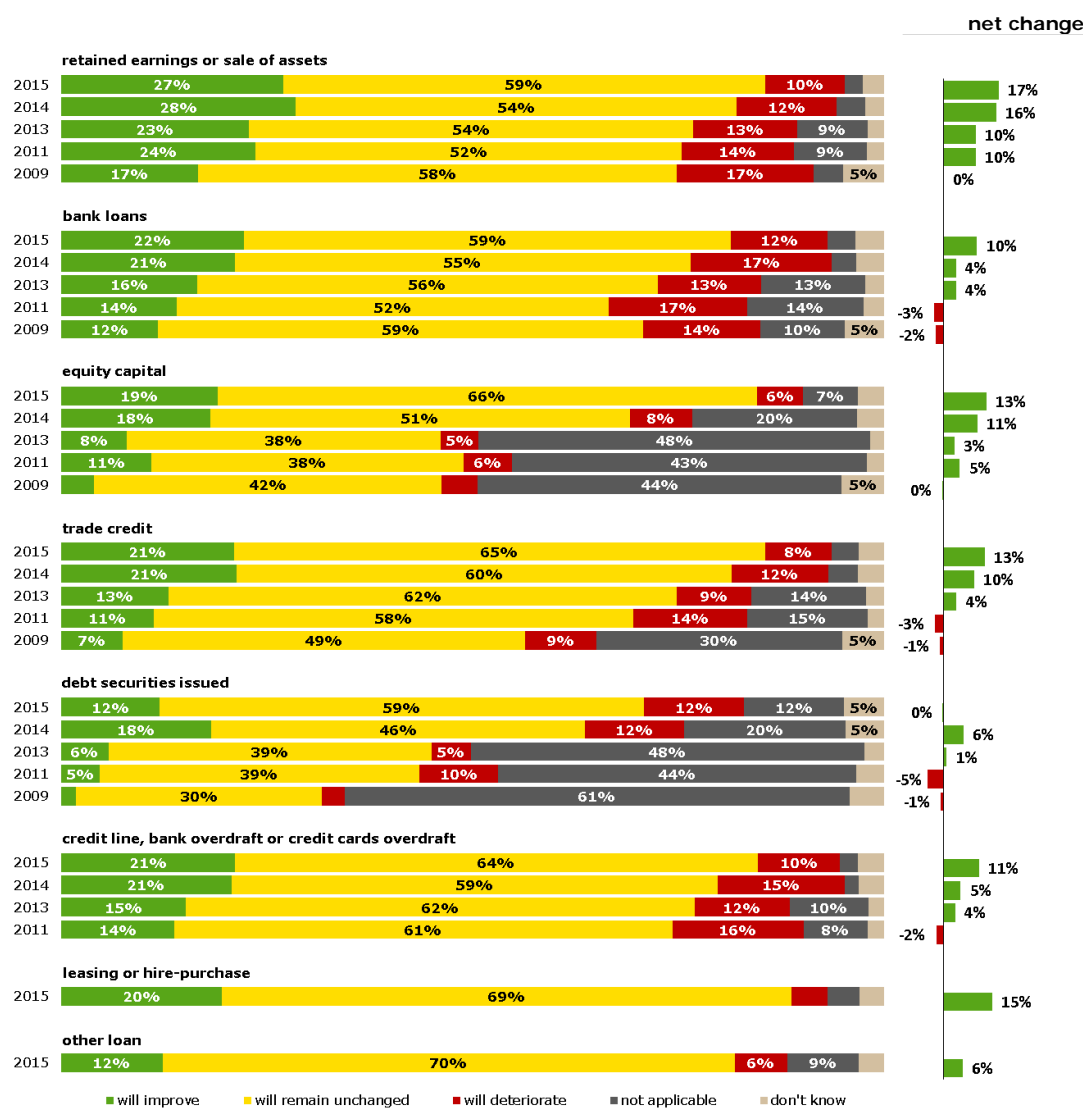
Gazelles generally need smaller amount of future financing to realise their growth ambitions than non-gazelle high-growth SMEs. Gazelles are high-growth SMEs that are no more than five years old and are hence more likely to be smaller in size than high-growth SMEs in general.

SMEs that generate part of their turnover from exports (40%) are more likely to require external funds sized EUR 250,000 and over than non-exporting SMEs (23%). Innovative SMEs (34% needs an amount over EUR 250,000) also need more funds to realise their ambitions than non-innovative SMEs (24%).

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 external financing, 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. 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 first presented for SMEs in the EU28 for the period 2009-2015 in figure 99. Net changes are reported which correspond to the net effect of reported increases minus decreases. When years are excluded, the particular financing type was only first included in a later survey year.

figure 99 Changes in the availability of types of financing available in the next six months (October 2015 to March 2016) for SMEs in the EU28, for the period 2009-2015.



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. Source: SAFE, 2009-2015; edited by Panteia.

SMEs in the EU28 report the highest net improvement in retained earnings or sale of assets, *i.e.* in internally generated equity. A bit over one in four SMEs (27%) expects an improvement in the availability of this type of financing and 10% expects a deterioration, resulting in a rounded net improvement of 17%. These expectations should be considered in light of EU28 SMEs' experiences in turnover and profit increases in the six months from April to September 2015 (section 4.2). Improved turnover and profits are an important source of internal equity. In the survey years since 2009, EU28 SMEs never expected a net deterioration and the size of the net improvement they expect has been increasing each time.

Out of the external sources of financing, the availability of equity capital and trade credit is expected to improve most. SMEs expect a net improvement in equity capital, the source of external equity (versus the source of internal equity in retained earnings or sale of assets), of 13%. The expected net improvement is equal in size for the availability of trade credit. The two types of financing do differ in their nature: the former is equity financing, the second a type of debt financing. Furthermore, SMEs have always expected a non-negative net effect for the availability of equity capital, whereas they expected a net deterioration for trade credit in 2009 and 2011. The financial crisis put the possibilities of enterprises to extend trade credit in those years under pressure.

EU28 SMEs expect the availability of financing via a credit line, bank overdraft or credit cards overdraft to improve (21%) more often than to deteriorate (10%), resulting in a net improvement of 11%. This net effect has consistently improved in every survey year since 2009, when SMEs expected a net deterioration equal to -2%.

The availability of bank loans is also expected to improve: more EU28 SMEs expect an improvement of availability (22%) than do a deterioration (12%) for a net change of 10%. This marks a doubling of the expected net improvement when compared to 2013 and 2014, when the net change was only 4%. In the two preceding survey years, SMEs even expected a net deterioration. The proportion of SMEs that expects an improvement of availability has steadily been improving over the survey years, while deterioration expectations have been varied.

SMEs expect a net stabilisation in the availability of debt securities (net change of 0%) as the proportion that expects an improvement is equal in size to the proportion that expects a deterioration. The net effect has been varied over the years. Of particular interest, however, is that this type of external financing has become more relevant to EU28 SMEs. In 2009, 61% of SMEs indicated that the financing type did not apply to them. In 2015, this proportion has fallen to only 12%.

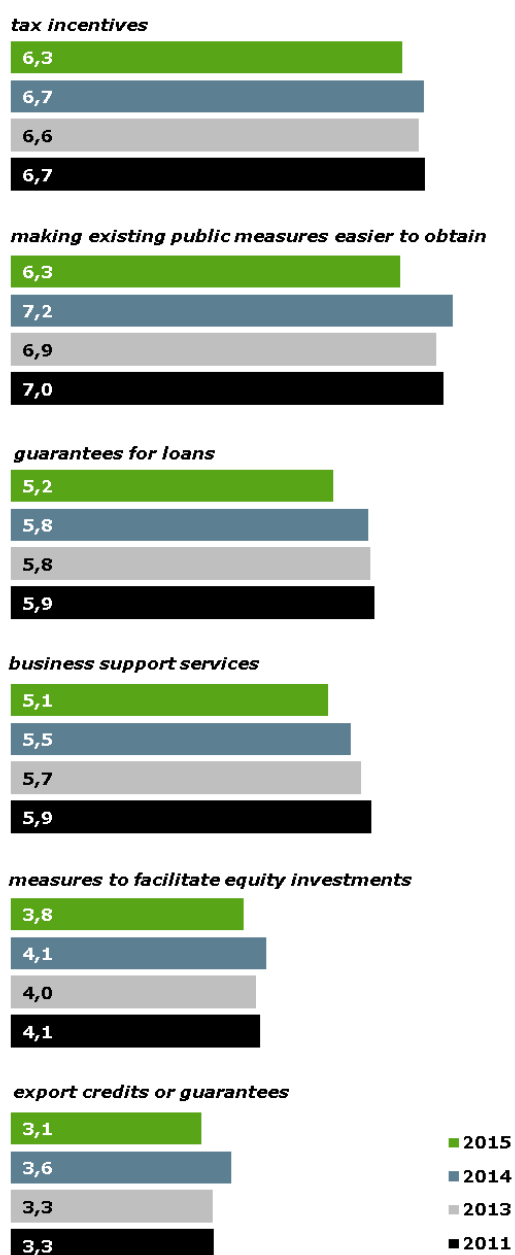
Leasing or hire-purchases are explicitly distinguished as a separate type of financing for the first time in 2015. Of the EU28 SMEs, 20% expects an improvement in the availability of this type of financing, while 4% expects a deterioration, for a rounded net improvement of 15%.

The other loan category has been included for 2015 only 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.

3.6. Important factors in future financing

This section covers six factors affecting future financing: tax incentives, public measures, guarantees, business support services, measures facilitating equity investments and export credits or guarantees. Average grades are presented for SMEs in the EU28 for the period 2011-2015 in figure 100.

figure 100 Factors affecting future financing for SMEs in EU-28, weighted average of grades on a scale of 1-10, where 1 means it is not at all important and 10 means that it is extremely important, sorted from high to low based on the grade received in 2015, for the period 2011-2015



Q24. On a scale of 1-10, where 1 means it is not important at all and 10 means it is extremely important, how important are each of the following factors for your enterprise's financing in the future?
Source: SAFE, 2015; edited by Panteia.

Both tax incentives and making existing public measures easier to obtain are considered by EU28 SMEs to be the most (and equally so) important factors for their financing in the future. Each factor scores an average 6.3 on a one to ten scale, for both factors a decrease in average grade when compared to preceding survey years. Tax incentives are considered most important in Greece and Romania and least in Slovakia and Czech Republic. Improving the access to existing public measures is considered to be most important in Romania and Hungary and least in Sweden and Estonia.

Guarantees for loans (5.2 EU28 average) and business support services (5.1) are considered to be similarly important factors in SMEs' future financing. Again, these averages represent a decline in importance of these factors in comparison to earlier survey years. Guarantees for loans are considered to be most important in Romania, Greece and Cyprus and least important in Germany, Sweden and Slovakia. Business support services are considered to be most important in Romania and Greece and least important in Denmark, Sweden and Slovakia.

The two least important factors for SMEs' future financing based on their average grade are measures to facilitate equity investments (3.8 EU28 average) and export credits or guarantees (3.1). Measures to facilitate equity investments are considered most important by SMEs in Greece and Romania and least important by SMEs in Germany and Estonia. Export credits or guarantees are considered to be most important in Greece and Romania and least important in Germany and the in Netherlands.

From the preceding discussion, and that of countries in particular, it follows that the future financing of SMEs in Romania and Greece is consistently most strongly affected by the six factors.

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 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 (4.2), the most pressing problems experienced by enterprises (4.3) and a set of enterprise characteristics that consists of innovativeness, growth and exports (4.4 to 4.6).

4.1. Key findings

The financial state of SMEs in the EU28 has largely improved in the period between 2009 and 2015. SMEs more often report net increases in turnover (20% of SMEs in 2015) and profits (4%). Interest expenses decreased for the first time during this period (net -1%), labour costs saw a net increase (43%) which was slightly smaller than the increase reported in the preceding year. The size of the net increases in the costs of inputs to the production process have consistently been decreasing (34%). Furthermore, more EU28 SMEs report increases in fixed investments (net 15%), in inventories and working capital (6%), and in the number of employees (11%).

Overall, large enterprises of at least 250 employees, reap these benefits of an improving economy more strongly than SMEs do. They more often report increases in turnover and profits, their interest expenses decrease more strongly, and the costs of their inputs to production rise less strongly.

Finding customers is the most pressing problem experienced by SMEs in the EU28. It is the most urgent problem according to 25% of SMEs and has been so in all of the survey years since 2009. The next most urgent problem is the availability of skilled staff and experienced managers, which has become a more pressing problem over the years. On the other hand, the access to finance for SMEs has fallen in importance as a problem. In 2009 it was the second-most urgent problem SMEs faced and by 2015 it had become the least important problem. Nonetheless, it remains a major issue to SMEs in Greece and Cyprus.

Out of the EU28 SMEs, 57% can be considered as innovative, with Finnish SMEs being the most innovative (75%). SMEs in industry (67%) are decidedly more innovative than the average SME, as are exporting SMEs (66%).

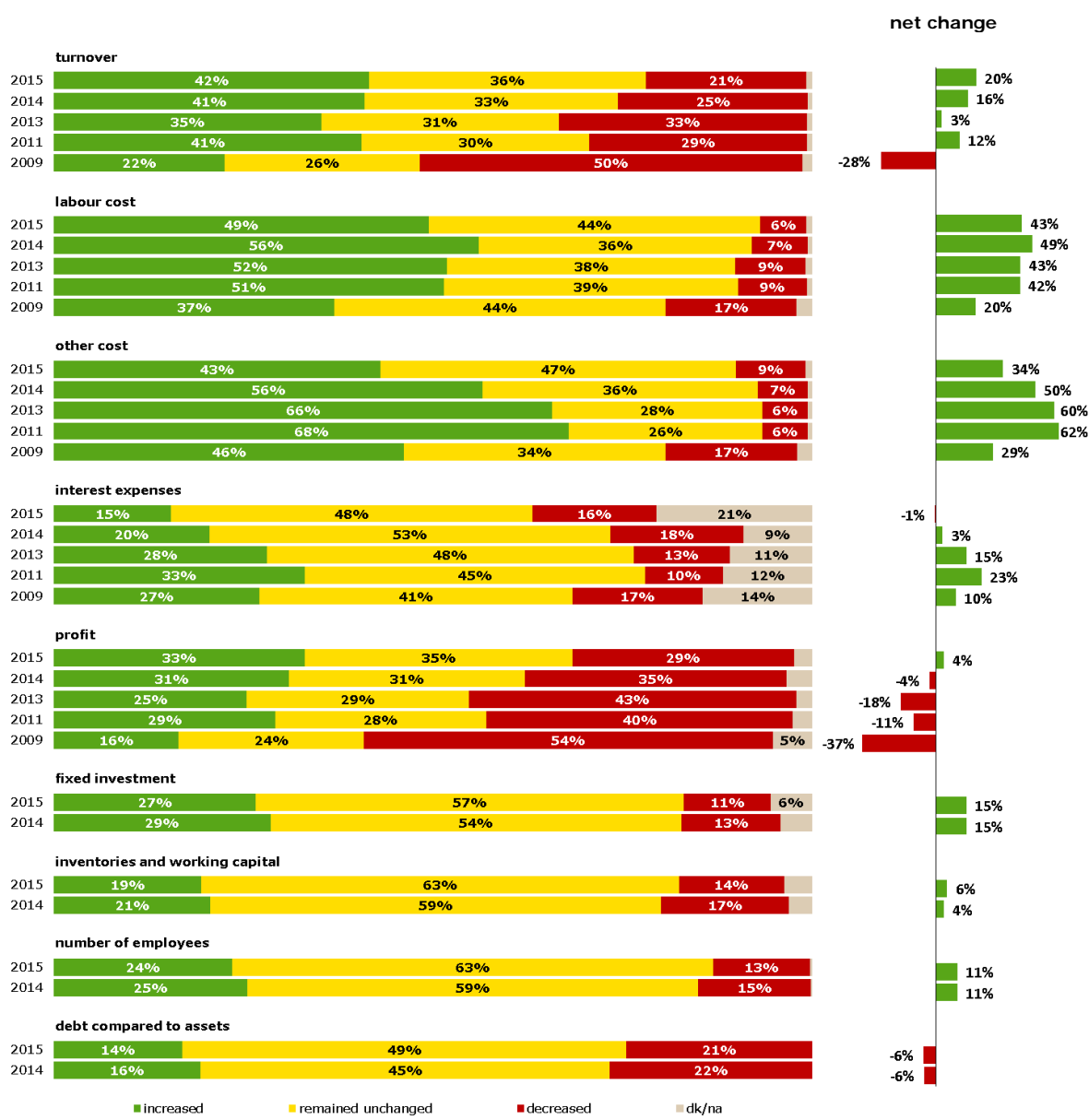
Out of the EU28 SMEs, 18% experienced high-growth and 2% can be categorised as a gazelle, due to having experienced high-growth rates and being no more than five years old. Romanian SMEs most often experience high-growth (33%). Furthermore, smaller enterprises more often experience high-growth.

In the EU28, 43% of SMEs engage in exports, with Luxembourgian SMEs exporting most often (70%). SMEs in industry (73%) export decidedly more often than the average SME, as do large enterprises (62%) and medium sized enterprises (61%).

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 EU28 for the period 2009-2015 in figure 101. 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.

figure 101 Changes in company indicators in the past six months for SMEs in the EU28 in the period 2009-2015.



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

Source: SAFE, 2009-2015; edited by Panteia.

Turnover or sales or revenues are an important indicator of the financial state of enterprises and the economy in general. In 2015, 42% of all SMEs in the EU28 reported that their turnover had increased in the preceding six months, while half of that (21%) reported a decrease in turnover. The (rounded) net effect is a 20% increase in turnover. Changes in turnover have improved over the years. Half of all SMEs in the EU28 reported decreasing turnover in 2009, resulting in a strong net decrease of 28%. From 2011 onward, the net effect has been positive. Profits (turnover minus the costs of goods sold) have seen a net increase in 2015 for the first time since 2009. Turnover had recovered before profits did.

The costs of inputs to the production process increased in the six months from April to September in 2015. The proportion of SMEs in the EU28 that reported increased costs was far greater than the proportion of SMEs that reported decreases for both labour costs (including social contributions) and other costs (consisting among others of materials and energy costs). On balance 34% of EU28 SMEs reported increase in other costs for 34% of EU28 SMEs and 34% reported an increase in labour costs for an even greater 43%. From 2009 onward, there have been net increases in costs for each survey year. These increases in costs outweigh (in terms of the proportion of SMEs that report them, not necessarily in size) the increases in turnover.

Interest expenses have decreased for a proportion of EU28 SMEs greater than the proportion that reported increases. The net effect over the period from April to September 2015 is therefore a negative one of -1%. This marks the first survey year since 2009 that SMEs report a negative net effect (*i.e.* a decrease in expenses). 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 2011, the positive net effect has been decreasing resulting in a net decrease in interest expenses in 2015. The very strong drop in Euribor in 2008 did not result in a net decrease in interest expenses in 2009, due to an increase in the risk mark-up charged by financiers.

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. Managers 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 increases in 2014 and 2015. The net increases in fixed investments are greater, which suggests that enterprises have been able to apply their funds to the higher yielding corporate assets.

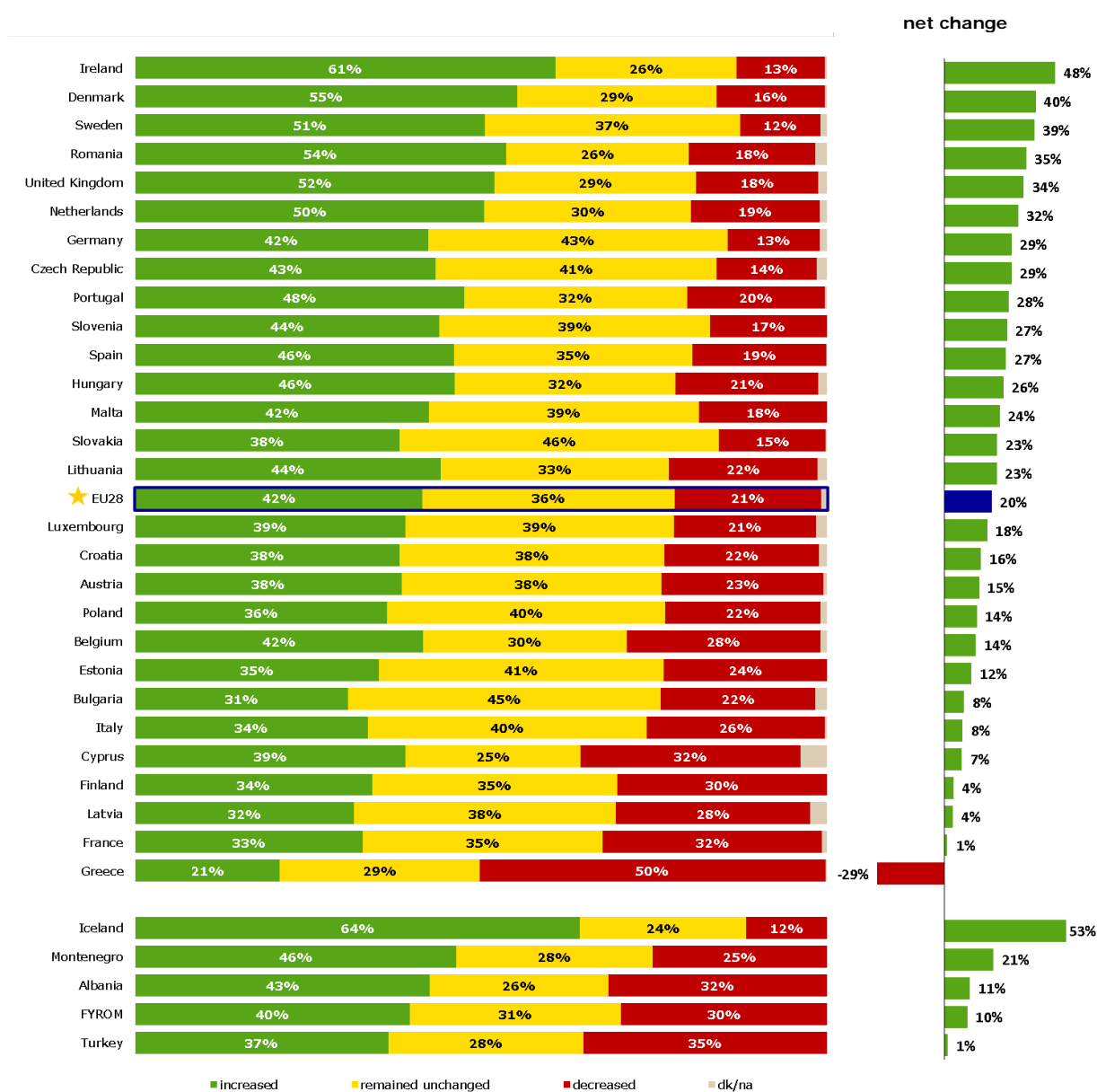
The growth of EU28 SMEs that shows from the net increases in turnover, profits, fixed investments and liquid assets is reflected in the net increases in the number of employees reported in both 2014 and 2015.

EU28 SMEs' assets increase in size from investments in fixed assets and net increases in inventories and working capital. At the same time, they report net decreases in the ratio of debt to their assets

4.2.1 Turnover

This section presents more detailed breakdowns of changes in turnover. A breakdown by country in figure 102 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 203 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.

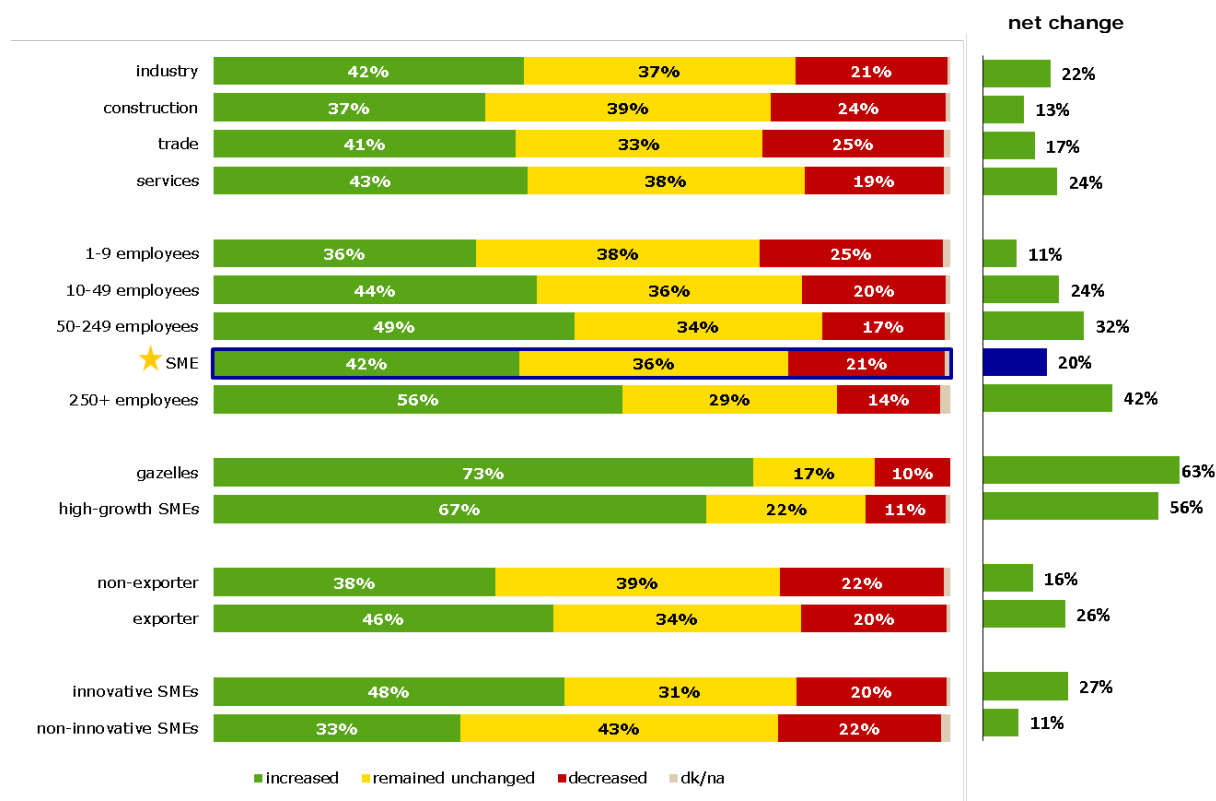
figure 102 Changes in turnover in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q2a. Turnover – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 103 Changes in turnover in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q2a. Turnover – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

Increases in turnover are reported by 42% of all SMEs in the EU28, with another 21% having experienced decreases in turnover, resulting in a rounded net positive change of 20%. Among the countries of the EU28, SMEs in Ireland report the largest positive net change and SMEs in Greece the largest negative change. The latter is the only country to experience a net negative change. Half of Greek SMEs indicates that their turnover has decreased in the six months from April to September 2015.

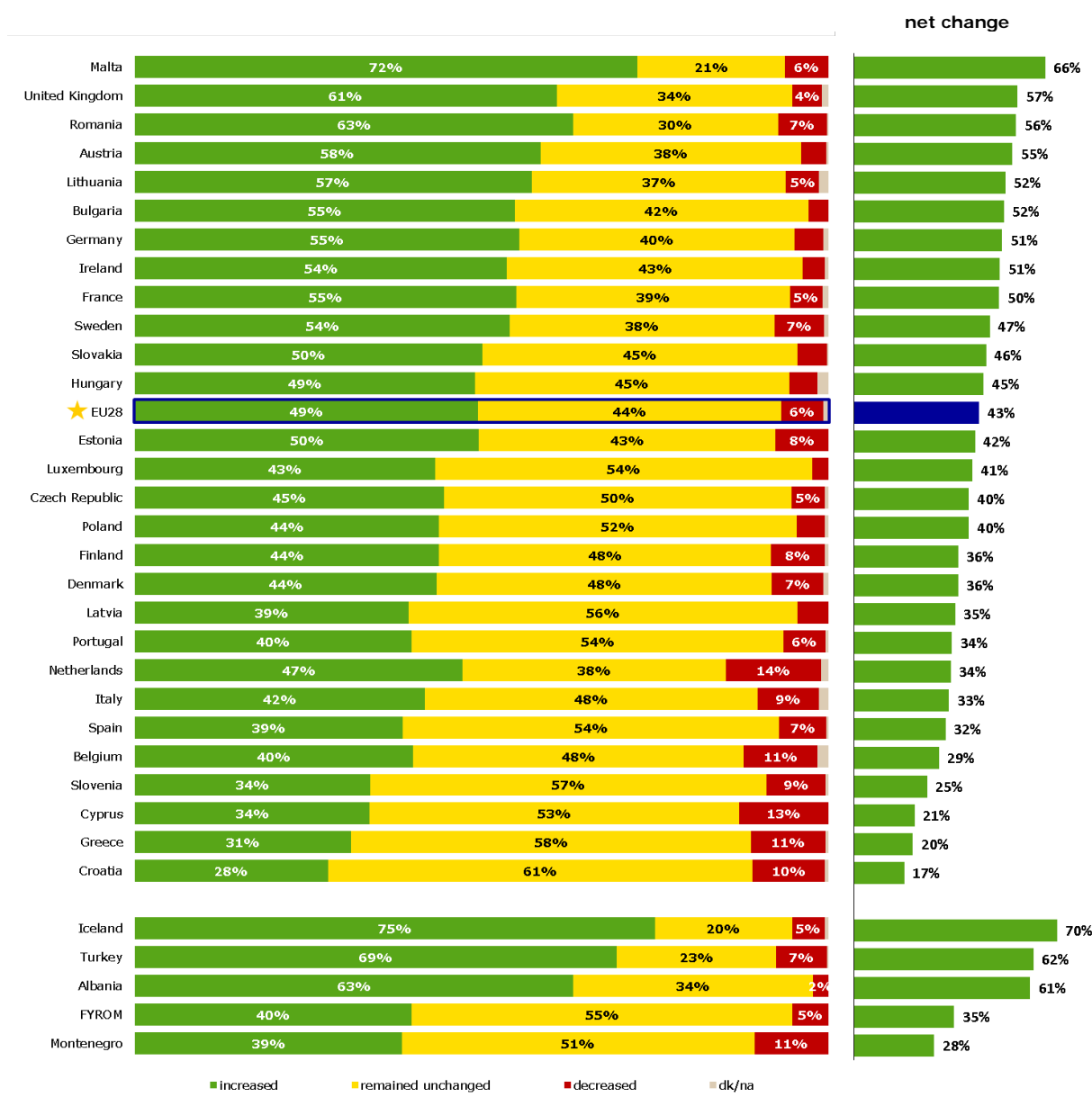
Broken down by enterprise characteristic, all of the identified groups report positive net changes in turnover in 2015. Among the various sectors, the services industry has the largest net positive change (24%) and construction the smallest net positive change (13%). There exists a clear relation between the size of an enterprise and changes in turnover. Large enterprise of at least 250 employees have experienced the most increases in turnover (net 42%), micro enterprises of no more than 9 employees the least (net 11%).

By virtue of their definition as high-growth enterprises, gazelles have experienced the largest positive net changes among all identified groups: 63%. Exporting enterprises more often report turnover increases than non-exporting enterprises. Innovative enterprises experienced increases in turnover more often than those that are not identified as being innovative.

4.2.2 Labour costs

This section presents more detailed breakdowns of changes in labour costs (including social contributions). A breakdown by country in figure 104 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 105 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.

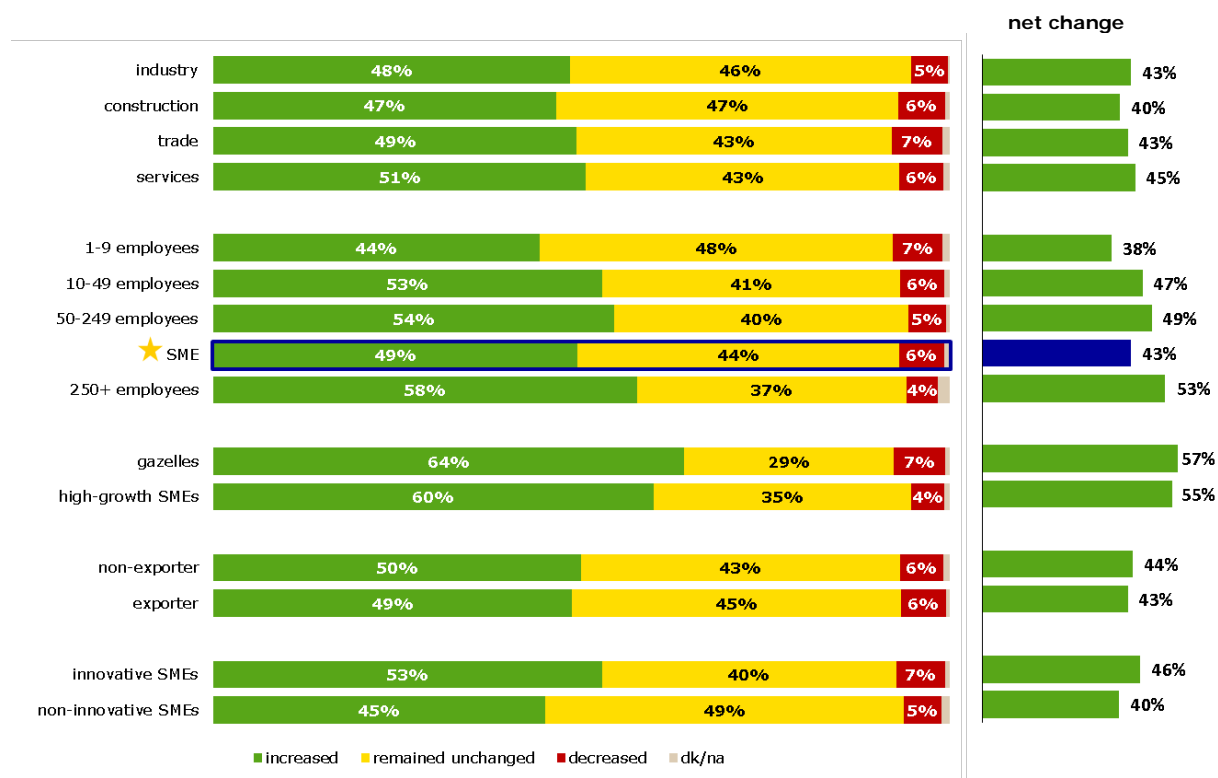
figure 104 Changes in labour costs (including social contributions) in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q2b. Labour costs (including social contributions) – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 105 Changes in labour costs (including social contributions) in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q2b. Labour costs (including social contributions) – Have the following company indicators decreased, remained unchanged or increased over the past six months?
Source: SAFE, 2015; edited by Panteia.

Increases in labour costs are reported by 49% of all SMEs in the EU28, with another 6% having experienced decreases in labour costs, resulting in a rounded net increase in costs of 43%. Among the countries of the EU28, SMEs in Malta report the largest net increase and SMEs in Croatia the smallest net increase. There are no countries in which SMEs report an average net decrease.

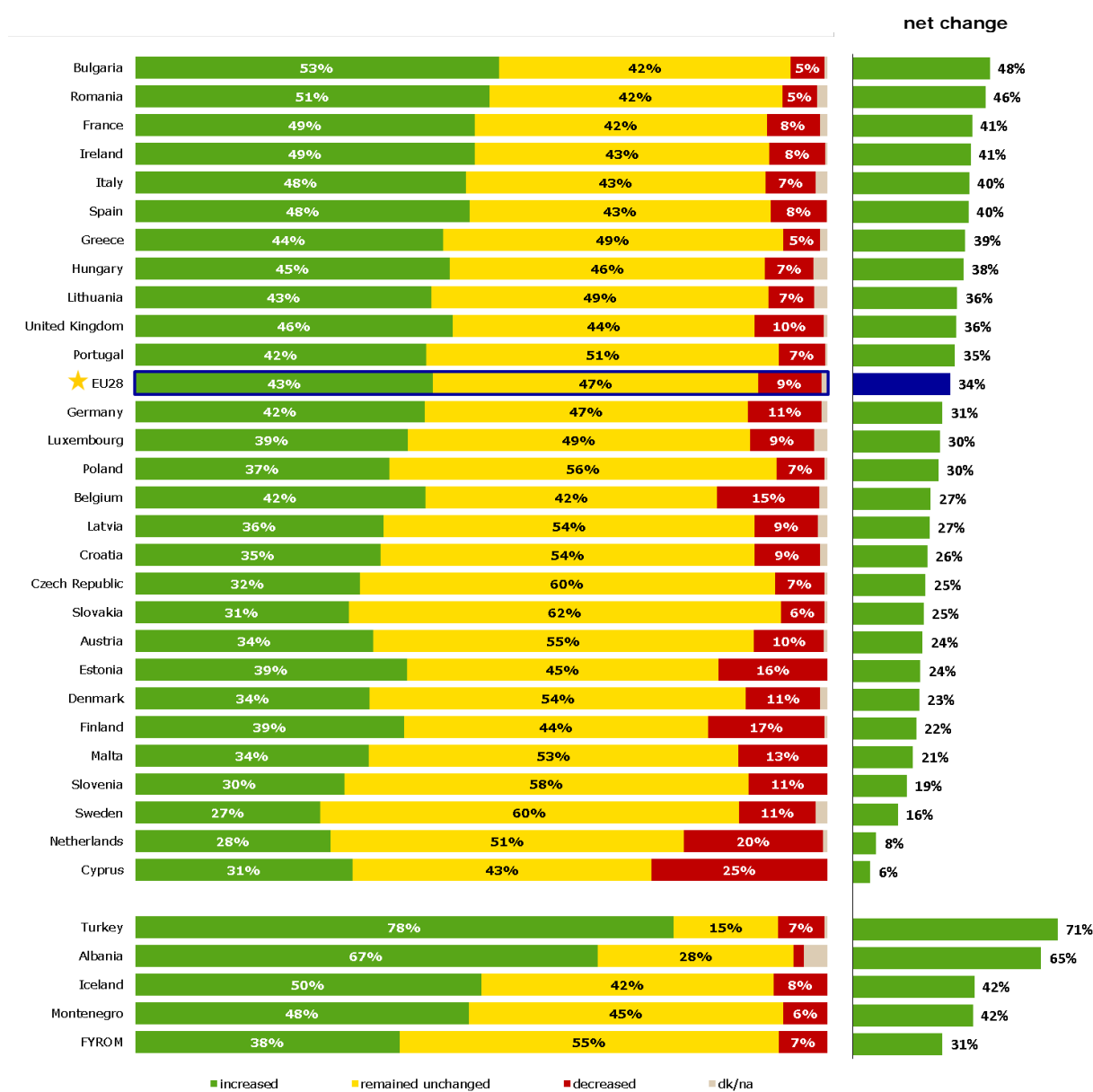
Broken down by enterprise characteristic, all of the identified groups report net increases in labour costs in 2015. Among the various sectors, the services industry has the largest net increase (45%) and construction the smallest net increase (40%). The differences among the sectors are relatively limited. There exists a clear relation between the size of an enterprise and changes in labour costs. Large enterprises of at least 250 employees have experienced the most increases in labour costs (net 53%), micro enterprises of no more than 9 employees the least (net 38%).

There exists only a marginal difference in the changes in labour costs between high-growth enterprises and gazelles with net increases of 55% and 57% respectively. Non-exporting enterprises report increases in labour costs slightly more often than exporting enterprises. Innovative enterprises experienced increases in labour costs more often than those that are not identified as being innovative.

4.2.3 Other costs

This section presents more detailed breakdowns of changes in other costs (materials, energy and other). A breakdown by country in figure 106 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 107 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.

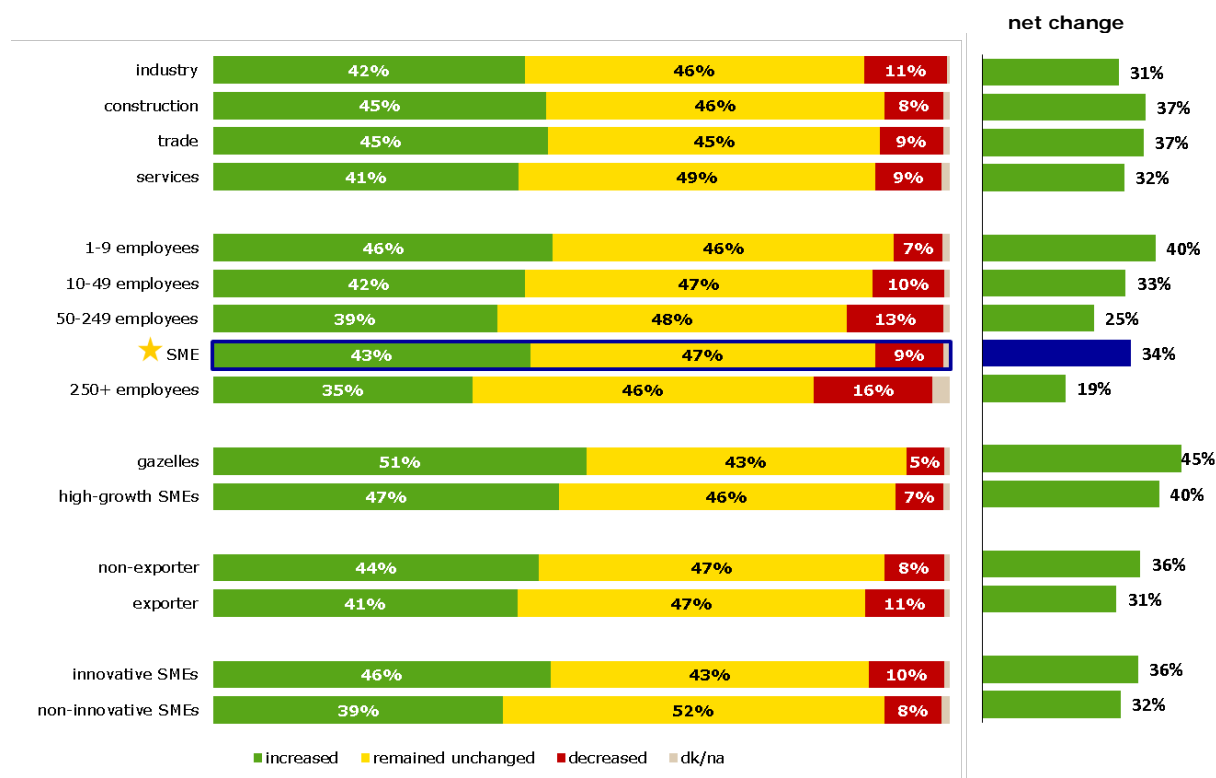
figure 106 Changes in other costs (materials, energy, other) in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q2c. Other costs (materials, energy, other) – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 107 Changes in other costs (materials, energy, other) in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q2c. Labour costs (including social contributions) – Have the following company indicators decreased, remained unchanged or increased over the past six months?
Source: SAFE, 2015; edited by Panteia.

Increases in other costs are reported by 43% of all SMEs in the EU28, with another 9% having experienced decreases in other costs, resulting in a rounded net increase in costs of 34%. Among the countries of the EU28, SMEs in Bulgaria report the largest net increase and SMEs in Cyprus the smallest net increase. There are no countries in which SMEs report an average net decrease.

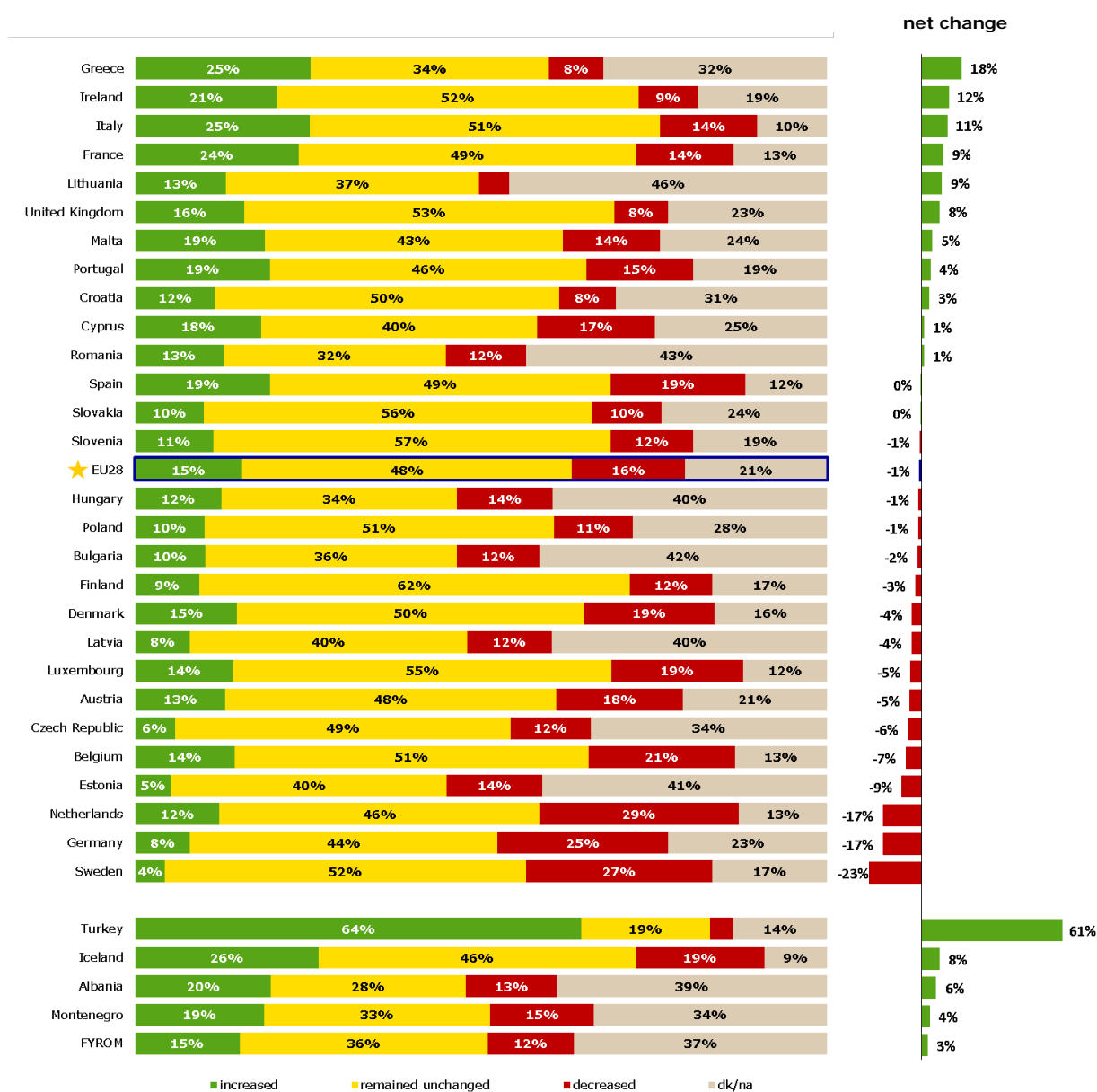
Broken down by enterprise characteristic, all of the identified groups report net increases in other costs in 2015. Among the various sectors, the trade industry and construction have the largest net increase (37% each) and industry the smallest net increase (31%). The differences among the sectors are relatively limited. There exists a clear relation between the size of an enterprise and changes in other costs. Large enterprises of at least 250 employees have experienced the least increases in other costs (net 19%), micro enterprises of no more than 9 employees the most (net 40%).

There exists some difference in the changes in other costs between high-growth enterprises and gazelles with net increases of 40% and 45% respectively. Non-exporting enterprises report increases in other costs more often than exporting enterprises do. Innovative enterprises experienced increases in other costs more often than those that are not identified as being innovative.

4.2.4 Interest expenses

This section presents more detailed breakdowns of changes in interest expenses. A breakdown by country in figure 108 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 109 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.

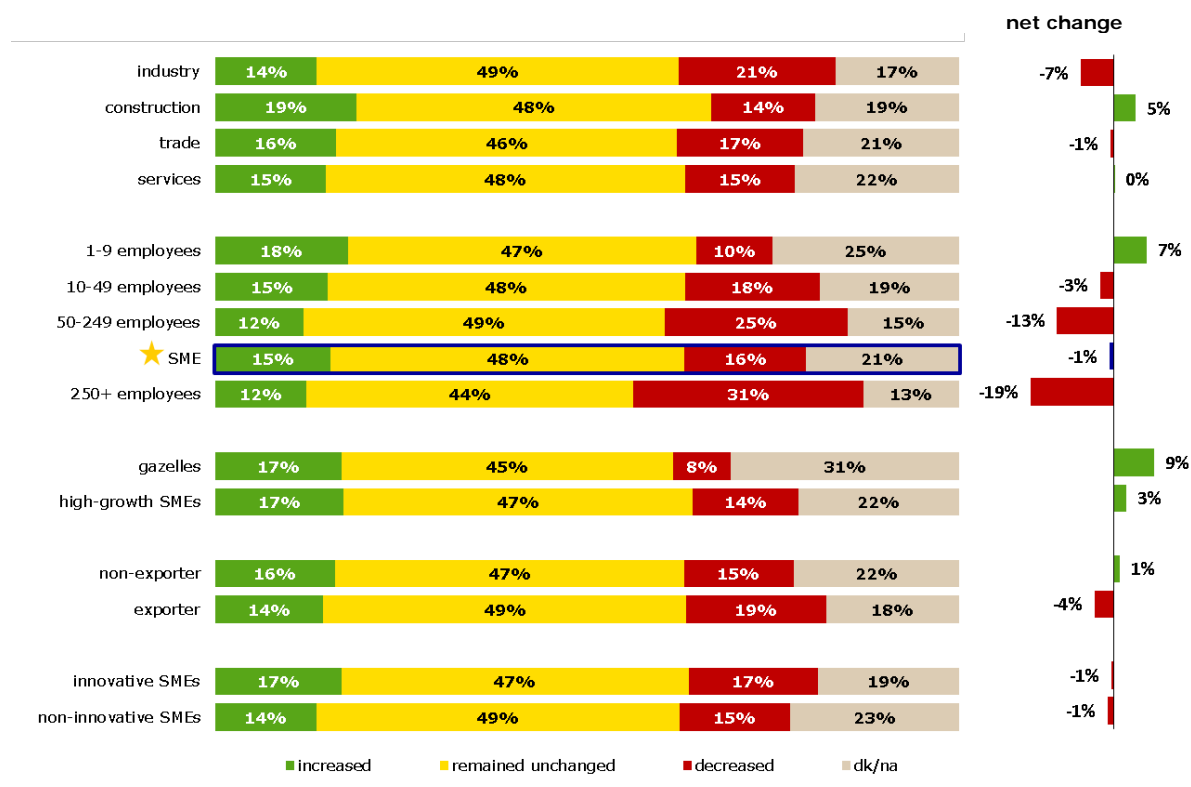
figure 108 Changes in interest expenses in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q2d. Interest expenses – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 109 Changes in interest expenses in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q2d. Interest expenses – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

Increases in interest expenses are reported by 15% of all SMEs in the EU28, with another 16% having experienced decreases in interest expenses, resulting in a rounded net decrease in costs of -1%. Among the countries of the EU28, SMEs in Sweden report the largest net decrease and SMEs in Greece the largest net increase. In other words, the interest costs of financing have increased most strongly in Greece. While the Greek net increase is high when compared to the EU28 average, the net increase is three times larger in Turkey.

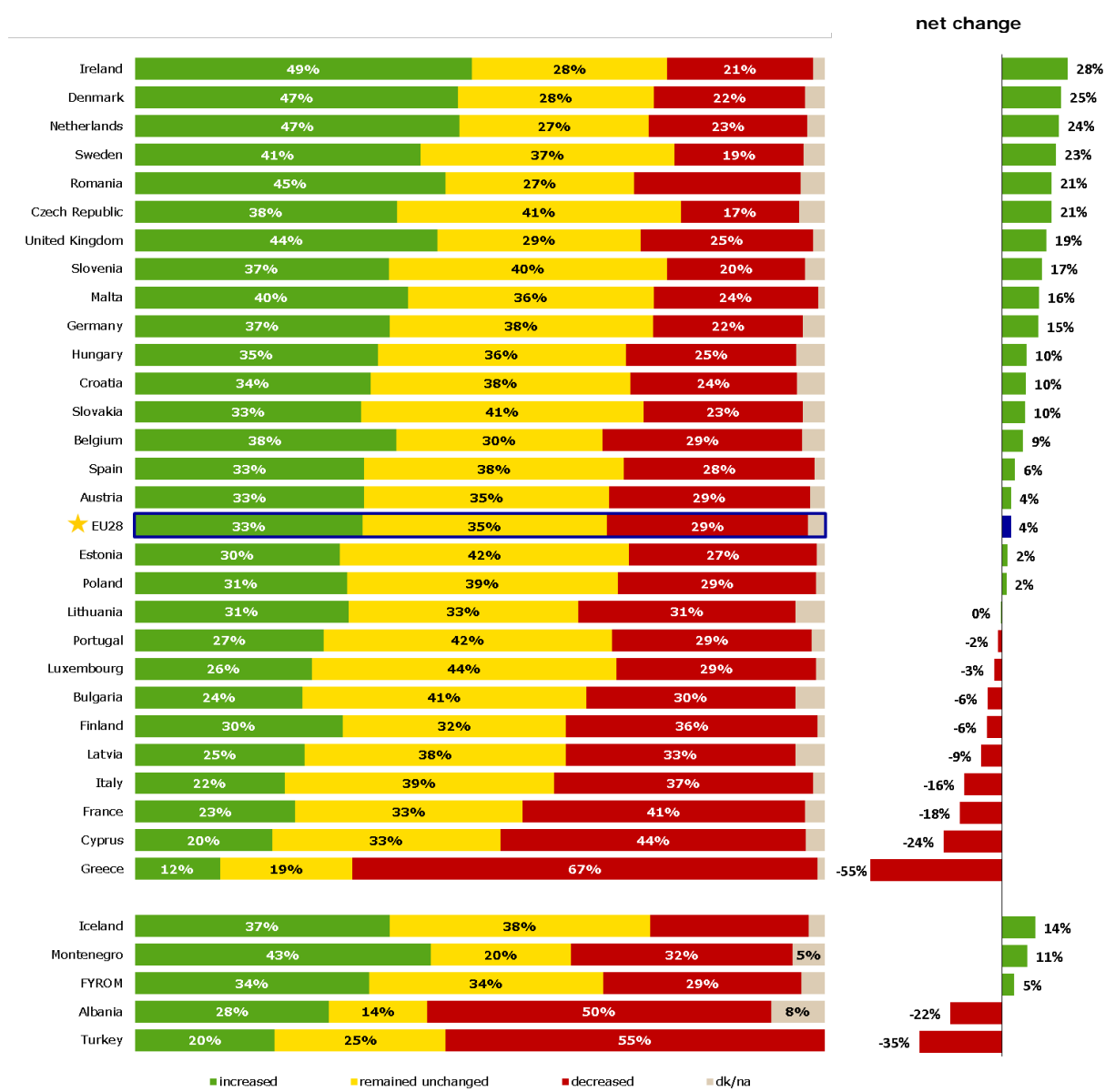
Broken down by enterprise characteristic, there exist some more distinct variations in net effects between the identified groups. Among the various sectors, construction is the only one to have experienced a net increase of interest expenses (5%). The largest net decrease is experienced by construction (-7%). There exists a clear relation between the size of an enterprise and changes in interest expenses. Large enterprise of at least 250 employees have experienced the largest net decreases in interest expenses (net -19%), micro enterprises of no more than 9 employees the largest increases in interest expenses (net 7%).

High-growth SMEs experienced a net 3% increase in interest expenses. Gazelles, which are high-growth SMEs no more than five years old, are more risky to financiers due to their young age and report increases in interest expenses more often: 9%. Innovative enterprises are also more risky in general and report net increases more often than non-innovative enterprises do. Non-exporting enterprises report increases in interest expenses more often than exporting enterprises do.

4.2.5 Profit

This section presents more detailed breakdowns of changes in profits. A breakdown by country in figure 110 presents results for SMEs in each country of the EU28 and Iceland, Turkey, Montenegro, Albania and FYROM. A breakdown by enterprise characteristic in figure 111 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.

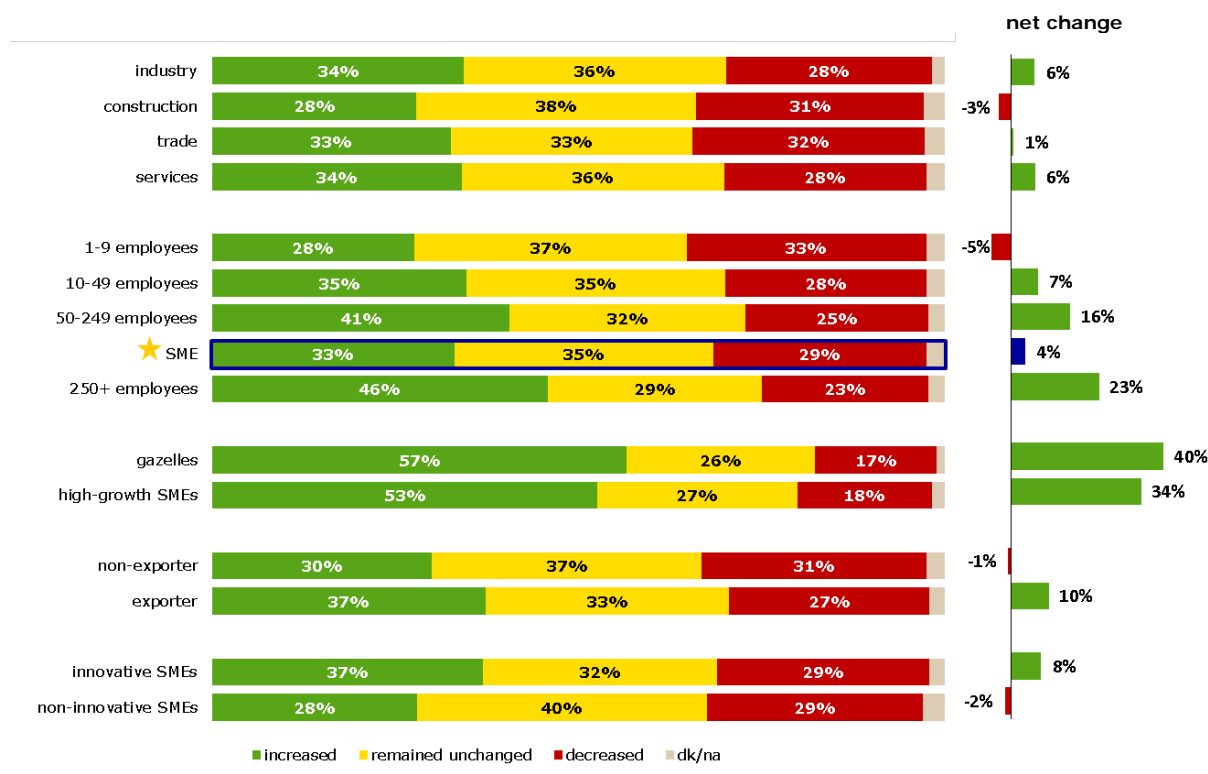
figure 110 Changes in profit in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q2e. Profit – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

figure 111 Changes in profit in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristics.



Q2e. Profit – Have the following company indicators decreased, remained unchanged or increased over the past six months?

Source: SAFE, 2015; edited by Panteia.

Increases in profits are reported by 33% of all SMEs in the EU28, with another 29% having experienced decreases in profits, resulting in a rounded net positive change of 4%. Among the countries of the EU28, SMEs in Ireland report the largest positive net change and SMEs in Greece the largest negative change. The latter is the only country to experience a net negative change. Two-third of Greek SMEs indicates that their profits have decreased in the six months from April to September 2015. These countries held the same respective positions regarding changes in turnover.

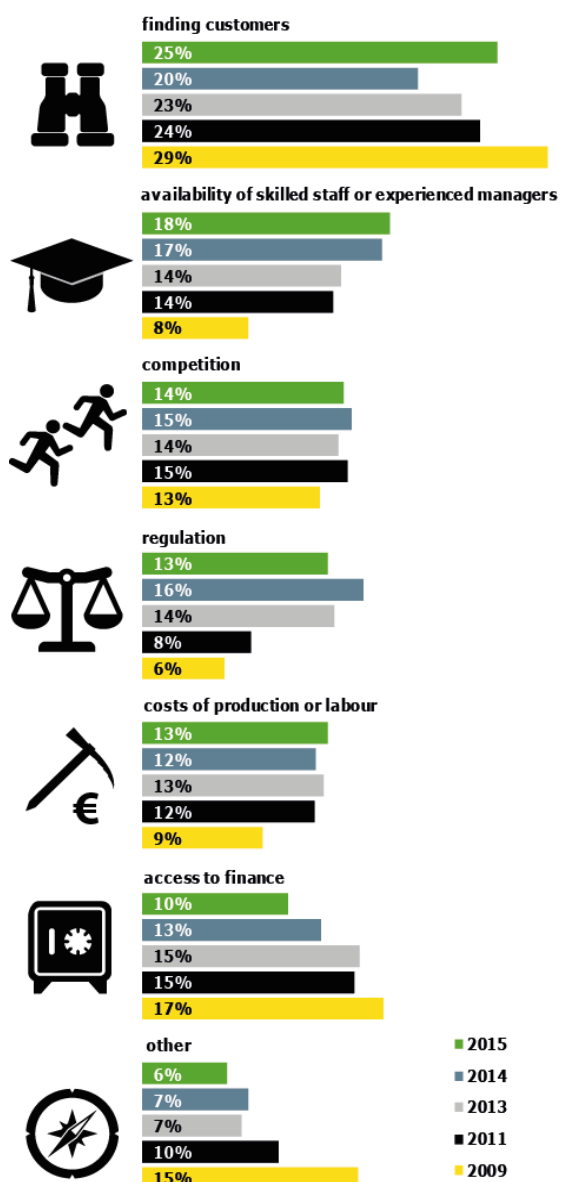
Broken down by enterprise characteristic, there exist some distinct variations in net effects between the identified groups. Among the various sectors, construction is the only one to have experienced a net decrease of profits (-3%). The largest net increase is experienced by industry and services alike: 6%. There exists a clear relation between the size of an enterprise and changes in profits. Large enterprise of at least 250 employees have experienced the largest net increases in profits (net 23%), micro enterprises of no more than 9 employees the largest decreases in profits (net -5%).

By virtue of their definition as strongly-growing enterprises, both high-growth SMEs and gazelles have experienced the largest positive net changes among all identified groups. Exporting enterprises report profit increases, while non-exporting enterprises report a net decrease. Innovative enterprises also experienced better changes in profits than those that are not identified as being innovative.

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 EU28 for the period 2009-2015 in figure 112. The problems identified are finding customers, the availability of skilled staff, competition, regulation, costs of production or labour and access to finance.

figure 112 Most pressing problems in the past six months (April to September 2015) for SMEs in the EU28. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem.



Q0b. How important have the following problems been for your enterprise in the six past 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. Source: SAFE, 2009-2015; edited by Panteia.

From the varied set of potential problems enterprises may encounter, SMEs in the EU28 most often cite finding customers for their products or services as the most pressing problem (figure 112). 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. The urgency of finding customers as a problem saw a steady decline over the past few years from 29% among SMEs in 2009 to 20% in 2014, but has surged to 25% again in 2015. In each of those years, however, it was consistently the most pressing problem to SMEs.

The second most pressing problem is the availability of skilled staff or experienced managers: the problem is most urgent to 18% of SMEs in the EU28. The urgency of this skilled labour deficit has seen a steady increase from 2009, doubling over a six year period. It seems that with economic stabilisation and growth it becomes more difficult for enterprises to fill these vacancies.

The third most pressing problem is competition: the problem is most urgent to 14% of SMEs in the EU 28 and has remained almost constant around that proportion ever since 2009. The persistence of this proportion is interesting in the light of improving turnover and profits in the same period (see section 4.2). While these performance indicators improve, competition remains an important problem in the experience of SMEs. There might be a relation to the constantly increasing costs of labour and inputs to the production process (see also section 4.2), which raise the competitive pressure internally.

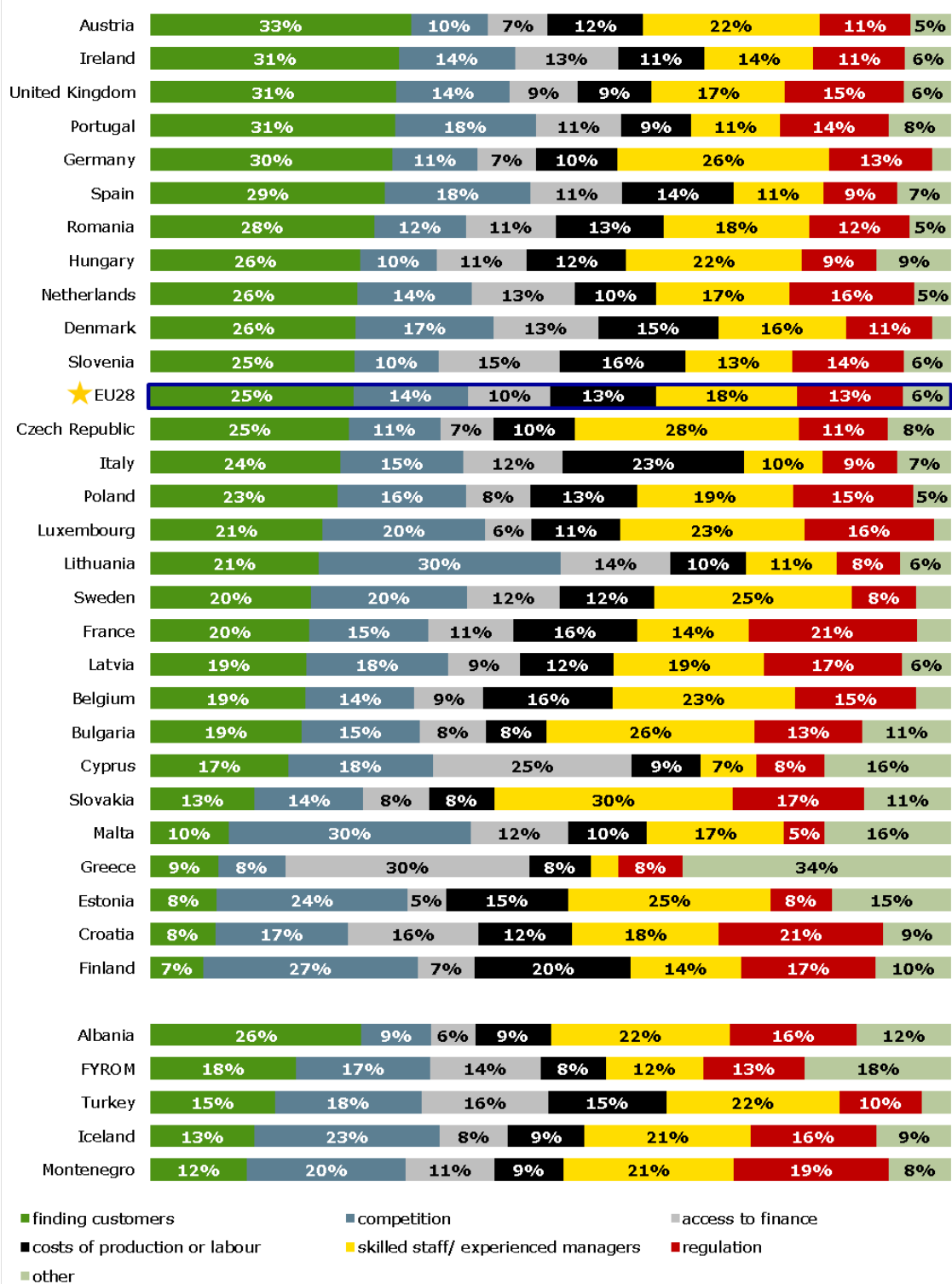
Regulation and the costs of production or labour share a fourth place among the most pressing problems: these problems are most urgent to 13% of SMEs in the EU28. Regulation consists of European and national laws and industrial regulations. It shows some variation throughout the 2009 to 2015 period and has fallen slightly as a problem in 2015. Labour costs include wages, employee benefits and payroll taxes paid by an employer. These costs remain a problem to a relatively constant proportion of EU28 SMEs.

Finally, the access to finance has dropped to be the least pressing of the explicitly identified problems: it is the most pressing problem to 10% of SMEs in the EU28. This means that access to finance has steadily declined in importance throughout the survey years. From 2009 to 2013 it was the second-most important problem. In 2014 it became the fourth most pressing problem and now it is the least urgent problem SMEs in the EU28 experience. The map (figure 115) on page 137 presents for all EU28 countries the proportion of SMEs for which access to finance is the most important problem.

Figure 113 provides a breakdown of the most pressing problems SMEs face in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM. The EU28 proportions correspond to those for 2015 in figure 112. It follows that among the countries in the EU28, finding customers is most urgent as a problem to SMEs in Austria and least to SMEs in Finland.

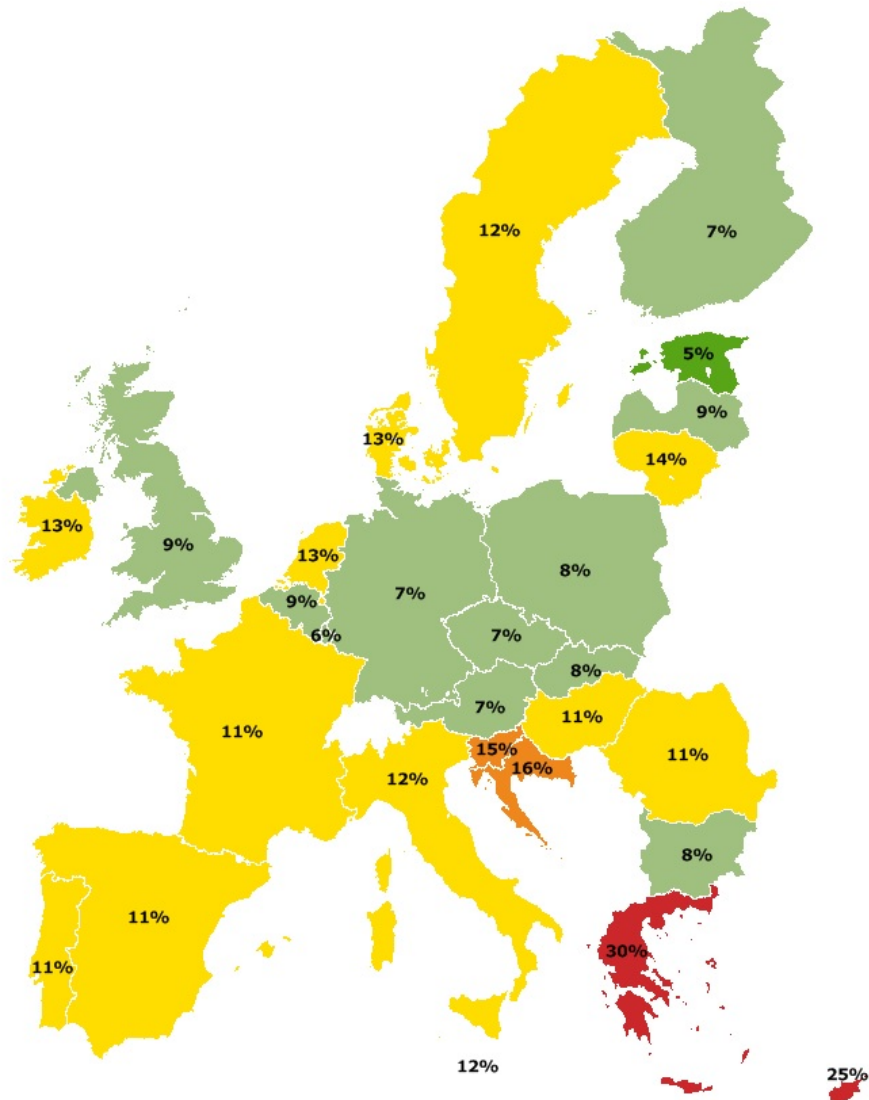
Some further distinct deviations from the EU28 average are as follows. Competition is much more of an urgent issue to SMEs in Lithuania and Malta (30% each) and relatively little so in Greece (8%). Access to finance is a very pressing problem to SMEs in Greece (30%) and Cyprus (25%) and least so in Estonia (5%). Variations in the cost of labour and production as a problem are less pronounced. The availability of skilled staff or experienced managers is a relatively big issue in Slovakia (30%), while regulation is most pressing in Croatia and France (21% of SMEs each).

figure 113 Most pressing problems in the past six months (April to September 2015) for SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem.



Q0b. How important have the following problems been for your enterprise in the six past 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. Source: SAFE, 2009-2015; edited by Panteia.

figure 114 Proportion of SMEs that indicated access to finance as the most important problems in the past six months (April to September 2015), EU28 by country.

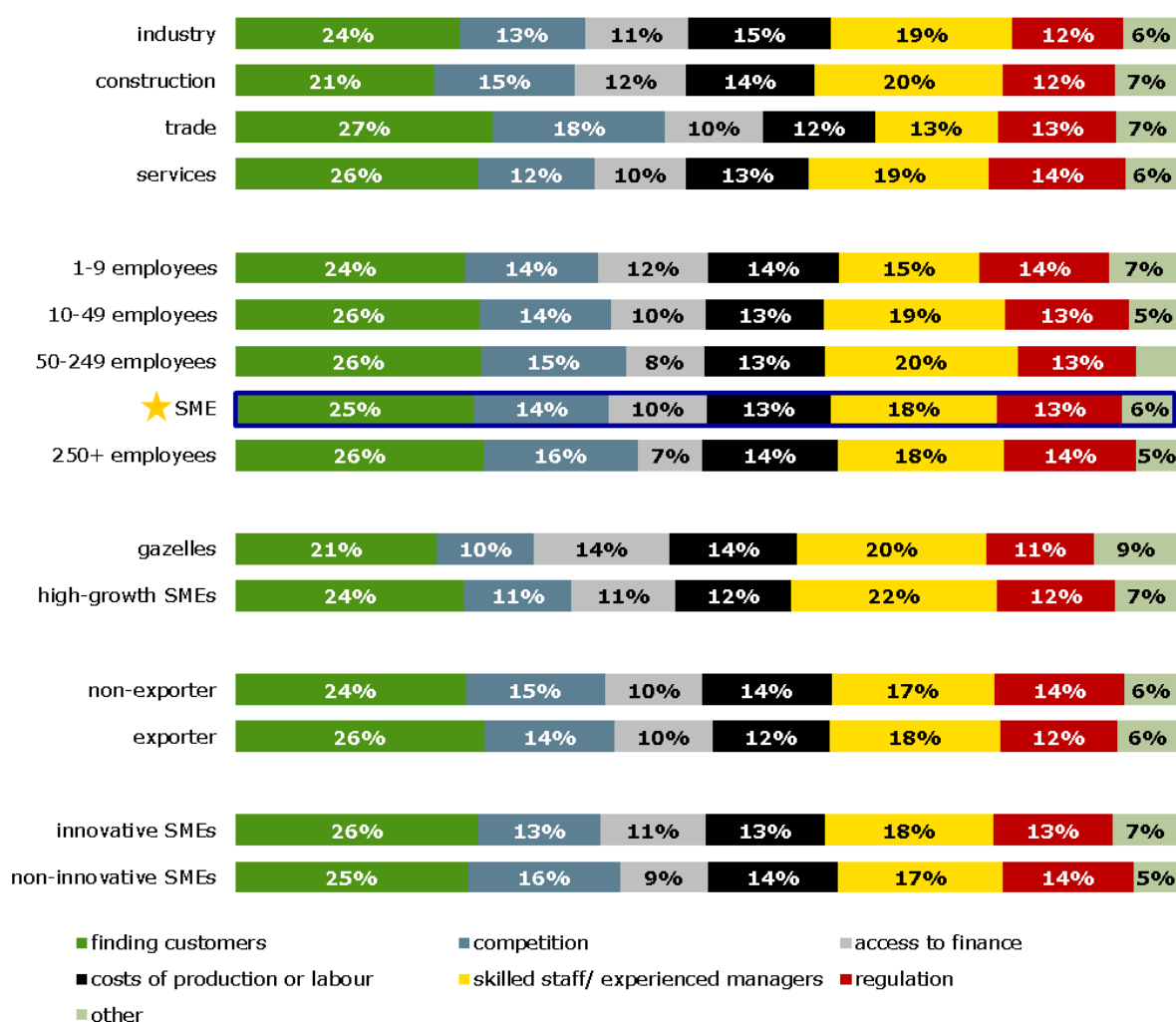


Q0b. How important have the following problems been for your enterprise in the six past months? Please answer on a scale of 1-10, where 1 means it is not at all important and 10 means it is extremely important. Source: SAFE, 2009-2015; edited by Panteia.

A breakdown by enterprise characteristic is presented in figure 115. Comparing the identified problems among the various characteristics to the SME average quickly 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.

A selection of interesting deviations from the EU28 SME base: finding customers is somewhat less of a problem in construction. Access to finance is most pressing as a problem to gazelles. These are high-growth young enterprises and are therefore a relatively big risk to financiers. Overall, the deviations in percentage points from the EU28 SME base by enterprise characteristic are seldom very pronounced.

figure 115 Most pressing problems in the past six months (April to September 2015) for SMEs in the EU28, by enterprise characteristic. Percentages in the figure indicate the percentage of SMEs that consider a specific problem to be the most urgent problem.

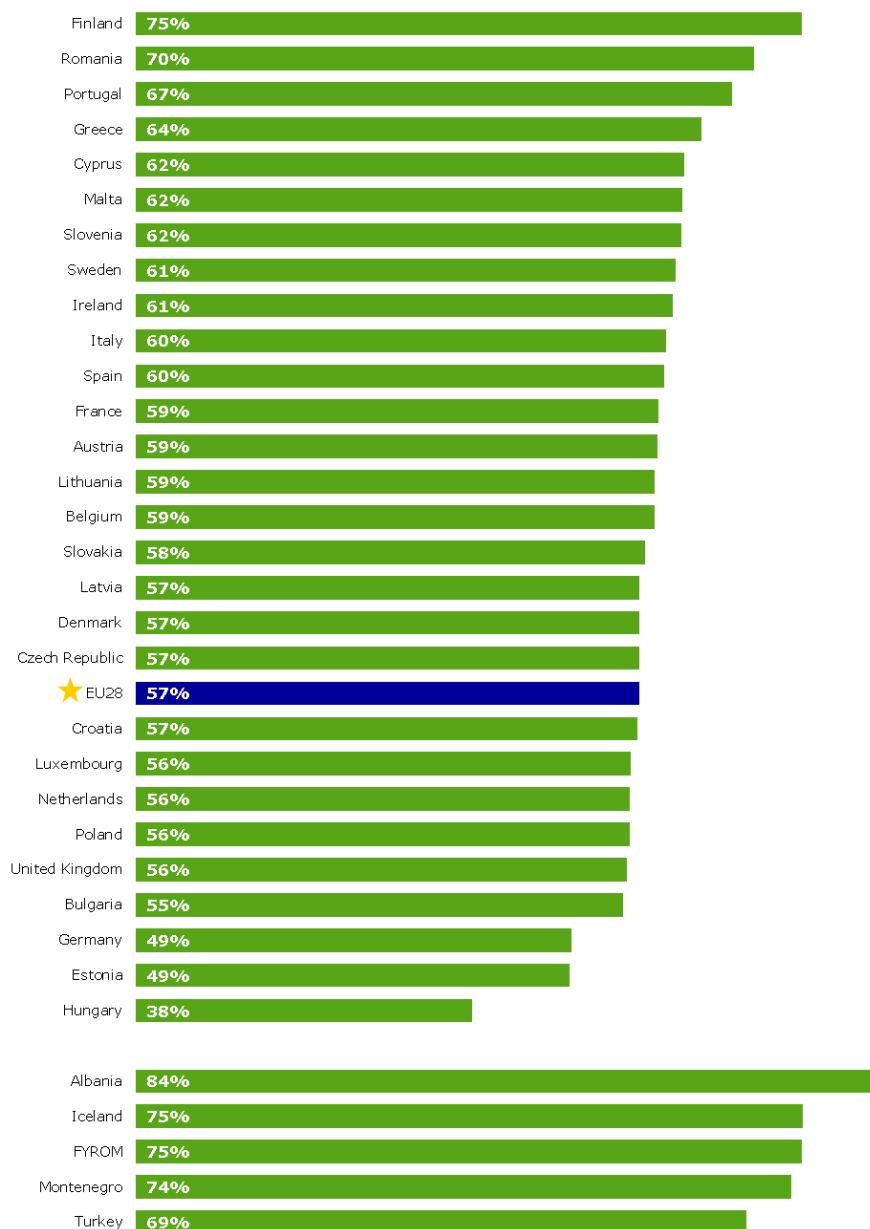


Q0b. How important have the following problems been for your enterprise in the six past months? Please answer on a scale of 1-10, where 1 means it is not at all important and 10 means it is extremely important. Source: SAFE, 2009-2015; edited by Panteia.

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. A breakdown by country is presented in figure 116.

figure 116 Share of innovative enterprises among SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



Q1. During the past 12 months have you 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?
 ... a new way of selling your goods or services?

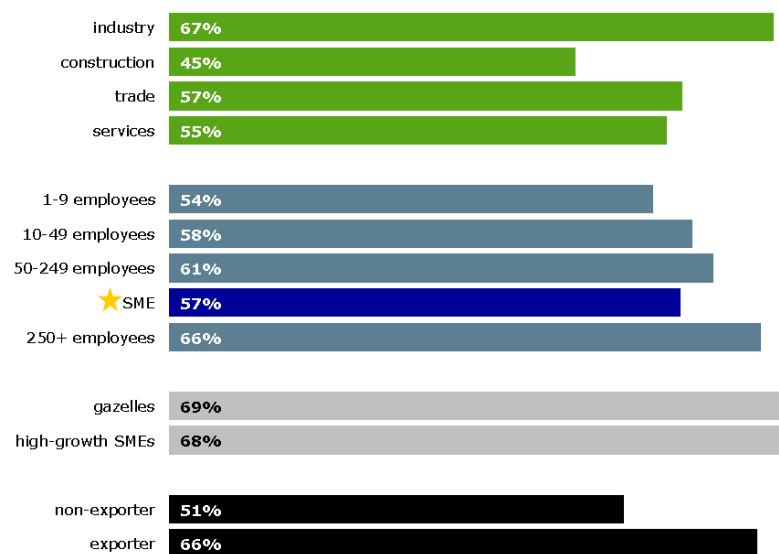
An enterprise is considered innovative when it has answered "yes" to at least one of these questions.

Source: SAFE, 2015; 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. In 2015, 57% of all SMEs in the EU28 were considered innovative. Among the EU28 countries, Finnish SMEs are most innovative (75%) and Hungarian SMEs least (38%). Overall, there is not a very strong degree of variation between countries. SMEs in most of these countries are positioned in a ten percent range from 55% to 64%: 22 out of 28. More SMEs are innovative in Portugal, Romania and Finland. Less SMEs are innovative in Germany, Estonia and Hungary.

A breakdown by enterprise characteristic is presented in figure 117. Enterprises active in construction are least innovative (45%), enterprises in industry are most innovative (67%). 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 clear relationship between enterprise size and innovativeness. Among micro-sized enterprises with no more than nine employees, 54% is innovative. Among large enterprises the proportion equals 66%.

figure 117 Share of innovative enterprises among SMEs in the EU28, by enterprise characteristic.



Q1. During the past 12 months have you 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?

... a new way of selling your goods or services?

An enterprise is considered innovative when it has answered "yes" to at least one of these questions.

Source: SAFE, 2009-2015; edited by Panteia.

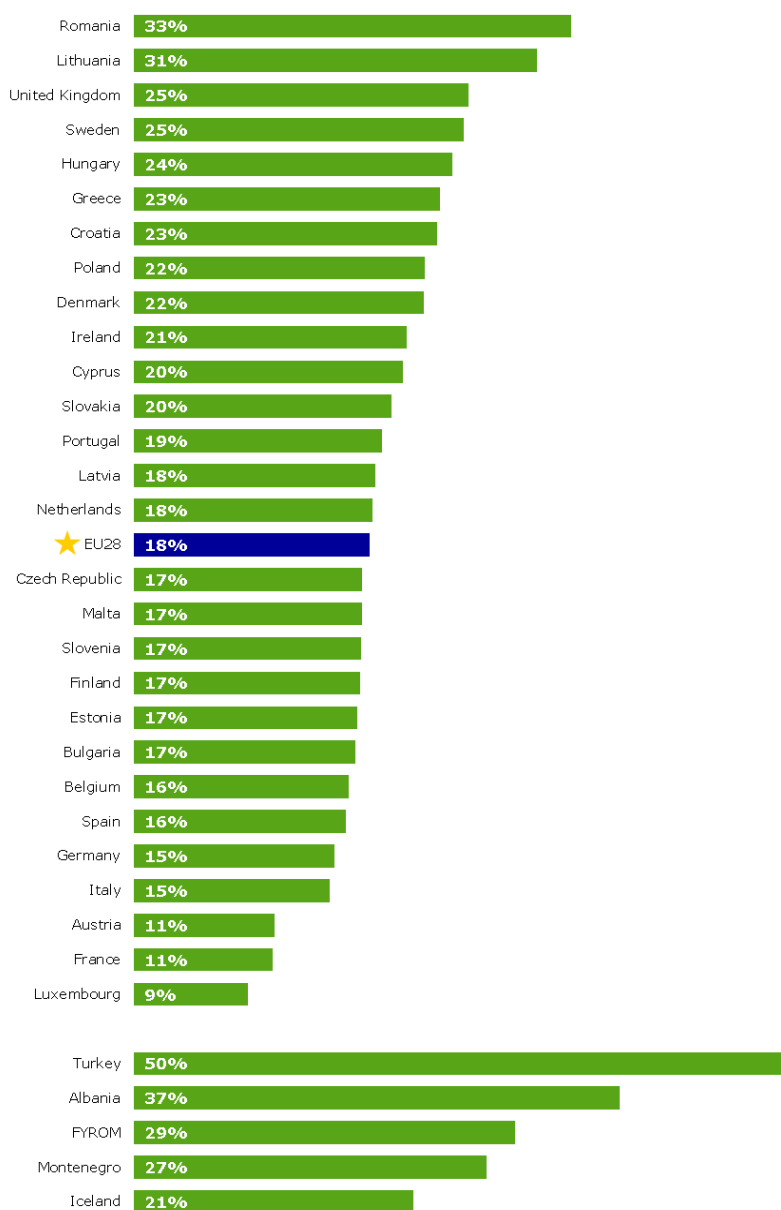
High-growth SMEs (including gazelles) are decidedly more innovative than the average EU28 SME; even more so than large enterprises. Age of the enterprise seems to be less of a factor among these growing enterprises as there exists little difference between high-growth SMEs and gazelles. Internationalisation and innovativeness seem to go hand in hand. Exporting enterprises (66%) are more often innovative than non-exporting enterprises (51%).

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. The section focuses on the growth of enterprises. A breakdown by country for high-growth enterprises is presented in figure 118.

4.5.1 High-growth enterprises

figure 118 Share of high-growth enterprises among SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



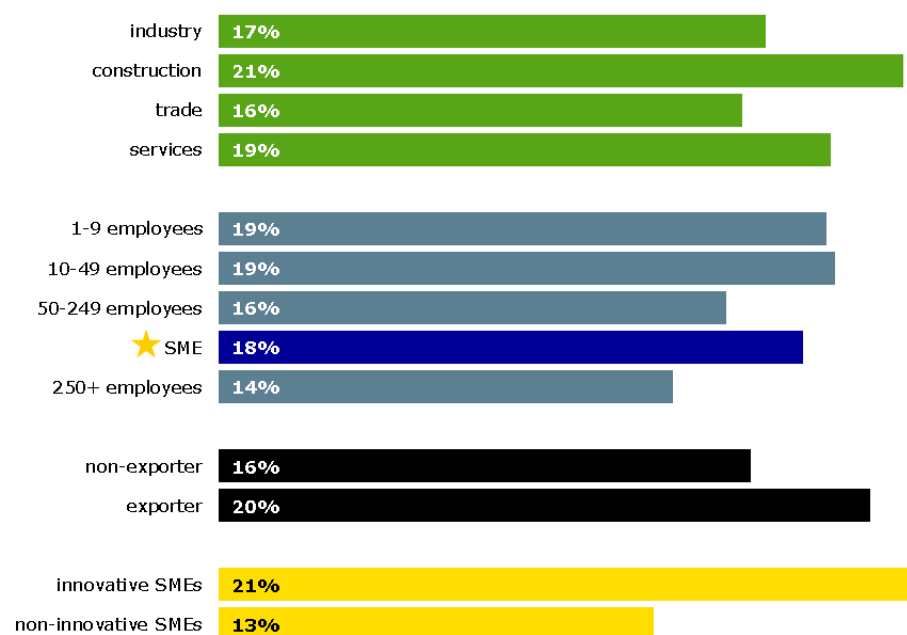
Q16. Over the past three years (2012-2014), how much did your enterprise grow on average per year? An enterprise is considered to have experienced high-growth if it experienced average annualised growth of 20% per annum over a three-year period.

Source: SAFE, 2015; edited by Panteia.

An enterprise is considered a high-growth enterprise when it has experienced 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. In 2015, 18% of all SMEs in the EU28 were considered a high-growth enterprise. Among the EU28 countries, Romanian SMEs most often experience high-growth (33%) and Luxembourg SMEs least often (9%). Overall, there is not a very strong degree of variation between countries. SMEs in most of these countries are positioned in a ten percent range from 15% to 24%: 21 out of 28. More SMEs experience high-growth in Sweden, the United Kingdom, Lithuania and Romania. Less SMEs experience high-growth in Austria, France and Luxembourg.

A breakdown by enterprise characteristic is presented in figure 119. Enterprises active in the trades least often experience high-growth (16%), enterprises in construction most often do so (21%). It is easier for smaller enterprises to experience a high rate of growth: this makes mathematical sense as a five-person increase in the workforce amounts to a much greater increase proportionally for a micro-sized enterprise than for a large one.

figure 119 Share of high-growth enterprises among SMEs in the EU28, by enterprise characteristic.



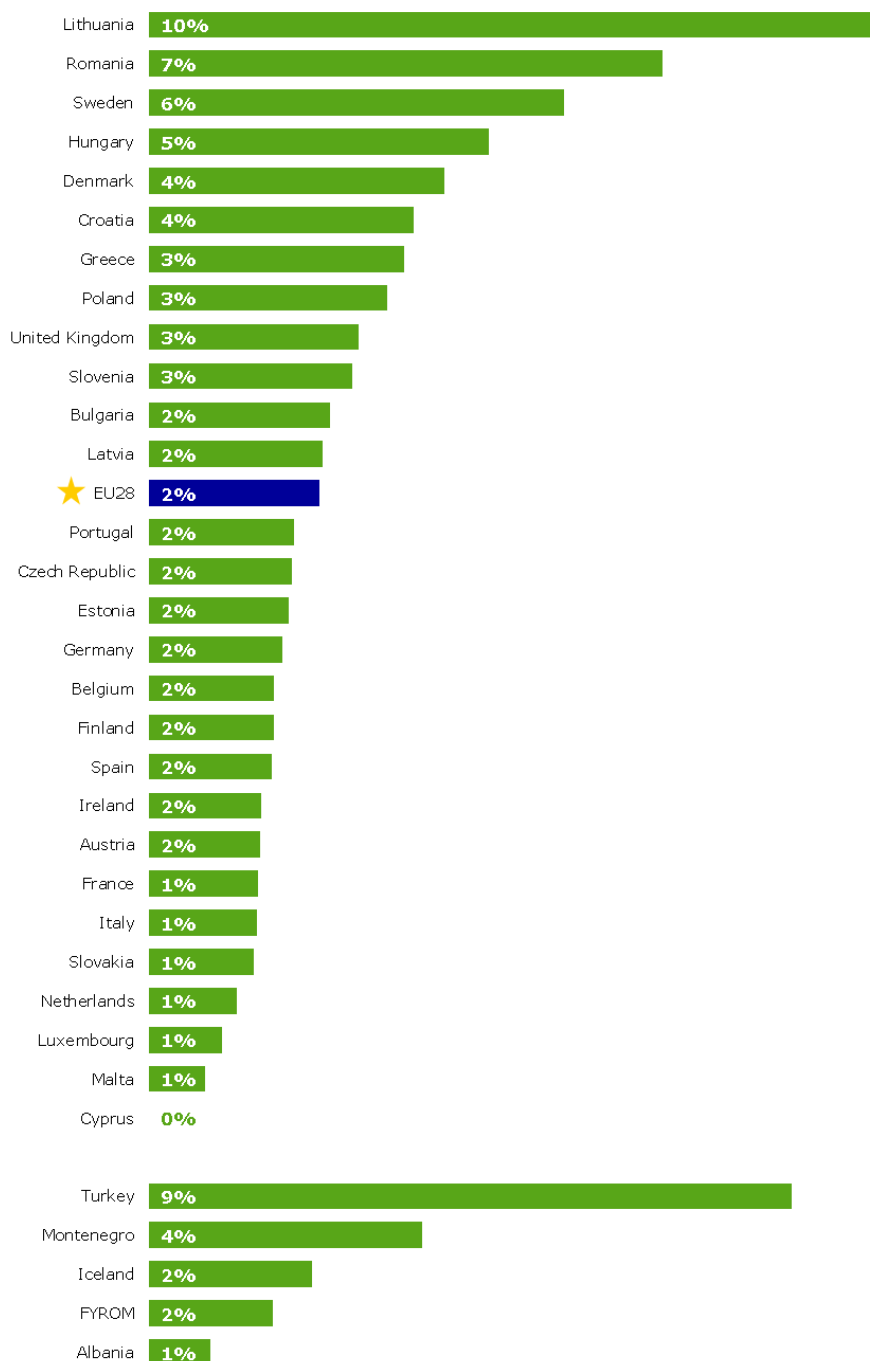
Q16. Over the past three years (2012-2014), how much did your enterprise grow on average per year? An enterprise is considered to have experienced high-growth if it experienced average annualised growth of 20% per annum over a three-year period.
Source: SAFE, 2015; edited by Panteia.

High-growth seems to be positively related to internationalisation and innovativeness. Exporting enterprises (20%) more often experience high-growth than non-exporting enterprises (16%). The relationship is even more pronounced for innovativeness as 21% of innovative enterprises experiences high-growth versus 13% of non-innovative enterprises. This is the smallest proportion of all of the compared groups.

4.5.2 Gazelles

A breakdown by country for gazelles is presented in figure 120.

figure 120 Share of gazelles among SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.

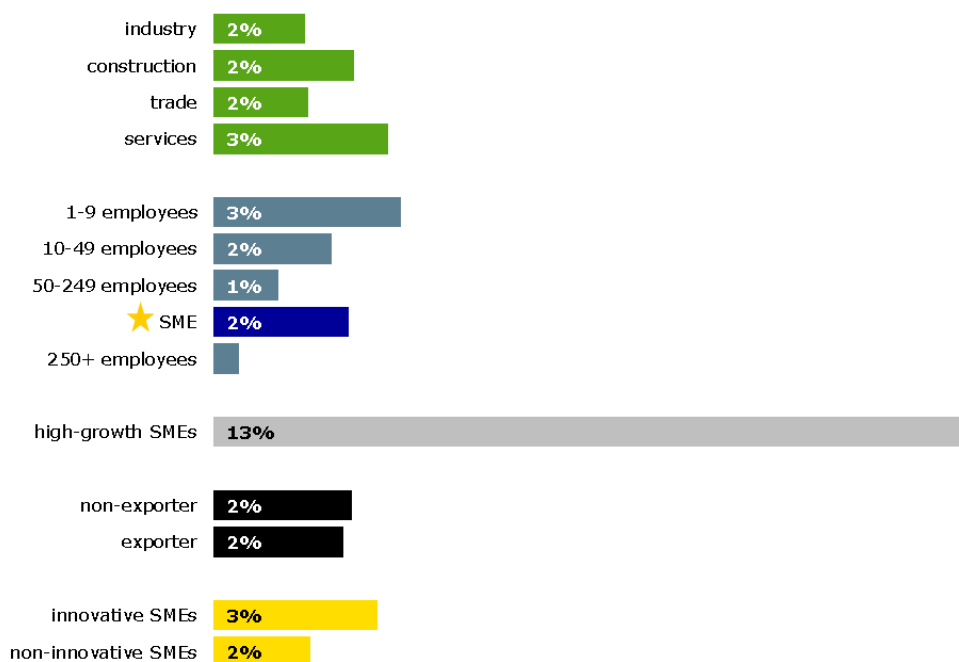


Q16. Over the past three years (2012-2014), how much did your enterprise grow on average per year?
 D5. In which year was your enterprise first registered?
 An enterprise is considered to be a gazelle if it experienced average annualised growth of 20% per annum over a three-year period and is up to five years old.
 Source: SAFE, 2015; edited by Panteia.

An enterprise is considered to be a gazelle when it experiences high-growth and is no more than five years old. Hence, it is a subset of high-growth enterprises: 13% of all high-growth enterprises is a gazelle. 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 2015, 2% of all SMEs in the EU28 were considered a high-growth enterprise. Among the EU28 countries, Lithuanian SMEs can most often be labelled gazelles (10%) and Cypriote SMEs least often (0%).

A breakdown by enterprise characteristic is presented in figure 121. 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 the services. It is easier for smaller enterprises to experience a high rate of growth within their first five years of existence: this makes sense as the age criterion practically excludes large enterprises with at least 250 employees from being characterised as a gazelle.

figure 121 Share of gazelles among SMEs in the EU28, by enterprise characteristic.



Q16. Over the past three years (2012-2014), how much did your enterprise grow on average per year?

D5. In which year was your enterprise first registered?

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

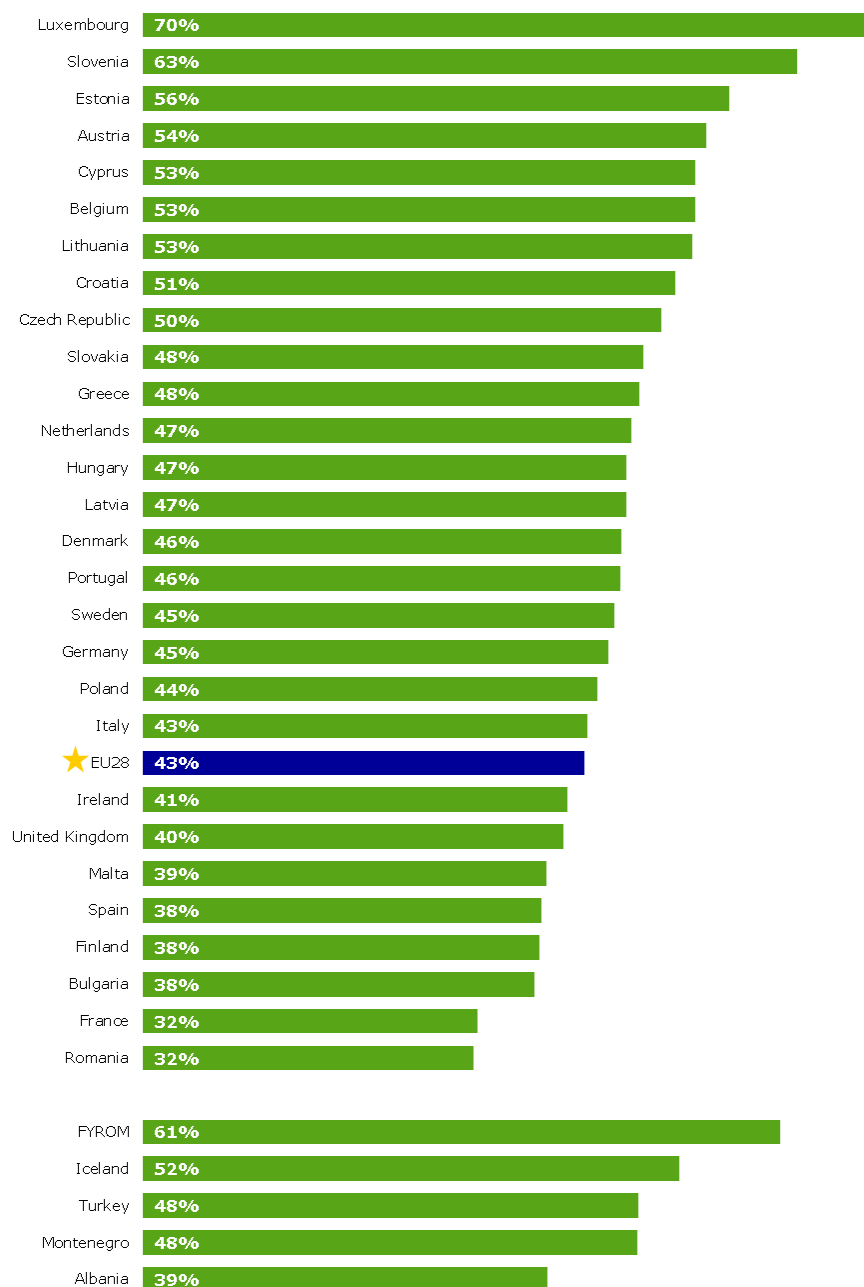
Source: SAFE, 2015; edited by Panteia.

High-growth and young enterprise age seem to be positively related to innovativeness. Innovative enterprises (3%) are more often a gazelle than non-exporting enterprises (2%). This relation cannot be observed for internationalisation. This may again be in part due to the age criterion, under the assumption that it may require a number of years active as a business to penetrate foreign markets.

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. A breakdown by country is presented in figure 122.

figure 122 Share of exporters among SMEs in the EU28, Iceland, Turkey, Montenegro, Albania and FYROM, by country.



D7. What percentage of your company's total turnover in 2014 is accounted for by exports of goods and services?

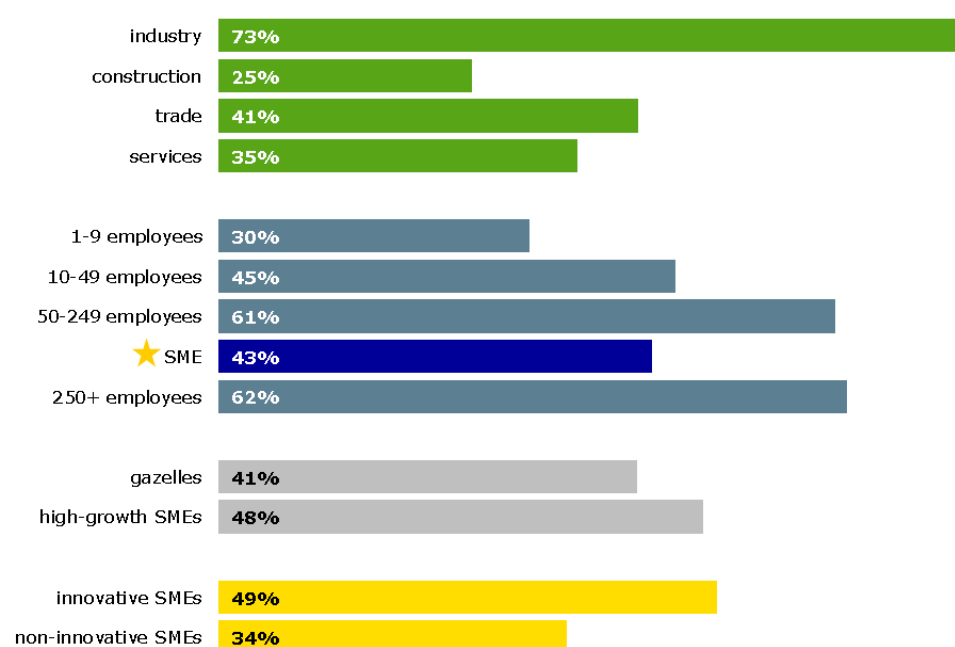
An enterprise is considered to be an exporter if any share of its total turnover is accounted for by exports.

Source: SAFE, 2015; edited by Panteia.

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 2015, 43% of all SMEs in the EU28 were exporting enterprises. Among the EU28 countries, Luxembourg SMEs are most often exporters (70%) and Romanian SMEs least often (32%). Large proportions of exporting SMEs seem to concentrate in relatively small-sized countries, such as Slovenia, Estonia and Cyprus.

A breakdown by enterprise characteristic is presented in figure 123. There exist very strong variations in the proportion of exporting SMEs by sector in the economy. Export is a relatively rare activity among enterprises active in construction (25%). The largest proportion of exporting SMEs are active in industry: 73%. There exists a clear relationship between enterprise size and internationalisation. Among micro-sized enterprises with no more than nine employees, 30% exports. Among large enterprises the proportion equals 62%.

figure 123 Share of exporters among SMEs in the EU28, by enterprise characteristic.



D7. What percentage of your company's total turnover in 2014 is accounted for by exports of goods and services?

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

Source: SAFE, 2015; edited by Panteia.

Innovative enterprises are more often exporters than the average EU28 SME. The difference with non-innovative enterprises is particularly pronounced: 49% versus 34%. This suggests a relation between innovativeness and internationalisation. High-growth SMEs are more often exporters than gazelles. This may again be related to the age criterion inherent to gazelles as discussed in the previous section (less than 5 years old).

APPENDICES

APPENDIX 1 METHODOLOGICAL NOTES

The survey sample was selected randomly according to three criteria:

- Country: 28 EU members states, Iceland and Montenegro.
- 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 account²:
 - Industry (NACE B, C, D, E).
 - Construction (NACE F).
 - Trade (NACE G).
 - Services (NACE H, I, J, L, M, N, R, S).

Sample plan and the number of completed interviews are summarised in table 1.1.

Unexpected outliers have been the United Kingdom, where in both countries the response rate and strike rate (average expected number of completed interviews per hour) were lower than expected from other projects with comparable respondent types and companies. Various measures have been taken to avoid these gaps, however the number of observations is still lower than originally envisaged.

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 companies 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 2. 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 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

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

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 1.1 sample size by country

Country	Completed interviews	Country	Completed interviews
Austria	501	Malta	101
Belgium	500	Netherlands	802
Bulgaria	502	Poland	1304
Croatia	302	Portugal	504
Cyprus	101	Romania	503
Czech Republic	503	Slovakia	500
Denmark	506	Slovenia	200
Estonia	100	Spain	1303
Finland	501	Sweden	502
France	1505	United Kingdom	1420
Germany	1501	EU-28	17271
Greece	501		
Hungary	503	Iceland	100
Ireland	504	Turkey	302
Italy	1501	Montenegro	103
Latvia	200	Albania	102
Lithuania	300	FYROM	101
Luxembourg	101	Grand total	17979

Source: GDCC/Pantela

APPENDIX 2 QUESTIONNAIRE

European Commission and European Central Bank Survey on the access to finance of enterprises, April to September 2015

[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 purposes and published in aggregate form only.

Please click 'next' to continue.

[INTRODUCTION TO THE TELEPHONE SURVEY]³

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 policy-makers 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 policy-making to improve the access to finance for businesses and in the monetary policy of the European Central Bank. Can I e-mail you some more information about the survey?]

³ Used formatting:

- TEXT IN CAPITAL LETTERS refers to the instructions and should never be read;
- <text in brackets and italics> refers to the parameters – the dynamic text which should be adapted based on the respondent's information.

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 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

AT	Austria
BE	Belgium
CY	Cyprus
EE	Estonia
FI	Finland
FR	France
DE	Germany
GR	Greece
IE	Ireland
IT	Italy
LT	Lithuania
LV	Latvia
LU	Luxembourg
MT	Malta
NL	Netherlands
PT	Portugal
SK	Slovakia
SI	Slovenia
ES	Spain

OTHER EU MEMBER STATES

BG	Bulgaria
HR	Croatia
CZ	Czech Republic
DK	Denmark
HU	Hungary
PL	Poland
RO	Romania
SE	Sweden
UK	United Kingdom

OTHER COUNTRIES

- AL Albania
- CN China
- MK The former Yugoslav Republic of Macedonia
- IS Iceland
- JP Japan
- ME Montenegro
- NO Norway
- RU Russian Federation
- CH Switzerland
- TR Turkey
- US United States

-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 2014? [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

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 2014 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?]

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 [1700-2015] <FOUR DIGITS, LESS OR EQUAL THAN YEAR OF SURVEY>

[DK/NA]

[THE AGE OF THE ENTERPRISE IS CALCULATED AS 2015 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 2015 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]

1. Finding customers
2. Competition
3. Access to finance [READ IF NECESSARY: Financing of your business – bank loans, trade credit, equity, debt securities, other external financing]
4. 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.]
5. Availability of skilled staff or experienced managers
6. Regulation, for example European and national laws, industrial regulations.....
7. Other, please specify [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]

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.]

- a) Turnover 1 2 3 9
- b) Labour costs (including social contributions) 1 2 3 9
- c) Other costs (materials, energy, other) 1 2 3 9
- d) Interest expenses [READ IF NECESSARY: what your company pays in interest for its debt] 1 2 3 7 9
- e) 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 I considered using it in the future) 3
- No, this source is not relevant to my enterprise 7
- [DK] 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] 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 pu
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
*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
- 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 corp
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 involved6
- No bank loans are available 4
- I do not need this type of financing.....8
- Other5
- [DK].....9

[FILTER: FOR EACH Q4 ITEMS THAT IS "RELEVANT" (CODE 1, 2, 3, 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 unchanged2
- 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 cards overdraft 1 2 3 7 9

[FILTER: IF Q4.d) FEATURES CODE 3 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 3]

- 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: FOR EACH Q4 ITEM THAT IS "RELEVANT" (CODE 1, 2, 3, 99), NAMELY Q4.c), Q4.d), Q4.b) AND Q4.e), FILL THE RELEVANT ITEM IN Q7A]

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 cards overdraft 1 2 3 4 9

[FILTER: IF Q4.d) OR Q4.b) FEATURE CODE 1, 2, 3 OR 99]

- a) Bank loan (excluding overdraft and credit lines) 1 2 3 4 9

[FILTER: IF Q4.e) FEATURES CODE 3]

- 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 5
- Received below 75% 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 cards 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. What interest rate was charged for the credit line or bank overdraft for which you applied?

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 IS HIGHER THAN 25%, THEN READ: The interest rate charged is relatively high. Could you confirm that it was indeed <STATE ANSWER OF THE RESPONDENT> percent?]

[IF Q8b IS EQUAL TO 0%, THEN READ: Could you confirm that no interest rate was indeed charged?]

Q8B_var. [IF IT IS A VARIABLE INTEREST RATE, FOR EXAMPLE: "6-MONTH EURIBOR + 0.50%", "12-MONTH EURIBOR", "6-MONTH LIBOR + 1.50%", "EONIA + 1.50%" WRITE DOWN "REFERENCE RATE + SPREAD".]

VERBATIM ANSWER [0-30 CHARACTERS]

[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.]

- Yes1
 - No2
 - [DK/NA (NOT APPLICABLE TO MY ENTERPRISE - I HAVE NOT USED ANY FINANCING)] 99
- 1) Investments in property, plant or equipment [READ IF NECESSARY: fixed investment] 1 2 99
 - 2) Inventory and other working capital 1 2 99
 - 3) Hiring and training of employees 1 2 99
 - 4) Developing and launching of new products or services 1 2 99
 - 5) Refinancing or paying off obligations 1 2 99
 - 6) 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
- a) General economic outlook, insofar as it affects the availability of external financing 1 2 3 9
 - b) Access to public financial support, including guarantees 1 2 3 7 9
 - c) 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
 - d) Your enterprise's own capital [READ IF NECESSARY: capital provided by the owners or shareholders of the enterprise] 1 2 3 9
 - e) 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, 3, 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, 3, 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 cards overdraft 1 2 3 7 9

[FILTER: IF Q4.d) FEATURES CODE 3 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 3]
[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:

- a) Level of interest rates 1 2 3 9
- b) Level of the cost of financing other than interest rates, such as charges, fees, commissions..... 1 2 3 9

Non-price terms and conditions:

- c) Available size of loan or credit line 1 2 3 9
- d) Available maturity of the loan 1 2 3 9
- e) 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
- f) 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, 3, 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 cards overdraft 1 2 3 7 9

[FILTER: IF Q4.d) OR Q4.b) FEATURES CODE 1, 2, 3 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 3]

[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

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]

[ENTR]

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

[ENTR]

Q16. Over the past three years (2012-2014), 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/NA] 9

[CODE 7 IS NOT TO BE USED FOR ENTERPRISES REGISTERED BEFORE 2012 (QUESTION D5)]

- A. ...in terms of employment regarding the number of full-time or full-time equivalent employees ? 1 2 3 4 7 9
- B. ...and in terms of turnover? 1 2 3 4 7 9

[ENTR]

Q17. Considering the turnover over the next two to three years (2015-2017), 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

[ENTR]

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
- A. with banks..... 1 2 7 9
- B. with equity investors/venture capital enterprises..... 1 2 7 9

[FILTER: IF Q17 FEATURES CODE 1 OR 2 (ENTERPRISE EXPECTS TO GROW)]

[ENTR]

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 enterprise, shareholders, public sources..... 2
- Equity capital [READ IF NECESSARY: including venture capital or business angels]..... 3
- Other 5
- [DK/NA] 9

[ENTR]

Q21. If you need external financing to realise your growth ambitions over the next two to three years [READ IF NECESSARY: that is, 2015 to 2017], 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)]

[ENTR]

Q22. What do you see as the most important limiting factor to get this financing?

[ONLY ONE ANSWER IS POSSIBLE]

- There are no obstacles8
- 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 involved6
- Financing not available at all.....4
- Other5
- [DK/NA]9

[FILTER: ALL ENTERPRISES]

[ENTR]

Q24. On a scale of 1-10, where 1 means it is not at all important and 10 means it is extremely important, how important are each of the following factors for your enterprise's financing in the future?

[ONE ANSWER PER LINE. DK/NA OPTION PERMITTED]

- a) Guarantees for loans [READ IF NECESSARY: a commitment by a third party to pay the debt of borrowers when the latter cannot pay it themselves. The guarantor is liable to cover any shortfall or default on the borrower's debt]
- b) Measures to facilitate equity investments in your company [READ IF NECESSARY: for example, support for venture capital or business angel financing]
- c) Export credits or guarantees [READ IF NECESSARY: types of protection for an exporter against non-payment by an importer]
- d) Tax incentives [READ IF NECESSARY: deductions or exemption from a tax, usually offered by the government to encourage specific activities]
- e) Business support services, for example, advisory services, training, business networks, credit mediation, match-making services
- f) Making existing public measures easier to obtain [READ IF NECESSARY: for example, through the reduction of administrative burdens]

[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 receive also a report that is made available only to the survey respondents.]

[SINGLE CODE]

- Yes 1 → READ: Please provide your e-mail address and we will send you the link for the publication. WRITE IN E-ADDRESS. CONFIRM E-MAIL 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 e-mail (for web-based survey) [→ CONFIRM AND MAKE A NOTE OF THE RESPONDENT'S FULL NAME AND E-MAIL ADDRESS] 4
- No 2

For quality control purposes, may I please note down your name and job title?

Name: [VERBATIM]

Telephone: [VERBATIM]

E-mail: [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 present 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 the questions. Thank you for your time.

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