

Small Business Sentiment Survey

June 2021



Ireland's entrepreneurs and small business owners are optimistic for summer 2021 and greater economic stability in the second half of the year.

55% of small business owners stated the business environment is improving compared to 35% in summer 2020. Small firms identified a slow recovery of the economy, ongoing COVID-19 restrictions and a rising regulatory burden, as the biggest risk factors for the remainder of 2021. Domestic economic growth continues to be the primary driver of business opportunities.

Business environment

Confidence amongst Ireland's small business owners saw a marked increase in summer 2021. 55% of SFA members believed that the business environment is improving compared with 35% in summer 2020.

Summer
2021

Declining
10%

Staying
the same
35%



Improving
55%

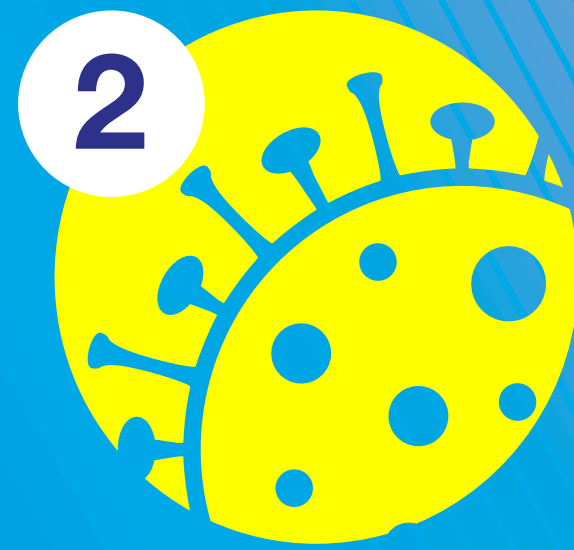
	Winter 2020	Summer 2020	Winter 2019
Improving	41%	35%	35%
Staying the same	37%	31%	48%
Declining	22%	33%	17%

Biggest risks

Small business owners identified slow economic growth, ongoing COVID-19 restrictions, and a rising regulatory burden, as a risk to themselves and all businesses over the next six months.



Domestic economic stagnation



Ongoing COVID-19 restrictions



Legislative/regulatory burden

	Winter 2020	Summer 2020	Winter 2019
1	Domestic economic stagnation	Ongoing COVID-19 restrictions	Brexit
2	Ongoing COVID-19 restrictions	Debt	Difficulties in attracting talent
3	Brexit	Business cost increases	Domestic economic stagnation

Biggest opportunities

Domestic economic growth continues to be the primary driver of business opportunities. Ireland's entrepreneurs continue to seek out new opportunities in growing sectors of the economy and investing in brand awareness.



1

Domestic economic growth



2

Specific sectoral opportunities



3

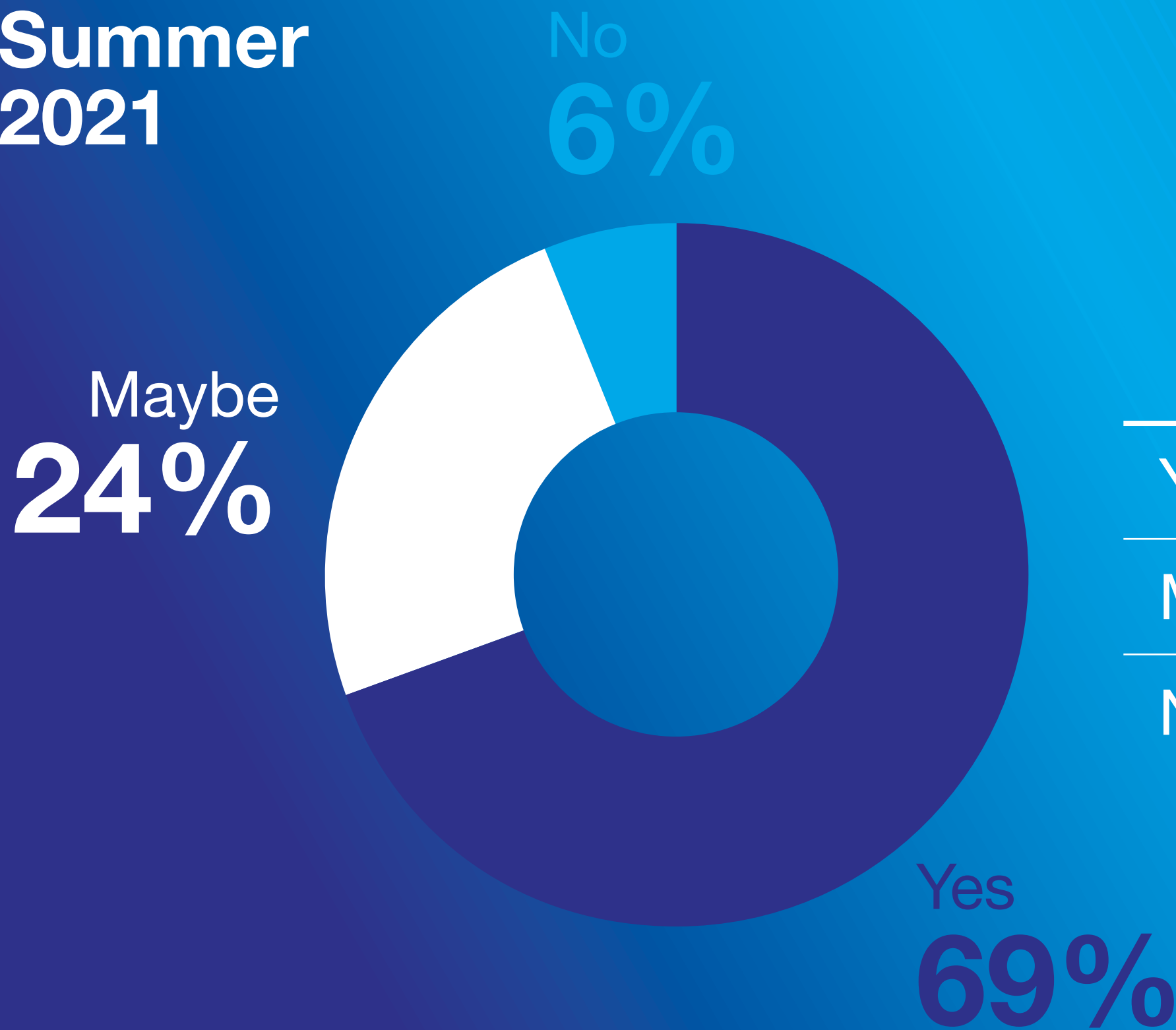
New marketing campaign

	Winter 2020	Summer 2020	Winter 2019
1	Domestic economic growth	Domestic economic growth	Domestic economic growth
2	Specific sectoral opportunities	Government/EU funding or contracts	New products
3	Exporting	New marketing campaign	New marketing campaign

Intention to invest

Investment intentions by small businesses rose from 62% in summer 2020 to 69% this summer. Areas of priority include business growth, brand development and IT.

Summer
2021



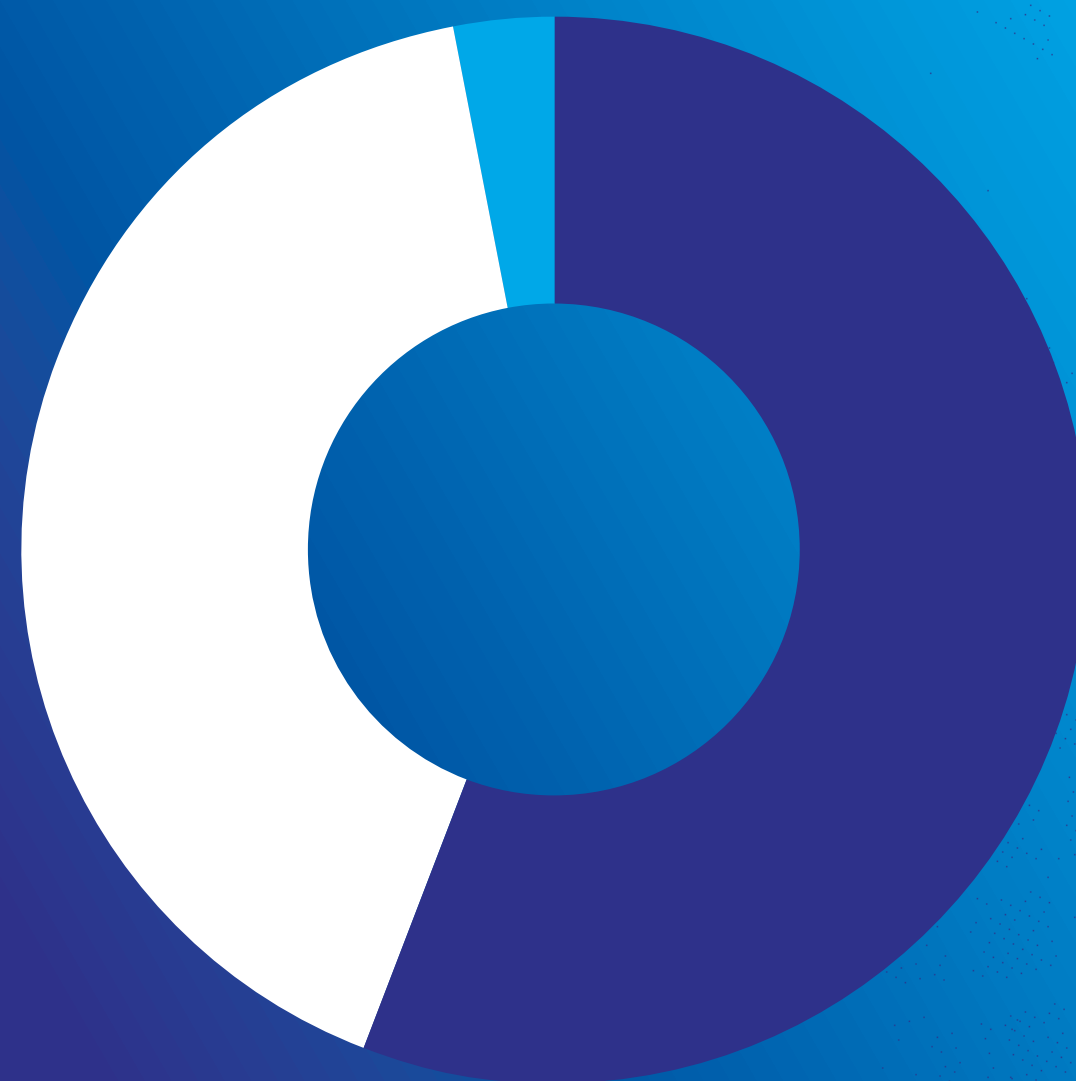
	Winter 2020	Summer 2020	Winter 2019
Yes	64%	62%	67%
Maybe	22%	21%	12%
No	14%	17%	21%

Intention re salary/wages

Where the performance of the business and the individual allows, survey respondents expect wage rates to increase over the coming months. COVID-19 restrictions in the first half of the year led to decreased working hours, the pausing or cancelling of planned recruitment and a temporary reduction in staff numbers.

Summer
2021

Staying
the same
41%



Decrease
3%

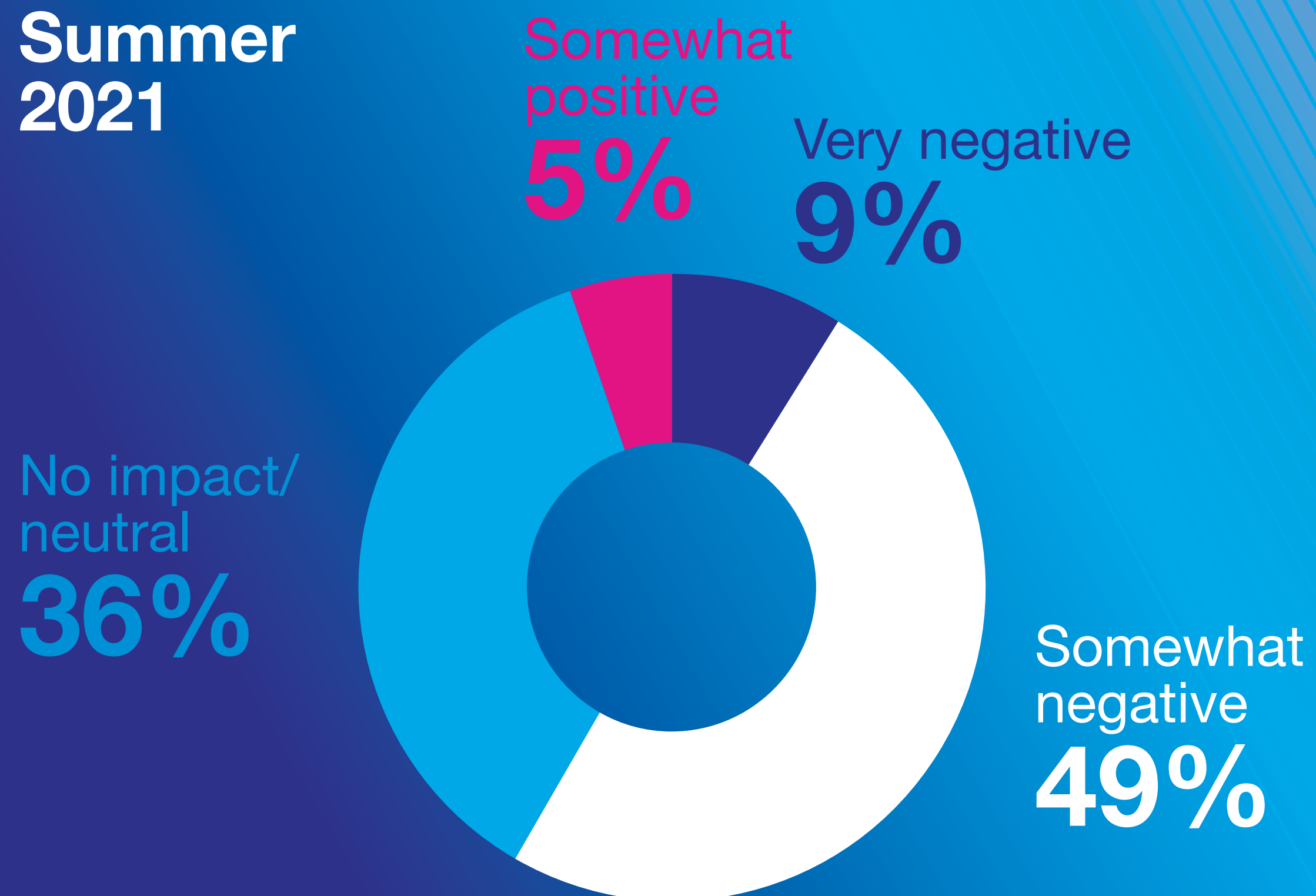
Increase
56%

	Summer 2020	Winter 2019	Summer 2019
Increase	22%	65%	67%
Staying the same	64%	34%	32%
Decrease	14%	1%	1%

Impact of Brexit

Small business owners reported being negatively impacted by the end of the transition period. Over half of participants experienced delays with moving goods to or from the UK since January 1st 2021.

Summer
2021



Intention to apply for credit

The number of small firms intending to apply for credit decreased from 64% in summer 2020 to 57% in summer 2021. Participants ranked improvements in access to finance, as the most important thing that Government could change to boost their business. With both Ulster Bank and KBC announcing their planned withdrawal from the Irish market, Government must act fast to improve competition in our banking market.

Summer 2021



	Winter 2020	Summer 2020	Winter 2019
Yes	51%	64%	62%
No	49%	36%	38%



The Small Firms Association's Business Sentiment Survey tracks key trends in the small business sector. It is based on responses provided by SFA member companies (less than 50 employees) across all sectors and in all parts of the country.

Contact us
Sven Spollen-Behrens, SFA Director
sven.spollen-behrens@sfa.ie