



Survey on the Access to Finance of Enterprises (SAFE)

ECON / SME Access to Finance Working Group

22 March 2023

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European Commission*

Survey on the Access to Finance of Enterprises (SAFE)

2022 edition: executive summary

Joint effort of Commission and European Central Bank since 2008

- Annual covering EU countries
- More than 15,000 sampled businesses, 91% of which are SMEs
- Interviews carried out from September to October 2022

2022 results: tighter financing conditions due to general economic downturn

90%



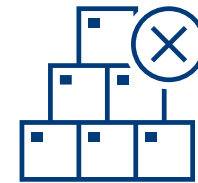
Reported increased costs for materials and energy

66%



Experienced increased interest rates

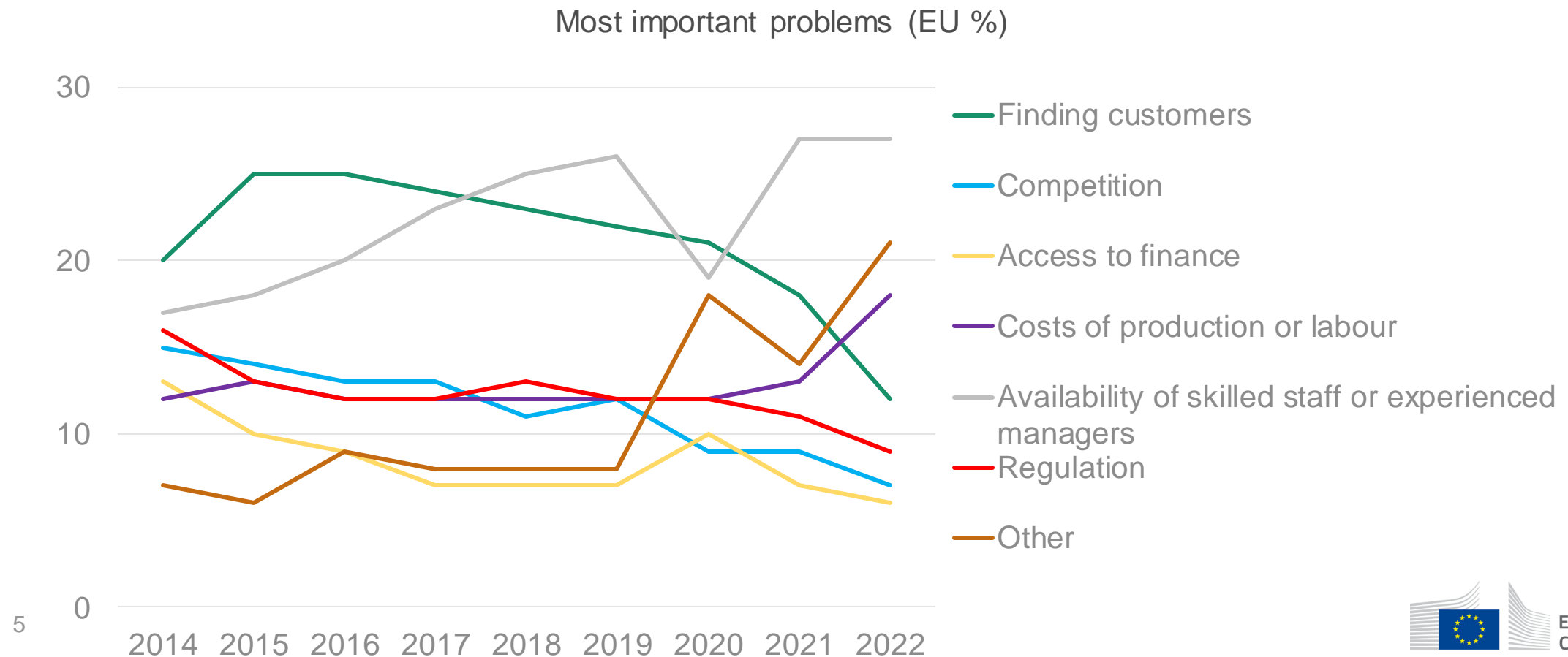
20%



Faced tighter collateral requirements from banks

Skilled staff, costs and finding customers are the most important problems

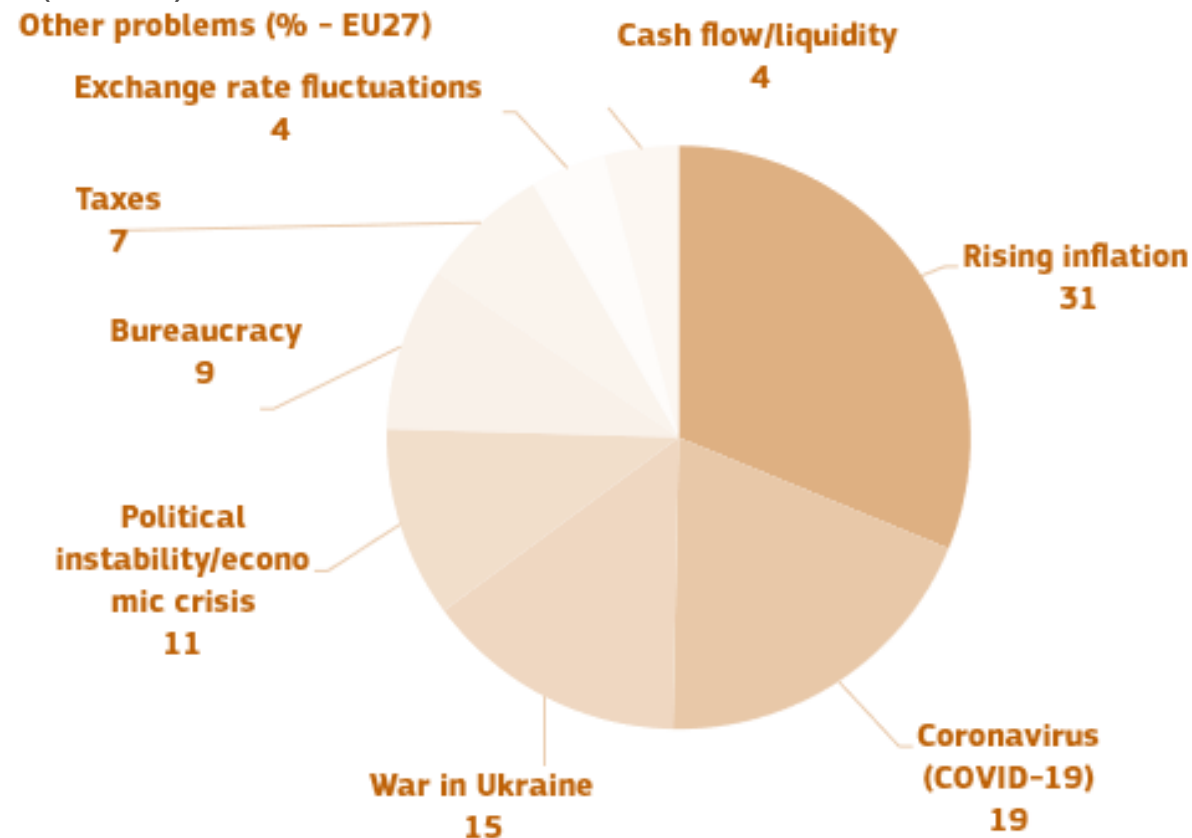
Question: *How important have the following problems been for your enterprise in the past six months? Please answer on a scale of 1-10, where 1 means not it is not at all important and 10 means it is extremely important. Share of firms ranking each problem as the most important one for them*



And rising inflation is the top other most important problem

Question: *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 not it is not at all important and 10 means it is extremely important. Share of firms ranking each problem as the most important one for them*

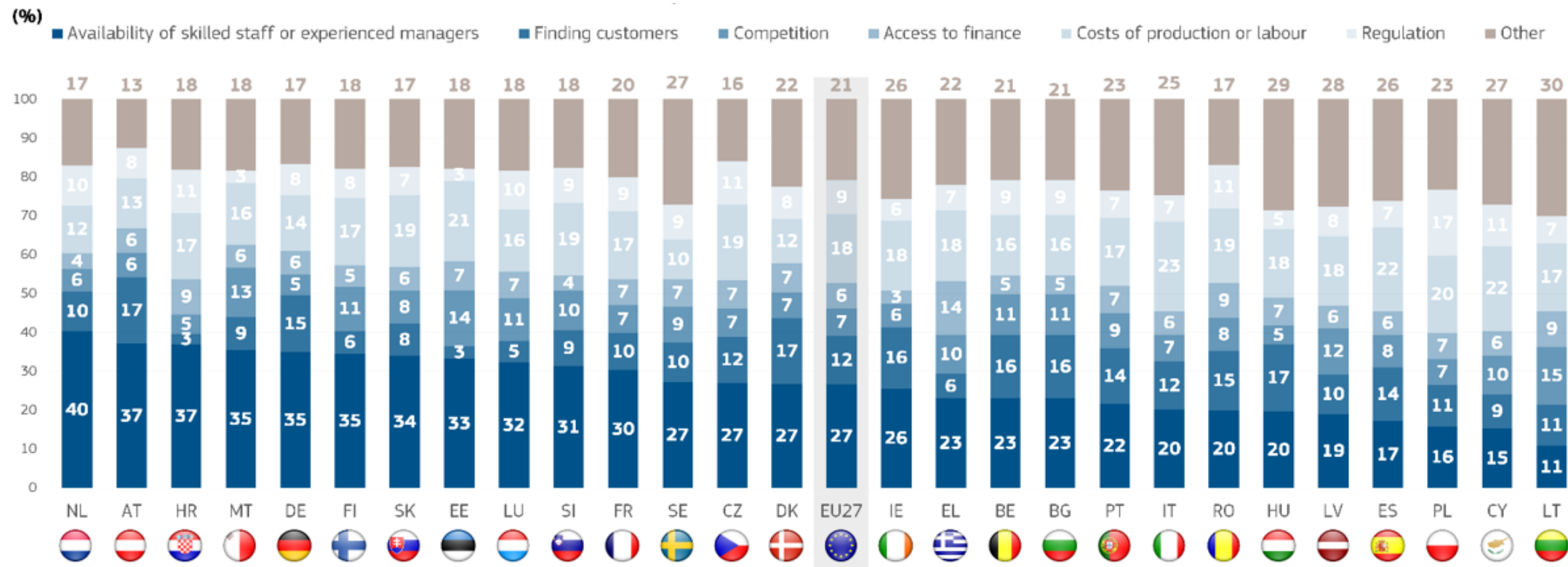
Other most important problems (EU %)



Most important problem varies across countries

Question: *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 not at all important and 10 means it is extremely important. Share of firms ranking each problem as the most important one for them*

Most important problems (EU %)

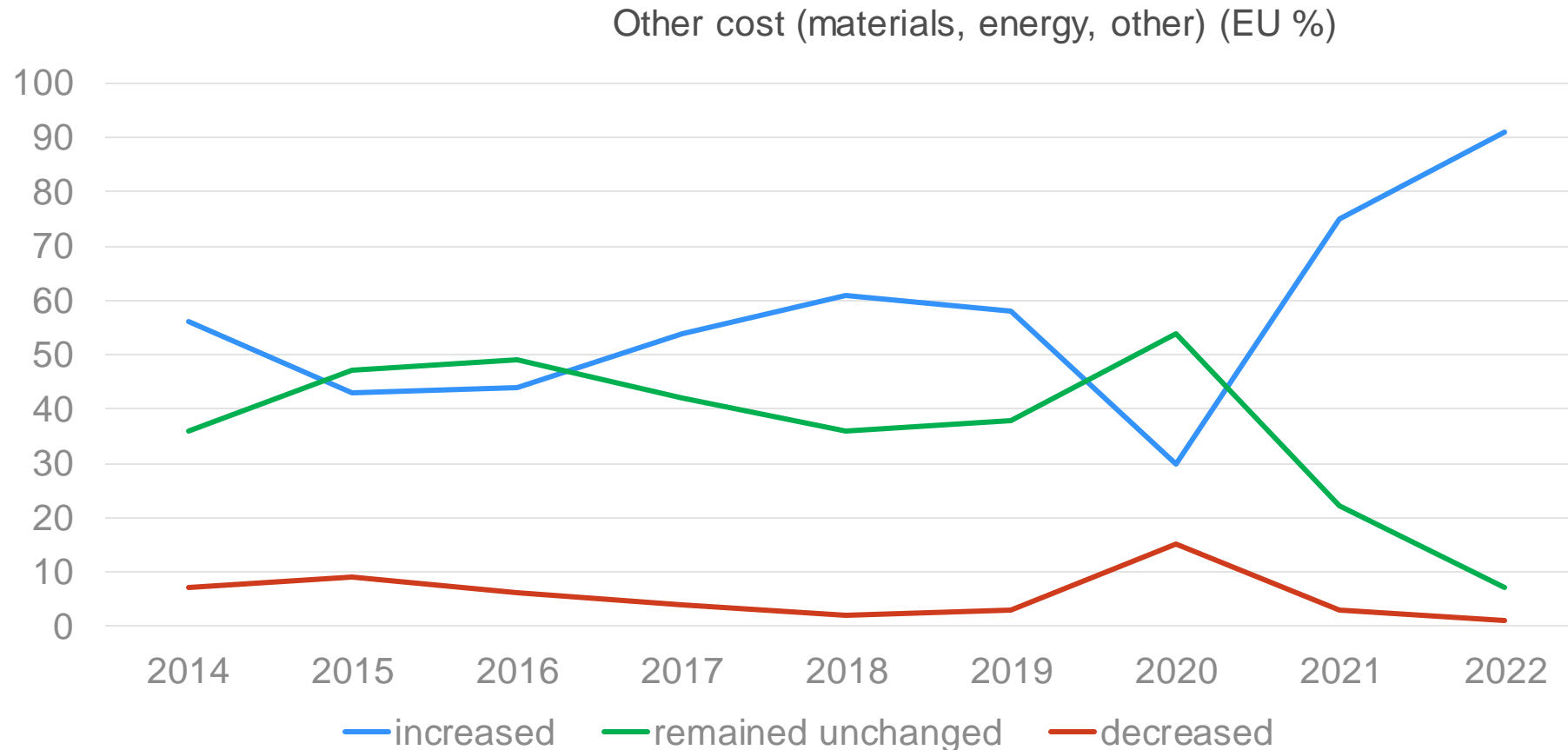


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2022 results: the financial state of enterprises is affected by various crises

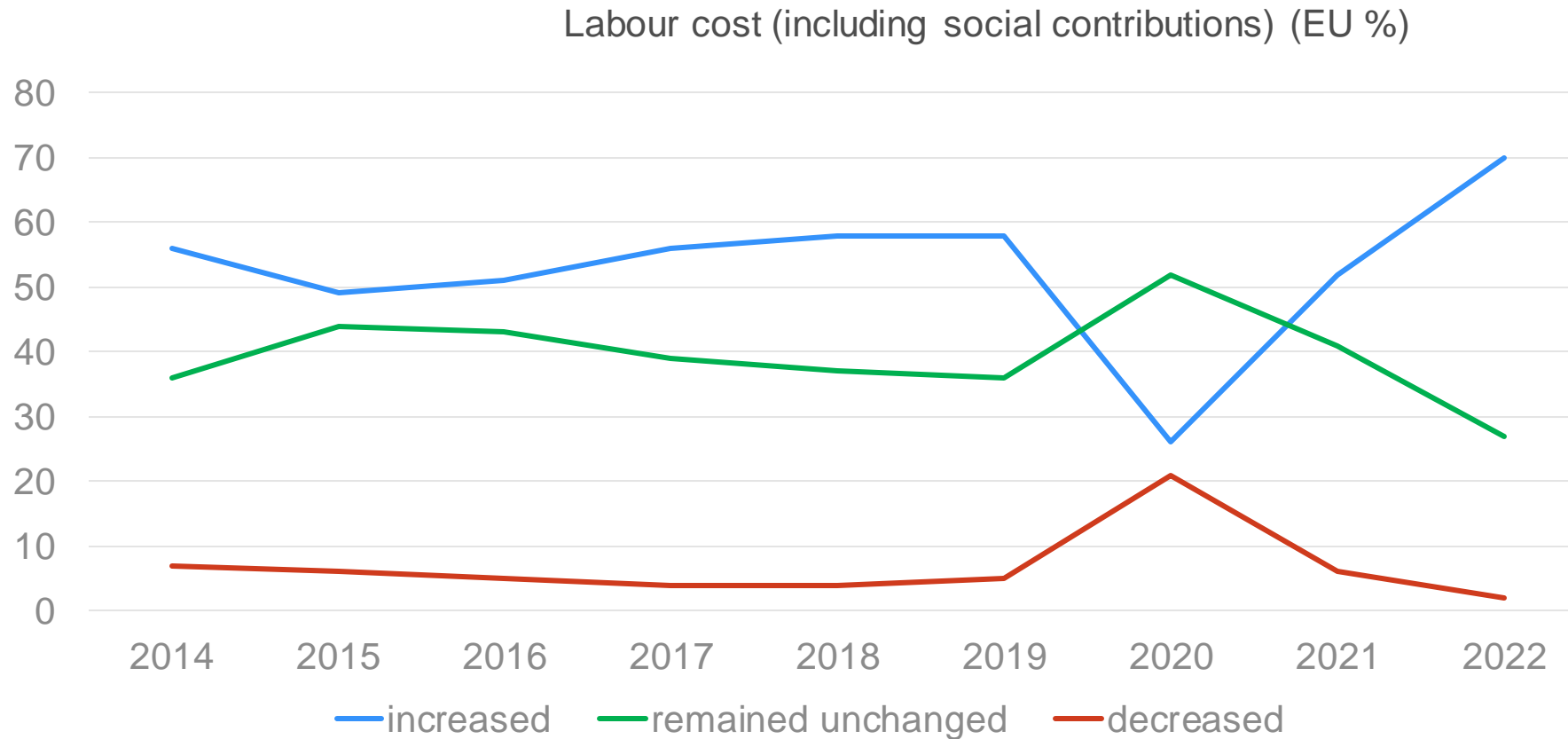
Almost all SMEs report an increase in costs for materials and energy

Question: *Have the following company indicators decreased, remained unchanged or increased over the past 6 months?*



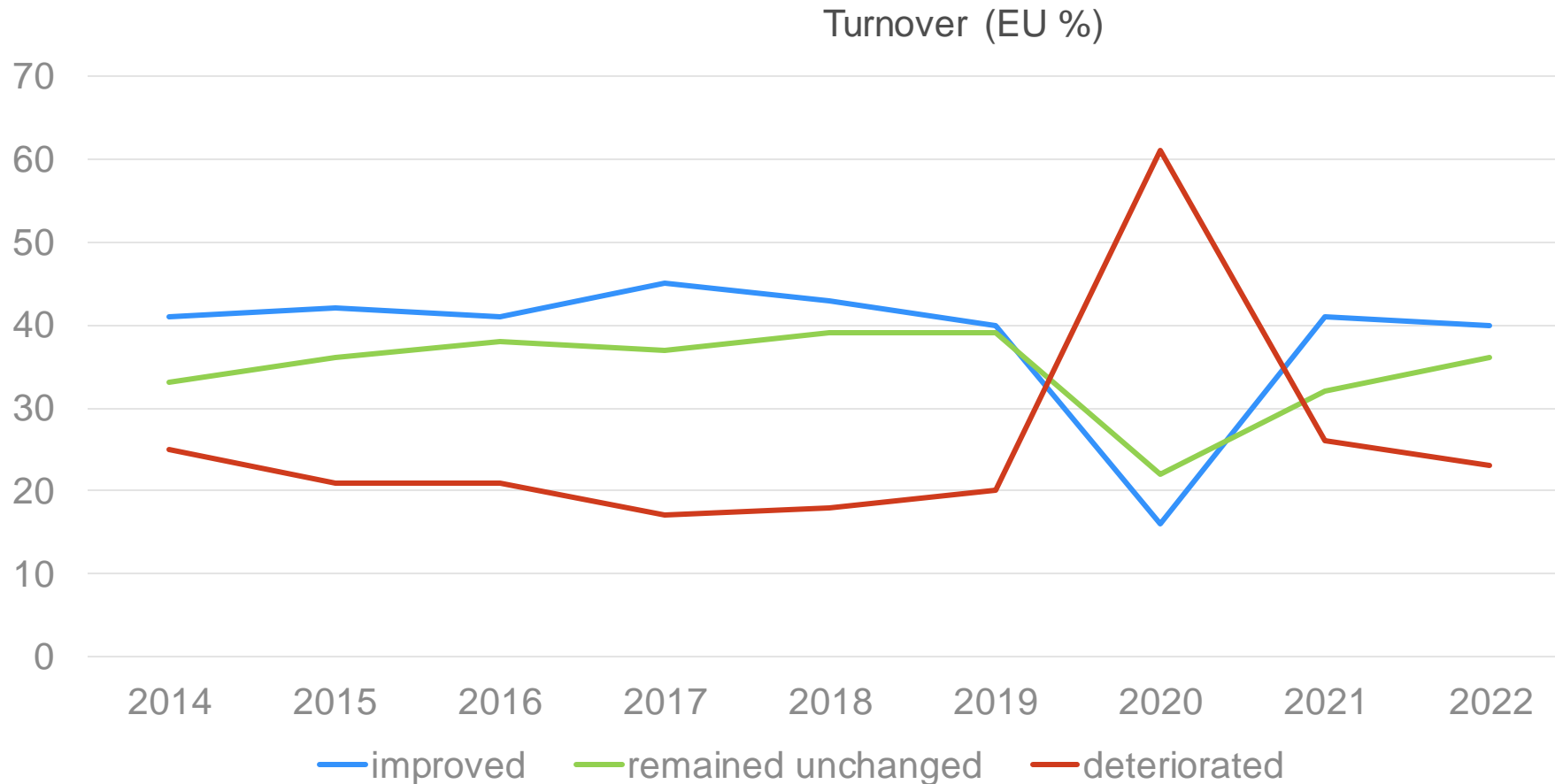
Increased labour costs are also reported

Question: *Have the following company indicators decreased, remained unchanged or increased over the past 6 months?*



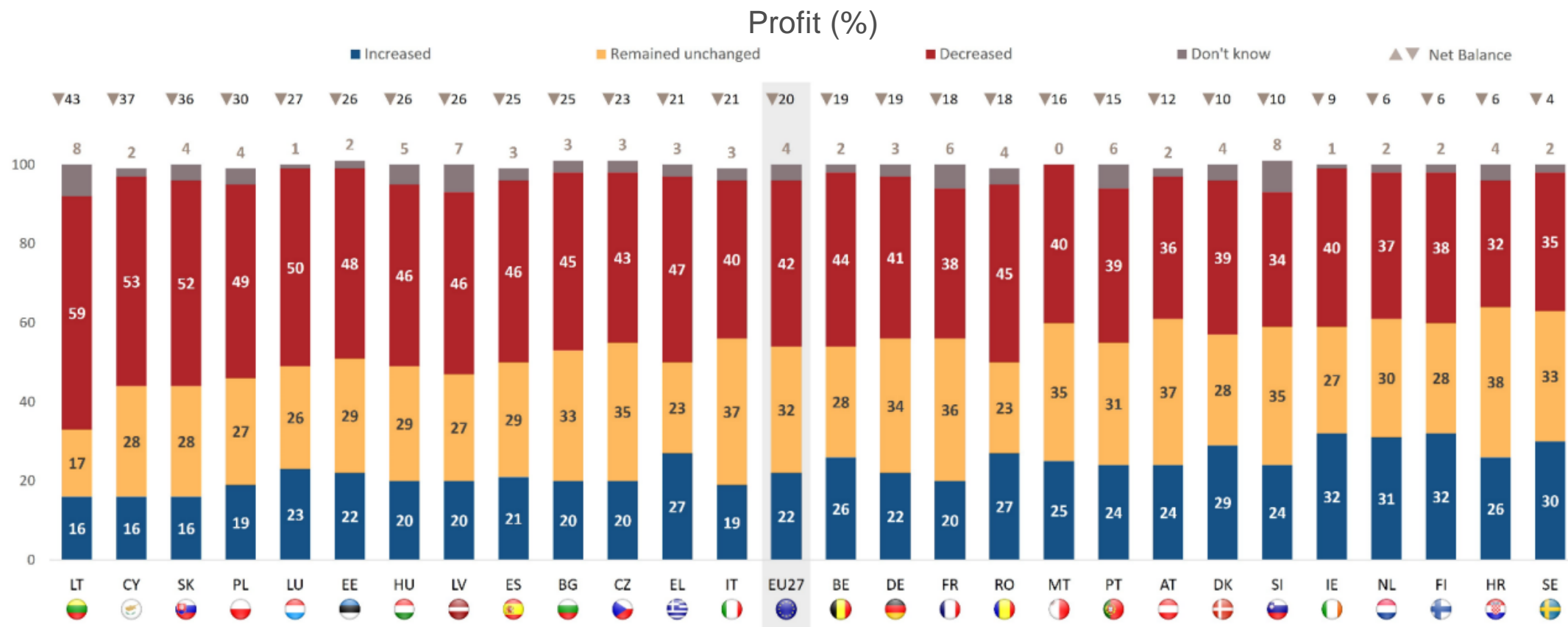
On a net basis, more companies report an increase in turnover

Question: *Have the following company indicators decreased, remained unchanged or increased over the past 6 months?*



Increased costs lead to low profits

Question: *Have the following company indicators decreased, remained unchanged or increased over the past 6 months?*

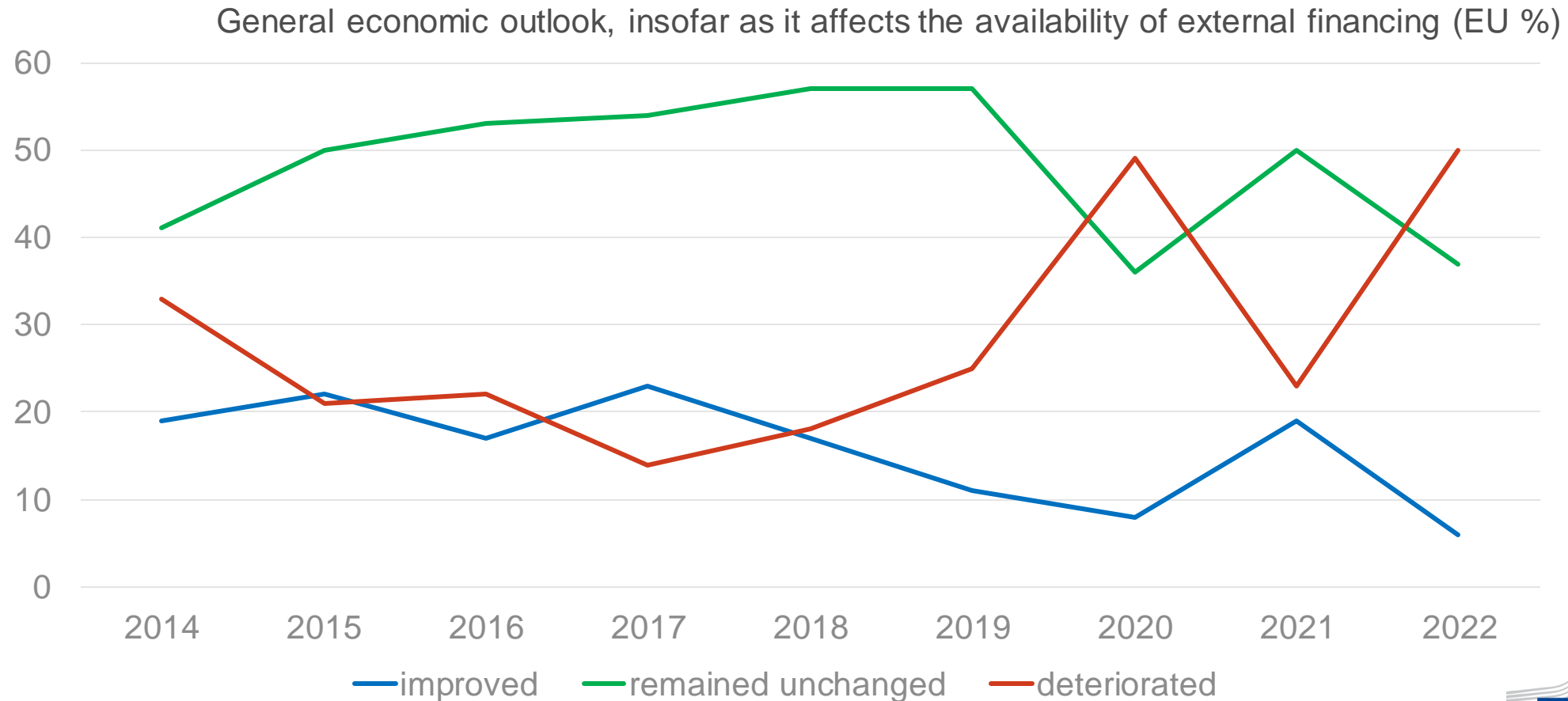


Survey on the Access to Finance of Enterprises (SAFE)

2022 edition: pessimism on general economic outlook grows among companies

50% think that the general economic outlook deteriorated, and it will affect their availability of external financing

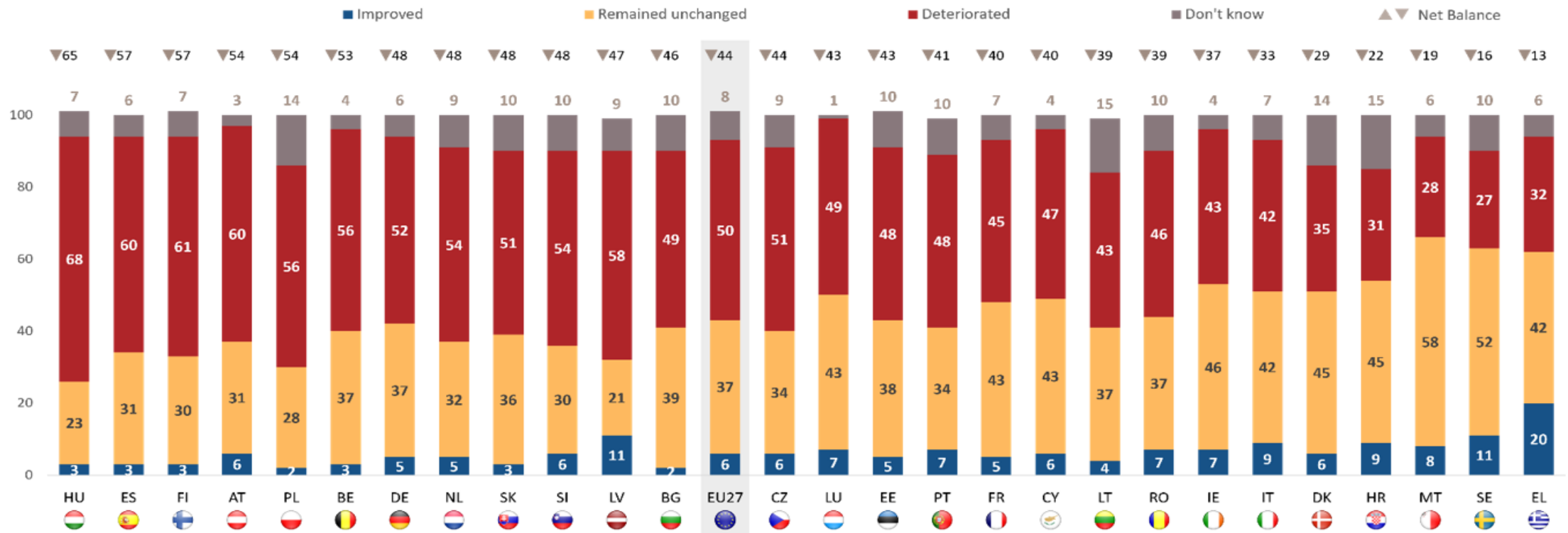
Question: *For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past 6 months?*



Hungary, Spain, Finland and Austria appear the most affected

Question: *For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past 6 months?*

General economic outlook, insofar as it affects the availability of external financing (%)



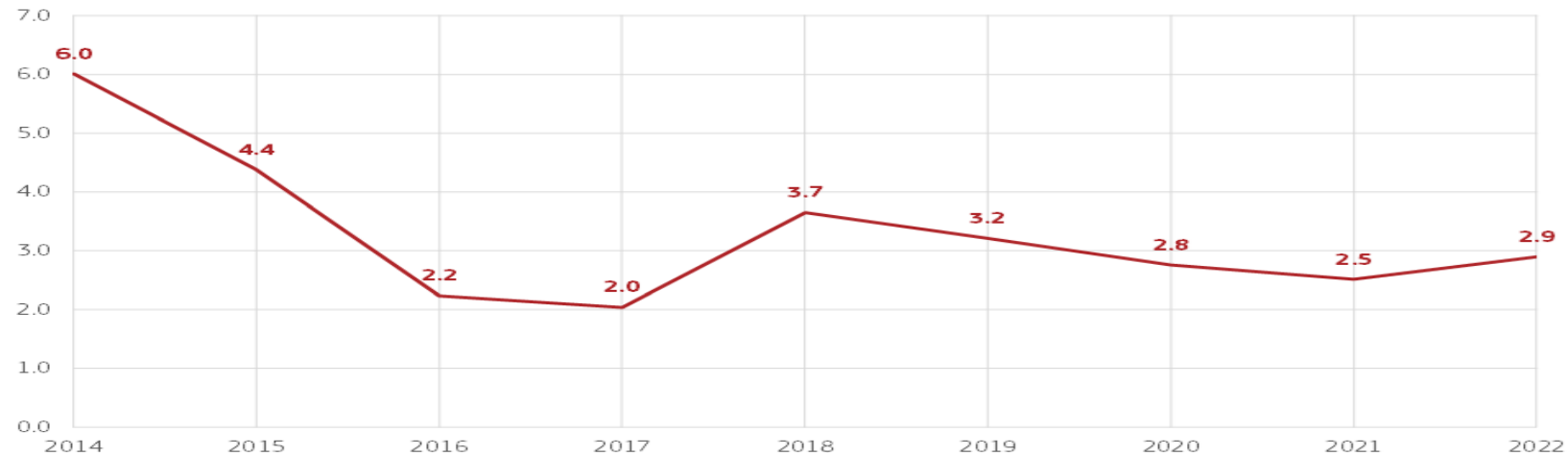
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2022 edition: credit conditions became tighter

Over the past 5 years, interest rates fluctuated slightly

Question: *What interest rate was charged for the credit line or bank overdraft for which you applied?*

Mean (EU %)

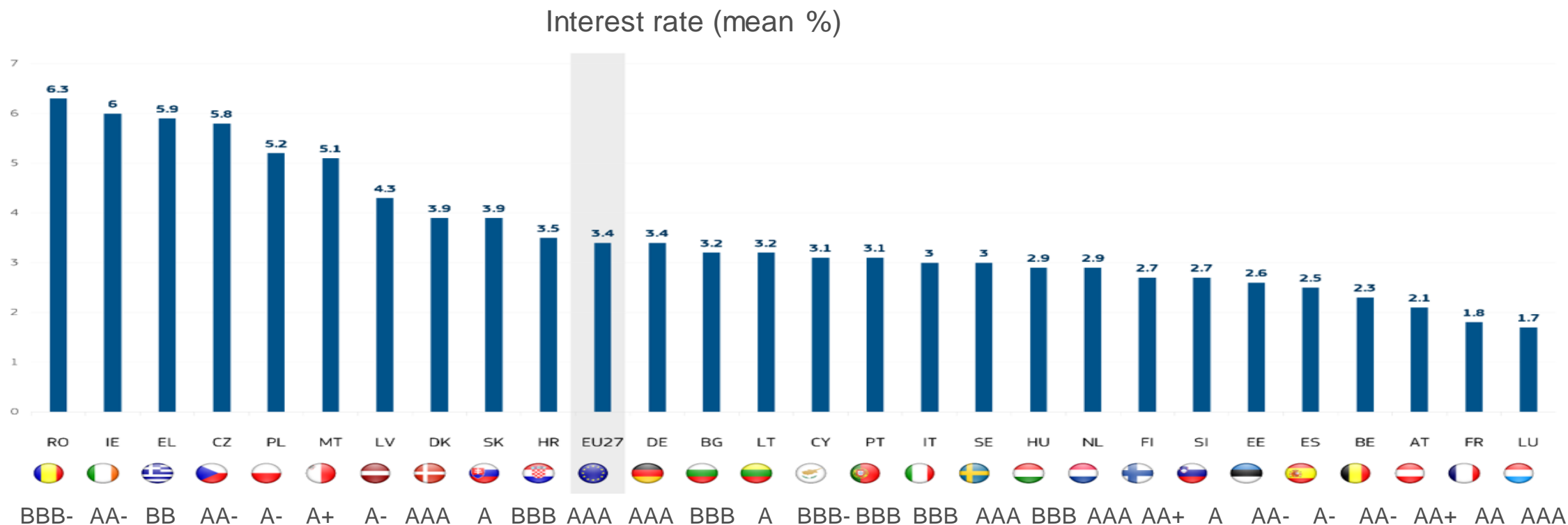


Key ECB interest rate: deposit facility (%)



The EU average interest rate masks significant differences across countries

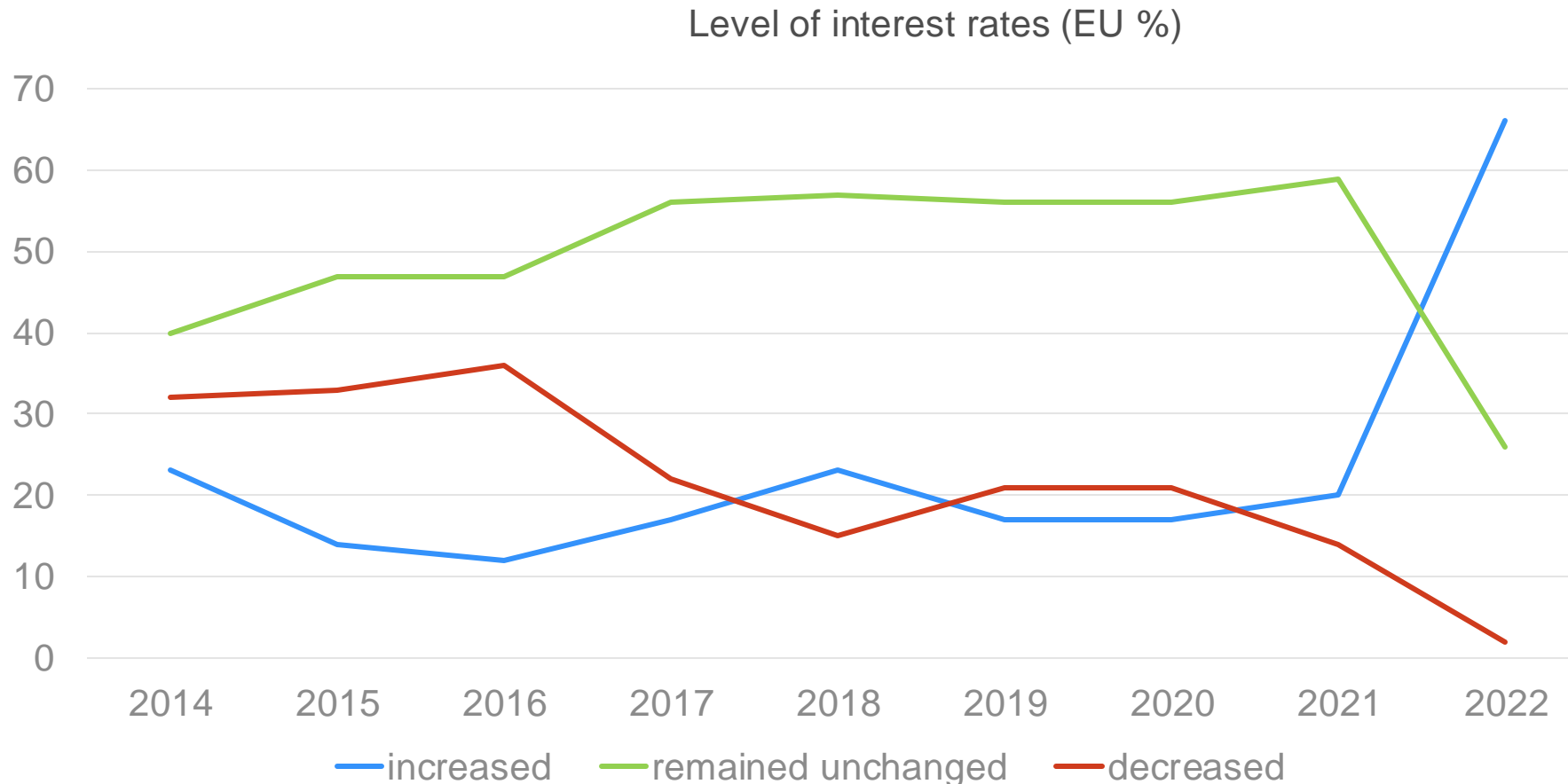
Question: *What interest rate was charged for the credit line or bank overdraft for which you applied?*



<https://thebanks.eu/compare-countries-by-credit-rating>

Almost 70% of companies reported an increase in interest rates

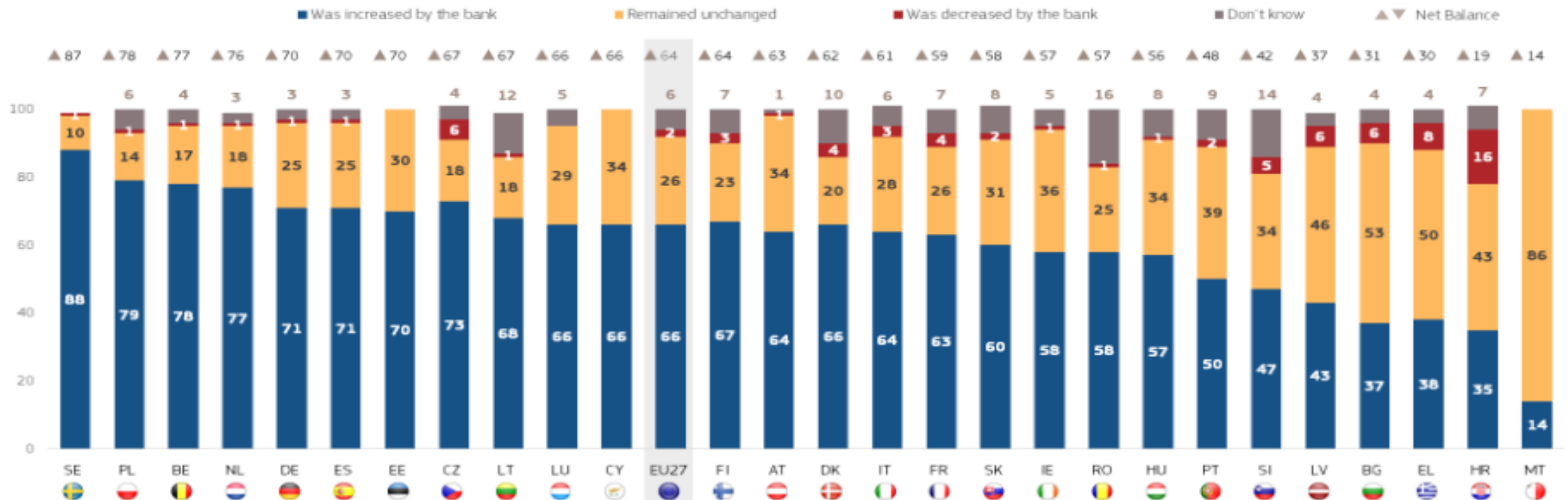
Question: *Please indicate whether the following items increased, remained unchanged or decreased in the past 6 months?*



Reported interest rate increases vary significantly between countries

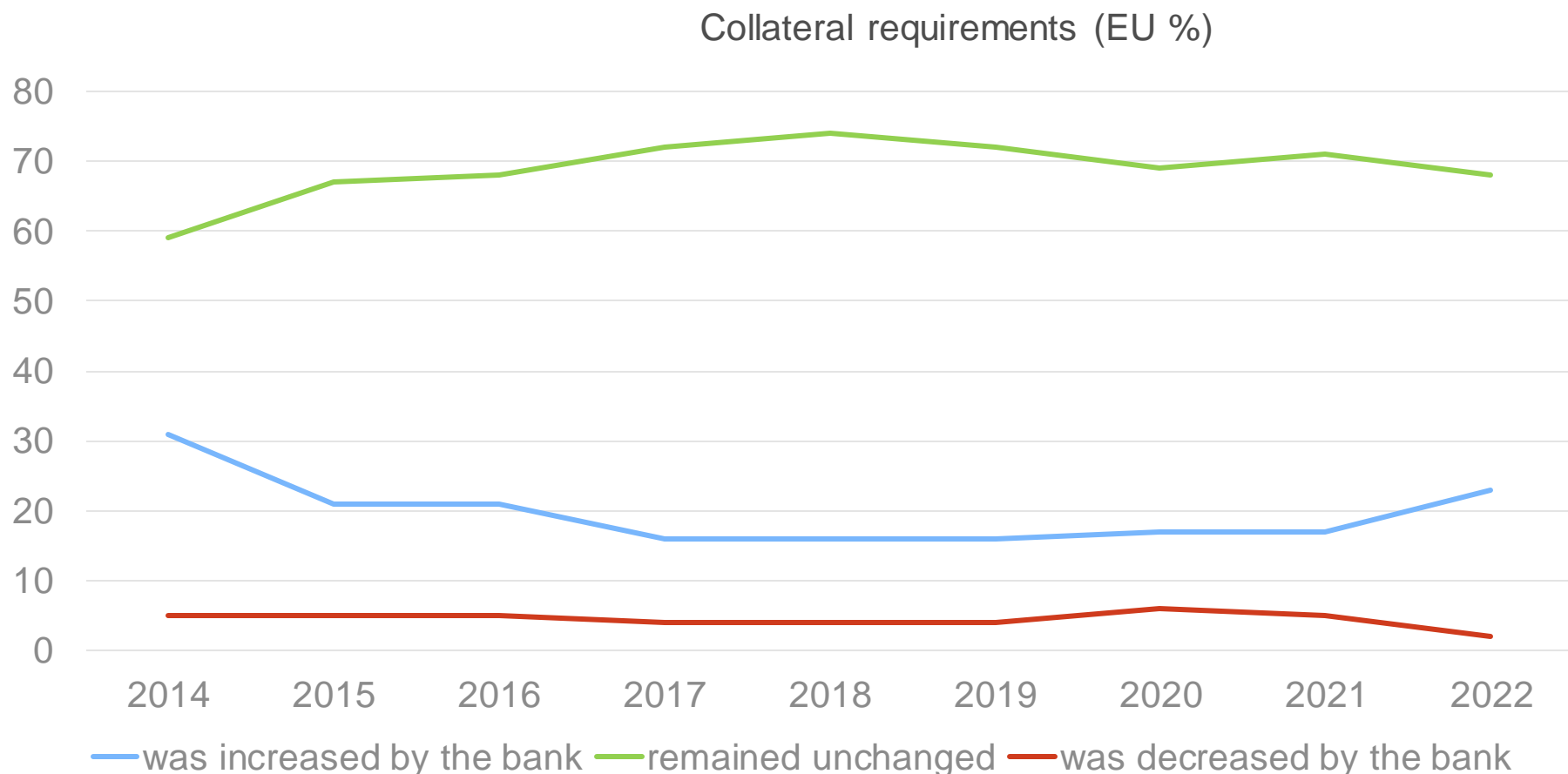
Question: *Please indicate whether the following items increased, remained unchanged or decreased in the past 6 months?*

Level of interest rates (EU %)



Collateral requirements on a net basis are increasing

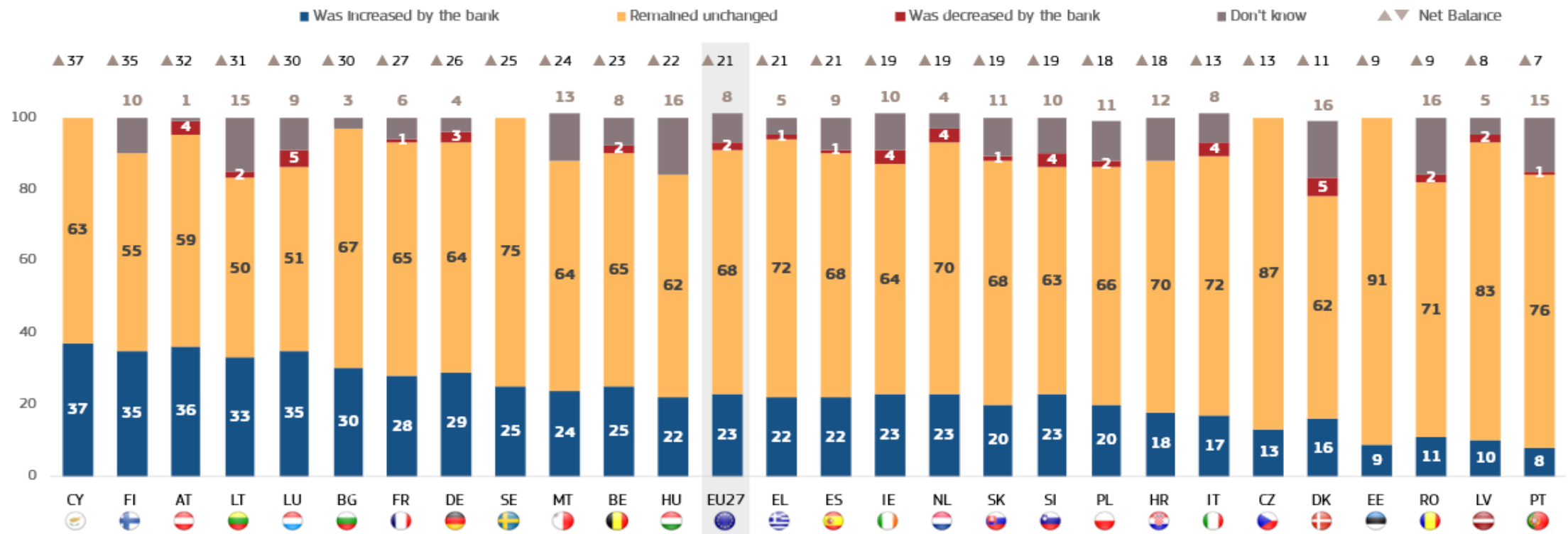
Question: *Please indicate whether the following items increased, remained unchanged or decreased in the past 6 months?*



On average, net increases were reported in all member States

Question: *Please indicate whether the following items increased, remained unchanged or decreased in the past 6 months?*

Collateral requirements (%)

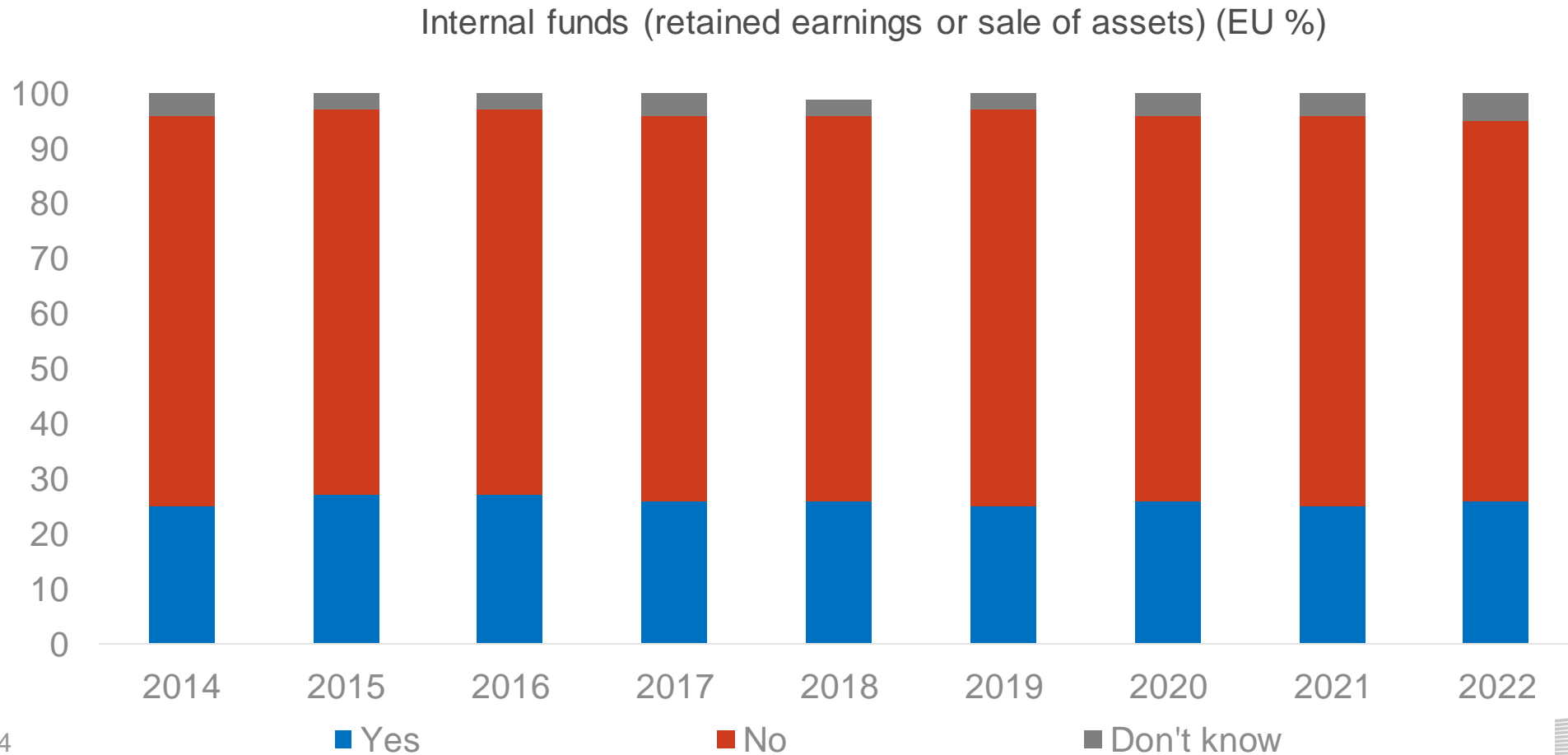


Survey on the Access to Finance of Enterprises (SAFE)

2022 edition: debt financing continues to be the main source of financing

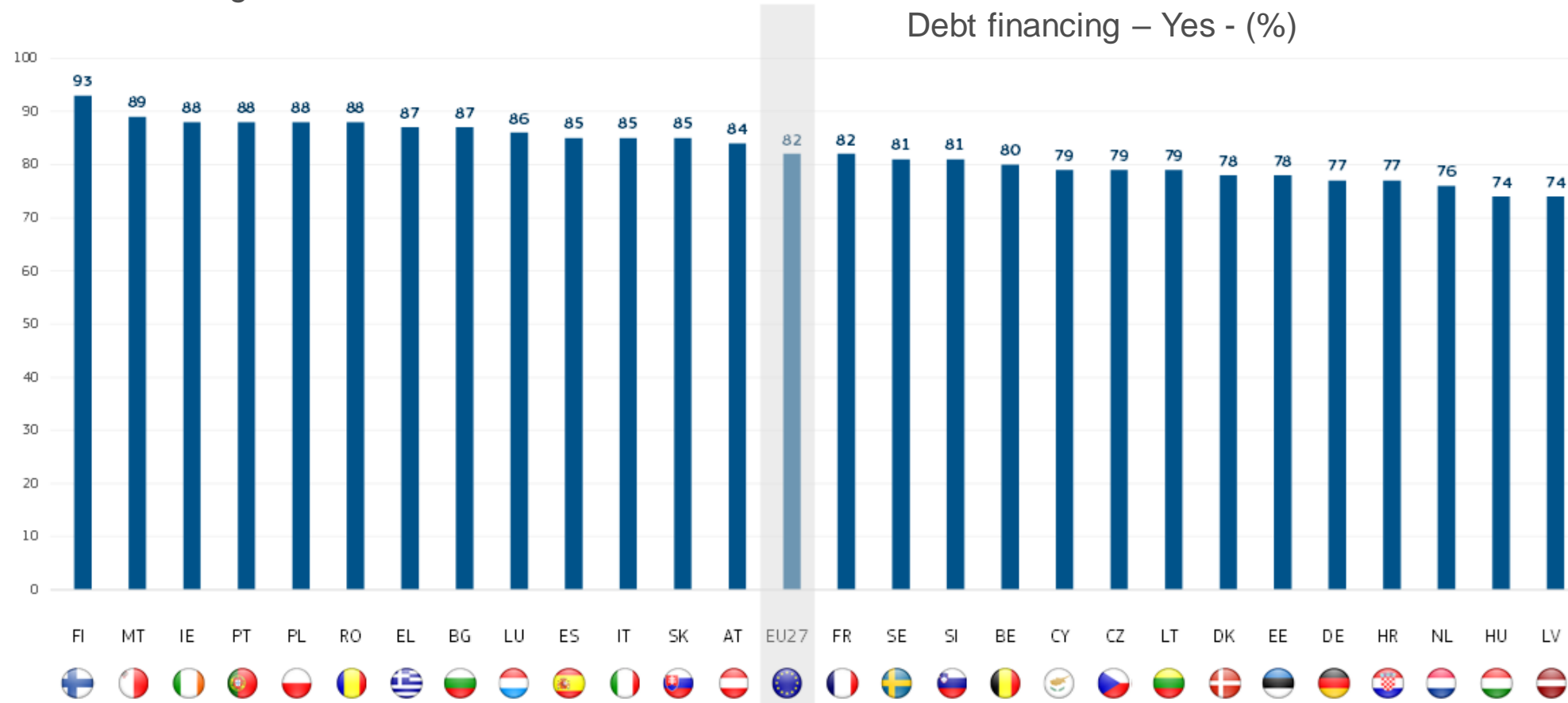
69% of SMEs say external financing is a relevant source of financing

Question: *Are the following sources of financing relevant to your firm, that is, have you used them in the past or considered using them in the future?*



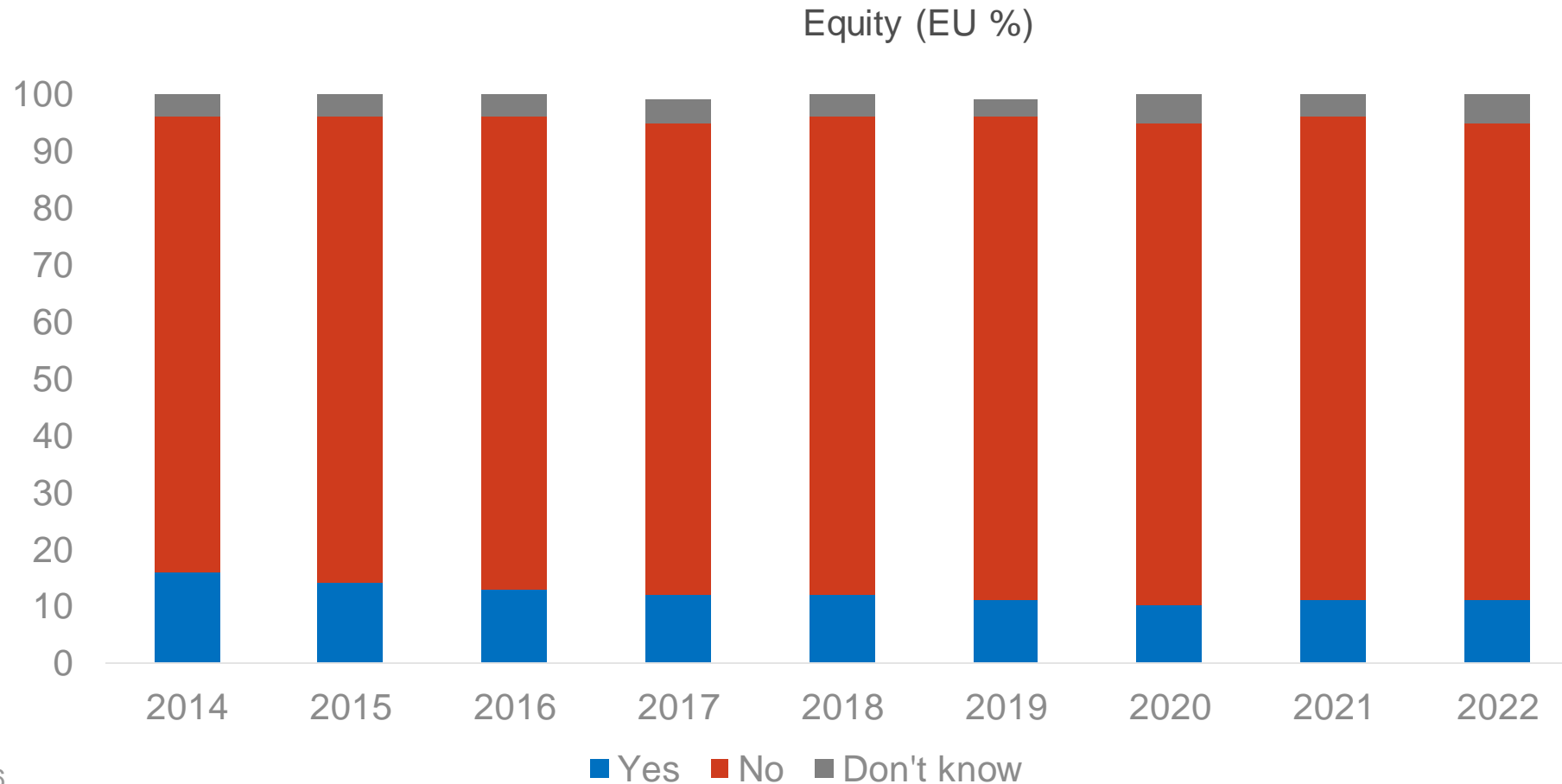
On average, more than 80% of SMEs deem debt finance the most relevant external funding source

Question: *Are the following sources of financing relevant to your firm, that is, have you used them in the past or considered using them in the future?*



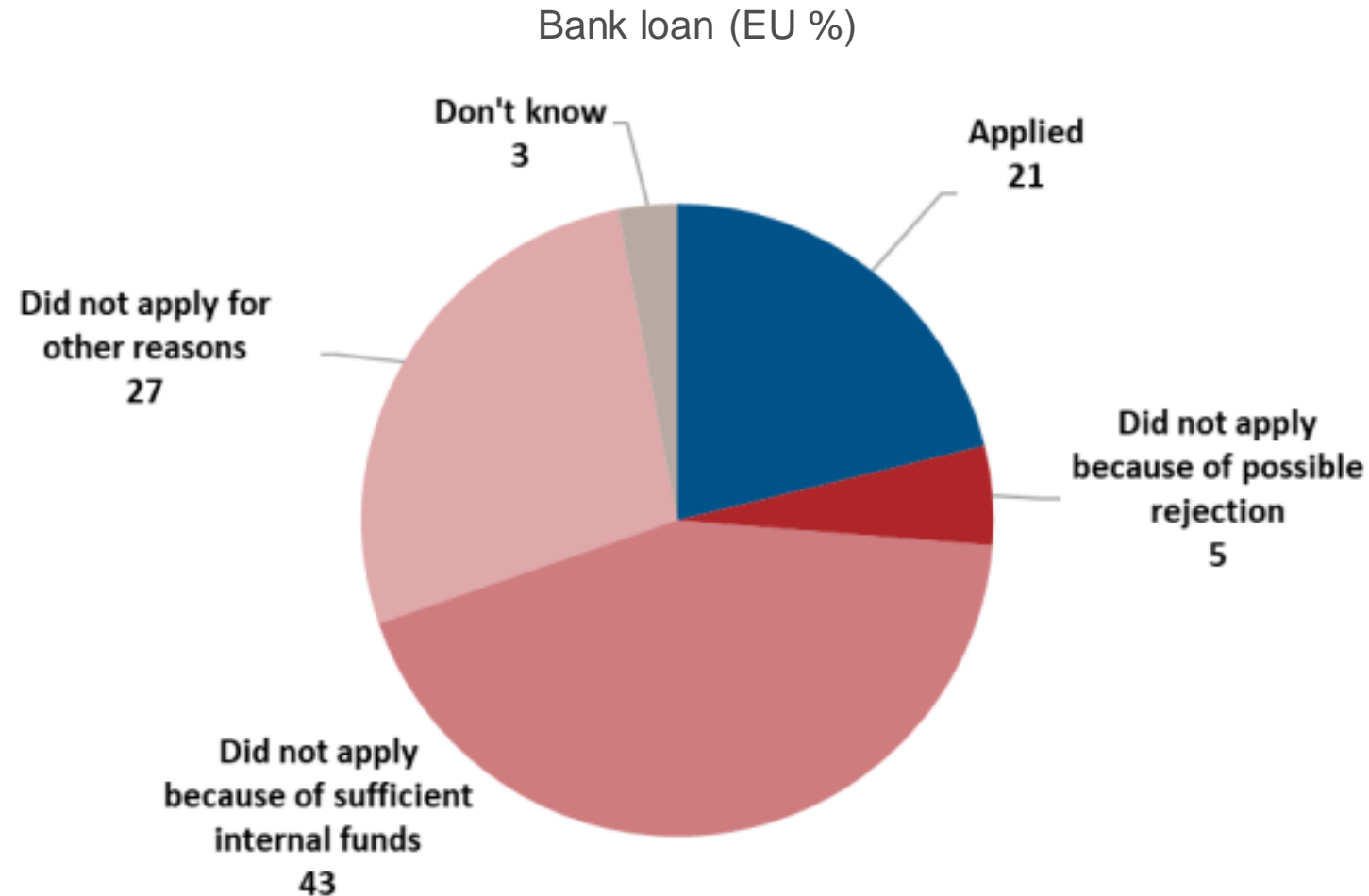
Only 11% deem equity finance relevant

Question: *Are the following sources of financing relevant to your firm, that is, have you used them in the past or considered using them in the future?*



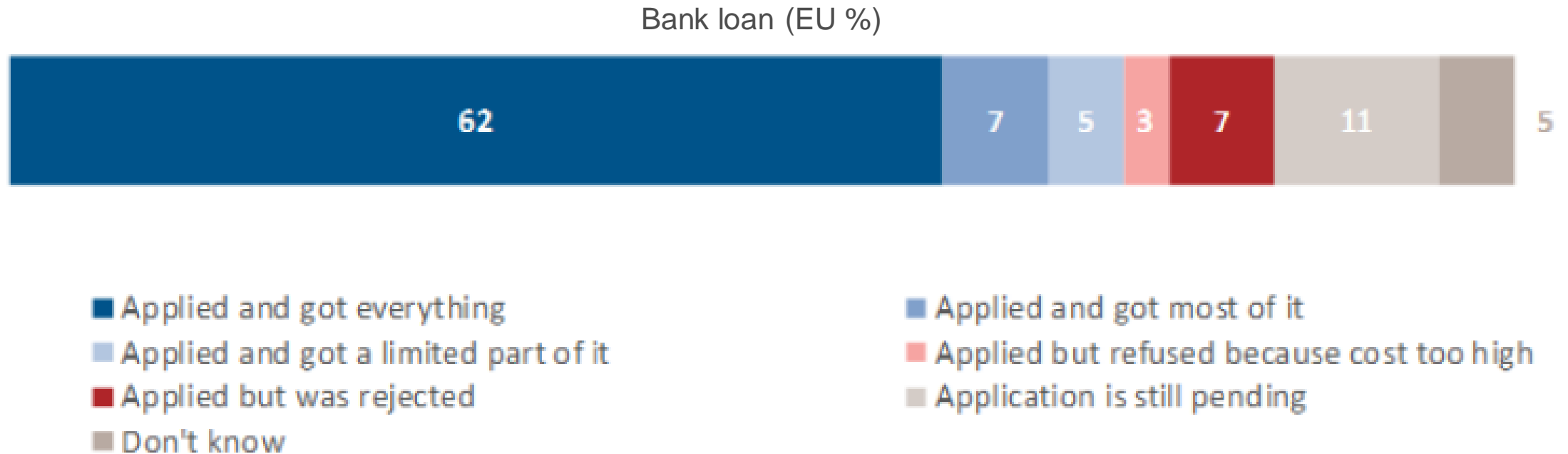
While over 50% do need external finance, 32% did not apply for a bank loan

Question: *Have you applied for the following types of financing in the past 6 months?*



10% did not get the bank loan after applying for it or deemed it too expensive for their business

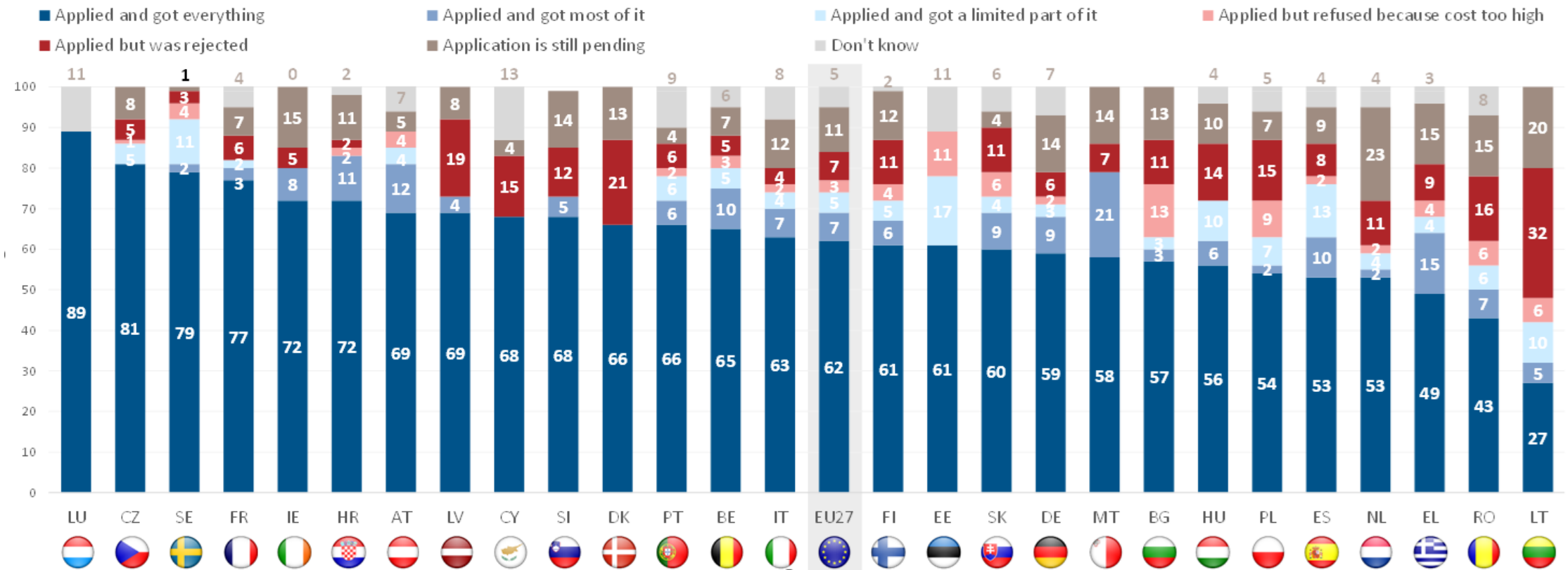
Question: *If you applied and tried to negotiate for this type of financing over the past 6 months, what was the outcome?*



Lithuania, Denmark, Latvia and Romania have the highest rejection rates on loan applications

Question: *If you applied and tried to negotiate for this type of financing over the past 6 months, what was the outcome?*

Bank loan - Applied but was rejected (%)

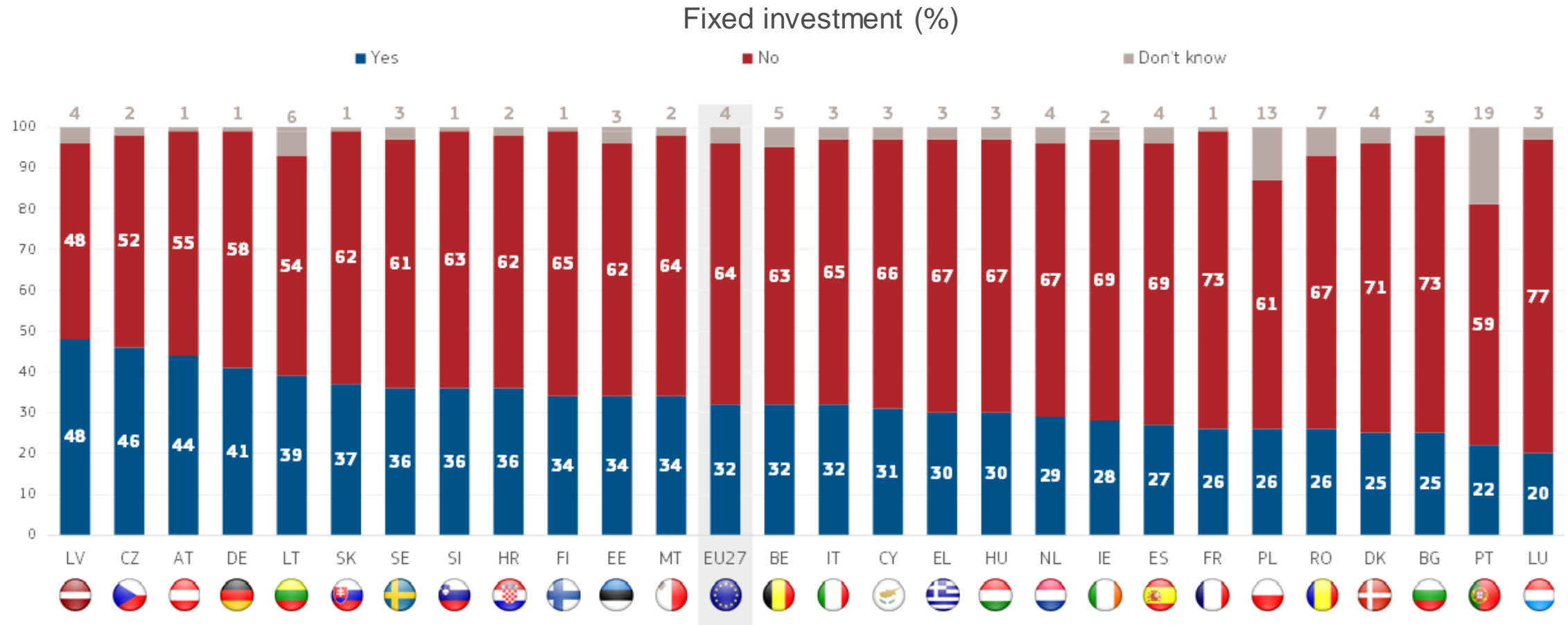


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2022 edition: working capital is the main destination of the financial support

2/3 of SMEs use external financing for working capital and only 1/3 for fixed investments

Question: *For what purpose was external financing used by your enterprise during the past 6 months?*



Larger companies use external finance predominantly for investments

Question: *For what purpose was external financing used by your enterprise during the past 6 months?*

Fixed investment (EU %)

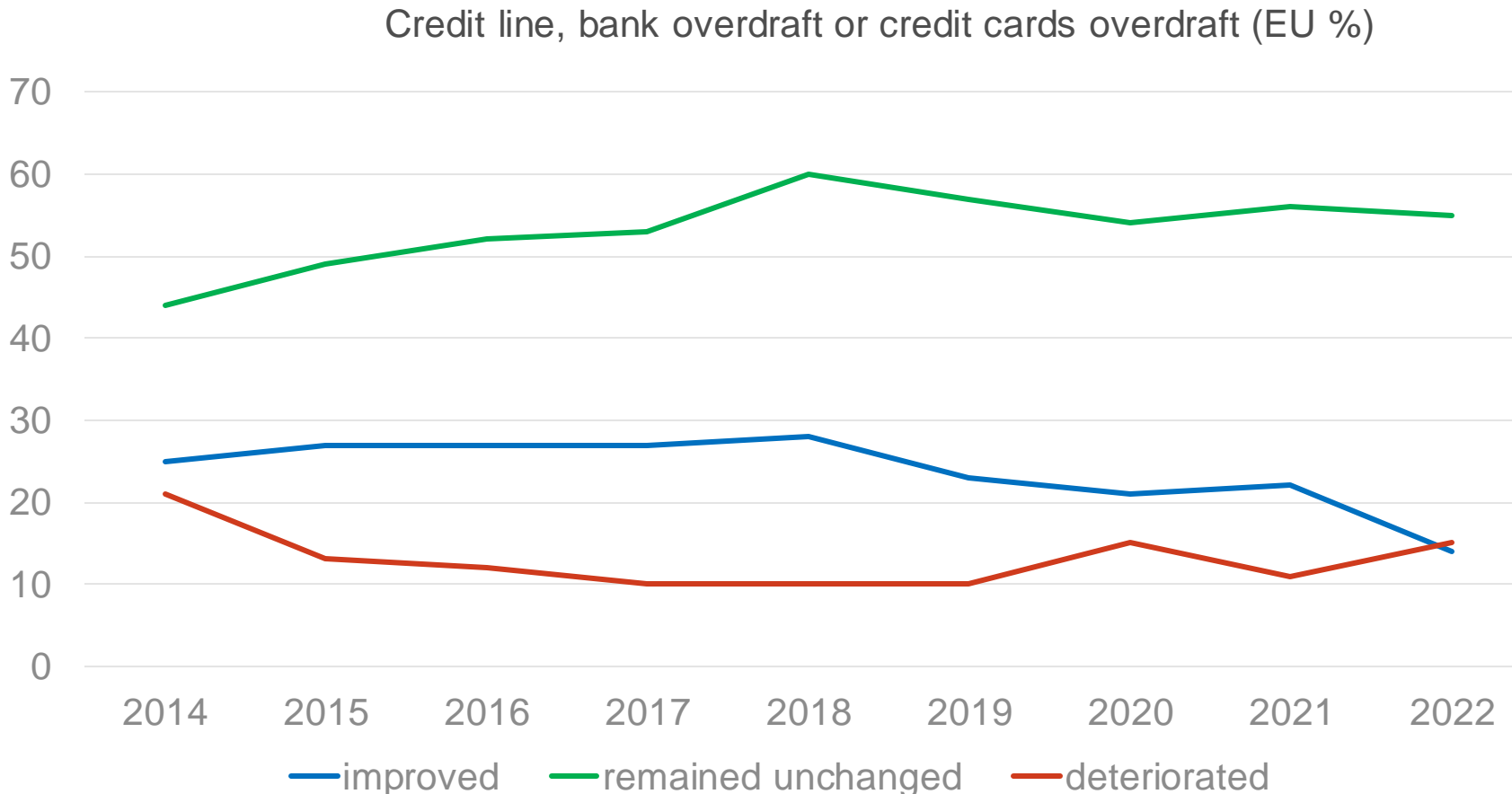
	Yes	No
EU27	32	64
Size: employees		
1--9	23	72
10--49	36	61
50--249	45	52
250+	56	41

Survey on the Access to Finance of Enterprises (SAFE)

2022 edition: pessimism regarding future bank lending

Companies are starting to experience deteriorating financing conditions

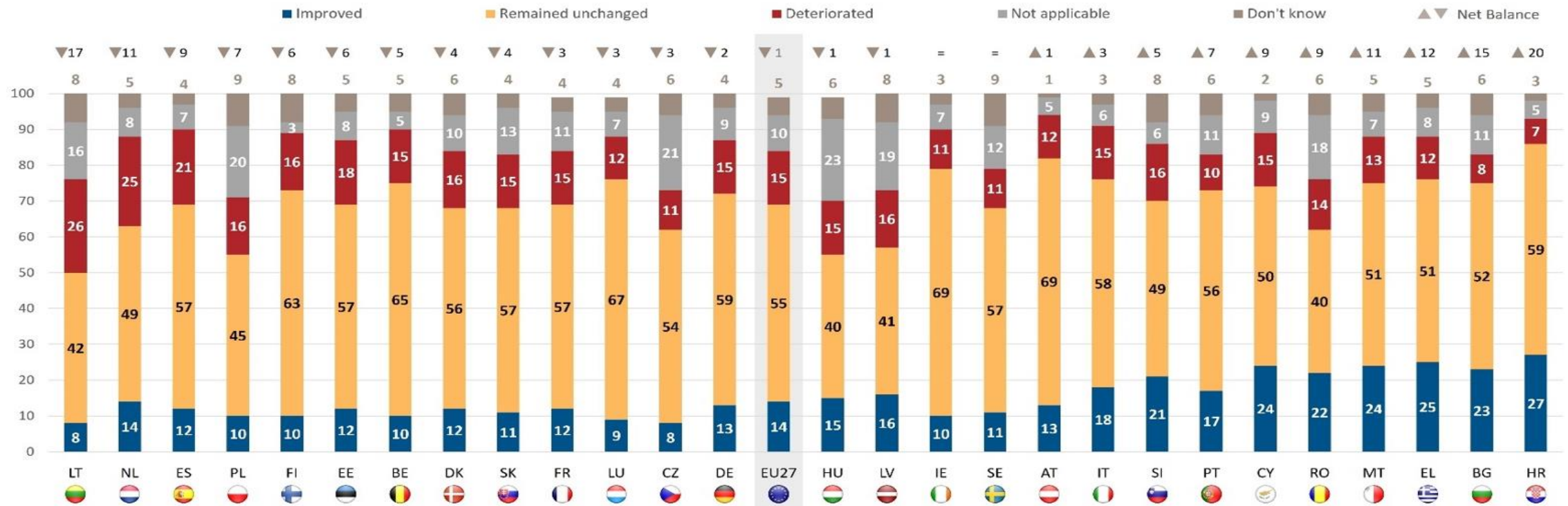
Question: *For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past 6 months?*



Croatia, Bulgaria, Greece and Malta score best in improved bank willingness to lend

Question: *For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past 6 months?*

Willingness of banks to provide credit to your enterprise (%)

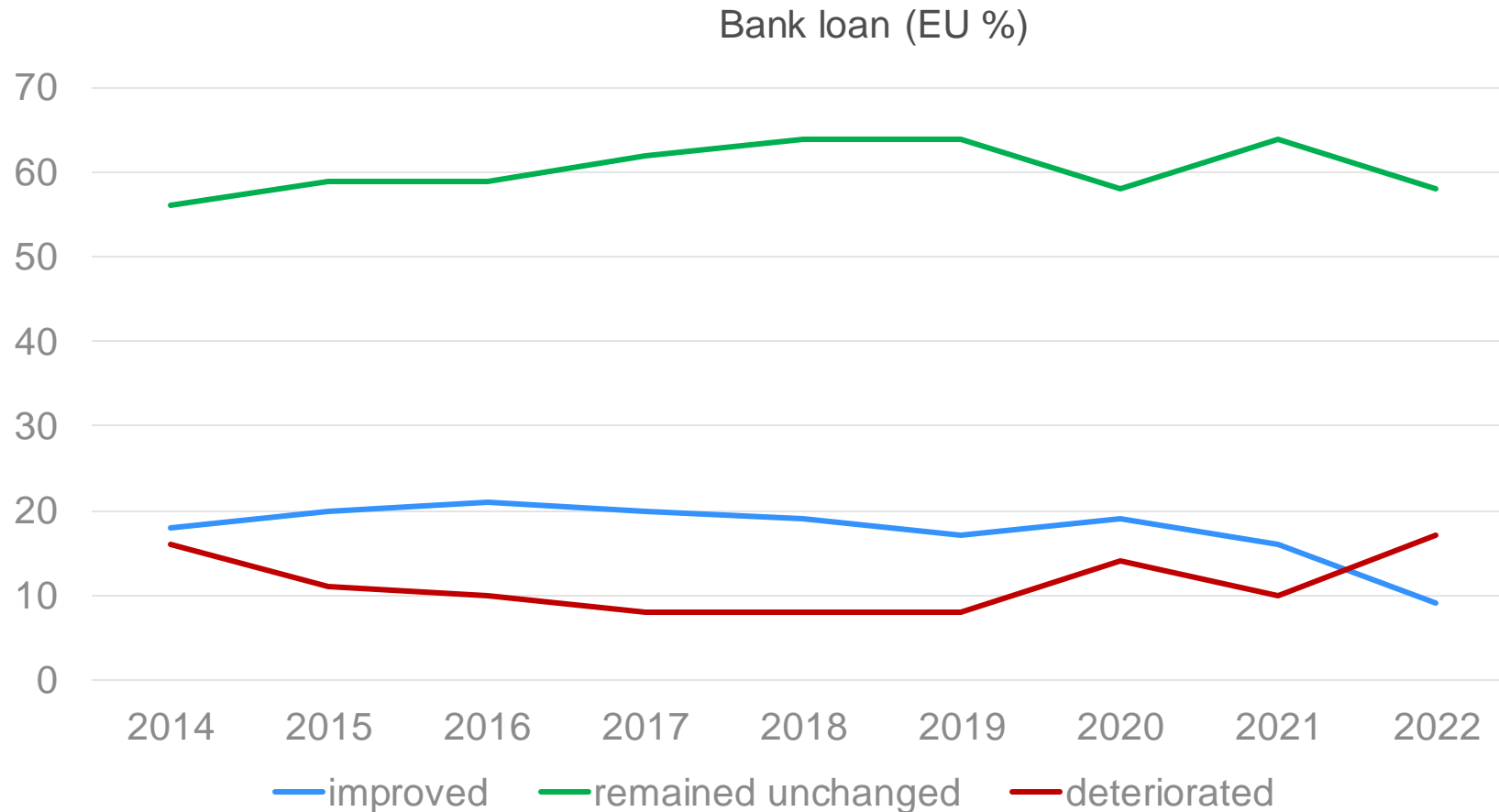


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2022 edition: companies are sceptical about their borrowing chances

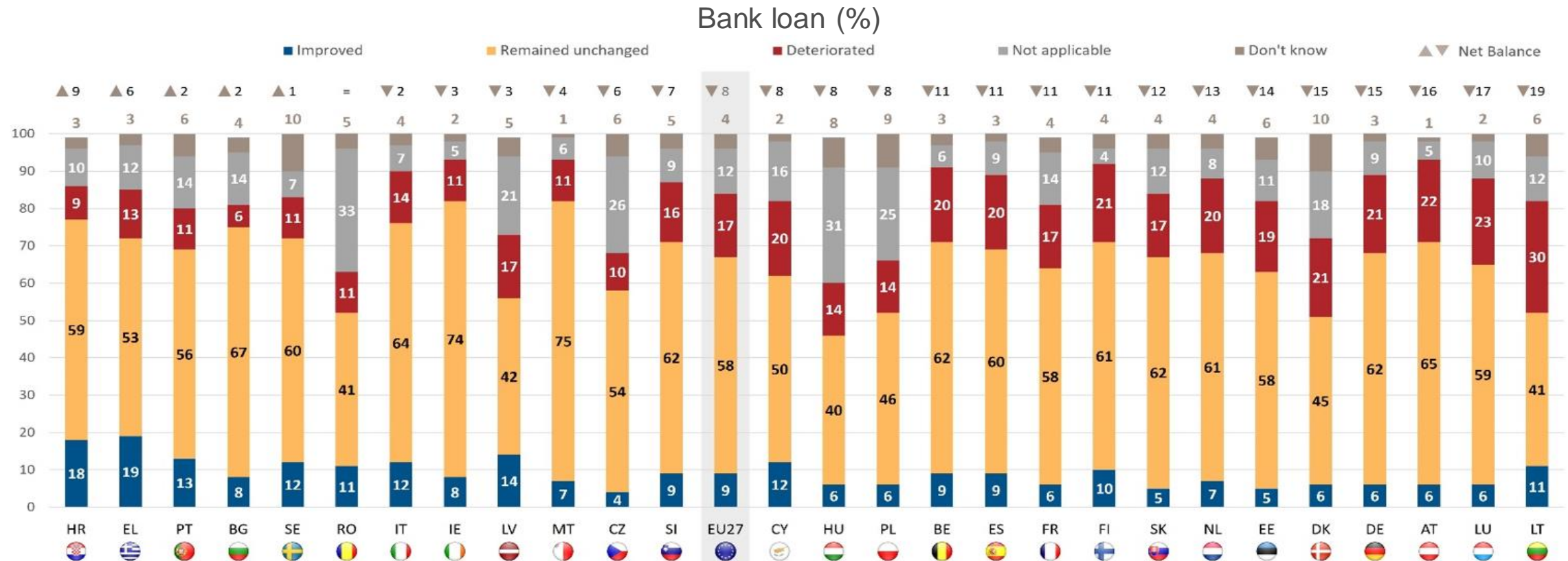
Another worst result since 2014: companies are more negative than positive about the availability of bank loans

Question: *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 6 months?*



Croatia, Greece, Portugal, Bulgaria and Sweden score best in financing availability

Question: *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 6 months?*

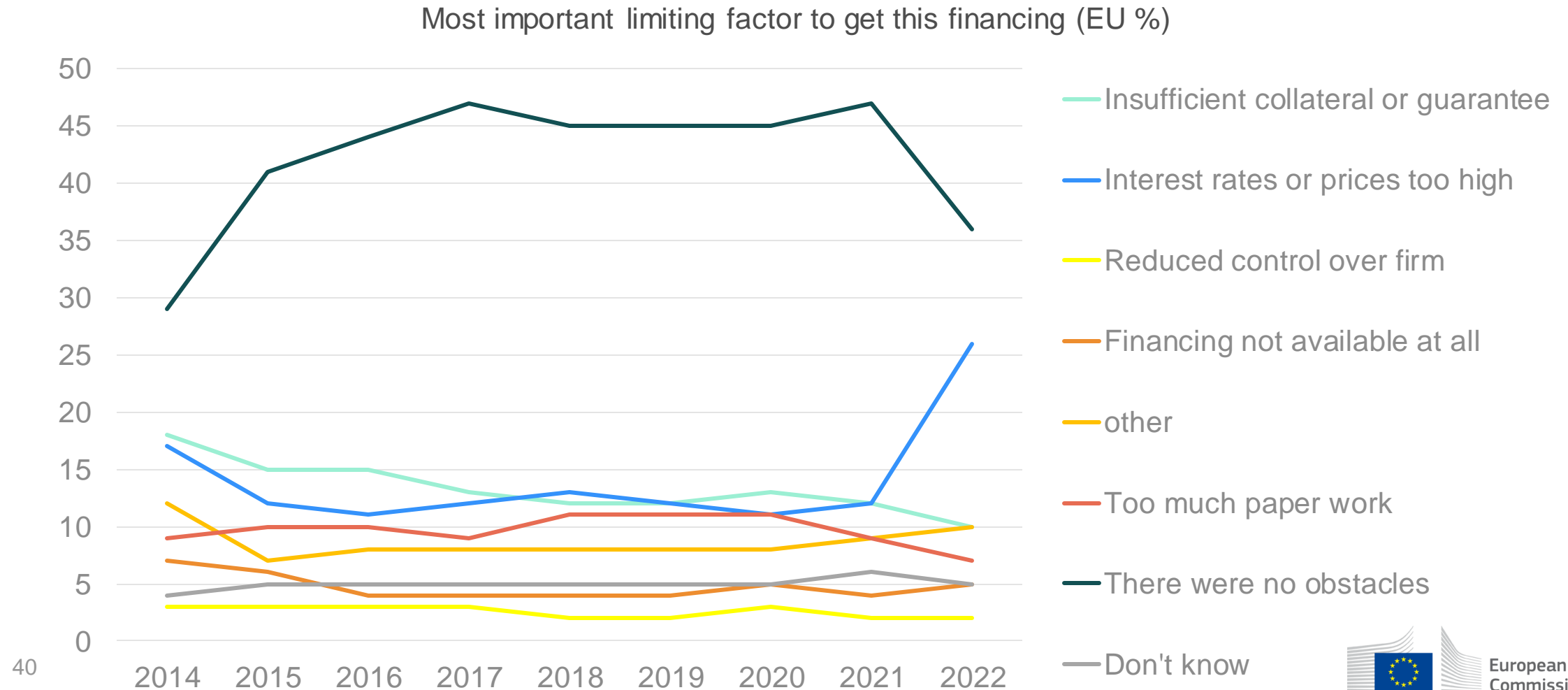


Survey on the Access to Finance of Enterprises (SAFE)

2022 results: new main limiting factor emerged as an obstacle to obtain financing

Interest rates are expected to be the most important limitation to access finance in the future

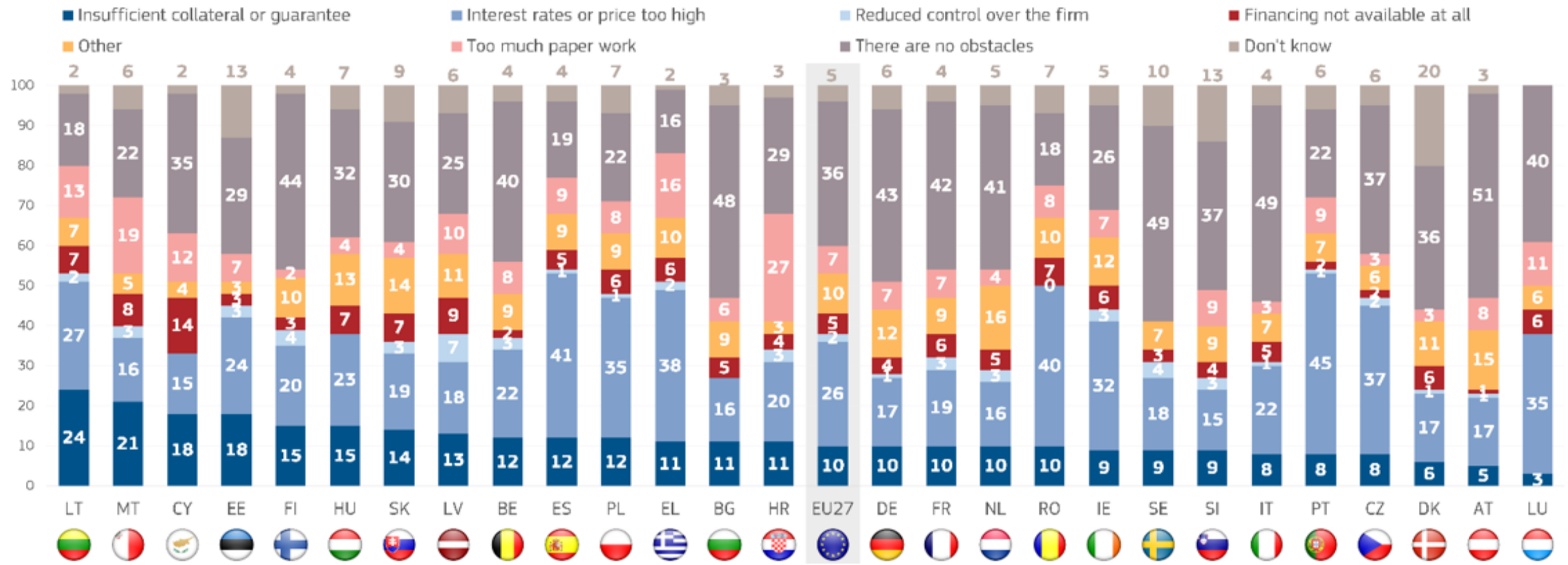
Question: *What do you see as the most important limiting factor to get this financing?*



Or at least 15% in each country say interest rates are too high as a barrier for future financing

Question: *What do you see as the most important limiting factor to get this financing?*

Most important limiting factor to get this financing (EU %)

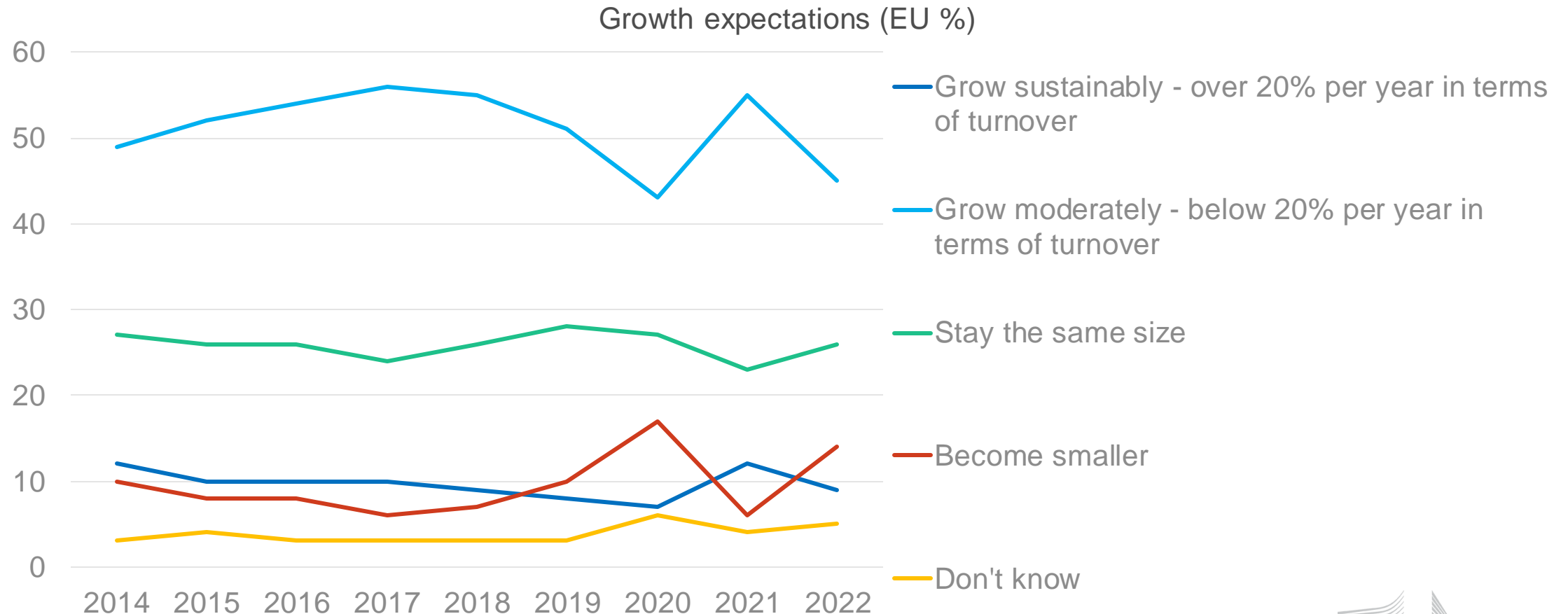


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2022 results: optimism on expected growth slows down

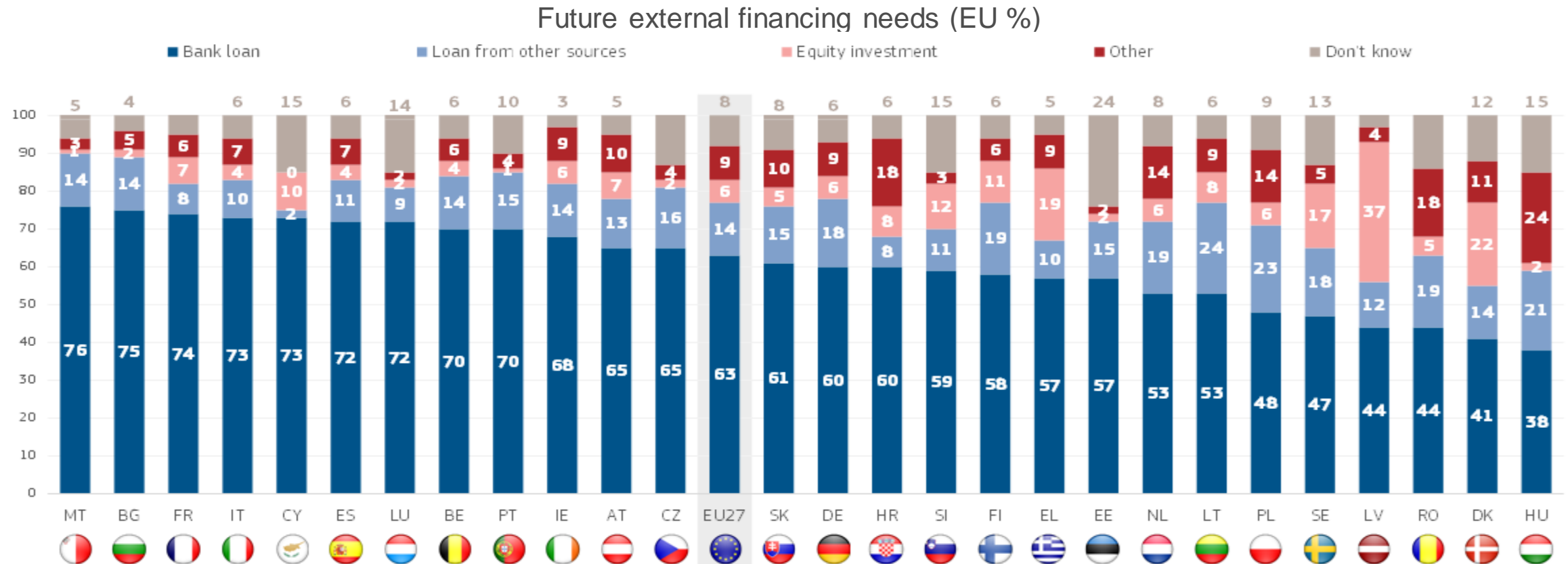
Optimism about future turnover growth is slowing down

Question: *Considering the turnover over the next two to three years (2022-2024), how much does your enterprise expect to grow per year?*



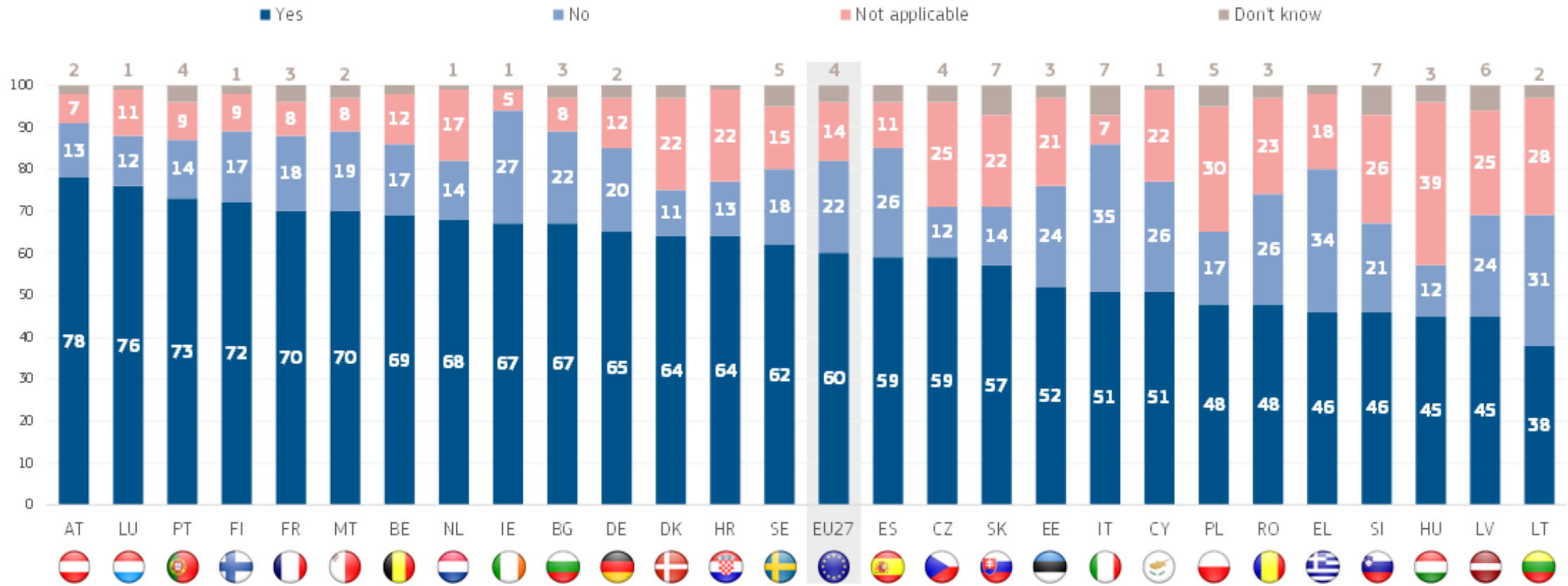
Debt financing remains the preferred form for growth ambitions

Question: *If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?*



In Italy, Greece, Cyprus, Romania and Latvia concerns are the highest about being able to access bank finance in the future

Question: *Do you feel confident talking about financing with banks and that you will obtain the desired results?*



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2022 conclusion: challenging operating environment for SMEs in the European Union

SMEs think the financing environment will be challenging going forward

- Costs related to materials, energy, labour and interest expenses increased
- Worsening conditions on existing loans: interest rates and collateral requirements increased
- SMEs are less likely to be successful in receiving all the funds they apply for
- SMEs are hesitant about their growth plans, because of economic uncertainty and deteriorating availability of finance
- SMEs expect the availability of all types of external finance to deteriorate further

Thank you

SAFE survey: https://single-market-economy.ec.europa.eu/access-finance/data-and-surveys-safe_en
EC, DG GROW, Access to Finance: https://single-market-economy.ec.europa.eu/access-finance_en
TW: @EU_Growth



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Source: 2022 Analytical Report of the Survey on the Access to Finance of Enterprises ([SAFE](#)), except where it is indicated otherwise in the slides.