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EUROSYSTEM

SURVEY ON THE ACCESS TO FINANCE OF ENTERPRISES IN THE EURO AREA

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Address	Kaiserstrasse 29, 60311 Frankfurt am Main, Germany
Postal address	Postfach 16 03 19, 60066 Frankfurt am Main, Germany
Telephone	+49 69 1344 0
Internet	www.ecb.europa.eu

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Errata

The 2014 H1 observations for question Q9 (availability of external financing) and the financing gap indicator were revised for: i) Italian small and medium-sized enterprises (SMEs); and ii) euro area micro and small enterprises. Consequently, Charts 11 to 13 (pages 14 to 16) and Chart 6a (page 34) were amended. The accompanying text was revised accordingly as follows.

Comments on Chart 11 on page 13

Small enterprises reported ~~[fairly stable (but still slightly negative)~~] a slight improvement in net percentages for both forms of bank financing, while medium-sized enterprises reported a significant improvement in the availability of bank loans (+14%, up from +6% in the previous survey round) and bank overdrafts (+11%, up from +2% in the previous survey period).

Comments on Chart 12 on page 14

In France, the net percentages were less negative than in the previous survey round, while in Italy, SMEs signalled increased impediments to accessing bank loans, as the net percentage~~s~~ of ~~both~~ bank loans ~~(-15%)~~ (-12%) ~~and bank overdrafts (-17%)~~ fell in comparison with the previous survey period, when they stood at -7%, and that for bank overdrafts remained unchanged at -13% ~~respectively~~ (see **Chart 12**).

Comments on Chart 13 on page 16

SMEs in Italy ~~the only ones~~ were alone in reporting ~~an~~ a marginal increase in the financing gap indicator (~~21%,~~ 15%, up from 14% in the previous survey round).

This report presents the main results of the 11th round of the survey on the access to finance of enterprises (SAFE), which was conducted between 1 September and 10 October 2014[1]. This survey round was conducted jointly with the European Commission. The total euro area sample size was 10,750 enterprises, of which 9,792 (91%) had fewer than 250 employees.[2] The report mainly provides evidence on changes in the financial situation, financing needs and access to external financing of small and medium-sized enterprises (SMEs) in the euro area, and compares it with that of large enterprises. In addition, it provides an overview of developments in SMEs' access to finance across euro area countries. The reference period is the period from April to September 2014.[3]

1 THE FINANCIAL SITUATION OF SMES IN THE EURO AREA

In the period from April to September 2014, the income and debt situation of euro area enterprises improved slightly on balance, compared with the previous six months. However, developments across firms' size and countries remained relatively diverse.

Across firms' size, a higher net percentage[4] of euro area **SMEs** reported an increase in **turnover** (10%, compared with -1% in the previous survey period) (see **Chart 1**) [5]. This was due mainly to a smaller percentage of micro enterprises signalling a reduction in turnover (-2%, compared with -20% in the previous survey period) and higher percentages of small and medium-sized enterprises instead reporting increases (17% and 24% respectively). Large euro area enterprises continued to signal, on balance, an increase in turnover in the period from April to September 2014 (32%, up from 30% in the previous survey period).

1 For the first time, the interviews were conducted by Panteia b.v., a policy research company, in cooperation with GDCC, an independent market research firm. In addition to the change of survey company, some modifications were made to the questionnaire, weighting scheme and sample size. Whenever possible, a unified methodology is applied to the whole dataset, including all survey rounds. Thus, the figures presented in this report differ from the results previously published. Some responses were excluded from the calculations of the aggregated data to align the results with the approach in the new questionnaire; in particular, some questions were not put to those respondents who reported that a particular financing instrument was not relevant to their enterprise. In addition, past results were revised with respect to the weighting scheme. Caution should therefore be taken when comparing the recent results with previous rounds. See Annex 4 for a detailed description of the amendments introduced in this survey round.

2 See Annex 4 for details on the weighting scheme.

3 The reference period for the previous survey round was October 2013 to March 2014.

4 Net percentages refer to the difference between the percentage of firms reporting an increase for a given factor and that of those reporting a decrease.

5 Micro enterprises are enterprises with 1-9 employees, while small enterprises are those with 10-49 employees, medium-sized enterprises have 50-249 employees and large enterprises have more than 250 employees. SMEs comprise micro, small and medium-sized enterprises.

The net percentage of euro area SMEs reporting an increase in **labour costs** remained high, but relatively stable over time (48%, compared with 46% in the previous survey period). The percentages declined for **other costs** (50%, down from 59%) Among SMEs, similar developments were reported by micro enterprises, with percentages mainly unchanged at 45% for labour costs and declining to 54% for other costs. For large enterprises, the net percentage reporting an increase in labour costs remained unchanged at 50%, while the percentage reporting an increase in other costs fell to 39%.

The net percentage of SMEs reporting a decline in **profits** decreased sharply to -10%, down from -22% in the previous survey period, mainly due to a smaller number of enterprises reporting a decline in profit among micro enterprises (-22%, down from -38%) and small enterprises (-5%, down from -12%). Large enterprises and, for the first time since 2012, medium-sized enterprises reported increases in profit (11% and 6% respectively).

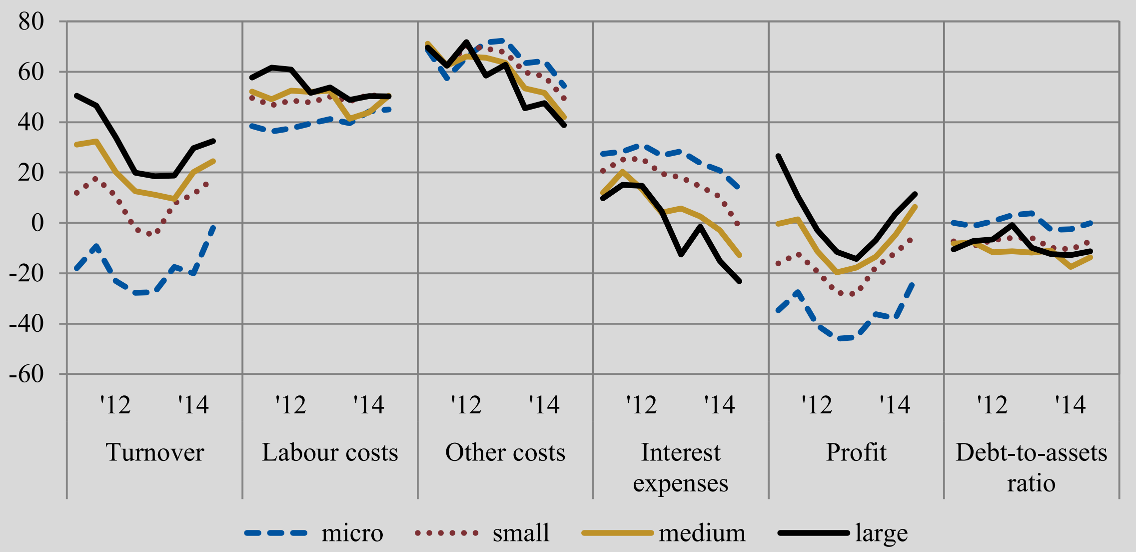
Deleveraging in euro area enterprises was reported to have continued, albeit at a slower pace than in the previous round. For SMEs, the net percentage of enterprises reporting a decline in their debt to total assets was -6%, compared with -9%, while for large enterprises it was -11%, compared with -13%. Among SMEs, micro enterprises reported neither increases nor declines in this survey round (3% had reported a decline in the previous survey round).

Interest expenses[6] declined across firm sizes, except in the case of micro enterprises, where 14% reported an increase, down from 21%. Hence, as a whole, 3% of SMEs reported an increase in interest expenses, down from 12%. By contrast, 23% of large enterprises indicated declines in interest expenses.

[6] From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)". The latest results may therefore not be comparable with the previous rounds.

Chart 1 Change in the income and debt situation of euro area enterprises

(over the preceding six months; net percentage of respondents)



Base: All enterprises. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: The net percentage is the difference between the percentage of enterprises reporting an increase for a given factor and that reporting a decrease. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)". The latest results may therefore not be comparable with previous rounds.

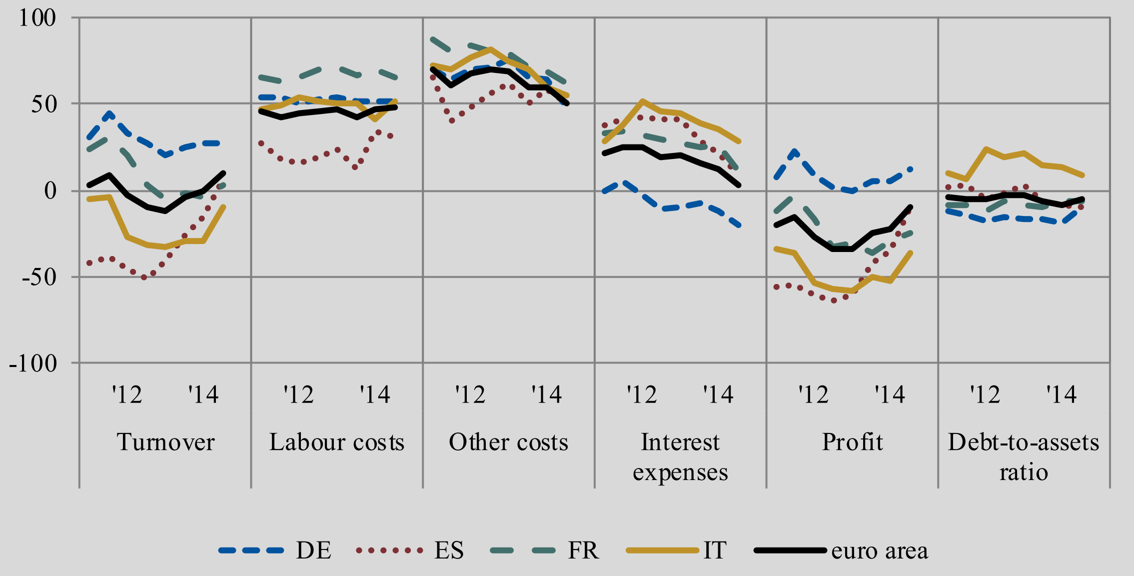
Developments in the turnover and profits of SMEs across euro area countries were diverse. Among the largest euro area countries, turnover remained unchanged in Germany (27%), while it increased for SMEs in France (to 3%, up from -4%) and, for the first time, Spain (to 7%, up from -15%) (see **Chart 2**). By contrast, SMEs in Italy indicated that their turnover declined, albeit by a smaller margin (to -10%, down from -30%). Among other euro area countries, Portugal recorded the highest increases in turnover, with the net response at 11% (up from -15%, in the previous survey period) (see **Chart 1a** in Annex 1). Turnover in Ireland continued to improve strongly. By contrast, SMEs in Greece again reported a deterioration in their turnover in net terms, but much less so than in previous rounds.

Across the euro area, SMEs' **profit** dynamics were reported to have made a clear improvement in Ireland, where the net percentage of respondents rose to 25%, up from -3% in the previous survey round. In Germany, the Netherlands and Austria, a continued increase in profits was also reported. By contrast, there was still a reported worsening in the profit situation of SMEs in Greece, Italy (-36% in both countries) and Portugal (-21%), though the situation also seems to be improving in these countries.

SMEs in all euro area countries reported a smaller decline or no change in their **debt-to-assets ratio** (see **Chart 2a** in Annex 1). The declines were stronger for Dutch (-18%), French and Irish (-15%) and Belgian enterprises (-14%), whereas SMEs in Italy stand out as reporting a continued increase in their debt-to-assets ratio in net terms (9% of respondents, down from 14%). As for **interest expenses on debt**, a net majority of SMEs in Belgium, Germany, the Netherlands, Austria and Finland reported a decline.

Chart 2 Change in the income and debt situation of euro area SMEs

(over the preceding six months; net percentage of respondents)

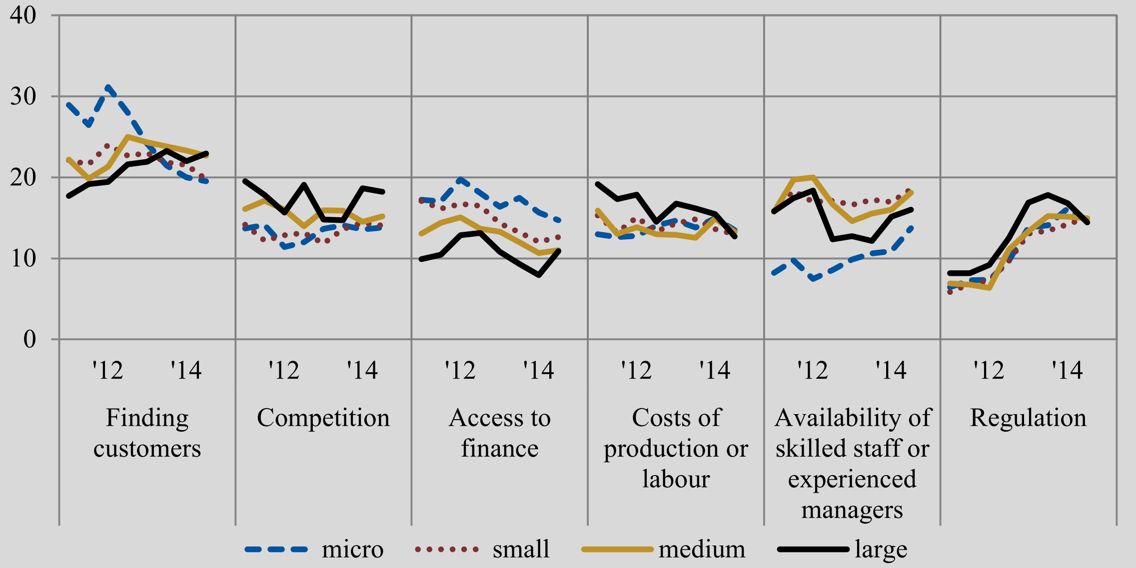


Base: All SMEs. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 1. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)". The latest results may therefore not be comparable with previous rounds.

"**Finding customers**" remained the dominant concern for euro area SMEs in this survey period, with 20% of euro area SMEs mentioning this issue as their main problem, down from 21% in the previous survey round (see **Chart 3**), while "**Access to finance**" was mentioned in fifth place (13%, as in the previous survey round), just after "Availability of skilled labour" (16%), "Regulation" (15%) and "Competition" (14%). Among SMEs, access to finance was a more pressing problem for micro enterprises (15%). For large enterprises, "Finding customers" (23%) was reported as the dominant concern, followed by "Competition" (18%). "Access to finance" was mentioned less frequently (11%, up from 8% in the previous round).

Chart 3 The most pressing problems faced by euro area enterprises

(percentage of respondents)

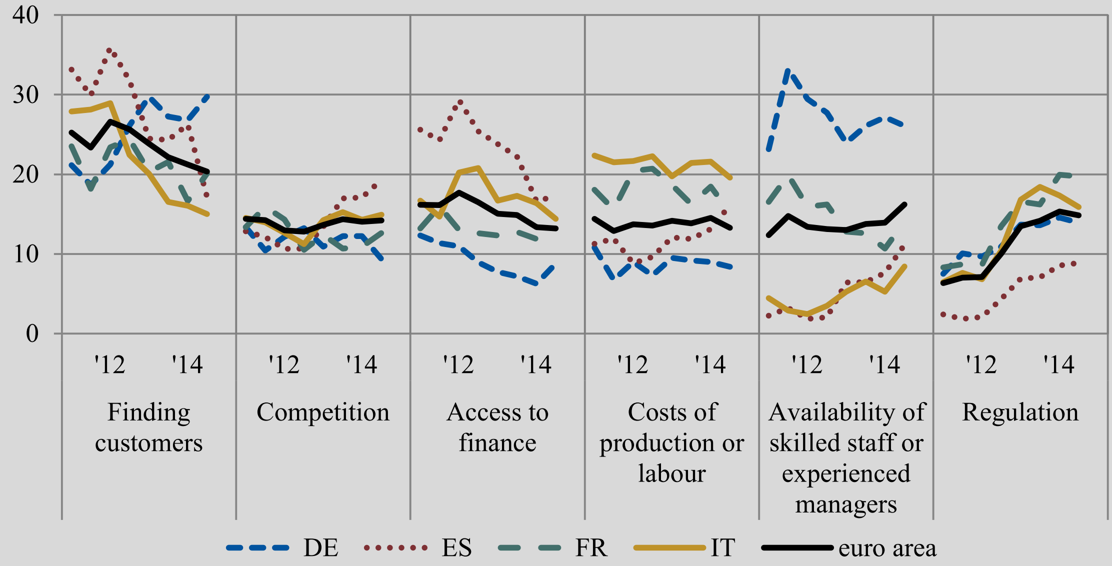


Base: All enterprises. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: The formulation of the question has changed over the survey rounds. Initially, respondents were asked to select one of the categories as the most pressing problem. From round eight, respondents were asked to indicate how pressing a specific problem was on a scale from 1 (not pressing) to 10 (extremely pressing). In round seven, the formulation of the question followed the initial phrasing for half of the sample and the new phrasing for the other half. Additionally, if two or more items had the highest score in question Q0B on the "pressingness" of the problems, a follow-up question (Q0C) was asked to resolve this, i.e. which of the problems was more pressing, even if only by a small margin. This follow-up question was removed from the questionnaire in round 11. The past results from round seven onwards were recalculated, disregarding the replies to question Q0C. Please see Annex 4 for more clarification and information on how the current formulation is related to previously collected data.

Wide divergences across euro area countries persist on the perceptions of the most pressing problems that SMEs are facing. With regard to "Access to finance", 32% of the SMEs in Greece, 18% in Ireland and 17% in Spain and Portugal named access to finance as the most pressing problem, compared with only around 9% of SMEs in Germany and 7% in Austria (see **Chart 4** and **Chart 3a** in Annex 1). The "**Availability of skilled staff or experienced managers"** (16% at the euro area level) remained a significant concern in countries such as Germany, Austria and Finland, where the percentages stood at 26%, 23% and 18% respectively.

Chart 4 The most pressing problems faced by euro area SMEs

(percentage of respondents)



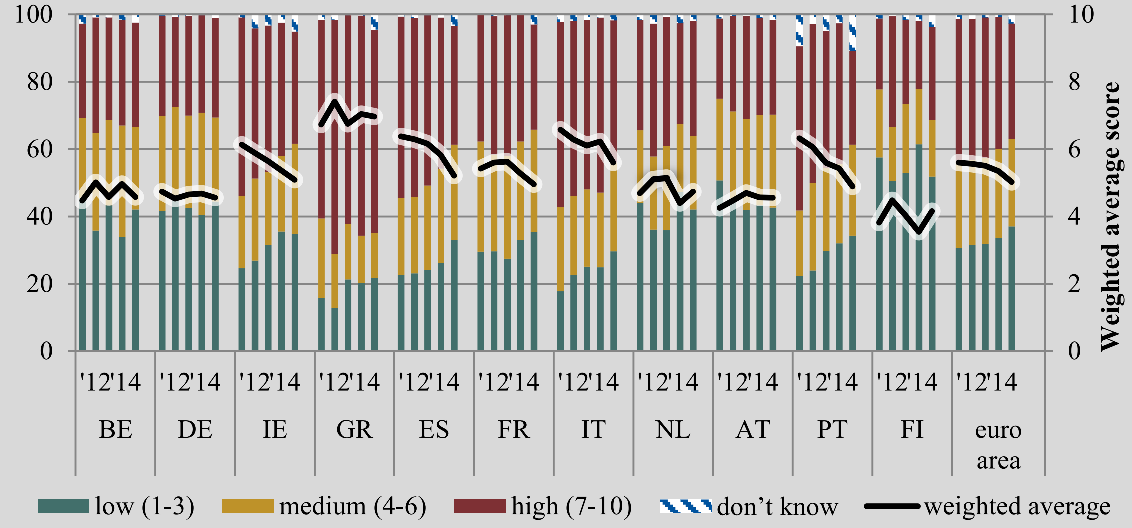
Base: All SMEs. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 3.

In particular, when asked **how pressing "access to finance" was** as a problem in their current situation,[7] SMEs in Greece continued to perceive it as a very pressing problem (rating it approximately 7 on a scale of 1-10) (see **Chart 5**). In Ireland, Spain, France, Italy and Portugal, access to finance has become less pressing a problem than before (falling to close to 5 on a scale of 1 to 10). In Belgium, Germany, the Netherlands, Austria and Finland, the respective score remains between 4 and 5.

7 See the note to Chart 5.

Chart 5 **Pressingness of access to finance as perceived by SMEs across euro area countries**

(percentages and weighted averages)



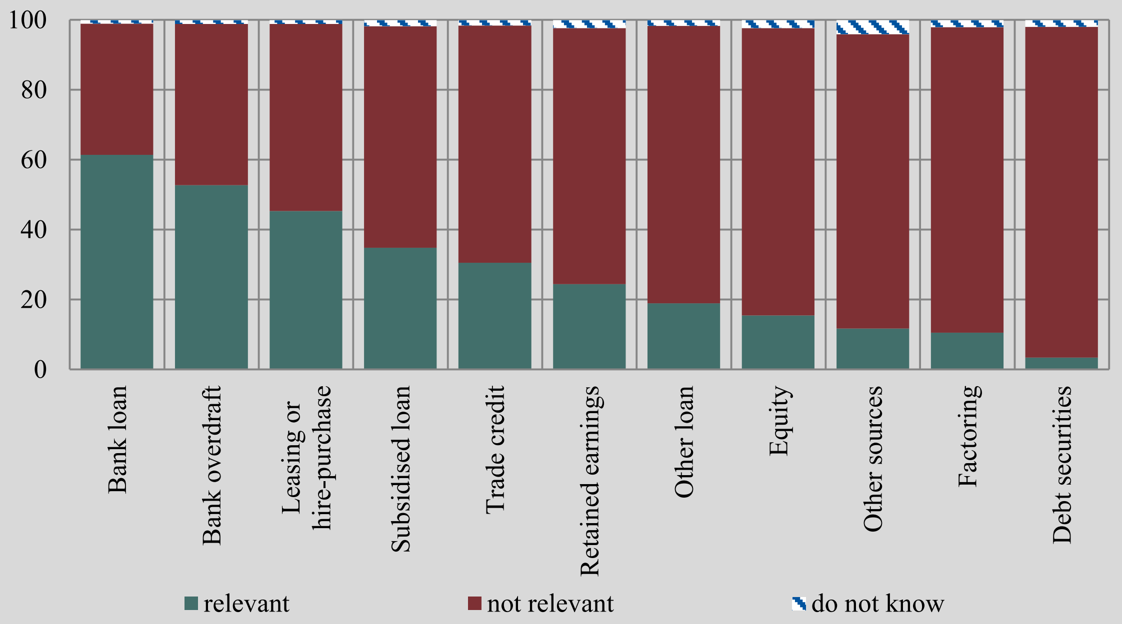
Base: All SMEs. Figures refer to rounds seven (April-September 2012) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 3. From round seven (April-September 2012), enterprises were asked to indicate how pressing a specific problem was on a scale from 1 (not at all pressing) to 10 (extremely pressing). The first observation, referring to round seven (April-September 2012), is based on half of the sample. In the chart, the scale has been divided into three categories: low (1-3), medium (4-6) and high pressingness (7-10).The weighted average score is an average of the responses using the weighted number of respondents as weight.

2 EXTERNAL SOURCES OF FINANCING AND NEEDS OF SMES IN THE EURO AREA

Bank-related products are the most relevant sources of finance for euro area SMEs.[8] 61% of SMEs considered bank loans to be relevant, while 53% included bank overdrafts. Furthermore, 35% signalled that grants and subsidised loans, which involve support from public sources in the form of guarantees or other interventions, were relevant for their financing. Leasing is also relevant for 45% of SMEs, closely followed by trade credit (31%). Market-based sources of finance, as well as factoring, are reported less often as relevant instruments. Internal funds play an important role as an alternative source of finance, as indicated by 24% of SMEs.

Chart 6 Financing structure of euro area SMEs

(over the preceding six months; percentage of respondents)



Base: All SMEs. Figures refer to round 11 (April-September 2014) of the survey.
Note: A financing instrument is "relevant" if the enterprise used the instrument in the past six months or did not use it, but for which it is relevant (for rounds one to ten). In round 11, the respondents were asked whether the instrument was relevant, i.e. whether the enterprise had used it in the past or considered using it in the future. The reformulation of this question resulted in an increase in the category "Not relevant" and a decrease in the category "Relevant", which introduced a structural break in the series, so past data are not directly comparable. Given that the current concept of a "relevant" financing instrument differs from in the past, this might also have an impact on the comparability over time for the following questions, and caution should be exercised when comparing the recent results with those of previous rounds (see Annex 4 for details).

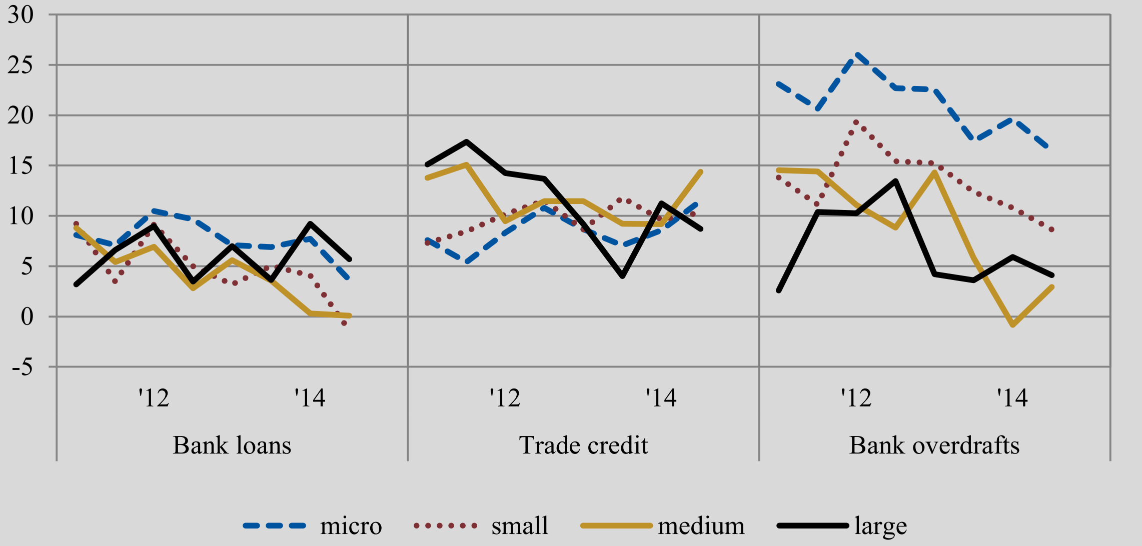
8 See the note to Chart 6.

Looking at the need (demand) for external sources of finance, euro area enterprises reported that their need for bank loans and overdrafts was increasing, albeit at a slower pace. In particular, 1% of SMEs reported a net increase in their **need (demand) for bank loans** (down from 5% in the previous survey round) and 11% reported an increased need for **bank overdrafts** (down from 12% in the previous survey round) (see **Chart 7**).[9] On the whole, the picture was similar for all sizes of enterprise, though small and micro enterprises indicated a much higher need for bank overdrafts. A net percentage of 12% of euro area SMEs reported a greater need for **trade credit** (up from 9% in the previous survey period), while the figure for micro enterprises was 11%, up from 9%.

Overall, **large enterprises** reported, on balance, a smaller increase in their need for external funding in the form of bank loans (6%, down from 9% in the previous survey round), trade credit (9%, down from 11%) and bank overdrafts (4%, down from 6%).

Chart 7 Change in external financing needs of euro area enterprises

(over the preceding six months; net percentage of respondents)



Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 1. In round 11, the question was not put to those respondents who reported that a particular financing instrument was not relevant to their enterprise (in short, "filtering based on Q4"). Past data have been revised accordingly. A financing instrument is "relevant" if the enterprise used the instrument in the past six months or did not use it but has experience of it (for rounds one to ten). In round 11, the respondents were asked whether the instrument was relevant, i.e. whether the enterprise had used it in the past or considered using it in the future. Given that the current concept of a "relevant" financing instrument differs from in the past, this might have an impact on the comparability over time for the following questions, and caution should be exercised when comparing the recent results with those of the previous rounds (see Annex 4 for more information on the filters introduced in the questionnaire and their potential impact).

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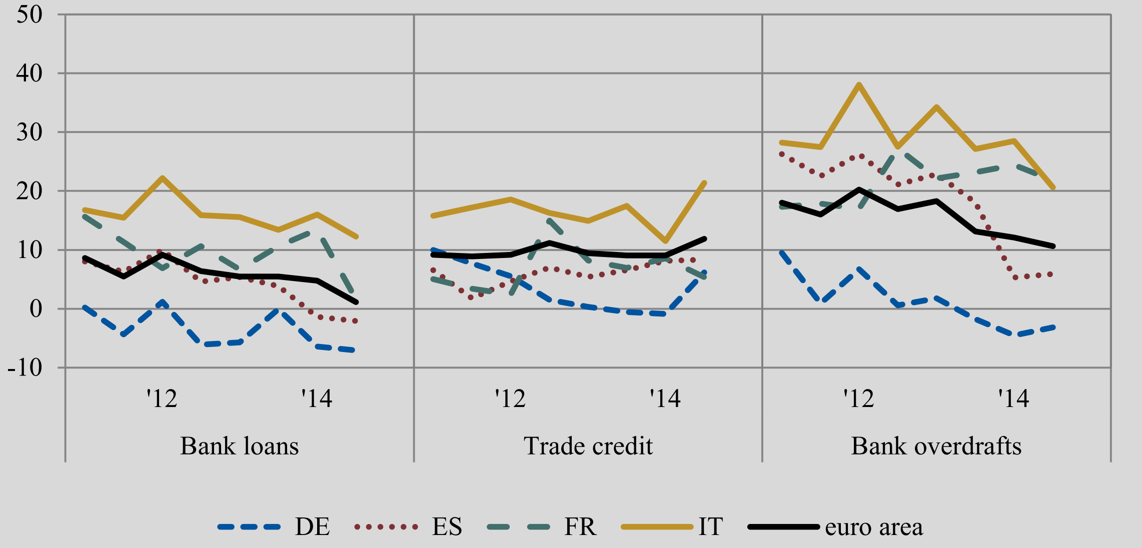
9 See the note to Chart 7. Only survey respondents who report that a particular financing instrument is relevant for their enterprise are asked about their need for this source of financing (i.e. bank loans, bank overdrafts and credit lines, trade credit, equity and debt securities issuance).

Among the largest countries, SMEs in Italy and France reported increases in their need for bank loans (12% and 2% respectively) and bank overdrafts (22% and 21% respectively), albeit with smaller percentages, whereas German (-7%) and Spanish SMEs (-2%) reported, on balance, decreases (see **Chart 8**). Furthermore, German SMEs also signalled a decreasing need for bank overdrafts (-3%). In the case of trade credit, SMEs in Italy signalled a strong increase in their need for this source of funds (21%, up from 11%), followed by German SMEs, although the percentages were much smaller.

Chart 8 Change in external financing needs of euro area SMEs

(over the preceding six months; net percentage of respondents)



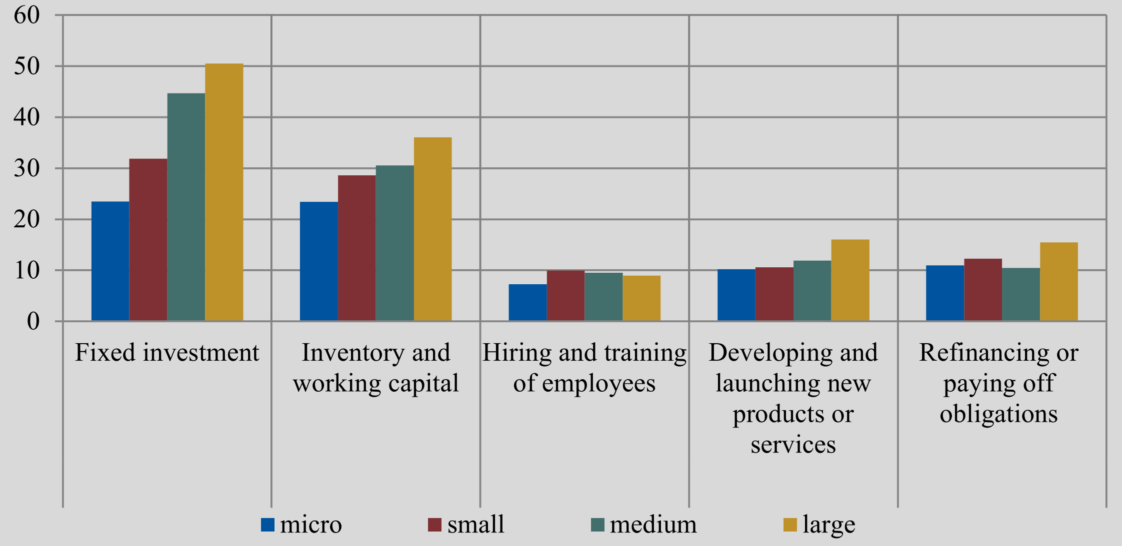
Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Among other euro area countries, the highest net percentages of SMEs reporting an increase in their need for bank loans were again recorded in Greece (25%) (see **Chart 5a** in Annex 1). By contrast, SMEs in Ireland, the Netherlands, Austria and Portugal reported, on balance, a decline in their need for bank loans.

Fixed investment and **inventory and working capital** remained the two most important factors affecting SMEs' need for external financing, and their importance is increasing with firm size (see **Chart 9**). While a net 31% of SMEs signalled fixed investment and 27% for working capital as the main sources of their financing needs, the percentages were 23% for micro enterprises for both factors. By contrast, the percentages for large enterprises were 51% and 36% respectively.

Chart 9 Purpose of the external financing as perceived by euro area enterprises

(over the preceding six months; percentage of respondents)

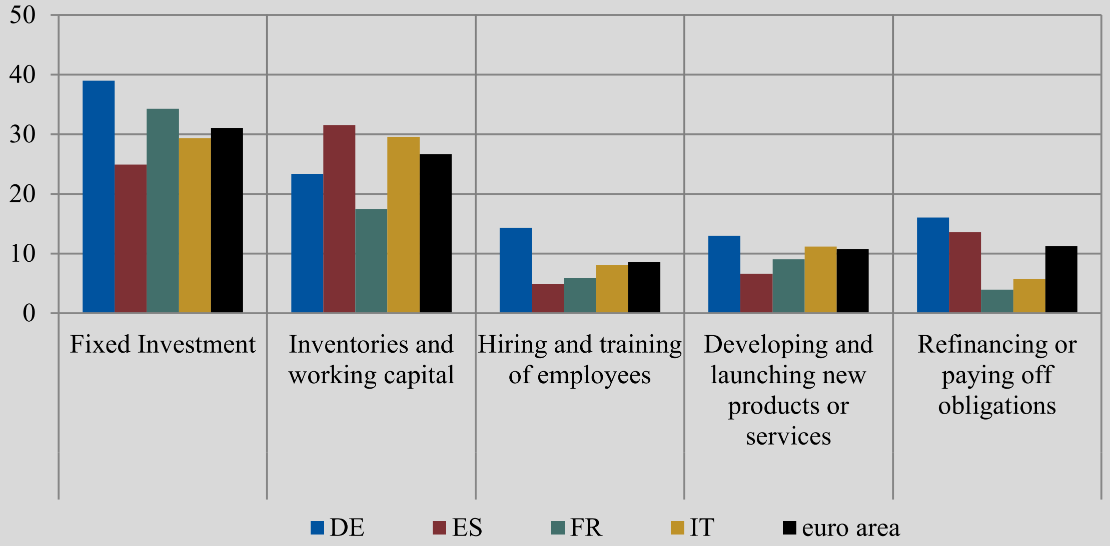


Base: All enterprises. Figures refer to round 11 (April-September 2014) of the survey.
Note: The figures are based on the new question introduced in round 11 (April-September 2014) (please see Annex 4 for more clarification and information on how the question is related to previously collected data).

Across large euro area countries, 39% of German and 34% of French SMEs identified fixed investment and inventory and working capital as the main source of their increased financial needs, while the percentages were lower for Spanish and Italian ones (25% and 29% respectively) (see **Chart 10**).

Chart 10 Purpose of the external financing as perceived by SMEs across euro area countries

(over the preceding six months; percentage of respondents)



Base: All SMEs. Figures refer to round 11 (April-September 2014) of the survey.
Note: See the note to Chart 9.

3 AVAILABILITY OF EXTERNAL FINANCING FOR SMES IN THE EURO AREA

3.1 AVAILABILITY OF EXTERNAL FINANCING

After a deterioration in the availability of external financing was reported between April and September, external financing conditions tended to stabilise or improve for all but the smallest enterprises (those with up to ten employees) (see **Chart 11**)[10].

With regard to the availability of **bank financing** (**loans** and **overdrafts**) in particular, the number of SMEs reporting an improvement and that of those reporting a deterioration was roughly the same, but there were important differences according to size class. For micro enterprises, the net percentages continued to deteriorate significantly. Small enterprises reported a slight improvement in net percentages for both forms of bank financing, while medium-sized enterprises reported a significant improvement in the availability of bank loans (+14%, up from +6% in the previous survey round) and bank overdrafts (+11%, up from +2% in the previous survey period).

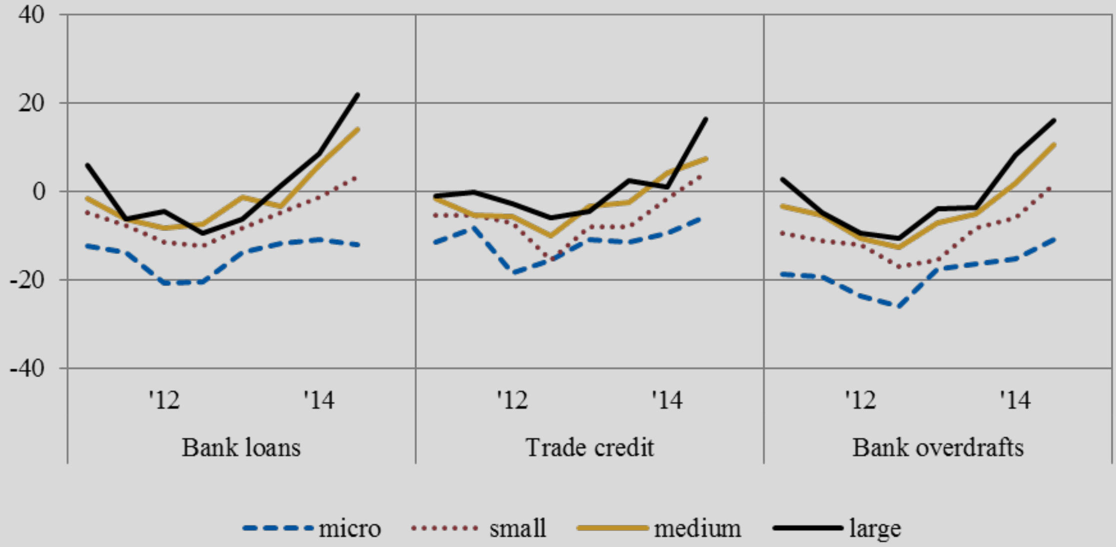
In respect of **trade credit,** an improvement was reported on balance, again with differences depending on the size of the firms. For micro enterprises, the net responses stabilised in negative territory. Small enterprises reported positive net responses for trade credit, while for medium enterprises there was a reported trade credit improvement similar to the previous survey period (net percentages increased from 4% to 7%).

Confirming their generally easier access to external finance, **large enterprises** in the euro area reported higher positive net percentages in all categories when compared with the previous survey period. The availability of bank loans increased from 9% to 22% and that of bank overdrafts from 8% to 16%. Trade credit net percentages also increased markedly and stood at 16%, up from 1% in the previous survey round.

[10] See the note to Chart 7. Only survey respondents who report that a particular financing instrument is relevant for their enterprise are asked about the availability of this source of financing (i.e. bank loans, bank overdrafts and credit lines, trade credit, equity and debt securities issuance). In addition, for equity and debt securities, only the enterprises that had applied for external financing are taken into account in the calculation of the aggregated results.

Chart 11 Change in the availability of external financing for euro area enterprises

(over the preceding six months; net percentage of respondents)

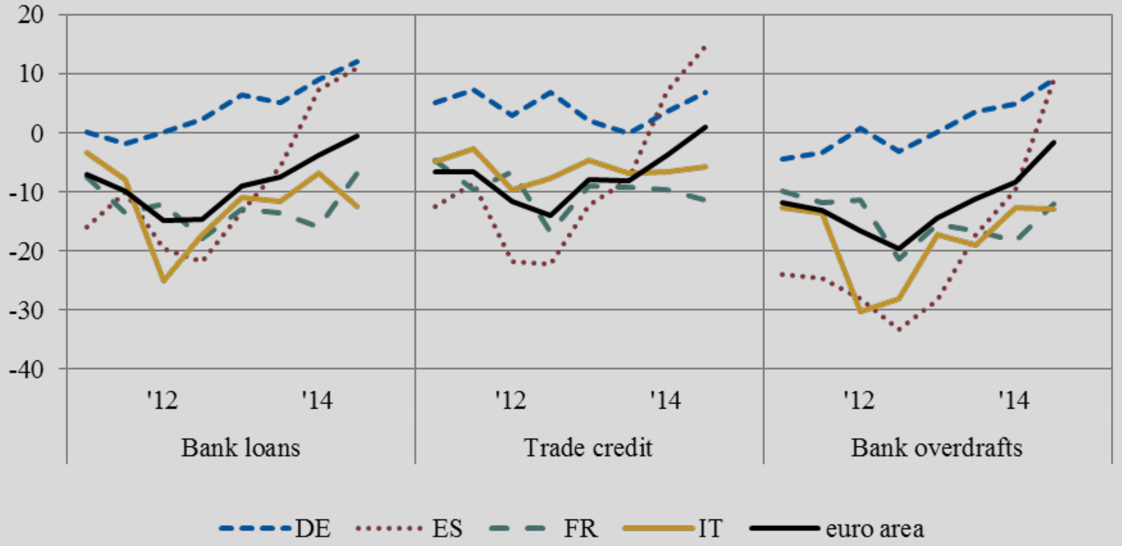


Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Among the largest euro area countries, SMEs signalled an improvement in the availability of bank loans in Germany and – most noticeably – Spain. In France, the net percentages were less negative than in the previous survey round, while in Italy, SMEs signalled increased impediments to accessing bank loans, as the net percentages of bank loans (-12%) fell in comparison with the previous survey period, when they stood at -7%, and that for bank overdrafts remained unchanged at -13% (see **Chart 12**).

Chart 12 Change in the availability of external financing for euro area SMEs

(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

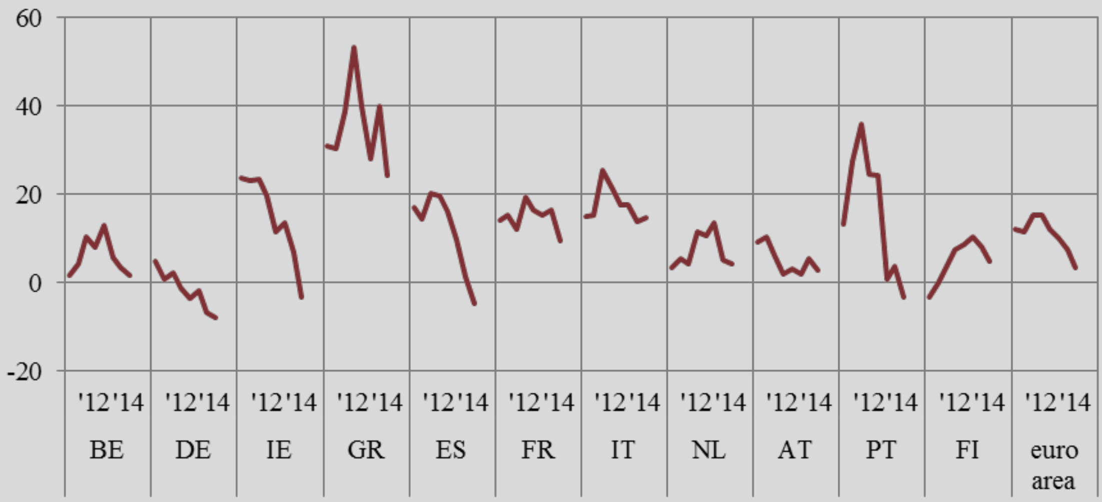
There seems to be a general slowdown in the deterioration of bank loan availability **across other euro area countries** (see **Chart 6a** in Annex 1)**.** In Belgium and Ireland, the net percentages of SMEs reporting bank loan availability turned positive (3% and 8%, up from 0 and -7% respectively in the previous round). In Portugal net percentages increased from 1% to 5%, while the net percentages remained negative in the Netherlands and Finland (-11% and -4% respectively), but improved compared with the previous survey round (-16% and -11% respectively). The same developments were recorded in Greece (-21%, up from -40% in the previous round), but the level of the net percentages continues to signal the presence of significant difficulties in accessing bank credit. Austria was the only country where SMEs reported a further deterioration in the availability of bank loans, with net percentages declining from -9% to -13%. The developments in the availability of bank overdrafts mirrored those in that of bank loans very closely.

Trade credit net percentages declined in Austria (-9%, down from +1%) and Belgium (-8%, down from -1%), while in Ireland (+17%, up from 0) and the Netherlands (2%, up from -2%), net percentages turned positive in comparison with the previous survey round. In Greece, the net responses remained negative, albeit much less so (-8%, up from -30%), while in the rest of the countries, net percentages recorded minor changes in comparison to previous survey rounds.

The **external financing gap**, which measures the perceived difference at firm level between the need for external funds (across all channels, i.e. bank loans, bank overdrafts, trade credit, equity and debt securities) and the availability of funds (see **Chart 13**) declined from 7% in the previous survey period to 3%. At country level, Germany, Ireland, Spain and Portugal reported negative net balances, whereas most other countries reported that their financing gap was still positive, but clearly declining. SMEs in Italy were alone in reporting a marginal increase in the financing gap indicator (15%, up from 14% in the previous survey round).

Chart 13 Change in the external financing gap perceived by SMEs across euro area countries

(over the preceding six months; weighted net balances)



Base: SMEs for which the respective instrument is relevant. “Non-applicable” and “Don’t know” answers are excluded. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 7. The financing gap indicator combines both financing needs and availability of bank loans, bank overdrafts, trade credit, and equity and debt securities at firm level. For each of the five financing instruments, an indicator of a perceived financing gap change takes the value of 1 (-1) if the need increases/decreases and availability decreases/increases. If enterprises perceive only a one-sided increase/decrease in the financing gap, the variable is assigned a value of 0.5 (-0.5). The composite indicator is the weighted average of the financing gap related to the five instruments. A positive value of the indicator suggests an increasing financing gap. Values are multiplied by 100 to obtain weighted net balances in percentages. For details, see Ferrando, A., Griesshaber, S., Köhler-Ulbrich, P., Perez-Duarte, S. and Schmitt, N., “Measuring the opinion of enterprises on the supply and demand of external financing in the euro area”, in *Proceedings of the Sixth IFC Conference on “Statistical issues and activities in a changing environment”*, Bank for International Settlements, Basel, 28-29 August 2012, IFC Bulletin No 36, February 2013.

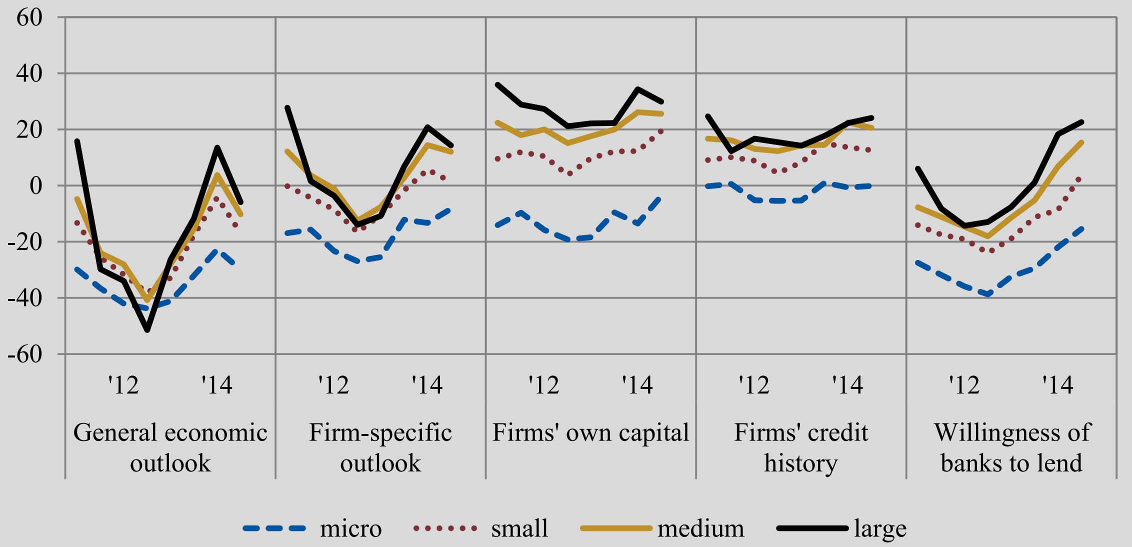
Turning to the **factors** affecting the availability of external financing for SMEs, the survey clearly shows that the **general economic outlook** is one factor contributing more negatively in comparison with the previous survey round and across all SMEs’ size categories (see **Chart 14**). The effect of the **firm-specific outlook** on financing conditions was approximately neutral and unchanged from the previous round, having contributed less negatively than before to the availability of external financing for micro enterprises.

For the first time in a long time, the **willingness of banks to lend** was reported to be improving in net terms by all but the smallest enterprises.

Large enterprises also assessed the general economic outlook to be a factor having a negative impact on the availability of external financing. The positive assessment of banks' willingness to provide credit increased further from the previous survey round (23% in net terms, up from 18%), confirming that size matters for the availability of bank credit.

Chart 14 Change in factors having an impact on the availability of external financing to euro area enterprises

(over the preceding six months; net percentage of respondents)



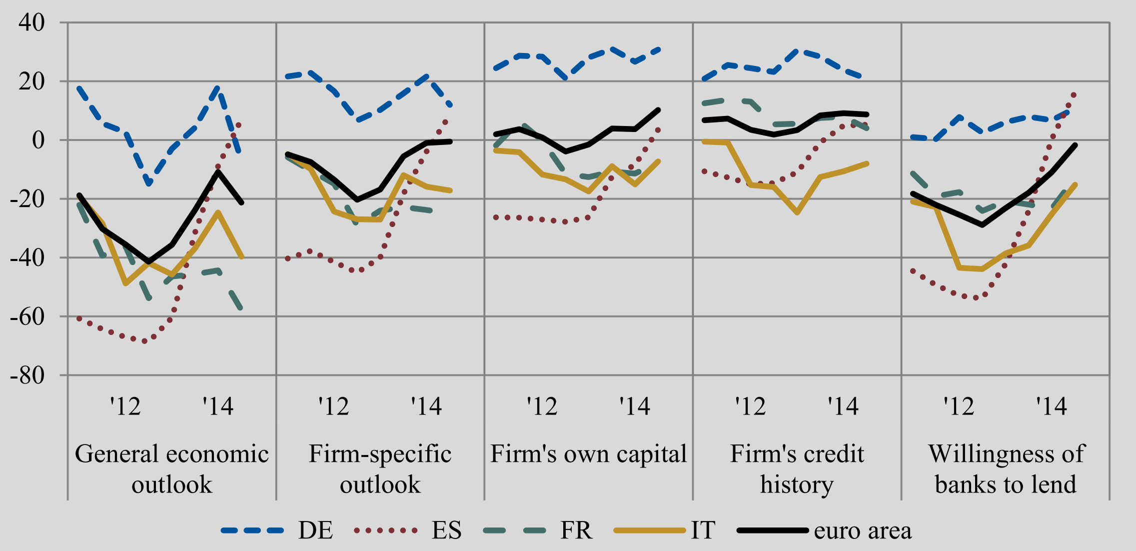
Base: All enterprises; for the category "Willingness of banks to lend", SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7. From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise".

Responses at the euro area level mirrored those obtained for the SMEs in most but not all countries. The **general economic outlook** had a more negative effect than in the previous survey round (-21%, down from -11%) (see **Chart 15**). In particular, French and Italian SMEs signalled a more negative impact (-58% and -40% respectively) on the availability of external financing, compared with the previous survey round (-44% and -25% respectively). The impact of the other factors was almost unchanged or slightly better than in the previous survey round.

German SMEs also clearly signalled that the general economic outlook (and, to a lesser extent, the firm-specific outlook) was having a negative impact on the availability of external financing as the net responses declined from 18% in the previous survey round to -7%. Against this trend, it is noticeable that the Spanish SMEs' assessment of all the factors impacting on external financing turned positive. Net percentages increased in particular for the general economic outlook (7%, up from -9% in the previous survey period) and the willingness of banks to lend (16%, up from 0 in the previous survey period).

Chart 15 Change in factors having an impact on the availability of external financing to euro area SMEs

(over the preceding six months; net percentage of respondents)



Base: All SMEs; for the category "Willingness of banks to lend", SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7. From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise".

Looking in more detail at country developments, the general economic outlook also had a net negative influence on external finance for SMEs in smaller countries, excluding the Netherlands (21%, up from 4%) and Ireland (41%, up from 26%) (see **Chart 7a** in Annex 1).

From the supply side, SMEs again indicated a deterioration in **banks' willingness to lend**[11] in the period from April to September 2014, but the percentage declined strongly (-2%, compared with -11% in the previous survey period).

[11] See the note to Chart 14.

SMEs in most countries reported a smaller deterioration in **banks' willingness to lend**. SMEs in Greece contribute most to these developments, the net percentages moved to -22% from -51% compared with the previous survey period. The only country reporting more negative net responses than in the previous survey period was the Netherlands (-23%, compared with -21%).

3.2 APPLICATIONS FOR EXTERNAL FINANCING AND THEIR SUCCESS

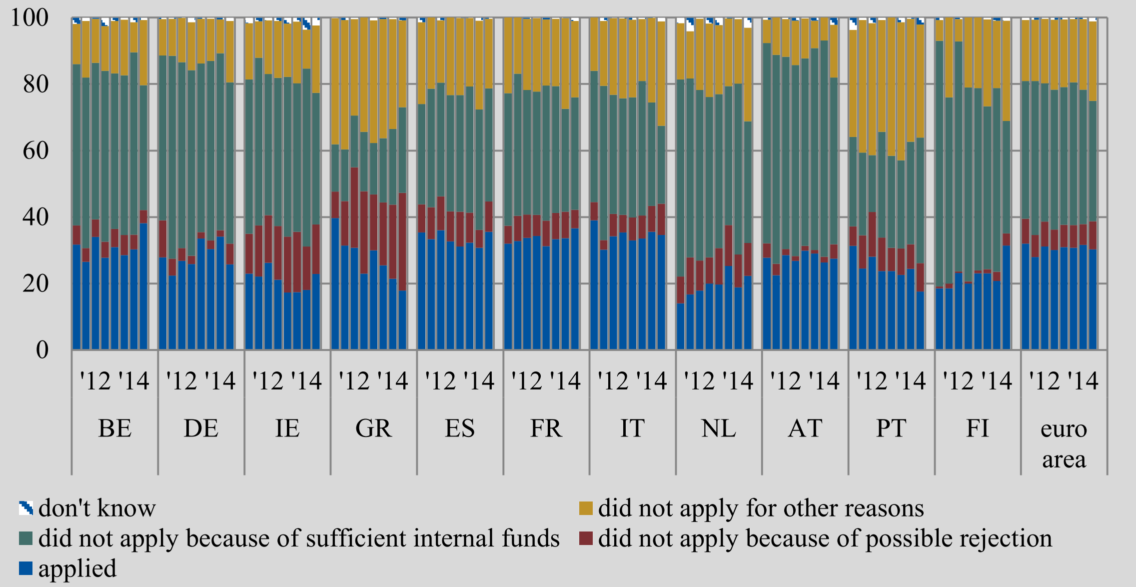
Between April and September 2014, 30% of euro area SMEs **applied for a bank loan**, which was broadly unchanged in comparison with the previous survey, while 36% did not apply because of **sufficient internal funds** (see **Chart 16**). At the same time, the percentage of enterprises not applying for a loan for **fear of rejection** (discouraged borrowers) increased somewhat to 8% (up from 6%). Among the individual countries, Belgium (38%) was the country with the highest percentage of SMEs applying for a bank loan, followed by France (37%), Spain (36%) and Italy (35%), while the lowest figures were recorded in Portugal and Greece (18%).

The largest percentages (about 50%) of SMEs reporting that they did not apply for a loan owing to **sufficient internal funds** were recorded in Germany and Austria. In Belgium, Portugal, Ireland and the Netherlands, the percentages remained between 37% and 40%, while SMEs in Italy (24%) and Greece (26%) were those reporting the lowest shares of SMEs having sufficient internal funds in the euro area.

In Belgium, Finland, Germany, France and Austria, **fear of rejection** was cited by SMEs as only a very minor reason for not having applied for a loan during the period from April to September 2014. However, in Germany, the percentage increased from 2% to 6%. In Greece, by contrast, the ongoing difficult situation in the banking sector, combined with the uncertain economic developments and still sluggish profit developments, led to a further increase in the net percentage of SMEs that mentioned fear of rejection as a factor discouraging applications for a bank loan (29%, up from 22%). In Ireland, the net percentage remained high compared with the rest of the countries (15%) and increased from the previous round (13%).

Chart 16 Applications for bank loans by SMEs across euro area countries

(over the preceding six months; percentage of respondents)



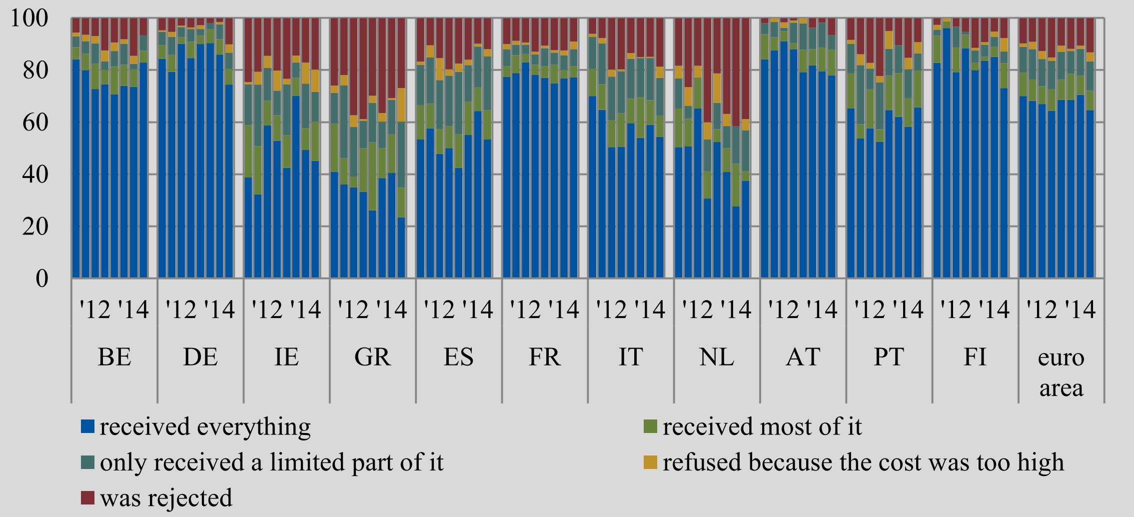
Base: SMEs for which bank loans (including subsided bank loans) are relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 7.

When asked about the **actual success** of their bank loan applications, a significantly lower net percentage, 65%, of euro area SMEs reported that they had received the **full amount** they had applied for in comparison with the previous survey period (71%) (see **Chart 17**). [12] On the opposite side of the distribution, the share of SMEs reporting a rejection of their bank loan application increased somewhat from 11% in the previous survey round to 13%, while the share of SMEs reporting that they had received only **a limited part** increased marginally from 10% to 11%.

[12] See the note to Chart 17.

Chart 17 Outcome of applications for bank loans by SMEs across euro area countries

(over the preceding six months; percentage of enterprises that applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 7. The introduction of the new category "My application is still pending" in round 11 (April-September 2014) to some extent distorts the comparability over time (see Annex 4 for details). To align the results with the data collected in the past for the purpose of this report, the percentages of the respondents were calculated excluding the new category from the most recent round and the category "Do not know" from current and past rounds. Nonetheless, caution should be exercised when comparing the recent results with those of the previous rounds.

Enterprises that applied for a bank loan (including subsidised bank loans)
(over the preceding six months; percentage of respondents)

	BE	DE	IE	GR	ES	FR	IT	NL	AT	PT	FI	euro area
April-September 2014	38	26	23	18	36	37	35	22	27	18	31	30

In most euro area countries, the net percentages of SMEs that were **fully successful** in their bank loan applications either declined or remained broadly stable[13]. Only in the Netherlands (38%, up from 28%), Belgium (83%, up from 74%) and Portugal (66%, up from 58%) did the rate of success increase from the previous survey round. The highest net percentages of outright **rejection** of loan applications were reported by SMEs in the Netherlands (39%) and Greece (27%). SMEs in Germany and Austria, which reported almost no rejections in the previous round, experienced an increase in the net percentages of rejections (10% and 7%, up from 1% and 2% respectively).

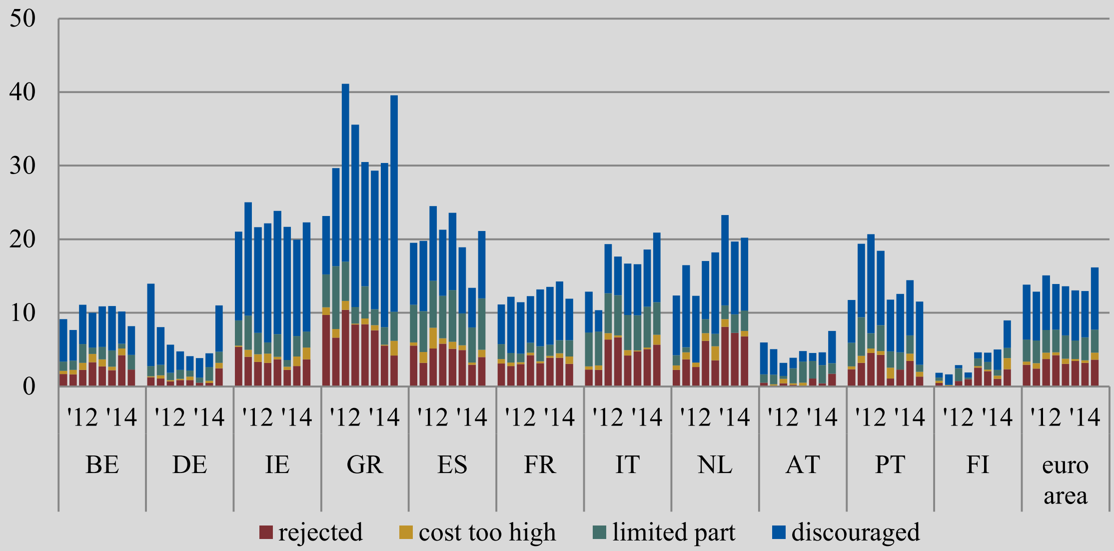
[13] For a caveat in the analysis, see the note to Chart 17. The conclusions drawn in this paragraph hold both for unadjusted and adjusted figures as presented in Chart 17 (i.e. excluding the new category "My application is still pending" from the most recent round and the category "Do not know" from current and past rounds).

As a result, the overall indicator of **financing obstacles** to obtaining bank loans has deteriorated overall (see **Chart 18**). The total – across the euro area – of the percentages of SMEs reporting rejections of loan applications, loan applications for which only a limited amount was granted, and loan applications which were rejected by the SME because of borrowing costs being too high, as well as the percentage of SMEs which did not apply for a loan for fear of rejection, increased to 16% (up from 13% in the previous survey round). Across countries, the highest percentage was recorded in Greece (40%). SMEs in Ireland, Italy and the Netherlands reported values around 20%, while SMEs in Finland (9%), Austria and Belgium (both 8%) reported the lowest shares of financing obstacles.

Large enterprises had greater success in applying for bank loans than SMEs, with 78% of requests being met (broadly unchanged from the previous round). The rejection rate remained broadly unchanged at 3%.

Chart 18 Obstacles to receiving a bank loan for SMEs across euro area countries

(over the preceding six months; percentage of respondents)



Base: SMEs for which bank loans (including subsided bank loans) are relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: Financing obstacles are defined here as the total of the percentages of SMEs reporting loan applications which were rejected, loan applications for which only a limited amount was granted, and loan applications which were rejected by the SME because the borrowing costs were too high, as well as of SMEs which did not apply for a loan for fear of rejection (i.e. discouraged borrowers). The calculation of the indicator starts in 2010 when the question on applications for bank overdrafts was included in the questionnaire.
The components of the financing obstacles indicator are affected by the amendments to the questionnaire in round 11 (i.e. filtering based on the relevance of the financing instrument and addition of the new category "My application is still pending"), and past data have been revised accordingly. The figures are calculated including the new category "My application is still pending" and "Do not know". See Annex 4 for more information on the changes introduced in the questionnaire and their potential impact on the indicator.

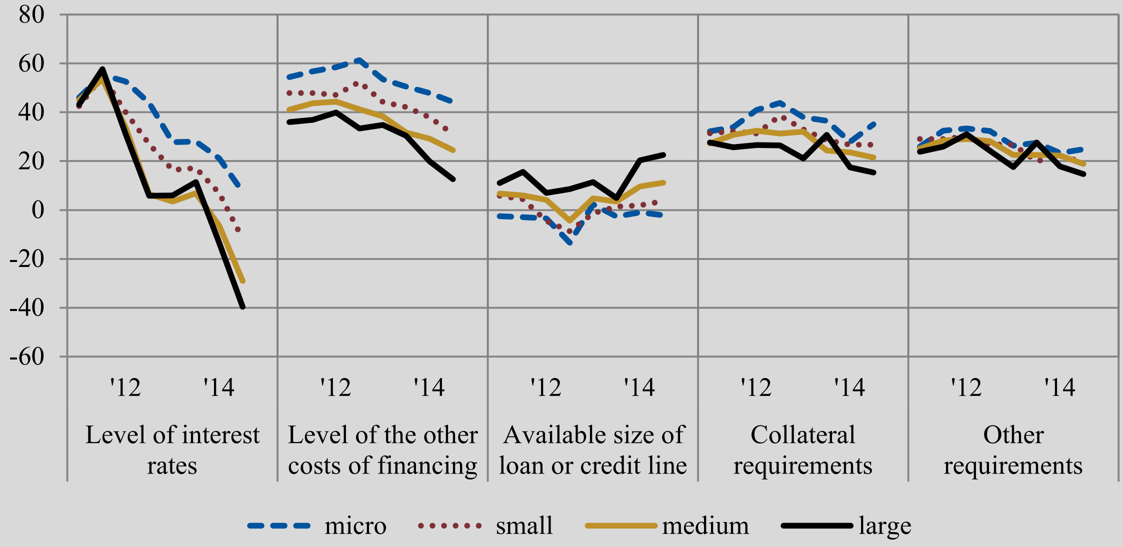
3.3 TERMS AND CONDITIONS OF BANK LOAN FINANCING

In line with the improvement in the availability of bank loans for all but the smallest enterprises, euro area SMEs with more than ten employees reported, on balance, a fall in interest rates and an increase in the available size of loans and overdrafts (see **Chart 19**). The smallest enterprises continued to instead report, on balance, an increase in interest rates, but with a much reduced margin of responses. The significantly negative net percentages regarding the level of **interest rates** reflected the reduction in aggregate bank lending rates, including those on very small loans (up to EUR 0.25 million) that occurred in the period from April to August 2014. A net percentage of SMEs continue to instead indicate a tightening in the collateral and other requirements of banks, as was also the case in the previous waves of the survey.

Large enterprises benefited most from the improvement in the terms and conditions of bank loans. They reported a dramatic decline in interest rates (-40%, down from -14%). In addition, they signalled, on balance, a marginal increase in the available size of loan or credit line compared with the previous survey period (23%, up from 20%).

Chart 19 Change in terms and conditions of bank loans granted to euro area enterprises

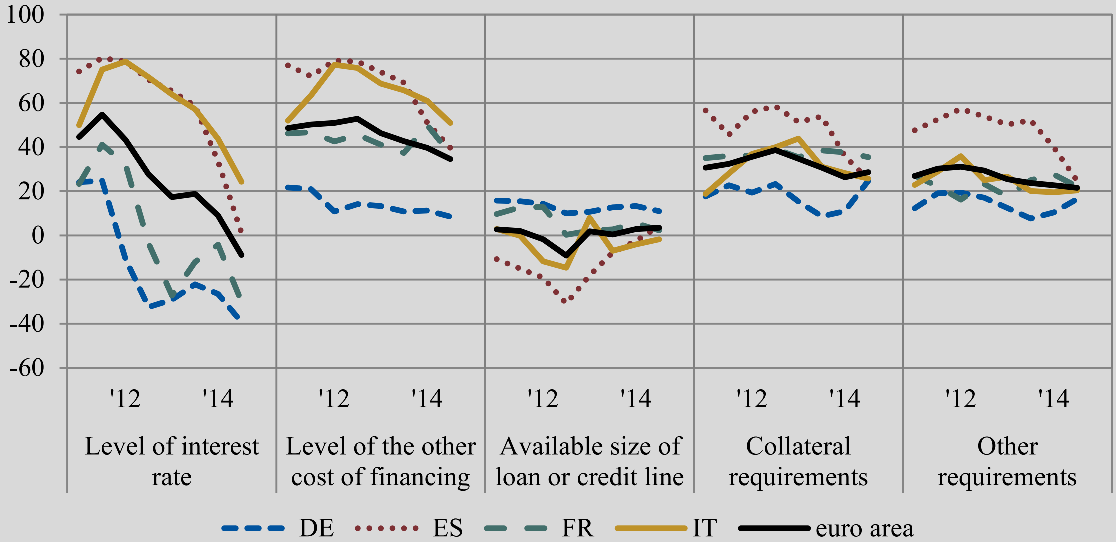
(over the preceding six months; net percentages of enterprises that had applied for bank loans)



Base: Enterprises that had applied for bank loans (including subsidised bank loans), credit line, bank overdraft or credit card overdraft. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Chart 20 Change in terms and conditions of bank loans granted to euro area SMEs

(over the preceding six months; net percentages of enterprises that had applied for bank loans)



Base: Enterprises that had applied for bank loans (including subsidised bank loans), credit line, bank overdraft or credit card overdraft. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

With regard to the large countries, the net percentages of the level of the interest rate for SMEs in Spain (1%, down from 33% in the previous round) and Italy (24%, down from 44% in the previous round) declined strongly but remained positive, as in the previous survey round (see **Chart 20**). In the same vein, the decline in the net percentages reported by SMEs in France and Germany in the previous survey round continued at a faster pace. As far as the other indicators of price and non-price terms and conditions are concerned, country developments systematically signal a better situation for SMEs located in Germany, compared with the other large countries. Net responses of German SMEs, however, reported a significant increase in **collateral requirements** (25%, up from 11% in the previous survey round) and **other requirements** (16%, up from 10%). Worth noting is also the convergence of the answers by Spanish SMEs to the weighted average of the euro area across all indicators.

In most of the other euro area countries (see **Chart 8a** in Annex 1), the net percentages of SMEs reporting an increase in bank lending rates declined sharply in Ireland (19%), Greece (9%), Portugal (1%) and Finland (10%). By contrast, the net percentages for the Netherlands increased from 1% in the previous survey round to 8%. SMEs in Belgium (-42%) and Austria (-23%) reported, on balance, a decline in bank lending rates.

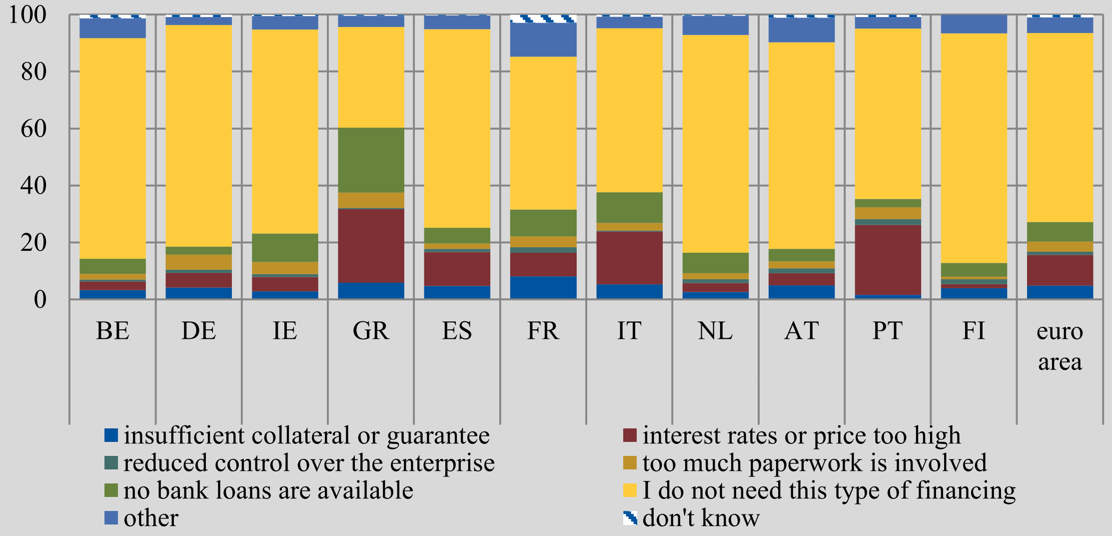
With respect to non-price terms and conditions, SMEs in Greece (-13%) and the Netherlands (-5%) indicated, on balance, a decrease in the **size of loans.** SMEs reported an increase in loan size in Finland (17%) and, to a lesser extent, Austria. Most noticeably, net percentages in Portugal went up from 1% in the previous survey round to 17%.

Collateral requirements (see **Chart 9a** in Annex 1) remain on the high side – and increased from the previous survey round – for SMEs in Greece (54%), Austria (43%), Finland (45%) and the Netherlands (36%). Belgium (25%, down from 28%) and Ireland (20%, down from 31%) indicated, on balance, a more moderate increase in collateral requirements.

Some of the terms and conditions analysed in the previous charts are also important for explaining why bank loans were not a relevant source of financing for euro area SMEs (see **Chart 21**). First, the majority of SMEs, at the euro area level and in each country except Greece, reported that they simply do not need it. Moreover, for distressed countries and for French SMEs, price conditions are still considered too high and there are also some problems regarding the availability of bank loans (in particular in Greece and Italy). Finally, insufficient collateral or guarantees are more often reported by French SMEs, while the most important reason for German SMEs is too much paperwork being involved, together with the price conditions. Looking at the percentages across sizes of enterprise, price conditions are important for micro and small enterprises (see **Chart 4a** in Annex 1). Moreover, the bigger the enterprise, the more often loans were reported as not being relevant because they were not needed.

Chart 21 Reasons why bank loans are not a relevant source of financing for euro area SMEs

(over the preceding six months; percentage of respondents)



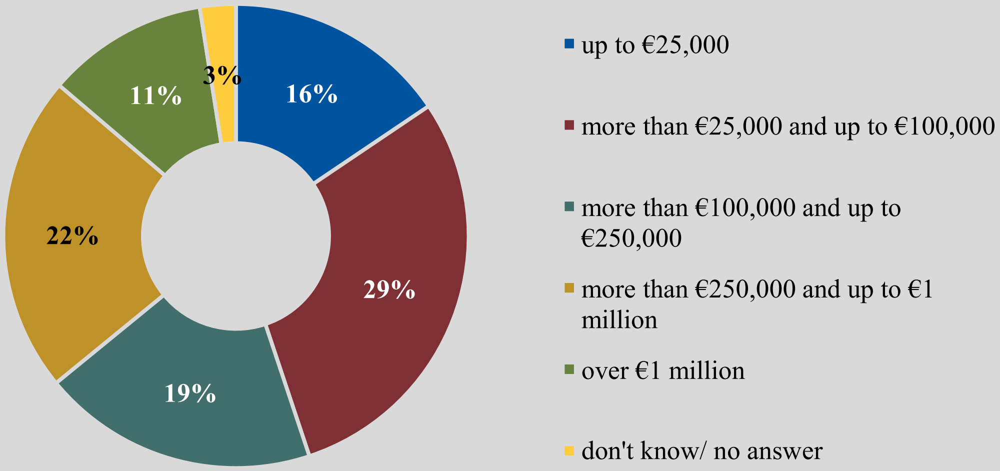
Base: SMEs for which bank loans are not a relevant source of financing. Figures refer to round 11 (April-September 2014) of the survey.
Note: The figures are based on the new question introduced in round 11 (April-September 2014).

SMEs in the euro area were asked about the size of the last loan that they obtained or attempted to obtain in the past six months.[14] The majority of them applied for small loans: 16% reported that they received a loan up to EUR 25,000; 29% between EUR 25,000 and EUR 100,000; and 19% between EUR 100,000 and EUR 250,000. Large loans were obtained by 33% of SMEs – 11% of SMEs reported that the loans exceeded EUR 1 million.

[14] See the note to Chart 22.

Chart 22 Size of the last bank loan of euro area SMEs

(over the preceding six months; percentages of enterprises that had applied for bank loans)



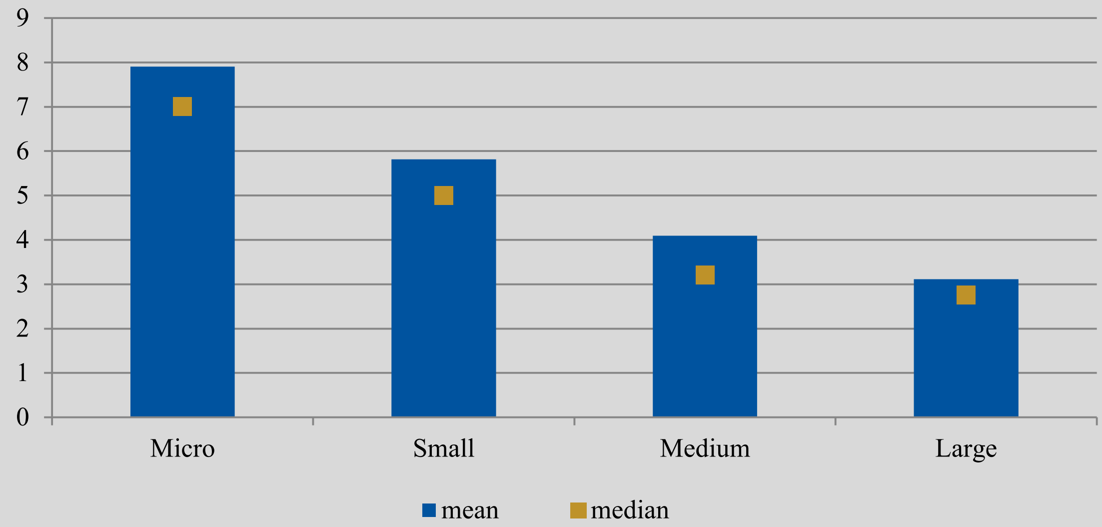
Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to round 11 (April-September 2014) of the survey.
Note: The figures are based on the new question introduced in round 11 (April-September 2014). Please see Annex 4 for more clarification and information on how the question is related to previously collected data.

Concerning the price conditions of the loans obtained by SMEs, for the first time, the survey included a question on the interest rates charged by banks on credit lines and overdrafts.[15] **Chart 23** indicates a clear size effect, as interest rates were reported to be higher for smaller enterprises.

[15] From round 11 (April-September 2014), the question on the interest rate of the credit line or bank overdraft was added in the questionnaire (see Annex 3 for details). The average figure reported by euro area enterprises is around 1 percentage point higher than the official bank interest rate statistics on bank overdrafts (average in the period from April to August 2014; latest available figure).

Chart 23 Interest rate charged for the credit line or bank overdraft to euro area enterprises

(weighted mean and median)



Base: Enterprises that had successfully applied for the credit line or bank overdraft or did not apply because the cost was too high. Figures refer to round 11 (April-September 2014) of the survey.
Note: The figures are based on the new question introduced in round 11 (April-September 2014).

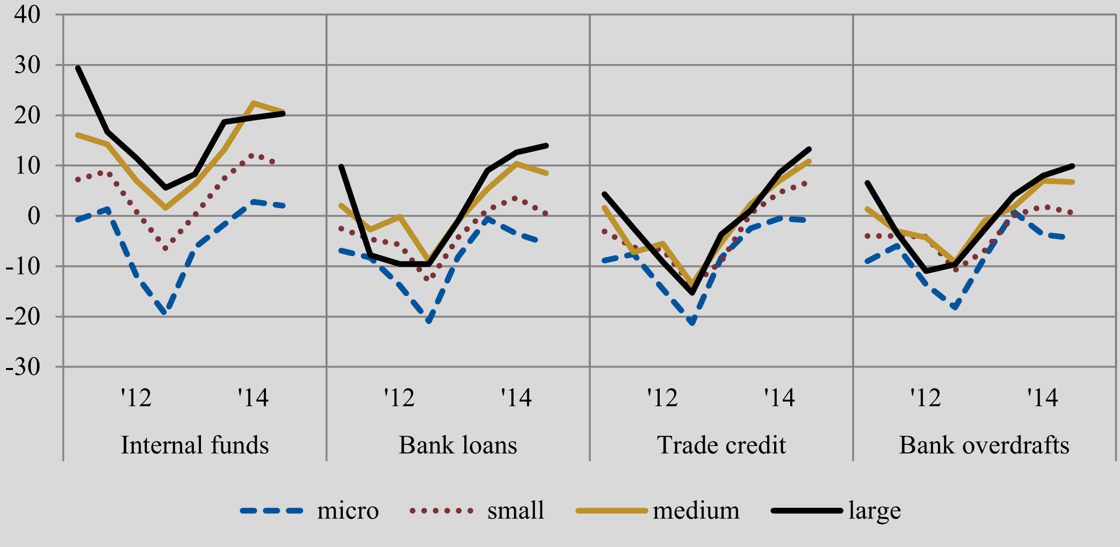
4 EXPECTATIONS REGARDING ACCESS TO FINANCE

For the coming six-month period (October 2014 to March 2015), euro area SMEs expect, on balance, neither an improvement nor a deterioration in the **availability of bank loans** (0%, compared with 2% for the period from April to September 2014) and **bank overdrafts** (0%, compared with 1%) (see **Chart 24**). In addition, they expected **internal funds** (retained earnings or sale of assets) and trade credit for the same period to remain almost unchanged on balance (11% and 5% respectively, compared with 12% and 3% respectively in the previous period).

Among SMEs, micro enterprises were more pessimistic regarding the availability of external funds, expecting on balance a decline for the period from October 2014 to March 2015 (-5% for bank loans, -4% for bank overdrafts and 1% for trade credit). They also expect a more moderate increase in internal funds (2%), whereas small and medium-sized enterprises were more optimistic. Large enterprises expect an improvement in the availability of different sources of external finance: bank loans (14%), bank overdrafts (10%) and trade credit (13%). They also expect an increase in their internal funds (20%).

Chart 24 Change in euro area enterprises' expectations regarding the availability of financing

(over the preceding six months; net percentage of respondents)

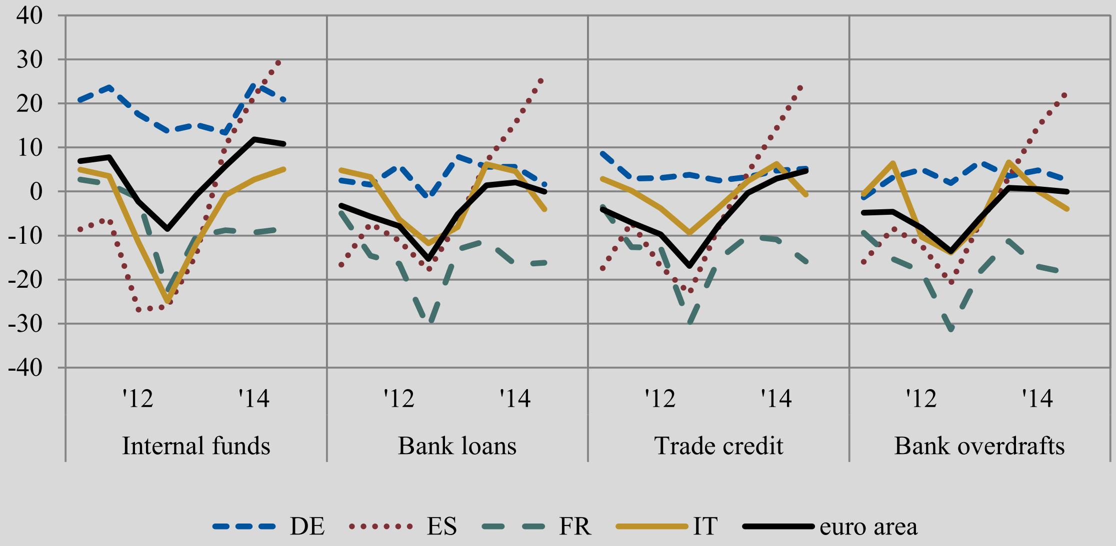


Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

These relatively positive developments were at least in part driven by Spain, where SMEs' outlook for their access to finance, including internal funds, has been reported as strongly improving since the last survey round. The outlook for SMEs located in France and, to a lesser extent, Italy was somewhat more negative than previously (see **Chart 25**). SMEs' expectations regarding the availability of external sources of finance improved significantly for SMEs in Ireland (29% for bank loans, up from 13%) (see **Chart 10a** in Annex 1).

Chart 25 Change in euro area SMEs' expectations regarding the availability of financing

(over the preceding six months; net percentage of respondents)

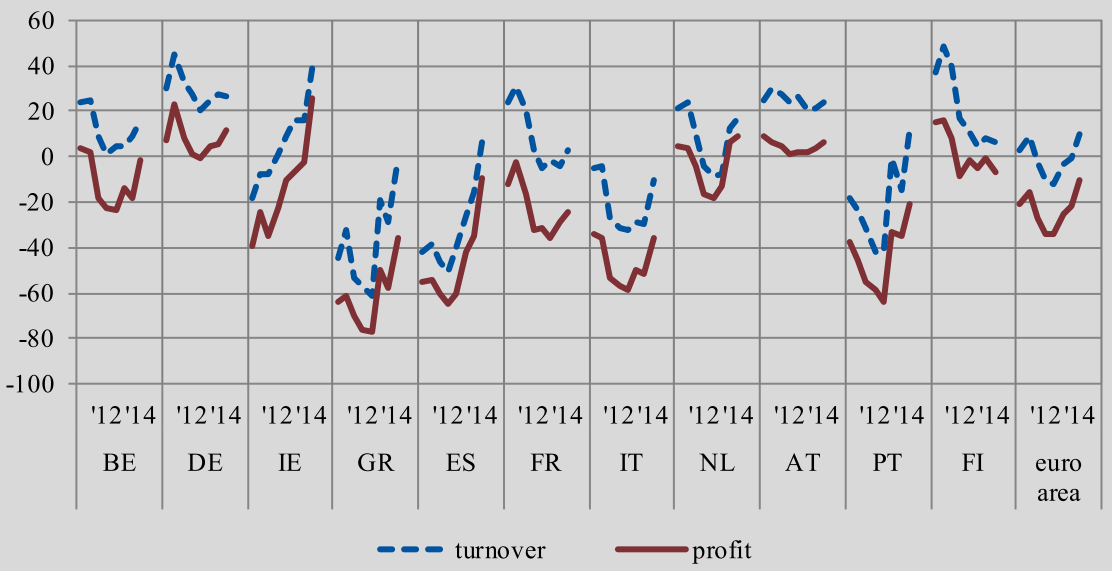


Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

ANNEX 1: EURO AREA ENTERPRISES – OVERVIEW OF THE SURVEY REPLIES

Chart 1a **Change in turnover and profit of SMEs across euro area countries**

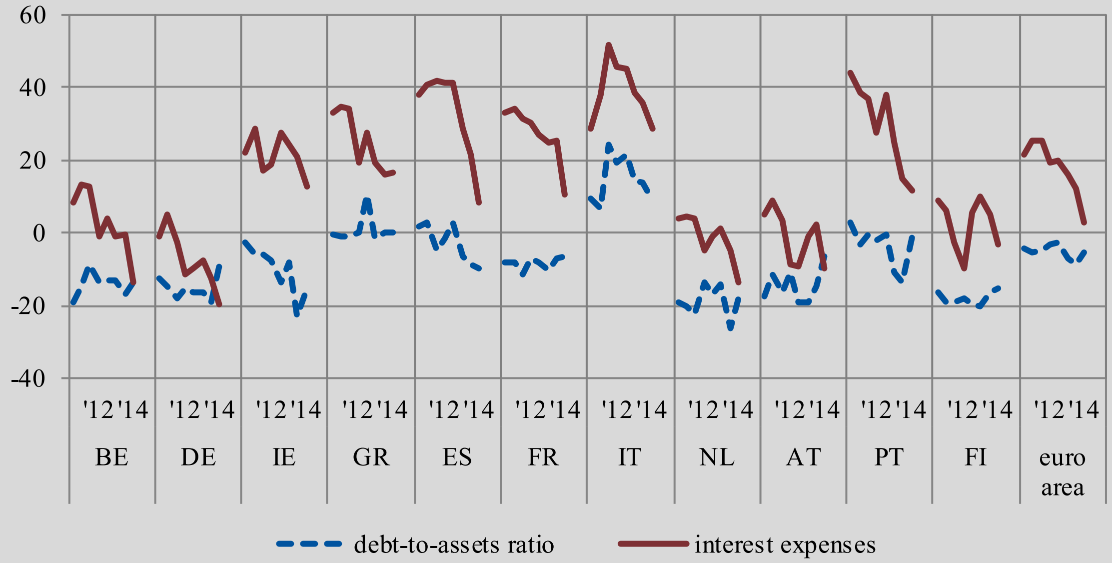
(over the preceding six months; net percentage of respondents)



Base: All SMEs. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 1.

Chart 2a Change in debt to total assets and interest expenses of SMEs across euro area countries

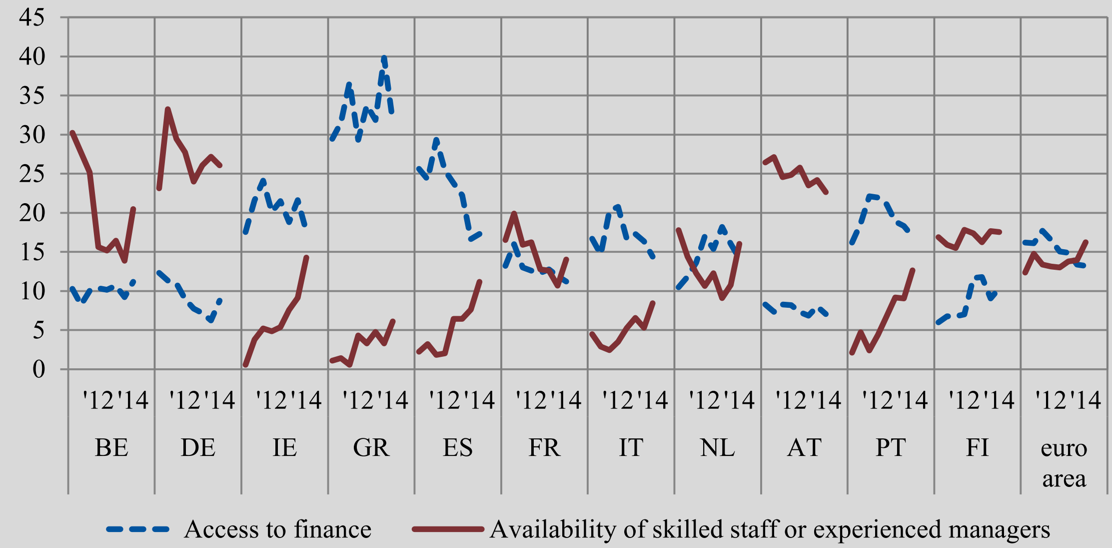
(over the preceding six months; net percentage of respondents)



Base: All SMEs. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Chart 1. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)". The latest results may therefore not be comparable with those of the previous rounds.

Chart 3a The most pressing problems faced by euro area SMEs across euro area countries

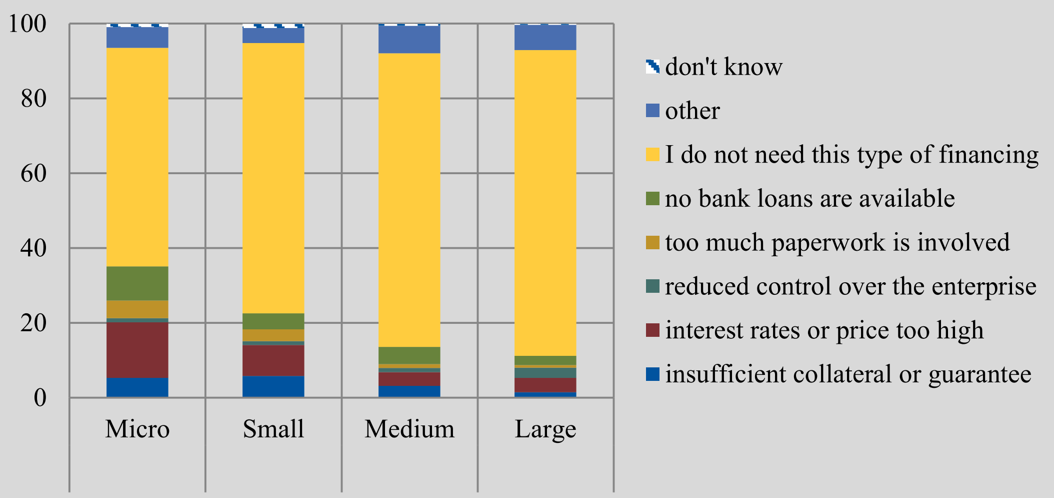
(percentage of respondents)



Base: All SMEs. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the notes to Chart 3.

Chart 4a Reasons why bank loans are not a relevant source of financing for euro area enterprises

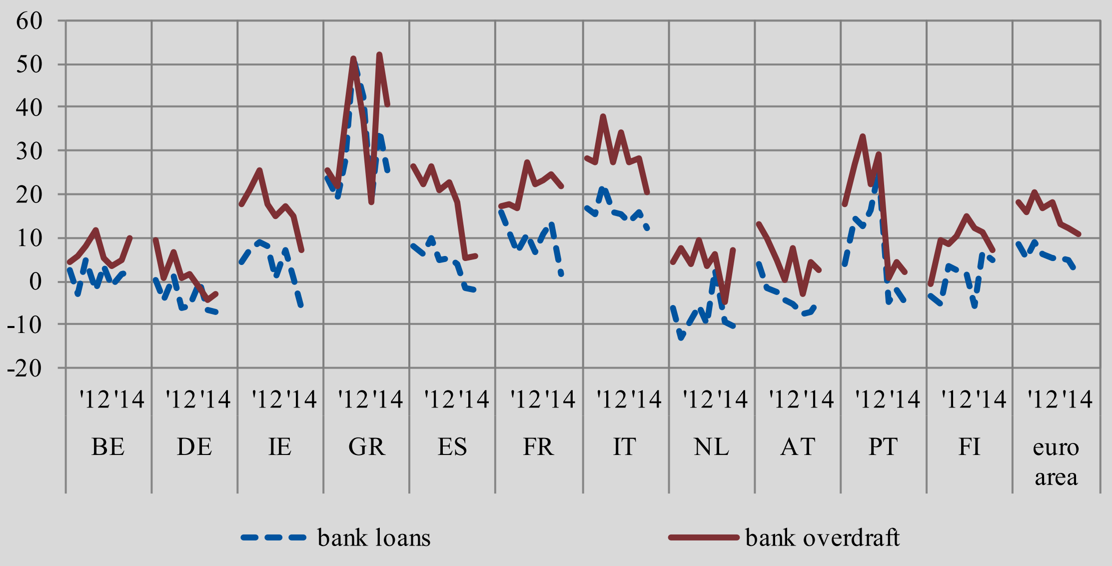
(over the preceding six months; percentage of respondents)



Base: Enterprises for which bank loans are not a relevant source of financing. Figures refer to round 11 (April-September 2014) of the survey.
Note: The figures are based on the new question introduced in round 11 (April-September 2014).

Chart 5a Change in euro area SMEs' need for bank loans and overdrafts

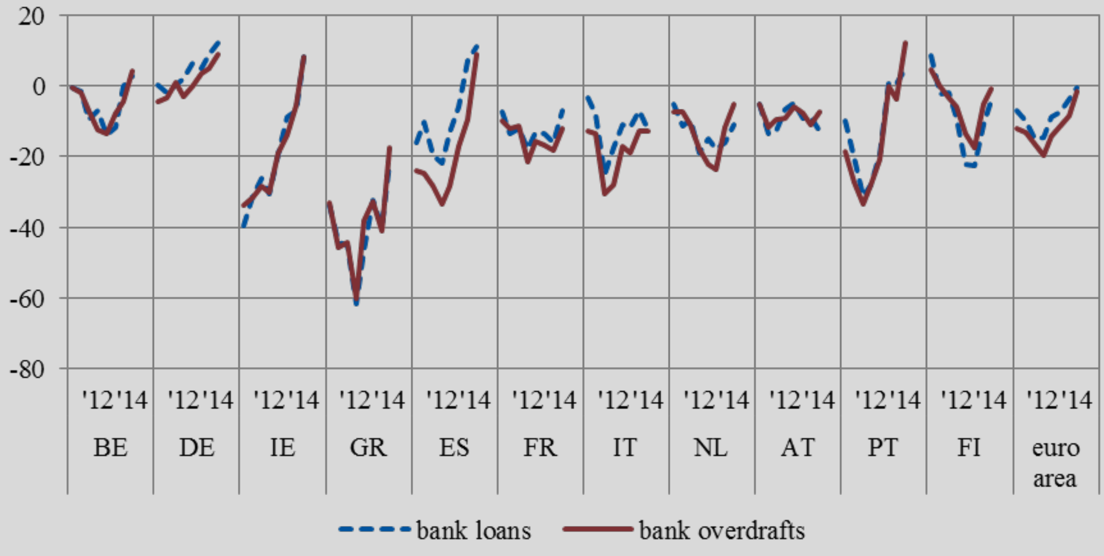
(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Chart 6a	Change in the availability of bank loans and overdrafts, as perceived by SMEs across euro area countries

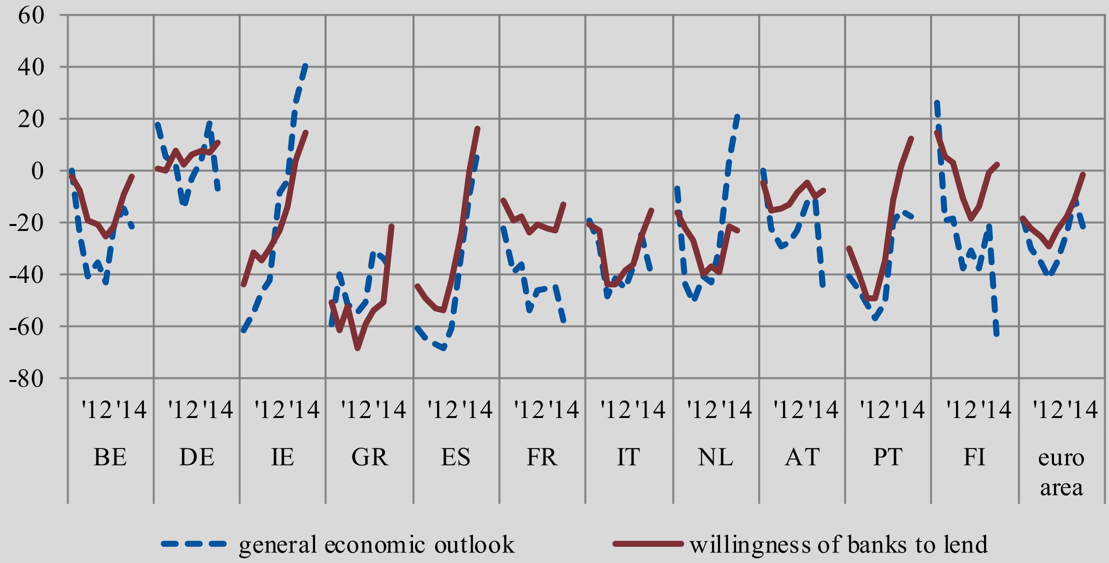
(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Chart 7a **Change in factors having an impact on the availability of external financing for SMEs across euro area countries**

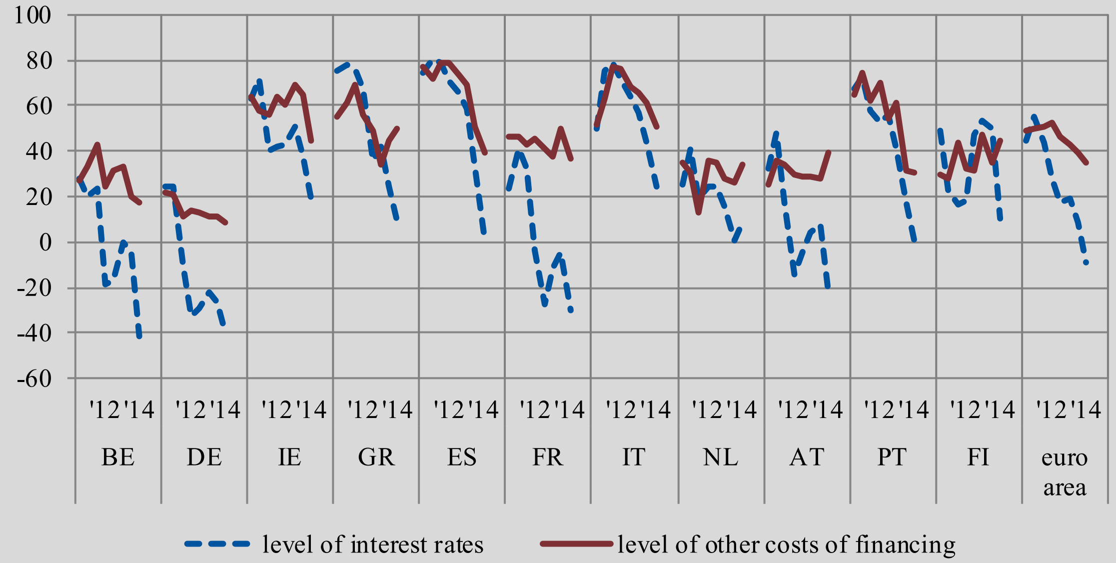
(over the preceding six months; net percentage of respondents)



Base: All SMEs; for the category "Willingness of banks to lend", SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7. From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise".

Chart 8a Change in the cost of bank loans granted to SMEs across euro area countries

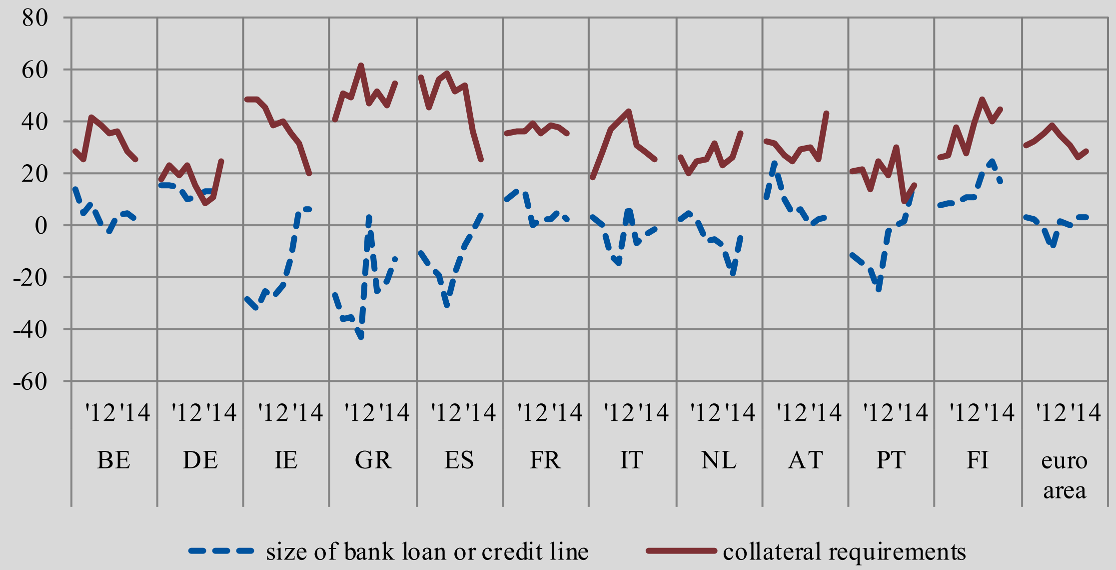
(over the preceding six months; net percentages of enterprises that had applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans), credit line, bank overdraft or credit card overdraft. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Chart 9a Change in non-price terms and conditions of bank loans granted to SMEs across euro area countries

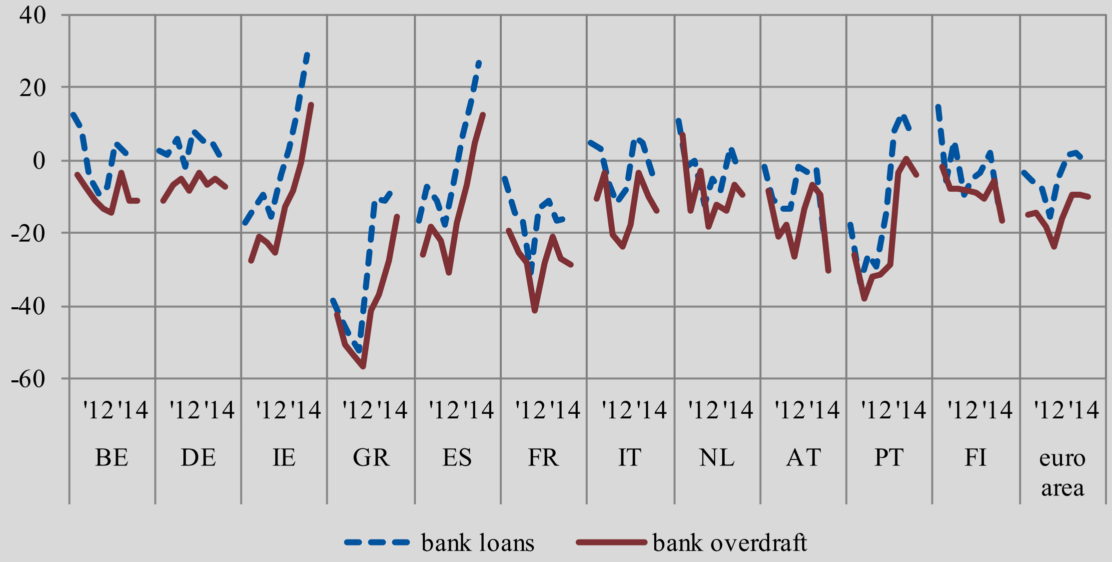
(over the preceding six months; net percentages of enterprises that had applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans), credit line, bank overdraft or credit card overdraft. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

Chart 10a SMEs' expectations regarding the availability of bank loans and overdrafts across euro area countries

(over the preceding six months; net percentages of respondents)

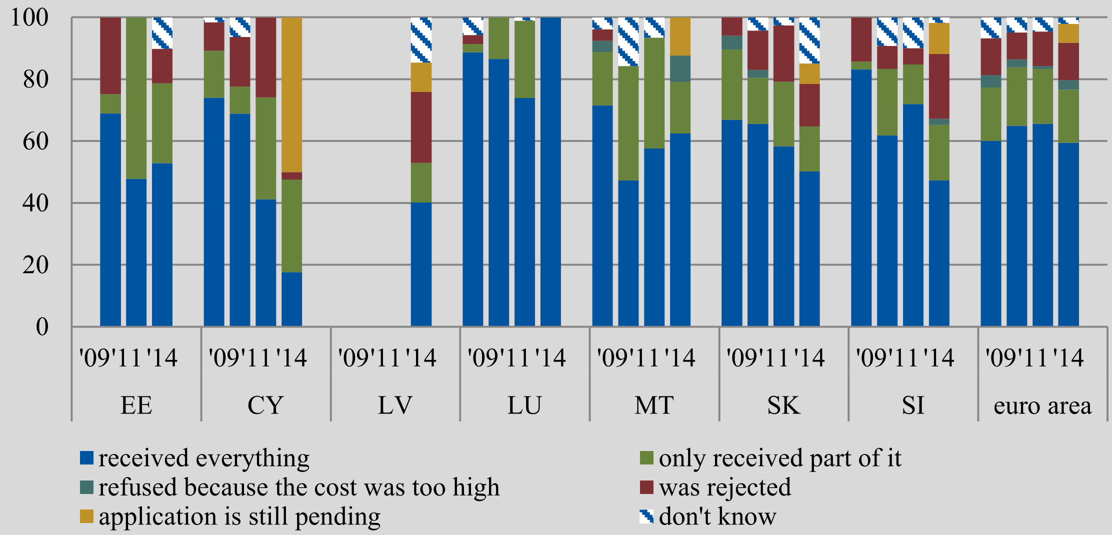


Base: SMEs for which the respective instrument is relevant. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: See the note to Charts 1 and 7.

ANNEX 2: SMES IN OTHER SMALL EURO AREA COUNTRIES – OVERVIEW OF THE SURVEY REPLIES

Chart 1b **Outcome of applications for bank loans by SMEs across euro area countries**

(over the preceding six months; percentage of enterprises that applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to rounds four (October 2010-March 2011) 11 (April-September 2014) of the survey.
Note: Data are available for every year since 2013. It was previously every two years, starting from 2009 (Estonia from H1 2011, Latvia H1 2014). The category "Other small euro area countries" comprises Estonia, Cyprus, Luxembourg, Latvia, Malta, Slovakia and Slovenia, taking into account the composition of the euro area at the time to which the statistics relate. The category "Application is still pending" was added in round 11 (April-September 2014). See Annex 4 for details.

Enterprises that applied for a bank loan (including subsidised bank loans)
(over the preceding six months; percentage of respondents)

	EE	CY	LV	LU	MT	SK	SI	euro area
April-September 2014	26	14	20	16	27	21	37	30

ANNEX 3: DESCRIPTIVE STATISTICS FOR THE SAMPLE OF ENTERPRISES

Chart 1c Breakdown of enterprises across economic activities

(weighted percentage)

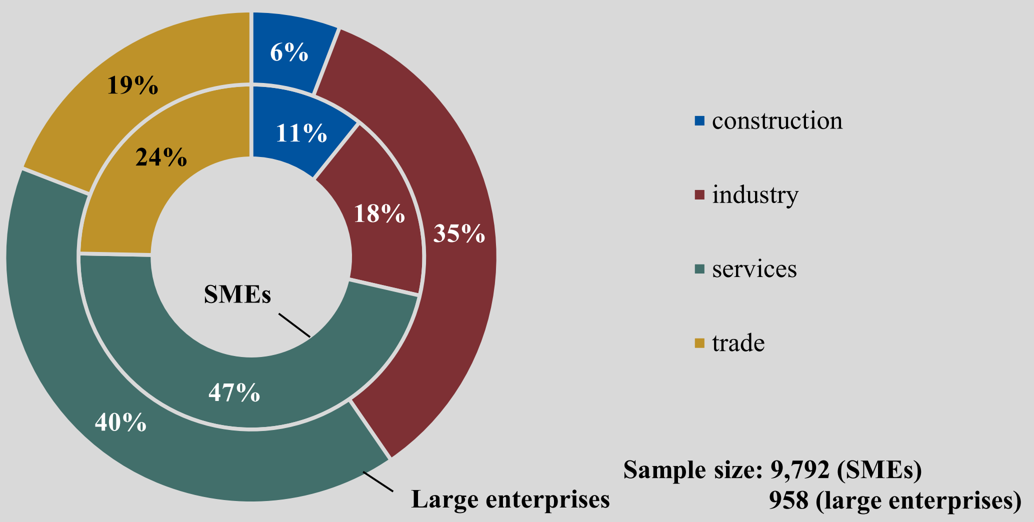


Chart 2c Breakdown of enterprises by firm age

(weighted percentage)

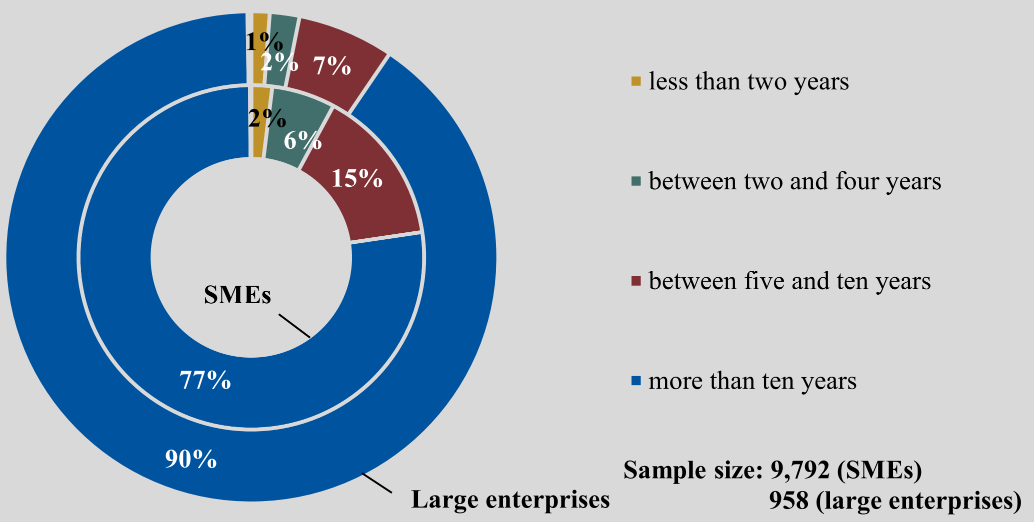
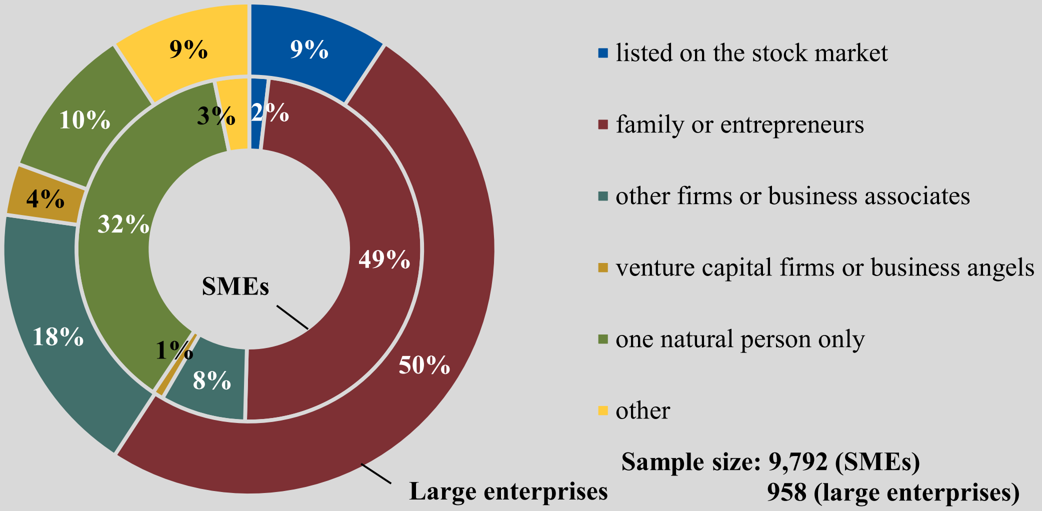


Chart 3c Breakdown of enterprises according to ownership

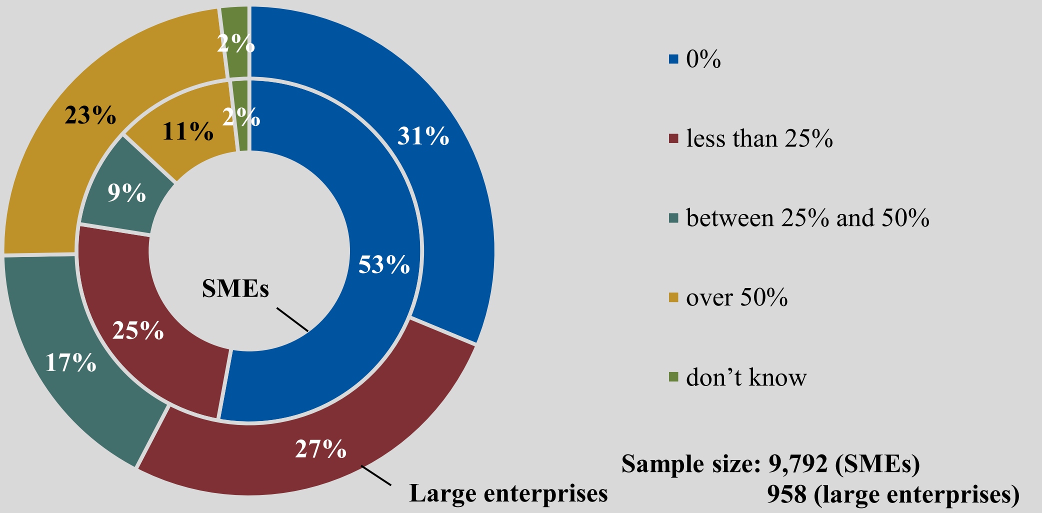
(weighted percentage)



Sample size: 9,792 (SMEs)
958 (large enterprises)

Chart 4c Breakdown of enterprises according to exports

(weighted percentage)



Sample size: 9,792 (SMEs)
958 (large enterprises)

ANNEX 4: METHODOLOGICAL INFORMATION ON THE SURVEY

This annex presents an overview of the methodology of the Survey on Access to Finance of Enterprises (SAFE), focusing on the changes introduced in this round and the general characteristics of the euro area enterprises that participated in the survey.

BACKGROUND

The data presented in this report were collected through a survey of enterprises in the euro area. After ten survey rounds corresponding to five years of data, the various components of the SAFE were reviewed. The evaluation covered the questionnaire, the sample allocation, the survey mode and the weighting scheme.

The recent round, in which all the resulting changes were implemented, was also the first to be conducted by the new survey contractor, Panteia b.v., in cooperation with the fieldwork provider GDCC. The first two rounds of the SAFE were carried out by Gallup, while rounds three to ten were conducted by IPSOS MORI, in cooperation with the IPSOS network of national research agencies in the various Member States. To the best of our knowledge, no breaks in the series are attributable to the change of provider.

In order to limit the structural breaks to one point in time, it was decided that the changes to the questionnaire and the methodology would be introduced together with the changeover of the survey company. The comparability of survey results over time is crucial for an empirical analysis of the financing situation of SMEs, and the benefits of improving the questionnaire were weighted against the costs of introducing breaks in the collected data. Whenever possible, a unified methodology is applied to the whole dataset, including all survey rounds. Consequently, past results were revised with respect to the weighting scheme (see the section below entitled "Weighting"). In addition, some responses were excluded from the calculations of the aggregated data to align the results with the approach in the new questionnaire; in particular, some questions were not asked to those respondents who reported that a particular financing source was not applicable to their enterprise (see the section below entitled "Questionnaire").

FIELDWORK

The survey interviews for this round were conducted between 1 September and 10 October 2014. The interviews were conducted mostly by telephone (using computer-assisted telephone interviewing, or CATI). In this survey round, there was also an opportunity to fill in the questionnaire online (using computer-aided web interviewing, or CAWI). However, this option was used by only 0.4% of the respondents. The interviewee in each company was a top-level executive (general manager, financial director or chief accountant).

SAMPLE SELECTION

The companies in the sample are selected randomly from the Dun & Bradstreet business register. The sample is stratified by country, enterprise size class and economic activity.

The number of firms in each of these strata was adjusted to increase the accuracy of the survey across activities and size classes. For example, the proportion of small firms selected for the sample was higher than their economic weight. The results were then adjusted using the appropriate weights (see the "Weighting" section below).

The total euro area sample size was 10,750 enterprises, of which 9,792 had fewer than 250 employees.

Sample allocation across countries

The sample sizes in the different countries were selected on the basis of a compromise between the costs of the survey at the euro area level and representativeness at the country level. Besides being representative at the euro area level, the sample is also representative for the four largest euro area countries, i.e. Germany, France, Italy and Spain. The sample size in the seven other euro area countries that are included in the survey every time (Belgium, Ireland, Greece, the Netherlands, Austria, Portugal and Finland) was increased in the round covering the second half of 2010 to 500 enterprises in each country, enabling some significant results to be drawn for these countries. In this round, the sample size was further increased for the four largest euro area countries[16], as well as the Netherlands, Slovakia and Slovenia, to better reflect their share of employment in Europe.

As is the case in every September round[17], the seven smallest countries in the euro area (Estonia, Cyprus, Latvia, Luxembourg, Malta, Slovenia and Slovakia) were included in the sample. Since they represent less than 3% of the total number of employees in the euro area, this had only a very marginal impact on the results for the euro area as a whole.

16 In Germany, the target was 1,500 interviews, as in France and Italy. However, the number of interviews carried out was slightly lower owing to specific difficulties there in reaching this number of enterprises in a relatively short fieldwork period. The number of interviews carried out in Germany is still higher than in previous waves of the survey; the weighting has been adjusted to compensate for this and has no impact on the results.

17 Before 2013 the more comprehensive survey with an extended sample covering all EU countries plus some neighbouring countries was run every two years (2009 and 2011). The categories "Euro area countries" and "Other small euro area countries" shown in the report take into account the composition of the euro area at the time to which the statistics relate.

In terms of the euro area countries, the sample structure for this survey round was as follows:

Table 1c **Number of interviews conducted with euro area enterprises, broken down by country**

	Number of interviews		Number of interviews
Belgium	501	Latvia	200
Germany	1,337	Luxembourg	102
Estonia	100	Malta	100
Ireland	500	Netherlands	800
Greece	501	Austria	502
Spain	1,303	Portugal	501
France	1,500	Slovenia	200
Italy	1,500	Slovakia	501
Cyprus	101	Finland	501

Sample allocation across size classes

As regards the stratification by firm size class, the sample was constructed to offer comparable precision for micro (1-9 employees), small (10-49 employees) and medium-sized (50-249 employees) enterprises, taking into account total employment in these size classes. In addition, a sample of large enterprises (250 or more employees) was included in order to make it possible to compare developments for SMEs with those for large enterprises.

In this survey round, the sample allocation across size classes has been amended to better reflect the distribution between the micro, small and medium-sized enterprises, with the aim of improving the precision in the main domains of interest measured in the survey. In comparison to the previous sample allocation, the share of the micro enterprises increased, and this was offset by the decrease in that of medium-sized companies, reflecting the distribution of euro area employment.

The share of large enterprises in the SAFE sample remained broadly unchanged, since the survey focuses on SMEs. It is also dictated by the fact that the share of the total population accounted for by large firms is not large.

Table 2c	Number of interviews conducted with euro area enterprises, broken down by firm size class		
	Number of interviews		Number of interviews
Micro	4,132	Medium-sized	2,634
Small	3,026	Large	958

Sample allocation across sectors

The sample sizes for each economic activity were selected to ensure sufficient representativeness across four major activities: industry, construction, trade and other services. The statistical stratification was based on economic activities at the one-digit level of the European NACE classification (presented here according to Rev. 2). Enterprises from mining and quarrying (B), manufacturing (C), and electricity, gas, steam and air conditioning supply (D), and water supply, sewerage, waste management and remediation activities (E) were combined under "industry". "Construction" is simply construction (F). "Trade" includes wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods (G). "Services" includes enterprises in transport and storage (H), accommodation and food service activities (I), information and communication (J), real estate activities (L), professional, scientific and technical activities (M), administrative and support service activities (N), arts, entertainment and recreation (R) and other service activities (S).

Agriculture, forestry and fishing (A), financial and insurance activities (K), public administration and defence; compulsory social security (O), education (P), human health and social work activities (Q), activities of households as employers; undifferentiated goods- and services-producing activities of households for own use (T), activities of extra-territorial organisations and bodies (U), holding companies (NACE 64.20) and private non-profit institutions were excluded from the sample.

Table 3c	Number of interviews conducted with euro area enterprises, broken down by economic activity		
	Number of interviews		Number of interviews
Industry	2,900	Trade	2,959
Construction	1,161	Services	3,730

The exclusion of sectors P (“Education”) and Q (“Human health and social work activities”) from the SAFE sample

Following the evaluation of the survey methodology of the SAFE, it was decided to exclude sectors P (“Education”) and Q (“Human health and social work activities”) (NACE Rev. 2) from the SAFE sample and, correspondingly, to revise the weighting scheme in the previous waves of the survey.

In the first ten waves of the survey, private enterprises belonging to the sectors P and Q were included in the sample under the combined economic activity category “Services”[18]. The weights used in the sample (see the following section) were based on population statistics, which included estimates of the number of persons employed in the two sectors. However, owing to the high share of public entities operating in education and health services, there are some shortcomings with this approach. These are related to practical issues during the fieldwork[19] and then to the calculation of the weights.

Based on analysis of the sector information available in the business register[18], it turned out that only a small number of enterprises belonged to those two sectors in the final set of SAFE respondents (under 3%), while the weights assigned to those companies were much larger.

In this regard, harmonised statistics on the population of private enterprises in education and health services are not available. While the structural business statistics (SBS) on the number of persons employed by size class were used for most of the sectors, the figures for four sectors (namely NACE Rev. 2 P, Q, R and S) were estimated on the basis of Eurostat’s national accounts data, i.e. number of employees (excluding self-employment) or, if these were not available, number of hours or number of jobs for employees. Since a breakdown by company size is not available in national accounts, it was estimated assuming that the share of micro, small, medium-sized and large enterprises in terms of employment is the same as in the sectors NACE Rev. 2 L, M and N combined.

However, national accounts data also include public entities, which leads to overestimation of the weights for enterprises in the services. Currently, it is not possible to use the breakdown of the dataset that excludes those entities (“Total economy, except General Government”) owing to

18 In the data collected, the companies from these two sectors cannot be identified, but they are included in the category “Other services to businesses or persons” together with accommodation and food service activities (I), information and communication (J), real estate activities (L), professional, scientific and technical activities (M), administrative and support service activities (N), arts, entertainment and recreation (R) and other service activities (S).

19 Since non-profit enterprises are out of the scope of the survey, the survey company removed observations which had “municipal”, “foundation”, “school” or “hospital” in the name, which possibly also led to the exclusion of some private enterprises in the P and Q sectors, e.g. private language schools. Such an approach was necessary, given that many interviews were initially stopped because enterprises did not qualify for the survey owing to their non-profit character, thus slowing down the fieldwork progress.

the low coverage, e.g. only seven of the 28 EU countries provide such information for the education sector[20] (Belgium, Bulgaria, Greece, Italy, Cyprus, the Netherlands and Finland). Moreover, the share of private entities in education and health services across those countries varies substantially (see Table 4c), so it would be not advisable to use these figures to estimate missing data in the rest of the EU.

Table 4c **Number of employees in sectors P and Q for total economy and private enterprises (2011; thousands of persons)**

	Total		Total, except general government		Share of private enterprises in employment	
	P	Q	P	Q	P	Q
Belgium	372.3	474.8	12.0	474.8	3%	100%
Bulgaria	167.2	139.9	9.2	37.9	6%	27%
Greece	280.9	196.3	70.9	48.1	25%	25%
Italy	1,356.1	1,462.1	169.8	715.2	13%	49%
Cyprus	23.1	13.7	6.6	5.1	29%	37%
Netherlands	463.1	1,279.4	27.7	1166.6	6%	91%
Finland	166.4	349.2	35.1	86.6	21%	25%

Sources: Eurostat, national accounts by 64 branches (employment data)

Given the difficulties described above in sampling private enterprises that fall under education and health services and calculating the corresponding weights, these two sectors have been excluded from the SAFE sample since the 11th survey round. Since the SAFE respondents rarely belonged to those sectors (less than 3% of enterprises surveyed on the basis of information from Amadeus of Bureau van Dijk), the loss of information stemming from their exclusion is negligible.

WEIGHTING

In order to restore the modified proportions, calibrated weights were used with regard to company size and economic activity (see the section above entitled "Sample selection"). Since the economic weight of the companies varies according to their size, there are two main classes of weights which can be used: (i) weights that restore the proportions of the number of

[20] See Eurostat's website: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_nace64_e&lang=en

enterprises in each size class, economic activity and country; and (ii) weights that restore the proportions of the economic weight of each size class, economic activity and country. In this report, the second set of weights is used, as the objective is to measure the effect of access to finance on economic variables. The number of persons employed is used as a proxy for economic weight.[21]

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.

As discussed above, the weighting scheme was changed in this survey round to reflect the exclusion of the P and Q sectors from the target population of the survey. In this way, this revised weighting scheme better reflects the economic weight of the enterprises active in the market services.

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.

QUESTIONNAIRE

The questionnaire used for the survey is available on the ECB's website. It was translated into the respective languages for the purposes of the survey.

In this round, as is the case in every September round[22], it included additional questions on financing prospects, as well as growth expectations and perceived obstacles to growth aspirations.

This section describes the main changes introduced in the questionnaire in this round of the survey and the motivation for them. The amendments include the addition of i) new questions and categories, ii) the deletion of unused ones, and iii) reformulation of existing questions and use of filters so that irrelevant categories are skipped. The summary table with the changes that

[21] According to official statistics, 92% of enterprises in the euro area are micro enterprises (with one to nine employees), 7% are small enterprises, 1% are medium-sized enterprises and 0.2% are large enterprises. However, in terms of economic weight, as measured by the number of persons employed, micro enterprises represent 31% of all enterprises, small enterprises 22%, medium-sized enterprises 16% and large enterprises 30%.

[22] Before 2013 the more comprehensive survey with the extended questionnaire was run every two years (in 2009 and 2011).

were introduced is presented in the section "Tabular summary of the main changes to the questionnaire".

i) New questions

Question D2A, which asked non-autonomous enterprises for the location of their head office.

Question D7 on the percentage of turnover (asked in brackets) that arises from exports. This information allows the situation of export-oriented firms to be compared with that of non-export-oriented firms.

Question Q32, which asked enterprises that do not use bank loans for the main reason that these were absent from their financing structure.

Question Q8A on the size of the bank loan. See the note below on its comparability with the former question Q12.

Question Q8B on the interest rate charged for the credit line or bank overdraft. Quantitative information on bank financing conditions such as the interest rate is a useful complement to the other information – mainly qualitative – collected in the survey. However, when comparing the interest rate charged for bank loans, different parameters should be taken into account such as maturity, type and period of fixation and collateralisation. This would require the addition of several questions. To avoid extending the length of the questionnaire any further and causing the respondent fatigue, it was decided to add the question on the interest rate on the credit line and bank overdraft, which tend to be more comparable.

Question Q6A on the purpose of external financing used by the enterprises during the past six months. It was put to all the respondents, with the selection of multiple categories being possible.

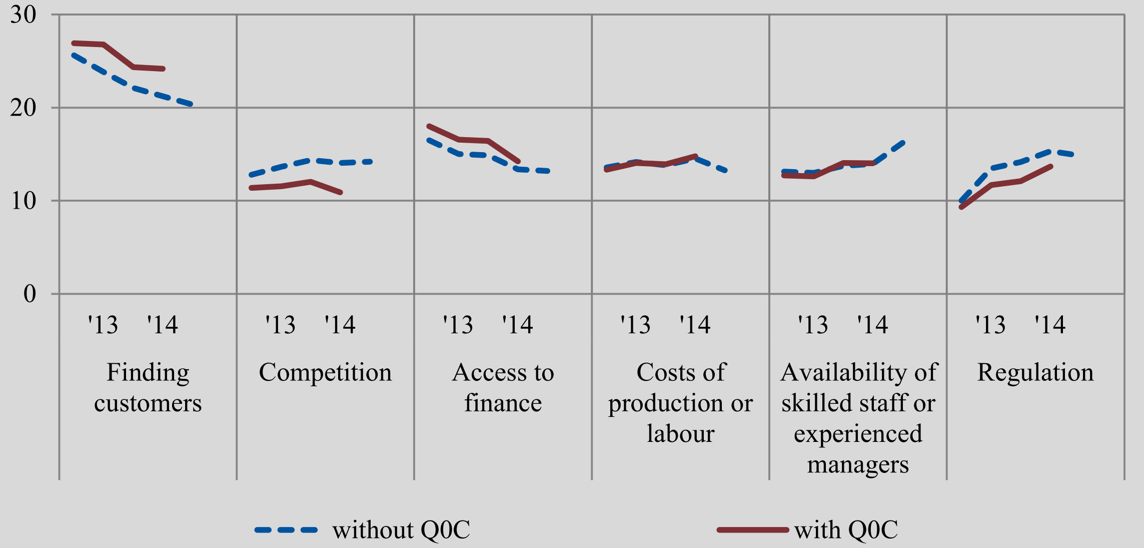
ii) Deleted questions

Question D6b on the gender of the owner confused respondents, in particular when the owner is not a single person. For this reason and the fact that it was not used frequently in the analysis, it was removed.

Question Q0C: if two or more items had the highest score in question Q0B on the "pressingness" of the problems, a follow-up question (Q0C) was asked in order to resolve this, i.e. to determine which of the problems was more pressing, even if only by a small margin. The question was introduced to enable the reconstruction of the series for the most pressing problem (Q0) as initially phrased in the questionnaire. However, given that the results can be approximated in the event of a tie by splitting the competing categories equally, and in order to lighten the questionnaire, it was decided to drop this follow-up question (Q0C) from the questionnaire. The previous results are aligned to the current approach by disregarding the responses to the Q0C question in all rounds when the question existed in the questionnaire, i.e. rounds seven to ten. Disregarding question Q0C results in an overall decrease in the category "Finding customers", which is counterbalanced by the decrease in "Competition". However, the overall development is preserved and "Finding customers" remains the most pressing problem (see Chart A1).

Chart A1 The most pressing problems faced by euro area SMEs – comparison of results with and without the tie-breaking question Q0C

(percentage of respondents)



Base: Figures refer to rounds seven (April-September 2012) to 11 (April-September 2014) of the survey. For round 11, only the responses for "Without Q0C" are available.
Note: See the note to Chart 3. For the category "With Q0C", question Q0C was used to resolve the tie, i.e. which of the problems is more pressing if two or more items had the highest score in question Q0B on the "pressingness", while for "Without Q0C" this question was disregarded. In round seven, for half of the sample, the respondents were asked to select one of the categories as the most pressing problem, while for the other half, the respondents were asked to indicate how pressing a specific problem was, using a scale from 1 (not pressing) to 10 (extremely pressing).

Question Q3 on "Debt compared to assets" was moved to one of the Q2 categories.

Question Q6 on the impact of specific factors ("Fixed investment", "Inventories and working capital", "Availability of internal funds", "Mergers and acquisitions and corporate restructuring") on the change in their financing needs (see the note below on the new question Q6A).

Question Q12 on loan size was included in the questionnaire only every two years and asked about the size of the last loan obtained in the last two years. See below the note on its comparability to the new question Q8A.

Question Q13 on the provider of the last loan (bank, private individual, other) was removed from the questionnaire, given that similar information can be obtained from question Q4 on relevant and recently used financing instruments.

Question Q14 on the purpose of the last loan obtained in the last two years. See the note below on the new question Q6A.

iii) Reformulation of existing questions and application of filters

Reformulation of question Q4 on financing structure

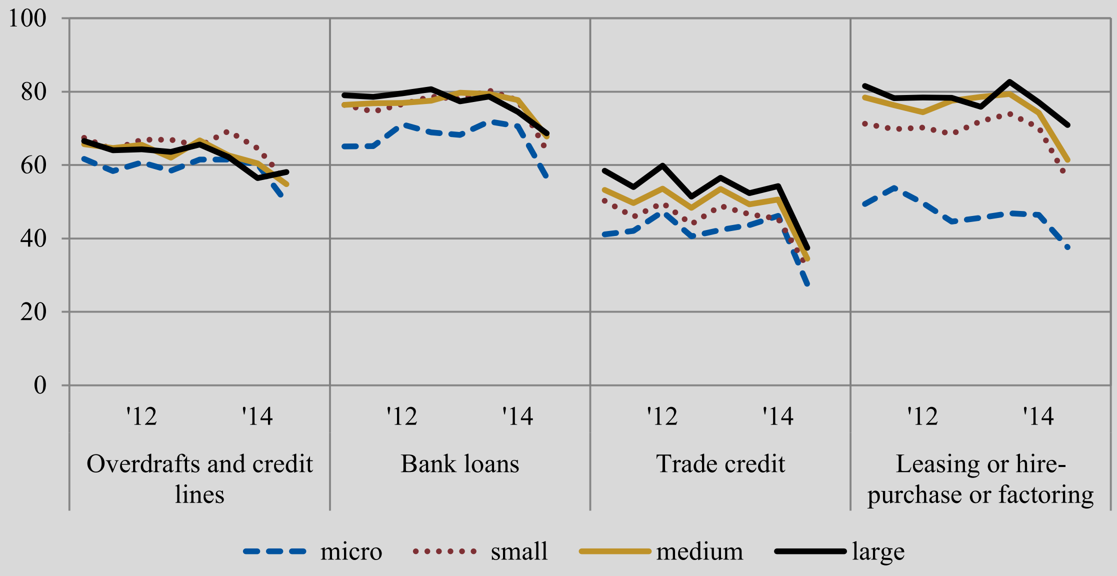
In question Q4 and for each financing source, three categories were read to the respondents in the previous version of the questionnaire[23]: i) "used it in the past six months", ii) "did not use in the past six months, but have experience with this source of financing", iii) "did not use as this source of financing has never been relevant to my firm". The question was reformulated so that the respondent is asked first if a particular instrument is relevant, i.e. the enterprise used it in the past or has considered using it in the future. If so, a follow-up question is asked as to whether the instrument has been used in the past six months.

This reformulation caused an increase in the category "Not relevant" and a drop in the category "Relevant", and introduced a structural break in the series, so past data are not directly comparable (see Chart A2).

[23] From rounds two to ten. In the first round, the question was formulated differently.

Chart A2 Relevant sources of external financing for euro area enterprises – impact of the reformulation of question Q4

(over the preceding six months; percentage of respondents)

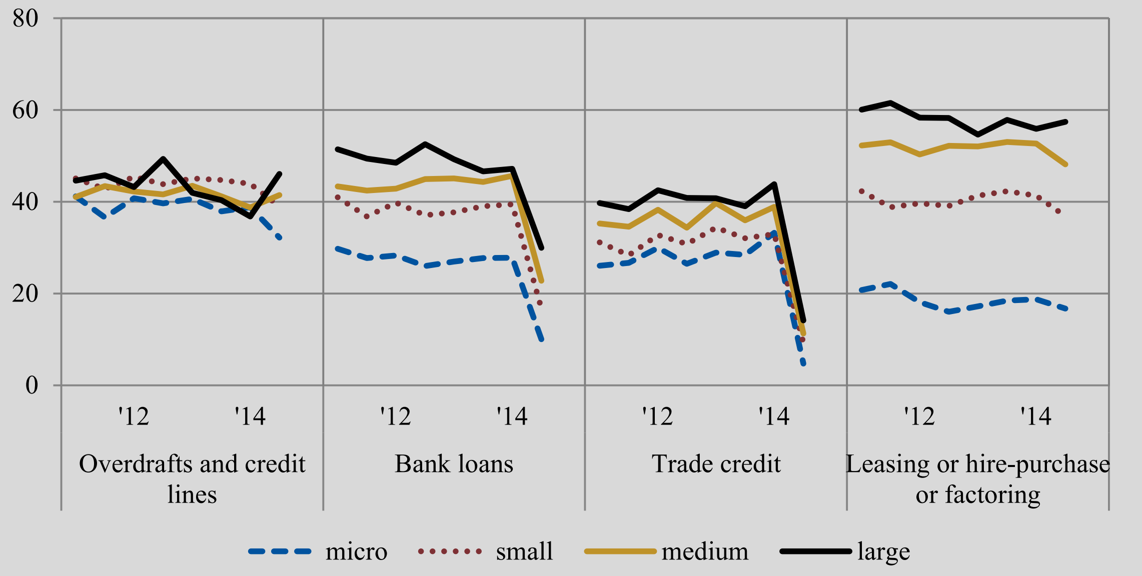


Base: Enterprises that used the respective instrument in the past six months or did not use it, but for which it is relevant (for rounds four to ten), and enterprises for which the respective instrument is relevant (for round 11). Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.

In addition, the follow-up question for two instruments – bank loans and trade credit – was not asked, since the information should be equivalent to the successful application for the respective instrument in the past six months (question Q7B), i.e. the enterprise used the loan or trade credit in the past six months if it had received at least some part of the amount for which it had applied. However, the lack of a follow-up question for those two instruments causes a clear break in the series (see Chart A3).

Chart A3 Sources of external financing for euro area enterprises used in the past six months – impact of the reformulation of question Q4

(over the preceding six months; percentage of respondents)



Base: Enterprises that used the respective instrument in the past six months (for rounds four to 11), with the exception of bank loans and trade credit in round 11, where figures refer to the successful application for the respective instrument in the past six months. Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.

Split of leasing and factoring (question Q4)

Given that leasing and factoring are prevalent sources of finance, the combined category "Leasing or hire-purchase or factoring" was split into "Leasing or hire-purchase" and "Factoring".

Mezzanine financing (questions Q4, Q20 and Q22)

Given its low prevalence, the mezzanine financing that contains characteristics of both debt and equity (i.e. "Subordinated loans, participating loans, preferred shares or similar financing instruments") is deleted as a separate category in questions Q4 and Q20. The item "Preferred shares" is now included in the category "Equity capital", while "Subordinated debt instruments" and "Participating loans" were moved to "Other sources of financing". Subsequently, the item "Mezzanine financing" was removed from question Q22 and two items "Bank or other loan" and "Equity investment/mezzanine" merged into "Bank loan, a loan from other sources or equity investment".

Filtering based on question Q4 (affecting questions Q5, Q7A, Q7B, Q9, Q10, Q11, Q8A and Q23)

Feedback from the interviewers indicated the survey would benefit from a shorter and simpler questionnaire, in particular by streamlining the interview for smaller and younger companies to which many financing sources are not relevant. This was achieved by filtering the questions based on the relevance of financing instruments indicated by the respondents in question Q4. For instance, if the respondents indicated in question Q4 that debt securities or equity were not relevant for their enterprise, they were not asked about those instruments in the subsequent questions Q5, Q9, Q7A, Q11 and Q23.

It should be highlighted that, apart from the practical considerations of reducing the length of the interview, the filtering introduces a conceptually different approach to the target population. Specifically, it alters the composition of respondents from those who have an opinion on a certain topic, even though they do not have direct exposure to it, to those who have first-hand experience in the respective field. Consequently, they might express stronger views on the subject. Therefore, the two methods can give different results (e.g. with regard to turning points), especially as the reporting population may change systematically across survey rounds (e.g. over the business cycle). Moreover, the use of a filtered questionnaire generates a smaller sample of respondents, so the survey estimates may turn out to be more volatile over time.

In the SAFE, the number of “Not applicable”, “Don’t know” and “Remained unchanged” categories in the filtered questions diminished as a result, leading to more polarised opinions. To enable a comparison over time, past aggregated results were aligned by excluding the responses from the enterprises for which a specific instrument was not relevant. Such an ex-post filter was applied to questions Q5, Q9, Q7A, Q11 (items f, g, h) and Q23, and also had an indirect impact on questions Q7B and Q10, since they are based on the newly filtered question Q7A. It also affects question Q12, which was replaced by question Q8A, now filtered by question Q7B (see separate section referring to the question below on the size of loan).

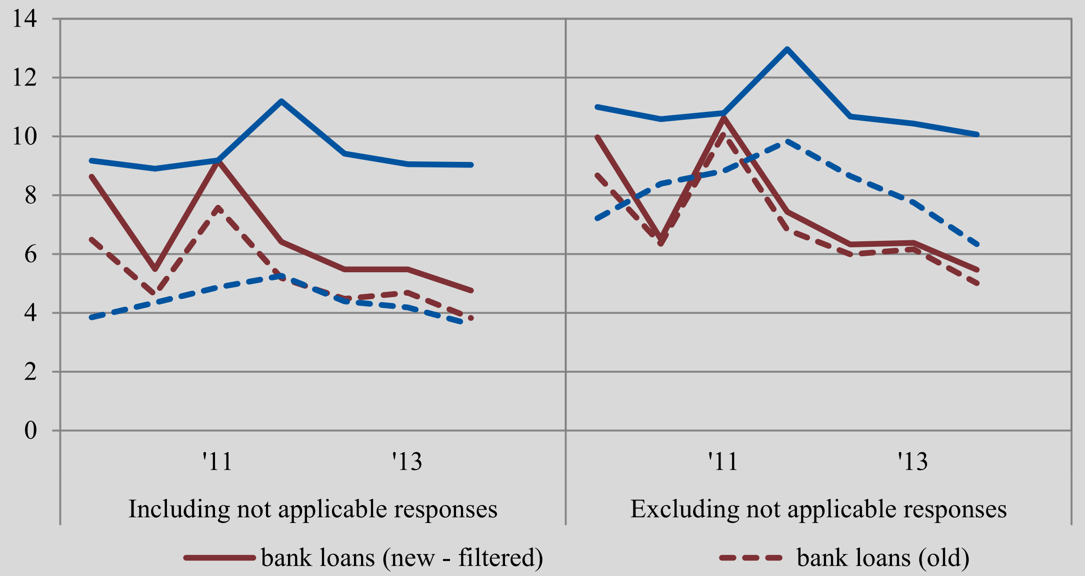
For the purpose of the aggregated results, the responses to question Q9 collected in round 11 have been additionally filtered on the basis of question Q7A to align the approach with the previous rounds, where the items “Equity”, “Debt securities” and “Other” were asked only to those who had applied for any type of external financing or did not apply because of possible rejection.

For the questions referring to the availability of financing (questions Q9, Q11 and Q23), the impact of introducing the filters in the previous rounds of the survey is minor for bank overdrafts, bank loans and trade credit. For the question on changes in the need for external financing (question Q5), the development for these three instruments is along the same lines as without the filter, but the results are more pronounced, i.e. showing a stronger increase in financing needs, both for SMEs and large enterprises.

When calculating the net percentages without the non-applicable responses, the differences between the filtered and original series are smaller. These results further support the introduction of filtering.

Chart A4 Change in external financing needs of euro area SMEs – comparison between filtered and unfiltered responses

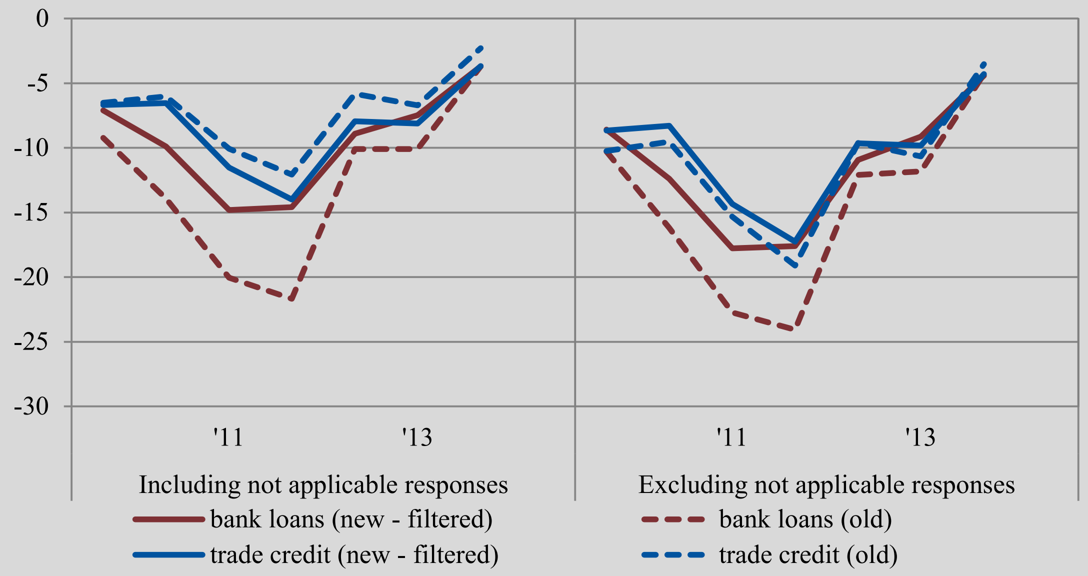
(over the preceding six months; net percentage of respondents)



Base: Figures refer to rounds four (October 2010-March 2011) to ten (October 2012-March 2014) of the survey.
Note: For the category "Old", all SMEs are included, while for "New - filtered", only those SMEs that used the respective instrument in the past six months or did not use it, but for which it is relevant, are included.

Chart A5 Change in the availability of external financing for euro area SMEs - comparison between filtered and unfiltered responses

(over the preceding six months; net percentage of respondents)



Base: Figures refer to rounds four (October 2010-March 2011) to ten (October 2012-March 2014) of the survey.
Note: For the category "Old", all SMEs that applied for external financing are included, while for "New - filtered", only those SMEs that used the respective instrument in the past six months or did not use it, but for which it is relevant, are included.

For equity and particularly debt securities, the impact of the filters is generally greater, leading to more volatile time series that are evident not only at country level, but also at euro area level. This volatility stems from the considerably lower number of firms, since those firms for which a source is not relevant are not taken into account.

Given the limited relevance of debt securities and equity to SMEs, and the limited number of responses for those categories, the low precision of the results should be kept in mind when analysing the data.

The summary of the applied filters and the mapping between the current and past rounds is presented in the section "Filters".

Factors having an impact on the availability of external financing (question Q11)

Two categories in question Q11 were amended slightly: "Willingness of banks to provide a loan" was changed to the more general "Willingness of banks to provide credit to your enterprise", while "Willingness of investors to invest in equity or debt securities issued by your firm" was changed to "Willingness of investors to invest in your enterprise".

In addition, for these two categories and for “Willingness of business partners to provide trade credit”, the filter based on the corresponding instruments in question Q4 was introduced (see the information above on filtering), i.e. the category:

- “Willingness of banks to provide credit to your enterprise” is asked if at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant;
- “Willingness of business partners to provide trade credit” is asked if trade credit is relevant;
- ”Willingness of investors to invest in your enterprise” is asked if at least one of the items “Other loan”, “Debt securities”, “Equity capital” or “Other sources of financing” are relevant.

The past aggregated results were revised accordingly to align the time series with the data collected in the latest round.

Purpose of the external financing (new question Q6A and former questions Q6 and Q14)

In the previous version of the questionnaire, the respondents were asked about the impact of specific factors (“Fixed investment”, “Inventories and working capital”, “Availability of internal funds”, “Mergers and acquisitions and corporate restructuring”) on the change in their financing needs. In addition, question Q14 covered the purpose of the last loan obtained in the last two years with selection of multiple categories being possible.

In the new version of the questionnaire, the purpose of external financing (question Q6A) is formulated in a similar way to the former question Q14, but is put to all respondents and refers to the past six months. Formulation of the question in levels, instead of relative changes, simplifies the reporting on the ultimate use of obtained funds. At the same time, two categories of the former question Q6 (“Fixed investment” and “Inventories and working capital”) were added to question Q2 referring to the changes in the financial and non-financial indicators. Subsequently, the former question Q6 and Q14 were removed from the questionnaire.

Changes in the financial and non-financial indicators (question Q2 and former question Q3)

The questions on the financial situation and the indebtedness of the firms are informative, as they provide a qualitative link to the financial statement and balance sheet situation of the enterprise. To enrich the collected information, “Fixed investment” and “Inventories and working capital” were added (see above), as well as “Number of employees”.

On the other hand, feedback from the fieldwork indicated that some respondents have difficulties with the concepts of “Profit margin” and “Net interest expenses”. Thus, “Profit margin” was removed, given that it was not used frequently in the analysis, while “Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)” were simplified to “Interest expenses (what your company pays in interest for its debt)”. This causes a break in the series.

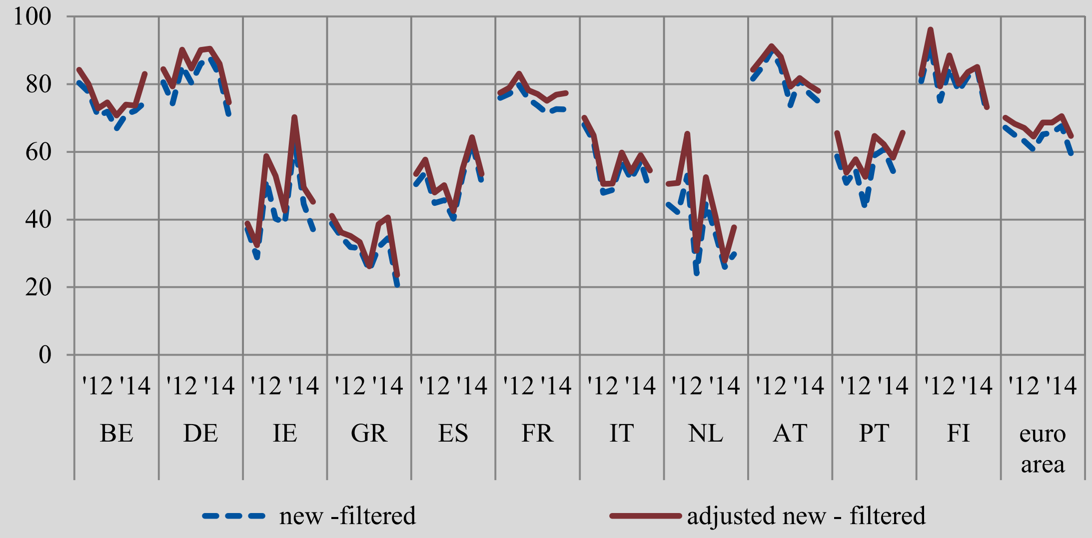
In addition, “Debt compared to assets” was moved to one of the Q2 categories, replacing separate question Q3.

New category in the question on the outcome of the loan application (Q7B)

One category – “My application is still pending” – was added in question Q7B. The impact of this on the results was investigated by calculating the aggregates excluding the new category from the most recent round and the category “Do not know” from current and previous rounds, since this category was presumably used most frequently in the absence of the answer “My application is still pending”. Comparing changes in the percentages of enterprises reporting a fully successful application is consistent for both series, i.e. those which take into account the categories “Do not know” and “My application is still pending” and those which exclude them (see Chart A6).

Chart A6 Fully successful application for bank loans by SMEs across euro area countries – comparison between the filtered and adjusted responses

(over the preceding six months; percentage of respondents who obtained the full amount of the loan)



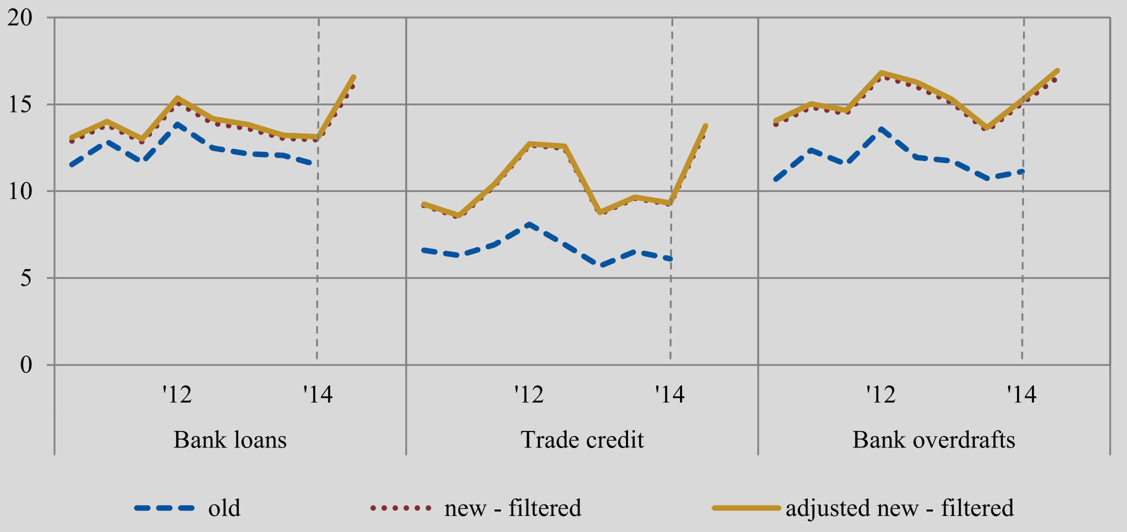
Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey.
Note: For the category "New – filtered, SMEs that used the respective instrument in the past six months or did not use it, but for which it is relevant. The category "Adjusted new – filtered" also excludes "Do not know" and "My application is still pending" from the responses to the question on the outcome of the application (Q7B).

Impact of filtering and the new category in the question on the outcome of the loan application (Q7B) on the financing obstacles indicator

The impact of filtering based on the relevance of the financing instrument (Q4) and addition of the new category "My application is still pending" (Q7B) was investigated with regard to the financing obstacles. The indicator is defined as the sum of the percentages of SMEs reporting loan applications which were rejected, loan applications for which only a limited amount was granted, and loan applications which were rejected by the SME because the borrowing costs were too high (categories in question Q7B), as well as of SMEs which did not apply for a loan for fear of rejection, i.e. discouraged borrowers (a category in Q7A).

Chart A7 Obstacles to receiving external financing for euro area SMEs – comparison between adjusted, filtered and unfiltered responses

(over the preceding six months; net percentage of respondents)



Base: Figures refer to rounds four (October 2010-March 2011) to 11 (April-September 2014) of the survey. The vertical line indicates round ten of the survey, up to which two methods of calculating aggregates ("Old" and "New – filtered") can be compared. For round 11, only the filtered data are available.
Note: For the category "Old", all SMEs are included, while for "New – filtered", only SMEs that used the respective instrument in the past six months or did not use it, but for which it is relevant, are included. The category "Adjusted new – filtered" also excludes "Do not know" and "My application is still pending" from the responses to the question on the outcome of the application (Q7B).

The effect of adding the new category "My application is still pending" is minimal. Consequently, the data in the main report are presented without adjustments. Excluding those respondents for whom the instrument is not relevant shifts the indicator upwards; however, the direction of changes remains consistent (see Chart A7).

New categories in the question on turnover classes (question D7)

Given that around half of the enterprises have a turnover falling into the first bracket of up to €2 million, this category was split into more detailed brackets, e.g. up to €500,000, more than €500,000 and up to €1 million, more than €1 million and up to €2 million.

In addition, a reference to "The turnover in [YOUR COUNTRY]" was to be removed, as the total turnover of the enterprise is of more interest.

The size of the loan (new question Q8A and former question Q12)

In the previous survey rounds, the question on the size of the loan was included in the questionnaire only every two years. Consequently, respondents were asked about the size of the last loan obtained in the last two years (question Q12). This question was put to all respondents and the answer “We did not take a loan” was one of the categories in addition to five possible brackets of the amount.

In the current version of the questionnaire, this question is put to those enterprises which had applied for a loan in the previous six months. To measure the financial needs which were not satisfied, this also includes unsuccessful applications.

To align the past data of Q12 with the new question Q8A as closely as possible, only the responses of the following enterprises should be included in the calculations: those for which bank loans (including subsidised bank loans) are relevant (based on question Q4) and which had at the same time applied for a loan in the previous six months (based on question Q7B).

Other changes

Some questions were reformulated slightly or categories were re-ordered without the meaning being changed in order to make them more precise or clearer to the respondents. In addition, the English terminology was amended and “enterprise” or “business” is used in the whole questionnaire (“firm”, “enterprise”, “company” and “business” were used interchangeably in previous versions).

The following further minor amendments were made to the questionnaire:

- *Question D2* on the autonomy of the enterprise: the category “Part of a profit-oriented enterprise (e.g. subsidiary or branch) not taking fully autonomous financial decisions” was split into two to identify whether the enterprise is a subsidiary or a branch;
- *Question D3* on the main activity: given the low frequency of certain categories, “Mining” was merged into “Manufacturing”, while “Real estate” is now included in “Other services to businesses or persons”;
- The order of the items in the combined category “Bank overdraft, credit line or credit cards overdraft” was changed to “Credit line, bank overdraft or credit cards overdraft” (questions Q4, Q5, Q7A, Q7B, Q9 and Q23) following a recommendation from the interviewers;
- The category “Too much paperwork” was added in question Q22 and is also included in the new question Q32.

FILTERS

The following table presents a comparison between the new and previously used filters in the questionnaire. The grey rows correspond to one concept (either one question or a group of questions), while the white rows are sub-questions.

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
D2A	Location of the parent company	New question	D2 IN (4,5)	D2=1	-
Q32	Reasons for irrelevance of bank loans	New question	Q4_D = 7	Q4_D = 7	-
Q5	Need for external financing	Q4 filter introduced			
Q5_A	Bank loans	Q4 filter introduced	Q4_b IN (1,2,99) or Q4_d = 3	Q4_b IN (1,2) or Q4_d IN (1,2)	-
Q5_B	Trade credit	Q4 filter introduced	Q4_e = 3	Q4_e IN (1,2)	-
Q5_C	Equity	Q4 filter introduced	Q4_j IN (1,2,99)	Q4_j IN (1,2)	-
Q5_D	Debt securities issued	Q4 filter introduced	Q4_h IN (1,2,99)	Q4_h IN (1,2)	-
Q5_E	Other	Q4 filter introduced	Q4_f IN (1,2,99) or Q4_m IN (1,2,99) or Q4_r IN (1,2,99) or Q4_p IN (1,2,99)	Q4_f IN (1,2) or Q4_g IN (1,2) or Q4_i IN (1,2)	-
Q5_F	Credit line, bank overdraft or credit cards overdraft	Q4 filter introduced	Q4_c IN (1,2,99)	Q4_c IN (1,2)	-
Q9	Availability of external financing	Q4 filter introduced			
Q9_A	Bank loans	Q4 filter introduced	Q4_b IN (1,2,99) or Q4_d = 3	Q4_b IN (1,2) or Q4_d IN (1,2)	-
Q9_B	Trade credit	Q4 filter introduced	Q4_e = 3	Q4_e IN (1,2)	-

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
Q9_C	Equity	Q4 filter introduced; blue part refers to additional filter based on Q7A applied to new data to align results with the past questionnaire	Q4_j IN (1,2,99) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2))	Q4_j IN (1,2) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2)))	Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2)
Q9_D	Debt securities issued	Q4 filter introduced; blue part refers to additional filter based on Q7A applied to new data to align results with the past questionnaire	Q4_h IN (1,2,99) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2))	Q4_h IN (1,2) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2))	Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2)
Q9_E	Other	Q4 filter introduced; blue part refers to additional filter based on Q7A applied to new data to align results with the past questionnaire	(Q4_f IN (1,2,99) or Q4_m IN (1,2,99) or Q4_r IN (1,2,99) or Q4_p IN (1,2,99)) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2))	(Q4_f IN (1,2) or Q4_g IN (1,2) or Q4_i IN (1,2)) and (Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2))	Q7A_a IN (1,2) or Q7A_b IN (1,2) or Q7A_c IN (1,2) or Q7A_d IN (1,2)
Q9_F	Credit line, bank overdraft or credit card overdraft	Q4 filter introduced	Q4_c IN (1,2,99)	Q4_c IN (1,2)	-
Q7A	Application for external financing	Q4 filter introduced			
Q7A_A	Bank loans	Q4 filter introduced	Q4_b IN (1,2,99) or Q4_d = 3	Q4_b IN (1,2) or Q4_d IN (1,2)	-

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
Q7A_B	Trade credit	Q4 filter introduced	Q4_e = 3	Q4_e IN (1,2)	-
Q7A_C	Other external financing	Q4 filter introduced	Q4_f IN (1,2,99) or Q4_m IN (1,2,99) or Q4_r IN (1,2,99) or Q4_p IN (1,2,99) or Q4_h IN (1,2,99) or Q4_j IN (1,2,99)	Q4_f IN (1,2) or Q4_g IN (1,2) or Q4_h IN (1,2) or Q4_i IN (1,2) or Q4_j IN (1,2)	-
Q7A_D	Credit line, bank overdraft or credit card overdraft	Q4 filter introduced	Q4_c IN (1,2,99)	Q4_c IN (1,2)	-
Q7B	Outcome of the application	As previously, filter based on Q7A			
Q7B_A	Bank loans		Q7A_a = 1	Q7A_a = 1 and (Q4_b IN (1,2) or Q4_d IN (1,2))	Q7A_a = 1
Q7B_B	Trade credit		Q7A_b = 1	Q7A_b = 1 and Q4_e IN (1,2)	Q7A_b = 1
Q7B_C	Other external financing		Q7A_c = 1	Q7A_c = 1 and (Q4_f in (1,2) or Q4_g in (1,2) or Q4_h in (1,2) or Q4_i in (1,2) or Q4_j in (1,2))	Q7A_c = 1
Q7B_D	Credit line, bank overdraft or credit card overdraft		Q7A_d = 1	Q7A_d = 1 and Q4_c IN (1,2)	Q7A_d = 1
Q8A	Size of the loan (obtained/wanted to be obtained)	Question amended (old Q12) and Q7B filter introduced	Q7B_a IN (1,3,4,5,6,8)	Q7B_a IN (1,3,4,5,6,8) and (Q4_b IN (1,2) or Q4_d IN (1,2))	-
Q8B	Interest rate on the credit line or overdraft	New question	Q7B_d IN (1,3,5,6)	Q7B_d IN (1,3,5,6) and Q4_c IN (1,2)	-
Q10	Term and conditions	As previously, filter based on Q7A	Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q10_A	Level of interest rates		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
Q10_B	Level of the cost of financing other than interest rates		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q10_C	Available size of loan or credit line		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q10_D	Available maturity of the loan		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q10_E	Collateral requirements		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q10_F	Other, for example loan covenants		Q7A_a=1 or Q7A_d=1	(Q7A_a=1 and (Q4_b IN (1,2) or Q4_d IN (1,2))) or (Q7A_d=1 and Q4_c IN (1,2))	Q7A_a=1 OR Q7A_d=1
Q11	Availability of financing – factors				
Q11_A	General economic outlook		-	-	-
Q11_B	Access to public financial support, including guarantees		-	-	-
Q11_C	Your firm-specific outlook with respect to your sales and profitability or business plan		-	-	-
Q11_D	Your enterprise's own capital		-	-	-
Q11_E	Your enterprise's credit history		-	-	-

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
Q11_F	Willingness of banks to provide credit to your enterprise	Q4 filter introduced	Q4_c IN (1,2,99) or Q4_b IN (1,2,99) or Q4_d = 3	Q4_c IN (1,2) or Q4_b IN (1,2) or Q4_d IN (1,2)	-
Q11_G	Willingness of business partners to provide trade credit	Q4 filter introduced	Q4_e = 3	Q4_e IN (1,2)	-
Q11_H	Willingness of investors to invest in your enterprise	Q4 filter introduced	Q4_f IN (1,2,99) or Q4_h IN (1,2,99) or Q4_j IN (1,2,99) or Q4_p IN (1,2,99)	Q4_f IN (1,2) or Q4_h IN (1,2) or Q4_j IN (1,2) or Q4_i IN (1,2)	-
Q13	Provider of the last loan		-	-	Q12 IN (2,3,5,6,7)
Q14	Purpose of the last loan	Question replaced by new Q6A	-	-	Q12 IN (2,3,5,6,7)
Q20	Type of financing to realise growth ambitions		Q17 IN (1,2)	Q17 IN (1,2)	Q17 IN (1,2)
Q21	Amount of financing to realise growth ambitions		Q17 IN (1,2)	Q17 IN (1,2)	Q17 IN (1,2)
Q22	Limiting factor to obtain financing to realise growth ambitions	Merges Q22_A and Q22_B	Q20 IN (1,2,3)	Q20 IN (1,2,3)	Q20 IN (1,2) OR Q20 IN (3,4)
Q22_A	- bank and other loans	Replaced by Q22	-	-	Q20 IN (1,2)
Q22_B	- equity and mezzanine	Replaced by Q22	-	-	Q20 IN (3,4)
Q23	Availability of financing – expectations	Q4 filter introduced			
Q23_A	Retained earnings or sale of assets	Q4 filter introduced	Q4_a IN (1,2,99)	Q4_a IN (1,2)	-

Question	Description	Changes introduced in 2014H1	Filter in 2014H1 questionnaire	Equivalent filter in the questionnaire before 2014H1	Filter in questionnaire before 2014H1
Q23_B	Bank loans	Q4 filter introduced	Q4_b IN (1,2,99) or Q4_d = 3	Q4_b IN (1,2) or Q4_d IN (1,2)	-
Q23_C	Equity	Q4 filter introduced	Q4_j IN (1,2,99)	Q4_j IN (1,2)	-
Q23_D	Trade credit	Q4 filter introduced	Q4_e = 3	Q4_e IN (1,2)	-
Q23_E	Debt securities issued	Q4 filter introduced	Q4_h IN (1,2,99)	Q4_h IN (1,2)	-
Q23_G	Credit line, bank overdraft or credit card overdraft	Q4 filter introduced	Q4_c IN (1,2,99)	Q4_c IN (1,2)	-
Q23_F	Other	Q4 filter introduced	Q4_f IN (1,2,99) or Q4_m IN (1,2,99) or Q4_r IN (1,2,99) or Q4_p IN (1,2,99)	Q4_f IN (1,2) or Q4_g IN (1,2) or Q4_i IN (1,2)	-

TABULAR SUMMARY OF THE MAIN CHANGES TO THE QUESTIONNAIRE

The following table summarises the main changes to the questionnaire. The new questions or categories are marked in green. Discontinued questions or categories are marked in red. Amended questions are indicated in blue.

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
question	**D2. How would you characterise your enterprise? Is it…**	**D2. How would you characterise your enterprise? Is it…**	**D2**		
answer		part of a profit-oriented enterprise (e.g. subsidiary or branch) not taking fully autonomous financial decisions			1
answer	a subsidiary of another enterprise			4	
answer	a branch of another enterprise			5	
answer	an autonomous profit-oriented enterprise, making independent financial decisions	an autonomous profit-oriented enterprise, making independent financial decisions	2		
answer	a non-profit enterprise	a non-profit enterprise (foundation, association, semi-government)	3		
answer	[DK/NA]	[DK/NA]	9		
question	**D2A. In which country is the parent company of your enterprise located?**				
answer	The same country			1	
answer	Different country in the euro area			2	
answer	Different country in EU Member State not belonging to euro area (changing composition)			3	
answer	Different country outside EU			4	
answer	[DK/NA]			9	
question	**D3. What is the main activity of your enterprise?**	**D3. What is the main activity of your company?**	**D3**		
answer		Mining			1
answer	Construction	Construction	2		
answer	Manufacturing [also includes mining and electricity, gas and water supply]	Manufacturing [including electricity, gas and water supply]		12	3
answer	Wholesale or retail trade	Wholesale or retail trade	4		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
answer	Transport	Transport	5		
answer		Real estate			6
answer	Agriculture	Agriculture	8		
answer	Public administration	Public administration	9		
answer	Financial services	Financial services	10		
answer	Other services to businesses or persons	Other services to businesses or persons		13	7
answer	[None of these]	[None of these]	11		
answer	[DK/NA]	[DK/NA]	99		
question	**D6. Who owns the largest stake in your enterprise?**	**D6. Who are the owners of your firm?**			
answer	Public shareholders, as your enterprise is listed on the stock market	Public shareholders, as your company is listed on the stock market	1		
answer	Family or entrepreneurs [MORE THAN ONE OWNER]	Family or entrepreneurs [MORE THAN ONE OWNER]	2		
answer	Other enterprises or business associates	Other firms or business associates	3		
answer	Venture capital enterprises or business angels [INDIVIDUAL INVESTORS PROVIDING CAPITAL OR KNOW-HOW TO YOUNG INNOVATIVE ENTERPRISES]	Venture capital firms or business angels [INDIVIDUAL INVESTORS PROVIDING CAPITAL AND/OR KNOW-HOW TO YOUNG INNOVATIVE FIRMS]	4		
answer	Yourself or another natural person, one owner only	A natural person, one owner only	5		
answer	Other	Other	7		
answer	[DK/NA]	[DK/NA]	9		
question	**-**	**D6b. What is the gender of the owner/director/CEO of your firm?**			
answer		Male			1
answer		Female			2
answer		[DK/NA]			9
question	**D4. What was the annual turnover of your enterprise in 2013?**	**D4. What was the annual turnover of your company in [YOUR COUNTRY] in 2012?**	**D4**		
answer	Up to €500,000			5	
answer	More than €500,000 and up to €1 million			6	
answer	More than €1 million and up to €2 million			7	

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
answer		Up to € 2 million			1
answer	More than €2 million and up to €10 million	More than € 2 million and up to € 10 million	2		
answer	More than €10 million and up to €50 million	More than € 10 million and up to € 50 million	3		
answer	More than €50 million	More than € 50 million	4		
answer	[DK/NA]	[DK/NA]	9		
question	**D7. What percentage of your company's total turnover in 2013 is accounted for by exports of goods and services?**	**-**			
answer	0% - no export of goods and services			1	
answer	Less than 25%			2	
answer	Between 25% and 50%			3	
answer	Over 50%			4	
answer	[DK]			9	
question	**Q0b. On a scale of 1-10, where 10 means it is extremely pressing and 1 means it is not at all pressing, how pressing are each of the following problems that your enterprise is facing?**	**Q0b. On a scale of 1-10, where 10 means it is extremely pressing and 1 means it is not at all pressing, how pressing are each of the following problems that your firm is facing?**			
answer	Level 1 out of 10, not at all	Level 1 out of 10, not at all	1		
answer	Level 2 out of 10	Level 2 out of 10	2		
answer	Level 3 out of 10	Level 3 out of 10	3		
answer	Level 4 out of 10	Level 4 out of 10	4		
answer	Level 5 out of 10	Level 5 out of 10	5		
answer	Level 6 out of 10	Level 6 out of 10	6		
answer	Level 7 out of 10	Level 7 out of 10	7		
answer	Level 8 out of 10	Level 8 out of 10	8		
answer	Level 9 out of 10	Level 9 out of 10	9		
answer	Level 10 out of 10, extreme	Level 10 out of 10, extreme	10		
item	Finding customers	Finding customers	Q0b_1		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	**New code**	**Old code**
item	Competition	Competition	Q0b_2		
item	Access to finance	Access to finance	Q0b_3		
item	Costs of production or labour	Costs of production or labour	Q0b_4		
item	Availability of skilled staff or experienced managers	Availability of skilled staff or experienced managers	Q0b_5		
item	Regulation	Regulation	Q0b_6		
item	Other	Other	Q0b_7		
question	**-**	**Q0c: I see that you have given an equally high score to several problems. If you compare them, which one of them is more pressing than the other[s], even if it is by a very small margin?**			
answer		Finding customers	1		
answer		Competition	2		
answer		Access to finance	3		
answer		Costs of production or labour	4		
answer		Availability of skilled staff or experienced managers	5		
answer		Regulation	6		
answer		Other	7		
answer		[ALL PROBLEMS ARE EQUALLY PRESSING]	8		
answer		[DK/NA]	9		
question	**Q2. Have the following company indicators decreased, remained unchanged or increased over the past six months?**	**Q2. The following indicators are relevant for the income generated by your firm. Please tell me whether the following indicators have decreased, remained unchanged or increased over the past six months in your company?**			
answer	*Increased*	*Increased*	1		
answer	*Remained unchanged*	*Remained unchanged*	2		
answer	*Decreased*	*Decreased*	3		
answer	*[NOT APPLICABLE, FIRM HAS NO DEBT]*			*7*	
answer	*[DK/NA]*	*[DK/NA]*	9		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	**New code**	**Old code**
item	Turnover	Turnover	Q2_a		
item	Labour cost (including social contributions)	Labour cost (including social contributions)	Q2_b		
item	Other cost (materials, energy, other)	Other costs influencing income generation (e.g. materials, energy, other)	Q2_c		
item	Interest expenses (what your company pays in interest for its debt)	Net interest expenses [= INTEREST EXPENSES MINUS INTEREST INCOME = WHAT YOU PAY IN INTEREST FOR YOUR DEBT MINUS WHAT YOU RECEIVE IN INTEREST FOR YOUR ASSETS]	Q2_d		
item	Profit (net income after taxes)	Profit	Q2_e		
item		Profit margin			Q2_f
item	Fixed investment (investment in property, plant, machinery or equipment)			Q2_g	
item	Inventories and working capital			Q2_h	
item	Number of employees			Q2_i	
item	Debt compared to assets			Q2_j	Q3
question	**-**	**Q3. Would you say that the amount of debt compared to the assets of your company has decreased, remained unchanged or increased over the past six months?**		**Q2_j**	**Q3**
answer		Increased			1
answer		Remained unchanged			2
answer		Decreased			3
answer		[NOT APPLICABLE, THE FIRM HAS NO DEBT]			7
answer		[DK]			9
question	**Q4. 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? Please provide a separate answer in each case.**	**Q4. For each of the following sources of financing, could you please say whether you used them during the past six months, did not use them but have experience with them, or did not use them because this source of financing has never been relevant to your firm?**		**Q4**	**Q4**
answer	*Yes, this source is relevant to my enterprise*			*3*	

Level	New question	Old question	Code in the questionnaire		
			If un-changed	**New code**	**Old code**
answer	*No, this source is not relevant to my enterprise*	*Did not use as this source of financing has never been relevant to my firm [INSTRUMENT IS NOT APPLICABLE TO MY FIRM]*		*7*	*7*
answer	*[DK - do not know if relevant]*	*[DK]*		*9*	*9*
answer	*Yes [the enterprise has obtained this source of financing in the past six months]*	*Used in the past six months*		*1*	*1*
answer	*No [the enterprise has not obtained this source of financing in the past six months]*	*Did not use in the past six months, but have experience with this source of financing*		*2*	*2*
answer	*[DK - do not know if the enterprise has obtained this source of financing in the past six months]*			*99*	
item	Credit line, bank overdraft or credit cards overdraft	Bank overdraft, credit line or credit cards overdraft	Q4_c		
item	Grants or subsidised bank loan		Q4_b		
item	Bank loan		Q4_d		
item	Trade credit		Q4_e		
item	Other loan		Q4_f		
item	Leasing or hire-purchase	Leasing or hire-purchase or factoring		Q4_m	Q4_g
item		Subordinated loans, participating loans, preferred stocks or similar financing instruments			Q4_i
item	Debt securities		Q4_h		
item	Equity capital		Q4_j		
item	Factoring	Leasing or hire-purchase or factoring		Q4_r	Q4_g
item	Retained earnings or sale of assets		Q4_a		
item	Other sources of financing			Q4_p	
item		Did not use external financing			Q4_l
question	**Q32. You mentioned that bank loans are not relevant for your enterprise. What is the most important reason for this?**	-			
answer	Insufficient collateral or guarantee			1	
answer	Interest rates or price too high			2	

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
answer	Reduced control over the enterprise			3	
answer	Too much paperwork is involved			6	
answer	No bank loans are available			4	
answer	I do not need this type of financing			8	
answer	Other			5	
answer	[DK]			9	
question	**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?**	**Q5. For each of the following types of external financing, please tell me if your needs increased, remained unchanged or decreased over the past six months?**			
answer	Increased	Increased	1		
answer	Remained unchanged	Remained unchanged	2		
answer	Decreased	Decreased	3		
answer	[INSTRUMENT NOT APPLICABLE TO MY FIRM]	[INSTRUMENT NOT APPLICABLE TO MY FIRM]	7		
answer	[DK]	[DK]	9		
item	Credit line, bank overdraft or credit cards overdraft	Bank overdraft, credit line or credit cards overdraft	Q5_f		
item	Bank loans (excluding overdraft and credit lines)	Bank loans (new or renewal; excluding overdraft and credit lines)	Q5_a		
item	Trade credit	Trade credit	Q5_b		
item	Equity (including preferred shares, venture capital or business angels)	Equity [INCLUDING VENTURE CAPITAL OR BUSINESS ANGELS]	Q5_c		
item	Debt securities issued (short-term commercial paper or longer-term corporate bonds)	Debt securities issued	Q5_d		
item	Other (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)	Other [LOAN FROM A RELATED COMPANY OR SHAREHOLDERS AND FROM FAMILY AND FRIENDS, LEASING AND FACTORING, GRANTS]	Q5_e		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
question	**Q7A. Have you applied for the following types of financing in the past six months? Please provide a separate answer in each case.**	**Q7A. For each of the following ways of financing, could you please indicate whether you: applied for them over the past six months; did not apply because you thought you would be rejected; did not apply because you had sufficient internal funds; or did not apply for other reasons?**			
answer	Applied	Applied	1		
answer	Did not apply because of possible rejection	Did not apply because of possible rejection	2		
answer	Did not apply because of sufficient internal funds	Did not apply because of sufficient internal funds	3		
answer	Did not apply for other reasons	Did not apply for other reasons	4		
answer	[DK/NA]	[DK/NA]	9		
item	Credit line, bank overdraft or credit card overdraft	Bank overdraft, credit line or credit card overdraft	Q7A_d		
item	Bank loans (excluding overdraft and credit lines)	Bank loan (new or renewal; excluding overdraft and credit lines)	Q7A_a		
item	Trade credit	Trade credit	Q7A_b		
item	Other external financing	Other external financing	Q7A_c		
question	**Q7B. If you applied and tried to negotiate for this type of financing over the past six months, did you: receive all the financing you requested; receive only part of the financing you requested; refuse to proceed because of unacceptable costs or terms and conditions; or have you not received anything at all?**	**Q7B. If you applied and tried to negotiate for this type of financing over the past six months, did you: receive all the financing you requested; receive only part of the financing you requested; refuse to proceed because of unacceptable costs or terms and conditions; or have you not received anything at all?**			
answer	Received everything	Applied and got everything	1		
answer	Received most of it [between 75% and 99%]	Applied and got most of it [between 75% and 99%]	5		
answer	Only received a limited part of it [between 1% and 74%]	Applied but only got a limited part of it [between 1% and 74%]	6		
answer	Refused because the cost was too high	Applied but refused because cost too high	3		
answer	Was rejected	Applied but was rejected	4		
answer	Application is still pending			8	
answer	[DK]	[DK]	9		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
item	Credit line, bank overdraft or credit card overdraft	Bank overdraft, credit line or credit card overdraft	Q7B_d		
item	Bank loans (excluding overdraft and credit lines)	Bank loan (new or renewal; excluding overdraft and credit lines)	Q7B_a		
item	Trade credit	Trade credit	Q7B_b		
item	Other external financing	Other external financing	Q7B_c		
question	**Q8A. What is the size of the last bank loan that your enterprise: obtained or renegotiated in the past six months/attempted to obtain in the past six months?**	**Q12. What is the size of the last loan, of any kind, that your firm has obtained in the last two years?**			
answer	Up to €25,000	Smaller than €25,000		1	2
answer	More than €25,000 and up to €100,000	€25,000-€99,999		2	3
answer	More than €100,000 and up to €250,000	€100,000-€249,999		5	6
answer	More than €250,000 and up to €1 million	€250,000-€1 million		6	7
answer	Over €1 million	Over €1 million		4	5
answer	[DK/NA]	[DK/NA]		9	9
answer		We did not take a loan			1
question	**Q8B. What interest rate was charged for the credit line or bank overdraft for which you applied?**	**-**			
answer	0-100				
question	**Q6A. For what purpose was external financing used by your enterprise during the past six months?**	**Q6. For each of the following items, would you say that they have increased, decreased or had no impact on your firm's need for external financing over the past six months?**		**Q6A**	**Q6**
answer	*[multiply choice of categories]*	*increased needs for external financing*			*1*
answer		*no impact on needs for external financing*			*2*
answer		*decreased need for external financing*			*3*
answer		*[NOT RELEVANT, DID NOT OCCUR]*			*7*
answer		*[DK]*			*9*
item	Fixed investment	Fixed investment		Q6A_1	Q6_a

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
item	Inventories and working capital	Inventories and working capital		Q6A_2	Q6_b
item		Availability of internal funds			Q6_c
item	Hiring and training of employees			Q6A_3	
item	Developing and launching new products or services			Q6A_4	
item	Refinancing or paying off obligations			Q6A_5	
item	Other			Q6A_6	
item	[DK]			Q6A_7	
question	**Q11. The availability of external financing may depend on a number of factors, some of which are specific to your enterprise and others which are of more general relevance. For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?**	**Q11. The availability of external financing depends on various factors, which are in part related to the general economic situation, to your company's situation and to lenders' attitudes. For each of the following factors, would you say that they have improved, remained unchanged or deteriorated over the past six months?**			
answer	Improved	Improved	1		
answer	Remained unchanged	Remained unchanged	2		
answer	Deteriorated	Deteriorated	3		
answer	[NOT APPLICABLE TO MY ENTERPRISE]	[NOT APPLICABLE TO MY FIRM]	7		
answer	[DK]	[DK]	9		
item	General economic outlook [INSOFAR AS IT AFFECTS THE AVAILABILITY OF EXTERNAL FINANCING]	General economic outlook, insofar as it affects the availability of external financing	Q11_a		
item	Access to public financial support including guarantees	Access to public financial support including guarantees	Q11_b		
item	Your firm-specific outlook with respect to your sales and profitability or business plan [INSOFAR AS IT AFFECTS THE AVAILABILITY OF EXTERNAL FINANCING FOR YOU]	Your firm-specific outlook with respect to your sales and profitability or business plan, insofar as it affects the availability of external financing for you	Q11_c		
item	Your enterprise's own capital	Your firm's own capital	Q11_d		
item	Your enterprise's credit history	Your firm's credit history	Q11_e		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
item	Willingness of banks to provide credit to your enterprise [lender's attitude]	Willingness of banks to provide a loan	Q11_f		
item	Willingness of business partners to provide trade credit [BUSINESS PARTNERS' attitude]	Willingness of business partners to provide trade credit	Q11_g		
item	Willingness of investors to invest in your enterprise [INVESTORS' ATTITUDES TOWARDS, FOR EXAMPLE, INVESTING IN EQUITY OR DEBT SECURITIES ISSUED BY YOUR ENTERPRISE]	Willingness of investors to invest in equity or debt securities issued by your firm	Q11_h		
question	**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?**	**Q9. For each of the following ways of financing, would you say that their availability has improved, remained unchanged or deteriorated for your firm over the past six months?**			
answer	Improved	Improved	1		
answer	Remained unchanged	Remained unchanged	2		
answer	Deteriorated	Deteriorated	3		
answer	[NOT APPLICABLE TO MY FIRM]	[NOT APPLICABLE TO MY FIRM]	7		
answer	[DK]	[DK]	9		
item	Credit line, bank overdraft or credit card overdraft	Bank overdraft, credit line or credit card overdraft	Q9_f		
item	Bank loans (excluding overdraft and credit lines)	Bank loans (new or renewal; excluding overdraft and credit lines)	Q9_a		
item	Trade credit	Trade credit	Q9_b		
item	Equity (including preferred shares, venture capital or business angels)	Equity [INCLUDING VENTURE CAPITAL OR BUSINESS ANGELS]	Q9_c		
item	Debt securities issued (short-term commercial paper or longer- term corporate bonds)	Debt securities issued	Q9_d		
item	Other (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)	Other [LOAN FROM A RELATED COMPANY OR SHAREHOLDERS AND FROM FAMILY AND FRIENDS, LEASING AND FACTORING, GRANTS]	Q9_e		
question	-	Q13. Who provided you with this last loan?			

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
answer		Bank			1
answer		Private individual – family or friend			2
answer		Other sources (e.g. microfinance institutions, government-related sources)			3
answer		[DK/NA]			9
question	-	Q14. What did you use this last loan for?			
answer		Yes			1
answer		No			2
answer		[DK]			9
item		Working capital			Q14_a
item		Land/buildings or Equipment/vehicles			Q14_b
item		Research and development or intellectual property			Q14_c
item		Promotion			Q14_d
item		Staff training			Q14_e
item		Buying another business			Q14_f
item		Other			Q14_g
item		[DK/NA]			Q14_h
question	**Q23. Looking ahead, for each of the following types of financing available to your firm, could you please indicate whether you think their availability will improve, deteriorate or remain unchanged over the next six months?**	**Q23. For each of the following types of financing available to your firm, could you please indicate whether you think their availability will improve, deteriorate, or remain unchanged over the next six months?**			
answer	Will improve	Will improve	1		
answer	Will remain unchanged	Will remain unchanged	2		
answer	Will deteriorate	Will deteriorate	3		
answer	[NOT APPLICABLE TO MY FIRM]	[Instrument is not applicable to my firm]	7		
answer	[DK]	[DK]	9		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	**New code**	**Old code**
item	Credit line, bank overdraft or credit card overdraft	Bank overdraft, credit line or credit card overdraft	Q23_g		
item	Bank loans (excluding overdraft and credit lines)	Bank loans (new or renewal; excluding overdraft and credit lines)	Q23_b		
item	Trade credit	Trade credit	Q23_d		
item	Equity (including preferred shares, venture capital or business angels)	Equity [INCLUDING VENTURE CAPITAL OR BUSINESS ANGELS]	Q23_c		
item	Debt securities issued (short-term commercial paper or longer- term corporate bonds)	Debt securities issued	Q23_e		
item	Retained earnings or sale of assets [INTERNAL FUNDS]	Retained earnings or sale of assets [INTERNAL FUNDS]	Q23_a		
item	Other (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)	Other [LOAN FROM A RELATED COMPANY OR SHAREHOLDERS AND FROM FAMILY AND FRIENDS, LEASING AND FACTORING, GRANTS]	Q23_f		
question	**Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?**	**Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?**			
answer	Bank loan	Bank loan	1		
answer	Loan from other sources (FOR EXAMPLE, TRADE CREDIT, RELATED ENTERPRISE, SHAREHOLDERS, PUBLIC SOURCES)	Loan from other sources (E.G. TRADE CREDIT, RELATED COMPANY, SHAREHOLDER, PUBLIC SOURCES)	2		
answer	Equity investment [INCLUDING PREFERRED SHARES, VENTURE CAPITAL OR BUSINESS ANGELS]	Equity investment [INCLUDING VENTURE CAPITAL OR BUSINESS ANGELS]	3		
answer		Subordinated loans, participating loans, preferred stocks or similar financing instruments			4
answer	Other	Other	5		
answer	[DK/NA]	[DK/NA]	9		
question	**Q21. If you need external financing to realise your growth ambitions, what amount of financing would you aim to obtain?**	**Q21. And what amount of financing would you aim to obtain?**			
answer	Up to €25,000	Smaller than €25,000	1		

Level	New question	Old question	Code in the questionnaire		
			If un-changed	New code	Old code
answer	More than €25,000 and up to €100,000	€25,000-€99,999	2		
answer	More than €100,000 and up to €250,000	€100,000-€249,999	5		
answer	More than €250,000 and up to €1 million	€250,000-€1 million	6		
answer	Over €1 million	Over €1 million	4		
answer	[DK/NA]	[DK/NA]	9		
question	**Q22. What do you see as the most important limiting factor to get this financing?**	**Q22. What do you see as the most important limiting factor to get this financing?**			
answer	There are no obstacles	There are no obstacles	8		
answer	Insufficient collateral or guarantee [NOT TO BE USED IF Q20 FEATURES EQUITY INVESTMENT (CODE 3)]	Insufficient collateral or guarantee	1		
answer	Interest rates or price too high	Interest rates or price too high	2		
answer	Reduced control over the enterprise	Reduced control over the firm	3		
answer	Too much paperwork is involved			6	
answer	Financing not available at all	Financing not available at all	4		
answer	Other	Other	5		
answer	[DK/NA]	[DK/NA]	9		
item	Bank loan, a loan from other sources or equity investment	Bank or other loan		Q22	Q22_a
item		Equity investment/mezzanine		Q22	Q22_b