EUROPEAN CENTRAL BANK

EUROSYSTEM

22 October 2010

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

- MARCH TO SEPTEMBER 2010 -

This report presents the most salient features of the third wave of the survey "Access to finance of small and medium-sized enterprises", conducted between 30 August and 21 September 2010 on behalf of the European Central Bank.[1] *It provides evidence on the financial situation, financing needs and access to financing of small and medium-sized enterprises (SMEs) in the euro area, compared with large firms, during the preceding six months, i.e. the period from March to September of 2010*[2]*. In addition, it provides an overview of developments in access to finance across the euro area countries and a broad range of sectors of activity.*

1. The financial situation of euro area SMEs

Compared with previous rounds of the survey, the overall financial situation of SMEs has generally improved at the euro area level during the period from March to September 2010. The numbers of euro area SMEs reporting increases, decreases or no change in turnover were roughly the same in the six months preceding the survey (as reflected in the close to zero net balance reported in Chart 1). This is an improvement on the outcome in the previous round of the survey (for H2 2009) and bodes well for the ongoing revival of economic activity suggested by industrial production and real GDP growth indicators since the beginning of the year.

However, the **profit** situation of SMEs deteriorated further, albeit at a slower pace than in the preceding two survey waves, with a net 21% of euro area SMEs reporting a reduction in profits. This could be linked to a significant increase in production costs (both labour and other costs) perceived by survey respondents in the first half of 2010. The **debt-to-asset ratio** decreased further, pointing to some deleveraging efforts on the part of the corporate sector in recent quarters. Specifically, 11% of respondents reported they had had no debt in the previous six months (nearly twice as many as in the last survey).

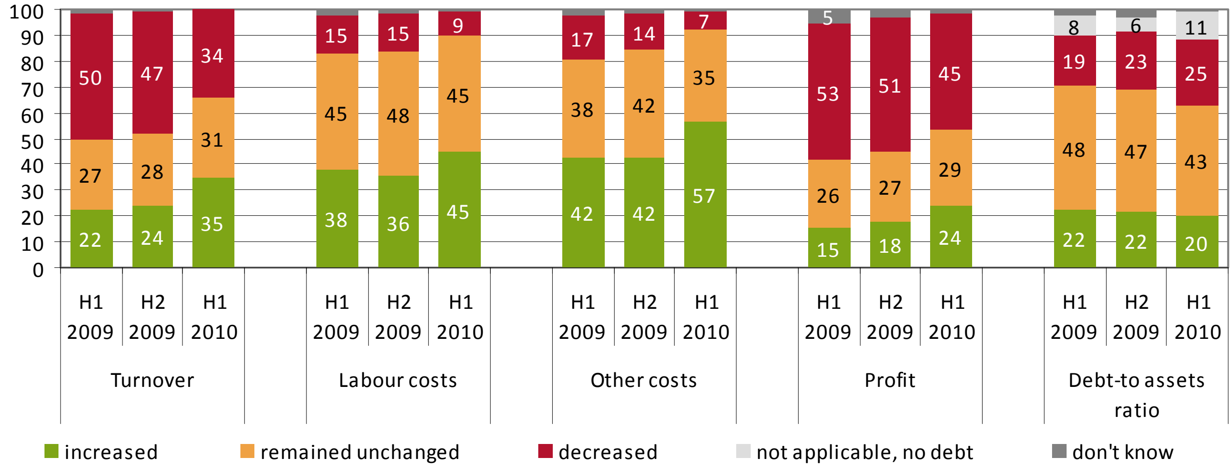
---

1 For the first time, the survey was conducted on behalf of the ECB by IPSOS MORI. The company change was done so as to minimise possible breaks in the time series of replies, and to the best of our knowledge there were no breaks other than those caused by necessary changes in the questionnaire.

2 In all charts, the period from March to September 2010 (i.e. the six months preceding the survey) is referred to as "H1 2010".

Large firms appear to be significantly better off than SMEs. The net percentage of large firms reporting an increase in turnover was 36% (compared with only 1% for SMEs) and net increases in profits appear to have resumed in the first half of 2010. For large firms, the recovery is broadly based across all sectors of the economy. For SMEs, however, only those with more cyclical, industrial operations have reported a clear positive improvement, while services and construction companies were still lagging behind in the first half of 2010.

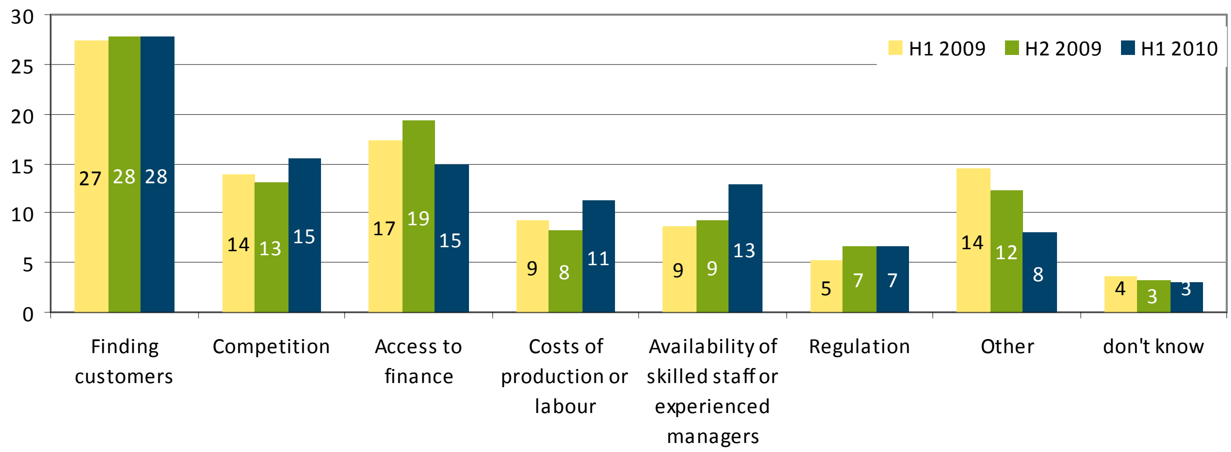
Chart 1: Income and debt situation of euro area SMEs
(change over the preceding six months; percentage of respondents)



Base: All SMEs.

Finding customers and **competition** were the most pressing problems faced by SMEs in the first half of 2010 (see Chart 2). Issues associated with the costs of production and the availability of staff have also increased noticeably compared with previous survey rounds. At the same time, the problem of **access to finance** has dropped from second to third place in a ranking of SMEs' most severe problems. This issue concerns only 15% of responding SMEs, compared to 19% in the previous survey.

Chart 2: The most pressing problem faced by euro area SMEs
(percentage of respondents)

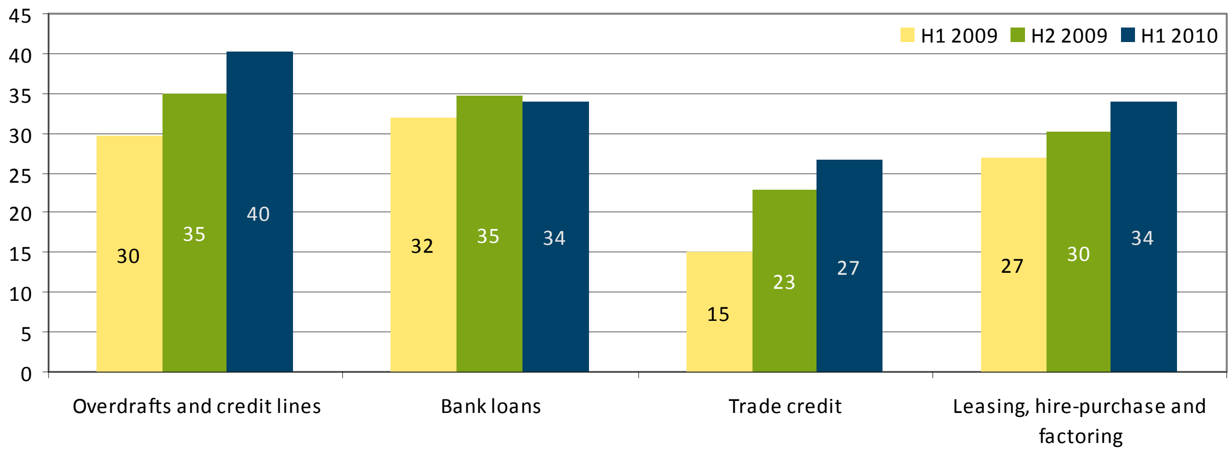


Base: All SMEs.
Note: The results for H1 2009 were based on a more limited sample.

2. The financing structure and external financing needs of euro area SMEs

In the six months preceding the survey, euro area SMEs tended to make more intensive use of external financing than in the previous two surveys, possibly to meet the needs of renewed economic activity. In particular, SMEs have largely relied on overdrafts and credit lines: 40% of firms reported having used short-term bank facilities (see Chart 3). The use of trade credit and leasing, hire-purchase and factoring has also increased noticeably, indicating some revival of inter-company financing. About a third of euro area SMEs used bank loans, a proportion roughly the same as in the previous two waves.

Chart 3: Sources of external financing of euro area SMEs
(over the preceding six months; percentage of respondents)



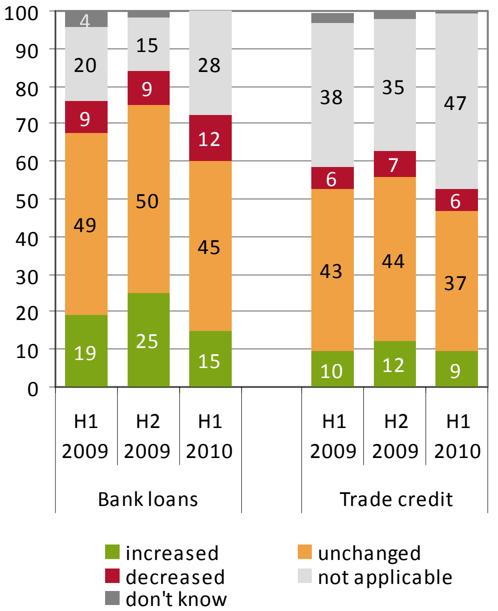
Base: All SMEs.

2.1 External financing needs

In line with the more intensive use of external sources of finance, the need for external financing is generally reported to have increased, albeit very mildly. On balance, the need for bank loans increased at a slower pace in the period March to September 2010, compared with previous surveys. A net percentage of 3% of firms saw their need for bank loans increase (compared with 16% in the second half of 2009). On the other hand, the need for trade credit changed little, on balance indicating a slight increase in the need for inter-company financing.

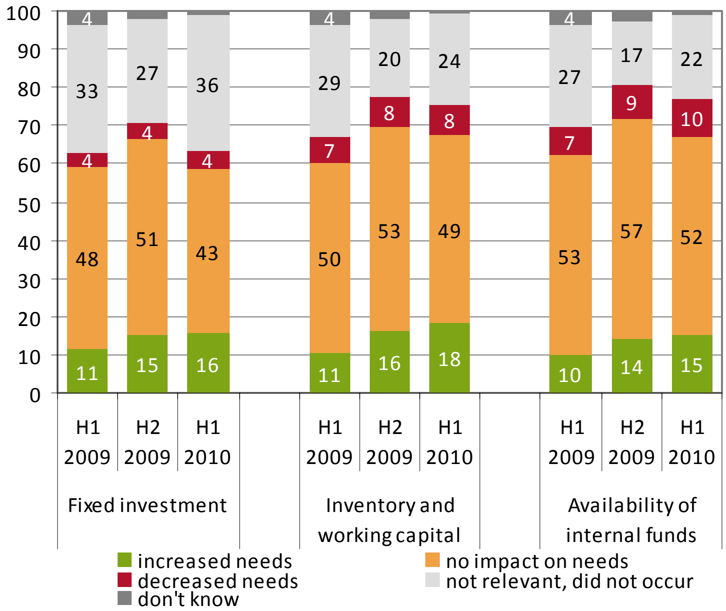
Fixed investment, inventory and working capital as well as availability of internal funds all contributed to the slight increase in financing needs, although their overall contribution remained broadly in line with the picture provided by previous surveys. Compared with SMEs, large firms reported a noticeable increase in financing needs, in particular for inventory and working capital (again, in line with a revival of activity) and for mergers and acquisitions.

Chart 4: External financing needs of euro area SMEs
(change over the preceding six months; percentage of respondents)



Base: All SMEs.

Chart 5: Factors affecting the external financing needs of euro area SMEs
(change over the preceding six months; percentage of respondents)



Base: All SMEs.

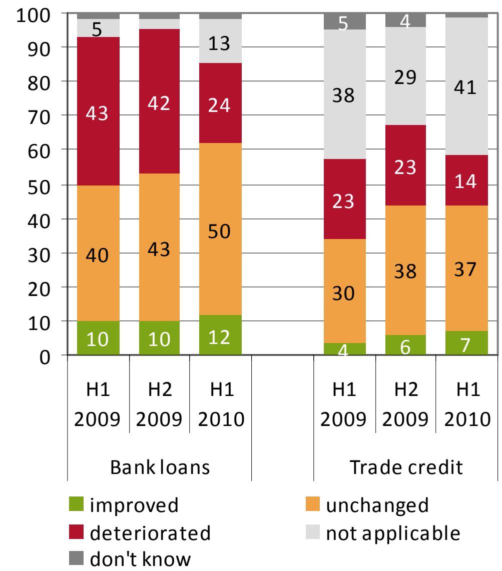
3. The access to finance of euro area SMEs

3.1 Availability of external financing

The deterioration in the availability of bank loans (new loans or renewals of existing loans) for SMEs continued in the second and third quarters of 2010. 24% of SMEs reported a further worsening, while only 12% saw an improvement (see Chart 6). However, this deterioration was significantly less severe than that reported throughout 2009 and even less acute in those sectors where economic activity is picking up more strongly, notably in industry. A similar picture emerges for trade credit availability, where the perceived deterioration was largely dampened in the middle quarters of 2010.

By contrast, for large firms in the euro area the assessment was clearly positive and showed an increase in the availability of such sources of finance (see Annex 1).

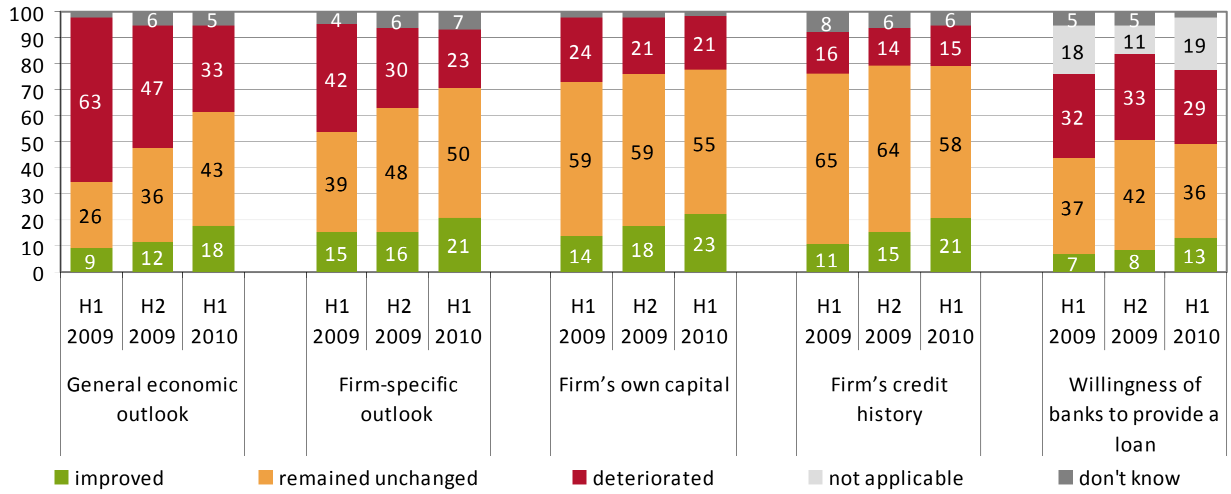
Chart 6: Availability of external financing for euro area SMEs
(change over the preceding six months; percentage of respondents)



Base: SMEs that had applied for external financing.

Chart 7 provides information on factors which explain this more muted deterioration in the availability of external financing. While the general economic outlook is still deteriorating for a third of SMEs, the balance of replies has shifted compared with previous surveys. 60% of euro area SMEs considered that the general economic environment either improved or remained unchanged in the March to September 2010 period (compared with less than half in previous surveys). Comparable developments can be seen for firm-specific outlook, firm own capital position and firm credit history. The supply side of credit is also judged to have improved, albeit only slightly. 13% of firms considered that the willingness of banks to provide loans had improved (compared with 7-8% in 2009) while 29% had seen it deteriorate further (compared with 32-33% in 2009).

Chart 7: Factors having an impact on the availability of external financing to euro area SMEs
(change over the preceding six months; percentage of respondents)



Base: All SMEs.

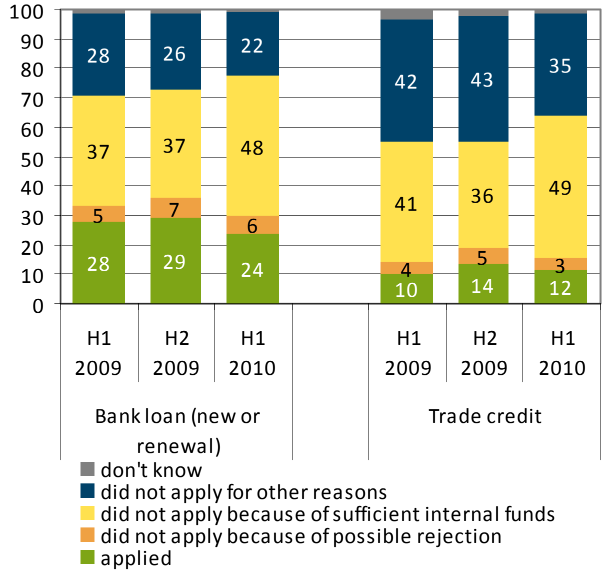
3.2 *Applications for external financing and their success*

Fewer firms actually applied for a bank loan in the six months prior to the survey than in 2009 (see Chart 8). The main reason for this is that nearly half of SMEs considered that they had sufficient internal funds. The percentage of firms not applying for a loan for fear of rejection stayed broadly stable (at 6%).

As regards the outcome of bank loan applications, the rejection rate dropped significantly compared with the previous survey round (from 18% in the second half of 2009 to 11% in the second and third quarters of 2010). In addition, the number of euro area SMEs receiving the full amount they applied for increased noticeably (from 56% in the second half of 2009 to 63% in mid-2010).The situation of larger firms changed less in this regard compared with 2009, and the rejection rate, significantly lower than for SMEs (at 5%), remained unchanged. Alternative sources of financing, and especially trade credit, developed along similar lines in the second and third quarters of 2010.

Chart 8: Applications for external financing by euro area SMEs

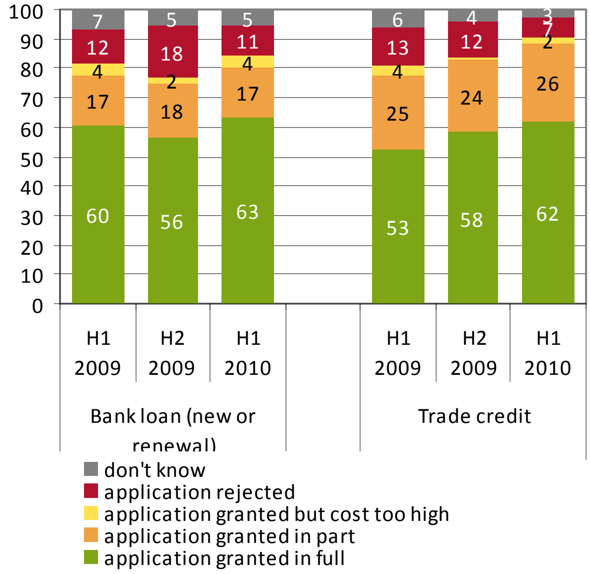
(over the preceding six months; percentage of respondents)



Base: All SMEs.

Chart 9: Outcome of the applications for external financing by euro area SMEs

(over the preceding six months; percentage of firms that had applied for bank loans or trade credit)



Base: SMEs that had applied for bank loans or trade credit.

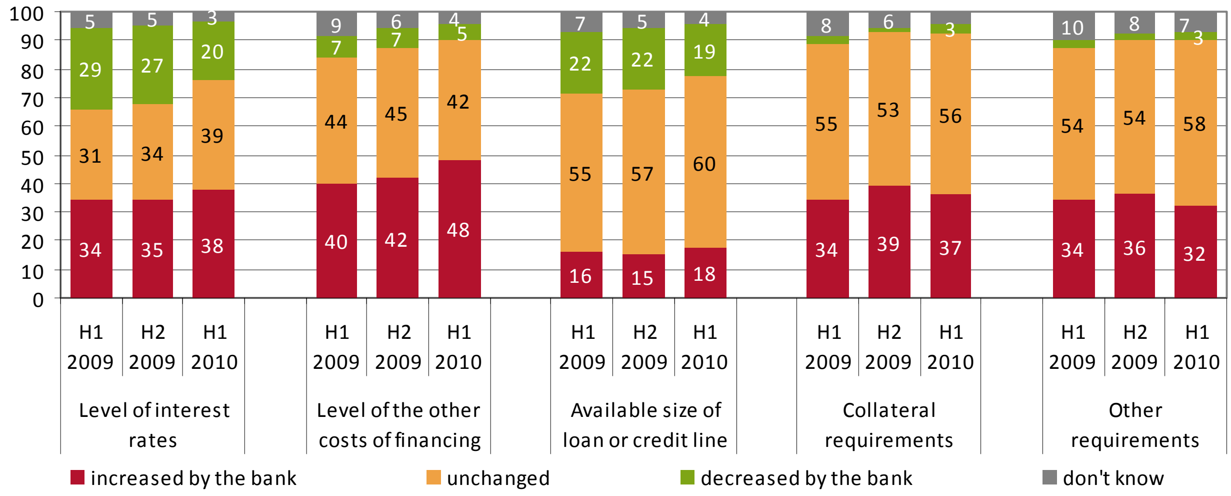
3.3 Terms and conditions of loan financing

Most indicators point to a further worsening of terms and conditions for bank loans in the period from March to September 2010. More than a third of the sampled euro area SMEs continued to report increases in interest rates charged, costs of other sources of financing, collateral requirements and other requirements (such as loan covenants, charges and commissions). At the same time, compared with 2009, fewer firms reported improvements in such terms and conditions. On balance, SMEs reported a significant increase in price-related aspects of bank loans (notably interest rates charged). Large firms tended to share this assessment, although on average their overall situation appears to be less severe.

This general worsening of the terms and conditions for bank loans should not come as a surprise, in view of financial market developments in mid-2010. In particular, the July 2010 bank lending survey had banks reporting a halt in the downward trend in net tightening of credit standards on loans to enterprises[3]. Results from the SME survey thus confirm this further tightening and suggest it may have continued during the summer months.

[3] According to the bank lending survey, the net tightening of credit standards had actually increased from 3% in the first quarter of 2010 to 11% in the second quarter of the year. This renewed tightening was mainly justified by bank-specific issues (e.g. liquidity position, access to funding), possibly reflecting renewed tensions on the financial markets in Spring 2010, while business-cycle-related factors (such as the industry or the firm-specific outlook) were generally judged to have a dampening effect on credit standard developments.

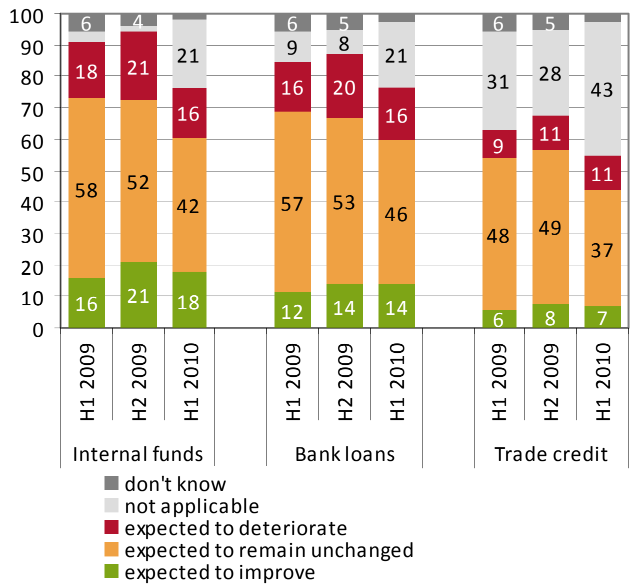
Chart 10: Terms and conditions of bank loans granted to euro area SMEs
(change over the preceding six months; percentage of firms that had applied for bank loans)



Base: SMEs that had applied for bank loans.

3.4 Expectations regarding access to finance

Chart 11: Euro area SMEs' expectations regarding access to finance
(change over the following six months; percentage of respondents)



Base: All SMEs.

As regards expectations about future developments in access to finance, in terms of net percentages, SMEs did not expect any major change in the following six months. This broadly neutral assessment held true for all types of financing source, whether internal or external. By contrast, the overall assessment provided by larger firms was clearly optimistic, and on balance large firms expected a clear improvement for all sources of finance in the period from September 2010 to March 2011. One caveat is that the proportion of firms replying "not applicable" is high compared with previous waves of the survey.[4]

4 One explanation for this might be the changes in the questionnaire, as the category "Internal fund" was renamed "Retained earnings and sales of assets", while an additional category on bank overdrafts, credit lines and credit card overdrafts was added.

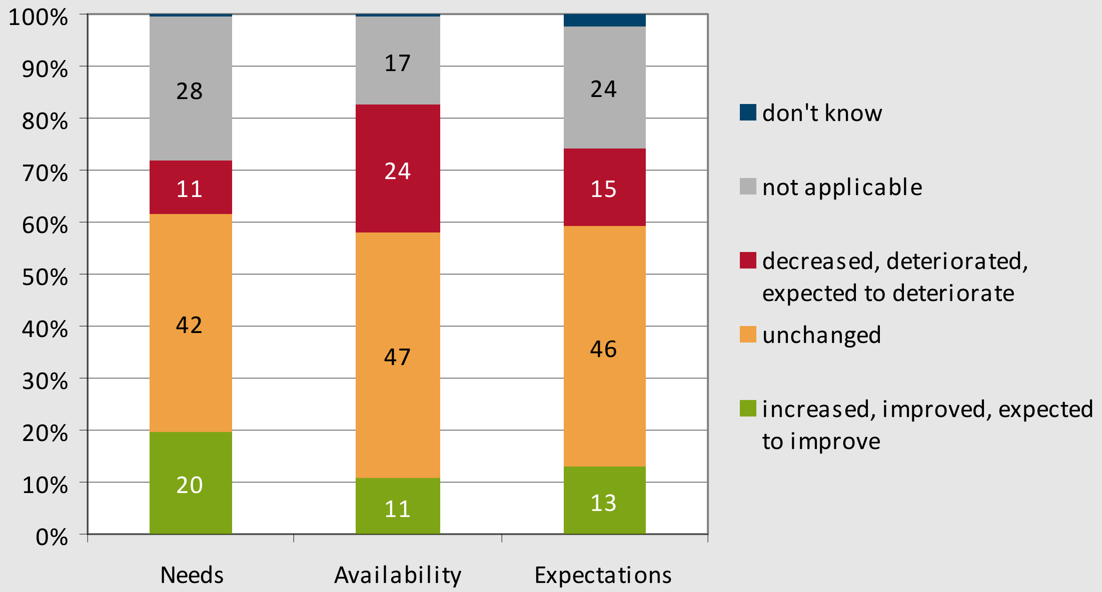
Box - a new category of financing sources in the survey: bank overdrafts, credit lines and credit card overdrafts

One of the main changes to the survey questionnaire was the introduction of an additional bank-based source of finance as a possible instrument to comment on, namely "**bank overdrafts, credit lines and credit card overdrafts**". From an SME's viewpoint, one of the main attractions of this type of banking facility is that it provides a "safety net". An overdraft can provide funds instantly to bridge the gap between paying suppliers and receiving money from customers or to buy goods and services when the necessary cash is not available. Overdrafts are also very flexible. Limits are agreed when an account is opened and reviewed periodically, but it is usually easy to secure adjustment at any time. Being overdrawn for a week or so means that interest will only be paid on the amount borrowed during that particular period, while the same amount borrowed for six months under a full-blown bank loan agreement would accrue far more interest.

As a result, "**bank overdrafts, credit lines and credit card overdrafts**" can be seen as an essential instrument for a small business. Indeed, only 35% of SMEs judged this source of financing not to be relevant for their firm and 40% had made use of such short-term facilities in the previous six months, a figure which had increased from the level reported in the previous two survey rounds. These sources of finance have actually become the most used form of external finance. It is thus important to be able to judge developments for these specific instruments. According to the chart below, in net terms, 9% of SMEs reported that their need for bank overdrafts and credit lines had increased in the six months prior to the survey. At the same time, 13% felt that availability had decreased. By comparison, only 3% (in net terms) reported that their need for full-blown bank loans had increased, and a similar percentage indicated a similar perceived change in availability, suggesting a slightly larger financing gap for this type of short-term banking facility. Looking forward, access to bank overdrafts and credit lines is expected to remain broadly unchanged in the next six months, with almost as many firms expecting a deterioration as expecting an improvement.

Euro area SMEs' needs, perceived availability and expectations regarding bank overdrafts, credit lines and credit cards

(change over the previous/following six months; percentage of respondents)



Base: All SMEs (needs and expectations); SMEs that had applied for external financing (availability).

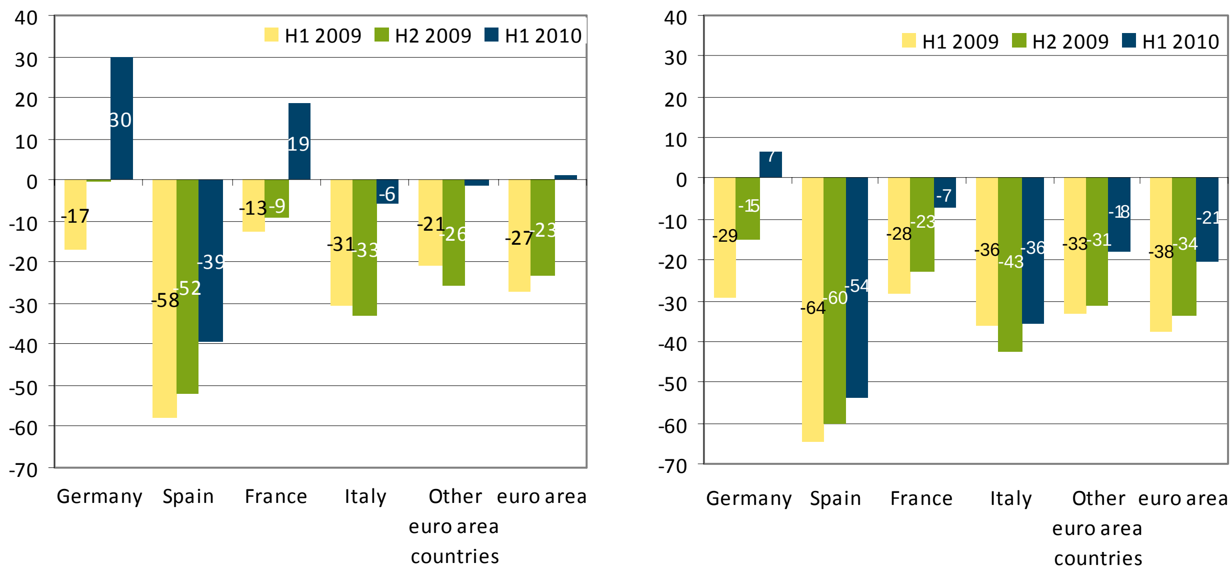
4. Overview of the main country results

The German corporate sector showed remarkable signs of recovery in the second and third quarters of 2010. In net terms, almost one third of German SMEs reported that their turnover had increased over the previous six months and nearly 20% recorded increasing profits. Germany is the only country where income indicators turned clearly positive in net terms for the first time since the launch of the survey (see Chart 12). French SMEs also reported a net increase in turnover but net profits continued to decline, though to a lesser extent than in 2009. In general, while the income situation in all other countries remained negative, there was a noticeable dampening in the pace of decline. Out of the four largest euro area countries, Spain, as in previous surveys, appears to be the one country experiencing more difficulties as regards the income situation of the corporate sector as a whole.

Chart 12: Income situation of SMEs across euro area countries

(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)

a) Turnover *b) Profit*



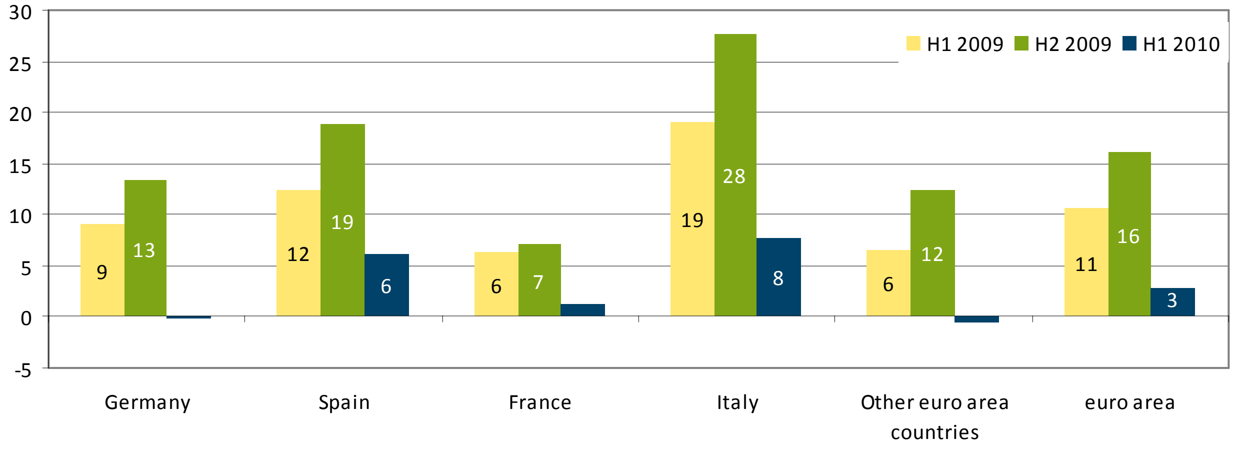
Base: All SMEs.

Note: The net percentage of firms reporting an increase (decrease) is calculated as the difference between the percentage of reported "increases" ("decreases") and the percentage of reported "decreases" ("increases").

Financing needs have receded sharply in all countries of the euro area, but especially in Germany and in smaller euro area countries (see Chart 13). There were no major differences in the reasons given by euro area firms of various countries for their needs for external financing, the two main ones being investment and working inventory.

Chart 13: Need of SMEs for bank loans across euro area countries

(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)

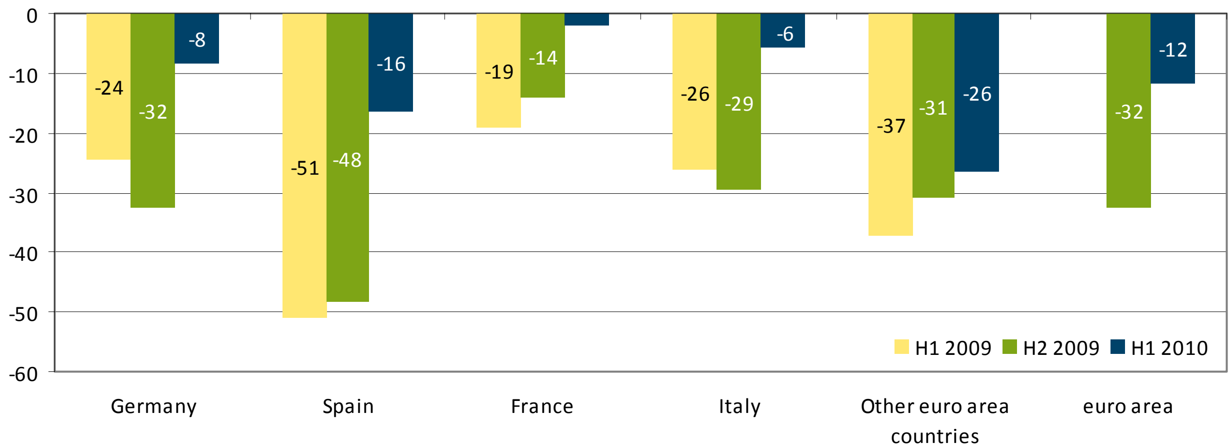


Base: All SMEs.

While the availability of bank loans is judged, on balance, to have continued to worsen slightly in all euro area countries, it is generally reported to have worsened less sharply than in 2009. This is especially true in France, where the balance of opinion on bank loan availability has almost reached parity. Generally, in all big euro area countries, including Spain, this relative improvement was remarkable, while in other smaller euro area countries, the balance of opinion continued to point to a serious deterioration in bank loan availability (see Chart 14).

Chart 14: Availability of bank loans for SMEs across euro area countries

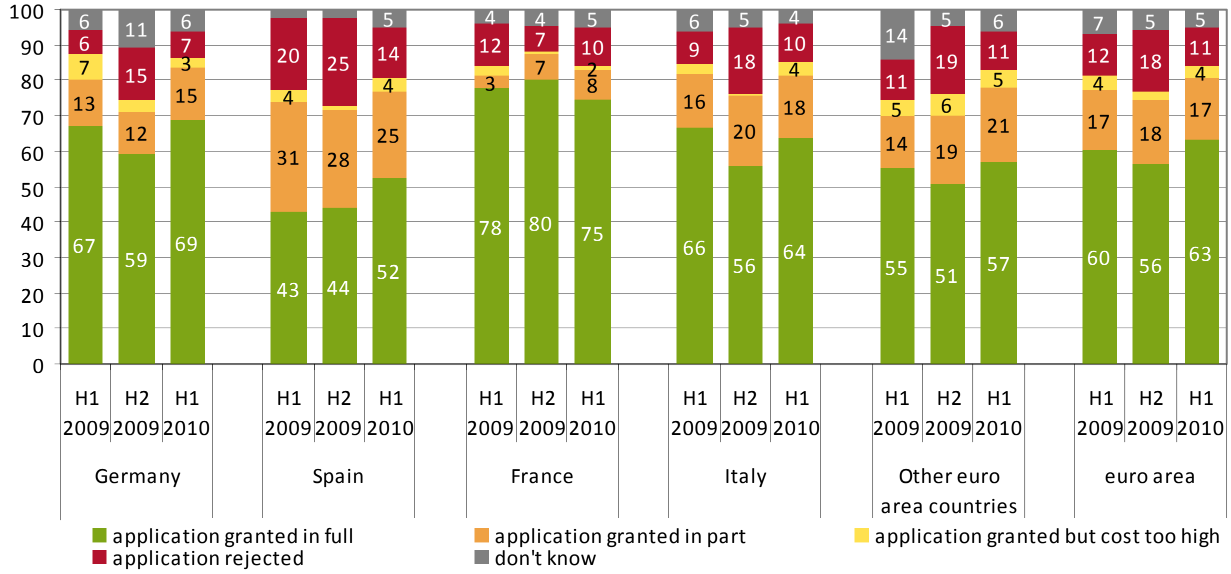
(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)



Base: SMEs that had applied for external financing.

Compared with the second half of 2009, the rejection rate when applying for a bank loan fell in all countries except France; however, France had the lowest rejection rate in the previous survey. Spanish firms continued to report the highest rejection rate (at 14% in the first half of 2010), but the outcome of bank loan applications was significantly more successful than in 2009, with 77% of Spanish firms receiving either the full bank loan applied for or at least 75% (see Chart 15).

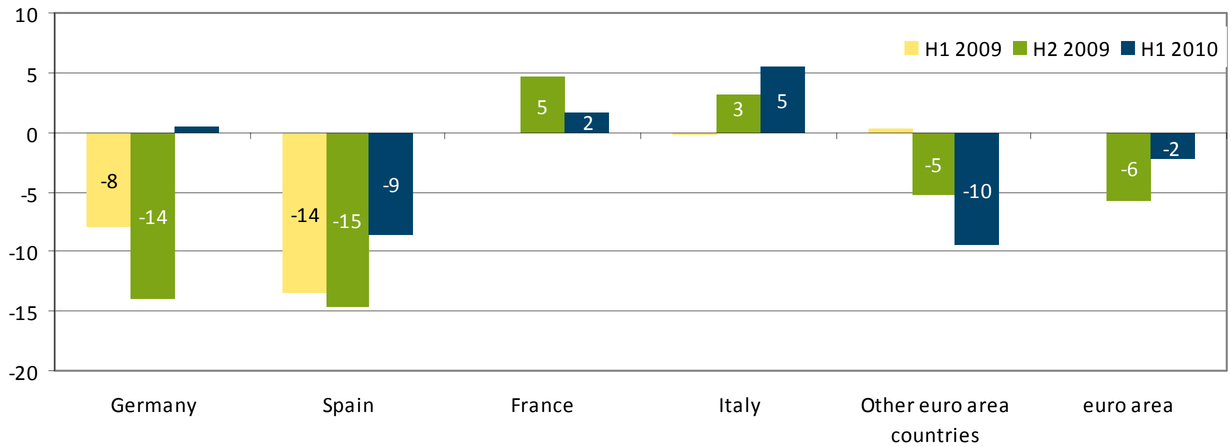
Chart 15: Outcome of the applications for bank loans by SMEs across euro area countries
(over the preceding six months, percentage of firms that had applied for bank loans)



Base: SMEs that had applied for bank loans.

As regards expectations of future developments in access to finance for the coming six months, Italian, French and German firms were, on balance, neutral or moderately optimistic and were expecting the availability of bank loans slowly to improve. Spanish firms and the corporate sectors of the smaller euro area countries were less positive but were not expecting any further deterioration (see Chart 16). The picture was broadly similar for SMEs' expectations regarding the availability of internal funds and trade credit. By contrast, large firms were more optimistic, with positive expectations for all sources of finance (internal and external) towards the end of the year.

Chart 16: SMEs' expectations regarding access to bank loans across euro area countries
(over the following six months, net percentage of firms that had applied for external financing)



Base: All SMEs.

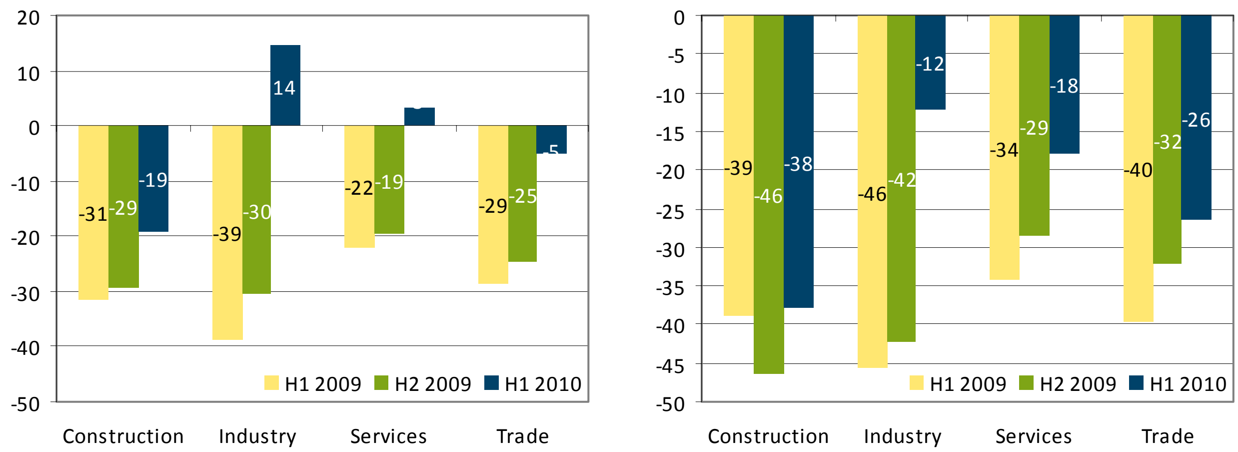
5. Overview of the main survey results across sectors of economic activity

All in all, the mild improvement reported by euro area SMEs appears to be broadly based across sectors of economic activity.

Chart 17 shows that, in line with the usual cyclical features of an economic recovery, industry is the sector leading the revival in business activities. In net terms, 14% of euro area industrial SMEs reported an increase in turnover. SMEs with operations in industry are also the ones who report less of a deterioration in profits, there having been a remarkable improvement compared with the two previous surveys. By contrast, despite some improvement, turnover developments remained negative in trade-related sectors and only mildly positive in other services (where some activities are driven to a large extent by developments in the industrial sector). Construction, which has been particularly affected in the recent crisis, appears to show fewer signs of recovery.

Chart 17: Income situation of SMEs across euro area sectors of economic activity
(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)

a) Turnover *b) Profit*

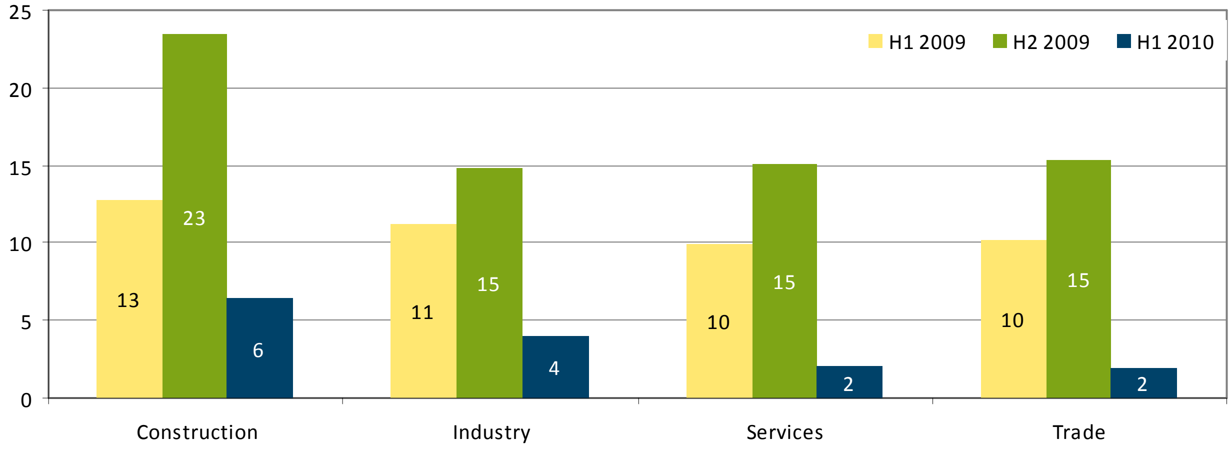


Base: All SMEs.

Note: The net percentage of firms reporting an increase (decrease) is calculated as the difference between the percentage of reported "increases" ("decreases") and the percentage of reported "decreases" ("increases").

The moderation in the need for bank loans reported generally by euro area SMEs spans all sectors of the economy. All sectors experienced a significant decrease in the need for bank loans, though in net terms the figure remained slightly positive.

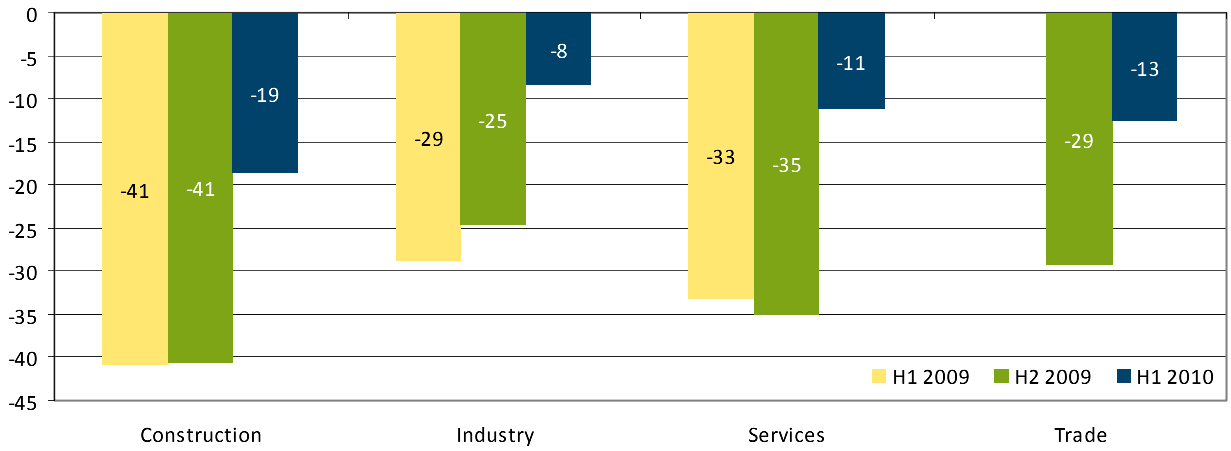
Chart 18: SMEs' need for bank loans across euro area sectors of economic activity
(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)



Base: All SMEs.

Similarly, there do not seem to be significant sectoral specificities in availability of bank loans. Whatever their sector of activity, responding SMEs pointed to a continued deterioration in the availability of bank loans, but to a significantly smaller extent than in the two previous surveys.

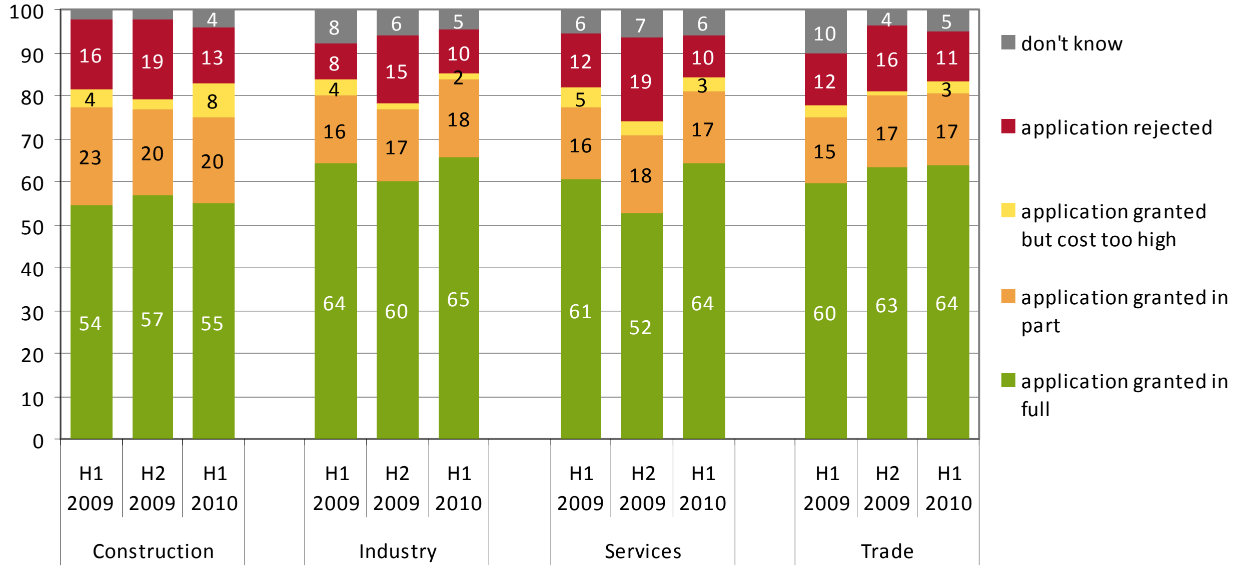
Chart 19: Availability of bank loans to SMEs across euro area sectors of economic activity
(net percentage of respondents reporting an increase (+) or decrease (-) over the preceding six months)



Base: SMEs that had applied for external financing.

Bank loan rejection rates decreased in all sectors of economic activity, but SMEs in the construction sector remain those most likely to have their application rejected, albeit not to a significantly different extent than other SMEs.

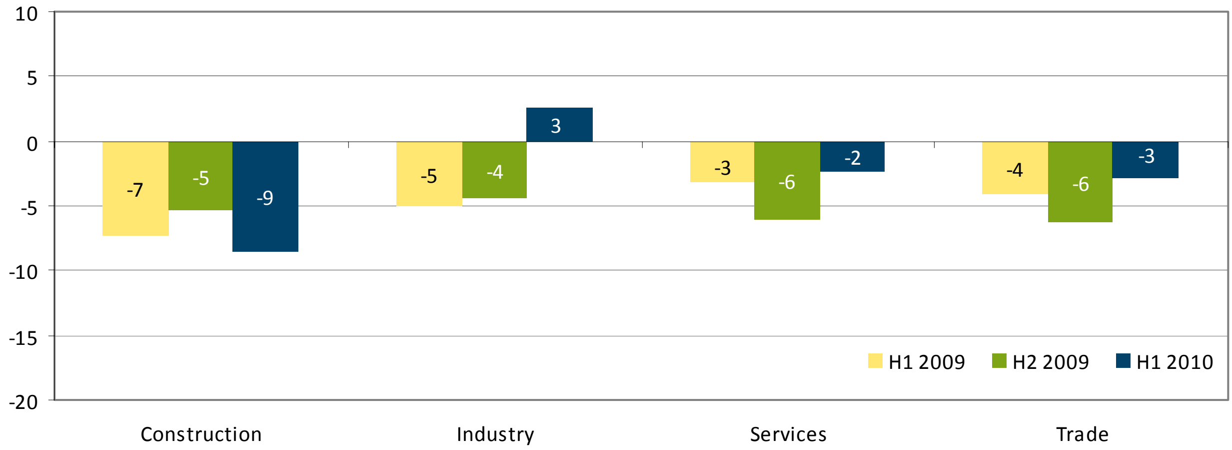
Chart 20: Outcome of applications for bank loans by SMEs across euro area sectors of economic activity
(over the preceding six months; percentage of firms that had applied for bank loans)



Base: SMEs that had applied for bank loans.

Looking forward, industrial SMEs were showing signs of optimism and, on balance, tended to expect improvements in access to finance, and especially bank loans, in the coming six months. While SMEs from all other sectors continued to expect, on balance, a further deterioration in access to bank loans, there were generally fewer that responded in this way than in previous surveys. Only SMEs in the construction sector still faced a bleak outlook and, on balance, expect a further deterioration.

Chart 21: SMEs' expectations regarding access to bank loans across euro area sectors of economic activity
(over the following six months; net percentage of respondents)

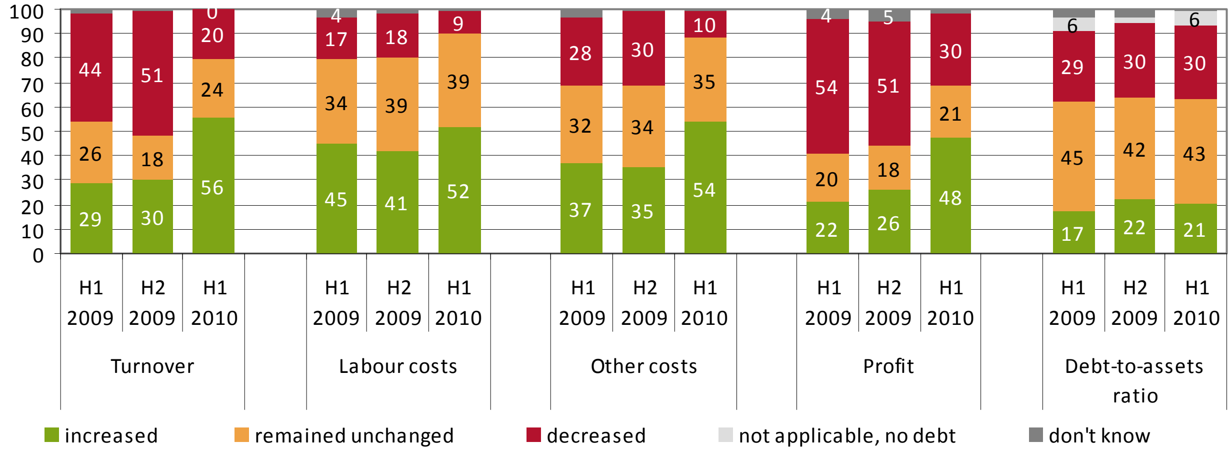


Base: All SMEs.

ANNEX 1: LARGE FIRMS – OVERVIEW OF THE SURVEY REPLIES

Chart 1a: Income and debt situation of large euro area firms

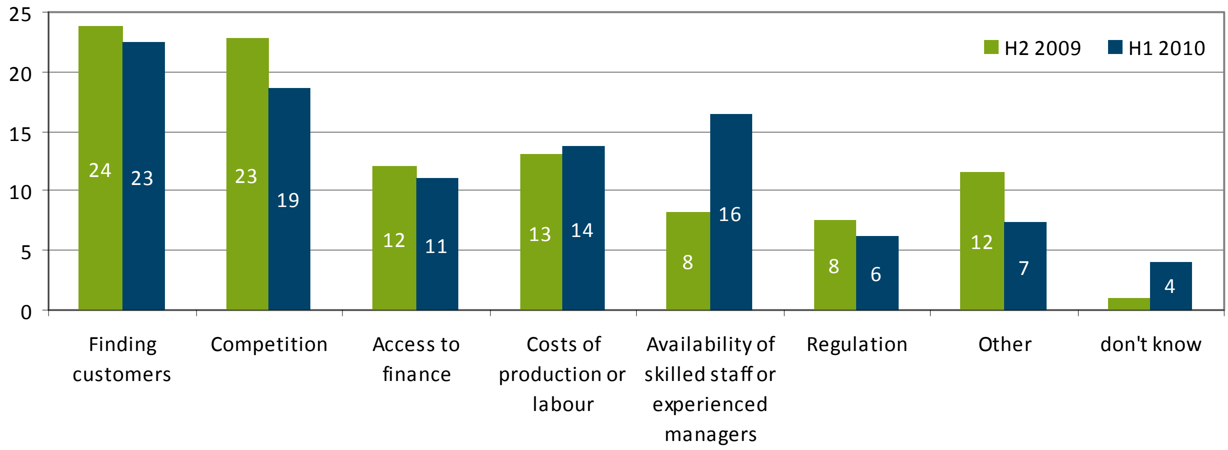
(change over the preceding six months; percentage of respondents)



Base: All large firms.

Chart 2a: The most pressing problem faced by large euro area firms

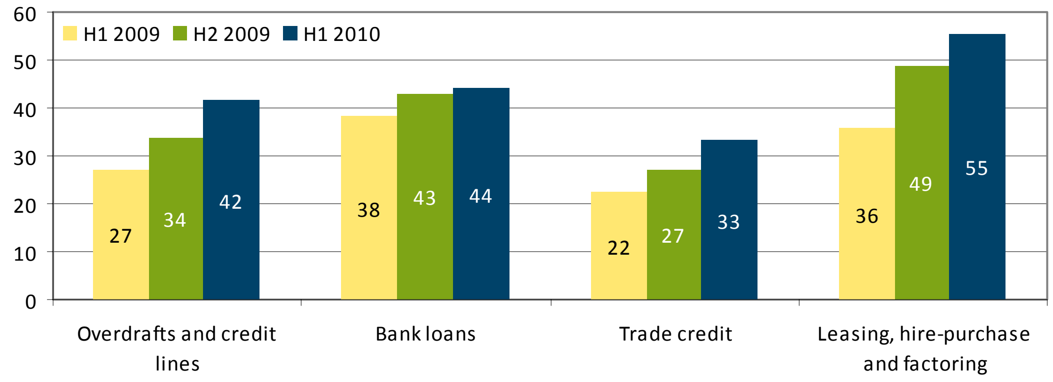
(percentage of respondents)



Base: All large firms.

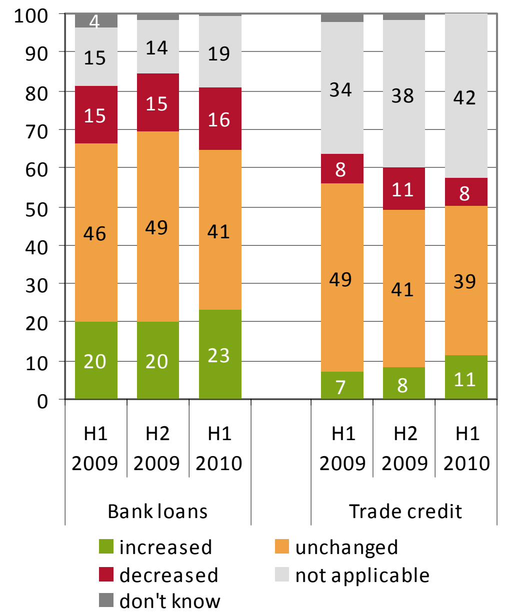
Note: Figures for 2009 H1 are not comparable and therefore not shown in the chart.

Chart 3a: Financing structure of large euro area firms
(over the preceding six months; percentage of respondents)



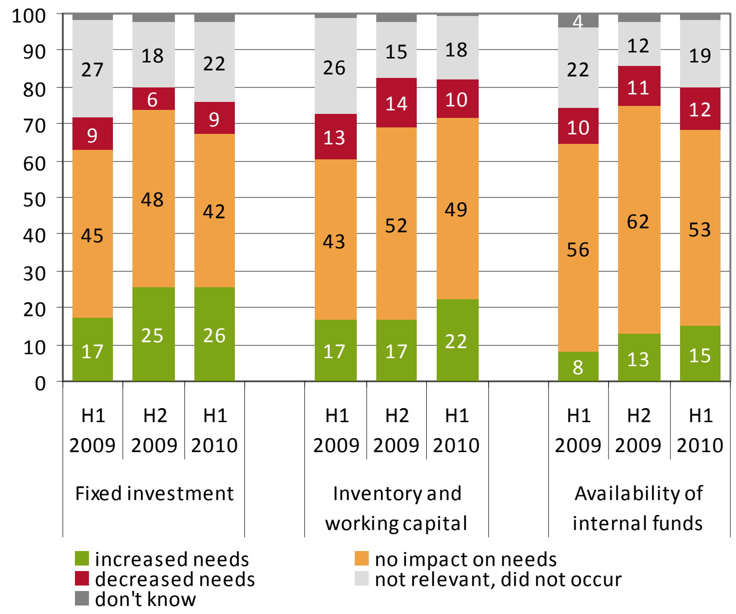
Base: All large firms.

Chart 4a: External financing needs of large euro area firms
(change over the preceding six months; percentage of respondents)



Base: All large firms.

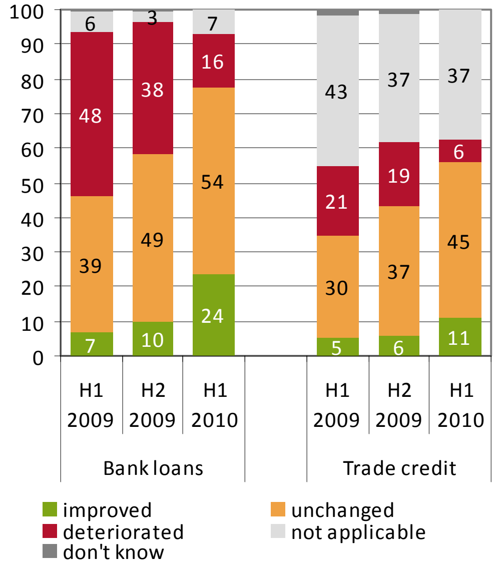
Chart 5a: Factors affecting the external financing needs of large euro area firms
(change over the preceding six months; percentage of respondents)



Base: All large firms.

Chart 6a: Availability of external financing to large euro area firms

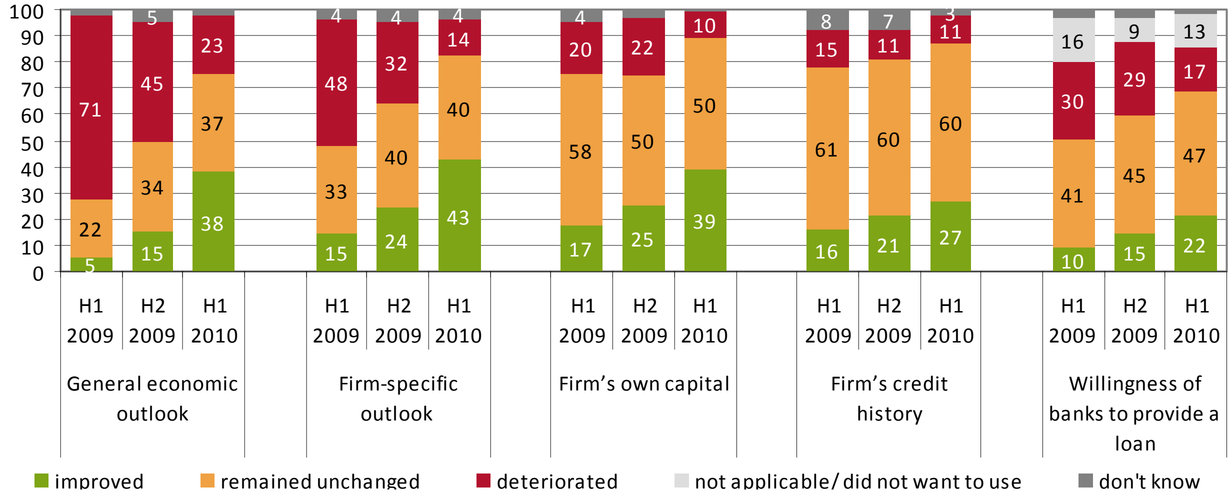
(change over the preceding six months; percentage of respondents)



Base: Large firms that had applied for external financing.

Chart 7a: Factors having an impact on the availability of external financing for large euro area firms

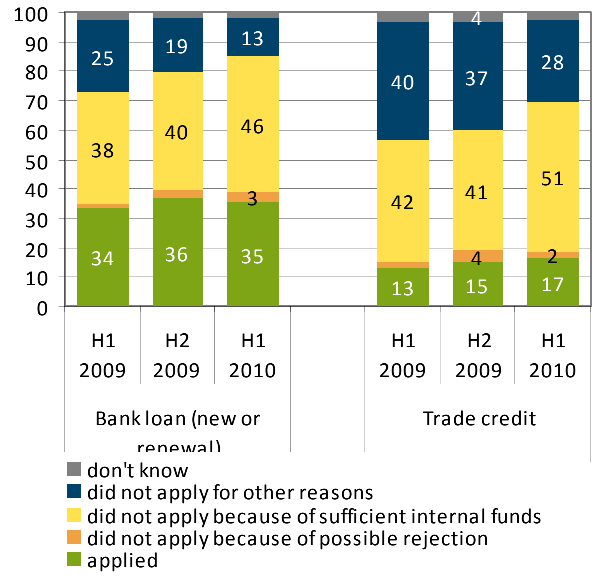
(change over the preceding six months; percentage of respondents)



Base: All large firms.

Chart 8a: Applications for external financing by large euro area firms

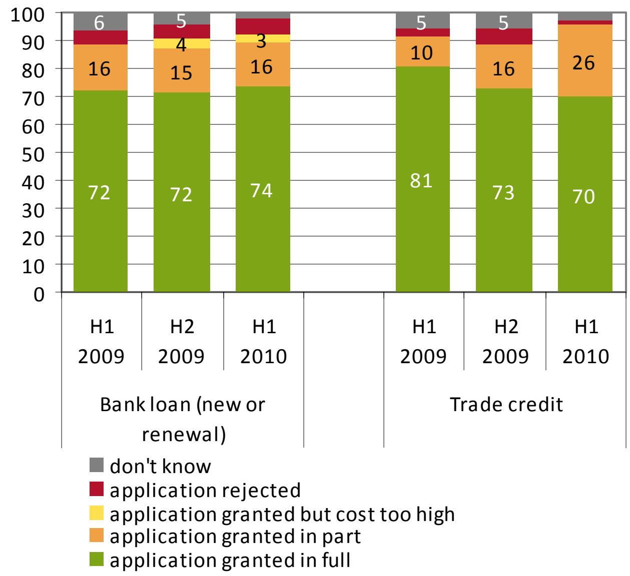
(over the preceding six months; percentage of respondents)



Base: All large firms.

Chart 9a: Outcome of the applications for external financing by large euro area firms

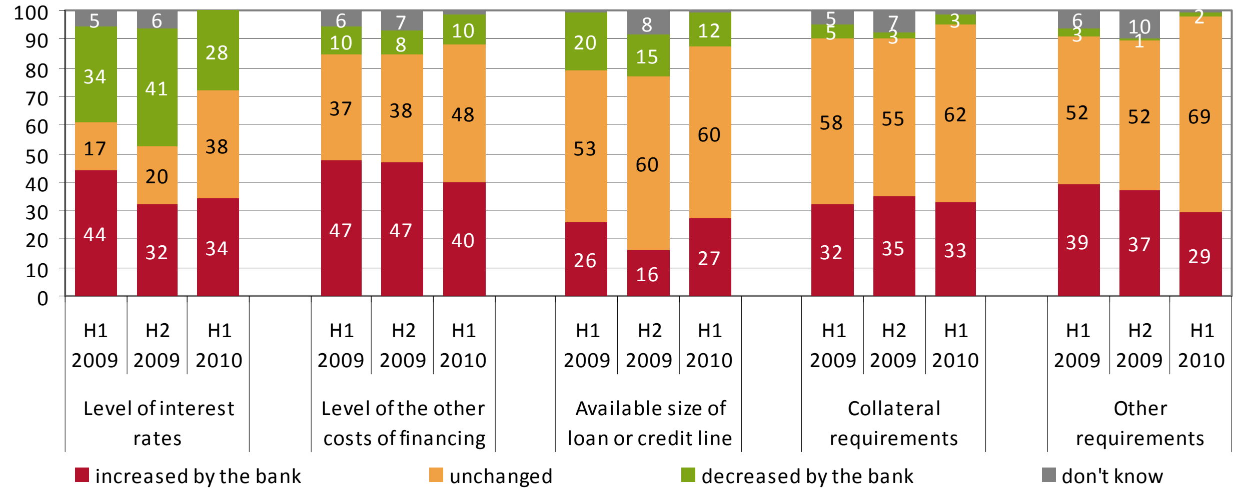
(over the preceding six months; percentage of firms that had applied for bank loans or trade credit)



Base: Large firms that had applied for bank loans or trade credit.

Chart 10a: Terms and conditions of bank loans granted to large euro area firms

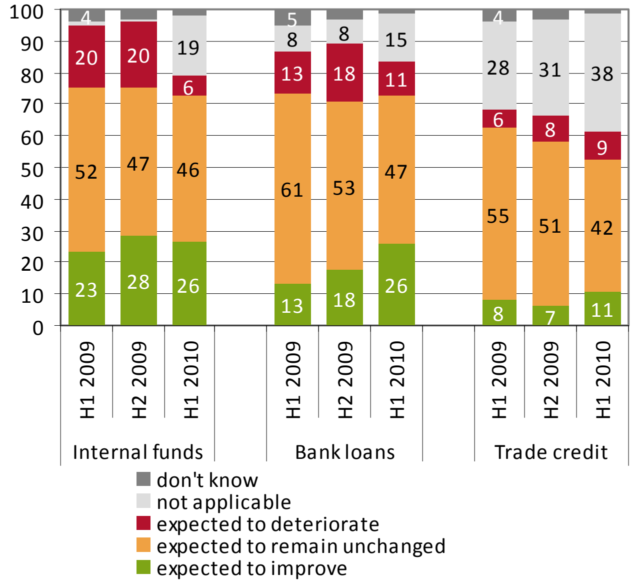
(change over the preceding six months; percentage of firms that had applied for bank loans)



Base: Large firms that had applied for bank loans.

Chart 11a: Large euro area firms' expectations regarding access to finance

(change over the following six months; percentage of respondents)

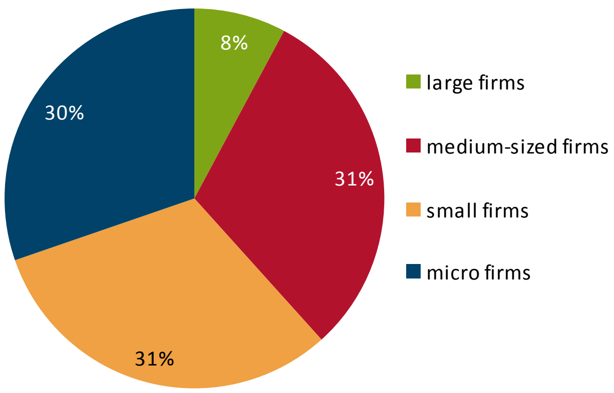


Base: All large firms.

ANNEX 2: GENERAL CHARACTERISTICS OF THE FIRMS

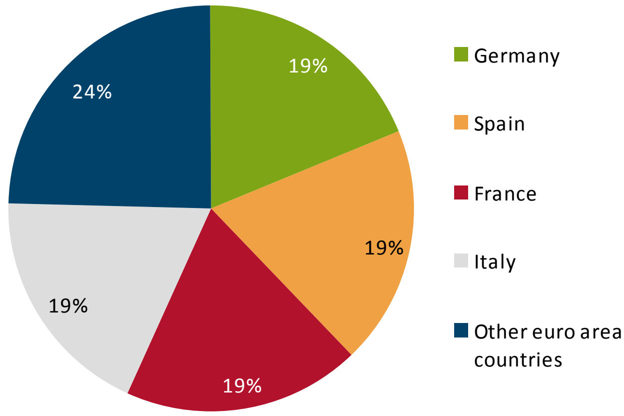
This annex presents an overview of the general characteristics of the euro area firms that participated in this survey.

Chart A: Breakdown of firms into size classes



Sample size: 5,312

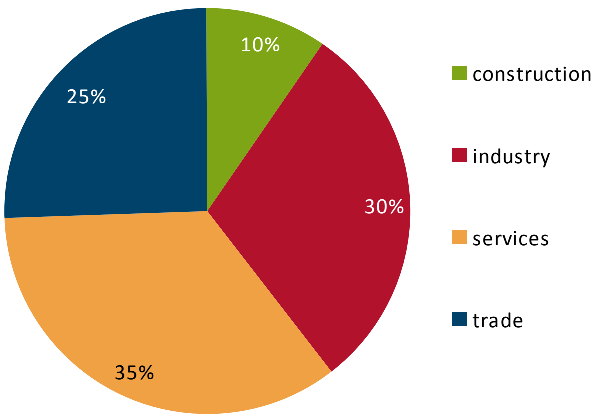
Chart B: Breakdown of firms across countries



Sample size: 5,312

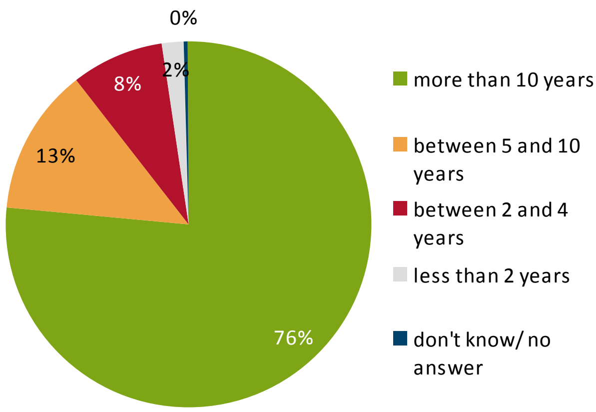
Note: Firms have been classified according to size in terms of the number of employees: micro firms have between 1 and 9 employees, small firms between 10 and 49, medium-sized firms between 50 and 249, and large firms have 250 or more employees.

Chart C: Breakdown of firms across economic activities



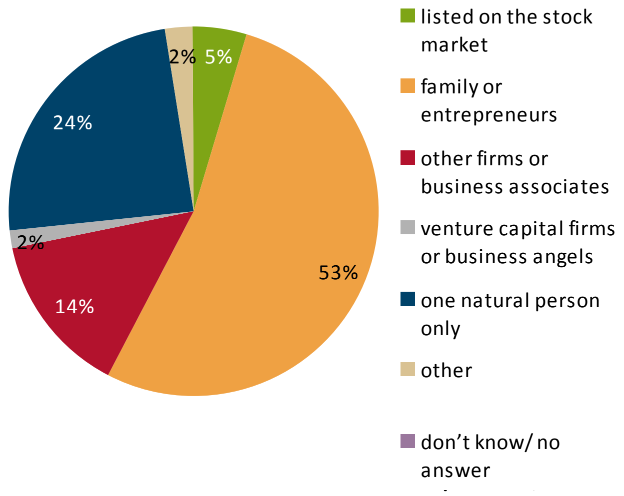
Sample size: 5,312

Chart D: Breakdown of firms by firm age



Sample size: 5,312

Chart E: Breakdown of firms according to ownership



ANNEX 3: METHODOLOGICAL INFORMATION ON THE SURVEY

Background

The data presented in this report were collected through a survey of companies in the euro area, conducted on behalf of the European Central Bank. The previous two waves were carried out by Gallup, while this wave of the survey was for the first time carried out by IPSOS MORI, in cooperation with the IPSOS network of national research agencies in the various countries. The survey company was changed so as to minimise possible breaks in the time series of replies, and to the best of our knowledge there were no breaks attributable to the change of provider. Some changes in the questionnaire (for instance, change to the wording of "internal funds" and "equity", additional questions on bank overdrafts) may have caused a break in the series.

The survey interviews were conducted between 27 August and 22 September 2010.

Sample selection

The companies in the sample were randomly selected from the Dun & Bradstreet database of firms. The sample was stratified by firm-size class, economic activity and country. The number of firms in each of these strata of the sample 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 corrected using the appropriate weights (as described below).

The total euro area sample size was 5,312 firms, of which 4,906 had less than 250 employees.

As regards the stratification by firm-size class, the sample was constructed to offer the same precision for micro (1 to 9 employees), small (10 to 49 employees) and medium-sized firms (50 to 249 employees). In addition, a sample of large firms (250 or more employees) was included in order to be able to compare developments for SMEs with those for large firms.

Number of interviews conducted with euro area firms, broken down by firm size classes

	Number of interviews
Micro	1602
Small	1674

	Number of interviews
Medium-sized	1630
Large	406

The sample sizes for each economic activity were selected to ensure sufficient representativeness across the four major activities: industry, construction, trade and services. The statistical stratification was based on economic activities at the one-digit level of the European NACE classification (Rev. 1.1). Enterprises from mining and quarrying (C), manufacturing (D), electricity, gas and water supply (E) were combined into "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 hotels and restaurants (H), transport, storage and communication (I), real estate, renting and business activities (K), education (M), health and social work (N) and other community, social and personal service activities (O).

Agriculture, hunting and forestry (A), fishing (B), financial intermediation (J), public administration (L), activities of households (P), extra-territorial organisations and bodies (Q), holding companies (NACE 74.15) and private non-profit institutions were excluded from the sample.

Number of interviews conducted with euro area firms, broken down by economic activity

	Number of interviews
Industry	1,573
Construction	518

	Number of interviews
Trade	1,351
Services	1,870

Finally, 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 (see the section entitled "Weighting" below for information on the weights used). However, the sample size in the other countries is too small to permit robust analysis in each country separately. Additionally, the five smallest countries in the euro area (Cyprus, Luxembourg, Malta, Slovenia, and Slovakia) were not included in the sample, as they only represent 2.3% of the total number of employees of the euro area. The results are only very marginally affected by this undercoverage. The sample structure by country is as follows:

Number of interviews conducted with euro area firms, broken down by country

	Number of interviews
Belgium	203
Germany	1,000
Ireland	100
Greece	200
Spain	1,000
France	1,003

	Number of interviews
Italy	1,000
Netherlands	256
Austria	200
Portugal	250
Finland	100

Fieldwork

The survey interviews were conducted between 27 August and 22 September 2010. All interviews were conducted by telephone (CATI). In comparison with previous waves, the option to participate through an internet questionnaire or on paper, via fax, was not offered, as the take-up has been very low. The person interviewed in each company was a top level executive (general manager, financial director or chief accountant).

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.

Weighting

In order to restore the modified proportions, with regard to company size and economic activity (see the section "Sample selection" above), calibrated weights were used. Since the economic weight of the companies varies according to the size of the company, there are two main classes of weights which can be used: (i) weights that restore the proportions of the number of firms 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.[5]

The calibration targets were derived from the latest figures of Eurostat's Structural Business Statistics in terms of the number of persons employed, by economic activity, size class and country, with figures from national accounts and from different country-specific registers to cover for activities not included in the Structural Business Statistics regulations.

[5] According to official statistics, 92% of firms in the euro area are micro firms (with 1 to 9 employees), 7% are small firms, 1% are medium-sized and 0.2% are large firms. However, in terms of economic weight, as measured by the number of persons employed, micro firms represent 31%, small firms 22%, medium-sized firms 16% and large firms 30% of all firms.