

On 4 June 2018 the ECB published the results of the 18th round of the Survey on the Access to Finance of Enterprises (SAFE), covering the period from October 2017 to March 2018. The survey asks respondent firms, essentially small and medium-sized enterprises, about developments in the past six months in their economic and financial situation, their external financing needs and the conditions under which they have obtained or not such financing.

In the case of Spanish SMEs, the data for this latest round of the survey show, overall, that their economic and financial situation is trending positively, although with some signs of a certain deceleration. Hence, the number of firms reporting an increase in sales exceeded, for the eighth time running, those indicating the contrary. The difference of 20% (net percentage) between the two groups was lower than both the figure in the previous round (26%) and that for the euro area as a whole (24%, see Chart 1). Both labour and other costs rose for a high net proportion of SMEs of the sample (48% and 54%, respectively, compared with 50% and 54% in the euro area), and, as a result, profits performed somewhat less favourably than sales. Specifically, the percentage of companies that reported an increase in profits was 4 pp higher than those that stated the opposite, exactly the same as in the euro area as a whole and 3 pp lower than in the previous round.

When asked about their main source of concern, that indicated by the highest percentage of Spanish SMEs (25%, see Chart 2) was a lack of customers, while in the euro area as a whole the problem most frequently cited for the first time in the survey was a lack of skilled labour (24%). Set against this, access to financing was, among all the factors included in this question, once again that signalled by the fewest companies, 8% of those in both Spain and the euro area, this percentage being barely 1 pp more than six months earlier

Against this background, the proportion of Spanish SMEs that applied for bank loans grew by some 2 pp to 29% (see Chart 3), a figure slightly below that recorded in the euro area (30%) and close to the lowest values observed in the last few years. The access to bank loans continued to improve (see Chart 4). Thus, in net terms, 24% of Spanish SMEs reported an improvement in this aspect, 1 pp more than in the previous survey and 10 pp up on the

percentage recorded for their euro area counterparts. Moreover, the firms surveyed observed a favourable change in most of the factors affecting credit supply. Specifically, in net terms, 33% of Spanish SMEs perceived a greater willingness of banks to grant loans (a similar figure to that in the previous round of the survey), 25% reported an improvement in their specific situation (5 pp less than six months earlier), and 24% indicated an improvement in the general economic outlook (the same percentage as in the previous period).

The percentage of SMEs whose bank loan applications were rejected increased slightly by 1 pp to stand at 5%, a figure somewhat higher than that recorded in the euro area as a whole (4%). However, the broader indicator of the difficulties in obtaining bank loans¹ shows a slight improvement, with a decrease of 1 pp to 8% in the proportion of firms with this type of difficulty, very similar to the euro area figure (see Chart 5).

As regards financing conditions, the net percentage of firms reporting a decline in interest rates was positive for the seventh time running, albeit low (6%), and slightly (1 pp) down from the previous round (see Chart 6). Also remaining positive was the net proportion of companies that reported an increase in loan amounts (11%, down 5 pp from six months earlier). By contrast, Spanish SMEs as a whole perceived a slight shortening of maturities and a tightening in collateral required and in other loan conditions.

In sum, the latest round of the SAFE shows that, from October 2017 to March 2018, the access of Spanish SMEs to external financing continued to improve against a backdrop in which the economic and financial situation of these firms continued its favourable trend, although with some signs of a certain deceleration. The survey also shows that at the survey date Spanish SMEs anticipated favourable developments in their access to bank financing in the period from April to September 2018.

¹ This indicator captures companies in the following situations: those whose applications for funds were rejected, those to which the funds were granted but only in part, companies to which loans were granted but at a cost deemed by the companies to be very high and those which did not apply for financing because they believed it would not be granted to them.

Chart 1
SALES AND PROFITS (a)

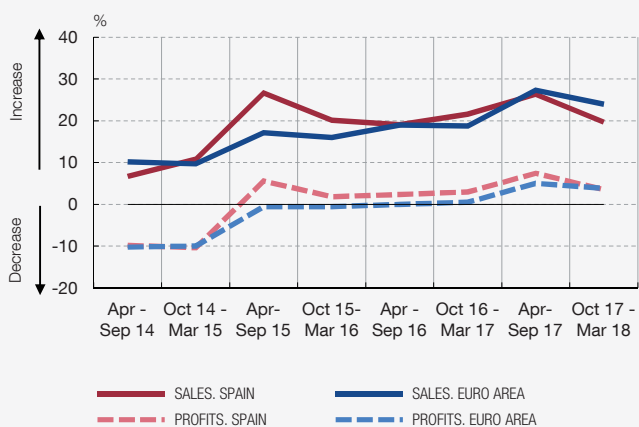


Chart 2
MAIN PROBLEMS AFFECTING ACTIVITY. OCTOBER 2017-MARCH 2018

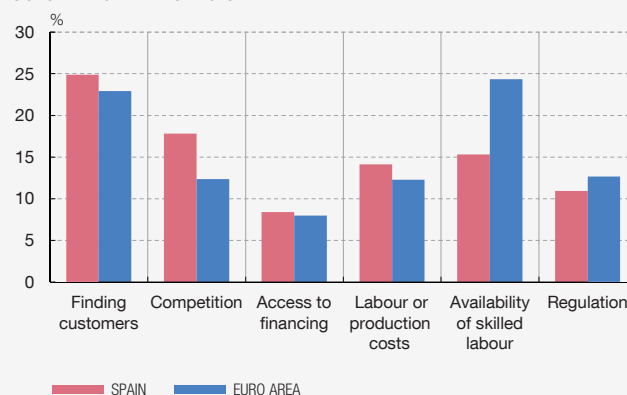


Chart 3
SMEs THAT HAVE APPLIED FOR BANK LOANS

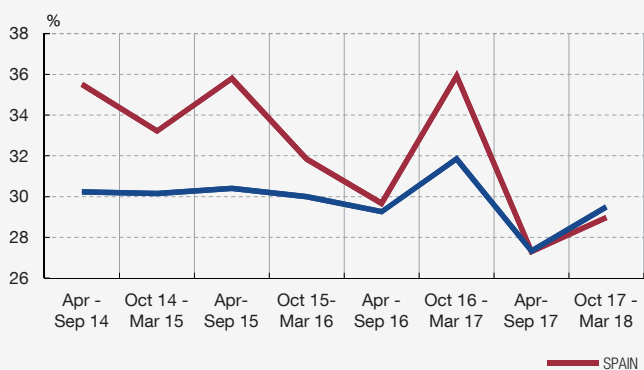


Chart 4
AVAILABILITY OF BANK LOANS (b)

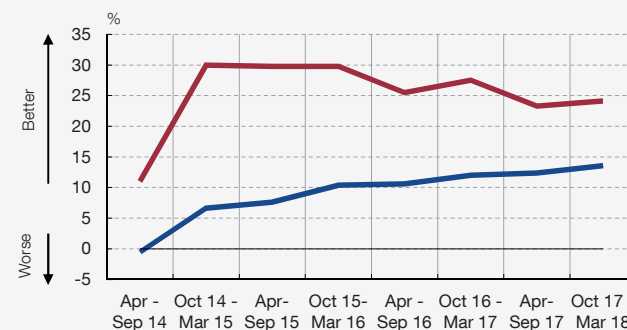


Chart 5
SMEs FACING DIFFICULTIES OBTAINING BANK LOANS (c)

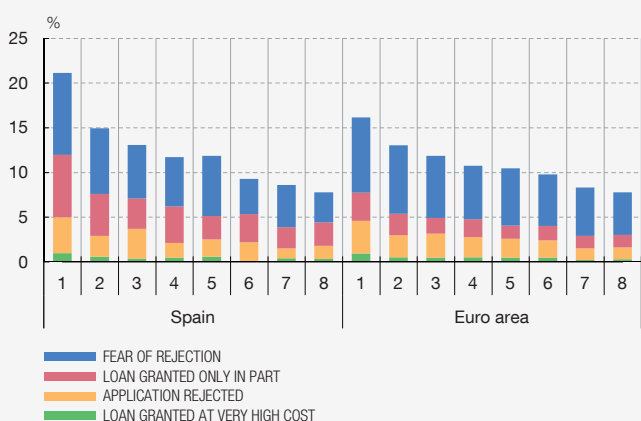
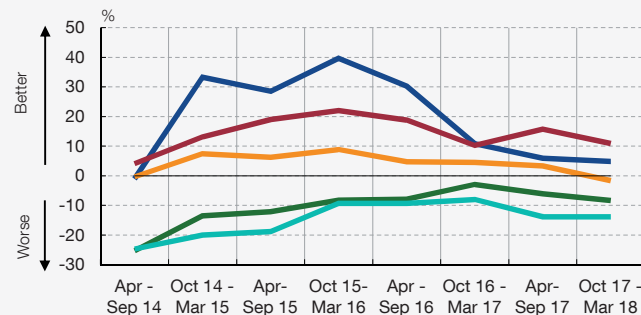


Chart 6
BANK LOAN CONDITIONS. SPAIN (d)



SOURCE: ECB.

- a Percentage of firms indicating an increase less the percentage of those indicating a decrease.
- b Percentage of firms indicating an improvement less the percentage of those indicating a deterioration.
- c This indicator captures the proportion of firms that are in one of the following situations: those whose loan applications were rejected, those whose loans were granted but only in part, those whose loans were granted but at a cost deemed by the firms to be very high and those who did not apply for financing because they thought it would not be granted to them (fear of rejection). The numbers on the horizontal axis represent the survey rounds, with "1" denoting the period April-September 2014 and "8" the period October 2017 -March 2018.
- d Percentage of firms indicating better conditions (lower interest rates, higher amounts, longer maturities, less demanding collateral and other required conditions) less the percentage of firms indicating worse conditions.