On 29 November 2017 the ECB published the results of the 17th round of the Survey on the Access to Finance of Enterprises (SAFE), covering the period from April to September 2017. The survey asks respondent firms, essentially small and medium-sized enterprises, about the developments in this period 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, a continuation of the improving trend in their economic situation. Hence, the number of firms that reported an increase in sales once again exceeded those indicating the contrary, as has indeed been the case uninterruptedly since 2014, the relative difference between both groups (net percentage) being in this case 26%, slightly up on the figure in the previous round (22%; see Chart 1) and similar to that observed in the euro area (27%). In terms of profits, developments were somewhat less favourable owing to the increase in both labour and other costs, a circumstance reported by a high net proportion of SMEs of the sample (42% and 47%, respectively, compared with 49% and 48% in the euro area). The percentage of companies that reported an increase in earnings was thus 7 pp greater than those that stated the opposite, 4 pp more than in the previous round. In the euro area this difference was 5 pp, with this figure holding at a positive value for the first time since the survey started (2009).

As regards the most important concern, the lack of customers was that indicated by the highest percentage of SMEs, both in Spain and in the euro area as a whole (29% and 24%, respectively; see Chart 2), although in the case of the euro area, the lack of skilled labour was a factor that concerned a growing number of SMEs (23%). Set against this, access to financing was, among all these factors included in this question, once again that cited by the lowest proportion of companies, 7% of those in Spain and 8% in the euro area, these percentages being somewhat lower than those in the previous round, and the lowest figures recorded in both areas since the onset of the survey.

Against this background, the proportion of Spanish SMEs that applied for bank loans declined by around 9 pp to 29% (see Chart 3), a figure almost identical to that recorded in the euro area. The availability of bank loans continued to improve (see Chart 4). Thus, in net terms, 23% of Spanish SMEs reported an improvement in this aspect, a proportion 5 pp down on the previous survey and 11 pp up on the percentage recorded for their euro area counterparts. Moreover, the firms surveyed perceived that most of the factors affecting credit supply exerted a positive impact on the availability of financing.[1] Specifically, in net terms, 33% perceived a greater willingness of banks to grant loans (2 pp up on the previous round of the survey), 30% reported a positive influence of the improvement in their specific situation on this propensity (2 pp less than six months earlier), and 24% indicated a positive influence associated with the brighter macroeconomic outlook (4 pp below the figure for the previous period).

Further, the percentage of Spanish SMEs whose bank loan applications were rejected declined by 2 pp to stand at 4%, a similar figure to that recorded in the euro area as a whole. A broader indicator of the difficulties in obtaining bank loans[2] likewise shows a fresh improvement. Hence, the difficulties affected 9% of these companies, a figure very similar to that for the euro area, and a few tenths of a percentage point down on that recorded in the previous round of the survey, evidencing a continuation of the declining trend apparent in recent years, from the high levels reached in 2014 (see Chart 5).

The net percentage of firms reporting a decline in interest rates was 6%, down on the previous round (11%; see Chart 6). Moreover, the net proportion of companies that indicated an increase in loan amounts and an extension of their maturities remained positive (16% and 3%, respectively). By contrast, 6% of Spanish SMEs, in net terms, perceived tightening in collateral required and 14% in other loan conditions, with these percentages in both cases proving higher than those recorded in the previous period.

In sum, the latest round of the SAFE shows that, from April to September 2017, the access of Spanish SMEs to external financing continued to improve. Against the backdrop of the progressive strengthening of their economic and financial situation, these firms reported, overall, that they detected during this period an increase in the availability of bank loans, assisted by the greater willingness of banks to grant loans and more favourable financing conditions, and by the improvement in the firms' specific situation and in the general economic outlook. Finally, the survey also shows that Spanish SMEs anticipated favourable developments in respect of their access to bank financing in the period from October 2017 to March 2018.

1 The availability of bank loans is the perception that firms have of their access to financing, which is affected by supply-side (related to banks), demand-side (the firm's creditworthiness) and macroeconomic factors (general economic situation).

2 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)

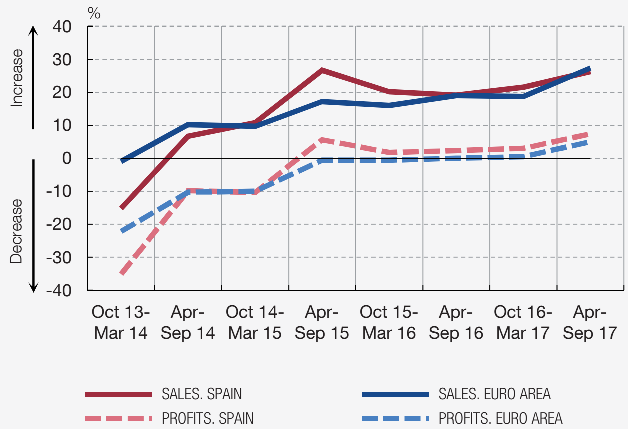


Chart 2
MAIN PROBLEMS AFFECTING ACTIVITY
APRIL-SEPTEMBER 2017

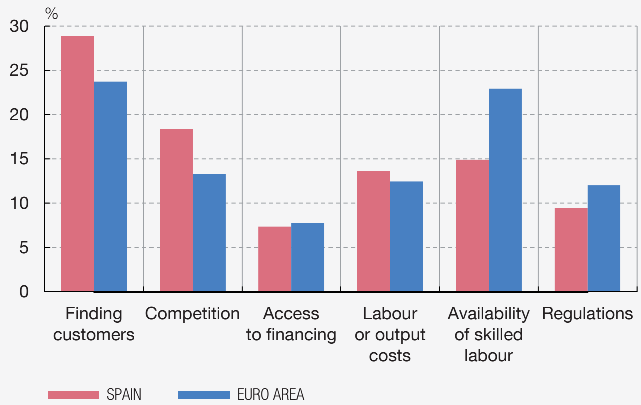
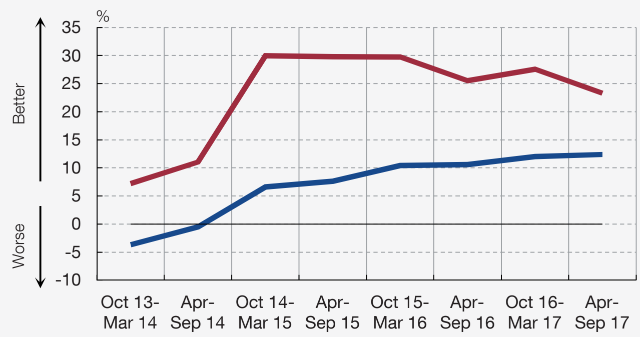


Chart 3
SMEs THAT HAVE APPLIED FOR BANK LOANS

Chart 4
AVAILABILITY OF BANK LOANS (b)



SPAIN EURO AREA

Chart 5
SMEs FACING DIFFICULTIES OBTAINING BANK LOANS (c)

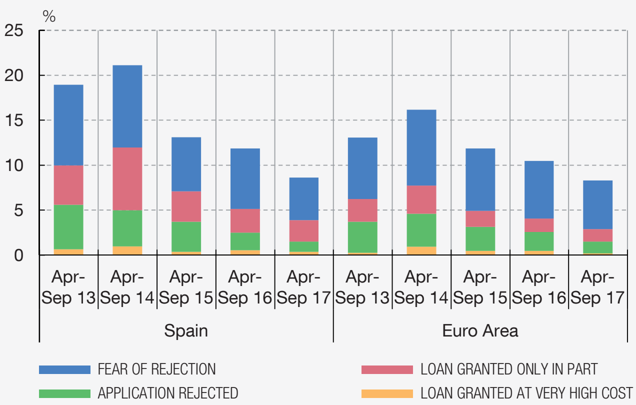
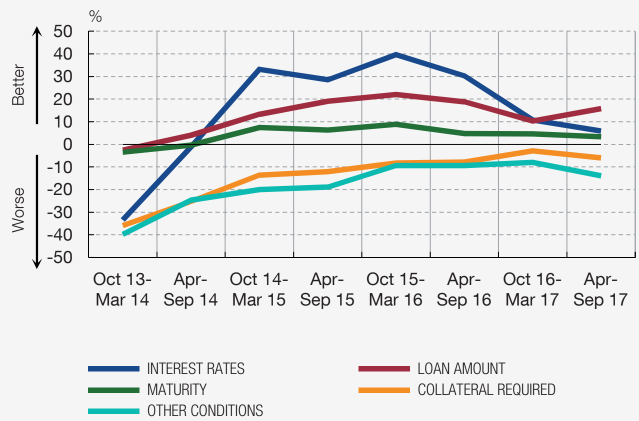


Chart 6
BANK LOAN CONDITIONS. SPAIN (d)



SOURCE: ECB.

a Percentage of firms indicating an increase less the percentage of those indicatiing 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).
d Percentage of firms indicating better conditions (lower interest rates, higher amounts, longer maturities, less demanding collateral and other required conditions) less percentage of firms indicating worse conditions.