**PRESS RELEASE**

Monday, 18th May 2020

**Small and medium businesses must be treated as a standalone priority sector as Ireland enters Day One of Reopening Society and Business**

*It is essential that the SME sector is at the forefront of the Government’s National Recovery Plan as small businesses are crucial to Ireland’s economic recovery*

Small and medium enterprises do not operate the same as bigger businesses as they are exposed to different challenges, with the majority driven by the values of founder entrepreneurs and their families, rather than shareholder profits. That’s according to John Moran, Chair of [SME Recovery Ireland](http://www.smerecovery.ie), who today (18.05.20) are calling for SME’s to be treated as a standalone and priority sector in the Government’s National Recovery Plan as the first phase of the ‘Roadmap for Reopening Society and Business’ comes into effect.

SME Recovery Ireland which was established in coordination with business representative groups and small business owners from a cross section of industry, recently launched its National Small Business Recovery Plan setting out a suite of measures required to recapitalise SME’s and return hundreds of thousands back to work. “As more than 1.5 million people were engaged in these enterprises before the COVID emergency, they must and can be the driving force behind Ireland’s Covid-19 economic recovery,” said Mr Moran.

“SME’s and the entrepreneurial talent behind them bring colour and dynamism to our local and rural economies. They have been disproportionately impacted by the decisions of Government to have them suspend trading to secure public health during the Covid-19 pandemic. Not only do these SME’s support over 1.5 million jobs throughout Ireland but they also make a vital contribution to the social fabric of the country, providing innovation and integrity as well as moral and financial support right at the heart of our local communities.

“It is our belief that the national recovery cannot occur without the reopening of the SME sector at a local level, reversing unemployment through the creation of sustainable jobs. It’s therefore essential that SME’s are prioritised by Government in its response to the economic and societal impact of the pandemic, through effective implementation of the stabilisation and recapitalisation measures required. We believe that the ideas set out in our National Small Business Recovery Plan should form the basis of the priority measures for the SME sector within the Government’s National Recovery Plan.”

Included in the National Small Business Recovery Plan are a suite of measures to ensure:

* The current surge of unemployment is reversed, and sustainable jobs are created.
* An appropriately capitalised small business sector to support the post-Covid recovery.
* Tax revenues are sustained by ensuring that both small businesses and employment are not destroyed.

Mr Moran added: “To ensure the sufficient recovery of the sector an immediate €15 billion injection is required, spanning enhanced liquidity supports, a compensation fund to recapitalise effected businesses and if necessary, additional tax measures. Furthermore, a streamlined examinership regime will need to be implemented as well as easy access to lending supports with a 12-month payment freeze.

“These measures should be funded by the State through low cost borrowing at an EU level and should be introduced alongside an expanded mandate for the Strategic Banking Corporation of Ireland (SBCI). Targeted policy measures will also be required to boost consumer demand during the critical recovery period over the next two years.”

The SME sector in Ireland employs 65 per cent of the total national workforce and accounts for 99.8 per cent of total active enterprises. The Covid-19 pandemic has disproportionately impacted the sector, with 85 per cent of businesses having closed to some degree, of which 34 per cent have shut completely.

One of the 1,500 businesses allowed to reopen its doors today under the first phase of the easing of restrictions is Arboretum Garden Centre, with premises in Leighlinbridge, Co. Carlow and Kilquade, Co. Wicklow. Co-Owner and Chief Commercial Officer, Fergal Doyle said: “Businesses like our own are at the core of community life and the Government will have one shot to take the decisive bold measures required to rebuild confidence in our local economy. Liquidity is fundamental to ensuring that small businesses can get back up and running quickly, including the ability to access zero per cent interest loans from the EU as well as a compensation scheme to cover losses incurred during the shutdown period, similar to that introduced in Denmark.

“We saw from the recession in 2008, how long it took to rebuild the economy, particularly in rural Ireland. It is essential that those efforts are not lost. If managed correctly and with the right supports, there is a huge opportunity for SME’s to rebuild as people are likely to spend more time in their localities due to remote working and a growing appetite to buy local. While today is a big step and we are delighted to welcome our customers back into our stores, there are still a lot on unknowns and its essential that our SME’s are given the necessary supports to survive and drive Ireland’s recovery.”

For full details of SME Recovery Ireland’s National Small Business Recovery Plan, visit: [www.smerecovery.ie](http://www.smerecovery.ie).

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**Notes to editors:**

* Chair of SME Recovery Ireland, John Moran and owner of Arboretum Garden Centre, Fergal Doyle are available for interview upon request.
* SME Recovery Ireland’s National Small Business Recovery Plan is available to download [here](https://www.smerecovery.ie/documents/National%20Small%20Business%20Recovery%20Plan.pdf).
* Follow SME Recovery Ireland on social media:
  + Twitter: [@SMERecoveryIrl](https://twitter.com/SMERecoveryIrl)

**About SME Recovery Ireland**

SME Recovery Ireland is an umbrella platform established by business representative groups and small business owners to develop and advocate for a recovery plan for the small business sector for implementation as part of the Government’s Covid-19 National Recovery Plan. The National Small Business Recovery Plan published by SME Recovery Ireland is a dynamic plan that allows us to continue to identify policies and interventions that will help a broad population of SME’s. The plan focuses on key generally applicable principles and corresponding key policy interventions that are required to stabilise and recapitalise the small business sector so that employment and economic activity can be restored. More detailed sector specific matters will continue to be identified and advocated for by sectoral representative groups.