



# Economic Intelligence Wales

## *Quarterly report*

**March 2019**



Cardiff Business School  
Ysgol Busnes Caerdydd



Office for  
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Swyddfa  
Ystadegau Gwladol



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## Executive Summary

QR3 comes at a crossroads for the UK economy in terms of the future relationship between the UK and the EU. The end of 2018 revealed a slowing UK economy. Current labour market strength might be serving to hide real uncertainty facing some goods and services sectors.

Of the 257,500 SMEs in Wales, over 95.5% are in the micro business category. While the total count of micro businesses and their employment increased by 2% and 1.6% respectively from 2017 to 2018, their turnover declined by 20% over the same period. **Micro businesses' turnover dropped from £20bn in 2017 to £16bn in 2018.**

The loss in turnover from micro businesses was in contrast to an increase in turnover from small and medium-sized companies. Turnover of small enterprises increased by 4.5% in the year to 2018, while the turnover of medium-sized businesses grew by 14%, **but with an overall decline in turnover for all Welsh SMEs of 3.1%.**

The majority of birth firms in Wales occur in the large South East economy, with the smaller (in economic terms) areas of North, and Mid & South West Wales having fewer new starts. South East Wales is also shown to have a stronger birth rate compared to other areas of Wales, around 18% in 2017. Relatively strong 2017 SME birth rates are found in sectors such as transport and storage (21%), wholesale/retail (19%), administrative and support services (15%) and construction (14.5%). **60% of the enterprises that started in Wales in 2014 were still active three years after birth.**

*SME Finance Monitor 2018* shows that 36% of surveyed SMEs in Wales used external finance. The proportion of surveyed SMEs that used loans specifically was higher in Wales (41%) than in the UK (30%). 44% of Welsh SMEs surveyed for the *Monitor* are permanent non-borrowers (UK, 49%).

More SMEs plan to grow in Wales than in the UK (50% compared to 47%). This is an improved picture for Wales, considering that the *SME Finance Monitor 2017* revealed that only 40% of Welsh SMEs had a desire to grow.

**The proportion of Welsh SMEs estimated to be at High credit risk at February 2019 was 5.3%, up from 4.1% in September 2018 and 3.9% in June 2018.** The proportion of SMEs estimated in the Caution category was 72% in February 2019, down from 73% in September 2018.

### Development Bank of Wales

Total Development Bank investment to 2018/19Q3 was almost £565m, up from £540m to 2018/19Q2 as reported in QR2. Loans accounted for 52% of this total, with equity investments representing around 29%, and mezzanine investments the remaining 19%.

More than 3,170 firms have received loans to date, with these loans linked to activity that has created over 11,700 jobs, whilst safeguarding over 19,000 jobs. More than 260 companies have received equity investment, creating over 3,000 jobs and safeguarding around 2,200 jobs.

**In the first three quarters of the financial year 2018/19, the number of firms receiving investment was 350.** 2018/19 could be a strong year for the Development Bank in terms of companies receiving investment. New investments made by the Development Bank during the first three quarters of the financial year **2018/19 summed to nearly £59m**, with these linked to almost **590 jobs created** and further almost **1,380 jobs safeguarded.**

## 1. Introduction

This is the third Economic Intelligence Wales (EIW) quarterly report (QR). QR3 builds on and expands the baseline picture of Welsh SME activity established in QR1 and QR2. Sections 2 and 3 of this report provide data and commentary in respect of the UK and Welsh macroeconomic context within which Welsh SMEs operate, together with analysis of factors relating to the demand for, and supply and cost of SME finance. These sections have the objectives of understanding:

- Macro-economic factors shaping the demand for SME finance in Wales.
- Trends in SME growth, start-ups, and business survival prospects in Wales.
- The supply of finance to SMEs in Wales.
- The amounts and types of lending/investment into SMEs in Wales.

Section 4 summarises the activities of the Development Bank of Wales in the context of factors affecting the demand for, and supply of, finance to SMEs in Wales. In summary, the QR will identify:

- The use of Development Bank funds in financing Welsh SMEs, and what type of enterprises and industries are being supported.
- The geographical distribution of SME investment around Wales.

The final section draws conclusions from the overall analysis.

This report is largely based on publicly available data (generally reported in calendar years) together with a special analysis of data provided by the Development Bank of Wales (mostly reported in financial years). Due to differences in reporting periods there will be some slight temporal mismatch of data within this report.

## 2. The Welsh economic context

### 2.1 UK and regional economic prospects

Local, national and global economic conditions impact business growth, and hence the demand for, and supply of, different types of capital and external financial support.

*QR3 comes at a crossroads for the UK economy.....*

...in terms of the future relationship between the UK and the EU, and uncertainty resulting from growing trade tensions across the globe. UK business investment has decreased for four consecutive quarters, falling by 1.4% in the most recent quarter (2018Q4 compared to 2018Q3). In 2018 UK GDP increased by 1.4% compared to 2017, but this is the lowest annual growth since 2012. The latest quarterly figures show UK GDP growth of 0.2% between 2018Q3 and 2018Q4.

*UK sees declining output in manufacturing and construction in final quarter of 2018....*

...but with growth found in the professional, scientific, administration and support services sectors. With UK business confidence low there is some expectation that UK GDP growth during the first half of 2019 will be low, although it is important to recognise that unemployment in the UK has remained at historically low levels.

*FSB reports falling confidence...*

...revealing that small business confidence in the latter part of 2018 hit the lowest point since the 2007-08 global crisis.<sup>1</sup> The *Small Business Index*<sup>2</sup> of UK business confidence fell from 12.9 in 2018Q2 to -1.7 in 2018Q3 and plunged to -9.9 in 2018Q4. Wales fared a little better. The Welsh business confidence index value fell from 26 in 2018Q3 to 3 for 2018Q4. Moreover, 62% of small Welsh companies included revealed they were operating below capacity in 2018Q4 (UK average 45%).

These confidence levels are being reflected in policy. In February 2019, the Bank of England's Monetary Policy Committee decided to retain the bank rate at 0.75%, after its increase from 0.5% in August 2018. The Bank has reportedly pulled back on a further rise in interest rates due to the worsening economic conditions and the pessimistic projections for economic growth in 2019.

*Welsh GVA reaches £62.8bn in 2017...*

...a 3.1% annual growth compared with 2016. GVA per head of the population in Wales was £19,899 in 2017, or 72.8% of the UK average.<sup>3</sup> Concerns for the Welsh economy underpinning this low GVA per head estimate include poor productivity growth and uneven access to economic opportunity across different parts of Wales.

*Close of 2018 reveals a slowing UK economy*

While UK and Welsh labour markets have remained strong this might be serving to hide real uncertainty facing some goods and services sectors. The inability of the UK Government to clarify the direction of EU transition suggests that the UK could be entering an uncertainty phase similar to that following the 2007-08 credit crises, and similar poor confidence levels.

## 2.2 The SME picture in Wales: understanding factors shaping demand for finance

Dashboard 1 summarises information on the nature of the SME sector in Wales, and selected factors that drive demand for external finance.

*Welsh micro business turnover falls by 20% in 2018*

Micro businesses (i.e. employing 0-9) dominate in the total population of Welsh SMEs (D1). Of 257,500 SMEs in Wales, over 95.5% are in the micro category. While the total count of micro businesses and their employment increased by 2% and 1.6% respectively from 2017 to 2018 (see D2), their turnover declined by 20% over the same period, falling from £20bn in 2017 to £16bn in 2018. This is a considerable step change, particularly given the positive movement in enterprise count and employment.

### Micro business turnover drops significantly

The UK's micro businesses turnover has fallen from £655bn to £514n. This decrease is slightly higher than the 20% decrease in turnover seen by Welsh micro businesses.

<sup>1</sup> FSB (2019). <https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-sbi-q4-2018-final.pdf?sfvrsn=0>

<sup>2</sup> "The Small Business Index is a weighted index of the responses to the question: 'Considering your overall business performance, and ignoring any normal seasonal variations at this time of the year, how do you view business prospects over the next three months, compared with the previous three months?' The share of firms reporting 'much improved' are given the following weightings: +2, slightly improved +1, approximately the same 0, slightly worse -1 and much worse -2; the Small Business Index is derived from the sum of these factors" (FSB, 2019: 8).

<sup>3</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsh-economic-region-year>

Turnover of small enterprises increased by 4.5% in the year to 2018, while the turnover of medium-sized SMEs grew by 14% (D2), but with an overall decline in turnover for all Welsh SMEs of 3.1%.

*Owner-only businesses in Wales see turnover more than halved...*

...falling from £6.7 billion in 2017 to £3.1bn in 2018. Micro businesses often reveal a strong aversion to taking on more financial risk, and a corresponding unwillingness to grow –these are often described as ‘trundlers’ in research. This is a factor that connects through to debates about the UK regional productivity problem i.e. how some UK regions may have more SMEs that fall into a trundler category.

*Small firm numbers in Wales increased by 1% between 2017 and 2018...*

...and with a 0.9% increase in employment (D2). At the other end of the spectrum, medium-sized enterprises accounted for less than 1% of the SME enterprise count in Wales in 2018. However, these enterprises supported nearly one fifth of SME employment (19.7%), and 35% of total SME turnover. Overall, between 2017 and 2018, the total enterprise count and employment for Welsh SMEs both increased by 1.9%.

*SME numbers vary by Welsh industry with...*

...a little over 18,200 SMEs active in production sectors, up from 17,000 in 2017 (D3). The production sector recorded a 5.9% annual rise in number of SMEs (D4), although its turnover fell by 3.7% from 2017 to 2018. The employment of SMEs active in this sector saw an increase from 56,000 employees in 2017 to 85,300 in 2018. D4 reveals that, in terms of the enterprise count, other services and production SMEs witnessed the greatest annual increase in 2018.

*Higher numbers of SMEs in sectors such as financial and business services...*

...and wholesale/retail trade, this latter sector with 59,000 SMEs and 219,000 employees in Wales. In these sectors the capital constraints of start-ups are lower than in manufacturing. These sectors experienced a decline in the number of SMEs, which fell by 2.6% in wholesale/retail and by 2.1% in financial and business services between 2017 and 2018 (D4).

*North and South East Wales saw increases in their enterprise counts in all SME size categories in year to 2018...*

...but in Mid & South West Wales (D5), the number of micro businesses declined, the number of small enterprises increased, while the number of medium-sized companies was little changed. Regional turnover declined for micro businesses in all three Welsh regions. By contrast, medium-sized enterprises significantly increased their turnover across Wales during the period 2017 to 2018, particularly in South East Wales, and Mid & South West Wales (both increasing by 20%, with a small increase in North Wales of 1%).

*Recent movements in Welsh indices of production, construction and market services*

There have been strong recent increases in the Welsh index of construction output (D6). The most recent quarterly increase (2018Q2 to 2018Q3) is noticeable particularly given the last significant peak was in 2014. How far this will be maintained this year is unclear. For example the trend in the index would be positively affected by projects such as the M4 relief and Wylfa B Nuclear Reactor, but with uncertainty on whether these projects will progress. In the year to September 2018, the Welsh construction index increased by 13.2% (UK, 1.4%). The market services index is characterised by a

steady increase in Wales after 2015Q3 with a steady upward trend in the last 4 quarters shown in D6. Over the period from 2017Q2 the production index has seen very little change.

#### *South-east Wales dominates business starts*

The majority of birth firms in Wales (D7) occur in the large South East economy, with the economically smaller areas of North, and Mid & South West Wales having fewer new starts. South East Wales also has a stronger birth rate<sup>4</sup> compared to other areas of Wales, around 18% in 2017.

Relatively strong birth rates (see D8) are found in sectors such as transport and storage (21%), wholesale/retail (19%), administrative and support services (15%) and construction (14.5%). However, sectors with higher birth rates tend to experience higher business death rates. However, in 2017 wholesale/retail showed very marked differences between its birth rate (19%) and its business death rate at just 7.6%.

#### *Survival rates of Welsh firms*

Business survival rates across different parts of the regional economy vary. Figures reveal that 60% of the enterprises that started in Wales in 2014 were still active three years after birth (see D9). Three-year survival rates for the businesses that started in 2014 are lower in South East Wales (57.7%) than in Mid & South West (62%) and North Wales (64.5%), again possibly reflecting the different sectoral composition of these different parts of Wales, and resulting differences in competitive pressures.

#### **Wales' three-year survival rates**

Three-year survival rates for the companies that started in 2014 are lower than Wales' in Northern Ireland (58%), similar in Scotland (60%), and higher in England (61%).

#### *SME Finance Monitor for 2018Q2 reveals that...*

...the proportion of surveyed Welsh SMEs using any type of external finance was 36% (UK, 34%). This was lower than the findings of the *SME Finance Monitor* in 2017, which suggested that 41% of Welsh SMEs used external finance.

#### *Export Finance Survey findings*

There is some interest in how far these findings are relevant for all types of Welsh firms. For example, the *Export Finance Survey 2018* included within the Economic Intelligence Wales bespoke report '*Export Finance in Wales*' examined the use of different finance sources among a group of 131 exporters, supply exporters and export considerers. Overall 35% of this group used overdraft facilities and/or credit cards, 30% used loan finance, with 28% using leasing or hire purchase. Some 30% of the 131 reported that they used no sources of finance.

#### *Other key findings from SME Finance Monitor*

Some 44% of Welsh SMEs surveyed for the *SME Finance Monitor* (D11) are permanent non-borrowers (UK, 49%). UK SMEs were more likely to apply for a loan and their application to be successful. A higher percentage of surveyed Welsh SMEs had financed using personal funds (31% compared with 28% in the UK). Regarding other types of external finance, the proportion of surveyed SMEs that were aware of equity funding was similar in Wales and the UK (32%).

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<sup>4</sup> Birth rate is defined as the proportion of birth companies as a proportion of all active enterprises.

A lower proportion of Welsh surveyed SMEs made profits, recorded growth and engaged with foreign trade compared to those in the UK as a whole (D12). Lower numbers of Welsh SMEs engaged in foreign trade possibly speaks to sectoral differences between Wales and the UK, but also signals a productivity issue.

More encouraging are figures in D13 showing that slightly more SMEs plan to grow in Wales than in the UK (50% compared to 47%). This is an improved picture for Wales. The *SME Finance Monitor 2017* revealed that only 40% of Welsh SMEs had a desire to grow. The percentage of surveyed Welsh SMEs planning to apply for or to renew finance was similar to that in the UK.

### 3. Provision of SME finance and cost of finance

This section (Dashboard 2, D14-D20) focuses on factors affecting the supply of finance to SMEs in Wales.

#### *Bank lending to UK SMEs grew...*

...by around £1bn between 2017 and 2018 (D14). The trend in the 12-monthly growth rate of loans provided to UK SMEs dipped below 0% during 2018, with the quarterly rate of change in loans stabilising at -0.1% (D15). The 12-monthly change rate of loans provided to UK SMEs is negative partly due to the rise in the cost of bank loans, with the average interest rates to SMEs which are successful in gaining loans increasing from 3.15% in July 2018 to 3.4% in December 2018. Asset finance flows to UK SMEs increased by £600m 2017-18, while private external equity investment & peer-to-peer business lending flows declined from £7.9bn in 2017 to £7.0bn in 2018. Unfortunately there is no specific Welsh data available here for comparative purposes.

The *Bank of England Credit Conditions Survey 2018Q4* showed that the supply of credit to UK SMEs increased in 2018Q2 and Q3, following five previous consecutive quarters of little or no change from 2017Q1 to 2018Q1 (D16). The change in the success rate of loan applications from small businesses was 0.9% in 2018Q1-2018Q2. However, the success rate fell by 3% in 2018Q3-2018Q4.

#### *Wales Audit Office examines Welsh Government financial support to business*

In the context of low loan application success rates, the financial support for SMEs from the Welsh Government can be important. The *'Welsh Government Financial Support for Business'* (2018) report from the Wales Audit Office revealed that Welsh Government financial support for business was £193m from April 2014 to March 2017 (D17). Large corporations had received £103.2m (53.5% of the total amount of financial support), medium-sized companies £19.7m (10.2%), small businesses £43.5m (22.5%), and micro businesses £26.3m (13.6%).

#### *Enterprise Investment Scheme (EIS)*

For equity investments, D18 shows the number of UK companies raising funds for the first time from the EIS. This UK Government fund supports companies in raising equity funding. It offers tax reliefs to individual investors who buy new shares in an enterprise. Both the number of companies who used the EIS and the amount raised increased from 2012/13 to 2014/15, before declining in 2015/16 and 2016/17. The proportion of firms located in Wales that have used either the EIS or the Seed Enterprise Investment Scheme, another UK Government Fund linked with equity finance, was only 1.9% on



average from 2014-15 to 2016-17, while in the case of London it was 45%, Southeast England 16%, and Scotland 4.3%.<sup>5</sup>

### *Credit risk of Welsh SMEs*

Lending to SMEs is strongly affected by their credit risk. D19 and D20 provide risk information from over 60,000 Welsh SMEs. The risk classifications used range from High Risk to Secure, being derived from accounting and other information available to credit risk agencies.

D19 reveals the proportion of Welsh SMEs estimated to be at High Risk at February 2019 was 5.3%, up from 4.1% in September 2018. The proportion of SMEs estimated to be in the Caution category was 72% in February 2019, down from 73% in September 2018. Clearly this information on credit risks also ties to business survival rates, for example, with the report earlier showing that just 60% of Welsh firms starting in a given period still traded after three years.

#### **Risk category survival rates**

SMEs classified in the High-Risk category will likely become insolvent within one year and will be unable to continue trading without significant remedial action. The Caution category carries a significant risk of failure with enterprises in this category typically four times more likely to fail than those in the Normal category.

The sectors with the largest proportion of SMEs in the Normal, Stable or Secure categories include chemicals etc., metals and metal products, and wood, cork and paper (see D20). By contrast, the sectors with the largest proportion of SMEs in the High-Risk and Caution categories are textiles etc., food and beverages, and hotels and restaurants.

## **4. Development Bank of Wales activity**

The final dashboard (Dashboard 3, D21-D32) summarises Development Bank of Wales' investments to date, with analysis of investments by type, sector, location, Fund and size of business.

*Development Bank total investment at 2018/19Q3 reached £565m...*

...up from £540m to 2018/19Q2 as reported in QR2. Loans accounted for 52% of this total (D21), with equity investments representing around 29%, and mezzanine investments the remaining 19%.<sup>6</sup>

*3,170 Welsh firms have received loans by 2018/19Q3*

...and with these loans linked to activity that has created an estimated total of over 11,700 jobs, whilst safeguarding around 19,000 jobs (see D22). More than 260 companies have received equity investment, creating over 3,000 jobs and safeguarding around 2,200 jobs (D22). The Bank has supported 254 businesses through mezzanine finance, creating over 2,100 jobs and safeguarding almost 4,000 jobs.

Manufacturing has been the main recipient of Development Bank cumulative investment, followed by construction, ICT sectors and then professional, scientific and technical activities (see D23). Loans

<sup>5</sup> HMRC (2018) *Enterprise Investment Scheme Seed Enterprise Investment Scheme and Social Investment Tax Relief*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/710986/May\\_2018\\_Commentary\\_EIS\\_SEIS\\_SITR\\_National\\_Statistics.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710986/May_2018_Commentary_EIS_SEIS_SITR_National_Statistics.pdf)

<sup>6</sup> Following a review of the performance to date for its largest investment Fund, the EU-backed Wales Business Fund, the Development Bank of Wales is in the process of moving away from the 'mezzanine' investment classification.

make up the majority of investments in all locations, with the South East region accounting for the largest share of all types of investment (see D24).

D25 provides more details of amounts cumulatively invested and available by Fund to the third quarter of the 2018/19 financial year. The EU co-financed Wales Business Fund had invested £84m to 2018/19Q3. Other Funds include the Wales Capital Growth Fund, with £25m of investment, Wales Property Fund (£22m), and the Wales Micro-business Loan Fund (£15m).

#### *Strong growth in new equity investment*

New equity investment grew by over 100% in the year to 2018/19Q3 (D26, D27). Loan investment has increased in the two quarters to 2018/19Q3 reaching over £15m. Mezzanine investment in the period 2017/18Q4 to 2018/19Q3 has declined, with no new mezzanine investment in 2018/19Q3. These short-term trends in finance types are volatile, and heavily influenced by individual loan and investment approvals in any particular period.

#### *Mid & South West Region sees upward trajectory in new investment in 2018/19*

South East Wales, with the highest share of the Welsh business population and economic activity, accounted for the largest share of new investment from 2017/18Q4 to 2018/19Q2 (D28). Investment in Mid & South West has had a steady upward trajectory for the last three quarters to end 2019/19Q3, and with North Wales also sharing an upward trajectory in the last two quarters to end 2018/19Q3. Both regions saw investment almost doubling in the third quarter of the 2018/19 financial year. Investment in Mid & South West increased from £6.3m in the second quarter of the 2018/19 financial year to £12.9m in the third quarter, while investment in companies located in North Wales rose from £3.9m to £6.4m.

#### *Construction sector takes largest amount of new investment in period 2017/18Q4-2018/19Q3*

D29 shows the distribution of recent investment by economic sectors, showing the amounts (£m) of overall investment during the four quarters to 2018/19Q3. Investment was highest in construction sector (obtaining £24.5m of investment, and note the sharp increase in construction sector output shown earlier in this report), followed by professional, scientific and technical activities (£11.2m).

#### *Micro firms account for almost half Development Bank investment*

Recent investment activity by the size of firm is shown in chart D30. In the four quarters to 2018/19Q3, investment in micro businesses accounted for the largest share of funds (48%). The small company share declined from 36% in the four quarters to 2018/19Q2 (as indicated in QR2) to 28% in the four quarters to 2018/19Q3. Over 22% of investments were made to medium-sized enterprises, up from 19% in QR2.

#### *Long term trends in new investment*

An historical perspective of Development Bank investments, number of enterprises and jobs supported is shown in D31 and D32. D31 reveals the fluctuations of new investment and private sector leverage, which track one another in part. While new investment has trended upwards for 17 years, private sector leverage declined from £78m in 2016/17 to £70m in 2017/18. However, this fall has been already offset in the first three quarters of the 2018/19 financial year, with private sector leverage reaching £75m in the first three quarters of 2018/19.

*2018/19 expected to be a strong year in terms of SMEs receiving investment*

D32 shows the short-term impact of Funds in creating and safeguarding jobs. The pattern of jobs created has been volatile over the period since 2001. In the first three quarters of the financial year 2018/19, the number of firms receiving investment is high (350), having already overtaken the 2017/18 number (321) and reaching the highest point since 2006/07. This suggests that 2018/19 could be a strong year in terms of companies receiving investment, if investment continues at the same rate in the fourth quarter of the 2018/19 financial year. However, the jobs created and safeguarded are at lower levels suggesting that they will possibly fall in 2018/19 compared to the previous financial year. The new investments made by the Development Bank of Wales during the first three quarters of the financial year 2018/19 summed to over £58m, with these linked to almost 590 jobs created and further almost 1,380 jobs safeguarded.

## **5. Conclusions**

Current fragile business confidence coupled with uncertainty around EU transition will impact on SME demands for finance. While labour markets remain strong with relatively low unemployment rates, higher levels of inflation are expected this year.

More immediate challenges with ramifications for selected SMEs in Wales have been decisions made at Ford (Bridgend), Nissan (Sunderland) and Honda (Swindon). The automotive supply side in Wales, particularly 'suppliers to suppliers' to the large plants will be hit by these developments.

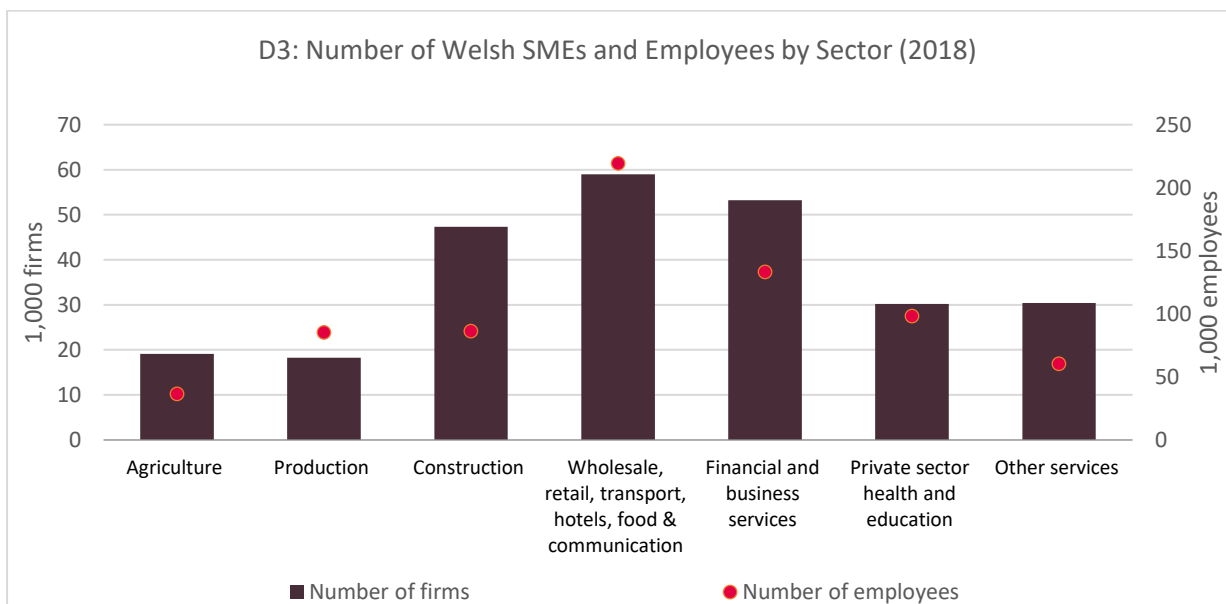
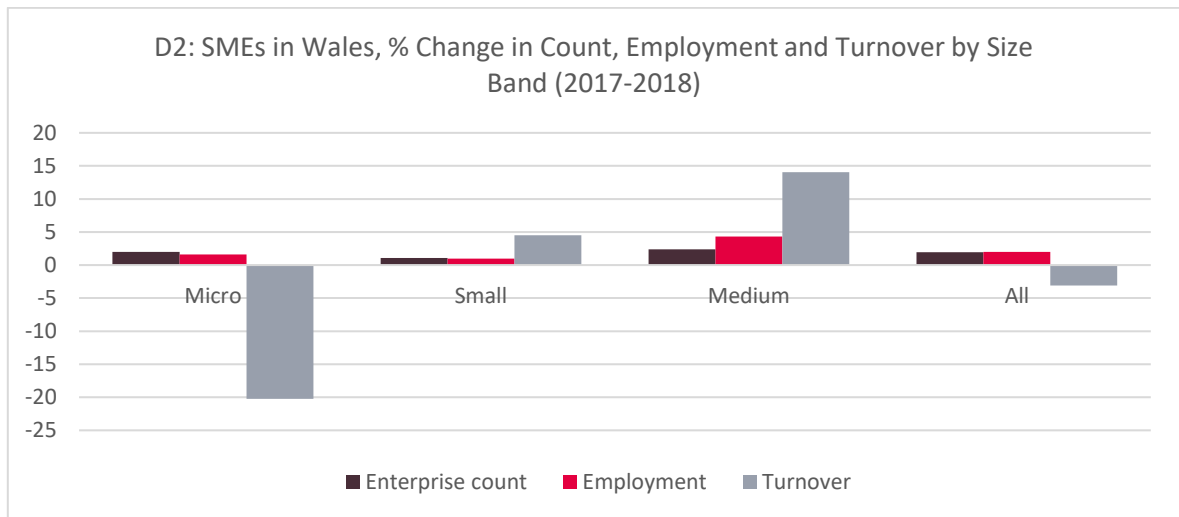
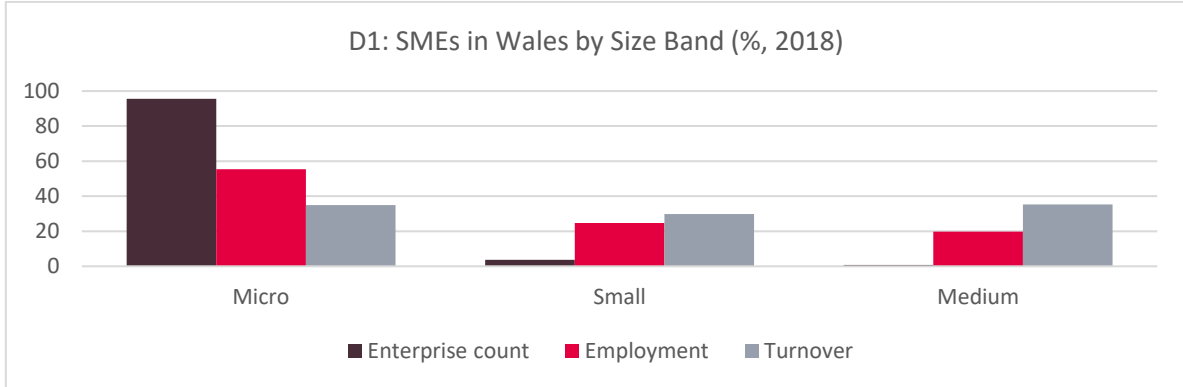
QR3 provides evidence of a fall in Welsh SME turnover in 2018, driven by a decline in micro businesses' turnover, particularly sales of sole traders, and reflecting a slowdown of the UK economy. The sectors mostly affected included wholesale/retail and financial services. QR3 reveals increasing numbers of Welsh enterprises categorised into High-Risk and Caution categories.

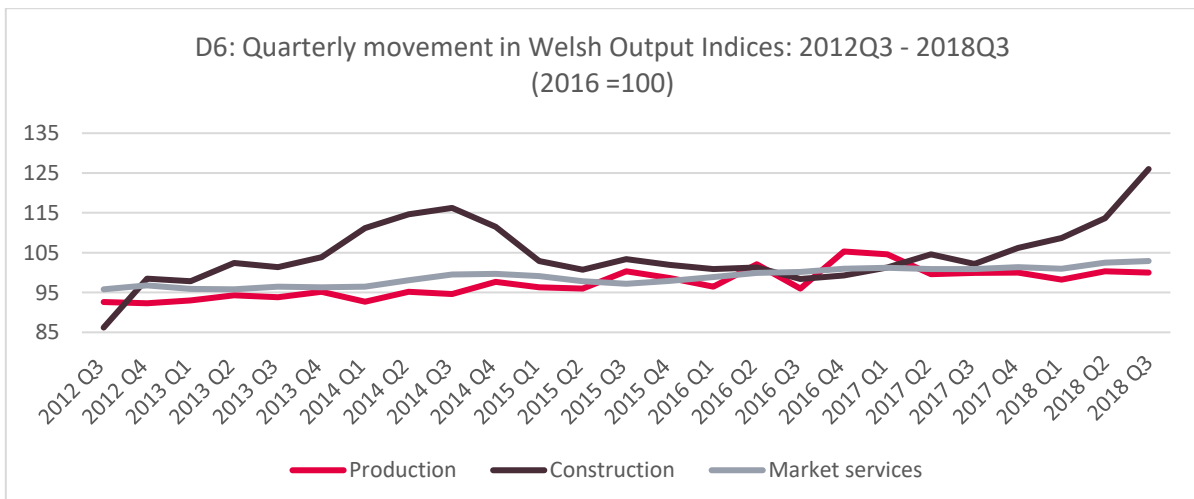
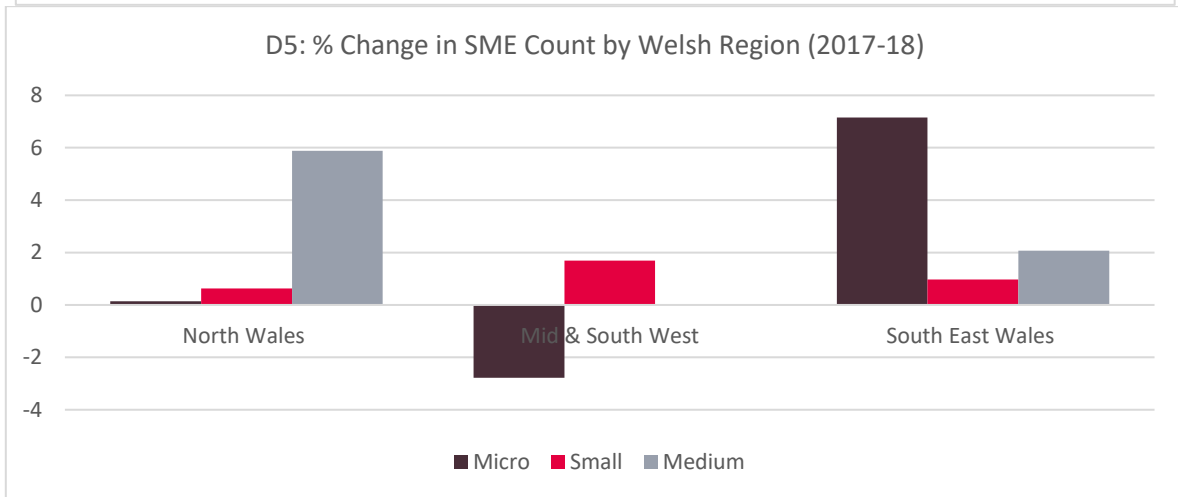
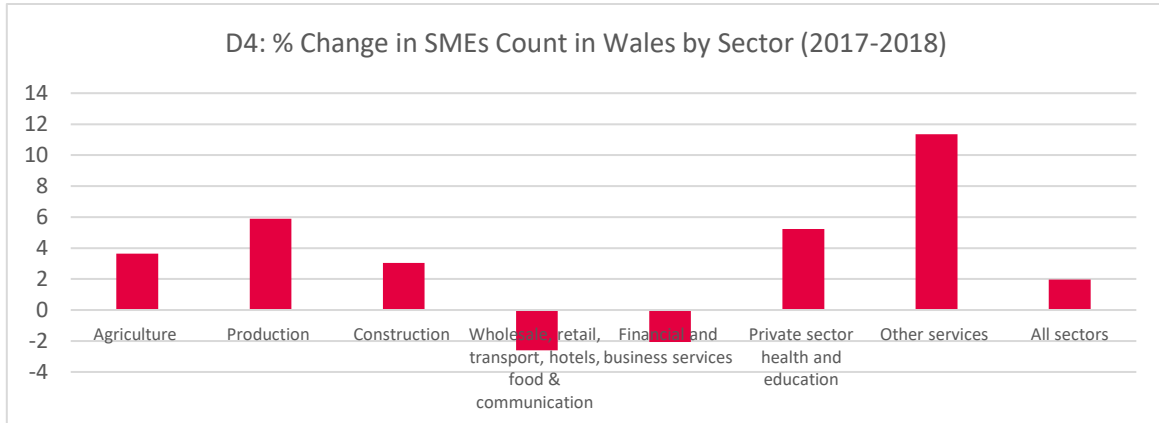
The Development Bank of Wales has played an important role in supporting SME activity, with total investments of over £0.6 billion since 2001, leveraging over £0.8 billion from the private sector, and creating or safeguarding over 51,600 jobs in Wales. Note that these are long-term jobs estimates and cannot be compared to those in the Dashboard, which only focus on short-term job creation and support.

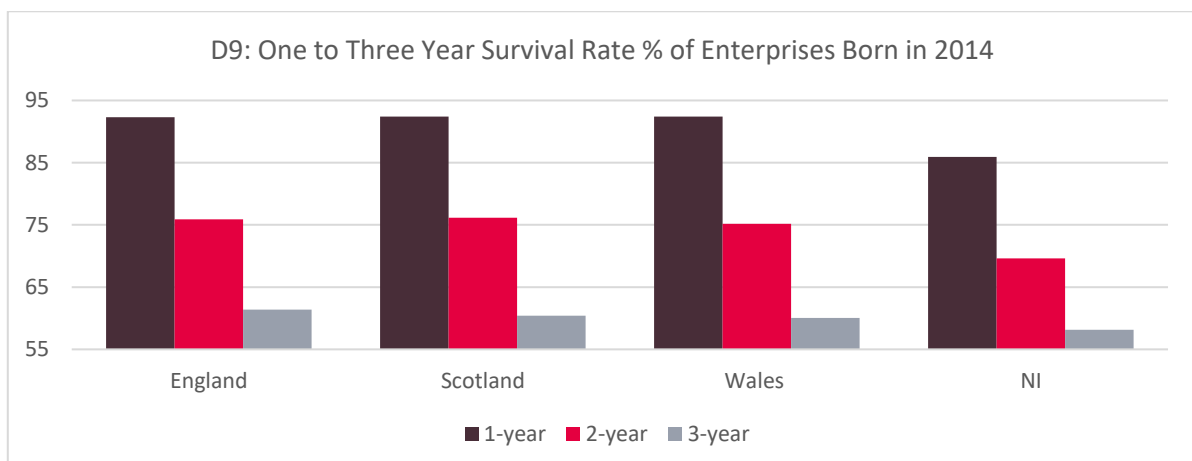
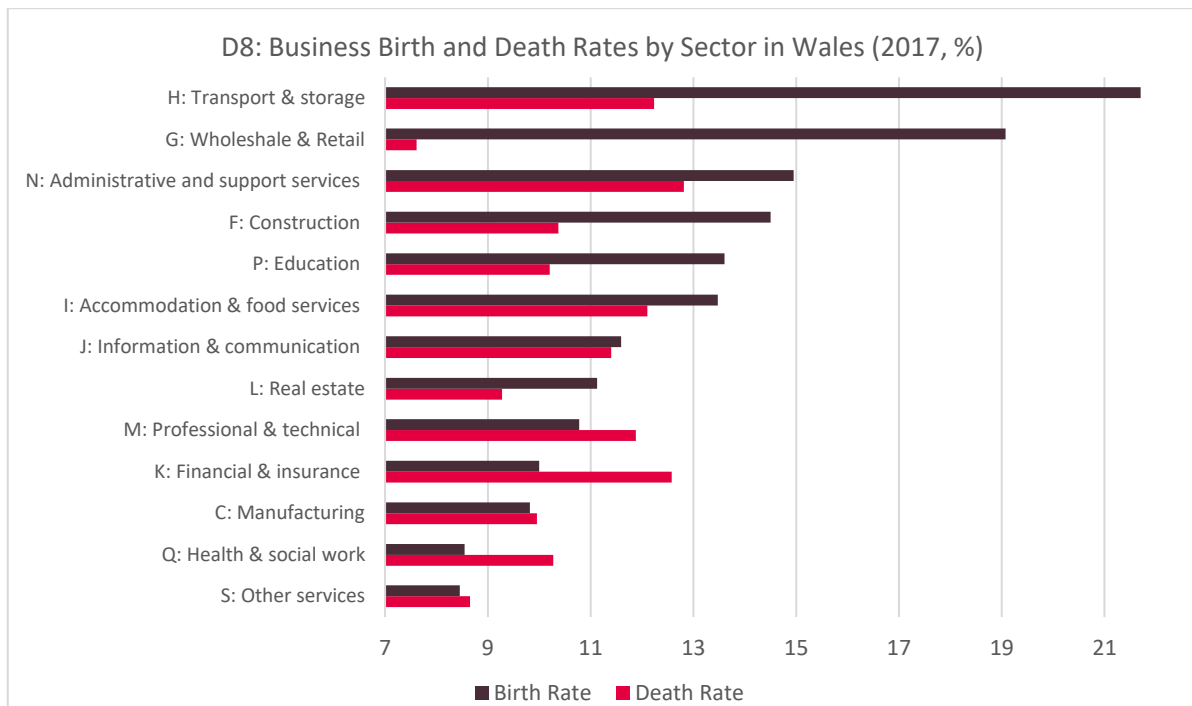
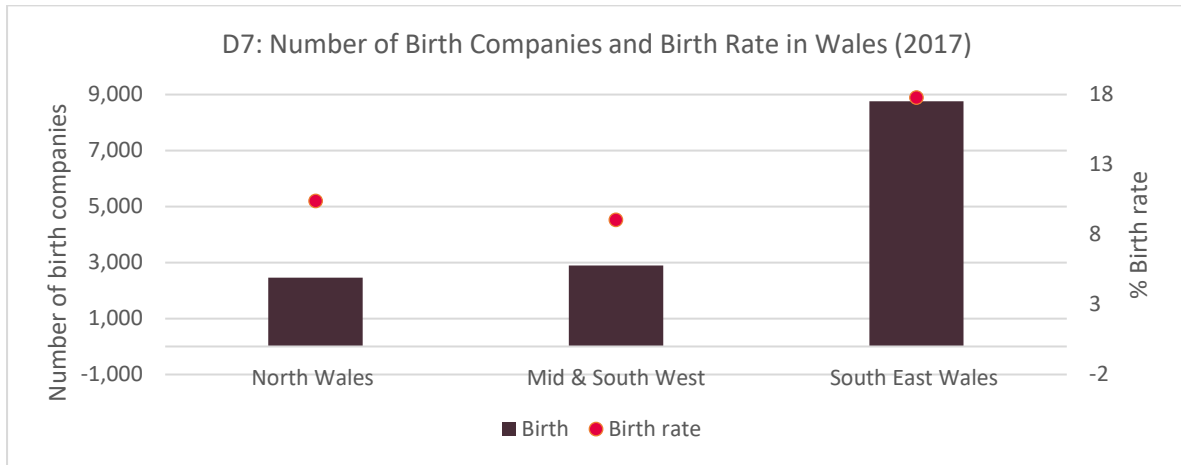
In the first three quarters of 2018/19, 350 enterprises received Development Bank of Wales investments summing to over £58m, with these linked to almost 2,000 jobs created or safeguarded.

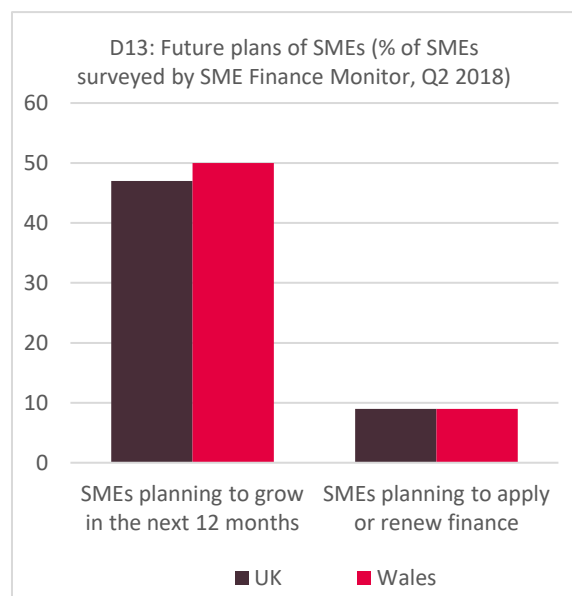
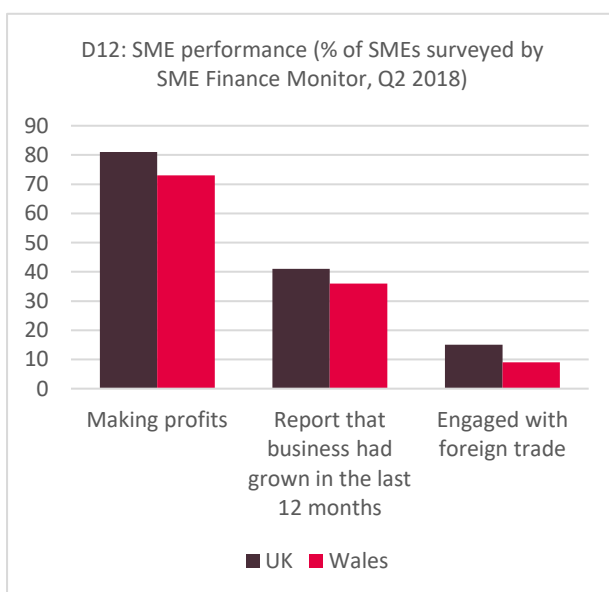
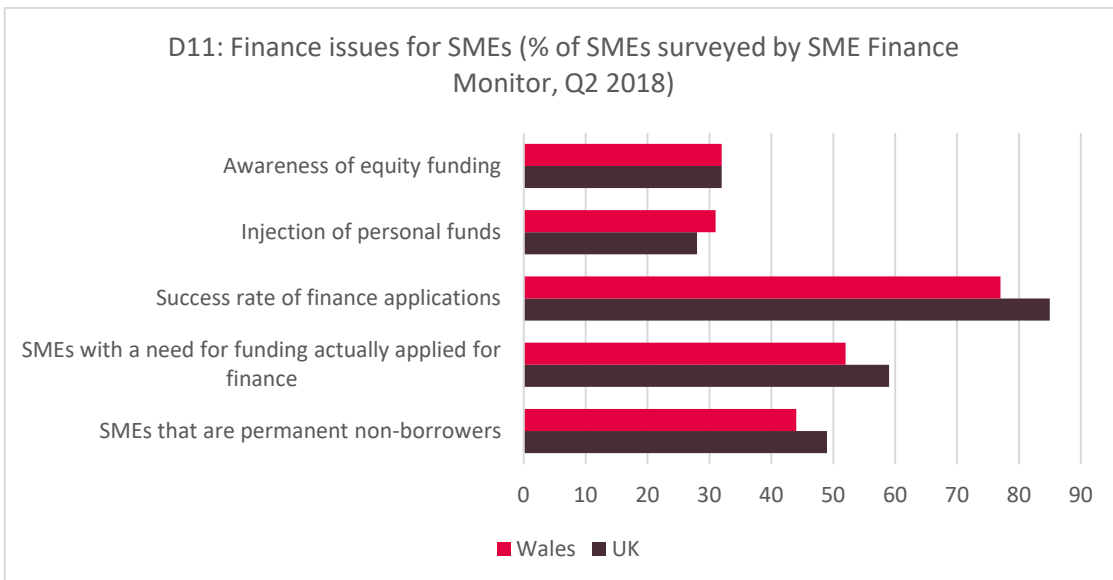
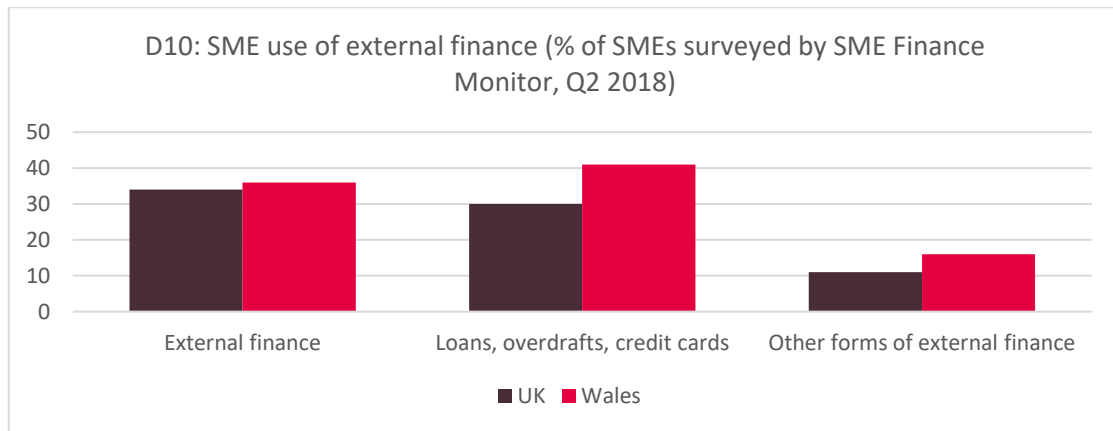
## March 2019 Dashboards

### Dashboard 1: The SME picture in Wales

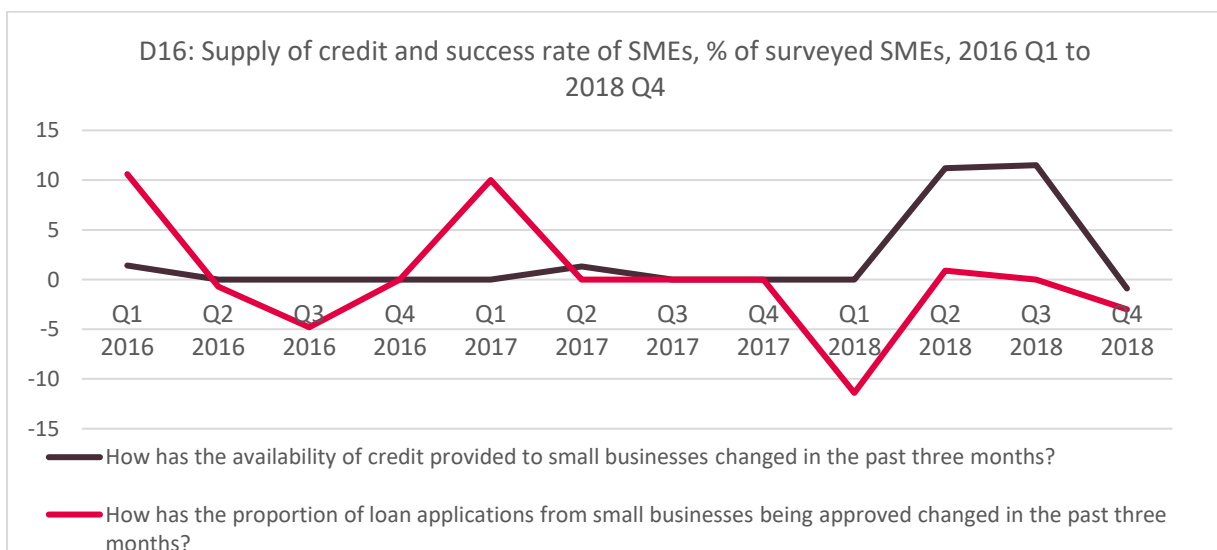
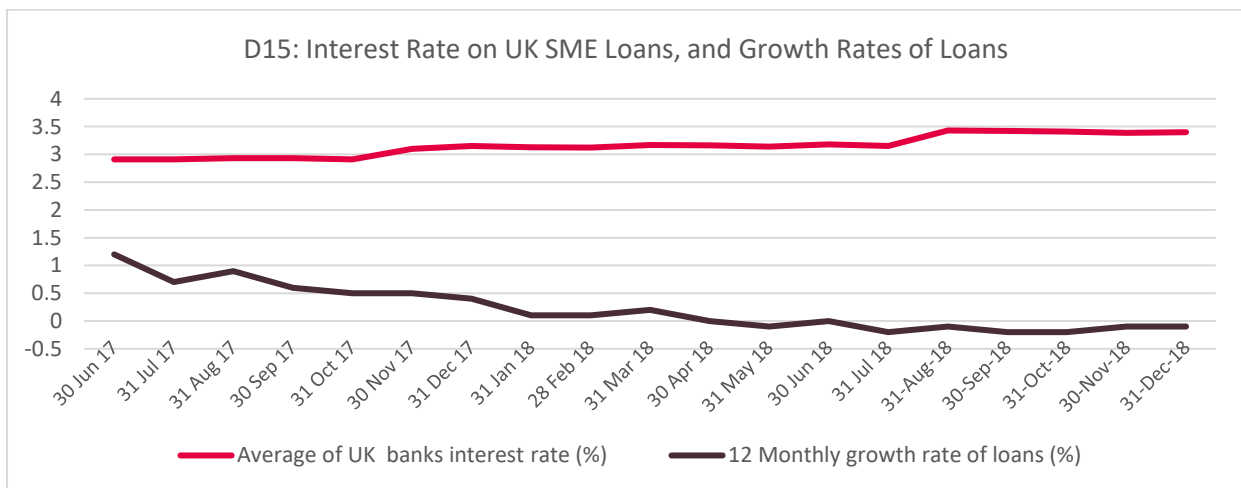
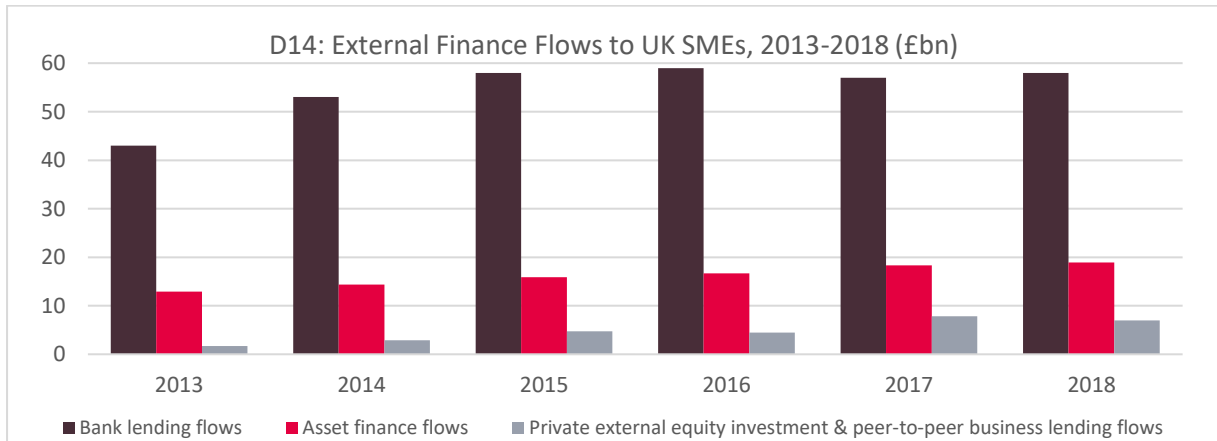






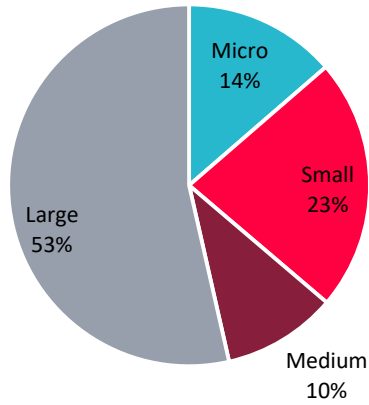


## Dashboard 2: Provision of SME finance and cost of finance

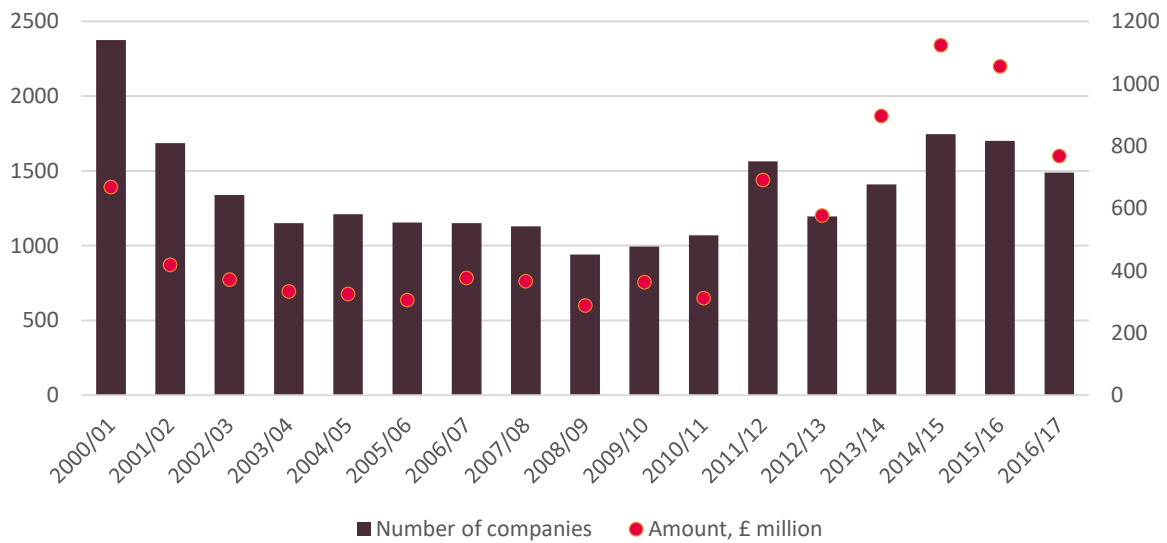


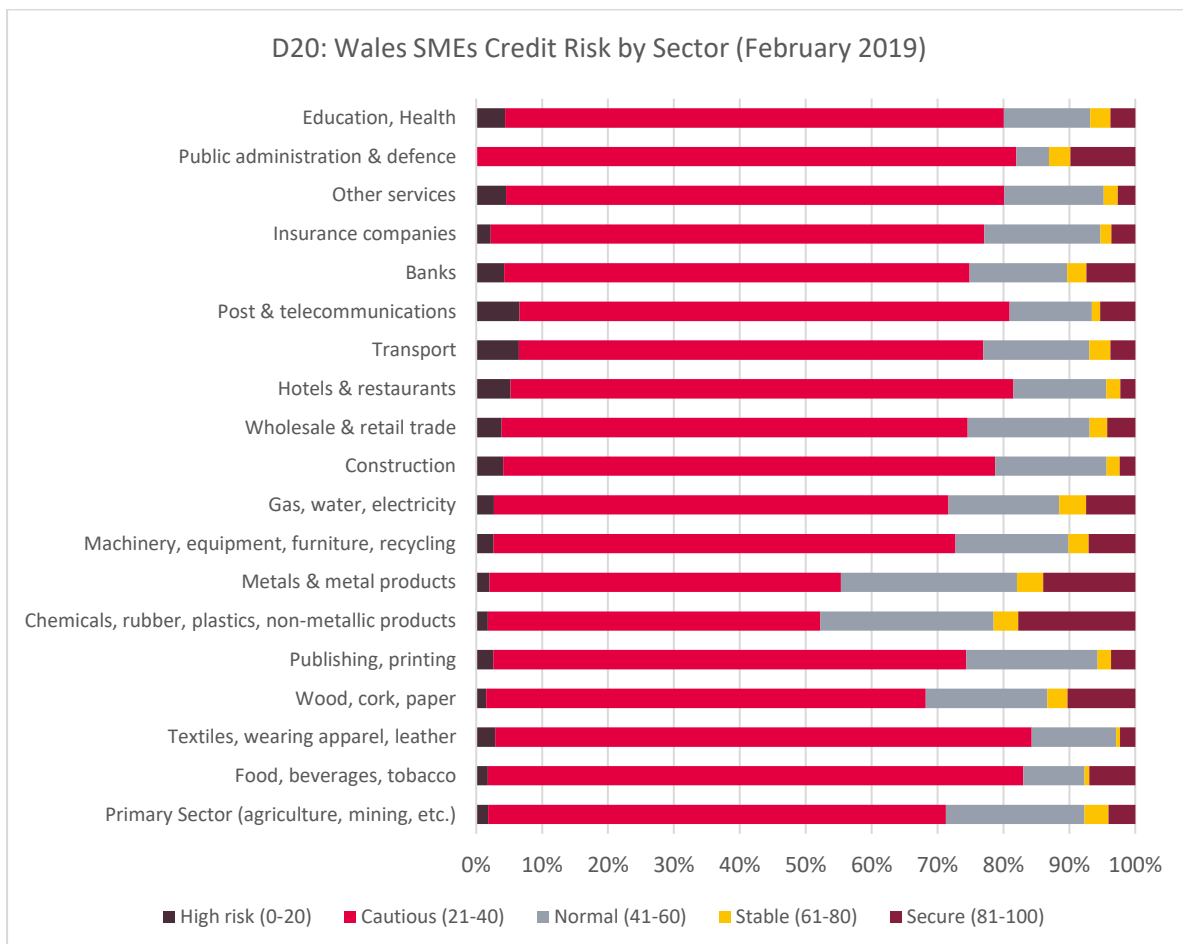
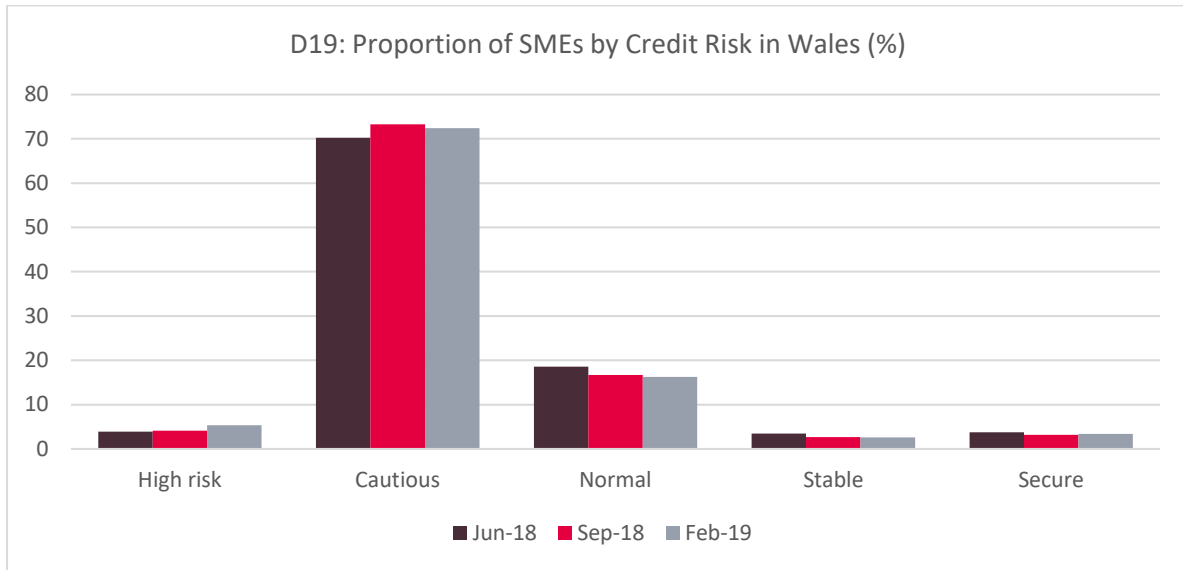


D17: Welsh Government financial support for business (April 2014 to March 2017), by company size, %

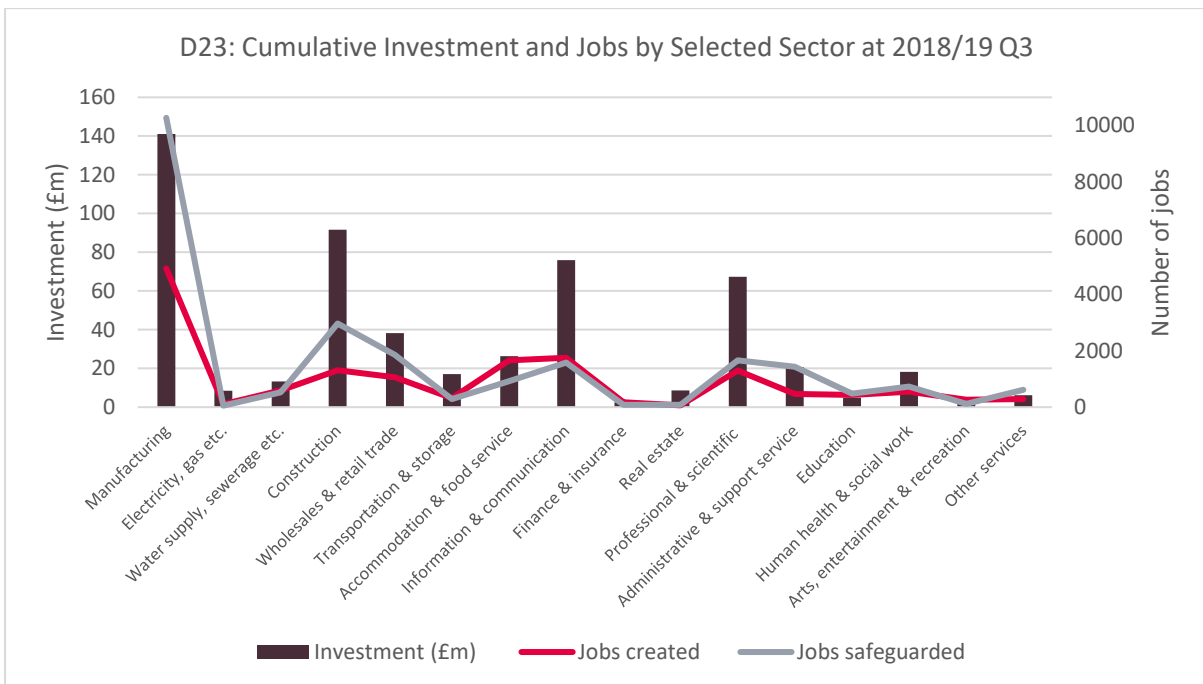
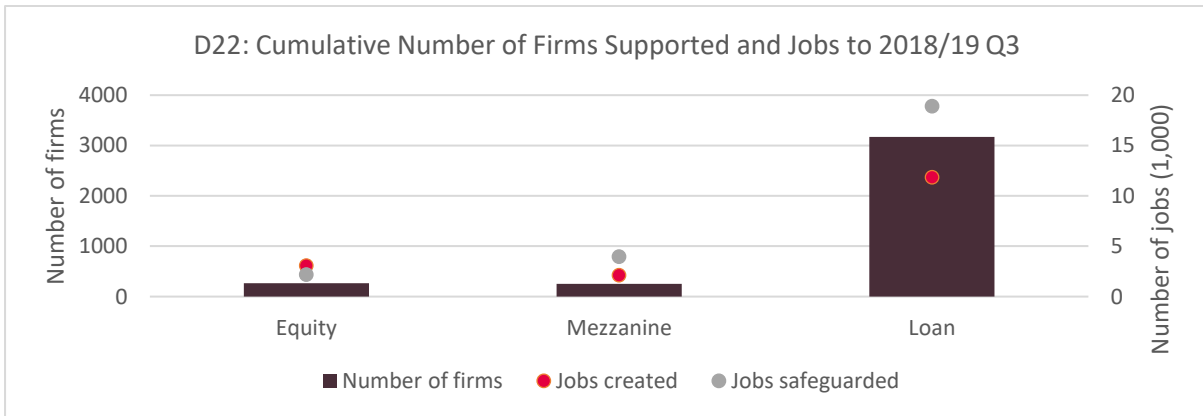
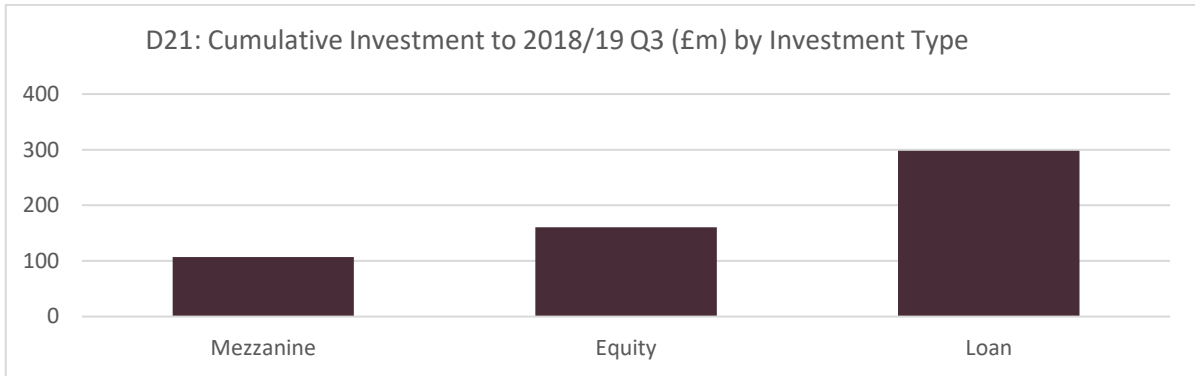


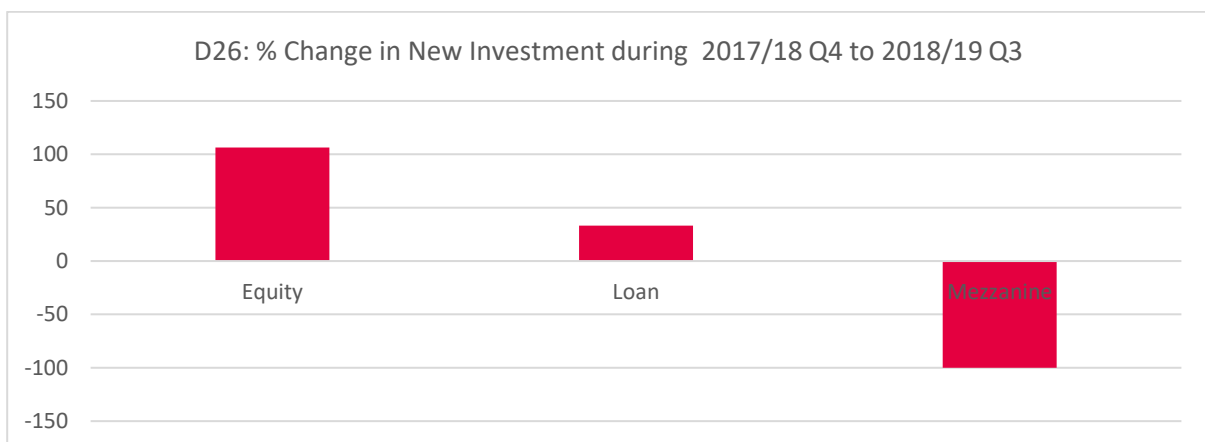
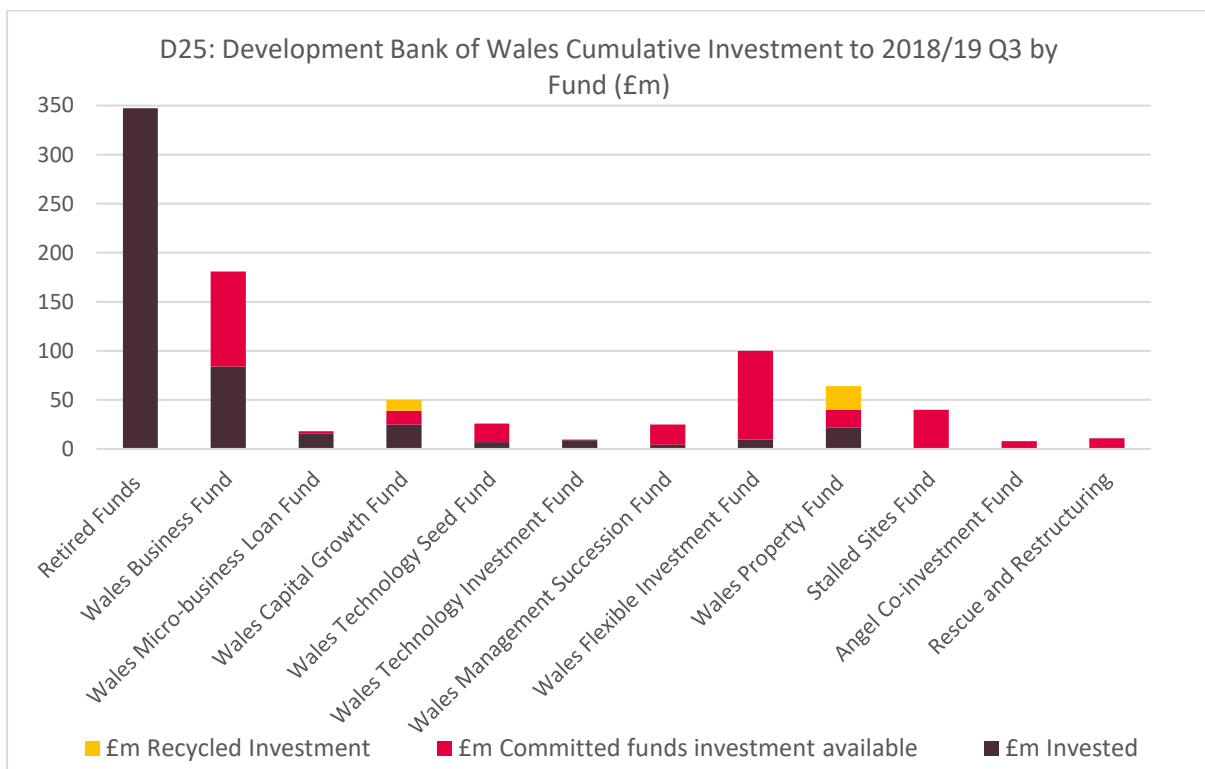
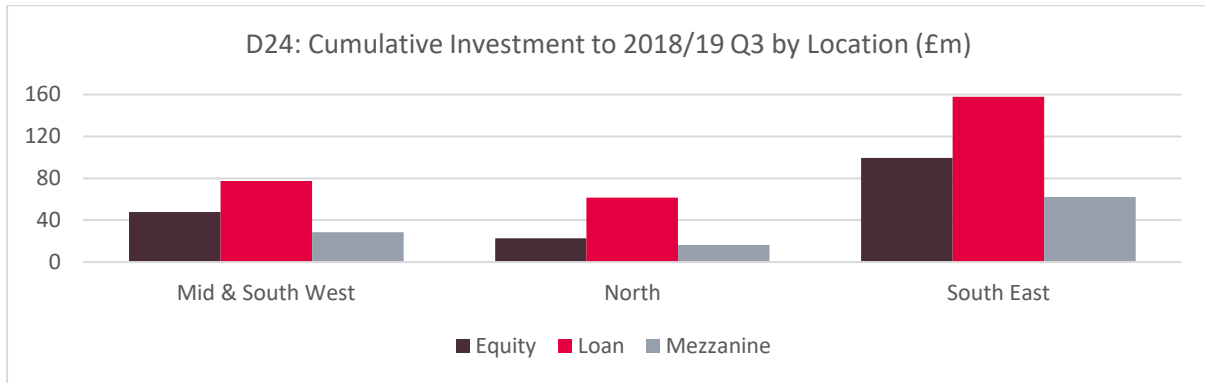
D18: Companies raising funds for first time from Enterprise Investment Scheme (EIS)

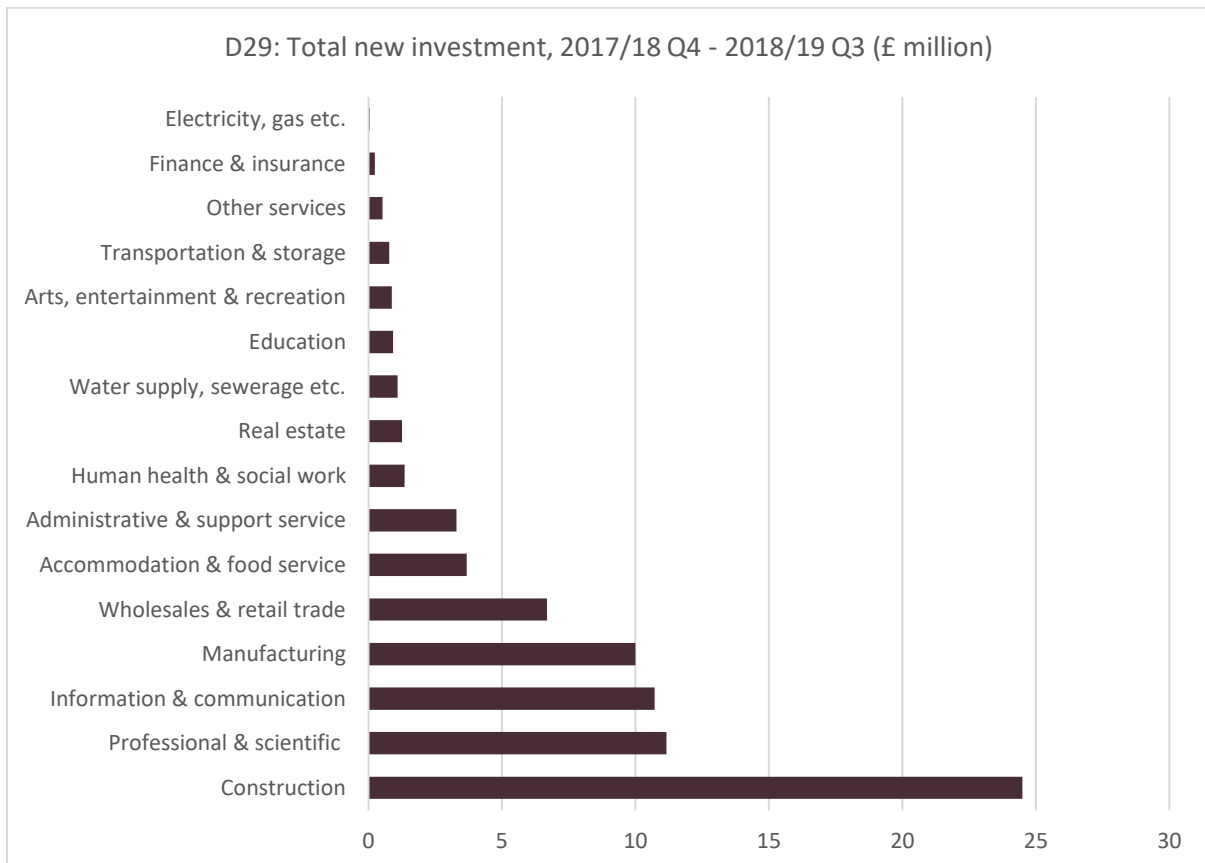
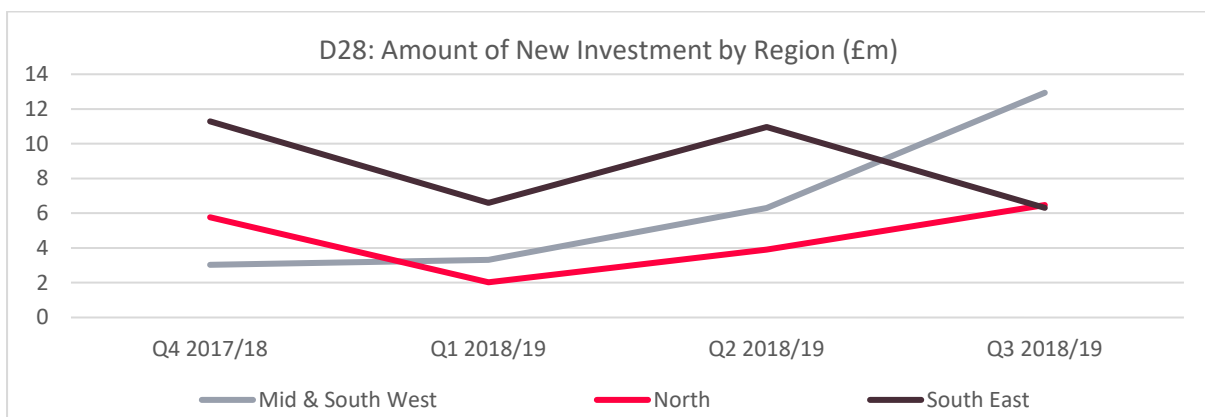
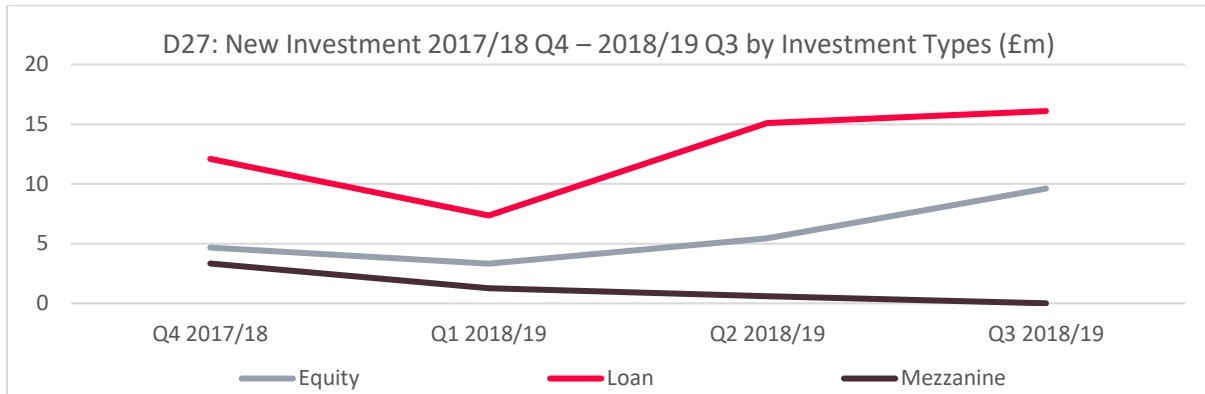


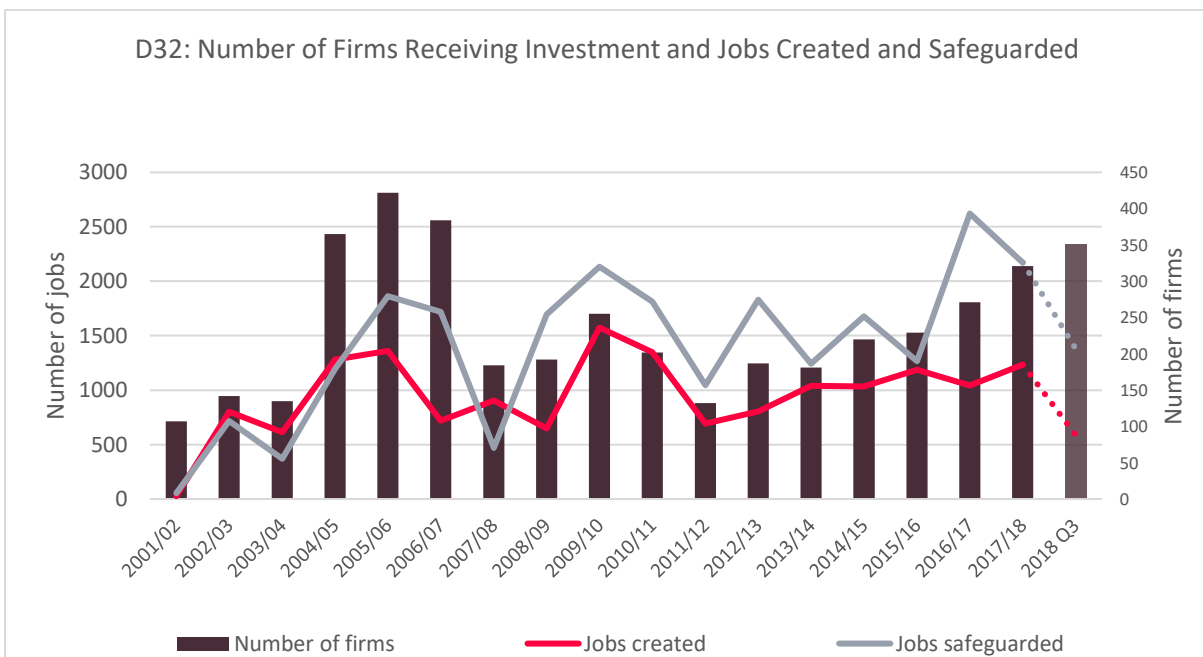
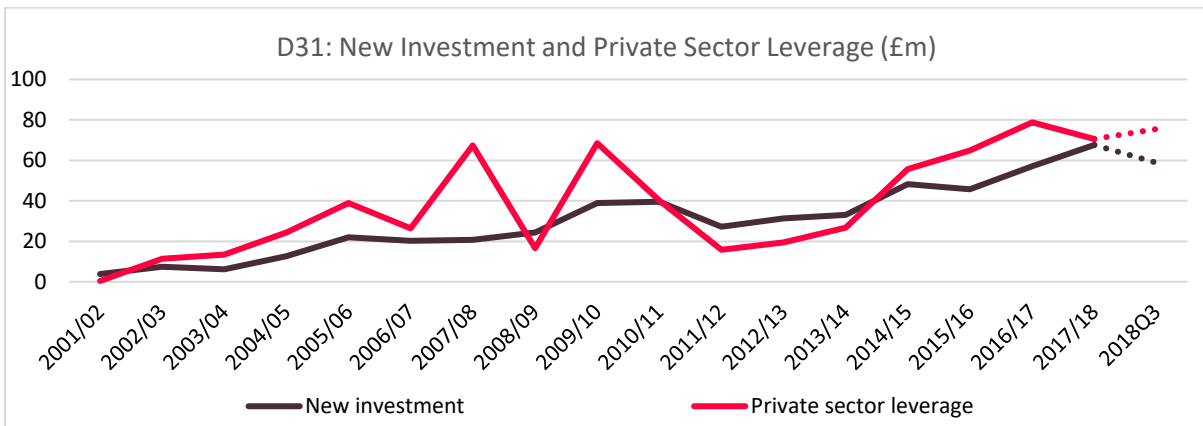
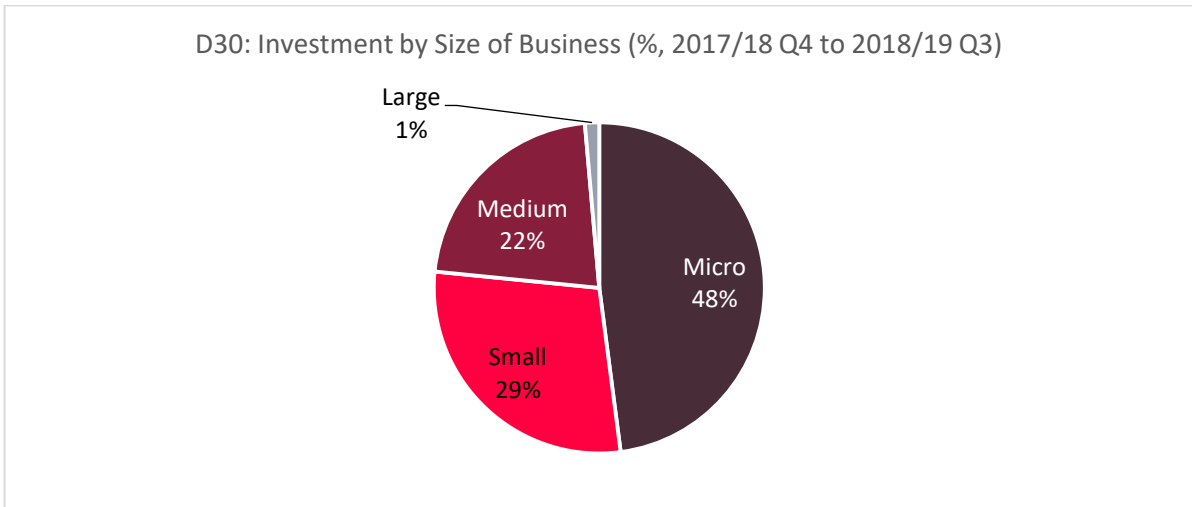


### Dashboard 3: Development Bank of Wales











**Data sources:**

D1 & D2: StatsWales. Available from: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure/Headline-Data/latestbusinessstructureinwales-by-sizeband-measure> (next update: November 2019)

D3 & D4: StatsWales. Available from: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure/Headline-Data/enterprises-by-industry-sic2007-sizeband-area> (next update: November 2019)

D4 & D5: StatsWales. Available from: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure/Headline-Data/enterprises-by-sizeband-area-year> (next update: November 2019)

D6: StatsWales. Available from: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Economic-Indices/Indices-of-Production-and-Construction/welshindicesofproductionandconstruction-by-section-year> (next update: April 2019)

And: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Economic-Indices/Index-of-Market-Services/indexofmarketservices-by-year-area> (next update: April 2019)

D7: StatsWales. Available from: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Demography/businessbirths-by-area-year> (next update: November 2019)

D8 & D9: Business Demography, Office for National Statistics. Available from: <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable> (next update: To be announced)

D10, D11, D12 & D13: The SME Finance Monitor Management Summary: UK and Wales.

D14: British Business Bank (2019). Small Business Finance Markets 2018/19. Available from: [https://www.british-business-bank.co.uk/wp-content/uploads/2019/02/British-Business-Bank-Small-Business-Finance-Report-2019\\_v3.pdf](https://www.british-business-bank.co.uk/wp-content/uploads/2019/02/British-Business-Bank-Small-Business-Finance-Report-2019_v3.pdf) (next update: to be announced)

D15: Bank of England, SME data. Available from: <https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NixAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May&TY=2025&FNY=Y&CSVF=TT&html.x=66&html.y=26&SeriesCodes=CFMZ6HQ&UsingCodes=Y&Filter=N&title=CFMZ6HQ&VPD=Y> (updated monthly)

D16: Bank of England (2018) Credit Conditions Survey | 2018 Q4. Available from: <https://www.bankofengland.co.uk/-/media/boe/files/credit-conditions-survey/2018/2018-q4.pdf?la=en&hash=FD0861731F5330D0B2328147BE869D8DD38A62CF> (next update: 18 April 2019)

D17: Wales Audit Office (2018) Welsh Government Financial Support for Business. Available from: <http://www.audit.wales/system/files/publications/welsh-government-financial-support-for-business-english.pdf>

D18: HMRC (2018) Enterprise Investment Scheme Seed Enterprise Investment Scheme and Social Investment Tax Relief. Available from:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/710986/May\\_2018\\_Commentary\\_EIS\\_SEIS\\_SITR\\_National\\_Statistics.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710986/May_2018_Commentary_EIS_SEIS_SITR_National_Statistics.pdf) (next update: Spring 2019)

D19 & D20: FAME, Bureau van Dijk, and based on Companies House data. Available from:  
<https://fame.bvdinfo.com/version-2018327/Home.serv?product=fameneo&setlanguage=en>  
(updated monthly)

D21-D32: Development Bank of Wales, Special analysis