

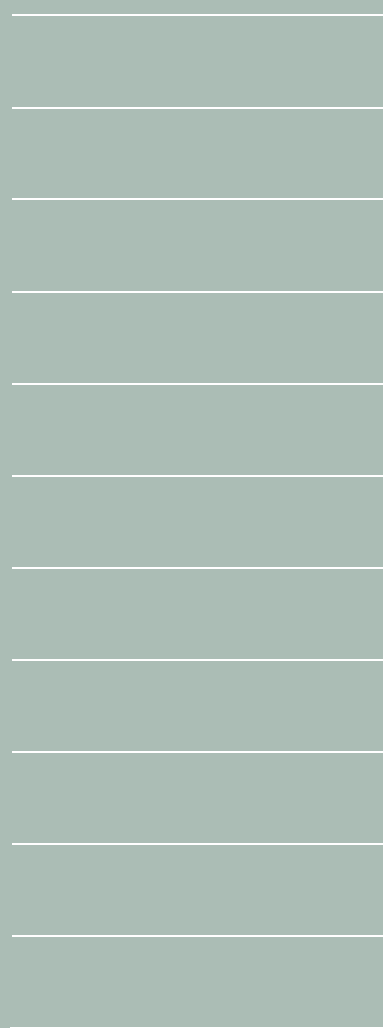


LIETUVOS BANKAS

# REVIEW

OF THE SURVEY OF NON-  
FINANCIAL ENTERPRISES ON  
BUSINESS FINANCING

2013



**REVIEW  
OF THE SURVEY OF NON-FINANCIAL ENTERPRISES  
ON BUSINESS FINANCING  
2013/2**

The Survey of Non-financial Enterprises on Business Financing is aimed at the assessment of the demand of non-financial enterprises for financial resources, changes in borrowing from credit and other financial institutions as well as developments in credit standards, also at obtaining information on the financial standing and developments in the operations of non-financial enterprises.

In the preparation of the Review of the Survey of Non-financial Enterprises on Business Financing, the data of the Survey of Non-financial Enterprises conducted by order of the Bank of Lithuania was used.

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Note: In the first half-year of 2013 the survey methodology was changed, therefore the presented results should not be compared with the previously conducted surveys of non-financial enterprises on business financing. The charts presented in this Review, illustrating the results of previous surveys, are to be used solely for information purposes.

## AIMS, METHODS AND PRINCIPLES OF THE SURVEY

Surveys of non-financial enterprises on business financing are conducted twice a year in order to assess the demand of non-financial enterprises for financial resources, changes in borrowing from credit and other financial institutions<sup>1</sup> (hereinafter — credit institutions) and developments in credit standards, as well as to obtain information on changes in the financial standing and operations of non-financial enterprises. The non-financial enterprises were surveyed in September–October 2013; responses were received from 500 non-financial enterprises operating in Lithuania (hereinafter — enterprises).<sup>2</sup>

During the survey of enterprises on business financing, commissioned by the Bank of Lithuania, heads or accountants of the enterprises, classified by economic activity (considering value added generated) and the number of employees, were interviewed over the telephone (CATI). Enterprises with up to 50 employees accounted for two-thirds of the survey respondents, while those with 50 and more employees — one-third of the respondents (see Table 1). The average operating period of the surveyed enterprises is 15 years. Over 95 per cent of the surveyed enterprises operated as private or public limited liability companies, while the rest of them included sole proprietorships, partnerships, municipal and other enterprises.

Table 1. Number of surveyed enterprises by economic activity and number of employees

Number of employees	Industry	Construction	Trade	Services	Total
1–9 employees	30	29	42	66	167
10–49 employees	30	31	53	52	166
50 and more	63	28	31	45	167
Total	123	88	126	163	500

Table 2. Number of surveyed enterprises by economic activity and location of registration

Counties	Industry	Construction	Trade	Services	Total
Alytus	8	2	4	6	20
Kaunas	22	17	36	26	101
Klaipėda	11	11	13	25	60
Marijampolė	7	4	6	10	27
Panevėžys	11	5	10	15	41
Šiauliai	10	8	11	22	51
Tauragė	2	2	2	8	14
Telšiai	4	7	3	6	20
Utena	7	1	4	9	21
Vilnius	41	31	37	36	145
Total	123	88	126	163	500

The Survey consists of 4 parts. The first part summarizes the data on demographic aspects and developments in the key financial indicators of enterprises. The second part examines enterprises' business funding and sources of funding. The third part summarizes the assessment of enterprise borrowing from credit institutions, and the fourth one deals with the relations between enterprises and creditors.

In the Review, a half-year means a calendar half-year, i.e. the first half of the year covers the period of January–June, while the second half of the year covers the period of July–December.

Net percentage is defined as the difference between the percentage of enterprises that responded with “tightening of credit standards” and the percentage of banks that responded with “easing of credit standards”. A positive net percentage means that enterprises believe that credit institutions have tightened, while a negative net percentage (with a minus sign) — that they have eased their credit standards. Likewise the net percentage is interpreted in calculating changes in financial indicators: a positive net percentage means an improvement, while a negative net percentage — a decrease in an indicator.

<sup>1</sup> In this Survey, credit and other financial institutions are commercial banks, credit unions, leasing companies and other investment undertakings, from which non-financial enterprises borrow monetary resources for their business that needs to be repaid.

<sup>2</sup> Similar to any selective quantitative research, statistical error is applied to the results of this Survey.

## SUMMARY

- In the first half-year of 2013 all key financial indicators of the surveyed enterprises recorded an improvement: sales income, the book value of equity and assets grew, other performance indicators improved as well. Nearly three-fourths of the surveyed enterprises operated profitably.
- Asked to specify how the challenges faced in their activities will change over the next half-year, the enterprises indicated an increase in production cost and strengthening competition, while the legal/administrative requirements and attraction of sources of funding would not raise any serious problems.
- Nearly two-thirds of the surveyed enterprises satisfied all financial needs of their business using internal sources of funding in the first half-year of 2013. According to the respondents, sufficient internal resources had major influence on their decision to refrain from borrowing.
- More than a third of the surveyed enterprises are planning business development in the second half-year of 2013. The largest development is planned by service and industrial enterprises. On the other hand, enterprises planning business development are going to finance about 13 per cent of their business with borrowed funds, whereas more than half of them reported as going to finance their business development using solely internal sources.
- In the next half-year, increasing borrowing from credit institutions is planned by enterprises across all sectors of the economy, most actively — by industrial and trade enterprises. Almost half of the enterprises will use borrowed funds for the repair or acquisition of equipment, machinery and vehicles.
- Over two-thirds of borrowing enterprises believe that the possibilities for borrowing from credit institutions and credit standards remained unchanged; however, there were more of those that indicated that the possibilities for borrowing increased and the standards eased than those that claimed the opposite.

## SUMMARY OF THE SURVEY RESULTS

### 1. Business Trends of Non-financial Enterprises

In the first half-year of 2013, all key financial indicators of the surveyed non-financial enterprises improved further (see Chart 1); the number of enterprises operating profitably increased. Sales income, the book value of equity and assets, and the number of enterprises whose operations were profitable increased; the number of enterprises that increased their staff outweighed the number of those that reduced it. In the first half-year, the operations of nearly three-fourths of the surveyed enterprises were profitable. The number of industrial companies operating profitably grew significantly (by more than one-tenth). Better operating results were also reported by rather export-oriented companies.

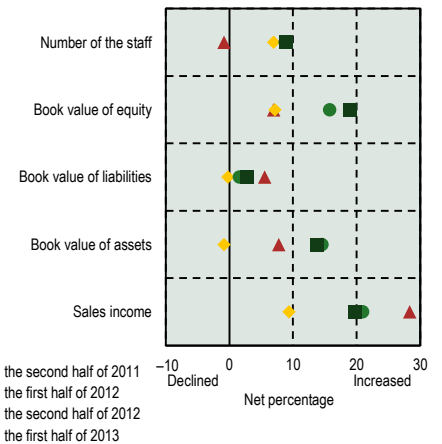
A smaller share of enterprises faced sales income contraction compared to the previous period, of more than 40 per cent it increased, of nearly 30 per cent — remained unchanged. In the first half-year of 2013, the highest increase in sales income was reported by trade companies — there were more than half of such companies. Industrial and construction companies lagged just slightly behind trading enterprises (see Table 1 in the Annex). The share of enterprises which reported an increase in their sales income was significantly larger than that of those which reported a decline in their sales income across all sectors of the economy.

The number of employees was increased in all sectors of the economy (see Table 1 in the Annex). Construction and industrial companies reported the most significant increases in their staff, which may have been driven by growth in these companies' sales income for some time already. Growth of the staff in service and trading enterprises was only marginal in the reference period.

In the presence of good performance indicators, the significance of the challenges that the enterprises faced was low for the majority of them (see Chart 2). Stronger competition and shortage of clients posed minor problems to the surveyed enterprises. They were more relevant to the enterprises within the trade sector (see Table 2 in the Annex). Industrial and construction companies reported that the shortage of adequate staff would pose more problems in the next half-year.

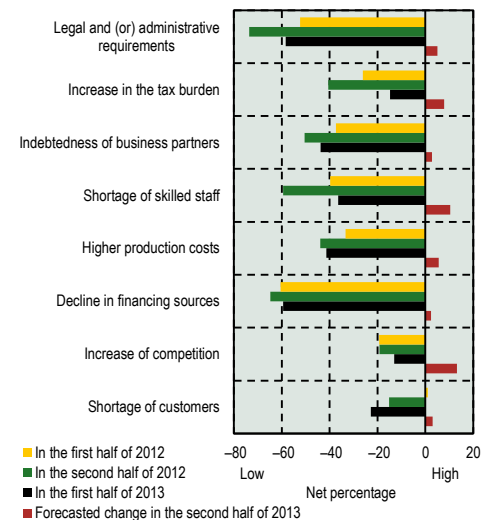
The importance of the above challenges to the business of the surveyed enterprises was reported to be somewhat lower in the second half-year of 2013. On the other hand, in the second half-year of 2013, the enterprises across all sectors of the economy reported that tougher competition, higher production cost and indebtedness of business partners were likely to pose greater problems than before. The enterprises within the trading sector specified a shortage of clients as quite a significant challenge.

Chart 1. Changes in key financial indicators and number of employees of non-financial enterprises



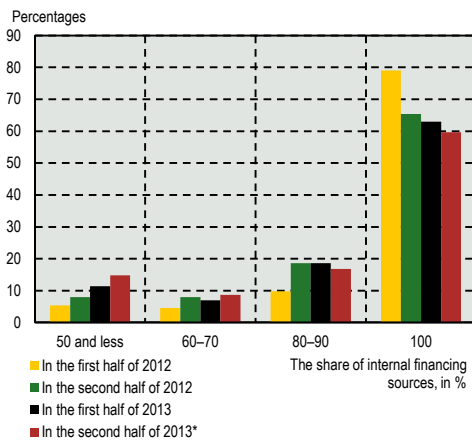
Source: Survey of Non-financial Enterprises on Business Financing. Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

Chart 2. Significance of challenges faced by non-financial enterprises and their likely development in the second half-year of 2013.



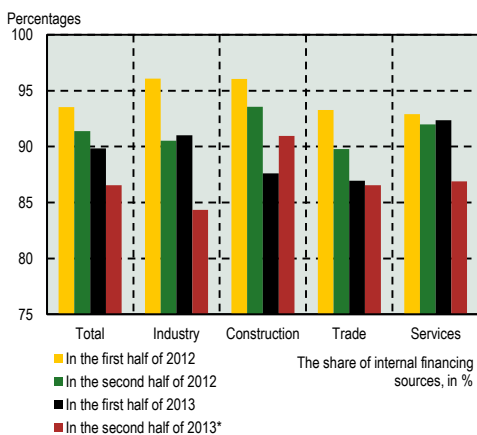
Source: Survey of Non-financial Enterprises on Business Financing. Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

**Chart 3. Breakdown of enterprises by source of satisfying business funding needs**



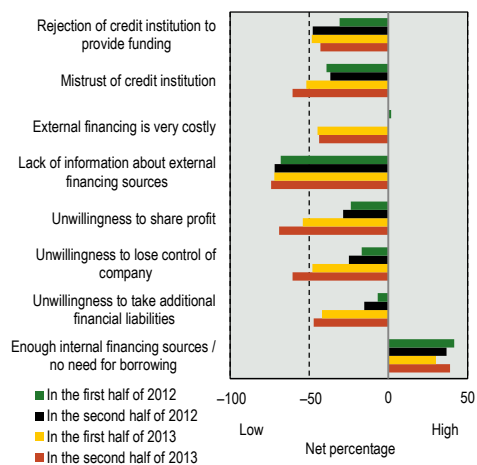
Source: Survey of Non-financial Enterprises on Business Financing.  
 Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.  
 \*Enterprises planning business expansion.

**Chart 4. Average share of business funding needs of an enterprise satisfied using internal financial resources**



Source: Survey of Non-financial Enterprises on Business Financing.  
 Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.  
 \*Enterprises planning business expansion.

**Chart 5. Significance of factors that determined the choice of internal financial resources in satisfying business needs**



Source: Survey of Non-financial Enterprises on Business Financing.  
 Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

## 2. Funding of the Business of Non-financial Enterprises and Its Sources

Nearly two-thirds of the surveyed enterprises satisfied their business funding needs using exclusively internal sources of funding (see Chart 3). In the opinion of the respondents that satisfied 50 per cent or more of their business funding needs using internal sources of funding, such a choice was predominantly determined by sufficient internal financial resources, while the lack of information, unwillingness of enterprise owners to share profits or distrust in credit institutions were seen as least significant (see Table 3 in the Annex). The construction and service sectors were more prone to borrowing. Out of the enterprises that satisfied more than half of their business funding needs using internal sources of funding, 15 per cent believe that attracting external sources of funding is expensive.

In the first half-year of 2013, the surveyed enterprises on average satisfied only slightly more than one-tenth of their funding needs from external sources of funding (see Chart 4). The most popular among them were bank loans (used by 31% of the surveyed enterprises), leasing and factoring (29%), account overdrafts and credit lines (21%). Construction and trading companies used external resources less actively in the first half-year of 2013; however, construction companies intend to use external sources of funding more actively in the future.

In the next half-year the surveyed enterprises will mainly use bank loans, overdraft and credit facilities; only some 8 per cent of them are going to change their sources of funding. Industrial and construction enterprises plan to do this the most. Quite a substantial share of enterprises, especially within the service sector, is going to use the financial services of leasing companies more often.

Business development in the second half-year of 2013 is projected by over a third of the surveyed enterprises; about 13 per cent of the needs of this development are expected to be funded with borrowed funds. The relatively insignificant increasing of the use of borrowed funds stemmed from enterprises' available sufficient internal financial resources (see Chart 5). More than half of the enterprises reported intending to fund their business development using exclusively internal sources. Service and industrial enterprises are planning to increase their development most, whereas construction enterprises — at least. Among the surveyed industrial and service enterprises, almost one-fifth intend to fund a larger share of their business development using borrowed funds; among trading enterprises, these make one-tenth. Meanwhile most construction enterprises will mainly fund their development using own funds.

### 3. Assessment of Borrowing from Credit Institutions

More than half of the surveyed enterprises reported that they did not borrow from credit institutions in the first half-year of 2013 (see Chart 6). Over four-fifths of the enterprises that did not borrow were enterprises with up to 50 employees (see Table 3 in the Annex). Construction enterprises borrowed from credit institutions most actively, service enterprises — most passively for the satisfaction of their business needs. Over three-fourths of current liabilities to credit institutions were secured by pledged property or guarantees, whereas property was pledged or otherwise guaranteed more by industrial and trading companies, to secure their financial liabilities. At the end of the first half-year of 2013 the largest share of liabilities to credit institutions relative to total balance-sheet liabilities was assumed by service enterprises, the smallest one — by construction enterprises.

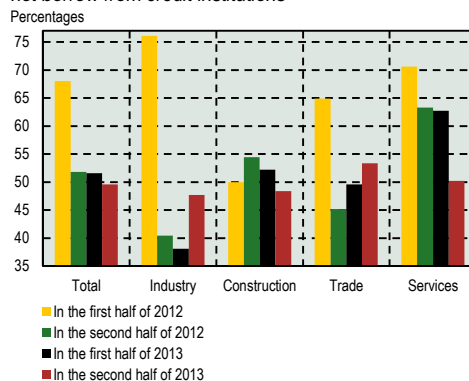
In the first half-year of 2013, enterprises paid average annual interest of 4.2 per cent on their financial liabilities assumed (see Chart 7). Enterprises employing 50 employees and more paid a lower interest rate (3.8%). To smaller-sized enterprises surveyed, the average interest rate of 4.6 per cent was applied. The surveyed enterprises indicated that in the first half-year of 2013 the interest rate decreased for nearly one-third of them, while for two-thirds of them it remained unchanged.

In the first half-year of 2013 almost 40 per cent of enterprises already having financial liabilities to credit institutions applied to borrow or change the contractual terms and conditions of their current liabilities. More than four-fifths of all applications were satisfied, granting the entire amount applied for (see Chart 8). Credit institutions fully satisfied most applications of trading enterprises (86%) and least (77%) applications of industrial enterprises (see Table 3 in the Annex). As the reason for incomplete satisfaction or rejection of applications, the enterprises mostly indicated assessment of the enterprise's financial standing as poor (see Chart 9). According to the surveyed enterprises, the possibilities to borrow or change the contractual terms and conditions of current liabilities have practically remained unchanged, even though industrial and service enterprises believe that the possibilities to borrow have increased, while construction enterprises reported that they have diminished.

Over two-thirds of borrowing enterprises believe that credit standards remained unchanged; however, there were more enterprises in whose perception the credit standards eased than those which perceived that they tightened (see Table 4 in the Annex). Major contribution to the easing of the standards stemmed from interest rates as well as a decrease in a new loan-to-value ratio (see Table 3 in the Annex). On the other hand, part of the enterprises reported that other expenses related to credit issuance have increased.

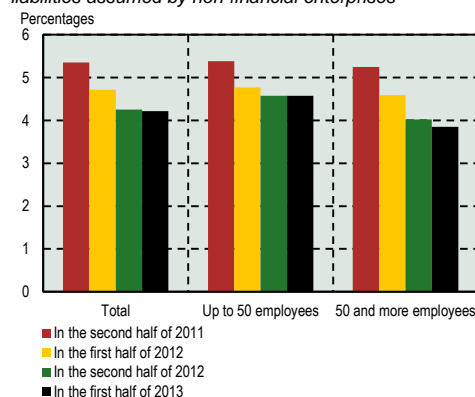
In the second half-year of 2013, enterprises engaged in all economic activities intend to increase borrowing from credit institutions. Industrial and trading enterprises are going to borrow most actively. Nearly one-third of borrowing enterprises are going to borrow more, while less than one-tenth — to reduce their borrowing. Non-financial enterprises will use borrowed funds mainly for the repair or acquisition of equipment, machinery and vehicles (41%), and acquisition of raw materials or supplies (27%), as well as for the construction, reconstruction, rental or acquisition of buildings or engineering structures (16%).

Chart 6. Share of non-financial enterprises that did not borrow from credit institutions



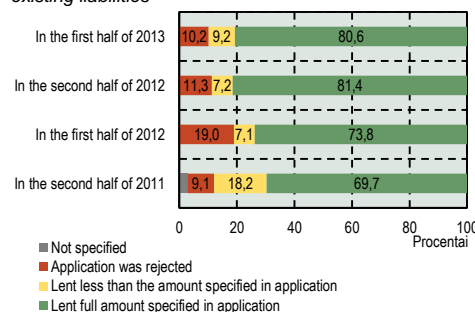
Source: Survey of Non-financial Enterprises on Business Financing.  
Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.  
\*Enterprises planning business expansion.

Chart 7. Average annual interest rates on financial liabilities assumed by non-financial enterprises



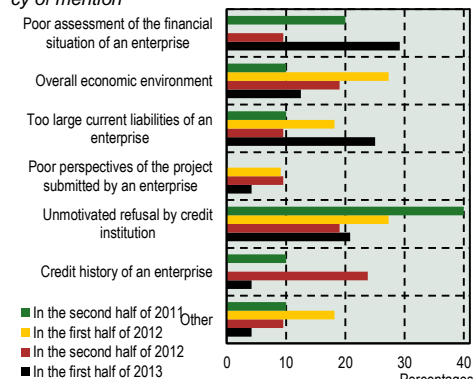
Source: Survey of Non-financial Enterprises on Business Financing.  
Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

Chart 8. Satisfaction of applications for borrowing / changing the contractual terms and conditions of existing liabilities



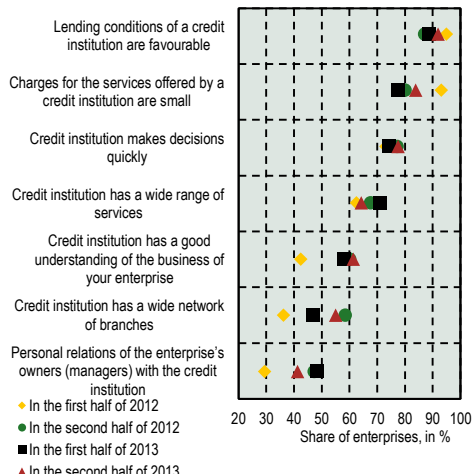
Source: Survey of Non-financial Enterprises on Business Financing.  
Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

Chart 9. Reasons for not satisfying or not fully satisfying applications for borrowing/ changing the terms and conditions of existing contracts by frequency of mention



Source: Survey of Non-financial Enterprises on Business Financing.  
Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

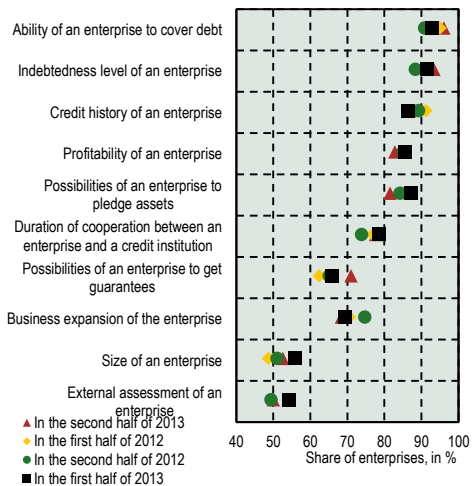
**Chart 10.** Share of enterprises that see the indicated factors as important and very important in the selection of a credit institution



Source: Survey of Non-financial Enterprises on Business Financing.

Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

**Chart 11.** Share of enterprises that see the indicated factors as important or very important for credit institutions in making a decision on lending



Source: Survey of Non-financial Enterprises on Business Financing.

Note: Due to changed methodology, the results for the second half-year of 2012 and of subsequent surveys should not be compared with the previous surveys.

## 4. Relations between Non-financial Enterprises and Creditors

The most important factors determining the selection of a credit institution were favourable credit standards of a credit institution, low service charges, and quick decision-making (see Chart 10). Personal relations of the owners (managers) of an enterprise with a credit institution were the least important factor in selecting a credit institution. In the perception of the surveyed enterprises, the most important factor for a credit institution in making a decision on lending was the ability of an enterprise to repay its debts, its current level of indebtedness, and credit history (see Chart 11). The least important factor specified by the enterprises was external valuation of their enterprise. The factors specified by the enterprises as important for a credit institution in making a decision on lending were almost the same among enterprises engaged in different economic activities. In the perception of the trading and service enterprises surveyed, credit institutions find their credit history and duration of cooperation with the credit institution to be quite important. Construction enterprises reported that additional guarantees and possibilities to pledge additional property increased the possibility to receive funding.

The Review was prepared by the  
Financial Stability Department of the  
Economics and Financial Stability Service of the  
Bank of Lithuania



## ANNEX. RESULTS OF THE RESPONSES TO MAIN QUESTIONS

Table 1. Changes in key financial indicators and number of employees of non-financial enterprises by sector (unless otherwise specified, %)

	Industry	Construction	Trade	Services	Total
<b>Sales income (net percentage)</b>	<b>25.2</b>	<b>18.2</b>	<b>20.6</b>	<b>16.0</b>	<b>19.8</b>
Decreased	20.3	25.0	29.4	21.5	23.8
Remained unchanged	34.1	26.1	17.5	38.0	29.8
Increased	45.5	43.2	50.0	37.4	43.6
Unspecified	0.0	5.7	3.2	3.1	2.8
<b>Book value of assets (net percentage)</b>	<b>18.7</b>	<b>17.0</b>	<b>13.5</b>	<b>6.1</b>	<b>13.0</b>
Decreased	13.8	14.8	18.3	22.1	17.8
Remained unchanged	50.4	43.2	45.2	42.3	45.2
Increased	32.5	31.8	31.7	28.2	30.8
Unspecified	3.3	10.2	4.8	7.4	6.2
<b>Book value of liabilities (net percentage)</b>	<b>8.1</b>	<b>0.0</b>	<b>4.0</b>	<b>-1.2</b>	<b>2.6</b>
Decreased	21.1	18.2	20.6	17.8	19.4
Remained unchanged	42.3	52.3	44.4	57.7	49.6
Increased	29.3	18.2	24.6	16.6	22.0
Unspecified	7.3	11.4	10.3	8.0	9.0
<b>Book value of equity (net percentage)</b>	<b>13.0</b>	<b>23.9</b>	<b>16.7</b>	<b>19.0</b>	<b>17.8</b>
Decreased	12.2	8.0	11.9	8.0	10.0
Remained unchanged	59.3	52.3	52.4	58.3	56.0
Increased	25.2	31.8	28.6	27.0	27.8
Unspecified	3.3	8.0	7.1	6.7	6.2
<b>Number of employees (net percentage)</b>	<b>11.4</b>	<b>26.1</b>	<b>4.0</b>	<b>1.8</b>	<b>9.0</b>
Decreased	12.2	11.4	13.5	20.2	15.0
Remained unchanged	64.2	51.1	69.0	57.7	61.0
Increased	23.6	37.5	17.5	22.1	24.0
Unspecified	0.0	0.0	0.0	0.0	0.0

Table 2. Significance of the challenges the non-financial enterprises faced and their likely development in the second half-year of 2013 (unless otherwise specified, %)

	Industry	Construction	Trade	Services	Total
<b>Shortage of clients in the first half-year of 2013 (net percentage)</b>	<b>-30.1</b>	<b>-27.3</b>	<b>-4.8</b>	<b>-28.8</b>	<b>-22.8</b>
Low	52.0	46.6	34.1	48.5	45.4
Medium	26.0	33.0	34.9	28.8	30.4
High	22.0	19.3	29.4	19.6	22.6
Unspecified	0.0	1.1	1.6	3.1	1.6
<b>Likely development of the shortage of clients in the second half-year of 2013 (net percentage)</b>	<b>0.8</b>	<b>4.5</b>	<b>13.5</b>	<b>-4.3</b>	<b>3.0</b>
Will decrease	7.3	9.1	6.3	12.9	9.2
Will remain unchanged	84.6	77.3	72.2	77.3	77.8
Will increase	8.1	13.6	19.8	8.6	12.2
Unspecified	0.0	0.0	1.6	1.2	0.8
<b>Increase in competition in the first half-year of 2013 (net percentage)</b>	<b>-0.8</b>	<b>-27.3</b>	<b>-0.8</b>	<b>-23.9</b>	<b>-13.0</b>
Low	35.8	50.0	27.8	43.6	38.8
Medium	27.6	27.3	39.7	35.0	33.0
High	35.0	22.7	27.0	19.6	25.8
Unspecified	1.6	0.0	5.6	1.8	2.4
<b>Likely development of the increase in competition in the second half-year of 2013 (net percentage)</b>	<b>13.8</b>	<b>10.2</b>	<b>19.8</b>	<b>9.2</b>	<b>13.2</b>
Will decrease	0.8	2.3	0.8	3.7	2.0
Will remain unchanged	83.7	83.0	77.8	82.2	81.6
Will increase	14.6	12.5	20.6	12.9	15.2
Unspecified	0.8	2.3	0.8	1.2	1.2
<b>Decrease in the sources of funding in the first half-year of 2013 (net percentage)</b>	<b>-59.3</b>	<b>-52.3</b>	<b>-55.6</b>	<b>-66.3</b>	<b>-59.4</b>
Low	68.3	61.4	64.3	71.8	67.2
Medium	16.3	25.0	19.8	17.8	19.2
High	8.9	9.1	8.7	5.5	7.8

Unspecified	6.5	4.5	7.1	4.9	5.8
<b>Likely development of the decrease in the sources of funding in the second half-year of 2013 (net percentage)</b>	<b>0.8</b>	<b>4.5</b>	<b>6.3</b>	<b>-0.6</b>	<b>2.4</b>
Will decrease	0.0	2.3	1.6	2.5	1.6
Will remain unchanged	98.4	88.6	87.3	92.0	91.8
Will increase	0.8	6.8	7.9	1.8	4.0
Unspecified	0.8	2.3	3.2	3.7	2.6
<b>Increased production cost in the first half-year of 2013 (net percentage)</b>	<b>-39.0</b>	<b>-36.4</b>	<b>-54.8</b>	<b>-35.6</b>	<b>-41.4</b>
Low	50.4	51.1	65.1	49.7	54.0
Medium	37.4	33.0	17.5	29.4	29.0
High	11.4	14.8	10.3	14.1	12.6
Unspecified	0.8	1.1	7.1	6.7	4.4
<b>Likely development of the decrease in the sources of funding in the second half-year of 2013 (net percentage)</b>	<b>3.3</b>	<b>8.0</b>	<b>5.6</b>	<b>6.1</b>	<b>5.6</b>
Will decrease	2.4	1.1	4.0	3.7	3.0
Will remain unchanged	91.9	87.5	84.1	82.2	86.0
Will increase	5.7	9.1	9.5	9.8	8.6
Unspecified	0.0	2.3	2.4	4.3	2.4
<b>Shortage of adequate staff in the first half-year of 2013 (net percentage)</b>	<b>-39.8</b>	<b>-28.4</b>	<b>-39.7</b>	<b>-35.6</b>	<b>-36.4</b>
Low	53.7	47.7	53.2	55.2	53.0
Medium	30.9	33.0	27.0	21.5	27.2
High	13.8	19.3	13.5	19.6	16.6
Unspecified	1.6	0.0	6.3	3.7	3.2
<b>Likely development of the shortage of adequate staff in the second half-year of 2013 (net percentage)</b>	<b>14.6</b>	<b>14.8</b>	<b>10.3</b>	<b>4.9</b>	<b>10.4</b>
Will decrease	1.6	1.1	0.8	4.9	2.4
Will remain unchanged	82.1	80.7	86.5	84.7	83.8
Will increase	16.3	15.9	11.1	9.8	12.8
Unspecified	0.0	2.3	1.6	0.6	1.0
<b>Indebtedness of business partners in the first half-year of 2013 (net percentage)</b>	<b>-50.4</b>	<b>-30.7</b>	<b>-39.7</b>	<b>-49.1</b>	<b>-43.8</b>
Low	61.8	47.7	56.3	60.1	57.4
Medium	24.4	31.8	23.0	23.3	25.0
High	11.4	17.0	16.7	11.0	13.6
Unspecified	2.4	3.4	4.0	5.5	4.0
<b>Likely development of the indebtedness of business partners in the second half-year of 2013 (net percentage)</b>	<b>0.8</b>	<b>2.3</b>	<b>4.8</b>	<b>3.1</b>	<b>2.8</b>
Will decrease	4.9	8.0	4.8	6.1	5.8
Will remain unchanged	89.4	79.5	84.9	83.4	84.6
Will increase	5.7	10.2	9.5	9.2	8.6
Unspecified	0.0	2.3	0.8	1.2	1.0
<b>Increase in tax burden in the first half-year of 2013 (net percentage)</b>	<b>-30.1</b>	<b>-5.7</b>	<b>-9.5</b>	<b>-12.3</b>	<b>-14.8</b>
Low	51.2	35.2	35.7	35.6	39.4
Medium	26.8	34.1	36.5	38.7	34.4
High	21.1	29.5	26.2	23.3	24.6
Unspecified	0.8	1.1	1.6	2.5	1.6
<b>Likely development of the increase in tax burden in the second half-year of 2013 (net percentage)</b>	<b>3.3</b>	<b>12.5</b>	<b>9.5</b>	<b>7.4</b>	<b>7.8</b>
Will decrease	0.0	2.3	1.6	1.8	1.4
Will remain unchanged	96.7	81.8	87.3	87.7	88.8
Will increase	3.3	14.8	11.1	9.2	9.2
Unspecified	0.0	1.1	0.0	1.2	0.6
<b>Legal / administrative requirements in the first half-year of 2013 (net percentage)</b>	<b>-66.7</b>	<b>-54.5</b>	<b>-52.4</b>	<b>-58.9</b>	<b>-58.4</b>
Low	75.6	67.0	58.7	66.3	66.8
Medium	10.6	17.0	27.0	20.2	19.0
High	8.9	12.5	6.3	7.4	8.4
Unspecified	4.9	3.4	7.9	6.1	5.8
<b>Likely development of legal / administrative requirements in the second half-year of 2013 (net percentage)</b>	<b>1.6</b>	<b>6.8</b>	<b>7.9</b>	<b>4.3</b>	<b>5.0</b>
Will decrease	0.0	4.5	1.6	1.2	1.6
Will remain unchanged	98.4	83.0	86.5	91.4	90.4
Will increase	1.6	11.4	9.5	5.5	6.6

Unspecified	0.0	1.1	2.4	1.8	1.4
<b>Other challenges in the first half-year of 2013 (net percentage)</b>	<b>-0.8</b>	<b>-4.5</b>	<b>-5.6</b>	<b>-11.7</b>	<b>-6.2</b>
Low	3.3	8.0	7.1	12.9	8.2
Medium	4.1	5.7	5.6	3.7	4.6
High	2.4	3.4	1.6	1.2	2.0
Unspecified	90.2	83.0	85.7	82.2	85.2
<b>Likely development of other challenges in the second half-year of 2013 (net percentage)</b>	<b>0.8</b>	<b>1.1</b>	<b>-0.8</b>	<b>-1.8</b>	<b>-0.4</b>
Will decrease	0.0	3.4	0.8	2.5	1.6
Will remain unchanged	51.2	53.4	46.0	51.5	50.4
Will increase	0.8	4.5	0.0	0.6	1.2
Unspecified	48.0	38.6	53.2	45.4	46.8

Table 3. Breakdown of enterprises by source of satisfying business funding needs (%)

	<i>Industry</i>	<i>Construction</i>	<i>Trade</i>	<i>Services</i>	<i>Total</i>
<b>Breakdown of enterprises by source of satisfying business funding needs with internal resources</b>					
50 and less	9.8	15.9	12.7	9.2	11.4
60-70	5.7	10.2	7.9	5.5	7.0
80-90	24.4	8.0	23.0	16.6	18.6
100	60.2	65.9	56.3	68.7	63.0
<b>Breakdown of enterprises by intention of satisfying business funding needs with internal resources</b>					
50 and less	17.7	3.8	13.3	17.5	14.8
60-70	4.8	19.2	11.1	6.3	8.7
80-90	32.3	3.8	13.3	9.5	16.8
100	45.2	73.1	62.2	66.7	59.7
<b>Share of non-financial enterprises that did not borrow from credit institutions</b>					
First half-year of 2013	38.1	52.2	49.6	62.7	51.6
Second half-year of 2013	47.7	48.4	53.4	50.2	49.7
<b>Significance of factors that determined the choice of internal financial resources in satisfying business needs</b>					
Sufficient internal sources of funding or lack of the need to borrow	50.4	28.8	39.1	44.3	39.0
Unwillingness of owners of an enterprise to assume additional liabilities	-61.1	-41.3	-59.1	-41.8	-47.2
Unwillingness of owners of an enterprise to lose control over management of the enterprise	-81.4	-65.0	-60.0	-57.0	-60.6
Unwillingness of owners of an enterprise to share profits earned	-83.2	-70.0	-75.7	-68.4	-69.0
Lack of information or not knowing how to attract external sources of funding	-85.8	-77.5	-75.7	-78.5	-74.0
Overpriced cost of external sources of funding	-62.8	-27.5	-48.7	-44.3	-43.8
Distrust in credit institution system	-73.5	-62.5	-53.0	-69.0	-60.6
Refusal of the credit institution or other lender to provide funding	-43.4	-60.0	-40.0	-45.6	-43.0
<b>Average annual interest rates on financial liabilities assumed by non-financial enterprises</b>					
Up to 50 employees	4.4	4.7	4.1	5.1	4.6
50 employees and more	3.9	4.5	3.3	3.7	3.9
<b>Satisfaction of applications for borrowing/ changing the contractual terms and conditions of existing liabilities</b>					
Application was rejected	10.0	8.7	17.4	4.5	10.2
Lent lower amount than applied for	13.3	13.0	0.0	9.1	9.2
Lent entire amount applied for	76.7	78.3	82.6	86.4	80.6
<b>Reasons for not satisfying or not fully satisfying applications for being lent / changing the terms and conditions of existing contracts</b>					
Poor assessment of enterprise's financial standing	-	-	-	-	29.2
General economic environment	-	-	-	-	12.5

Too large current liabilities of enterprise	–	–	–	–	<b>25.0</b>
Viable project presented by enterprise	–	–	–	–	<b>4.2</b>
Unmotivated refusal of credit institution	–	–	–	–	<b>20.8</b>
Credit history of enterprise	–	–	–	–	<b>4.2</b>
Other	–	–	–	–	<b>4.2</b>

*Table 4. Assessment of borrowing possibilities of enterprises and of service standards of credit institutions (unless otherwise specified, %)*

	<i>Industry</i>	<i>Construc- tion</i>	<i>Trade</i>	<i>Services</i>	<i>Total</i>
<b>Change in borrowing possibilities (net percentage)</b>	<b>17.9</b>	<b>–9.1</b>	<b>0.0</b>	<b>13.6</b>	<b>6.4</b>
Decreased	10.7	13.6	9.1	9.1	<b>10.6</b>
Remained unchanged	60.7	81.8	81.8	68.2	<b>72.3</b>
Increased	28.6	4.5	9.1	22.7	<b>17.0</b>
<b>Change in service standards of credit institutions (net percentage)</b>	<b>3.3</b>	<b>–4.5</b>	<b>–8.7</b>	<b>22.7</b>	<b>3.1</b>
Decreased	20.0	13.6	17.4	4.5	<b>14.4</b>
Remained unchanged	56.7	77.3	73.9	68.2	<b>68.0</b>
Increased	23.3	9.1	8.7	27.3	<b>17.5</b>