



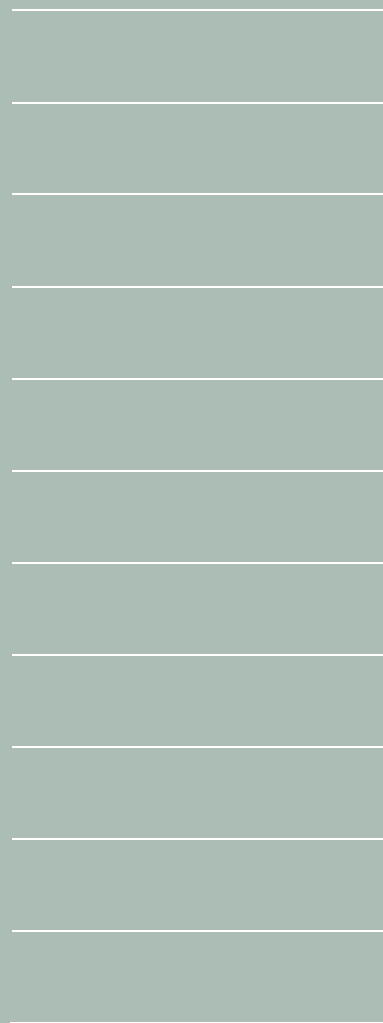
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REVIEW

OF THE SURVEY OF ENTERPRISES ON BUSINESS FINANCING

2015

2



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

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AIMS, METHODS AND PRINCIPLES OF THE SURVEY

Surveys of Enterprises on Business Financing are conducted twice a year in order to assess the demand of enterprises for financial resources, changes in borrowing from credit and other financial institutions¹ (hereinafter — credit institutions), developments in credit standards, as well as to obtain information on changes in the financial standing and operations of enterprises. Enterprises were surveyed in August–September 2015; responses were received from 502 non-financial enterprises operating in Lithuania (hereinafter — enterprises).²

During the Survey of Enterprises on Business Financing, commissioned by the Bank of Lithuania, heads or accountants of the enterprises, classified by main branches of activity and the number of employees, were surveyed. Enterprises with up to 50 employees accounted for slightly more than two-thirds of the Survey respondents, while those having 50 and more employees made up the rest of the respondents (see Tables 1 and 2). Further in this Review, enterprises having less than 9 employees are referred to as small enterprises, those having more than 10 but less than 50 employees — medium enterprises, and those with more than 50 employees — large enterprises.³

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

Number of employees	Industry	Construction	Trade	Services	Total
1–9	27	30	48	61	166
10–49	32	33	49	56	170
50 and more	55	27	31	53	166
Total	114	90	128	170	502

The average operating period of the surveyed enterprises is 14 years. Slightly more than 86 per cent of the surveyed enterprises operated as private or public limited liability companies, almost 9 per cent were comprised of sole proprietorships, while the rest of them included partnerships, municipal and other enterprises.

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

County	Industry	Construction	Trade	Services	Total
Alytus	0	1	6	5	12
Kaunas	33	26	32	45	136
Klaipėda	13	11	8	14	46
Marijampolė	2	3	4	4	13
Panevėžys	10	4	8	7	29
Šiauliai	11	5	8	10	34
Tauragė	1	2	5	6	14
Telšiai	2	5	6	5	18
Utena	3	0	0	4	7
Vilnius	39	33	51	70	193
Total	114	90	128	170	502

The Survey consists of 3 parts. The first part summarises the data on developments in key financial indicators of enterprises. The second part examines business funding of enterprises and its sources. The third part summarises the assessment of enterprise borrowing from credit institutions as well as 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 more enterprises believe that credit institutions have tightened their credit standards, while a negative net percentage (with a minus sign) — that they have eased them. The analogous net percentage is explained by calculating changes in financial indicators (or the factor’s importance, its change): positive difference of percentages means that the indicators increased (importance is great, will increase), negative — that it decreased (importance is low, will decrease).

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

¹ 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 financial resources.

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

³ The division used by the European Commission and often encountered in international practice is as follows: very small enterprises are those that have less than 10 employees, small enterprises — from 10 to 50 employees, medium enterprises — from 50 to 250 employees, and large enterprises — more than 250 employees. Since small and medium-sized businesses dominate in Lithuania, the enterprise classification adapted for Lithuania is applied in this Review.

SUMMARY

- The operating results of enterprises remained favourable over the first half-year of 2015. There was an increase in enterprises that were profitable and increased the number of employees over the period under review. However, it was more difficult to increase income. Slightly more than one third of enterprises that participated in the Survey noted that their sales income increased over the first half-year of 2015; however, in comparison to the previous half-year, the share of such enterprises decreased by 15.3 p.p.
- Again, the majority of the Survey participants identified the tax burden as the main challenge, even though its relevance has been gradually decreasing for the second consecutive half-year. As in the second half-year of 2014, increased competition and shortage of customers were also among the most mentioned challenges.
- Even though the share of enterprises using only internal financing sources remains the largest, it is noticeably reducing and, in the first half-year of 2015, amounted to 47.4 per cent (it reduced by 10.4 p.p. compared to the previous half-year). The Survey results show that in the future the share of enterprises using only internal financing resources should reduce.
- The enterprises' assessment of the availability of borrowing from credit institutions was not particularly favourable. Almost half of respondents indicated that over the half-year under review lending to businesses was at least partly limited and only 6.2 per cent of the surveyed enterprises were fully satisfied with the borrowing conditions. Usually a negative attitude towards lending to businesses was expressed by small and medium-sized enterprises.
- Enterprises that participated in the Survey believed that credit standards established by banks were tightening more than easing. However, the share of applications for borrowing or changing the contractual terms and conditions of existing liabilities was reducing. Almost three fourths of all applications were satisfied and the entire requested amount was granted, whereas the number of rejected applications decreased by 14.4 p.p. (up to 8.6%).
- In the opinion of the Survey participants, borrowing requirement should grow in the future, while favourable credit standards, the size of fees for services and the speed of decision-making will, as usual, determine the selection of a credit institution.

SUMMARY OF THE SURVEY RESULTS

1. Business Trends of Non-financial Enterprises

Over the first half-year of 2015, the operating results of more than half of the enterprises participating in the Survey improved or remained stable. Almost 40 per cent of enterprises indicated that their income in the period under review increased, while a fourth of them claimed that they remained unchanged. However, compared to the previous half-year, there were 15.3 p.p. less respondents that were able to increase income, while the share of enterprises that experienced a drop in income increased by 9.5 p.p. Income of industrial enterprises increased most often, while income of enterprises engaged in trade activities — most rarely (see Chart 1 and Table P1 of the Annex).

There was an increase in enterprises that previously experienced losses but were profitable during the first half of 2015. In comparison to the analogous change half a year ago, there were 1.4 p.p. more of such enterprises. The overall share of profitable enterprises increased (3.2 p.p.) and amounted to 68.3 per cent. Most profitable enterprises were in the industrial sector, while the least profitable — in the construction sector (see Table P1 of the Annex).

The results of the Survey indicated that the number of employees in enterprises was increasing. Slightly more than one fourth of respondents stated that they increased the number of employees. Compared to the previous half-year, net percentage between enterprises that increased the number of employees and those that reduced it was from 2.6 to 8.4 p.p. The largest positive net percentage was in enterprises providing services (14.7 p.p.), whereas the smallest — industrial enterprises (here the share of enterprises that increased the number of employees was equal to the share of those that reduced it; see Table P1 of the Annex).

The tax burden continued to be the greatest concern for enterprises, while the lack of financing sources was the factor raising the least challenges (see Chart 2 and Table P2 of the Annex). Two fifths of enterprises that participated in the Survey indicated that during the first half of 2015 the tax burden was a highly significant challenge; however, compared to the previous half-year, its importance decreased by 1.3 p.p. The tax burden raised the most concerns for small and medium-sized enterprises (46.4 % and 45.3 % respectively). As challenges of increasing significance, the participants of the Survey also indicated increased competition and lack of customers (the importance of the latter problem has been increasing for a third consecutive half-year).

In the opinion of the Survey participants, the significance of most challenges will increase in the second half-year of 2015. Competition and production costs will increase the most. Their increase was projected by slightly more than a fourth of the surveyed enterprises. Indebtedness of business partners, decrease in financing sources and shortage of customers should raise slightly less concerns (see Table P2 of the Annex).

The conflict between Ukraine and Russia did not affect the financial situation of the majority of enterprises (see Chart 3). Almost three fourths of respondents indicated that this conflict has no significance to the financial situation of their enterprises. There were also fewer enterprises whose profitability reduced due to sanctions imposed by Russia — compared to the previous half-year, there were 7.0 p.p. less of such enterprises. Due to this conflict, service and construction sectors suffered the least, while industrial enterprises felt the negative effect the most.

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

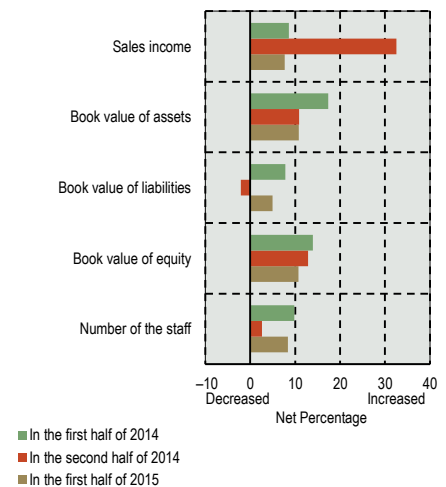


Chart 2. Assessment of significance of challenges experienced by non-financial enterprises

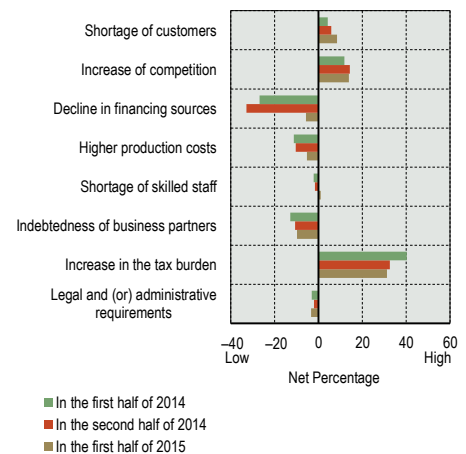


Chart 3. Impact of the conflict between Russia and Ukraine on the financial situation of enterprises

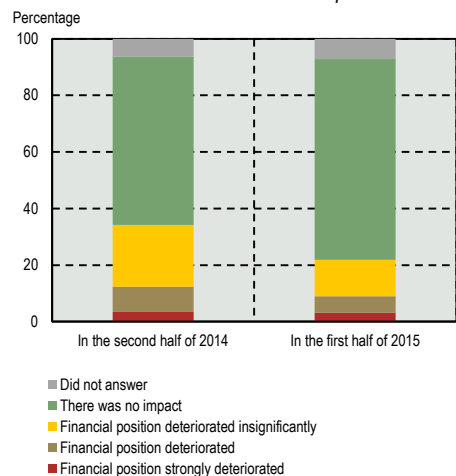


Chart 4. Breakdown of enterprises by source of satisfying business funding needs with internal resources

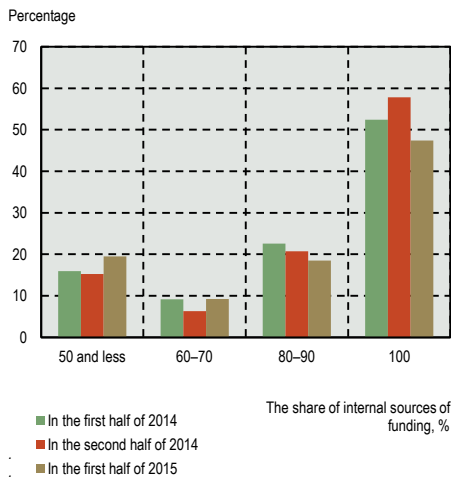


Chart 5. Significance of factors that determined the choice of internal resources in satisfying business needs

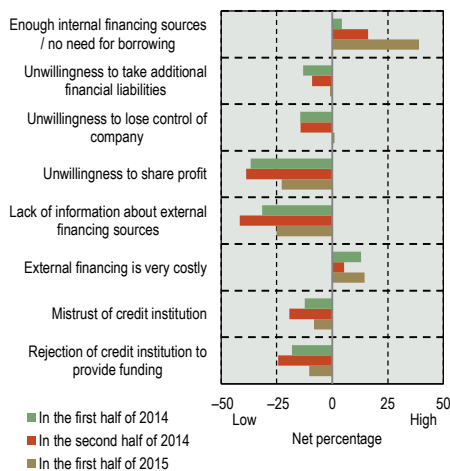
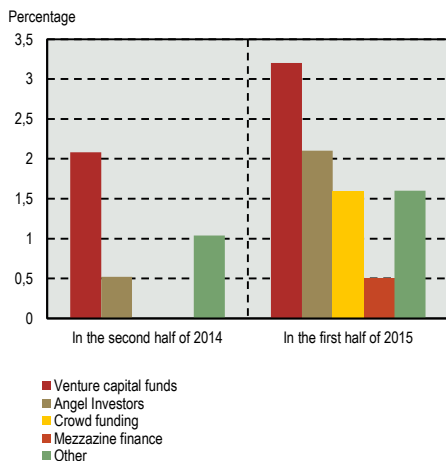


Chart 6. Popularity of alternative means of financing used by enterprises



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

Even though the share of enterprises using only internal financing resources is still the largest, it is reducing (see Table P3 of the Annex). Almost half of the Survey participants indicated that they financed their activities using only internal resources (see Chart 4); however, compared to the previous half-year, there were 10.4 p.p. less of such enterprises. Sufficient internal resources and large external funding costs had the most significant impact on the choice of internal financing resources, while shortage of information on the drawing in of external resources and unwillingness of enterprise owners to share profits were the least important (see Chart 5).

It is likely that in the future internal resources will be used less frequently as the only means of business financing. Results of the Survey showed that, in the second half-year of 2015, 42.6 per cent of the surveyed enterprises plan to finance their businesses expansion with internal resources only, i.e. 4.8 p.p. less than half a year ago. In the future, service enterprises plan to use internal financing resources most actively (56.5%), while enterprises engaged in trade activities — least frequently (25.5%).

Traditional means of financing (bank loans, leasing, trade credit) continued to be most popular among external means of funding. Leasing services were used by 37.7 per cent of respondents, credit line — 30.9 per cent, while bank loans and trade credit — 30.9 and 26.3 per cent respectively (see Table P3 of the Annex). Large enterprises and enterprises engaged in production activities were most likely to use traditional means of funding. However, popularity of other means of funding increased somewhat. Over the period under review, increase of share capital, issuance of debt securities and European Union (EU) funds were used as a means of funding by fewer enterprises than half a year ago (3.8, 2.8 and 2.1 p.p. respectively).

The majority of enterprises are familiar with alternative means of funding (venture capital funds, angel investors, crowd funding, mezzanine financing, etc.); however, they rarely used them (see Chart 6). Slightly more than three fourths of the respondents replied that they had heard of at least one of the indicated alternative funding sources; however, barely 3.2 per cent of enterprises had the change to use them in financing their business expansion. Venture capital funds are most widely known (65.4%), while mezzanine financing — the least known (34.0%). Slightly more than two thirds of enterprises stated that they do not use alternative means of funding as they do not have the need for it.

Popularity of bank loans and leasing should increase in the future, while that of trade credits should decline. Slightly more than one fourth of respondents stated that they plan to increase the use of bank loans over the second half-year of 2015, while another fifth of respondents indicated that they will use rent-to-own. Popularity of trade credits and EU funds should drop the most. To decrease the use of these sources or to renounce it altogether was the plan of 18.5 and 16.7 per

cent of enterprises respectively (see Table P5 of the Annex).

3. Assessment of Borrowing from Credit Institutions

Almost half of the surveyed enterprises reported that in the first half-year of 2015 credit institutions' lending to businesses was at least partially limited. This opinion was most often expressed by industrial enterprises (52.7%). Overall, only 6.2 per cent of respondents assessed possibilities for borrowing very favourably. Usually large enterprises had a positive attitude towards lending to businesses (see Table P3 of the Annex).

More than half of the surveyed enterprises reported that in the first half-year of 2015 they did not have any monetary liabilities to credit institutions (see Chart 7 and Table P3 of the Annex). The share of such enterprises remained almost unchanged over the half-year. The largest increase of enterprises indebted to credit institutions was in the construction sector (18.2 p.p.), while the largest decrease was among enterprises providing services (9.7 p.p.). Almost three fourths of enterprises indicated that their liabilities to credit institutions is ensured by pledged assets or guarantees (3.4 p.p. more than half a year ago). As in the previous half-year, almost a third of enterprises ensured their liabilities with warranty of natural persons. Usually these were medium-sized enterprises and enterprises engaged in trade activities (39.8% and 37.7% respectively). Slightly more than three fourths of respondents that submitted warranty indicated that the main reason for the appearance of such securities of the discharge of the obligation was the initial condition for the granting of loans.

In the first half-year of 2015, about 16.1 per cent of all surveyed enterprises or one third of those that already have liabilities applied to credit institutions to borrow or change the contractual terms and conditions of their current liabilities. Almost three fourths of these applications were satisfied and the entire requested amount was granted (see Table P3 of the Annex). In comparison to the previous half-year, the number of rejected applications decreased by 14.4 p.p. (see Chart 8). Main reasons for not satisfying or not fully satisfying applications were too large current liabilities of the enterprise and poor overall economic environment. Credit institutions did not give reasons for almost a third of negative responses (see Table P4 of the Annex).

Even though the share of rejected applications was reducing, there were more enterprises believing that possibilities for borrowing over the half-year under review decreased or there were none of them (see Table P7 of the Annex). In the opinion of respondents, changes in borrowing possibilities were largely influenced by loan-to-value ratio and the interest rate (see Table P9 of the Annex).

Enterprises plan to borrow more actively over the next half-year. Compared to the previous half-year, the difference between enterprises that plan to increase borrowing and those that plan to decrease it grew from -21.6 to 18.5 per cent (see Table P3 of Annex). The greatest need for loans was felt by trade enterprises, while the least — construction enterprises. As in the previous half-year, funds lent were mainly used for the repair or acquisition of equipment, machinery and vehicles (48.0%; see Table P6 of the Annex).

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 Table P8 of the Annex). In the perception of the surveyed enterprises, the most important factors for a credit institution in making a decision on lending were the ability of an enterprise to repay its debts, the level of indebtedness, the credit history and profitability. In addition, the importance of possibilities of pledging assets increased (see Chart 9).

Chart 7. Share of enterprises that had financial liabilities to credit institutions

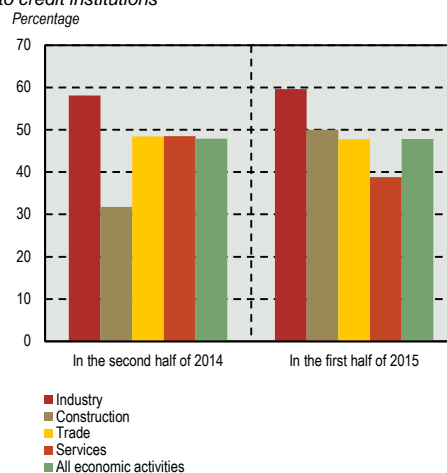


Chart 8. Share of applications for borrowing or changing the contractual terms and conditions of existing liabilities

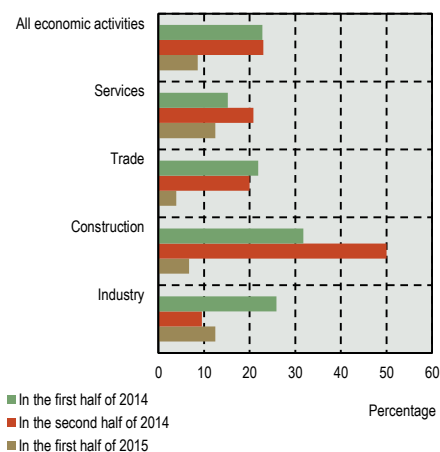
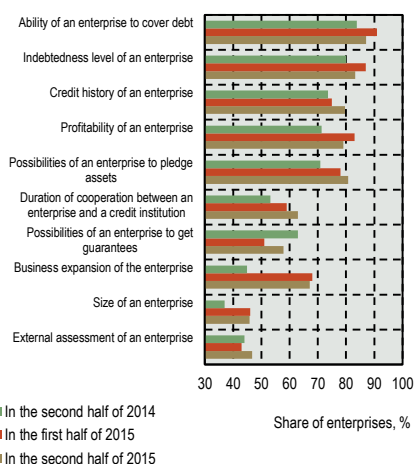


Chart 9. Share of enterprises that see the indicated factors as important for credit institutions in making a decision on lending



ANNEX. RESULTS OF ANSWERS TO MAIN QUESTIONS (first half-year of 2015)

Table P1. Changes in key financial indicators and number of employees of non-financial enterprises (unless otherwise specified, %)

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
Sales income (net percentage)	14.9	14.5	-10.1	13.0	5.4	-1.2	19.3	7.7
Decreased	29.8	24.4	41.4	28.8	28.9	37.1	28.3	31.5
Remained unchanged	22.8	33.3	25.0	26.5	35.5	22.9	21.1	26.5
Increased	44.7	38.9	31.3	41.8	34.3	35.9	47.6	39.2
Unspecified	2.7	3.4	2.3	2.9	1.3	4.1	3.0	2.8
Book value of assets (net percentage)	19.3	24.4	4.7	2.4	-4.8	14.7	22.2	10.8
Decreased	12.3	10.0	17.2	18.8	18.7	13.5	13.9	15.3
Remained unchanged	48.3	51.1	54.7	55.3	64.5	51.2	42.8	52.8
Increased	31.6	34.4	21.9	21.2	13.9	28.2	36.1	26.1
Unspecified	7.9	4.5	6.3	4.7	2.9	7.1	7.2	5.8
Book value of liabilities (net percentage)	8.8	16.6	3.9	-3.0	1.2	3.5	10.2	5.0
Decreased	20.2	16.7	19.5	21.2	15.7	22.4	21.1	19.7
Remained unchanged	43.0	43.3	51.6	55.9	62.7	42.9	43.4	49.6
Increased	29.0	33.3	23.4	18.2	16.9	25.9	31.3	24.7
Unspecified	7.8	6.7	5.5	4.7	4.7	8.8	4.2	6.0
Book value of equity (net percentage)	14.0	24.4	5.5	5.9	1.2	13.6	17.4	10.7
Decreased	9.7	10.0	11.7	11.8	11.5	8.8	12.7	11.0
Remained unchanged	58.8	44.4	64.8	65.3	71.1	59.4	49.4	60.0
Increased	23.7	34.4	17.2	17.1	12.7	22.4	30.1	21.7
Unspecified	7.8	11.2	6.3	5.8	4.7	9.4	7.8	7.3
Number of employees (net percentage)	0.0	11.1	5.5	14.7	3.6	9.4	12.0	8.4
Decreased	24.6	21.1	16.4	17.1	15.1	20.6	22.3	19.3
Remained unchanged	50.8	46.7	61.7	51.1	66.2	49.4	43.4	53.0
Increased	24.6	32.2	21.9	31.8	18.7	30.0	34.3	27.7
Unspecified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating result of the second half-year of 2014 (net percentage)	64.9	55.5	58.5	54.1	52.4	60.0	61.4	58.0
Profit	78.1	72.2	77.3	73.5	72.3	76.5	77.1	75.3
Loss	13.2	16.7	18.8	19.4	19.9	16.5	15.7	17.3
Unspecified	8.7	11.1	3.9	7.1	7.8	7.0	7.2	7.4
Operating result of the first half-year of 2015 (net percentage)	55.3	43.4	40.6	47.6	45.8	34.2	60.8	46.8
Profit	72.8	65.6	66.4	68.2	66.9	62.4	75.9	68.3
Loss	17.5	22.2	25.8	20.6	21.1	28.2	15.1	21.5
Unspecified	9.7	12.2	7.8	11.2	12.0	9.4	9.0	10.2
Share of enterprises that experienced losses in the second half-year of 2014 and earned profits in the first half-year of 2015	4.4	7.8	6.3	9.4	8.4	6.5	6.6	7.2
Share of enterprises that earned profits in the second half-year of 2014 and experienced losses in the first half-year of 2015	9.6	13.3	14.8	11.8	12.0	18.8	6.0	12.4

Table P2. Significance of experienced challenges and their likely development (unless otherwise specified, %)

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
Shortage of customers in the first half-year of 2015 (net percentage)	6.1	13.3	10.1	5.9	16.2	4.7	4.2	8.4
Low	19.3	17.8	18.8	15.9	13.9	20.0	19.3	17.7
Medium	33.3	25.6	40.6	32.9	33.7	25.9	31.3	33.7
High	25.4	31.1	28.9	21.8	30.1	24.7	23.5	26.1
Such challenge was undetected	19.3	24.4	11.7	28.2	21.1	18.8	24.1	21.3
Likely development of the shortage of customers in the second half-year of 2015 (net percentage)	10.5	8.9	0.8	7.7	0.0	7.1	13.3	6.7
Will decrease	7.9	13.3	12.5	10.0	13.9	10.6	7.8	10.8
Will remain unchanged	45.6	36.7	53.1	43.5	45.8	45.3	44.6	45.2
Will increase	18.4	22.2	13.3	17.7	13.9	17.7	21.1	17.5
Such challenge was undetected	14.0	14.4	8.6	21.8	13.9	15.9	16.3	15.3
Increase in competitiveness in the first half-year of 2015 (net percentage)	9.6	25.6	11.7	11.8	12.0	12.9	16.2	13.8
Small	20.2	11.1	21.1	22.9	21.7	20.6	16.9	19.7
Medium	36.8	36.7	35.9	25.3	30.7	33.5	33.7	32.7
Large	29.8	36.7	32.8	34.7	33.7	33.5	33.1	33.5
Such challenge was undetected	11.4	11.1	10.2	15.9	10.2	11.8	15.7	12.6
Likely development of the increase in competitiveness in the second half-year of 2015 (net percentage)	21.9	32.2	23.4	22.4	18.7	24.7	29.5	24.3
Will drop	0.0	2.2	0.8	4.1	2.4	1.2	2.4	2.0
Will remain unchanged	54.4	42.2	56.3	47.1	54.2	51.2	45.2	50.2
Will rise	21.9	34.4	24.2	26.5	21.1	25.9	31.9	26.3
Such challenge was undetected	8.8	13.3	7.8	15.9	10.8	12.4	12.1	11.8
Decrease in financing sources in the first half-year of 2015 (net percentage)	-12.3	5.6	-7.8	-5.8	2.4	-9.4	-10.3	-5.7
Small	21.1	15.6	21.1	18.2	13.9	22.9	20.5	19.1
Medium	26.3	20.0	15.6	18.8	18.1	19.4	22.3	19.9
Large	8.8	21.1	13.3	12.4	16.3	13.5	10.2	13.4
Such challenge was undetected	36.0	34.4	45.3	46.5	42.8	39.4	42.8	41.6
Likely development of the decrease in financing sources in the second half-year of 2015 (net percentage)	8.8	3.4	4.7	8.3	3.0	7.6	9.0	6.6
Will drop	4.4	4.4	3.1	2.9	3.6	6.5	0.6	3.6
Will remain unchanged	46.5	46.7	46.1	45.9	46.4	42.4	50.0	46.2
Will rise	13.2	7.8	7.8	11.2	6.6	14.1	9.6	10.2
Such challenge was undetected	21.1	24.4	28.1	28.2	22.9	24.7	30.1	25.9
Increased production costs in the first half-year of 2015 (net percentage)	-2.6	3.3	-9.4	-8.3	0.0	-4.1	-11.4	-5.2
Low	19.3	17.8	21.1	26.5	16.9	23.5	25.3	21.9
Average	43.9	34.4	31.3	25.3	31.5	30.6	34.9	32.7
High	16.7	21.1	11.7	18.2	16.9	19.4	13.9	16.7
Such challenge was undetected	17.5	26.7	33.6	28.2	31.9	24.7	24.1	26.9
Likely development of the increased production costs in the second half-year of 2015 (net percentage)	22.0	30.0	17.9	25.9	18.7	29.4	22.9	23.7

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
Will drop	7.0	2.2	1.6	3.5	3.6	1.8	5.4	3.6
Will remain unchanged	40.4	37.8	43.0	40.6	41.0	37.1	44.0	40.6
Will rise	29.0	32.2	19.5	29.4	22.3	31.2	28.3	27.3
Such challenge was unde- tected	9.7	12.2	18.8	17.7	15.7	17.7	12.1	15.1
Shortage of adequate staff in the first half-year of 2015 (net percentage)	-1.8	23.4	-6.3	-3.6	4.2	-3.0	1.8	1.0
Low	27.2	13.3	22.7	26.5	18.1	27.7	24.1	23.3
Medium	32.5	31.1	28.1	24.1	26.5	26.5	31.9	28.3
High	25.4	36.7	16.4	22.9	22.3	24.7	25.9	24.3
Such challenge was unde- tected	14.9	18.9	32.8	24.7	31.9	20.6	18.1	23.5
Likely development of the shortage of adequate staff in the second half-year of 2015 (net percentage)	20.2	26.7	11.0	13.5	12.7	20.0	17.5	16.7
Will decrease	2.6	4.4	3.1	5.9	4.2	4.7	3.6	4.2
Will remain unchanged	51.8	43.3	52.3	52.4	45.2	50.6	56.0	50.6
Will increase	22.8	31.1	14.1	19.4	16.9	24.7	21.1	20.9
Such challenge was unde- tected	9.7	14.4	21.1	15.3	19.3	13.5	13.3	15.3
Indebtedness of business partners in the first half- year of 2015 (net percent- age)	-9.6	-6.6	-8.6	-12.4	-3.0	-15.3	-10.8	-9.8
Low	22.8	22.2	22.7	27.1	19.3	30.6	22.3	24.1
Average	44.7	34.4	25.8	25.3	27.7	31.2	38.6	31.5
High	13.2	15.6	14.1	14.7	16.3	15.3	11.5	14.3
Such challenge was unde- tected	16.7	24.4	35.2	28.2	36.8	21.2	22.3	26.7
Likely development of the indebtedness of business partners in the second half-year of 2015 (net percentage)	-2.7	10.0	4.7	4.7	4.3	8.3	-0.6	4.0
Will decrease	13.2	8.9	7.0	10.0	7.2	8.8	13.3	9.8
Will remain unchanged	49.1	40.0	43.8	45.3	41.6	47.7	45.2	44.8
Will increase	10.5	18.9	11.7	14.7	11.5	17.1	12.7	13.8
Such challenge was unde- tected	9.7	13.3	20.3	18.2	19.3	13.5	15.1	15.9
Increase in tax burden in the first half-year of 2015(net percentage)	31.5	34.4	28.2	31.8	39.8	36.5	17.4	31.2
Small	9.7	6.7	10.9	8.8	6.6	8.8	12.1	9.2
Medium	41.2	40.0	37.5	33.5	34.9	34.7	42.8	37.5
Large	41.2	41.1	39.1	40.6	46.4	45.3	29.5	40.4
Such challenge was unde- tected	7.0	11.1	10.9	14.7	9.6	10.0	14.5	11.4
Likely development of the increase in tax burden in the second half-year of 2015 (net percentage)	23.7	21.1	18.7	28.2	26.5	25.3	18.7	23.5
Will drop	0.9	6.7	4.7	1.8	1.8	5.3	2.4	3.2
Will remain unchanged	56.1	50.0	53.1	49.4	46.4	51.2	58.4	52.0
Will rise	24.6	27.8	23.4	30.0	28.3	30.6	21.1	26.7
Such challenge was unde- tected	7.9	8.9	7.8	10.0	7.8	6.5	12.1	8.8
Legal/administrative requirements in the first half-year of 2015 (net percentage)	-1.8	-5.6	-5.4	-1.8	-1.8	-2.9	-3.4	-3.4
Low	21.1	18.9	23.4	20.0	18.7	22.9	20.9	20.9
Medium	31.6	38.9	32.0	26.5	29.5	32.4	31.3	31.3
High	19.3	13.3	18.0	18.2	16.9	20.0	17.5	17.5
Such challenge was unde- tected	20.2	23.3	23.4	30.0	27.7	20.6	24.9	24.9

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
Likely development of legal/administrative requirements in the second half-year of 2015 (net percentage)	10.6	11.1	12.5	13.5	10.9	13.6	12.1	12.1
Will decrease	2.6	3.3	1.6	1.8	1.2	4.1	1.2	2.2
Will remain unchanged	50.9	48.9	50.0	50.6	43.4	51.8	55.4	50.2
Will increase	13.2	14.4	14.1	15.3	12.1	17.7	13.3	14.3
Such challenge was undetected	12.3	15.6	17.2	21.2	18.1	13.5	19.9	17.1
Other challenges in the first half-year of 2015 (net percentage)	-8.8	-4.5	-8.6	-5.9	-3.6	-8.9	-8.5	-7.0
Small	11.4	8.9	10.9	8.8	5.4	11.8	12.7	10.0
Medium	7.9	10.0	9.4	7.1	9.6	10.0	5.4	8.4
Big	2.6	4.4	2.3	2.9	1.8	2.9	4.2	3.0
Such challenge was undetected	22.8	25.6	32.8	35.3	31.3	31.2	27.7	30.1
Likely development of other challenges in the second half-year of 2015 (net percentage)	0.9	2.2	2.3	4.1	1.8	1.7	4.2	2.6
Will decrease	2.6	0.0	0.8	0.6	0.6	1.2	1.2	1.0
Will remain unchanged	29.8	26.7	31.3	28.2	24.1	35.9	27.1	29.1
Will increase	3.5	2.2	3.1	4.7	2.4	2.9	5.4	3.6
Such challenge was undetected	9.7	18.9	18.0	22.4	15.7	17.7	19.9	17.7

Table P3. Breakdown of enterprises by source of satisfying business funding needs (unless otherwise specified, %)

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
Breakdown of enterprises by source of satisfying business funding needs with internal resources								
50 and less	21.1	30.0	21.1	11.8	14.5	19.4	24.7	19.5
60-70	13.2	4.4	12.5	6.5	6.6	8.8	12.1	9.2
80-90	19.3	18.9	14.9	20.6	13.9	15.9	25.9	18.5
100	37.7	42.2	49.2	55.3	61.5	48.8	31.9	47.4
Breakdown of enterprises by intention of satisfying business funding needs with internal resources								
50 and less	28.9	20.6	36.2	14.5	25.0	23.2	25.4	24.5
60-70	6.67	5.9	6.4	6.5	1.8	5.8	11.1	6.4
80-90	22.2	20.6	27.7	21.0	26.8	20.3	22.2	22.9
100	35.6	50.0	25.5	56.5	42.9	49.3	34.9	42.6
Share of enterprises that did not have monetary liabilities to credit institutions that needed to be returned	40.4	50.0	52.3	61.2	72.3	51.2	33.1	52.2
Share of enterprises, the liabilities of which are secured by collateral or guarantees	80.9	73.3	77.1	63.6	60.9	73.5	79.3	73.8
Significance of factors that determined the choice of internal financing sources in satisfying business needs								
Sufficient internal resources or lack of the need to borrow (net percentage)	37.7	29.4	40.2	43.6	32.6	34.8	50.8	39.1
Unwillingness of owners of an enterprise to assume additional liabilities (net	8.2	-14.7	-0.9	0.0	3.5	-2.2	-4.5	-1.0

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
percentage) Unwillingness of owners of an enterprise to lose control over management of the enterprise (net percentage)	9.4	-1.5	-7.1	3.4	0.7	-1.5	3.8	1.0
Unwillingness of owners of an enterprise to share profits earned (net percentage)	-8.2	-29.4	-25.9	-25.5	-22.9	-27.5	-17.4	-22.7
Lack of information or not knowing how to attract external resources (net percentage)	-24.7	-13.2	-33.9	-24.2	-12.5	-25.4	-38.6	-25.1
Too-high a price of external resources	15.3	14.7	15.2	13.4	21.5	21.0	0.0	14.5
Distrust in system of credit institutions (net percentage)	-9.4	-11.8	-12.5	-2.7	6.9	0.0	-33.3	-8.2
Refusal of credit institutions or other lenders to provide financing (net percentage)	-15.3	-8.8	-14.3	-5.4	-6.3	-3.6	-22.0	-10.4
Instruments for financing enterprise operations (share of enterprises using an instrument)								
Internal resources	91.2	91.1	97.7	91.2	92.8	91.8	94.0	92.8
Account overdrafts and credit lines	35.1	31.1	38.3	22.4	22.9	30.0	39.8	30.9
Bank loans	45.6	32.2	32.8	18.2	16.9	30.6	45.2	30.9
Leasing, rent-to-own, factoring	43.0	40.0	37.5	32.9	21.7	38.8	52.4	37.7
Increase of share capital (new issue of enterprise stocks)	9.7	17.8	14.1	15.9	10.2	15.3	17.5	14.3
Issue of debt securities	4.4	11.1	7.8	10.0	6.6	8.8	9.6	8.4
Use of EU funds	25.4	24.4	7.8	20.0	9.6	15.9	31.3	18.9
Trade credits	33.3	31.1	30.5	15.9	19.3	24.1	35.5	26.3
Financial aid from state/municipality	12.3	17.8	7.0	19.4	9.0	12.4	21.7	14.3
Other	7.0	12.2	8.6	8.2	6.6	12.9	6.6	8.8
Share of enterprises planning to change operation financing sources	9.7	11.1	10.9	11.2	10.2	12.4	9.6	10.8
Share of enterprises planning to expand in the second half-year of 2015	39.5	37.8	36.7	36.5	33.7	40.6	38.0	37.5
Average weighted share⁴ of used external financing resources	25.5	20.6	32.2	15.7	23.0	22.6	23.4	23.0
Assessment of accessibility of loans granted to businesses								
Lending to businesses is strictly limited	12.3	12.2	9.4	12.9	17.5	12.9	4.8	11.8
Lending to businesses is partly limited	40.4	33.3	37.5	38.2	31.3	40.6	41.0	37.7
Lending to businesses is the same as it was before	21.1	17.8	24.2	16.5	18.7	15.3	25.3	19.7
Lending to businesses is partly more accessible	7.0	8.9	3.9	4.7	3.6	5.9	7.8	5.8
Lending to businesses is fully accessible	10.5	6.7	3.1	5.3	5.4	4.1	9.0	6.2
Not sure (did not answer)	8.8	21.1	21.9	22.4	23.5	21.2	12.1	18.9
Satisfaction of applications for borrowing or changing the contractual								

⁴ Calculated by weighing the average of each interval by the number of respondents that chose the respective answer. When answering what part of their business they finance with external resources, enterprises could chose one of these intervals (%): up to 5, 6-10, 11-20, 21-30, 31-40, 41-50, 51-60, 61-70, 71-80, 81-90, 91-100.

Indicators	Activities				Size of enterprise			Total
	industry	construc- tion	trade	services	low	medium	high	
terms and conditions of existing liabilities								
Application was rejected	12.5	6.7	3.9	12.5	36.4	6.5	2.6	8.6
Lent a smaller amount than was applied for	12.5	20.0	19.2	12.5	36.4	22.6	5.1	16.1
Lent the entire amount applied for	66.7	66.7	73.1	75.0	27.3	67.7	84.6	70.4
Planned change of need for enterprises to borrow from credit institutions (net percentage)								
Decreased	4.5	20.0	6.4	14.6	10.0	8.6	13.5	10.5
Remained unchanged	68.2	53.3	63.8	53.7	55.0	62.9	55.7	60.5
Increased	27.3	26.7	29.8	31.7	35.0	28.6	25.0	29.0

Table P4. Reasons for not satisfying applications for borrowing or changing the contractual terms and conditions of existing liabilities (%; sample of respondents — 20 enterprises)

	Total
General economic environment	20.0
Too large current liabilities of enterprise	20.0
Poor enterprise's financial standing	15.0
Unpromising project presented by enterprise	0.0
Poor credit record of enterprise	5.0
Unmotivated response of credit institution	30.0
Other	5.0
Did not answer	10.0

Table P5. Planned change in enterprise means of financing (unless otherwise specified, %)

	Will not be used any-more	Use will decrease	Use will remain unchanged	Use will increase	Will be started to be used
Internal resources	1.9	14.8	42.6	35.2	1.9
Account overdrafts and credit lines	5.6	9.3	24.1	7.4	5.6
Bank loans	1.9	9.3	13.0	14.8	14.8
Rent-to-own and factoring	5.6	5.6	25.9	5.6	16.7
increase in share capital	5.6	7.4	11.1	7.4	1.9
Issue of debt securities	5.6	5.6	11.1	5.6	0.0
Absorption of EU funds	3.7	13.0	14.8	7.4	1.9
Trade credits	1.9	16.7	27.8	9.3	1.9
Financial aid from state/municipality	5.6	5.6	13.0	1.9	1.9
Other	1.9	5.6	9.3	7.4	0.0

Table P6. Use of funds from external financing sources (%; sample of respondents — 123 enterprises)

	Total
Repair, purchase or rental of equipment, machinery, transport vehicles	48.0
Purchase of raw materials, fuel, goods for resale	42.3
Construction, reconstruction and purchase (renting) of engineering buildings, buildings.	22.8
Outsourcing	15.4

Table P7. Assessment of borrowing possibilities and service standards of credit institutions (unless otherwise specified, %; sample of respondents — 81 enterprises)

	Total
Change in borrowing possibilities (net percentage)	12.4
Decreased	23.5
Remained unchanged	50.6
Increased	11.1
Change in service standards of credit institu-	24.7

tions (net percentage)	
Eased	9.9
Remained unchanged	37.0
Tightened	34.6

Table P8. Assessment of factors important in selecting a credit institution (unless otherwise specified, %; sample of respondents — 240 enterprises)

	Total
Credit terms of the credit institution are favourable	87.6
Credit institution quickly makes decisions	82.5
Fees for services offered by a credit institution are small	81.3
Credit institution has a wide range of services	69.2
Credit institution is knowledgeable about the activities of your enterprise	55.8
Broad network of the credit institution's branches	34.6
Personal relations of the owners (managers) of an enterprise with a credit institution	31.4

Table P9. Reasons for change in borrowing possibilities (unless otherwise specified, %; sample of respondents — 81 enterprises)

	Total
Interest rate changes	30.9
Loan-to-value ratio	30.9
Pledged assets requirements	25.9
Complicated procedure for access to finance	23.5
Other borrowing costs (e.g. bank credit agreement fee)	19.8
Other	1.2