

(Supplementary Order Paper)

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DÁIL ÉIREANN

Dé Máirt, 19 Deireadh Fómhair, 2010
Tuesday, 19th October, 2010

2.30 p.m.

GNÓ COMHALTAÍ PRÍOBHÁIDEACHA
PRIVATE MEMBERS' BUSINESS

Fógra i dtaobh leasú ar Thairscint : Notice of Amendment to Motion

75. “That Dáil Éireann:

- recognises that up to 80,000 small firms employ approximately 800,000 people in every city, town, village and region in the country;
- recognises that small and medium enterprises (SMEs) are heavily involved in emerging sectors in areas such as green energy, bio-technology, tourism, healthcare, agri-food and creative industries;
- notes with concern that 1,132 businesses have been declared insolvent since the start of the year;
- notes that the rate of business insolvency is higher so far in 2010 than in the same period in 2009 and 2008 despite assurances of the economy turning a corner;
- notes with concern that small businesses are still having difficulty accessing credit through financial institutions for a variety of reasons;
- recognises that the Government strategy of NAMA and bank recapitalisation has not produced a ‘wall of cash’ in credit for small business promised by the Minister for Finance;
- acknowledges broken Government promises to introduce a loan guarantee scheme for small and medium sized businesses;
- recognises that similar schemes in countries like Chile and Taiwan have resulted in increased lending to SMEs and delivered business growth and increased trade at little or no cost to the taxpayer; and
- recognises that in the aftermath of a banking crisis, a temporary loan guarantee scheme can support the goal of re-establishing strong and long lasting links between SMEs and banks and to encourage entrepreneurship;

calls on Government to introduce a loan guarantee scheme for small and medium sized businesses based on the following operational principles:

- risk-sharing between financial institutions and the State;
- auctioning of loan guarantee contracts to financial institutions;

P.T.O.

- credit assessment carried out by the banks and the Credit Review Office;
- an emphasis on start-ups and export-oriented companies; and
- exclusion of financial institutions that approve high rates of non-performing loans.”
 — *John Perry, Enda Kenny, Bernard Allen, James Bannon, Seán Barrett, Pat Breen, Richard Bruton, Ulick Burke, Catherine Byrne, Joe Carey, Deirdre Clune, Paul Connaughton, Noel J. Coonan, Simon Coveney, Seymour Crawford, Michael Creed, Lucinda Creighton, Michael D'Arcy, John Deasy, Jimmy Deenihan, Andrew Doyle, Bernard J. Durkan, Damien English, Olwyn Enright, Frank Feighan, Charles Flanagan, Terence Flanagan, Brian Hayes, Tom Hayes, Phil Hogan, Paul Kehoe, Pádraic McCormack, Shane McEntee, Dinny McGinley, Joe McHugh, Olivia Mitchell, Denis Naughten, Dan Neville, Michael Noonan, Kieran O'Donnell, Fergus O'Dowd, Jim O'Keeffe, John O'Mahony, James Reilly, Michael Ring, Alan Shatter, Tom Sheahan, P. J. Sheehan, David Stanton, Billy Timmins, Leo Varadkar.*

Leasú

Amendment:

1. To delete all words after “Dáil Éireann” and substitute the following:

- “ — welcomes, in particular, the Government’s five year integrated trade, tourism and investment plan, ‘*Trading and Investing in a Smart Economy*’, designed to help all Irish businesses compete on global markets and create 300,000 jobs across the Irish economy in both exporting and locally trading firms;
- notes the intensive work underway within the Government in relation to further small and medium enterprises (SMEs) credit initiatives while at the same time ensuring that banks fulfil their commitments given to Government to lend to this sector; and
- recognising the important contribution which small and medium enterprises make to economic growth and employment creation, commends the Government for the priority it has given to introducing new and specific initiatives aimed at improving the business environment and supporting directly the further development of the SME sector; In particular:
- the measures taken to ensure the continued operation of a sustainable banking sector as a provider of credit to viable enterprises in the State, including:
 - the introduction in 2009 by the Financial Regulator of a statutory Code of Conduct for Business Lending to SMEs;
 - securing a commitment by both AIB and Bank Of Ireland to make available not less than €3 billion each for new or increased credit facilities to SMEs in both 2010 and 2011, including funds for working capital; and
 - the establishment of the Credit Review Office to measure compliance with the banks’ lending commitments, to examine the lending practices of the recapitalised banks and to review refusals of bank credit;
- providing continued capital funding of €15 million in 2010 to the County and City Enterprise Boards to assist micro enterprises and promote entrepreneurship and recently providing an additional capital funding of €3.3 million to the County Enterprise Boards (CEBs), creating more than 450 jobs;
- providing financial support to almost 2,000 companies through the Employment Subsidy Scheme and the Enterprise Stabilisation Fund;
- improving the cash flow of SMEs by requiring Government Departments to pay their business suppliers within 15 days of receipt of a valid invoice;
- the provision of €278 million to Enterprise Ireland in 2010, representing a 26% increase on the outturn for 2009, to stimulate the development of new businesses and

facilitate the expansion of existing companies through a broad range of initiatives including direct financial and non-financial supports;

- the commitment through Enterprise Ireland to invest €175 million through the Seed and Venture Capital Programme 2007-2012 for companies at the early and growth stages of development;
- establishing the €500 million Innovation Fund Ireland to support entrepreneurs so that they can create jobs;
- establishing the Employer Job (PRSI) Incentive Scheme to reduce business costs associated with hiring new employees;
- the provision of €425 million for the implementation of the LEADER Rural Development Programme 2007-2013 to promote sustainable employment creation in the rural economy; and
- preserving a low tax regime for business.” — *An tAire Fiontar, Trádála agus Nuálaíochta.*