

Enterprise Ireland reveals Covid-19 impact on Irish SME base

State agency [Enterprise Ireland reported](#) overall net job losses of 872 in client companies due to Covid-19.

Despite Irish SMEs supported by Enterprise Ireland generating 16,496 new jobs in 2020, net job losses of 872 meant more jobs were lost than created last year.

In what has been a deviation from years of a steady trajectory of growth by Enterprise Ireland-backed SMEs the end of year results are a poignant reminder of the impact of the Covid-19 crisis, which is far from over.

Total employment in Enterprise Ireland supported companies stood at 220,613 at the end of January.

Job creation closely matched the performance in 2019, with 16,496 new jobs created in Enterprise Ireland backed companies last year. However, job losses increased to 17,368 which resulted in net job losses of 872.

Irish SMEs demonstrated resilience

“2020 was a very challenging year for Irish enterprise due to the dual threats of Covid-19 and Brexit,” said Enterprise Ireland CEO Julie Sinnamon. “Our client companies, which employ over 220,000 people, showed resilience and sustained their businesses and jobs throughout the pandemic.

“Following the introduction of new liquidity measures from Government in April and in the July Jobs Stimulus, our priority was to help Irish companies to survive and sustain jobs. This was achieved through a range of initiatives, the most important of which was the Sustaining Enterprise Fund, under which we approved €124m to ensure that viable companies could access the funding they needed to reset and recover from the impact of Covid-19.”

Enterprise Ireland also continued its focus on assisting Irish businesses to prepare for Brexit in 2020 and approved €7.6m to support 1,000 customs roles to help Irish exporters to the UK to strengthen their capability to comply with new customs rules arising from Brexit.

Impact on sectors

Enterprise Ireland client companies in some sectors saw significant growth in 2020, including Life Sciences (6.8pc employment growth), Cleantech (6pc employment growth) and Construction

(4.7pc employment growth), while some saw overall job losses, for example clients in the food sector (-1.5pc). It is important to note that there has been significant disruption to all workers throughout the year.

€124m in Covid-19 funding under the Sustaining Enterprise Fund helped sustain 418 companies and 17,710 jobs across the country.

In total, €142m in funding was provided to 1,919 companies under a range of Covid-19 funding initiatives introduced in response to the pandemic, including €11.8m under the Online Retail Scheme.

There was also €8.2m approved under the Enterprise Centres Fund. In addition, 8,650 companies were supported through Enterprise Ireland's Covid-19 information hub, online support and helpline.

“We all know the remarkable challenges that Irish businesses faced in 2020,” said Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar, TD. “Our priority throughout the pandemic has been to sustain as many jobs as possible and to help businesses adapt their company to a radically different trading environment. Enterprise Ireland played a critical role in delivering on these priorities in 2020. I know many businesses across the country really relied on their local enterprise office for advice, training and financial help during these difficult few months.

“We know that some sectors were more seriously affected than others. Among Enterprise Ireland client companies we can see that there has actually been significant employment growth among their clients in some areas such as Life Sciences, Cleantech and Construction, although I know that those sectors, especially construction, have also seen very serious disruption over the past year too. Workers in most areas have paid a price to protect public health and limit the spread of the virus over the past year.

“The good news is that we now have vaccines, which will, over the course of the year allow us to reduce restrictions and get those sectors back on their feet. We will also continue to invest in research and innovation to ensure our economy is prepared for the jobs of the future and to capitalise on new technology and opportunities as they arise,” Minister Varadkar said.

Strategic priorities for 2020

Enterprise Ireland also announced its new strategic priorities for 2021 which has set out ambitions to sustain and increase employment to 222,000, support a recovery in exports, with a continued focus on market diversification, in particular to the Eurozone, and to increase the level of R&D investment by Irish companies to €1.25bn.

Sinnamon said that the new plan is based on three core pillars:

- Strengthening Irish enterprise to respond to Covid-19 and Brexit
- Driving transformational change, through accelerating the pace of innovation, digitalisation and the transition to a low carbon economy;
- Scaling and growing the export and start-up base, across regions, sectors and companies of all sizes.

“Last year underlined the importance of efficiency, agility and innovation in business,” Sinnamon explained. “In 2021 we will support transformational change within our client base and, in particular, help more Irish SMEs to adapt their business models and invest in R&D, increase adoption of digital technologies, and respond to climate change and carbon reduction opportunities for future business growth.

“Another priority area for 2021 is to maximise the number of start-up companies, increase the number of high growth clients achieving scale and expand the number of exporting companies. Having strong, innovative, regionally based exporting companies is vital to balanced economic development and sustaining and creating high value jobs into the future. 2021 will be a critical year for Irish enterprise and we will work closely with Irish businesses to help them accelerate the recovery,” Sinnamon said.

Main image at top: Enterprise Ireland CEO Julie Sinnamon

By [John Kennedy](mailto:john.kennedy3@boi.com) (john.kennedy3@boi.com)

Published: 11 January 2021