

Note: Below are extracts from articles published by Radio Teilifis Eireann (RTE) (16<sup>th</sup> February 2024) and Yahoo!Finance (20<sup>th</sup> February 2024), both as referenced below.

## **Irish SMEs increase their interest in green supports, while key European business leaders highlight challenges in the 'shift to green'.**



RTE (2024) gives us a summary of the findings from a recent Uisce Éireann SME Sustainability Sentiment Survey. The survey reveals how SMEs are fully aware of the environmental initiatives required to meet targets in Ireland but see the need for grant support as a driver of investment in the shift to a greener business:

A new report shows the level of small and medium-sized businesses who are interested in grants to help them invest in sustainable measures increased by over 40% in the past year. Uisce Éireann's latest SME Sustainability Sentiment Survey also reveals that more than a third of SMEs see the availability of grants to offset the cost of investment as a key driver in making their businesses more sustainable. Today's report also shows that nine in 10 SMEs are seeking to retain or bolster investments toward sustainability in the next 12 months.

Uisce Eireann said that SMEs are actively seeking avenues to invest in greener practices, as 45% of respondents cite a lack of available supports as a barrier to implementing measures such as sourcing renewable energy and reducing carbon footprint. 38% of businesses also said they would welcome further information on how to go green.

But the cost of making changes understandably remains a key consideration for SMEs, as 78% identified cost as a barrier to investing in sustainable practices. Seven in 10 SMEs also considered cost as an influence when making investment decisions, the report states.

RTE (2024)

According to RTE (2024), with the range of government grants available, and supports from organisations such as the Small Firms Association and Uisce Éireann itself, there is the appetite for transition but there are challenges given the rising costs of doing business:

The Government has several grant schemes available to help businesses on their green journey, including the Energy Efficiency Grant, the Enterprise Ireland Green Transition Fund, the Non-Domestic Microgen Scheme, and the Climate Toolkit for Business. Uisce Éireann has also trained 750 businesses in their Water Stewardship Programme since 2020.

David Broderick, Director of the Small Firms Association, said that small business owners care about the environment so it is not surprising to see the positive results reflected in this survey. "That said, with the significant increase in the cost of doing business, small businesses are finding it more challenging to keep sustainability at the top of their agenda as some struggle to stay afloat," Mr Broderick said.

"The SFA is actively working on behalf of our members to look for additional, easy to access, supports from government and their local authorities to overcome the barriers that small businesses face," he added.

RTE (2024)

Uisce Éireann who commissioned the survey is keen to support Irish SMEs in their transition to a greener business, given its own drive to a more sustainable approach to water consumption in this country. RTE (2024) makes the point that despite the challenges, there is growing interest in government supports, reflecting the commitment of SMEs:

Geoffrey Bourke, Head of Customer Operations at Uisce Éireann, said today's survey results show Irish SMEs remain committed to maintaining and improving sustainability measures, despite ongoing cost challenges. "These businesses are aware of how important sustainable practices are, not only with their customers, but also for the green transition of Ireland," Mr Bourke said.

He said the survey also reflects a growing interest in Government supports and advice. "That more businesses than ever are seeking out this information shows the strength of commitment to taking sustainability action - and Uisce Éireann wants to help them achieve their aim particularly when it comes to being more sustainable in their use of water," he said.

"Throughout a difficult time for small businesses, we stand ready to help them reduce their environmental footprint by conserving the precious resource that is clean drinking water," he added.

RTE (2024)

## EU Industry Calls for Green Shift Help to Rival China and US....

As reflected in the sentiment amongst Irish SMEs as outlined above, a recent meeting of major European industrialists and European Commission President Ursula von der Leyen, endorsed the growing need for EU supports across the bloc in the transition to green energy, and to compete with the US and China:

The heads of major industrial companies want the European Union to cut energy costs and the regulatory burden of green rules to help the region stay competitive as the energy transition accelerates. Over 70 business and industry leaders — including Jim Ratcliffe, the billionaire chairman of chemicals giant Ineos Group, are urging the bloc to introduce a European Industrial Deal to boost competitiveness during the shift. Their key asks are to make energy cheaper, cut red tape and boost clean tech funding.

The group says Europe risks losing out to China and the US in the race to supply the technologies needed to roll out renewables and slash industrial emissions. The warning comes just months after the EU finalized laws covering sectors from energy to transport to help slash emissions 55% this decade. And now the bloc has touted an even more ambitious goal — to cut 90% of emissions by 2040.

Ainger and Krukowska (2024)

There is no debate over the net-zero targets set by the EU, but not at the expense of a competitive EU bloc in the race to supply green technologies. There is no doubt that the transition to green for European business will be a key focus for Ursula von der Leyen as she heads into European elections later this year, in the face of criticism of the EU's approach to the 'greening' of its economy. It is clear that business is looking for more motivation, and reduced regulation:

"Europe is right with its zero-carbon goals — no one is challenging that," Ratcliffe said in an interview, adding that over the past 15 years Ineos's profits had shifted from Europe to the US. "But the answer isn't decarbonizing by de-industrializing."

That means European industry urgently needs more help, according to the group of business leaders who assembled alongside European Commission President Ursula von der Leyen and Belgian Prime Minister Alexander de Croo at BASF SE's chemical plant in Antwerp.

The gathering in Antwerp comes a day after French Finance Minister Bruno Le Maire said he'll make proposals in early March with German Economy Minister Robert Habeck to reduce EU norms he says are holding back businesses and harming growth. "Regulations in Europe are complicated, they are lengthy, and they are not providing the incentives to encourage you to invest," Martin Brudermueller, chief executive officer of BASF and president of European chemical industry association Cefic, said in an interview. "We need to turn it around."

Ainger and Krukowska (2024)

## References

RTE (2024) *Increase in SMEs' interest in green supports - survey*. Available at <https://www.rte.ie/news/business/2024/0216/1432680-more-smes-looking-for-green-supports/>. (Accessed 17 February 2024).



Ainger, J and Krukowska, E (2024) 'EU Industry Calls for Green Shift Help to Rival China and US', *Yahoo! Finance*, 20 February. Available at: <https://finance.yahoo.com/news/eu-industry-calls-green-shift-040000031.html> (Accessed 21 February 2024).

