

CITIZENS' SUMMARY – SME Initiative

Fund: European Regional Development Fund (ERDF)

Programming Period: 2014-2020

Budget Available (Malta): €15 Million

Reporting Year: 2016

Facts and Figures:

- 78% of SMEs which participated in this initiative employ less than 10 employees
- 98.1% employ less than 50 employees
- 60% of Loans requested amount to less than Euro 100,000
- 40% of Loans requested amount to less than Euro 50,000

Launched in July 2015, the *SME Initiative (SMEi)* provides assistance to local SMEs to finance their business needs with the objective to make their business grow. Through this initiative, local SMEs benefit from easier access to bank loans since this facility will allow banks to provide loans at better terms and conditions than what they otherwise would be able to provide outside the SMEi framework.

In fact enterprises benefitting under SMEi benefit from lower interest rates and lower guarantees (required collateral), and such easier access to finance will assist SMEs and micro-enterprises to invest in the different needs of their enterprise be it plant and equipment, new products and services, expansion into new markets, amongst others. Ultimately, the SME initiative will contribute towards economic growth and the creation of more and better jobs.

845 SMEs are planned to be supported through this initiative.

During 2016, a total of €31.6M in loans were made available to Maltese SMEs thanks to this instrument. This portfolio was created in only 11 months from the signature of the first agreement with one of the two commercial banks that are offering loans with the support of EU funds. Through this loan portfolio, 259 SMEs with an average loan/investment of €103,290 have benefitted from this instrument. It should

be noted that for each Euro of ERDF resources allocated to this instrument, €4.10 of SME financing at reduced pricing conditions has been generated.

The response by SMEs has to date been extremely encouraging, and 30% of the targeted number of assisted SMEs has already been achieved in the first year of implementation of the programme.

Considering the success to date, a decision was taken in 2017 to increase the allocation to this instrument in order to increase the scope of assistance and to create a bigger portfolio of investments by SMEs.

For more information:

info.eufunds@gov.mt – subject SME Initiative Citizens' Summary 2016

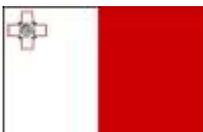
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“Fostering a competitive and sustainable economy to meet our challenges”

Part-financed by the European Regional Development Fund

Co-financing rate: 80% European Union; 20% National Funds

