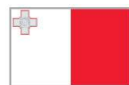


SME Initiative Malta Annual Implementation Report 2017

Operational Programme SME -
Stimulating private sector investment for economic growth

Monitoring Committee
February 2018



European Union
European Structural and Investment Funds



Overview

Objectives:

As per the Operational Programme, the SME Initiative aims at improving competitiveness of SMEs in Malta by facilitating SMEs access to finance by:

- ▶ reduce pricing of SME financing; and
- ▶ reducing the collateral requirement for SME loans

Description of the Financial Instrument:

- ▶ Uncapped guarantee for a portfolio of new loans to SMEs supporting 75% of the risk of each loan originated by the selected financial intermediary/ies

Purpose of the loan:

- ▶ Investment by SMEs, in both intangible and tangible investments as well as related working capital where and as needed

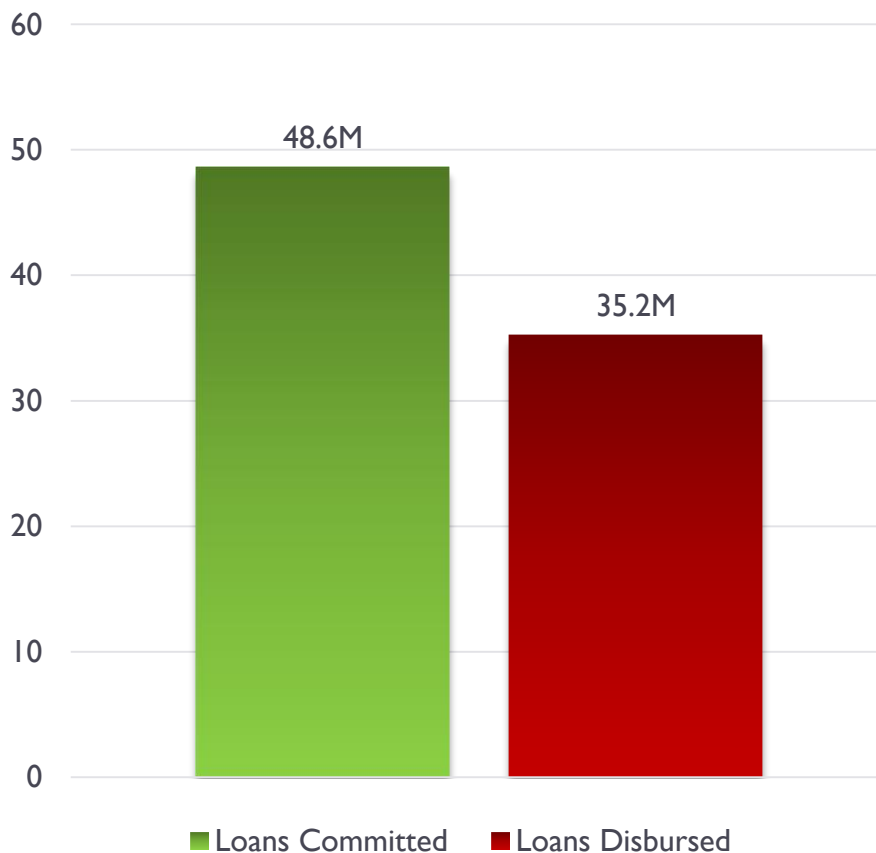
Overview (2)

- ▶ Malta has earmarked EUR 15m of ERDF resources for this initiative.
- ▶ EIB Group has committed EUR 32m, the EC through H2020 EUR 0.23m

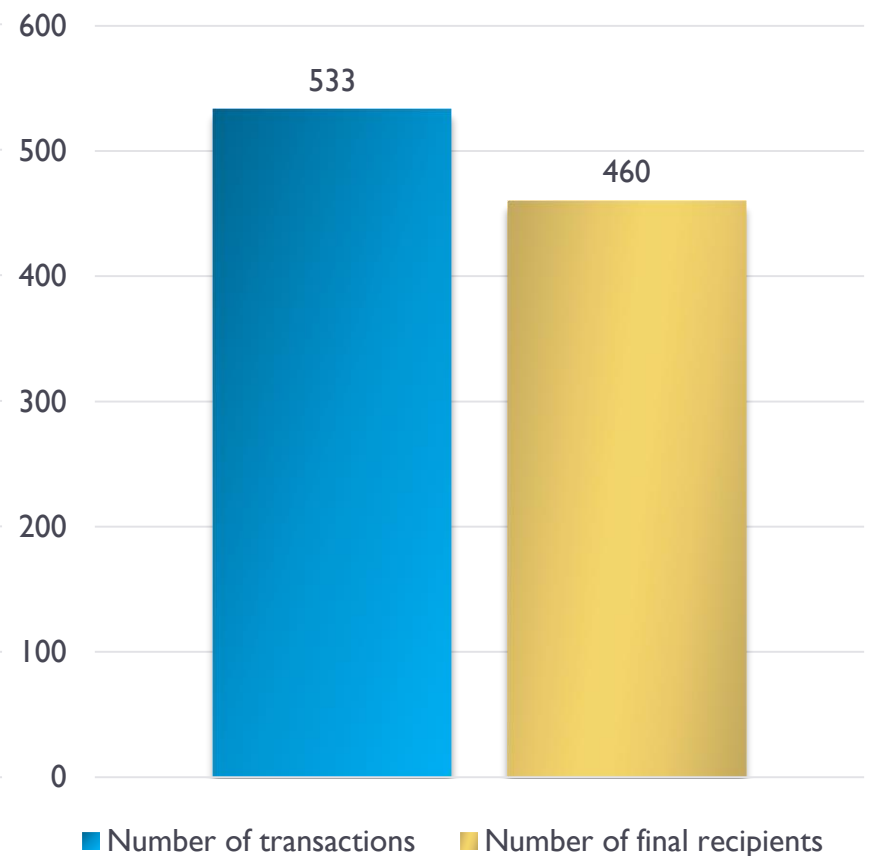
The instrument will achieve a leverage of 4x of ERDF resources committed to the instrument.

Latest informal figures as at December 2017

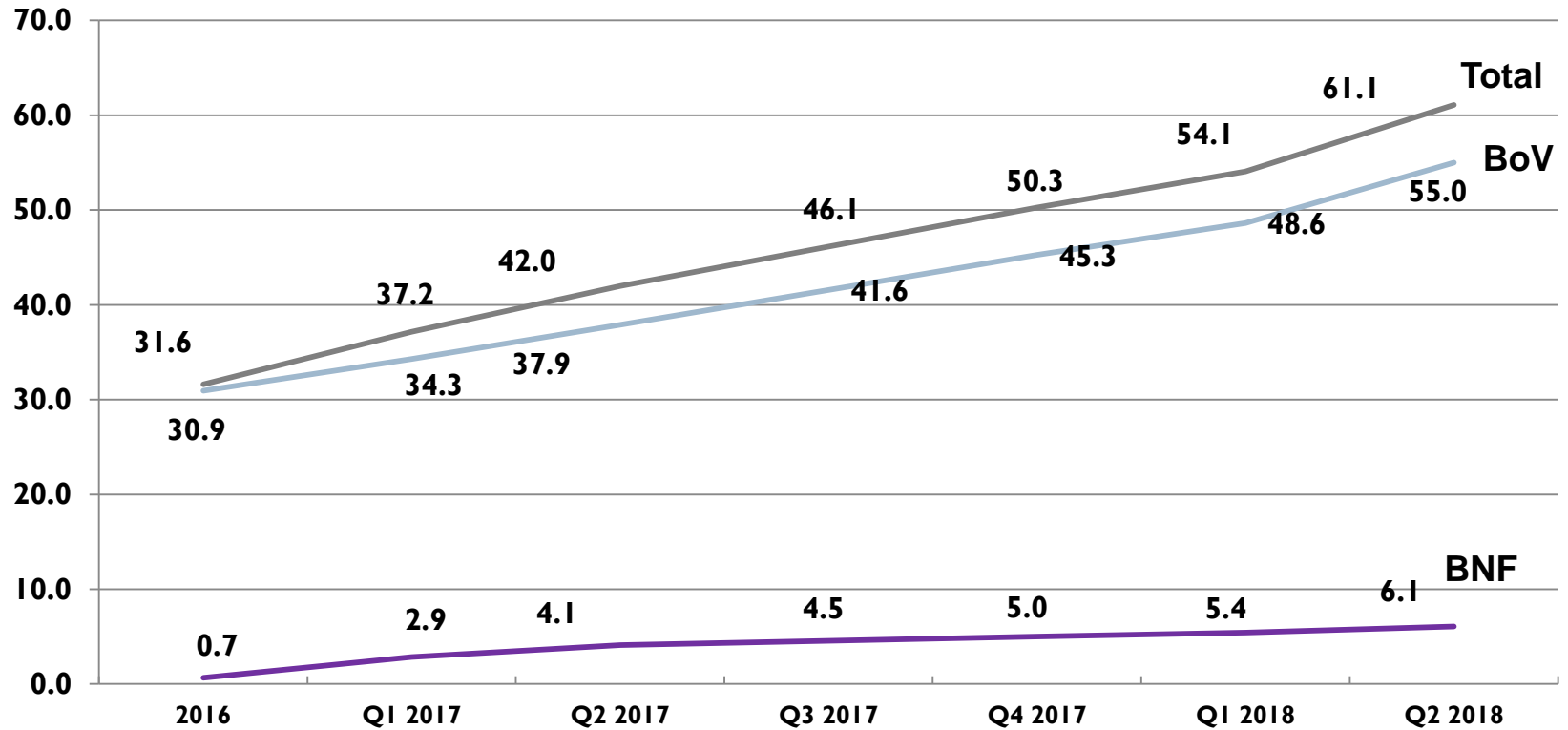
Loans committed and disbursed (millions)



Number of transactions and final recipients



Estimates until Q2 2018

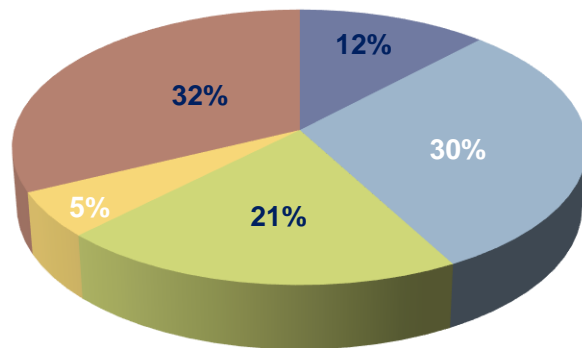


Profile of final recipients as at December 2017

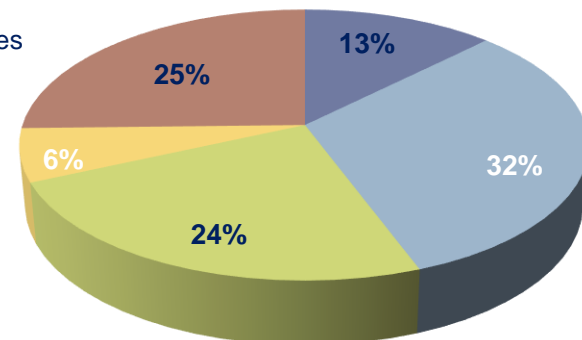
Diversification by Sector

- ▶ **16 sectors** received financing (NACE code level 1)
- ▶ **4 sectors account for approx. 70%** of SMEs receiving financing

By number of SMEs



By committed loan amount

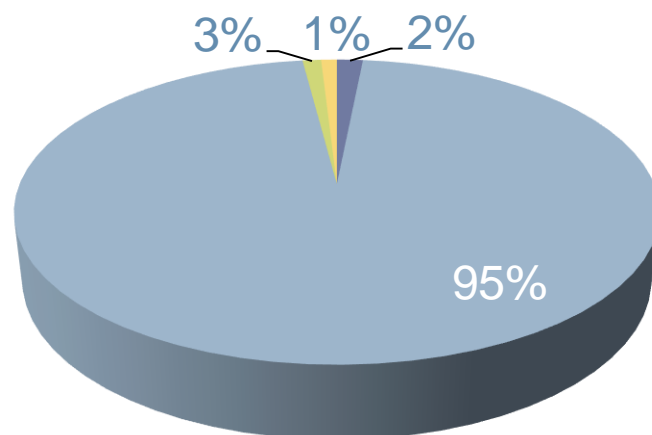


The diversification is representative of the Maltese economy as Manufacturing, Retail , Hotels /restaurants and professional services are its main contributors*

*As per economic survey dated October 2016 from the Ministry of finance, Economic Policy Department

Profile of final recipients as at December 2017

Loan purpose



- Working capital
- Tangible investment
- Intangible investment
- Business Transfer

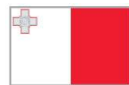
95% of the financing received by SMEs was related to tangible investments

Conclusion

- ▶ The SMEi continues to perform well, showing that SMEs in Malta are open to the flexibility of Financial Instruments
- ▶ Taking into consideration the commitment rate, a request to top up the instrument by €7M has been made.
- ▶ Encouraging results under the SMEi form the basis for a possible interest in a similar instrument dealing with “Smart” Buildings.



EU funds | 2014
for Malta | 2020



European Union
European Structural and Investment Funds

