

## CITIZENS' SUMMARY – SME Initiative

**Fund: ERDF**

**Programming period: 2014-2020**

**Budget available (Malta): €22 Million**

**Reporting Year: 2018**

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Facts and Figures:

- 592 SMEs assisted to date
- 99% employ less than 50 employees
- 48% were start-ups
- 60 different economic sectors assisted

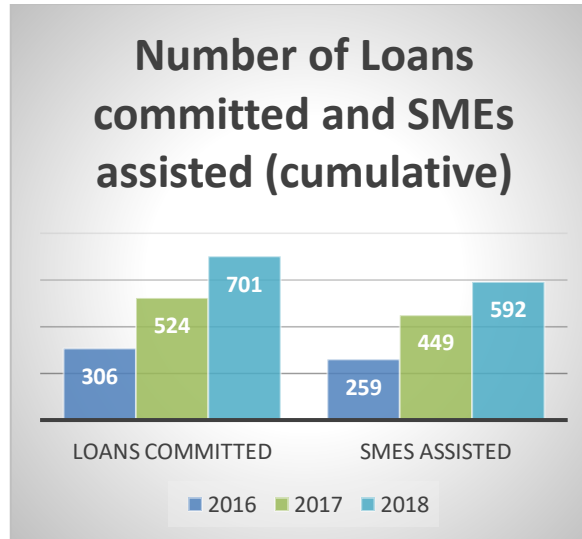
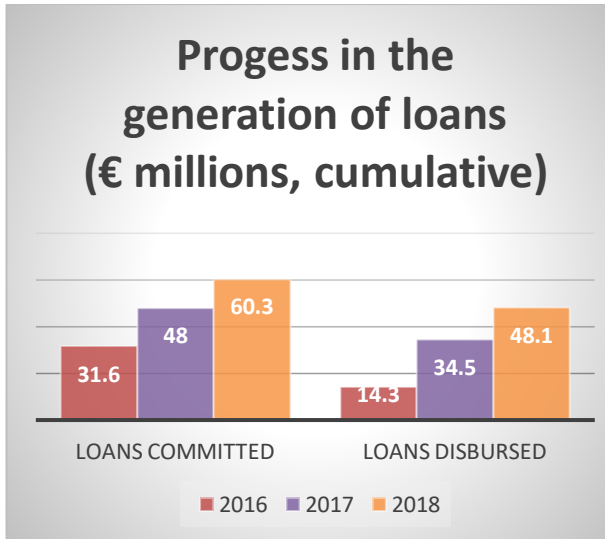
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Launched in July 2015, the *SME Initiative (SMEi)* provides assistance to local SMEs to finance their business needs with the objective to make their business grow. Through this initiative, local SMEs benefit from easier access to bank loans since 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.

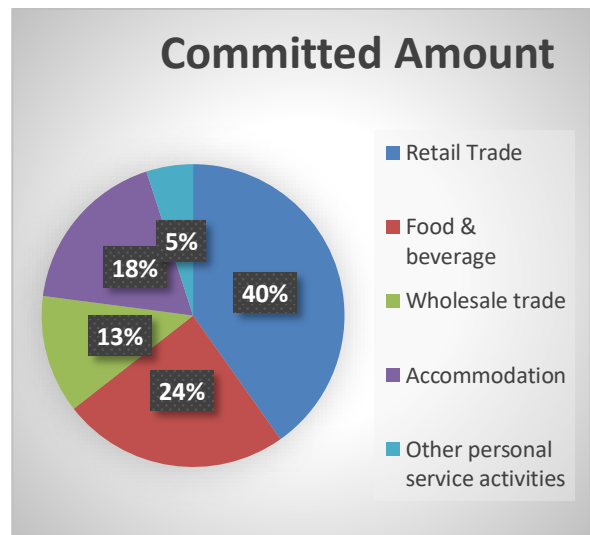
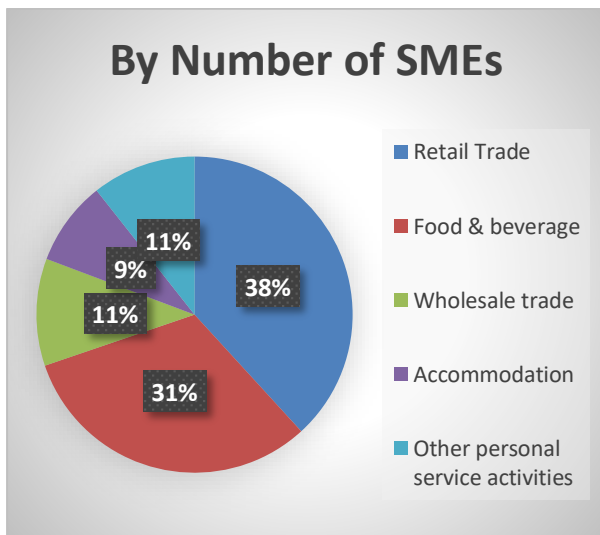
The initial expectations, in terms of take-up, were surpassed and a decision was taken by the Government of Malta to increase the total ERDF allocation from €15M to €22M. The availability of this instrument is now extended until end December 2023.

Enterprises benefitting under SMEi benefit from lower interest rates and lower collateral, facilitating SMEs access to finance, be it for the purchase of plant and equipment, new products and services, expansion into new markets as well as other investment needs.

By 31<sup>st</sup> December 2018, a total of €60.3M in loans were made available to Maltese SMEs for investment purposes with the support of this instrument. The total amount actually paid out by 31<sup>st</sup> December 2018 was of €48.1M. The progress registered from the previous reporting year is being presented in the graph below:

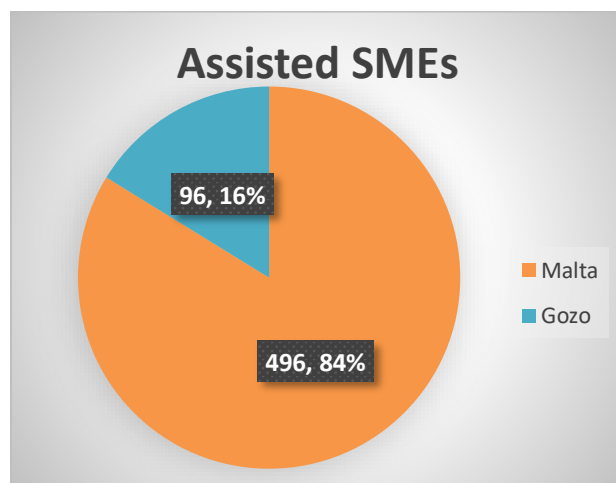


The sectors benefitting from the SMEi in 2018 can be summarised in percentage terms, by number of benefitting SMEs and committed loan amounts as per below:



The category “Others” includes circa 55 sectors, ranging from repairs, waste collection as well as legal services.

In terms of territorial reach, 16% of SMEs assisted were from Gozo, representing €8M in committed loans.



**What's next...**

The SMEi continues to perform well, showing that SMEs in Malta are open to the flexibility of Financial Instruments. Encouraging results under the SMEi form the basis for possible use of financial instruments targeting specific sectors such as investment in Renewable Energy Sources and Energy Efficiency.

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**For more information:**

[eufunds@gov.mt](mailto:eufunds@gov.mt) – subject SMEi OP Citizen Summary 2018