



Secured loans for Romanian SMEs

SMEs: DRIVERS OF GROWTH AND DEVELOPMENT



99.7% of Romanian companies are SMEs and 66% of employees work in the SME sector. However, there is still considerable potential for development as the number of SMEs in Romania is only half the EU average.

280 INVESTMENT LOANS FOR SMEs

Limited access to long-term investment capital is a major obstacle for Romanian SMEs. SMEs are often considered uncreditworthy by commercial banks due to their lack of track record and insufficient collateral. This is why Switzerland is making a CHF 24.5 million contribution to a capital and loan fund of the Romanian CEC Bank. Up to 280 Romanian SMEs can receive secured investment loans from this amount subject to the following conditions:

- The SMEs must be active in the manufacturing industry, tourism, health or cleantech sector.
- Each loan is for a maximum amount of CHF 100,000.
- The interest imposed by the CEC Bank is max. 3.5% above the Romanian loan interest rate on the interbank market.
- If an SME cannot provide enough collateral, the Romanian credit guarantee fund covers up to 80% of the loan amount.

SMEs in the manufacturing industry, tourism, health or cleantech sector gain access to long-term investment capital. A company with 20 employees has received a loan for CHF 79,000 to buy a machine tool which can automatically cut 3D promotional products to size using modern control technology. This purchase has also made it possible to hire three new employees.

Small and medium-sized enterprises (SMEs) are key to Romania's economic development. However, due to insufficient collateral, it is often difficult for SMEs to obtain the loans they need from commercial banks. Switzerland is therefore making a CHF 24.5 million contribution to a capital and loan fund from which SMEs can obtain loans secured by guarantees to a maximum value of CHF 100,000.

Switzerland co-finances up to 70% of each loan. The CEC Bank must finance the remaining 30% from its own means. The repaid loans flow back into the fund and can therefore be used for new loans.

The CEC Bank was chosen for this programme via a public procurement procedure. Founded in 1864, the bank has long-standing experience as a savings and credit institution.



In the first six months since start of the programme, the CEC Bank has granted approx. 30 investment loans. Around a third of these were for SMEs in the tourism sector. Alexandru Serban has been awarded a CHF 44,000 loan to buy a new building for a restaurant. This loan has also enabled him, among other things, to create an extra job.

INCREASED COMPETITIVENESS AND MORE JOBS

The aim of the programme is to strengthen SMEs so that they become more competitive and can receive loans directly from commercial banks in the long-term. By supporting the development of a strong SME sector, Romania promotes economic growth and creates jobs.

My business, my future. I was able to expand my business thanks to the investment loan which I received on the basis of my initiative and company concept.



Adrian Miler, entrepreneur from Târgoviste

THE PROJECT IN BRIEF

OBJECTIVE

Promoting economic growth and improving working conditions

THEME

Access to finance for SMEs

COUNTRY

Romania

STARTING POINT / BACKGROUND INFORMATION

Due to insufficient collateral, it is difficult for Romanian SMEs to obtain loans from commercial banks. The number of SMEs in Romania is only half the EU average.

PURPOSE

Strengthen the competitiveness of SMEs and create jobs

ACTIVITIES

Granting of loans secured by guarantees to a maximum amount of CHF 100,000 in the manufacturing industry, tourism, health or cleantech sector.

TARGET GROUPS

SMEs

COSTS

Total project costs:
CHF 35 million
Swiss contribution:
CHF 24.5 million

RESPONSIBLE FOR PROJECT IMPLEMENTATION

The Romanian Ministry of Economics

DURATION

2014–2019

SWISS ENLARGEMENT CONTRIBUTION

January 2015

www.swiss-contribution.admin.ch