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Launch of the "EU for Serbia – Financing for SMEs" initiative targeting EUR 180m new loans for Serbian businesses

- Economic energizer: a new EU-funded financial guarantee to banks enables small and medium sized enterprises in Serbia access to credit
- Start-ups, small businesses and enterprises which otherwise would not get a credit have now new chances.

Today in Belgrade, the EIF endorsed the selection of five local banks (Raiffeisen bank, UniCredit bank, Banca Intesa, ProCredit bank and Komercijalna bank), which will implement the "EU for Serbia – financing for SMEs" Guarantee. The event took place in the presence of the Prime Minister of the Republic of Serbia, Ms Ana Brnabić, the State Secretary in the Ministry of Economy, [Mr Milun Trivunac], and Ambassador and Head of Delegation of the European Union to the Republic of Serbia, H.E. Mr. Sem Fabrizi.

EIF will provide a direct guarantee enabling the selected banks to support ca 1250 SMEs loans on favourable terms, such as reduced pricing, lower collateral, longer maturities or a combination of these. Over the next three years the EU contribution of EUR 20 million will mobilise up to EUR 180 million in the form of loans at favourable terms.

Serbian Prime Minister Ana Brnabic said: "Development of SMEs is crucial for the sustainable growth of the Serbian economy. I am grateful to the European Union, European Investment Fund, European Investment Bank and local banks for their support for this project. This program will enable entrepreneurs to further develop their businesses and strengthen the Serbian economy. It is one more element that we are adding to the whole set of measures, from investment in education and science, to change of key business laws, to tax incentives, to transform Serbian economy and enable innovation led growth that we need. This is an important step in harnessing great opportunities presented to us by the Fourth industrial revolution marked by digitalization".

The State Secretary in the Ministry of Economy, Mr. Milun Trivunac, has expressed his gratitude to the European Union for accepting the Ministry of Economy Initiative and allocating 20 million euros from the IPA Funds for this significant project.

"Our goal was to provide the best possible access to favorable loans for small and medium-sized enterprises in order to stimulate their growth. We are pleased that a large number of banks have shown interest, which has led to a significantly higher



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volume of loans than originally anticipated. It is estimated that around 180 million euros in favorable loans shall be available for at least 1,250 SMEs”, said Trivunac.

The Head of the EU Delegation to Serbia, Sem Fabrizi pointed out: “Access to finance is often one of the obstacles for businesses in Serbia – in particular the smaller ones. This project will make them more competitive. This fund is thus not only an energizer for these businesses but for the Serbian economy.”

Commenting on the event, EIF’s Director, Head of Mandate Management, Hubert Cottogni said: “With the selection of the five banks to be implementing the EU for Serbia – Financing for SMEs facility, EIF helps its partner banks to improve the financing conditions offered to their SME customers, fostering jobs and growth to the Republic of Serbia”

About “EU for Serbia – financing for SMEs”

The “EU for Serbia – financing for SMEs” initiative is a dedicated to the Serbian companies Guarantee scheme, which is funded by the European Union, on the initiative of the Ministry of Economy of the Republic of Serbia and managed by the European Investment Fund (EIF). The scheme is deployed under the umbrella of the Western Balkans Enterprise Development & Innovation Facility (WB EDIF) - a platform for cooperation between the European Commission and the Financing Institutions active in the region with the purpose to provide financing and support to small and medium sized enterprises (SMEs).

About the EIF

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments, which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About WB EDIF

WB EDIF is an EU-funded initiative aimed at improving access to finance for SMEs in the Western Balkans. WB EDIF leverages upon the expertise of 27 international, regional and local market players including representation from the countries themselves and is mobilizing approximately EUR 650 million of financing and support for the Western Balkans SMEs. This financing supported more than 39 000 jobs in the region so far. The Facility aims to strengthen the competitiveness of the business across the region by improving access to finance at preferential conditions and offering advice, guidance and capacity building.

Press Contacts: Yormesor David, EIB, YORMESOR@eib.org