

**aecm**  
EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

# REPRESENTATIVE OF GUARANTEE INSTITUTIONS IN EUROPE

- fostering SMEs' growth



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EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

# **PRESENTATION OF THE ACTIVITIES OF AECM 2018 - 2019**

**Bernhard Sagmeister, Chairman of AECM**

# Overview of the activities 06/2018 to 06/2019 (-1-)



Since the last General Assembly in Warsaw (= 14 June 2018), AECM focused its activities on:

- Future EU financial instruments / MFF: financial instruments under direct and indirect management
- Digitization: external dimension, internal dimension, of AECM itself
- Communication: member area of website, social media, webinars, publication of several reports
- Impact / Evidence of impact: exchange with EIF, EBRD; AECM REGAR Task Force; WG meetings; OTS 09/2019

# Overview of the activities 06/2018 to 06/2019 (-2-)



Since the last General Assembly in Warsaw (= 14 June 2018), AECM focused its activities on:

- Statistics: one streamlined publication “The statistical yearbook”, provision of data to EIF and EU Commission
- Strengthening of the association: 2 new members; partnership criteria revised; strategic preamble
- International relations: visits of several delegations, collaboration with OECD and The SME Finance Forum, with REGAR, ACSIC, MENA and many more
- Exchange of best practices: 1 annual event, 2 OTS with follow-up report, working group meetings, workshops, many surveys

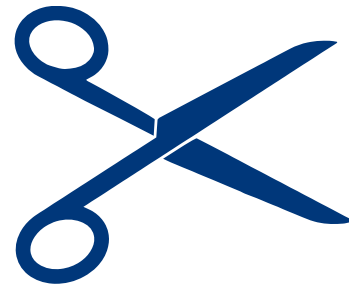
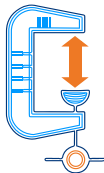
# Guarantees are even more important, as financing for SMEs gets more challenging

Hypothesis:

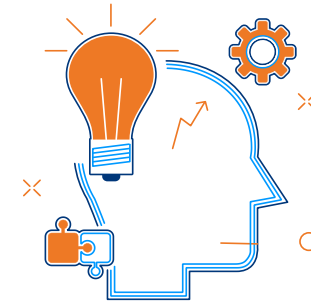


**Demand-side:**  
Speed of innovation  
and international competition  
increase exponentially

**Supply-side:**  
Stringent Financial Market Regulation  
leads to „collateral squeeze“  
and „shortage in venture capital“



Federal budgets face comprehensive  
budget restrictions



Innovative Enterprises



**In consequence:** Loss of  
innovation speed and  
international competitiveness

# "The way forward"

**Evidence of impact is crucial  
"Data is our gold"**

Digitization will increase availability of data, we have to convince important stakeholder (i.e. governments, banks) of the high-impact of guarantees (job creation, growth, innovation)

**Digitization – development of guarantee business**

New distribution channels, e.g. cooperation with Fintechs & improvement of internal processes of guarantee institutions

# Upcoming priorities of AECM (-1-)

**Till next General Assembly AECM will focus its activities on:**

- Further successful political representation and lobbying activities: esp. as to MFF / financial instruments
- Digitization: external dimension, internal dimension, of AECM itself
- Impact / Evidence of impact: OTS 09/2019, working group meeting 10/2019, AECM REGAR Task Force
- Statistics: next edition of “The statistical yearbook”, provision of data to EIF and EU Commission, surveys

# Upcoming priorities of AECM (-2-)

**Till next General Assembly AECM will focus its activities on:**

- International relations: collaboration with OECD and The SME Finance Forum, with REGAR, ACSIC, MENA...
- Exchange of best practices of its members: OTS, with follow-up report, working group meetings, workshops...
- Continuation of excellent collaboration with other associations / networks: joint event with SMEUnited 11/2019
- Broadening AECM's membership basis



# Guarantee Activity Survey

## INTRODUCTION

**Guarantee Activity Survey undertaken for the fourth time**

**Collection of qualitative statements on**

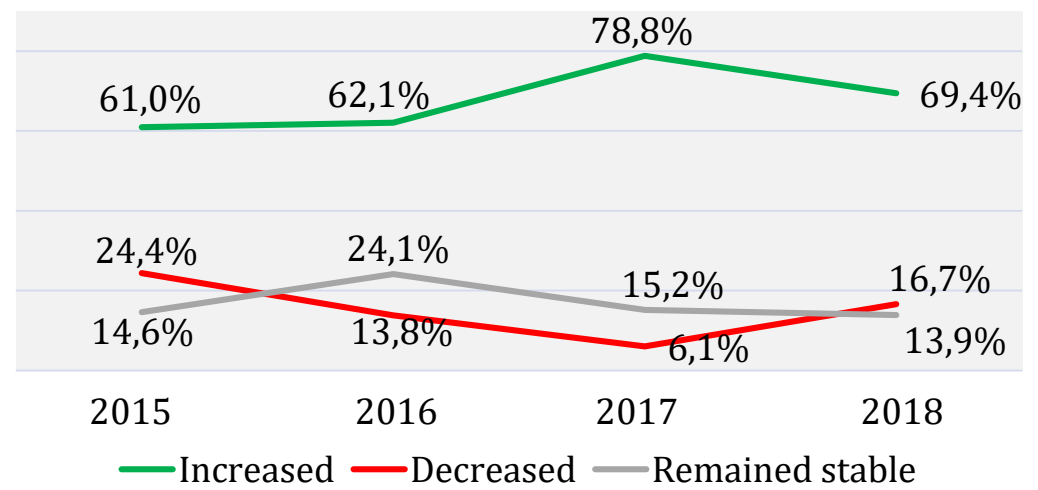
- the assessment of the current situation
- on the expectations of members for the future development

**Comparative analyses on survey results over the past four years**

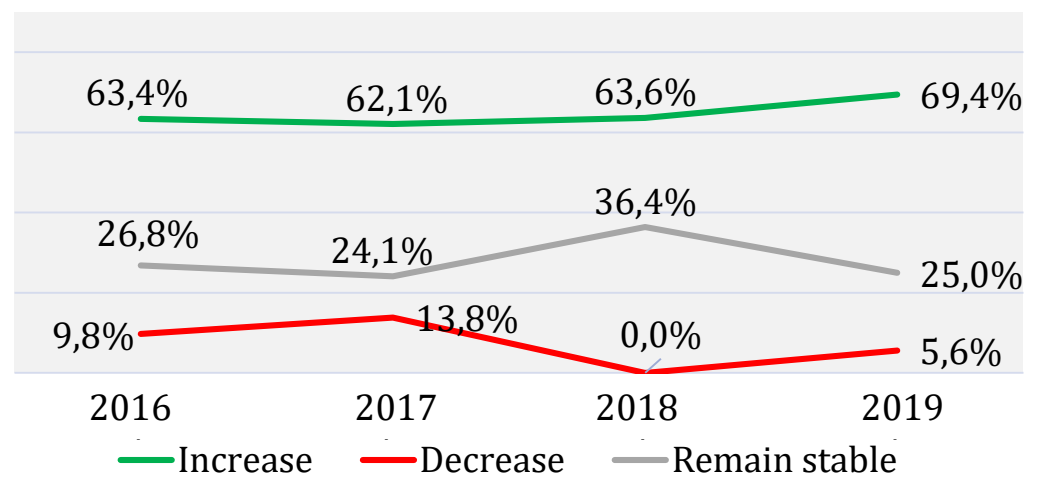
**This year : 36 out of 48 members replied (response rate of 75%)**

# Guarantee Activity Survey

*Observed demand for guarantees in the year...*



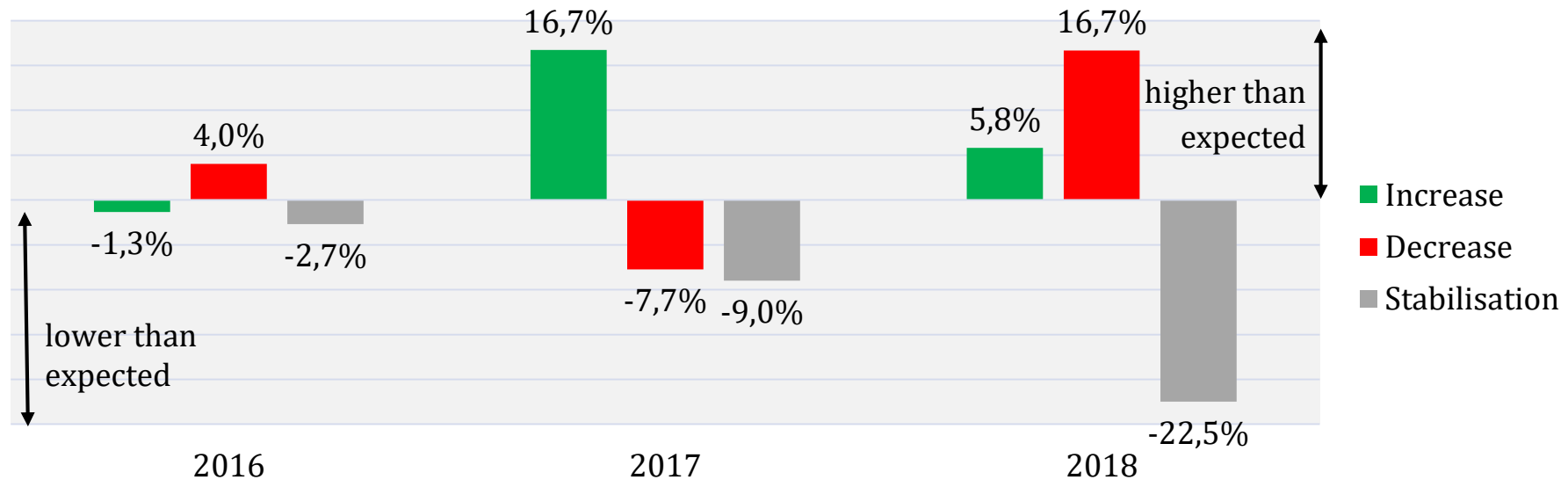
*Demand for guarantees in the current year is/was expected to...*



- Large majority observed demand increase, but positive observations are nearly ten points less important than last year
- The expectations for 2019 show a similar, albeit slightly more optimistic picture

# Guarantee Activity Survey

*Comparison of observations and expectations for guarantee demand*

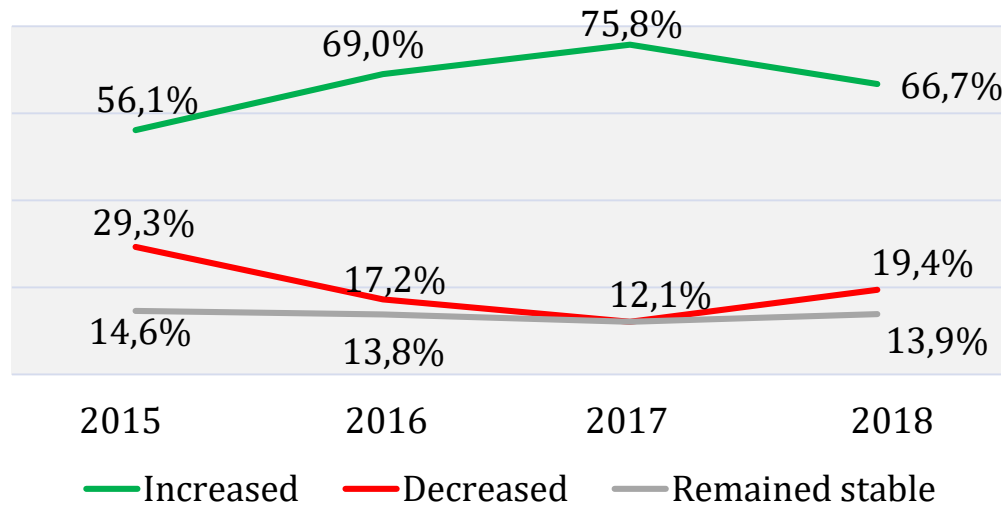


- 2016 : Predictions for the demand are very close to the effective observations
- 2018 : More members than expected experienced a decrease in the demand for their guarantees

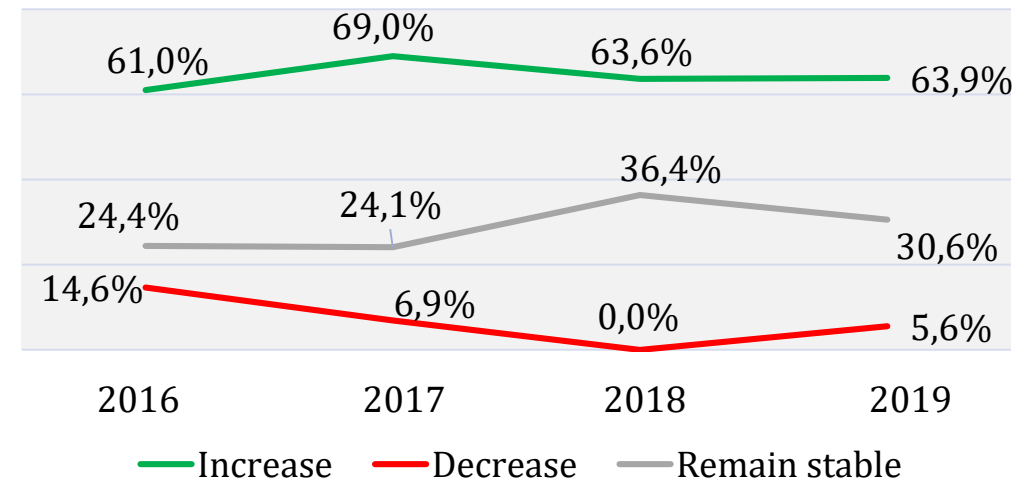
*Explanatory note: % is difference in share of observed and expected increases/decreases/stabilisations*

# Guarantee Activity Survey

*The observed guarantee activity in the year...*



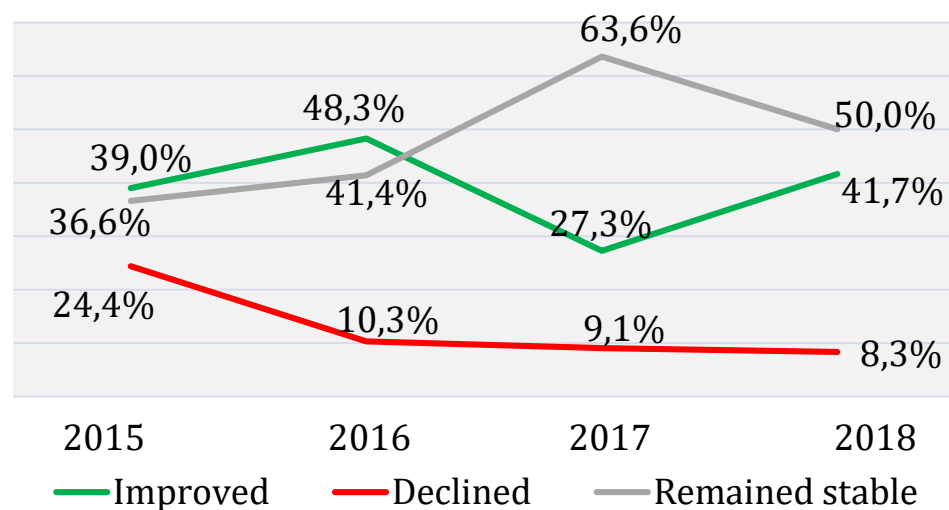
*The guarantee activity in the current year is/was expected to...*



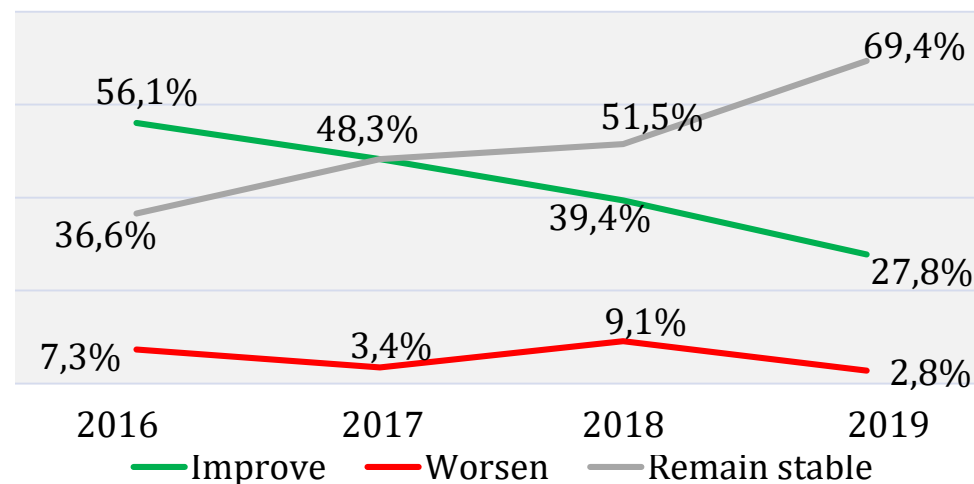
- Results quite similar to those for guarantee demand
- Expectations for 2019 are widely positive, but negative expectations are growing

# Guarantee Activity Survey

*The observed bank financing for SMEs in the year...*



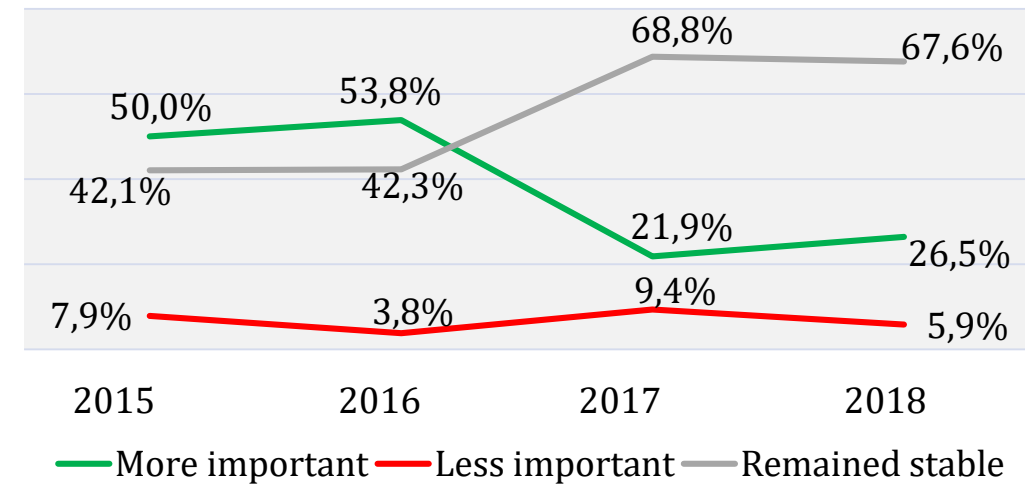
*The bank financing for SMEs in the current year is/was expected to...*



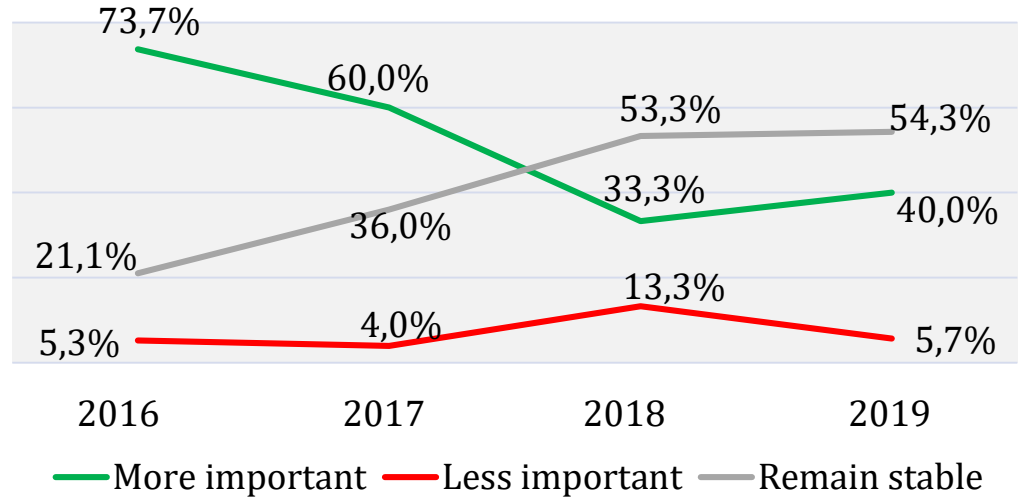
- The observed improvement of the access to finance is more widespread in 2018 than in 2017
- Past four years: the expectation of a stabilisation has continuously grown as the expectation for an improvement has decreased

# Guarantee Activity Survey

*Alternative financing instruments in the previous year were observed to become...*



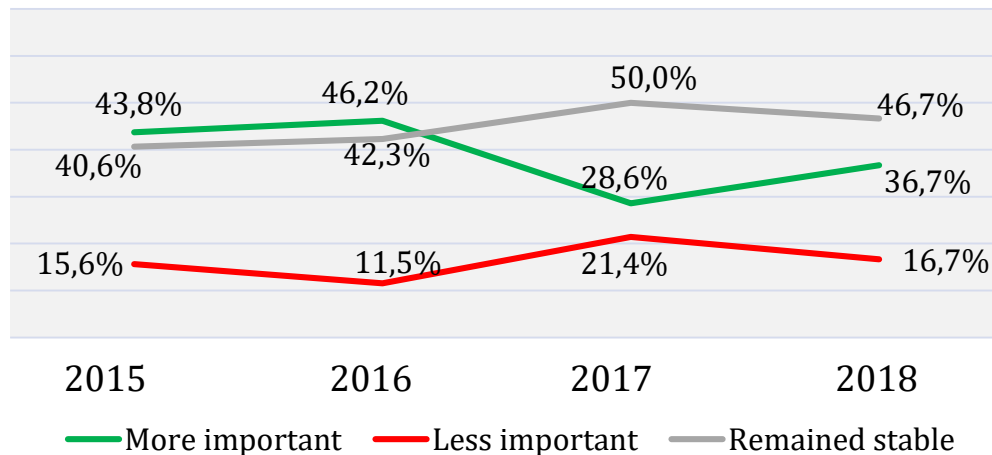
*Alternative financing instruments in the previous year are/were expected to become...*



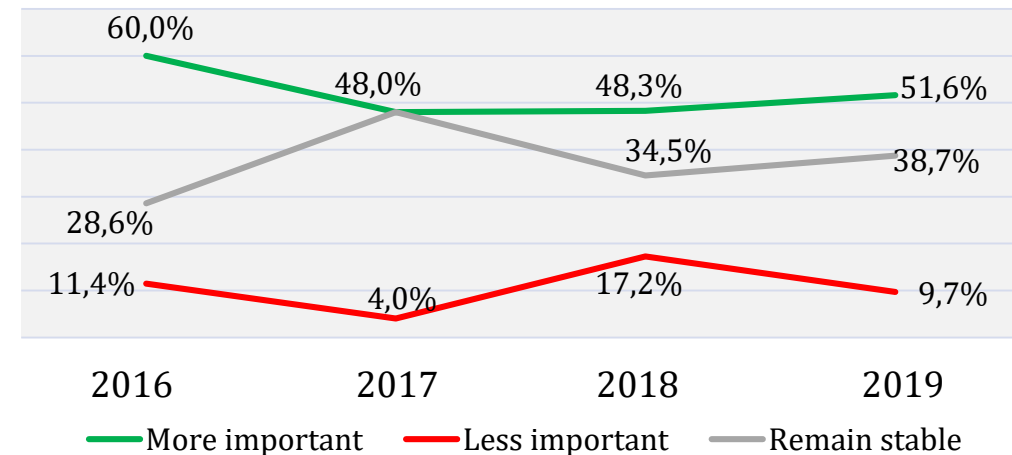
- Stabilisation in alternative financing instruments was strong in 2017 and 2018
- In 2015 and 2016 more members saw a more important role for alternative financing instruments
- Similarly, expectations for a stabilisation is continuously growing whereas expectations for an increasing role for alternative financing instruments become rarer

# Guarantee Activity Survey

*The use of EIF counter-guarantees by your organisation in the year... was observed to be...*



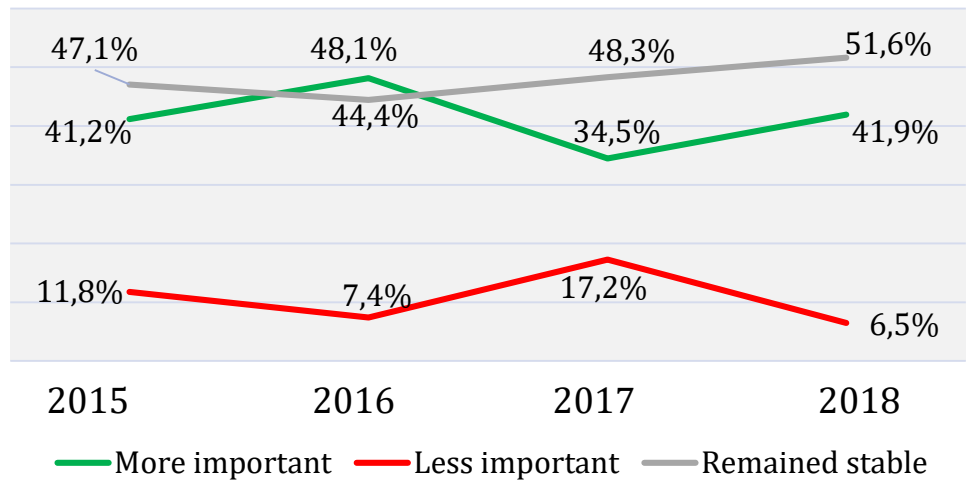
*The use of EIF counter-guarantees by your organisation for the current year is/was expected to become...*



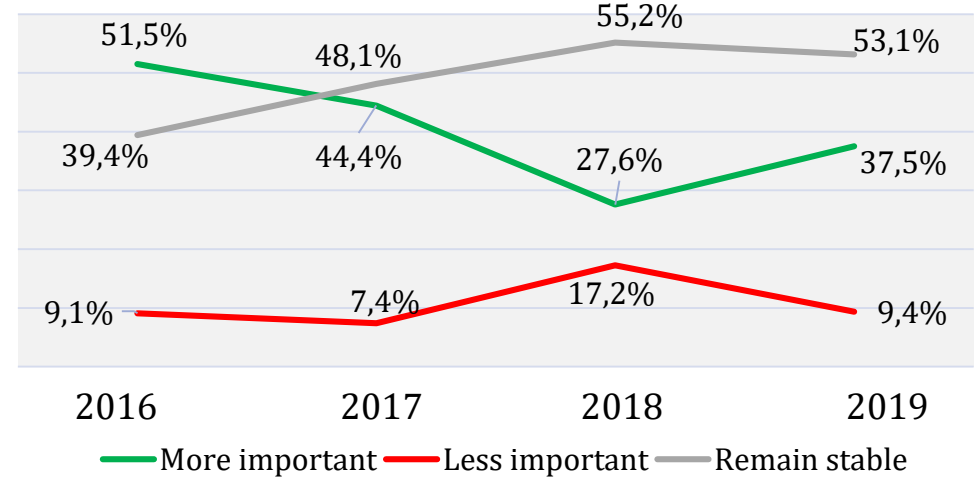
- Since 2015 : 40-50% of members observed a stabilisation of the use of EIF counter-guarantees
- Since 2017 : much less members observed that EIF counter-guarantees became more important
- A majority of AECM members expect EIF counter-guarantees to become more important

# Guarantee Activity Survey

*The use of direct EIF guarantees by banks in the year... was observed to become...*



*The use of direct EIF guarantees by banks for the current year is/was expected to become...*

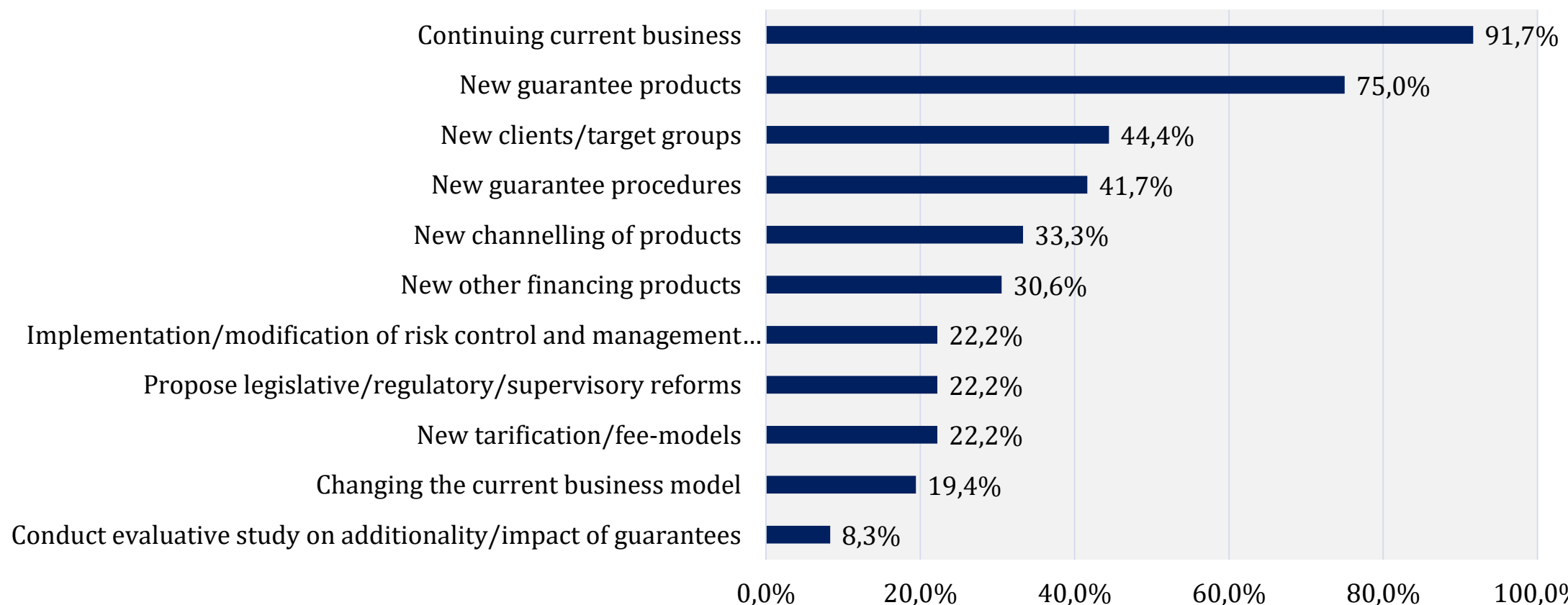


- 2016 to 2018 : Expectations of a more important use of direct EIF guarantees by banks halved
- 2019 : 10% more AECM members expect an increased use of EIF direct guarantees
- These expectations largely reflect the observation of respondents



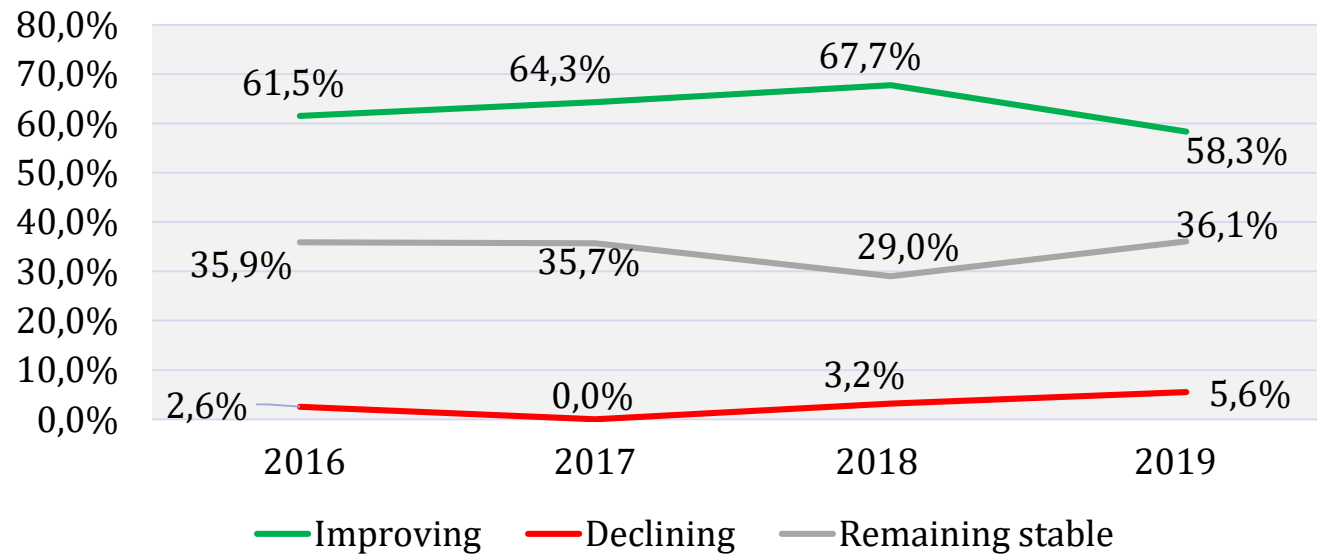
# Guarantee Activity Survey

*What is AECM members' focus for the year 2019 compared to their focus in 2018*



# Guarantee Activity Survey

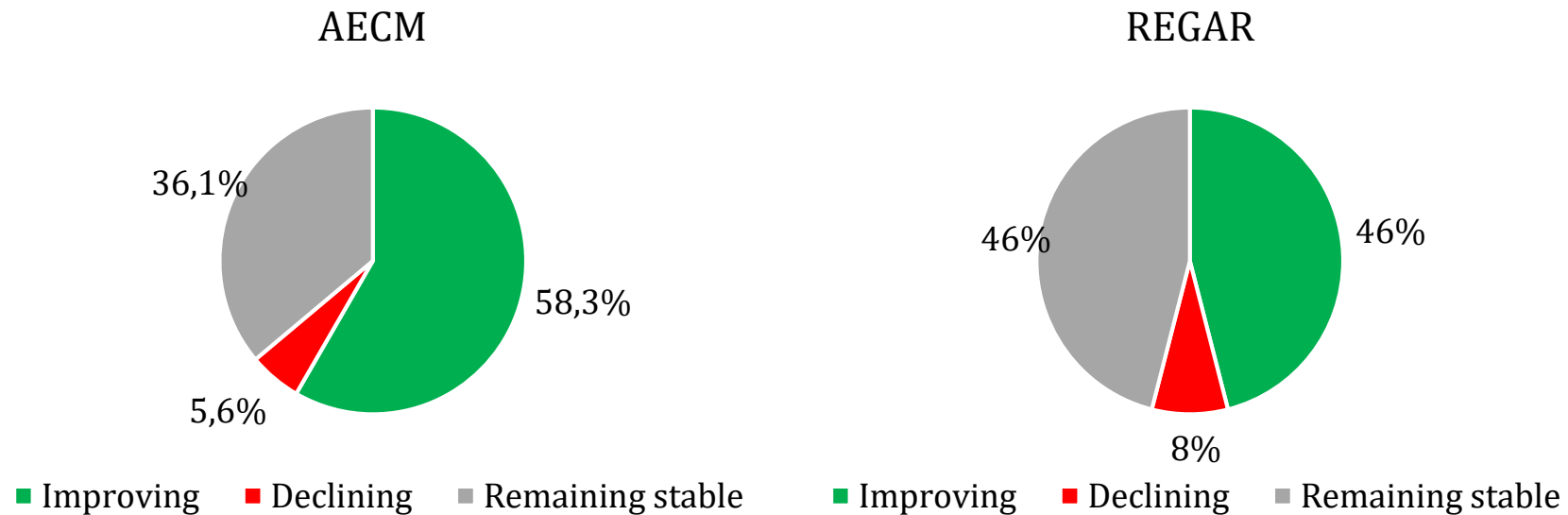
*Evaluation of business prospects for SMEs*



- Most AECM members evaluate the development of general business prospects for SMEs as positive
- However, the trend is negative and the evaluation in 2019 is the most negative since we undertake this survey

# Guarantee Activity Survey

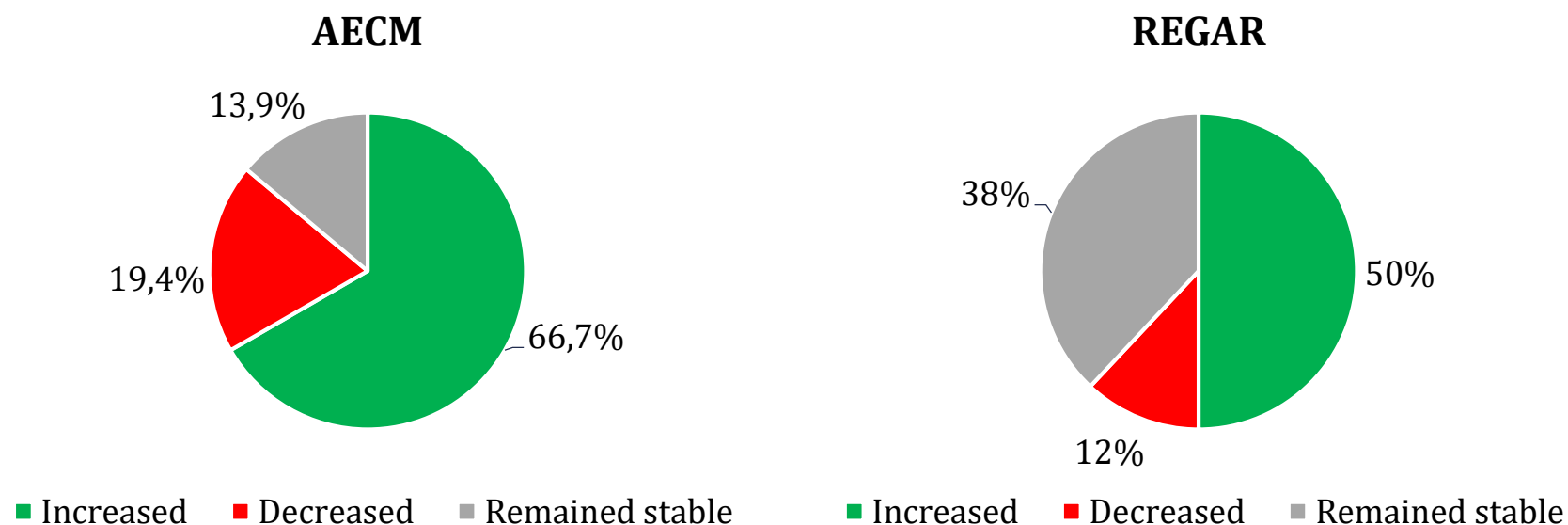
*Comparison AECM-REGAR – general business prospects for SMEs*



- Business prospects for SMEs are slightly better in AECM-Europe

# Guarantee Activity Survey

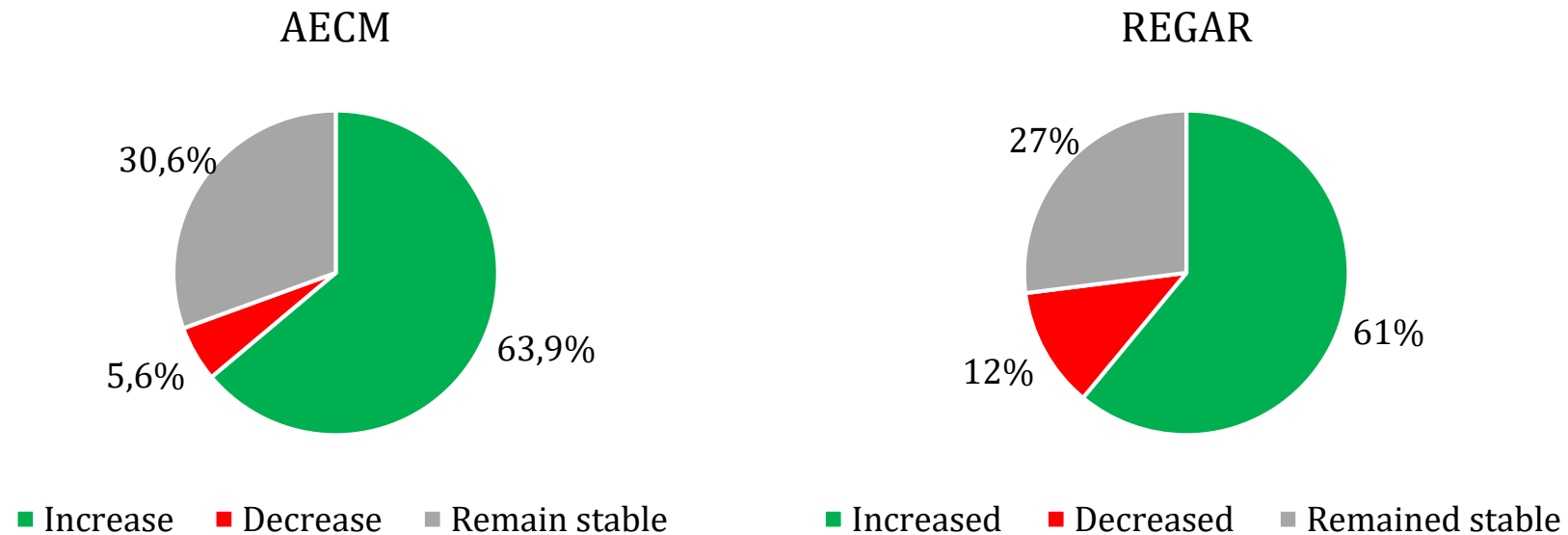
*Comparison AECM-REGAR – observed guarantee activity 2018*



- A higher share of increases was observed for AECM members, but also a higher share of decreases
- Stabilisation was experienced by 38 % of REGAR members

# Guarantee Activity Survey

*Comparison AECM-REGAR – expected guarantee activity 2019*



- Expectations of AECM and REGAR members are very similar
- AECM members are slightly more optimistic



**THANK YOU FOR YOUR ATTENTION &  
FOR YOUR SUPPORT TO AECM**

**Special thanks to Bernard Jehin and André Douette,  
It is a great pleasure having you with us today!**

**The same to Pablo Pombo and José Fernando Figueiredo for their constant  
and hopefully never-ending support!**



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