

Belgium

SMEs in the national economy

In 2013, SMEs in Belgium constituted 99.9% of total firms, the majority of which were micro-enterprises (94.3%). Only 0.1% were large enterprises.

Table 5.1. **Distribution of firms in Belgium, 2013**

By firm size

Firm size (employees)	Number	%
All firms	560 659	100
SMEs (1-249)	559 842	99.85
Micro (1-9)	528 524	94.27
Small (10-49)	27 294	4.87
Medium (50-249)	4 024	0.72
Large (250+)	817	0.14

Note: Data includes financial enterprises with the exception of holding companies (ISIC Rev.4 sector 642).

Source: OECD (2015).

StatLink  <http://dx.doi.org/10.1787/888933332176>

SME lending

The National Bank of Belgium defines a small enterprise as one with an annual average headcount of less than 50 employees, a turnover (excluding VAT) of less than EUR 7.3 million and a balance sheet total of less than EUR 3.6 million.

In 2012, the NBB has changed its methodology regarding data collection and analysis. Before 2012, credits lower than EUR 25 000 were not included in the NBB database. In addition, the reporting of banks has improved and is now more complete. The data illustrates that, except for a small decrease in 2009 and 2013, business loans to SMEs continually increased between 2007 and 2014. During this whole period, total outstanding loans to SMEs increased by 32.5%. However, in 2014, the outstanding stock of SME loans decreased slightly by 0.3% in comparison to the year before.

Since 2008, business loans to SMEs generally increased at a faster pace than business loans to all firms. The business loans to SMEs as a share of all business loans therefore increased from 59.6% in 2008 to 67.8% in 2014. Between 2007 and 2014, SMEs made relatively more use of long term than of short term loans. The share of short term loans declined from 38.5% in 2007 to 28% in 2014. After an increase to 80.7% in 2009, the share of SME loans used to SME loans authorised decreased again to 78% in 2014. At 78% in 2014, the utilisation of available credits remained roughly constant over the 2013-14 period.

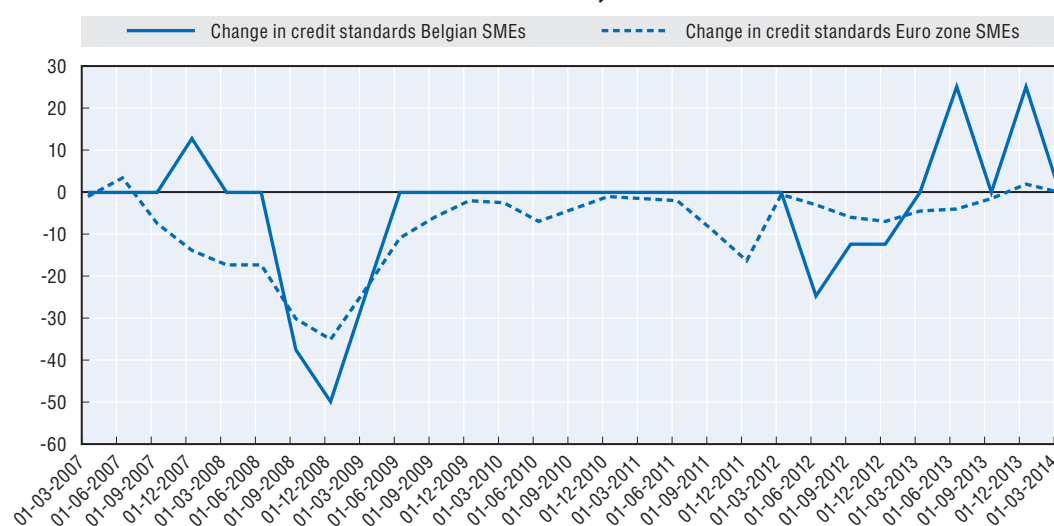
SME loan growth during Belgium's weak economic recovery might be explained in part by the fact that banks were refocusing on the domestic market as the default rate on domestic loans was relatively low (OECD, 2014b). They were also given incentives to engage in SME lending by various government programmes which are described in the section on policy responses.

Credit conditions

SME loans are proxied by loans of less than EUR 1 million. The interest rate charged to SMEs has lowered from a peak of 5.7% in 2008 to 2.1% in 2014. The interest rates on these loans are consistently higher than for loans of more than EUR 1 million - a proxy for loans to large enterprises - but the gap has narrowed to just 32 base points in 2014 up from 58 in 2012 and 92 in 2009, which is below the level seen in most other OECD countries, suggesting that both, Belgian SMEs and larger Belgian firms equally benefitted from the drop of the lending rates of the European Central Bank.

According to the Survey on the access to finance of enterprises in the euro area "SAFE" survey from the European Central Bank "ECB", the percentage of SMEs that applied for a loan in 2014, but were rejected because the costs were too high, reached their lowest level in the period of 2009-14 (12.7%), after spiking to 27.8% in 2012. The quarterly bank lending survey illustrates the dramatic tightening of credit standards for Belgian SMEs during the crisis years of 2008 and 2009, as well as the subsequent loosening of conditions since the first quarter of 2013 up to the first quarter of 2014. This recent loosening contrasts with the evolution of the Eurozone average, where credit standards have more or less remained constant over the last year (see Figure 5.1).

Figure 5.1. **Change in credit standards for SMEs in Belgium and the Euro zone, 2007-14**



Source: National Bank of Belgium.

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In mid-2014, a survey on SMEs' demand for finance during the previous 12 months was held for the Belgian Federal SME Observatory. Most of the respondents (around 900) were SMEs aged 5 years or older (further called "mature SMEs"). Microenterprises were defined as having 1-9 employees with a yearly turnover of less than EUR 2 million, small enterprises as having 10-49 employees and less than EUR 10 million turnover, and medium sized


enterprises as having 50-249 employees with a turnover of EUR 10-50 million. A smaller part of the survey was held among around 100 SMEs less than 5 years old (further called “start-ups”). Although the limited number of responses affects the reliability of the results, some interesting comparisons with the mature SMEs could be made.

As Table 5.2 shows, in 2014 a little less than one quarter of SMEs older than 4 years were requesting bank finance for operational uses. About 40% of them requested a bank loan for investment purposes. For the start-ups the proportion stood at 52% and 35% respectively, underlying their dependence on bank finance for operational uses.

Table 5.2. Demand for bank finance in Belgium

Percentage of SMEs		2012	2014
Operational uses	SMEs > 4 yrs	27	23.4
	SMEs =< 4yrs	..	52.3
Investments purposes	SMEs > 4 yrs	44.4	39.7
	SMEs =< 4yrs	..	34.6

Source: Belgian Federal Public Service of Economy, SMEs, Self-employed and Energy - SME Observatory.


StatLink  <http://dx.doi.org/10.1787/888933332189>

Mature micro-enterprises experienced a much higher loan rejection rate than larger firms. On average, the SME loan rejection rate fell to 13.2% in 2014 compared to 14.6% in 2009, but still with an overall significantly higher rejection rate being observed since 2008. Microenterprises experienced a serious increase in loan rejections between 2010 (20%) and 2014 (27%). For larger SMEs, the rejection rates since 2009 stabilised to some extent (see Figure 5.2). Start-ups face much higher rejection rates, amounting to 66.6% in 2014 (not depicted in Figure 5.2).

Figure 5.2. Loan rejection rates in Belgium, 2008-14



Source: Belgian Federal Public Service of Economy, SMEs, Self-employed and Energy – SME Observatory.


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SMEs were also asked to give different reasons why they experienced problems, if any, when applying for bank financing in the previous 12 months. The request for guarantees, the lack of transparency concerning the criteria for bank lending, the high price for short and long term loans and the request for additional information by the bank were considered as problematic by the respondents (see Table 5.3).

Table 5.3. Demand for bank finance in Belgium (SME financing survey 2014)
Percentage of SMEs

	No problems at all	Not many problems	Some problems	Many problems
The bank demanded real guarantees (N = 45)	13.3	20	13.3	53.3
The bank demanded personal guarantees (N = 53)	7.5	15	9.4	67.9
The bank demanded more information (N = 45)	11.1	20	22.2	46.6
The bank took a long decision period (N = 46)	15.2	23.9	26.1	34.7
A high cost price for a short or long-term credit (N = 41)	12.2	19.5	17.1	51.2
A decrease in profitability (N = 29)	27.6	44.8	13.8	13.7
A decrease in the repayment capacity (N = 31)	29	38.8	9.7	22.6
The opacity of the criteria (N = 42) used	16.7	14.2	14.3	54.8
The proposed business plan convinced insufficiently (N = 39)	30.8	41	23.9	15.4
Lack of knowledge regarding alternative financing (N = 40)	30	27.5	15	27.5
Risk capital proposed to strict conditions (N = 23)	21.7	26.1	8.7	43.4
Loss of control by capital contributions from third parties (N = 16)	37.5	18.8	12.5	31.3

Source: Belgian Federal Public Service of Economy, SMEs, Self-employed and Energy – SME Observatory.

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80% of mature SMEs that did not request bank finance expressed no need for loans; for start-ups just over half gave this reason. Start-ups indicated much more frequently than mature SMEs that they had tried non-bank financing (21% against 7%) or did not apply for bank loans because they were discouraged (19% against 5%). Table 5.4 summarises.

Table 5.4. Reasons why Belgian firms did not request bank finance in the previous 12 months

	Start-ups (N=43)	Mature SMEs (N=270)
I had no need for credits	53.5	80.1
I have postponed the investment	11.6	10.0
Reliance on alternative financing*	20.9	7.0
Credit would still not be obtained*	18.6	4.8
Other	4.7	3.7

Note: *Significant difference between starters and non-starters.

Source: Belgian Federal Public Service of Economy, SMEs, Self-employed and Energy – SME Observatory.

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For SMEs that requested and obtained bank finance, start-ups often rely more heavily on bank overdrafts (40% of them used overdrafts versus 19% for mature SMEs), and less on credit for investments (40% versus 59% for mature SMEs).

Mature SMEs used non-bank financing sources less frequently compared with start-ups (54% versus 34%). Instead, financing from associates of the company and from friends and family were particularly popular for mature SMEs (47% and 19%, respectively, versus 13% and 5% for start-ups). The amount of internal financing from retained profits appeared to be much less prevalent for start-ups than for mature SMEs (9% versus 22%).


Table 5.5. **Take-up of financing instruments in Belgium**
(SME financing survey 2014)

As a percentage

	Start-ups (N=97)	Mature SMEs (N=826)
None*	34.0	54.1
Internal financing with retained earnings	9.3	21.5
Capital contributions from existing partners*	35.1	6.2
Capital contributions of new partners*	6.2	0.5
Advances from associates	5.2	6.7
Loans from friends and family*	18.6	5.0
Financing through group or holding*	1.0	6.9
Risk capital*	1.0	0.1
Subordinated loans*	8.2	1.5
Business angel*	4.1	0.2
Supplier Credit	8.2	5.0
Financial or operational leasing	7.2	10.2
Factoring	0.0	2.2
Crowdfunding	0.0	0.1
Other*	4.1	1.5

Note: *Significant difference between starters and non-starters.

Source: Belgian Federal Public Service of Economy, SMEs, Self-employed and Energy - SME Observatory.

StatLink  <http://dx.doi.org/10.1787/888933332212>**Asset-based financing, equity financing and business angels**

Both, leasing and factoring are important sources of finance for Belgian businesses. In 2008, the total production of leasing stood at close to 8.2% of all fixed capital investments, for a total amount of EUR 4 856.4 million. This amount fell by 22.7% in 2009 and recovered somewhat afterwards. After an observed drop of the total production of leasing in 2013,

Table 5.6. **Outstanding stock of leasing and factoring turnover in Belgium, 2007-14**

In EUR million

	2007	2008	2009	2010	2011	2012	2013	2014
LEASING								
Non-real estate leasing (financial et operational)	3 917.4	4 293.3	3 365.8	3 590.8	4 083.2	4 087.9	3 683.4	3 765.5
Real estate leasing	488.50	563.10	390.60	414.70	355.80	362.30	438.30	591.40
Total production	4 405.9	4 856.4	3 756.4	4 005.5	4 439	4 450.2	4 121.7	4 356.9
Year-on-year growth, %	11.17	10.22	-22.65	6.63	10.82	0.25	-7.38	5.71
Gross fixed capital formation	53 970	57 801	53 003	53 115	57 755	58 687	58 473	62 293
Relative importance of leasing in capital formation	8.16	8.40	7.09	7.54	7.69	7.58	7.05	6.99
Outstanding stock of leasing (at end of the year)	10 368.4	12 211.8	11 637.4	11 958.1	12 214.1	12 655.5	12 783.9	12 997.6
FACTORING								
Factoring turnover (domestic and international)	19 200	22 500	23 921	32 200	36 871	42 352	47 684	55 374
Year-on-year growth, %		17.19	6.32	34.61	14.51	14.87	12.59	16.13
GDP	345 059	355 050	349 696	365 738	379 939	388 184	395 231	401 977
Factoring as a proportion of GDP	5.56	6.34	6.84	8.80	9.70	10.91	12.06	13.78

Source: Association Belge de Leasing, EUF Factoring & Commercial Finance.

StatLink  <http://dx.doi.org/10.1787/888933332220>

there was a growth noticed of about 5.7% in 2014. The value of the total production of leasing appeared to be about 7% of total fixed capital investments in that year. Although this is the lowest figure since 2007, the amounts involved remain substantial.

Factoring turnover, in contrast, has grown strongly since 2007, and almost tripled between 2007 and 2014. In 2014, the turnover of the factoring industry in Belgium totalled EUR 55.4 billion. This represents 13.8% of GDP, up from the 2013 level (at 12.1%) and marking a dramatic increase from the pre-crisis level of 2007 (at 5.6%).

The supply of venture capital in Belgium is difficult to quantify in a precise manner because of its fragmented nature. Nevertheless it is clear that different important categories of this kind of risk capital financing exist. Regarding venture capital, the main source of data is the European Venture Capital Association (EVCA). Besides venture capital, there exist also private equity funds and many public initiatives regarding risk capital financing. The very active business angel networks in the three Belgian regions play also an important role in activating and matching supply and demand of this type of risk capital.

As in most other countries, equity financing displays a lot of volatility. Whereas estimated equity financing totalled EUR 380 million in 2007, it had a value of EUR 258 and 323 million, in 2013 and 2014, respectively; the latter mainly due to a large rise in growth capital (see Table 5.7).

Table 5.7. Venture and growth capital investments in Belgium, 2007-14

In EUR thousand

Stage	2007	2008	2009	2010	2011	2012	2013	2014
Seed	8 021	10 166	5 889	4 833	450	2 126	500	1 780
Start-up	73 953	53 202	90 983	62 801	74 510	64 883	60 613	60 314
Later	98 871	53 763	59 012	15 280	16 153	27 232	28 385	51 847
Growth	199 279	223 474	290 415	202 229	130 396	192 054	168 929	209 467
Total	380 123	340 604	446 298	285 143	221 509	286 295	258 427	323 408

Source: Belgian Venture Capital Association.

StatLink  <http://dx.doi.org/10.1787/888933332234>

Between 2007 and 2014, venture capital investments, all stages combined, represented on average about 317 million Euros. Growth and start-up stage venture capital investments attract most financing from investors.

In general, young SMEs or innovating start-ups active in a niche market as information technology, communications, or biotechnology, face many difficulties when trying to obtain finance from traditional sources like banks, subsidies and others. Business angels or private investors might thus offer alternative solutions to meet the needs of these start-ups.

For the whole period of 2007-14, the aggregated data provided by the business angels networks “Be Angels” (for the Walloon and Brussels regions) and *Vlaanderen* (for the regions of Flanders and Brussels), two leading players in Belgium, show a total of 302 enterprises financed in this way, for approximately EUR 50 million in total. In the same period, 38 projects were on average financed per year, for an average amount of EUR 165 000 per project.

Other indicators

Intrum Justitia provides data on payment delays from firms active in the business to business, business to consumer and business to government segments. In 2014, except for the business to business segment, in comparison with 2012, payment delays decreased

from 16 to 12 days in the business to consumer segment, and from 28 to 23 days in the business to government segment. The evolution of bankruptcies paints a more sobering picture. The number of bankruptcies decreased by 8.5%.

Government policy response

The government responded with programmes at both, the federal and the regional levels. Since 2014, direct loans and loan guarantees were only available at the regional level.

Table 5.8. **Direct loans, government guarantees and guaranteed loans in Belgium, 2007-14**

In EUR million

Level	2007	2008	2009	2010	2011	2012	2013	2014
Federal								
Dir. loans, LT	100.4	89.1	93.1	75.0	54.1	48.5	43.7	..
Dir. loans, ST	0.0	0.0	5.4	5.0	2.6	4.1	3.8	..
Regions								
<i>Brussels-Capital</i>								
Dir. loans	22.8	12.3	17.9	12.5	12.3	8.3	6.3	..
Guarantees	..	12.0	15.4	14.0	14.4	12.5	9.4	8.3
G. loans	..	18.0	23.8	21.0	22.0	26.1	17.5	14.9
Leverage	..	1.50	1.55	1.49	1.53	2.09	1.86	..
<i>Wallonia</i>								
Dir. loans	..	89.5	92.5	113.1	11.3	132.3	33.8	..
Guarantees	..	44.4	68.2	52.8	68.7	67.0	68.0	..
G. loans	..	114.9	157.2	138.4	179.7	163.2	16.6	..
Leverage	..	2.59	2.31	2.62	2.62	2.44	2.44	..
<i>Flemish Region</i>								
Dir. loans	9.2	11.9	31.8	16.2	22.6	29.9	42.8	31.8
Guarantees	77.8	100.1	32.8	48.7	23.4	186.5	402.8	176.8
G. loans	128.2	179.8	651.7	729.0	360.1	295.0	64.3	272.1
Total								
Dir. loans	132.5	202.8	240.7	221.9	205.0	223.1	130.4	..
Guarantees	77.8	156.5	411.9	553.9	317.5	266.0	480.2	..
G. loans	128.2	312.7	832.7	888.4	561.7	484.3	826.1	..
Leverage	1.65	2.00	2.02	1.60	1.77	1.82	1.72	..

Source: Data reported by the Participation Funds, Brussels Garantie Fund, Groupe Sowalfin, LRM, Participatie Maatschappij Vlaanderen.

StatLink  <http://dx.doi.org/10.1787/888933332241>

These public tools allow for overcoming the lack of collateral often considered insufficient by banks when, in particular, very small companies are seeking financing from them. In spite of 2014 data not being available for the Walloon Region, between 2007 and 2013, the government, on average, spent EUR 1.1 billion to help SMEs in the form of direct loans, guarantees and guaranteed loans.

Despite the fact that the stock of total loans from banks to businesses recorded negative growth rates in 2009 and 2013, at -5.4% and -2.5%, respectively, it is clear that these declines were partially offset by an increase in guaranteed loans and guarantees given by public tools, mainly on the regional level.

Under the Act of 6 January 2014 on the sixth reform of the Belgian state, the federal Participation Fund has been in liquidation since 1 July 2014. Its tasks were transferred to the three regions, which in turn explains the lack of federal data on direct credits, both short and long term. For 2014, only the Flemish region has provided all of its data; those of

the Brussels Capital Region being only partial. Apart from these patchy data, the amounts allocated to regional public tools have experienced a downward trend.

At the regional level, direct loans are complemented by loan guarantees. Total loan guarantees increased substantially during the crisis and continued to increase during recovery, before declining again in 2011 and 2012, although they still remained well above pre crisis levels. 2013 saw a reversal of this trend with a marked increase of loan guarantees and guaranteed loans, solely driven by the government of Flanders. Direct government loans from the federal government more than halved between 2007 and 2013. Total direct government loans decreased strongly in 2013, compared to 2012, mainly due to a sharp drop of direct loans from the Walloon Government. In 2013, direct loans and equity in the Walloon Region do not include the financing made by investments companies, which explains the decrease observed.

The following policy measures were adopted for the period 2009-13 in the Brussels-Capital Region:

- loan guarantees of 80%
- creation of a new product, “express guarantees” that could be confirmed within five working days, with a maximum limit of EUR 250 000
- intention to increase the size of the guarantee fund to EUR 80 million if necessary
- coverage of short term loans (2 years) with a maximum limit of EUR 250 000

SMEs can apply directly to the guarantee fund for a loan guarantee. Banks, however, can automatically receive loan guarantees. After agreeing to give an SME loan, banks inform the regional investment fund and the loan guarantee is granted automatically. The Brussels “Express guarantees” have been sought after and appreciated by the banks because a confirmation can be obtained in five days. 67% of the enterprises applying for guarantees in 2011 were start-ups with less than four years of existence, compared to 55% in 2010. Most of these guarantees were for investment which explains why the SME short-term loan share fell relative to the SME long term loan share.

Since 2011, the regional government of Wallonia has strengthened its SME programmes by implementing the European Small Business Act in the Walloon Region. Access to finance at each stage of an SME's life cycle is therefore a major priority. The Walloon Region, together with the Society of Mutual Guarantees of Wallonia, has developed a new financial product which is a mixture of a loan guarantee and a subordinated loan. The loan is guaranteed up to 75% for a maximum of EUR 25 000, with the possibility of a subordinated loan. Over 550 micro-enterprises and independent entrepreneurs have used this product.

The government of Flanders (Flemish Region) supports SME access to finance through direct loans and loan guarantees. Direct loans increased by more than 3.4 times in 2009 compared to 2007. Loan guarantees peaked in 2010. The regional government also stimulates venture capital investments through the Flemish investment body. The Flemish government supports the business angels network which is a broker between business angels and enterprises needing venture capital. Anyone who grants a loan to a start-up enterprise as a friend, acquaintance or family member receives an annual tax discount of 2.5% of the value of the loan. If the enterprise is unable to repay the loan, the lender gets 30% of the amount owed back via a one-off tax credit in the context of the “win win-lending” scheme.

The mixed financing “FINMIX” provides entrepreneurs with the opportunity to present their project to a panel of financial experts who will advise on the optimal financing mix. Any enterprise can make use of FINMIX as long as venture capital is needed for a financing mix.

In order to ensure adequate SME funding, four large banks agreed to make EUR 1.1 billion available in 2013. These include BNP Paribas Fortis, KBC Bank, Belfius Bank and ING Bank. Priority would be given to long-term credit (5-15 years) available to both, SMEs and large enterprises. The banks would assume the risk on part of the funds while another portion would be counter-guaranteed. The banks are discussing with the federal government whether part of the funds could come from the general public or “Volksleningen/ Prets citoyens”.

The Brussels-Capital Region has asked the Brussels Regional Investment Society “BRIS”, through its subsidiary Brupart, to take on the tasks of providing professional loans and coaching services, which were previously carried out by the Federal Participation Fund. Brupart subsequently redefined the loans granted to entrepreneurs and SMEs in order to take into account, on the one hand, the already existing range of loans offered by the BRIS, and on the other hand, to simplify and adapt these to reflect the specifics of the Brussels economy. In addition, the conditions of coaching entrepreneurs and SMEs have been revised: These services will now be provided either directly by Brupart, or by approved support organisation, which will be remunerated on the basis of the quality of the applications submitted. Finally, Brupart meets the promoter on a regular basis to build a relationship of trust, a prerequisite to the granting of any loan. Newly created products are the bank co-financing “Brufin” with loans varying between EUR 10 000 and EUR 200 000, and the micro-financing loan “Boost me” with amounts ranging from EUR 10 000 to 50 000.

In Flanders, this structure is now called Participation Fund Vlaanderen. The number of different types of advantageous loans has been reduced in Flanders, with only two types of loans left: Startlending + (a loan of maximum EUR 100 000 for start-ups less than four years old) and SME co-financing, a subordinated loan of maximum EUR 350 000 for start-ups and existing companies, but always in combination with co-financing, i.e. financing from banks or investment funds with whom PMV has a cooperation agreement, or from business angels (at least one of them has to be member of the Business Angel Network Vlaanderen).

In 2014, the Federal Government launched the “thematic citizen loan” or “popular loan”. The funds raised through these loans (in the form of long-term cash bonds, with tax advantages and with a specific goal) will be injected into the real economy, particularly as regards the financing of small businesses and other projects with added value for society. At the end of 2014, Belgian banks had raised EUR 1.9 billion of capital through “thematic citizen loans”.

Governments, both regional and federal, can fiscally encourage investments in companies in return for their risk taking.

At the federal level, the new plan “Start-ups” launched by the federal government aims to strengthen Belgium’s SME financing through venture capital on the one hand, and stimulate entrepreneurship, on the other hand. Indeed, its objective is to support venture capital, notably through tax incentives to investments by individuals, thus representing a significant measure in favour of start-ups in Belgium.

This tax shelter for “start-ups” came into force on 1 July 2015, and should encourage individuals to invest part of their savings in young companies with fewer than 50 employees.

Furthermore, the tax advantage granted to individuals is substantial: a 30% tax cut on investment in small businesses (less than 50 employees), with the opportunity to dedicate up to EUR 100 000 per year and per taxpayer. The personal income tax cut amounts to 45% even if the start-up is a micro-enterprise or a very small business (less than 10 employees). However, the private investor has to keep his shares in the start-up for four years, on pain of losing the tax break. The funds raised by this provision are however limited to EUR 250 000 per company.

Taxpayers without sufficient financial resources can invest through professional structures such as “starters” funds call on crowdfunding.

Government support for SME venture capital also exists in the Brussels Capital Region, the Walloon Region and the Flemish Region. The Brussels Regional Investment Society and the Walloon Regional Investment Society use a number of techniques for equity finance such as minority shareholdings with a buyout undertaking, venture loans convertible into shares, and subordinated loans. In the Flemish Region, Arkimedes Participatie Maatschappij Vlaanderen “PMV” takes significant minority interests in so-called ARKIVs (Activation of Risk Capital Investments). These are private funds that invest in promising start-ups and SMEs. In fact, Arkimedes PMV offers one Euro extra for each Euro invested by accredited ARKIVs in Flemish start-up companies and SMEs.

The Brussels-Capital Region is also developing its first Small business act “SBA” project with access to finance as one of the priorities. Regarding funding assistance, the resources allocated to microcredits will be increased, and a compensation fund to limit cash flow problems of small and micro businesses due to late payments will be created. Otherwise, the Government of the Brussels-Capital Region plans on implementing a favourable framework for alternative financing mechanisms such as the Flemish “winwinlening” and crowdfunding. Finally, it plans on offering start-up grants to entrepreneurs, as well as facilitate their access to reliable credit.

At the Walloon Region, in the framework of the second version of the Walloon “SBA”, a draft bill creating a similar system to the Flemish “winwinlening” allowing Walloon households to lend money to Walloon SMEs, was tabled in the Walloon Parliament. The aim is to mobilise the savings of households to foster private investment through a mechanism of loans linked with tax advantages. This measure is part of a comprehensive plan to support SME financing that was validated by the Walloon Government in May 2015, and that aims at fostering the economic dynamism and development of the Walloon Region.

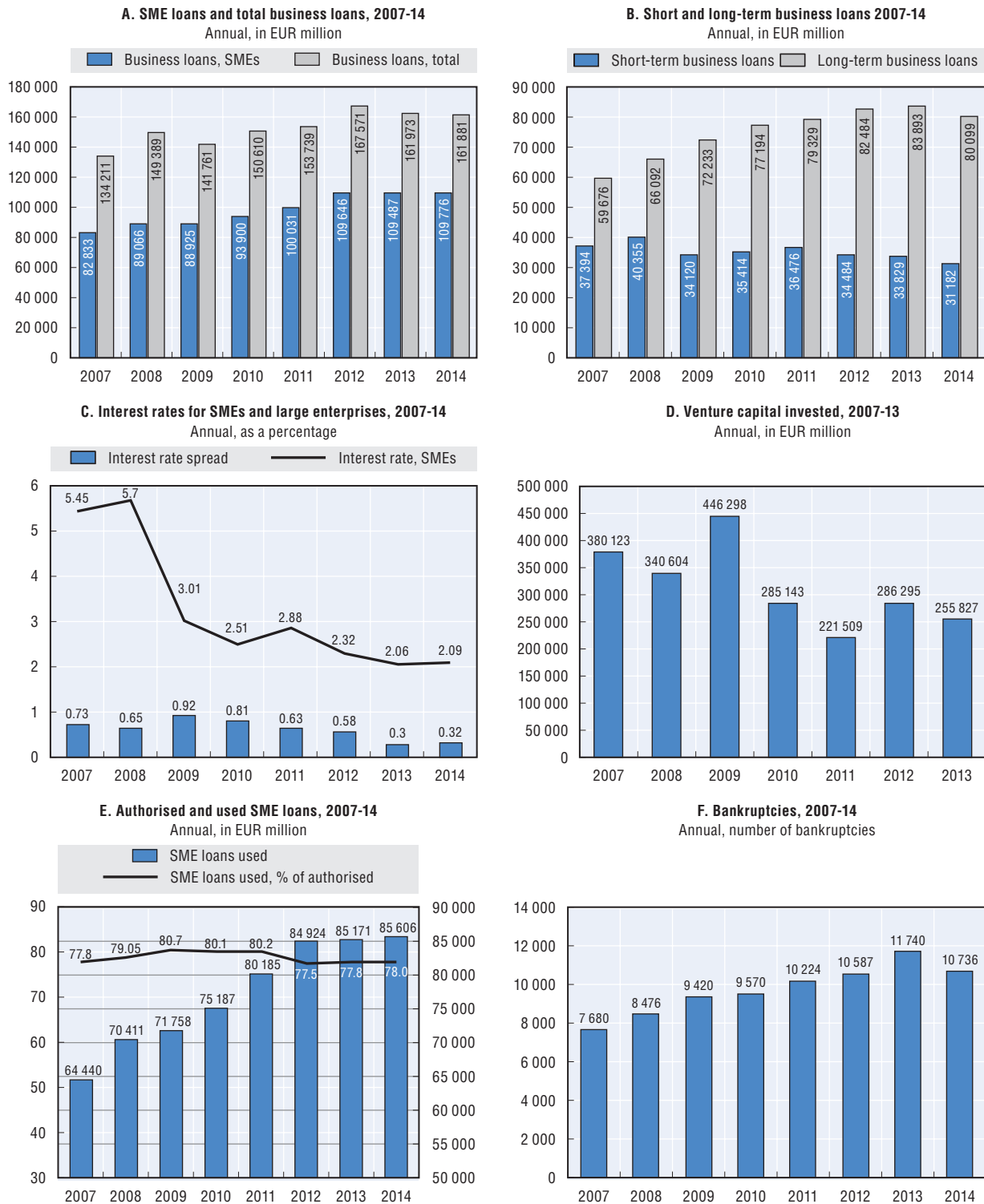
Table 5.9. **Scoreboard for Belgium, 2007-14**

Indicators	Units	2007	2008	2009	2010	2011	2012	2013	2014
Debt									
Business loans, SMEs	EUR million	82 833	89 066	88 925	93 900	100 031	109 646	109 020	109 776
Business loans, total	EUR million	134 211	149 389	141 761	150 610	153 739	167 571	160 871	161 881
Business loans, SMEs	% of total business loans	61.72	59.62	62.73	62.35	65.07	65.43	67.77	67.81
Short-term loans, SMEs	EUR million	37 394	40 355	34 120	35 414	36 476	34 484	33 829	31 182
Long-term loans, SMEs	EUR million	59 676	66 092	72 233	77 194	79 329	82 484	83 893	80 099
Total short and long-term loans, SMEs	EUR million	97 070	106 447	106 353	112 608	115 805	116 968	117 722	111 281
Short-term loans, SMEs	% of total SME loans	38.52	37.91	32.08	31.45	31.50	29.48	28.74	28.02
Government loan guarantees, SMEs	EUR million	77.84	156.54	411.94	553.94	317.51	266.01	480.21	
Government guaranteed loans, SMEs	EUR million	128.16	312.67	832.70	888.38	561.74	484.34	826.07	
Direct government loans	EUR million	132.47	202.79	240.75	221.89	205.02	223.13	130.41	
SME loans used	EUR million	64 440	70 411	71 758	75 187	80 185	84 924	84 627	85 606
SME loans authorised	EUR million	82 833	89 066	88 925	93 900	100 031	109 646	109 020	109 776
SME loans used	% of authorised loans	77.80	79.05	80.69	80.07	80.16	77.45	77.63	77.98
Interest rate, SMEs	%	5.45	5.70	3.01	2.51	2.88	2.32	2.06	2.09
Interest rate, large firms	%	4.72	5.05	2.09	1.70	2.25	1.74	1.76	1.77
Interest rate spread	%	0.73	0.65	0.92	0.81	0.63	0.58	0.30	0.32
Collateral, SMEs	%	..	..	..	74.30	71.90	78.60	..	
Equity									
Venture and growth capital	EUR	380 123	340 604	446 298	285 143	221 509	286 295	255 827	323 408
Venture and growth capital	%, year-on-year growth rate		-10.40	31.03	-36.11	-22.32	29.25	-10.64	26.42
Other									
Payment delays, B2B	Number of days	..	..	17	17	15	19	18	19
Payment delays, B2C	Number of days	..	..	12	12	16	16	14	12
Payment delays, B2G	Number of days	..	..	31	31	27	28	24	23
Bankruptcies, total	Number	7 680	8 476	9 420	9 570	10 224	10 587	11 740	10 736
Bankruptcies, total	%, year-on-year growth rate	0.84	10.36	11.14	1.59	6.83	3.55	10.89	-8.55

Source: See Table 5.10.

StatLink  <http://dx.doi.org/10.1787/888933332255>

Figure 5.3. Trends in SME and entrepreneurship finance in Belgium



Notes: 1. Loans up to EUR 1 million. No data for 2014 for Figure D.

Source: See Table 5.10.

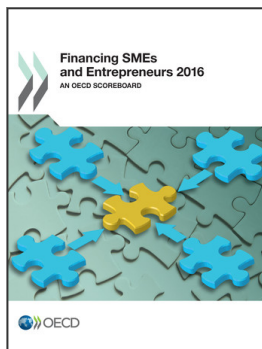
StatLink  <http://dx.doi.org/10.1787/888933330900>

Table 5.10. **Definitions and sources of indicators for Belgium's scoreboard**

Indicator	Definition	Source
Debt		
Business loans, SMEs	Authorised credits to SMEs, outstanding amounts, end of December	National Bank of Belgium (NBB): the Central Corporate Credit Register (CCCR)
Business loans, total	Authorised credits to SMEs and large companies, outstanding amounts, end of December	National Bank of Belgium (NBB): the Central Corporate Credit Register (CCCR)
Short-term loans, SMEs	Short term credits (less than one year), outstanding amounts, all enterprises, end of December	NBB : the Central Balance Sheet Office (CBSO)
Long-term loans, SMEs	Long term credits (more than one year), outstanding amounts, all enterprises, end of December	National Bank of Belgium: the Central Balance Sheet Office (CBSO)
SME loans used	Used credits by SMEs, outstanding	National Bank of Belgium (NBB): the Central Corporate Credit Register (CCCR)
SME loans authorised	Authorised credits to SMEs	National Bank of Belgium (NBB): the Central Corporate Credit Register (CCCR)
Interest rate, SMEs	Average interest rate on new loans less than EUR 1 million, for less than 1 year (floating rate and up to 1 year initial rate fixation)	National Bank of Belgium (NBB): MIR survey
Interest rate, large firms	Average interest rate on new loans more than EUR 1 million, for less than 1 year (floating rate and up to 1 year initial rate fixation)	National Bank of Belgium (NBB): MIR survey
Interest rate spread	Difference between interest rate to SMEs and interest rate to large firms	National Bank of Belgium (NBB): MIR survey
Collateral, SMEs	Percentage of SMEs that provided collateral related to outstanding credits	CeFIP, annual survey on SME financing
Equity		
Venture and growth capital	Investment in venture and growth capital (market statistics, by country of portfolio company). Includes Seed, start-up, later stage venture and growth investment (replacement capital, turnaround and buyout investment were excluded).	EVCA, Yearbook 2014
Other		
Payment delays	Average payment delay in days	Intrum Justitia, European Payment Index 2014
Bankruptcies, total	Bankruptcies on annual basis	Statistics of the Belgium Federal Public Service Economy

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