

Preface

Since the financial crisis hit the world more than 10 years ago, the landscape for SME finance has evolved significantly. Credit availability for SMEs has gradually recovered in many countries, as interest rates have generally come down, credit conditions have improved and payment delays have declined. In recent years, we have also witnessed a significant increase in the use of alternative sources of finance by SMEs and entrepreneurs: financial instruments such as leasing, factoring and equity crowdfunding have seen volumes rise, contributing to the diversification of financing instruments and sources for SMEs, in line with the G20/OECD High Level Principles on SME Financing.

The 2019 edition of the OECD's annual report *Financing SMEs and Entrepreneurs: An OECD Scoreboard*, covers 46 countries across the globe and provides important information on a broad set of financing instruments at the disposal of SMEs. The report shows that these overall positive trends mask, nonetheless, very large cross-country variations. For instance, in countries that were most affected by the financial crisis, SME access to finance is still struggling to recover. In some large emerging economies, where the economic climate has remained difficult, indicators point to a deterioration in SME access to finance in recent years. Moreover, in a number of large developed economies, credit volumes have been sluggish, often because of subdued demand from SMEs that prefer to rely on internal funds or seek alternative forms of financing. There is also considerable variation in the uptake of instruments such as venture capital investments and online alternative finance, with potential for countries with less developed markets to expand these further.

This coincides with persistent finance gaps within the SME population: micro-enterprises, young firms, start-ups and innovative ventures are still more likely to be financially constrained. The report highlights how many countries have initiated or expanded initiatives to address persistent structural finance gaps confronted by SMEs in recent years, with the aim to strengthen their resilience and embrace digital opportunities. In this context, the adoption of a suitable regulatory framework or the development of targeted policies to foster the Fintech industry have become more widespread in recent years.

The 2019 *Financing SMEs and Entrepreneurs: An OECD Scoreboard* is an important tool to enable policy makers to monitor developments, and ensure policies keep pace with fast-moving evolutions in the SME finance environment. This is all the more important in the current fragile macro-economic context, including the slowdown in global trade. Looking ahead, we are working to further enrich the information and analysis through the collection of more granular data, including by firm size, sector, age or region and by characteristics of the business owner. This Scoreboard constitutes an important part of the OECD's contribution to governments in designing and implementing evidence-based and coherent SME and entrepreneurship policies. I am confident that it will support policy-makers in designing, developing and delivering, better SME policies for better lives.



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