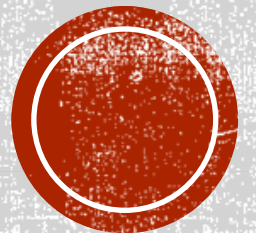


COMPARATIVE ANALYSIS OF FINANCING FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN THE VISEGRAD GROUP

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RESEARCH BACKGROUND

- Small and medium-sized enterprises are an integral part of every economy.
- Sources of financing are important for the enterprise's growth around the world. Finance for enterprises can be divided into:
 - classic and
 - alternative.
- In the Visegrad group, SMEs contribute more than half of GDP and employ more than 60% of the total workforce. SMEs are also more involved in job creation than large companies
- However, these SMEs often face funding barriers due to insufficient collateral, unclear information, risk and high transaction costs for capital acquirers
- Within the European Union, small and medium-sized enterprises are the driving force of the economy, accounting for up to 99.8% of all enterprises and accounting for 54.8% of total value-added, which is more than € 4 trillion.



PURPOSE OF THE ARTICLE

to identify and compare sources of financing for small and medium-sized enterprises among the Visegrad group with focus on alternative financing

to present an overview of available financing for small and medium-sized enterprises among the Visegrad group.



METHODS

- We made an analysis of partial data from the SAFE survey in 2019 and from the OECD evaluation report.
- To describe the situation in alternative financing we also used outputs from Statistical Summary published by European Business Angels Network and Crowdfunding fact sheets published by European Crowdfunding Network.
- These partial data from SAFE were used in testing statistical hypotheses to test the usage of bank overdrafts as a way of finance among V4 countries in the year 2019.



RESULTS

- the most used classic source in Europe are bank loans or financial leasing,
- the most used alternative source are venture capital or private equity.

Hypothesis testing:

1. more than 30% of Slovak SMEs used financing through the bank overdraft in 2019.
2. 30% of Czech SME used financing through the bank overdraft in 2019.
3. in 2019, 20% of Hungarian SMEs used the bank overdraft as a source of financing.
4. 40% of Polish small and medium-sized enterprises used an overdraft to finance their activities in 2019.



CONCLUSIONS AND MAIN FINDINGS

- Firstly, this paper suggests that classic sources of financing are used more than alternative ways, from which the bank loans and leasing are used the most.
- Secondly, the best condition of financing among countries of the Visegrad group is in Poland, but also other countries have huge potential.
- And finally, financing of enterprises is not the main issue causing difficulties in making business.



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