

European Firms In a Global Economy **EFIGE**

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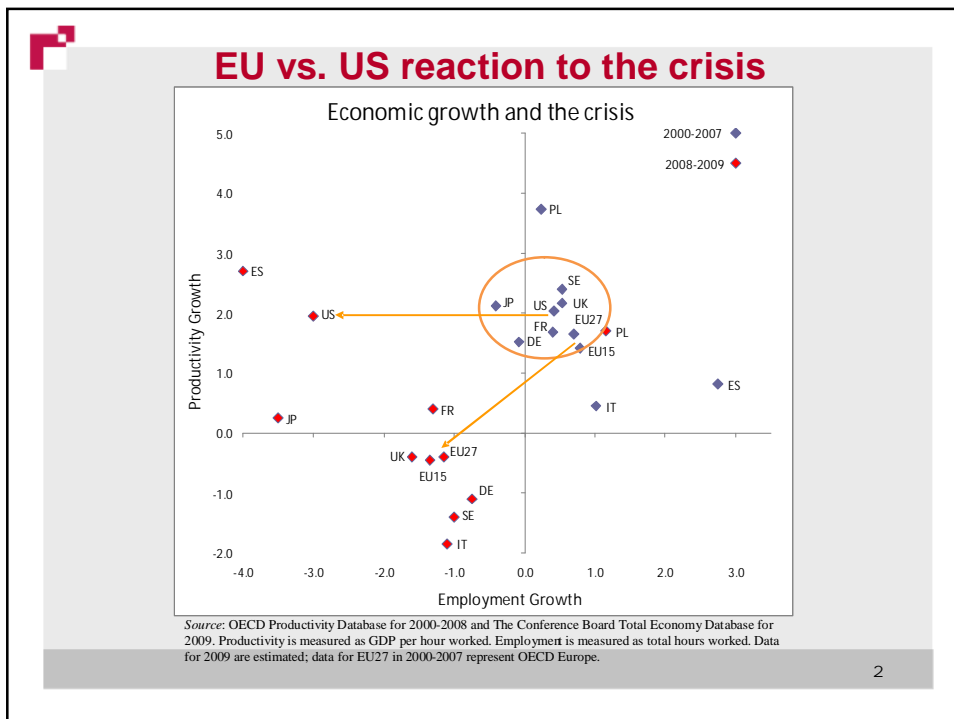
SME Finance Forum

Equity markets and guarantees for smart growth

Financial Markets & Productivity: Micro Evidence

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Capital market reallocation – credit constraint

Access to credit (2008/09)

	(A)	(B)	(C)	(D)
UK	27.2%	1.8%	71.1%	63.5%
IT	47.7%	28.5%	23.8%	53.9%
FR	46.5%	19.7%	33.9%	67.8%
DE	53.3%	10.8%	35.7%	58.6%

(A) Firms that in 2008/09 did apply for more credit and got it
 (B) Firms that in 2008/09 did apply for more credit and were denied
 (C) Firms that in 2008/09 did not apply for more credit
 (D) Firms whose cost of credit has increased during 2008/09

Source of financing for firms (2009)

	(A)	(B)	(C)	(D)
UK	2.9%	36.2%	39.1%	5.8%
IT	0.6%	54.7%	77.6%	15.2%
FR	4.0%	25.5%	57.5%	18.2%
DE	0.7%	5.4%	8.3%	4.0%

(A) Venture Capital & Private Equity
 (B) Short Term Bank Credit
 (C) Medium or Long Term Credit
 (D) Equity

- Evidence from the EFIGE project coordinated by Bruegel
- Intermediate Sample of some 6,000 firms for the four considered countries
- Data show lack of credit crunch but an increase in the cost of debt
 - move on to explore financial pressure
- Data also show the very limited use of venture capital and private equity as source of financing

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Capital market reallocation – financial pressure

ITALY - •FP (2008 vs 2000/2007)

FRANCE - •FP (2008 vs 2000/2007)

SWEDEN - •FP (2008 vs 2000/2007)

UNITED KINGDOM - •FP (2008 vs 2000/2007)

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