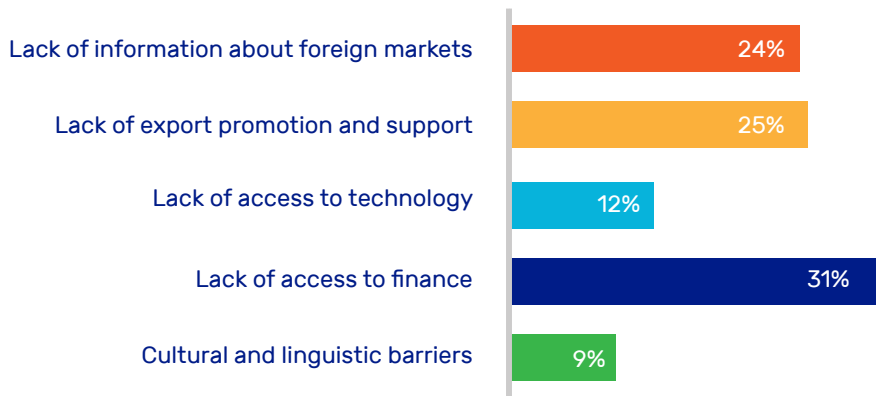




FACT SHEET

FOSTERING SMEs INTERNATIONALIZATION IN THE MEDITERRANEAN BASIN

Challenges hindering SMEs' internationalization



Comment:

Access to finance is considered one of the most pressing challenges facing SMEs internationalization. The lack of financial resources accounts for 31% of the challenges blocking the internationalization of SMEs, followed by the lack of access to information about other Mediterranean markets and the lack of export promotion and support (24 and 25%).

Respondents noted also the following challenges:



BUREAUCRACY

Visa difficulties for southern entrepreneurs willing to operate internationally and extremely complicated export process



NETWORKING

Lack of networking opportunities between companies of different Mediterranean countries



FINANCIAL BURDEN

Unfriendly banking system

Comment:

To succeed the international operations, SMEs mention the importance of conducting prior market research (22%), establishing a good relationship with customers and partners (22%) and participation in professional networking events and forums. Also, providing enough financial resources is noted as one of the major success factors of SMEs' internationalization (21%) which highlights the importance of creating a banking and financial system supporting SMEs in the internationalization endeavors.

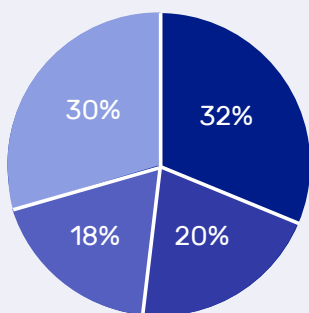
SMEs' internationalization success factors



One major key is focusing on EU value-chains in which SMEs in the region have a comparative advantage:



Approaches to better access international markets



- Forming partnership with foreign companies
- Participating in government trade mission
- Using online platforms and social media
- Attending trade fairs and exhibitions

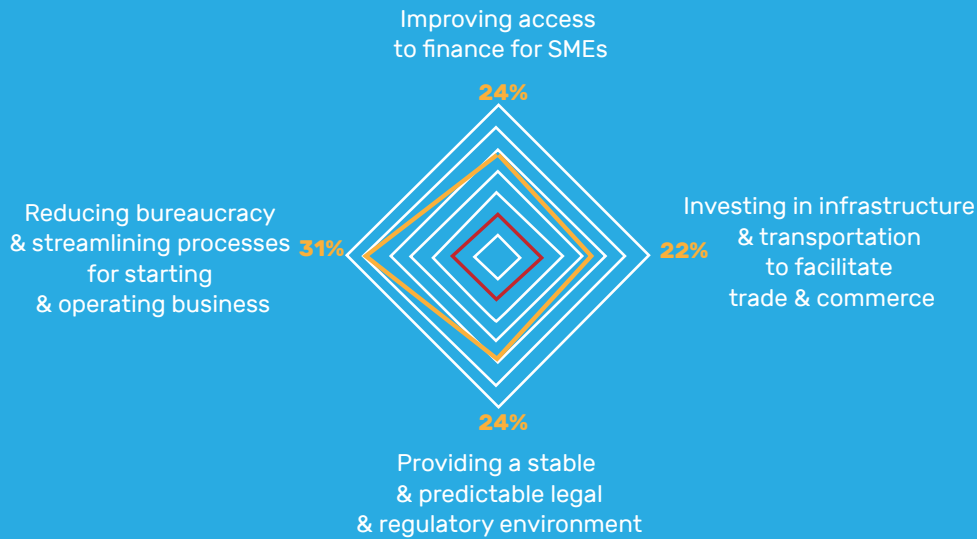
Comment:

To facilitate access of local SMEs to international markets, 32% of our survey respondents stress the importance of forming strategic partnerships with foreign companies, partly by attending international trade fairs and exhibitions (30%).

Use of technology and SMEs internationalization



Governments' role in improving the business climate for SMEs in the region



Recommendations from our survey to improve SMEs internationalization.


24% 
Providing access to finance & export promotion

13% 
Providing trainings

18% 
Improving market research & analysis

15% 
Fostering a culture of entrepreneurship & innovation

15% 
Developing effective marketing & branding strategies

15% 
Increasing access to technology

Comment:

Most of our respondents stress the importance of providing access to finance and export promotion (24%). Regarding the financial resources, relying on the traditional financial tools is no longer sufficient nor serving SMEs looking for internationalization opportunities. In fact, 55% of our respondents suggest other forms of such as impact investing, 24% mentioned peer to peer lending and 21% mentioned crowdfunding as an alternative financial resource.

On top of all these practical recommendations, 22% of our poll respondents believe that governments in many Mediterranean nations should be more involved in improving the local SMEs' capacities and to help them navigate the complexities of international trade. This should be a priority as the governments' help is the basis on which other actions can be added.



This document is developed by

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