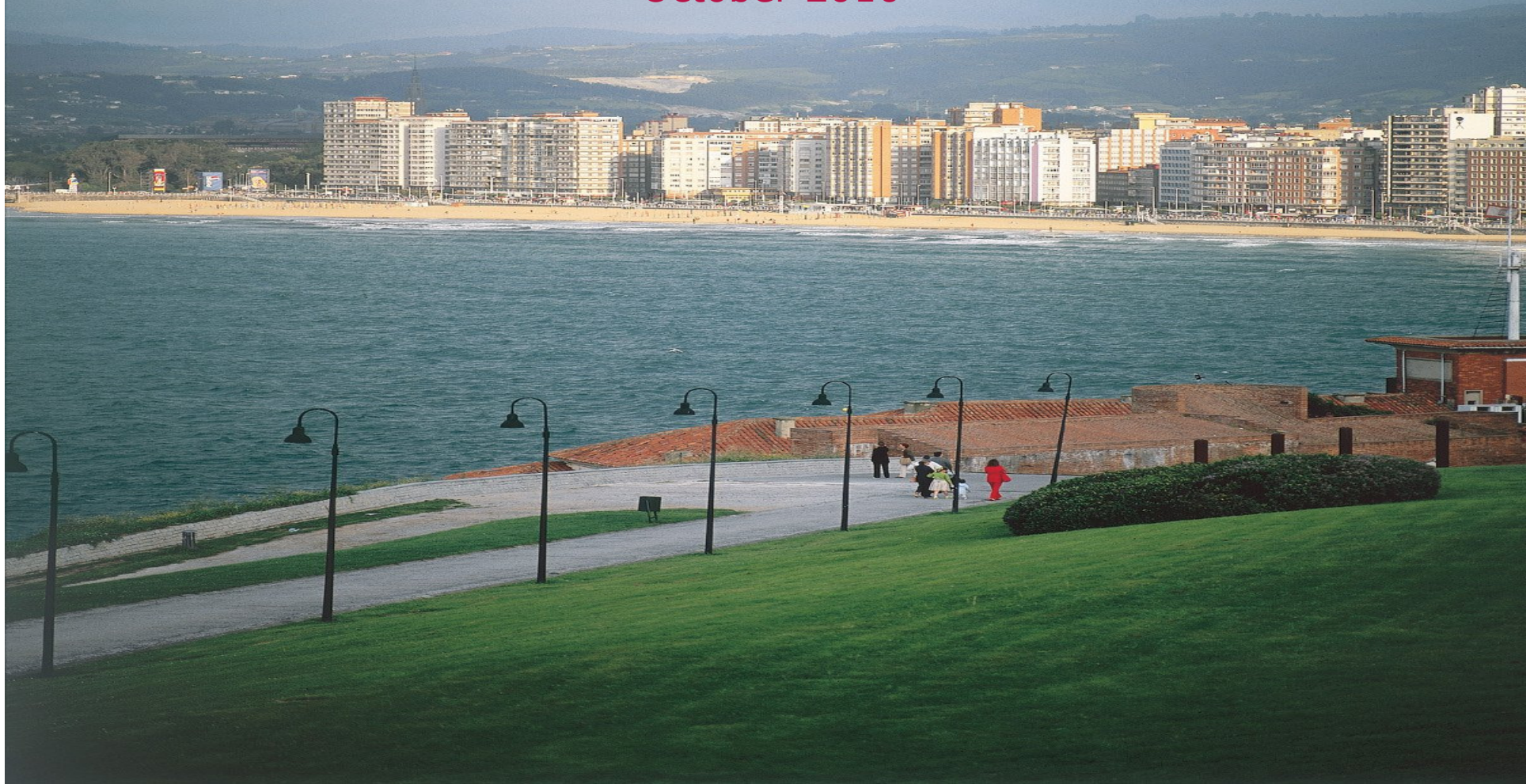


Gijón; current status of L.A.P.

October 2010



FIN-URB-ACT

Integrated Urban Actions for Fostering and Financing
Innovative Economies and SMEs

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PROBLEMS detected in financing SMEs

- lack of knowledge about the existing resources
- available finance is not as successful as expected
- The current crisis makes access to finance more difficult
- access to finance is the main problem for enterprises
- entrepreneurs' lack of venture culture

OBJECTIVES to be followed by the Local Action Plan

- facilitating the knowledge about the existing financial resources to the entrepreneurs and enterprises of the municipality
- facilitating the innovative projects access to venture capital
- facilitating the technically feasible projects access to finance.
- analysis of the economic state of affairs – adapting new finance schemes to entrepreneurial projects
- adapting financial resources to the real needs of enterprises (for financing circulating capital)



FIN-URB-ACT helped on fixing L.A.P. objectives!



ACTIONS to be implemented

1. Carry out a diagnosis study about the needs of SMEs.
2. Adaptation of existing public support instruments
3. Information and training seminars on basic and advanced finance and existing support schemes
4. Feasibility study for a venture capital fund



1) Diagnosis study about the needs of SMEs.

- Study was carried out on the 1st half of 2010 by a consultancy Co. in collaboration with the City Council and the University (*Universidad de Oviedo*)
- Goal: Obtain a comprehensive overview of the SMEs actual status, and their needs to become more competitive.
- Complex questionnaire: 66 questions.
- 563 SMEs contacted; 96 answered the whole questionnaire.
- Other stakeholders contacted: Authorities and experts, business Associations, sector associations, Chamber of Commerce, Trade Unions, etc.
- 18 conclusions obtained.
- 17 suggestions for improvement made.

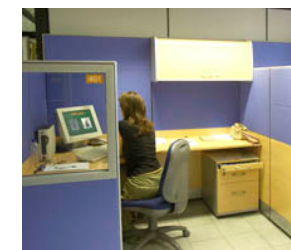
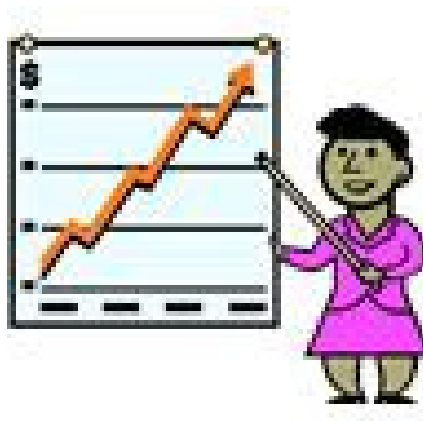


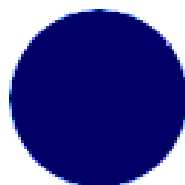
FIN-URB-ACT helped on drafting the questionnaire, and on benchmarking the outcomes of partners' surveys!



2) Adaptation of existing public support instruments

- Municipal Grants
- Platforms of Entrepreneurial Development
- Micro credits



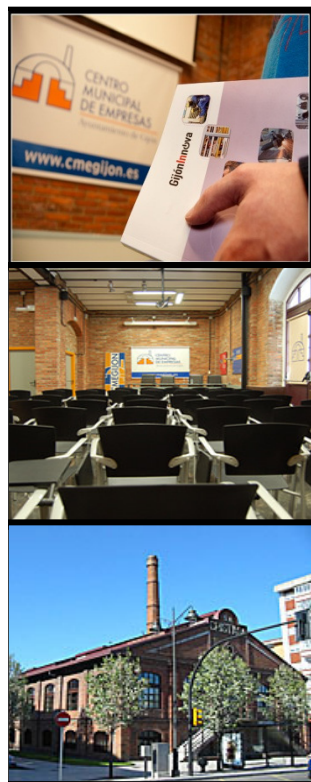


MUNICIPAL GRANTS

FOR either creation of companies or promotion of self
employment by NOVICE ENTREPRENEURS

	Applications	Planned investment	Approved grants	Created Jobs
Jan-Aug 2010	148	3.682.342€	390.089€	230
2009	235	5.453.330€	489.537€	347
2008	266	9.068.639€	545.721€	409
2007	284	10.256.903€	499.981€	446
2006	226	9.221.444€	442.517€	376
2005	227	9.917.685€	388.237€	360
2004	242	8.815.618€	364.891€	364
TOTAL	1.628	56.415.961€	3.120.973€	2.532

Platforms of Entrepreneurial Development



	2009	2010	TOTAL
No. of approved projects	12	14	26
No. of participating Companies	34	38	72
Amount of eligible expenditures	1.859.846,07 €	1.804.127,03 €	3.663.973,10 €
Amount of Grants	644.690,57 €	579.499,23 €	1.224.189,80 €

Micro credits

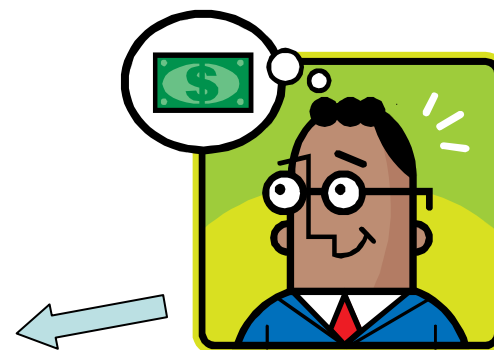
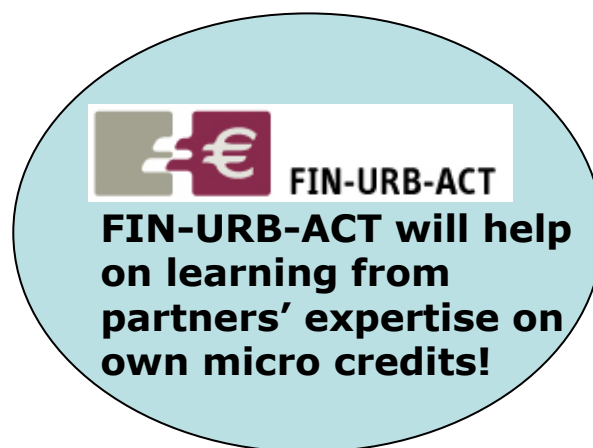


	<i>Approved applications</i>	<i>Total Amount</i>	<i>Created jobs</i>
<i>Jan-Aug 2010</i>	0	0	0
<i>2009</i>	0	0	0
<i>2008</i>	8	178.000€	22
<i>2007</i>	10	186.400€	24
<i>2006</i>	14	286.500€	44
<i>2005</i>	8	150.000€	26
<i>2004</i>	1	21.000€	2

Measures to mitigate the lack of micro credits:

Apply for subsidized, conventional loans:

- Loans within the framework of an agreement signed by Spanish Ministry of Labour and several Banks / Savings Banks
- Low interest rate: from 2.652%
- Possibility of interest subsidization (so that the actual interest rate can be: 0%).
- Guarantee required



3) Information and training seminars on basic and advanced finance and existing support schemes

June 7th and 25th 2010:
Two seminars took place
to disseminate existing
support schemes:

- The former one, targeted at public and private institutions and business associations.
- The latter one, targeted at SMEs.





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4) Feasibility study for a venture capital fund.



The study was carried out last year.

The outcome was in favor of setting up a venture capital fund.



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It is fully
operative;
It has been
approved
by the
Spanish
Commission
for the
Stock
Market on
April 22nd
2010



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**FIN-URB-ACT helped
on sharing partners'
expertise on venture
capital!**



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