

Croatia: EIB and HBOR unlock EUR 142.5 million credit line for SMEs



- EIB and HBOR create a new EUR 142.5 million credit line to support faster recovery of Croatian SMEs from COVID-19;
- The credit line supports SMEs to maintain liquidity, continue with investments and sustain jobs and comes as a part of a EUR 400 million package for Croatian SMEs agreed with HBOR

Croatian small and medium enterprises will benefit from a new EUR 142.5 million credit line agreed between the European Investment Bank (EIB) and Croatian Bank for Reconstruction and Development (HBOR) signed today in Zagreb and Luxembourg. This is the second tranche of a EUR 400 million package for SMEs agreed between the EU bank and HBOR.

The credit line will support companies looking for more affordable financing to maintain liquidity, support investments and sustain jobs, and fuel faster recovery of the national economy from the COVID-19 pandemic.

Since the beginning of operations in Croatia, the EIB has supported the economic and social development of Croatia with € 6.71 billion invested in the country. The EU Bank has supported Croatian SMEs by unlocking new sources of finances worth close to € 3.75 billion.

EIB Vice President responsible for EIB activities in Croatia, Dario Scannapieco, said: *“The EIB continues to support Croatia grow and develop faster, this time by making sure SMEs can continue to fuel faster recovery of the national economy from the COVID-19 pandemic. I am very proud at the speed of the EIB and HBOR support in Croatia, since this is the second operation signed since the beginning of the pandemic in March 2020 unlocking more than EUR 240 million in more affordable loans to the country’s SMEs and Mid-Caps.”*

President of the Management Board of HBOR, Tamara Perko, said: The Loan is intended for the provision of affordable loans to small and medium-sized enterprises in need of funds for maintaining liquidity, preserving jobs and further investing for the purpose of ensuring faster recovery from the consequences of the crisis caused by the COVID-19 pandemic. This Contract is another confirmation of our good cooperation with the EIB and represents an additional source of funding for granting loans at favourable terms and conditions and continued reduction of interest rates charged to entrepreneurs who employ people under the age of 30.”

This operation is also a part of the EIB Jobs for Youth Initiative, under which the EU Bank extends terms that are more favorable to companies creating jobs for young people. The Initiative tackles youth unemployment as one of the biggest social and economic challenges for Croatia and Europe alike.

This is the second COVID-19 recovery support package agreed between the EIB and HBOR in Croatia since the beginning of the pandemic in March 2020. In

October, the EIB signed a EUR 100 million loan for the faster recovery of Croatian SMEs and Mid-Caps from the pandemic. The two operation alone created new sources of financing for SMEs and Mid-Caps worth more than EUR 240 million.

The EIB in Croatia:

To date the EIB has supported the economic and social development of Croatia by investing € 6,71 billion in operations covering the most important sectors of Croatia's economy, including transport, the environment, energy infrastructure, manufacturing and services. Another key component of EIB activities in Croatia is support for SMEs and Mid-Caps through creation of long-term financing options in cooperation with local financial institutions. To date, the EIB supported Croatian SMEs by unlocking new sources of finances worth close to € 3,75 billion.