LEVERAGING SME FINANCE THROUGH VALUE CHAINS
IN THE CAREC LANDLOCKED ECONOMIES,
ADB-ADBI-CAREC INSTITUTE
Nazarbayev University, Astana, Kazakhstan
Nov 29, 2018

Optimal Credit Guarantee Scheme
and SME Finance in Asia

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Call for Papers on Economic Integration in Asia and Europe

Economic Integration in Asia and Europe
Asian Development Bank Institute

The Asian Development Bank Institute (ADBI) invites submissions of original unpublished papers on economic integration in Asia and Europe: how it evolved, where it is headed, what the two regions differ in, and what their differences are. Selected papers will be presented at a seminar to be held in Tokyo on January 17, 2019.
Outline

I. SMEs’ Difficulties in Raising Money in Asia

II. Credit Guarantee Schemes and SME Finance

III. Optimal Credit Guarantee Ratio

IV. Conclusion and the Policy Recommendations

V. Next step project
I. SMEs’ Difficulties in Raising Money in Asia
I. SMEs’ Difficulties in Raising Money

Lending Attitude of Financial Institutions

Bank of Japan (2016) – TANKAN
Limited bank lending to SMEs in Central Asia is a Challenge

Bank loans to SMEs to total loans (%)

BAN = Bangladesh, PRC = People’s Republic of China, IND = India, INO = Indonesia, KAZ = Kazakhstan, KOR = Republic of Korea, MAL = Malaysia, MON = Mongolia, PHI = Philippines, SRI = Sri Lanka, and THA = Thailand.
Source: Asia Finance Monitor (2015)
Credit to the private sector in Central Asia remains comparatively modest

**Domestic credit to private sector in Central Asia**

- Kazakhstan: 34%
- Kyrgyzstan: 21%
- Mongolia: 58%
- Tajikistan: 19%
- Uzbekistan: 15%
- Lower middle income: 44%
- OECD members: 148%

*Source: (World Bank, 2017), (EBRD, 2017), (RAEX, 2017), (OECD, 2018)*
Non-performing loans remain high in the region

Bank nonperforming loans to total gross loans (%)

- Tajikistan*: 20.4%
- Kyrgyzstan: 8.5%
- Kazakhstan: 6.7%
- Uzbekistan: 0.4%
- Russian Federation: 9.4%
- Lower middle income: 4.2%
- OECD members: 2.7%
- Canada: 0.6%

* Data for Tajikistan is from 2014

Sources: (World Bank, 2017; Bank of Mongolia, 2016; OECD, 2018)
Credit conditions are tight with high interest rates in the region

**Lending interest rate and inflation rate**

<table>
<thead>
<tr>
<th>Country</th>
<th>Lending Interest Rate (%)</th>
<th>Inflation Rate (CPI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyrgyzstan</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Tajikistan*</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Kazakhstan*</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: *lending interest rates for Kazakhstan and Tajikistan (2015)

*Source: (World Bank, 2017; CIA, 2018; State Committee of Uzbekistan on Statistics, 2018; Ministry of National Economy of Kazakhstan, 2017; OECD, 2018)*
More than a third of SMEs are discouraged from applying loans due to tight credit conditions in the region, compared to less than a fifth in selected OECD countries.

**Percentage of SMEs that are discouraged to apply for a loan by credit conditions**

<table>
<thead>
<tr>
<th>Country</th>
<th>Discouraged by credit conditions</th>
<th>No need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mongolia</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: (EBRD, 2017; OECD, 2018)*
High and systematic collateral requirements limit access to finance for SMEs

Figure 5. Collateral requirements in Central Asia

Source: (EBRD, 2017; World Bank, 2017, OECD, 2018)
II. Credit Guarantee Schemes and SME finance
SMEs, CRD, CGCs and Banks

Credit Guarantee Corporations
(collect data from SMEs)

SMEs
3.3 million

1. Government Support
2. Reliability
3. Security of Information

CRD

Financial Institutions
179
Credit Guarantee Corporations, Government affiliated or private financial institutions, credit rating agencies and etc.

Example: Credit Guarantee Scheme of Japan

Local Governments

National Government
Ministry of Finance
Ministry of Economy, Trade and Industry
(Small and Medium Enterprise Agency)

Ministry of Finance
Ministry of Economy, Trade and Industry
(Small and Medium Enterprise Agency)

Japan Federation of Credit Guarantee Corporations (JFG)

Credit Guarantee Corporations (CGCs): 51 CGCs

Japan Finance Corporation (JFC)

Private Financial Institutions

SMEs and Micro-enterprises

Source: Japan Federation of Credit Guarantee Corporations (JFG 2014)
Note: above figure is reproduced by the authors
CGS reduces the expected default lose of banks on SME loan and increase bank lending to SMEs

credit guarantee scheme and SME loan supply

\[ r_{SME} \]

\[ L_{SME} \]

Backward bending loan supply curve

Normal loan supply curve to SMEs with existence of credit guarantee scheme


Note: \( r_{SME} \) = lending interest rate to SMEs; \( L_{SME} \) = amount of loan to SMEs
SME = small and medium-sized enterprises;
SMEs Access to Credit Guarantees

![Chart showing SMEs Access to Credit Guarantees](image)

Japan

1. Following the introduction of credit guarantee scheme (CGS) in Japan in 1937, their use spread first throughout Europe and the Americas in the 1950s, and then to Africa, Asia and Oceania in the 1960s and 1970s.

2. At present, there are 51 CGCs, one for each prefecture and one in each of the cities of Nagoya, Yokohama, Kawasaki, and Gifu.

3. At the end of 2013, their total liabilities stood at approximately 30 trillion yen.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of SMEs</td>
<td>4,197,719</td>
<td>4,197,719</td>
<td>4,190,719</td>
<td>4,201,264</td>
<td>3,852,934</td>
</tr>
<tr>
<td>Number of companies using guarantees</td>
<td>1,591,726</td>
<td>1,573,067</td>
<td>1,543,847</td>
<td>1,502,972</td>
<td>1,458,434</td>
</tr>
<tr>
<td>Guarantee use rate</td>
<td>37.9%</td>
<td>37.5%</td>
<td>36.8%</td>
<td>35.8%</td>
<td>37.9%</td>
</tr>
</tbody>
</table>

* Number of SMEs taken from the "White Paper on Small and Medium Enterprises in Japan" compiled by the Small and Medium Enterprise Agency.

Source: Japan Federation of Credit Guarantee Corporations (JFG)
Eligible SMEs for the Credit Guarantee in Japan

CGCs define the scope of MSMEs eligible to receive credit guarantees as follows. MSMEs which either meet the requirements in terms of number of regular employees or paid-up capital as given in the table below are eligible for credit guarantees (excluding some special industries).

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>CAPITALIZATION</th>
<th>NUMBER OF EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing, etc.</td>
<td>Up to ¥300 million</td>
<td>300 or less</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Up to ¥100 million</td>
<td>100 or less</td>
</tr>
<tr>
<td>Retail</td>
<td>Up to ¥ 50 million</td>
<td>50 or less</td>
</tr>
<tr>
<td>Services</td>
<td>Up to ¥ 50 million</td>
<td>100 or less</td>
</tr>
<tr>
<td>Health care, etc.</td>
<td>—</td>
<td>300 or less</td>
</tr>
</tbody>
</table>

Source: Japan Federation of Credit Guarantee Corporations (JFG)

Industries covered by the credit guarantee system are based on the industries designated by the enforcement regulation under the Small and Medium-sized Enterprise Credit Insurance Act. Agriculture, forestry, fisheries, financial industry are excluded.
## Ceiling on Guarantee in Japan

<table>
<thead>
<tr>
<th>Classification</th>
<th>Individuals / Corporations</th>
<th>Cooperatives, Etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Guarantees</td>
<td>¥200 million</td>
<td>¥400 million</td>
</tr>
<tr>
<td>Guarantees without Collateral</td>
<td>¥80 million</td>
<td>¥80 million</td>
</tr>
<tr>
<td>Bond Guarantees</td>
<td>¥450 million</td>
<td>—</td>
</tr>
</tbody>
</table>

*Source: Japan Federation of Credit Guarantee Corporations (JFG)*

### Credit Guarantee fee rate classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit guarantee fee rate under Responsibility-sharing System</td>
<td>1.90</td>
<td>1.75</td>
<td>1.55</td>
<td>1.35</td>
<td>1.15</td>
<td>1.00</td>
<td>0.80</td>
<td>0.60</td>
<td>0.45</td>
</tr>
<tr>
<td>(Special Guarantee)</td>
<td>(1.62)</td>
<td>(1.49)</td>
<td>(1.32)</td>
<td>(1.15)</td>
<td>(0.98)</td>
<td>(0.85)</td>
<td>(0.68)</td>
<td>(0.51)</td>
<td>(0.39)</td>
</tr>
<tr>
<td>Credit Guarantee fee rate except Responsibility-sharing System</td>
<td>2.20</td>
<td>2.00</td>
<td>1.80</td>
<td>1.60</td>
<td>1.35</td>
<td>1.10</td>
<td>0.90</td>
<td>0.70</td>
<td>0.50</td>
</tr>
<tr>
<td>(Special Guarantee)</td>
<td>(1.87)</td>
<td>(1.70)</td>
<td>(1.53)</td>
<td>(1.36)</td>
<td>(1.15)</td>
<td>(0.94)</td>
<td>(0.77)</td>
<td>(0.60)</td>
<td>(0.43)</td>
</tr>
</tbody>
</table>

*1 “Special guarantees” mean revolving guarantee on discounting bill and other instruments, overdraft revolving guarantee and card loans of business operators.

*2 Credit guarantee fee rates applied to credit guarantee systems employing special insurance, or those to which the same credit guarantee fee rates are applied nationwide, etc. are determined separately.

Copyright: Yoshino & Taghizadeh-Hesary (2017)
Partial Guarantee

### Partial Guarantee Method

**At time of guarantee**

- **80%** Guaranteed portion
- **20%** Non-guaranteed portion

**At time of subrogated payment**

- **80%** Amount of subrogated payment made by CGC
- **20%** Amount paid by financial institution

80% is paid in subrogation by the CGC, and the remaining 20% is paid by the financial institution.

### Burden Charge Method

**At time of guarantee**

- **100%** Guaranteed portion

**At time of subrogated payment**

- **100%** Amount of subrogated payment made by CGC
- **20%** Contribution

100% is paid in subrogation by the CGC but the financial institution pays the CGC burden charge of approximately 20% of the subrogation at a later date.

Source: Japan Federation of Credit Guarantee Corporations (JFG)

Copyright: Yoshino & Taghizadeh-Hesary (2017)
III. Optimal credit guarantee ratio
B) Optimal credit Guarantee Fee
1- What is the optimal credit guarantee fee that each group of SMEs should pay to CGC?
2- Should this rate be same in economic boom or recessions or whether vary?

A) Optimal Credit Guarantee Ratio
1- What is the optimal credit guarantee ratio for the CGC? (80%, 85% or ???)
2- Should CGC provide same guarantee ratio for all lending institutions?
   - Or should it be different based on the healthiness of the lending institutions?
Research Questions

In the literature on loan guarantees has left three important questions unanswered:

(i) What is the optimal credit guarantee ratio to fulfill government’s goal for minimizing banks’ nonperforming loans to SMEs while at the same time fulfilling the government policies for supporting SMEs?

(ii) Should this rate be constant regardless of the macroeconomic status?

(iii) Should this rate be same for all banks, or should it vary based on a bank’s soundness?
Optimal credit guarantee ratio for small and medium-sized enterprises’ financing: Evidence from Asia

Naoyuki Yoshino a, b, Farhad Taghizadeh-Hesary c, ∗

https://doi.org/10.1016/j.eap.2018.09.011

Abstract

Difficulty in accessing finance is one of the critical factors constraining the development of small and medium-sized enterprises (SMEs) in many countries. This study examines the optimal credit guarantee ratio for SMEs in Asia. The analysis is based on a sample of 20 countries, including China, India, and Indonesia. The results show that the optimal credit guarantee ratio varies significantly across countries, with higher ratios in countries with lower credit access and higher default rates. The findings suggest that policymakers should tailor credit guarantees to the specific needs of each country to effectively support SME growth.
Models for the Optimal Credit Guarantee Ratio

Policy Objective Function

\[ U = w_1 (L - L^*)^2 + w_2 (\rho - \rho^*)^2 \]

Loan Demand Function

\[ L = l_o - l_1 r_L + l_2 Y^e \]

Banks Profit Maximization

Max. \[ \Pi = r_L (L) L - \rho(g,Y,P_L,P_S,M,Z) L - r_D D - C(L,D) \]

Subject to: Banks’s Balance sheet \( (1 - \rho)L + \rho L = D + A \)

Amount of loan in equilibrium

\[ L = \frac{l_1}{2} \left[ \frac{l_0}{l_1} + \frac{l_2}{l_1} Y^e - \rho(g,Y,P_L,P_S,M,Z) - r_D - \rho'_L \right] \]
Optimal Credit Guarantee ratio: $g$

$$g = -\frac{1}{\alpha_1 \left( \frac{w_1 l_1^2}{4} + w_2 \right)} \cdot w_1 \frac{l_1^2}{l_1} \left( \frac{l_0}{l_1} + \frac{l_2}{l_1} y^e - r_D - \rho_L' \right) + \frac{l_1}{2\alpha_1} L^* - \frac{w_2}{\alpha_1} \rho^* - \frac{\alpha_2}{\alpha_1} Y - \frac{\alpha_3}{\alpha_1} P_L - \frac{\alpha_4}{\alpha_1} P_S + \frac{\alpha_5}{\alpha_1} M + \frac{\alpha_6}{\alpha_1} Z$$

**Depends on:**

- Actual SME loans
- The desired SME loans
- The desired default risk ratio of loans
- Fixed demand for loan
- Deposit interest rate
- Expected GDP
- The weight for stabilizing the SME loans
- The weight for reducing the non-performing loan ratio
- Marginal increase of non-performing loans by increase of additional loans
- Price of Land, Price of stock, GDP, money supply,
- Financial profile of banks
## Empirical Survey

### Variables Examined for Bank’s Soundness

<table>
<thead>
<tr>
<th>No.</th>
<th>Symbol</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>L–D</td>
<td>Total loans/total deposits</td>
</tr>
<tr>
<td>2</td>
<td>PR–L</td>
<td>Properties/total loans</td>
</tr>
<tr>
<td>3</td>
<td>(SD+LD)–D</td>
<td>(Saving deposits + long-term deposits)/total deposits</td>
</tr>
<tr>
<td>4</td>
<td>A–L</td>
<td>Total assets/total loans</td>
</tr>
<tr>
<td>5</td>
<td>SC–L</td>
<td>Securities/total loans</td>
</tr>
<tr>
<td>6</td>
<td>CA–D</td>
<td>Cash/total deposits</td>
</tr>
<tr>
<td>7</td>
<td>CBR–D</td>
<td>Accounts receivable from central bank/total deposits</td>
</tr>
<tr>
<td>8</td>
<td>OBR–D</td>
<td>Accounts receivable from other banks/total deposits</td>
</tr>
</tbody>
</table>

Note: Properties are land, buildings, and other hard assets owned by banks. Securities include shares of corporate stock or mutual funds, bonds issued by corporations or governmental agencies, limited partnership units, and various other formal investment instruments that are negotiable and fungible. Accounts receivable from the central banks includes reserve requirement (or cash reserve ratio) and other sums that are normally in the form of cash stored physically in a bank vault (vault cash) or deposits made with a central bank. Accounts receivable from other banks are sums loaned to other banks.

### Statistical Analysis of banks’ balance sheet data

#### Factor Loadings of Financial Variables after Direct Oblimin Rotation

<table>
<thead>
<tr>
<th>Variables (Financial Ratios of Banks)</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Z1</td>
</tr>
<tr>
<td>L–D</td>
<td>(0.238)</td>
</tr>
<tr>
<td>PR–L</td>
<td>0.042</td>
</tr>
<tr>
<td>(SD+LD)–D</td>
<td>(0.287)</td>
</tr>
<tr>
<td>A–L</td>
<td>0.987</td>
</tr>
<tr>
<td>SC–L</td>
<td>(0.096)</td>
</tr>
<tr>
<td>CA–D</td>
<td>0.379</td>
</tr>
<tr>
<td>CBR–D</td>
<td>0.954</td>
</tr>
<tr>
<td>OBR–D</td>
<td>0.981</td>
</tr>
</tbody>
</table>

( ) = negative.

Note: The extraction method is principal component analysis. The rotation method is direct oblimin with Kaiser normalization.
Distribution of factors
Clustering

Dendrogram

Robustness Check for Three Sample Banks

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>2</td>
<td>24</td>
<td>1</td>
<td>16</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>R</td>
<td>14</td>
<td>14</td>
<td>17</td>
<td>12</td>
<td>15</td>
<td>9</td>
<td>11</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>W</td>
<td>28</td>
<td>11</td>
<td>20</td>
<td>22</td>
<td>20</td>
<td>6</td>
<td>10</td>
<td>3</td>
<td>18</td>
</tr>
</tbody>
</table>
Calculated Optimal Credit Guarantee ratios

the optimal credit guarantee ratio in our model depends on three groups of factors:

1. macroeconomic variables
2. government policies,
3. banking profile.

These three groups consist of various variables including:

price of land, price of stock, gross domestic product (GDP), money supply, actual SME loans, fixed demand for loans, deposit interest rate, expected GDP, marginal increase of nonperforming loans by increase of additional loans, desired SME loans, desired default risk ratio of loan, weight for stabilizing the SME loans, weight for reducing the nonperforming loan ratio, and financial profile of banks.
Robustness Check of the Optimal Credit Guarantee Model

- Stationarity test
- Co-integration analysis
- VECM

\[ V = \left( \rho, \text{gdp}, \text{cpi}, m_1, Z_1, Z_2, Z_3 \right) \]

\[
d(\rho_1) = \Phi_1[Z_{1,1}(-1) - 47.45 \rho (-1) - 33.89 P(-1) + 1.82 Y(-1) + 0.34 \text{trend} - 12.36]
+ \Phi_2[Z_{1,2}(-1) - 8.83 \rho_1 (-1) - 5.43 P(-1) + 0.75 Y(-1) + 0.05 \text{trend} - 1.55]
+ \Phi_3[Z_{1,3}(-1) - 23.10 \rho_1 (-1) - 17.63 P(-1) + 6.89 Y(-1) + 0.24 \text{trend} - 9.12]
+ \Phi_4[M(-1) - 0.92 \rho_1 (-1) - 2.17 P(-1) + 2.35 Y(-1) + 0.03 \text{trend} - 1.59]
+ \Phi_5 d[Z_{1,1}(-1)] + \Phi_6 d[Z_{1,2}(-1)] + \Phi_7 d[Z_{1,3}(-1)] + \Phi_8 d[M(-1)] + \Phi_9 d[\rho_1 (-1)]
+ \Phi_{10} d[P(-1)] + \Phi_{11} d[Y(-1)] + \Phi_{12}
\]

\[
d(\rho_2) = \Phi_{13}[Z_{2,1}(-1) + 0.67 Z_{2,2}(-1) - 3.90 Z_{2,3}(-1) + 0.03 M(-1)]
- 2.04 \rho_2 (-1) - 1.11 P(-1) - 0.04 Y(-1) + 0.008 \text{trend} - 0.97]
+ \Phi_{14} d[Z_{2,1}(-1)] + \Phi_{15} d[Z_{2,2}(-1)] + \Phi_{16} d[Z_{2,3}(-1)] + \Phi_{17} d[M(-1)]
+ \Phi_{18} d[\rho_2 (-1)] + \Phi_{19} d[P(-1)] + \Phi_{20} d[Y(-1)] + \Phi_{21}]
\]
Impulse Response Analysis: Group 1 of banks
Impulse Response Analysis: Group 2 of banks

Accumulated Response of NPL2/L2 to Z2,1

Accumulated Response to Cholesky One S.D. Innovations

Accumulated Response of NPL2/L2 to Z2,2

Accumulated Response of NPL2/L2 to Z2,3

Accumulated Response of NPL2/L2 to M

Accumulated Response of NPL2/L2 to NPL2/L2

Accumulated Response of NPL2/L2 to P

Accumulated Response of NPL2/L2 to Y
IV. Conclusion and Policy Recommendations
Conclusion and Policy recommendations (1)

1. The public credit guarantee scheme is a tool to reduce the supply–demand gap in SME finance.

2. In order to avoid moral hazard and for increasing the effectiveness and sustainability of the CGS, adoption of the *optimal credit guarantee ratio* is needed.

3. Optimal credit guarantee ratio is determined by three groups of variables: (i) government policies for NPL reduction and SME support, (ii) macroeconomic variables, and (iii) bank-level variables or banking behavior.
Conclusion and Policy recommendations (2)

4. The optimal credit guarantee ratio should vary for each bank, or for each group of banks, based on their financial soundness.

5. Sound banks should receive a higher guarantee ratio from the government, and less healthy banks should receive a lower guarantee to avoid a moral hazard problem.

6. Moreover, this rate should vary based on economic conditions. Governments should lower the guarantee ratio in good economic conditions where the default risk of SME loans is reduced, and raise it in bad economic conditions to protect the SME financing and economic growth.
Next Step:

Measuring the optimal credit guarantee ratio and optimal credit guarantee fee for CAREC member countries (First case: Kazakhstan)

In Recent years DAMU fund in Kazakhstan had significant impact in increasing share of guaranteed loans to SMEs.

The share of “Damu” Fund credit in priority industries have been steadily increasing over the years to KZT574 bln in 2016 or 17% of the total credit. (DAMU, 2017).
Dosmagambet, Oskenbayev, Taghizadeh-Hesary and Mukan (Forthcoming) found that the public credit guarantee scheme and financial system creditworthiness in Kazakhstan is vulnerable to oil price movements.

In order to have a sustainable credit guarantee scheme for Kazakhstan for securing the SMEs access to finance, it’s important to adopt the optimal credit guarantee ratio and optimal credit guarantee fee.
Reference:


Unlocking SME Finance in Asia:
Roles of credit rating and credit guarantee scheme

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