Finance for Innovation and Growth

What can the Dutch government do for you?

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The Netherlands in the world - the humble giant?

135th Size
64th Population
18th GDP
14th Starting a new business
8th WEF Global Competitiveness
6th EC Innovation Union Scoreboard
5th Most Productive Country
4th UN Global Happiness Index
2nd Agricultural exports
1st Most entrepreneurial country in Europe
The Dutch Business Policy

Generic business policy
- For all entrepreneurs
- Instruments for access to finance and innovation

Focus on Top sectors
- Nine internationally competitive sectors
- To maintain strong and promising position

- Water
- Food
- Horticulture
- High tech
- Life sciences
- Chemistry
- Energy
- Logistics
- Creative industry

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The Dutch Business Policy

• Basics: deregulation, support/advice
• Human capital (Techniekpact)
• Innovation policies (TKI, MIT)
• Fiscal policies (WBSO, RDA, Innovatiebox)
• Access to finance
Lower business loan volume, particularly for SMEs
Broad policy mix

Laag
- leningen
- banken
- Qredits
- BMKB
- GO facilititeit

Risico
- achtergestelde leningen
- FIB & DGGF
- Innovatie-kredieten
- GROEI faciliteit
- Dutch Venture Initiative
- informals
- Seed fondsen
- ROM
- aandelenkapitaal / mezzanine

Hoog
- Voorbereiding
- Start
- Groei
- Doorgroei / Consolidatie

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Key results

- During crisis (2009-2013) more than € 8 bln of (SME) finance realized with government guarantee schemes (BMKB, GO and Groeifaciliteit)
- In 2009-2013 over 10.000 SMEs supported
- Currently almost € 3 bln outstanding government guarantees
- In 2014 already € 325 mln of guarantees for over 1.200 firms (mostly SMEs)

Government guarantees per year

<table>
<thead>
<tr>
<th>(mln €)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tr>
<td>BMKB</td>
<td>€ 556</td>
<td>€ 742</td>
<td>€ 909</td>
<td>€ 486</td>
<td>€ 344</td>
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<tr>
<td>GO</td>
<td>€ 197</td>
<td>€ 487</td>
<td>€ 219</td>
<td>€ 117</td>
<td>€  56</td>
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<tr>
<td>Groeifaciliteit</td>
<td>€ 9</td>
<td>€ 23</td>
<td>€ 10</td>
<td>€ 14</td>
<td>€  8</td>
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Additional policy to enhance SME finance: ‘Aanvullend actieplan mkb-financiering’

1. Increase equity level SMEs
   - Additional EUR 100m for Dutch Venture Initiative
   - EUR 500m guarantee for realizing subordinated loans fund
   - Permanent funding of the ‘Vroege Fase Financiering’ initiative

2. Expand supply SME finance
   - EUR 400m guarantees for new suppliers of SME finance
   - EUR 100m guarantee for rising credit limit Qredits (to EUR 250.000) and supply of working capital
   - Supply Chain Finance for SMEs

3. Enhance cost-effectiveness of SME finance
   - Improve SME credit information
   - Improve the level of skills
   - Enhance the accessibility of the government instruments

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Succesfull cooperation: the Dutch Venture Initiative

- DVI 1 (Dutch Venture Initiative): a fund-of-funds of EUR 150m from the Ministry of Economic Affairs and EIF
- Invests in targeted private funds for later stage (growth) market
- Already two successful exits since the DVI investment in 2013
The effect of DVI on the venture capital market

Preliminary/draft results based on NVP/EVCA/PPM Oost/Min.EZ survey on later stage venture capital market in NL.

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Improving the leverage

- More equity / venture capital improves the financial position of the company.

- A higher equity ratio implies that investors have a higher level of confidence in the company and attracting debt finance becomes easier.
To conclude

• Access to finance is key
• Structural developments
• Broadening financial landscape:
  - Combinations of finance
  - More suppliers of SME finance
• Partnering with e.g. EIB
Further contact

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