

# SME Ecosystem in the “New Normal”

Domestic liquidity &  
Trade support

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Capacity Sharing Marketplace  
...a Bern Union initiative





# Agenda

## SME ECOSYSTEM IN THE NEW NORMAL...

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### **Global perspective**

The Montreal Group

New Financing Trends

Government Spending + Liquidity

②

### **Canadian perspective**

BDC & SME Trade support

# THE MONTREAL GROUP



# NEW Financing Trends 1/2

...within the global SME financing ecosystem



- **TRADITIONAL FIs** will be very aggressive with strong companies, and much less with those unable to recover swiftly
  - DBs (direct model) are expected to lose a fair amount of those clients
  - DBs (indirect model) might see a need to start offering direct funding
- **SHORT TERM FINANCING (credit lines)** might not be sufficient for the needs of SMEs
  - DBs might see a need to develop new guarantee or short-term financial schemes
- **DBs and ECAs** can gain at working closer together to share risk & develop joint offerings
  - Eg: POF; Tech schemes; Industry specific schemes; extra support to impactful M&L firms
- **ECAs** are asked to extend their mandate domestically
  - This could create confusion in the market
  - This can remain in place for a long time and create even greater confusion

# NEW Financing Trends 2/2

...within the global SME financing ecosystem



## → Organizations are looking at prioritizing **ONLINE LENDING**

- It has proven to be one of the most efficient scheme in support of SMEs during wave #1

## → Federal partners should join forces to deliver tailored services for **eCommerce**

- Lot's of offering and confusing for SMEs to know where to start and who to ask for advice

## → Develop stronger offerings for **UNDERSERVED ENTREPRENEURS + CLIMATE FINANCE**

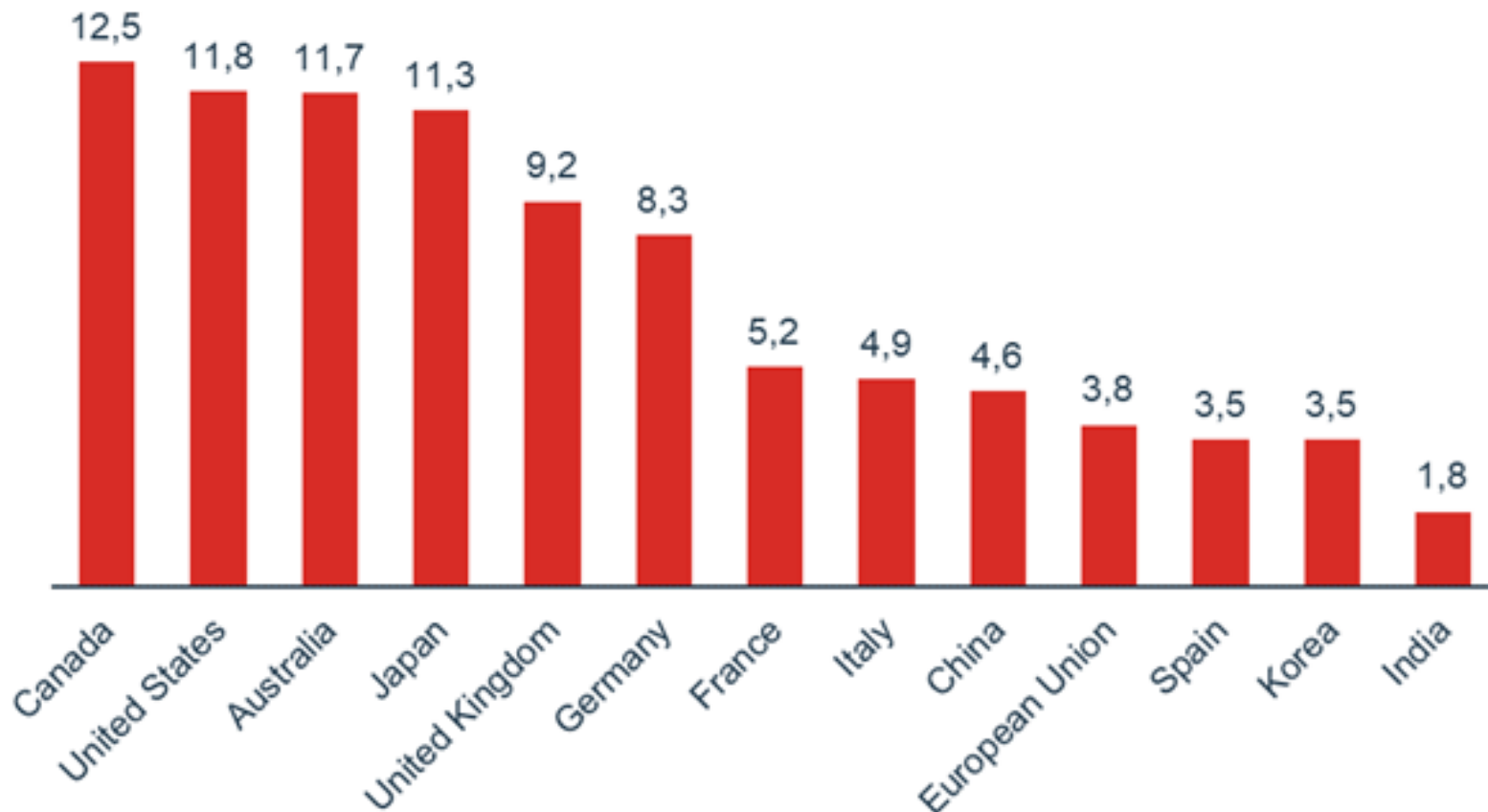
- State-owned organizations need to always keep a focus on their mandate to support underserved groups + look into doing more in support of climate finance



# **Government spending & Liquidity**

# Additional government spending or foregone revenues

In response to COVID-19 (% GDP)

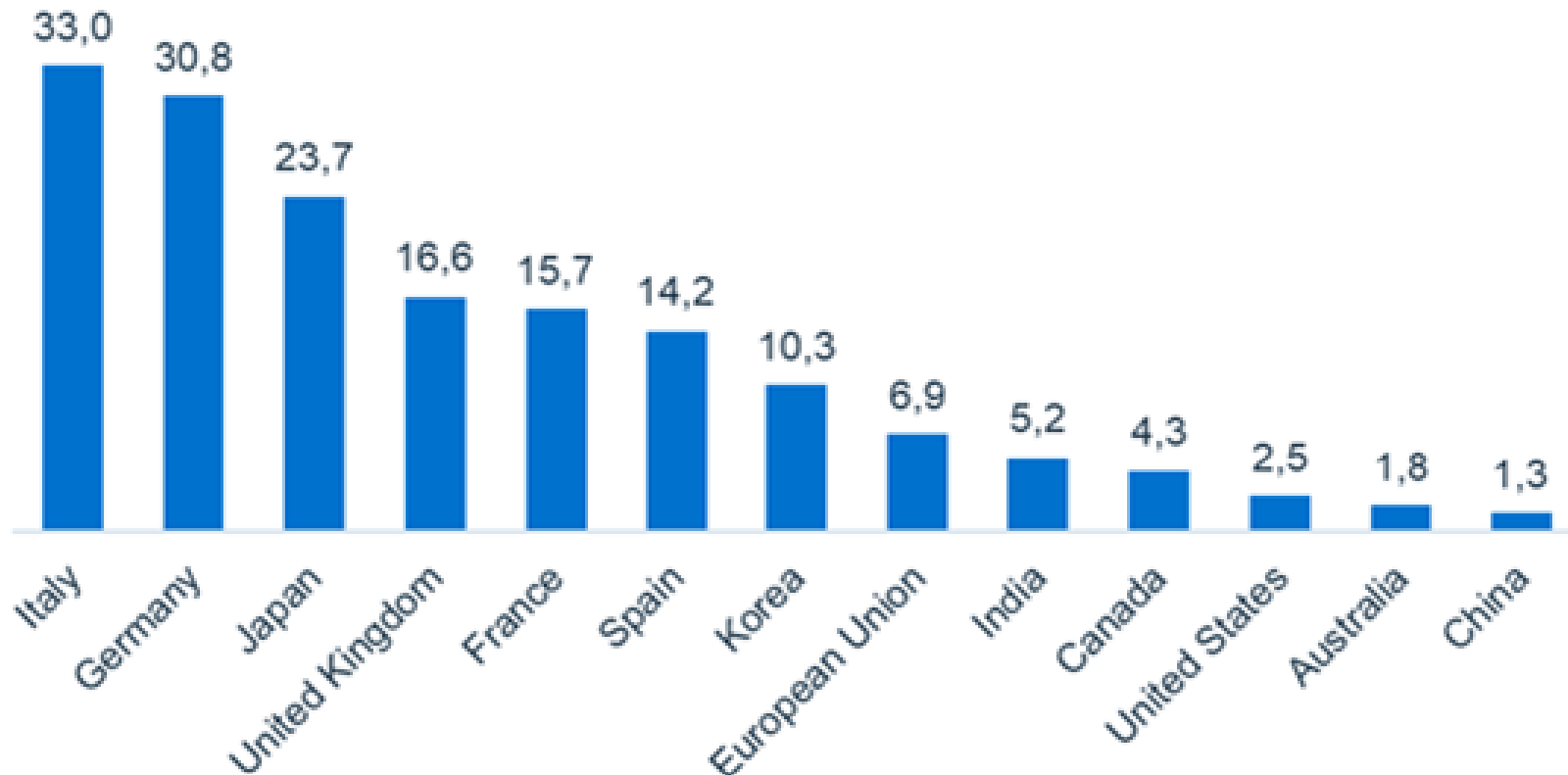


Source:IMF



# Liquidity support

In response to the COVID-19 (% GDP)



Source: IMF

Note: liquidity support includes equity injections, loans, asset purchase and guarantees





# Canadian Perspective

BDC ++





# Working with Partners to enhance trade



## Canada Tariff Finder Tool

—tariff info for 36 countries



### With EDC

- Tech Loans
- P.O. Financing
- COVID-19

### With TCS

- Connections abroad
- CanExport
- Virtual Trade Missions



# Thank you. Merci.

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