

PADIMA

Policies Against Depopulation in Mountain Areas



FINANCIAL SUPPORT TO BUSINESS PROJECTS

Le Puy en Velay 2011-11-29

Karine Gómez - Teruel Provincial Gov.

Supported by:



Some words about the area

LOCATION : SPAIN - COMUNITY OF ARAGON - PROVINCE OF TERUEL



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Some words about the area



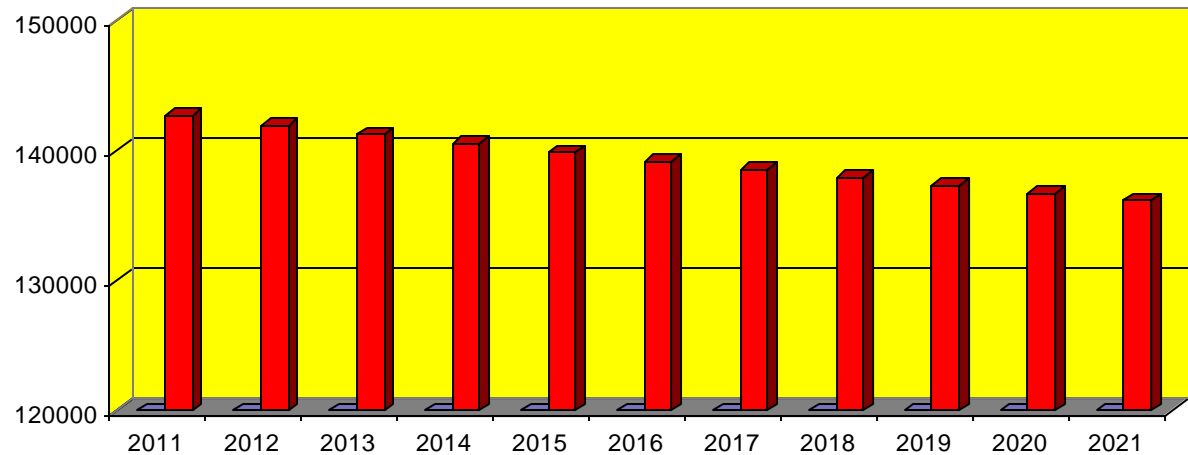
TERUEL socio-economic context

- Population
- The deficiency of communication infrastructures.
- The economy sector
- Business

Some words about the area



POPULATION PROJECTION OF THE PROVINCE TERUEL



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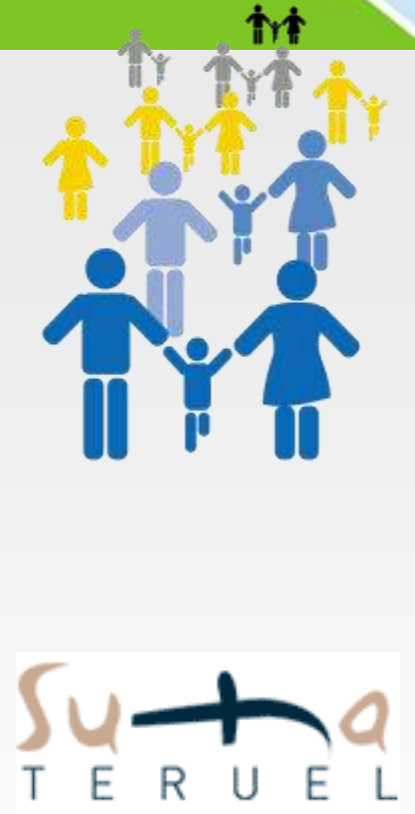
Source: INE

What was the problem?



- Characteristics of the region of Teruel
- Economic crisis
- Difficulties of accessing funding

What?



SUMA TERUEL

- organization that advocates strongly for the creation and maintenance of Teruel companies.
- Providing financial support specialized business projects with technical, economic and financial viability
- Taking more risk than traditional financial institutions.
- 2 people working in administration, management, analysis and trading.

Luis Miguel Benedicto
Manager de SUMA TERUEL
www.sumateruel.com
info@sumateruel.com
T:+34.978.60.22.31

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How long?



Since 2007, They support all sectors except the financial and construction sectors

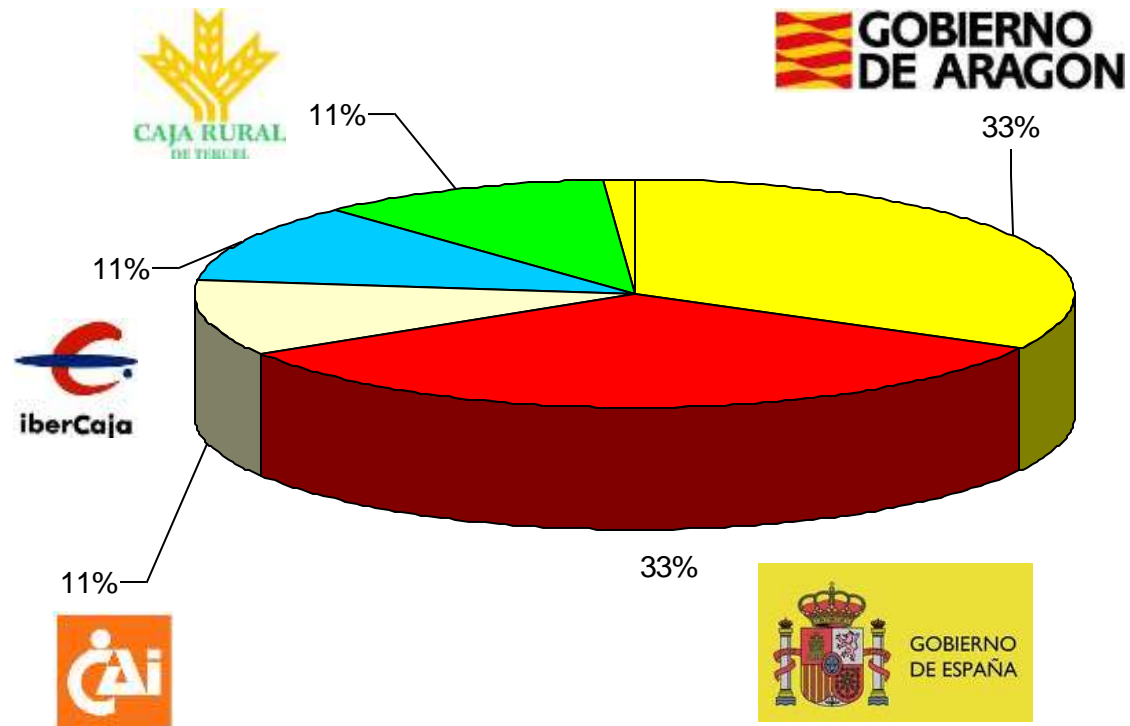


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Who got involved?



SUMATERUEL PARTNERS



Su + a
T E R U E L

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How did we do?

The process and criteria of projects selection.

- Preliminary contact
- Study and concede the financing.
- Track and management support
- Departure and divestment.



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How did we do?



- Temporary and minority participation in the capital.
- Loans participatory

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How much did it cost?



➤ SUMA Teruel has a capital of € 12,000,000.

➤ Working capital lines and smaller investments:

€ 2,000,000 in 2009

€ 3,000,000 in 2010

€ 3,800,000 in 2011

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Problems?



- Economic crisis
- Low investment

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Does it work?



Project funded and committed: 53

Multiplier effect: 6.8 (for every euro invested By SUMA TERUEL, generate an investment of EUR 6.8)

Jobs maintained by financing assets: 1,426 workers



How does it contribute to the ec diversification?



Has been paramount job creation, innovation and the creation of new products.

It also has sought to diversify and balance the economic activity of our region.

(Nowadays the prevailing Teruel sectors are agriculture / livestock and the construction sector)



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Single initiative/Strategy?



- Specific action plans Teruel (PAET)
- Teruel Investment Fund (FITE, 50% Government of Spain and 50% Government of Aragon).



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What?



Avali SGR is a financial institution (mutual guarantee company) dedicated to the provision of guarantees



María Pilar Muñoz
Delegate de AVALIA SGR
www.avaliasgr.com
T: +34.978.608.511

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How long?



Its Support businesses and entrepreneurs of all sectors since 2005



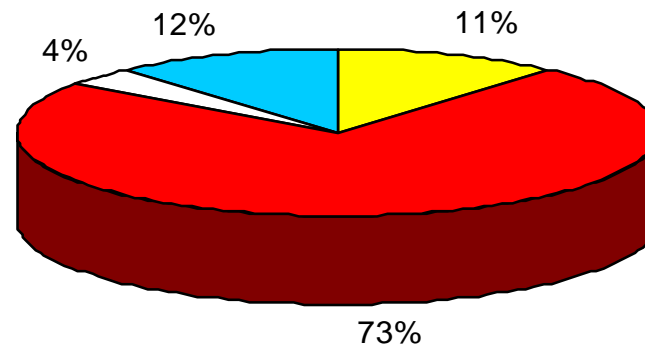
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Who got involved?



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AVALIA PARTNERS



■ SOCIOS PARTICIPES ■ GOB ARAGON □ DIPUTACIONES ■ ENTIDADES FINANCIERAS

Patron members - Community Gov. - Regional Gov - Financial institutions

How did we do?



AVALIA offers three types of products:

- Technical guarantees
- Financial guarantees
- Financial services



How much did it cost?



- AVALIA has a registered capital of around € 12,000,000.00 which varies each year according to participating partners.
- AVALIA has 17 employees: 15 in Zaragoza, Huesca and 1 in Teruel.

Problems?



- Due to the growth we had in 2009 we were at a point where we needed more capital to continue to provide guarantees and request the Government of Aragon to expand its participation in our capital. .

Does it work?



- In 2 years has helped over 350 companies
- Financial support of over € 55 million
- Maintenance or creation of 7000 jobs



How does it contribute to the ec diversification?



The impact of AVALIA on the Teruel province contributes to the diversification because they can benefit from its services any SME and independent entrepreneur of Aragon province and from any sector of activity.



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Single initiative/Strategy?



- AVALIA ARAGON, S.G.R.. He relies on his solvency through equity and refinancing.



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Transferability to other areas



- Provide funding adapted to the real needs of a growing company or entrepreneurs and / or forward.

What is really essential is that both public entities and financial institutions are committed to the region.

The project is exportable to any disadvantaged area.

