



FOR IMMEDIATE RELEASE

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Hal Lipper, +381-65 504-6308

E-mail: hlipper@usaid.gov

Jelena Popović, +381-65 306-6750

E-mail: jpopovic@usaid.gov

PRESS RELEASE

USAID AND THE ASSOCIATION OF EMPLOYERS HIGHLIGHT THE CHALLENGES THAT WOMEN FACE WHEN SEEKING FINANCING

BELGRADE (June 5, 2012) – Women seeking financing to launch or expand businesses face higher collateral requirements and loan costs than men do, and often encounter constraints limiting the use of advanced banking products, experts from the USAID Business Enabling Project and the Serbian Association of Employers said today.

This is why women entrepreneurs often borrow money from friends or family rather than banks, according to participants at the “Access to Finance from the Perspective of Businesswomen” forum at the Serbian Association of Employers in Zemun. This was the seventh access-to-finance roundtable organized by the USAID Business Enabling Project

“Today’s roundtable underlined specific obstacles that women face in managing their companies,” said Susan Kutor, Director of the USAID/Serbia Economic Growth Office. These problems are not unique to Serbia, Kutor added, noting that the growth of women-owned businesses throughout the world is constrained by similar problems in accessing finance.

While the problems are not unique, they are particularly acute in Serbia. Dragan Marjanovic, Director of the Serbian Association of Employers, said that half of all women launching small businesses were either single mothers or earning income because their husbands had lost their jobs.

“The Government of Serbia, local authorities, and economic policymakers need to devote more attention to developing women’s businesses, encouraging and supporting women who are starting businesses, and to making it possible for women to get funds to expand their businesses,” Marjanovic said.

A USAID Business Enabling Project study of 1,000 companies found that only 8.5 percent of businesswomen borrowed more than €50,000 to launch or expand their companies, yet 28.5 percent of businesses owned by men borrowed more than €50,000. Some 58.3 percent of loans taken out by businesswomen are less than €10,000.

USAID’s Business Enabling Project is working to improve access to finance by identifying obstacles and proposing changes to legislation and regulations, and by fostering changes in the way financial institutions work with business clients.

CONTACT: Strahinja Mitrovski, Communications Manager, USAID Business Enabling Project, at smitrovski@bep.rs, +381-60 13-00-577

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Since 2002 USAID has invested more than \$662.7 million to stimulate economic growth, strengthen the justice system, and promote good governance in Serbia.

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