

InvestEU: European Commission and Garantiqa sign an agreement to unlock up to €1.5 billion of investment to support SMEs operating in the green and digital sectors in Hungary

Today in Brussels, the European Commission and Garantiqa have signed an InvestEU guarantee agreement worth up to €274 million. With this agreement Garantiqa, as a Hungarian promotional bank, becomes the first Hungarian InvestEU implementing partner.

Garantiqa will use the European Union guarantee to mobilise investments in the SME Window of the InvestEU programme. Thanks to the agreement between the two parties, financing projects in areas such as agriculture and food industry, clean energy, digital, supply chain development, Research & Development, production efficiency, and support to Hungarian transition regions and rural development, becomes more accessible.

The agreement enables Garantiqa to support operations with higher credit risk and longer maturities, thereby stimulating investments in high economic and social impact projects. Furthermore, the signed agreement will support the modernisation and decarbonisation of the Hungarian industry. These investments will help the EU to achieve its broader strategic objectives of securing the green and digital transitions.

This agreement was made possible with the support of the InvestEU programme, which aims to trigger more than €372 billion in additional investment over the period 2021-27. InvestEU provides an EU budgetary guarantee to implementing partners to increase their risk-taking capacity and therefore contributes to mobilising public and private investment for the EU's policy priorities.

Commissioner for the Economy, Paolo Gentiloni, said: *“InvestEU is supporting investments across the EU that will help us to deliver on our common objectives, especially the green and digital transitions. I am delighted that from today Garantiqa will be an InvestEU implementing partner, helping green and digital SMEs in Hungary to develop and create jobs, driving innovation and sustainable growth.”*

“The agreement reached with the European Commission is another significant step in helping as many Hungarian businesses as possible to have access to financing instruments that support their growth objectives. It is our goal to ensure continuous economic development in Hungary which is essential for Hungarian small and medium-sized enterprises to successfully achieve their objectives,” said Gergely Fábián, State Secretary for Industrial Policy and Technology.

CEO of Garantiqa Istvan Attila Szabo stressed that: *“It is Garantiqa Hitelgarancia Zrt.’s mission to help as many businesses as possible to have access to financing they require to implement their plans. Last year, the Hungarian sector of small and medium-sized enterprises was subsidised by the highest unit volume of institutional guarantees as Garantiqa had provided 2,545 billion forints guarantees by the end of the first half of 2023, which were linked to a loan portfolio of more than 3,200 billion. Thanks to InvestEU, we are*

positioned to provide Hungarian enterprises with a new guarantee product that offers better conditions than ever”.

Background

The **InvestEU programme** provides the EU with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It also helps to mobilise private investments for the EU's policy priorities, such as the European Green Deal and the digital transition. The InvestEU Programme brings together under one roof the multitude of EU financial instruments available to support investment in the EU, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub, and the InvestEU Portal. The InvestEU Fund is implemented through implementing partners who invest in projects using the EU budget guarantee of €26.2 billion. The entire budgetary guarantee backs the investment projects of the implementing partners, increase their risk-bearing capacity and thus mobilise at least €372 billion in additional investment.

Garantiqa is a Hungarian promotional bank that has been supporting the financing of small and medium-sized enterprises since 1992, partly through state guarantees and partly through market-based guarantee services. The operating model of Garantiqa is that of a public-private ownership undertaking that reaches the market only via intermediated financing through commercial banks. It has a strategic partnership with all major commercial banks operating in Hungary, with a collective network of over 1 300 branches. The Institution’s headquarters are located in Budapest and it employs 133 employees.

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