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IS BANK LOAN FUNDING TO SMES IN NORTH AFRICA A MATTER OF SIZE?

Abstract:

The paper tackles the bank loan issue according to the size of 3,896 businesses, a sample from the World Bank Enterprises Survey conducted as of 2013 in Egypt, Morocco and Tunisia. First, the sample is adjusted with respect to international standards. Second, businesses that did not apply vs. those that did apply for a loan are investigated as regards corporate finance theory. Third, a logistic model addresses the demand and the supply of 1,020 businesses that applied for a loan. Characteristics of businesses -Size, Age, Registration and Financial inclusion influence loan demand, whereas Financial inclusion and Collateral influence loan supply.

Keywords:

Bank loans; Corporate finance; Logistic regressions; North Africa; SMEs

JEL Classification: G21, G32