



## PUBLIC INCENTIVES & ACCESS TO FINANCE

### WHY YOU SHOULD JOIN [OUR COMMUNITY AND WORKING GROUP](#) FOR TOURISM BUSINESSES AND STAKEHOLDERS

Did you know that:

- Access to finance is one of the main challenges for tourism SMEs who wish to become more sustainable?
- Tourism SMEs seeking finance from private banks are likely to be turned down due to their intrinsic nature?

That is exactly WHY we in the Tourban project will have focused discussions around this topic.

#### RELEVANCE:

Access to financing is vital to foster SME development and build a [competitive and sustainable tourism sector](#). The ability to innovate is critical to better participate in tourism value chains, which in turn may help to create economies of scale, minimize operational costs, and support economic growth. However, lack of adequate and stable financial resources limits innovation in the sector, including investment in new technologies, tools and software, and hampers SMEs from introducing the necessary innovation to ensure, strengthen or upgrade their position in the chain.

Because of the intrinsic characteristics (including a lack of tangible assets, dependence on intangible assets, the consequent lack of collateral and highly uncertain market demand), tourism SMEs seeking finance from private banks are likely to be turned down. The financier community, including banks, still seems to have a limited understanding of these characteristics.

It is also true that SMEs in the tourism sector are often viewed by financial institutions as relatively risky compared to SMEs in other industries. The former typically receive smaller average amounts of debt financing than the latter. Other considerations concern the SMEs in the accommodation industry, they require the most capital but face very high constraints in obtaining it. Moreover, the pandemic has worsened the situation. Tourism has been negatively affected by the pandemic and many companies have been struggling for months now to survive.

#### OPPORTUNITIES FOR DESTINATIONS AND SMEs

- To be competitive in the tourism sector, SMEs need to fight for both market share and funds allocated by lenders. As the competition is getting harder and harder and the pandemic has damaged the entire sector and the perception of lenders, tourism SMEs updated knowledge about access to finance. Something the Tourban project is providing in their online community
- SME's participating in The Sustainable Tourism Acceleration Programme receive a grant up to € 10.000.

#### TOPICS ADRESSED:

- Public Funding
- Government Funding
- Crowdfunding
- Investors & Venture Capital
- Innovative Financial Schemes

#### TOURISM SECTOR EXPERIENCE:

Access to finance is a major barrier for many startups and SME's. Choosing the right kind of funding and having the knowledge not only to navigate the many opportunities, but also to identify the right solutions for your company can be time consuming and daunting. That is why Tourban has created a space for addressing the needs, knowledge gaps and a steady information stream along with a grant to support the growth of future sustainable tourism SMEs.

#### ADDITIONAL INFORMATION:

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