

## ***FINANCING SME IN EMERGING ECONOMIES***

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### ***Abstract:***

*This paper explores the degree of financial market integration between the new and old EU member states; it also considers the likely effects of the ongoing integration process on the new members' financial sectors. In particular, the paper discusses the implications of the high concentration of financial services and the dominance of foreign-owned institutions for the provision of financial services to small and medium-sized enterprises (SMEs) in the accession countries. Using enterprise data on a certain number of companies, the paper finds that access to finance still constitutes a major problem for business development and that financing conditions are considerably more difficult for SMEs than for larger entities.*

**Keywords:** *financial sector, financing, small and medium-sized enterprises, international integration*

**JEL codes::** *F36*