

## Jordan: #TeamEurope – EIB and Capital Bank of Jordan join forces to support SMEs



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- **€70 million of financing to support economic resilience of Jordan**
- **Team Europe response to tackle the economic impact of the COVID-19 pandemic**
- **Funds to support SMEs and mid-caps in Jordan**

The European Investment Bank (EIB) is supporting the Jordanian economy with a €70 million line of credit to [Capital Bank of Jordan](#) to be on-lent primarily to local small and medium-sized enterprises (SMEs) that have been severely affected by the economic consequences of the coronavirus outbreak.

SMEs are the backbone of the Jordanian economy as they account for over 95% of local businesses, contribute to more than 50% of GDP, and employ about 60% of the working population. As a consequence of the COVID-19 outbreak, many companies have experienced a decrease in turnover and profitability, leading to payment delays and an increased demand for liquidity. It is now crucial to step up support to private sector businesses, thus helping to protect jobs

and keep the economy going.

The EIB financing comes under the [Economic Resilience Initiative \(ERI\)](#), a joint EIB and EU programme aiming to support the countries in the Mediterranean region that have been most impacted by the refugee crisis. This is the EU bank's first operation in response to the COVID-19 impact in [Jordan](#), and is part of its €6.77 billion support package in countries outside the EU in the context of Team Europe's response to help mitigate the impact of the coronavirus pandemic.

Since its inception in 1995, Capital Bank of Jordan has become one of the leading financial institutions, offering a comprehensive set of added-value commercial and investment banking services tailored to the needs of individuals and institutional clients in Jordan and the region. Capital Bank offers a broad set of financial products for its Corporate and SME clients, capitalising on its established expertise in the Jordanian market, as well as its regional presence.

Flavia Palanza, Director of the EU Neighbourhood Department at the EIB, said "It is one of the EIB's top priorities to support the resilience of the private sector during this unprecedented crisis with the provision of funding through our cooperation with the Jordanian banking sector. Our partnership with Capital Bank of Jordan aims to make available vital financing for SMEs and mid-caps to help them cope with the economic impact of the COVID-19 pandemic. As part of the Team Europe response, we are committed to stepping up our support for Jordan to address the immediate challenges caused by the pandemic, as well as laying the foundations for a successful economic recovery after the crisis."

European Union Ambassador to Jordan, H.E. Maria Hadjitheodosiou, commended on the "timely and crucial" financing provided by the EIB to Capital Bank of Jordan, which will enable SMEs struggling to cope with the economic impact of the coronavirus to continue operating, and assist them in preserving and creating new jobs.

The Ambassador underlined that "this Team Europe package, which is part of the European Union's COVID-19 response, complements the Jordanian government's response to support entrepreneurship and job creation."

Chairman of Capital Bank, H.E. Bassem Khalil Al-Salem, said: "We are proud to be the first bank in Jordan to cooperate with the EIB in its current response to the COVID-19 emergency. This strategic alliance will serve to support small and medium-sized Jordanian enterprises and stands as a testament to the trust that the EIB has in Capital Bank as a reputable and reliable partner capable of supporting this vital sector of the economy. Through our cooperation with the EIB, Capital Bank will be able to offer support to new and existing clients to grow and prosper."

Al-Salem added: "SMEs are the backbone of our national economy's development and growth and have been affected by the current COVID-19 crisis. This cooperation with the EIB will be a strong tool to help support this essential sector in our economy. Both Capital Bank and the EIB have a strong track

record in supporting SMEs. With this strategic partnership, we will dedicate our efforts to creating new employment opportunities, increasing competitiveness and stimulating growth in order to promote a more dynamic Jordanian economy.”

[Jordan and the EIB](#)

[EIB in the region](#)

[Economic Resilience Initiative](#)