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Title: FINANCING OF MOROCCAN NATIONAL AND EXPORT SMES

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Abstract:

Access to different sources of finance is the key to ensuring the sustainability and continued growth of businesses in general and SMEs in particular. Indeed, the latter, in addition to their weight and importance in the Moroccan economy, they have specific characteristics that differentiate them from large companies, whether in terms of their choices in terms of financing, investment needs, exploitationor even innovation. In addition, when an SME decides to venture beyond its national borders, and therefore to export and target the sale of its products abroad, it must adapt not only its industrial, commercial and logistics strategy but also its financial strategy. The objective of this research is therefore to verify whether there are differences between national Moroccan SMEs and those exclusively exporting with regard to their choice of financing methods, a sample of forty Moroccan SMEs were used for the test.

Keywords: Internal financing; External financing; national SMEs; exporting SMEs; SWOT.

1. Introduction

The international financial crisis of 2008 affected the financing behavior of Moroccan companies in general and SMEs in particular. This last category of enterprises represents almost all the number of enterprises in the Moroccan economic fabric. Their funding challenges have long been an issue, as the lack of capital remains an issue. Although governments have created support programs and are puttingpressure on financial institutions, SMEs' access to financing is a chronic problem. Several studies have found that these difficulties represent a major obstacle to the development of SMEs, although their financing needs are relatively small. Indeed, difficulties in accessing financing resources are the first obstacle to the development of Moroccan SMEs, whether national or exporting. However, ensuring a good level of competitiveness in the international arena requires a robust financial and cash position given the various costs incurred by this opening (costs of prospecting, adaptation of existing products, currency hedging, etc.) This is in contrast to SMEs operating in the domestic market.

In this sense, our problem is formulated as follows: "Are there or are not differences between nationaland exclusively exporting Moroccan SMEs in their financing methods?" Hence the central hypothesis:
«There are differences between national and exclusively exporting Moroccan SMEs in their financing methods». Our article will be presented in two (2) parts: the first part will present the SWOT analysis of Moroccan SMEs, the theory of financing SMEs and the different sources of financing of national and export SMEs. The second part will present the results of the exploratory study on the choice of financingmethods of the two types of SMEs and their difficulties in accessing certain sources of financing, while making some recommendations.

2. Financing Moroccan SMEs:

2.1 Theoretical Framework

SWOT analysis of Moroccan SMEs The choice of SMEs as an analytical framework is justified by the weight of these entities in the economic, industrial and social fabric of many countries and Morocco inparticular, and the growing interest of researchers in this field in full structuring (O. Torres, 1998).
According to the Ministry of Industry and Trade (2018), Moroccan SMEs employ 46% of the kingdom's employees and account for 40% of GDP and 31% of exports. On the other hand, these entities only

contribute 20% of Morocco's added value, which explains the actions taken by the State to promote them and make them more competitive (358 companies and 17 consortia benefited from the support measures led by the State). However, despite these efforts by the State, Moroccan SMEs still have a longway to go to achieve their performance and competitiveness objectives. In terms of exports, Morocco had 6,000 SMEs in 2018 compared to 1,742 in 2004. Both the latter and their national counterparts are generally characterized by the same strengths and weaknesses and share a number of opportunities and threats.

2.1.1 Advantages of Moroccan SMEs

Moroccan SMEs benefit from several advantages, Such as:

- **Responsiveness and flexibility**

The small size of the SME and the small number of staff enable it to react and respond more quickly to opportunities presented by the national and international market, and thus adapt to them and change its direction in the short term. Unlike large companies, which are paralyzed by their heavy structure andthe slow flow of information due to their internal bureaucracy.

- **Centralized management**

As noted by several authors, the strategic summit of the SME's organizational structure is often the owner-manager (Dromby, 2000). The management of the Moroccan SME does not go beyond this rule, because it is characterized by a strong centralization of decision-making power in the hands of its owner-manager, who by his permanent presence in his company increases his hierarchical domination. In addition, enjoys a very good visibility allowing him to evaluate the level of performance of his company. However, this applies to very small SMEs whose activities are very limited.

- **Fairly diversified supply and low labour costs**

Moroccan SMEs, which are mainly exporters, offer a fairly diverse and competitive range of products totheir foreign customers because of the low cost of Moroccan labor compared to the European and American labor and the Moroccan quality that is knows and recognized worldwide, especially in the textile sector. Thanks to the efforts made by the State in the context of vocational training.

- **Good internal communication and harmony of human relations**

The small number of SME staff in general makes it possible to create privileged human relations between employees and managers. Thus, leading to employees having a clearer view of the company's performance and will make more efforts to improve its profitability, since this improvement will have a direct impact on their personal conditions. As far as communication with the outside world is concerned, technological progress in this field makes it possible to seek and conclude business contracts abroad with limited and less costly resources.

2.1.2 Opportunities

Morocco is located in northwest Africa and separated from Europe by 15 kilometres across the Strait of Gibraltar, is a strategic meeting point between the two African and European continents on one hand

and the Arab countries on the other. It therefore offers interesting opportunities for localcompanies looking to develop their activities internationally.

- **Opening up the Moroccan economy**

Morocco's accession to the WTO has established over the past ten years, a legal framework conducive to the development of its trade relations with a number of potential partners. Through the conclusion ofFree Trade Agreements, whether on a bilateral or regional level: Turkey, United States, Great Arab Zone, Mediterranean Arab Countries, United Arab Emirates (Moroccan Investment Development Agency, 2014). Morocco has also embarked on the modernization of its transport infrastructure (roads, ports, railways, airports) in order to become a remarkable platform for transformation and transit.

- **Relaxing the fiscal and administrative framework**

The Moroccan State intervened to establish a global strategy, making the Moroccan export product more competitive and efficient. Indeed, in view of the very strong international competition between exporting countries, Morocco has granted very significant tax advantages to exporting companies in order to reduce the costs of goods and products intended for export. In terms of the administrative framework, Morocco is making considerable efforts to modernize administrative procedures, notably through the creation of the Regional Investment Centers and the National Committee for the Business Environment (CNEA) The aim is to improve continuously the competitiveness of the business environment (Pacte Emergence, 2010).

- **Adoption of sectoral strategies and institutional support for exports**

In the spirit of modernization and development of the economic and social fabric, Morocco has put in place sectoral strategies with a view to "to improve competitiveness, create jobs, remove barriers to value for money and finally, promote investment" (rabatinvest, 2011): INDH; Plan émergence 2020; Vision 2020 du tourisme; Plan Maroc Vert; Plan halieutis 2020; Etc. In addition, many organizations havebeen created to encourage export, among them:

- Moroccan Export Promotion Centre (CPME)
- The National Council for Foreign Trade (CNCE)
- Moroccan Association of Exporters (ASMEX)

However, despite their strengths and the opportunities offered to Moroccan exporting SMEs, they contribute only marginally to the creation of added value and exports. This is mainly due to the risks and barriers outside SMEs on one side and their handicaps and vulnerabilities on the other.

2.1.3 Hazards and impediments

SMEs freely choose to be content with their domestic and traditional markets. Despite the desire of these same companies to invest more and to open up to the outside world, they are backing away fromthe risks and obstacles of their environment

- **Dependence on foreign demand of EU countries**

Geographic, linguistic proximity and the free trade agreement between Morocco and the EU make this continent an undeniable ally. Note that this geographical proximity benefits Moroccan exporting companies in terms of logistics costs. However, the economic and financial situation of the European

Union reached by the crisis of 2009 influenced the request addressed to Morocco by these countries. This dependence constitutes a major risk for SMEs that export all or most of their products to Europe, without seeking to diversify their target markets.

❖ **Energy costs and competitiveness of emerging countries**

On the one hand, energy dependence weighs heavily on Morocco's competitiveness. The latter suffersin particular from the global evolution of energy prices, in addition to electricity, which rose from 12thto 2nd place in the overall ranking of constraints stifling the business climate (Doing business, 2012). This trend is reflected in the costs of products exported by Moroccan companies and announces tariff increases in the future.

❖ **Judicial system failure**

The judgments of the Moroccan courts are not considered to be impartial and fair, which tarnishes the climate of investment and economic affairs in Morocco and leaves the way open to corruption. Indeed, despite the efforts made by the State to fight the scourge of corruption, Morocco is ranked 10th in the Arab countries and 88th in the world respectively on the 176 countries consulted according to the degree of corruption (Transparency Morocco report, 2012).

❖ **Complexity, complexity and delay in administrative and tax procedures**

Administrative measures are often considered unsatisfactory by SMEs because of the time required to process files, the cumbersome nature of the work and the lack of information and coordination. In addition, errors in declarations and confusion due to the complexity of the Moroccan tax system, often push investors to call on trustees and consulting firms. However, most SMEs, because of the high cost of counselling, cannot avail themselves of the assistance of qualified experts; This leads several of them to call on unqualified and incompetent accountants and advisers thus increasing the tax risk to be borne by the company in the event of a tax audit.

❖ **Public measures too little known**

Morocco, through an arsenal of measures and institutions aimed at promoting SMEs and boosting exports, has certainly offered businesses and SMEs mainly support and benefits that were previously absent, but these measures are far from providing the development needed for economic growth, compared to other emerging countries (Direction des études et des prévisions financières, 2013). This is mainly due to a superficial knowledge of these programs and the lack of communication between thevarious actors in the economy.

2.1.4 Handicaps of Moroccan SMEs

The reasons for the low competitiveness of Moroccan SMEs, as well as the main handicaps that hinderthe development and economic growth of these same companies lie in the main functions of the company.

❖ **Owner-manager individualism and lack of qualified staff**

If we ignore empirical studies that show that the majority of owners-managers of Moroccan SMEs areilliterate or of a poor level of training (Mourji et al. 2001), we cannot ignore that even a manager who has a certain level of training, Insists on keeping power in his hands, avoiding the division of tasks, which will certainly hurt his company.

- **Lack of advice and weak information system**

One of the cultural obstacles for entrepreneurs of individualistic SMEs is to seek advice, either because they are unaware of the latter's interest and prefer to avoid revealing all the secrets of their business, or because they refuse to admit their lack of knowledge or their lack of mastery of different management techniques.

- **Lack of access to new technologies and innovation**

One of the first comments about Morocco's exportable supply, for example, is its inertia and its concentration on a few sectors and products, with a low level of technology, innovation and R&D.

- **Difficulties in financing investment projects**

The entrepreneurs of Moroccan SMEs being the major handicap to investment often suggest the lack of financial means. At the South Mediterranean level, and just behind Tunisia, the Moroccanbanking sector is the second sector directly involved in SME activity. However, business leaders say that there is a problem with financing SMEs: «80% of companies perceive the high cost of credit and the difficulty of accessing financing as real obstacles to investment» (BMCE monthly, 2007). On the other hand, banks defend themselves by citing "the lack of transparency and professionalism in the presentation of credit files that limit the borrowing capacity of SMEs and require banks to maintain a high level of guarantees" (BMCE monthly, 2007).

What are the financing choices available to Moroccan SMEs?

2.2 Financing of Moroccan SMEs

The literature on business financing choices has gradually become part of a broad and often divergent research stream (Croquet and Heldenbergh, 2008). In order to finance its activities, the company can obtain funds in a number of ways, either by borrowing money from banks or other lenders, or by seeking the financial means of their owners, or by making a public offering.

2.2.1 Theoretical aspect of funding

The theoretical foundations of SME financing choices are intended to explain the different financial phenomena that exist. In this sense, Myers and Majluf (1984) developed the theory of hierarchical financing (POT).

<u>Overview of the POT theory</u>

Myers and Majluf who noted that companies avoid issuing shares and use external financing only if the investment requires funds higher than existing cash flows (Myers and Majluf, 1984) developed the hierarchical financing hypothesis (POT). In this sense, there is an order of adoption of fundingarrangements. First self-financing, then borrowing from credit institutions and finally stock market financing.

Of these facts, Myers and Majluf (1984) conclude that:

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- It is more advantageous for a company to secure financing, and therefore to acquire funds by retention, before moving to external funds.
- With information asymmetries, equity financing lowers the value of the company's shares. However, if the firm incurs debt, the price of shares does not decrease. Debt financing should be favoured over equity financing.
- A company that is financed externally by issuing shares or by debt must not distribute dividends to its shareholders.
    - ❖ POT and SMEs

To capture the reality of SMEs, Holmes and Kent highlighted the concept of POT. The two authors first note the existence of a gap between the financing of SMEs and large enterprises. This phenomenon is defined as a limit in the resource opportunities available to SMEs. There is a large effect in the financing of enterprises, which can be justified by the existence of two constraints in the access of SMEs to financial resources (Holmes and Kent, 1991). The first constraint results from the attitude of owner- managers towards external financing. They prefer to limit their use of internal financing to maintain ownership and control of their businesses. The second constraint is the high costs incurred by SMEs in accessing sources of finance. For Holmes and Kent (1991), information asymmetries increase transactioncosts and limit funding opportunities. As a result, SMEs are being shortchanged in the provision of bank loans. This constraint limits external financing opportunities.

These results in a hierarchy of financing choices: equity, short-term debt, long-term debt, and then share issuance (G. Cassar and S. Holmes, 2003). Ultimately, a preference of SMEs for internal funds followed by debt is proof of the existence of a constraint in financing, hence the concept of hierarchical financing(POT).

❖ **FOP and the choice of financing**

Empirically, many authors have tested the hypothesis of a hierarchical financing order in SMEs. Norton (1991) confirms, from a sample of American SMEs, the relevance of FOP in explaining the financing structure. Similarly, Holmes and Cassar (2003) show a negative relationship between profitability and external funding. They confirm the use of priority internal funds on a sample of Australian SMEs. In France, a study by Nékhili (1999) validates the hierarchical financing order by a negative link between self-financing and external financing, regardless of the size of the company. In thissense, there is a negative effect of size on external funding. The reasons, which push back the choice of external financing, are not to be found in the idea of a lesser effort, but obviously in a reluctance of the owners-managers of the SMEs to seek priority bank financing. Banks appear as a default solution. In their empirical study, Belletante and Paranque (1998) note that managers of listed SMEs express a real reluctance to implement capital increases reflecting a hierarchy in their funding preference. Research conducted shows that public offering is the latest solution considered by managers of SMEs rated 1, although they believe that this resource is cheaper than debt (Dine-dine, 2020).

2.2.2 Financing Approaches

The primary source of financing for a company is internal financing. External funding is a second order solution that the company uses after exhausting internal sources.

2.2.2.1 Internal Finance

It is the result of the SME's operating cycle, the refinancing or sale of real estate assets, or an increase in the partners' commitment. Self-financing is the retention of all or part of the annual remuneration of the partners to cover the various needs of the company (Gillet et al., 1994), It is therefore a savings process carried out at the level of the SME and used in the financing of a project or activity. Thus, the partners regularly leave large sums to the company to compensate for the lack of equity. These contributions left at the company's disposal represent a very important source of finance for SMEs. Theyare often available for many years (Guessouss and Rhinimi 2003). Cash and in-kind contributions also enable the company to finance its activity through the issuance of shareholdings2 by the company's shareholders (Vernimmen, 2012). Internal financing is used as a priority in the hierarchy as it is not subject to transaction costs. It helps to maintain the financial independence of the company while avoiding loss of profit and control. However, this method of financing can sometimes prove to be limited, particularly at the beginning of the SME's life cycle, and when it wishes to engage in a growth process or make a significant investment.

2.2.2.2 Bank Debt Financing

In this mode of financing, the debt corresponds to the intermediate financing. It includes both debts owed to credit institutions and loans from financial institutions. It is the main source of external financing for small enterprises (Scherr et al., 1993). To this end, credit institutions grant loans to SMEs, which demonstrate a strong management capacity and a stable growth potential. In turn, SMEs will focus on debt 3, a source of external financing less subject to the presence of informational asymmetriesthan the issuance of shares on the financial market.

2.2.2.3 Issuance of shares on the stock market

In order to gain flexibility and independence, it is in the interest of SMEs to diversify their sources of financing, in particular by focusing on the stock market. The SME makes public calls for savings when its level of indebtedness is high enough and the conditions of the stock market are favorable the transition of SMEs to stock market financing aims at satisfying the needs of this category of enterprises according to their level of development. It allows the SME to diversify its financing methods and to enjoy greater awareness because of its presence in the various financial journals as well as in the electronic portal of the stock exchange. The stock market presents itself as an ideal solution for external financing of SMEs; it remains an essential element for growth. However, given the requirements of this market, particularly in terms of accounting rules (IFRS) and disclosure and transparency requirements to protect investors, only large SMEs could be financed through this market (CDVM, 2011).

2.2.2.4 Capital Risque

Venture capital is a technique used to finance high-growth companies (AMIC, 2010). The venture capital company seeks the maximum profit. It plays the role of a partner of the company by accompanying its financial intervention of advice and financial support (Abbeloos et al., 2010). This is a new method of financing for SMEs in a context of difficulties in accessing other forms of external financing. Private equity takes place at all stages of the life of the company and comes in various forms. Seed capital, venture capital, development capital, transmission capital and turnaround capital (AMIC, 2010).

2.2.2.5 Funds and Guarantee mechanism

In order to overcome the financing constraints of SMEs, the public authorities have set up a set of funds and mechanisms that will allow this category of enterprises to benefit from certain lines of credit opened with banks.

Guarantee funds

Financial support for SMEs has been provided through the creation of guarantee funds of a general and sectoral nature. The Central Guarantee Fund (CGC) was created for this purpose by the Ministry of Economy and Finance. This organization plays a very important role in financing SMEs. It guarantees their credit and reduces banking risk (CCG, 2013). The CGC's interventions essentially cover companies that would not have been able to access funding or obtain the funding levels expected without the CGC guarantee.

Alternative finance Islamic (so-called participative) finance and institutions specialising in leasing have reinforced the diversification of external sources of finance since the financial crisis of 2008. It is a complementary solution, even alternative to so-called conventional or conventional finance. Islamic finance is based on the prohibition by Islam of usury, called in Arabic ribā (of rabā, increase). It is basedon five pillars: no interest, no uncertainty, no illicit sectors, and obligation to share profits and losses as well as the principle of backing a tangible asset (Jouini and Pastré, 2009). Therefore, it is a finance without speculation, without interest. It offers financing methods perfectly adapted to the needs of SMEs.
Alternative financing provides equity and shares risk and opportunities (Chakir, 2004). It should be noted that the financing granted by the participating banks is aimed at SMEs in all economic sectors, with priority given to commercial-type SMEs with repayable financing in the short term.

2.2.3 Financing of exporting SMEs

In addition to the financing methods mentioned above, the exporting SME may benefit from certain financing lines adapted to its operations, its main objective is to avoid excessive strains on its cash flow and the often very long payment periods granted internationally.

2.2.3.1 Mobilization of export-born receivables (ERM)

Export-born debt mobilization (ERM) is a technique that allows exporters to mobilize debt on foreign buyers (Rousselot and Verdié, 1999). The advantage of this technique lies in the relatively advantageous financing of payment periods of up to 18 months whereas in the discount cannot exceed 3 months.
After a period, it is in the interest of the undertaking to invoice with its national currency; on the other hand, if these claims are denominated in foreign currency, the undertaking retains an exchange risk if it does not hedge by one of the appropriate techniques (Rouyer and Choinel, 1996).

2.2.3.2 Export pre-financing

Export pre-financing credit is a credit that finances the operation of export activities. SMEs find in these pre-financing credits the necessary resources to enable them either to maintain their regular activities abroad (general pre-financing) or to respond to specific orders of a very large amount (specialised pre-financing).

2.2.3.3 The advance in foreign currency

The advance in foreign currency is a credit that finances exports invoiced in foreign currency but more rarely exports denominated in national currency consists in making funds available to companies before payment by foreign debtors, In order to eliminate foreign exchange risk.

2.2.3.4 Factoring internationally

Factoring is not just a short-term financing method. The latter can be used in internal or external trade transactions. The most significant advantage of transferring receivables to the bank is that it neutralizesthe currency risk specific to the international environment. Indeed, factoring guarantees the successful completion of the recovery and will refinance the exporting company in its local currency and the payment will be guaranteed once the transfer is accepted (Rousselot and Verdié, 1999).

3 Financing Moroccan SMEs: empirical pole

3.1 Research Methodology

A field study was conducted to verify the existence of differences between national and exclusively exporting Moroccan SMEs in their financing methods through the distribution of a questionnaire submitted to dozens of Moroccan SMEs. The mother population is all Moroccan SMEs, including 6000 exporting SMEs. At this level, it should be pointed out that, given the difficulty of access to information; we have tried to approach as many SMEs as possible but only forty (40) questionnaires have been used in our distributed study between 20 national SMEs and 20 fully exporting SMEs covering different sectors of activity.Results Analysis

3.1.1 Financing Methods

Difficulties in accessing sources of finance for SMEs are among the obstacles to its development. Indeed, companies can use one or more financing methods at the same time to meet their financing needs.
Table 1 below shows the different financing methods used by Moroccan SMEs.

Table 1. Breakdown of Moroccan SMEs by Financing Methods.

Financing	Staff	%
Financing by company's own funds	22	55
Bank financing	18	45
Financing by capital risque	4	10
Stock market financing	2	5
Others	4	10

Source: Personal design based on empirical study results

Almost half of the surveyed SMEs use external bank financing, but a large proportion of SMEs(55%), finance their investments through internal equity.

3.1.2 Use of bank loans

Table 2 below presents a comparative analysis of national SMEs and exporting SMEs on the use of bank financing and the reasons for this choice.

Table 2. Breakdown of Moroccan SMEs by Bank Loan Demand

LOANS **Ty SMEs**	YES	NO	TOTAL
National	10	10	20
Exporting	8	12	20
TOTAL	18	22	40

chi2 = 0,4 1-p = 47,50%.

Source: Personal design based on empirical study results.

We note from this table that the dependence between the two variables is not significant. There is therefore no difference between national SMEs and exporting SMEs in their demand for bank loans. Nevertheless, the reasons for domestic and export SMEs to use bank loans are different and multiple(Table 3 and 4).

Table 3. National SMEs' reasons for applying for bank credit

	Staff
Diversifying sources of funding	4
Reduce pressure on liquidity	7
Others	1

Source: Personal design based on empirical study results

For the “other” answer, the SME chose this source of financing as bank credit is the only choice.

Table 4. Export SME Reasons for Applying for Bank Credit

	Staff
Funding conditions were attractive	3
Diversifying our funding sources	5
To reduce pressure on liquidity	4

Source: Personal conception based on the results of the empirical study

The main reasons given by Moroccan exporting SMEs to request bank loans are the diversification ofsources of financing, and the need and need to reduce pressure on liquidity. Moroccan SMEs and exporting SMEs, which did not apply for loans during this period, justified their choices with responsesgrouped in the following two tables 5 and 6:

Table 5. Non demand for bank credit by national SMEs

	Staff
Funding not required	7
The application was previously denied	2
This funding was too costly	2
The procedures for obtaining this funding were too complicated	0
Other	0

Source: Personal design based on empirical study results

While SME exporters cited the following reasons:

Table 6. Non demand for bank credit by exporting SMEs

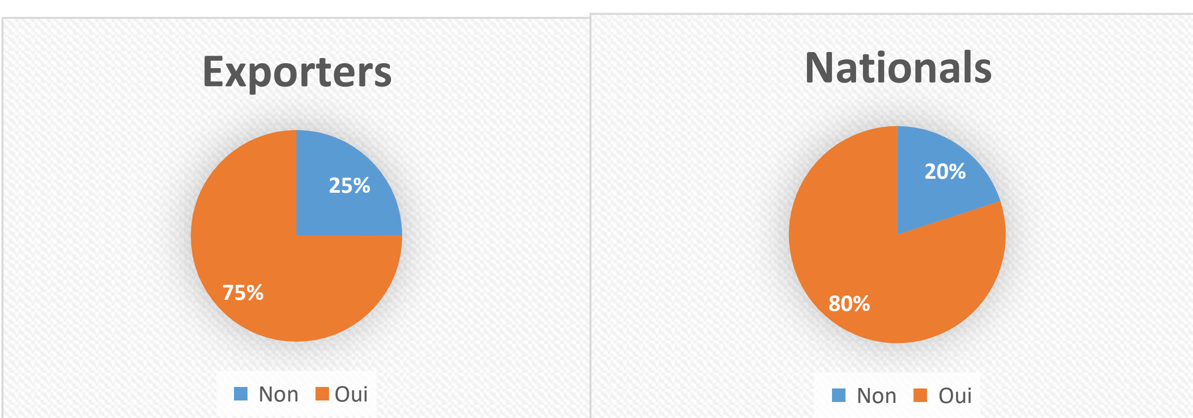
	Staff
We did not need this type of funding	12
We had not been refused before	0
This funding was too costly	3
The procedures for obtaining this funding were too complicated	2

Source: Personal design based on empirical study results

According to the results of the two tables above, most SMEs, which did not apply for bank financing, justified their choices by the fact that this type of financing is not necessary in view of the use of other sources of financing, namely internal ones.

Not accepted credit files are presented in Chart 1 below

Figure 1. Loan application accepted for Moroccan SMEs



Source: Own conception based on the results of the empirical study.

The request for bank credit was refused for 2 Moroccan SMEs and 2 exporting SMEs. In most cases, the bank justifies this refusal by the lack of guarantees. In this sense, it is necessary to think about a guarantee on bank financing. It is not a question of working capital requirements linked to an investment, this system already existing. For SMEs, this possibility is closely linked to their visibility by the banking partner and therefore to the existence of financial intermediation.

3.1.3 Funding difficulties

The SMEs surveyed want to have access to banking products and services whenever necessary; obtaining financing for cash needs or planned or unexpected investments is therefore decisive. Each company therefore seeks to create and maintain a relationship of trust and partnership with its banks. In such a situation, relational exchanges are privileged. However, the evaluation of the Moroccan financing system shows a difficulty of access for companies to external bank financing. This is the most visible constraint of Moroccan national and exporting SMEs. Several factors explain this situation:

- The caution of banks in financing SMEs during the creation or expansion phase, given the problems of lack ofliquidity
- The existence of a strong asymmetry of information between the financial institution and the SME and the lack of transparency, which is linked to the fragility of the structure of the latter.
- The lack of adaptation of financial products to the needs of a large population of SMEs, especially since the vast majority of Moroccan SMEs are indeed small businesses (employees <50).
- Banks impose very strict borrowing conditions on SMEs.

Similarly, certain characteristics specific to SMEs strongly influence their access to bank financing, whether we speak of the low financial capacity of some of them, the sometimes-limited skills of managers and high information asymmetry between the SMEs and their donors. This leads banks to judge the default risk of SMEs to be high, which contributes to raising the cost of granting the funds intended for them. To deal with the difficulties of bank financing of national and exporting SMEs, we suggest that they collaborate with an investment company, which can be considered as a means of diversifying sources of financing. Another solution to reduce the aversion of banks to SMEs is also to develop more reliable guarantee mechanisms. In addition and according to our results, no SME among those surveyed has benefited from the promotion programs of the ANPME or guarantee organizations. We explain this behavior by the fact that the intervention of the State to strengthen the role of the ANPME and thus guarantee that all categories of SMEs in all regions benefit from these programs is weak, even non-existent. Although bank financing is not easy to obtain by SMEs because of the asymmetry of information between the bank and this category of companies, however, it allows the latter to retain its power of control. In this sense, bank financing seems to be a more flexible and less constraining financial instrument. On the other hand, excessive interference by the bank within the SME, an excess of guarantees required, discriminatory behavior or even exaggerated interest rates can encourage the owner-manager of the SME to refuse to obtain financing through the intermediary of thedebt and to seek other sources of external financing, namely financing through Islamic institutions (Cieply and Grondin, 1999).

4 Conclusion

SMEs are at the heart of any development strategy and growth policies implemented by all countries. They are the subject of more and more sustained interest on the part of the public authorities. Specific policies to support this type of business have been put in place with the aim of fostering an environmentconducive to the creation of new businesses and the development of existing ones. However, the evaluation of the financing system shows difficulty in accessing financing for SMEs, despite the increase in the share of medium-term loans in the total outstanding balance of banks. The aim of this study was to explore, with a view to deepening it in future work, the difference between the national SME and the exclusively exporting SME in terms of the choice of financing method. It was conducted on a sample of forty (40) SMEs divided between 20 national SMEs and 20 exporting SMEs covering different sectors of activity. The results obtained firstly indicate that there are no differences between national and exporting SMEs with regard to the use of bank loans. In addition, the reasons that lead these companiesto consider this source of financing are mainly divided between the attractiveness of financing conditions and the need to reduce liquidity pressure. The main limit of this work is its exploratory nature, which covers a limited and heterogeneous number of companies. On the other hand, it constitutes the starting point for a more in-depth study on this issue of financing national SMEs and exporting SME

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