

ROLES OF COMMERCIAL BANKS IN THE GROWTH OF SMALL AND MEDIUM ENTERPRISES - CASE OF ALBANIA

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ABSTRACT

SMEs play an essential role to the overall performance of an economy giving their contribution in economic growth, employment, innovation and technology diffusion. In the other hand commercial banks plays play an important role in the country's economic development through promoting firms' development by influencing positively the mitigation of information-related issues between the investor and the borrower by ensuring a more efficient use of depositor funds and securing their own funds. The aim of this study is to give a short view of the banking activity in Albania giving more focus on their role in SME growth. A combination of quantifiable and qualitative research methods is carried out to test the hypothesis of the study in order to have a complete and accurate result. Specifically, the study uses surveys of SMEs (questioner's field by the representatives of SMEs), interviews with Bank's managers and documentary analysis of Bank's activity in Albania. The SMEs chosen to fulfill the questionnaires are located in two cities of Albanian, respectively in Tirana and Durrës city. This study will be a reference for other studies focused in the role of financial institutions role in SMEs growth in Albania and the examination of relationship between financial institutions and SMEs growth.

Keywords: Role, Commercial Banks, SMEs growth, Albania.