

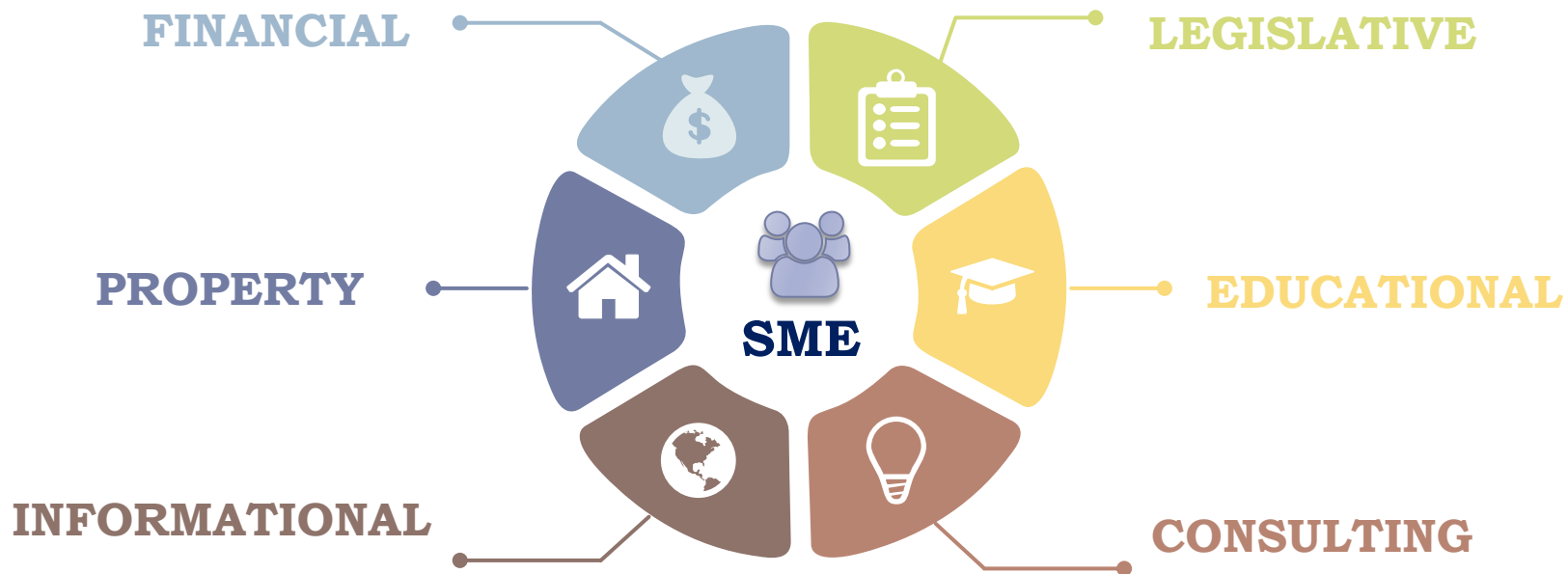


# Features of state financial support to the small business sector in the Republic of Latvia

**Renāte INDRIKA**

Lecturer, College of Accounting and Finance, Riga, Latvia,  
Doctoral student, Baltic International Academy, Riga, Latvia,  
[renate.indrika@gmail.com](mailto:renate.indrika@gmail.com)

# Methods of government support for SME



# Methods of government support for SME

## ✓ FINANCIAL

state subsidies for starting a business, introduction of special lending conditions (loans with reduced rates), state guarantees for the establishment and development of a company, financing of investment and innovation projects, etc.

## PROPERTY

✓ the state and local governments establish modern business incubators and technology parks, in which small companies can develop, the state transfers its property, premises, land, equipment for temporary or permanent use to entrepreneurs, leasing is offered on favorable terms

## EDUCATIONAL

✓ the state develops special educational programs aimed at developing entrepreneurial skills in different sections of the population, creates conditions and programs for the improvement of professional knowledge in the field of business management and administration, organizes training seminars and lectures

## ✓ LEGISLATIVE

simplifies national legislation and reduces the number of company registration procedures, reduces and simplifies tax and administrative burdens (reduces the type and type of reporting), introduces preferential tax regimes for small and medium-sized enterprises

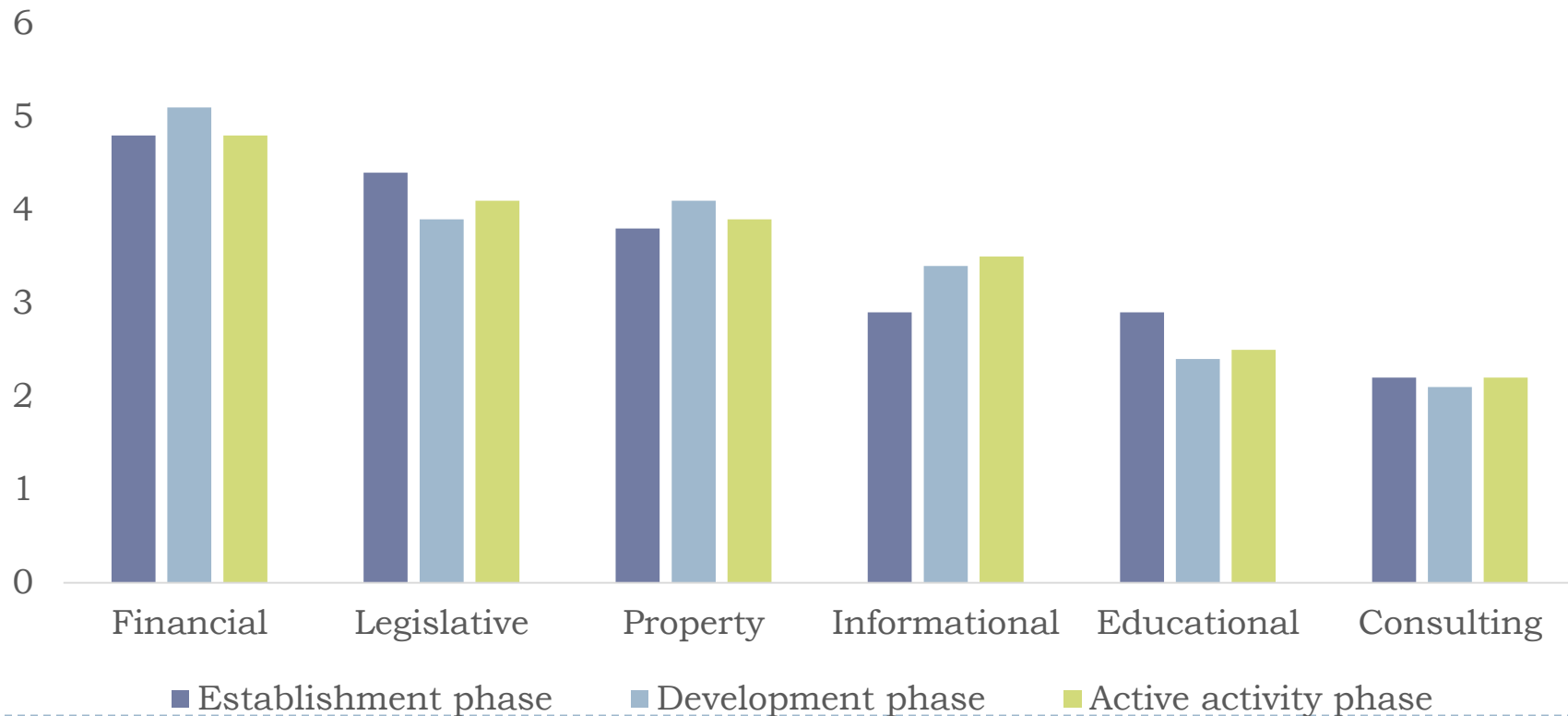
## INFORMATIONAL

✓ the state creates resources (websites or information stands) for the exchange of business information, general information dissemination systems, organizes information seminars and advertising stands, industry and intersectoral exhibitions, where potential partners can find both suppliers and buyers.

## CONSULTING

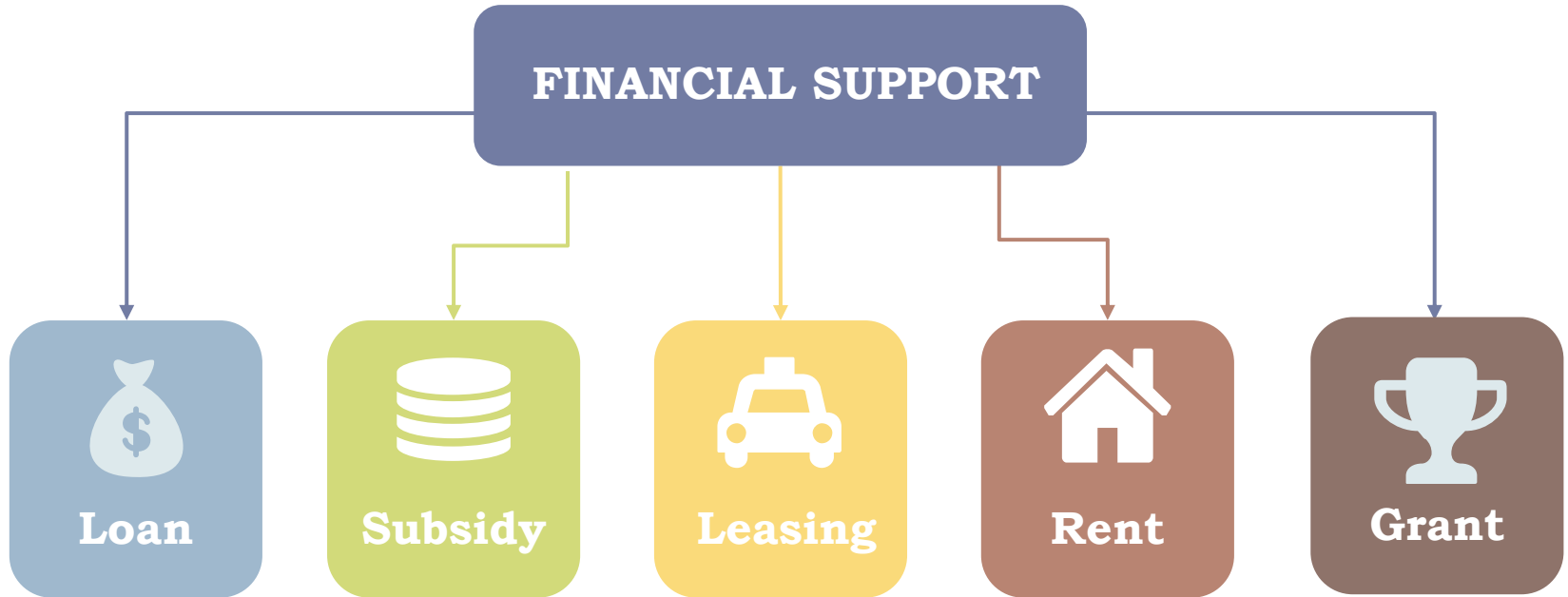
✓ the state establishes and supports centers that provide consulting services for the organization of enterprises, development assistance in accordance with the specifics of business, as well as reimburses entrepreneurs for the costs of services of such organizations

## Priority of measures of state support for small and medium-sized businesses (survey results)



# Measures of state financial support of small business

---



# Loans for start-up entrepreneurs - ALTUM

Age of the company from 0 to 5 years	Provided amount, Euro	Annual interest rate from	Loan term, to	Own participation
<b>Working capital</b>	up to 7 000	2.5% + Cost of the resources of the State Treasury (including service fees) 0.5%	3 years	0% of the project amount
	from 7 000-150 000			10% of the project amount *
<b>Investment loan for equipment</b>	up to 7 000	4% + Cost of the resources of the State Treasury (including service fees) 0.5%	7 years	0% of the project amount
	from 7 000-150 000			10% of the project amount *
<b>Financing real estate</b>	up to 7 000	2.5% + Cost of the resources of the State Treasury (including service fees) 0.5%	15 years	0% of the project amount
	from 7 000-150 000			10% of the project amount *

## Loans for operating enterprises - ALTUM

Age of the company from 0 to 5 years	Provided amount, Euro	Annual interest rate from	Loan term	Own participation
<b>Working capital</b>	from 2 000 - 25 000	2.5% + Cost of the resources of the State Treasury (including service fees) 0.5%	from 6 months to 3 years	0% of the project amount
	from 25 000 - 1 000 000			10% of the project amount *
<b>Investment loan for equipment</b>	from 2 000 - 25 000	3% + Cost of the resources of the State Treasury (including service fees) 0.5%	from 2 to 7 years	0% of the project amount
	from 25 000 - 2 850 000			10% of the project amount *
<b>Financing real estate</b>	from 2 000 - 25 000	3% + Cost of the resources of the State Treasury (including service fees) 0.5%	from 2 years to 15 years	0% of the project amount
	from 25 000 - 2 850 000			10% of the project amount *

## Loans from commercial banks in Latvia

Commercial banks	Provided amount, Euro	Annual interest rate	Loan term	Loan fee
<b>Microcredit against working capital with a guarantee from ALTUM</b>	up to 50 000	from 9,8 %	up to 5 years	1% + 1.42% for ALTUM guarantee
<b>Microcredit for an entrepreneur</b>	from 1 000 - 20 000	from 14 %	up to 5 years	2% (or to 150 Euros)



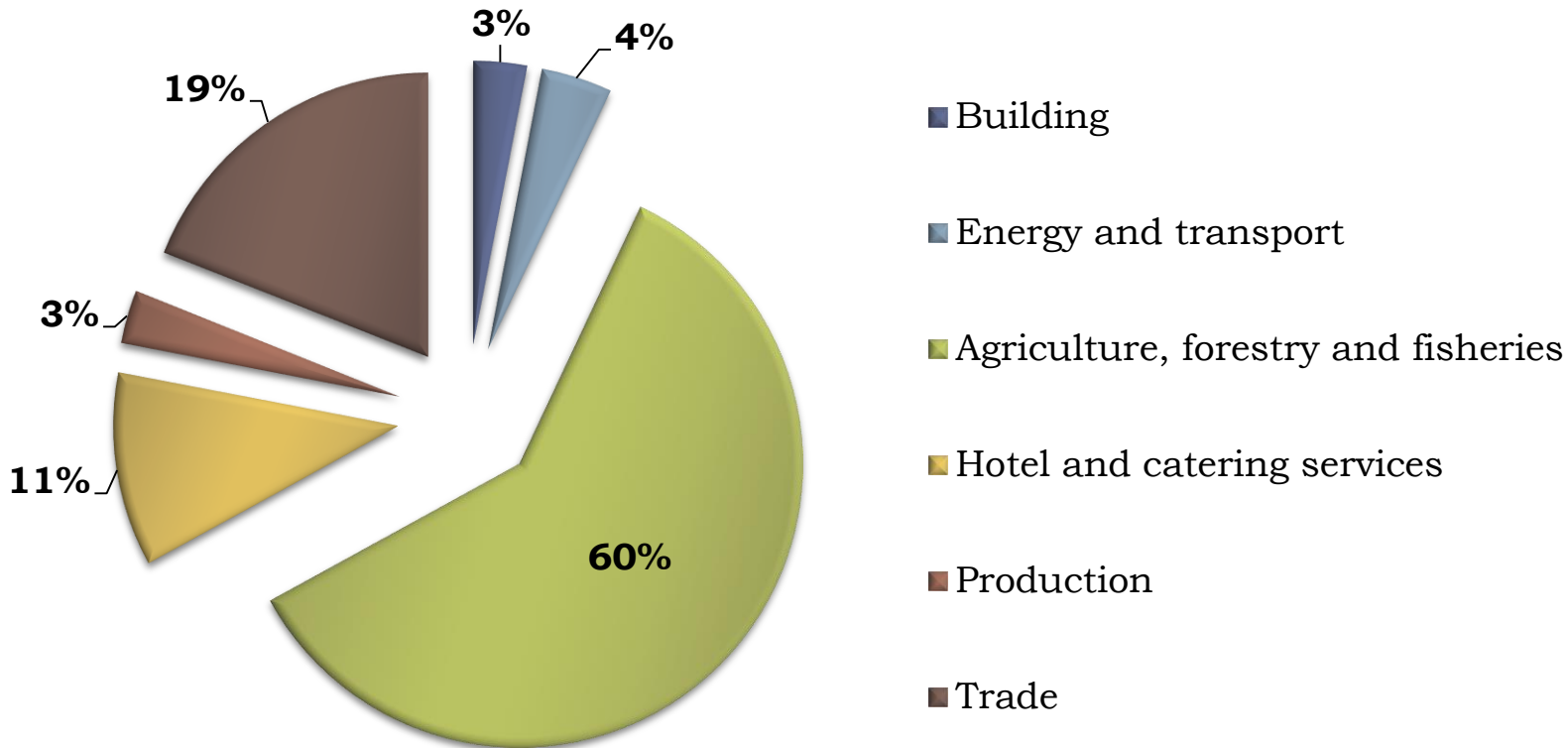
# Loans from lending firms - [www.altero.lv](http://www.altero.lv)

Lending firms	Provided amount, Euro	Annual interest rate	Loan term, to
Loan secured by real estate	from 2 000	from 8,4%	up to 2 years
Agricultural financing	from 5 000	from 14 %	from 1 month up to 5 years
Factoring	from 500	from 20 %	up to 90 days
Loan without collateral	from 1 000	from 12 %	up to 3 years
Targeted financing (purchase of real estate, investment properties, renovations)	from 50 000	from 5 %	up to 90 days

# ALTUM issued loans 2017-2019

Year	For start-up entrepreneurs			For existing enterprises			Total	
	Number of loans issued, A	Amount in Euro, B	Average loan amount, Euro, B / A	Number of loans issued, A	Amount in Euro, B	Average loan amount, Euro, B / A	<b>Number of loans issued</b>	<b>Amount in Euro</b>
<b>2017</b>	432	8 419 585	19 490	705	30 165 131	42 787	<b>1137</b>	<b>38 584 716</b>
<b>2018</b>	462	10 048 156	21 749	658	34 794 724	52 880	<b>1120</b>	<b>44 842 880</b>
<b>2019</b>	367	8 662 360	23 603	700	54 353 669	77 648	<b>1067</b>	<b>63 016 029</b>

# ALTUM issued loans by industries 2017-2019



---

**Thank you for your attention!**

---

