

State to Aid Businesses

By [The Moscow Times](#)

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The Finance Ministry has proposed establishing a state-financed foundation to support small- and medium-sized businesses.

The Ministry has allocated 20 billion rubles (\$630 million) to the project in 2013, Vedomosti reported Wednesday.

Under the scheme, MSP Bank, a subsidiary of state-owned Vneshekonombank, will select business projects to support, and will act as guarantor to private banks.

In the event that borrowers default on repayments, the state will act as the guarantor of final resort.

If the plan proves successful, it may be expanded into a permanent guarantee fund.

The Economic Development Ministry has also proposed a similar scheme under which the government would provide loan guarantees to businesses directly, as opposed

to giving them via MSP Bank and Vneshekonombank.

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