

\$3Bln to be Funneled into Small Business Loans From Welfare Fund

By [The Moscow Times](#)

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Looking forward to two decades of economic hard times, the government plans to syphon 100 billion rubles (\$3 billion) from the National Welfare Fund in 2014 for loans to small and medium businesses.

First Deputy Prime Minister Igor Shuvalov also promised a two-year tax break for small businesses in the near future, speaking at a business forum organized by Opora Rossii, a business lobby group, and the Agency for Strategic Initiatives, a government-linked think-tank, this week, Kommersant reported Thursday.

Shuvalov predicted that 10 percent to 15 percent of the loans would not be returned, which he called a "natural situation." The favored mechanism for the scheme would be to transfer the sum to the state-owned Vneshekonombank, which would then either make the loans or distribute them to other middleman-banks that would be obligated to extend seven-year loans with a yearly interest rate of up to 10 percent.

Eager to force the stimulus through to the real economy, the government said it would secure loans for the sum of up to 15 billion rubles (\$453 million), Shuvalov said.

The realization of the measure is still not in the bag, however. Before they are given the final green light, Shuvalov said that a mechanism to ensure the transparent distribution of the funds must be approved.

Finance Minister Anton Siluanov earlier opposed the idea of using the National Welfare Fund — an oil revenue piggybank conceived as a backstop to the pension system — calling it risky. Small businesses currently owe 6 trillion rubles (\$181 billion) to banks, and 10 percent of that sum is overdue.

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