The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Only 10% of Russian Businesses Have Received Coronavirus Support

Putin's business ombudsman warned him that six in ten companies say they are not likely to survive the crisis.

May 28, 2020



More than half of Russia's businesses say they are unlikely to survive the crisis. **Moskva News Agency**

Just one in ten Russian businesses have been able to access emergency coronavirus support from the government, a new report from President Vladimir Putin's own business ombudsman has revealed.

Meanwhile, more than half said they were in a "crisis" situation and six in ten said their chances of survival are below fifty-fifty.

Boris Titov, Russia's business ombudsman presented the findings to Putin on Thursday morning as part of his annual report on the state of business in Russia.

Government support in the form of low interest loans to pay salaries, and tax holidays, are

only available to companies operating in parts of the economy the Kremlin deems to have been severely affected by the pandemic.

Related article: Profit Slumps Herald More Trouble Ahead for Russia's Corporate Giants

From the very outset of the crisis, businesses have pointed to significant holes in that approach.

Titov's survey showed that twice as many companies — 67% — have been damaged by the crisis as the number who qualify for government support — 35%. Moreover, of those that qualify on paper, only a third have actually accessed various government schemes.

"In other words, only about 10% of companies in Russia have used government support," Titov said in the report.

The most widely used government schemes were a six month tax deferral and a reduction in employee insurance payments. For a number of the various cheap loan schemes rolled out by the Kremlin, more businesses have been refused cheap credit than have been able to access them, the research found.

Titov called on Putin to expand the qualifying criteria for firms seeking support, to include any who have seen a reduction in revenue by more than 30%. He also asked for an increase in the state guarantee on cheap loans to encourage banks to accept more applicants, and income tax holidays for employees working in affected companies.

Original url:
https://www.themoscowtimes.com/2020/05/28/only-10-of-russian-businesses-have-received-coronavirus-support-a70405