



The Ministry of Economic Development
of the Russian Federation

MSME sector support in the Russian Federation

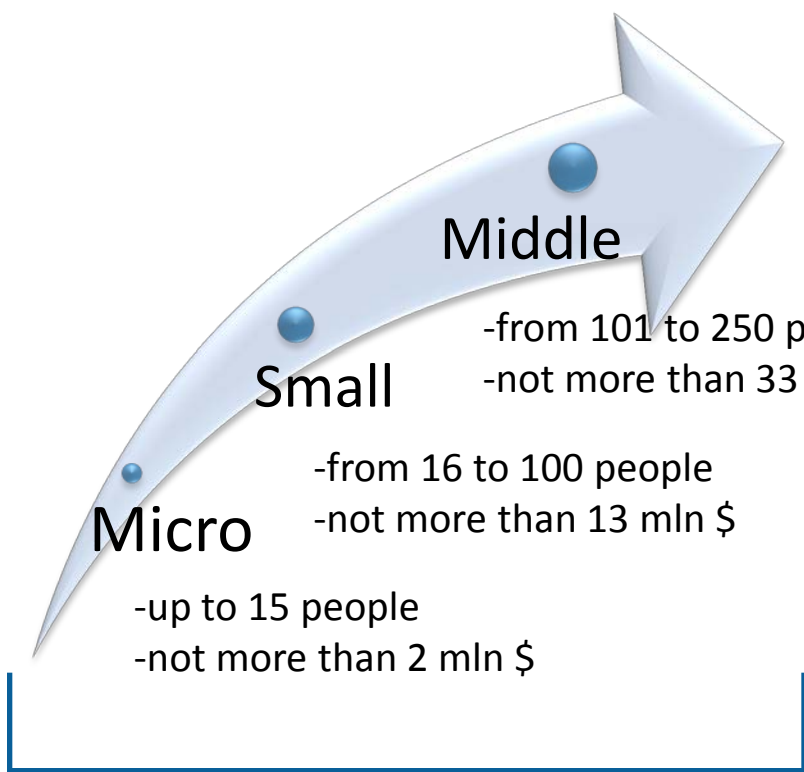
2018



MSMEs = backbone and driving force
of any developed economic system



Still most types of MSMEs support remain in the
grey zone of the WTO



SHARE OF GDP

22,3 %



NUMBER OF MSMEs

6,1 m. units



THE PROPORTION OF EMPLOYED

19,1 m. (25 %)



THE SIZE OF MSME

95 % (micro-business)



SHARE OF TOTAL EXPORT

6 %



MISSION

- Innovative development and high rate of technological renovation
- Social development, high employment rate and high life quality
- Sectoral development
- Result: stable and competitive economy



AIM

- Increase of MSMEs' turnover by 2.5 times (up to 1.6 billion \$)
- Double the turnover per employee (up to 71 K \$)
- Increase of the manufacturing industry share in total MSME sector turnover from 11.8% to 20% (up to 322.1 mln \$ in 2030)
- Increase of the employment rate from 25% to 35% of total employed (up to 25 mln in 2030)

“Independence of Origin” Criterion



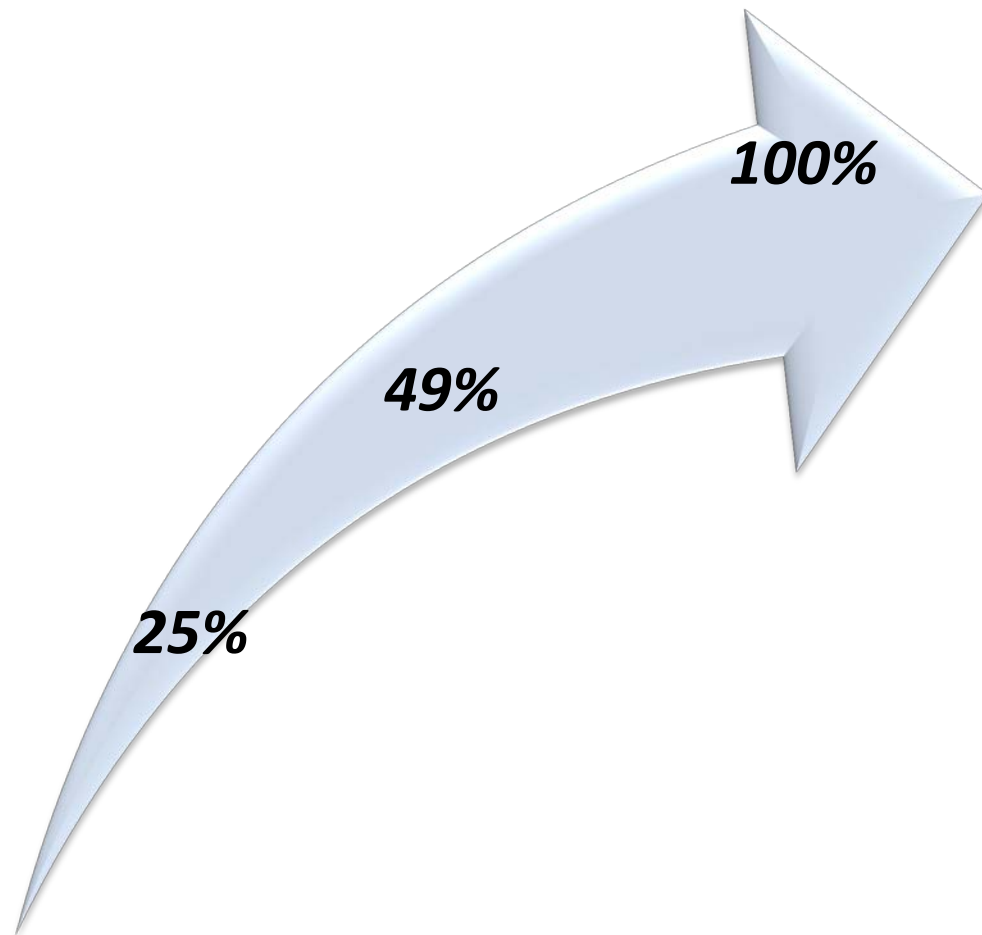
Till 2015:

25% limit for foreign investors` participation in share capital of Russian MSMEs

Since 2015:

2015 – from 25% to 49%

2018 – overall cancellation of the limit under discussion





- Rate of annual interest for MSMEs does not exceed 6,5%
- Credits at preferential rate are allocated to MSMEs operating in priority areas, defined by the Government, including agriculture, construction, manufacturing
- Annual interest rate in 2018 is 6,5% for small companies
- Volume of subsidized interest rate for small companies is 3,5%, for medium companies – 3.1%
- Purposes of preferential credits – working capital facility and investment
- Period of the working capital facility credit – not more than 10 years, investment credit – not more than 3 years



Actors

Public and Municipal Authorities



Ministry for Economic Development of the Russian Federation and regional ministries

Business Support Infrastructure



700 business support units all over the country

Federal SME Development Institutions



“One-stop shop” service for SMEs



- Easy access for all
- Comfortable and client-oriented infrastructure
- Both paid and free services
- Consultancy support
- Both financial and non-financial services
- Provision of related services
- Call-center support



Running Business



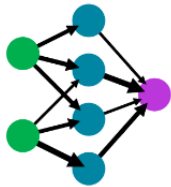
Promoting Business



Protecting Business



Financial Services



Branching educational scenarios



Calendar of events



Apps for cell-phones



Functionality of a corporate on-line university



Business tracks



Ranking



- Exclusion of excessive requirements for MSMEs classification
- “Caution instead of penalty” approach implemented
- Tax holidays (first two years) are granted
- Preferential conditions for rent and purchase of premises
- Simplification of administrative procedures, including business registration and review procedures



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THANK YOU FOR YOUR ATTENTION!

June 2018