



**Asia-Pacific
Economic Cooperation**

2016/SMEWG42/038

Agenda: 21.4

Evolution of SME Support in Russia

Purpose: Information

Submitted by: Russia



APEC PERU
2016

**42nd Small and Medium Enterprises Working Group
Meeting
Ho Chi Minh City, Viet Nam
27–28 April, 2016**

JSC RUSSIAN SMALL AND MEDIUM BUSINESS CORPORATION

Evolution of SME Support in Russia

42nd SMEWG Meeting,
Ho Chi Minh City, Viet Nam,
April 28, 2016

Joint-Stock Company «Russian Small and Medium Business Corporation»

Operates in accordance with the Federal Law of July 24, 2007 # 209-FZ “On Development of Small and Medium Enterprises in Russian Federation”

Statutory capital - 50 billion rubles /
about 736 million USD

RSMB Corporation commits to fulfil all obligations of former Credit Guarantee Agency

Mission of RSMB Corporation

RSMB Corporation is a development institution in the field of small and medium business development

RSMB Corporation – One-stop-shop window for providing support to SMEs and organizations of support infrastructure



Finance (loan and guarantee support)



**Access to purchases of largest
companies with state ownership**



**Information and marketing support
(Business Navigator tool)**



Property support



Legal Support

PURCHASES FROM SMES

TOTAL VOLUME

Amounted to **239 bn** rubles
(**3.5 bn** USD)
(from 01.07 to 31.12.2015 total
volume of direct purchases
reached **62.7 bn.** Rubles
(**0.92 bn** USD))

GROWTH

From 01.01.2016
103.1 bn rubles
(**1.5 bn** USD)
(average **9 bn** rubles
(**0.13 bn** USD) a week)

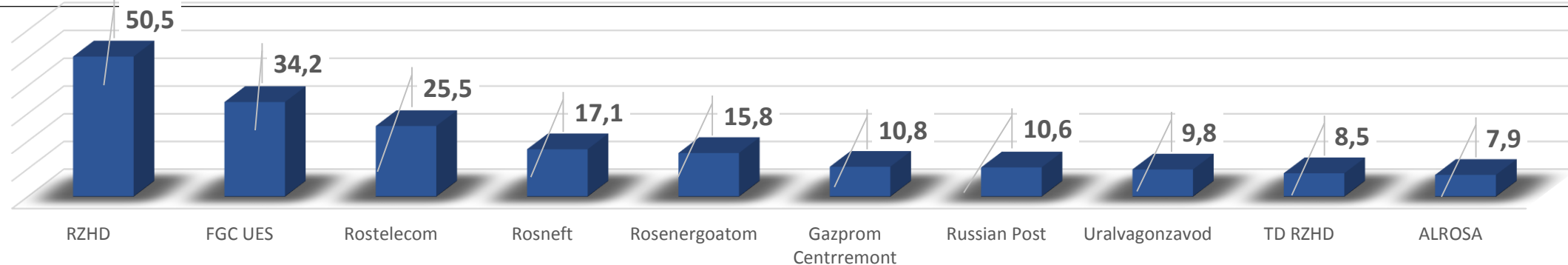
AVERAGE SHARE

23.9 % (from 10 to 76%),
which is
2.4 times above
fixed quota (10 %)

PRODUCT RANGE

Widened by **2.6**
times
from **8 427** to
22 312 items

Leaders by volume of planned purchases from SMEs (TOP-10), billion rubles



Communication with Buyers

- **9** out of **35** particular buyers have adopted **partnership programs**;
- **267** SMEs have joined partnership programs (earlier 200)

- Agreements on cooperation were signed with **18** Buyers

(Rosneft, Rostekh, RZHD, Rosatom, Russian Post, Rostelecom, Rosseti, TD RZHD, UBT-Uralvagonzavod, MRSK Severo-Zapada, GUOV, RN-Trans, Rosenergoatom, Atomstroyexport, Avtodor, Transneft-Siberia, Uralvagonzavod, Rosavtodor)

Communication with regions

- With participation of RSMB Corporation there was formed a list of **135 buyers of** regional level in **44** regions

- in **68** Russian regions there were adopted legal acts on the basis of model act, prepared by RSMB Corporation, concerning order of **signing decisions (notifications)** and definition of **body authorized to** make assessments and conduct monitoring

Composure of data for united register of SMEs:

In cooperation
with RSMB
Corporation

Elaborated a Federal Law
from 29.12.2015
№ 408-FZ, determining the
order of **establishment and
maintenance of united
register of SMEs** by Federal
Tax Service of Russia

Placement on the official web-site of Federal
Tax Service of Russia of united register of
SMEs is planned for August 1, 2016

GENERAL DATA received from EGRYUL, EGRIP:

- **about category of SME** (micro, small or medium enterprise);
- **about licenses**, obtained by legal entity or sole entrepreneur;

DATA, provided by SMEs on DECLARATIVE basis

- **on goods**, produced by legal entity or sole entrepreneur (in accordance with OKVED-2 and OKPD-2) **with indication whether such goods can be counted as innovative or high-tech**
- **on participation in partnership programs**
- **on contracts**, concluded in accordance with **Law № 44-FZ**, and (or) **contracts**, concluded in accordance with **Law № 223-FZ**

In future it is planned **TO EXTEND STEP-BY-STEP** the list of
data provided by the united register of SMEs

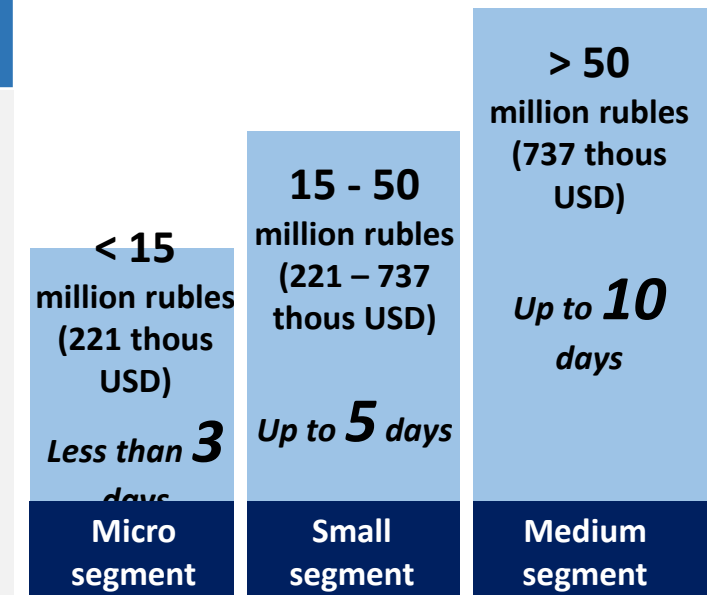
MULTI-CHANNEL SYSTEM OF GUARANTEE PRODUCTS PROMOTION

NGS: 3-LEVEL MODEL OF SME GUARANTEE SUPPORT

NGS: Targeted 3-level model of SME guarantee support

Time for consideration of applications by segments (RSMB Corporation)

| | Products | Client segment | Planned volume for 2016 | Sales channels | Organizations – sources of applications |
|------------------|--|----------------|--|---|--|
| Corporation | <ul style="list-style-type: none"> Guarantees for medium and large projects Warranties issuing within the framework of SME Credit Promotion Program MCP («6.5% Program») | Medium | 30 billion rubles (about 442 million USD) | <ul style="list-style-type: none"> Bank channels Non-bank channels Corporation channel | <ul style="list-style-type: none"> Banks - partners Centers for Promotion of Entrepreneurship Industry Associations/Non-Governmental Organizations Federal and regional authorities MSP Bank and RGOs |
| SME Bank | <ul style="list-style-type: none"> Issue of guarantees within the framework of «standard flow» technologies | Small | 12 billion rubles (about 176 million USD) | <ul style="list-style-type: none"> Bank channels Non-bank channels | <ul style="list-style-type: none"> Banks - partners Multipurpose centers for provision of public and municipal services |
| 81 RGO | <ul style="list-style-type: none"> Issue of warranties within the framework of “standard flow” technologies | Micro | 23 billion rubles (about 338 million USD) | <ul style="list-style-type: none"> Bank channels Non-bank channels | <ul style="list-style-type: none"> Centers for Promotion of Entrepreneurship Federal and regional authorities RSMB Corporation |
| Total NGS | | | 65 billion rubles (about 962 million USD) | | |



The volume of issued guarantees is 23 billion rubles (340 million USD)

Results of the Guarantee Support in 2015-2016 (cumulatively as of 08.04.2016)

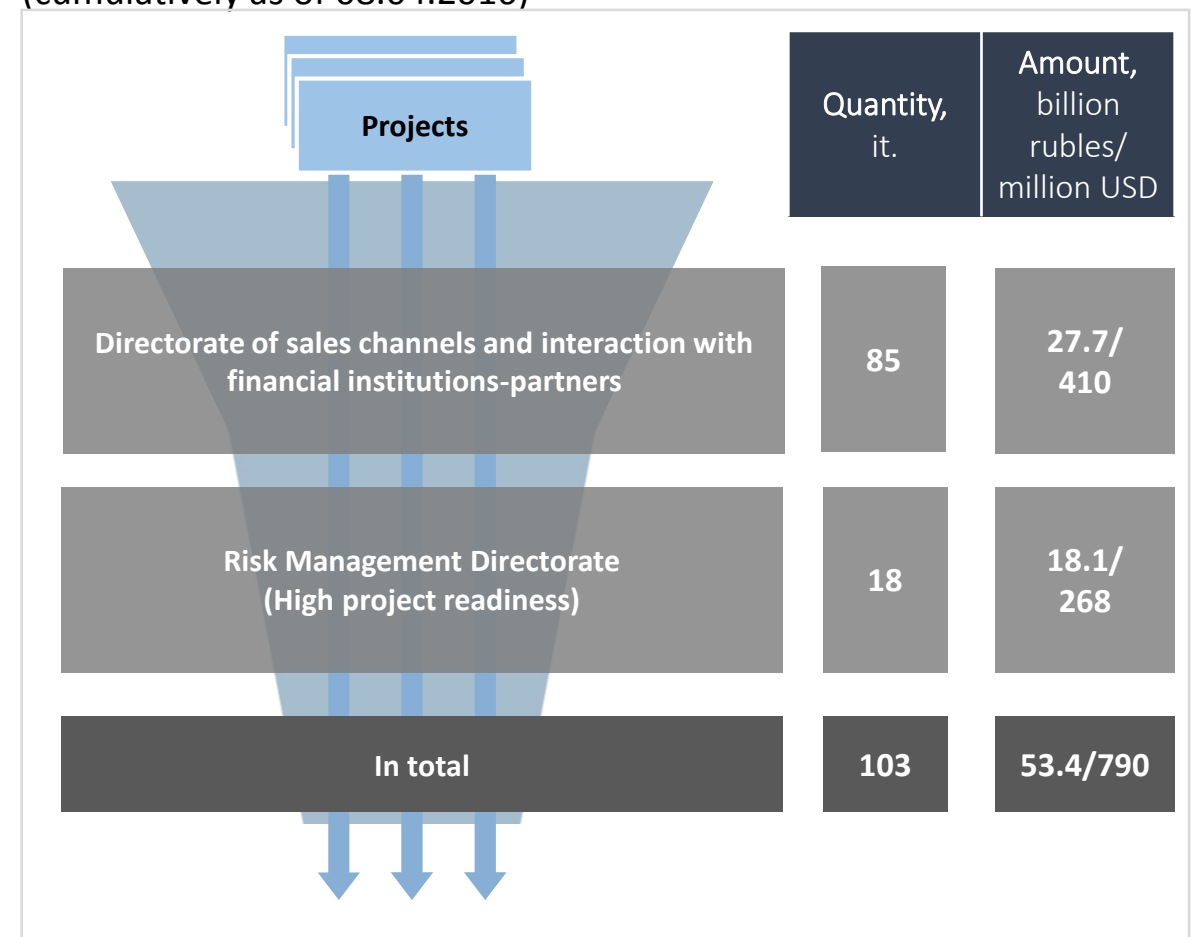
| | Quantity, items. | | Amount, billion rubles/ million USD | |
|---------------------------------|------------------|------|-------------------------------------|---------|
| | 2015 and earlier | 2016 | 2015 and earlier | 2016 |
| Orders received | 5 459 | 906 | 50.0/736 | 8.1/119 |
| Applications approved | 4 430 | 715 | 30.7/454 | 4.4/65 |
| Guarantees issued* | 3 552 | 663 | 19.2/284 | 4.0/59 |
| Current portfolio of guarantees | 4 216 | | 23.3/340 | |

* Considering the balance of approved but not issued guarantees rolling over from previous year

Key Performance Indicators for 2016

| Index | KPI value, billion rubles (million USD) | | |
|--|---|----------|------------|
| | Targeted | Advanced | Maximum |
| The amount of issued guarantees and warranties within the framework of the National Guarantee System (NGS) | 65 (962) | 67 (992) | 69 (1,021) |

The projects received in the framework of the «Corporate channel» in 2016 (cumulatively as of 08.04.2016)



THE PROGRAM TO STIMULATE SMES CREDITING («THE 6.5 PER CENT PROGRAM»)

On March 18, 2016 the Board of Directors of the Bank of Russia decided to increase the limit on Bank of Russia loans granted to credit institutions, secured by guarantees of the RSMB Corporation, and on Bank of Russia loans granted to the JSC «SME Bank» from 50 to 75 billion rubles (from 767 mln USD to 1,2 bln USD)

Key Programs conditions

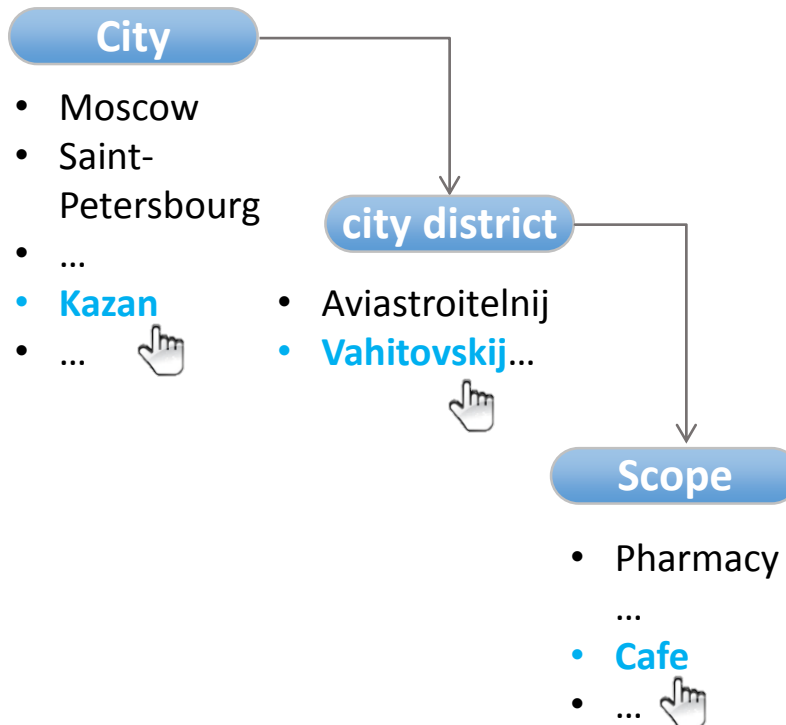
- Interest rate - **11 %** for small companies; **10 %** - for medium-sized companies
- The grace funding period – up to 3 years (term of the loan may exceed the period of grace funding)
- Priority sectors (draft):
 1. Agriculture, including agricultural production, as well as agricultural services.
 2. Manufacturing, including food production, primary and follow-up (industrial) processing of agricultural products including for import substitution and non-resource export promotion.
 3. Production and distribution of electricity, gas and water.
 4. Construction.
 5. Transport and communications.
 6. Tourism industry.
 7. Sectors of the economy where the priority areas of science, technology and engineering are implemented .
- Loan amount: from 50 million rubles (**736 thous USD**) to 1 billion rubles (**14,8 mln USD**) (the credit limit to one borrower - up to 4 billion rubles (**59 mln USD**))

Program results
(as of 08.04.16)

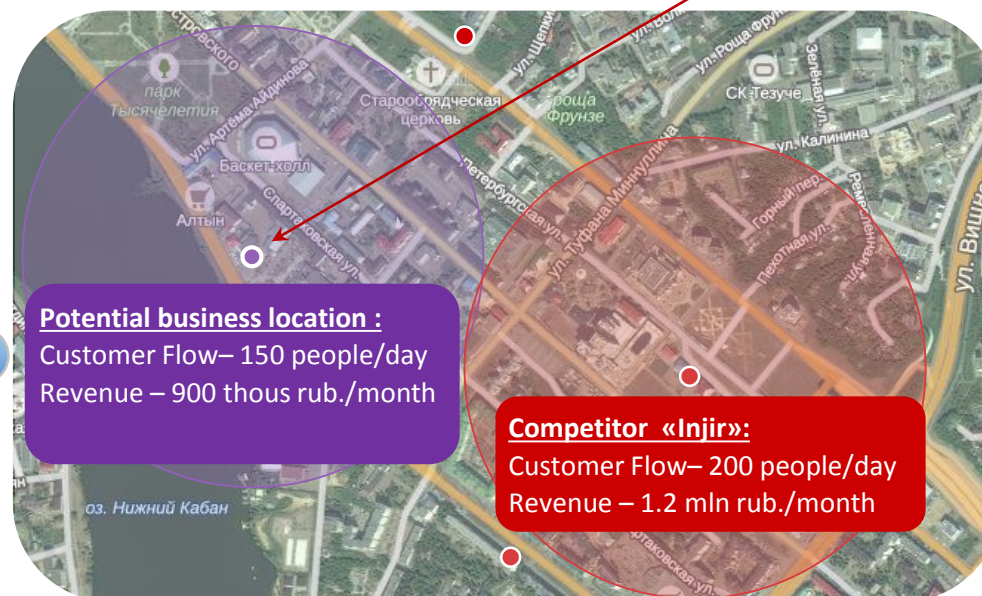
| Indicator | Value Bln rub / Bln. USD |
|---|--------------------------------|
| Limit approved by the Bank of Russia | 75.0 / 1.1 |
| Picked out by authorized banks against the RSMB Corporation Guarantee | 1.2 / 0.018 |
| Picked out by «SME Bank» | 41.2 / 0.61 |
| In total | 42.4 / 0.63 |

BUSINESS NAVIGATOR INFORMATION PROVIDED TO USERS

Step 1. Users may select the scope of business, city, city district, location



Step 2. Geoinformation module calculates potential business performance:



Step 3. Business Navigator provides the user with a **business plan** tied to a particular place (about 700 business plan samples), and information about:

- property support (federal, regional, municipal);
 - specialized products of various banks;
 - RSMB Corporation, SME Bank, RGS`s guarantee support;
 - regional support infrastructure (leasing companies, training centers, etc.)
 - as well as the business plan template for self-completion
- business plan template for self completion**

By the end of 2016 RSMB Corporation will try its best so that Business Navigator will work on local and municipal levels of Russia

INTERNATIONAL RELATIONS CONTACTS

Pavel Kondrashov,

Deputy Head of International Cooperation Directorate

Phone: 7(495) 698 98 00 (ext. 473)

E-mail: PKondrashov@corpmsp.ru

WEB-SITE OF RSMB Corporation: WWW.CORPMSP.RU