



Investment into the Small and Medium Size Businesses in Finland

Support for the SME Sector's Globalization Process

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Importance of the SME Sector

- SMEs = the Growth Sector in Finnish Business
- After 1995, 80% of the new jobs in private sector have been created by the SMEs
- More support needed for SME globalization process: know-how and economic investment



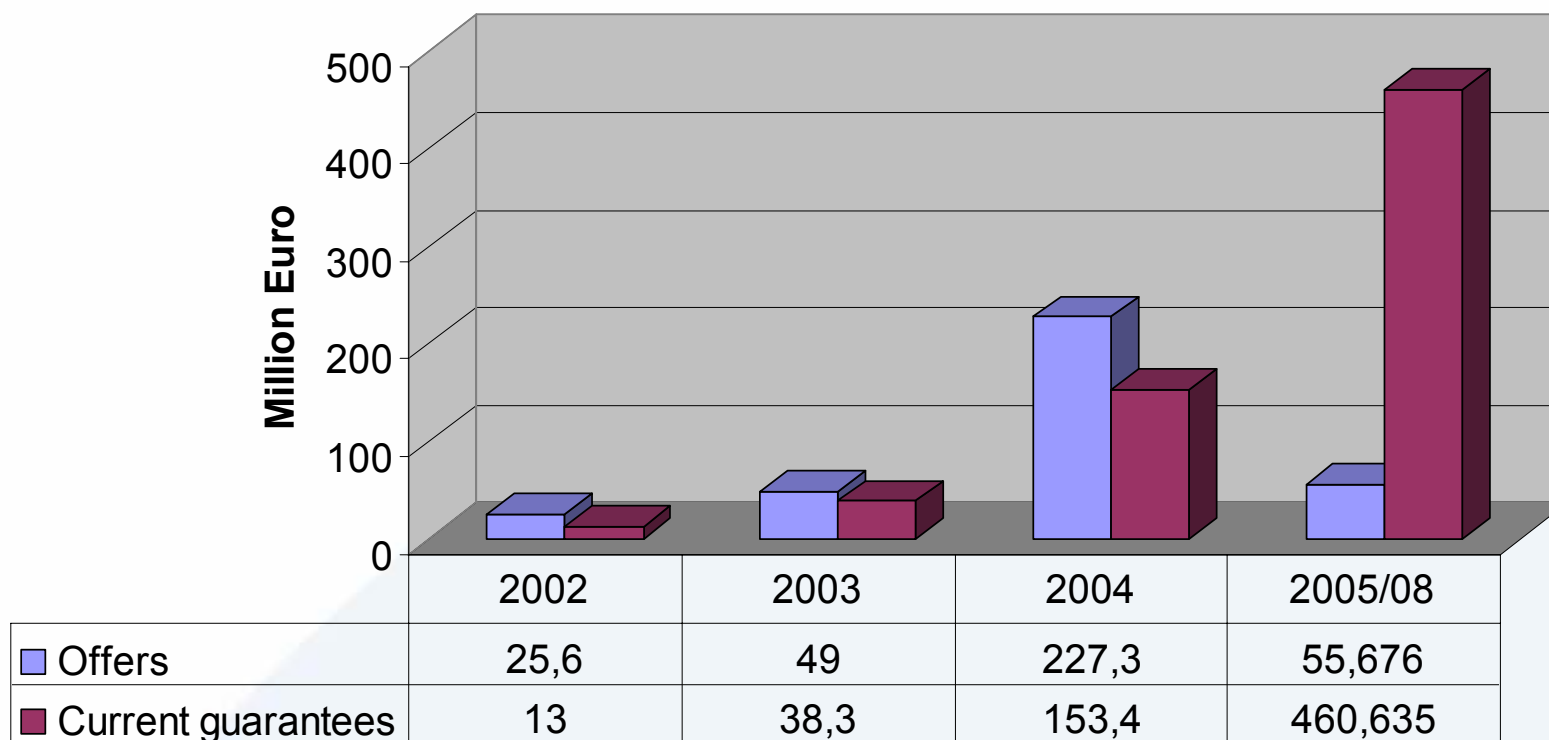
Finnvera Oyj: Major Investor in the SMEs

- Works together with banks
- The Finnish State acts as a Guarantor for 50% of the credit loss within Finland
- Majority of investment projects in Russia, but moneywise biggest share goes to USA (export credits&guarantees to ship building industry)
- Completely owned by the Finnish State
- Credits&guarantees 2,2 billion euro
- Export and special guarantees 4,8 billion euro
- 27 100 customers

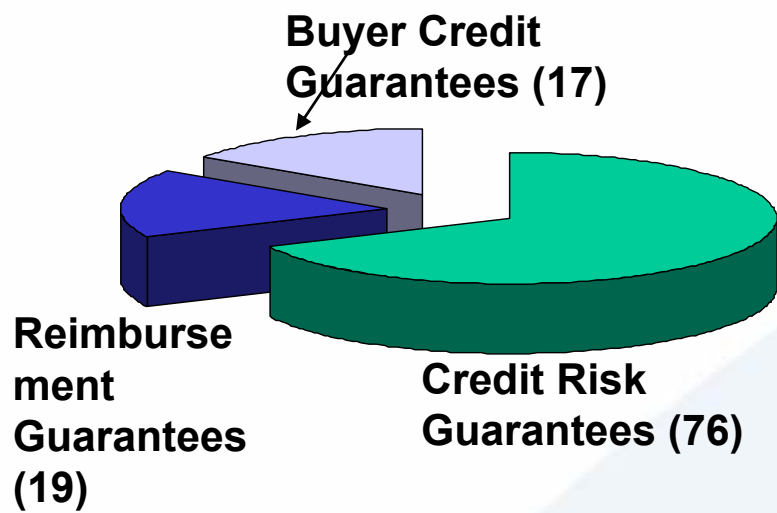
Globalization Process: Support for SMEs

- **Starting business activities abroad and foreign shareholding**
 - Credit Loan for Internationalization
 - Guarantee for Internationalization Loan
 - Credit Loan for Development and Growth
- **Investment into the neighbouring territories by the Foreign Ministry of Finland**
 - Aimed at the SME sector's Russian projects

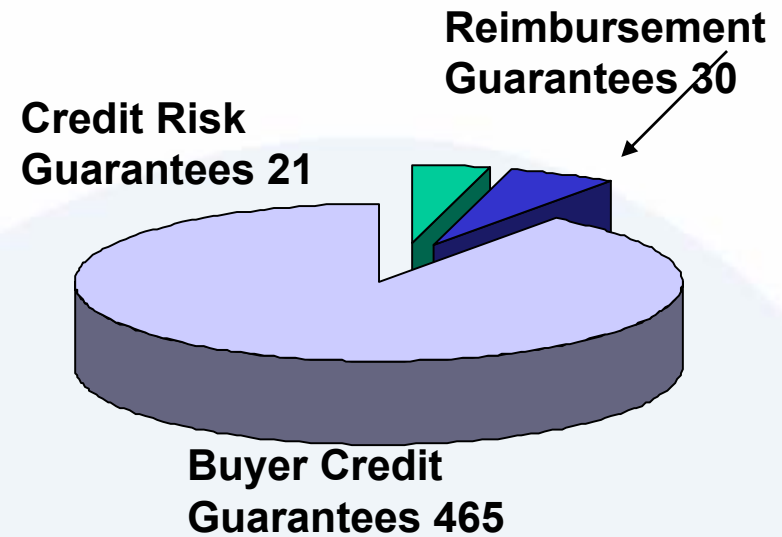
Growth in Export Guarantees to Russia 2002-2005 Situation in August 2005



Guarantees to Russia (cases)



Guarantees to Russia (million euro)





Counterparts in Russia: Reliable Banks

- International Moscow Bank- credit term 5 yrs
- Vneshtorgbank – credit term 5 yrs
- Sberbank – credit term 5 yrs
- Uralsibbank – credit term 3 yrs
- MDM-Bank – credit term 3 yrs
- Industry & Construction Bank Skt. Petersburg – credit term 3 yrs
- Other Banks on a case-by-case basis



Small and Medium Businesses: Credit for Globalization Process and Guarantees

These are meant for:

- A Daughter, Share Holding Company or an Office of Finnish SME abroad
 - To cover investment, further development or growth
 - To acquire or increase shareholding, and raise shareholding capital.

Special Terms

- The project has to have a significant impact on the SME's Finnish-based operations.
- Credit cannot be channelled to export activity.

Globalization Support Credits in 2001 -2005

Approved credits for Russia	Total	2005 / Jan-Sep	2004	2003	2002	2001/ Sep-Dec
1000€, Of which	43 640	13 967	7 665	10 183	9 282	2 543
Baltics	6 725	1 150	3 200	1 411	964	-
Russia	16 564	2 854	3 331	5 720	4 659	-
China	3 950	3 950	-	-	-	9