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Prepared By: FAS/The Hague Staff

Approved By: Christopher Riker

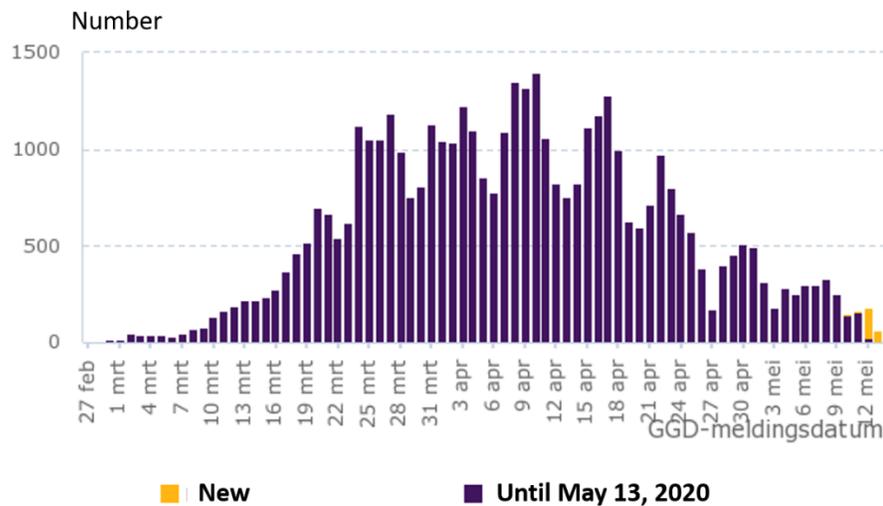
Report Highlights:

The government of the Kingdom of the Netherlands has announced a number of financial support programs to help Dutch businesses that have been adversely affected by the coronavirus (COVID-19) pandemic. While the government is working to execute the measures, not all, as of yet, are available. Herein we reiterate publicly available information on some of the financial support programs which are being extended to Dutch businesses.

Background

The first national measures to combat the COVID-19 epidemic in the Netherlands were announced in mid-March 2020. While these measures have had a positive impact on the number of coronavirus (COVID-19) cases (see chart below), the Netherlands has not avoided the economic challenges many other countries in the world are facing (see, e.g., [NL2020-0008 - COVID-19 and its Impact on Dutch Agriculture](#)).

Number of COVID-19 Patients in the Netherlands



Source: <https://www.rivm.nl/coronavirus-covid-19/grafieken>

The CPB Netherlands Bureau for Economic Policy Analysis (CBP Netherlands) has announced that under four scenarios it developed to outline the possible economic impact of COVID-19 in 2020 and 2021, an increase in government debt in response to the crisis is endurable, but a recession will be unavoidable. CBP Netherlands noted:

The scenarios used different starting points with respect to the duration of the physical contact restrictions and the severity of the economic impact. All scenarios result in recession, with GDP declining by between 1.2 percent and 7.7 percent in 2020. In its mildest scenario, the economy will rebound as early as in the third quarter of 2020, whereas in its gravest scenario, problems will expand to also include the financial sector and the situation abroad will continue to worsen. This last scenario also projects GDP to decrease by 2.7 percent in 2021. Under three of the four scenarios, the economic downturn will be more severe than in the 2008–2009 crisis.

For more information, see <https://www.cpb.nl/en/corona-crisis-scenarios>.

Financial Support Programs

The Dutch government has implemented a series of financial support programs (see, e.g., <https://business.gov.nl/corona/overview/the-coronavirus-and-your-company/>) designed to protect people's jobs and livelihoods and to minimize the impact on self-employed people, small and medium-

sized enterprises, and major companies. Under the announced measures, billions of euros will be invested into the economy. The measures are being implemented to ensure that companies are able to pay their employees' wages, grant a bridging arrangement for self-employed people, and allow companies to hang on to their money through relaxed tax provisions and allowances.

Financial support programs that have been developed, or are under development as of May 14, 2020, are as follows:

Financial Aid

- **NOW:** Employers with more than 20 percent turnover loss can apply for the [Temporary Emergency Bridging Measure for Sustained Employment](#) (*NOW, Noodfonds Overbrugging Werkgelegenheid*) to receive up to 90 percent compensation of their employees' wages.
 - If the turnover loss is 100 percent, the compensation will amount to 90 percent of wages
 - If the turnover loss is 50 percent, the compensation will amount to 45 percent of wages
 - If the turnover loss is 25 percent, the compensation will amount to 22.5 percent of wages
- **TOZO:** Self-employed professionals can apply for a [temporary benefit or loan for self-employed professionals \(TOZO\)](#) to bridge the loss of income from March 1, 2020 onwards, in the municipality where they live.
 - Income support, depending on the income and an individuals' household situation can amount to a maximum of €1,500 (\$1,600) (net). Recipients do not have to repay, and there is no capital or partner test.
and/or
 - A loan for business capital to a maximum amount of €10,157 (\$11,000). Recipients do have to repay this loan, but it is possible to request a delay of the payment obligation. The interest rate will be lower than under [the regular Bbz](#).
- **TOGS:** The [€4,000 \(\\$4,300\) Reimbursement for entrepreneurs in affected sectors scheme \(TOGS\)](#) is open for entrepreneurs in a number of specific sectors who have been affected by the coronavirus measures.
- **Indirect Emission Costs Subsidy Scheme (ETS):** If a manufacturer in the aluminum, steel, fertilizer, paper, or plastics sector is eligible for the [Indirect Emission Costs Subsidy Scheme \(ETS\)](#), it will receive the money sooner.
- **Compensation for turnover loss for horticultural businesses and potato farmers:** Horticultural businesses (food and ornamental) and farmers who produce processing potatoes can claim [compensation](#) for part of their turnover loss from the government. NOTE: For additional information, see [NL2020-0008 - COVID-19 and its Impact on Dutch Agriculture](#).

Credits and Guarantees

- **BMKB-C:** From March 16, 2020 to April 1, 2021, the [SME credit guarantee \(BMKB\) scheme](#) is extended to help SMEs that are affected by the coronavirus secure bank guarantees and bridge financing. The BMKB guarantee budget has been increased from €765 million (\$826 million) to €1.5 billion (\$1.6 billion).
- **BL-C:** For agricultural entrepreneurs, the equivalent of the BMKB-C is the [Credit Guarantee scheme for Agriculture \(BL-C\)](#). Dutch farms can apply for a bridge loan of, at most, €1.5 million (\$1.6 million).
- **COL:** Startups and scale-ups can apply for the '[Corona-Overbruggingslening](#)' (Corona Bridging Loan or COL) via the [Techleap.nl website](#). Regional Development Companies (ROMs) supply the loans that vary between €50,000 (\$54,000) and €2 million (\$2.2 million).
- **GO:** The [Business loan guarantee scheme \(GO\)](#) has been extended. The amount for which the government stands as guarantor has been increased to €150 million. The maximum guarantee percentage has been increased from 50 percent to 80 percent for large companies (e.g., public limited companies) and to 90 percent for SMEs. The GO guarantee ceiling has been raised to €10 billion (\$11 billion).
- **Microcredit:** Entrepreneurs who have a loan from [microcredit](#) provider Qredits do not have to repay their loan for a period of 6 months. During this period, the interest will be reduced to 2 percent. The government is supporting Qredits with €6 million (\$6.5 million).
- **Growth Facility Scheme:** The intended phasing out of the [Growth Facility Scheme](#) will be extended by one year, until July 1, 2021. The program makes it easier for SMEs to raise capital. Under the scheme, financiers who provide venture capital to SMEs receive a guarantee. If an SME incurs a loss on the investment, they can reclaim 50 percent of that loss. The guarantee applies to, for instance, losses incurred on the sale of shares, the writing-off of a loan, or bankruptcy. The term of the guarantee is a maximum of 12 years.
- **Proof-of-concept funding:** Businesses that make use of the [Proof-of-concept funding scheme](#) (VFF) (which provides funding for the development of a working prototype, to conduct market research, or to devise a business plan) or the [Innovation credit scheme](#) (IK) (which provides direct loans to enable enterprises to finance part of their project costs) can apply for a repayment extension. Additionally, no interest will be levied on the VFF.
- **Export credit insurance:** The government has extended the [export credit insurance](#) facility. The program extends insurance to large transactions, transactions with long turnaround times, or to transactions in high-risk countries for which no coverage options are available on the market.
- **DTIF:** The [Dutch Trade and Investment Fund \(DTIF\)](#) (which offers loans, guarantees, and export financing) has been extended to include pre-delivery advances.

Programs Under Development

At the time of this report's publication, the following measures have been announced, but have not yet been fully worked out or launched:

- **Supplier credit insurance:** The government will offer supplier credit insurance for companies that supply goods to SMEs, to ensure continued trade and confidence in supplier credit insurances.
- **Extra support for the cultural sector:** The government is working out measures to provide extra support for crucial cultural organizations and events.
- **Seasonal work:** A special scheme will be worked out for companies that rely heavily on seasonal work.
- **Flex workers:** Flex workers that have been laid off after March 1, 2020 due to COVID-19 and who cannot claim benefits will be compensated. The government, Employee Insurance Agency (UWV) and Association of Dutch Municipalities (VNG) are developing the conditions.
- **Small Credits for Corona Guarantee Scheme:** SMEs with relatively small financial needs may be eligible for a bridging loan of up to €50,000 (\$54,000) under the [Small Credits for Corona Guarantee Scheme](#) (Klein Krediet Corona garantieregeling or KKC). The scheme first has to be approved by the European Commission before a company can turn to its credit provider.

Closed Measures

- **SET:** The [Incentive scheme eHealth at Home \(SET\)](#) has been closed because the scheme has reached its budget limit. The €23 million (\$25 million) program for care providers or care support providers was designed to provide increased digital care at a distance to people at home.
- **Temporary support for local media:** The [Temporary Support for Local Media scheme](#) closed on April 19, as previously announced. The €11 million (\$12 million) program offered one-time support for local door-to-door papers (free local papers) and local public broadcasters that were hit by the corona crises.

Additional Measures

The Dutch government has also announced its intention to provide KLM Royal Dutch Airlines with financial assistance totaling between €2-4 billion (\$2.2-4.3 billion) to enable the company to get through this difficult and uncertain time.¹

Attachments:

No Attachments.

¹ <https://www.government.nl/ministries/ministry-of-finance/news/2020/04/24/government-prepares-financial-support-measures-for-klm>