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WEBINAR SMEs BACK TO NORMAL?

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There are over 2 million SMEs in the Netherlands (25 million in whole EU). The majority are formed by individual entrepreneurs in agriculture, logistics, construction, horeca.

Government support of SMEs in the Netherlands pre corona (ministry of economic affairs)

-Tax credit for investing in research: reducing the salary costs

-Tax relief for innovation: lower profit tax on profits from patents or R&D activities

-Government guaranteed scheme for loans to SMEs

*Innovation Fund for SMEs, government guarantees for loans to small or medium-sized; credit guarantee scheme for banks and investors; microcredit;

-Government contract award procedure (in the form of a competition)

-Support schemes to business abroad

Government support of SMEs during corona

The Dutch government has now launched a third package of financial support for businesses suffering from the corona recession. The support measures are not diversified toward the size of the business. In other words, SMEs can apply for the same support as large businesses (except TOZO*):

- financial contribution of 80%-70%-60% of wages (in case of 20% or more loss of turnover)
- TOZO: compensation for individual entrepreneurs
- contribution to enterprises in most affected sectors
- credit arrangements
- delay of tax payments

This third package consists for a big part of a prolongation of the 1st and 2nd package with some fine tuning. Checks and balances are postponed until later, so the businesses can focus on doing business, but there will be some kind of verification if the enterprises were really entitled to the money they received.

BACK TO NORMAL? WHEN OR IF....

Everybody seems to be quietly waiting for the end of the crisis, trying to keep their businesses running as good as they can. The expectation is that in the second half of 2021 there will be a tsunami of bankruptcies.

-the government should not withdraw their help immediately when the corona crisis ends. Without such help, many SMEs will not survive.

-a shift can be expected from worst affected businesses to new types of business, inspired by the (post) corona situation (PPE materials, materials related to testing or vaccination, testing services, labs)

-it is likely that businesses will switch to partly working from home to save costs on office space and on commuting expenses.