Government action to protect people’s health, jobs and livelihoods and safeguard financing for businesses

20 March 2020
PROTECTING PEOPLE’S HEALTH
Supplementary budget includes €250 million needed for healthcare and testing

PROTECTING JOBS AND SAFEGUARDING LIQUIDITY FOR BUSINESSES
Government action €200 million (proposed)
Also action in partnership with the central bank and financial institutions

PROTECTING PEOPLE’S LIVELIHOODS
In partnership with labour market organisations
Protecting jobs and businesses
– in partnership with key agencies and organisations

Total package with all inputs is nearly €50 bn
Protecting people’s livelihoods

- Removal of unemployment security waiting period in both lay-offs and redundancies
- Right to unemployment allowance also applies to entrepreneurs and self-employed, irrespective of type of business (*incl. sole traders and freelancers*)
- Shortening of notification period for lay-offs and for statutory employer-employee negotiations, to five days
- Employer’s lay-off right extended to fixed-term contracts
- The measures apply to all businesses
Phasing of measures

Measures to be taken immediately

1. Supplementary budget appropriations swiftly to Ministry of Social Affairs and Health and for business financing
2. Other business financing measures
3. Measures based on proposals from labour market organisations

Measures to be taken at the next phase

4. Strengthening of local government finances
5. Measures to boost the economy, to be determined at government spending limits discussion
6. Structural reforms to safeguard the sustainability of public finances
Coronavirus support for businesses: Finnvera guarantees, banks willing to lend

Finnvera financing for SMEs (loans, guarantees) = €12 billion

Fast track until end of 2020:

1. Business Finland’s financing services (incl. travel & tourism, creative sectors, subcontractor chains) = €150 million
2. Finnish Industry Investment’s additional financing for investee companies
3. ELY Centres’ development projects (de minimis) = total €50 million
4. Wellbeing & financial guidance services for business owners = total €0.5 million
5. Easier TyEL reborrowing for businesses = Finnvera 80% guarantee
Goal: as many business owners as possible will get through the difficulties caused by the coronavirus

• Financing above all for sectors suffering the most – a clear package of help and support for business owners is in preparation

• Next week all will have details of how to proceed

• Business Finland’s first financing decisions today, 20 March

• Aim is that ELY Centres will begin taking financing applications at the start of next week

• Business owner: first contact your bank or finance provider. Banks are ready to agree e.g. grace periods and flexible repayment schedules, and should be able to advise you next steps.

Next: third wave of business financing (in preparation), centred on action to support business solvency and special support for micro businesses and SMEs