



Press release - 191/03/2020

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Economic summit: State government approves NRW Aid Package – 25 billion euros in special assets

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State government promises full support for North Rhine-Westphalian economy / crisis of unknown scope requires unprecedented aid

The state government issued the following:

On Thursday, 19 March, the state government held its first economic summit in the midst of the coronavirus pandemic. Minister-President Armin Laschet, Minister of the Economy Andreas Pinkwart, Minister of Finance Lutz Lienenkämper, and Minister of Labour Karl-Josef Laumann were joined at a digital conference by business, banking and association representatives to discuss the measures that can be taken to quickly, unbureaucratically and effectively help the North Rhine-Westphalian economy during the coronavirus pandemic.

"The situation is drastic," says Minister-President Armin Laschet. "The coronavirus is spreading rapidly throughout our country, and has shocked the economy. This crisis of unknown scope requires unprecedented aid. With special assets of around 25 billion euros, we are issuing an historic aid package for NRW. This is the largest aid programme for North Rhine-Westphalia since the state's inception. We are making available all of the funds required for this crisis and afterward. We do not want any healthy companies to falter due to the loss of liquidity."

"Now the priority is acting quickly, unbureaucratically and effectively," says Minister of the Economy and Digital Affairs Andreas Pinkwart. "That is why we are offering aid to hundreds of thousands of medium-sized companies, small businesses and start-ups in North Rhine-Westphalia so that they and their employees can have security. The

state government is doing this in cooperation with NRW.BANK, the Bürgschaftsbank NRW, and public and private credit institutions. On top of that we are providing a variety of resources tailored to the needs of various company sizes beyond that which the federal government is providing: from freelancers, entrepreneurs and artisans to medium-sized and large companies. We are massively stocking up bonds, accelerating processes, supporting the start-up scene and further developing these instruments in the coming weeks."

"Our goal is to get through this crisis together, decisively make the necessary effort, preserve the foundations of the economy and facilitate a new beginning after the end of the crisis," says Minister of Finance Lutz Lienenkämper, explaining the unprecedented programme for strengthening North Rhine-Westphalia's economy. "With this NRW Aid Package, we will unbureaucratically and swiftly provide the funds required to overcome the greatest challenge our state has ever faced. We all must play a role in achieving this."

Some select measures from the state government's aid package include:

- The state government will establish a supplemental budget to overcome the pandemic and its ramifications, including earmarked special assets of around 25 billion euros.
- The bond threshold is being exponentially increased in terms of amount and liability both for the state bonds programme as well as for the Bürgschaftsbank NRW, once the EU Commission authorises this. The threshold for state bonds will be increased from 900 million euros to 5 billion euros. Applications to the issuance of state bonds will be processed within one week. The warranty bond and return bond threshold for the Bürgschaftsbank NRW will be increased from 100 million euros to 1 billion euros, while the upper bond limit will be doubled to 2.5 million euros.

- The bailment rate will be increased from 80 to 90 per cent once the necessary European conditions come into effect.
- Express bonds from the Bürgschaftsbank up to the amount of 250,000 euros will be issued within three days.
- The NRW.Bank has already made the conditions of its universal loan more attractive, and accepts up to 80 per cent of the risk starting from the first euro (compared to 50 per cent in the past).
- In addition to the announced federal grant programme urgently required as immediate aid for small businesses in particular, the state government will tailor and provide state funds with grant-like conditions in cases necessitated by special circumstances in North Rhine-Westphalia. This will rely on close interlinking with the federal programme in order to provide additional aid to small businesses, solo freelancers and creative artists in particular.
- We wish to support the emerging entrepreneurial scene in NRW, and provide a financing offer from NRW.Bank to private investors who give money to start-ups ("matching fund").
- We are working very hard on extending the NRW entrepreneur stipend so that not a single good business idea is lost.

The "Mittelstand innovativ" programme is being revised and optimised with the digitisation coupons.

Fiscal measures: Upon request, the financial administration is assisting companies affected by the crisis with zero-interest tax deferrals (income tax, corporate tax and VAT) and decreased prepayments (income tax, corporate tax and trade tax), and is using its discretionary powers to benefit taxpayers as much as possible. A heavily simplified request form for this application is available now. You may download it at www.finanzverwaltung.nrw.de

- No enforcement measures will be taken until further notice. Penalties for late payment will be waived.
- Tax deferments
- Special prepayments for long-term extensions for VAT for companies affected by the crisis will be reduced to zero upon request. More than 4 billion euros in funds will immediately be made available to the companies. Billions in direct liquidity reinforcement will thus be achieved for many sectors of the North Rhine-Westphalian economy.

Members of the state's medium-sized company advisory board were present at the economic summit in addition to representatives from the chambers, the banking associations, heavily affected industries (independent professions, trade association, German Hotel & Restaurant Association and actors) and the union ver.di.

This press text is also available online at the state government website www.land.nrw

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