

Entrepreneurs will have a loan available with a capital discount of up to 10 million euros

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Tūrisms

SUPPORT PROGRAMME FOR MEDIUM-SIZED AND LARGE ENTERPRISES

Loan with a capital discount for projects worth at least 10 million EUR



Total available funding
100 million EUR



If the programme criteria are met,
the principal loan issued by ALTUM is forgiven



Financing for each project
up to 10 million EUR



Annual export increase
3 million EUR



Annual investment in R&D
250,000 EUR for each project



New jobs created
800

www.business.gov.lv
www.altum.lv



LIAA

altum

From 19 January, the Investment and Development Agency of Latvia (LIAA) will start to select projects for a major investment programme, which will be available for business development projects starting from 10 million euros. This programme was developed by the Ministry of Economics in collaboration with LIAA and the Development finance institution ALTUM. Medium-sized and large enterprises registered in Latvia with both local and foreign capital will be eligible to apply for the programme and a loan with a capital discount. If the project reaches the planned goals after implementation, the company will be able to receive a capital discount in the amount of 30% of the eligible costs of the project.

☞ Minister of Economics Mr Jānis Vitenbergs: "Export indicators continue to grow, yet a large part of export is comprised of wood, grain and other natural resources of Latvia. These resources should not serve the development of other countries, rather they should create added value here, to raise the wellbeing of our entrepreneurs and citizens. We have created a new programme to stimulate Latvian enterprises to invest in the development of new products. Each such project will also stimulate the services and production of products for other companies, create new well-paid jobs and increase export and tax income."

The aim of the programme is to provide support for projects important for the development of the Latvian economy, which will help to reach strategic aims such as the re-industrialisation of the economy to sectors with higher added value and doubling the amount of export by 2027. By implementing the programme, at least 800 new, well-paid jobs will be created; each project will bring a yearly increase of export of at least three million euros per year and investments of 250 thousand euros in research and development each year.

99 “Currently, in smart technology specialities such as bioeconomy, biomedicine, photonics, smart energetics and IT, strong ecosystems are formed, which to a large extent are based on large Latvian enterprises. These enterprises become customers for a large amount of small enterprises, invest in research and development, as well as collaborate with scientific institutions, creating a wide impact on agriculture. Until now, for large enterprises, state funding to carry out ambitious projects was not available. Therefore such an initiative may be evaluated as a significant step towards the faster growth of the economy, which will result in larger tax income and an increase in average salary,” emphasises Kaspars Rožkalns, LIAA Director General.

Project selection will continue until 18 April and LIAA will provide its decision within a month after the deadline for submission of the application. As the next step, the financial criteria of the projects will be evaluated and decisions on awarding the loan will be taken by ALTUM.

99 Reinis Bērziņš, ALTUM Chair of the Board: “The capital discount included in the new programme, which is a complete or partial reduction of the loan amount, is an attractive solution for companies; therefore, we expect high-quality business projects and healthy competition. Medium-sized and large enterprises, planning investments for starting or expanding production in the amount of 10 million euros, will be eligible for the loan with a capital discount. It is important that the support is intended for projects, the implementation of which has not started before the receipt of the support. Which means, that the support will land with new, extensive projects with high return, which will benefit the national economy in general. The medium-sized and large enterprises are often important employers in the local government; they provide orders to their suppliers, the SMEs, in this way also providing workplaces in such companies and enhancing the economic flow far beyond their company.”

For a more detailed description of the programme conditions, all persons interested are invited to participate in an online seminar, which will take place on 19 January at 10:00 a.m. It will be possible to follow the seminar in the Ministry of Economics, LIAA and ALTUM Facebook channels.

Conditions for receiving support

The support will be granted to projects implemented in the priority sectors of smart specialisation (knowledge inclusive bioeconomy, biomedicine, medical technologies, pharmacy, photonics and smart materials, technologies and engineering systems, smart energetics and mobility, data and communication technologies). The projects also need to be coordinated with the EU goals and Latvia's liabilities regarding digital transformation and climate neutrality.

To receive the support, the investment projects shall meet at least four of the criteria listed below:

- a) The monthly gross work salary for the staff employed as a result of the implementation of the investment project shall not be less than the average gross monthly salary in the region in the previous year, to which the ratio of 1.3 has been applied (except for Riga, where the average gross salary for the staff shall not be less than the monthly average salary amount in the national economy in the previous year, to which the ratio of 1.3 has been applied).
- b) As a result of the investment project, the amount of export of goods and services is at least 3 million euros per year.
- c) As the implementation result of the investment project, for each 250 thousand euros of the general available capital discount, a new full-time job has been created, and at least 12 new full-time jobs have been created in total.
- d) The investment of the enterprise in research and development at the company level is at least 250 thousand euros per year.
- e) At least 20% of the planned investments are aimed towards investments in the use of green technologies in the process of product production and service provision and production of other products aimed at the reduction of the impact of climate

change.

ALTUM shall evaluate the projects that have passed the LIAA selection. To receive a loan, the company shall correspond to the status of a large or medium enterprise, the project shall correspond to the sectors eligible for support, the planned investments in the project shall be at least in the amount of 10 million euros, the implementation of the project cannot be started before the receipt of the funding, as well as the planned project shall provide for investments to begin production or expand it. The loan shall be issued in the amount of the capital discount, and the amount of funding provided by other funders cannot be smaller than the ALTUM loan. The amount of the loan will be in the amount of at least 30% of the attributed costs of the investment project, depending on the place of project implementation and the size of the enterprise; the maximum amount of the loan will be 10 million euros.

ALTUM loan interest rate shall be equal to the interest rate of the other funder. If the project indicators are fulfilled, the capital discount shall be applied in three parts for each year of the loan. If in the entire monitoring period, the enterprise shall reach the indicators shown, the capital discount will be 100%, which means all the principal loan amount will be cleared.

Application procedure

Between 19 January and 18 April 2022 two separate applications shall be submitted to LIAA and ALTUM. The loan application to ALTUM shall be submitted concurrently or consecutively with the application for project selection implemented by ALTUM. The implementation of the investment project may only be started after the submission of the loan project and receipt of confirmation from ALTUM.

It is possible to apply for the LIAA selection electronically, filling in the application form in the business development platform www.business.gov.lv

However, one can apply for ALTUM funding in the remote customer service system <https://mans.altum.lv>, additionally filling in the customer form.

For a detailed study of the amendments to Cabinet Regulation No. 503 "Regulation for capital discount for investment projects for economic operators to enhance competitiveness" adopted on 6 July 2021, visit the [unified portal for legal acts](#).

<https://www.liaa.gov.lv/en/article/entrepreneurs-will-have-loan-available-capital-discount-10-million-euros>