

## 92 pct of Economy Ministry's budget to be spent as aid to private sector affected by pandemic restrictions

**A share of 92 percent of the budget assigned to the Ministry of Economy, Entrepreneurship and Tourism will be spent on aid granted to private companies affected by the restrictions imposed for reigning in the pandemic, the Ministry said in a release.**

"The 2021 budget allocation to the Ministry of Economy, Entrepreneurship and Tourism is almost twice as high as last year, the approved appropriations totaling 6.6 billion lei. 92 percent of this budget will be used for aid granted to the private sector, affected by the measures imposed by the state to control the COVID-19 pandemic," the release reads.

According to the Budget Law, one of the financial aid programs the Ministry of Economy will implement this year is dedicated to tourism companies, accommodation structures, food service facilities and travel agencies, whose activity was impacted by the pandemic.

"The main objective of the financial support is to ensure the continuity of the activity of tourism companies, accommodation structures, food service facilities, travel agencies, which all carry the brunt of the epidemic's economic impact, by improving their access to liquidity, in order to help them continue business and maintain their jobs. The program has already been sanctioned under the recent OUG No. 10/2021, generically called 'The HoReCa Ordinance', which grants the beneficiaries aid in amount of 20 percent of the calculation base derived from activities falling under the tourism-specific NACE codes," the source mentions.

Measure 3 for the support of SMEs - investment grants - will also become operational this year.

"The Ministry continues this year too the aid measures under the SME Grants Program. In addition to Measure 1, which targets micro-grants (state aid of 2,000 euros each for micro-enterprises), and Measure 2 - working capital grants, Measure 3 - investment grants, will also be rendered operational. The measure is currently blocked until the remedy of the problems arisen in the selection method of applicant companies. The main objective of this state aid scheme is to provide financial support from non-reimbursable external funds available under the 2014 - 2020 Competitiveness Operational Program, in the context of the crisis caused by COVID-19, for beneficiaries whose activity was affected by the spread of the SARS-CoV-2 virus or whose activity has been banned by military ordinances during the state of emergency or restricted during the state of alert," the document reads.

According to the synopsis of the programs financed from the budget of the Ministry of Economy, Entrepreneurship and Tourism, Program 1 (State aid scheme for the film industry) has 233 million lei proposed for the current year in commitment appropriations and 100 million lei in budget appropriations, and Program 2 (Program on specific financial support measures for enterprises) has commitment appropriations of 2.5 billion lei and budgetary appropriations of 1 billion lei.

Program 3 (Export Stimulation) has 1.5 million lei proposed for commitment appropriations and budget appropriations of 1.5 million lei, while the commitment appropriations available under Program 4 (Program for stimulating the establishment of small and medium enterprises "Start-up Nation - ROMANIA") stand at 14.6 million lei, and appropriations at 641.9 million lei.

Program 5 (Mine Conservation or closure programs) has 70 million lei allocated for commitment appropriations and 70 million lei for appropriations, Program 6 (Tourism marketing and promotion program) has 6.7 million lei in commitment appropriations and an equal amount in appropriations, Program 7 (Development of tourist products)

has 50.2 million lei proposed for commitment appropriations and 50.2 million lei for appropriations, while Program 8 (National program regarding the directions of geological research of mineral resources) has 1.02 million lei proposed for commitment appropriations and 1.02 million lei for appropriations.