



**Economic and Social
Council**

Distr.
GENERAL

OPA/AC.12/1
30 April 1999

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COORDINATING UNIT FOR OPERATIONAL ACTIVITIES
REGIONAL ADVISORY SERVICES PROGRAMME

**SMALL AND MEDIUM-SIZED
ENTERPRISES
IN COUNTRIES IN TRANSITION
IN 1996-1997**

THIRD EDITION

Definitions, Government Policy, Legislation, Statistics

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ANNEX 1

GOVERNMENT AUTHORITIES RESPONSIBLE FOR FORMULATION OF SME POLICY

INTRODUCTION

This document is prepared as a part of the ECE Programme for the Development of Small and Medium-sized Enterprises (SMEs) in Countries in Transition (CITs) launched in 1995.

To assist countries in transition, ECE regularly updates and reviews the development of legislation and provides statistical data highlighting the problems faced by the SME sector under the economic transition process in individual countries. This document is the third update in this series of ECE publications:

- (i) Small and Medium-sized Enterprises in Countries in Transition, IND/AC.3/1, 14 February 1996; and
- (ii) Small and Medium-sized Enterprises in Countries in Transition, IND/AC.3/3, 22 October 1996.

This document is based on the "Questionnaire on Small and Medium-sized Enterprises in Countries in Transition in 1996 and 1997: Annual Review". It contains statistical data transmitted by national SME focal points up to the end of 1998.

1. GOVERNMENT AUTHORITIES RESPONSIBLE FOR FORMULATION OF SME POLICY

There is no fixed institutional structure dealing with and responsible for the elaboration of national SME policies at the governmental level. Even the advanced CITs are still looking for appropriate governmental authorities to serve as national SME focal points. During the last two years the following changes have taken place in national SME policies:

- (i) In Romania, the National Agency for Privatization which had been in charge of SME policy came to the end. The Council for Reforms, after a few months of existence, is again in a transition period and the Romanian Government is looking to create an appropriate SME national focal point institution;
- (ii) In Slovenia, a new Ministry of Small Business and Tourism has been established, while the Ministry of Economy remains in charge of medium-sized enterprises;
- (iii) In Hungary, following the third parliamentary election, the Ministry of Industry, Trade and Commerce was transformed into a Ministry of Economy, and the Political Secretary of State is in charge of Hungarian SME policy;
- (iv) In Bulgaria, the Ministry of Industry created an Agency for SMEs in charge of SME policy and the national promotion programme;
- (v) In the Russian Federation, the State Committee for the Support and Development of Small Business ended in November 1998 and a new Ministry of Small Business is being established.

The government authorities responsible for the formulation of SME policy in the CITs are indicated in Annex 1.

2. CHARACTERISTICS OF THE SME SECTOR IN COUNTRIES IN TRANSITION

Since 1989, the CITs have undertaken a process of transformation of their political, economic and social systems. There is no precedent for a process of economic reform and political change of this scale in recent history. After one decade of transition there still no economic theory for the transformation of a centrally planned economy to a market economy. International financial institutions still prefer to handle economic crises rather than prevent them. However, it is time to summarize and draw lessons for further development.

The core of the political and economic transformation of any CITs is the creation of the private sector, the development of entrepreneurship and creation of SMEs. In this process emphasis should be laid on creation of an enabling environment in which the transformation of society towards a market economy can take place.

In spite of the fact that tremendous progress has been made in the transformation and transition process towards a market economy, inadequate framework conditions and an unfavorable macroeconomic environment in all except the most advanced CITs have been impediments to entrepreneurship and private sector development. In order to facilitate the transition process attention must be paid to creating better framework conditions for entrepreneurship and SMEs.

Analysing the process of development in the SME sector in the CITs the following characteristics can be observed:

1. The findings of the two previous ECE reports on SMEs in CITs still remain in force. The development of entrepreneurship in CITs may be classified into three major groups:

- (i) *countries making rapid progress* including the "Visegrad group" - the Czech Republic, Hungary, Poland and Slovakia - which, with the exception of Slovakia, are now OECD countries, and Estonia and Slovenia;
- (ii) *countries at an intermediate stage of transition* like Bulgaria, Croatia, Latvia, Lithuania, Romania, Kyrgyzstan and Uzbekistan; and
- (iii) *countries making slow progress* with less commitment from their Governments towards SME sector development, like Albania, The former Yugoslav Republic of Macedonia and the majority of the CIS countries.

2. One of the reasons for the recent Russian economic crises and the slow economic progress in CIS countries may be the lack of commitment of Governments to entrepreneurship and SME development. Following the promises of the First Congress of Representatives of Small Businesses held in February 1996 in Moscow, the Russian Government is still in the process of finding the right place and appropriate role for entrepreneurship development within the framework of the overall transformation process.

3. There is no fixed and crystallized institutional structure dealing with and responsible for the elaboration of national SME policies at the governmental level. Even the advanced CITs are still looking for appropriate governmental authorities to serve as SME national focal points.

4. There is no standardized model from the market economies which can be applied for CITs in developing the private and SME sector in the transition economies. The *integrated approach to SME development* suggested by UN/ECE is appropriate and is being employed in more and more CITs. During the last decade sufficient experience has been gained to allow analysis and to draw lessons from both best practices as well as failures.

5. Every CIT is developing some kind of national SME policy and programme. However, CITs should not develop their national policies in isolation. The practices of other CITs and advanced market economies should be learned from and adapted to national needs.

6. The registration procedures for newly established enterprises are bureaucratic, expensive and lengthy in the majority of CITs which makes it easy ground for state corruption. The creation of one-stop-shops for start-up entrepreneurs is highly recommended.

7. Financing SMEs in CITs is one of the major burdens of entrepreneurship development especially for start-ups and beginner enterprises. Credit banking institutions and international financial institutions like EBRD and the World Bank are reluctant to provide adequate support for start-ups. Personal resources such as family savings and loans from friends provide the principal source of start-up capital. Governments are encouraged to establish appropriate alternative financial schemes such as credit guarantee schemes, leasing, start-up credit schemes and equity facilitation.

8. There were 14 million registered unemployed in CITs in 1997. The gap between the rich and poor is increasing. Governments, NGOs and international donor institutions are encouraged to launch microcredit schemes in order to create self-employment for the unemployed and to fight against poverty.

9. Entrepreneurs in most CITs commonly identify heavy and frequently changing tax burdens on SMEs as one of the most important impediments to their operation and success. Many entrepreneurs escape into the shadow economy, which is estimated at between 20 to 40 per cent of GDP in CITs. Governments should develop transparent, stable and predictable taxation systems and also create favorable conditions in order to encourage "informal" entrepreneurs to become "formal" thereby creating additional revenue for the state.

10. The SME sector constitutes the lifeline of all market economies. Despite some progress, the SME culture is still at the initial stages in the CITs. Coherent national education programmes should be developed in which individual initiative and creativity are promoted at an early stage to be followed by vocational training and thereafter high-level education in entrepreneurship.

11. The significance of regional cooperation in SME development is increasing. The Working Group on SMEs of the Central European Initiative is reviewing its programme of work utilizing a UN/ECE discussion paper. The countries of the Black Sea Economic Cooperation are organizing a series of workshops on SME-related issues based on fruitful cooperation between the Permanent Secretariat of the BSEC, the Konrad Adenauer Foundation and UN/ECE. Representatives of CIS national SME focal points regularly meet in one of their capitals. UN/ECE was asked to elaborate terms of reference for the possible creation of a working group on SMEs among the Central Asian CITs.

12. Newly created government SME authorities are looking for the establishment of a forum where they can exchange their views on SME related matters, harmonize statistics, and develop relevant legislation. CITs have expressed their wish to elaborate guiding principles and recommendations for their Governments on various aspects of SME development. The UN/ECE, as a regional economic commission, would be an appropriate institution for such a forum.

3. DEFINITION OF SMEs

13. The most commonly used quantitative criteria for defining an SME are the number of people employed by the business and secondly either the turnover/income or the assets of the business.

14. Definitions of SMEs are going through a process of dynamic change in parallel with the transformation from centrally planned to market economy. Many of the definitions contained in ECE document IND/AC.3/1 of 14 February 1996 are no longer valid. The central and eastern European countries, which have signed Association Agreements with the EU, are gradually adapting their definitions to the official definition of the EU. The newly adopted EU definition of SMEs can be found in IND/AC.3/3 of 22 October 1996.

Table 1.

DEFINITION OF SMEs IN COUNTRIES IN TRANSITION

| COUNTRY | CRITERIA FOR SMALL-SIZED ENTERPRISES | CRITERIA FOR MEDIUM-SIZED ENTERPRISES |
|-------------------------|---|---|
| ALBANIA | There is no special definition of SMEs in government legislation | |
| ARMENIA ¹ | <p>Micro enterprises: up to 5 employees;</p> <p>Small enterprises: number of employees:</p> <p>6-50 in industry; 6-20 in transport; 6-25 in construction; 6-15 in servicing; 6-20 in retail trade; 6-10 in agriculture; and 6-20 in other sectors</p> | <p>Number of employees:</p> <p>51-100 in industry; 21-40 in transport; 26-50 in construction; 16-25 in servicing; 11-40 in retail trade; 11-25 in agriculture; and 21-40 in other sectors</p> |
| AZERBAIJAN ² | <p>Number of employees: less than</p> <p>50 in industry; 15 in transport; 25 in construction; and 10 in retail trade and services</p> | <p>Number of employees between:</p> <p>51-300 in industry; 16-75 in transport; 26-150 in construction; and 11-50 in retail trade and services</p> |
| BELARUS ³ | <p>Number of employees: less than</p> <p>100 in industry and transport; 60 in agriculture, science and technology; 50 in construction and wholesale trade; 30 in other manufacturing activities, in catering and public services, retail trade; 25 in other non-production sphere</p> | No definition exists |
| BULGARIA | <p>Less than 50 employees; and max. assets in balance sheet BLG 254,700,000</p> | <p>Less than 100 employees; and max. assets in balance sheet BLG 509,400,000</p> |

| | | |
|-----------------------|--|---|
| CROATIA | Enterprises should not exceed two of following criteria: 1. Profit balance upon deduction of loss carried forward in the equivalent value of DEM 2,000,000; 2. Profit during 12 month before balance sheet preparation in the equivalent value of DEM 4,000,000; and 3. Annual average number of employees 50. | Enterprises should not exceed two of following criteria: 1. Profit balance upon deduction of loss carried forward in the equivalent value of DEM 8,000,000; 2. Profit during 12 month before balance sheet preparation in the equivalent value of DEM 16,000,000; and 3. Annual average number of employees 250. |
| CZECH REPUBLIC | There is no official definition. In accordance with the Czech National Council Act No. 299/1992 Coll. "State Support to Small and Medium-sized Enterprises", SMEs shall mean enterprises with no more than 500 employees. | |
| ESTONIA | Less than 80 employees and max. turnover less than EEK 100 million | No definition exists |
| GEORGIA | According to the Law on entrepreneurs, small-sized enterprises with less than 10 employees and turnover less than Lari 40,000. According to the Law on state support to small and medium enterprises, SMEs are defined by sectors and total number of employees: less than 35 employees in industry; less than 25 employees in construction; less than 10 employees in transport, agriculture, science, services and commerce; less than 15 employees in other industries. | No definition exists |

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|--------------------------------|--|---|
| HUNGARY ⁴ | Micro enterprises: 1-10 employees; Small enterprises: 11-50 employees; and annual turnover less than HUF 700 million; or annual balance-sheet less than HUF 500 million | Less than 250 employees; and annual turnover less than HUF 4 billion; or annual balance-sheet less than HUF 2.7 billion |
| KAZAKHSTAN ⁵ | Less than 99 employees in industry and construction; less than 50 employees in science; less than 25 employees in non-production spheres; and less than 15 employees in retail trade | No definition exists |
| KYRGYZSTAN | Less than 50 employees in industry, construction, transport, telecommunications and other processing industry; and less than 15 employees in trade, catering, services | 51-200 employees in industry, construction, transport, telecommunications and other processing industry; and 16-50 employees in trade, catering, services |
| LATVIA ⁶ | Less than 25 employees; max. turnover less than Lats 200,000; max. balance sheet total less than Lats 70,000 | No definition exists |
| LITHUANIA ⁷ | Less than 50 employees and max. turnover less than litas 500,000 | No definition exists |
| REPUBLIC OF MOLDOVA | Micro enterprises with 1-19 employees; small-sized enterprises with 20-75 persons | |
| POLAND ⁸ | Less than 50 employees | 51-250 employees |
| ROMANIA ⁹ | Number of employees between 2-25 | Number of employees between 25-250 |

| | | |
|--|---|-----------------------------|
| RUSSIAN FEDERATION ¹⁰ | Less than 100 employees in industry and construction; Less than 60 employees in agriculture, science and research; less than 50 employees in wholesale trade; less than 30 employees in retail trade and domestic services; less than 50 employees in other sectors | No definition exists |
| SLOVAKIA ¹¹ | Maximum 24 employees | Less than 500 employees |
| SLOVENIA | 1-50 employees in industry, mining, construction or craft co-operatives; and individuals carrying out business activities | No definition exists |
| The former Yugoslav Republic of Macedonia ¹² | Less than 50 employees and either max. turnover less than MD 8,000 or max. balance sheet total less than MD 6,000 | No definition exists |
| TAJIKISTAN ¹³ | Less than 50 employees in industry and construction; and less than 15 employees in other economic spheres | No definition exists |
| UKRAINE ¹⁴ | Registered entrepreneurs without juridical personality or incorporated enterprises with juridical personality with employees less than 50 and with annual turnover of production (goods and services) less than Griven 100,000 | No definition exists |

| | | |
|---------------------------------|--|--|
| UZBEKISTAN ¹⁵ | Micro enterprises: less than 10 employees in manufacturing; and less than 5 employees in retail trade and services Small businesses: less than 40 employees in industry and construction; less than 20 employees in agriculture, science and retail trade; and less than 10 employees in other non- production spheres | Less than 100 employees in industry and construction; less than 50 employees in agriculture, other manufacturing spheres and wholesale; less than 30 employees in retail trade and servicing; and less than 20 employees in other non-production spheres |
|---------------------------------|--|--|

Source: ECE/OPA database, 1999.

Remarks

1. There is no adopted definition yet. The Draft Law on State Support for SMEs can be found in Table 2. To be classed as an SME, an enterprise has to be independent, which means less than 25 % owned by one enterprise or jointly by several enterprises.
2. The criteria of SMEs is found in the "State Programme for Privatization in the Azerbaijani Republic" adopted on 29 September 1995.
3. In accordance with the Presidential Decree on Small Entrepreneurship Support No. 262 of 19 July 1996, a small-sized enterprise is a self-employed, juridical personality or incorporated enterprise with a limited number of employees.
4. In the Hungarian practice, there is no standard definition for SMEs. In covering activities of economic organizations, the Central Statistical Office collects data on registered and operating enterprises according to the following groupings; less than 11 people (micro enterprises); between 11-50 employees (small-sized enterprises) and between 51-300 employees (medium-sized enterprises). In accordance with Government Resolution 2207/1997, the Government intends to elaborate a new Law on SMEs in accordance with the criteria shown in Table 1.
5. In accordance with the Law on State Support for Small Entrepreneurship.
6. According to the Law on Income Tax adopted on 9 February 1995 and effective from 1 April 1995.
7. The status of small enterprises is defined by the Law on Small Enterprises, originally passed in 1991, with a number of employees less than 100, but subsequently amended in 1995 to the current definition.
8. There is no official, legally defined definition of small and medium-sized enterprises. In the government document prepared in 1995 relating to the government policy towards small and medium-sized enterprises in 1995-1997, a definition based solely on employment criteria was adopted, which was in compliance in this respect with the definition recommended by the EU Council in April 1995. The condition of the SME sector is described based on data from the Central Statistical Office (GUS).

9. According to Ordinance No. 25/1993 and special incentives granted by Company Law No. 31/1990.
10. According to the Federal Law on State Support for Small Entrepreneurship of 14 June 1995.
11. SMEs have to be real persons with a permanent address or legal entities in business and with a place of business in the territory of the Slovak Republic.
12. Defined by the Law on Private Practice Activity in the Economy No. Sl.v.18/89 and by the Law on Accounting No. Sl.v.42/93.
13. According to the Presidential Decree on State Support for Small Business as of 8 April 1996.
14. Defined by the Presidential Decree on State Support for Small Entrepreneurship No. 456/98 of 12 May 1998.
15. In accordance with the Presidential Decree on Further Stimulation of the Development of Private Entrepreneurship and SMEs No. PF-1997 of 9 April 1998.

4. LEGISLATIVE ASPECTS OF SUPPORTING SMEs

4.1. ALBANIA

The major laws and regulations providing SME support are the following:

- Law on "The sanction and protection of private property and free initiative, independent private activities and privatization" No. 7512, 10 August 1991. This Law was improved with Law No. 7635, 23 December 1992 and Law No. 7723, 21 June 1993;*
- Law on "Commercial Companies" No. 7638, 19 November 1992;*
- Law on "Commercial Register and Procedures that have to be respected by Commercial Companies" No. 7667, 28 January 1993;*
- Law on "Chambers of Commercial and Industry" No. 7804, 10 March 1994. It was improved with Law No. 7869, 12 October 1994;*
- Law on "Tax on Small Business" No. 8813, 26 March 1998;*
- Law on "Profit Tax" No. 7677, 3 March 1993, and its improvements with Decree No. 1492, 20 May 1996 and Law No. 8320, 1 April 1998.*
- Law on "Administration of Taxation in the Republic of Albania" No. 7681, 4 March 1993;*
- Law on "the Taxation System in the Republic of Albania" No. 7777, 22 December 1993, and its improvements with some other laws;*
- Law on "the Clauses that Regulate the First Part of the Commercial Law" No. 7632, 4 November 1992;*
- Law on "Foreign Direct Investments in the Republic of Albania" No. 7764, 10 November 1993;*
- Law on "Protection of the Environment" No. 7664, 21 January 1993;*
- Law on "Excise Tax" No. 7729, 3 March 1993;*
- Law on "Value Added Tax" No. 7928, 27 April 1995, and its improvements with Law No. 8240, 16 September 1997;*
- Law on "Customs Duties" No. 7609, 22 September 1992; and*
- Law on "On the Taxation of Property in the Republic of Albania" No. 7805, 16 March 1994.*

There are several programmes supporting SMEs in Albania:

- Phare Programme 92: under the SME Development project 1,100,000 ECU in credits have been disbursed to 150 businessmen in all regions in Albania and approximately 1,000 people are employed directly at the new enterprises. Loans were given at 16% and purchased equipment served as collateral for the bank. Seven Regional Agencies (RBAs) have been established as one-stop offices to provide technical and financial training and advisory services.
- Phare Programme 93: was built upon the experience of the first credit line. Although the 1992 credit line had good effects and was fully disbursed, some improvements in the scheme needed to be introduced.
- German Government Programmes: the German Government offered technical assistance and credit facilities (cofinancing with domestic banks for starting up new business). GTZ has a programme of training of trainers of entrepreneurs which started in 1994. The programme has trained some of the RBA managers. Through the RBAs, GTZ is also training a cluster of entrepreneurs in marketing and financial management and the subsequent design of their own business plans, which is a precondition for a GTZ loan. The programme is linked with a credit line of 10 million DM in the Rural Commercial Bank, which is 50% cofinanced by the Albanian Government.
- US Government Programme (SMEDA): in close cooperation between technical teams from USAID, MITT and the SME Foundation, a two-year programme was drafted to provide technical assistance for the RBAs in developing their strategy and services; to train trainers and entrepreneurs; perform national surveys, etc.
- Albanian-American Enterprise Fund: was created under the authorization of the Support East European Democracy Act of 1989, approved by the US Congress. The AAEF is to act as an independent private investment fund with the aim of supporting economic development in Albania and its transformation to a market economy.
- UNDP: has established two counseling/consulting organizations with the Government as the core of a future network of local consulting organizations along the lines successfully developed in Romania.
- World Bank: in the framework of the Private Enterprise Development Project 8.1 million USD will be made available, consisting of 7.5 million USD for loan disbursement and 0.6 million USD for technical assistance. The programme will be carried out in cooperation with GTZ.
- Italian Government: discussions are going on to find a proper solution for initiating the 8 billion lira project commodity aid for SME handicraft from the Italian Government.

4.2. ARMENIA

The following laws and decrees concern SME support:

- Law on Enterprises and Entrepreneurial Activities* of 14 March 1992;
Law on Privatization and Sale of State-Owned Enterprises and Uncompleted Objects;
Law on Individual Family-based Enterprises;
Law on State Registration of Enterprises;

Law on Foreign Investment adopted in July 1994;
Law on Shareholding Companies; and
Law on Guarantees.

4.3. AZERBAIJAN

The major legislation effecting the SME-sector are the following:

Law on Peasant/Farmer Economy No. 162 of 8 April 1992;
Law on Entrepreneurial Activities No. 405 of 15 December 1992;
Presidential Decree on Urgent Measures for the Development of Small Businesses of 20 June 1993;
Law on Enterprises No. 847 of 1 July 1994;
Law on Joint Stock Companies No. 850 of 12 July 1994;
Law on Bankruptcy No. 858 of 22 July 1994;
Law on Leasing No. 931 of 29 November 1994;
Law on Investment Activities No. 952 of 13 January 1995;
Law on Consumer Protection No. 1113 of 19 September 1995;
Law on State Registry of Incorporated Enterprises of 6 February 1996; and
"Programme of State Support for SMEs in the Azerbaijan Republic for the period 1997-2000" No. 610 of 24 June 1997.

The main promotion measures for SMEs are the following:

SMEs may apply for tax credit through the *National Fund for Small Enterprise Support*;
SMEs operating in the construction industry, reconstruction and updating of capital assets, utilizing new technology, educating and training human resources are exempt from paying tax; and
Special financial schemes are available for the development of agriculture through AGROPROMBANK. In the new Tax Code newly created agribusinesses are exempt from paying tax during their first two years of operation.

4.4. BELARUS

The new basic laws and government regulations concerning entrepreneurship and small business development in 1996 and 1997 are the following:

Presidential Decree on Improvement of State Management in the Field of Entrepreneurship and Investments No. 260 of 19 July 1996;
Presidential Decree on Small Entrepreneurship Support No. 262 of 19 July 1996;
Law on State Support of Small Entrepreneurship in the Republic of Belarus No. 685-XII of 16 October 1996;
Decree of the Council of Ministers on Ministry for Entrepreneurship and Investment No. 640 of 30 September 1996;
Presidential Decree on "Amendment of Presidential Decree No. 260 of 19 July 1996" No. 435 of 22 October 1996;

Decree of the Council of Ministers on the State Programme for the Development of Small Entrepreneurship in the Republic of Belarus for 1997 No. 290 of 7 April 1997;

Decree of the Council of Ministers on Status of Incubators for Small Entrepreneurship No. 640 of 4 June 1997;

Decree of the Council of Ministers on the Committee for Small Business Development at the Ministry of Entrepreneurship and Investments No. 1077 of 18 August 1997; and

Decree of the Council of Ministers on the Procedure for the Acquisition of Juridical Persons of Status of Entrepreneurship Support Centre No. 111 of 25 August 1997.

The following financial regulations and taxation measures are valid for small business entities:

Financial assistance is provided by the Belarus Foundation for Financial Support of Entrepreneurs in the following forms:

- credit for entrepreneurs;
- financial grants; and
- loans without interest payment.

In 1996, the Government established the following tax level for small businesses:

the tax on the profits of small enterprises is 15 per cent except for small retail businesses - in accordance with the Law on Tax on Profits for Enterprises, Associations and Organizations No.1330-XII of 22 December 1991 and amended by Law No. 237 of 19 April 1996.

Self-employed and juridical persons are exempt from tax on value-added - except in financial services, trade in securities and real estates - in accordance with the Law on Tax on Profits of Enterprises, Associations and Organizations No. 1330-XII of 22 December 1991 and amended by Laws No. 184-XII of 26 March 1996 and No. 325-XIII of 16 May 1996.

4.5. BULGARIA

The most important laws and regulations concerning SME support and incentives are the following:

Taxation of the Income of Natural Persons (Promulgated State Gazette No. 188/1997);

Corporate Income Tax Act (Promulgated State Gazette No. 115/1997);

Transformation and Privatization of State Owned and Municipal Enterprises Act (Promulgated State Gazette No. 38/1992; amended SG Nos. 51/1994; 45, 57 and 109/1995; 42, 45, 68 and 85/1996; 55, 61 and 89/1997);

Law on Protection of Competition (Promulgated State Gazette No. 39/1991; amended SG No. 53/1995; 61 and 103/1993; 63/1994; 63/1995; 42, 59, 83, 86 and 104/1996);

Government Ordinance on the Establishment of an Agency for Small and Medium-sized Enterprises (ASME) No. 314/1997 (Promulgated State Gazette No 63/1997; amended SG No. 43/1998); and
Government Ordinance on Creation of Small and Medium-sized Enterprise Development (ASME) No. 108/1991 (Promulgated State Gazette No. 49/1991; last amended SG No. 63/1997).

The Bulgarian Government set up the Small Enterprise Fund with the aim of helping small enterprises employing less than 30 people and with capital not exceeding 3 million leva. The following schemes are available:

- soft loans for terms of 24 or 48 months with an interest rate equal to 50% of the prime interest rate;
- recovery of 50% of an interest rate of loans which have already been taken from small companies;
- financial grants equal to 50% of the capital registered; and
- recovery of 50% of the initial expenditure for connecting small firms to infrastructure (water supply, road, telecommunications, electricity, etc.).

4.6. CROATIA

The legal framework of entrepreneurship development is not established yet. However, foreign investments are already regulated by the Company Law (Official Gazette No. 111/1993) which came into force on 1 January 1995.

Other laws relevant to entrepreneurs are:

Law on Accountancy (Official Gazette N.N. 90/92);
Law on Crafts (Official Gazette N.N. 77/93);
Law on Trade (Official Gazette N.N. 11/96);
Law on Co-operatives (Official Gazette N.N. 36/95);
Law on Profit Tax (Official Gazette N.N. 109/93);
Law on Income Tax (Official Gazette N.N. 109/93);
Law on Value Added Tax (Official Gazette N.N. 47/95);
Law on Labour (Official Gazette N.N. 91/96);
Law on Ownership (Official Gazette N.N. 91/96);
Law on Foreign Trade (Official Gazette N.N. 109/93);
Law on Regions under State's Special Treatment (Official Gazette N.N. 44/96); and
Law on Employment (Official Gazette N.N. 55/90, 19/91 and 117/93).

4.7. CZECH REPUBLIC

The major laws and regulations providing SME support are the following:

Czech National Council Act No. 299/1992 Coll. "State Support to Small and Medium-sized Enterprises";
Every year state business support programmes are approved and promulgated by the Czech Government (published in the minutes of the Czech Government sitting).

There are no special supporting measures for start-ups/beginner SMEs. The only exception is one of the enterprise promotion programmes developed by the Ministry of Industry and Trade - the programme START aimed at starting entrepreneurs.

4.8. ESTONIA

The *Business Code of the Republic of Estonia* was passed in the Riigikogu on 15 February and came into force on 1 September 1995. The Business Code:

- defines types of undertakings;
- regulates "Firm" and "Proxy";
- provides the legal basis for the Business Registry;
- regulates the establishment, registration, relations, activities, liquidation and termination of all types of undertakings;
- provides the legal basis for accession, mergers, reorganization and division of undertakings; and
- determines provisions for enforcement.

4.9. GEORGIA

The major laws and resolutions regulating the development of entrepreneurship are the following:

Order of the Leader of the Republic of Georgia of 18 May 1993, "About Urgent Activities for Developing Private Entrepreneurship in Georgia";
Resolution of the Cabinet Ministers of Georgia of 1993, "Government support programme for private entrepreneurship";

Resolution of the Cabinet Ministers of Georgia of 1993, "About the establishment of the Small Business Development Fund at the Ministry of Economy";

Law on Entrepreneurs of 28 October 1994;

Law on Investment Activities;

Law on Privatization of State Enterprises in Georgia;

Law on Property;

Law on Rent;

Law on Auditing Activities;

Law on Commercial Bank Activities;

Law on Land;

Law on Limitation of Monopolistic Activity and Development of Competition of 25 July 1997;

Law on the State Budget of Georgia for 1997 and the State Budget for 1998;

Law on State Support for Small Business Development;

Law on Management and Use of Public Non-agricultural and Household Lands; and

Law on Non-agricultural and Household Lands Used by Physical and Juridical Persons, declaring them as private property.

International organizations are financing some small and medium business programmes in Georgia. In addition, from 1997 a state support programme for SMEs exists. Three million lari were allocated for this programme from the state budget in 1997 and four million lari in 1998. In 1999, 4 million lari will be allocated from the state budget and concrete programmes and projects will be financed. Financial support will be in the form of investment, credits and state loan guarantees.

There is no customs duty and VAT on export goods. Export excise goods are free from excise tax. Imported raw materials for export goods are free from customs duty. Imported machinery taxation is subject to a 5% custom duty and free from VAT.

4.10. HUNGARY

The basic laws regulating entrepreneurship development are the following:

Act No. V of 1990 on *Private Enterprise*;
Act No. LXXIV of 1990 on the *Privatization of State-owned Companies Engaged in Retail Trade, Catering and Consumer Services*;
Decree No. 28/1991 on the so-called *Existence (E) loan* which guarantees *payback in case of default*;
Act LXXXVI of 1991 on *Corporate Income Tax*;
Act XC of 1991 on *Personal Income Tax*;
Act XXXVIII of 1992 on *Public Finance*;
Government Resolution No. 2040/1994 (V.3.) on the *Medium-term Development Concept*;
Act CVI of 1995, amendment of Act LXXXVI of 1991 on *Company Taxation*;
Government Resolution No. 9/1995 (III.31) on *Foreign Exchange Accounts of Entrepreneurs*;
Government Resolution No. 2146/1996 (VI.13.) on the *SME Development Programme*;
Act CXII of 1996 on *Credit Institutions and Financial Enterprises*;
IM Degree No. 8/1996 (X.2.) on *Company Registration*;
Government Resolution No. 1045/1997 (IV.29.) on the *Government's Tasks Related to the Development of SMEs*;
Government Resolution No. 2207/1997 (VII.16.) on the *Conception of the SME Law*; and
Government resolution No. 1161/1998 (XII.17.) on *The Medium-term Strategy for the Development of Micro, Small and Medium-sized Enterprises*.

The starting of enterprises is currently supported by different government measures, interest support and preferential credit facilities. The stock of preferential credit refinanced by the National Bank of Hungary amounted to a total of 111 billion HUF in March 1997. Programme and credit facilities in support of SMEs are the following:

- MICRO credit: for enterprises, where the number of full-time employees is less than 10;
- START credit: for enterprises, where the number of full-time employees is less than 50;
- PHARE credit: for enterprises, where the number of full-time employees is less than 60;

- Existence credit: for those enterprises taking part in privatization; and
- Credit-Guarantee Programmes: for those enterprises, where the number of full-time employees is fewer than 300.

4.11. KAZAKHSTAN

The main legislation on entrepreneurship in Kazakhstan includes:

Presidential Decree on the *State Programme for Promoting and Developing Entrepreneurship between 1994 and 1996* No. 1727 of 10 July 1994;
Resolution of the Government on the *Creation of the Kazakh Centre for the Promotion and Development of Entrepreneurship* No. 1157 of 11 October 1994;
Resolution of the Government on the *Establishment of a Network of Small Business Centres in Kazakhstan* No. 849 of 20 June 1995;
Presidential Decree on *Economic Partnership* adopted as Law No. 2256 of 2 February 1995; and
Presidential Decree on *Production Co-operatives* adopted as Law No. 2486 of 5 October 1995.

Support and promotion measures are missing in Kazakhstan.

4.12. KYRGYZSTAN

The list of government legislation relating to SMEs includes:

Law on *Enterprises in the Republic of Kyrgyzstan* No. 389-XII of February 1991, with amendments No. 436 adopted on 19 April 1991 and No. 1086-XII of 17 December 1992;
Law on *Joint Stock Companies in the Republic of Kyrgyzstan* No. 513-XII of 26 June 1991 with amendments No. 1087-XII of 17 December 1992, No. 1367-XII of 28 May 1994, No. 1563-XII of 21 November 1994 and No. 38-I of 28 December 1995;
Law on *Cooperation* No. 647-XII of 12 December 1991 with amendments No. 920-XII of 29 June 1992 and No. 1365-XII of 11 January 1994;
Law on the *Beginning of Denationalization, Privatization, and Entrepreneurship in the Republic of Kyrgyzstan* No. 683-XII of 20 December 1991 with amendments No. 876-XII of 6 March 1992, No. 939-XII of 2 July 1992, No. 1229-XII of 8 May 1993, No. 1382-XII of 12 January 1994, No. 1386-XII of 12 January 1994, No. 1501-XII of 16 April 1994, No. 5-I of 23 June 1995 and No. 30-I of September 28 and 11 October 1995;
Presidential Decree on *Measures Stimulating Entrepreneurship Activities of Private Manufacturing Co-operatives* No. VII-212 of 27 May 1991;
Presidential Decree on *Measures for Protecting and Developing Private Entrepreneurship* No. VII-34 of 25 March 1994, amended by No. VII-69 of 11 March 1995;
Resolution of the Council of Ministers on *Measures for Creating and Developing Enterprises* No. 314 of 1 November 1990 and modified by No. 569 on 1 August 1994 and No. 39 on 15 February 1995;

Resolution of the Government on the *International Fund for the Support of Entrepreneurship and Foreign Investment* No. 297 of 25 June 1992, amended by No. 174 of 23 April 1993;
Resolution of the Government on *Measures for the Demonopolization of the Economy and Support for Entrepreneurship* No. 421 of 25 August 1992;
Resolution of the Government on *State Registration of Private Entrepreneurs in the Kyrgyz Republic* No. 332 of 16 May 1994, amended by No. 829 of 22 November 1994 and No. 471 of 8 November 1995;
Resolution of the Government on the *Adoption of a Classification of Enterprise Types* No. 39 of 15 February 1995; and
Government Decree No. 206 of 21 April 1998 on the *Action Programme of State Support for Small Entrepreneurship in the Kyrgyz Republic for 1998-1999*.

According to legislation in force, no financial support is envisaged in the sphere of SME development except for particular entities working in the field of agriculture. There are no direct tax privileges or financial support measures.

4.13. LATVIA

According to the *Law on Company Income Tax*, small enterprises may reduce their tax on profits by 20 per cent during their first two years of existence. Farms are exempt from VAT on distributed agricultural products and from duty on diesel fuel.

According to the *Law on Inhabitant Income Tax*, those persons who earn income from agricultural products of less than Lats 3,000 per year are free from any taxation.

Agriculturally oriented farms and enterprises can apply for tax relief equal to Lats 10 for each hectare of land used for production.

According to the *Law on the Annual Reporting of Enterprises*, small firms like farms, fisheries and the self-employed with an annual income of less than Lats 45,000 may use a simplified system for reporting their taxes to the State Revenue Service.

4.14. LITHUANIA

The list of government legislation supporting entrepreneurship includes the following:

Law of the Republic of Lithuania on *Small Companies* (20 December 1991; Amendment was accepted on 20 April 1995);
Resolution No.116 of the Government of the Republic of Lithuania of 22 February 1994 on *Activities to which the Law of the Republic of Lithuania on Small Companies is not Applied* (Amendment was accepted on 10 July 1995 by Resolution No.962);
Resolution No.15 of the Government of the Republic of Lithuania of 8 January 1998 on the *Small and Medium-sized Business Development Programme and Its Implementation Action Plan*;

Resolution No.588 of the Government of the Republic of Lithuania of 14 May 1998 on the *Support of Small and Medium-sized Business* (Amendment was accepted on 1 September 1998 by Resolution No. 1042);
Resolution No. 919 of the Government of the Republic of Lithuania of 28 August 1998 on *Business Development Measures*;
Law of the Republic of Lithuania on the *Register of Enterprises*;
Co-operative Law of the Republic of Lithuania;
Resolution No. 429 of the Government of the Republic of Lithuania of 9 April 1996 on the Partial Amendment to Resolution No. 1123 of the Government of the Republic of Lithuania of 11 November 1994 on *Approval of Stamp Tax Rates and of the Procedure for Payment and Refund of the Stamp Tax*;
Resolution No. 1350 of the Government of the Republic of Lithuania of 19 November 1996 on *Approval of the Provisional Procedure for the Registration of Public Institutions and Associations*;
Notice No. 300-08-2304 of 15 September 1994 of the Ministry of Economy of the Republic of Lithuania on *Registration of Public Limited Companies and Private Limited Companies in the Register of Enterprises of the Republic of Lithuania*; and
Decree No. 46 of the Department of Statistics of the Government of the Republic of Lithuania of 23 November 1995 on *Registration Procedure for Companies in which Capital of Foreign Origin Has Been Invested as well as Companies of Foreign Countries, Banks and Branches of Lithuanian Commercial Banks*.

4.15. REPUBLIC OF MOLDOVA

The previous Government did not give much attention to the development of entrepreneurship. The development of SMEs has received more attention by the new Government. Since the last ECE Report on SMEs in CITs in 1995 the following new laws and resolutions have been elaborated:

Law on Mutual Saving Associations No. 1505-XIII of 18 February 1998;
Law on Development and Investment Bank No. 1555-XIII of 15 February 1998;
Law on Entrepreneurial Patents No. 93-XIV of 15 July 1998;
Presidential Decree on Regulation of Forms of Activities in the Republic of Moldova No. 859 of 13 August 1998;
Presidential Decree on Certain Measures in Implementation of the Law on Entrepreneurial Patents No. 947 of 8 September 1998; and
Presidential Decree on Consolidation of Licence Fees of Individual Activities No. 1067 of 21 October 1998.

The Government is working on the modification of the Small Business Support Law. The "State Programme on Promotion of Small Business for 1998-2000" has been elaborated and will be debated in the Parliament.

4.16. POLAND

Government legislation regulating SMEs and entrepreneurship includes the following:

International Competitiveness of Polish Industry, Industrial Policy Programme for 1995-1997, adopted by the Council of Ministers on 16 May 1995;

Small and Medium-sized Enterprises in the National Economy, Policy towards SMEs, adopted by the Council of Ministers on 6 June 1995;

Act of 29 December 1989 on the Amendment of the Constitution of the Polish People's Republic. Dz.U.89¹, No. 75, item 44;

Act of 23 December 1988 on Economic Activity. Dz.U. 88, No. 41, item 324 with later amendments: Dz.U. 90, No. 26, item 149; Dz.U. 90, No. 34, item 198; Dz.U. 90, No. 86, item 504; Dz.U. 91, No. 31, item 128, Dz.U. 91, No. 41, item 179; Dz.U. 91, No. 105, item 452; Dz.U. 91, No. 106, item 457; Dz.U. No. 91, No. 107, item 460;

Act of 24 February 1990 on Counteracting Monopolistic Practices. Dz.U. 90, No. 14, item 88 and later amendments: Dz.U. 90, No. 34, item 198; Dz.U. 91, No. 65., item 279; Dz.U. 91, No 89, item 403;

Act on Crafts. Dz.U. 89, No. 17, item 92;

Act of 6 July 1982 on the rules for engaging in economic activity in small manufacturing business by foreign legal and natural persons within the territory of the Polish People's Republic. Dz.U. 89, No. 27, item 148 with later amendments Dz.U.89, No. 74, item 442 and Dz.U.91, No. 60, item 253;

International Competitiveness of Polish Industry, Industrial Policy Programme for 1995-1997, adopted by the Council of Ministers on 16 May 1995; and

Small and Medium-sized Enterprises in the National Economy, Policy towards SMEs, adopted by the Council of Ministers on 6 June 1995.

4.17. ROMANIA

Major laws, decrees and ministerial orders promoting SMEs:

Law on Restructuring of State-owned Enterprises No. 15/1990;

Law on Trade Register No. 26/1990;

Company Law No. 31/1990;

Law on Establishing Family Businesses No. 54/1990;

Law on Banking Activities No. 33/1991;

Law on Setting up, Organisation and Operation of Commercial Companies for Insurance Activities No. 47/1991;

Law on Accountancy No. 82/1991;

Government Ordinance on Value Added Tax No. 2/1992;

Government Ordinance on Customs Taxes No. 26/1993;

Ordinance No. 25/1993 regarding Stimulation of Small and Medium Enterprises;

Government Ordinance on Profit Tax No. 70/1994;

Government Decision No. 805, 14 November 1994, regarding Financial Facilities offered to Small and Medium Enterprises;

Governmental Decision No. 788, 10 November 1998, "Programme for Stimulating the Establishment of Small and Medium Enterprises and New Business", published in the Official State Gazette of Romania 434, 17 November 1998;

¹Dz.U. = Dziennik Ustaw (Official Journal of the Polish Parliament).

Government Decision No. 789, 10 November 1998, "Programme for Supporting the Development of Small and Medium Enterprises in the field of Marketing", published in the Official State Gazette of Romania 434, 17 November 1998;

Draft Governmental Decision on Credit Guarantee Schemes, November 1998;

Law on Bankruptcy No. 26/1995;

Law on Competition No. 21/1996;

Law on State Monopoly No. 31/1996;

Civil Code and Commercial Code; and

Custom Code of Romania.

According to Law No. 1/1991, to stimulate job creation and facilitate the establishment of SMEs operating in the field of manufacturing, industrial services and tourism, lower interest rates are charged on relevant loans.

To provide support to Romanian entrepreneurs in medium and long-term investment and help SMEs to purchase state assets through the privatization process, a loan guarantee scheme has been created guaranteeing up to 70 per cent of the loan principal.

The Ministry of Agriculture has established the Romanian Rural Loan Guarantee Fund as a commercial joint stock company with PHARE assistance. To support farmers and food processing companies and offer them access to medium and long-term financing, the programme provides guarantees of up to 60 per cent of the credit plus interest.

A financial scheme developed by the CRIMM (Romanian Centre for SMEs) Foundation under the PHARE programme offered grants of up to ECU 50,000 or 50 per cent of the funds needed to purchase new manufacturing equipment. This programme finished at the end of 1995.

4.18. RUSSIAN FEDERATION

New legislation during the period 1996 and 1997 includes the following:

Federal Law on State Support for Small Entrepreneurship in the Russian Federation No. 88-F3 of 14 June 1995;

Moscow City Law on Principles of Small Business in Moscow No. 14 of 28 June 1995;

Government Resolution on the State Committee for the Support and Development of Small Business No. 777 of 24 July 1995;

Decree of Mayor of Moscow on Socio-expert Council on Small Business at the Major and Government of City Moscow No. 567-RM of 25 October 1995;

Government Resolution on Federal Fund for the Support of Small Business No. 1184 of 4 December 1995;

Government Resolution on Federal Programme of State Support of Small Entrepreneurship No. 1256 of 18 December 1995;

Prime-Minister Decree of the Government of Moscow on Changing Procedure of Leasing of Equipment and Property Owning by Moscow City No. 101-rp of 6 February 1996;

Government Resolution on Attracting German Credit for Support and Development of Small Entrepreneurship No. 253 of 6 March 1996;

Government Resolution on Participation of Small Business Entities in Manufacturing and Supplying of Products and Services for Federal Household Demands No. 532 of 12 April 1996;
Decree of Major of Moscow on Modification of the Status of Department for Support and Development of Small Business No. 355/1-RM of 3 October 1996;
Government Resolution of Moscow City on Development of Handicrafts No. 966 of 10 December 1996; and
Federal Law on Changing and Amending Law on Profit of Enterprises and Business Entities No. 13-F3 of 10 January 1997.

SME support measures:

The main directives of financial support for small business are outlines in the *Federal Law on State Support of Small Entrepreneurship in the Russian Federation No. 88-F3 of 14 June 1995*. Forms of small business support include:

- preferential fiscal policy (reduced taxation);
- possibility of accelerated amortization;
- establishment of small business support fund both at the federal as well as regional levels;
- creation of mutual credit societies;
- providing credit at reduced interest rate; and
- participation of small business entities in manufacturing and supplying products and services for federal household applications.

4.19. SLOVAKIA

The legal acts and resolutions promoting SMEs are the following:

Act No. 100/1995. on State Support for SMEs from 3 May 1995;
Act No. 40/1964 Coll. as later amended, The Civil Code;
Act No. 513/1991 Coll. - Commercial Code;
Government Resolution on the revival strategy for economic development of the Slovak Republic adopted in September 1992. Defines SMEs as one of the key factors in economic development;
Act No. 445/1992 Coll. on Small Business Activities, as later amended;
Government Resolution No. 22 of 19 February 1993 regarding establishing a National Agency for Development of SMEs (NADSME);
Government Resolution on the Programme of SME Support Measures adopted in May 1993;
Government Resolution on the Report on SME Development in 1993;
The system of tax laws, as later amended;
Government Decree No. 210/1994 Dig. on Procedures for the creation of socially useful jobs and the organization of publicly beneficial activities; Act No. 273/1994 Coll. on Health Insurance, Health Insurance Funding and on the General Health Insurance, as later amended;
Act No. 274/1994 Coll. of Social Insurance, as later amended;
Programme Declaration of the Government of the Slovak Republic of January 1995;
Act of the Slovak Parliament No. 100/1995 on Government Support to Small and Medium Enterprises, passed by the parliament on 3 May 1995;

Legislative framework of active policy for the labour market includes several acts on employment, e.g.: Act No. 1/1991 Dig., No. 305/1991 Dig., No. 578/1991 Dig., No. 231/1992 Dig., No. 247/1993 Dig., No. 319/1993 Dig. and 189/1994; and

Government Decree No. 261/1993 Col., amended by No. 295/1995, on the examination of non-pecuniary deposits from import duty.

The Phare support to Slovakia began under the Czechoslovak programme in 1990, which was distributed into Czech and Slovak components in 1992. By December 1994, Slovakia had received ECU 169 million in grants through the Phare Programme. Another ECU 1,172.5 million were provided, mostly in the form of loans, by individual Member States. This grant support has been complemented by a further ECU 289 million in balance of payments supports loans. Altogether, the European Union and its members supplied 71 % of the global assistance to Slovakia. The bulk of the Phare funding focused on developing the private sector, the essential infrastructure (transport, environment, energy and telecommunication), institution-building, speeding up the privatisation process, reconstructing enterprises, helping SMEs and encouraging investors.

4.20. SLOVENIA

The major legislation relating SMEs are as follows:

Law on Promoting Small Businesses No. 18/1991 of 11 October 1991. On the basis of this law a fund has been established to develop small-scale enterprises from the Republic's budget as well as from other sources. The fund capital amounts to SIT 10 million; and

Law on Commercial Companies No. 30/1993 of 10 June 1993 on companies performing independently in the market a profit-making activity as the sole activity of an SME.

4.21. THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

The concept of small businesses has not yet been clearly defined. Legislative activities are rather poor and the development of the SME sector is lagging behind the other Central European Initiative (CEI) countries in transition.

The major legislation affecting entrepreneurship development are:

Laws on Accounting No. Sl.1.12/89 and No. Sl.v.12/93;

Law on Private Activities in the Economy No. Sl.v.18/89;

Law on Enterprises (Official Gazette of SFRY, No. 77 of 31 December 1988. For amendments, see Official Gazette of SFRY, No. 40/90, No. 61/90 and No. 15/93; and

Law on Taxation of Profits (Official Gazette of SFRY, No. 80/93).

A document on *Macroeconomic Policy for 1996* of The former Yugoslav Republic of Macedonia published in the Official Gazette underlines the importance of SME development. The Government intends to establish agencies and advisory centers for SMEs and to introduce financial incentives for the promotion of SMEs.

4.22. TAJIKISTAN

The main laws and other legal measures for promoting entrepreneurship are:

Law on the State Registration of Enterprises of 21 February 1991;
Law on Entrepreneurial Activities of 23 December 1991, amended on 24 November 1993;
Law on Bankruptcy of Enterprises of 10 March 1992, amended on 2 February 1996;
Law on Foreign Investment of 10 March 1992, amended on 2 February 1996;
Law on Enterprises of 15 June 1993, amended on 2 February 1996;
Law on the Limitation of Monopolistic Activities and the Development of Competitiveness of 27 December 1993;
Presidential Order on State Support for Small Businesses of 8 April 1996; and
Programme of Economic Transformation of the Republic of Tajikistan for the period 1995-2000.

Based on the Presidential Order on State Support for Small Businesses, the promotion programme for entrepreneurship includes:

- creation of an infrastructure for the nation-wide and regional development of entrepreneurship;
- participation of "unprotected" social groups in entrepreneurship;
- taking over of unfinished economic objects and non-profitable enterprises by small businesses; and
- enabling the buying of stocks by subjects of small businesses.

4.23. UKRAINE

The laws and decrees concerning entrepreneurship development include the following:

Law on the Foreign Investment Regime of 19 March 1996;
Decree of the Council of Ministers on the Concept of the State Policy for the Development of Small-scale Entrepreneurship No. 404 of 3 April 1996;
Decree of the Council of Ministers on Changes and Additions to the Regulations of the State Registry of Entities Dealing with Entrepreneurial Activities No. 125 of 25 January 1996;
Decree of the Council of Ministers on the Programme of Small Entrepreneurship Development for the Period 1997-1998 No. 86 of 29 January 1997;
Presidential Decree on the Establishment of the License Chamber of Ukraine No. 104/97 of 7 February 1997;
Law on the State Privatization Programme No. 294/97-VR of 3 June 1997; and
Resolution of the Cabinet of Ministers on the Composition of an Interministerial Working Group for the Deregulation of Entrepreneurship No. 1150 of 16 October 1997.

Financial support for entrepreneurial activities, including small businesses, is provided through the Ukrainian Fund for the Support of Entrepreneurship, the Ukrainian State Fund for the Support of Peasant (Farmer) Entities and the State Innovation Fund. The state budget determines the amount of financial support available for the first two financial schemes. In 1996, the Ukrainian Fund for the Support of Entrepreneurship received Griven 0.5 bn., while Griven 1.8 bn was provided for the Ukrainian State Fund for the Support of Peasant (Farmer) Entities.

Credit facilities from the Ukrainian Fund for the Support of Entrepreneurship include:

- short-term credit for manufacturing processes;
- medium-term credit for purchasing and installation of equipment, current expenses (for purchasing raw materials and components), technology and scientific activities; and
- long-term credit for complex programmes and projects.

The State Innovation Fund is based on a fixed per cent of the profit of enterprises. This scheme was created to support projects using new technologies. Its share so far is very modest.

Credit Associations might also be a useful instrument for financing SMEs due to the fact that their assets include more than Griven 3 bn. However, as a result of a lack of legislation it has not been possible to use these resources as starting capital for small businesses.

The Government decided that 34 per cent of all state income from the State Privatization Fund in 1997 would be devoted to be technical restructuring of privatized enterprises, the development of entrepreneurship and the creation of new working places.

In addition to financial incentives there are special programmes promoting entrepreneurship. Among the non-financial incentives, the Government is providing consulting, technical and legal advisory services for small-scale entrepreneurs.

4.24. UZBEKISTAN

The major legislation concerning entrepreneurship and SMEs includes:

Law of 31 October 1990 on the various forms of property allowed in the Republic of Uzbekistan, including private;

Law of 15 February 1991 on the various forms of entrepreneurship allowed in the Republic of Uzbekistan;

Decree No. 290 of the Cabinet of Ministers of 12 November 1991 governs the criteria for joint ventures and wholly owned foreign enterprises;

Presidential Decree of 5 January 1995:

- eases the registration procedures for small entrants;
- provides tax incentives for start-ups; and
- provides subsidized credit and loan guarantees utilizing 50 per cent of the income from privatization.

5. STATISTICS ON SMEs

5.1. Number of different types of economic units at the end of 1996-1997

Table 2.

| Country | Agricultural farmers | Self-employed (sole proprietors) | Partnerships, working teams without juridical personality | Incorporated enterprises with 1-249 employees | Incorporated enterprises with over 250 employees | Other economic units considered as SMEs |
|----------------------------|----------------------|----------------------------------|---|---|--|---|
| ALBANIA | | | | | | |
| 1996 | 1,459 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | 396,700 | 47,272 | n.a. | 14,060 | 113 | n.a. |
| AZERBAIJAN | | | | | | |
| 1996 | 11,612 | 62,000 | n.a. | 1,009 | n.a. | 12,917 |
| 1997 | 22,783 | 100,000 | n.a. | 1,049 | n.a. | 16,102 |
| BELARUS | | | | | over 100 employees | |
| 1996 | 2,959 | 160,000 | n.a. | n.a. | n.a. | n.a. |
| 1997 | 2,614 | 118,804 | n.a. | 21,279 | 66,572 | n.a. |
| BULGARIA | | | | | | |
| 1996 | n.a. | 256,426 ¹ | 11,176 | 52,043 ² | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| CROATIA³ | | | up to 200 employees | | over 200 employees | |
| 1996 | 1,527 | n.a. | | 61,495 | 614 | n.a. |
| 1997 | 1,383 | n.a. | | 59,170 | 585 | n.a. |
| CZECH REPUBLIC | | | | | | |
| 1996 | 111,188 | 1,075,387 | 35,680 | 114,344 | 1,028 | 121,163 |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| ESTONIA | | | | | | |
| 1996 | 1,545 | 454 | nil | 2,690 | 186 | nil |
| 1997 | 1,944 | 41,998 | nil | 2,7614 | 189 | nil |
| GEORGIA | | | | | | |
| 1996 | 1,411 | 580 | 211 | 419 | 652 | 192 |
| 1997 | 1,705 | 466 | 566 | 43,079 | n.a. | n.a. |
| HUNGARY | | | | | over 300 persons | |
| 1996 | n.a. | n.a. | 167,426 | 135,902 | 1,015 | n.a. |
| 1997 | n.a. | 659,690 | 167,426 | 135,996 | 921 | n.a. |
| KAZAKHSTAN | | | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

| | | | | | | |
|--|------------------------------|--------------------------------|--|------------------|---------------|------------------------------|
| KYRGYZSTAN 1996 1997 | 32,123 n.a. | 101,685 n.a. | n.a. n.a. | nil n.a. | nil n.a. | n.a. n.a. |
| LATVIA 1996 1997 | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. |
| LITHUANIA 1996 1997 | n.a. n.a. | n.a. 90,116 | n.a. 1,088 | n.a. 37,831 | | n.a. 15,253 |
| REPUBLIC OF MOLDOVA 1996 1997 | 64,050 83,330 | n.a. n.a. | 49,778 50,585 | 28,242 34,823 | n.a. n.a. | 3,649 9,780 |
| POLAND 1996 1997 | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. |
| ROMANIA 1996 1997 | n.a. 283,660 | n.a. n.a. | n.a. n.a. | n.a. 285,379 | n.a. 4,012 | n.a. n.a. |
| RUSSIAN FEDERATION 1196 1997 | n.a. 340,000 ⁴ | n.a. 3,500,000 ⁵ | These economic organizations are not indicated in the statistics of the Russian Federation | | | |
| SLOVAKIA 1996 1997 | 23,363 34,887 | 27,270 20,571 | n.a. n.a. | 50,913 52,597 | 864 822 | n.a. 256,631 ⁶ |
| SLOVENIA 1996 1997 | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. | n.a. n.a. |
| FYROM⁷ 1996 1997 | n.a. n.a. | 33,287 32,339 | n.a. n.a. | 34,051 33,445 | 531 521 | n.a. n.a. |
| TAJIKISTAN 1996 1997 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| UKRAINE 1996 1997 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

Source: ECE/OPA Database, 1999.

Remarks:

1. Sole proprietors only.
2. Total number of enterprises is given. There is no reliable information source for grouping enterprises according to the number of employees.
3. The Croatian statistics does not provide information on economic units.
4. "Russia in Figures". Goskomstat Russia, Moscow, 1998.
5. Based on data by the Russian Taxation Authority.
6. Including 12,212 freelancers and 244,419 traders.
7. The former Yugoslav Republic of Macedonia.

5.2. Number of incorporated SMEs at the end of 1996-1997

Table 3.

| Country | Total number of incorporated enterprises and partnerships | Small and medium-sized enterprises with | | |
|----------------------------|---|---|-----------------|-------------------|
| | | 0-9 employees | 10-49 employees | 50-249 employees |
| ALBANIA | | | | |
| 1996 | 59,019 | 57,495 | 966 | 436 |
| 1997 | 61,445 | 59,984 | 937 | 411 |
| AZERBAIJAN | | | 10-99 employees | 100-249 employees |
| 1996 | 13,926 | 11,862 | 1,994 | 19 |
| 1997 | 17,151 | 13,556 | 3,411 | 89 |
| BELARUS¹ | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. |
| 1997 | 21,279 | n.a. | n.a. | n.a. |
| BULGARIA | | | | |
| 1996 ² | 52,043 ³ | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| CROATIA⁴ | | | ⁵ | |
| 1996 | 55,428 | 3,443 | 896 | n.a. |
| 1997 | 52,616 | 3,850 | 824 | n.a. |
| CZECH REPUBLIC | | 0-24 employees | 25-99 employees | 100-499 employees |
| 1996 | 236,535 | 215,903 | 14,506 | 5,098 |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| ESTONIA | | | | |
| 1996 | 25,130 | 18,498 | 5,797 | 1,193 |
| 1997 | 25,856 | 18,856 | 5,839 | 1,161 |
| GEORGIA | | | | |
| 1996 | 27,437 | 20,578 | 5,487 | 1,372 |
| 1997 | 40,908 | 30,681 | 8,182 | 2,045 |
| HUNGARY | | | | |
| 1996 | 1,049,590 | 1,016,641 | 26,678 | 5,256 |
| 1997 | 998,264 | 965,754 | 26,738 | 4,851 |
| KAZAKHSTAN | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| KYRGYZSTAN | | | | |
| 1996 | 5,106 | n.a. | 388 | n.a. |
| 1997 | n.a. | 21,550 | n.a. | 1960 |
| LATVIA | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |

| | | | | |
|----------------------------|------------------------|----------------|-----------------|-------------------|
| LITHUANIA | | | | |
| 1996 | 48,778 | 33,071 | 10,243 | 5,464 |
| 1997 | 54,172 | n.a. | n.a. | n.a. |
| REPUBLIC OF MOLDOVA | | | 10-99 employees | 100-249 employees |
| 1996 | 19,315 | 12,477 | 4,032 | 784 |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| POLAND | | 1-50 employees | | |
| 1996 | 1,343,623 ⁶ | 1,328,384 | | 11,885 |
| 1997 | n.a. | n.a. | | n.a. |
| ROMANIA | | | | |
| 1996 | 541,607 | 507,168 | 30,316 | 9,027 |
| 1997 | 573,051 | 516,850 | 34,672 | 8,965 |
| RUSSIAN FEDERATION | | | | |
| 1996 | 2,505,000 | n.a. | n.a. | n.a. |
| 1997 | 2,711,000 | n.a. | n.a. | n.a. |
| SLOVAKIA | | | | |
| 1996 | 50,913 | 42,114 | 6,869 | 1,930 |
| 1997 | 297,838 ⁷ | 42,836 | 6,504 | 3,257 |
| SLOVENIA | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| FYROM | | | | |
| 1996 | 34,592 | n.a. | 34,061 | 531 |
| 1997 | 33,445 | n.a. | 32,934 | 521 |
| TAJIKISTAN | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |
| UKRAINE | | | | |
| 1996 | 93,091 | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. |

Source: ECE/OPA Database, 1999.

Remarks:

1. National statistics do not provide data on these categories.
2. Excluding farmers and self-employed persons.
3. Total number of registered economic units in 1996 amounted to 342,261 including 52,043 incorporated enterprises.
4. Sum of socially owned plus private plus cooperative enterprises.
5. Number of employed between 50 and 200.
6. Active enterprises excluding budgetary units.
7. Including traders and caterers with over 250 employees.

5.3. Employment in incorporated SMEs and in the total economy at the end of 1996 and 1997

Table 4.

| Country | Total number of employed | | Unemployed ¹ | |
|-----------------------|--------------------------|----------------|-------------------------|----------------------|
| | in SMEs | in the country | number | % of total employees |
| ALBANIA | | | | |
| 1996 | 100,663 | 218,230 | 158,000 | 12.3 |
| 1997 | n.a. | 212,370 | 194,000 | 14.9 |
| AZERBAIJAN | | | | |
| 1996 | 102,129 | 2,888,600 | 159,000 | 9.7 |
| 1997 | 207,000 | 2,895,400 | 174,000 | 11.0 |
| BELARUS | | | | |
| 1996 | 168,165 | 4,360,000 | 174,400 | 4.0 |
| 1997 | 232,067 | 4,370,000 | 126,200 | 2.9 |
| BULGARIA | | | | |
| 1996 | n.a. | 3,279,482 | 478,770 | 12.5 |
| 1997 | n.a. | n.a. | 524,000 | 13.7 |
| CROATIA | | | | |
| 1996 | n.a. | n.a. | 269,000 | 15.9 |
| 1997 | n.a. | n.a. | 287,000 | 17.6 |
| CZECH REPUBLIC | | | | |
| 1996 | 3,247,000 | 5,054,000 | 186,339 | 3.5 |
| 1997 | n.a. | n.a. | 269,000 | 5.2 |
| ESTONIA | | | | |
| 1996 | 290,772 | 449,476 | 71,900 | 10.0 |
| 1997 | 291,553 | 441,893 | 74,100 | 10.5 |
| GEORGIA | | | | |
| 1996 | 127,502 | 2,036,000 | 325,000 | 13.8 |
| 1997 | 187,217 | 2,233,000 | 258,000 | 10.4 |
| HUNGARY | | | | |
| 1996 | n.a. | 3,743,700 | 477,400 | 10.5 |
| 1997 | n.a. | 3,793,200 | 349,000 | 8.7 |
| KAZAKHSTAN | | | | |
| 1996 | n.a. | n.a. | 282,000 | 4.1 |
| 1997 | n.a. | n.a. | 259,000 | 3.9 |
| KYRGYZSTAN | | | | |
| 1996 | 997,230 | 1,650,000 | 77,000 | 4.5 |
| 1997 | 1,022,800 | 1,549,700 | 55,000 | 3.1 |
| LATVIA | | | | |
| 1996 | n.a. | n.a. | 91,000 | 7.2 |
| 1997 | n.a. | n.a. | 85,000 | 6.7 |

| | | | | |
|----------------------------|-----------|------------|-----------|------|
| LITHUANIA | | | | |
| 1996 | n.a. | 1,659,000 | 109,400 | 6.2 |
| 1997 | n.a. | 1,680,300 | 120,200 | 6.7 |
| REPUBLIC OF MOLDOVA | | | | |
| 1996 | n.a. | 1,660,000 | 23,400 | 1.5 |
| 1997 | n.a. | 1,655,000 | 28,000 | 1.7 |
| POLAND | | | | |
| 1996 | 5,341,300 | 8,806,300 | 2,359,500 | 13.2 |
| 1997 | n.a. | n.a. | 1,826,000 | 10.3 |
| ROMANIA | | | | |
| 1996 | 1,353,252 | 3,837,153 | 658,000 | 6.3 |
| 1997 | 1,460,351 | 4,808,092 | 881,000 | 8.8 |
| RUSSIAN FEDERATION | | | | |
| 1996 | 8,490,324 | 66,000,000 | 7,280,000 | 10.0 |
| 1997 | 8,639,200 | 65,400,000 | 8,180,000 | 11.3 |
| SLOVAKIA | | | | |
| 1996 | 841,726 | 2,276,800 | 324,300 | 12.5 |
| 1997 | 1,205,490 | 2,029,147 | 348,000 | 12.8 |
| SLOVENIA | | | | |
| 1996 | n.a. | n.a. | 125,000 | 14.4 |
| 1997 | n.a. | n.a. | 129,000 | 14.8 |
| FYROM | | | | |
| 1996 | 89,897 | 293,569 | 245,000 | 39.8 |
| 1997 | 95,985 | 283,142 | 258,000 | 42.5 |
| TAJIKISTAN | | | | |
| 1996 | n.a. | n.a. | 46,000 | 2.4 |
| 1997 | n.a. | n.a. | 51,000 | 2.8 |
| UKRAINE | | | | |
| 1996 | 1,122,800 | 20,868,000 | 351,100 | 1.7 |
| 1997 | n.a. | n.a. | 637,000 | 2.8 |

Source: ECE/OPA Database, 1999.

Remarks:

1. ECE, Economic Survey 1998, No. 3.

5.4. Structure of incorporated SMEs by sectors at the end of 1996 and 1997

Table 5.

| Country | Share of small and medium-sized enterprises in | | | | |
|-----------------------|--|---------------|--------------|----------|------------------|
| | Trade | Manufacturing | Construction | Services | Other activities |
| ALBANIA | | | | | |
| 1996 | 52.4 | 10.0 | 2.9 | 32.2 | 2.5 |
| 1997 | 52.2 | 10.0 | 3.0 | 32.4 | 2.4 |
| AZERBAIJAN | | | | | |
| 1996 | 66.2 | 12.0 | 7.1 | 12.7 | 10.4 |
| 1997 | 59.3 | 12.9 | 6.7 | 10.1 | 11.0 |
| BELARUS | | | | | |
| 1996 | 53.0 | 13.0 | 11.0 | 1.0 | 22.0 |
| 1997 | 50.2 | 15.8 | 11.4 | 3.4 | 19.2 |
| BULGARIA | | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. |
| CZECH REPUBLIC | | | | | |
| 1996 | 32.2 | 8.8 | 6.0 | 40.0 | 12.9 |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. |
| ESTONIA | | | | | |
| 1996 | 53.5 | 17.5 | 8.4 | 20.6 | n.a. |
| 1997 | 52.6 | 16.7 | 8.5 | 22.2 | n.a. |
| GEORGIA | | | | | |
| 1996 | 58.8 | 15.3 | 2.9 | 3.1 | 19.9 |
| 1997 | 57.2 | 15.4 | 3.0 | 3.0 | 21.4 |
| HUNGARY | | | | | |
| 1996 | 34.0 | 12.0 | 8.0 | 39.0 | 5.0 |
| 1997 | 35.0 | 15.0 | 9.0 | 41.0 | nil |
| KAZAKHSTAN | | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | n.a. | n.a. | n.a. | n.a. | n.a. |
| KYRGYZSTAN | | | | | |
| 1996 | 28.2 | 19.4 | 8.9 | 26.2 | 17.2 |
| 1997 | n.a. | 20.4 | 8.0 | 33.7 | 33.7 |
| LATVIA | | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | | | | | |
| LITHUANIA | | | | | |
| 1996 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 1997 | 41.3 | 16.6 | 7.0 | 20.2 | 14.9 |

| REPUBLIC OF MOLDOVA ¹ | Trade | Manu- factu- ring | Con- struc- tion | Agri- cultu- re | Tran- sport | Energy | Fin. ² serv. | Other |
|----------------------------------|-------|-------------------------|------------------------|-----------------------|------------------------|--------------------------|----------------------------|-------|
| 1996 | 91.5 | 60.4 | 75.3 | 28.8 | 66.0 | 44.6 | 96.3 | 89.7 |
| 1997 | 97.6 | 76.5 | 80.6 | 29.7 | 71.7 | 50.0 | 100.0 | 93.8 |
| POLAND | | | | | | | | |
| 1996 | 42.4 | | 14.4 | | 10.1 | | 23.1 | |
| 1997 | n.a. | | n.a. | | n.a. | | n.a. | |
| ROMANIA | | | | | | | | |
| 1996 | 68.7 | | 9.8 | | 2.3 | | 17.5 | |
| 1997 | 68.8 | | 9.4 | | 2.4 | | 17.7 | |
| RUSSIAN FEDERATION | Trade | Industry | Agri- culture | Tran- sport | Con- struc- tion | Trade & Cate- ring | Other | |
| 1996 | 4.2 | 15.6 | 1.3 | 2.4 | 16.5 | 42.6 | 17.2 | |
| 1997 | 4.2 | 15.7 | 1.4 | 2.5 | 16.5 | 43.3 | 16.5 | |
| SLOVAKIA | | | | | | | | |
| 1996 | 37.6 | | 18.9 | | 12.5 | | 5.1 | |
| 1997 | 44.8 | | 15.7 | | 7.5 | | 26.5 ³ | |
| SLOVENIA | | | | | | | | |
| 1996 | n.a. | | n.a. | | n.a. | | n.a. | |
| 1997 | n.a. | | n.a. | | n.a. | | n.a. | |
| FYROM | | | | | | | | |
| 1996 | 59.7 | | 15.3 | | 5.6 | | 19.4 | |
| 1997 | 56.1 | | 6.1 | | 6.0 | | 31.8 | |
| TAJIKISTAN | | | | | | | | |
| 1996 | n.a. | | n.a. | | n.a. | | n.a. | |
| 1997 | n.a. | | n.a. | | n.a. | | n.a. | |
| UKRAINE | | | | | | | | |
| 1996 | 52.8 | | 13.7 | | 11.1 | | 17.1 | |
| 1997 | n.a. | | n.a. | | n.a. | | n.a. | |

Source: ECE/OPA Database. 1999.

Remarks:

1. Many SMEs are active as well in other sectors.
2. Financial service.
3. Including 6.8% of agricultural activities.

ANNEX 1

Table 6.

Authorities responsible for SME national policy in CITs

| Country | Government authority | Division/ Department | Name of contact person | Address |
|-------------------|---|---|--|-------------------------------------|
| ALBANIA | Ministry of Economic Co-operation and Trade | SME Policies and Investment Section Department | Mr. Bashkim Sykja, Director | Blvd. Jeane D'Arc, 42000 Tirana |
| ARMENIA | Ministry of Industry and Trade | | Mr. Armen Petrossian, Deputy Minister for SME and Regional Development | 5, Hanrapetutian 375010 Yerevan |
| AZERBAIJAN | State Committee on Antimonopoly Policy and Support for Entrepreneurship | | Mr. Ragib Guliyev, Chairman | 85, S. Askerova Str. 370002 Baku |
| BELARUS | Ministry for Entrepreneurship and Investment | Department for Restructuring of the Economy and Forming a Competitive Environment | Mr. Aleksandr Saronov, Minister | 39, Miashinkova Str., 2200048 Minsk |
| | Ministry of Economy | | Ms. Tatiana Iaschuk | 14, Stankevich Str., 220050 Minsk |
| BULGARIA | Ministry of Industry | | Mr. Vladimir Kissiov, Assistant Minister | 8, Slavianska Str., 1046 Sofia |
| | Agency for Small and Medium-sized Enterprises | | Mrs. Irena Petrounova, Executive Director | Triaditsa N 2, 1000 Sofia |

| | | | | |
|----------------------------|--|---|---|--|
| CROATIA | Ministry of Economy | Division for Crafts, Co-operatives and SMEs | Mr. Vladimir Zanic, Assistant of the Minister | 78, Grada Vukovarska Str., 10000 Zagreb |
| CZECH REPUBLIC | Ministry of Industry and Trade | Business Promotion Department | Ing. Jaroslava Kubu, Director | Na Frantisku, 32 11015 PRAHA 1 |
| ESTONIA | Ministry of Economic Affairs | Business Development Department | Ms. Signe Ratso, Deputy Secretary General | Harju 11 EE-0001 Tallinn |
| GEORGIA | Ministry of Economy | Division for Entrepreneurship Support | Mr. Dimitrij Kemoklidze, General Director | Chanturiya 12 380008 Tbilisi |
| HUNGARY | Ministry of Economic Affairs | | Mr. János Fónagy, State Secretary | 13-15, Honved H-1880 Budapest Pf. 111 |
| KAZAKHSTAN | Agency for Promotion of Small Business | | Mr. Berik Mazhetovich Imashev, President | 2, Beibitshilik Str., 473000 Astana |
| KYRGYZSTAN | State Fund for Support of SMEs | | Mrs. Kamilia Kenebaeva, President | 57, Erkindik blvd. 720002 Bishkek |
| LATVIA | Ministry of Economy | | Ms. Ilga Preimate, Secretary of State | 55 Brīvības iela LV-1519 Riga |
| LITHUANIA | Ministry of Economy | | | Gedimino Avenue 38/2 LT-2600 Vilnius |
| REPUBLIC OF MOLDOVA | Ministry of Economy and Reform | | Mr. Pavel Kozhukar, Deputy Minister | 1, Piazza Marii Adunari Nationali MD-2003 Chisinau |
| POLAND | Ministry of Economy | Department of Craft, Small and Medium-Sized Enterprises | Mr. Mirosław Marek, Director | Pl. Trzech kryzy No. 5 00-507 Warsaw |
| ROMANIA | Agency for SMEs | | Mr. Mirel Tariuc, President | Piala Victorici, Nr. 1. Bucharest |

| | | | | |
|-------------------------------|--|---|--|---|
| RUSSIAN FEDERATION | Ministry for Antimonopoly Policy and Support of Entrepreneur- ship | | Mr. Aleksandr Sergeyevich Ushkalov, Minister | 35, Maysnitskaya Str., 101959 Moscow |
| SLOVAKIA | Ministry of Economy | Enterprise Development and Regional Policy Department | Mr. Stefan Turan, Director General | 19, Mierova, 82715 Bratislava |
| SLOVENIA | Ministry of Small Business and Tourism (for small-sized enterprises) Ministry of Economic Affairs (for medium-sized enterprises) | | Mr. Joze Smole, State Secretary for Small Business Ms. Stasa Baloh- Plahutnik | Trg svobode 3, SI-2000 Maribor Kotnikova 5 SI-1000 Ljubljana |
| FYROM | Ministry of Economy | Small Business Department | Ms. Maria Zarezankova- Potevska, Assistant to the Minister | Zeleznicka bb 910000 Skopje |
| TAJIKISTAN | Ministry of Economy and External Economic Relations | Not yet established | Mr. R.B. Bahronov, Director | 42, Rudaki prospect 374051 Dushanbe |
| TURKMENISTAN | Small and Medium Enterprise Development Agency | | Mr. Murat Dovodov, Director | 8, Sokolovsky Str., 744000 Ashgabat P.O.Box 3/56 Ashgabat- Crugozor |
| UKRAINE | Ministry of Economy State Committee on Entrepreneur- ship Development | | Mrs. Aleksandra V. Kuzhel, Chairperson | Grushevsky Str., 12/2, 252008 Kiev Kominternaya Str., 27, 2520032 Kiev |
| UZBEKISTAN | State Committee on Management of State Property and Support of Entrepreneur- ship | | | |