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PRESS RELEASE

HBOR’s INTEREST-FREE LOANS TO ENTREPRENEURS IN TOURISM ACTIVITIES

The Ministry of Tourism and the Croatian Bank for Reconstruction and Development have concluded „The Business Cooperation Agreement on the Implementation of Measures for Ensuring Liquidity for Entrepreneurs in the Tourism Sector“ , which enabled the approval of HBOR's direct interest-free loans. The Agreement was signed on behalf of the Ministry of Tourism by Minister Gari Cappelli, and on behalf of HBOR by Tamara Perko, President of the Management Board and Hrvoje Čuvalo, Member of the Management Board.

Ministry of Tourism provided HRK 26 million for interest rate subsidies

By the signed Agreement, it is stipulated that the Ministry of Tourism will provide funds in the amount of HRK 26 million for interest rate subsidies of up to two percentage points for liquidity loans to entrepreneurs in tourism activities under the COVID – 19 Measure.

„The Government of the Republic of Croatia, through its measures so far, has paid great attention to all economic segments whose business activity has been reduced due to the coronavirus pandemic, and especially to tourism as one of the most important economic factors. Through this credit line, we make available up to HRK 600 million to entrepreneurs active in the tourism industry in order to preserve jobs, maintain liquidity and prepare them to continue their active and successful business“ , said the Minister of Tourism Gari Cappelli at the signing of the Agreement.

The funds are intended for subsidised loans to micro, small and medium-sized enterprises with registered accommodation activity (hotels, resorts, campsites, other accommodation), food and beverage service activities (restaurants, catering, other food preparation and service activities), renting water transport vehicles and travel agencies and tour operators.

Zero interest rate for three years of repayment

Loan application will be submitted directly to HBOR, which will approve the funds for a period of up to five years with the possibility of using a grace period of up to one year. Owing to subsidy funds, interest rate can be zero percent for the repayment period of up to three years, and in the fourth year and the fifth year of repayment, interest rate can be 1.5 percent (the interest rate depends on state aid regulations).
Collaterals – HBOR insurance policies or HAMAG-BICRO guarantee

„Acknowledging the fact that these are entrepreneurs which in many cases have their real estate pledged or do not have sufficient collaterals in the form of real estate and moveable property, as an additional benefit, loans can be granted with less requirements for usual collaterals that will be replaced by insurance policies issued by HBOR for and on behalf of the Republic of Croatia or by HAMAG-BICRO guarantees”, said Tamara Perko, President of the Management Board of HBOR.

The minimum amount of loan that can be applied for is EUR 100 thousand, whereas the maximum amount is limited to EUR 1.25 million in HRK equivalent amount. The funds will be available for financing salaries, overheads and other basic operating expenses, preparation of the tourist season, settlement of accounts payable and other expenses, except for credit obligations to commercial banks, other financial institutions or VAT liabilities.