

Press Release | Coronavirus

Germany Announces €2 Billion Startup “Booster” to Combat Coronavirus Impact

German government offers tailor-made support package

The German government is readying a massive cash injection to help innovative young companies ride out economic difficulties.

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Berlin (GTAI) - The German government is supplementing its existing uncapped aid for businesses to survive the ongoing coronavirus crisis with two billion euros directed specifically at the country's startups. The initiative sees the state supporting venture capital investors who make funds available to creative fledgling firms.

“Classic credit instruments are often a poor fit for young, innovative companies,” said Germany Minister of Economic Affairs and Energy Peter Altmaier on Wednesday, April 1. “For this reason we are offering a tailor-made support package.”

“With this two-billion-euro aid package, we are ensuring that this innovative growth sector with its many thousands of jobs gets through the crisis in good shape,” said Finance Minister Olaf Scholz. “This aid will allow financing rounds to continue. That’s important because for a positive future, Germany needs innovative minds.”

The initiative also aims to enable the umbrella funds KfW Capital from Germany's national development bank and the EU's European Investment Fund (EIF) to use public funds to replace money withdrawn by other investment funds. In addition, the German Economics Ministry hopes the measure will give startups and other small firms without venture capital support access to it for the first time.

“This is a sizeable investment in the most creative segment of the German economy and is likely to pay dividends down the road,” says Germany Trade & Invest CEO Robert Hermann. “It’s another sign of how serious the German government is about helping the commercial sector survive the current crisis with as little permanent damage as possible.”

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