

“Negotiations to underwrite small business loans”

The government is currently preparing to guarantee up to 80 per cent of loans to small businesses as part of a multi-billion pound package of measures in an attempt to stimulate the economy. Details are being finalised to provide support for financing businesses covering loans of up to £1m for 10 years.

Said, Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons, “The UK’s small business sector is literally being starved of cash by overly cautious lenders. There is now a real danger that the economy will grind to a halt without an immediate flow of funds.”

The government is now coming under increasing pressure to stimulate the availability of credit to help businesses ride out the economic crisis.

“As the car industry continues to dominate the headlines, it has now become crystal clear that aid requires to be spread more broadly across the business community. Ministers may well have been burning the midnight oil to produce a package to guarantee loans to smaller businesses but the time for talking is long past and hard working businesses need help now.” added Phil.