



DISCLAIMER: Please note that SME Fact Sheets are not standalone instruments, do not constitute a comprehensive assessment of Member States' policies and should be regarded as a supplement to, and not a substitute for, available national publications. **Please refer to the methodological note before reading this SME Fact Sheet.**

1. SMEs in Romania – a brief fact check:

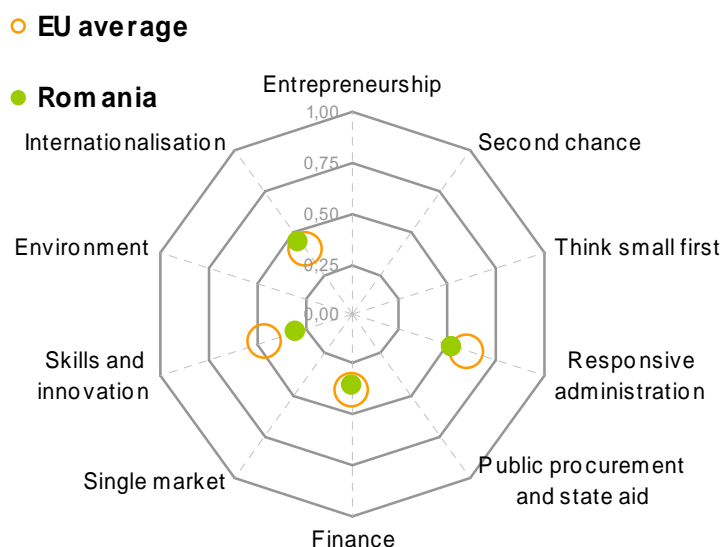
There are approximately 19 SMEs per 1000 inhabitants in Romania, which is considerably below the EU-27 average of almost 40. In line with this figure, the available data point to a slightly less prominent role of SMEs in the local economy as compared to the EU average, as measured by number of employees and the added value.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	364.359	88,4%	91,8%	813.516	20,1%	29,6%	3.748	14,5%	21,1%
Small	37.187	9,0%	6,9%	747.499	18,5%	20,6%	4.184	16,2%	19,0%
Medium	8.898	2,2%	1,1%	902.400	22,3%	16,8%	5.399	20,9%	17,8%
SMEs	410.444	99,5%	99,8%	2.463.415	61,0%	67,1%	13.331	51,5%	57,9%
Large	1.860	0,5%	0,2%	1.574.932	39,0%	32,9%	12.554	48,5%	42,1%

Source: Eurostat SBS data base, 2004 and 2005 data.

2. Romania's SBA profile¹

The available data for Romania is very limited and therefore the analysis of the different SBA categories in this country is difficult. In the areas for which data could be collected the figures are mostly below the EU average.



¹ It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



I. Entrepreneurship: There is no data for any of the core indicators of this category. The non-core indicators available point to a mixed picture with, for instance, the highest enterprise birth rate in the EU as well as a top-ranking share of high-growth SMEs. The enterprise survival rate is also substantially higher than in the rest of the EU (18,3% as opposed to 10,3%) while the prevalence rate of female entrepreneurs is much lower (4,8% to 7,2%).

II. Second chance: There is no data at all available for this section.

III. Think small first: The available indicators are close to the EU-average. An example for this is the time it takes to comply with administrative obligations (10% of total SME working time as opposed to the EU-average of 8%).

IV. Responsive administration: Most of the figures for Romania in this category trail the EU average, although there are also some areas in which Romania shows positive marks, compared to the EU-average. The results for the start-up conditions are particularly encouraging. Many of the indicators measuring various administrative costs related to running a business (property registration, closure of business) also reveal favourable results. The indicators in this category associated to employment issues return less positive figures. As regards the hiring index, Romania is ranked at the bottom of the EU-ranking (78 on a scale of 0 to 100 with the EU-average at 33). The situation is only slightly better as regards the index measuring the severing of employment contracts. In addition, social security costs incurred by employers are also above the EU-average. Mirroring the situation of many new member states, the availability of e-government services is lower than the EU-average (35% to 59%).

V. Public procurement and State aid: There is no data available in this section.

VI. Finance: Romania performs slightly below the EU-average in this category. This position is also reflected in the values for most individual indicators. On the positive side, the most noteworthy "outlayer" is the planned share of EAFR measures in 2007-2013 dedicated to support measures for business creation and development. On the negative side, there is a considerable gap between Romania's figures and the EU-average as regards the availability of venture capital, in particular early-stage-

businesses (the country ranks last within the EU on this point). The planned share of structural funds 2007-2013 dedicated to stimulating entrepreneurship and SMEs is also significantly below average (3% versus 7,8% for the EU). On the other indicators, Romania hovers around the EU average; on some it is slightly above on others slightly below.

VII. Single market: The data for this category is scarce with just two indicators. On both of them Romania performs above the EU average. However, there is no evidence as to the integration of Romanian SMEs into the single market.

VIII: Skills and innovation: The available figures for Romania lag significantly behind the EU average in this category. This comprises performances in the area of innovation as well as regards education and skills. The gap is, however, most evident in the latter. If there are any indicators where Romania beats the EU average, they are confined to innovation (although they are not many). The most notable example is the share of SMEs that have new products or income from new products (77% versus for 63% for the EU). In the area of education the only indicator where Romania is ahead of the EU average is the share of SME staff with tertiary education. Otherwise, the vast majority of indicators point to a considerable gap that Romania has to bridge to reach EU-average levels. The indicators on which Romania is furthest away from the EU-average are "innovative SMEs co-operating with other" and the participation rate in learning activities in micro-enterprises", where it comes last within the EU (8,3% to almost 47%).

IX: Environment: This category does not allow for a general assessment given that only three indicators are available. It only can be noted that, for the share of SMEs having comprehensive systems for energy saving Romania is on par with the EU average (4% each) while as regards those that apply at least simple energy saving measures, it is considerably below the EU-average. The average expenditure on environmental protection is also substantially lower than the EU-average (ca. €245 as opposed to almost €900s) in 2004.

X: Internationalisation: Romania's performance in this category stands up well to the EU average. In fact, this holds true for almost all indicators in this category. The only notable upward deviation relates to the relatively high share of inputs purchased abroad by SMEs (23% versus 12% for the EU). On the other side, the only significant



deviation downwards relates to the share of SMEs gaining income from subsidiaries and joint

ventures abroad. As for the share of SMEs exporting outside EU-27 in total SMEs, it more or less resembles the EU-average.

Example for a good practice in SME policy

To illustrate the efforts of the Government to promote SMEs, the statistical information of the fact sheet is enriched by an example of a good practice in SME policy - as singled out in the European Commission's Communication on "Think small first – A Small Business Act for Europe":

Title of the Project: Developing entrepreneurial culture among women

This project has several objectives:

01 To stimulate self employment

02. To develop the entrepreneurial spirit among women

03. To raise the level of information about women entrepreneurship

04. To raise the number of women entrepreneurs within the business community

05. To create new start-ups to have equal access to the knowledge based economy

There are four steps to achieve this:

1. "Women entrepreneur days" campaign held in nine important cities from Romania

2. five days free entrepreneurial courses for women held in seven Romanian cities. The courses had theoretical and interactive parts that covered issues related to:

•Legislation

•Business plan elaboration

•Business financing

•Basic accountancy and cash flow

•Risk management, financial management, human resources management

•E-commerce

•Business transfer

•Public procurement

•Implementing quality standards.

The eligible beneficiaries were women above 18 years old and with elementary education. The courses finished with an exam and each graduate received a certificate and a course manual. Elaborating and publishing the following brochures: Successful business in Romania managed by women ;SME's ABC: How do I start up and develop my own business?

3. A successful business plan - What is entrepreneurship? Are employees training an expense or an investment? Franchising, Leasing, E-commerce

4. The international conference „Women entrepreneurship" held in Bucharest on the 15th of November 2006

For further information: www.animmc.ro

Contact details:

Entr-Craft-Small-Business@ec.europa.eu

Tel : 0032 (0)2 29 92 639