

NEW WAYS OF FINANCING SMES AFTER ROMANIA'S INTEGRATION IN THE EU

CRISTINA CURUTIU¹

ABSTRACT: SMEs represent the overwhelming majority from the total number of enterprises in the developed countries, and in Romania the situation presents itself in a similar way. SMEs are also considered to be the ground stone of the market's solid economies.

The paper is structured in three parts. In the first one, the SMEs evolution in the EU will be briefly observed, concentrating on the hotel sector. The second part will cover the issue of the Romanian situation regarding the existent SMEs but also the particularities of these enterprises (especially those from the hotel sector). Finally, some new financing programs available for the SMEs will be presented, programs which became closer to the European ones, after Romania's integration in the EU.

KEYWORDS: SMEs, financing programs, tourist sector.

JEL CLASSIFICATION: F36

Introduction

General information concerning EU SMEs

Beginning with the implementation of the Lisbon strategy, the European Commission established in 2005 a new SMEs' policy regarding their growth and occupation. The present definition of the EU regarding SMEs was implemented beginning with January 1st 2005 and it is presented in the Recommendation no. 2003/361/EC.

Along the time, there were several attempts of defining the SMEs, without finding a unique one, which could be generally accepted.

The difficulty of defining and classifying the SMEs comes from the fact that they can be found under a great variety of forms and dimensions. During the past years, the SMEs were defined regarding one criterion: number of employees.

Table 1.
The new definition of the EU SMEs

	No. of employees	Turnover	or	Total assets
Micro-enterprises	< 9	< 2 mil. Euro		< 2 mil. Euro
Small-sized enterprises	10-49	< 10 mil. Euro		< 10 mil. Euro
Medium-sized enterprises	50-249	< 50 mil. Euro		< 43 mil. Euro

Source: European Commission, 2005.

¹Teaching Assistant, PhD. Student, Faculty of Business, "Babeş-Bolyai" University of Cluj-Napoca, cristina@tbs.ubbcluj.ro.

According to the Law no.346/2004 regarding the stimulation of the start-up and development of new SMEs, which was completed by Ordinance no. 27 of 2006, the SMEs are defined, based on the following three criteria that have to be fulfilled simultaneously:

a) the average number of employees has to be under 250, split according to the following categories:

- ◆ up to 9 employees – micro-enterprises;
- ◆ between 10 and 49 employees – small-sized enterprises;
- ◆ between 50 and 249 employees – medium-sized enterprises.

b) the annual turnover has to be around 50 million Euro, or the value of the total assets has to be less than 43 million Euro.

c) to be independent from the large commercial societies, meaning that they should not have as shareholders or associates legal entities, which carry out the conditions below:

- ◆ have over 250 employees;
- ◆ hold over 25% of the registered capital

The situation and the tendencies of the hotel SMEs situation

The importance granted to the SMEs is sustained by the numbers that characterize this sector in the EU. Actually, 99.8% from the EU enterprises represent the SMEs and only 0.2% are big-sized enterprises [European Commission, 2004]. The hotel sector is one of the sectors in which SMEs represent a vast majority.

In the EU, the hotel sector is dominated by the SMEs, which represent over 99.9% from the total amount [European Commission, 2004]. From all these, about 93% are micro-enterprises, which assure around 50% from the turnover and more than 45% from the employment point of view [European Commission, 2004].

The growing competition among the hotel enterprises became very tough, with important changes registered both by the market and the competition.

SMEs activating in the hostelling industry had a 4 stage evolution; the factors of this evolution differed from one stage to another (European Commission, 2004):

- ◆ 1st stage (1950-1962): focus on growing capacities;
- ◆ 2nd stage (1963-1975): focus on internal organization;
- ◆ 3rd stage (1976-1990): focus on specialization;
- ◆ 4th stage (1991-present): focus on optimization of costs.

SMEs role and evolution

The SMEs sector represents the largest segment among the whole number of enterprises that have economic and social functions. This sector has a well-defined identity due to SMEs' contribution to the economic growth.

Because of their flexibility and innovation capacity, SMEs have become more compatible with the dynamic and complex economic environment. The importance of the SME sector is given by the following features:

- ◆ it represents the most important generator of work-places;
- ◆ it offers the most efficient organizational structure in those sectors in which the optimal scale is a reduced one;
- ◆ SMEs are close to their customers and they try to satisfy the needs of the market;
- ◆ it offers products for the market segments, that are unattractive to large companies;
- ◆ it contributes to the increase of exports, especially to those realized for different niches.

In the Romanian economy, SMEs contribute to the stability of the macroeconomic process. SMEs also help the transfer of resources from the sectors in decline towards the developed ones. Regarding employment, the SMEs' sector is the only alternative for the absorption of the unemployed. The SMEs from the hotel sector ensure the major part of the work-places.

The private SMEs' turnovers represent over 50% from the commercial societies' turnover, and from this amount the hotel sector represents 5%. Also they put good use on the existing entrepreneurial capacities, to the regional unbalanced reduction and to the large companies' distribution of products, by granting the customers' satisfaction.

Among the last legal settlements there were Law no. 364 of 2004 and the Governmental Ordinance no. 27 of 2006. Beginning with the implementation of the new law, the fiscal facilities previously granted to SMEs have disappeared. These facilities were eliminated due to the idea of implementing a unique legal and fiscal framework for all investors. All of these took place in order to establish the amount of money given by the state to the SMEs and to facilitate the access to EU funds. The Ministry for Small and Medium-Sized Enterprises, Trade, Tourism and Liberal Professions (MSMETTLP) took over the attributions of the new enterprises but in 2003 when it was dissolved passed them to the National Agency for Small and Medium Size Enterprises and Cooperatives (NASMEC).

According to the statistics, the SMEs in Romania represent 99.7% of the total number of commercial societies but from all these only 50% are functional.

The essential characteristics of the SMEs' sector are:

- ◆ the micro-enterprises represent the main majority of the SMEs (over 88%);
- ◆ the small-sized enterprises, especially those with no employees, represent the majority;
- ◆ between 2000 and 2004 the number of enterprises increased with over 25% because of the SMEs.

The hotel SMEs registered an ascendant trend after 2001. This growth was over the one registered by the total number of SMEs.

Table 2.
The distribution of the active SMEs on the main sectors (%)

Sector	2000	2001	2002	2003	2004	2005*
Agriculture	3.0	2.9	3.1	3.0	2.8	3.0
Industry	12.7	13.0	14.0	14.0	13.6	13.0
Constructions	3.7	4.4	5.0	5.7	6.2	7.0
Trade	64.1	60.3	54.6	50.2	47.3	45.0
Hotels and restaurants (H&R)	3.1	3.3	4.1	4.3	4.4	4.0
Different services	13.4	16.1	19.2	22.8	25.7	28.0

Source: NIS – National Institute of Statistics, *Statistical Yearbook 2006* (*own calculations), NASMEC – *Annual Report, 2005*.

SMEs operate on a business sector, characterized by major problems. Because of their small size, they are more sensible to the environment factors but also vulnerable due to their small capitalization. The most important problems registered by the SMEs' sector include: legislation, fiscal policies, labor market, financing problems, competition and their bad management.

In Romania, like in the EU, micro-enterprises represent the main majority. The hotel SMEs are presented as following:

Table 3.
The distribution of the hotel and restaurant SMEs by 2006

H&R Sector	Micro	Small	Medium	Total
Number of firms	17,241	1,989	255	19,482
Number of employees	42,105	38,930	22,874	103,909
Turnover (million RON)	1,750,000,000	1,739,000,000	1,326,000,000	4,815,000,000

Source: NIS – *Statistical Yearbook, 2006*, Chapters: 15.20, 15.23, 15.21.

It is peculiar to notice that according to the figures published by the NASMEC in the Romanian SMEs White Book of 2006 [Carta Alba a IMM-urilor din Romania 2006], by 2005 hotel and restaurant businesses were carried out by 21,994 SMEs, of which 20,243 were micro-enterprises; their turnovers summed up 14,500,000 million RON. The differences registered between the two mentioned sources are significant.

Material and Methods

As the present paper aims to cover problems related to matters such as: SMEs, tourism sector, financing programs, and to the connection of these elements, we have mainly used data and facts offered by the Romanian National Institute for Statistics (NIS) in its *Statistical Yearbooks of Romania*, issued between 2000 and 2006. Due to the fact that the Institute only offers limited information about these aspects, we have also

made use of pieces of information gathered from alternative sources, basically the specialized economic publications which present the results of different researches and studies carried out by other institutions, such as the National Council of Small and Medium-Sized Private Enterprises and Cooperatives of Romania (CNIPMMR); this institution publishes on a yearly basis a *White Book of the Romanian SMEs*. We have also used other types of documents, such as laws and governmental ordinances. Our research methodology is based on document analyses, as well as on our own calculations and facts' interpretations and correlations.

Results and Discussions

Romanian SMEs facing the integration

The predictions made before January 2007 estimated that the Romanian business environment would be strongly affected by the impact of the reduced competition in all fields with the similar EU-25 much more competitive than the Romanian ones.

The vice-president of the National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR) declared that "there existed an unanimous desire among Romanian entrepreneurs for Romania to join the EU by January 1st 2007, granting no special attention to their own enterprises' evolution." [*E-finance* no. 70] Critical moments regarding the SMEs' survival on the market are only to be expected beginning with 2008. As a percentage, there would not disappear more than 30-40% of the existing SMEs but, of course, new ones would emerge.

Another vice-president of CNIPMMR considered that SMEs were not ready for the integration and without really supporting them they would not be able to face competition. After the adhesion the most critical moments would be:

- ◆ full liberalization of the labor force;
- ◆ adoption of Euro in Romania;
- ◆ lack of financing due to the very high rates used in Romania;
- ◆ instable legal frame work;
- ◆ massive foreign investments in comparison to the very reduced native capital available for investments [*E-finance* no.70].

The main problem of our SMEs is that there are funds available but there are no projects. The SMEs advantages were predicted to be very few because the allotted funds would be reduced and because enterprises would not be able to draw-up programs and to access communitarian funds. SMEs would hardly benefit of these advantages of the structural funds.

The most important advantage, for those who would survive, would be the market opening and the fact that they would function in a more stable economic environment that would enable them an easier extinction. After the harsh selection of uncompetitive companies those that would survive would action a stable market, having business opportunities. An argument in favor of this statement is that of a more coherent legislation with fewer changes. Such a fact would enable companies to draw up medium and long-term business plans.

A Gallup research study [*E-finance* no.73] revealed that 77% of the SMEs do not have access to bank loans because of:

- ◆ the too high interest rates;
- ◆ the too strict requirements for granting credits;
- ◆ the regulations regarding warranties.

The most important law referring to the reinvested profits' tax cut-offs has only been implemented beginning with 1996. This situation leads to the SMEs incapacity to properly develop and to be able to face the European market. After the integration, authorities have begun to try implementing the alignment to the European Standards in a relatively short time. Thus, SMEs struggle to align to the standards of: environment, competition, labor force and taxes.

SMEs' perception regarding the integration discusses about:

- ◆ major opportunities;
- ◆ major threats;
- ◆ no significant influence.

Table 4
SMEs' perception regarding the integration

Strengths	<ul style="list-style-type: none"> - highly qualified labor force; - lower incomes than those in the EU.
Weaknesses	<ul style="list-style-type: none"> - highly qualified labor force would migrate on the moment of full labor force liberalization; - too low incomes would increase at the moment of the EU integration and SMEs would thus lose this advantage.

Source: Gallup research 2006.

The following period will represent a transition one that can be very difficult for the majority of the Romanian SMEs, according to the integration criteria which have to be adjusted and correlated with the European ones.

The Romanian SMEs will act as the national economy spine, because they will create new working places and will contribute to the internal growth.

There are some main criteria that describe the political, financial and economic assembly of the Romanian SMEs:

- ◆ Labor productivity - represents a factor that makes the difference between an EU SME and a Romanian one. The average productivity of an EU employee is double compared to that of a Romanian.
- ◆ Average SMEs' birth rate - in Romania this is by 25% smaller than in the EU. This means that in Romanian the birth rate is of 7%, while in the EU it represents 9%.
- ◆ Average SMEs' death rate - for the Romanian SMEs this depends on the activity sectors. Generally, the rate's trend is similar to the EU one, registering a stability period after all those years of fluctuation (for example: from 1% to 19% between 2001 and 2002).

◆ National economy's opening rate – it constitutes an important factor for the Romanian SMEs. The exportations and the international trades will represent an important factor for the market's diversification and for the risk's reduction and will determinate a general stability for the SMEs. Nowadays, the SMEs' majority act on an instable market because of the Asian imports.

◆ Lack of capitalization – it is hard to obtain competitive financing programs for the Romanian SMEs, fact that holds them down compared to those from the EU.

For the Romanian SMEs an ascending integration trend can be obtained by adjusting some internal and external factors.

From the internal point of view, Romanian SMEs have to focus on the following directions:

◆ growth of work productivity – trainings, financial planning, risk analysis, work-shops;

◆ development on other markets, besides the regional or national ones – marketing investments beyond the borders, partnerships with companies from the EU;

◆ attraction of foreign capital – strategic partnerships or mergers.

The external factors that can positively influence SMEs' activity and development are:

◆ stimulation of SMEs' creation – allocation of funds for the business plans' consolidation, risk analysis, free juridical assistance and financial assistance granted by the Ministry of Finance. All these steps are typical in the EU countries and presently the allotted amounts for creating SMEs inside the EU are between 3,000 and 6,000 Euro, depending on the country;

◆ financed programs for stimulating the development of the infrastructure and of the fields of activity in the cases of the Romanian SMEs, which enjoy a growing potential (tourism, agriculture, construction, food industry);

◆ creation of a fiscal legal framework for the development of the Romanian SMEs regarding the size of the social taxes and that of other taxes, the reimbursement of VAT, the stimulation of exports and the creation of an infrastructure for an electronic/Internet administration and control of the economic organization;

◆ a flexible legal system referring to the Romanian SMEs' financing, established through the means of the National Bank's decrees (aligned to the requirements of the European Central Bank) and also to those of the Romanian National Securities Commission, in those cases when companies wish to attract capital from the Bucharest Stock Exchange.

The need of accessing financial resources determines SMEs to address to companies specialized in drawing up documentations for financing programs. The main reason for such an approach is generated by the fact that approximately 70% of the SMEs consider bureaucracy to be the main problem when accessing financing programs.

Authorities acknowledge that high-value added sectors must be supported and that there is the need of specializing on market niches, not yet exploited in the EU. Within priorities, an important role is played by: rural tourism, spa services,

cultural services, wine industry, handicraft, IT related activities, clothing industry, vehicle constructions and components and furniture industry.

In our country, there will be especially supported the Romanian brands that have the power to successfully penetrate the European market.

For these SMEs, there has been developed a large range of financing products and schemes. Small entrepreneurs can benefit from investment loans, development loans and from compensations for the interest rates of micro warranties. The types of governmental aids are among the very few permitted in the EU. Companies which have contracted loans (in RON) during the year of 2006 may receive compensations, equaling up to 50% of the paid interest. The total amount of the state aids that a company may access during a 3 year time-span cannot be higher than 400,000 RON.

Businesses financed through Europeans' money

After the EU integration, companies and especially SMEs will benefit from European funds for productivity increase with the purpose of diminishing the delays compared to the EU average productivity. This is going to be realized through the *Sectorial Operation Program*, named "The Increase of Economic Competition" (SOP IEC), which aims a 5.5% annual average increase of productivity per employee. This program will enable Romania to reach by 2015, 55% of the EU average productivity. The value of these financing programs is of 2.24 billion Euro, and the available amounts of money originate in the European Fund of Regional Development (FEDR). [*Piața financiară*, 2006]

The priority axes of SOP IEC are the following ones:

1. Implementation of an innovative production system;
2. Research, technological development and innovation for competition;
3. Information and communications technology for the private and public sectors;
4. Increase of energetic efficiency and long-term development of the energetic system;
5. Romania, an attractive destination for tourism and business;
6. Granting of technical assistance.

Table 5.
Financial indicative table of SOP IEC on priority axes (2007-2013)

	EU contribution (mil. Euro)	National contribution (mil. Euro)			Total OP (mil. Euro)	Co-financed EU rate (%)
		Public	Private	Total		
Priority axe 1	694.40	30.64	280.43	311.07	1,005.47	69.06
Priority axe 2	470.40	24.76	241.57	266.33	736.73	63.85
Priority axe 2	336.00	28.25	86.63	114.88	450.88	74.52

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Priority axe 3	560.00	0.00	560.00	560.00	1,120.00	50.00
Priority axe 4	112.00	19.76	0.00	19.76	131.76	85.00
Priority axe 5	67.20	11.86	0.00	11.86	79.06	85.00
Priority axe 6	2,240.00	115.26	1,168.63	1,283.90	3,522.90	63.57

Source: Ministry of Economy and Trade

Despite the fact that Romania has made substantial progresses during the past years, our country presents serious competition delays in comparison to the Western and Central European states. This situation was mainly generated by the levels of all the factors that influence the competitive capacity.

The SME sector is, maybe, the most affected, due to the reduced orientation towards productive activities. Despite the positive dynamics registered during the last years, both in a most visible orientation towards the productive sector and regarding the local resources, the SMEs' contribution to the GDP still remains low. This fact proves the need of stimulating the quantitative and qualitative development of this sector. Presently, the access to capital, technology and infrastructure is much lower than the level that would allow the SMEs' sector to carry out their own role in strengthening economic competition, especially in what regards the capacity to adapt to the market demands and to the implementation of innovative processes.

The main target of this program is to support the modernization of the existing enterprises, as well as the creation of new ones, mainly in the productive sectors. The funds can be accessed by the entrepreneurs who:

- ◆ wish to modernize their production processes and equipments;
- ◆ intend to adopt International Standards for increasing their ranges of products.

At the same time, the increase of the international financings contributes to the growth of the companies' market shares.

The EU money that will be accessible through this program can be used for:

- ◆ reducing the constrains in the market "failure" fields;
- ◆ creating new enterprises;
- ◆ developing existing companies.

The achievement of these targets can be quantified through the SMEs' contribution to the growth of to the GDP by 20% until 2015.

According to the 5th priority axe, the same funds can also be used for promoting Romanian tourism. The program focuses on improving the country's image beyond borders. It also aims to create an integrated system of the Romanian tourism offer.

The funds of SOP regard the growth of Romania's attractiveness as a destination and the consolidation of in-land tourism, by supporting the promotion of the specific marketing products and activities. The conclusions of the activities are that:

- ◆ our country does not yet have a well sketched image as a tourist destination;

◆ the in-land promotion is insufficient and under-dimensioned in relation to the demand.

Presently, foreign or Romanian tourists do not benefit from tourist information centers or from other means they can use to obtain last-minute information about the country's tourist attractions, cultural events or special tourism deals, archeological sites, regarding what they could do on holidays or visit in a tourist area, where they can get accommodated, where they can eat or what their leisure possibilities are. The responsible authority for this is Ministry for Small and Medium-Sized Enterprises, Trade, Tourism and Liberal Professions (MSMETTLP).

After the integration Romanian governors benefit from substantial EU financing resources. Within SOP IEC our country receives 2.24 billion Euros for the time-span of 2007-2013. The Romanian side involves in this program 1,282 billion Euro, representing both the public and private contribution. The whole amount is of 3,522 billion Euro.

There will be mainly financed programs related to human resources but also investments in technology and certifications:

100,000 Euro for achieving European Standards

Native private companies can obtain funds for improving the quality of their products and services, thus contributing to the increase of the customer and environment protection level, and, also, contributing to the enabling of the Romanian products' and services' access on foreign markets.

Financing will be granted for the voluntary adoption of the European Standards and Certifications, as well as for improving the certification infrastructure. The maximum amount of money a company can apply for in the cases of certifications or standards is of 10,000 Euro.

Table 6.
The amount of the aid also depends on the company's localization

	Medium-size enterprises	Small-size enterprises
Companies outside Bucharest and Ilfov	60%	70%
Bucharest and Ilfov	50%	60%

Source: E-finance no.76, 2006

For consultancy services, SMEs will receive from the EU, 50% of their costs and for specialized preparation only 45% of the eligible costs. The private contribution covers the difference between the maximum amount of the public aid and the total of the eligible costs. Thus, private contribution can vary between 30 to 55%.

200,000 Euro for new markets' penetration

SMEs wishing to enter new markets may receive money for:

- ◆ marketing and promotion projects, of maximum 10,000 Euro;
- ◆ accessing business networks, of maximum 30,000 Euro;
- ◆ participating at international fares, exhibits and economic missions, of maximum 200,000 Euro.

The financing quota of the eligible costs is of 70% in this case of medium-size enterprises, and of 80% for small-size enterprises. Thus, the private contribution varies between 30 and 20% (minimis aid). The initiative focuses on strengthening the competitive position of the Romanian SMEs on the European market by supporting marketing and promotion projects, participations at international fares and exhibitions and the consolidation of the co-operation amount local and foreign investors. [*E-finance* no.76, 2006]

When seeking financial resources companies, actually wish to find more than a simple funds' supplier, they need to identify the most suitable financing structure for their project under the conditions of their reimbursement capabilities. Procedures have been identified as the main problem of the business persons in relation to accessing financial resources. Lately banks have begun to simplify them, as these institutions have acknowledged the fact that the present-day business opportunities (generated by a growing economy) will diminish on a mature market (as Romania is expected to become in five-six years) [*Capital* no. 33, 2007]. There also are two more factors that influence the dynamics of the SMEs crediting: the interest rates and the speed of the banks' reactions. According to the National Council for Romanian Private SMEs, the last year has been the most dynamic one: almost 50% of the native SMEs have accessed a bank loan for financing their activities [*Capital* no. 33, 2007]. Due to the fact that the economy is more and more dynamic, entrepreneurs tend to be very flexible and to reorganize and refocus their businesses, thus, banks need to be more careful when evaluating their loan requests. Obviously, the quality of the management and stakeholders becomes an essential evaluation criterion; it is also compulsory to have a profitable business [*Capital* no. 33, 2007].

The sectors that enjoy a healthy and steady development are also present in the top of the financial resources' accessing. Banks' statistics reveal that: retail enterprises occupy the first place; they are followed by construction businesses; services, including tourism related services, come next [*Capital* no. 33, 2007]. Presently, short term, and medium and long term loans are accessed in equal quotas but the first ones are preferred by small enterprises, while the other ones are mainly addressed by older SMEs. Due to the diminishing of the currency risk, companies tend to become more interested in accessing loans in RON. As a response to the increasing demand for financial resources, banks work on developing new specialized financial products [*Capital* no. 33, 2007].

Annex 1 contains a presentation of the financing programs that are presently available for the Romanian SMEs. Perhaps, the most attractive type of financing offered by the Romanian banks would be the nonrefundable financing programs. We believe that for SMEs this kind of financial products represents a most attractive and useful one, as these

companies generally confront the lack of capability to raise enough financial resources necessary to co-finance their daily needs, projects or investments.

Conclusions

The hotel and restaurant sector is the most fragmented from the EU.

The hotel SMEs' main tendencies are:

- ◆ clients' loyalty;
- ◆ information importance;
- ◆ interloper-cut off from the offering process.

Sometimes it is necessary to define SMEs according to the main domain. As for the SMEs' role, it represents the ground stone of a community and in Romania this sector is a very important one.

Regarding the hotel SMEs, they have to satisfy the societies' recreation and consumption needs, by offering products to a segment of clients and also by creating new products and new ways of spending the spare-time. They also need to adjust their offers to the demands of the targeted customers.

The evolution of the hotel segment in Romanian has an extremely high demography, because the environment suffers a continuous changing. Due to this fact, the independent companies stand a chance only if they offer differentiated services and if they create themselves a name worth to be taken into consideration. So, an essential element will be the increase of the human resources' qualification.

Despite the fact that Romania has made substantial progresses in the past years, our country presents serious competition delays in comparison to the Western and Central European states. This situation was mainly generated by the levels of all the factors that influence the competitive capacity. Moreover, governors have not yet understood the fact that declaring tourism a national priority means much more than a simple political statement. Ever since this statement was made, Romanian tourism has been treated as an "annex" of our national economy: firstly it was appended to the Ministry of Transportations, Constructions and Tourism, while nowadays it is part of the Ministry for Small and Medium-Sized Enterprises, Trade, Tourism and Liberal Professions. This is under no circumstances a proper way of handling a national priority. Unfortunately, it seems that banks, like governors, do not yet grant the appropriate attention and importance to tourism, as part of the services' sector (the third in the abovementioned top of companies that access financial products), as they have not yet developed any specialized financial products for tourism. We hope that this situation will not last very much.

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ANNEX 1 – Financing programs available for Romanian SMEs by 2006-2007

Type of financing	Donor	Program name	Amount/ Time-span	Romanian partners
Lending programs	ProCredit Bank	Rapid loan	Credits of maximum 40,000 RON; up to 3 years	
		Business loans and Multicredit	Credits of maximum 120,000 RON or 30,000 USD/EURO; up to 5 years	
		Investment loan	Credits over 20,000 RON or 5,000 EURO/USD; up to 7 years.	
		Credits for rural development	Credits of maximum 600,000 RON or 150,000 USD/EURO; up to 7 years	
		Credit line	Credits of maximum 1 million RON or 250,000 USD/EURO; up to 12 months	
	Raiffeisen Bank	Unsecured SME Flexi	Credits up to 70,000 RON; maximum 2 years	
		SME Flexi	Credits up to 200,000 RON; maximum 10 years	
		Bank Letter of Guarantee	Credits of maximum 100,000 EURO (RON equivalent); up to 1 year	
	Transilvania Bank	"1 hour" loan	Credits of maximum 30,000 RON; up to 12 months	
		Start-up loan	Credits of 35,000 RON (for new investors) or 85,000 RON (Start-up Plus); up to 5 years	
		0% interest loan and 100% Discount loan	Credits of maximum 35,000 RON; up to 12 months	
		"Two times the house"	Credits of maximum 200,000 EURO; up to 20 years	
	Romanian Commercial Bank	Micro-loan	Credits of maximum 50,000 EURO and 20,000 for the start-up enterprises; up to 12 months	
		Investment loan	Credits of maximum 50,000 EURO and 20,000 for the start-up enterprises; up to 5 years	
Romanian Bank for Development	Investment loan	Credits of maximum 75,000 RON; up to 60 months		
	Loan for the financing the current business	Credits of maximum 35,000 RON; up to 12 months		
	Line of credit and Development loan	Credits of maximum 75,000 RON; up to 12 months		
	Investissimo Mortgage loan	Credits of maximum 150,000 RON; up to 180 months		
	Simplis credit (short, medium, long-term)	Credits of maximum 400,000 RON; up to 12 months (short-term) and between 2 and 7 years (medium and long-term)		

NEW WAYS OF FINANCING SMES AFTER ROMANIA'S INTEGRATION IN THE EU

Type of financing	Donor	Program name	Amount/ Time-span	Romanian partners
	Volksbank Romania	Current outlay loan	Credits of maximum 30% of the previous year turnover; up to 6 months	
		Investment loan	Credits representing 85% or 100% of the investment and up to 5/ 7 years, depending on the investment amount: under or over 75,000 RON	
	Libra Bank	Instant loan	Credits of maximum 100,000 RON (turnover > 500,000 EURO) and of maximum 200.000 RON (turnover > 1 million EURO); up to 12 months	
		Rapid loan - for investment	Credits between 5,000 and 40,000 RON; up to 24 months	
	Casa de Economii si Consenmnațiuni (CEC)	"Independent" freelancer loan	Credits between 3,000 and 180,000 RON; up to 12 months (for the working capital loans) and 60 months (for the investment loans)	
	EBRD	Financing facilities	Credits of between 10,000 and 1.5 million EURO/ USD; up to 8 years	Transilvania Bank
		Financing facilities for the rural development	Credits of maximum 30,000 EURO (micro loans) or of maximum 125,000 EURO (small loan); up to 12 months on short-term and 48 months on medium-term	CEC
		Financing agreement	Credits between 30,000 and 50,000 EURO; up to 4 years	Banc Post
	Financiering Maatschappij Voor Ontwikkelingslanden	"FMO Program"	Credits between 10,000 and 750,000 EURO; up to 8 years	Transilvania Bank
	Kreditanstalt fur Wiederaufbau (KFW)	"KFW Program"	Credits of maximum 60,000 EURO; up to 24 months	Transilvania Bank
		Financing Line Amount: 9.5 million EURO	Credits of maximum 60,000 EURO; up to 24 months	Carpatica Bank
		Financing Program	Credits between 3,000 and 100,000 EURO; up to 12 months (for capital loan) and up to 5 years (for investment loan)	Raiffesisen Bank
	IBRD	Financing Program	Credits of maximum 1 million USD; up to 60 months	Carpatica Bank

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Type of financing	Donor	Program name	Amount/ Time-span	Romanian partners
	International Fund for Agricultural Development (IFAD)	Program for SMEs development	Credits of maximum 150,000 USD; up to 5 years	Romanian Commercial Bank Carpatica Bank
	European Investment Bank (EIB)	Financing facilities for SMEs	Credits between 40,000 and 25 million EURO, representing 100% of the project (50% from EIB and 50% from RBD); up to 4 years	Romanian Bank for Development
	SAPARD	Rural infrastructure development and improvement	Credits between 100,000 and 1 million EURO	Romanian Commercial Bank
		Investment in agricultural activities	Credits between 5,000 and 500,000 EURO, representing 85% of the investment	Romanian Commercial Bank Carpatica Bank
		Development and diversification of economic activities	Credits between 5,000 and 200,000 EURO, representing 85% of the investment	Romanian Commercial Bank Carpatica Bank
		Improvement of the products' marketing	Credits between 30,000 and 1 million EURO, representing 85% of the project	Carpatica Bank
		PHARE	MARR Fund-Financing SMEs	Credits up to 400,000 EURO, representing 85%; up to 6 years
Supporting Services for Business Development			The project's budget is 3.8 million EURO	Enterprise PLC
Agencia Națională de Ocupare a Forței de Muncă (ANOFM)		Financing program	The project's budget is 50 million RON	Romanian Commercial Bank
Non-refundable financing programs	National Agency for Small and Medium Sized Enterprises and Cooperatives (NASMEC)	Investment financing	Credits up to 50,000 EURO, representing 60% of the non-refundable amount	Romanian banks
		Business Development	Credits up to 18,000 RON, representing 90% of the non-refundable amount	
		The SMEs competition increase	Credits up to 15,000 RON, representing 90% of the non-refundable amount	
Investment funds	Oresa Ventures	SMEs Investment Funds	The total amount is between 2 and 5 million EURO per project	

Sources: Romanian banks' websites and www.animmc.ro.