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Europe 2020 Strategy and new opportunities for SMEs in Bucharest Ilfov Region

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In Europe SME's essential component of business

- generates most of GDP. in each country, usually between 55% - 95%;
- provide jobs for the majority of employment;
- generates a large proportion of the applicable technical innovations in the economy;
- have the highest dynamism in the market economy: the evolution of their number, the volume of turnover and size of employment

SMEs in Romania

- Romania has the second lowest density of businesses in the EU27. In 2011, the population of companies stood at 452,010, with an overall density per 1,000 population of 20.4. SMEs contribute 53% of GVA, five percentage points below the EU average.
- Economic operators encounter difficulties in growing, with low turnover and overwhelming dominance of microenterprises (90%), hampered by several obstacles: shortage of medium and highly skilled labour force, access to finance, excessive bureaucratisation with weak governance regarding the business environment, market with fragmented and inconsistent institutional set up and weak entrepreneurship.

SMEs in Bucharest Ilfov Region (1)

Number of SME	2008	2009	2010	2011
Romania	554.967	541.696	491.805	452.010
Bucharest Ilfov Region	129.354	127.820	117.163	108.234
Ilfov	12.127	12.980	12.984	12.830
Bucuresti	117.227	114.840	104.179	95.404

SMEs in Bucharest Ilfov Region (2)

	2008	2009	2010	2011
Number of SME	129.354	127.820	117.163	108.234
Domain				
Agriculture (%)	0.61	0.64	0.72	0.77
Industry (%)	7.61	7.38	7.37	7.34
Construction (%)	10.19	10.40	9.68	9.24
Commerce (%)	33.64	32.65	33.22	33.24
Services (%)	47.95	48.94	49.01	49.42

Bucharest Ilfov Region – Economic facts

- Bucharest Ilfov Region - specialization in tertiary sectors mostly with high added value and well-trained labour, such as Information Technology and Communications (IT&C), real estate, constructions, trade and other services, due to Bucharest city contribution only.
- The place of industrial enterprises in the city of Bucharest was taken in time by residential complexes, shopping centres, and office buildings. However, industrial activity tends to shift to the periphery (Ilfov County).
- *Foreign direct investment (FDI)*: are highly polarized towards Bucharest-Ilfov Region, which accounted for 63% of national FDI balance in 2011.

Regional Development Program 2007 -2013 (ROP) - 1

- The entire REGIO 2007 2013 program has allocated 4.436,83 mil Euro :

Region	Value - mil Eur	%
Nord - Est	724,09	16,32
Sud - Est	587,88	13,25
Sud	631,36	14,23
Sud -Vest	621,60	14,01
Vest	458,77	10,34
Nord Vest	536,41	12,09
Centru	483,62	10,90
Bucuresti Ilfov	393,10	8,86
Total	4.436,83	100

Regional Development Program 2007 2013 in Bucharest Ilfov Region

ROP in Bucharest Ilfov Region - Priorities and allocation :

- Priority axis 1: Support to sustainable development of urban growth poles – 146,08 mil Eur
- Priority axis 2: Improvement of regional and local transport infrastructure – 77,68 mil Eur
- Priority axis 3: Improvement of social infrastructure – 58,26 mil Eur
- **Priority axis 4: Improvement of the regional and local business environment – 42,04 mil Eur**
- Priority axis 5: Sustainable development and promotion of tourism – 41,29 mil Eur

ROP 2007 - 2013

Axis 4 Improvement of the regional and local business environment

Regional and local business center – allocation 24,31 mil Euro

- Contracted – 6 projects - 20,4 mil Euro
- Finished - 4 projects – 17,53 mil Euro

Microenterprises development – allocation 17,33 mil Euro

- Contracted – 192 projects - 27.41 mil Euro
- Finished - 126 projects – 18,27 mil Euro

Strategy Europe 2020

The three axes of the strategy are:

- Smart growth: developing an economy based on knowledge and innovation
- Sustainable growth: promoting a more resource-efficient, greener and more competitive economy
- Inclusive growth: fostering a high employment economy delivering social and territorial cohesion

Strategy EUROPA 2020 and SME's (1)

Programes for SME's:

- HORIZON 2020

<http://ec.europa.eu/programmes/horizon2020/en>

- COSME

http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm

- Competitiveness and SMEs

<http://www.policies.eu.org/?p=218>

- Regional Development Programes

http://ec.europa.eu/regional_policy/thefunds/regional/index_en.cfm

Strategy EUROPA 2020 and SME's (2)

- The EU is working to improve the business environment and to support the development of a strong and diversified industrial base capable of competing on a global scale.
Particular effort is needed to promote the development of SMEs
- Developing SME policy and promoting SME competitiveness in line with the goals of the Small Business Act (SBA). EU actions will include reinforcing the use of the 'Think Small First' principle in EU and Member State policy making, identifying and exchanging best practices in order to contribute to the implementation of the SBA.

Romanian Partnership Agreement for the 2014-2020 Programing Period

- Romania finished in March 2014 the Romanian Partnership Agreement for the 2014-2020 Programing Period

Development Challenges – Competitiveness and local development

Thematic objectives:

- Strengthening research, technological development and innovation
- Enhancing access to, and use and quality of, information and communication technologies
- Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector and the fisheries and aquaculture sector
- Preserving and protecting the environment and promoting resource efficiency

Europe 2020 and SMEs

Conclusions:

- The SME sector in Romania is currently under a process of consolidation and improvement which requires further support of public policies in promoting and supporting entrepreneurship
- In Romania will be around 3 billions of EURO to invest in SMEs development in order to achieve Europa 2020 objectives.



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- **Thank you !**

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