DYNAMIC OF SMES IN THE EU, DURING PERIOD 2008-2011

DINAMICA IMM-URILOR ÎN UE ÎN PERIOADA 2008-2011

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Abstract: *The financial crisis and prospects for growth decreased risks associated with external imbalances, but with increased concerns populism fiscal sustainability. In the medium term, the challenge is to ensure fiscal sustainability without jeopardizing growth prospects and not remain behind other Central European countries in the EU.*

Keywords: *small and medium enterprises, financial crisis, dynamic*

INTRODUCTION

Urgent tax corrections should be taken to calm market concerns. But, have adopted structural reforms that go far beyond tax issues. They must lead to labor market liberalization, the creation of a public pension system that we could allow the reducing state intervention in markets, including energy market, the fight against bureaucracy and corruption, strengthen the absorption capacity European funds and, not least to improve infrastructure.

RESULTS AND DISCUSSION

Economic and financial crisis that began in 2008 changed dramatically the economy landscape of EU. In 2006 and 2007, when they prepared the national strategic frameworks of reference (NSRFs) 44, the economical growth was about 3%, while in the summer of 2008, GDP sharply contracted, due to financial crisis. In 2008, GDP growth in the UE45 was already very low (0.8%), and in 2009 decreased an average of over 4%. The recession was particularly strong in Baltic States, with negative rates between 14% and 18%.

Only Poland has enjoyed economical growth in 2009 (1.2%). However, forecasts show the first signs of economical recovery. Although lower, the economical growth in the EU will become positive in 2010 and all Member States will record an GDP growth in 2011.

Fig. 1.1. The dynamic of investigated SMEs during period of 2008-2011

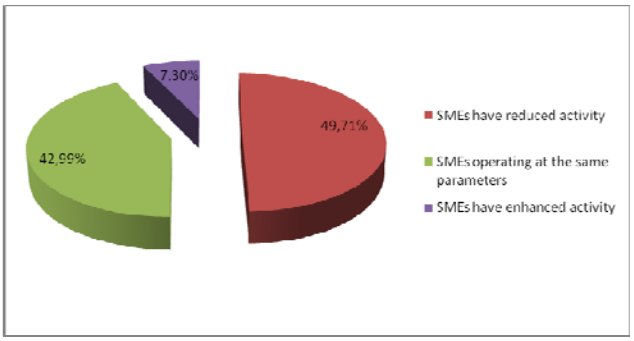
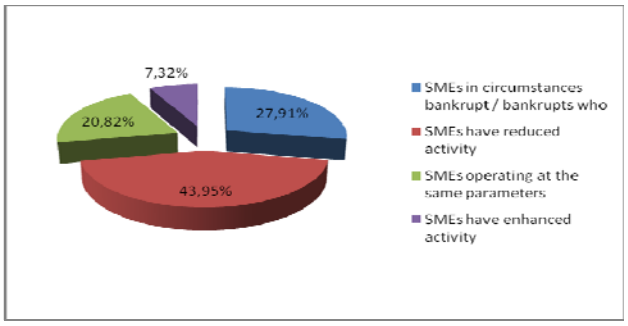


Fig.1.2. Dynamic of SMEs whose business is very well known entrepreneurs, in the period 2008 – 2011



Considering the business establishment year, we find that SMEs under 5 years old who have higher proportions of companies operating at same parameters (47.07%) and had an upward trend (12.44%), and units economic record of 10-15 years a higher proportion of entities that have reduced activity (57.38%).

Table 1.1. Dynamic of SMEs investigated during 2008 – 2011 depending on their age

Nr. Crt	The dynamics of SME activity in the period 2008-2011	Age of SMEs			
		Under 5 years	5-10 years	10-15 years	Over 15 years
1.	SMEs have reduced activity	40,49%	49,82%	57,38%	57,10%
2.	SMEs operating at the same parameters	47,07%	44,48%	40,44%	37,74%
3.	SMEs have enhanced activity	12,44%	5,69%	2,19%	5,16%

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Examination of SMEs according to regional affiliation 47 reveals following major aspects:

- South-East companies record higher proportions, so businesses which had a downward trend (58.97%) and also companies that have increased their activity (8.97%);
- SMEs that have maintained the same level of business are more common among companies in South-West area (54.20%);
- Economical units from the North West area recorded the lowest percentage of firms in recession (38.33%) and the Western organizations have a lower share of the organizations which were developed during 2008 - 2011 (3.13%).

Table 1.2. Dinamica activităţii IMM-urilor investigate în în perioada 2008 – 2011 in funcţie de forma lor de organizare juridică

Nr. Crt	Dynamic of firms between 2008 - July 2011	SMEs by legal form		
		SA	SRL	Other legal forms
1.	SMEs have reduced activity	43,48%	50,05%	47,06%
2.	SMEs operating at the same parameters	47,83%	44,48%	47,06%
3.	SMEs have enhanced activity	8,70%	7,29%	5,88%

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- SMEs that activate in tourism recorded higher proportions of developed companies (10.77%) and operating at the same parameters (49.23%), they have also a lower percentage of companies under regression (40%);
- Construction companies are recording a lower frequency in the organizations rise (3.03%), due to sharply decline from last period in this sector, due purchasing power of population decline and credit restrictions;

-Industry companies have the largest share of SMEs that have limited their business (52.53%), but the service entities stand out by a lower percentage of businesses agents operating at the same level (40.46%) in Table 1.3.

Table 1.3. Dynamic of investigated SMEs during 2008 - July 2011 according to activity branches

Nr. Crt	The dynamics of SME activity in the period 2008-2011	SMEs by industry					
		Industry	Construction	Commerce	Transport	Tourism	Services
1.	SMEs have reduced activity	52,53%	51,52%	49,49%	52,48%	40,00%	49,24%
2.	SMEs operating at the same parameters	40,91%	45,45%	43,85%	41,58%	49,23%	40,46%
3.	SMEs have enhanced activity	6,57%	3,03%	6,67%	5,94%	10,77%	10,31%

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CONCLUSIONS

In conclusion, economic developments at national and world are cyclical periods of growth and expansion at different time intervals alternating with periods of decline and even crisis. The most common form of economic crises evolve "V" indicates that begins immediately after declining economic growth and the "U", which describes the existence of a period of stagnation between recession and rise resumption.

Regarding economic crisis, there are many opinions of specialists on its climax, both domestically and internationally. Some experts have advanced the developments of "D", which means going through a brief period of economic growth, curbing subsequent recession, after which they entered again in crisis.

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