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DYNAMICS AND PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN ROMANIA

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Abstract: *Small and medium-sized enterprises (SMEs) represent an essential component of Romania's economy, contributing to business development, job creation, and the enhancement of economic competitiveness. During the 2019–2024 period, the SME sector evolved in an economic environment marked by significant changes and challenges, including the COVID-19 pandemic, rising production costs, inflationary pressures, and changing market conditions. These developments influenced business activities, highlighting both the vulnerabilities of the sector and its ability to adapt to new economic realities. The dynamics of SMEs reflect changes in the structure of the entrepreneurial environment, employment, and the economic performance of enterprises. The performance of this sector is closely linked to labor productivity, resource utilization efficiency, and innovation capacity. Digitalization, access to financing, and strengthening competitiveness remain important factors for SME development and for increasing their contribution to the national economy.*

• Introduction

Small and medium-sized enterprises (SMEs) represent a fundamental component of the market economy, playing an important role in stimulating economic growth, creating employment opportunities, and fostering entrepreneurship. Through their flexibility and ability to adapt to changes in the economic environment, SMEs contribute to the diversification of economic activities, the promotion of competition, and the development of local and regional communities [13]. At the European Union level, SMEs constitute the predominant category of enterprises and are considered an essential driver of competitiveness, innovation, and sustainable economic development.

In Romania, SMEs occupy an important position within the business environment, operating across a wide range of economic sectors, including trade, manufacturing, construction, agriculture, and services. Their contribution to employment and value added creation highlights the importance of this sector to the national economy. Furthermore, SME development is influenced by factors such as access to finance, investment levels, labour availability, economic infrastructure, and the stability of the legislative and fiscal framework.

• Material and method

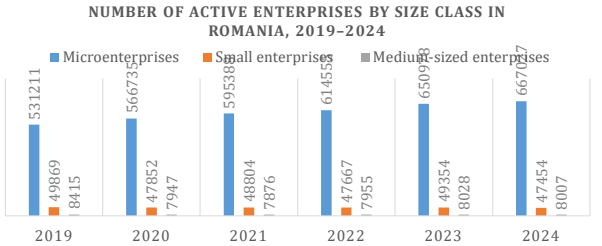
The research is based on a comparative analysis of the main statistical indicators of The research is based on an analysis of the evolution and economic performance of small and medium-sized enterprises (SMEs) in Romania during the period 2019–2024, using official statistical data provided by Eurostat, the National Institute of Statistics (INS), and the European Commission. The selected period makes it possible to highlight changes in the SME sector, both in the context of the economic difficulties caused by the COVID-19 pandemic and during the subsequent period of recovery and adaptation to new economic conditions.

The analysis covers three categories of enterprises, defined according to the number of persons employed: microenterprises (0–9 persons), small enterprises (10–49 persons), and medium-sized enterprises (50–249 persons). This classification is used in European structural business statistics, allowing comparisons of results across different enterprise size categories.

• Results and discussions

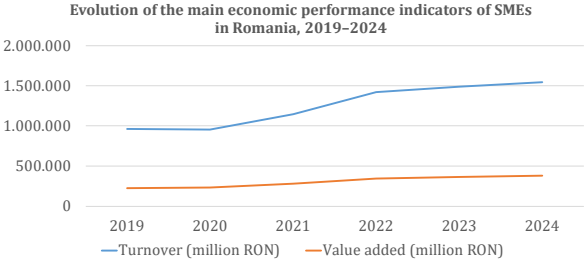
The analysis of the research results aims to highlight the main trends that characterized the evolution of small and medium-sized enterprises (SMEs) in Romania during the period 2019–2024. To this end, the study examines both changes in the structure and size of the SME sector and the evolution of key indicators related to employment and economic performance..

Evolution of the number of SMEs in Romania during the period 2019–2024



The evolution of the number of small and medium-sized enterprises represents an important indicator for assessing the dynamics of the entrepreneurial environment and the economy's capacity to support the development of business activities. Changes in the number of SMEs reflect both the emergence of new entrepreneurial initiatives and the difficulties faced by enterprises in maintaining their operations

The economic performance of small and medium-sized enterprises represents an important aspect in assessing their contribution to the development of the national economy. It can be evaluated using indicators such as turnover, value added, and labour productivity, which reflect economic results and the efficiency of resource utilization.



The analysis of the main economic performance indicators of SMEs in Romania during the period 2019–2024 reveals an overall upward trend in economic activity. Turnover increased from RON 963,304 million in 2019 to RON 1,547,358 million in 2024, representing a nominal increase of approximately 60.6%.

• Conclusions

The comparison of the three dimensions analysed – the number of enterprises, employment, and economic performance – reveals a development pattern in which the numerical expansion of SMEs outpaces employment growth, while monetary indicators increase significantly in nominal terms. This finding highlights the need for support policies aimed not only at encouraging business creation but also at strengthening enterprises' capacity to invest, innovate, and create sustainable employment opportunities.