

Impact of Covid-19 pandemic crisis on business activities in Romania in 2020¹

Daniela ANTONESCU²

Abstract: The rapid evolution of the COVID-19 pandemic has triggered challenges for the medical system and both the economic and social systems of EU Member States and the world. This crisis has affected thousands of lives and continues to put enormous pressure on economic systems. For these reasons, it is necessary to manage economic and social problems as soon as possible and to support / promote solutions to sustain the sectors affected by the pandemic crisis. In Romania, the crisis began to be felt in March, 2020, the SMEs sector being one of the most affected sectors. This study analyzes the effects of the COVID-19 crisis on the SMEs sector in Romania, attempting to contribute with solutions and proposals for post-crisis resilience and recovery.

Keywords: COVID-19, entrepreneurship, rezilience

JEL Classification: M20, M21, M29

1. Introduction

The COVID-19 pandemic affects and will continue to disturb for a considerable period the economic and social activities from Romania, and at international level. This perspective is supported by the extreme evolution of COVID-19 contagion at global level and at the level of countries in various geographic areas. Over the period December 31 – May 27, the reports regarding the contagion with the new Coronavirus at global level

¹ This study is part of an analysis that extends as an objective to identify possible solutions to capitalize on a major crisis and to restore the post-crisis of a Romanian economy, to be carried out according to the Romanian Academy, in accordance with the Section of ECONOMIC, LEGAL SCIENCES AND SOCIOLOGY, Coordinator: Academician Bogdan C. Simionescu.

² Daniela Antonescu, PhD., Scientific researcher II, Institute of National Economy, Romanian Academy, e-mail: daniela.antonescu25@gmail.com

indicated 5.49 million COVID-19 cases at global level, with 349.190 persons dying because of this contagion (a death rate by 0.69 per 1000 inhabitants), in 217 countries, areas or territories with cases.

The COVID-19 crisis in Romania was felt in the first half of March 2020, while information about this epidemic with the virus originating from China was circulating already by mid-December 2019. As result of markets' globalization, the SARS-COV2 virus travelled swiftly across continents, and in Europe, the most affected area was Italy, in its northern area with Turin, Milan, and Bologna as epicenters.

Romania attempted to enforce drastic measures, however not right from the beginning, so that large part of the population returning in the country developed symptoms of becoming ill due to this virus. In their turn, the ones arriving from the so-called red areas (from Italy, but also from Spain, Great Britain, and Germany) infected the close family and friends, so that the expansion of the epidemic in Romania was unstoppable. The most affected areas by the SAR-COV2 virus in a first stage were the northern part of the country, with the epicenter in Suceava, in Neamt and Botosani, the western area with Arad, Hunedoara and Timis, and Bucharest in the southern part¹. Subsequently, the virus spread at national level, and the majority of counties mentioned confirmed COVID-19 cases. The situation on 28 April 2020 was the following: confirmed cases 11.339, out of which 646 deaths, and 3141 recovered cases (the situation changes on a daily basis).

2. General context and first recommendations of European Commission

Due to the quick evolution of the COVID-19 pandemic, challenges were triggered for the medical systems, and both the economic and social systems of the EU member-states, and all over the world. Therefore, it is necessary to manage as swift as possible the economic and social issues, but also to support/promote some solutions that will sustain the sectors affected by the pandemic crisis.

¹ The average number of confirmed cases per 1000 inhabitants was by 0.49. As compared with other countries, Romania had a lower number of confirmed cases per 1000 inhabitants, as in Italy this number was by 12.8/1000 inhabitants, in France by 12.1/1000 inhabitants, in Great Britain by 12.7/1000 inhabitants, and in the Netherlands 9.9/1000 inhabitants. At county level, the situation shows that in Suceava there were 3.74 cases/1000 inhabitants, in Arad – 0.98, Hunedoara- 0.97, Botosani – 0.82, Neamt – 0.82, Covasna – 0.8, Brasov – 0.63 and Vrancea – 0.62 cases/1000 inhabitants

One of the most affected economic sectors is the one of SMEs. This sector is subjected particularly to lacking financial reserves necessary for paying fixed costs (especially employees' wages and office rents), while faced simultaneously with a series of difficulties depending on the nature of the generated activities/services.

The first measures regarded as recommendations were launched already by March at European Union level for supporting the SMEs sector, and from them we mention:

- The first recommendation was identifying the most important sectors subjected to the highest risks with the purpose of implementing concrete measures. These measures were intended as additional support for high risk sectors along with monitoring the impact on sectors that were less affected directly (the first and most affected were the medical, transportation, HoReCa, retail of non-food products sectors, etc.).
- The second recommendation as result of several companies closing was to apply some jobs' preservation schemes and to support SMEs by statutory wage schemes. It is regarded as essential avoiding to layoff employees with permanent labor contracts (a fact that would trigger social costs on long-term and loss of some valuable skills for the SMEs).
- Another recommendation was accelerating payments from the public sector to private contractors and suppliers, especially when they are SMEs, while suspending taxes on properties in the sectors most exposed to risks (this fact might be a huge burden for retail or for those in the HoReCa industry). Because local administrations are the beneficiaries of fiscal incomes, the national governments must cover incurred losses. In this respect, schemes for payments' deferment are proposed for rents and mortgages.
- Emphasis is laid on supporting the SMEs sector by permanent payments and less by loans and loan guarantees. It is possible that SMEs will not be able to pay additional debts when resuming current activity. This fact will postpone the issue and might lead to a 'two dips' recession.
- All available options should be used for ensuring liquidity and financial support for SMEs (for instance, the EU budget, the Central European Bank, the European Investment Bank, and the National Banks for Support and Promotion).
- One proposal is to build up a European Investment Fund for Mitigating COVID-19 with support focused on SMEs.
- A waiver should be in place as regards borders' closure for goods, along with giving up exports' interdictions and restrictions for avoiding affecting the Single Market

supply chain. If governments consider as necessary border restrictions, these should be coordinated together with the European partners, rather than be unilateral actions.

- Simplifying (temporary) the requirements of the legislation for SMEs and extending the terms for financial reports. This fact would diminish the administrative burden and the risk of the virus spreading by visiting the offices.
- Fiscal payments and contributions to social insurances deferment, while providing for extended periods to submit financial statements. At the same time, eliminate some administrative sanctions for belated submission or payment in case this might have been caused by actual financial difficulties triggered by COVID-19.
- Prompt implementation of the EU Directive regarding insolvency and enforcing a moratorium on coercive measures of big creditors against SMEs, for avoiding their wind up/closure due to payments' delay.
- Last, but not least the exchange of good practices is recommended and taking notice of measures applied by other European countries.

These recommendations were made immediately after the crisis triggered by COVID-19 began to affect the economies of the member-states and of their regions. They were made as recommendations, each of the member-states being able to choose the measure/measures that fit best their situation as regards the SME sector.

The measures' packages proposed by the EU aimed directly to the fields that were particularly affected¹:

¹ The medical equipment and medicine sector, where national measures must aim at objectives supporting European solidarity and cooperation. The Commission pursues to ensure an adequate supply of protection equipment and drugs for the entire Community market. The tourism sector - the Commission collaborates with member-states and international authorities, and EU key-professional associations for monitoring the situation and for coordinating the support measures. The pressure on the tourism industry within the EU and the member-states is unprecedented. It is faced with massive drops in international arrivals (major cancelling and decrease in the numbers of reservations, for instance, as regards American, Chinese, Japanese and South-Korean travelers). At the same time, the tourism industry is affected by the slow-down of travelling inside the national territory and within the EU, especially due to the increasing reticence of EU citizens to travel, and due to the preventative safety measures adopted at national and/or regional level. The SMEs operating in this sector are affected in particular by this overall diminishment of travelling for touristic or business purposes. As of the end of February, the disturbances in travelling inside national borders, and within the EU (representing 87% from the number of tourists) aggravate the

The mobilization of the EU budget and of the European Investment Bank for supporting the SMEs sector pursues the establishment of a state aid, but also ensuring liquidities for the banking sector and higher flexibility of the European fiscal framework. From among the measures for ensuring liquidities for the SMEs affected by the COVID-19 crisis, we mention:

1. The European Investment Fund (EIF) will allocate 1 billion Euros for guaranteeing the EU budget by means of the European Strategic Investment Fund (ESIF). With the support of the EU budget guarantee, EIF will provide banks with liquidities and warranties, mobilizing 8 billion Euros for financing working capital. This action will assist at least 100.000 SMEs.
2. Postponing credits for SMEs affected by the crisis.
3. Value of 37 billion Euros are allotted from the European Structural Investments Fund (ESIF) for fighting against the COVID-19 crisis. The initiative presupposes waiving for the current year the obligation of requesting the reimbursement of the ESIF pre-financing. This amounts to the value of 7.9 billion Euro from the EU budget, a sum that the member-states will be able to use for supplementing the 29 billion Euros allocated already from structural financing. This will increase effectively

situation. The sector of fairs and congresses is especially affected as over 220 events were cancelled or postponed in Europe during the first quarter of the year 2020. Other related sectors, such as catering services, as well as education and cultural activities are also subjected to increasing pressures due to the COVID-19 pandemic and to the efforts for limiting the spreading. Transports - it is a sector affected strongly by the COVID-19 pandemic, because the European supply chains are closely interlinked. These links are maintained by means of an extended network of wares' transportation services. The disruptions in these flows of goods led to important economic damages. Moreover, the aviation industry was severely impacted by the pandemic. In order to contribute at diminishing the COVID-19 impact, the Commission suggests specific legislation that will exempt airlines temporary from the obligation to use hourly slots based on the EU legislation. As of the time of enforcement, this temporary measure will allow airline companies to adjust their capacity depending on the low demand caused by the pandemic. At the same time, supply chains by terrestrial transportation means were affected harshly by the enforcement of interdictions for entering terrestrial borders, or by the restrictions imposed to drivers travelling between member-states. This fact affects all goods, but especially the supply of essential materials and perishable goods and, as most of the enterprises in this sector are SMEs, the effects are immediate and severe. Irrespective of the transportation means, the implementation of some ways for ensuring economic continuity is pursued, by guaranteeing the flow of goods and the supply chain, and by ensuring essential travels, as well as the functioning of the Single Market and transportations' safety.

the investments in the year 2020. The 28 billion Euros supplemented from the structural funds (still not allocated) should support combating the crisis, by providing member-states with the necessary financing sources.

4. At community level, is suggested the extension of the enforcement field for the EU Solidarity Fund by including, also, the effects of the crisis in the public health field. Up to 800 million Euros are available in 2020 for the health sector.
5. The fiscal mitigation of COVID-19 will have as main source national budgets of the member-states. The EU norms regarding state aid allow member-states to take swift and efficient action for supporting citizens and companies, especially SMEs that are faced with economic difficulties because of the COVID-19 crisis.
6. All necessary procedural facilities were instituted for allowing a quick process of approving the state aid notifications. The EU framework allows to national governments to provide, if necessary, under the form of state guarantees liquidities to the banks, if these are faced with difficulties in accessing liquidities.
7. The Community fiscal framework is made more flexible for assisting member-states to approach the crisis, as follows: exceptional expenditures will be added for counteracting the effects of the COVID-19 crisis when the conformity with the fiscal norms of the EU will be evaluated.
8. The adjustment of the necessary financial efforts of the member-states taking into account the specific situation of each country in case of negative growth, or high drops in activity. It is proposed to the Council that European institutions activate the general crisis clause for benefitting from more general fiscal policy support.
9. It is recommended to promote measures for protecting employees against unemployment and income losses for avoiding permanent effects. Short-time working programs are promoted, respectively vocational improvement and reskilling programs that proved their efficiency in the past.
10. Legislative proposals are made regarding a “European System of Unemployment Reinsurance” with the purpose of supporting the policies of member-states for maintaining workplaces and skills. Additionally, the initiative regarding the mitigation of the SARS-CoV2 virus (Corona Response Investment Initiative) will facilitate the mobilization of the European Social Fund aimed to support employees and health care.
11. The European Globalization Adjustment Fund (EGF) could be also mobilized in supporting laid off workers and employees developing independent activities under the conditions of the current and future Regulation. Up to 179 million Euros are available in 2020 for fighting the crisis triggered by the coronavirus.

Many of these recommendations were taken over by Romania with the purpose of supporting the SMEs sector that is affected severely by the COVID-19 pandemics.

3. The initial state of the SMEs sector (before the COVID 19 crisis)

Before the emergence of the COVID-19 crisis, the evolution of the economic-social active operators had an ascending, positive trend, per total as it recorded from the numerical viewpoint an increase by 14.3% (2018 as compared with 2013), from 942 thousand companies to 1.077,5 thousand companies. The highest increase registered small enterprises (0-9 employees) by 15.37%, followed by large companies with over 250 employees (6.67%). A slow evolution was recorded by companies with 50 to 249 employees, of only 0.65%.

This positive evolution led to an increase in the weight of small companies (0-9 employees) in total SMEs from 92.29% (in 2013) to 93.12% (in 2018), while the weights for the other company categories recorded decreases.

Most active SMEs are in the industrial field, in constructions, trade and services (95% weight in total, year 2018) with a slight decreasing trend (from 95.1%) concomitantly with an increasing evolution of enterprises in the agricultural field (from 3.5% to 3.6%). At the same time, the number of private companies had an increasing trend in total from 51.5% (2013) to 53.5% (2018) in parallel with a decreasing number of private entrepreneurs (from 28.5% to 26.6%) (**Annex 1**).

In the year 2017, the structure on fields of activity for the SMEs shows high shares of active companies in the field of retail trade (32.8% from total), followed by those in scientific and technical professional activities (12.5%), constructions (10.04%), manufacturing industry (9.48%), transport and warehousing (9.20%), hotels and restaurants (5.02%), information and communications (4.53%). The same structure is maintained also for the year 2018 (with very small percentage differences), as follows: hotels and restaurants decreased their weight in total (-0.06 p.p.), trade (-1.24 p.p.), support services (-0.07 p. p.) (**Annex 2**).

An analysis of the SME sector (active companies) on size-classes shows that small companies are preponderant (0-9 employees). Thus, in services' activities, microenterprises are about 96% from total, in real estate transactions by 82.13%, in health care 94%, in the extractive industry – 89.74%, transport and warehousing – 91.69%, hotels and restaurants – 91.1%, health care and social assistance - 94%. The lowest share of microenterprises is found in the manufacturing industry – 70.67%, and in the electricity, heat, gas, warm water and air conditioning production/supply industry, with about 75.56% from total.

According to official statistical data, the number of SMEs in industry, constructions, trade and other services was by 545.843 (small- and medium sized companies) the most in wholesale and retail trade (31.6% from total). Their number registered an ascending evolution over the period 2014-2018, from 481.425 active companies to 545.843 active companies (113%) (**Annex 3**).

The SMEs ownership form is private in majority (96%), being followed by foreign capital owned companies (3.8%), and majority state owned capital by only 0.2% from total. Most private capital owned companies are found in the fields of wholesale and retail trade (31.6%), followed by professional, scientific and technical activities (12.2%).

In whole, small- and medium-sized companies own 64.6% from the personnel employed in total SMEs and 57.3% from the turnover. As compared with the year 2014, the turnover, and the employed personnel underwent a slight decreasing trend in the year 2018 (a decrease by 0.9 pp).

The analysis of the concentration of turnover realized by SMEs and of the numbers of employees on fields of activity for the year 2018 shows the following:

- The highest concentration of turnover achieved by Top 5 companies is found in the tobacco goods manufacturing sector (99.9%), followed by coke-products and oil processing (99.2%), oil and natural gas extraction (97.2%), metallic ores extraction (93.3%) and air transports (89.2%);
- As regards the concentration in the numbers of employees for the companies in Top 5, the sector of tobacco manufacturing stands out (99.6%), followed by crude oil and natural gas extraction (98.6%), air transports (85.9%), metallic ores extraction (85.6%), and the coke-products and oil processing sector (85.2%);
- The following situation can be highlighted: there is a series of fields that have higher concentration in the numbers of employees in parallel with a relatively low turnover such as in superior and inferior coal extraction (61.3% against 94.5%), activities of tourism agencies and of tour-operators, other reservation and touristic assistance services (7.0% vs. 13.8%);
- A different situation is noticed in the sector of wood processing and wood and cork manufacturing, save for furniture manufacturing (32.7% turnover vs. 11.8% for employees) (**Annex 4**).

In the year 2018, the main economic and financial indicators for the SME sector are presented in Table 7. It can be noticed that the highest contribution to the turnover of the SME sector is the one of small enterprises (35.54%), followed by companies with over 500 employees (32.59%). The same situation is found also in the case of gross

investments (41.72%, respectively 37.53%), GVA at factors' cost (37.09%, respectively 35.72%) and the gross outcome of the exercise (53.39%, respectively 25.79 %). Regarding direct exports, the situation undergoes a change between the two categories, the highest weight being the one of the companies with over 500 employees holding 63.16% from total, followed by the companies with 250-499 employees (13.05%), and the ones with 100-249 employees (11.94%) (**Annex 5, Annex 6**).

At regional level, most active local entities are found in the region Bucharest-Ilfov (in 2018), as these represent 25.07% from total, followed by North-West (14.92%). The last place is held by South West-Oltenia with only 7% from total.

4. Effects generated by COVID-19 on the SME sector

In the month of April 2020, the business environment in Romania registered a drastic drop as regards entrepreneurial initiative, as compared with the same period of the previous year, and the number of new companies being the smallest as level for the last 5 to 10 years (Source: National Office of the Trade Registry).

As of the beginning of the current crisis, which affected strongly on the business environment, 22.5 billion Euros were lost from the turnover of the companies, one million persons entered into technical unemployment, and 35.000 companies from the HoReCa industry are closed.

In the month of March 2020, the COVID-19 crisis influenced harshly the entrepreneurial initiatives, irrespective of their legal form (Ltd. Authorized Natural Person, II, etc.), as decreases of up to 74% were recorded as compared with the year 2019. The estimates show that this situation might worsen even more over the following months.

Regarding the registration of professional per total, their number decreased in March 2020 against March 2019 by about 73.8%, from a number of 13.076 professionals to a number of 6.023 professionals. As regards limited liability companies (Ltd), the number of newly established was of 4.238 in 2020, against 8.434 in the year 2019 (on decrease by about 66%). As regards authorized natural persons, the year 2020 registered a number of 1.257, on decrease against 2019, when there were cumulated 2.843 de ANPs (about 77%). The most affected counties as regards registrations were Olt (-72.36%), Mehedinti (-72.33%) and Arges (-71.71%).

Still, over the period 1 March -31 March 2020, is found a number of registrations in various fields of activity, most in the following: wholesale and retail trade (1.218 companies), constructions (836 companies), transport and warehousing (643) (**Annex 7**).

Regarding companies' wind up, their number dropped by about 36% in March 2020 as compared with March 2019, respectively 2.068 against 2.975. The most affected

counties were Satu Mare (+26.09%), Covasna (+15%) and Brasov (+14.67%). On the other hand, against March 2019, Bucharest registers a decrease by about 33.40%, from a number of 521 in March 2019, to a number of 347 in March 2020.

The fields of activity recording the highest rates of wind up were the manufacturing industry (+44.83), information and communications (+12.90%), transport and warehousing (+11.99%). A descending trend is encountered also in the case of suspensions, as their number decreased by about 49% in March 2020, as compared with March 2019. Thus in March 2020, was recorded a number of 709 suspensions, against 1.393 in March 2019. On counties, the situation was as follows: Mehedinti (-91.67%), Satu Mare (-76.47%) and Calarasi next to Vrancea (-50%). A decrease is noticeable also at the level of the Bucharest municipality, from a number of 146 in March 2019, to a number of 76 in March 2020 (-47.95%).

The situation of wind up on fields is as follows (**Annex 8**):

Drops in companies' wind up: 100% decrease in the fields: Show, cultural and recreational activities, Extractive industry, electricity, heat, gas and warm water production; between -90% and -80%: Professional, scientific and technical activities; between -80% and -60%: water supply, sanitation, waste management, decontamination activities. Electricity, heat, gas, warm water and air conditioning production and supply; between -59% and -40%: Manufacturing industry, information and communication, show, cultural and recreational activities, manufacturing industry, financial intermediation and insurances, education.

Increases in companies' wind up (**Annex 9**): +200% in the field of public administration and defense; public system social insurances, +142% in Agriculture, forestry and fishing and +150%: financial intermediation. The fields of activity recording the highest drops in activity suspension were agriculture, forestry and fishing (-52.97%); Water supply, sanitation, waste management, decontamination activities next to the extractive industry and the electricity, heat, gas, warm water and air conditioning production and supply (-50%), and Education (-47,85%).

Regarding deregistration, a decrease by about 89.67% is noticed for March 2020 as compared with March 2019, respectively 3.739 against 36.195. Nonetheless, it should be mentioned that, as result of declaring the state of emergency, the opposition right against the wind up of a company was suspended, and because the deregistration period is a stage subsequent to the wind up, the procedures were suspended actually until the termination of the state of emergency. As result, because the wind up procedure cannot be finalized, then neither the deregistration procedure can be carried out.

In this period, under the impact of the COVID-19 crisis, there were a series of analyses and ad-hoc statistical researches addressed mainly to the managers of the enterprises in the manufacturing industry, in constructions, retail trade, and services as regards their

perception about the development perspectives regarding activities for the company they manage .

This analysis was realized in the period 17-19 March on a sample of 8.831 economic agents, representative at the level of the economic sectors and in total economy. The answering rate was by 71.3%. In order to evaluate the economic impact of the pandemic, the evaluations of the managers were used, as well as the turnover of the enterprises over the period January 2019 – January 2020. The information obtained is useful for evaluating the evolution in the volume of activities in the economy for the period March – April 2020 compared with: 1. the corresponding months of the preceding year (2019); 2. the month January 2020; and 3. the monthly average of turnover corresponding to the period January 2019 – January 2020.

In all three working variants, the negative impact was higher at the level of the month April related to the preceding month. In estimating these evaluations, a questionnaire addressed to economic agents was used in the period 17-19 March of the current year, before the enforcement of concrete measures for fighting against COVID-19. The following conclusion is the outcome of the analysis of changes in the economic agents' activity volume in Romania, over the period March-April 2020, as result of the COVID-19 epidemic outspread. The impact of the COVID-19 epidemic on the volume of economic activities is determined by the high level of uncertainty as regards the future of businesses in the period March – April 2020, and by its increases in April, against March 2020. Hence, if in March 2020, the weight of 21.2% of economic agents could not estimate how their businesses will evolve, in the month of April, their weight increased to 34.3%. The increase is explained mainly based on the drop in economic agents' weight that did not foresee constrictions of the economic activity from 12.9% in March 2020 to 6.4% in April 2020. This result was obtained by considering the weight of the economic agents estimating compressions in the volume of activity by up to 25% from 14.3% in March 2020, to 7.7% in April 2020.

Taking into account the weight of non-replies (28.6%) in both March and April 2020, it resulted that more than 50% of the economic agents in March and 62.9% in April could not realize an estimate about the evolution in their volume of activity. On the other hand, the same statistical research indicates a trend of aggravation for the COVID-19 epidemic impact on the activity volume for economic agents that could estimate the magnitude of activities' constriction together with the increase in the time horizon for which the estimates are made. Thus, the weight of economic agents that did not foresee a compression of their activity decreases by 8.6% in April 2020 against the level by 26.1% in the foregoing month, while the weight of those estimating a constriction of up to 25% drops by 7.8% in April, against the value by 28.7% recorded in March 2020.

At the same time, the weight of those for which the activity constricts by more than 25% increases from 33.3% in March 2020 to 45.0% in April 2020, and the rate of activities' closure increases from 9.8% in March 2020 to 13.8% in April 2020.

The impact of the COVID-19 pandemic on the activity volume in the manufacturing industry increases together with the expansion of the time horizon. Uncertainty is the main feature of the estimates regarding the volume of activity, because the weight of those who cannot estimate the future direction to which the activity is heading increases from 24.5% in March 2020 to 40.1% in April 2020.

The uncertainty increase regarding the evolution of the activity in industry is triggered by changes in the category of those estimating that the activity will not constrict (-9.8 pp in April against the level in March), and by the category of those estimating an activity compression by up to 25% (-8.9 pp in April against the level in March).

In the framework of the manufacturing industry subsectors, the most affected by uncertainty regarding the evolution of the activities' volume on the date of the statistical research are: Manufacturing of road transport vehicles, of trailers and semi-trailers; Manufacturing of other transportation means; Manufacturing of electric equipment; Metallic constructions and metallic goods industry, except machinery, tools and installations; Metallurgic industry.

As it may be noticed, all these activities of the manufacturing industry are one way or another related to the international supply chains affected by the 'lockdowns' decreed by the various countries affected in their turn by the COVID-19 pandemic. If in March 2020 at the level of the manufacturing industry from among the economic agents who could estimate the while 30.2% did not estimate any changes, in April 2020 these weights were smaller by 9.8 pp for the first category, and 13.9 pp for the second.

At the same time, the weight of economic agents foreseeing a compression in the activity volume of over 25% was higher by 19.4 pp in April, against March 2020, while the share of those estimating a wind up of the activity increased by 4.2 pp for the same interval.

The transportation and warehousing sector is one of the most affected by uncertainties related to the COVID-19 pandemic impact on the activity volume at the time of realizing the statistical research. Thus, the weight of economic agents from this sector who cannot make estimates regarding the evolution of the activity volume increases from 25.9% in March to 40.1% in April 2020. This is because of the drop in the numbers of those economic agents who had a vision about the evolution of the activity volume for the period March-April 2020, save for those who foresaw the closure of the activity. From the viewpoint of economic agents who had data that allowed for estimates about the evolution of the activity volume for the period March-April 2020, the weight of economic agents who did not foresee a decrease in the activity volume, and of those who estimated a compression of activity volume by up to 25%, decreased in April 2020. In the same period, from among the economic agents who could estimate the evolution of the activity volume, a weight by 52.2% foresaw in April 2020 a compression of activity by over 25%, against only 44.4% in March 2020.

The impact of the COVID-19 pandemic on the activity volume in the constructions' sector has two characteristics: on one hand, the uncertainty in the evolution of businesses

increases together with the expansion of the time horizon; on the other hand, the increase recorded in the weight of businesses affected by the activity volume compression by more than 25%, or by activities' closure. Thus, at the level of all economic agents from the sector, who were included in the statistical research, the weight of the economic agents who cannot estimate the evolution of the activity volume increases from 21.6% in March to 33.1% in April 2020, while the weight of those estimating an impact, or estimated an impact by up to 25% decreased. From the economic agents who could estimate an impact of the COVID-19 on the activity volume in April 2020, 61.4% foresaw an activity volume compression by more than 25% or the closure of activities, against only 39.2% in March.

In the retail trade sector, the impact of the COVID-19 epidemic on the activity volume is at a level close to the average on economy, though the statistic research was realized before the decisions regarding the closing of some commercial entities, others than food entities, or pharmacies. Thus, the weight of the economic agents who could not estimate the impact of the epidemic on the activity volume increased from 20.7% in March to 32.6% in April 2020, while the weight dropped for the economic agents who estimated maintaining the activity volume or an impact by up to 50%. Out of the economic agents of the sector who could estimate an evolution for the activity volume in April 2020, a weight by 21.6% foresaw the closing of the activity, or its compression by more than 25% against 22.1% in March 2020.

In the hotels and restaurants sector, the impact of the COVID-19 epidemic is dominated by the same uncertainty in estimating the future evolution and by the forecast regarding the complete closure of the activity. Thus, from total economic agents included in the statistic research a weight by 11.7% could not estimate the evolution of the activity volume in March, respectively 27.8% in April 2020.

The doubling in the weight of economic agents with an uncertain vision on businesses is due predominantly to the change in the vision of those who foresaw either the closure of activity (difference by 5.1 pp in April against March 2020), or a constriction higher than 50% in the activity volume (difference by 6.1 pp in April against March 2020). From among the economic agents in the sector who could make an estimate regarding the impact of the COVID-19 pandemic on the activity volume in April, 95.4% foresaw a compression of the activity by more than 25% or closure, against 92.9% in March 2020. Other estimates: Impact on the manufacturing industry – 40.1% cannot estimate the future possible evolution direction; Impact on the transportation and warehousing sector – 52.1% from the agents answering the questionnaire mentioned an activity compression by over 25%; Impact in constructions – 61.4% foresee an activity constriction by over 25%; Impact on retail trade is estimated to be an activity constriction by over 25%, or activity closure; Impact on the hotels' and restaurants' industry – 95.4% estimate a constriction by over 25% or activity closure; It is estimated that 580.000 workplaces will be created by public and private investments.

5. Restrictions but opportunities as well over the COVID-19 crisis period for SMEs

Experts in the field of entrepreneurship consider that SMEs are faced with the biggest challenge of the last three decades. This challenge comes with both negative and some positive aspects that might be changed into true opportunities for this very important sector for the economy of each country/region. Some opportunities were identified already by the beginning of the crisis. Thus, the destabilization of the import chains led to amplified sales of local goods. A study realized by NISS shows that about 35.3% from Romania's importers consider that the imports' volume will decrease by 25%.

In order to create opportunities from this perspective, it is necessary to relaunch production before relaunching consumption for exiting this crisis. Moreover, on this element is substantiated also the SMEs Invest program that pursues to restart industry with those who want to get involved and have the capacity therefore. This program supports a public-private partnership that must generate safeguarding effects concomitantly with promoting autochthonous goods.

The banking system is not faced with lacking capital yet. Therefore, entrepreneurs must assume various investment plans. There are already some entrepreneurs in search for solutions to adjust, even in the restaurants' system, which was affected severely by the crisis and by the decisions regarding lockdown at home.

Other opinions related to turnaround are related to the fact that production must be restarted simultaneously with consumption, and the first thing needing support is the chain between consumer and producer, which must operate properly for things to happen quicker. The state should focus on supporting the value chain for stimulating consumption, on systemic investment, and on ones of the support type.

Other opportunities are taken into account also in the present situation like the massive increase of public investments in education, agriculture, and food industry, supporting the value chain, stimulating consumption, granting voucher or consumption tickets to persons in unemployment, and supporting large enterprises, etc.

Another example of an opportunity already fructified is the one of the company Electric from Focsani a package manufacturer that had to import certain products, such as sprays from Turkey or China, because the factory had no specific line for producing them. Under these conditions, the company saw an investment opportunity in a new business division for adjusting and beginning to produce locally these sprays.

An opportunity is given by promoting innovative acquisitions and identifying innovative solutions that can be used for the direct or indirect treatment of COVID-19 patients. At the same time, providing for the needs of hospitals and health care institutions with

innovative solutions that may be proposed by certain companies, especially by SMEs, is another opportunity, in the following fields: –medical devices, managing the supply and logistics chain for assisting in the COVID-19 hot spots; –biotechnology/health – drugs, antimicrobials, promoting new medication, antimicrobials and medication for mitigating the effects of the new virus; – tools for forecasting and putting a halt to the disease outbreak.

A significant boost received the IT industry which has the opportunity to develop products and solutions that make easier, more efficient, and healthier the life of individuals thus determining the technological revolution to receive the impetus it required for transitioning into the next development stage.

The telecommunications' industry is, as well, one of the big winners because the need of the individuals for quick internet anywhere anytime is now higher than ever. The low traffic from large cities like Bucharest is supported and it helps in increasing awareness about the benefits of clean air. Thus, there are high chances to notice, on medium-term an increase in concerns for clean environment and business sustainability with positive consequences for air and water quality, but also for food products, beverages, personal care products, or cosmetics.

The majority of companies with office activities implement the “work from home” concept for the first time at general level. The practice could be maintained also after the crisis ends, and this might change positively the dynamics of the working program in the future, by diminishing the over-agglomeration of the city and increasing the productivity of the employees. In these circumstances, laptops and videoconferencing systems were among the first goods sold at large scale in the big European capitals, as the virus began to spread out on the old continent. On this occasion, a new Wall Street index was created called “Stay at Home” which comprises 33 companies that might profit as result of the fact that employees work from home. The index includes Netflix (already gaining 8%), Amazon (one may visualize programs by means of Amazon Prime Video), Facebook, Sonos (selling wireless audio systems based on Wi-Fi), shares of video game producing companies, shares for “software assisting in working from home, and to participate in online conferences/teleconferences.

At the same time, pharmaceutical companies with research-development activities communicating that they entered into the race of finding a treatment against the coronavirus have obtained massive capital injections or substantial increases in their shares on the stock market, while generic companies registered colossal sales.

Long-term opportunities exist for technology companies delivering online services or facilitating the supply of online services. This crisis will change the mindset of large corporations and will transform the way they relate to work from home. The same thing

might be said also regarding the mindset of consumers, as they will access more online services, online shopping, courier services, etc. It is very possible that the first sustained increases will be noticed here, after the present critical period passes, or even sooner.

On short term, the massive drops of the last month generated opportunities of high increases for companies beginning to become attractive for sale, while traders resorting to Short Selling might record huge gains. Short Selling is a mechanism allowing for valorizing a price difference on a decreasing market, while Hedging is a mechanism allowing for protecting the portfolio against unwanted fluctuations.

6. Current measures for supporting the SMEs sector

In the attempt of assisting the SMEs sector to avoid complete and irrecoverable collapse because of the COVID-19 outspread crisis, a series of actions were promoted that we mention in the following:

1. *Postponing payments for utilities* – electricity, natural gas, water, phone and internet services, as well as postponement of rent payments for the building representing the registered office, and secondary offices. The beneficiaries are SMEs that suspended their activity totally or partially based on the decisions issued by the competent public authorities and that have the emergency certificate issued by the Ministry of Economy, Energy, and Business Environment for the duration of the emergency.
2. *The statement regarding the sole beneficiary* – the term for filing the statement is extended by up to three months as of the date of terminating the emergency instituted by Decree no. 195/2020, regarding the establishment of emergency on the territory of Romania. For the entire duration of the emergency, the filing of this statement is suspended.
3. *SME Invest Romania* – the Program for supporting small- and medium-sized enterprises that provides for state guarantees in favor of each beneficiary participating to the program. The guarantees are foreseen for one of the following categories of credit: a) one or several credits for realizing investments. Additionally, one or several credits/credit lines for working capital, guaranteed by the state represented by the Ministry of Public Finances to a share of maximum 80% from the value of the financing, excluding interests, commissions, and bank charges corresponding to the guaranteed credit. The maximum accumulated value of the financing guaranteed by the state that may be granted to a beneficiary in the framework of this facility is of 10.000.000 Lei. The maximum value of credits/credit lines for financing working capital granted to a beneficiary cannot exceed the average of expenditures corresponding to the working capital for the last two fiscal years within the limit of 5.000.000 Lei. For investment credits, the maximum value of

the financing is by 10.000.000 Lei. The maximum duration of the financing is 120 months for investment credits and 36 months for credits/credit lines for working capital. The credits/credit lines for working capital may be extended for maximum 36 months, following that in the last extension year, these will be reimbursed under the conditions provided for in the methodological norms for enforcing the emergency ordinance¹.

7. Financing sources in supporting the SME sector over the period of the COVID-19 crisis

The following sources of supporting the SMEs sector were identified, grouped as hereunder²: sources from European Funds, non-reimbursable aid from the state budget, bank credits in advantageous conditions, investment funds, hereunder, the following are presented synthetically:

- *European Funds granted to SMEs are allocated especially by ROP – Priority Axis 2.2*³. Thus, microenterprises and small-/medium-sized companies (SME in the urban area, and in the rural area only medium-sized companies) may obtain European funds with a value between 200.000 Euro and 1 million euro under certain conditions by investments in 10 counties. The projects may be filed with the electronic application MySMIS. European funds may be requested by companies in various fields, from small textile factories to workshops for computer repairs, software editing companies, video production, etc. They may invest money including in online trade means. The budget allocated to this axis is by 68 million euro and is addressed only to the development regions where there are still unspent money from the 2016 call (save for the Bucharest-Ifov region, which is not eligible). The call for projects is valid for the following investments: **(a)** North-East region (counties Bacau, Botosani, Iasi, Neamt, Suceava and Vaslui). Total available budget is by 31.4 million euro **and (b)** West region (Timis, Arad, Caras-Severin and Hunedoara). The total available budget is by 36.6 million euro.

On 30 April 2020, other support forms for SMEs were negotiated with the EC by four new intervention instruments with a total value by 1 billion euro (Source: Statement of

¹ <https://www.arenaconstruct.ro/ce-facilitati-au-imm-urile-pe-timp-de-criza>

² For some financing, Accessing Calls are already open, and for others the sessions were budgeted for preparing Calls of Proposal.

³ <http://www.inforegio.ro/ro/axa-prioritara-2>

the Minister of European Funds¹). The four new working instruments negotiated currently with the European Commission are the following:

1. Grants in fixed amount related to the turnover – they are intended for the working capital for financing the current activity of the companies. There has to be a proportionality by 10% between the value of the grant and the value of the turnover. These are aimed at activities with indirect impact for stimulating the domestic demand (stocks of raw materials, necessary material, ware stock, etc.).
2. Consumption vouchers – it is pursued to stimulate domestic consumption for goods manufactured in Romania. There is a variety of vouchers that may be used in the activity of the SMEs like consumption vouchers, digitalization, and innovation ones (for this type of financing there is still a certain reticence showed at the level of the European Commission)
3. Subsidizing the wages for employees in private companies with public money; this instrument is aimed for subsidizing the costs with wages for the personnel that is currently in technical unemployment for a limited period, and within the limit of 50% of the wage costs. This subvention may be aimed also for compensating social contributions, and wage taxation. It might be supported by the SURE² fund at European level.
4. Classic grants for supporting investments; these grants enter under the incidence of the state aid schemes. A state aid scheme operating during the COVID-19 crisis already exists up to the end of the year 2020 with a value by maximum 800.000 euro (credits with subsidized interests up to the end of the year 2020, in the framework of SMEs Invest).

These new instruments for SMEs will be launched in either June or July 2020 and will be managed at domestic level either by the Ministry of Economy, or by the Ministry of Development and Public Works.

From the budget of 1 billion euro allocated by European Funds will be distributed 300 million euro for grants, 500 million for vouchers, 200 million euro for investments (intended for medical and protection equipment, related to specific investments for the

¹ <https://www.startupcafe.ro/fonduri-europene/fonduri-firme-romania-2020.htm>

² SURE is a solidarity instrument by 100 billion EUR that will help workers to maintain their incomes and will support enterprises to remain operational. From this support will benefit, as well, farmers and fishers, as well as most vulnerable persons. The current EU budget is the basis for all these measures, and it will put to good use, and to the maximum each available euro. This proves the necessity for the EU to avail itself of a long-term sound and flexible budget. The Commission will take measures to ensure that EU can rely on such a sound budget that would allow for exiting the crisis and to make progress towards turnaround. By means of the new solidarity instrument, jobs will be maintained and enterprises operational.

epidemic crisis, etc.). It is estimated that in the week 4-8 May the negotiations with the EC will be finalized, and the intervention value by 1 billion euro is included as budget.

2. Start-Up Nation 2020¹ - The state budget for the year 2020 provides for 1 billion Lei, in engagement credits aimed to the Start-Up Nation program. The money may finance about 5.000 companies by a new Start-Up Nation program 2020 (by 2 times less than the level of the program up to now, which aimed to support 10.000 SMEs). The National Council of the Small- and Medium-Sized Enterprises from Romania (CNIPMMR) requests a maximum eligible package by 25.000 Lei from the non-reimbursable aid by maximum 200.000 Lei that should be allotted compulsory at least for a site for company's presentation, a data management software, and the electronic signature.

3. The Micro-industrialization Program - The 2020 micro-industrialization program has an allocated budget by 65.000.000 Lei in credits of engagement and 65.000.000 Lei in budgetary credits by means of the state budget for 2020. In the Micro-industrialization program for 2018, a number of 247 companies were qualified for obtaining non-reimbursable funds of up 450.000 Lei each from the state budget. The majority of SMEs requested the maximum amount of 450.000 Lei. In the year 2019, the government published an organization procedure of the program Micro-industrialization but did not open the session. The Ministry of Economy is the organizer of the program Micro-industrialization.

4. The Program Trade 2020 is aimed at developing trading activities of market services and has an allocation proposed by the budget draft amounting to 40.000.000 Lei in credits of engagement, and 40.000.000 Lei in budgetary credits. In the Program Trade 2018, a number of 209 private microenterprises and small- and medium-sized companies (SMEs) were qualified for non-reimbursable financing amounting to maximum 250.000 de Lei from the state budget. In total, over 1.000 companies were registered with the program in 2018. Not all SMEs requested the maximum amount. The Ministry of Economy is the organizer.

5. The Program Internationalization 2020 is intended to support the internationalization of the Romanian economic operators and the allocation for amounts to 10.000.000 Lei in credits of engagement and 10.000.000 Lei in budgetary credits for the year 2020. In the preceding years, the Romanian private companies could obtain non-reimbursable funds from the state amounting to maximum 25.000 Lei each, for travelling abroad to fairs and exhibitions by means of this program. The financed companies were from the information technology field, the food sector, furniture

¹ <https://www.startupcafe.ro/finantari/startup-nation-2020-buget-firme.htm><https://start-upnation.ro/finantare/B>

manufacturing, textile industry, and research, scientific and medical innovation. In the year 2018, for instance, were favored the companies that chose as target-markets areas outside the European Union with priority in Africa or Asia. The organizer is the Ministry of Economy.

6. Loans for small businesses – In the framework of this program, entrepreneurs may obtain banking credits between 4.000 and 200.000 Lei from BT Mic, a company within the Fiancial Group Banca Transilvania aimed at crediting small businesses. The companies applying must fulfil also some conditions, among which at least three months of activity length. The companies may borrow up to 120.000 Lei without material warranty; however, a real estate warranty might increase the amount to up to 200.000 Lei. For companies in the agricultural field, maximum 200.000 Lei may be accessed without material warranties and up to 400.000 Lei with real estate warranties (BT Mic-site).

7. Credits with European guarantees for SME that can obtain banking credits in advantageous conditions, with the aid of some guarantees from the European Union based on the Regional Operational Program (ROP), by means of the axis aimed to the Initiative for SMEs. This ROP line of financing avails itself in total of 250 million euro. The money may be accessed directly from the banks that signed in Romania agreements with the European Investment Fund, and the financing cost is lower than in the usual market conditions. The loan is guaranteed to 60%.

8. Romanian investment funds - Romanian entrepreneurs may use investment funds for venture capital financing that provide financing and receive in exchange minority packages of shares. For the past 2 years, at least 3 Romanian investment funds supported by the European Union emerged on the market providing for financing from 25.000 euro to 5 million euro, respectively GapMinder, Early Game Venture, and Morphosis Capital. Another Romanian investment fund for startups is Roca X constituted by experienced businessmen.

9. The Program the Entrepreneur Woman 2020 is aimed at¹ developing entrepreneurship among women in the sector of small- and medium-sized enterprises. In the editions of the past years, by means of this program 80 Romanian businesswomen could pursue entrepreneurship courses in Romania, but some of them pursued them also abroad (for instance, in 2018, the foreign destinations for the women qualified in the final stage were London, Paris, Madrid and Rome).

10. The Program for Entrepreneurship Courses EMPRETEC 2020 – In this year a budget of 504.000 Lei is allocated for launching a new session of the Program

¹ <https://www.startupcafe.ro/finantari/startup-nation-2020-buget-firme.htm>

UMCTAD/ EMPRETEC Romania, aimed at supporting the development of SMEs. In the year 2018, about 100 Romanians could pursue the free entrepreneurship and management courses by means of the governmental program EMPRETEC. The basic program provided for the participants was the workshop for developing personal entrepreneurial skills developed by the Harvard University jointly with Management Systems International and McBeer & Co.

11. The Small- and Medium-Sized Enterprises Fair – a budget of 5 million Lei is allocated for organizing the fair in 2020, with certain gratuities for the exhibitors, respectively small- and medium-sized companies (SME). Moreover, conferences, seminars, round tables, workshops and presentations can be organized with the purpose of increasing the number of successful entrepreneurs and of entrepreneurial skills. For the past years, the fair was budgeted by the Government, but was no longer organized.

12. The Program Crafts and Handicrafts 2020 – money for hand-made is budgeted with about 890.000 Lei, for organizing a profile fair to which will be invited and financially supported to participate craftsmen and artisans from the entire country. In 2019, the fair of hand-made products was held in the locality Bran. By means of the Program, the transportation expenditures could be supported for the beneficiaries and for their products for a maximum value of 2.000 Lei, as well as the accommodation expenditures amounting to maximum 1.600 Lei/beneficiary for maximum 4 nights accommodation; however, the amount was of not more than 200 Lei/night/person. It is estimated that the implementation of the support instruments for SMEs will be more easy based on grants in fixed amounts and consumption vouchers, and more difficult on the investment component. The evaluation of the projects by the Management Authorities will be relatively difficult from the perspective of the low analysis expertise of the projects from the business environment (financial sustainability, market success, etc.).

8. Good practice examples. Measures proposed by other countries that aimed to rebuild the SMEs sector during the COVID-19 crisis

All countries affected by COVID-19 have taken measures of supporting and rebuilding the SMEs sector during and after the end of the crisis. We present, in the **Annex 10** hereunder, the most relevant types of measures and the synthetic description of these categories.

9. Actions and possible solutions for SMEs recovery

Proposal	Instrument	Description
Supplementing the financing in the framework of the SME Invest Program	SME Invest	<p>On 1 May were analyzed 47.896 applications formulated by a no. of 37.089 SMEs registered in the application www.imminvest.ro. A number of 20.139 applications (43.56%) were sent to the 22 partner banks for analysis in view of obtaining the financing agreement. Because the number of SMEs needing this support is still unknown, a supplement of funds in the framework of this program might be taken into account.</p> <p>Considering that in Romania are about 547.570 small- and medium-sized companies, and a drop by 30% is estimated in their numbers (164.271 companies), an extension of the program is proposed for at least 100.000 companies.</p> <p>SME INVEST ROMANIA is open until 31.12.2020, with an allocated ceiling by 15 billion Lei.</p>
Support for domestic producers and local businesses	Online platforms	<p>The creation of an online mechanism is suggested, where local production SMEs may trade their products. An example is the one of the National Agency of the Mountain Area that created the platform www.produsmontan.ro, dedicated to producers in view of promoting this type of goods. By this initiative, the consumers from Romania are informed about the ability of purchasing these products in an online system.</p> <p>Another proposal is to create a strategic program for supporting the Warehousing, Collection, and Distribution Centers for Romanian agricultural food products that would provide, among others, also for the obligation of large retailers to have a share by at least 30% of goods manufactured in Romania corresponding to a certain article sold by their networks.</p>
Promoting special financing programs from EU funds	ROP OPSGD	<p>Promoting/advertising programs aimed to vocational investments, training and reskilling and development programs for the economic environment.</p> <p>For the period 2021-2027, SMEs have available the following operational programs:</p> <ul style="list-style-type: none"> - the 8 Regional Operational Programs (a division of ROP is planned which is managed now by the Ministry of Public Works in eight ROPs, one for each region and one management authority for each. Finance may be granted for investment in the digitalization of local public services, smart city, smart specialization, and technological transfer, innovation, smart parks, SME, robotics, digitalization. - The Operational Program Smart Growth and Digitalization.. Smart specialization projects at national level will be financed in synergy with the EU Horizon program that is accessed directly at the European Commission by beneficiaries within the EU and from partner-states (for instance, Israel). Also, in this operational program will be included projects of internationalization, industrial transition, nanotechnologies, robotics, research-development-innovation

Proposal	Instrument	Description
Creating a National Program for supporting industrial parks and business incubators	ROP 2021-2027	<p>infrastructure, as well as financial instruments for companies' financing.</p> <p>This program may be a relaunch for some older programs that pursued and financed such ROP projects. It can be implemented at regional or country level.</p>
Simplification of the procedures for all European financing	ROP OP Human Resources	<p>a. The extension of the implementation period for projects financed from European funds under development, beyond the maximum period provided for initially;</p> <p>b. Financing of some projects by ROP – OPHR aimed to skilling, reskilling and improvement of labor force, to the endowment with equipment and materials necessary for developing their activity in the new conditions, digitalization of the enterprises' activities;</p> <p>c. Simplification of the mechanisms for accessing European funds, diminishing bureaucracy (reports, evaluations, etc.);</p> <p>d. Promoting the EEN network (Enterprise Europe Network) launched by EC (the largest SME support network). The EEN networks are financed based on projects in a share by 60% by the European Commission, and the remaining 40% is born by the host structures from each country. The co-financing share by 40% becomes difficult to be born in the current situation by private entities (Commerce and Industry Chambers, business associations, private companies, universities and research institutes). The suggestion is to support from the budget the 40% contribution corresponding to the functioning of these networks in Romania.</p>
Creation of support centres at regional level	OP Human Res. 2014-2020	<p>The support-centers will deliver free of charge the necessary and useful services for companies (that will be severely decapitalized) over the post-crisis period (the types of services aim to accounting, legal, human resources, financial advice and mediation services, digital transformation, consulting for adjusting to the new socio-economic context, business restructuring advice, etc.</p>
Declaring some disadvantaged areas after the model of the Emergency Ordinance no. 24/1998 regarding the regime of disadvantaged areas	ROP 2021-2027	<p>The disadvantaged areas represented by counties with industrial development of the mono-product type with orientation towards export and one employer. The companies in these areas are characterized by the bank indebtedness degree (agricultural producers, from the food industry, etc.). For instance, county Suceava where the most important weight in GDP is given by the exploitation and manufacturing of natural resources, constructions, trade and services, tourism, processing industry, food and textile industry, transports, as many companies were completely closed or reduced.</p>
Supporting a national investments program	NPLD or another program financed by SIF	<ul style="list-style-type: none"> • investments from public funds for the transport infrastructure (highways, national, and county roads, railway, airports, etc.), health care, education, energy and environment, agriculture (irrigations), by granting some priority rights for execution tenders to companies from Romania; • launching holiday vouchers for relaunching Romanian tourism. In the context in which the state aims to return either totally or

Proposal	Instrument	Description
		<p>partially, the sums paid in advance by the tourists as requested by some of them, the money may be allocated from the European funds aimed at the fields affected by COVID-19 under the form of lunch tickets or holiday vouchers for touristic services in Romania. These should be valid up to the end of the year 2021;</p> <ul style="list-style-type: none"> • promoting Romanian investments and exports in public-private partnership a measure that might be beneficial by rendering substantial dynamics to the volume of investments and exports made by Romanian producers, and increasing the prestige of Romania by creating the most friendly business environment in south-eastern Europe; • improving the legislation as regards public-private partnerships by regulating some simpler forms of public-private partnership, such as design, development and exploitation contracts, including some special provisions regarding the access of companies to public-private partnerships, and the public-private partnership with the non-profit sector;
Digitalization of public administration	National funds, EU funds	Digitalization of public administration, mainly by employing Romanian companies (concept, services, etc.).
Supporting the agricultural sector		<p>a.anticipated payments of subsidies in agriculture, investments for reactivating the irrigation systems existing in Romania up to 1989, irrespective of the subsequent classification of the latter subsidizing, at least partially, energy costs for the energy used in pumping water for irrigations in the 3rd and 4th watering stages;</p> <p>b.resuming and extending the programs for creating forest curtains in order to protect agricultural cultures from draught; setting up by means of credits with subsidized interest the entities for processing vegetables and fruits produced in Romania;</p> <p>c.state intervention by support schemes for farmers in extreme or severe draught conditions, after the model of those implemented in the year 2008.</p>

Source: own processing

10. CONCLUSIONS

The SME sector was one of the hardest hit sectors during the COVID-19 crisis, in both Romania and at global level. This fact determined the governments of the world states, including the one of Romania to take urgent measures for keeping the sector afloat. According to official statistics, in Romania, three out of ten companies are in the risk zone, with expenditures higher than incomes (Financial-Banking Analysts' Association) and with a total number of 850.000 employees (one-fifth from the total number of employees in the private sector).

In Romania, the measures of supporting the SME sector amount to 2% of GDP, while in other countries the provided support amounts to about 10% of GDP. The supports provided by the Government for the companies that suspended the contracts of their employees cover only a part of the wages. The measures enforced up to date by the Government, pursue to safeguard a number as high as possible of companies, but they cannot save all of them. From among them, we mention ensuring the payment of technical unemployment in value of 75% from the gross wage of the employee, but not more than 75% from the average gross wage, and credits' guarantees for investments and working capital for SMEs, by means of state subsidized interest.

In the scenario according to which SMEs, the basis of economy in any state are not kept afloat, then also the state will suffer. "The budgetary incomes will be smaller, and the expenditures higher (including the ones for supporting technical unemployment), and the result will be higher deficits" (CFA). Additionally, the banking sector might be hit because neither population, nor companies will be able to pay the rates. Over the last three years, expansionist fiscal policies were implemented, and the fiscal room was relatively low. An example of how things should be done is the one of Germany, which starts with a surplus by 1% and supports extremely aggressive programs for restarting the economy.

The measure packages addressed to SMEs affected by the COVID-19 crisis should involve all national resources, including ones that may be obtained from EU. According to the opinion of some important economists from Romania, the most important measures address social protection but also SMEs protection. Despite fiscal and monetary measures that are taken, protection measures cannot last infinitely. The costs triggered by the COVID-19 crisis are forecasted to amount to over 10 billion euro. The current crisis is considered as more severe than the crisis of the year 2009 (then Romania borrowed about 20 billion euro from IMF, the World Bank and EU).

An analysis of the consulting company Frames estimates that in a first stage, over 300.000 companies from Romania will be affected by the second wave of the crisis generated by the coronavirus. Most of them are microenterprises, and small enterprises with maximum 20 employees in fields like HoReCa, and services for the population (events, beauty saloons, gaming rooms, district shops, etc.), that closed their activity on the background of administrative decisions and, in many cases, as result of the dramatic decrease in cashing. Many companies instead of deciding on technical unemployment for their employees cancelled their labor contracts. These companies will have problems in the future in bringing them back into the company.

Therefore, instead of a conclusion, in this period is necessary good communication from the Government regarding the measures aimed at the SME sector, but also better

collaboration with the business environment for identifying ongoing the emerged needs and issues. The business environment knows what is to be done, which are the tax reductions, and which are the new fiscal charges, and how business plans will be built in the future, etc.

In conclusion, the COVID-19 crisis is different from the 2008 one, and the role of the decision factor is vital in restarting the activity for the SME sector so that it contributes to relaunching economic growth. Authorities have to encourage companies to begin activity and a clear and concise dialogue is necessary between entrepreneurs and local or central authorities. Important measures such as increasing the guarantee ceiling, higher flexibility between funds, private investments, public investments, etc. can contribute to restarting and rebuilding the economy in Romania, after this unprecedented crisis. Moreover, all actions and measures taken in this period must pursue the rebuilding of the national economy and not just relaunching.

ANNEXES

Annex 1: Economic and social active operators in the national economy, by size classes, 2013-2018

	2013	2014	2015	2016	2017	2018
Total	942266	1002177	1013907	1024186	1050797	1077536
Operators from:	485335	507582	513989	527930	553936	576684
Agriculture	16758	17471	18396	19139	19916	20514
Industry, constructions, commerce, other services	461484	483066	488210	500428	525660	547570
Finance and insurance	7093	7045	7383	8363	8360	8600
Public administration	13003	12847	12935	13066	13315	13299
Private administration	175830	182844	189835	195394	195564	201045
Private entrepreneurs	268098	298904	297148	287796	287982	286508

Source: Statistical Yearbook of Romania, NIS, Bucharest, 2019

Annex 2: Active operators on categories of activities, 2018

Category (CAEN Rev.2)	2018				
	Total	of which: by size classes, by number of employees			
		0-9	10-49	50-249	250 and over
Total	547570	491389	46172	8283	1726
Extractive industry	1033	730	239	50	14
Manufacturing industry	52451	39634	9197	2870	750
Production and supply of electricity and heat, gas, hot water and air conditioning	1200	1004	119	44	33
Water distribution; sanitation, waste management, decontamination activities	3074	2328	520	150	76
Construction	55978	48643	6347	911	77
Wholesale and retail trade; repair of motor vehicles and motorcycles	172856	158492	12678	1484	202
Transport and storage	51944	47308	3878	630	128
Hotels and restaurants	27182	22817	3946	387	32
Information and communications	25452	23448	1557	349	98
Real estate transactions	17867	17154	651	57	5
Professional, scientific and technical activities	66739	64066	2291	317	65
Administrative and support service activities	22848	19655	2252	739	202
Education	6393	6010	374	9	-
Health and social work	17114	15908	1056	128	22
Entertainment, cultural and recreational activities	9945	9427	401	100	17
Other service activities	15494	14765	666	58	5

Source: Statistical Yearbook of Romania, NIS, Bucharest, 2019

Annex 3: Active small and medium-sized companies in industry, constructions, trade and other services on types of activities (no. , %)

Activity (CAEN Rev. 2 sections)	2014	2018	2018 /2014 (%)
Total	481425	545843	113,38
Extractive industry	1092	1019	93,32
Manufacturing industry	47309	51700	109,28
Electricity, heat, gas, warm water and air conditioning production and supply	1468	1167	79,50
Water supply, sanitation, waste management, decontamination activities	3092	2998	96,96
Constructions	47727	55901	117,13
Wholesale and retail trade, vehicles and motorcycles repair	176031	172654	98,08
Transport and warehousing	39568	51816	130,95
Hotels and restaurants	25083	27150	108,24
Information and communications	19426	25354	130,52
Real estate transactions	13838	17862	129,08
Professional, scientific and technical activities	56828	66674	117,33
Administrative support activities and support services activities	19232	22646	117,75
Education	3771	6393	169,53
Health care and social assistance	10076	17092	169,63
Shows, culture and recreation activities	5738	9928	173,02
Other services' activities	11146	15489	138,96

Source: Data processing from Romania's Statistical Yearbook 2019, NIS, Bucharest

Annex 4: Analysis of turnover and numbers of employees concentration in the SMEs sector (%)

Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees	Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees
Metallic constructions and goods industry, excluding machinery, tools and installations	2,2	5,3	Furniture manufacturing	19,7	14,7
Other professional, scientific and technical activities	2,4	9,9	Cinema, video, TV programs, productions, audio recordings and musical editing	21,6	16,0
Real estate transactions	3,3	8,5	Research-development	22,3	25,7
Other services' activities	3,6	5,0	Printing and support reproduction of recordings	22,5	10,5
Education	3,7	2,5	Other extractive activities	22,9	24,1

Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees	Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees
Construction of buildings	3,8	2,1	Social assistance activities without accommodation	22,9	16,4
Wholesale trade, save for vehicles and motorcycles trade	3,9	4,9	Services' activities for labor force	23,6	33,2
Special construction works	4,1	3,6	Gaming and bets activities	24,4	35,0
Publicity and marketing activities	4,9	11,2	Digital services activities	24,9	39,4
Artistic creation and interpretation activities	4,9	6,0	Combined health care and social assistance services with accommodation	27,2	20,3
Veterinary activities	5,3	3,4	Paper and paper products manufacturing	28,7	20,1
Food industry	6,6	6,0	Ancillary extraction services activities	29,3	40,2
Terrestrial transportation and pipeline transportation	6,6	14,0	Editing activities	30,4	22,5
Activities of tourism agencies, and tour-operators; other reservations and touristic assistance services	7,0	13,8	Electric equipment manufacturing	30,5	26,3
Hotels and other accommodation facilities	7,7	7,0	Substances and chemical goods manufacturing	31,7	25,3
Clothing manufacturing	7,8	4,1	Wood processing, wood and cork products' manufacturing, save furniture manufacturing	32,7	11,8
Wholesale and retail trade, vehicles and motorcycles maintenance and repair	7,9	5,5	Road transportation vehicles, trailers, and semi-trailers manufacturing,	34,6	25,3
Rental and leasing activities	8,1	12,9	Rubber and plastic goods manufacturing	35,9	19,1
Collecting, treating, and eliminating recovered waste. Recyclable materials	8,2	20,4	Computer, electronic and optical products manufacturing	37,3	30,5
Activities of the centralized administrative offices (headquarters), management and consulting activities in management	9,0	11,5	Water caption, treatment and supply	37,6	23,5
Computer, personal and household use articles repairs	9,9	13,0	Manufacturing of other transportation means	38,5	40,7

Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees	Sector	Cumulated in % from total turnover	Cumulated in % din from total number of employees
Restaurants and other food service activities	10,2	6,9	Machinery, tools and equipment manufacturing n.c.a.	40,4	24,1
Machinery and equipment repair, maintenance, and installation	10,7	21,2	Water transportation	45,6	42,7
Landscaping and building services' activities	11,3	10,3	Basic pharmaceutical products and pharmaceutical preparation manufacturing	48,1	38,1
Investigative and protection activities	12,1	11,5	Beverages manufacturing	53,4	36,9
Civil engineering works	13,0	16,2	Metallurgic industry	53,6	42,5
Secretarial office activities, support services and other service activities delivered to enterprises	13,6	14,6	Postal and courier services	54,7	69,5
Architectural and engineering activities: testing and technical analysis	14,9	10,0	Library, archive, museum activities and other cultural activities	56,1	35,3
Human health related activities	15,0	10,5	Superior and inferior coal extraction	61,3	94,5
Information technology service activities	15,3	14,5	Program broadcasting activities	65,0	66,9
Sports, recreational and entertainment activities	15,4	9,5	Decontamination activities and services	66,0	67,2
Electricity, heat, warm water, gas production and supply	15,6	42,6	Wastewater collection and treatment	66,4	50,6
Retail trade save for vehicles and motorcycles	15,9	11,9	Telecommunications	68,7	55,1
Textile manufacturing	17,2	17,8	Air transportation	89,2	85,9
Leather tanning and finishing, travel and leather articles manufacturing, harnesses, footwear, fur preparation and dyeing	18,1	10,2	Metallic ores extraction	93,3	85,6
Manufacturing of other non-metallic ores products	18,3	12,5	Crude oil and natural gas extraction	97,2	98,6
Other industrial activities n.c.a.	18,6	14,4	Coke products and oil processing	99,2	85,2
Warehousing and transportation ancillary activities	19,6	41,1	Tobacco products manufacturing	99,9	99,6
Legal and accounting activities	19,6	11,4			

Source: Data processing from Romania's Statistical Yearbook 2019, NIS, Bucharest

Annex 5: Main economic and financial indicators of companies (%)

	Turnover	Gross investment	Direct exports	GVA at factors' cost	Gross output of the exercise
2018					
Total	100,00	100,00	100,00	100,00	100,00
0 – 49	35,54	41,72	6,81	37,09	53,39
50 – 99	8,95	5,73	5,04	7,75	6,20
100 – 249	13,85	8,91	11,94	11,62	10,29
250 – 499	9,07	6,11	13,05	7,83	4,33
500 and over	32,59	37,53	63,16	35,72	25,79
2017					
Total	100,00	100,00	100,00	100,00	100,00
0 – 49	35,14	39,85	6,42	34,79	45,08
50 – 99	9,02	6,24	6,34	7,88	8,03
100 – 249	13,74	9,56	11,26	11,48	8,44
250 – 499	8,32	6,68	12,80	8,26	5,33
500 and over	33,78	37,66	63,19	37,59	33,13

Source: Data processing from Romania's Statistical Yearbook 2019, NIS, Bucharest

Annex 6: Main economic and financial indicators of companies, 20181)

	Turnover	Gross investment	Direct exports	GVA at factors' cost	Gross output of the exercise
Total	1526643	125945	227934	356322	94774
0 - 49	542584	52538	15526	132143	50604
50 - 99	136637	7219	11487	27630	5872
100 - 249	211463	11227	27213	41395	9749
250 - 499	138408	7692	29750	27885	4103
500 și peste	497550	47269	143958	127269	24445

Source: Statistical Yearbook of Romania, NIS, Bucharest, 2019

Annex 7: Total number of registrations in the first COVID-19 period

CAEN section denomination	Total no. of registrations over the period 01.01.2020 - 31.03.2020	Total no. of registrations over the period 01.01.2019 - 31.03.2019	Dynamics	Total no. of registrations over the period 01.03.2020 - 31.03.2020
Activities of private households as employer of household staff; activities of private companies in goods manufacturing and services for own consumption		1	-100,00%	
Administrative service activities, and support services activities	1416	2177	-34,96%	281
Show, cultural and recreational activities	831	1914	-56,58%	189

CAEN section denomination	Total no. of registrations over the period 01.01.2020 - 31.03.2020	Total no. of registrations over the period 01.01.2019 - 31.03.2019	Dynamics	Total no. of registrations over the period 01.03.2020 - 31.03.2020
Professional, scientific, and technical activities	2501	3874	-35,44%	599
Public administration and defense, public system social insurances	2	3	-33,33%	
Agriculture, forestry and fishing	1113	2122	-47,55%	343
Other service activities	1819	2717	-33,05%	347
Wholesale and retail trade, vehicles and motorcycle repairs	5839	8880	-34,25%	1218
Constructions	3550	4695	-24,39%	836
Water supply, sanitation, waste management, decontamination activities	76	139	-45,32%	16
Hotels and restaurants	1389	2404	-42,22%	314
Extractive industry	18	35	-48,57%	2
Manufacturing industry	1701	4696	-63,78%	344
Information and communications	1628	2115	-23,03%	399
Financial intermediation and insurances	250	333	-24,92%	64
Electricity, heat, gas, warm water and air conditioning production and supply	24	18	33,33%	8
Health care and social assistance	713	1239	-42,45%	140
Transport and warehousing	2961	3070	-3,55%	643
Real estate transactions	633	696	-9,05%	148
Education	665	906	-26,60%	132
Total	27129	42034	-35,46%	6023

Source: <https://www.onrc.ro/index.php/ro/statistici>

Annex 8: The evolution of the number of dissolutions during COVID-19 compared to the previous year, by counties

County	No. of dissolutions in period 01.01.2020 - 31.03.2020	No. of dissolutions in period 01.01.2019 - 31.03.2019	Dinamics	No of dissolutions in period 01.03.2020 - 31.03.2020
Alba	144	155	-7,10%	31
Arad	127	191	-33,51%	37
Argeş	232	220	5,45%	59
Bacău	241	241	0,00%	53
Bihor	166	242	-31,40%	35
Bistriţa-Năsăud	85	170	-50,00%	18
Botoşani	81	100	-19,00%	22
Braşov	391	227	72,25%	86

County	No. of dissolutions in period 01.01.2020 - 31.03.2020	No. of dissolutions in period 01.01.2019 - 31.03.2019	Dinamics	No of dissolutions in period 01.03.2020 - 31.03.2020
Brăila	226	236	-4,24%	95
București	1368	1445	-5,33%	347
Buzău	147	155	-5,16%	38
Caraș-Severin	81	182	-55,49%	13
Cluj	356	382	-6,81%	95
Constanța	436	423	3,07%	138
Covasna	70	48	45,83%	23
Călărași	47	83	-43,37%	14
Dolj	222	264	-15,91%	40
Dâmbovița	91	156	-41,67%	32
Galați	194	188	3,19%	40
Giurgiu	53	91	-41,76%	12
Gorj	96	106	-9,43%	14
Harghita	41	64	-35,94%	11
Hunedoara	212	177	19,77%	71
Ialomița	36	44	-18,18%	11
Iași	234	246	-4,88%	57
Ilfov	280	289	-3,11%	72
Maramureș	152	171	-11,11%	41
Mehedinți	47	47	0,00%	8
Mureș	136	136	0,00%	52
Neamț	103	97	6,19%	20
Olt	77	145	-46,90%	17
Prahova	263	250	5,20%	79
Satu Mare	116	107	8,41%	29
Sibiu	187	180	3,89%	79
Suceava	154	143	7,69%	27
Sălaj	83	93	-10,75%	19
Teleorman	66	105	-37,14%	18
Timiș	403	423	-4,73%	124
Tulcea	76	96	-20,83%	20
Vaslui	51	106	-51,89%	12
Vrancea	102	111	-8,11%	29
Vâlcea	100	172	-41,86%	30
Total	7773	8507	-8,63%	2068

Sursa: <https://www.onrc.ro/index.php/ro/statistici?id=250>

Annex 9: The evolution of the number of dissolutions during COVID-19 compared to the previous year, by field of activities (CAEN)

Version of CAEN	Activity	No. of dissolutions in period 01.01.2020 - 31.03.2020	No. of dissolutions in period 01.01.2019 - 31.03.2019	Dinamics	No. of dissolutions in period 01.03.2020 - 31.03.2020
1998	Entertainment, cultural and recreational activities	0	2	-100,00%	
	Professional, scientific and technical activities	1	11	-90,91%	0
	Agriculture, forestry and fishing	3	2	50,00%	2
	Wholesale and retail trade; repair of motor vehicles and motorcycles	5	5	0,00%	1
	Water distribution; sanitation, waste management, decontamination activities	1	1	0,00%	
	Hotels and restaurants	2	7	-71,43%	0
	Extractive industry		1	-100, 0%	
	Manufacturing industry	8	17	-52,94%	4
	Information and communications	3	5	-40,00%	2
	Transport and storage	41	52	-21,15%	14
Total			103		
Version from 1998		64		-37,86%	23
Version of 2003	Administrative and support service activities	3	2	50,00%	1
	Entertainment, cultural and recreational activities	12	23	-47,83%	2
	Professional, scientific and technical activities	72	89	-19,10%	26
	Agriculture, forestry and fishing	17	7	142,86%	4
	Wholesale and retail trade; repair of motor vehicles and motorcycles	55	52	5,77%	13
	Water distribution; sanitation, waste	1	9	-88,89%	1

Version of CAEN	Activity	No. of dissolutions in period 01.01.2020 - 31.03.2020	No. of dissolutions in period 01.01.2019 - 31.03.2019	Dinamics	No. of dissolutions in period 01.03.2020 - 31.03.2020
	management, decontamination activities				
	Electricity and heat, gas and water	0	1	-100,00%	
	Hotels and restaurants	23	18	27,78%	8
	Extractive industry	1	0		
	Manufacturing industry	42	29	44,83%	11
	Information and communications	35	31	12,90%	14
	Financial intermediation	5	2	150,00%	
	Financial intermediation and insurance	3	6	-50,00%	0
	Production and supply of electricity and heat, gas, hot water and air conditioning	1	0		1
	Transport and storage	141	169	-16,57%	49
	Education	4	8	-50,00%	2
Total Version of 2003		415	446	-6,95%	132
Version of 2008	activities of private households as employers of domestic personnel; activities of private households for the production of goods and services intended for their own consumption	1	2	-50,00%	0
	Administrative and support service activities	357	405	-11,85%	100
	Entertainment, cultural and recreational activities	166	183	-9,29%	38
	Professional, scientific and technical activities	716	768	-6,77%	177
	Public administration and defense; social insurance in the public system	3	1	200,00%	2
	Agriculture, forestry and fishing	179	209	-14,35%	48

Version of CAEN	Activity	No. of dissolutions in period 01.01.2020 - 31.03.2020	No. of dissolutions in period 01.01.2019 - 31.03.2019	Dinamics	No. of dissolutions in period 01.03.2020 - 31.03.2020
	Other service activities	264	251	5,18%	65
	Wholesale and retail trade; repair of motor vehicles and motorcycles	2172	2597	-16,37%	588
	Construction	797	816	-2,33%	199
	Water distribution; sanitation, waste management, decontamination activities	42	43	-2,33%	10
	Hotels and restaurants	453	466	-2,79%	107
	Extractive industry	6	4	50,00%	0
	Manufacturing industry	704	762	-7,61%	191
	Information and communications	386	388	-0,52%	106
	Financial intermediation and insurance	109	98	11,22%	26
	Production and supply of electricity and heat, gas, hot water and air conditioning	18	54	-66,67%	7
	Health and social work	128	158	-18,99%	48
	Transport and storage	523	467	11,99%	129
	Real estate transactions	185	189	-2,12%	55
	Education	85	97	-12,37%	17
Total Version of 2008		7294	7958	-8,34%	1913
Total		7773	8507	-8,63%	2068

Sursa: <https://www.onrc.ro/index.php/ro/statistici?id=250>

Annex 10: Main measures and instruments for counteracting the COVID-19 effects on the SME sector

Country	Type of support	Instrument	Description
Albania	Debts financing	New lending under concessional terms	The Albanian Central Bank imposed a three-month loan holiday for businesses/households affected by COVID-19.
Albania	Employment support	Support for informal or self-employed workers	Families developing self-employed activities will receive a special benefit equivalent to a state monthly-state wage
Albania	Employment support	Unemployment benefits	Unemployed will receive the doubled unemployment benefit
Austria	Business climate	Changes to bankruptcy, business closure, insolvency, business restructuring regulations	The threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands have been temporary increased
Austria	Debt finance	New schemes for credit guarantees	Guarantees of 100 million euro for loans to SMEs in the tourism sector to alleviate liquidity concerns
Austria	Debt finance	Credits in new conditions	Increasing liquidities with a value by 13 million Euro
Austria	Employment support	New working schemes	In case of "temporary, non-seasonal" economic difficulties (e.g. caused by a drop in sales), the employees of the company have the option of reducing their working hours by 10% to 90% for 3+3 months
Austria	Employment support	Wage subsidies as alternative to direct payments to individuals	Workers with children under 14 years of age can get additional leave up to three weeks. Until the end of April, the government will reimburse to employers one third of the wage for the workers taking this special leave.
Belgium	Debt finance	New and more generous credit guarantees of 100 million euro for loan guarantees	The purpose is to make easier for companies obtaining credits from banks for financing working capital
Belgium	Debt finance	Lending in new conditions	. Increasing liquidities with a value by 37 million euro
Belgium	Employment support	Labor force employment support	Support for informal or self-employed workers. Support for self-employed who are incapacitated for work at least for 8 days receive payment based on the health insurance system as of the first day
Belgium	Other financing	Support for companies needing to close or that have	Companies needing to close are entitled to a one-off payment of 4.000 euro, and

Country	Type of support	Instrument	Description
		reduced their activities	an additional compensation of 160 euro per day beyond 21 days as of closure.
Belgium	Payroll/social security/VAT taxes/ and taxes – rate reductions, credits, waivers, and/or deferrals	Self-employed affected by COVID-19 can submit a written request to the Social Insurance Fund to ask for deferral.	One-year postponement for paying the provisional social benefits, without increased charges and effects on benefits.
Bulgaria	Debt finance	Credit guarantees – new schemes with more generous guarantee levels	A sum amounting to 200 BGN was granted for portfolio guarantees to commercial banks so that these will be able to grant loans without interest in a value amounting up to 1500 BGN (760 EUR) to workers in unpaid leave.
Bulgaria	Debt finance	Credit guarantees – new schemes with more generous guarantee levels	The Development Bank from Bulgaria will receive 500 million BGN (250 million EUR) as additional capital for supporting companies affected by COVID-19 in two ways: portfolio guarantees to commercial banks and capital redemption by companies that are customers of the commercial banks (free financing).
Bulgaria	Debt finance	Credits in new conditions	Liquidity increases up to amounting 122 million EUR.
Bulgaria	Employment support	Wage subsidies (might be large or targeted, for instance apprentices) as alternative to direct payments to individuals	1 billion BGN allocated for the payment of 60% of workers' wages risking layoffs because of the crisis over a period of 3 months, provided that the employers cover the remaining 40%.
France	Business consulting	Mediation services (contracts, financing, etc.)	State guaranteed credit mediator, for reimbursement issues
France	Business costs	Utilities – reductions, direct or indirect payments (for instance, concession of taxes for suppliers/owners)	SMEs faced with difficulties will cease paying invoices for rental, electric energy, gas and water
France	Debt finance	Credits in new conditions	Liquidity increase amounting to 312 million EUR
France	Employment support	Subsidies for workers in sick leave	Covering the payment of medical leaves (without firm cost sharing) to workers who have to stay at home with children.
France	Employment support	Support for informal or independent workers	A 1500 EUR transfer granted to self-employed and other SMEs as part of the solidarity fund.
France	Employment support	Support for informal or self-employed workers	Supporting self-employed workers faced with strong drops in their turnover (loss of up to 70% between March 2020 and March 2019)

Country	Type of support	Instrument	Description
France	Employment support	Unemployment benefits	Unemployed workers will continue receiving indemnities, and the period of activity confinement will not be calculated regarding the unemployment benefit rights.
France	Employment support	Wage subsidies, (can be higher or targeted, for instance apprentices) as alternative to direct payments to individuals.	Extending the short-time working schemes (including household work) by higher coverage of payments to workers
France	Employment support	Wage subsidies	Special unemployment benefits for employees who ceased work. The company compensates 70% of the gross wages (about 84% from net). The minimum wages are 100% compensated. The company will receive integrally from the state amounts for those earning a monthly gross wage of up to 6.927 euro.
France	Other finance	Support for companies that need to close or reduced their activities	Coverage of small businesses (turnover <1 M €) and micro-entrepreneurs registering a strong drop (loss of 70% between March 2020 and March 2019) or are subject to administrative closure.
France	Tax	Payroll/social security/VAT taxes/ and taxes – rate reductions, credits, waivers, and/or deferrals	Postponement of contributions to social insurances and corporate tax on profit/personnel tax payments for companies and entrepreneurs.
Germany	Business climate	Changes to bankruptcy, business closure, insolvency, business restructuring regulations	The insolvency application will be suspended for a period up to 30 September 2020 for companies facing difficulties related to the COVID-19 crisis.
Germany	Debt finance	Credit guarantees – new schemes with more generous guarantee levels	Up to 550 billion EUR in loan guarantees
Germany	Debt finance	New credits in concessional conditions	Increasing liquidities to amount 328 million EUR
Germany	Debt finance	New credits in concessional conditions	The entire federal government authorized the State Bank (a bank run by the government but not a central bank) to grant loans of up to 610 billion USD to companies for alleviating the COVID-19 effects.
Germany	Employment support	New work schemes	Additional extensions regarding short-time work regulations allow companies to keep their employees instead of laying them off. The employees work a shortened number of hours and receive

Country	Type of support	Instrument	Description
			60% of the wage from employer for up to 12 months (and the government pauses the public contributions to social insurances). The workers with children gain 67% of the wage.
Germany	Employment support	New work schemes	Reduced hours compensation benefits are available to temporary/agency workers. The complete reimbursement of contributions to social insurances is made by the Federal Labor Office.
Germany	Employment support	Subventions for employees sick-leave	In case that the Infection Protection Law is enforced, for the first six weeks, the sum paid for medical leave corresponds to the net wage; subsequently the sum is equal to medical leave benefits.
Germany	Employment support	Support for informal workers or self-employed workers such as artists and nurses who will receive direct subsidies of up to 15.000 euro over a 3 months.	A total of 50 billion EUR is planned for this purpose.
Germany	Employment support	Support for informal workers or self-employed	Self-employed will receive compensation for loss of earnings based on profits determined according to the tax declaration of the preceding calendar year.
Germany	Employment support	Wage subventions as alternative to direct payments to individuals.	. Employees who cannot work will continue receiving their wage, and the employers will be reimbursed by the federal government. The wages are paid also during the quarantine.
Italy	Business consulting	Vouchers for remote business services (e.g. purchase of goods and services)	The simplification of rules applied to tenders aimed at purchasing laptops for teleworking in the public sector.
Italy	Debt finance	Credit guarantees – new schemes, more generous guarantee levels	The government will create a guarantee line of 300 billion for new bank loans contracted by companies (especially SMEs).
Italy	Debt finance	Credit guarantees – new schemes, more generous guarantee levels	Increased flexibility of the public guarantee fund for credits to SMEs (including the easing of eligibility criteria, the increase of the maximum guarantee to 5 million EUR, tax removal).
Italy	Debt finance	Reimbursement postponement	Deferral, restructuring and rescheduling reimbursement payments provided for SMEs' loans. The granted credit lines are put under moratorium preventing

Country	Type of support	Instrument	Description
			diminishments or withdrawals made by lenders.
Italy	Debt finance	New credits – in concessional conditions	Increasing liquidity to the value of 853 million EUR
Italy	Employment support	New work schemes	New short-term work schemes extended to all companies
Italy	Employment support	Subsidies for employees' sick leave.	The parents of children less than 12 are allowed to take up to 15 days leave (combined) as of 5 March 2020 while receiving 50% from the wage paid by the state. The absence because of quarantine is considered sick leave with costs paid by the state.
Italy	Employment support	Subvențiile pentru concediul medical pentru angajați Employees' sick leave subsidies	Quarantine, if imposed by medical authorities and the work leave for disabled/immunocompromised individuals is considered as sick leave; the payments covered usually by the employers are financed by the state.
Italy	Employment support	Support for informal or self-employed workers	A lump sum of 600 euro, tax exempted, is provided for most self-employed, and seasonal workers from the tourism sector, agricultural workers, workers in the arts' and show sector; and 100 euro for employees with incomes below average.
Italy	Employment support	Targeted expenditures programs (sector, or region)	A bonus of 600 EUR for self-employed workers or professionals, including workers in agriculture, tourism, and culture. Applications are open as of 1 April.
Italy	Wage subsidies (may be large or targeted, for instance apprentices) as alternative to direct payments to individuals	For discouraging layoffs during the crisis, the employees of companies that suspended their activities are entitled to a benefit representing 80% of the wage paid by the state.	The measure follows to be valid for a period of up to nine weeks and no longer than August 2020.
Italy	Other finance	Support for companies that need to close, or diminished their activities.	700 million euro are provided for as measures for supporting air companies in difficulty (and support for the incomes of their workers), Alitalia and Air Italia.
Italy	Other finance	Support for companies that need to close, or diminished their activities.	Money provided for companies affected by COVID-19.
Romania	Debt finance	Credit guarantees	New financing schemes provided for SMEs, at more generous guarantee levels – 16 billion RON (about 3.3 billion

Country	Type of support	Instrument	Description
			EUR) for supporting SMEs affected by COVID-19, covering the state guarantees for investments and working capital loans.
Romania	Debt finance	Existing credits with small loans, or interest free, deferred reimbursements, requests for smaller guarantees	NBR encourages banks on a case-to-case basis to ease the rates for current credits and facilitate access to the new financing lines.
Romania	Other finance	Grants	Assuring 16 billion RON (about 3.3 billion EUR) for supporting SMEs affected by the coronavirus hotspot that covers direct subsidies

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