

NATIONAL  
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ROMANIA

# Survey on the access to finance of non-financial corporations in Romania

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December 2024

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National Bank of Romania

25, Lipscani St., 030031 Bucharest – Romania

Phone: +40 21/312 43 75; fax: +40 21/314 97 52

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# Overview

The *Survey on the access to finance of non-financial corporations in Romania* (hereinafter “the *Survey*”) captures the real sector’s opinions<sup>1</sup> on: (i) the most pressing problems that firms faced in their activity, (ii) financing cost, and (iii) the implications of a possible appreciation/depreciation of the domestic currency.

The main conclusions of the analysis are:

- The local firms’ view on their own economic and financial standing was assessed to be broadly unchanged for the period from April to September 2024. The opinion on the company’s development prospects became slightly more optimistic than in the year-earlier *Survey*, with 16 percent of firms reporting an improvement thereof and 54 percent a constant evolution.
- Similarly to the latest rounds, respondents flagged high costs (production costs, labour costs, etc.) as the most pressing problem they faced over the past six months. Large companies cited this problem to a larger extent than SMEs (56.3 percent versus 54 percent), the same as for the availability of staff. Specifically, finding adequately skilled staff was indicated as a pressing problem by more than half (54 percent) of large companies and by 36 percent of SMEs.
- Some 19 percent of non-financial corporations (up 5.4 percentage points against the previous survey round) indicated access to finance as a pressing or very pressing problem. However, it remains one of the least relevant problems, becoming the second least important issue, ahead of insolvency.
- Local non-financial corporations’ confidence in the domestic banking sector is further largely moderate, with a higher degree of confidence among large companies than in the case of SMEs.
- At aggregate level, 26 percent of non-financial corporations (on a decline versus 31 percent a year earlier) deemed that the level of the financing cost would affect their repayment capacity and/or activity.
- As firms have become increasingly aware of the interest rate risk, especially in the post-pandemic period when interest rates went up significantly, the majority of respondents (77 percent) that took a loan from banks or NBFIs over the past year or that contemplate tapping funds in the future said they had either opted or would opt for a fixed-rate loan.

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<sup>1</sup> The sample underlying the *Survey* comprises approximately 11,000 non-financial corporations, being representative at national and regional levels. Firms included in the survey were extracted using specific statistical procedures, in compliance with the following criteria: (i) firm size class (micro-enterprises, small enterprises, medium-sized enterprises and large companies), (ii) economic activity (based on NACE Rev. 2), and (iii) development regions. The *Survey* is conducted by the NBR twice a year, usually in March and September.

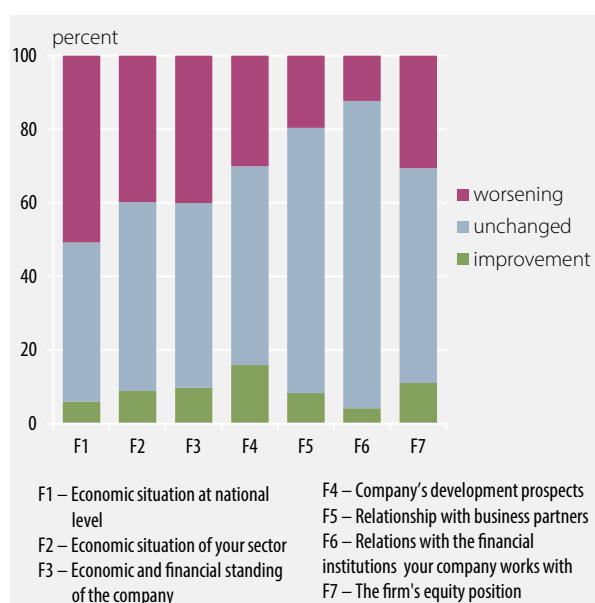
- The financing cost of non-financial corporations in Romania has embarked on a downtrend as of end-2022. In this context, most of the surveyed firms (61 percent) that took leu-denominated loans currently report an interest rate ranging between 5 percent and 9 percent.
- According to a third of respondents with domestic currency credit, a 1-3 percentage point increase in the interest rate on outstanding loans would affect their activity and/or repayment capacity.
- Most of the surveyed firms (64 percent, marginally up from the previous round) that took EUR-denominated credit report an interest rate ranging between 2 percent and 6 percent, with this share rising to 69 percent in the case of large companies.
- Around 15 percent of SMEs and 12 percent of large companies participating in the *Survey* said that the current level of the interest rate on EUR-denominated loans already affected their activity or repayment capacity.
- The exchange rate impact on the firms' financial results varies depending on each company's financial and operational structure, but also on currency risk management policies. The financial results of 26 percent of local non-financial corporations can be negatively affected by the domestic currency depreciation against the euro, on a decline compared with the previous round (35 percent in September 2023).
- Firms can use a number of currency exposure strategies for hedging against risks associated with exchange rate fluctuations. Nevertheless, 9 percent of firms are exposed to currency risk, yet do not use any hedging method.
- As for the expectations on developments in the exchange rate of the domestic currency versus the euro over the next six months, the largest share of local firms (62 percent) saw the trajectory remaining almost constant, while 26 percent envisaged a relative increase.

# A. Access to finance of non-financial corporations

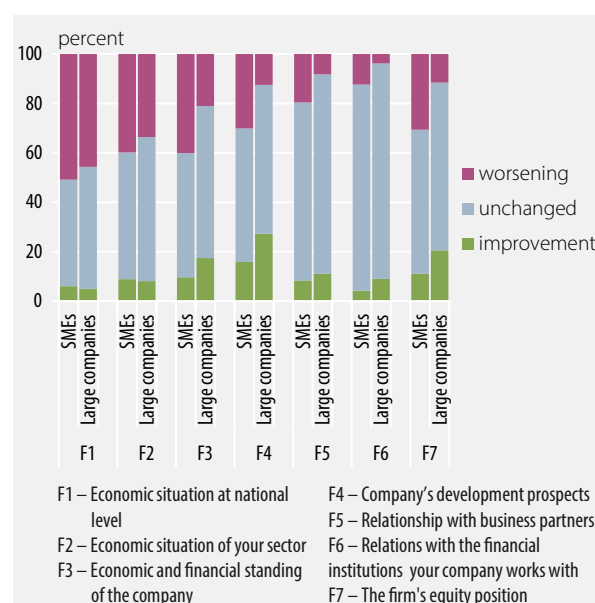
## Developments in key factors influencing firms' activity

The macroeconomic environment domestically and globally is further uncertain, amid the escalation of geopolitical tensions and the step-up in armed conflicts on the international stage. The activity of local firms is impacted by these developments, albeit less strongly than in previous survey rounds (September 2023 and March 2024). An increasingly smaller share of respondents flagged a worsening of the economic picture at national level in the past six months (slightly more than half of the firms, i.e. on the wane versus 56 percent in March 2024 and 64 percent in September 2023). The perception on the economic and financial standing of the company is mixed, with 50 percent of respondents signalling no changes in the past six months<sup>2</sup> and 40 percent flagging a worsening. Respondents' opinion on the company's development prospects turned slightly more upbeat. Specifically, 16 percent of firms pointed to an improvement in prospects and 54 percent saw no changes, i.e. on the rise against the year-earlier survey round, when 14 percent had reported an improvement and 56 percent no changes in development prospects (Chart 1).

**Chart 1.** Non-financial corporations' perception on the macroeconomic picture, the evolution of the business sub-sector or of the enterprise, April through September 2024



**Chart 2.** Non-financial corporations' perception on the macroeconomic picture, the evolution of the business sub-sector or of the enterprise, by company size, April through September 2024



<sup>2</sup> The past six months that the survey questions refer to are April-September 2024.

The low capitalisation of firms is one of the structural vulnerabilities to financial stability in Romania, with direct implications for payment discipline and access to finance. The survey findings on equity show an increase in the share of firms citing a deterioration in the past six months (30.6 percent in 2024 Q3 against 21.3 percent in 2024 Q2 and 13.6 percent in 2023 Q3). These assessments are in line with the evolution of the number of undercapitalised firms (9 percent annual advance), which accounted for 31 percent of total firms economy-wide at end-2023.

To a larger extent than in previous survey rounds, the majority of firms (83 percent) were of the opinion that their relationship with financial institutions remained unchanged. However, a worsening trend is noticeable as regards the relationship with business partners (19.5 percent, up 4.5 percentage points versus September 2023), although the majority of respondents further cited a constant evolution of this factor. Looking at the euro area<sup>3</sup>, firms saw a deterioration in their profits for the period from April to September 2024, to a larger extent compared with the previous quarter's survey round, with the highest pressures coming from the increase in net costs for materials, energy, but also from higher labour costs (net percentage of 59 percent, a 6 percentage point quarterly rise).

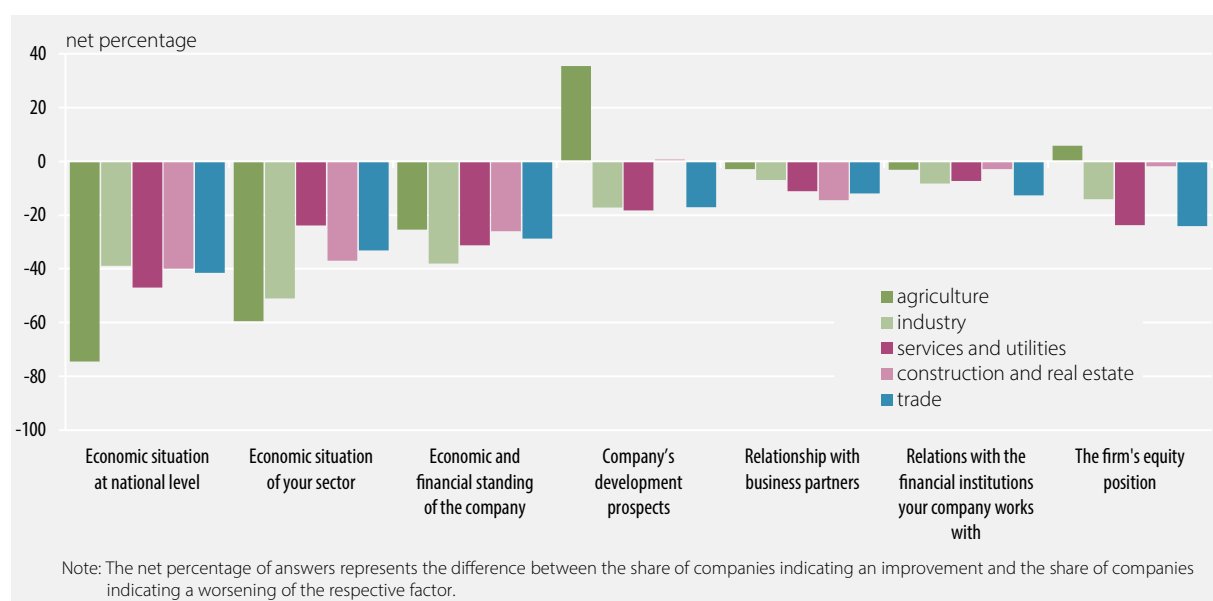
Large companies' assessments point to better performance compared with SMEs in terms of both the economic and financial standing of the company and the development prospects. The share of respondents painting a more favourable picture in these respects is almost double for large companies compared to that for SMEs (17 percent of the former versus 9.7 percent of the latter envisage an improvement in the firm's economic standing), and the gap is on the rise from the previous survey round (Chart 2). Such discrepancies are also observed when it comes to the relationship with business partners and with financial institutions, as well as to the firm's equity, where large companies signalled improvements in much wider shares than SMEs. The latter, more affected by the recent economic developments, such as the increase in financing cost, and less resilient to shocks, assessed the aforementioned factors rather as worsening.

Firms perceive the impact of the economic situation differently by economic sector. According to the net percentage of answers<sup>4</sup>, firms in agriculture make up the largest shares of those considering that the economic situation deteriorated both at national level and in their sector (-74 percent and -59 percent respectively), but are more optimistic about development prospects (net percentage of +35 percent). On one hand, firms in trade and services and utilities accounted for the largest share of respondents citing an improvement in their respective sector's economic situation (11 percent each against 9 percent at aggregate level), with agriculture firms standing at the opposite end (0.4 percent). On the other hand, the two sectors – i.e. trade and services and utilities – painted the most unfavourable picture of the company's development prospects and equity (Chart 3).

<sup>3</sup> *Survey on the access to finance of enterprises (SAFE)*, European Central Bank, June 2024.

<sup>4</sup> The difference between the share of companies indicating an improvement and the share of companies indicating a worsening of the respective factor.

**Chart 3.** Non-financial corporations' perception on the macroeconomic picture, the evolution of the business sub-sector or of the enterprise, by main economic sector, April through September 2024



The sectoral breakdown is relatively similar to that reported in the previous *Survey*. As a notable exception, respondents signalled to a larger extent the deterioration of the relationship with business partners in the case of construction firms (+1 percent net percentage in 2024 Q2 versus -14 percent in 2024 Q3), as well as of the relationship with financial institutions (from +11 percent to -3 percent).

### The most pressing problems faced by companies

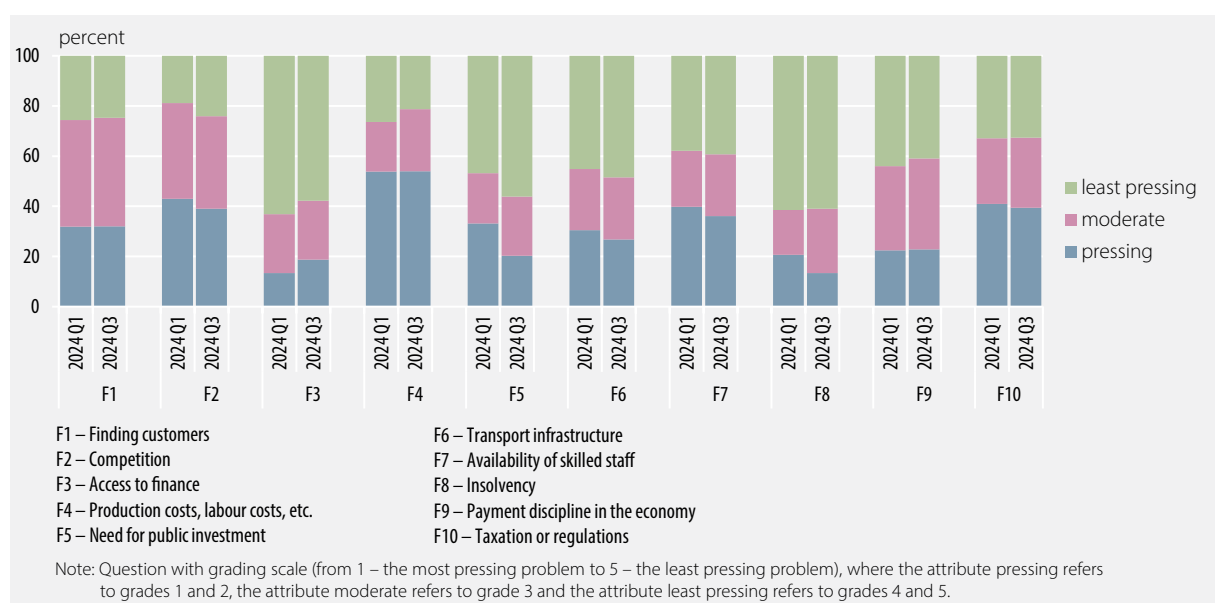
As of 2023, the significant rises in labour costs have been visible in the balance sheets of companies in most economic sectors, having a negative impact on their financial standing. Although the pace of increase of unit labour costs declined to 19.5 percent in Q2 (-2.3 percentage points from the first three months of the year), amid developments in compensation of employees and labour productivity, the annual dynamics remained swift from a historical perspective<sup>5</sup>. Similarly to the latest *Surveys*, firms cited high costs (production costs, labour costs, etc.) as their most pressing problem over the previous six months. Around 54 percent of companies deemed that the level of costs was a pressing or very pressing problem, slightly on the wane compared to the last two *Surveys* (Chart 4). Large companies identified this problem to a greater extent than SMEs (56.3 percent versus 54 percent), along with the workforce availability, on which the two types of firms had the biggest difference of opinion (54 percent of large companies and only 36 percent of SMEs indicated greater difficulty in finding the necessary workforce).

By economic sector, staff costs (and other costs) and workforce availability had the strongest impact on companies in construction and real estate (64 percent and 63 percent respectively), i.e. on a rise from the previous *Survey*, when firms in

<sup>5</sup> November 2024 *Inflation Report*

industry reported cost pressures to the largest extent. These developments were in line with those identified by companies across the euro area<sup>6</sup>, where higher labour costs were indicated by 63 percent (net percentage) of large companies and by 57 percent (net percentage) of SMEs.

**Chart 4.** The most pressing problems faced by non-financial corporations April through September 2024



The next-in-line challenge, in terms of importance, identified by firms over the past six months, relates to taxation issues or applicable regulations, being faced to a greater extent by large companies (44.6 percent) than SMEs (39.5 percent).

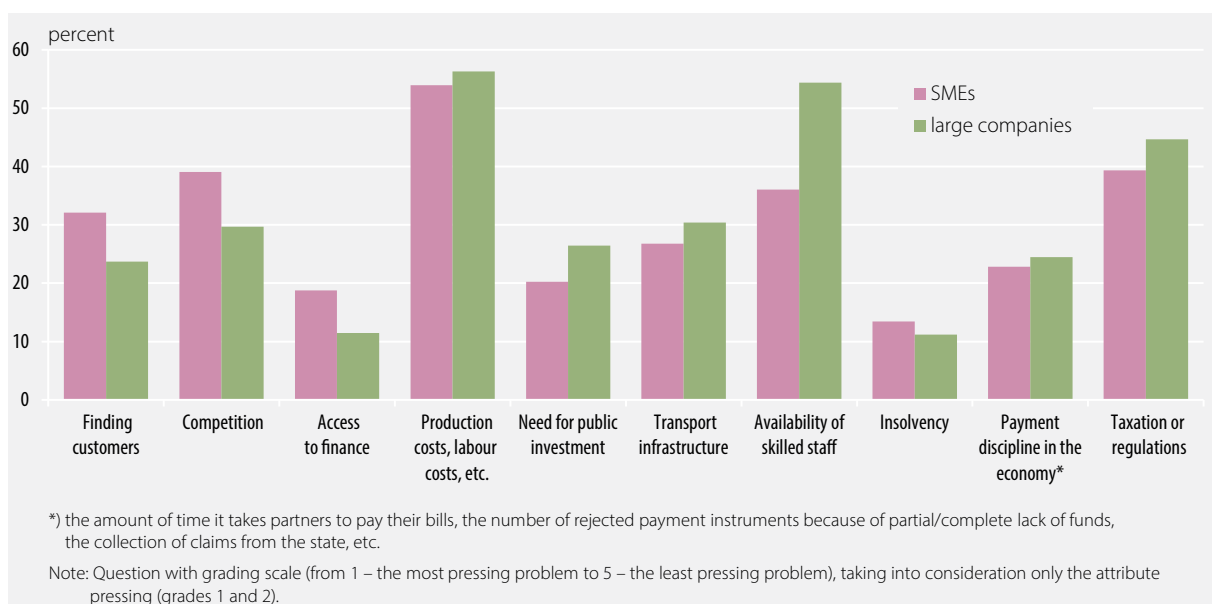
Taxation issues remained as important as in the previous *Survey* (40 percent), yet they exceeded competition-related problems, which held a larger share at that time, especially according to SMEs (Chart 5).

Relative to the main taxation problems, according to local firms, the elevated level of fees and taxes came first, the same as six months ago, as indicated by approximately 62 percent of firms. The high number of fees was next in line in terms of importance (51 percent, up 2 percentage points), followed by fiscal unpredictability and bureaucracy (each accounting for 47 percent of answers). By firm size class, small-sized enterprises were more concerned about high taxation and the large number of fiscal measures, especially companies in construction and industry (75 percent and 68 percent respectively), whereas large companies were rather affected by the unpredictability of the fiscal environment. By economic sector, bureaucracy exerted stronger pressure on firms in industry (64 percent compared to 47 percent in total) (Chart 6). Together with trade companies, they were most strongly affected by bureaucracy (e.g., the large number of reports) and the high number of various fees, taxes, and excise duties applicable. Improving the predictability of fiscal measures is an important part in attracting investments

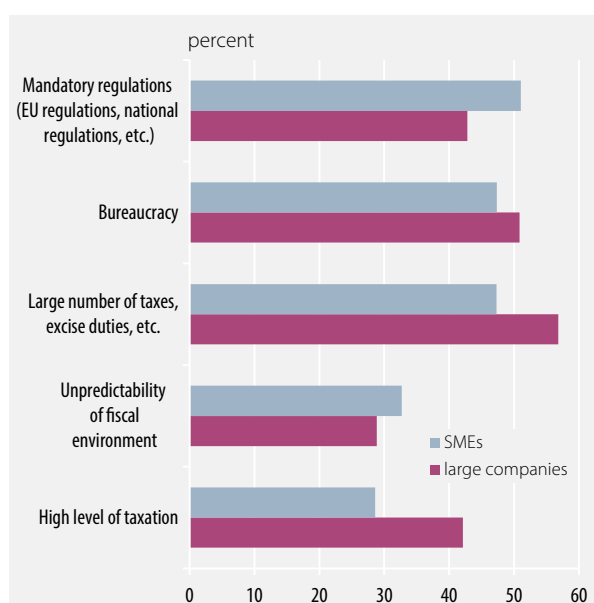
<sup>6</sup> *Survey on the access to finance of enterprises (SAFE)*, European Central Bank, June 2024.

in local businesses and a way to support firms' financial health. According to the European Investment Bank's report at end-2023, Romania ranked in the bottom half in terms of the impact of regulations on long-term investment decisions, with 68 percent of responding firms perceiving Romanian regulations as a major obstacle, compared to the EU average of 61 percent. Denmark and Hungary recorded the best results (29 percent and 40 percent respectively), whereas Portugal and Greece ranked last (83 percent and 81 percent respectively).

**Chart 5.** The most pressing problems faced by SMEs and large companies April through September 2024



**Chart 6.** Main taxation or regulation issues for SMEs and large companies April through September 2024



The next-in-line challenges in terms of importance for companies in Romania overall were competition and workforce availability (39 percent and 36 percent respectively), both declining by around 4 percentage points from the previous *Survey* and by 6.5 percentage points from September 2023 (Chart 5). Firms in construction identified to the greatest extent the lack of availability of skilled staff (63 percent), followed at a considerable distance by firms in agriculture (38 percent). Depending on the technological intensity specific to the firms' activity, the results of the *Survey* on the problem of workforce availability showed, contrary to expectations, that companies in low-tech and less knowledge-intensive service sectors faced challenges in finding skilled staff to a greater extent than those in high-tech and knowledge-intensive service sectors (low-tech firms – 58 percent, less knowledge-intensive services – 49 percent versus high-tech firms – 55 percent, knowledge-intensive services – 43 percent).

A notable development in this round of the *Survey* compared to the previous one is the increasing importance of access to finance among firms' problems. This has reached approximately 19 percent, up 5.4 percentage points, thus becoming the second least important factor ahead of insolvency (either their own or of their business partners), which fell 7 percentage points to 13.4 percent.

The regional analysis of the pressing problems facing companies paints a picture of Romania's structural issues and of the disparities across the regions. Specifically, firms in the Centre, West and North-West regions believed, to the greatest extent, that the transport infrastructure and the low level of public investment had a low or very low impact on the company, in contrast to the firms in the South-Muntenia and South-West regions, most of which indicated these factors as a problem. Companies in the Bucharest-Ilfov region gave the largest share of answers that pointed to high costs (production costs, labour costs, etc.) as their top issue, in contrast to firms in the Centre region, which ranked this factor the lowest among the rest of the regions (63 percent compared to 42 percent). It is to be noted that the impact of access to finance was assessed significantly differently, with companies in the Centre region viewing access to finance as having a low or very low impact (95 percent), followed by those in the South-East and North-East regions (76 percent and 61 percent respectively) compared to firms in the South-West and South-Muntenia regions that viewed access to finance, to a larger extent, as possibly having an impact on the company (41 percent and 42 percent respectively). Payment discipline in the economy posed difficulties especially for firms based in the Bucharest-Ilfov or South-West regions, unlike companies in the Centre region that experienced the least pressing problems in this respect (36 percent and 32 percent respectively versus 10 percent).

### Confidence in the Romanian banking sector

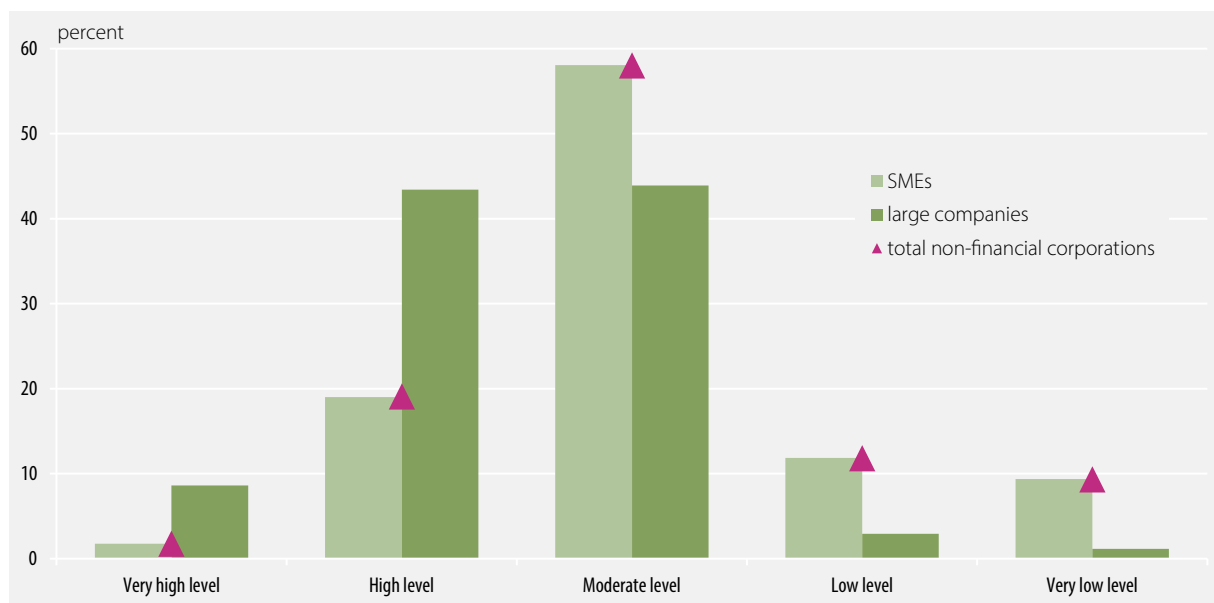
Local non-financial corporations' confidence in the Romanian banking sector was further moderate, the share of companies that assess it as such being slightly higher than in the previous year's *Survey* (58 percent, up 1 percentage point from the same period in 2023). Due to low financial intermediation, Romania continues to rank last among EU countries in terms of bank assets as a share of GDP; efforts must be made for the sustainable growth of financial intermediation and for the shift towards a higher value-added economy<sup>7</sup>. By firm size class, unlike a year earlier, large companies are more confident than SMEs (Chart 7).

Confidence in the banking sector also differs across economic sectors. Specifically, responses of firms in agriculture were the most polarised, with the highest percentages of confidence (46 percent – high or very high confidence), as well as the lowest (29 percent – low or no confidence). Looking at net percentages (the difference between the share of firms with high or very high confidence and

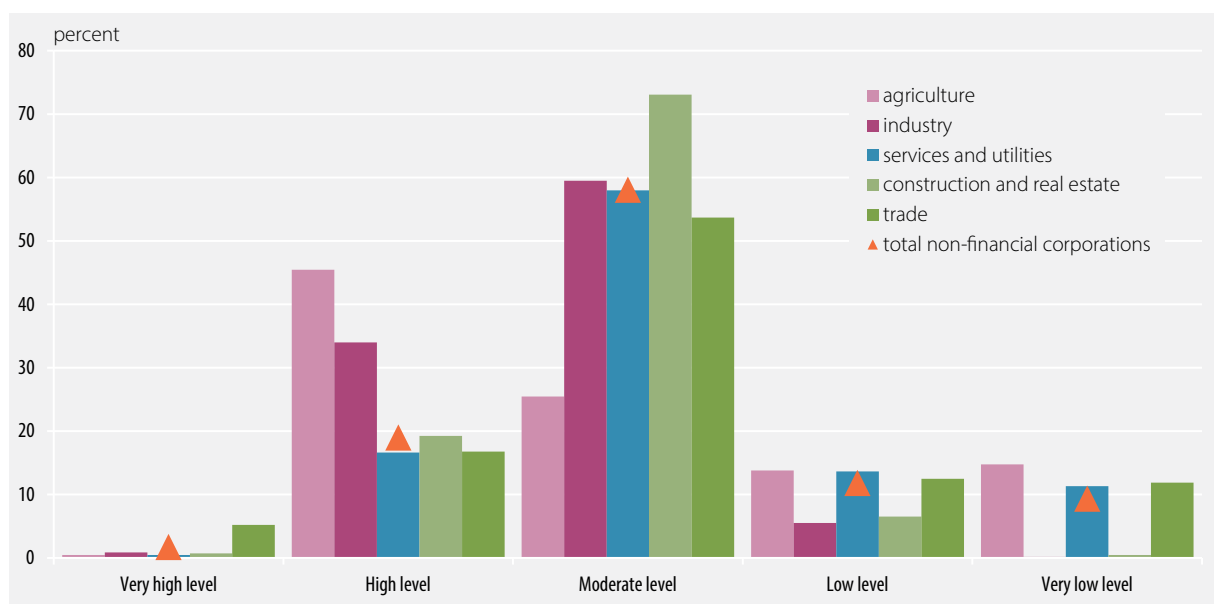
<sup>7</sup> NCMO Recommendation No. R/3/2022 on the sustainable increase in financial intermediation and the Analysis of NCMO Working Group on sustainable increase in financial intermediation.

the share of firms with low or very low confidence), companies in industry were the most confident in the banking system, followed by those in agriculture and construction, while firms in services, utilities, and trade were the least confident (Chart 8).

**Chart 7.** Level of confidence in the Romanian banking sector from the perspective of initiating or conducting business relations by company size



**Chart 8.** Level of confidence in the Romanian banking sector from the perspective of initiating or conducting business relations by economic sector



## B. Companies' capacity to withstand adverse financial developments

### B1. COMPANIES' PERCEPTION ON SOME ADVERSE DEVELOPMENTS IN THE COST OF FINANCING (INTEREST RATE)

Similarly to prior surveys, more than half of local firms stated they did not need financing from banks or NBFIs (53.6 percent), with the share of large companies narrowing to 44 percent. By economic sector, companies in trade considered, to the largest extent, that they did not need funding from credit institutions or NBFIs (59.1 percent), whereas firms in agriculture stood at the opposite end (4.7 percent). By contrast, the level of the financing cost would not matter in the decision to access financing in the case of 7.5 percent of companies, i.e. up from the previous *Survey* (4.5 percent in September 2023), with the share of firms in agriculture increasing to 10.7 percent.

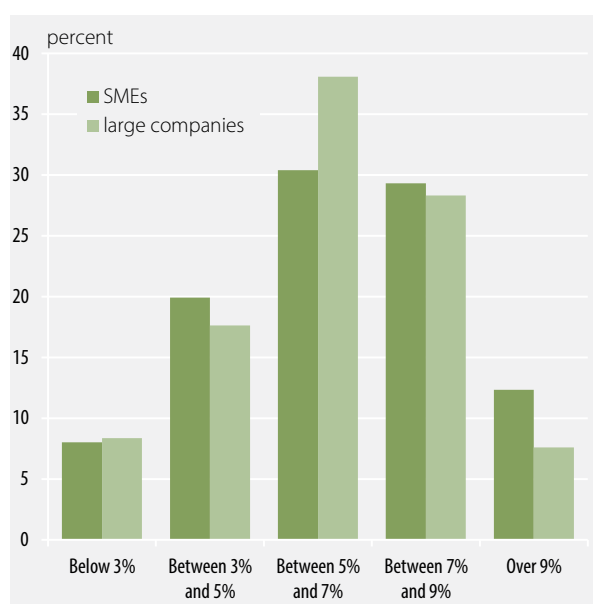
At aggregate level, 26 percent of non-financial corporations deemed that the level of the financing cost would affect their repayment capacity and/or activity, a share that narrowed from 31 percent a year earlier. By economic sector, firms in agriculture stated, to the largest extent, that they would be affected by the financing cost (51 percent), up from 45 percent in the previous round.

Non-financial corporations with outstanding bank loans are exposed to a higher degree to interest rate risk, 94 percent of loans (data as at September 2024 provided by the Central Credit Register) being variable-rate loans. Becoming aware of this risk, especially in the post-pandemic period when interest rates increased significantly, most firms (77 percent) that took out a loan from banks or NBFIs over the past year or wish to take loans in the future reported that they opted or would opt for a fixed-rate loan.

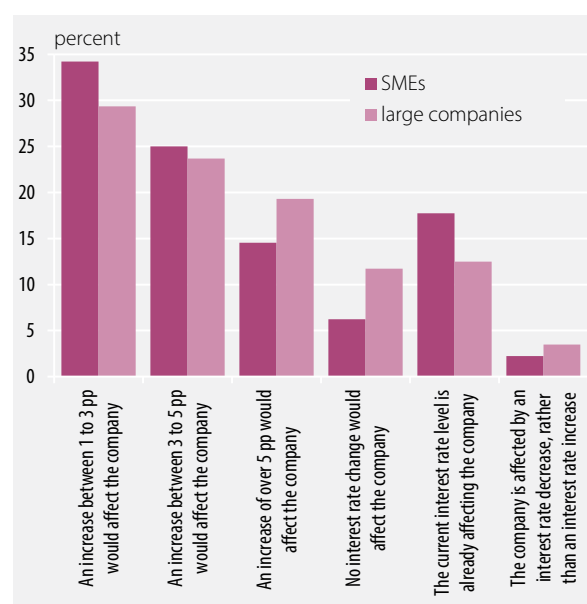
The financing cost of non-financial corporations in Romania has been on a downward trend since the end of 2022. Specifically, the interest rate on new leu-denominated loans granted by banks to non-financial corporations dropped to 7.95 percent in September 2024 from 8.92 percent in September 2023. In this context, most firms surveyed (61 percent) reported an interest rate on leu-denominated loans between 5 percent and 9 percent, Chart 9. At the same time, the share of firms with outstanding leu-denominated loans the interest rate on which exceeds 9 percent decreased compared to the previous *Survey* (12 percent in September 2024 compared to 15 percent in September 2023). Moreover, the share of firms with outstanding leu-denominated loans that are already affected by the interest rate level is also on a decline, i.e. 17 percent, from 21 percent in September 2023; for large companies the percentage is lower (12 percent, Chart 10). A third of respondents that took leu-denominated loans stated that their activity

and/or loan repayment capacity would be affected if the interest rate on outstanding loans were raised by 1-3 percentage points. At the same time, 15 percent of firms consider that they are more resilient to interest rate increases, being affected only by interest rate hikes of more than 5 percentage points, i.e. a steady share compared to the previous round.

**Chart 9.** Average interest rate on leu-denominated loans held by non-financial corporations, September 2024

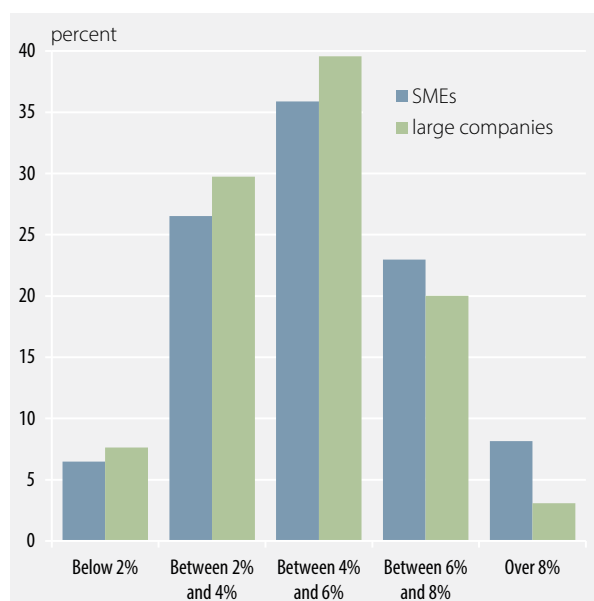


**Chart 10.** Non-financial corporations' perception on potential future changes in the interest rate on leu-denominated loans, September 2024

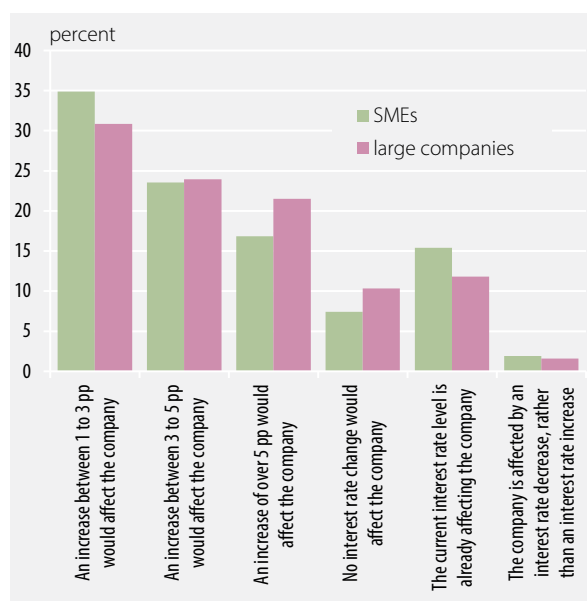


Non-financial corporations' exposure to currency risk remains high, with 44 percent of bank loans taken being denominated in foreign currency (September 2024), mostly in euro (97 percent). In the international context, the cost of euro borrowing for non-financial corporations in Romania is above the euro area average (6.08 percent versus 4.8 percent in September 2024), yet below that in some euro area countries (6.7 percent in Estonia, 6.2 percent in Latvia). According to the findings of this *Survey*, the largest share of the respondents (64 percent, i.e. marginally higher than in the previous survey round) that took EUR-denominated loans reported an interest rate between 2 percent and 6 percent, the share rising to 69 percent for large companies, Chart 11. Small- and medium-sized enterprises have a lower bargaining power on the cost of financing, with a larger share of them recording interest rates on EUR-denominated loans above 6 percent (31 percent versus 23 percent for large companies), yet relatively steady compared to the previous *Survey*. About 15 percent of SMEs and 12 percent of large companies admitted being affected by the current level of the interest rate on EUR-denominated loans, Chart 12. Moreover, for 35 percent of SMEs and 31 percent of large companies with outstanding EUR-denominated loans, an interest rate hike of 1-3 percentage points would significantly affect the company's activity and/or its debt repayment capacity. Only 7 percent of SMEs and 10 percent of large companies reported they were hedged against the interest rate risk on euro borrowing, being unaffected by the interest rate changes.

**Chart 11.** Average interest rate on EUR-denominated loans of non-financial corporations with outstanding loans in euro, September 2024



**Chart 12.** Non-financial corporations' perception on the impact of potential future changes in the interest rate on EUR-denominated loans, September 2024

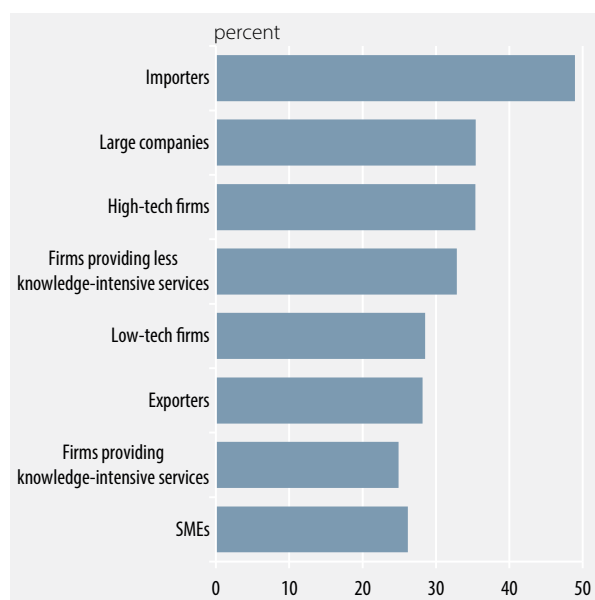


## B2. COMPANIES' PERCEPTION ON ADVERSE EUR/RON EXCHANGE RATE DEVELOPMENTS

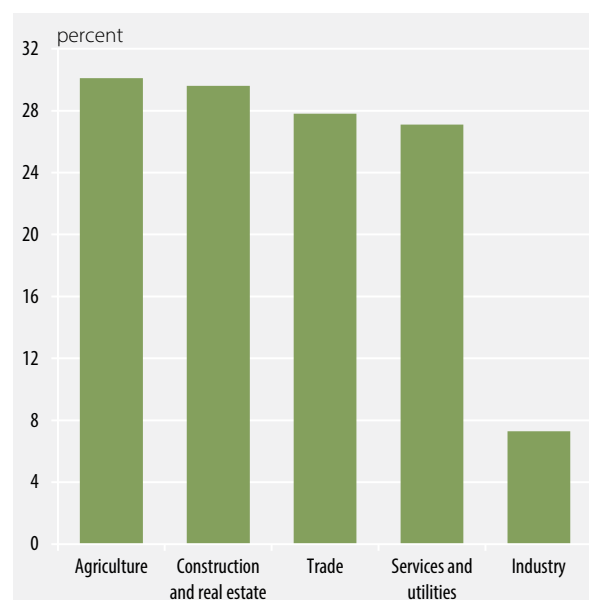
The EUR/RON exchange rate has remained relatively steady since the beginning of the year, with slight fluctuations stemming from the uncertainties surrounding the fiscal consolidation process, from the volatility in international financial markets, political events in Europe and the rising tensions in the Middle East.

The impact of the exchange rate on firms' results is influenced by the financial and operational structure of each company, but also by the foreign exchange risk management policies. Companies with significant foreign exchange exposure may have more volatile results in the absence of effective risk hedging strategies. According to the current *Survey*, for 26 percent of local non-financial corporations, financial results are adversely affected by the depreciations of the domestic currency against the euro, down from 35 percent in the September 2023 round. By firm size class, the negative impact of the depreciation of the domestic currency against the euro affects large companies more than it affects SMEs (35 percent compared to 26 percent); by foreign trade activity, a larger share (49 percent) of importers than exporters point out the negative influence on their financial results, Chart 13. The impact of the exchange rate also varies by economic sector, with agriculture, construction and real estate being the most affected by the increase in the exchange rate of the leu versus the euro (30 percent of firms), while at the opposite end stands industry (7 percent), Chart 14.

**Chart 13.** The share of firms that consider that the depreciation of the domestic currency against the euro affects their financial results, by size, foreign trade activity and technology and knowledge integration, September 2024



**Chart 14.** The share of firms that consider that the depreciation of the domestic currency against the euro affects their financial results, by economic sector, September 2024

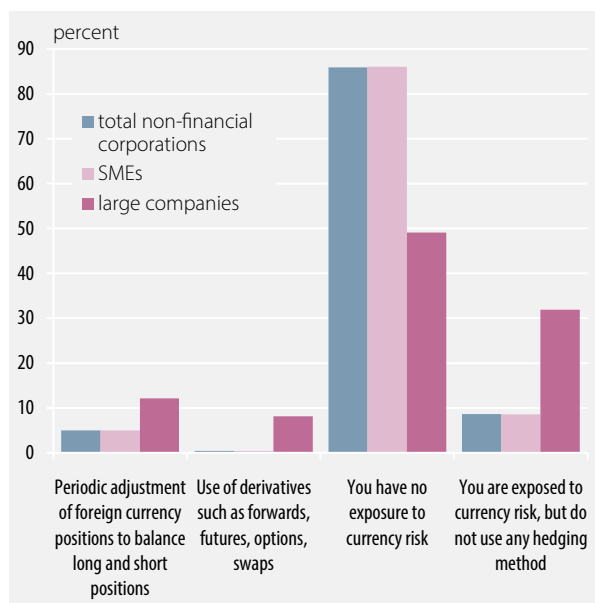


In order to hedge against the risks associated with exchange rate fluctuations, firms can use several foreign exchange exposure strategies. Across the non-financial corporations sector overall, most firms state they are not exposed to currency risk or are naturally hedged (86 percent, up from 74 percent in September 2023, Chart 15). However, 9 percent of firms are exposed to currency risk, but do not use any hedging method, and only 5 percent resort to the periodical adjustment of foreign currency positions to balance long and short positions (marginally up from the previous round). The use of derivatives remains subdued, with only 0.4 percent of non-financial corporations resorting to such contracts (e.g. futures, forwards, options, swaps). In this context, improving financial education is essential to strengthen firms' ability to make informed financial decisions, manage risks more effectively and ensure their long-term sustainability. Following NCMO Recommendation No. R/3/2022 on the sustainable increase in financial intermediation, the National Bank of Romania, in cooperation with a series of major stakeholders in the financial sector and the academia, carries out the *Antreprenoriat de TOP* project. The project aims to enhance the financial and economic education of firms in Romania, as well as to improve financial inclusion, via broader recourse to financial products and services and stronger efforts to raise the digitalisation levels of financial and business activities.

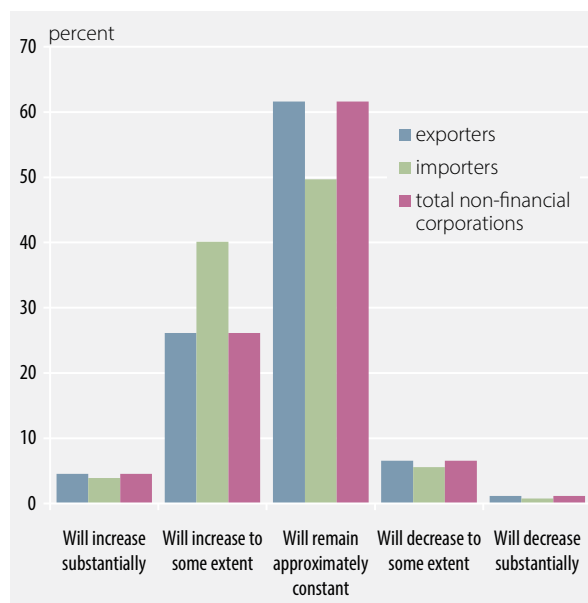
The responding companies involved in foreign trade are especially exposed to currency risk, but do not use any hedging method (44 percent of importers, 41 percent of exporters), with a significant share of large companies being also

exposed to this risk (32 percent). By sector, 16 percent of firms operating in construction and real estate are exposed to currency risk, but do not use any method to mitigate it.

**Chart 15.** Methods whereby companies manage currency risk, September 2024



**Chart 16.** Companies' expectations on developments in the exchange rate of the domestic currency against the euro over the next six months



As for expectations on developments in the exchange rate of the domestic currency versus the euro over the next six months, the largest share of domestic firms (62 percent) consider that it will remain roughly steady (up from 44 percent in the previous round), while 26 percent see rather a relative depreciation of the leu against the euro (down from 35 percent a year ago), Chart 16. For large companies, the share of entities estimating a moderate increase in the exchange rate versus the euro is higher, i.e. 35 percent, compared to 26 percent in the case of SMEs.

By sector, expectations of a relatively steady EUR/RON exchange rate are more widespread among trade companies (72 percent), while those of a domestic currency depreciation prevail among firms in services and utilities (34 percent).

Firms involved in foreign trade have mixed views on developments in the exchange rate of the domestic currency against the euro. Thus, exporting firms rely more on the exchange rate remaining relatively unchanged (55 percent compared to 50 percent in the case of importers), while importing companies expect the EUR/RON exchange rate to depreciate (44 percent compared to 39 percent in the case of exporters), Chart 16.

## Annex: Methodological information on the *Survey*

The *Survey* is conducted by the NBR twice a year, usually in March and September. It is based on a questionnaire submitted to a sample of approximately 11,000 non-financial corporations, of which around 85 percent are SMEs, with large companies being exhaustively included. The current *Survey* was conducted in September-October 2024.

The sample is representative at both national and regional levels, being extracted using statistical procedures, in compliance with the following criteria:

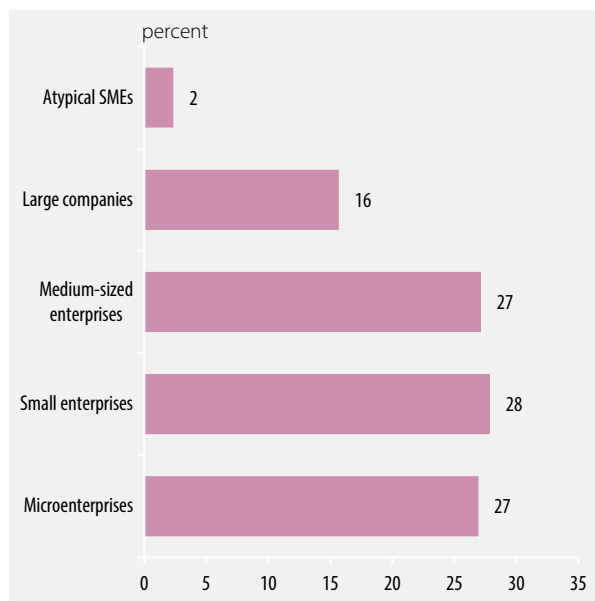
- firm size class (micro-enterprises, small enterprises, medium-sized enterprises and large companies)<sup>8</sup>;
- economic sector, based on NACE Rev. 2;
- development region.

The structure of the sample according to the extraction criteria is:

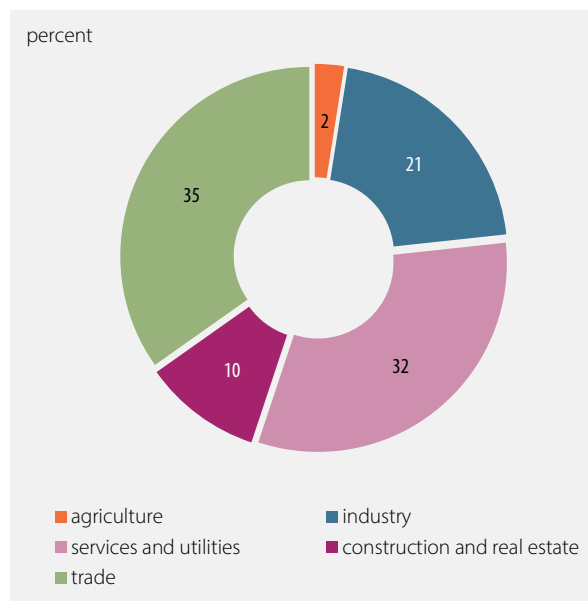
- by firm size class: 27 percent micro-enterprises, 28 percent small enterprises, 27 percent medium-sized enterprises, 16 percent large companies and 2 percent atypical SMEs (Chart A1);
- by economic sector: 2 percent in agriculture, 21 percent in industry, 32 percent in services and utilities, 10 percent in construction and real estate, and 35 percent in trade (Chart A2);
- by development region: 8 percent North-East, 8 percent South-East, 9 percent South-Muntenia, 5 percent South-West, 8 percent West, 13 percent North-West, 10 percent Centre, 7 percent Ilfov, 32 percent Bucharest (Chart A3).

<sup>8</sup> Firms are classified as SMEs if they have: (i) less than 250 employees and (ii) turnover below EUR 50 million or assets below EUR 43 million. Firms are classified as: A) micro-enterprises if they have: (i) less than 10 employees and (ii) turnover or assets below EUR 2 million. B) small enterprises if they have: (i) between 10 and 50 employees and (ii) turnover or assets below EUR 10 million. C) medium-sized enterprises if they have: (i) between 50 and 250 employees and (ii) turnover below EUR 50 million or assets below EUR 43 million. According to these definitions, there is also a category of atypical SMEs which cannot be classified in any of the three categories above (e.g. SMEs with less than 10 employees, but with turnover or assets of over EUR 2 million).

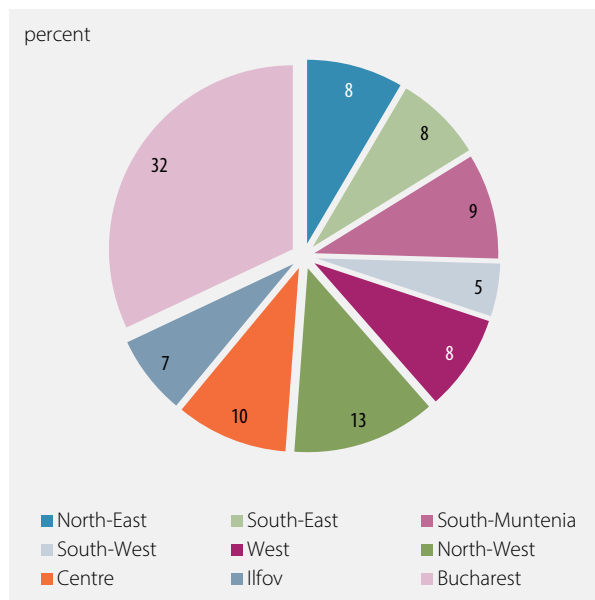
**Chart A1.** Structure of the sample by firm size class



**Chart A2.** Structure of the sample by economic sector



**Chart A3.** Structure of the sample by the development region where the firms are registered



## The analysis of answers

The answers are analysed depending on their form, as follows:

- a) For questions with a scale, three types of analysis may be used:
  - the separate analysis of answers for grades indicating positive dynamics, for grades indicating a lack of dynamics and for grades indicating negative dynamics;
  - the analysis of answers only for grades indicating certain dynamics;
  - the analysis of the net percentage (the difference between the share of companies reporting an evolution/problem as being upward/significant and the share reporting an evolution/problem as being downward/insignificant).
- b) For multiple choice questions or single choice questions: the share of companies that chose a certain answering option in the total number of respondents.

Regarding question "A1: How would you assess the evolution of the following factors over the past six months?", the net percentage represents the difference between the share of companies indicating an improvement and the share of companies indicating a worsening of developments in that factor. A positive net percentage may indicate an improvement in the economic situation at national level, of the economic sector or the company itself, as well as in development prospects or the relationship with business partners.

Regarding question "A2: What are the most pressing problems your company has faced over the past six months?", the net percentage represents the difference between the share of companies indicating a problem as being significant and the share of companies indicating that problem as being unimportant. A positive net percentage means that a certain problem is significant.

The opinions cover the developments over the past six months for questions A1, A2, A3.

## Definition of companies with outstanding loans and of companies without outstanding loans

The classification of companies into companies with outstanding loans and companies without outstanding loans was made depending on whether they chose answer option f) "The company does not have leu-denominated loans (including leasing)" and "The company does not have EUR-denominated loans (including leasing)" for questions "B4: Between what values would you assess the average interest rate on your current leu-denominated loans?" and "B6: Between what values would you assess the average interest rate on your current EUR-denominated loans?".

