

B. ROMANIAN SMES RATING IN THE FIRST SEMESTER OF 2007

The evaluation of the SMEs each semester is based on the calculation of the **ENTREPRENEURIAL INDEX** – this index is determined as a weighted average of three indexes: the **BUSINESS ENVIRONMENT INDEX**, the **SMES INDEX** and the **ENTREPRENEURS' ASSESSMENTS INDEX**.

I. BUSINESS ENVIRONMENT INDEX – implies the evaluation of 13 statistical indicators and is calculated by summing up the scores of all 13 indicators; the maximum value for this index is 100.

No	Indicator	Maximum score	Minimum score	Actual score	Observations
1.	GDP growth in real terms	10	-5	6	Rose by 5.8% in the first semester of 2007 compared to first semester of 2006
2.	Inflation rate	10	-10	7	The inflation rate was 1.62% in the first semester of 2007
3.	Unemployment rate	7	-3	3	The unemployment rate was 4.7% in the first semester of 2006
4.	Net average monthly wage in real terms	6	-3	5	Rose by 20.3% in the first semester of 2007 compared to the first semester of 2006
5.	Dynamics of the labour force taxation	10	-5	1	Reduced by 0,9% compared to the first semester of 2006
6.	Dynamics of the profit tax	7	-5	0	Constant – 16%
7.	Dynamics of the dividend tax	7	-5	0	Constant – 10%
8.	Dynamics of taxes' number	7	-5	-1	Taxes' number increased
9.	Exchange rate stability	10	-9	5	The national currency appreciated by 6.6% versus EURO, in the first semester of 2007 compared to the first semester of 2006
10.	Coverage degree of imports by exports	6	-5	-4	Coverage degree of imports by exports was 59.13% in the first semester of 2007

11.	Interest rate compared to inflation rate	7	-7	0	Average interest rate was 7.79% in the first semester of 2007
12.	Dynamics of foreign direct investments	6	-3	-1	Foreign direct investments reduced by 8.6% in the first semester of 2007 compared to the first semester of 2006
13.	Country rating	7	-6	5	According to Coface, Romania's country rating is A-
14.	TOTAL	100	-71	26	

By summing up the scores of all 13 indicators, the **business environment index** reached 26 points; this value reflects a **satisfying evolution of the Romanian business environment**.

II. SMES INDEX – is calculated by summing up the scores of 11 indicators; the maximum value for this index is 100.

No	Indicator	Maximum score	Minimum score	Actual score	Observations
1.	Registrations of commercial companies	10	-5	5	Number of registrations increased by 9.15% in the first semester of 2007 compared to the first semester of 2006
2.	Number of defunct commercial companies	10	-5	10	Number of defunct commercial companies reduced by 74.18% in the first semester of 2007 compared to the first semester of 2006
3.	Number of profitable SMEs	10	-5	5	Number of profitable SMEs increased by 4-5% in the first semester of 2007 compared to the first semester of 2006
4.	Number of SMEs with losses	10	-5	4	Number of SMEs with losses decreased by 3-4% in the first semester of 2007 compared to the first semester of 2006
5.	SMEs debts	10	-5	-1	SMEs debts increased by 0-5% in the first semester of 2007 compared to the first semester of 2006

6.	Average turnover per SME	5	-5	3	Average turnover per SME increased by 10-15% in the first semester of 2007 compared to the first semester of 2006
7.	Average profit per SME	10	-5	4	Average profit per SME increased by 5-10% in the first semester of 2007 compared to the first semester of 2006
8.	Average loss per SME	10	-5	2	Average loss per SME decreased by 0-5% in the first semester of 2007 compared to the first semester of 2006
9.	Average number of employees per SME	5	-3	1	Average number of employees per SME increased by 0-5% in the first semester of 2007 compared to the first semester of 2006
10.	SMEs' investments	10	-3	4	SMEs' investments increased by 6-8% in the first semester of 2007 compared to the first semester of 2006
11.	Exports of private enterprises	10	-3	9	Exports of private enterprises increased by 12-15% in the first semester of 2007 compared to the first semester of 2006
12.	TOTAL	100	-49	46	

By summing up the scores of all 11 indicators, the **SMEs index** reached 46 points; this value reflects a **good evolution of the Romanian SMEs sector**.

- III. **ENTREPRENEURS' ASSESSMENTS INDEX** – reflects entrepreneurs' opinion regarding the situation of their enterprises in the first semester of 2007 compared to the first semester of 2006 – its maximum value is 100 points.

Entrepreneurs' assessments	Weight (%)
Better situation (x%)	67.5%
The same situation (y%)	16%
Worse situation (z%)	16.5%
SURPLUS (x-z)	51%

The surplus indicated above (51) represents the value for the entrepreneurs' assessments index.

- IV. **ENTREPRENEURIAL INDEX** – is calculated as weighted average of the business environment index (40 %), the SMEs index (50%) and entrepreneurs' assessments index (10%). Its maximum value is 100 points.

Entrepreneurial index	Evaluation
-53 – 0 points	Very unsatisfying
0 – 25 points	Unsatisfying
25 – 50 points	Satisfying
50 – 70 points	Good
More than 70 points	Excellent

Calculating the **entrepreneurial index** as shown above, it reached 38.5 points, higher compared to the first semester of 2006 (32).

THE ENTREPRENEURIAL INDEX IN THE FIRST SEMESTER OF 2007 COMPARED TO THE FIRST SEMESTER OF 2006 INDICATES A *SATISFYING EVOLUTION OF THE BUSINESS ENVIRONMENT AND OF THE SMES SECTOR.*