

BANK LOANS AND SMALL FIRM FINANCING IN ROMANIA

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ABSTRACT: According to a recent survey conducted by the European Commission, European small and medium size enterprises (SMEs) are highly dependent on bank loans when it comes to financing their activity and accomplishing their growth ambitions. Romanian small enterprises make no exception. In 2011, on average 87% of Romanian SMEs borrowings originate from bank loans. However due to the economic and financial crisis the Romanian SMEs access to credit has deteriorated considerably in comparison with the EU average. Since 2009 only 41% of SMEs managed to access bank loans. In this context, the present paper seeks to analyze the gap between the demand and supply of bank credit to SMEs in Romania between 2007 and 2011.

Keywords: SMEs, bank credit supply, bank credit demand, financing gap

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