THE IMPACT OF TAXES TOWARDS ECONOMIC PERFORMANCES OF SME’S FROM ROMANIAN URBAN AND RURAL AREAS

STANCIU C., D. CIRCIUMARU

University from Craiova, Faculty of Economic and Business Administration, 13 A. I. Cuza Street, Craiova,200460, valeriu.stanciu@gmail.com

Keywords: SME, taxes, economic performances, urban and rural areas

SUMMARY

Small and medium-sized enterprises are, everywhere in the world, the engine of growth (being the largest provider of employment in most countries and a major source of technological innovation and new products), essential for a competitive and efficient market (playing a major role in removing regional and sector imbalances in the economy and creating competitive market pressure), critical for poverty reduction (tending to employ poor and low income workers) and play a particularly important role in developing countries.

In August 2004 the Romanian Government passed the Governmental Strategy for SMEs development support within 2004 – 2008. This Strategy contains five main priorities, as follows: to create a proper environment for business development; to improve SMEs competitiveness; access to financing and to international markets; to promote entrepreneurial culture and initiative; and management performance.

The development of business presents significant differences between regions in terms of the national economic activity in 2005, there are 450,666 companies most of which are small and medium-sized enterprises, representing 99.5% of the total number of enterprises. In regard to their density, there is an average of 20.38 SMEs/1000 de inhabitants (almost 3 times lower then the European average) in Romania and in rural area the average of those SMEs was 6.4 SMEs/1000 inhabitants.

Fiscal policy elaboration specific to a State is a very complex decisional deed which should rely on the competence criteria. The economic and financial results of a company represents an invariable concern of the companies and of the theorists. The extent of results always needs to be reported to a settled objective, this report will assess the success or the failure of a company. More, an issue less discussed is the influence of the taxation result over the capital cost of a company.

REFERENCES