



ROMANIA
THE COMPETITION COUNCIL



A decade of regional development in Romania

*Study regarding
The impact of state aids granted in the
deprived areas of Romania*

Introduction

- This research was based on the results obtained following the monitoring actions realized by both the national authority of competition, respectively the Competition Council, and also by the grantor of state aid, respectively the Ministry of Public Finance, on the results of the surveys realized by the inspectors of competition within the territorial inspectorates upon the beneficiaries of such state aids and also on the results of the surveys realized by the project team at the Regional Development Agencies within 7 development regions in Romania.

Regional state aid

- The regional state aid is aimed at developing deprived regions by supporting investments and creating jobs in a durable way. This aid promotes the expansion, modernization and diversification of the activities of firms located in those areas and also encourages new firms to establish themselves there;
- Article 107 (ex 87) of the Treaty on the Functioning of the European Union specifies a number of cases where the state aid can be considered compatible (the so called exemptions). The most relevant cases of exemptions are the following:
 - Article 107(3)(a) is applicable in case of state aids granted in order to promote the economic development of “areas where the standard of living is abnormally low or where there is serious underemployment”. This aid is aimed at regions which are disadvantaged compared to the average of the European Union;
 - Article 107(3)(c) covers state aids for other types of problematic regions (at a national level) “aid to facilitate the development of...certain economic areas”. This article offers member states the possibility to support regions which are disadvantaged compared to the national average.
- A comparison realized between member states of the European Union, more accurately of the regions within member states which are covered by articles 107(3)(a) and 107(3)(c) of the Treaty on the Functioning of the European Union, between 2000 and 2006 and between 2007 and 2013, shows that the entire Romanian territory is eligible for regional state aid under article 107(3)(a).

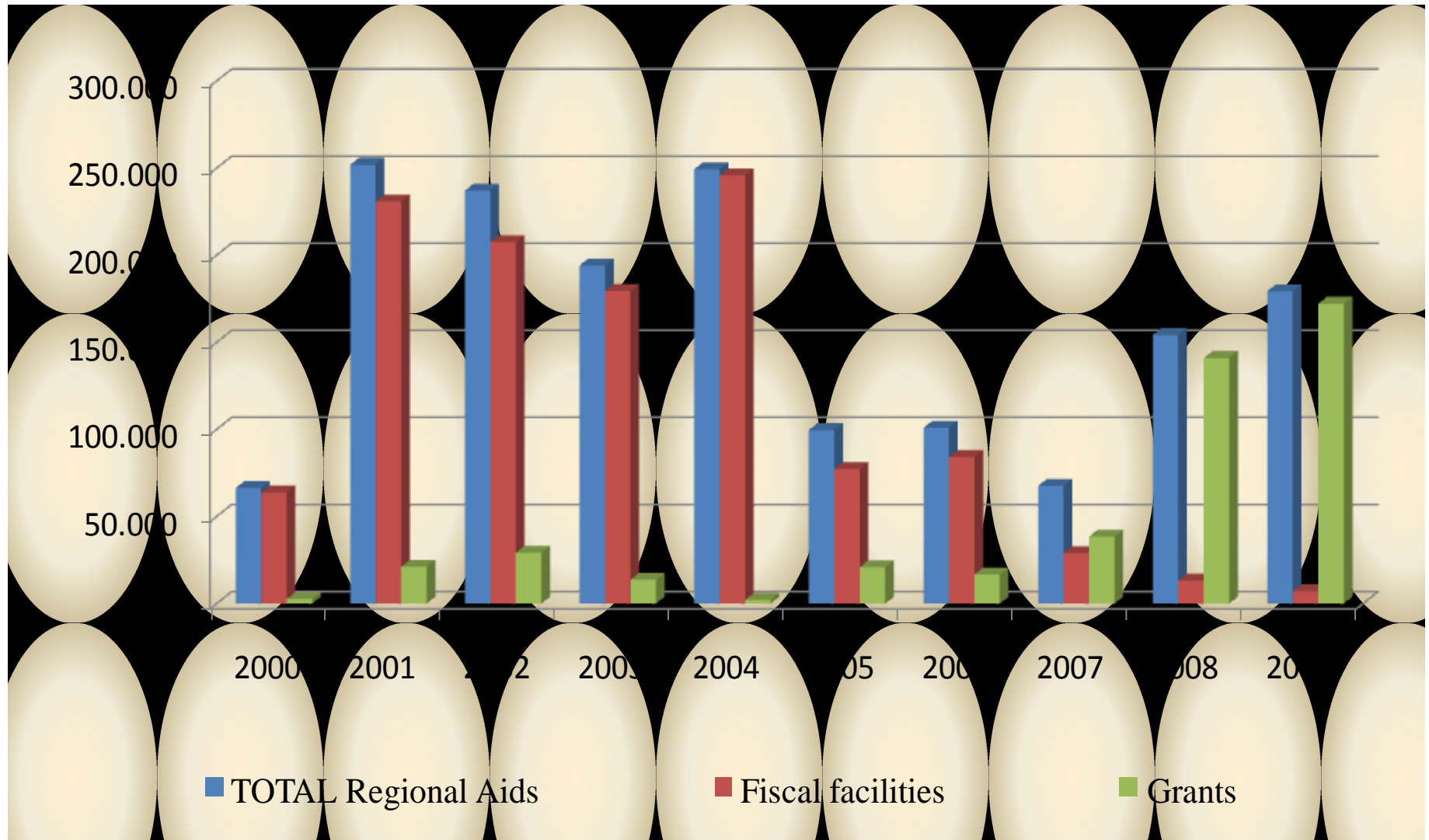
The regional development policy in Romania

- The regional development policy represents an essential component of the reform process in Romania, mainly aimed at diminishing accumulated economic and social unbalances, preventing the appearance of new unbalances and sustaining a general durable development for all of the country's regions;
- The evolution of the regional aids granted in Romania between 2000 and 2009 (the sums for the year 2009 are provisional) is presented in the following table:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL Regional aids, out of which:	66.384	252.017	237.110	194.155	249.353	99.644	100.948	67.582	154.226	179.376
Fiscal facilities	63.800	230.957	207.568	179.476	245.957	77.391	84.162	29.080	13.206	7.130
Grants	2.584	21.060	29.152	13.719	2.098	20.944	16.655	38.502	141.020	172.246

The general decreasing tendency of these aids until 2008 is largely owed to the fact that the majority of these aids were granted as fiscal facilities. Since 2007, new state aid schemes having regional objectives have been initiated, fully complying with Community provisions.

The evolution of regional state aids granted in Romania between 2000 and 2009



Main regional state aid schemes

- Thousand Lei -

Regional Aids	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Deprived areas	63.800	251.717	190.115	155.512	223.185	64.367	71.458	22.982	8.279	710
% in total regional aids	96,10%	99,88%	80,18%	80,10%	89,50%	64,60%	70,79%	34,00%	5,37%	0,40%
Free zones	0	66	10.904	17.566	14.277	3.868	3.153	1.601	2.161	2.370
% in total regional aids	0%	0,03%	4,60%	9,05%	5,70%	3,90%	3,12%	2,37%	1,40%	1,32%
Industrial parks	0	0	28.935	13.711	2.416	4.241	2.674	135	106	3.318
% in total regional aids	0%	0%	12,20%	7,06%	1%	4,25%	2,65%	0,20%	0,07%	1,85%
Apuseni Mountains and “Delta Dunarii” Biosphere Reservation	163	232	6.764	6.404	7.672	208	192	0	0	0
% in total regional aids	0,25%	0,09%	2,85%	3,30%	3,00%	0,20%	0,19%	0%	0%	0%
Fiscal Code – art. 286	0	0	0	0	0	7.975	2.830	2.970	2.660	0
% in total regional aids	0%	0%	0%	0%	0%	8,00%	2,80%	4,39%	1,72%	0%

Main regional state aid schemes II

- Thousand Lei -

[illegible]

- The weight of the regional state aids in the total amount of state aid (except agriculture, fishery and transports) is structured as following:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total state aid (Million Lei)	2.505	5.241	2.686	3.449	6.510	2.860	3.409	2.439	2.350	2.266
Regional state aid (Million Lei)	66	252	237	194	249	100	101	68	154	179
Weight of regional aids in total state aid	2,63%	4,81%	8,82%	5,62%	3,82%	3,50%	2,96%	2,79%	6,55%	7,90%

The more and more decreasing weight of the regional aids recorded between 2004 and 2007 is motivated by the transition from a system of granting state aids largely based on fiscal facilities to a new system, compatible with the single EU market, based on subsidies granted not only from national funds , but also from EU funds. The effects registered through the application of the new regional state aid schemes began to be observed starting with the year 2008;

Within the regional development policy promoted in Romania, the policy of deprived areas represents a distinctive component. This is determined by the existence of certain areas which are disadvantaged from economic, structural, geographical etc. point of view and which are identified in order to take specific measures which would help them redress;

The legal framework was created in 1998, by adopting G.E.O. no. 24/1998 on the regime of deprived areas. The purpose for adopting this legislation was to support the economic recovery of the areas that from a developing point of view were far behind, through granting fiscal and financial facilities in order to attract investments in the affected areas.

State aids granted to undertakings which operate within the deprived areas

- According to the definition enounced in G.E.O. no. 75/2000 to amend G.E.O. no. 24/1998 regarding the regime of **the deprived areas, these represent “geographical areas strictly bounded, which meet at least one of the following conditions:**
 - a) the percentage of the unemployed in the area’s total labor resources to be at least 3 times higher than the percentage of the unemployed in the country’s total labor resources, in the last 3 months prior to the month in which the documentation for declaring the area deprived is realized;
 - b) are remote areas, with no means of communication, while the infrastructure is poorly developed”.
- In accordance with the provisions of G.E.O. no. 24/1998 with the subsequent amendments and completions, based on geographic, demographic, economic and social criteria, since 1998 there have been declared 38 deprived areas with a limit of existence between 3 and 10 years.

- During the negotiations for Romania's accession to the EU, which were finalized in 2004 together with the closure of Chapter 6 – Competition, a special emphasis was placed upon the need of aligning the state aid scheme for the deprived areas, incompatible due to its fiscal nature with the requirements of the *acquis communautaire*;
- It has been agreed to do this thing gradually, in order not to suddenly cut off the aid granted for the deprived areas. Thus, the amount of expenditures eligible to receive state aid, according to the investments made, has been taken into consideration from the date which G.E.O. No. 24/1998 came into force (the 2nd of October) until the 15th of September 2004, in order to limit the state aid either by reaching the maximum intensity level or by finishing the period of time for which the area has been declared as deprived;
- At the same time, during the negotiations regarding the period of transition granted, an important advantage was obtained in favor of the companies which operate in the deprived areas, and that is clearing off certain aids which had been granted before the 2nd of January 2003 (the moment when the Regulation of the Competition Council regarding state aid came into force), in order for the companies which had invested in these areas to support more easily the costs of the modifications of the legislation in line with the *acquis*.

- The deprived areas which have a lifetime that exceeds the year 2007 and are being monitored are grouped as follows:
 - The deprived areas whose period of existence **stopped at the end of 2008** are the following:
 - BRAD mining area – Hunedoara county;
 - VALEA JIULUI mining area – Hunedoara county;
 - BĂLAN mining area – Harghita county.
 - The deprived areas whose period of existence **stopped at the end of 2009** are the following:
 - ALBENI mining area – Gorj county;
 - SCHELA mining area – Gorj county;
 - MOTRU-ROVINARI mining area – Gorj county;
 - ȘTEI-NUCET mining area – Bihor county;
 - BOROD-ȘUNCUIUȘ-DOBREȘTI-VADU CRIȘULUI mining area – Bihor county;
 - POPEȘTI-DERNA-ALEȘD mining area – Bihor county;
 - RUSCA MONTANĂ mining area – Caraș-Severin county;
 - BOCȘA mining area – Caraș-Severin county;
 - MOLDOVA NOUĂ-ANINA mining area – Caraș-Severin county;

- IP mining area – Sălaj county;
 - HIDA-SURDUC-JIBOU-BĂLAN mining area – Sălaj county;
 - SĂRMĂȘAG-CHIEJD-BOBOTA mining area – Sălaj county;
 - BAIA MARE mining area – Maramureș county;
 - BORȘA-VIȘEU mining area – Maramureș county;
 - FILIPEȘTI mining area – Prahova county;
 - CEPTURA mining area – Prahova county;
 - COMĂNEȘTI mining area – Bacău county;
 - BUCOVINA mining area – Suceava county;
 - BARAOLT mining area – Covasna county;
 - ALTÂN TEPE mining area – Tulcea county;
 - RODNA mining area – Bistrița Năsăud county;
 - APUSENI mining area – Alba county.
- The deprived areas whose period of existence **will stop at the end of 2010** are the following:
- ZIMNICEA mining area – Teleorman county;
 - COPȘA MICĂ mining area – Sibiu county;
 - The city of CUGIR – Alba county.

Facilities granted to undertakings with an investor certificate in the deprived area

- **Profit tax exemptions** related to new investments, for undertakings which have obtained the permanent investor certificate in the deprived area prior to the 1st of July 2003;
- **Exemptions from paying customs duties** for raw materials and imported components, necessary in order to realize its production in the area, except the import of raw materials for producing, processing and preserving meat (measure valid until the end of February 2005);
- **Exemptions from fees charged for changing the destination** or removing from the agricultural circuit of certain lands necessary to realize the investment (measure valid until the end of February 2005).

- In the Treaty concerning the accession of Romania to the European Union, Annex VII, for state aids granted in deprived areas, the transition period has been provided under the following conditions:
 1. State aid is granted for regional investments;
 2. The net intensity of such regional aid shall not exceed the rate of 50% Net Grant Equivalent. The ceiling may be raised for small and medium-sized enterprises by 15 percentage points[...];
 3. If the undertaking is active in the motor vehicle sector, the total aid shall not exceed a maximum of 30% of the eligible investment costs;
 4. The period for calculating the aid to be included under the abovementioned ceilings shall start on the 2nd of January 2003; all aid claimed and received on the basis of profits that precede this date shall be excluded from the calculation;
 5. The eligible costs that may be taken into account shall be those incurred between the 2nd of October 1998 (i.e. the date of entry into force of the scheme under G.E.O. no. 24/1998 on Deprived Areas) and the 15th of September 2004.

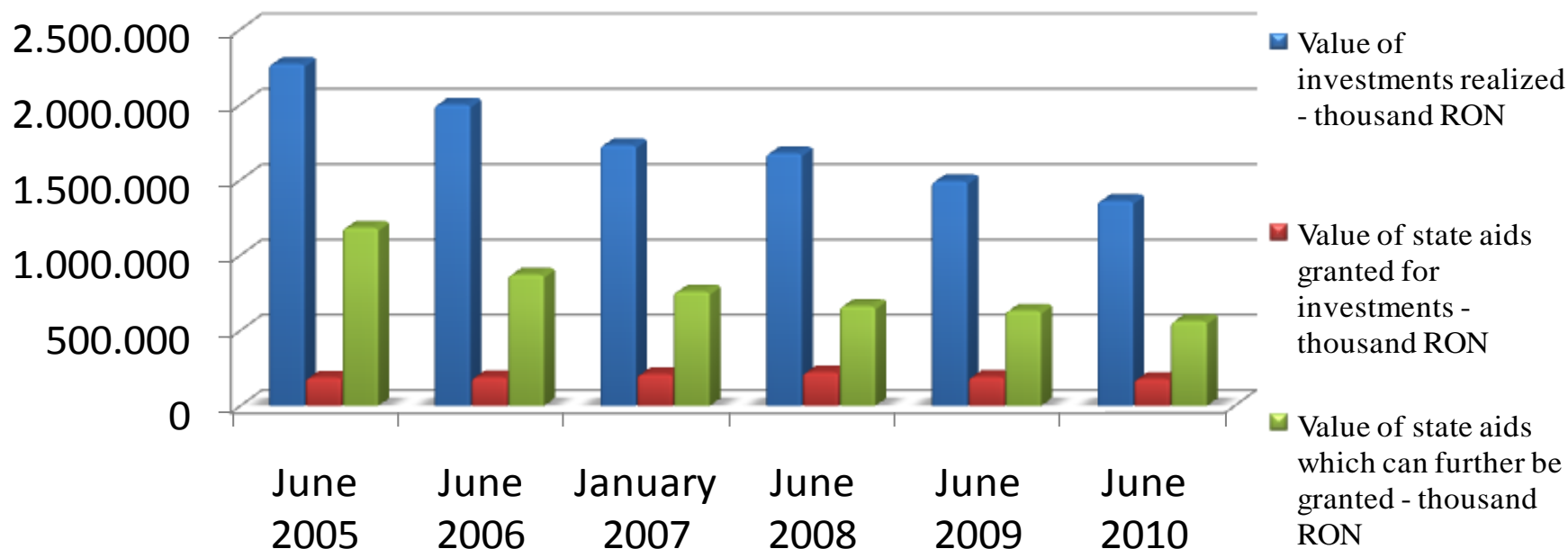
- Under the provisions of point 4 – Competition Policy – within Annex VII to the Treaty concerning the accession of the Republic of Bulgaria and Romania to the European Union approved by Law no. 157/2005, **“Romania shall supply to the Commission... by the end of December 2010, information on the eligible investment costs effectively incurred by the beneficiaries, under G.E.O. no. 24/1998 on Deprived Areas, as amended and on the total aid amounts received by the beneficiaries”**;
- The data in this study comprehends the information obtained following the actions of control executed by the Competition Council beginning with 2005 and until Romania’s accession to the European Union, completed with the data afferent to the period of time between 2007 and 2009, supplied by the grantor, respectively the Ministry of Public Finance (M.P.F.).

The situation of the undertakings verified between June 2005 and June 2010

No.		Number of undertakings verified in monitoring actions:							
		June 2005	Oct. 2005	June 2006	Oct. 2006	Jan. 2007	June 2008	June 2009	June 2010
1	Total number of verified undertakings	1.848	1.679	1.497	1.393	1.321	1.287	977	775
2	Number of fiscal inspections performed by the M.P.F.	-	-	-	-	7	52	31	23
3	Number of undertakings that have exceeded the intensity	32	24	6	0	0	0	0	0
4	Undertakings for which the measure of stopping the aid has been taken	31	37	45	35	171	100	24	- *
5	Undertakings which are further eligible to receive state aid	1.649	1.522	1.377	1.318	1.250	971	912	755*

* For a number of 22 areas, 2009 marked the year for which the period that they have been declared deprived ended, thus the aid stopped, even though the maximum intensity level hadn't been reached, leaving for the year 2010 only 3 deprived areas containing 8 undertakings eligible for state aid.

Comparative situation between the investments, the state aids granted and those which can further be granted



- Considering the total amount of state aid granted for investments recorded at the beginning of 2010 of 178.867.833 lei and the state's contribution to non-refundable funds (Phare) of 2.710.777 lei, related to an investment value of 1.360.180.623 lei, results **an average intensity of the state aid granted of 13,55%**, which is significantly lower than the maximum admissible level (50% for large enterprises and 65% for SMEs), which further demonstrates the necessity of continuing to offer financial support to undertakings in the deprived areas.

Measures applied for the cases when the criteria of granting state aids was not respected

- **The Competition Council Decision no. 184 of September 30th 2005** – decision to recover the aid granted to 31 undertakings;
- **The Competition Council Decision no. 227 of December 20th 2005** – decision to stop granting state aid to 37 undertakings;
- **The Competition Council Decision no. 52 of March 9th 2006** – decision to recover the aid granted to 19 undertakings and to stop granting state aid to other 5 undertakings;
- **The Competition Council Decision no. 165 of June 14th 2006** – decision to stop granting state aid to 45 undertakings;
- **The Competition Council Decision no. 211 of October 11th 2006** – decision to recover the aid granted for 4 undertakings and to stop granting state aid to one other undertaking;
- **The Competition Council Decision no. 222 of November 28th 2006** – decision to stop granting state aid to 35 undertakings.

- Commencing with the 1st of January 2007, according to the provisions of G.E.O. no. 117/2006, with the subsequent amendments and completions, controlling the way state aids are being used as well as **laying out the adequate measures to the identified cases falls on the grantors of state aid**;
- In order to apply the provisions of this G.E.O., the Ministry of Public Finance, as grantor of state aid, has issued the Order no. 1133/2008 *concerning the approval of the methodological Norms in order for the Ministry of Public Finance to apply the provisions of article 18 within G.E.O. no. 117/2006 concerning the national procedures within the state aid field, approved with amendments and completions by Law no. 137/2007*;
- Between 2007 and 2010, the Ministry of Public Finance has applied measures in order to stop granting state aid for a total of 295 undertakings;
- In 2010, only **8 undertakings from 3 deprived areas**, respectively Zimnicea (Teleorman county), Copșa Mică (Sibiu county) and Cugir (Alba county), are benefitting by state aid under the form of profit tax exemptions.

The results of the surveys

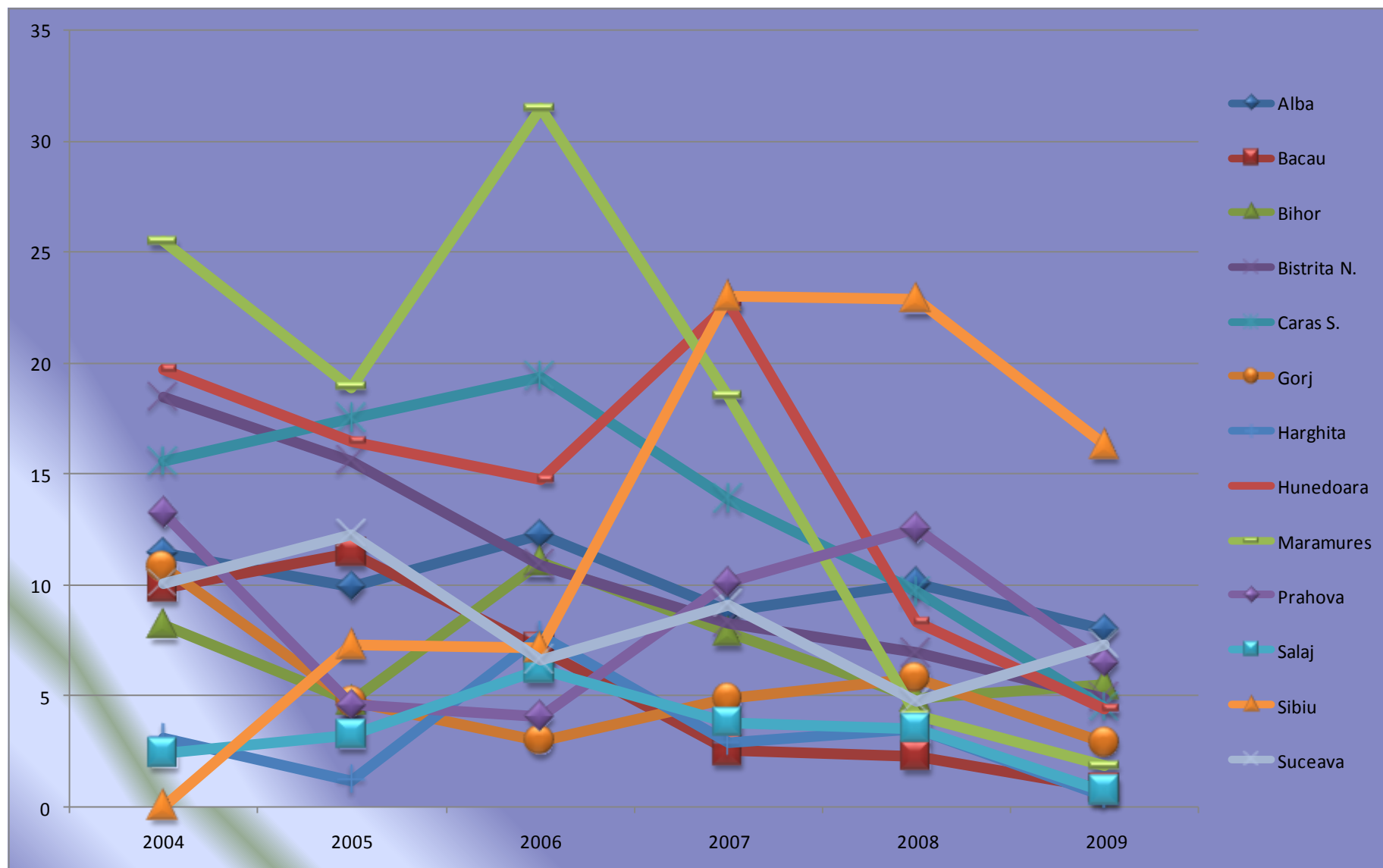
- Although the analyze of the results of the monitoring actions performed by the Competition Council and the Ministry of Public Finance can round up a series of aspects regarding the effects of granting state aids to undertakings operating in the deprived areas, aspects which relate to the volume of the investments made, of the state aid received, the number of newly created jobs and so on, nevertheless, surveys have been conducted among beneficiaries of state aid as well as the Regional Development Agencies in order to observe, from their point of view, the impact which the state aid scheme initiated by the provisions of G.E.O. no. 24/1998 had upon the social and economic development of the deprived areas ;

The results of the survey conducted among the beneficiaries of state aid

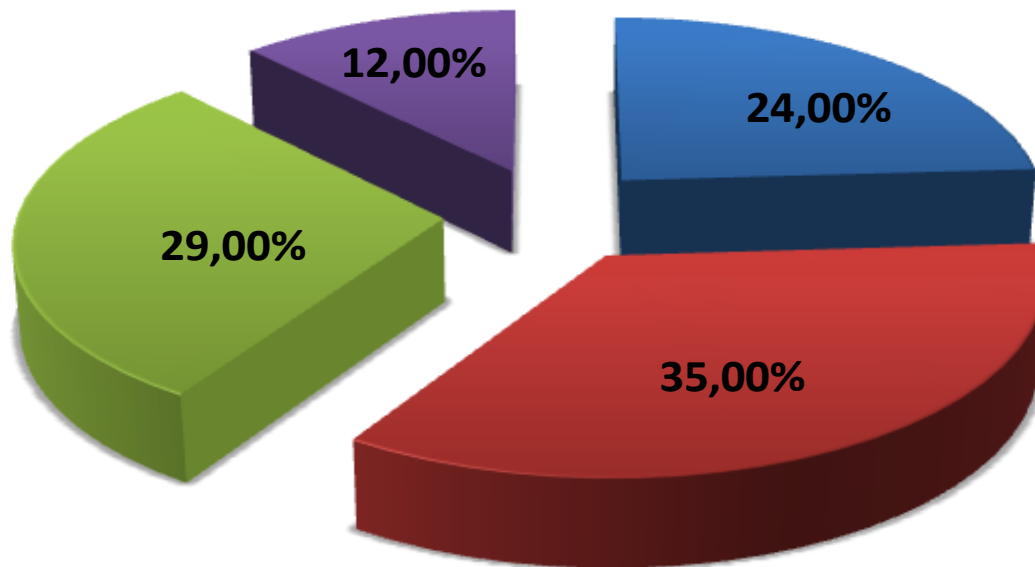
- The enquiry contained a set of 17 questions and was sent to a number of 109 undertakings which were benefitting by state aid, spread around 22 deprived areas, within 13 counties. The sample represents 12,22% out of the total number of undertakings benefitting by state aid at the beginning of 2010.

- Out of the 109 undertakings, only 3 of them are large enterprises while the others are SMEs;
- The majority of the undertakings are operating in the manufacturing industry;
- The majority of the undertakings interviewed have obtained the investor certificate between 1999 and 2002;
- The majority of the undertakings interviewed have made investments also after the deadline that would have taken into consideration their value when calculating the intensity;
- The level of the intensity is well below **the maximum admissible level, being only 17,34% and if we add the value of the investments made after the 15th of September 2004, the intensity level would be just 9,30%;**
- The majority of the undertakings questioned have encountered a decline in profits during 2005, the year when operating aids stopped, after which they registered growths between 2006 and 2007, followed by another decline in profits until 2009, situation due to the stopping of granting state aids.

The evolution of the return profitability rate (reported to the turnover), between 2004 and 2009, for the undertakings interviewed

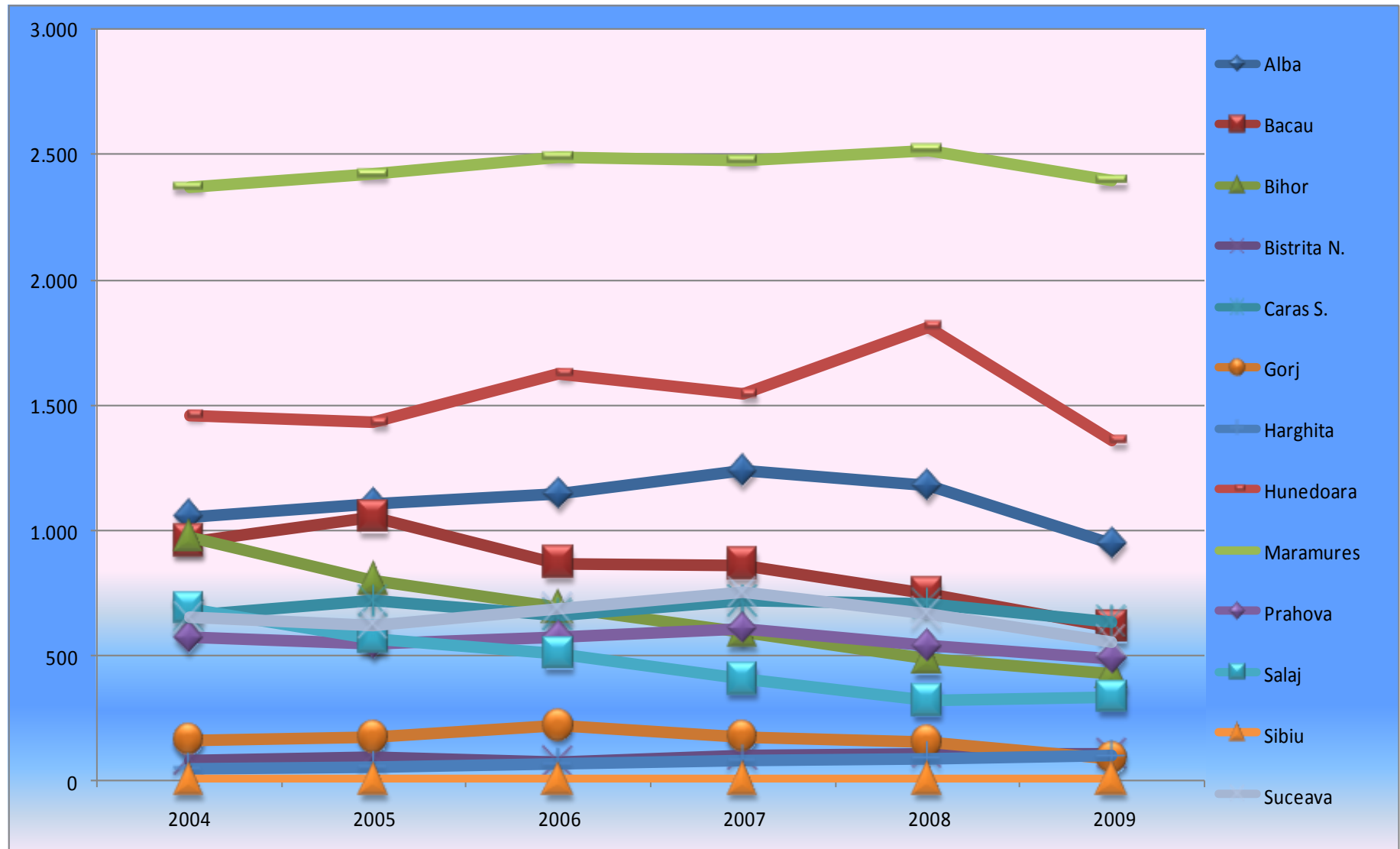


- Asked whether they changed or not their main activity during the period of time they have benefitted by state aid, 89% of the undertakings interviewed answered that they had not changed their main activity, some of them even expanding theirs. An explanation for such a thing could be that the activities had been initiated based on their skills rather than market demands;
- The answers to the question: “What would have they done if they had not benefitted by any facilities?” are structured in the following graph:

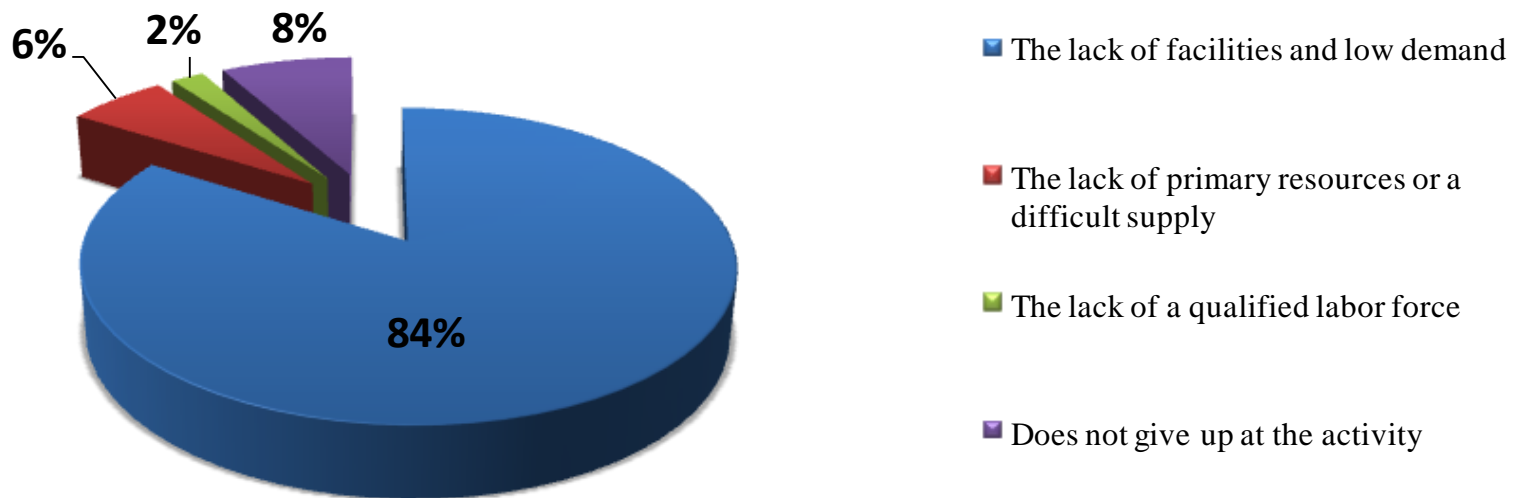


- They would have carried on their activity no matter the conditions
- They would have carried on the activity in other areas
- They wouldn't have carried on any activities
- Undecided

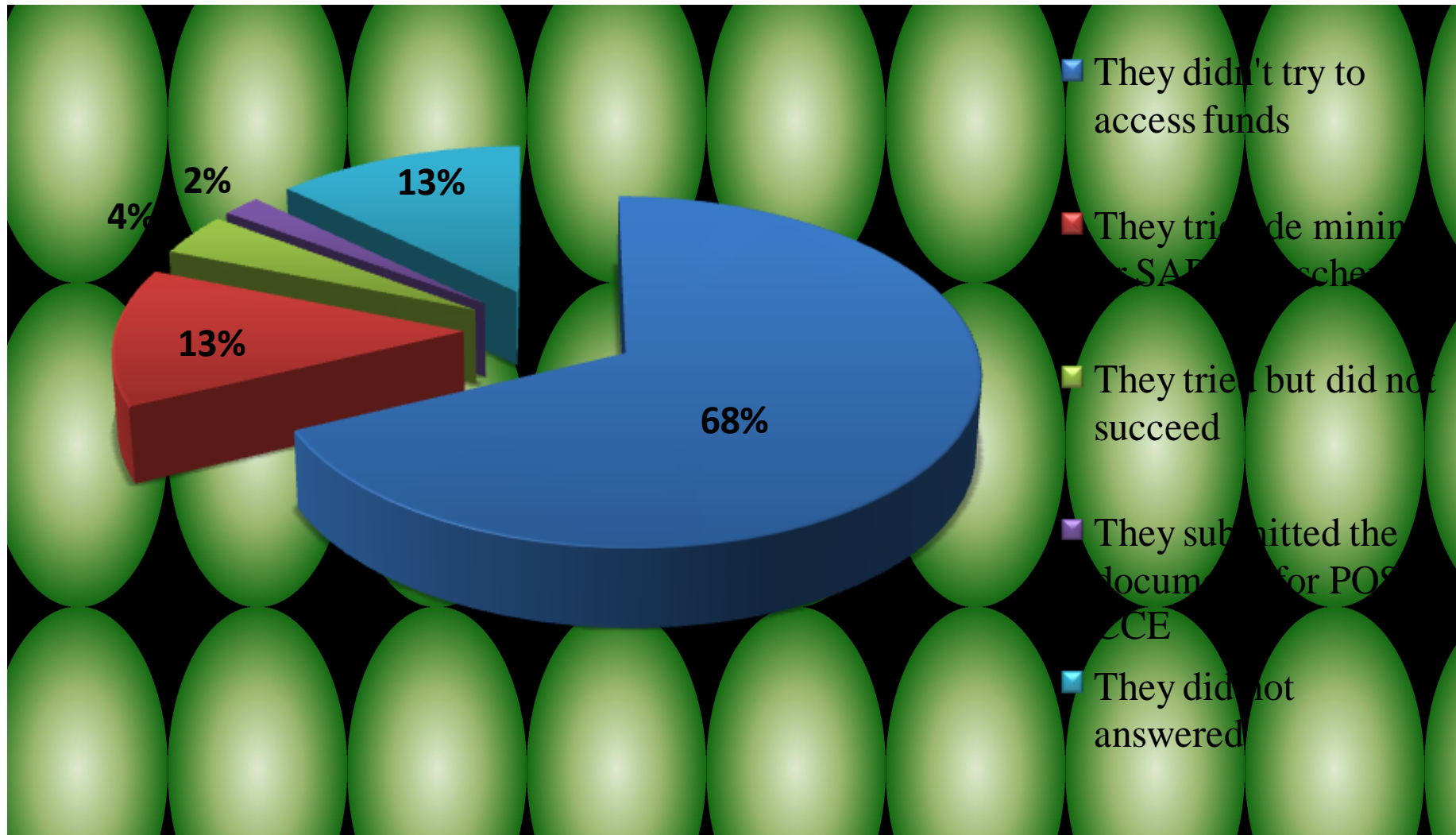
The evolution of the employees working for the undertakings interviewed, between 2004 and 2009



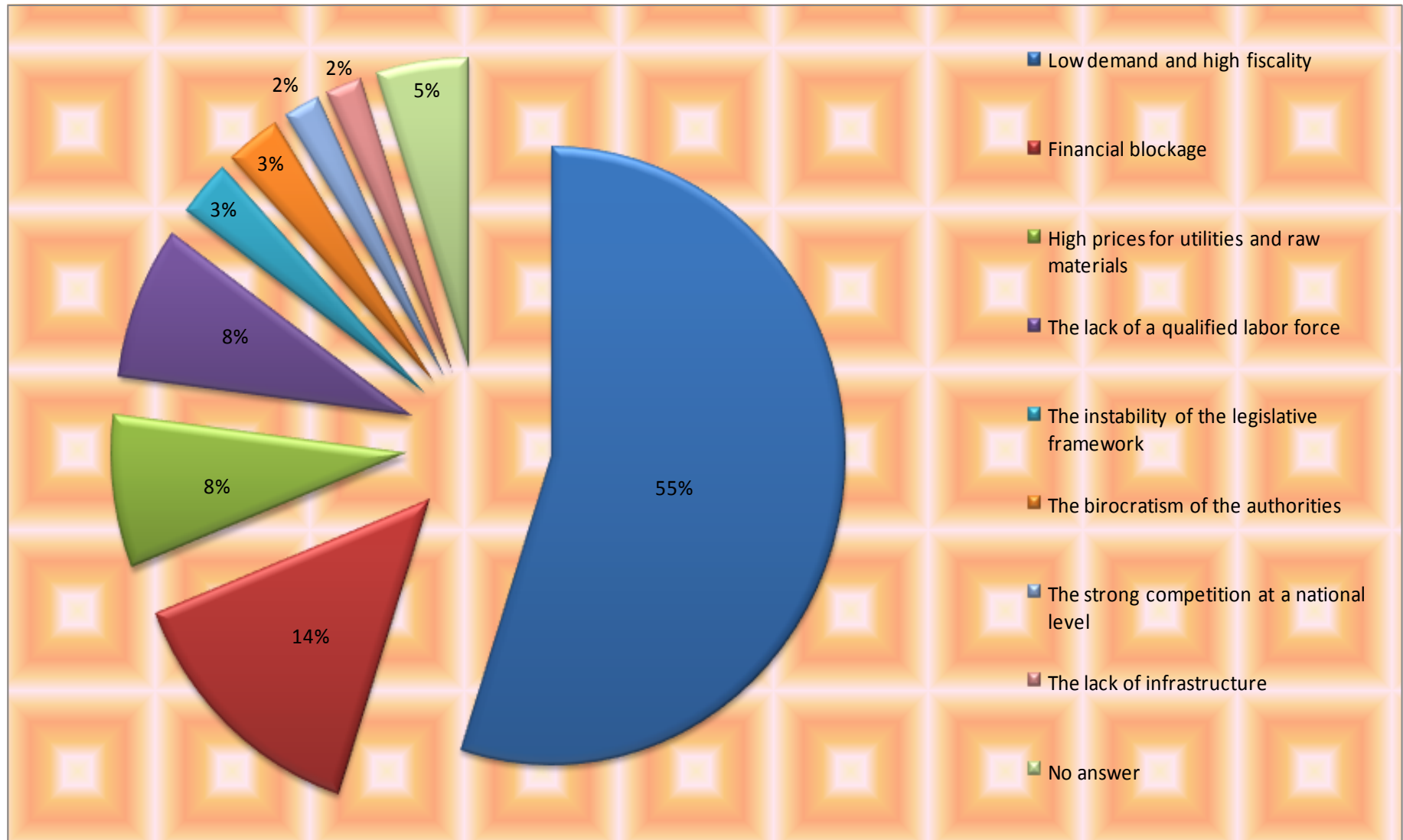
- In response to the question “Was there the need for any professional training for the employees?”, over half of the undertakings interviewed (59%) responded that they were in need of training the employees, due to the fact that almost all deprived areas are former mining areas;
- Regarding the methods of hiring within the deprived areas, 72% of the undertakings questioned found it relatively easy to hire personnel from within the deprived area, while for the other 28% it was more difficult or they have not answered this question;
- 90% of the undertakings interviewed have hired personnel exclusively from within the deprived area, while only 10% hired from outside of it as well. Because of this, 83% of them considered they have contributed to the decline in unemployment within the deprived area;
- The responses to the question “If the beneficiary has renounced or would renounce to carry on its activity within the deprived area, what are the causes?” are structured in the following graph:



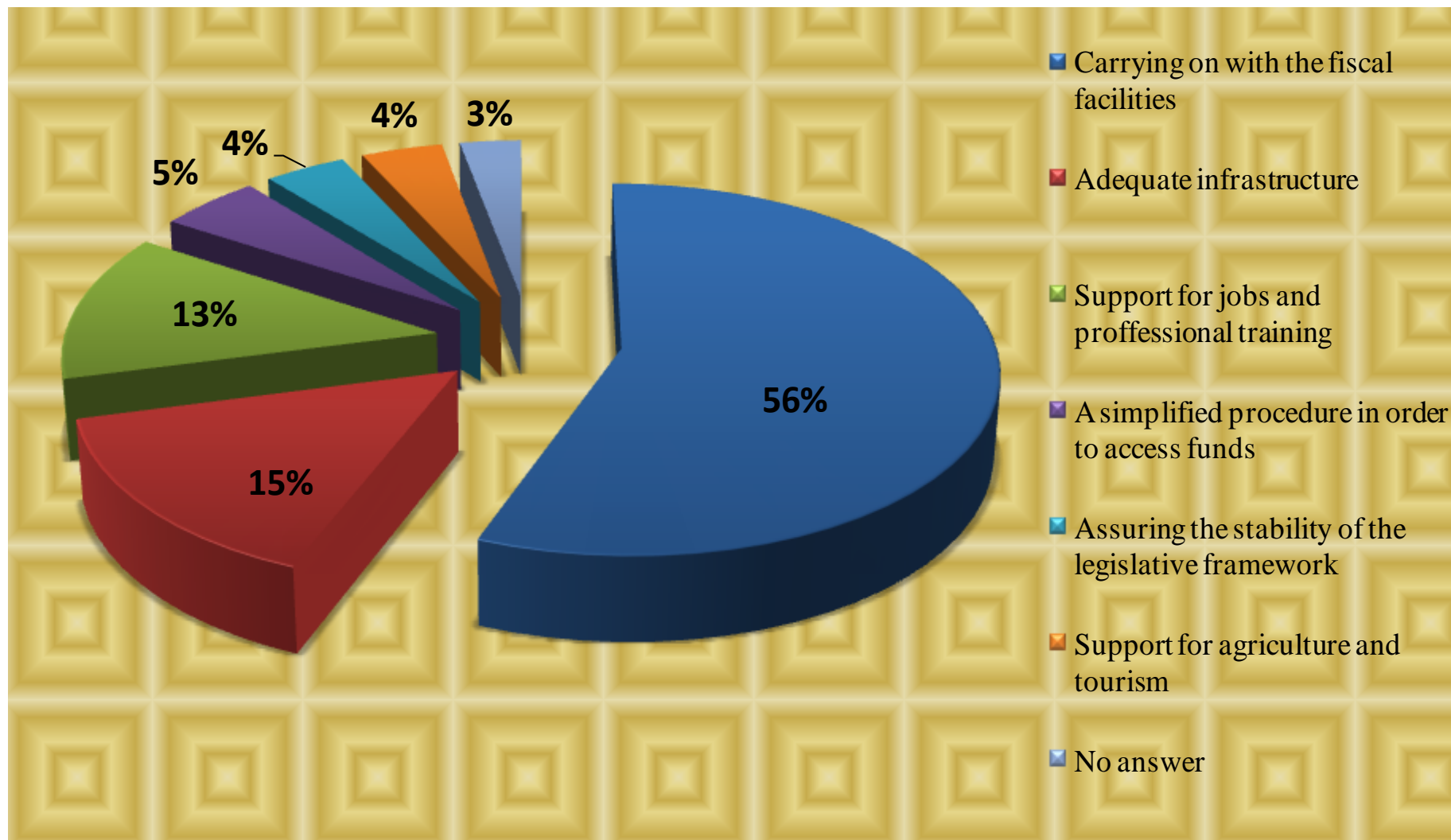
The distribution of the responses to the question “If the undertaking tried to further access funds (national and/or from the community) through other schemes of state aid”



The repartition of the answers to the question “What are the problems that the company is confronting with?”



The distribution of the responses to the question “What measures do you think the state should take in order to increase the social and economic development level of the deprived area?”



- The last question of the interview asked the undertakings about their opinion regarding the local authorities' implication in raising the social and economic level of development within the deprived areas. The majority of the ones interviewed, respectively 70%, considered that the local authorities have not implicated themselves at all or they did not observe them to implicate; 16% considered that the local authorities have implicated themselves very little in the development of the deprived areas, either by according legislative support, granting social aids, promoting tourism or by investing in the infrastructure, while 14% of the undertakings interviewed didn't respond to this question.

The result of the survey conducted at the Regional Development Agencies

- The survey conducted at the Regional Development Agencies comprehends a set of 14 questions and was submitted to 7 out of the 8 agencies, respectively the agencies which contain within their territorial lands, the deprived areas. These agencies are:
 - **The North-West Regional Development Agency**, based in Cluj-Napoca, has in responsibility 10 deprived areas located in 5 counties, respectively 3 deprived areas in the county of Bihor, 3 in the county of Sălaj, 2 in the county of Maramureş and one in each of Bistriţa-Năsăud and Cluj;
 - **The North-East Regional Development Agency**, based in Piatra Neamţ, has in responsibility 5 deprived areas, each of them located in 5 different counties, respectively in Suceava, Bacău, Vaslui, Neamţ and Iaşi;
 - **The South-East Regional Development Agency**, based in Brăila, has in responsibility 4 deprived areas, each of them located in 4 different counties, respectively in Tulcea, Vrancea, Buzău and Constanţa;

- **The Regional Development Agency West**, based in Timișoara, has in responsibility 7 deprived areas located in 3 different counties, respectively 3 areas in the county of Hunedoara, 3 areas in the county of Caraș-Severin and one in the county of Timiș;
 - **The Central Regional Development Agency**, based in Alba Iulia, has in responsibility 5 deprived areas located in 4 different counties, respectively 2 areas in the county of Alba and one area in each of the Covasna, Harghita and Sibiu counties;
 - **The South-West Regional Development Agency**, based in Craiova, has in responsibility 3 deprived areas, all of them located in the county of Gorj;
 - **The Regional Development Agency South**, based in Călărași, has in responsibility 4 deprived areas, located in 2 different counties, respectively 3 areas in the county of Prahova and one area in the county of Teleorman.
- **The main sectors of activity** for which investor certificates have been issued are the manufacturing industry (textiles, confections, wood, leather, footwear, steel confections, plastic masses, food products etc.), constructions, services (transport, tourism etc.), commerce and agriculture;
 - Until now, out of the total investor certificates that have been issued, a number of 816 have been withdrawn, which accounts for 26,42% out of the total certificates issued;
 - The main causes for which the certificates have been withdrawn, sorted according to their importance were the non-fulfillment of the granting conditions according to the provisions of article 17 of G.D. no. 728/2001 on the approval of the methodological norms for the application of G.E.O. no. 24/1998 on the regime of the deprived areas, republished, with all subsequent modifications, the ceasing of their activities in the deprived area, bankruptcy and also at the undertaking's request.

- Regarding the effects of granting state aids in the deprived areas, as it has been observed at an agency level, the majority of the agencies interviewed responded that there really have been made considerable investments in the area, jobs have been created and the level of the economic development of the area increased, but they do not possess relevant statistical data in order to sustain these statements (with one exception, the South-West Regional Development Agency, which sent data that demonstrates the decrease of the unemployment rate from 15,1% to 9,46% following the implementation of the provisions of G.E.O. no. 24/1998);
- In the case of the Regional Development Agency South, the investments, jobs and the level of economic development registered a pronounced growth trend between 2001 and 2004, followed by a year of decline (due to the stoppage of operating aids in 2005) and then, starting with 2006, the values have once again begun to increase;
- The South-East Regional Development Agency has signaled the fact that the process of creating jobs had a temporary aspect, the growth of this indicator taking place only during the period while facilities were being granted. Also, the deprived areas have developed from economic point of view only during the time when undertakings located in those areas invested, this thing happening especially during the period of time they have benefitted by the facilities;
- Regarding the continuation of the activities even after the deprived areas have finished their existence, only a part of the undertakings that had benefitted by state aid are still operating (with the vast majority of them not changing their object of activity);

- Concerning the questions related to the possibilities of accessing new support measures, the general response was that the undertakings from the deprived areas have the same possibilities to access such measures as do the undertakings from the other parts of the country, they being able to access nonrefundable funds through the Regional Operational Programme and through Sectoral Operational Programmes;
- Concerning their suggestions regarding the measures that need to be taken in order to raise the level of economic development of the deprived areas, the agencies considered that the granted support measures need to be aimed especially at the deprived areas, either by carrying on with the fiscal facilities in the area, either by implementing certain social projects or by granting loans with subsidized interest;
- Concerning the involvement of the local authorities in the growth of the level of social and economic development of the deprived areas, the agencies have not supplied relevant information, either because they didn't know or either because they wanted to avoid stating that the authorities have not been involved in this process;
- Finally, the majority of the agencies have voiced their opinion that it's necessary for a development strategy to be adopted, which should target defined objectives for the deprived areas, realized through specific programmes of creating new jobs, programmes of professional reorientation based on the demands on the labor market, programmes to attract investments etc. and even by creating poles of local development.

Conclusions and suggestions I

- Through the monitoring actions of the state aids granted to the deprived areas, it was found that the state aid value which can further be granted to the undertakings until reaching the maximum allowable level of the intensity is about 563,09 million lei, which at an average exchange rate of 4,2 lei/Euro represents about 134 million Euro. Still, taking into consideration that the period for which the majority of the areas were declared deprived ended, results that the state aid which can further be granted will have a much lower value (there are only 8 undertakings left, in 3 deprived areas which will end their existence at the end of 2010);
- In case of the areas for which the period of time that they had been declared deprived ended, the grantor of state aid has stopped granting state aid even if the undertakings were eligible to further benefit by state aid.

Conclusions and suggestions II

- **In the category of positive effects** obtained following the granting of state aids, the following facts that took place can be mentioned :
 - granting regional state aid served as an impulse to the free initiative within the deprived areas (because otherwise, without the aid, 35% of the interviewed would have ran their business in other, more attractive areas, while 29% would have not carried on any activities at all);
 - granting regional state aid determined the realization of investments in the area (investments were created even after the date until which the expenditures with investments were considered eligible) as well as creating new jobs;
 - by granting regional state aid the economic activity diversified within the deprived areas;
 - The granted regional state aid indirectly contributed to the professional training of the staff that came from the persons who got fired from their previous jobs (e.g. 59% of those interviewed needed to professionally prepare the persons whom they hired).

Conclusions and suggestions III

- Granting fiscal facilities as a form of regional state aid also had some **negative effects**, such as:
 - the undertakings have relied too much on the fiscal facilities instead of finding, through their own forces or through other means of support, possibilities to start/continue/extend their activities;
 - granting fiscal facilities as a form of state aid represents at the same time a high cost for the grantor (in this case, the Ministry of Public Finance) which in order to stop and/or recover the state aids had to undertake numerous fiscal inspections at the enterprises, these attracting additional costs;
 - following the survey, only 8% of the undertakings interviewed showed themselves determined not to give up on the activity after the fiscal facilities would stop, while the majority of them expressed their intention to cease the activity in the deprived areas;
 - It has not been recorded the development of certain fields of activity or the specialization/reorientation of the areas on specific economic sectors, but the activities carried out are rather isolated within the areas.

Conclusions and suggestions IV- necessary measures

- because of the fact that the aids have been granted in a limited period of time as well as their reduced volume, only these aids were not able to significantly contribute to raise the level of social and economic development of the areas, those areas being in further need of support;
- because of the fact that neither the grantors of state aid nor the regional development agencies have given much information concerning the involvement of the local authorities in the social and economic development of the deprived areas, an active implication of the local authorities in the communities that they administrate would be necessary, for a better knowledge of the reality and in order to identify the opportunities of development (action that should have been initiated even before the accession). Promoting the identity and the specific of each area must be sustained while stimulating innovation and adaptation to present opportunities by the local authorities;
- regarding structural funds, it's necessary for the state to get involved in organizing informative campaigns among both undertakings as well as local authorities in order to get to know the financing possibilities;
- in order to insure an easier and a quicker access to financing it is recommended to simplify the procedures for accessing structural funds;

Conclusions and suggestions V- necessary measures

- Starting by local authorities their own programmes, by accessing structural funds that would lead to developing the areas, a more simplified procedure, which doesn't need the authorization from the European Commission;
- Attracting some investors from outside the areas by creating business centers, industrial parks or an adequate infrastructure;
- The state's involvement in the professional training of the unemployed would contribute to increase the opportunities to get hired for these persons as well as developing the entrepreneurship;
- The education in these areas should be adapted to both the market's needs as well as the developing of the traditional crafting activities, which are on the verge of disappearance;
- Support from the state towards local farmers as well as promoting tourism.

Conclusions and suggestions VI

- Therefore, it should be noted that the measures/schemes of state aid with the objective of regional development, initiated after Romania's accession to the European Union and until now, are measures that are addressed to all undertakings all over the country (of course, to those that meet the conditions provided by the respective regulations) and are not aimed directly at those areas of the country that from an economic and social point of view are well behind. This is why, there's a risk that these support measures will still be focused on the areas with a higher economic level, urban areas or even the areas around the capital, where the undertakings are better informed and thus the economic lag would only deepen;
- Finally, the stimulating factors of the regional development, which should receive special attention, are: the level of economic development, the high level of the education of the population, a high innovative capacity, the physical infrastructure and the existence of activities which generate a high added value.