



P R E S S R E L E A S E

Bucharest, 19 March 2013

## **COFACE SUPPORTS THE ROMANIAN SMES WITH TWO NEW SOLUTIONS IN ORDER TO PROTECT AND INFORM THEM**

**The global economy is still affected by the turbulences that also had an impact on the local business environment, especially on SMEs, that faced difficult situations.**

**To better meet SMEs' expectations and needs, Coface decided to support this segment that represents the economy's force drive by developing two new products designed to protect the business and assess its partners.**

### **SMEs are the force drive of the Romanian economy, but they are still facing the crisis**

Despite the major importance of this companies' segment on economic development, the Romanian SMEs still face the effects of the crisis due to:

- Reduced extra credit perspectives in the next period;
- Lack of a solid guarantee program;
- Low weight of the guarantee's institutions;
- Difficulty accessing European funds, excessive bureaucracy and lack of regulation;
- Cashing debts over due date.

These problems are reflected in the financial situation of this companies' segment.

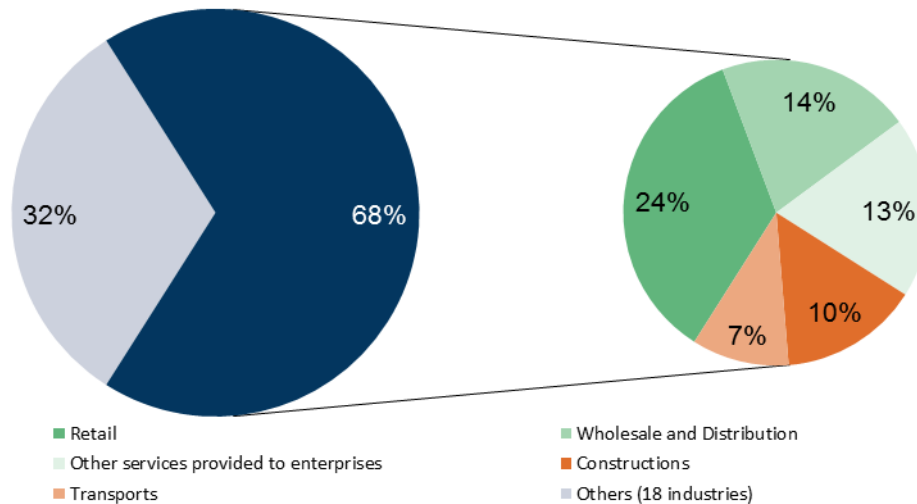
### **Micro-enterprises and their sectors**

Sectoral distribution of micro-enterprises shows a high degree of concentration, 68% of them are operating in the following five sectors: Retail (24%), Wholesale & distribution (14%), Other services provided to enterprises (13%), Construction (10%) and Transport (7%).

Among the sectors with a *high degree of risk*, we mention: Mining industry, Metallurgical Industry, Food & beverage.

Top III of sectors with a *low degree of risk*: IT, Healthcare & social assistance, Other services provided to enterprises.

## Sectoral distribution of Micro-enterprises



Source: Ministry of Finance, INS, Coface data

## Micro-enterprises under Coface's magnifying glass - SMEs most affected segment. Its liquidity, profitability and solvability is in the process of deterioration

Coface Romania calculated the main financial indicators of Romanian companies regarding different size classes, based on their financial statements submitted to the Ministry of Finance for 2011. Based on this analysis, it was found that micro-enterprises:

- Registered the highest level of indebtedness, of 99% (as a percentage of total debt to assets);
- Is the only sector that registered a negative capitalization;
- Registered the highest loss ratio, of -4.5%;
- Registered the largest DSO, of 172 days, with two months older than the one registered before the financial crisis;
- Registered the lowest percentage of total debt in turnover, of 37%.

## Coface launches two new products to support the Romanian SMEs: SMART Credit Insurance and InfoQuick Online Reports

Generating more than two thirds of the jobs and more than half of the added value within the national economy, the SMEs sector is an important force drive of economic growth, although it is still facing the crisis.

Coface decided to support this very important segment of the Romanian economy with solutions dedicated to protect and inform the emerging companies.



## P R E S S R E L E A S E

**SMART Credit Insurance** is a necessary tool for developing a safe business that will cover the risk of payment default and the clients' portfolio.

SMART Credit Insurance:

- Is a unique product on the market, dedicated to SMEs
- Supports the development of the business by introducing new safe clients in the insurance policy
- Its conditions and cost have been simplified to perfectly meet the needs of small and medium companies
- The sales process is simplified: 7 days to sign the contract (from the moment the client provides the questionnaire)
- The insurance policy can be assigned to a bank in order to allow access to new funding sources.
- Flexible establishing system of the insurance costs to increase accessibility (client chooses the optimal cost/ cover within its budget & risks)

**Coface InfoQuick** is an online platform that allows clients to obtain financial information about Romanian companies in a very short time, with reference to a collection of public data generated by the application using automatic querying of online information sources and information already stored in our local databases.

The core product of the platform is an online report delivered in a few minutes that shows any Romanian company considering:

- General information about the company and its shareholders
- Financial statements of the last 4 years
- Payment behavior
- Legal status of existing court files

Both SMART Credit Insurance and InfoQuick Report address the growing need of SMEs to have a simple and fast tool for developing their businesses safely and for assessing their potential partnerships in order to take the most effective business decisions.

*"It is clear that SMEs are the backbone of the Romanian economy, by generating two thirds of the jobs and 54% of the added value of the national economy. Unfortunately, this segment suffers most in terms of credit and we observe a financial indicators' degradation that show a negative capitalization rate, an increase within indebtedness rate and losses. Therefore, Coface choose to invest in the development of two new products dedicated to this segment, allowing SMEs to have a more efficient risk management policy for safer trade.",* says Constantin Coman, Country Manager, Coface Romania.



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**About Coface**

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2012, the Group posted a consolidated turnover of 1.6 BEUR. 4,400 staff in 66 countries provides a local service worldwide. Each quarter, Coface publishes its assessments of country risk for 158 countries, based on its unique knowledge of companies' payment behavior and on the expertise of its 350 underwriters located close to clients and their debtors.

In France, Coface manages export public guarantees on behalf of the French state.

Coface is a subsidiary of Natixis, corporate, investment management and specialized financial services arm of Groupe BPCE.

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