

THE ROLE OF THE BUSINESS ENVIRONMENT IN THE SUSTAINABLE DEVELOPMENT OF BUFTEA CITY, ILFOV COUNTY

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Abstract: The article analyzes the dynamics of the business environment in Buftea city, Ilfov County, during the period 2019–2023, as a key factor in supporting sustainable local development. Indicators such as the number of economic agents, turnover, profit, distribution of employees and the structure by economic sectors were examined. The study showed that the total number of economic agents increased from 1,247 in 2019 to 1,385 in 2023, with the majority of companies (approximately 94%) being micro-enterprises with 0-9 employees. The turnover for the city of Buftea reached 2,893 million lei in 2023, compared to 1,943 million lei in 2019 and the profit increased from 123 million lei to 278 million lei during the analyzed period. In terms of the workforce, a slight decrease was observed, with the total number of employees being 4,316 in 2023. The distribution of economic agents in Buftea by sectors of activity from the national economy recorded a significant concentration in category G–“Wholesale and retail trade: motor vehicle and motorcycle repairs”-26.6%, in category J– “Information and communication”-12.7% and category F–“Construction” –12.3% in 2023. Therefore, the article highlights that the business environment in Buftea had a positive impact on local economic sustainability, contributing both to the increase in local incomes and to economic diversification.

Key words: business environment, sustainable development, Buftea city, employees, economic agents, turnover

INTRODUCTION

Ilfov County is positioned in the S-SE part of Romania, having 8 cities, as follows: Bragadiru; Buftea, Chitila, Măgurele, Otopeni, Pantelimon, Popești Leordeni and Voluntari. It is also necessary to remember that in Ilfov county there are 32 communes and 91 villages [15].

Each of the communes and villages that are part of the county has different degrees of economic development. They differ from other rural communities in other counties. The rural area is a basic component for each county. Analyzed from a socio-economic point of view, it is indestructibly linked to the activities that take place in these areas. Ilfov County is part of the Bucharest-Ilfov Development Region, a region considered the engine of the national economy [5,8,11].

This county is the smallest in Romania, in terms of area (1583 km²). Each city in Ilfov County stands out for a series of economic, cultural and social activities that positively impact the socio-economic environment in the county. According to official sources, Ilfov County was in the top 10 counties in terms of the value of the gross domestic product per capita [15].

In the area of Ilfov county there are 21,362 functional companies. As for the industry in this county, it stands out for a diversified range of products made. This fact is determined by the substantial investments that have been made in this county. Investments have been made in: the transport sector; manufacturing industry, real estate, trade etc. Lately, the development of tourism has been noted in Ilfov County. More and more Romanian and foreign tourists are interested in visiting the tourist attractions in this region [7,10].

The rapid development of the real estate sector, as well as of the economic activities have led to the development of the technical-urban and social infrastructure, on the one hand, and on the other hand, to certain aspects that are more difficult to manage by local actors [1,18].

The city of Buftea holds a unique position in Ilfov County's architectural landscape. It is situated in the northwest of Ilfov County, 20 kilometers north of Romania's capital. The city of Buftea is notable for its economic activity and the favorable outcomes it has achieved, but it is also notable for its historical monuments that serve as a testament to the events that have occurred over time.

As for the economy of Buftea, it has undergone a series of substantial changes after 1990. Here, modern halls were built, commercial companies were established on different profiles, numerous private units of major importance were opened etc [2].

The natural resources related to the soil in Ilfov County, but also in the Buftea region have contributed to the creation of beneficial conditions for the development of the agricultural sector, so important in a period of geopolitical and economic instability evident worldwide. It should not be forgotten that agriculture has been and will remain a representative pillar of the Romanian rural economy [2,3,12,13,14].

In the last ten years we have witnessed the intensification of the economic sector, by increasing the number of active companies in the city of Buftea. Each of these companies contributes directly and positively to the socio-economic development of the city, as well as of Ilfov County. In this context, we also mention another essential aspect such as regional innovation systems, which are also important factors in order to ensure economic growth and sustainable development at local and regional level [16].

In the future, important reforms and investments are planned at the level of Ilfov County, but also in the Buftea region. All these will contribute, on the one hand, to a sustainable economic development, and on the other hand, to the increase of the standard and quality of life of the inhabitants of Ilfov County [4,6,17].

Thus, the article aims to highlight the role of the business environment in Buftea, in supporting the sustainable development of the city, by analyzing the main factors that contribute to increasing local competitiveness and diversifying the economy.

MATERIALS AND METHODS

The study employed a quantitative analytical approach, focusing on the economic dynamics of Buftea city, Ilfov County, during the period 2019–2023. Statistical data were primarily collected from the Integrated Urban Development Strategy of Buftea City 2024-2030, elaborated by Buftea City Hall, as well as from official sources such as the National Institute of Statistics.

The analysis included key economic indicators such as: the number of economic agents, turnover, profit, number of employees and the structure by economic sectors (according to the CAEN – NACE classification).

The distribution of companies by size classes (based on number of employees) and their evolution over time was examined to highlight the local entrepreneurial fabric. In addition, the study assessed the contribution of main economic sectors (trade, manufacturing, construction, services) to the overall turnover and employment in the city.

Graphical representations and tables were used to illustrate changes over the five-year period, offering a view of sectoral concentration and the importance of different branches of the local economy.

RESEARCH RESULTS

Between 2019 and 2023, the city of Buftea recorded a slight increase in the number of economic agents (+2.7%), maintaining a stable and majority proportion of active companies (with a positive turnover) - Figure 1. This evolution indicates a relatively healthy and stable local economic environment, with potential for sustainable development, but the slight decrease in 2023 (77%) and the constant presence of inactive firms suggest the need for support measures to increase economic performance and reduce inactivity among firms.

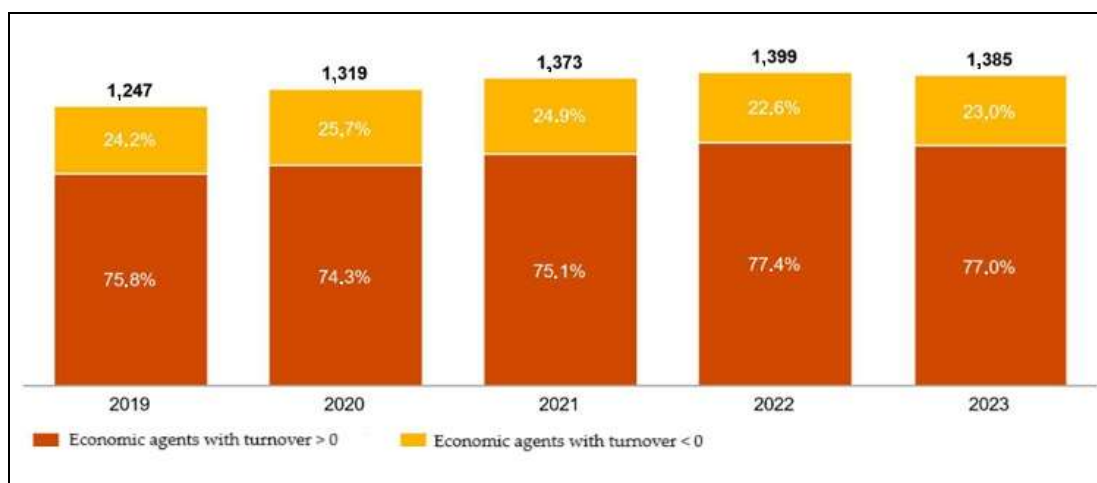


Figure 1. Number of economic agents in the city of Buftea, in the period 2019-2023

Source: [17]

Between 2019 and 2023, the total number of economic agents increased from 1,247 to 1,385, which shows an active local economic environment, in slight expansion – Table 1. This increase was accompanied by a maintenance of the high share of companies with real activity (turnover > 0), which is a positive indicator of economic sustainability.

Wholesale and retail trade (Section G) remains the most important economic sector, accounting for 26.6% of all firms in 2023. Although this share has decreased slightly compared to 2019, the sector continues to play a key role in the local economy, providing jobs and generating significant income.

Construction (Section F) and Information and Communications (Section J) occupy stable positions in the ranking, indicating a steady demand for construction services and a slow trend towards higher value-added services.

Table 1.
The number of economic agents in the city of Buftea, in 2019 and 2023, according to the activities of the national economy (number and %)

Economic activity (CAEN – NACE classification section*)	2019	%	2023	%
A - Agriculture, forestry and fishing	16	1.3%	15	1.1%
B - Mining and quarrying	-	-	-	-
C - Manufacturing industry	104	8.3%	102	7.4%
D - Production and supply of electricity and heat, gas, hot water and air conditioning	-	-	2	0.1%
E - Water supply; sewerage, waste management and remediation activities	5	0.4%	5	0.4%
F - Construction	164	13.2%	170	12.3%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	344	27.6%	368	26.6%

Economic activity (CAEN – NACE classification section*)	2019	%	2023	%
H - Transportation and storage	99	7.9%	109	7.9%
I - Hotels and restaurants	48	3.8%	60	4.3%
J - Information and communication	138	11.1%	176	12.7%
K - Financial and insurance activities	11	0.9%	8	0.6%
L - Real estate activities	27	2.2%	39	2.8%
M - Professional, scientific and technical activities	109	8.5%	120	8.7%
N - Administrative and support service activities	61	4.9%	77	5.6%
O - Public administration and defense; compulsory social security	1	0.1%	1	0.1%
P - Education	14	1.1%	21	1.5%
Q - Human health and social work activities	29	2.3%	33	2.4%
R - Arts, entertainment and recreation activities	31	2.5%	26	1.9%
S - Other service activities	49	3.9%	53	3.8%
U - Activities of extraterritorial organizations and bodies	-	-	-	-
Total	1,247	100%	1,385	100%

* NACE - Nomenclature statistique des Activités économiques dans la Communauté Européenne

Source: [17]

Agriculture (Section A) has a very small share (1.1% in 2023), despite the geographical positioning of the city of Buftea in an area with agricultural potential. This may suggest either accelerated urbanization or poor use of local agricultural resources [14].

The educational, health, social and cultural activities sectors (sections P, Q, R) remain poorly represented, together accounting for less than 6% of all economic agents. This structural imbalance can affect the quality of life in the long term [9].

Table 2.
Number of economic agents in Buftea, in the period 2019 - 2023, depending on the number of employees (number and %)

Size classes	2019	%	2020	%	2021	%	2022	%	2023	%
0 – 9 employees	1,163	93.3%	1,240	94.0%	1,296	94.4%	1,319	94.3%	1,315	94.9%
10 – 49 employees	70	5.6%	64	4.9%	62	4.5%	65	4.6%	56	4.0%
50 – 249 employees	13	1.0%	14	1.1%	14	1.0%	14	1.0%	13	0.9%
>250 employees	1	0.1%	1	0.1%	1	0.1%	1	0.1%	1	0.1%
Total	1,247	100%	1,319	100%	1,373	100%	1,399	100%	1,385	100%

Source: [17]

Table 2 highlights the distribution of economic agents in the city of Buftea in the period 2019–2023, depending on the size of the company (number of employees). The data show an economic structure strongly dominated by micro-enterprises, with a small number of medium and large firms. The structure of companies in Buftea is unbalanced in favor of micro-enterprises, which dominate the local economic landscape. While this indicates an active and diverse entrepreneurial environment, it lacks the essential component of medium and large firms, which bring significant investment, create sustainable jobs and can sustain long-term economic development.

As can be seen from Figure 2, although the total number of companies in Buftea increased between 2019 and 2023, this did not represent an increase in employment except for the 0-9 employee class (Table 2). For the other categories, the total number of employees decreased slightly. In 2019, the total number of employees was 4,521, and in 2023 it decreased to 4,316, which means a loss of 205 employees in five years.

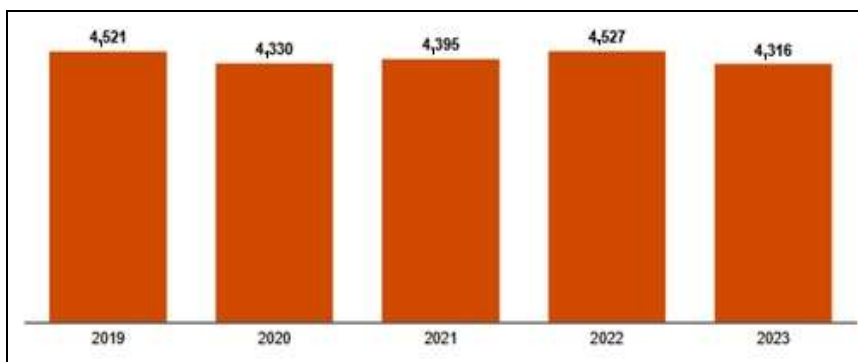


Figure 2. Number of employees of economic agents in the city of Buftea (2019-2023)
 Source: [17]

Figure 3 shows the distribution of the number of employees of economic agents in the city of Buftea, in 2019 and 2023, according to the sectors of economic activity (CAEN). It highlights not only the dynamics of jobs over the five years, but also the structure of employment in the city. The structure of employment in Buftea is concentrated in three main sectors: manufacturing, trade and construction, which together account for over 70% of employees. Although construction and technical services saw an increase in the number of employees, the industrial sector – although dominant – suffered a slight contraction.

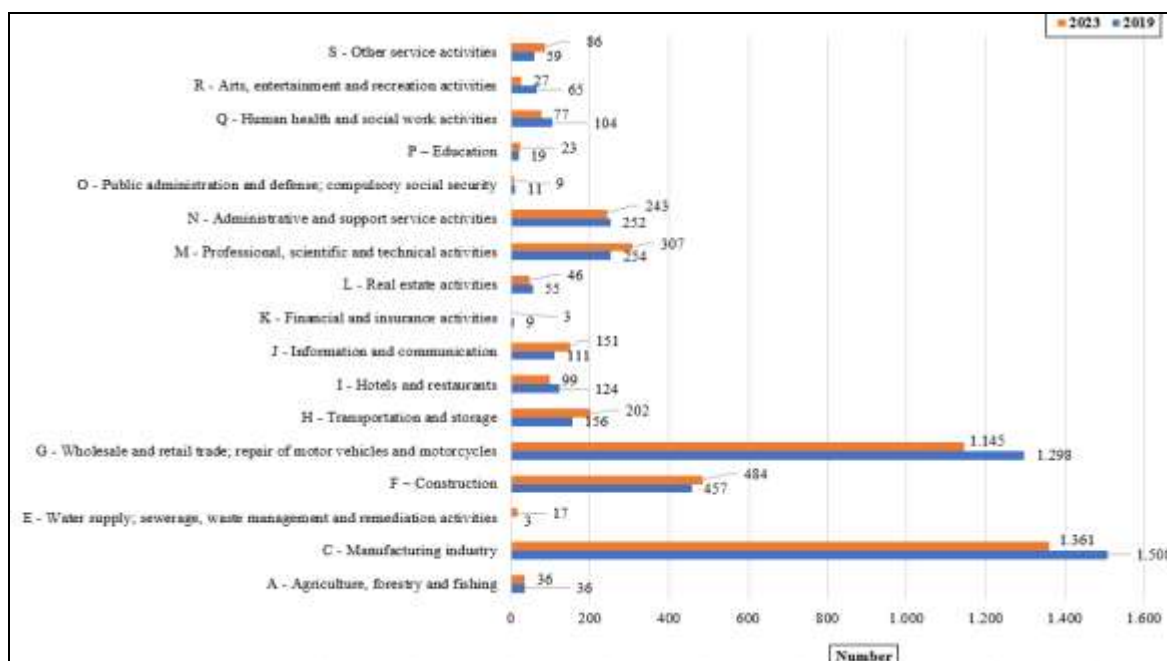


Figure 3. Number of employees of economic agents in the city of Buftea, in 2019 and 2023, according to the activities of the national economy

Source: [17]

Buftea's economy experienced a significant expansion between 2019 and 2022, both in terms of turnover and profit, with an increasing efficiency of economic activities (profit grew faster than revenues) – Figure 4. However, in 2023 there was a change in the positive trend, with decreases of 8% in turnover and 10% in profit.

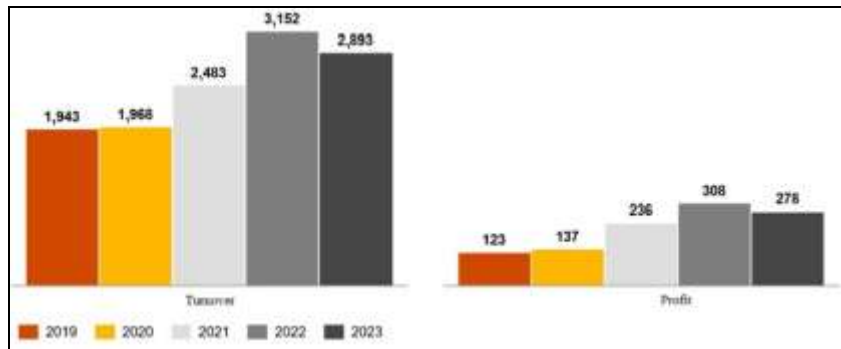


Figure 4. Turnover and profit recorded by economic agents in the city of Buftea, in the period 2019 – 2023 (million lei)

Source: [17]

Figure 5 shows the distribution of the turnover of economic agents in the city of Buftea, in 2019 and 2023, according to the size class of the companies, determined by the number of employees. The chart highlights how different types of businesses (micro, small, medium and large) contribute to generating total revenue.

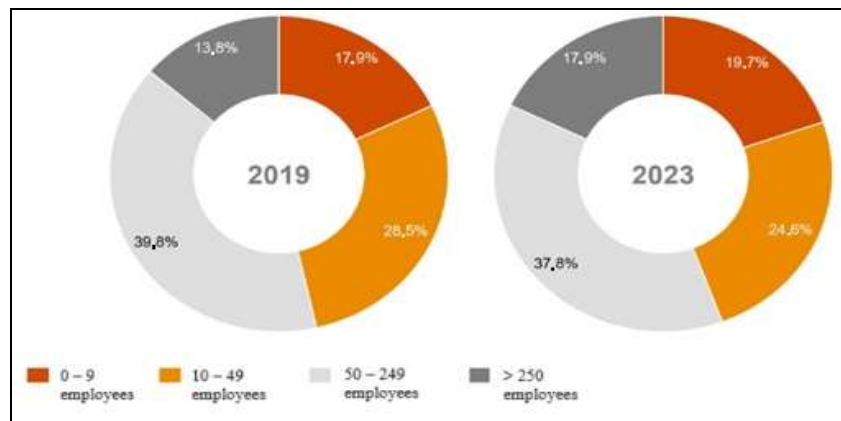


Figure 5. Turnover recorded by economic agents in Buftea city, by number of employees, in 2019 and 2023 (%)

Source: [17]

Between 2019 and 2023, Buftea's economy recorded a significant growth in terms of both turnover and profit, but this expansion was mainly concentrated among a small number of medium and large companies. Medium-sized companies continue to be the main source of revenue, but their share in total turnover decreased slightly in 2023, in parallel with a general decrease in turnover and profit compared to the previous year.

The local economy of Buftea is strongly concentrated around two major sectors – trade and manufacturing – which together generate almost 76% of the total turnover in 2023 (Table 3). Although these sectors are stable, the increased dependence on trade and the decrease in industry and construction may indicate a shift of the economic center of gravity towards commercial activities, with a lower degree of technological and investment complexity.

This trend accentuates the need for economic diversification, by supporting emerging sectors such as Section M, Section H, Section J, which are starting to have a more significant but still marginal presence.

Table 3.
Turnover recorded by economic agents in the city of Buftea according to the activities of the national economy (%)

The activities of the national economy	2019 %	2023 %
A - Agriculture, forestry and fishing	-	1%
C - Manufacturing industry	34%	30%
F - Construction	10%	7%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	43%	46%
H - Transportation and storage	3%	4%
I - Hotels and restaurants	-	1%
J - Information and communication	1%	2%
L - Real estate activities	1%	1%
M - Professional, scientific and technical activities	3%	4%
S - Other service activities	5%	4%
Total	100%	100%

Source: [17]

Table 4.
Ranking of economic agents in Buftea, between 2019 - 2023, according to turnover and number of employees

Economic agents	Economic activity (CAEN section)	Turnover 2023 (mil. lei)	% Turnover within CAEN section 2023	Employees 2023	% Employees within CAEN section 2023
Economic agent 1	(G) Wholesale trade of other machinery and equipment	516.6	38.5%	266	23.2%
Economic agent 2	(C) Manufacturing industry – manufacture of chemical products	268.2	20.0%	137	12.0%
Economic agent 3	(C) Processing and preserving of meat	231.7	26.3%	127	9.3%
Economic agent 4	(G) Wholesale trade of fruits and vegetables	157.8	11.8%	37	3.2%
Economic agent 5	(C) Manufacture of other plastic products	121.9	13.9%	135	9.9%
Economic agent 6	(C) Manufacture of electrical equipment, cables, telecommunications	106.8	12.1%	105	7.7%
Economic agent 7	(C) Manufacture of other plastic products	101.7	11.6%	94	6.9%
Economic agent 8	(C) Manufacture of plastic tubes, pipes and profiles	84.0	9.5%	73	5.4%
Economic agent 9	(I) Hospitality (hotels and restaurants)	76.4	38.8%	17	3.5%
Economic agent 10	(H) Other land transport activities	54.0	45.1%	14	6.9%
Economic agent 11	(N) Administrative and support service activities	54.0	4.0%	20	1.7%
Economic agent 12	(Q) Human health and social work activities	36.4	2.7%	22	1.9%
Economic agent 13	(M) Professional, scientific and technical activities	35.9	2.7%	81	7.1%
Economic agent 14	(J) Information and communication	34.5	34.0%	106	34.5%
Economic agent 15	(G) Retail trade activities	33.5	33.0%	113	36.8%

Source: [17]

Table 4 provides a detailed presentation of the main economic agents in the city of Buftea, according to the turnover recorded in 2023 and the number of employees. The information includes the sectors of activity (CAEN), as well as the share of turnover and employed personnel within each CAEN section.

The ranking confirms that the local economy in Buftea is supported by a relatively small number of large and medium-sized companies in the manufacturing industry and trade, which generate most of the turnover and provide a significant number of jobs.

CONCLUSIONS

The study highlights that Buftea city experienced a relatively stable economic development between 2019 and 2023, characterized by an increase in the total number of economic agents from 1,247 to 1,385. However, the local economy remains predominantly composed of micro-enterprises (over 94% with 0–9 employees), reflecting a vibrant but fragile entrepreneurial environment, with limited presence of medium and large companies.

Turnover and profit recorded significant growth over the period, reaching 2,893 million lei and 278 million lei respectively in 2023, although a slight decline was observed in the last year, indicating sensitivity to broader economic fluctuations. The analysis also revealed a high sectoral concentration: trade and manufacturing together accounted for almost 76% of the total turnover, showing a local economy heavily reliant on these sectors.

Despite the steady role of construction and the emerging presence of “*Information and communication*”, “*Professional, scientific and technical activities*”, “*Transportation and storage*” sectors, Buftea’s economic structure remains insufficiently diversified. The underrepresentation of education, health, social and cultural activities highlights potential long-term vulnerabilities in quality of life and social resilience.

In this context, strengthening the business environment in Buftea should focus on encouraging economic diversification, supporting investments in high value-added sectors, and fostering innovation ecosystems to sustain local competitiveness and ensure balanced, sustainable development.

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