



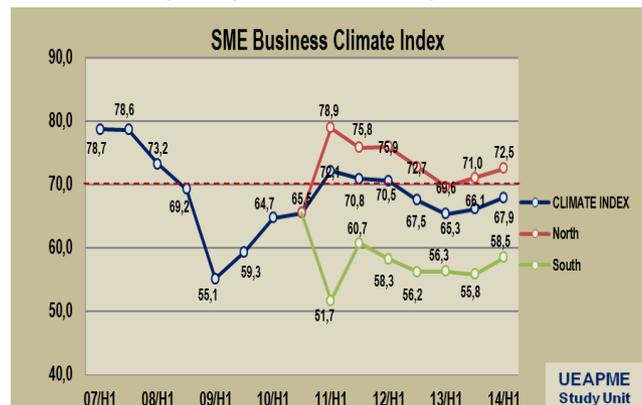
“The voice of crafts and SMEs in Europe”

SMEs in Europe lagging behind in recovery – no signs for jobs or growth

Index still below 70-point line; smaller companies suffer from shortage of internal demand and lack of finance to invest

Brussels, 18 March 2014 – European SMEs’ confidence has increased over the last six months by almost two percentage points and now reaches 67.9 for the entire European Union. However, the difference between South & Periphery and North and Core Europe does not decrease and remains at about 15 percentage points. In particular, SMEs in the construction and personal services sector are negatively affected by the low level of household demand, which had already hindered SMEs exiting the recession last semester. The slightly better outlook for the first half of 2014 may bring SMEs out of recession but it will not be enough to grow or to create jobs.

“The UEAPME SME Business Climate index increased by 1.8 during the last semester. However, it is still clearly below 70, which we see as a neutral stance. We therefore cannot yet speak of a recovery and will see no growth and no new jobs in the first half of 2014”, said **Gerhard Huemer**, Director of the UEAPME Study Unit, which issues the “Craft and SME Barometer” prior to the EU summits in spring and in autumn. SMEs are mainly lagging behind the slight overall recovery because of their larger dependence on household demand and of their difficulties in accessing finance for investments. Furthermore, the huge difference between North & Core and South & Periphery still exists and keeps confidence down.



The SME Barometer shows slightly improved results for the second half of 2013 in most of the economic indicators except investments, but the figures are much worse than expected six months ago. “This clearly proves that the recession did not come to an end in the last months of 2013, at least for SMEs,” explained Mr Huemer, “the situation was at its worst for investments, where we saw for the first time that SMEs have even less investments accomplished than they had originally planned.”

The figures for the first half of 2014 show only limited improvements and are not strong enough to turn the recession into a recovery. “According to our figures, we will see some growth in central and northern Europe, but without significant effects on employment. However, the SME sector in southern and peripheral Europe may remain in recession and further job reductions cannot be excluded”, said Mr Huemer. He continued to say that “the only positive fact is that many SMEs expect higher sale prices, proving that SMEs do not foresee any risks of deflation in Europe”.

“A more positive future development will depend on the materialisation of the risks coming from geo-political instabilities or unsolved problems in the financial sector and is only feasible if needed reforms continue and access to finance is improved”, concluded Mr Huemer.

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(1) The full survey results can be downloaded [here](#)

EDITORS’ NOTES: The **EU Craft and SME Barometer** builds on the results of surveys conducted by UEAPME members in different regions all over Europe. The **SME Business Climate Index** is an average of companies that have reported positive or stable business situations and expect a positive or stable development for the next period. It can range from 100 (all positive or neutral) to 0 (all negative).

UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information please visit <http://www.ueapme.com/> or follow [@UEAPME](#) on Twitter.

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