



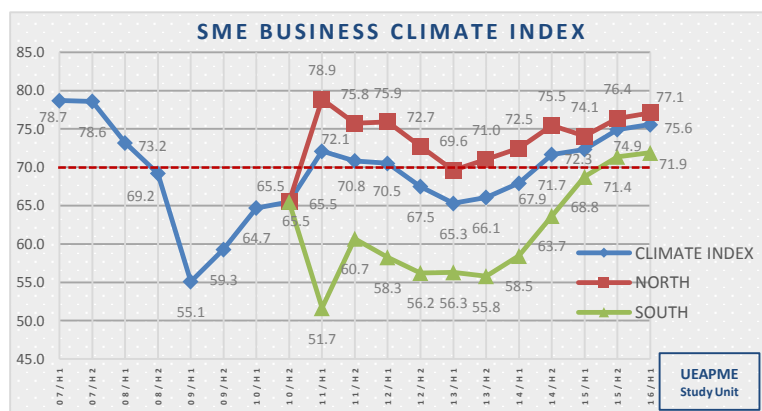
*"The voice of crafts and SMEs in Europe"*

## SME Barometer: Internal demand pushes SMEs ahead of EU recovery

*Climate index has achieved 75.6. Clear signs of recovery: positive developments for investments and employment*

Brussels, 14<sup>th</sup> March 2016 – European SMEs maintain an upward tendency in the confidence regarding the forthcoming overall situation: the Business Climate Index<sup>(1)</sup> has attained 75.6, with an increment of 0.7 percentage points from last semester. The impact of the national reforms in the Southern Europe and the rapid growth of the Central-Eastern European nations are supporting this development. However, there is still a gap between countries in the North and Centre and countries in the South and Periphery of Europe. Furthermore, this semester, the UEAPME SME Barometer displays that the raise in domestic demand has strongly pushed SMEs forward, particularly in the services sector which developed much better than expected.

*"European SMEs are overcoming the difficulties of the crisis", affirmed UEAPME President Ulrike Rabmer-Koller at today's presentation of the results. Indeed, although the climate index is slightly increasing, the Barometer shows a very favourable situation for the European SMEs. "This semester", she explained, "the small and medium enterprises in Europe are reporting much more positive rather than neutral situations compared to last periods. Moreover, all the expectations are above zero for the next semester, therefore also showing a positive outlook for the future."*



The very interesting result is the pronounced improvement achieved by the services sectors. Both business and personal services distinctly exceeded their expectations by more than five percentage points. *"The driving force of this development and, more generally, of the strengthening of SMEs is the restoration of the domestic demand",* said Ms Rabmer-Koller. *"However",* she added, *"this has not promoted the construction sector yet. Indeed, the fall of the housing demand during the peak of the crisis in 2011 and the lack of private investments are still lessening this industry, on average, in Europe"*.

Nevertheless, the barometer reports first positive signals for the overall investment and employment. The investments have recorded a considerable increase, passing the neutral line for the first time since the beginning of the downturn. According to Ms Rabmer-Koller, *"European companies are ready to start investing again. This is outstanding news, as is the upswing of employment above the zero level after 5 years of negative results, which also proves the effectiveness of the labour reforms launched so far."*

*"Despite the encouraging news",* Ms Rabmer-Koller cautiously remarked, *"numerous issues, such as the Brexit debates and the migrant crisis, might jeopardise the European SME situation. Therefore, the further policy measures at European and national level will be essential to foster SMEs and finally accomplish the economic recovery"*.

In underlining the positive effects of reforms, Ms Rabmer-Koller stated that *"the results clearly show a significant better economic dynamic for those countries, already having implemented the needed reforms"* and she asked for more reform efforts in the countries having not yet done so. In order to strengthen this recovery and make it sustainable, *"it is now important that SMEs have the possibility to finance their investments and to ensure the supply with qualified workforce",* concluded Ms Rabmer-Koller.

\*\*\*\* END \*\*\*\*

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

**EDITORS' NOTES:** 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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