



"The voice of crafts and SMEs in Europe"

SMEs' recovery continues, but new risks and imbalances surface

EU SME Barometer presented at Tripartite Social Summit demonstrates the need for better conditions for private investments

Brussels, 8th March 2017 – At the Tripartite Social Summit, President Ulrike Rabmer-Koller presented the latest results of the UEAPME European SME Barometer to the leaders of the EU Institutions. The SME Climate Index reaches 75.8 points, reflecting an overall positive situation for European SMEs. Yet, imbalances are on the rise. Non-Euro countries seem to be particularly bearing the effects of the recent geopolitical events, especially Brexit. Furthermore, an expected slowdown in domestic demand has lowered SMEs' expectations, particularly affecting the construction and personal services sectors. This requires improvements as regards competitiveness and investment conditions to make economic growth sustainable.

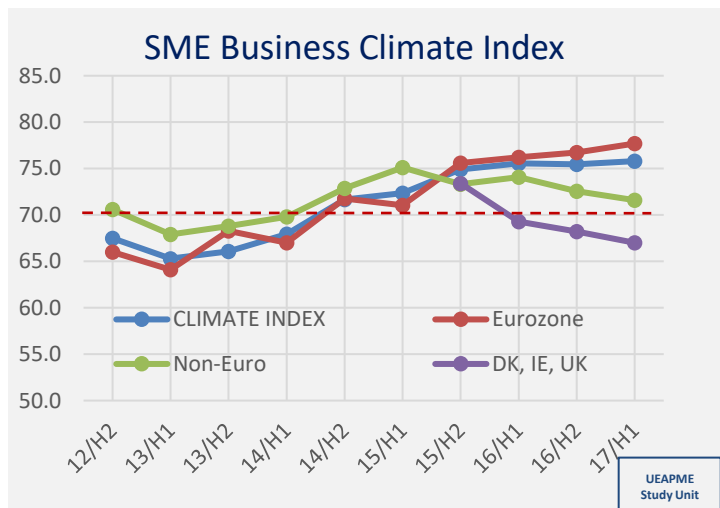
"The UEAPME SME Barometer⁽¹⁾ pairs with the Winter Forecasts recently issued by the European Commission," stated UEAPME President Ulrike Rabmer-Koller at the presentation of the Barometer 2017/H1, "In line with the forecasts, the indicators depict an overall positive scenario. However, SMEs expect an internal demand slowdown this semester, due to higher inflation and a fading-out of support factors."

The recent geopolitical changes have likely played a major role in determining the current economic scenario for SMEs. *"In particular"* – affirmed Ms Rabmer-Koller – *"the negative tendency, witnessed by the countries more strongly depending on UK economy, demonstrates that the Brexit effects have furthered and are already starting to spread."* The index for the DK-UK-IE group has, in fact, decreased to 67 points. At the same time, the index for Non-Euro countries is down to 71.6 points.

The expected slowdown in domestic demand has negatively impacted SMEs' expectations, especially in the construction and personal services sectors. *"These sectors are particularly dependent on domestic demand as they offer very locally targeted services"*, explained Ms Rabmer-Koller. As a consequence and in order to sustain the current recovery, policy should focus on the availability of skilled people, access to finance by a prolongation of EFSI, public investments in digital skills and infrastructure as well as on flexible labour market systems. And of course, reducing bureaucracy remains crucial.

Addressing the leaders of the European Institutions at today's Tripartite Social Summit, Ms Rabmer-Koller underlined that *"Europe has to improve its competitiveness and the business environment for SMEs to encourage them to invest, innovate, grow and create more jobs, in order to strengthen the current recovery and to make it sustainable."* On public spending and fiscal policy she added that *"it is important to focus on investments in future growth without endangering fiscal sustainability."*

(1) http://www.ueapme.com/IMG/pdf/170308_Barometer_17H1.pdf



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EDITORS' NOTES: UEAPME is the employers' organisation representing Crafts and SMEs from the EU and accession countries at European level. UEAPME has 64 member organisations covering about 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Gerhard Huemer, Economic Policy Director, Tel. +32 2 230 75 99, Email: g.huemer@ueapme.com

Jenny Manin, Press and Communications Officer, Tel. +32 496 52 03 29, Email: pressoffice@ueapme.com