

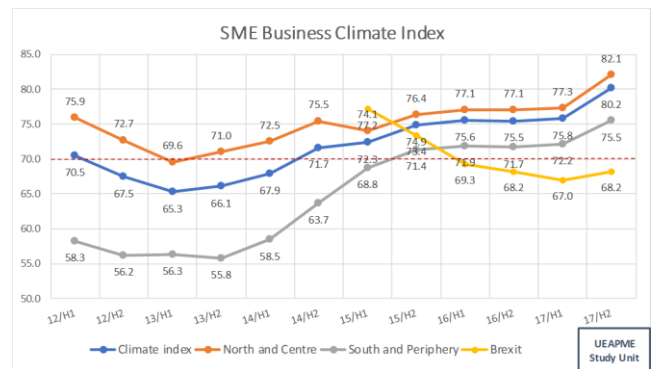


“The voice of crafts and SMEs in Europe”

## SME Climate Index attains a pre-crisis level with 80.2 points

*Stable internal demand strengthens SME recovery, but still uncertainties and negative impact from Brexit feeds in*

Brussels, 18<sup>th</sup> October 2017 – At the Tripartite Social Summit, UEAPME President Ulrike Rabmer-Koller presented the latest SME Barometer<sup>(1)</sup> to the leaders of the European Institutions. SMEs have reported significant improvements in their business activities compared to last semester. As a result, the SME Climate Index has surged to 80.2 points, the highest score recorded since the outbreak of the global financial crisis. However, recovery is still fragile and uncertainty over Brexit diminishes expectations in the UK and countries with close economic ties to it. The confidence of all regions has increased, but the north/south divide continues. The construction sector profits from increasing investments in private housing and manufacturing from an improved global outlook. Both have resulted in a more positive outlook for turnover and employment. At the same time, uncertainty about the sustainability of the recovery still holds investments back.



“Our latest SME Barometer demonstrates significant improvements in the first semester of 2017 regarding various aspects of SMEs’ business activities – such as turnover, employment and investments – where figures are significantly above the expectations at the beginning of the year”, stated **President Ulrike Rabmer-Koller** at the presentation of SME Barometer 2017/H2.

On why SMEs have experienced better-than-expected results, Ms Rabmer-Koller cited the combined positive effects of relatively stable core inflation, declining unemployment rate and rising wages. “These factors have contributed to an improvement of European consumers’ purchasing power and therefore shores up internal demand that most SMEs rely on.”

These surprisingly positive results have also impacted the expectations for the current semester for which SMEs see a continuation of the upswing. Indeed, more SMEs report higher turnover and also an increase in employment. “However, SMEs are still quite reluctant to invest in expansion, and uncertainty about the consequences of Brexit keeps confidence of SMEs in the UK and its neighbouring countries down”, explained Ms Rabmer-Koller and argued that “from an SME point of view, we still do not see a robust recovery”:

Addressing to the leaders of European institutions at today’s Tripartite Social Summit, Ms Rabmer-Koller underlined that “To sustain current economic recovery and build a more SME-friendly business environment, Europe should keep focusing on stimulating private investments, reducing red tape and regulatory barriers, and encouraging employment through labour market reforms.” She also called for “More investments in skills and support for SMEs to profit from digitalisation and globalisation.”

(1) [http://www.ueapme.com/IMG/pdf/171018\\_Barometer\\_17H2.pdf](http://www.ueapme.com/IMG/pdf/171018_Barometer_17H2.pdf)

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**EDITORS’ NOTES:** The European Association of Craft, Small and Medium Sized Enterprises (UEAPME) is a Brussels-based umbrella group for associations of SMEs. It is a European Social Partner that has about 70 member organisations covering more than 12 million enterprises and 55 million employees. For further information please visit <http://www.ueapme.com/> or follow [@UEAPME](https://twitter.com/UEAPME) on Twitter.

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