



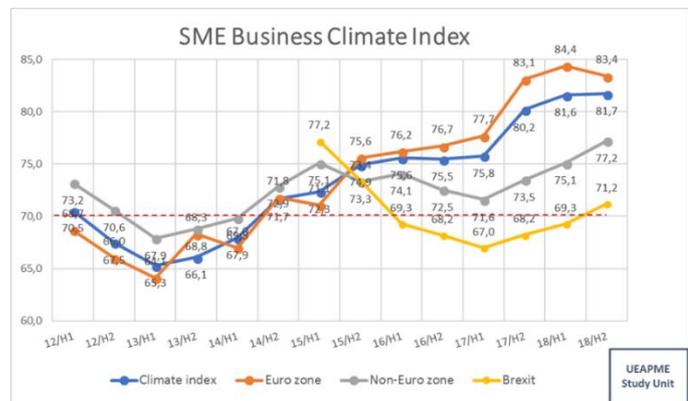
*“The voice of crafts and SMEs in Europe”*

## SMEs show economic stability at high level with confidence at 81.7

*Downward risks, such as skills shortage, Brexit, trade conflicts & political tensions, are lowering future expectations*

Brussels, 11<sup>th</sup> October 2018 – Today, ahead of next week’s Tripartite Social Summit and European Council, UEAPME President Ulrike Rabmer-Koller presented the latest EU SME Barometer. SMEs have reported marginal improvements in their business activities compared to last semester, confirming economic steadiness at high levels. As a result, the SME Climate Index has surged to 81.7 points, the highest score recorded since 2007. However, uncertainty over Brexit continues to impact the countries with close economic ties with the UK and the Non-Euro-zone. Moreover, economic and political instability in Italy and Spain has undermined their SMEs’ confidence. Overall, internal demand is the driver of economic soundness: industries that operate domestically perform better than the ones relying on cross borders activities.

“Our latest SME Barometer<sup>(1)</sup> demonstrates economic stability in the first semester of 2018 regarding various aspects of SMEs’ business activities, such as turnover, prices and orders,” stated **UEAPME President Ulrike Rabmer-Koller** at the presentation of SME Barometer 2018 for the second semester. “Although the overall situation criterium has slightly decreased, SMEs have performed better than expected.” “However,” underlined Ms Rabmer-Koller, “unabated uncertainties over Brexit seem to continue to disturb countries depending most on the UK economy.”



Regarding the reasons why SMEs have experienced better-than-expected results, Ms Rabmer-Koller cited the combined positive effects of declining unemployment rate, rising wages and steady GDP growth rate. “These factors have contributed to an improvement of European consumers’ purchasing power and therefore shore up internal demand that most SMEs rely on.” Looking at the replies to the survey, neutral responses have increased while positive and negative ones have decreased. “These evidences are not signs of economic downturn, yet they confirm that SMEs have stabilised on high levels of confidence towards the business environment they operate in,” explained Ms Rabmer-Koller. “As for reasons why the expectations are lowering, it is down to skills shortages that hinder SMEs to fulfil the increasing demand, political tensions in some Member States, and international conflicts creating constraints on global trade.” On the results, she concluded by saying that “It is remarkable how the SMEs’ economic outlook has recovered after exactly ten years of economic fluctuations: finally, responses resemble their pre-crisis levels.”

Ms Rabmer-Koller called for “clear solutions for our SMEs concerning Brexit, and encouraging employment through labour market reforms to sustain SMEs’ current economic recovery.” She also requested “more investments in skills training, to ensure qualified workforce to satisfy orders, driven by internal demand.”

(1) [https://ueapme.com/IMG/pdf/181011\\_Barometer\\_18H2.pdf](https://ueapme.com/IMG/pdf/181011_Barometer_18H2.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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