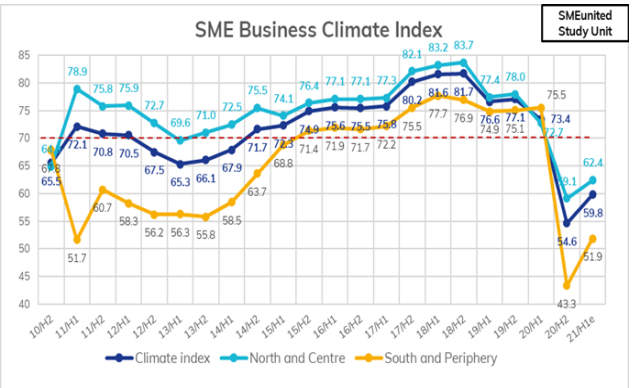
PRESS RELEASE

Barometer: lockdown measures turn down recovery expectations

SME Business Climate raised by only 5.2 points to 59.8%

Brussels, 15/3/2021 – The SME Business Climate Index presented today shows a partial recovery of 5.2% up to 59.8% after the negative record of 54.6% registered in autumn 2020. Although deconfinement and the temporary return to business-as-usual operations triggered a positive rebound, the numbers are mitigated by the outbreak of the second wave at the end of 2020.

In spite of the resumption, the limitations on non-essential services and the consequent shrink in consumers' demand severely impacted especially the SMEs' service sector. Consequently the recovery in autumn has been less pronounced than expected. Southern and Peripherical areas, which were faced with a deeper recession, show a larger positive effect from deconfinement than Northern and Central countries. Overall, the gap between these two areas reduced to 10.5 from 15.8 points.



At today's presentation of the latest EU SME Barometer provided by the SMEunited Study Unit, Economic & Fiscal Policy Director Gerhard Huemer stated, "deconfinement measures over summer triggered an encouraging rebound across all sectors, even if slower than forecasted. The worst results are collected for personal and business services, which suffered from new lockdowns and reduced demand. On the other hand, the construction sector performs better than the average." In general, SMEs are heavier impacted by the crisis than the overall economy due to their stronger presence in the services sector. "For the first semester 2021, the figures show a high level of uncertainty caused by the unpredictability of virus's behaviour, the vaccination campaign and the implementation of recovery plans", explained Huemer. The report underlines how the national support schemes and the upturn in turnover for the second semester of 2020 sustained employment with SMEs.

For SMEunited, to pass through the current uncertainty and restart the economy, the focus of the upcoming National Recovery and Resilience Plan should be to put in place an adequate balance of mutually reinforcing investments and reforms aimed at modernising the economy by the digital and green transition.

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EDITORS' NOTES: SMEunited is the association of Crafts and SMEs in Europe with 65 member organisations from over 30 European countries. SMEunited represents national cross-sectoral Craft and SME federations, European SME branch organisations and associate members. Combined, we represent more than 12 million enterprises with around 55 million employees across Europe. SMEunited is a recognised employers' organisation and European Social Partner. SMEunited was formerly known as UEAPME.

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