

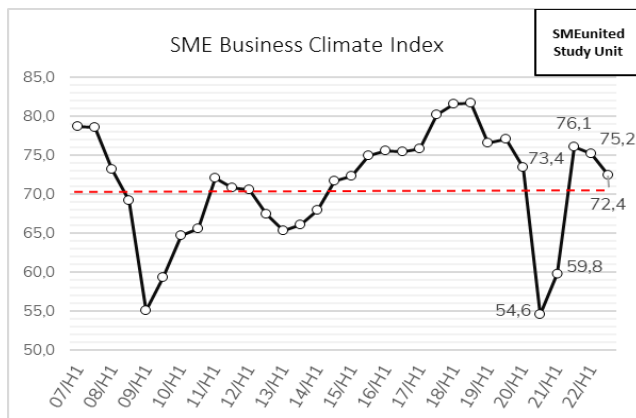
Uncertainty is high, and SMEs' risk of recession is growing

SME Business Climate scores 72.4%, declining by 2.8%

Brussels, 14/10/22 – The SME Business Climate Index presented today shows that the SMEs recovery came to an end with recession risk on the horizon. Even if the results for the last semester are significantly above expectations, the BCI reports a 2.8% decline in SMEs' confidence.

“Worrying economic circumstances such as rising energy prices, supply chain disruptions and inflationary pressures were the main reasons for the worsening business confidence. SMEs with a strong presence in the construction sector have been further hit by high-interest rates on mortgages,” said Petri Salminen, SMEUnited President.

Presenting the main findings of the latest SME Barometer, developed by the SMEUnited Study Unit, Gerhard Huemer, SMEUnited Economic Policy Director, showed that the results for the first semester of 2022 exceeded expectations, as fears of an outbreak of Covid variants did not materialise. However, investment results were worse than expected because of uncertainty about the future business environment. The current semester shows sharp increasing uncertainty. Negative expectations about turnover and orders lead to a strong drop in the value for investment (-16.7). At the same time, employment expectations remain positive (+1.2), indicating that many SMEs still want to fill existing vacancies.



According to Mr Huemer, for SMEs to navigate the high uncertainty related to the Ukrainian war, the focus of national and European policies should be on stabilising energy and commodity markets and taking urgent action to mitigate energy price hicks. This is a prerequisite for investments and reforms to accelerate the green and digital transition.

Read more [here](#)

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EDITORS' NOTES: SMEUnited is the association of Crafts and SMEs in Europe with 67-member organisations from over 30 European countries. SMEUnited represents national cross-sectoral Craft and SME federations, European SME branch organisations and associate members. SMEUnited is a recognised employers' organisation and European Social Partner. SMEUnited was formerly known as UEAPME.

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