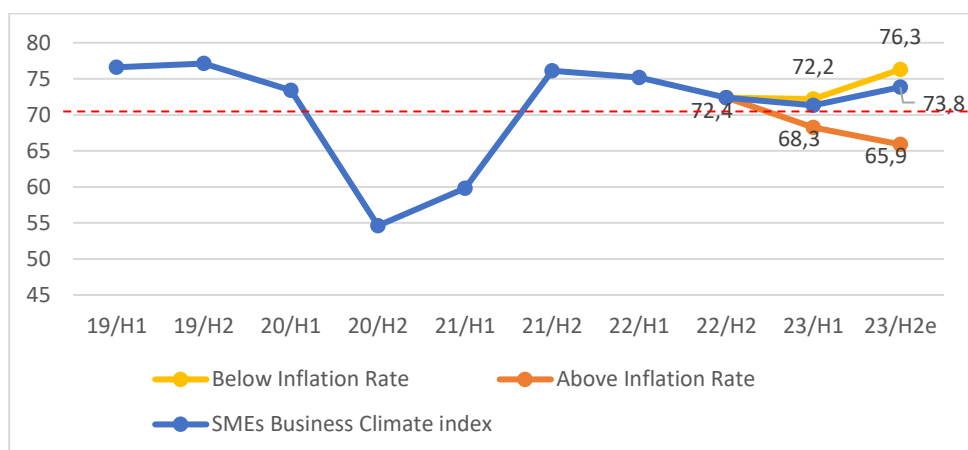


## SME confidence rebounds, but high degree of uncertainty

SME Business Climate slightly up to 73.8% - strong dependence on inflation level

Brussels, 23th October – The SME Business Climate Index presented today shows that the confidence of SMEs started to rebound. However, this is not the case for SMEs in countries with inflation rates above average, which show declining confidence with signs of recession. Furthermore, the results of the EU SME Barometer for spring 2023 are slightly up and substantially above expectations. The outlook shows a high degree of uncertainty, with continuation of labour shortage and ongoing price pressure.

When presenting the main findings of the latest SME Barometer developed by the SMEUnited Study Unit, Economic & Fiscal Policy Director Gerhard Huemer revealed an increase in SME Business Confidence, but only for countries with inflation rates below average. Countries with inflation rates above average show a downward trend with a risk of a recession.



The results for spring 2023 have not only slightly improved, but are above expectations reported at the beginning of the year.

The outlook for autumn 2023 shows again a high level of uncertainty. However, Mr Huemer pointed to the fact that the fears are less pronounced than last semester. Furthermore, he explained that labour shortages remain an issue and SMEs continue trying to fill their employment gaps.

In terms of price developments, the manufacturing sector benefits from lower commodity prices and stabilisation of energy prices, while the labour-intensive services sectors are confronted with significant wage increases creating additional upward pressure on prices with the risk of wage-price spirals. Finally, he referred to the specific situation of the construction sector, where high costs for mortgages created a downward trend for turnover and employment. Low expectations for orders point to a continuation of this development.

### FOR FURTHER INFORMATION PLEASE CONTACT:

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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 22.5 million enterprises with around 82 million employees across Europe. SMEUnited is a recognised employers' organisation and European Social Partner. SMEUnited was formerly known as UEAPME.  
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