SMEs as the Backbone of European Economy

1 SMEs in the Annual Report on European SMEs 2015/2016

Out of every 100 businesses, 99 are SMEs.

SMEs are the backbone of the European economy.

9 out of 10 EU SMEs are micros (less than 10 employees).

SMEs employ 2 out of every 3 employees and produce 57 cents of every euro of value added.

5 Key sectors account for 2015:
- 79% of all SMEs
- 71% of SMEs' value added
- 78% of SME employment

Value added = net contribution of the company to the economy

5 Key sectors account for:
- Manufacturing, construction, business services, accommodation and food, wholesale and retail trade

3 Brighter SME Future Expected

SMEs in the non-financial business sector, compared also to pre-crisis levels.

Full recovery in services, but construction and manufacturing still lag behind.


<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-15%</td>
</tr>
<tr>
<td>Construction</td>
<td>-10%</td>
</tr>
<tr>
<td>Wholesale/retail trade</td>
<td>0%</td>
</tr>
<tr>
<td>Accommodation/food services</td>
<td>5%</td>
</tr>
<tr>
<td>Business services</td>
<td>15%</td>
</tr>
<tr>
<td>Other sectors</td>
<td>10%</td>
</tr>
</tbody>
</table>

SMEs' most pressing problems in 2015:

- Finding customers: 25%
- Access to finance: 13%
- Regulation: 18%
- Availability of skilled staff or experienced managers: 14%
- Competition: 13%
- Cost of production or labour: 9%

Positive value added and employment growth in SMEs (2014-2015)

Positive value added but negative employment growth in SMEs (2014-2015)

Negative value added and employment growth in SMEs (2014-2015)

Due to structural break, relevant period for the Slovak Republic is 2010-2015

Source: 2015 Safe Survey