

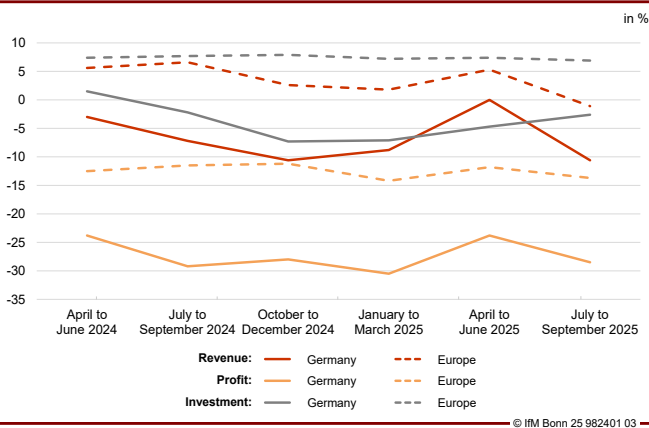
The economic situation of SMEs deteriorated again in the third quarter

Dr. Rosemarie Kay, Dr. Sebastian Nielen

After the economic situation of small and medium-sized enterprises (SMEs) in Germany had improved markedly in the second quarter – particularly with regard to turnover and profits – a renewed deterioration can be observed in the third quarter (see Figure 1). The ratio of SMEs reporting higher turnover and profits to those reporting declines has worsened significantly.

By contrast, investment trends show a different pattern: the positive development that began at the start of the year continued into the third quarter. In other words, the ratio of SMEs increasing their investment to those reducing it has continued to improve.

Difference between the share of SMEs whose turnover, profits and investments have increased or decreased over the past three months



Source: SAFE-data set, own calculations.

Distance to the euro area remains unchanged

The economic situation of SMEs in selected European countries (hereafter referred to as the euro area) has also deteriorated in recent months with regard to turnover and profits. Investment levels among euro area SMEs have remained stagnant for some time. Overall, the gap between German SMEs and those in the euro area has widened in terms of turnover and profits, whereas it has narrowed with respect to investment since the beginning of the year.

The economic situation of SMEs in the euro area therefore remains better than that of German SMEs. Unlike in Germany, the proportion of euro area SMEs reporting an increase in turnover or profit exceeds that of those experiencing a decline.

Challenges faced by German SMEs are rising again

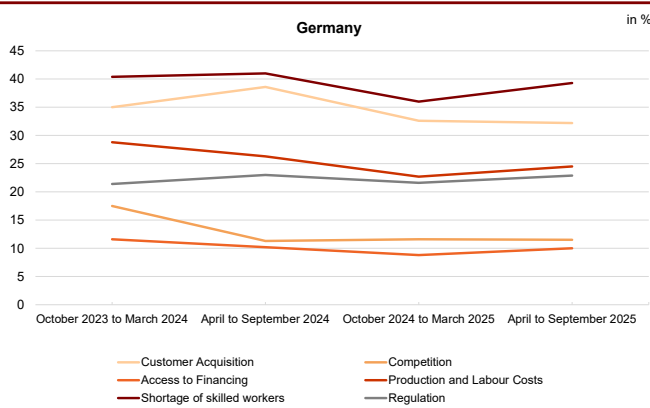
For a long time now, the shortage of skilled labour has been the most significant challenge facing SMEs in Germany (cf. Pahnke et al. 2023, p. 10 and Figure 2). At times, almost every second SME considered this issue to be of major importance. Ranked behind this are customer acquisition, production and labour costs, and regulation. At the beginning of 2025, almost all problem areas were perceived as highly significant by fewer SMEs in Germany than in mid-2024. In the third quarter, however, the extent to which SMEs were

Info-Box

The "Survey on the Access to Finance of Enterprises" (SAFE) is a pan-European survey conducted by the European Central Bank (ECB) twice a year (covering issues related to problems faced by businesses) and four times a year (focusing on turnover, profits, and investments). Some countries, due to their small share of overall economic output, are only included once a year in the survey, which is why our analysis includes only the countries Austria (AT), Belgium (BE), Germany (DE), Spain (ES), Finland (FI), France (FR), Greece (GR), Ireland (IE), Italy (IT), the Netherlands (NL), Portugal (PT), and Slovakia (SK). Only small and medium-sized enterprises (SMEs) as defined by the EU are considered.

affected by these problems increased again. This is particularly true for the shortage of skilled workers and, to a lesser extent, for production and labour costs. Overall, SMEs in Germany remain in a difficult situation. The improvement seen in the summer of 2025 was therefore short-lived.

Highly significant issues, 2024-2025, Germany, share of SMEs



Share of SMEs that assigned a rating of 9 or 10 (high significance) to each issue on a scale of 1 to 10

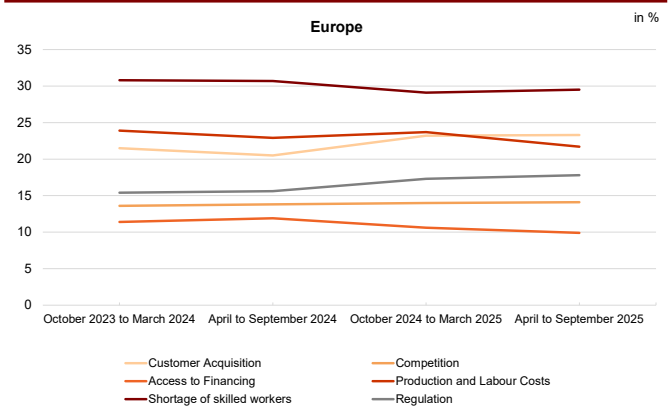
Source: SAFE data, own calculations.

Regulation Increasingly Perceived as a Problem by SMEs in the Euro Area

For SMEs in the euro area, the shortage of skilled labour remains the most pressing issue. However, production and labour costs lose significance in the

third quarter and drop to third place. Regulation, by contrast, is increasingly perceived as a problem by SMEs in the euro area. The share of SMEs rating this issue as 9 or 10 (“very problematic”) on the scale has been rising steadily for around a year.

Highly significant issues, 2024-2025, Germany, share of SMEs



Share of SMEs that assigned a rating of 9 or 10 (high significance) to each issue on a scale of 1 to 10

Source: SAFE data, own calculations.

Imprint

Editor

Institut für Mittelstandsforschung (IfM) Bonn
Maximilianstraße 20, 53111 Bonn

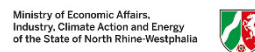
Tel. +49 (0)228 / 72997-0

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