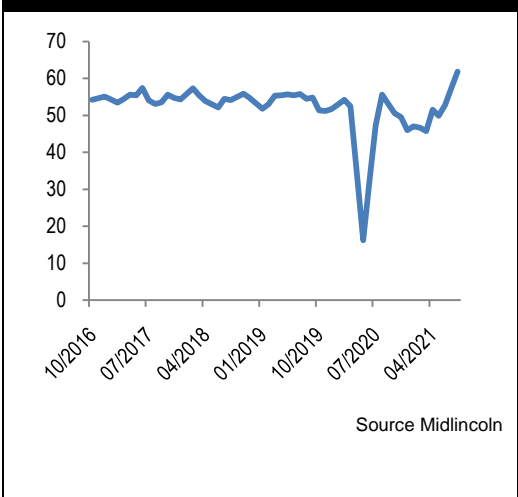
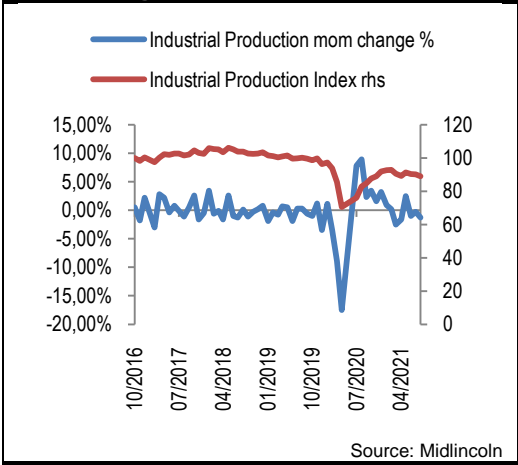


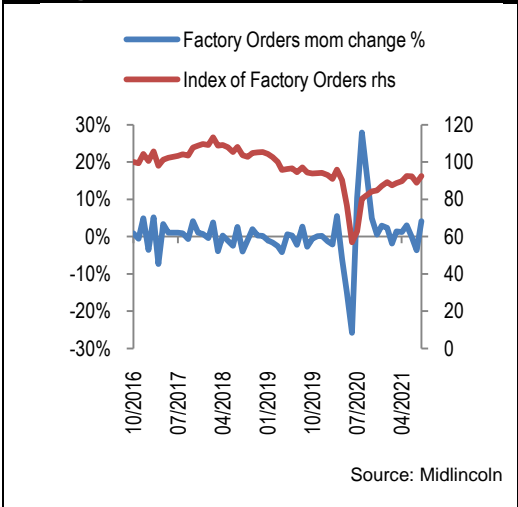
Germany Markit Services PMI



Germany Industrial Production Index and mom change



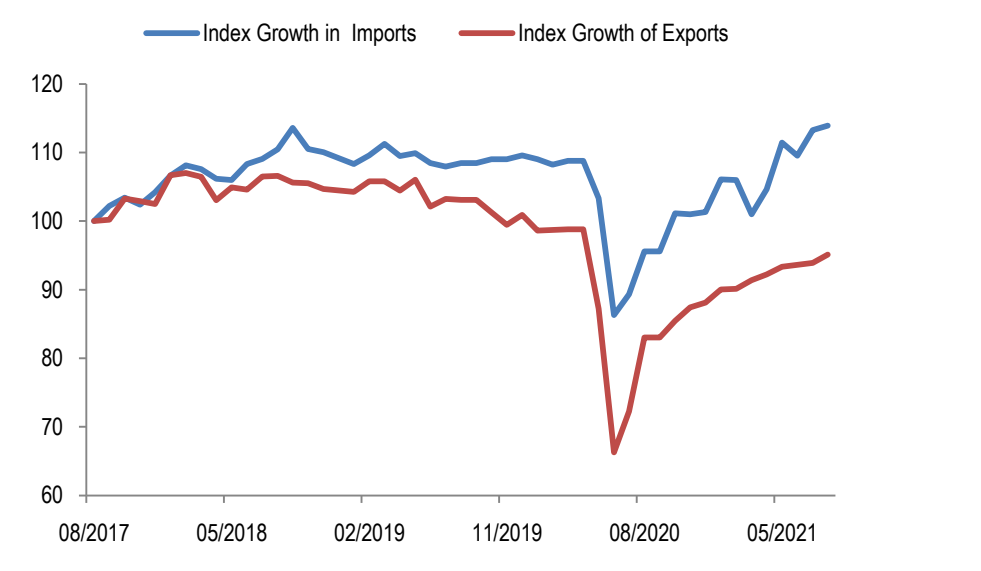
Germany Factory Orders Index and mom change



Post Covid Germany Economy and SME Sector Bulk Data

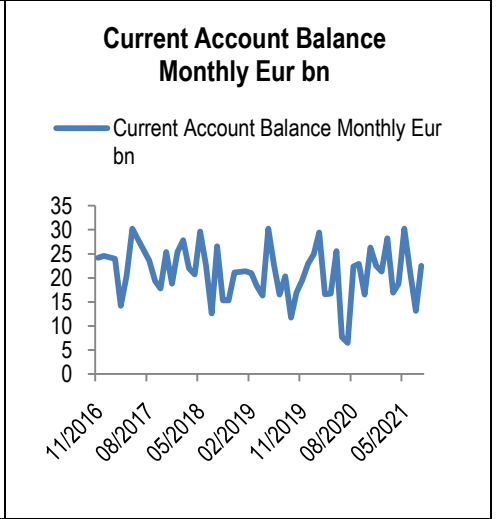
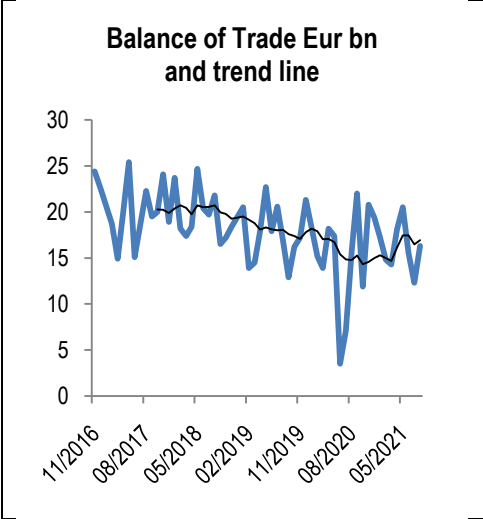
➤ Germany economic growth recorded 4.9% decline in 2020 hit by COVID crisis. It is now recovering strongly with 9% growth in August 2021 compare to 11% fall in August 2020. The measure is expected to record a 3.6% rise in the end of 2021. Slightly lower than 4.3% growth that was expected initially.

Germany Imports and Exports Growth Estimates



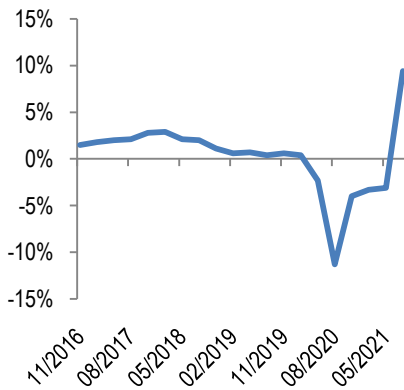
Source: Midlincoln

➤ Part of the reason for economic growth hiccups in our view is lagging exports growth, and imports growth outpacing exports.
 ➤ The current account however remains unaffected (on official data) but the trade balance is on decline.

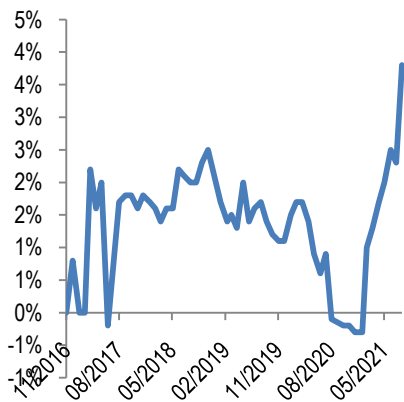


➤ In this report we are focusing on Germany SME sector bulk data

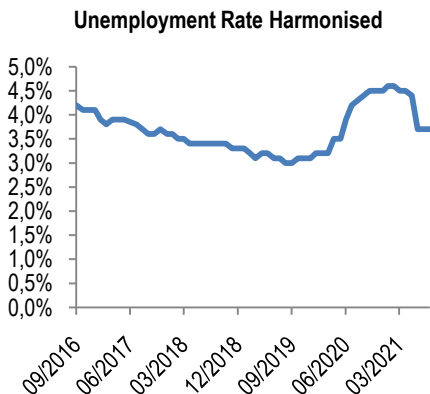
Germany GDP Change % Quarterly yoy



Germany Inflation % monthly yoy



Germany Unemployment Rate



Germany SME Sector

- Germany small and medium SME is a key economic sector, accounting for 644 Eur bn of gross value added (GVA) on our estimates in 2021. This figure corresponds to 21% of overall Germany value added in current prices and to 36% of GVA in non financial German business economy. The health of the SME sector is therefore crucial to Germany economic well being and growth.

Midlincoln Estimates of Germany VAD in SME sector Eur mn

	1-9	10-49	50-249	250+	Total
Manufacturing	11 082	31 892	44 323	70 300	157 597
Construction industry	27 258	29 742	10 718	4 500	72 219
Trade, maintenance and repair of motor vehicles	41 427	59 273	52 162	63 413	216 275
Professional, scientific and technical services	39 521	23 702	12 883	12 413	88 519
Real estate, Housing	12 505	6 255	4 095	2 918	25 772
Energy supplies	23	287	1 682	6 985	8 978
Water supply, disposal, removal of environmental pollution	138	1 497	2 943	2 732	7 310
Mining and quarrying	85	357	402	334	1 178
Transportation and storage	6 756	14 107	14 609	14 663	50 135
Hospitality industry	15 002	32 739	14 729	4 055	66 526
Information and communication	9 590	7 590	8 179	9 594	34 953
Other economic services	14 649	15 094	21 519	28 733	79 995
Repair of computer equipment and household goods	1 087	284	191	161	1 722
Total	195 680	243 417	205 852	241 212	886 161

Source: Midlincoln Estimates, Destatis.de

- The current dynamics in Germany economic sectors indicated that SME may be doing just as well as larger industrial conglomerates.
- Germany Markit Services PMI at c. 61 level in August and on the rising trend whereas Markit manufacturing PMI at c 62 level and down from 66 level in April this year. But it is the services sector key to German SME
- Germany SME account for 2.5 mln enterprises vs. 11897 large firms (according to European SBA figures).

Midlincoln Estimates of Distribution of German SME

	Number of enterprises	Number of persons employed	Valued added Eur mn	Number of persons employed by enterprise
Micro (0-9)	1 983 074	5 795 137	195 680	3
Small (10-49)	394 597	7 208 893	243 417	18
Medium (50-250)	72 155	6 096 376	205 852	84
Total Micro, Small and Medium SME	2 449 826	19 100 406	644 949	106
Large SME (250+)	17 859	7 143 600	241 212	400
Total	2 467 685	26 244 006	886 161	506

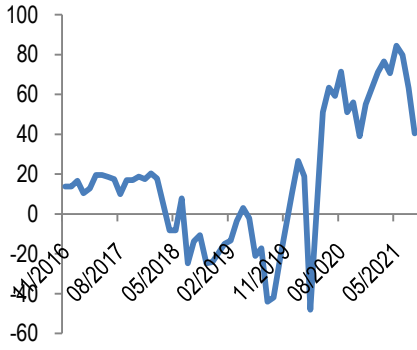
- The VAD in SME sector corresponds to 37,000Eur per person employed which bodes well with German GDP per capita of 41,000Eur

Employment Distribution in Small and Medium SME on Midlincoln Estimates

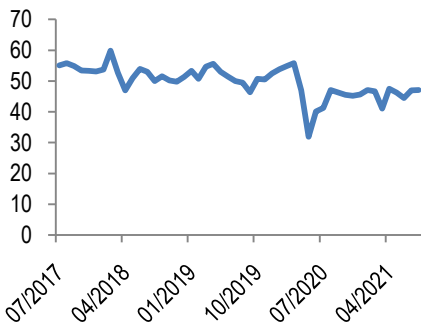
		2016	2017	2018	2019	2020	2021E
1-9 employees	%	31%	32%	26%	31%	31%	30%
10-49 employees	%	37%	36%	37%	38%	37%	38%
50-249 employees	%	32%	31%	37%	32%	32%	32%

- Germany small and medium SME employment of 26.2 mln people accounts for 61% of total labor force. With unemployment rate in Germany falling to the levels of 4% from 4.5% in the midst of COVID crisis there is a reason to assume that SME sector is doing well. The largest employers –

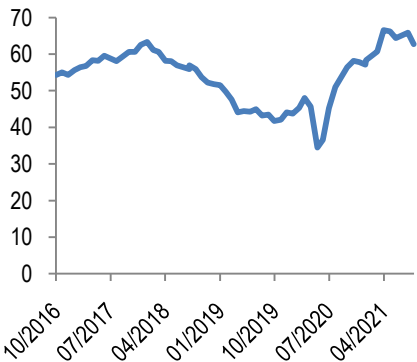
ZEW Economic Sentiment Index



Construction PMI



Germany Markit Manufacturing PMI



small SME 10-50 people and large SME with 250+ people employed – the largest fraction of SME workforce.

- The largest sector for SME is Trade and repair of motor vehicles followed by professional, scientific and technical services and construction industry.

Number of Enterprises by Industry on Midlincoln Estimates

	1-9	10-49	50-249	250+	Total
Manufacturing	122689	56479	16972	5686	201 826
Construction industry	301780	52671	4104	364	358 919
Trade, maintenance and repair of motor vehicles	458636	104967	19974	5129	588 705
Professional, scientific and technical services	437536	41975	4933	1004	485 448
Real estate, Housing	138441	11077	1568	236	151 322
Energy supplies	256	509	644	565	1 974
Water supply, disposal, removal of environmental pollution	1527	2651	1127	221	5 526
Mining and quarrying	940	632	154	27	1 753
Transportation and storage	74796	24982	5594	1186	106 559
Hospitality industry	166093	57979	5640	328	230 040
Information and communication	106173	13441	3132	776	123 523
Other economic services	162176	26731	8240	2324	199 471
Repair of computer equipment and household goods	12031	503	73	13	12 620
Total	1 983 074	394 597	72 155	17 859	2 467 686

Source: Midlincoln Estimates, Destatis.de

- Employment by industry tracks the same trend as total number of enterprises.

Midlincoln Employment Estimates for Germany SME

	1-9	10-49	50-249	250+	Total
Manufacturing	358 534	1 031 815	1 433 964	2 274 400	5 098 713
Construction industry	881 892	962 246	346 747	145 600	2 336 485
Trade, maintenance and repair of motor vehicles	1 340 272	1 917 642	1 687 603	2 051 600	6 997 117
Professional, scientific and technical services	1 278 611	766 841	416 789	401 600	2 863 842
Real estate, Housing	404 566	202 366	132 480	94 400	833 812
Energy supplies	748	9 299	54 412	226 000	290 459
Water supply, disposal, removal of environmental pollution	4 462	48 431	95 220	88 400	236 514
Mining and quarrying	2 747	11 546	13 011	10 800	38 104
Transportation and storage	218 576	456 396	472 637	474 400	1 622 010
Hospitality industry	485 374	1 059 218	476 524	131 200	2 152 316
Information and communication	310 269	245 554	264 623	310 400	1 130 846
Other economic services	473 927	488 349	696 198	929 600	2 588 073
Repair of computer equipment and household goods	35 158	9 189	6 168	5 200	55 715
	5 795 137	7 208 893	6 096 376	7 143 600	26 244 006

Source: Midlincoln Estimates, Destatis.de

- Manufacturing, transportation and hospitality sectors as well as information and communication and real estate are the next cluster of key SME sectors by employment and VAD generation.
- Hospitality sector of course was the worst hit by the COVID crisis by empirical data. But with services data showing recovery, there is reason to believe the troubles in the sector are almost over.

Midlincoln Revenues Estimates for Germany SME

	1-9	10-49	50-249	250+	Total
Manufacturing	12106	34841	48420	76798	172164
Construction industry	29778	32491	11708	4916	78894
Trade, maintenance and repair of motor vehicles	45256	64752	56984	69275	236266
Professional, scientific and technical services	43174	25893	14073	13561	96701
Real estate, Housing	13661	6833	4473	3188	28155
Energy supplies	25	314	1837	7631	9808
Water supply, disposal, removal of environmental pollution	151	1635	3215	2985	7986
Mining and quarrying	93	390	439	365	1287
Transportation and storage	7381	15411	15959	16019	54769
Hospitality industry	16389	35766	16090	4430	72676
Information and communication	10477	8291	8935	10481	38184
Other economic services	16003	16490	23508	31389	87389
Repair of computer equipment and household goods	1187	310	208	176	1881
	195680	243417	205852	241212	886161

Source: Midlincoln Estimates, Destatis.de

Midlincoln Select Political Unions Data

Rankings of Unions by GDP Growth%		Population Rankings		Debt vs. GDP Rankings (Avg)%		Average Budget Balance/GDP%	
list	2021 GDP Growth	list	Combined Population mln	list	General government gross debt Percent of GDP	list	Avg. Budget Balance/GDP
OPEC	6.9	United Nations	7681.7			GCC	0.0
ASEAN	6.2	G20	4589.9	G7	139.0	OPEC	-0.1
Arab League	5.8	Emerging Markets	4386.5	NAFTA	104.7	African Union	-0.6
African Union	5.1	Shanghai Pact	3226.2	developed markets	96.8	Central Asian Union	-0.8
BRICS	5.1	BRICS	3223.8	G20	88.4	Arab League	-0.9
Shanghai Pact	5.0	OECD	1257.9	OECD	83.3	CARICOM	-1.0
NATO	4.9	African Union	1206.3	NATO	80.2	United Nations	-1.7
EU	4.9	Frontier Markets	998.7	EU	79.6	Frontier Markets	-1.7
Emerging Markets	4.7	developed markets	953.2	CARICOM	79.4	Former Soviet Union	-1.7
Central Asian Union	4.7	NATO	939.9	BRICS	72.2	Eurasian Union	-1.8
G20	4.6	G7	771.2	African Union	68.4	ASEAN	-2.6
G7	4.6	ASEAN	660.9	Emerging Markets	65.6	Mercosur	-2.7
developed markets	4.5	LatAM	566.3	United Nations	64.5	EU	-2.8
OECD	4.5	OPEC	524.9	Arab League	63.9	LatAM	-2.9
United Nations	4.4	NAFTA	500.1	ASEAN	59.1	Emerging Markets	-3.0
Former Soviet Union	3.9	EU	496.4	Shanghai Pact	53.5	NATO	-3.6
NAFTA	3.9	Arab League	401.3	GCC	51.7	Shanghai Pact	-3.6
Frontier Markets	3.7	Mercosur	297.1	LatAM	51.1	OECD	-4.0
CARICOM	3.5	Former Soviet Union	292.3	Frontier Markets	49.8	developed markets	-4.5
LatAM	3.4	CARICOM	241.1	OPEC	48.6	G20	-5.2
Eurasian Union	2.9	Eurasian Union	178.2	Mercosur	41.5	G7	-5.2
Mercosur	1.5	Central Asian Union	69.3	Former Soviet Union	40.5	NAFTA	-5.9
GCC	1.4	GCC	59.2	Eurasian Union	38.4	BRICS	-7.0
				Central Asian Union	34.9		

Midlincoln Country Econ and Political Data

Afghanistan	Albania	Algeria	Angola
Anguilla	Antigua and Barbuda	Argentina	Armenia
Aruba	Australia	Austria	Azerbaijan
Bahamas	Bahrain	Bahrein	Bangladesh
Barbados	Belarus	Belgium	Belize
Benin	Bermuda	Bhutan	Bolivia
BOSNIA AND HERZEGOVINA	Botswana	Brazil	British Virgin Islands
Brunei	Brunei Darussalam	Bulgaria	Burkina Faso
Burundi	C?te d'Ivoire	Cabo Verde	Cambodia
Cameroon	Canada	Cayman Islands	Central African Republic
Chad	Chile	China	Colombia
Comoros	Costa Rica	Croatia	Cuba
Cura?ao	Cyprus	Czech	CZECH REPUBLIC
Democratic Republic of Congo	Democratic Republic of the Congo	Denmark	Djibouti
Dominica	Dominican Republic	Ecuador	Egypt
El Salvador	Equatorial Guinea	Eritrea	Estonia
Ethiopia	European Union	Fiji	Finland
France	FYR Macedonia	Gabon	Georgia
Germany	Ghana	Greece	Grenada
Guatemala	Guinea	Guinea-Bissau	Guyana
Haiti	Honduras	HONG KONG	Hong Kong SAR
Hungary	Iceland	India	Indonesia
Iraq	Ireland	Islamic Republic of Iran	ISRAEL
Italy	Jamaica	JAPAN	Jordan
Kazakhstan	Kenya	Kiribati	Korea
Kosovo	Kuwait	Kyrgyzstan	Lao P.D.R.
Laos	Latvia	Lebanon	Lesotho
Liberia	Libya	Lithuania	Luxembourg

Macao SAR	Madagascar	Malawi	Malaysia
Maldives	Mali	Malta	Marshall Islands
Mauritania	Mauritius	Mauritius	Mexico
Micronesia	Moldova	Mongolia	Montenegro
Montserrat	Morocco	Mozambique	Myanmar
Namibia	Nepal	Netherlands	NEW ZEALAND
Nicaragua	Niger	Nigeria	NORWAY
Oman	Pakistan	Palau	Palestine
Panama	Papua New Guinea	Paraguay	Peru
Philippines	Poland	Portugal	Puerto Rico
Qatar	Republic of Congo	Romania	Russia
Rwanda	S?o Tom? and Pr?ncipe	Sahrawi Arab Democratic Republic (disputed state)	Saint Kitts and Nevis
Saint Lucia	Saint Vincent and the Grenadines	Samoa	San Marino
Saudi Arabia	Senegal	Serbia	Seychelles
Sierra Leone	Singapore	Sint Maarten	Slovak Republic
Slovakia	Slovenia	Solomon Islands	Somalia
South Africa	South Korea	South Sudan	Spain
Sri Lanca	SRI LANKA	St. Kitts and Nevis	St. Lucia
St. Vincent and the Grenadines	Sudan	Suriname	Swaziland
Sweden	SWITZERLAND	Syria	TAIWAN
Taiwan Province of China	Tajikistan	Tanzania	Thailand
The Bahamas	The Gambia	Timor-Leste	Togo
Tonga	Trinidad and Tobago	Tunisia	Turkey
Turkmenistan	Turks and Caicos Islands	Tuvalu	Uganda
Ukraine	United Arab Emirates	United Kingdom	United States
Uruguay	Uzbekistan	Vanuatu	Venezuela
Vietnam	Yemen	Zambia	Zimbabwe

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