What is the CEMA Business Barometer?

- A monthly survey within the European agricultural machinery industry (started in 2008)
- Coverage of all major sectors – from tractors to municipal equipment
- Target group: 140 senior managers from 9 (CEMA) countries
- Implementation: online survey
- Questionnaire available in five languages
- Executed by VDMA for CEMA
- Subjects of the survey:
  - current and future business situation
  - situation of order intake
  - development of turnover
  - turnover expectation per country
  - production plans
  - employment plans
  - special topics, e.g. delivery times
- Deadlines: starting ca. 5th each month, closure: ca. 13th
Business climate deteriorating further
Executive summary of the survey in May

The general business climate index for the agricultural machinery industry in Europe has continued to decrease after its sharpest drop since the crash in the wake of COVID-19, but is in total still holding at a positive level. In May, the index decreased from 20 to 16 points (on a scale of -100 to +100).

The volume of orders corresponds currently to a production period of exactly 6 months, which is just slightly below the all-time high ever recorded within this survey. However, the reason for the large order backlog is now clearly no longer new demand, as the new order intake is meanwhile cooling down noticeably (from very high levels).

The industry representatives are accordingly no longer entirely optimistic with regard to future turnover from some markets, but currently it is almost purely the price increases and bottlenecks on the supplier side that continue to challenge the industry heavily, even though these appear to diminish slightly. Still, nearly half of the companies are planning a temporarily production stop due to a shortage of certain parts in the coming four weeks and expect this to result in a production shortfall of 18% on average for this period.
CEMA Business Climate Index (CBI) -Total

CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation; Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year´s level)

Source: CEMA Business Barometer
Business Climate
Illustration of Business Cycle

Source: CEMA Business Barometer, each value as an average of the last two months
Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be

Question: We expect our overall turnover within the next 6 months to...

Source: CEMA Business Barometer
Question: Our plans regarding the workforce

**Regular employees**
- Increase: 20%
- Keep unchanged: 77%
- Reduce: 3%

**Temporary employees**
- Increase: 22%
- Keep unchanged: 61%
- Reduce: 17%

Source: CEMA Business Barometer May 2022