

# CEMA Business Barometer

Public excerpt July 2023



# 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



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# Business climate has reached recession

## Executive summary of the survey in July

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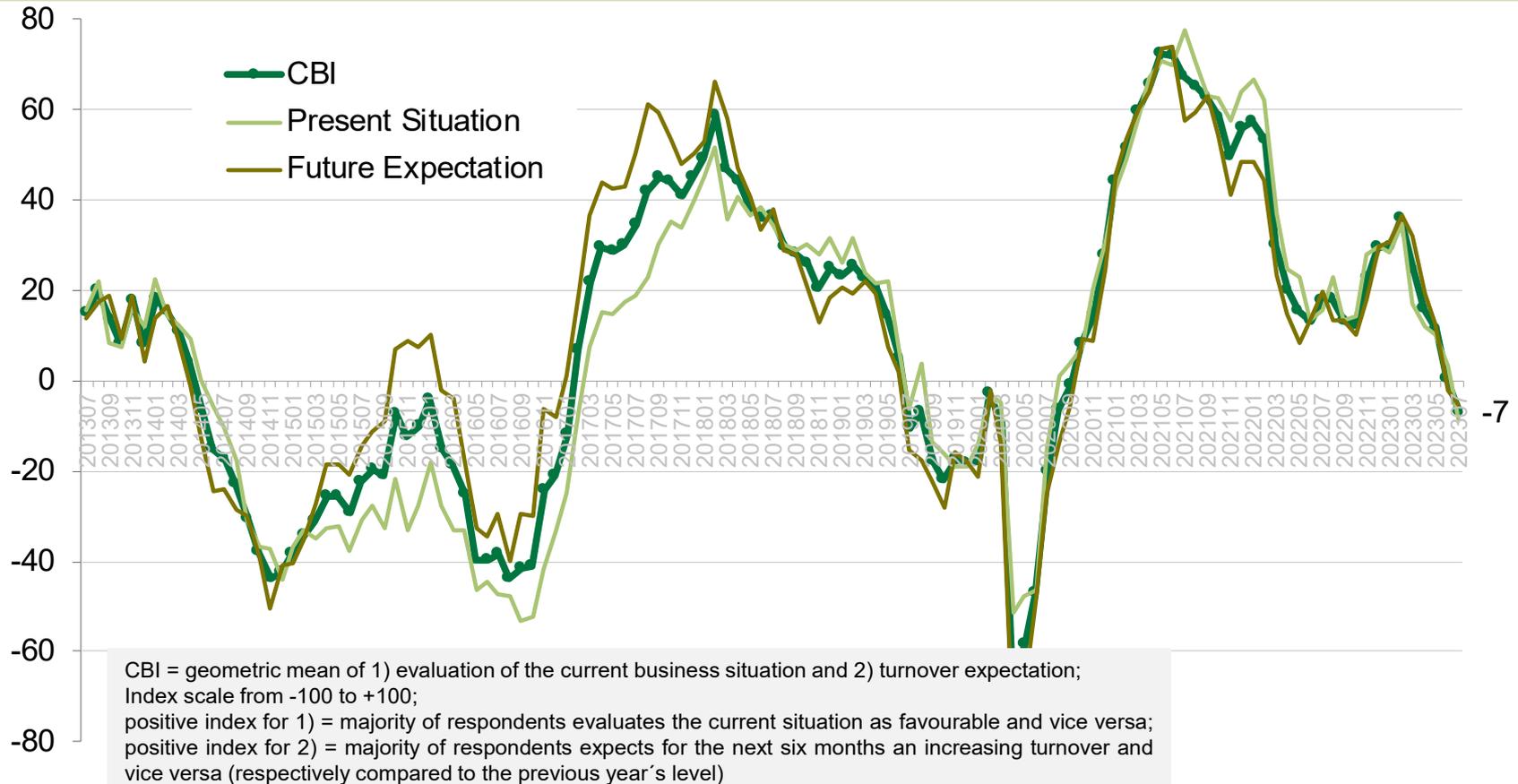
The general business climate index for the agricultural machinery industry in Europe has continued to drop, thereby reaching the negative range for the first time since the crash in the wake of COVID-19. In July, the index decreased from 1 point to -7 points (on a scale of -100 to +100).

While the manufacturers' supply side has eased further, uncertainties with regard to the market side continue to increase. The direct customers of the manufacturers, the dealers, are apparently not able to pass on their numerous orders to the end customers and have thus slid directly from undersupply to record-high oversupply. According to the survey, the dealer stocks are now in many European markets already higher than in the year 2019, which went down in history due to high dealer stock levels.

Consequently, the current order intake of manufacturers is dropping significantly, especially from Europe, and industry representatives have further downgraded their future expectations.

# Business Climate Index Development

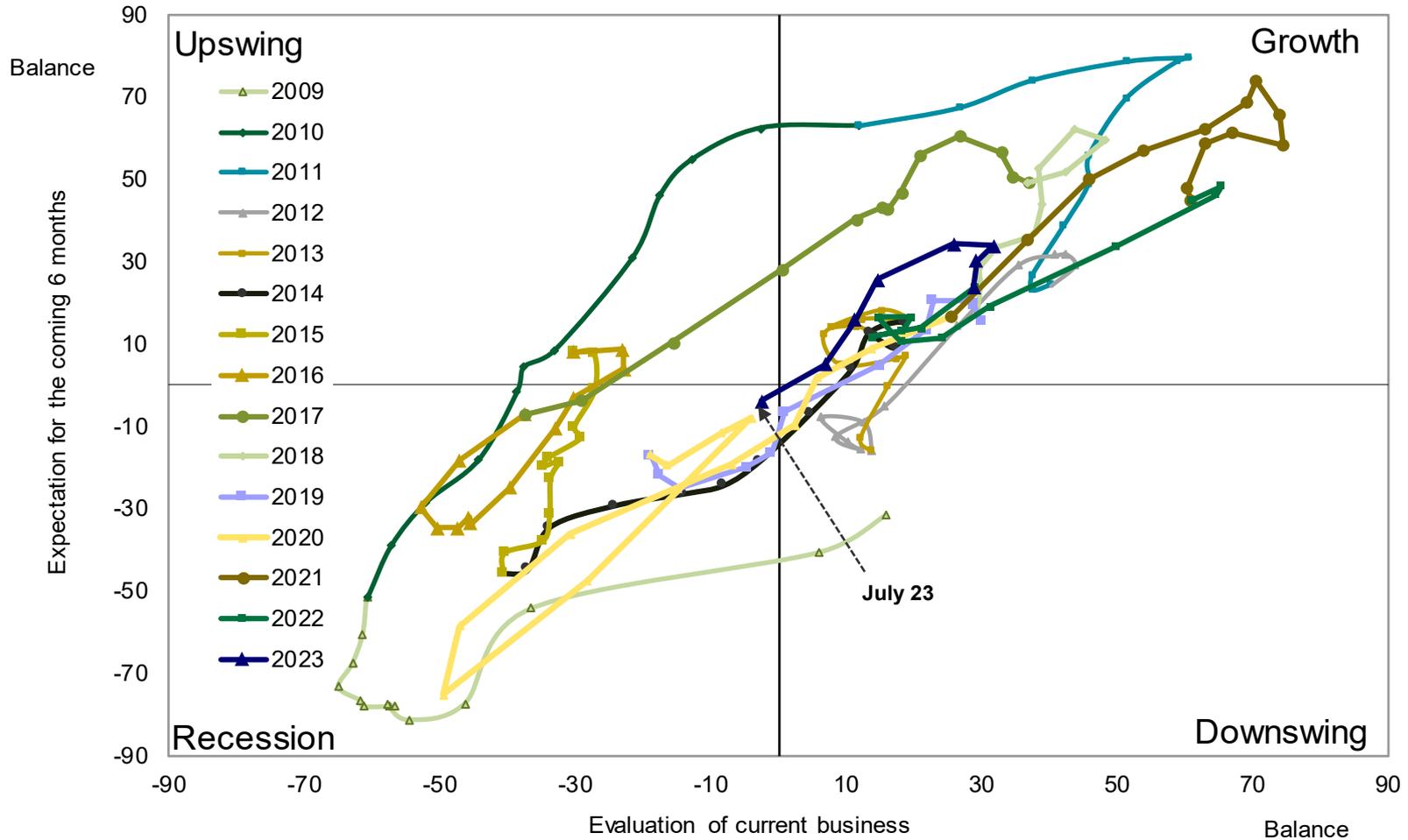
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

# Business Climate

## Illustration of Business Cycle



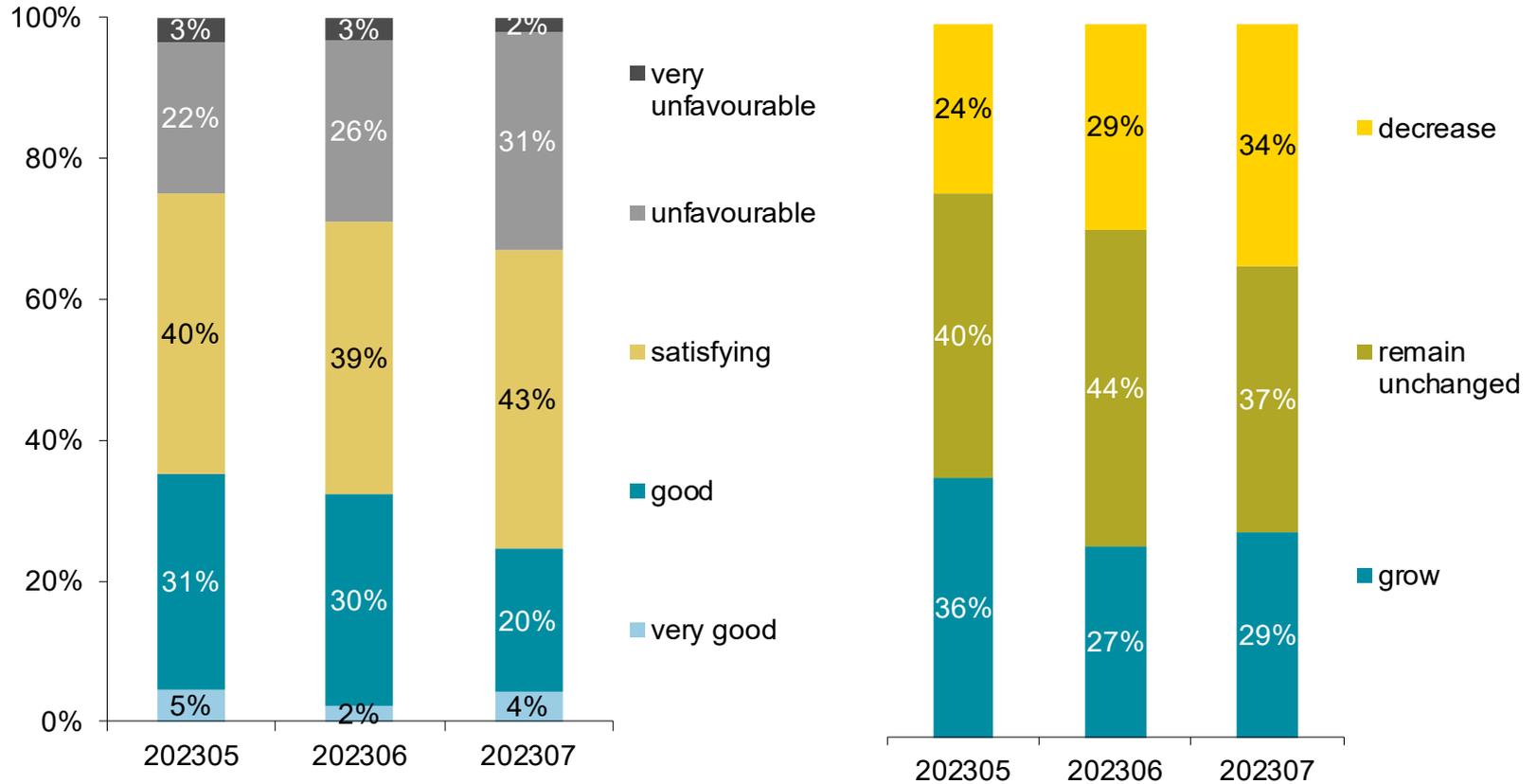
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

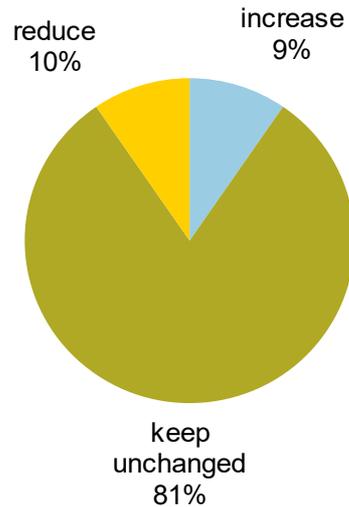


Source: CEMA Business Barometer

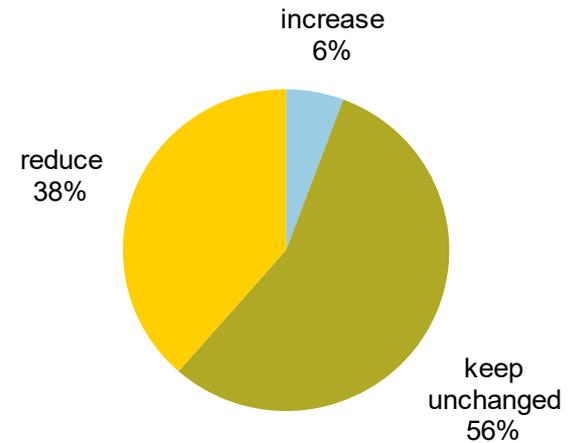
# Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer July 2023