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
Industry in Europe in upswing
Executive summary of the survey in February

The agricultural machinery industry in Europe is in the upswing. The general business climate has repeatedly risen sharply and thus turned into positive - for the first time since early 2014.

Corresponding to a production period of 2.7 months on average, the volume of orders of the total industry is as high as the last time in 2013. While the current situation has improved particularly due to edge segments and is continuing weak for livestock equipment, the future expectations turned positive across all segments. With 40% expecting a higher turnover within the next six months, optimism is definitely back. At the same time, it is again best for the edge segment of components, where more than 70% of the manufacturers expect a higher turnover, which can be taken as a further positive early indicator for the total industry.

The main reason for the upswing lies in Europe itself. After the incoming orders of the past months having shown more dynamics for exports to the outside of the EU, now in January the order intake from the EU market has followed by increasing significantly. As a consequence, turnover expectations are much better for Europe, with an overall improvement across all single markets, except Belgium, where the last year’s agricultural income losses (-12) seem to impact more noticeable. Even from France a slight majority of survey participants sees now for the next six months a turnover increase, even though this might be rather a basis effect and the market remains still on a bottom position. On the top of the ranking continues Spain, followed by the UK, which is again mainly a result of the enthusiastic expectations of companies that are producing locally in the country – nearly all British and Spanish dealers expect their turnover and order intake to increase.
**Business Climate Index Development**

**CEMA Business Climate Index (CBI)**

Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

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Business Climate
Illustration of Business Cycle

Expectation for the coming 6 months
Evaluation of current business
Balance

Recession
Upswing
Balance
Downswing
Boom

2009
2010
2011
2012
2013
2014
2015
2016
2017

February 2017
Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….

- very unfavourable
- unfavourable
- satisfying
- good
- very good

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

- decrease
- remain unchanged
- grow

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees

- Increase: 13%
- Keep unchanged: 72%
- Reduce: 15%

Temporary employees

- Increase: 24%
- Keep unchanged: 56%
- Reduce: 20%

Source: CEMA Business Barometer February 2017