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 may have already reached its peak
Executive summary of the survey in April

The general business climate index of the agricultural machinery industry in Europe seems to have reached its peak (but remains on a high level). Especially future expectations have become somewhat more cautious. Incoming orders from both Europe and outside of Europe have lost considerable momentum.

Compared to all segments, the business climate for arable equipment has deteriorated the most. Both turnover expectations and current business evaluations within that segment are now quite below the industry average. In the face of falling milk prices, the manufacturers of livestock equipment and transportation equipment also have lost some confidence, but current business is still running well.

The regional breakdown shows once again for each single European market a majority of survey participants expecting a turnover increase. However, important markets such as Italy and the UK seem to cool down, together with the markets in the Scandinavian, the CIS and most Eastern European countries. Poland and Germany remain stable at the top of the country ranking, but these markets also might have already reached their peak.
CEMA Business Climate Index (CBI) - Total

Source: CEMA Business Barometer
CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100
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

Contact: Philip.Nonnenmacher@vdma.org
Question: Our plans regarding the workforce

**Regular employees**
- Increase 34%
- Keep unchanged 63%
- Reduce 3%

**Temporary employees**
- Increase 24%
- Reduce 14%
- Keep unchanged 62%

Source: CEMA Business Barometer April 2018