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 keeps deteriorating from high level
Executive summary of the survey in November

The business climate index of the agricultural machinery industry in Europe has continued to decline as a consequence of a more cautious outlook. While the evaluation of the current business is continuing on high level, the industry is becoming increasingly uncertain with regard to the future.

The volume of new orders received to date corresponds to a production period of 2.9 months, which is still the same high level as one year ago. However, only a minority of 23% expects the order intake to further increase.

For the last month of October, the industry reports a further turnover increase from the European market. At the same time, the share of companies with a decline of incoming orders from Europe also increased. Within Europe, France has been repeatedly confirmed as the market with the greatest prospects. Poland, on the other hand, has continued to lose confidence. Together with the Netherlands, the Scandinavian and the CIS countries, it belongs now to the markets for which a majority of survey participants expect turnover decreases.
Business Climate
Index Development

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
Employment

Question: Our plans regarding the workforce

Regular employees

- Increase: 14%
- Reduce: 4%
- Keep unchanged: 82%

Temporary employees

- Increase: 10%
- Reduce: 15%
- Keep unchanged: 75%

Source: CEMA Business Barometer November 2018