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 keeping on high level
Executive summary of the survey in March

After a period of losses starting from the record highs at the beginning of last year, the general business climate index is maintaining on high level with little changes over the last months. Based on previous order intakes, the turnover expectations for the coming months remain positive. However, incoming orders are meanwhile flattening noticeably.

Correspondingly, the companies continue to expect on average their turnover to grow by 3% in 2019. The survey participants forecast that the markets in Oceania, North America and the Far East will tend to slow the growth rate, while the European market is expected to make an above-average contribution to growth once again in 2019.

The companies consider France, Spain and Italy as well as Austria and Switzerland as top growth markets within Europe. The survey participants' confidence for Germany and Poland, on the other hand, seems to weaken. For Romania, Belgium and the Netherlands, there is even a majority of participants expecting turnover decreases.

These short-term trends are not necessarily always in line with actual investment needs. According to the participants, Germany is indeed one of the countries where the investment need is the lowest, and France is one of the countries where it is the highest. However, despite currently rather subdued outlooks, the very highest need is seen in Romania, followed by Poland.
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 ….

- 201901: 11% very unfavourable, 49% unfavourable, 34% satisfying, 4% good, 0% very good
- 201902: 10% very unfavourable, 43% unfavourable, 41% satisfying, 3% good, 0% very good
- 201903: 17% very unfavourable, 43% unfavourable, 40% satisfying, 1% good, 0% very good

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

- 201901: 16% decrease, 2% remain unchanged, 36% grow, 34% very good
- 201902: 16% decrease, 16% remain unchanged, 35% grow, 36% very good
- 201903: 15% decrease, 15% remain unchanged, 36% grow, 49% very good

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees

- Increase: 18%
- Keep unchanged: 78%
- Reduce: 4%

Temporary employees

- Increase: 19%
- Keep unchanged: 66%
- Reduce: 15%

Source: CEMA Business Barometer March 2019