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

Contact: Philip.Nonnenmacher@vdma.org
Business climate overall repeatedly negative
Executive summary of the survey in August

The general business climate index of the agricultural machinery industry in Europe is in negative range for the second time in a row. In July, both the evaluation of the current business and the future expectations, became negative for the first time since 2016. In August, contrary to future expectations, current business stabilized slightly again.

Based on the strong order intake in the past, the volume of orders is still high (corresponding to a production period of 2.9 months). However, a significant slowdown in incoming orders is expected. Only 14% of the companies foresee their order intake to grow within the coming 6 months.

As positive exceptions, from where again still a majority of survey participants expect turnover increases, remain France, Switzerland, Italy and Spain. The further development of the general business climate in Europe might, among others, depend on whether growth rates in these markets can be maintained beyond the next 6 months.
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
Question: We consider our current business to be ....

- Very unfavourable: 1%, 1%, 1%
- Unfavourable: 3%, 30%, 24%
- Satisfying: 42%, 41%, 46%
- Good: 32%, 26%, 29%
- Very good: 1%, 1%, 1%

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

- Decrease: 28%, 32%, 38%
- Remain unchanged: 41%, 52%, 42%
- Grow: 30%, 16%, 20%

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 16%
- Keep unchanged: 76%
- Reduce: 8%

Temporary employees
- Increase: 5%
- Reduce: 41%
- Keep unchanged: 54%

Source: CEMA Business Barometer August 2019