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
Recession potentially only relatively short-term
Executive summary of the survey in December

The general business climate index of the agricultural machinery industry in Europe continues to move in the recession zone. Both the current business evaluations and turnover expectations are negative across all segments. Meanwhile, arable equipment appears to be particularly affected.

However, the current recession phase, unlike the previous one, may only be a comparatively shorter, temporary correction. In any case, although the industry representatives' expectations for the coming six months are negative across all segments, their turnover forecast for 2020 as a whole is flat. Conversely, this means that at some point from the middle of next year, the market would have to turn positive again.

In comparison with their 2020 full-year turnover forecast, industry representatives see Europe (and the USA) even performing above average. Within Europe, currently France remains by far the strongest market, but the prospects for the coming six months have become more mixed. On the other hand, for all other markets, the six-months expectations of the industry representatives have improved, albeit mostly from a negative level.
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

Contact: Philip.Nonnenmacher@vdma.org
Question: We consider our current business to be ….

- Very unfavourable: 3%, 3%, 6%
- Unfavourable: 34%, 36%, 29%
- Satisfying: 42%, 40%, 47%
- Good: 20%, 17%, 14%
- Very good: 3%, 3%, 3%

Source: CEMA Business Barometer

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

- Decrease: 44%, 39%, 38%
- Remain unchanged: 40%, 37%, 42%
- Grow: 16%, 23%, 20%

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 15%
- Keep unchanged: 73%
- Reduce: 12%

Temporary employees
- Increase: 8%
- Reduce: 43%
- Keep unchanged: 49%

Source: CEMA Business Barometer December 2019