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 has further deteriorated
Executive summary of the survey in June

The general business climate index for the agricultural machinery industry in Europe has dropped to its lowest level since the crash in the wake of COVID-19, but is still at a balanced level even with this further decline. In June, the index decreased from 11 to 1 point (on a scale of -100 to +100).

After some easing on the supply side, uncertainties are increasing with regard to the market side, and confidence levels are declining accordingly. Along with the deterioration in evaluations for the current business, industry representatives have further downgraded their future expectations.

The differences within segments and regions thereby have increased: while the climate for livestock and harvesting equipment is still at a positive level, the climate for tractors and arable equipment, among others, has clearly slipped into negative territory. Also, there is still a moderate majority of company representatives with positive turnover expectations for some large markets such as France and Germany, whereas confidence has basically disappeared for the markets of Italy and Poland.

For 2023 as a whole, the survey participants still expect a slight increase in turnover for their company on average, among others, due to high turnover at the beginning of the year as a result of the reduction in manufacturers' order backlogs.
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)
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

- 8% very unfavourable
- 17% unfavourable
- 3% satisfying
- 30% good
- 3% very good

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

- 8% decrease
- 31% remain unchanged
- 38% grow
- 41% very unfavourable
- 36% unfavourable
- 40% satisfying
- 39% good
- 29% very good

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 12%
- Reduce: 7%
- Keep unchanged: 81%

Temporary employees
- Increase: 16%
- Reduce: 34%
- Keep unchanged: 50%

Source: CEMA Business Barometer June 2023