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 continues to be in deep recession
Executive summary of the survey in February

The general business climate index for the agricultural machinery industry in Europe has again deteriorated slightly following the sharp downturn of the previous months. In February, the index decreased from -50 to -52 points (on a scale of -100 to +100).

While the business climate indices for transportation and livestock equipment have improved to a certain extent at less negative levels, the indices for the manufacturers of tractors and harvesting equipment have dropped to historic lows.

Overall, across all segments, once again more than half of the survey participants consider the current business situation to be unfavorable and even two thirds expect their turnover to decline in the coming six months. A gradual stabilization could only be seen in the expectations for the coming order intake (an indicator that is not included in the calculation of the overall barometer index).

After order backlogs had peaked at the beginning of last year, the volume of orders has seen a repeated significant reduction and is now corresponding to a production period of 3.9 months, which is still relatively high in a long-term comparison, but lower than at the beginning of any year over the last three years.
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)
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

- very unfavourable: 9% in 2023, 8% in 2024, 12% in 2025
- unfavourable: 45% in 2023, 45% in 2024, 43% in 2025
- satisfying: 29% in 2023, 33% in 2024, 36% in 2025
- good: 16% in 2023, 11% in 2024, 9% in 2025
- very good: 9% in 2023, 8% in 2024, 12% in 2025

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

- decrease: 25% in 2023, 25% in 2024, 26% in 2025
- remain unchanged: 66% in 2023, 67% in 2024, 66% in 2025
- grow: 9% in 2023, 8% in 2024, 9% in 2025

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 6%
- Keep unchanged: 79%
- Reduce: 15%

Temporary employees
- Increase: 5%
- Reduce: 52%
- Keep unchanged: 43%

Source: CEMA Business Barometer February 2024