CEMA Business Barometer

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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
Current business has reached a new low
Executive summary of the survey in March

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 March, the index decreased from -52 to -55 points (on a scale of -100 to +100).

The renewed deterioration in the business climate is this time solely due to the fact that current business evaluations have followed the already lower expectations downwards. According to the survey participants, current business is now worse than it has been for more than 7 years. Meanwhile, only 8% of industry representatives consider the current business situation to be favorable.

With regard to the coming six months, the outlook is rather gloomy as well. Once again two thirds of the survey participants expect their turnover to decline during this period. The need for investment seems to be exhausted in all European end-customer markets and there is not one single European market for which a majority of survey participants would have positive turnover expectations.

The outlook appears to be slightly better with a view to the year as a whole, particularly when considering the expectations for other regions of the world. A gradual stabilization can also be seen in expectations for the coming order intake (an indicator that is not included in the calculation of the overall barometer index). For the full year of 2024, the survey participants expect their company's turnover to decline in the single-digit range.
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

- very unfavourable: 8%
- unfavourable: 45%
- satisfying: 33%
- good: 9%
- very good: 11%

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

- decrease: 11%
- remain unchanged: 9%
- grow: 8%

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 6%
- Reduce: 17%
- Keep unchanged: 77%

Temporary employees
- Increase: 2%
- Reduce: 60%
- Keep unchanged: 38%

Source: CEMA Business Barometer March 2024