What is the CEMA Business Barometer?

- A monthly survey within for the European agricultural machinery industry (started in 2008)
- Coverage of all major sectors – from tractors to municipal equipment
- Target group: 135 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
Summary Notes
January 2014

► Business climate:
  ► Start into the new year in a good mood: Share of unsatisfied managers goes back to 13%, stability on high level is expected for turnover in the first half 2014
  ► Index levels out again, gaining 10 points compared to last month

► Orders and turnover in December:
  ► EU market: turnover ca. +2%, new orders +5% (unweighted average)
  ► Export business (outside EU): turnover and new orders ca. +5% (unweighted average)
  ► Turnover growth in Germany, while French market is slightly decreasing (but less than before)
  ► Above average dynamics for livestock equipment and transportation vehicles

► Turnover expectations:
  ► Generally more optimistic evaluation, with Italy, France and Poland representing the bottom line
  ► Further increase in Spain, recovery from very low levels

► Used equipment stocks:
  ► General increase in the number of units available on the weaker markets (Poland, France)

► Employment:
  ► More change foreseeable in all directions, i.e. more companies plan either to increase or decrease their staff
Business Climate Index Development

CEMA Business Climate Index (CBI)

Source: CEMA Business Barometer
Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100
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: 1%, 1%, 13%
- Unfavourable: 18%, 20%, 51%
- Satisfying: 46%, 46%, 33%
- Good: 32%, 32%, 33%
- Very good: 3%, 4%, 3%

Source: CEMA Business Barometer

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

- Decrease: 21%, 38%, 21%
- Remain unchanged: 33%, 29%, 45%
- Grow: 40%, 38%, 35%

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees

- Reduce: 13%
- Increase: 17%
- Keep unchanged: 70%

Temporary employees

- Reduce: 28%
- Increase: 19%
- Keep unchanged: 53%

Source: CEMA Business Barometer January 2014