



# **CEMA Business Barometer**

Executive summary report April 2015



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# Order trends moved from „decline“ to „flat“ in March

## Executive summary of the April survey

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The recovery signs of the past few months regarding the business climate of the European agricultural machinery industry are manifest and seem to be sustainable. Always less entrepreneurs expect their turnover to shrink over the next half year.

Current business is still evaluated to be rather negative, especially by the French and Belgian manufacturers. But in contrast to the previous months, the order intake has not further decreased in March. It remained “flat” on the 2014 level. On the other hand, the turnover was still declining as a consequence of the formerly lower order levels.

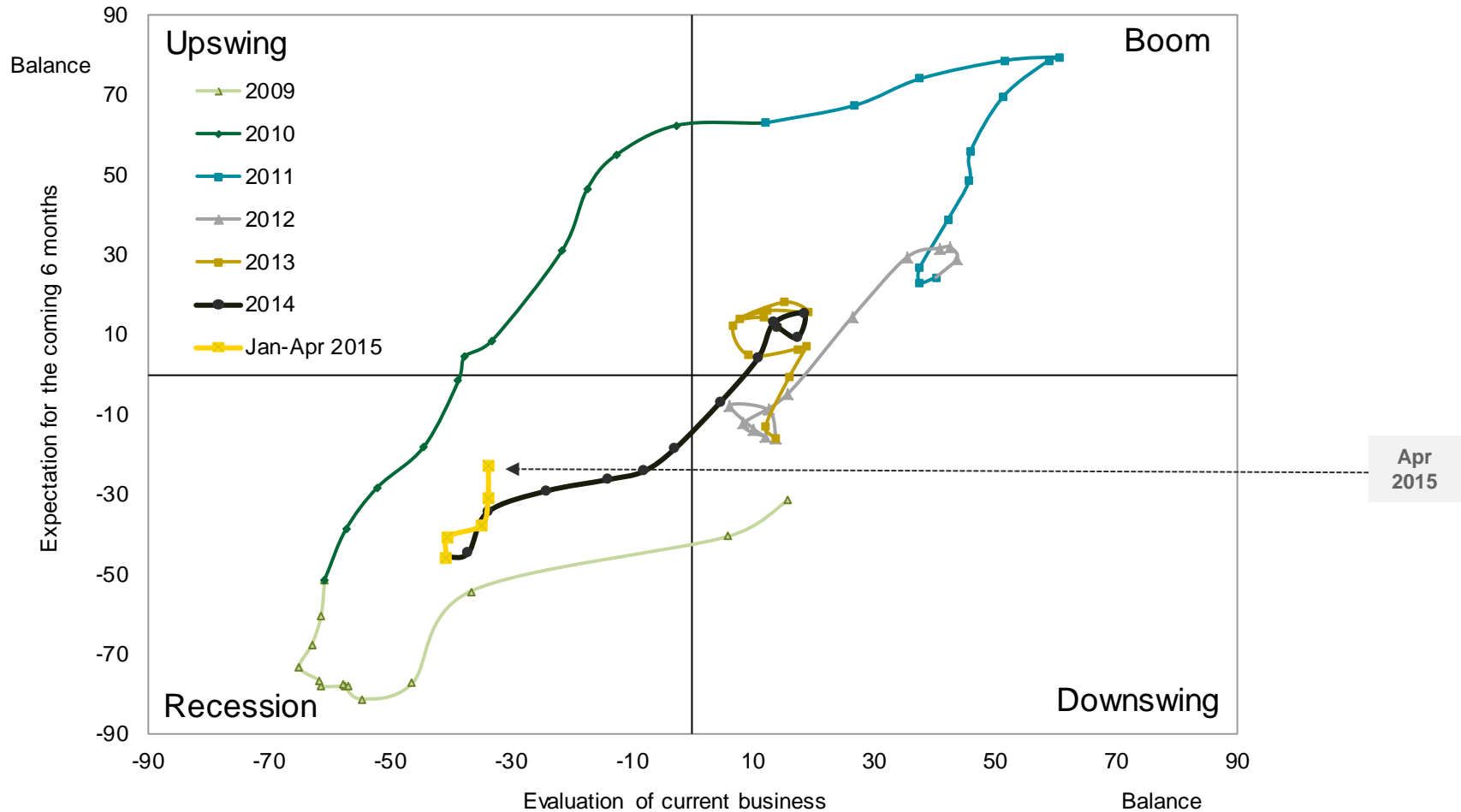
The average delivery time from factory to the dealer is 7 weeks in average at the moment - a rather usual value.

Germany and France – the biggest European markets – tend to stay behind the slightly improved trend in the other markets. Only every fifth interviewee expects a growth on these two markets in the following months, with an average expectation of around -10%. This negative estimate is only surpassed by the CIS region, for which still 3/4 of the companies expect a considerable drop of their sales. There is more optimism, although still far away from euphoria, for markets like Poland and Italy.

Used equipment stock seems to be a burden in Germany and France. Regarding our question to the credit loan availability, mainly French and Belgian companies reported that their dealers and final customers face less favorable external financing possibilities.

# Business Climate

## Illustration of Business Cycle

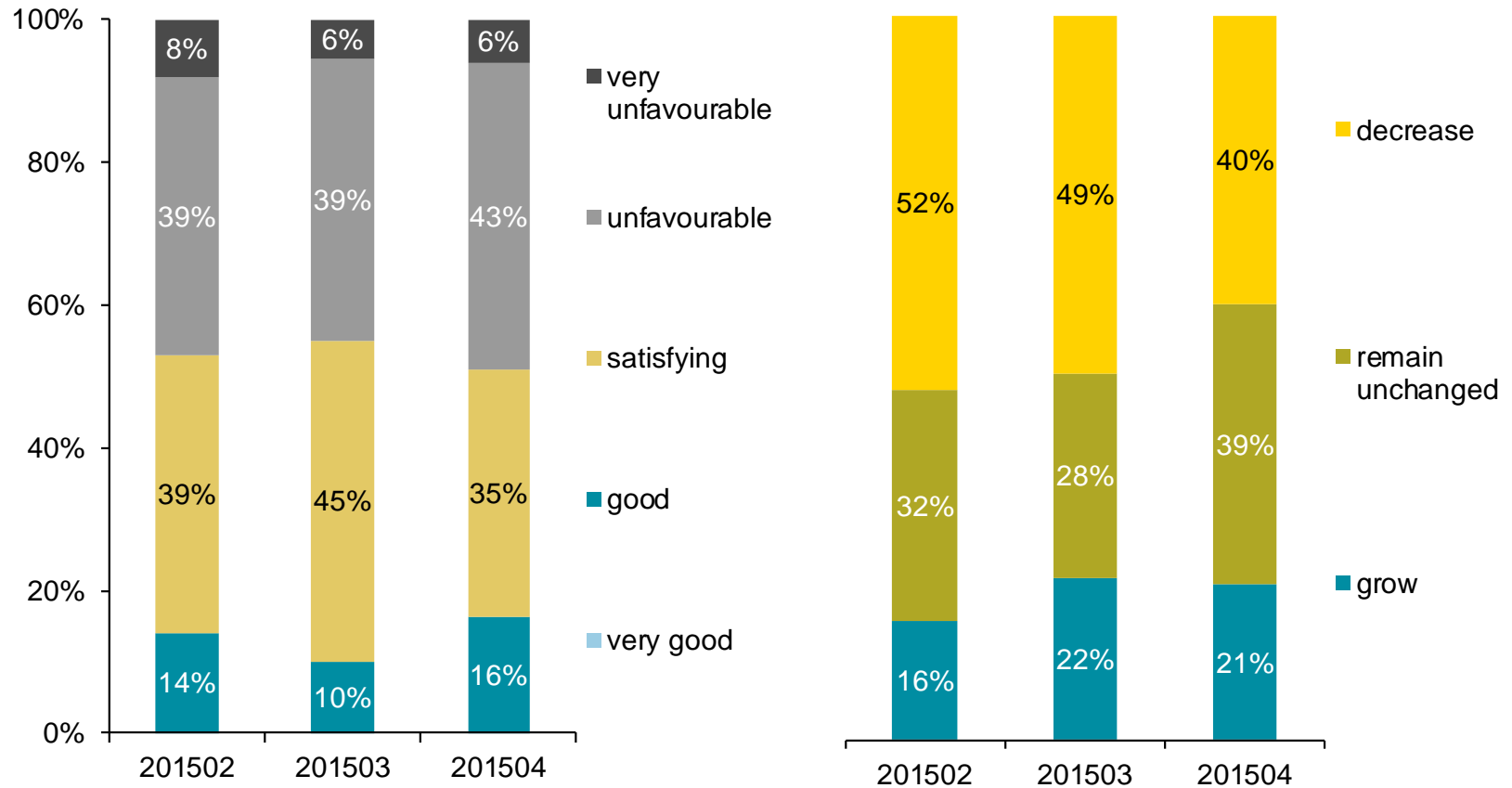


Source: CEMA Business Barometer, each value as an average of the last two months

# Better expectations for the mid-term turnover trend

Question: We consider our current business to be ....

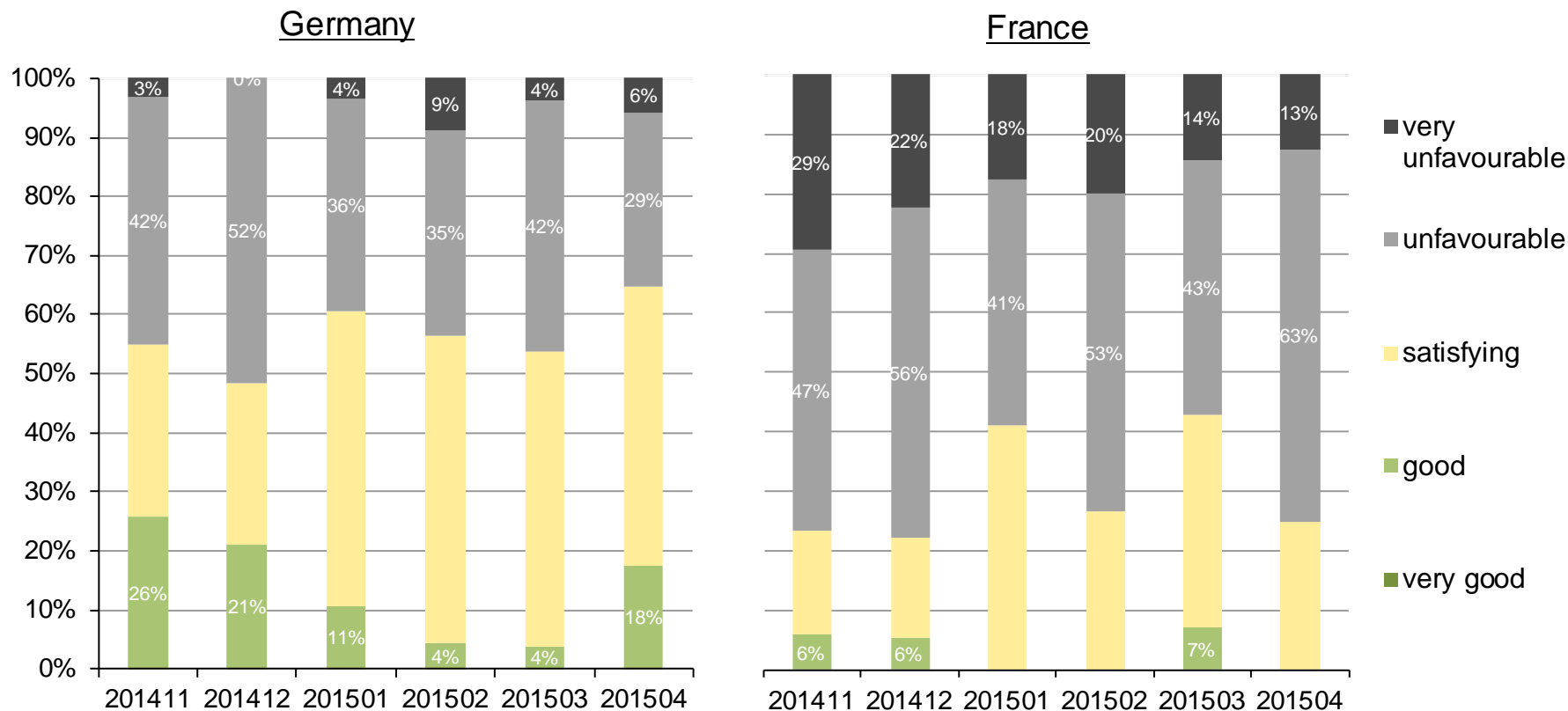
Question: We expect our overall turnover within the next 6 months to....



Source: CEMA Business Barometer

# Business climate differences between France and Germany

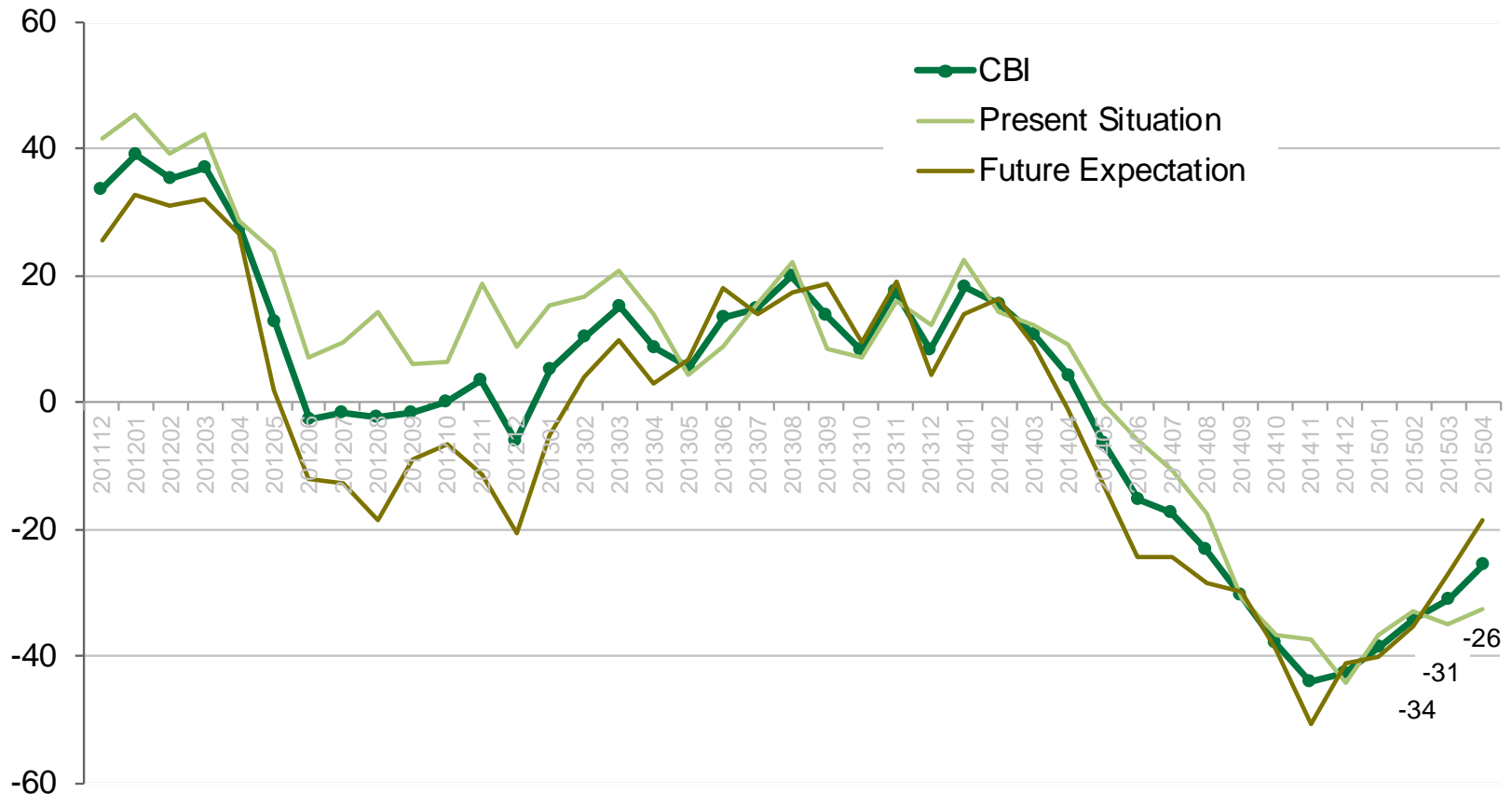
Question: We consider our current business to be ....



Source: CEMA Business Barometer, evaluation of companies based in Germany resp. France

# Unbroken upwards trend for the business climate index

## CEMA Business Climate Index (CBI)



Source: CEMA Business Barometer

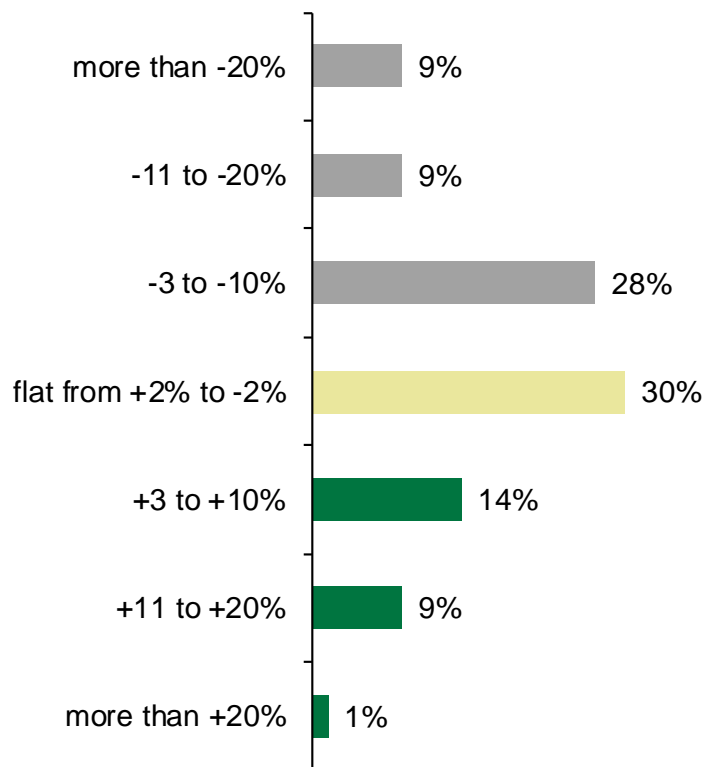
Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

# Turnover in March dropped by around 5%...

Question: Compared to the same period a year ago our **turnover** in the past month developed as follows:

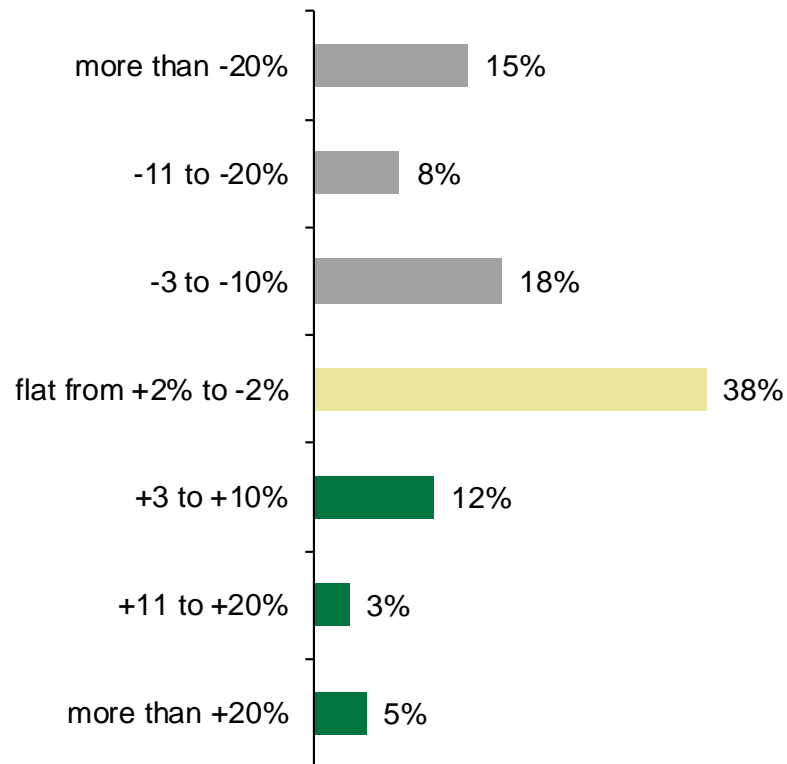
for EU markets

Average: ca. -5%



for markets outside the EU

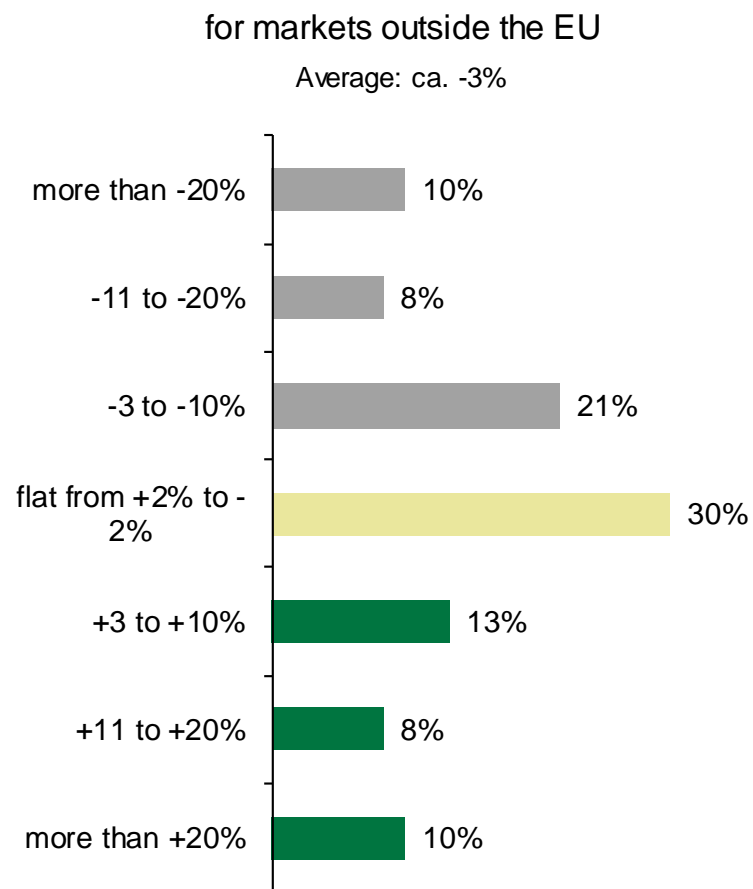
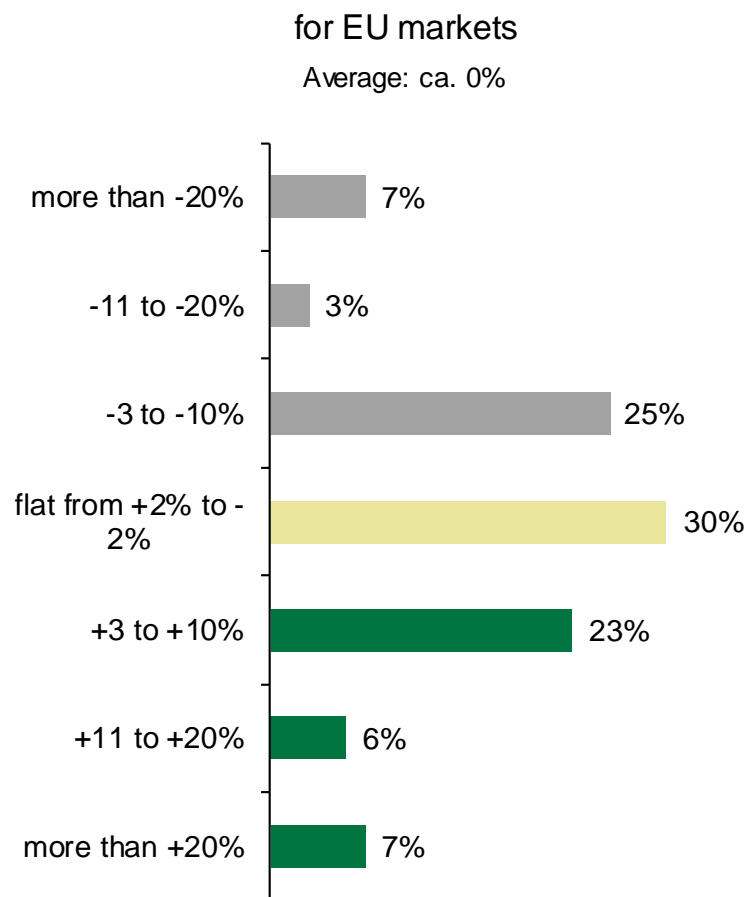
Average: ca. -5%



Source: CEMA Business Barometer April 2015

# ...while new order trend was stable on 2014 level

Question: Compared to the same period a year ago our **new orders** in the past month developed as follows:



Source: CEMA Business Barometer April 2015




# Improved expectations for several European markets


	Country	Index		
		201502	201503	201504
1	Spain	9	11	<b>12</b>
2	Switzerland	4	7	<b>10</b>
3	Poland	-5	-2	<b>5</b>
4	Italy	-9	-9	<b>3</b>
5	Czech Republic + Slovakia	-4	-4	<b>0</b>
5	UK + Ireland	-4	-2	<b>0</b>
7	Scandinavia (DK, N, S) + FIN	-20	-21	<b>-5</b>
8	Austria	-13	-9	<b>-9</b>
9	Romania	-13	-12	<b>-10</b>
10	Other new EU member states	-19	-21	<b>-12</b>
11	Belgium	-20	-18	<b>-16</b>
12	Germany	-15	-21	<b>-17</b>
12	Netherlands	-21	-21	<b>-17</b>
14	France	-21	-27	<b>-17</b>
15	CIS countries	-52	-50	<b>-49</b>

## Explanatory note:

Possible index scale: from -100 to +100

All single market indications given in the survey are summed up and weighted according to the extent of expected decrease/increase

 → positive index value illustrates prevailing expectation for **increasing** turnover in this market over the next six months

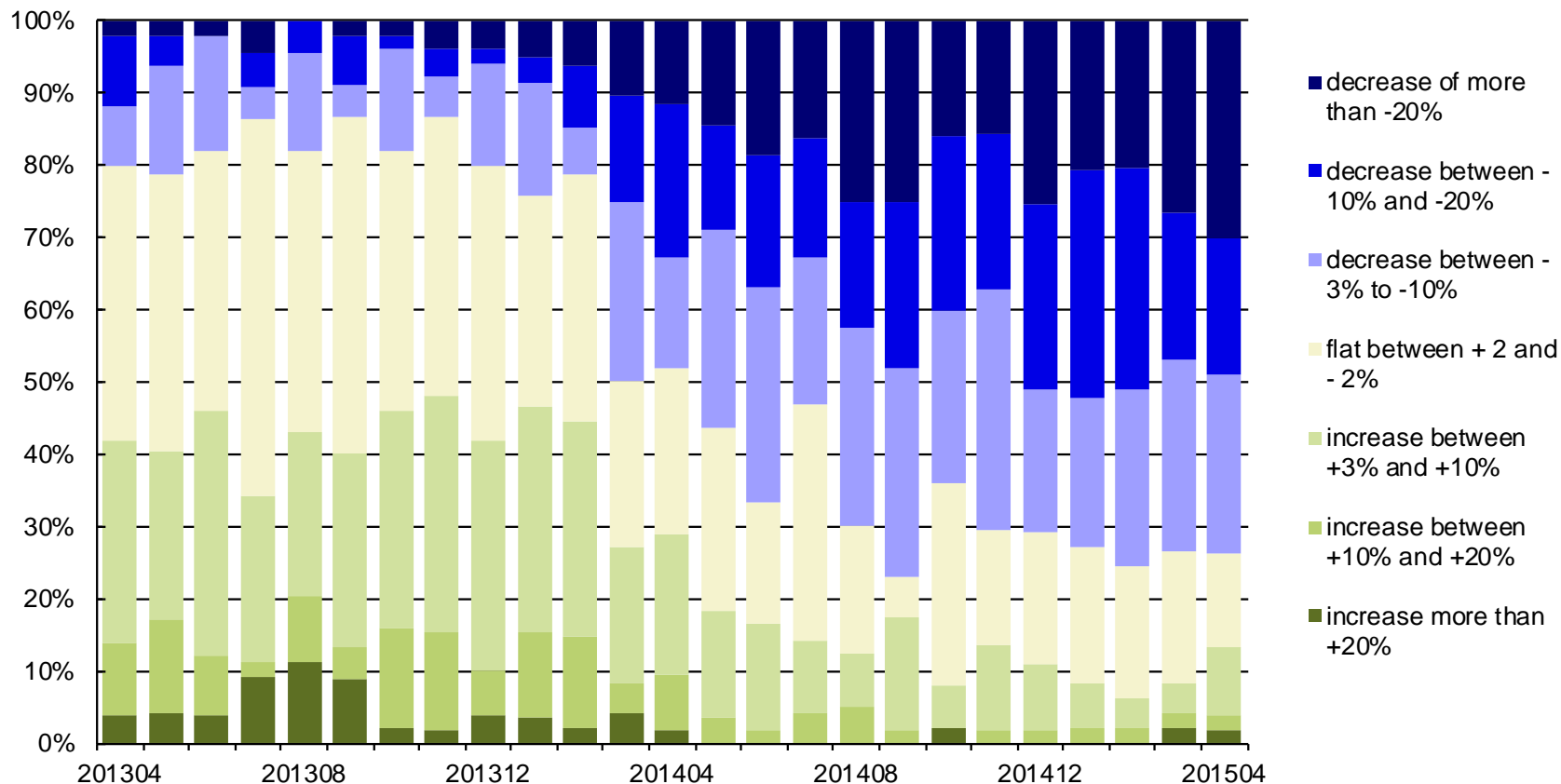
 → negative index value illustrates prevailing expectation for **decreasing** turnover in this market over the next six months

Country ranking ascending from highest increase resp. lowest decrease to lowest increase resp. highest decrease. The index figures do not show expected %-change rates in turnover, just the expected trend up/down!

Status April 2015

# Constantly rather negative market expectations for France and Germany.

Question: Turnover expectation for the next 6 months for the CIS market



Source: CEMA Business Barometer