Recovery in Europe, but decline in Germany
Executive summary of the survey in October

The general business climate improved significantly - in view of the future expectations, which turned into positive - for the first time since early 2014.

The market recovery in the Mediterranean countries is further gaining ground, particularly in France there is a strong upward trend.

Not as strong, but already noticeable, is the investment need in some Eastern European countries.

Although still very negative, the expectations in the CIS countries increased sharply for the second time in a row.

However, the development of some important markets in Central and North Europe heavily deviates from the European average - especially the German representatives remain much more pessimistic.

Besides the general reduced farm profitability, these markets are further slowed down by high dealer stock levels with both, new and used machines, as stated many times in this month’s survey.
Business Climate
Illustration of Business Cycle

Expectation for the coming 6 months

Evaluation of current business

Recession

Downswing

Upswing

Boom

-90 -70 -50 -30 -10 10 30 50 70 90

-90 -70 -50 -30 -10 10 30 50 70 90

2009
2010
2011
2012
2013
2014
Jan-Oct 2015

Oct 2015

Contact: Philip.Nonnenmacher@vdma.org
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**

**Current Evaluation and Expectations**

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

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

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**Source:** CEMA Business Barometer
German companies have a more pessimistic view on the near future than others

**Question:** We expect our overall turnover/order intake within the next 6 months to...

**Turnover**
- Europe: 27% decrease, 40% remain unchanged, 34% grow
- Germany: 41% decrease, 53% remain unchanged, 6% grow

**Order Intake**
- Europe: 23% decrease, 52% remain unchanged, 25% grow
- Germany: 35% decrease, 59% remain unchanged, 6% grow

Source: CEMA Business Barometer October 2015
## Country Ranking

Ranking according to the expected turnover on the single European markets

<table>
<thead>
<tr>
<th>Country</th>
<th>201508</th>
<th>201509</th>
<th>201510</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>-2</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>France</td>
<td>-3</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Italy</td>
<td>-3</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Romania</td>
<td>-11</td>
<td>-5</td>
<td>4</td>
</tr>
<tr>
<td>Czech Republic + Slovakia</td>
<td>-7</td>
<td>-2</td>
<td>1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Other new EU member states</td>
<td>-12</td>
<td>-5</td>
<td>-2</td>
</tr>
<tr>
<td>Poland</td>
<td>-5</td>
<td>-2</td>
<td>-3</td>
</tr>
<tr>
<td>Scandinavia (DK, N, S) + FIN</td>
<td>-13</td>
<td>-10</td>
<td>-3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>-18</td>
<td>-4</td>
<td>-5</td>
</tr>
<tr>
<td>Belgium</td>
<td>-17</td>
<td>-11</td>
<td>-7</td>
</tr>
<tr>
<td>UK + Ireland</td>
<td>-10</td>
<td>-8</td>
<td>-10</td>
</tr>
<tr>
<td>Austria</td>
<td>-16</td>
<td>-11</td>
<td>-13</td>
</tr>
<tr>
<td>Germany</td>
<td>-17</td>
<td>-12</td>
<td>-17</td>
</tr>
<tr>
<td>CIS countries</td>
<td>-43</td>
<td>-30</td>
<td>-17</td>
</tr>
</tbody>
</table>

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 October 2015
Question: Compared to the same period a year ago our turnover in the past month developed as follows:

for EU markets
Average: ca. 0%
- more than -20% 3%
- -11 to -20% 7%
- -3 to -10% 26%
- flat from +2% to -2% 36%
- +3 to +10% 19%
- +11 to +20% 4%
- more than +20% 5%

for markets outside the EU
Average: ca. -3%
- more than -20% 10%
- -11 to -20% 9%
- -3 to -10% 19%
- flat from +2% to -2% 36%
- +3 to +10% 17%
- +11 to +20% 7%
- more than +20% 1%

Source: CEMA Business Barometer October 2015
Question: Compared to the same period a year ago our **new orders** in the past month developed as follows:

**for EU markets**
Average: ca. -2%

- more than -20%: 3%
- -11 to -20%: 15%
- -3 to -10%: 28%
- flat from +2% to -2%: 31%
- +3 to +10%: 16%
- +11 to +20%: 3%
- more than +20%: 5%

**for markets outside the EU**
Average: ca. -4%

- more than -20%: 7%
- -11 to -20%: 17%
- -3 to -10%: 18%
- flat from +2% to -2%: 38%
- +3 to +10%: 15%
- +11 to +20%: 3%
- more than +20%: 1%

*Source: CEMA Business Barometer October 2015*
Current Voices of the Industry
Selection of participants’ comments with indication of their origin by country

► « We are still in the middle of the crisis. » (Belgium)
► « Reduced farm profitability has lowered demand, but a more significant factor is the weak financial position of the dealer network. Used equipment stocks are at record high levels, and overvalued, so dealers cannot sell them. This means that they are not prepared to take more used machines into their stock. » (United Kingdom)
► « The wine market remains buoyant in contrast to farming and cattle breeding. » (France)
► « A very uncertain market across regions and cultures. The prospects are moderate. » (France)