



CEMA Business Barometer

Executive summary report October 2015



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.

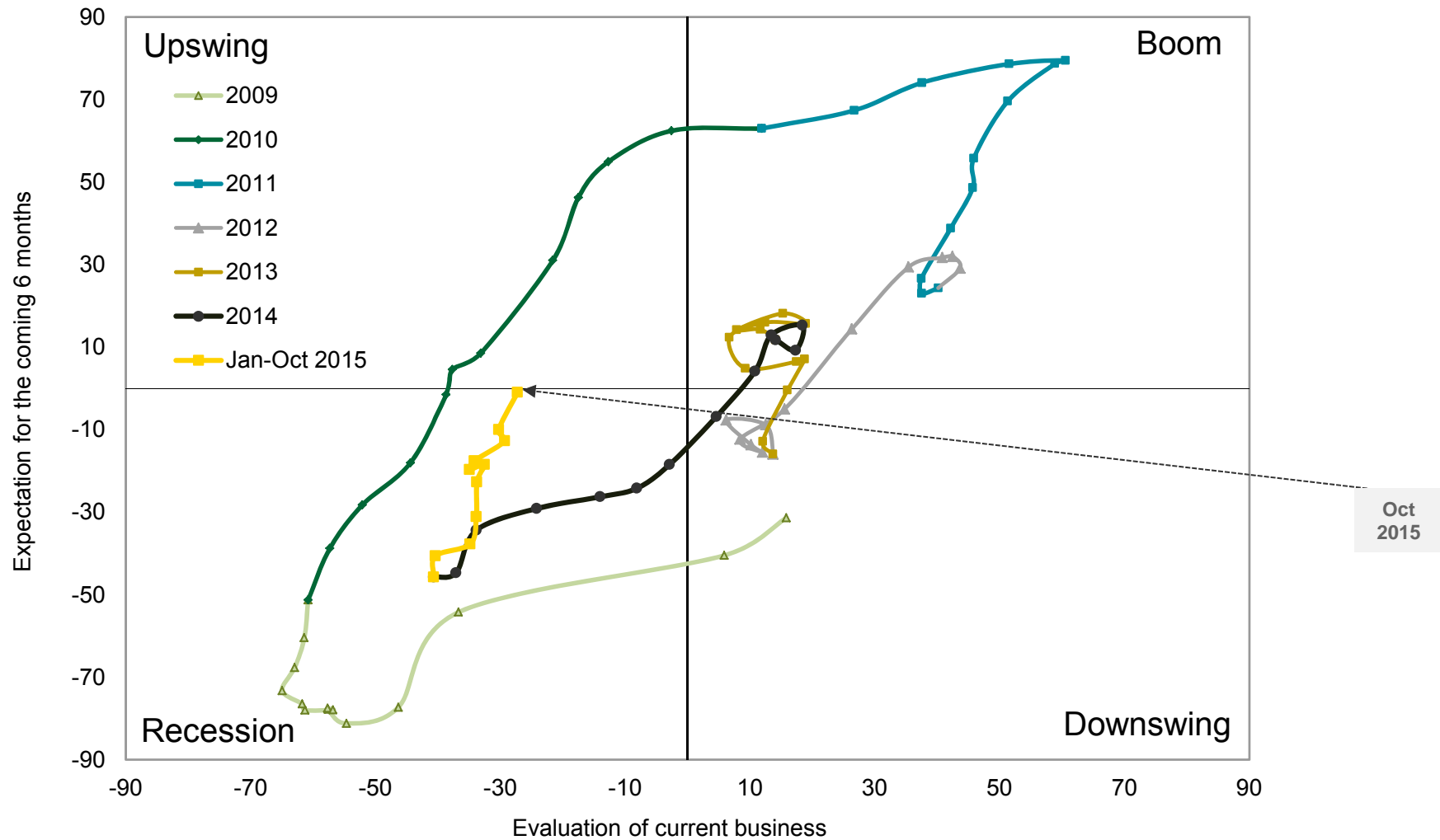
Although still very negative, the expectations in the CIS countries increased sharply for the second time in a row.

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

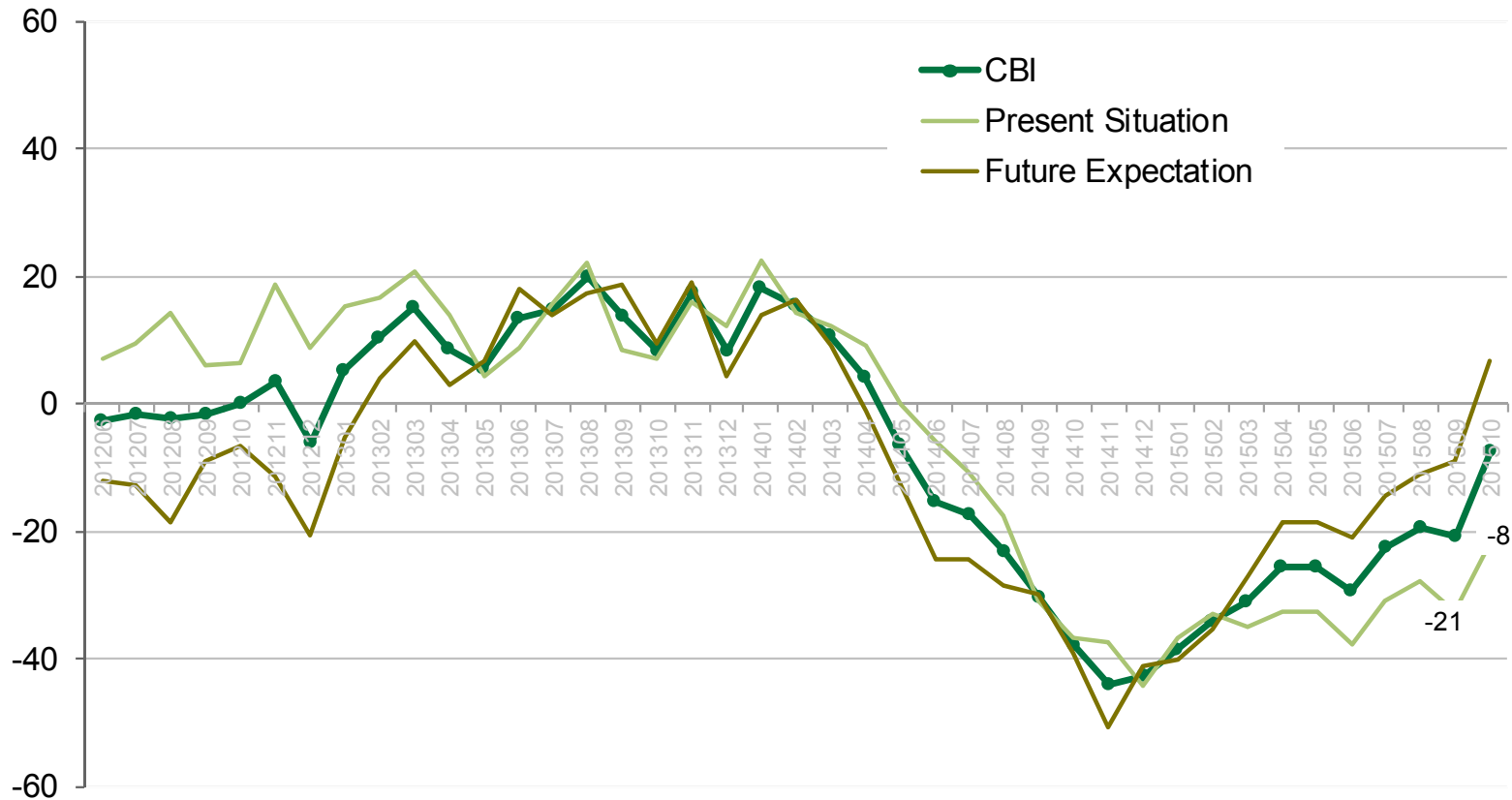
Illustration of Business Cycle



Business Climate

Index Development

CEMA Business Climate Index (CBI)



Source: CEMA Business Barometer

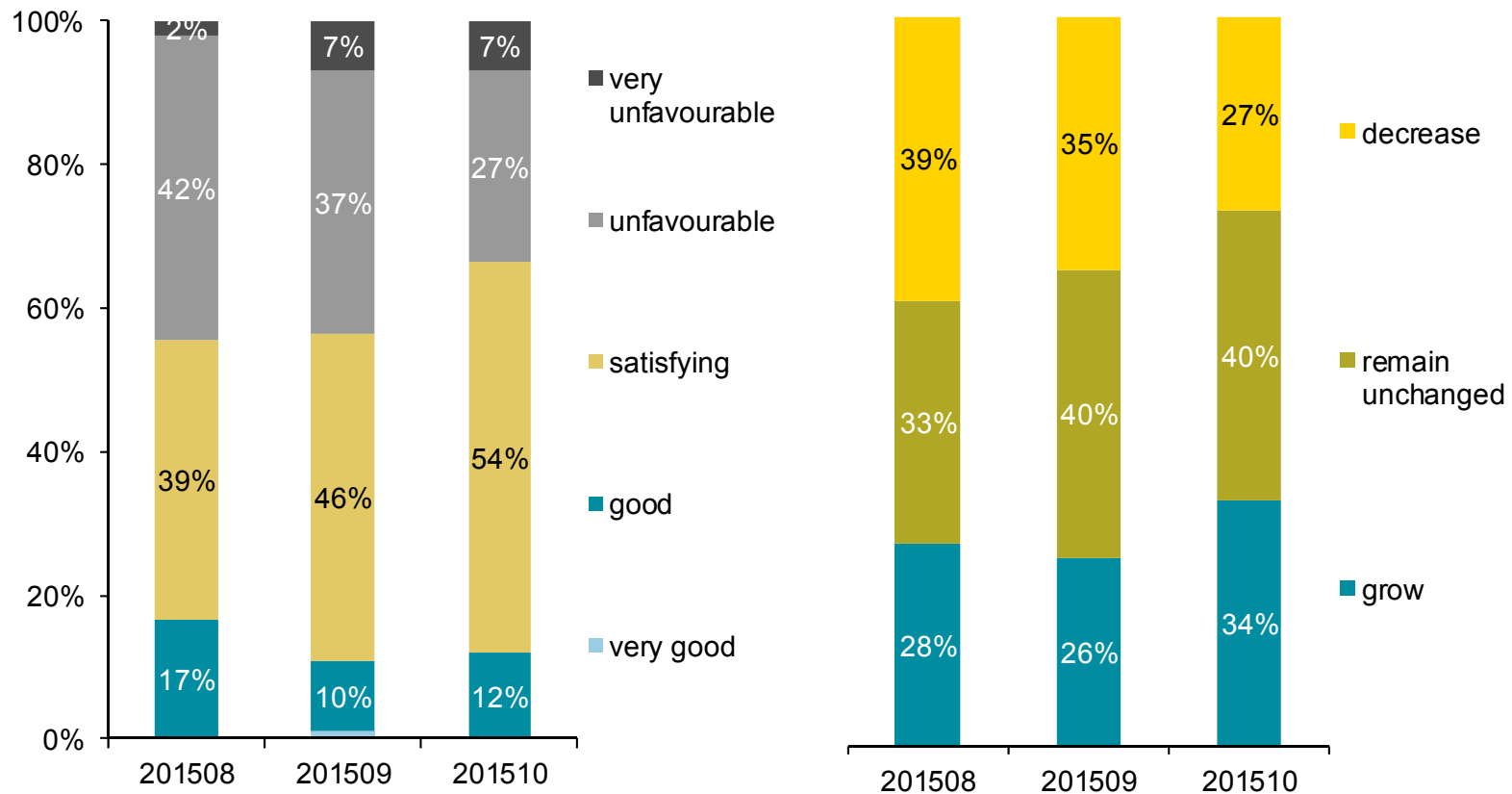
Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

Current Evaluation and Expectations

Question: We consider our current business to be

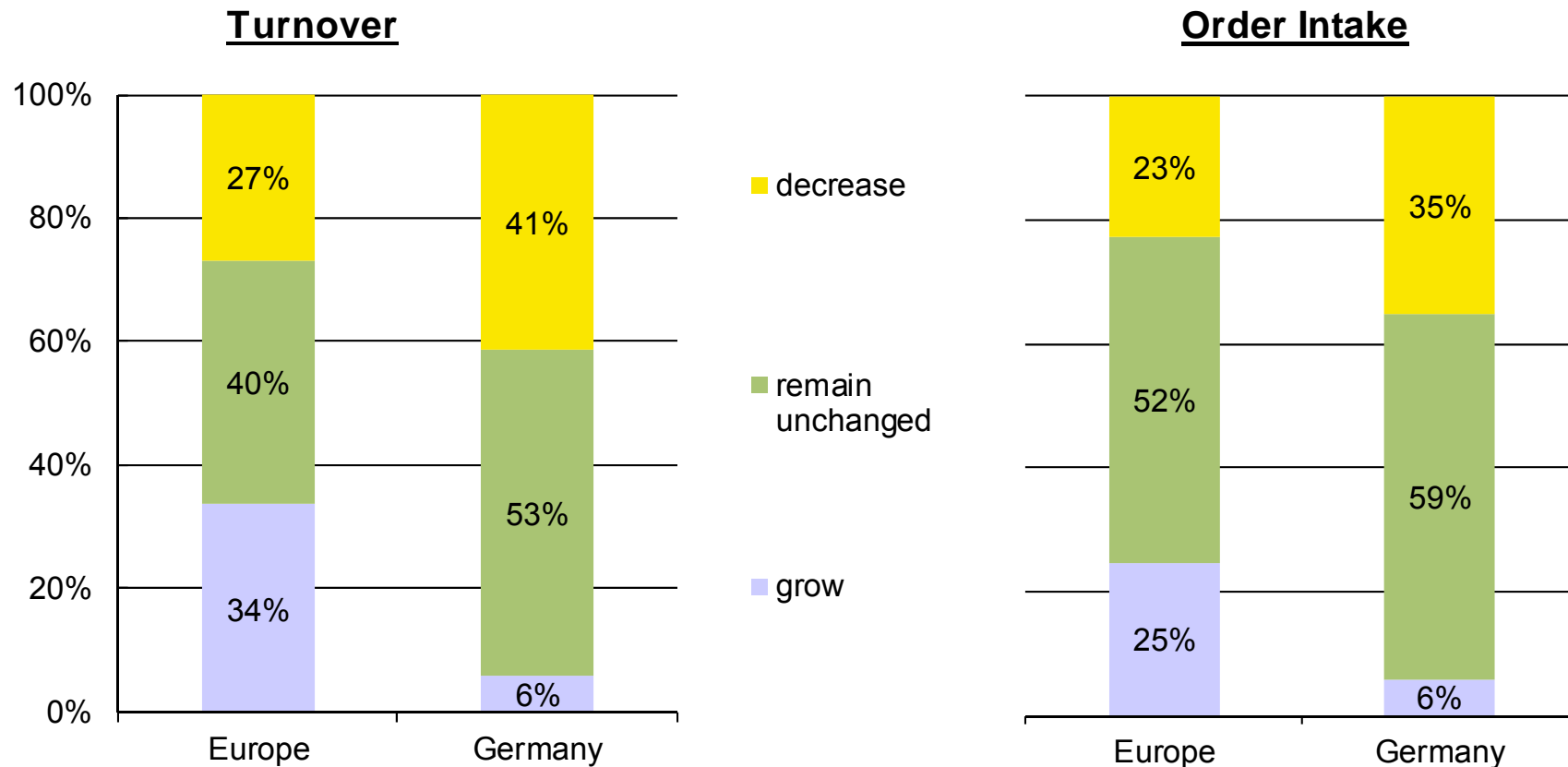
Question: We expect our overall turnover within the next 6 months to....



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...



Source: CEMA Business Barometer October 2015

Country Ranking

Ranking according to the expected turnover on the single European markets


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


Status October 2015

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

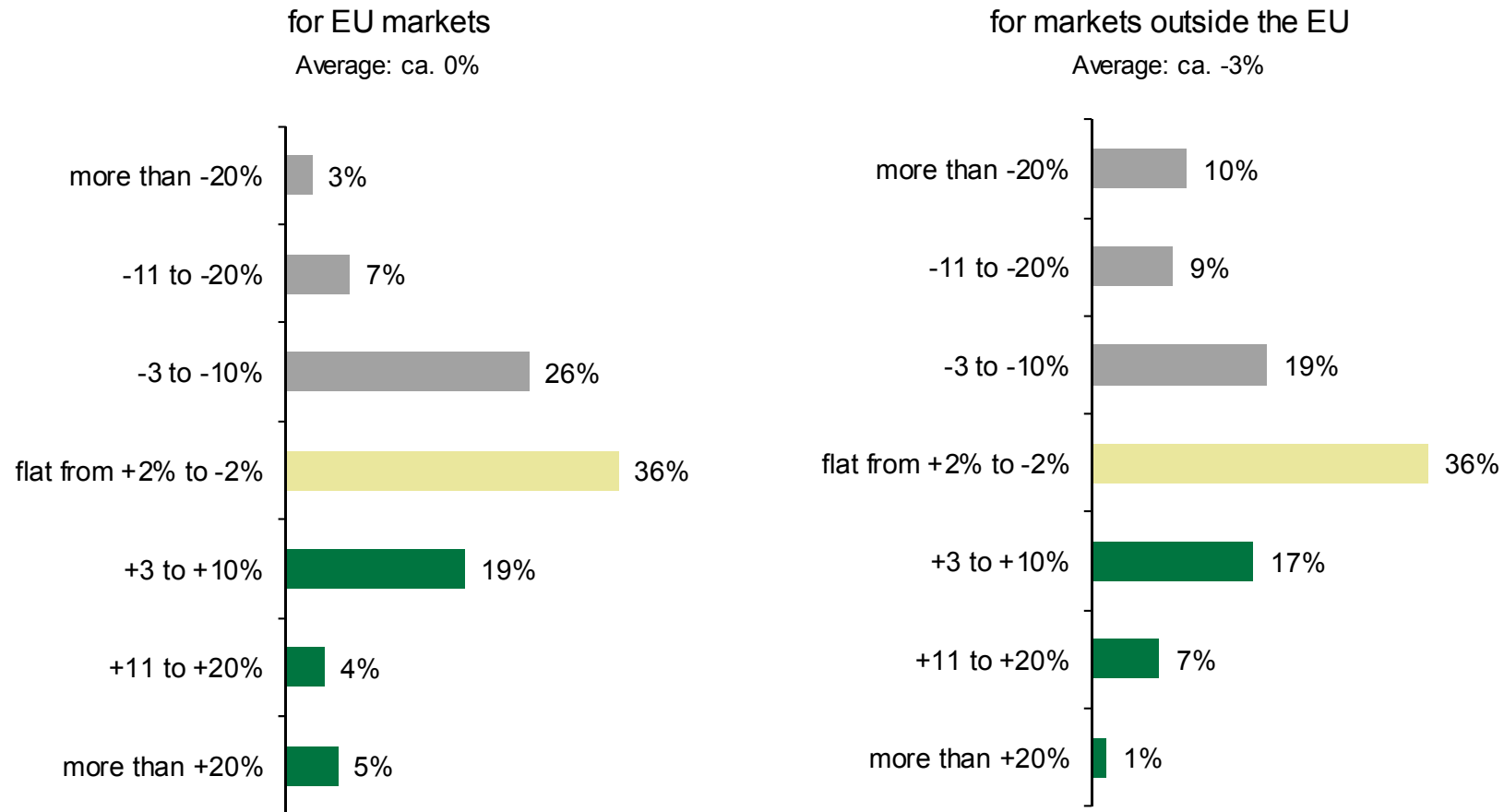
 → negative index value illustrates prevailing expectation for **decreasing** turnover in this market over the next six months

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!

Market Development (EU and outside EU)

Turnover September 2015

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

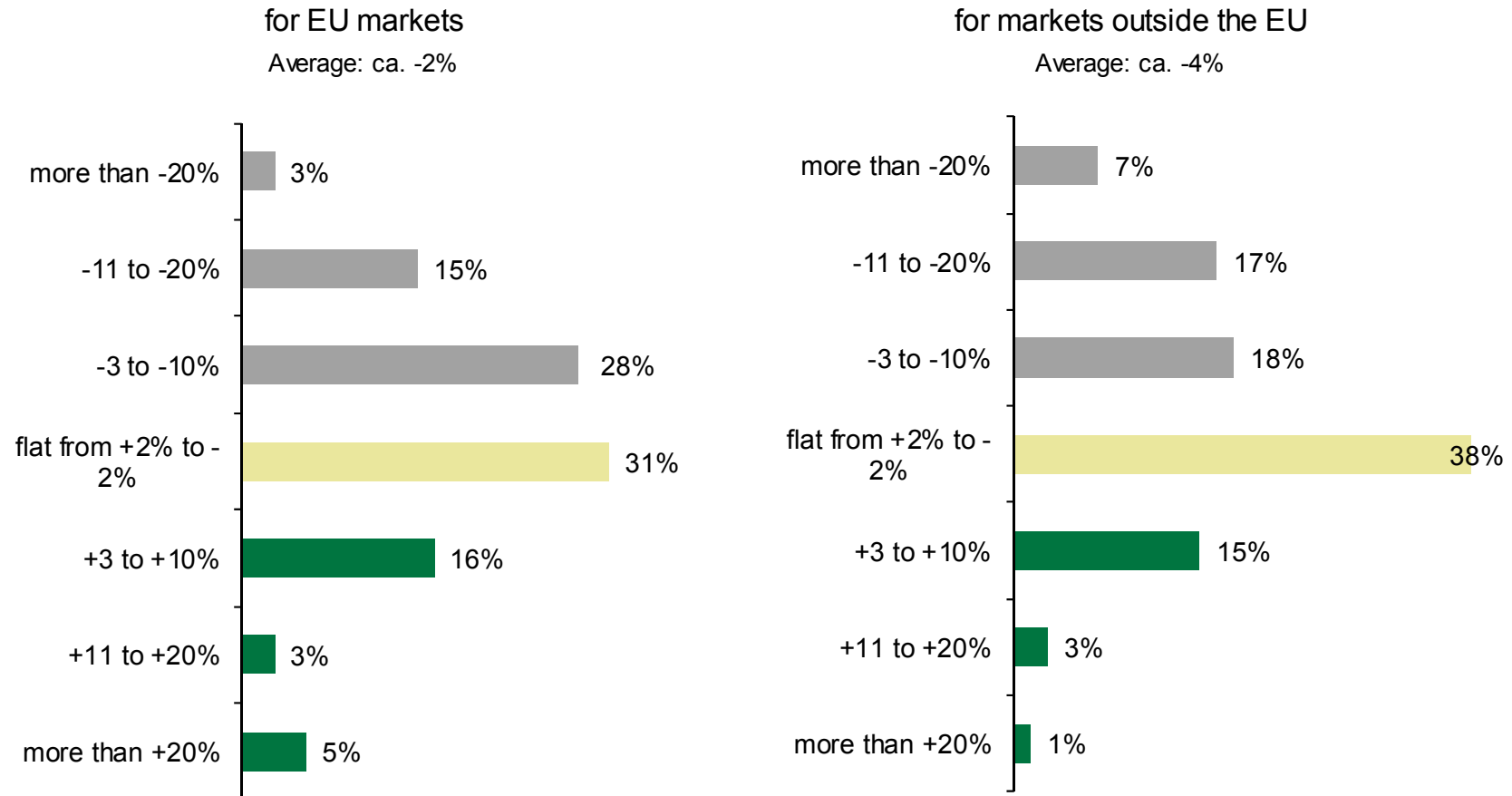


Source: CEMA Business Barometer October 2015

Market Development (EU and outside EU)

Order Intake September 2015

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



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)