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: 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
Livestock equipment severely affected
Executive summary of the survey in February

The general business climate index has decreased by eleven points.

After an euphoric fourth quarter 2015, the future expectations turned back into negative. Although not quite as strong, the evaluation of the current situation has worsened as well.

The exceptionally good evaluation of the current business situation for lawn, garden and municipal equipment persists and the future expectations for components continue far above total industry average. On the other side are the segments that are especially affected by low agricultural commodity prices. Livestock equipment ranks very low in both turnover and new order expectations as well as in the evaluation of the current business climate. Harvesting equipment and tractors is another segment coming off badly regarding these indicators. On European average for all segments the volume of orders remains low, currently corresponding to a production period of 2.3 months.

Regarding the market developments by region, the overall picture of the last months has once again further solidified. The Mediterranean countries continue leading the ranking, followed by Scandinavia. For Poland, Germany and the CIS countries the survey participants expect the strongest turnover decrease in the next six month.
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

Expectation for the coming 6 months

Evaluation of current business
Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….

- very unfavourable: [5% 4% 6%]
- unfavourable: [37% 32% 36%]
- satisfying: [44% 45% 44%]
- good: [14% 17% 14%]
- very good: [0% 0% 0%]

Source: CEMA Business Barometer

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

- decrease: [27% 27% 34%]
- remain unchanged: [39% 35% 35%]
- grow: [34% 37% 32%]

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees
- Increase: 13%
- Keep unchanged: 73%
- Reduce: 14%

Temporary employees
- Increase: 18%
- Keep unchanged: 44%
- Reduce: 38%

Source: CEMA Business Barometer February 2016