



# CEMA Business Barometer

Public excerpt May 2016

# What is the CEMA Business Barometer?

- ▶ A monthly survey within 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



---

# European Industry's business climate back in recession

## Executive summary of the survey in May

---

The general business climate index has decreased the fourth month in a row. This time it has lost 15 points. This is the sharpest decline since 2012.

On average, the volume of orders of the European agricultural machinery industry has reached a historic low, currently corresponding to a production period of 1.8 months.

Only the Scandinavian countries and Spain remain in the positive range regarding the industry's next six month's turnover expectation. From all other countries, including France, Italy and Romania, a majority of survey participants expect a decrease of their company's turnover, with Germany and Poland continuing at the bottom of the ranking.

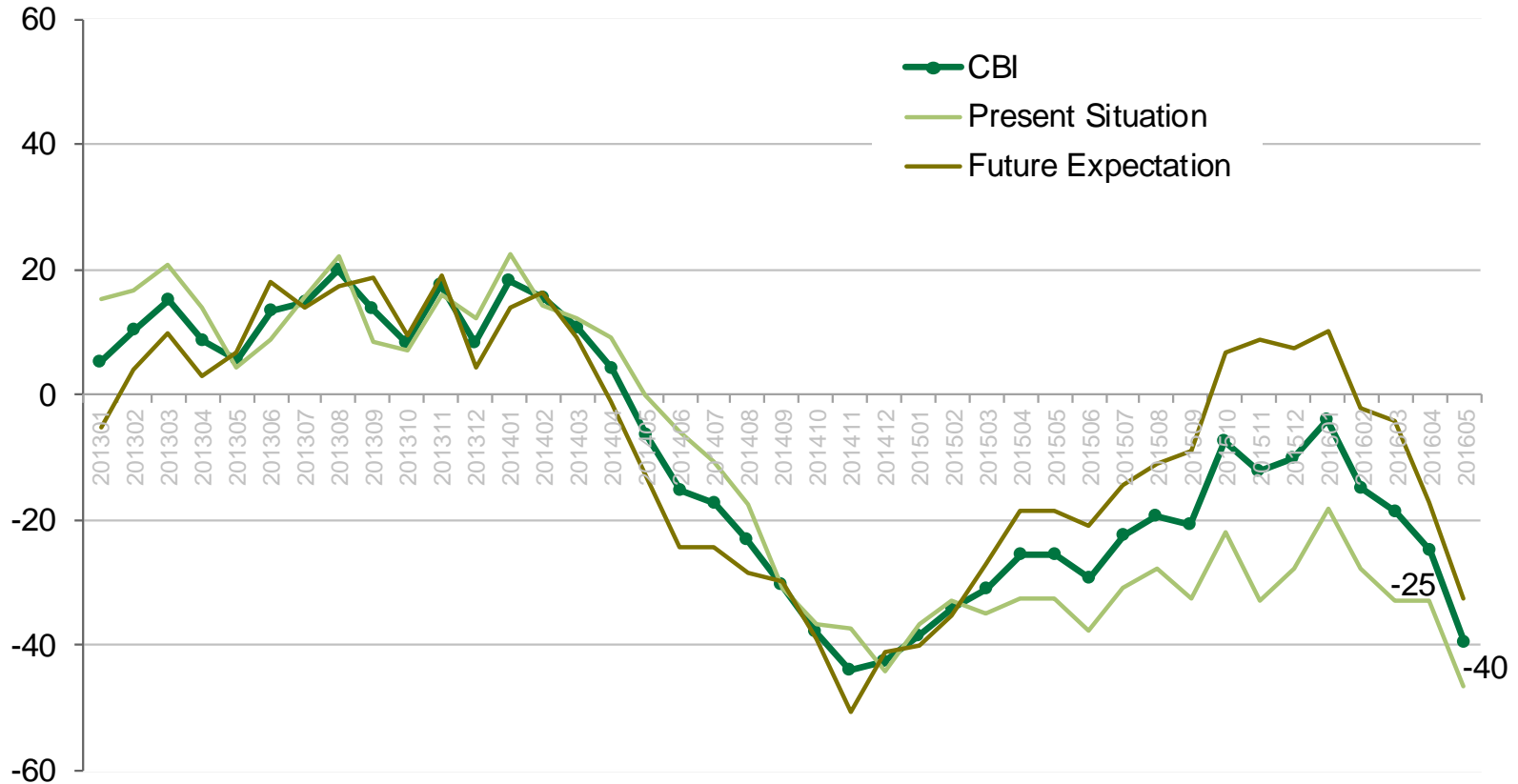
Tractors, harvesting and livestock equipment are still the most affected segments when compared to industry average in both, turnover and new order expectations, as well as in the evaluation of the current business climate. Components have deteriorated in the latter indicator for the first time after a long period.

Correspondingly, more than half of the participants report that the plan of their company is to reduce the temporary workforce.

---

# Business Climate Index Development

## CEMA Business Climate Index (CBI)

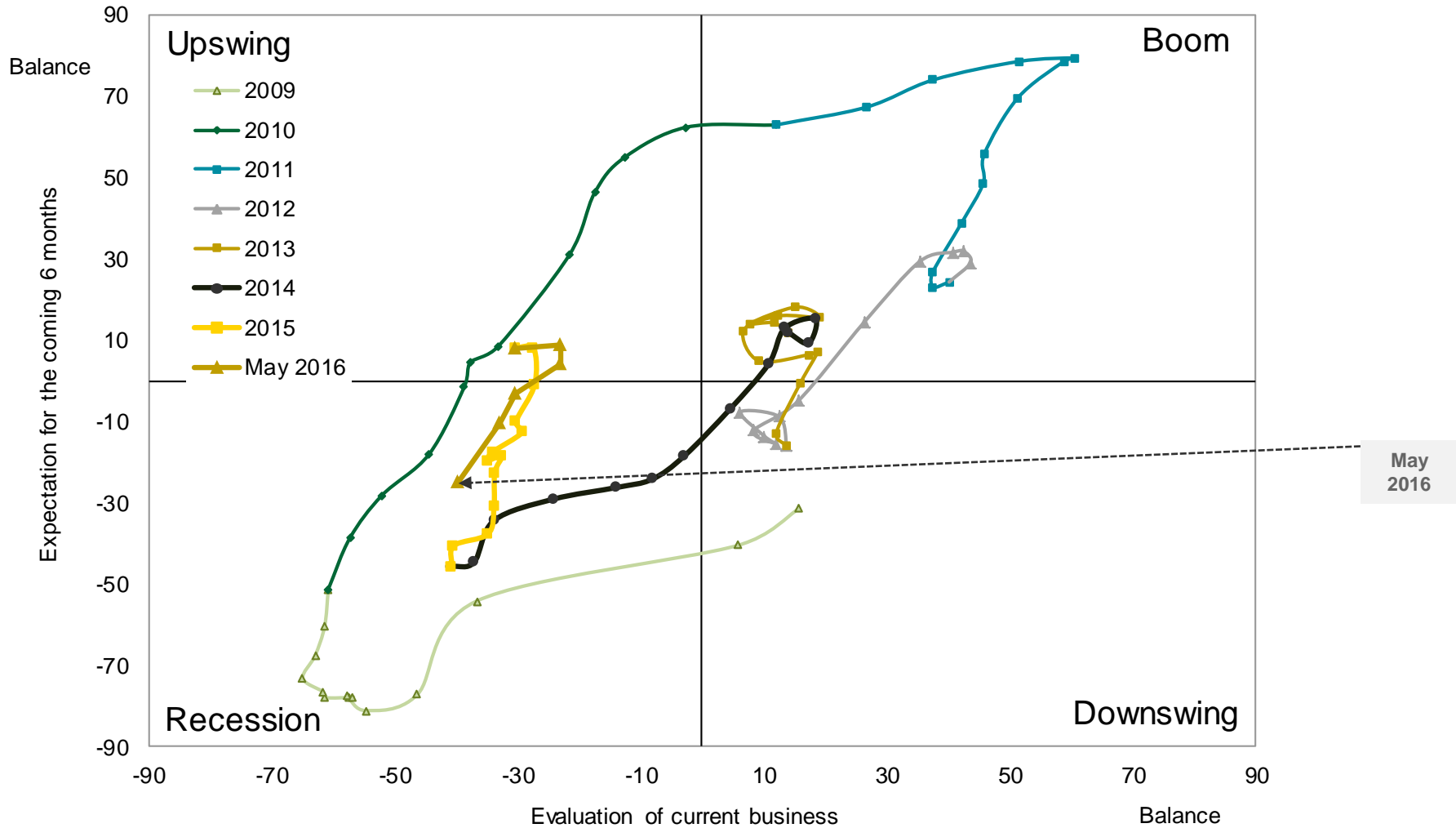


Source: CEMA Business Barometer

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

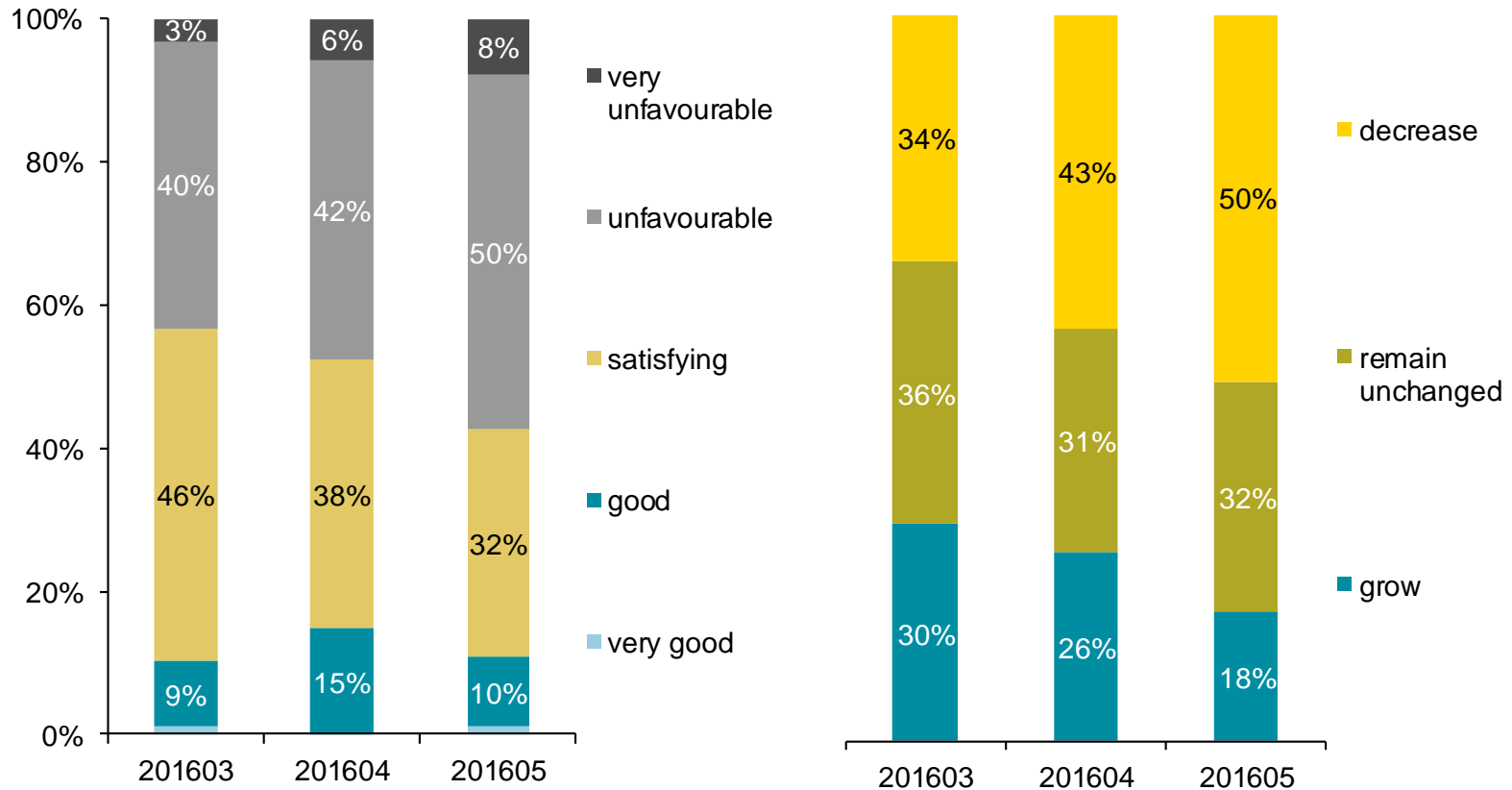


# Business Climate

## Current Evaluation and Expectations

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

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

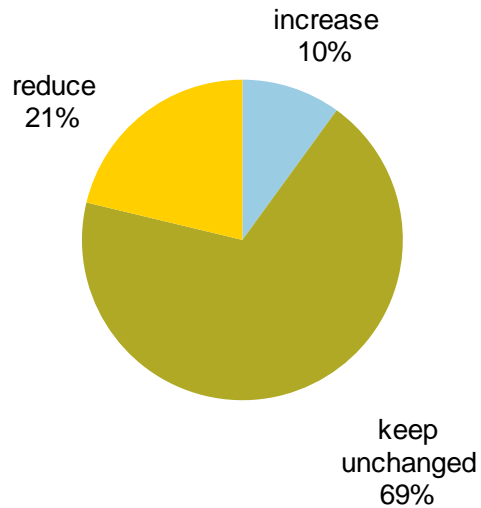


Source: CEMA Business Barometer

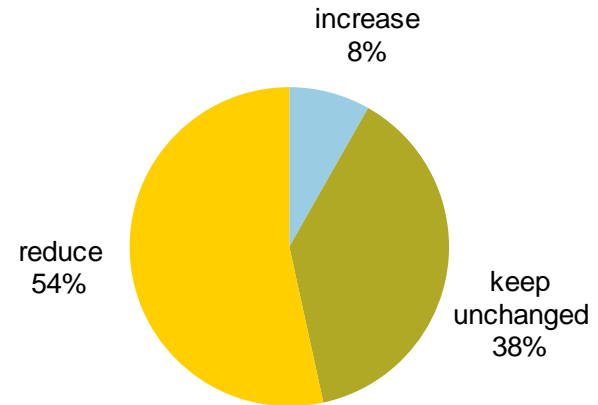
# Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer May 2016