



# **CEMA Business Barometer**

Executive summary report December 2015



# 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



---

# Surprisingly positive global turnover forecast for 2016

## Executive summary of the survey in December

---

There was only little movement in the general business climate for the month of November. The index increased slightly by two points.

Overall, the picture of the last months has further solidified. There is still a wide divergence between future expectations which turned positive and a barely changing negative evaluation of the present situation.

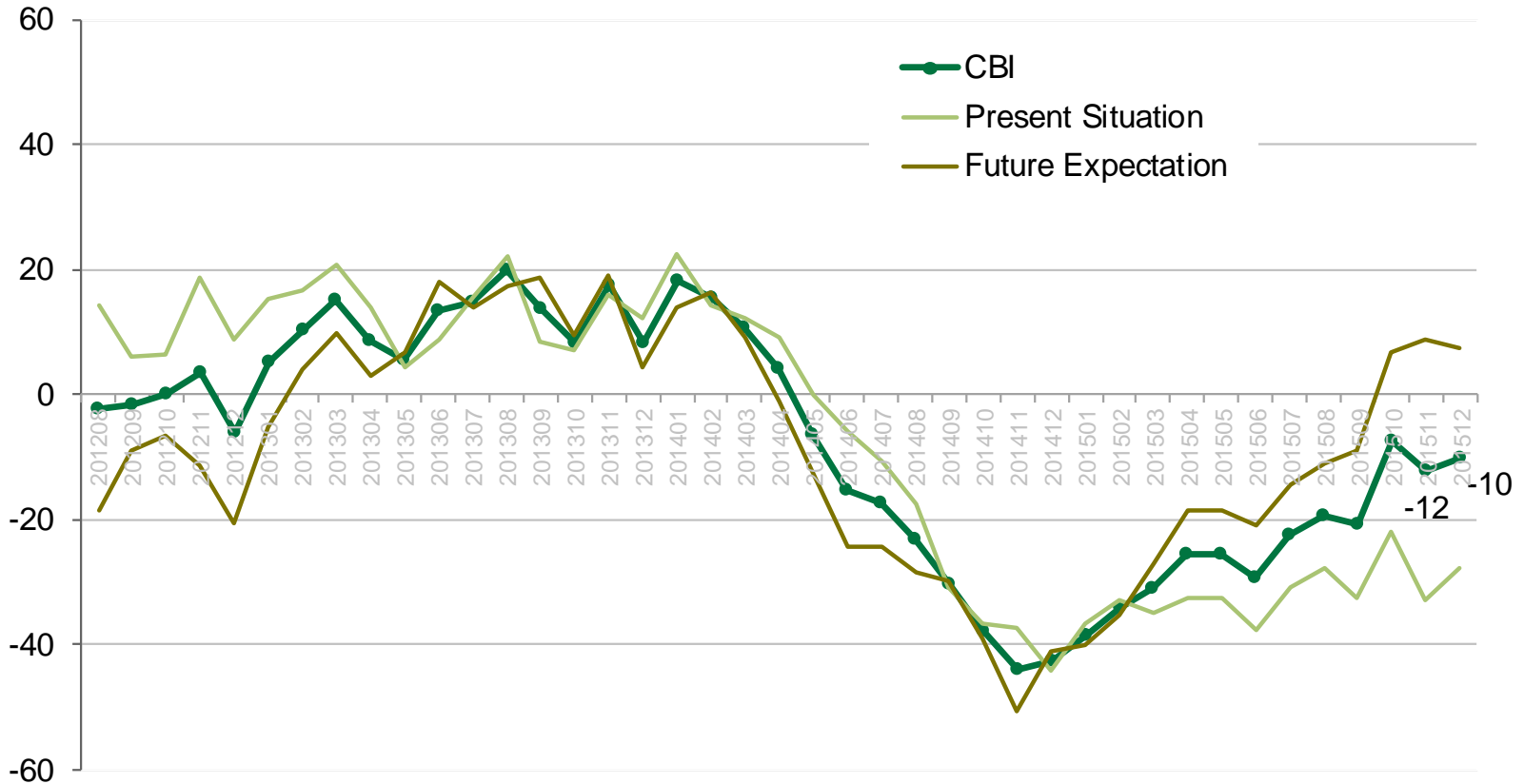
According to all indicators - the past month's new order situation, the current business climate, as well as the turnover and new order expectations - livestock equipment ranks considerably below total industry average, followed by harvesting equipment and tractors. For component manufacturers, the situation looks the best.

The assessment of the market by regions is not as stable as the market of the segments. However the basic statements revealed in September, especially with regard to the main markets, remains constant. The Mediterranean countries continue leading the ranks. By contrast, Germany is in last place. Although still negative, the expectations for the CIS countries stabilized just below average in the country ranking.

A rather surprising result of the survey is the positive global turnover forecast for 2016. Only 31% of the respondents expect the turnover of their company to decline. 55% forecast growth. High above-average growth is expected in Africa. The outlook for Latin America is the worst compared to the other regions.

# Business Climate Index Development

## CEMA Business Climate Index (CBI)

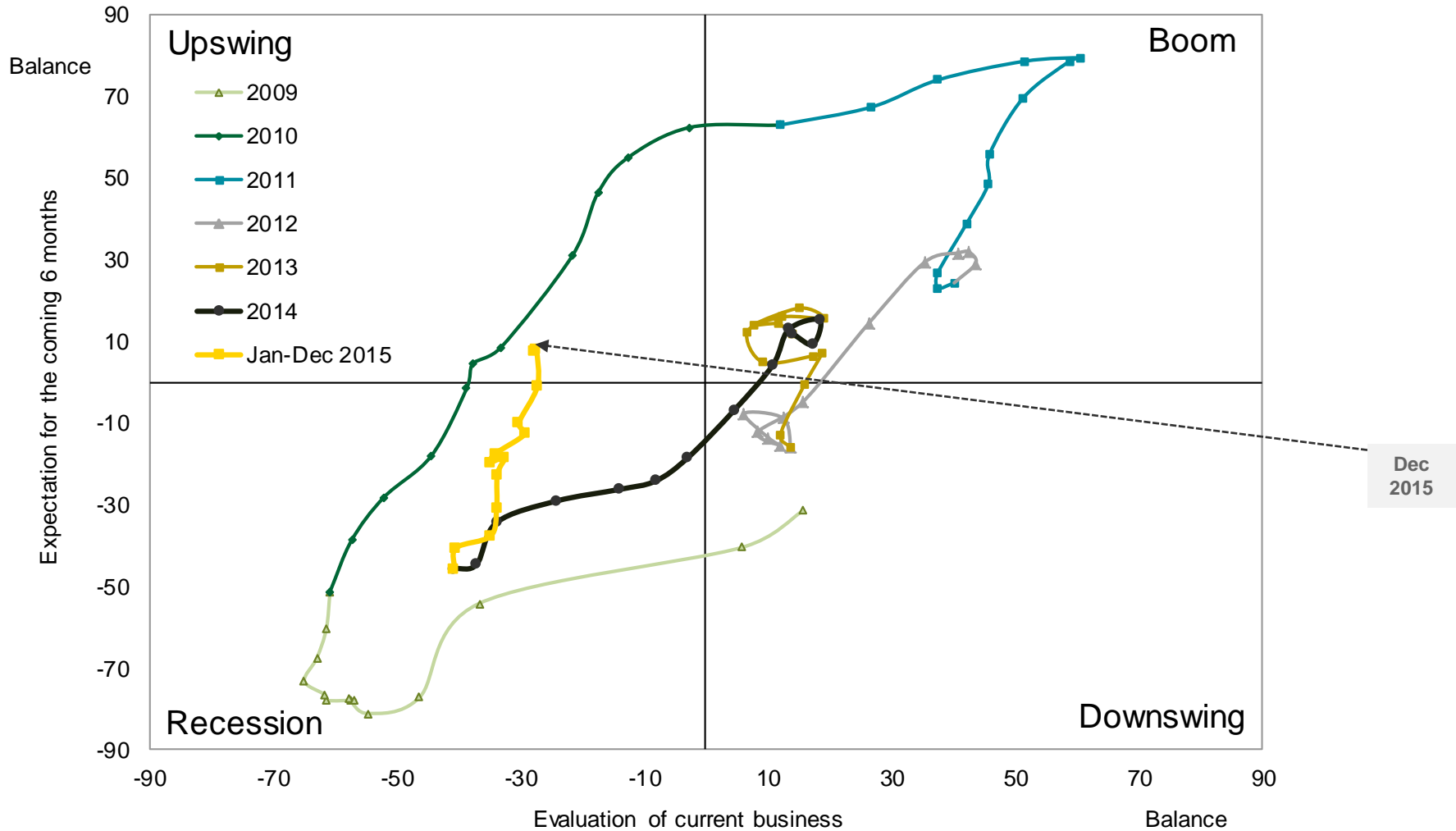


Source: CEMA Business Barometer

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

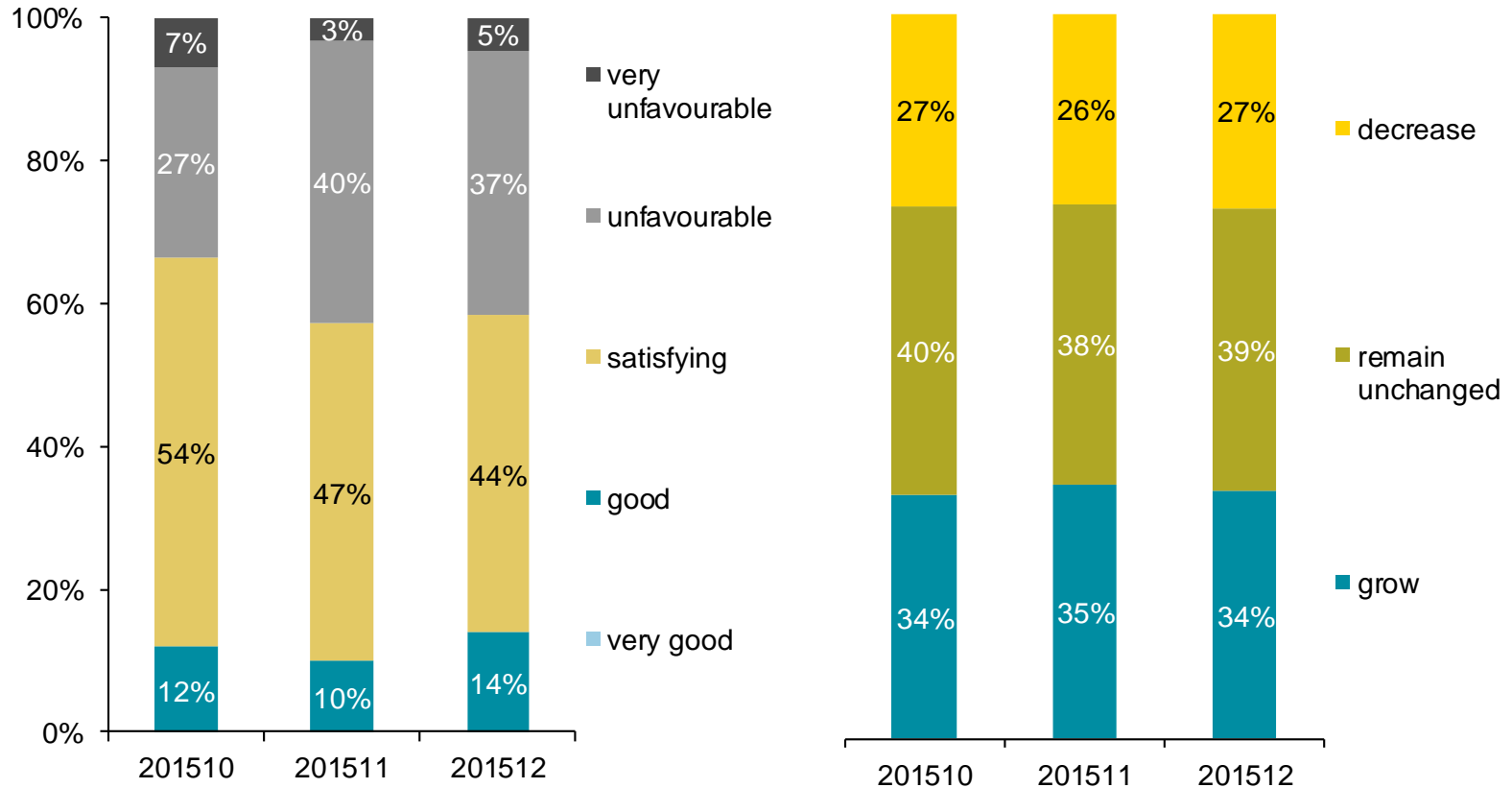


# Business Climate

## Current Evaluation and Expectations

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

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

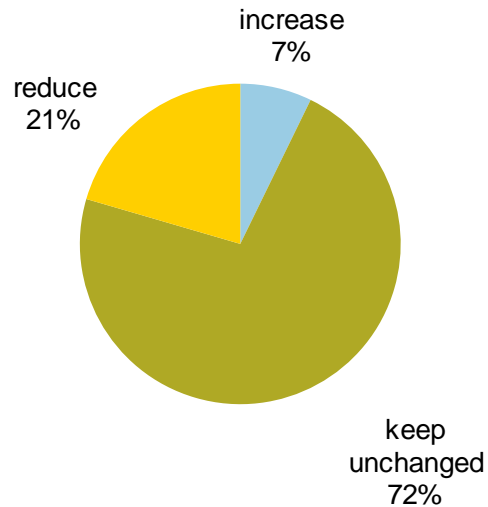


Source: CEMA Business Barometer

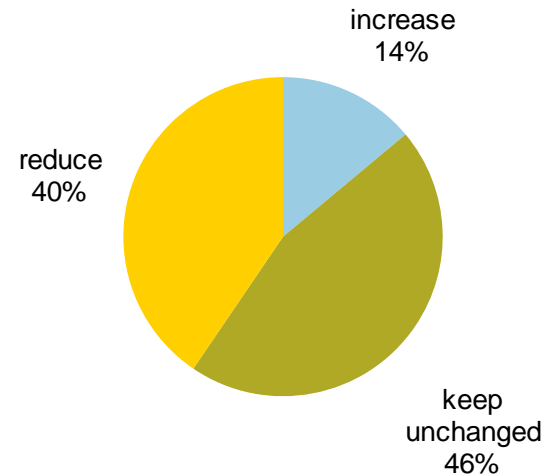
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer December 2015