



# CEMA Business Barometer

Public excerpt January 2017

# 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



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# Future expectations turning into positive

## Executive summary of the survey in January

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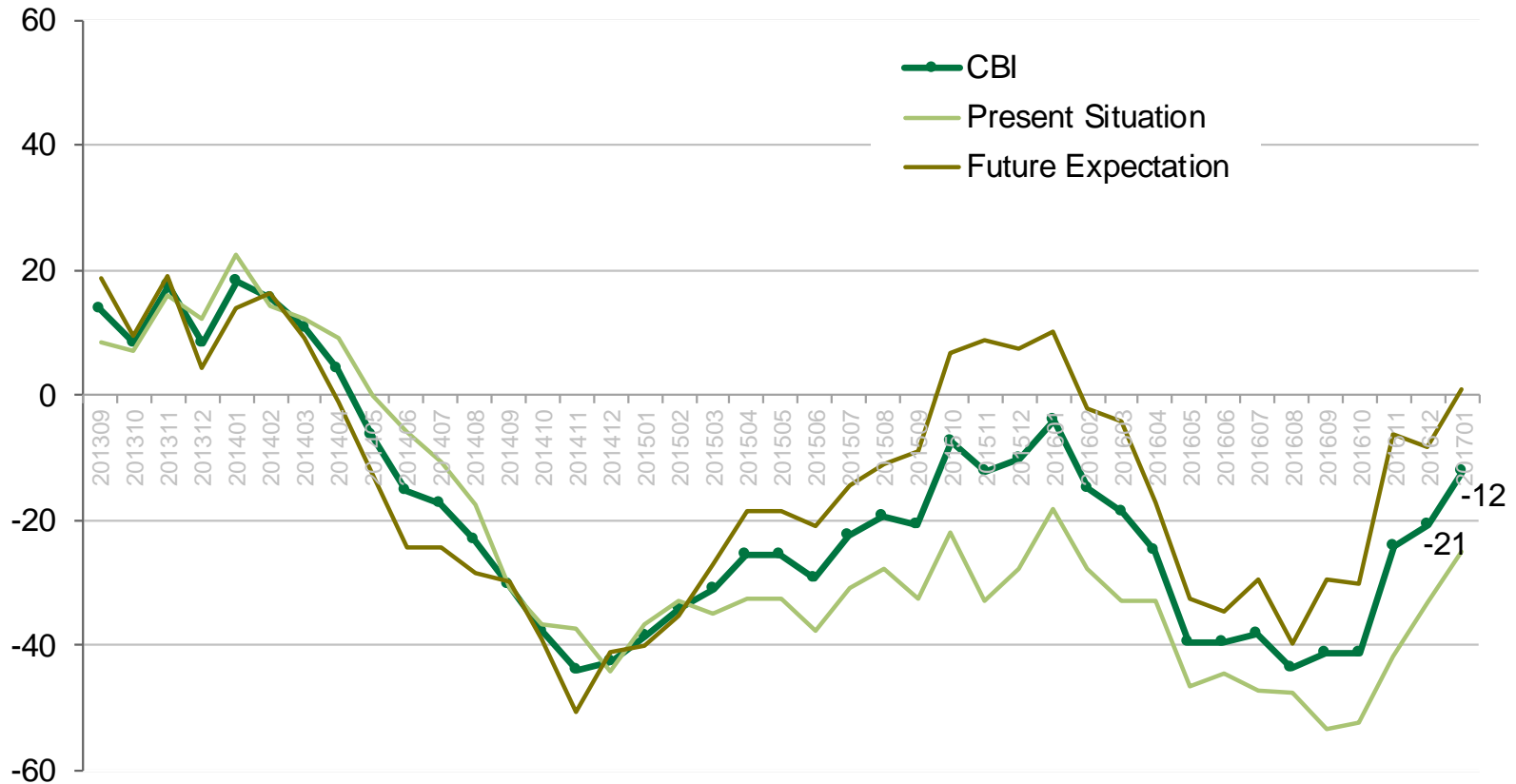
The general business climate index of the agricultural machinery industry in Europe has repeatedly become less negative. The evaluation of the current business situation has strongly improved and the future expectations are now reaching the positive area. A slight majority of industry representatives expects a further growing order intake within the next six months.

The total order intake in the past month December shows more dynamics for exports to the outside of the EU, while some major markets within the EU remain still weak. Incoming orders from outside of the EU are conspicuously strong for arable and livestock equipment, but weak for harvesting and tractors. In the major EU markets Germany, France and Poland, high dealer stock levels with used machinery might lead to attractive used machinery offers, thus cannibalizing to a certain extend new machinery sales.

Germany has further stabilized regarding turnover expectations for the next six months. The French market has improved as well, but continues at the bottom of the European country ranking. In Poland a market turnaround seems to be reached, however, besides used machinery, also dealer stock levels of new machines are currently still high, so that it might take some more months until the turnaround is noticeable on the manufacturer side. Already remarkably below the average of the past 3 years, are the dealer stock levels in the UK and in Scandinavia - these two countries have now reached same expectation levels like the CIS and the ongoing top market Spain.

# Business Climate Index Development

## CEMA Business Climate Index (CBI)

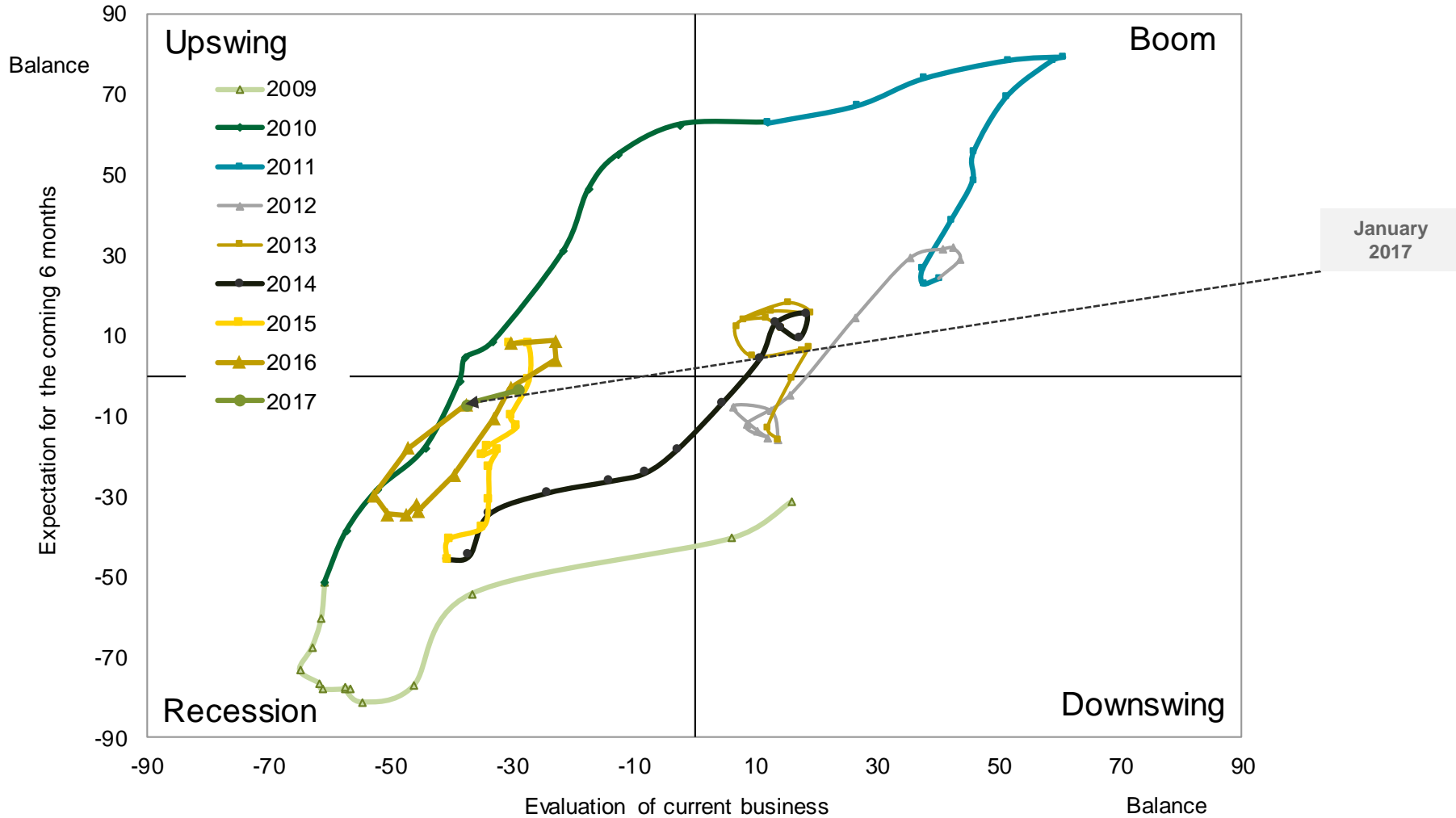


Source: CEMA Business Barometer

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

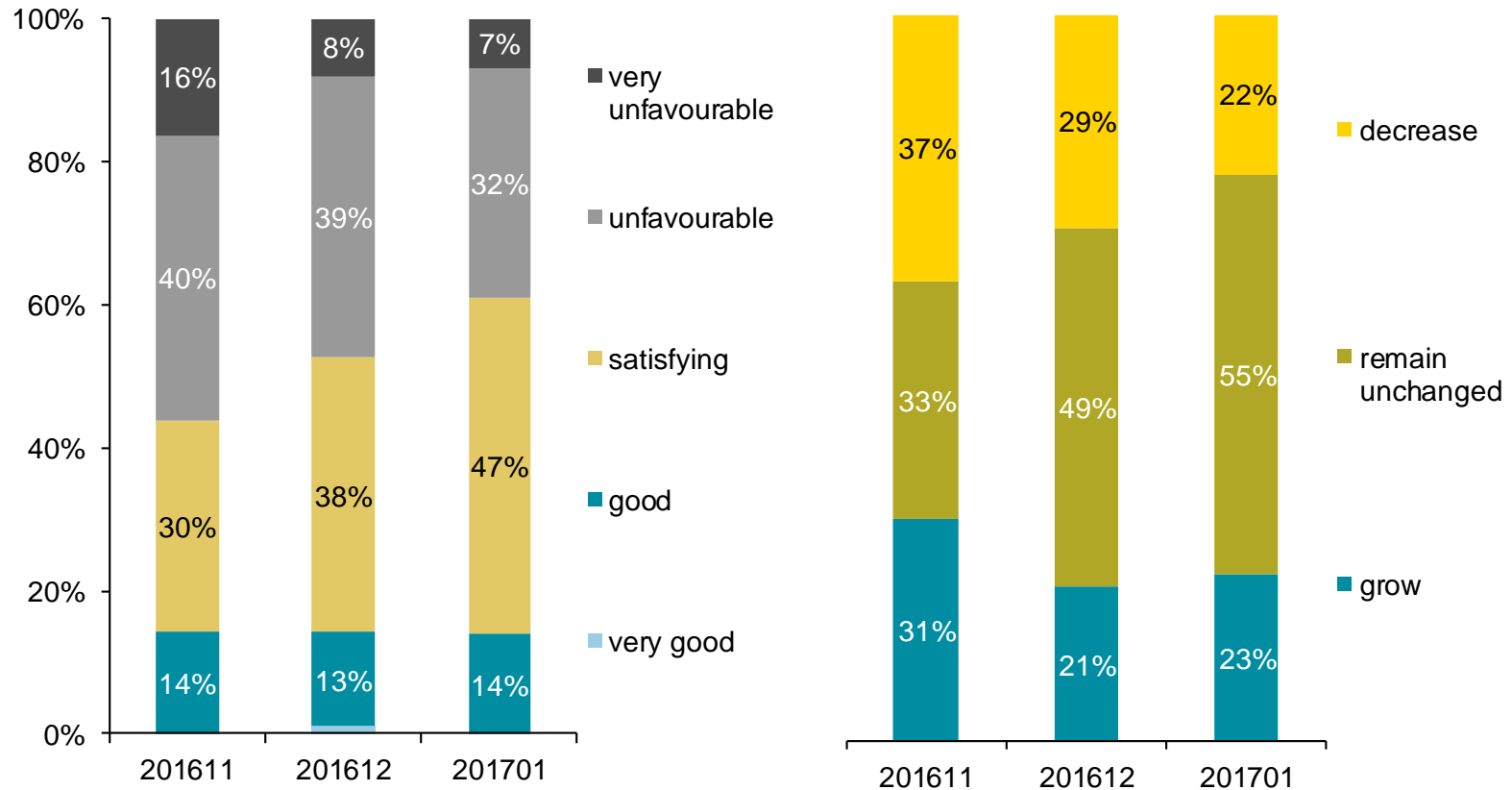


# Business Climate

## Current Evaluation and Expectations

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

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

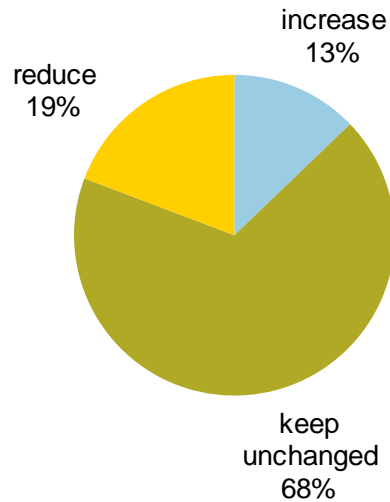


Source: CEMA Business Barometer

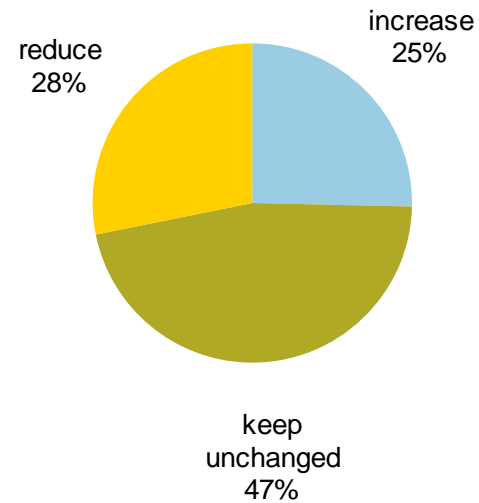
# Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2017