



# CEMA Business Barometer

Public excerpt July 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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# Business climate index continuing on boom path

## Executive summary of the survey in July

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The general business climate index of the agricultural machinery industry in Europe continues on boom path (highest values since 2012).

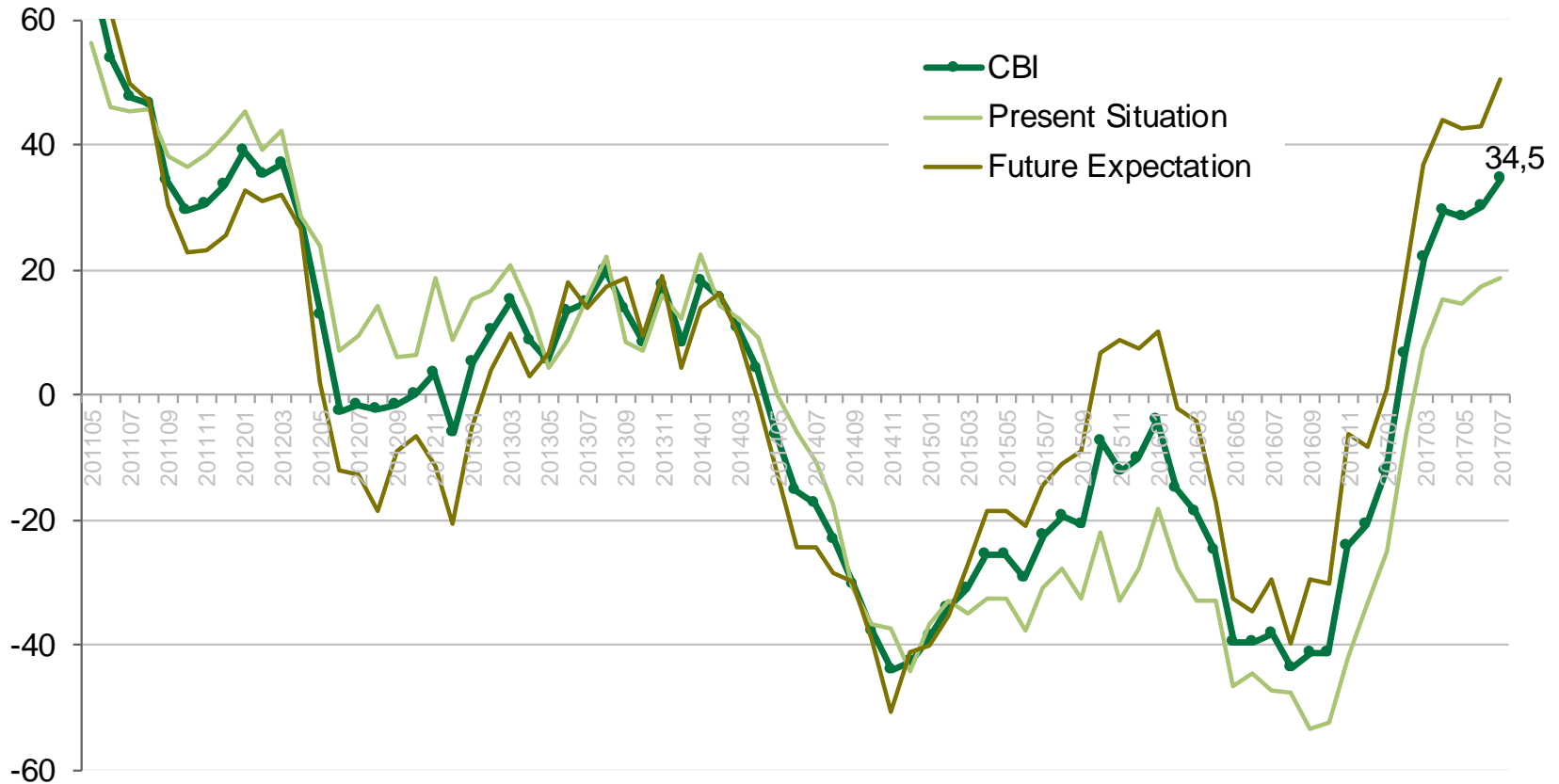
Based on the past and current order intake, turnover seems secured to rise in the coming months. In the last month, orders from outside of Europe have gained additional momentum.

Within Europe, there is still for all single markets a majority of survey participants expecting a turnover increase for the next six month. For Poland, although results on the tractor market show still only little growth, expectations have further solidified. In Germany, the market is already growing and expectations are once again solidifying. Spain has further deteriorated due to bad weather conditions (drought). The expectations for France and Italy are partly mixed, depending on region and segment - some companies report increasing order intakes, others a drop. The CIS countries have lost some of their dynamics, suggesting that the peak has already been reached.

After business for components, where the manufacturers show once again excellent values on all indicators, business for arable equipment is again running best, however, the future expectations slightly decreased (probably due to deteriorated harvesting expectations for some regions in Europe). At the same time, especially for livestock equipment, the divergence between future expectations and current business evaluation is persisting (livestock equipment has the best expectations after components, but the worst current business evaluation among all segments).

# Business Climate Index Development

## CEMA Business Climate Index (CBI) -Total

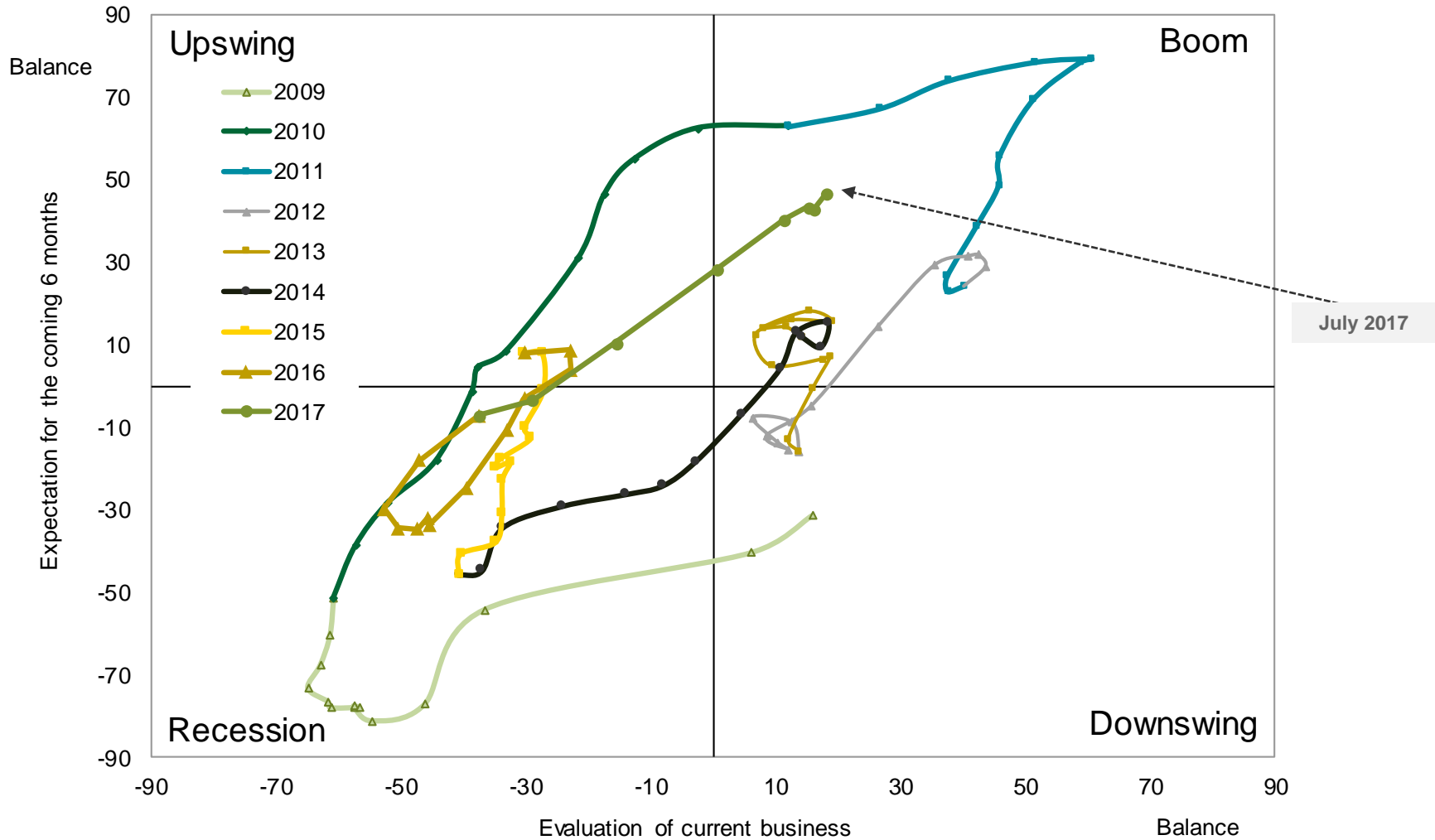


Source: CEMA Business Barometer

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

# Business Climate

## Illustration of Business Cycle

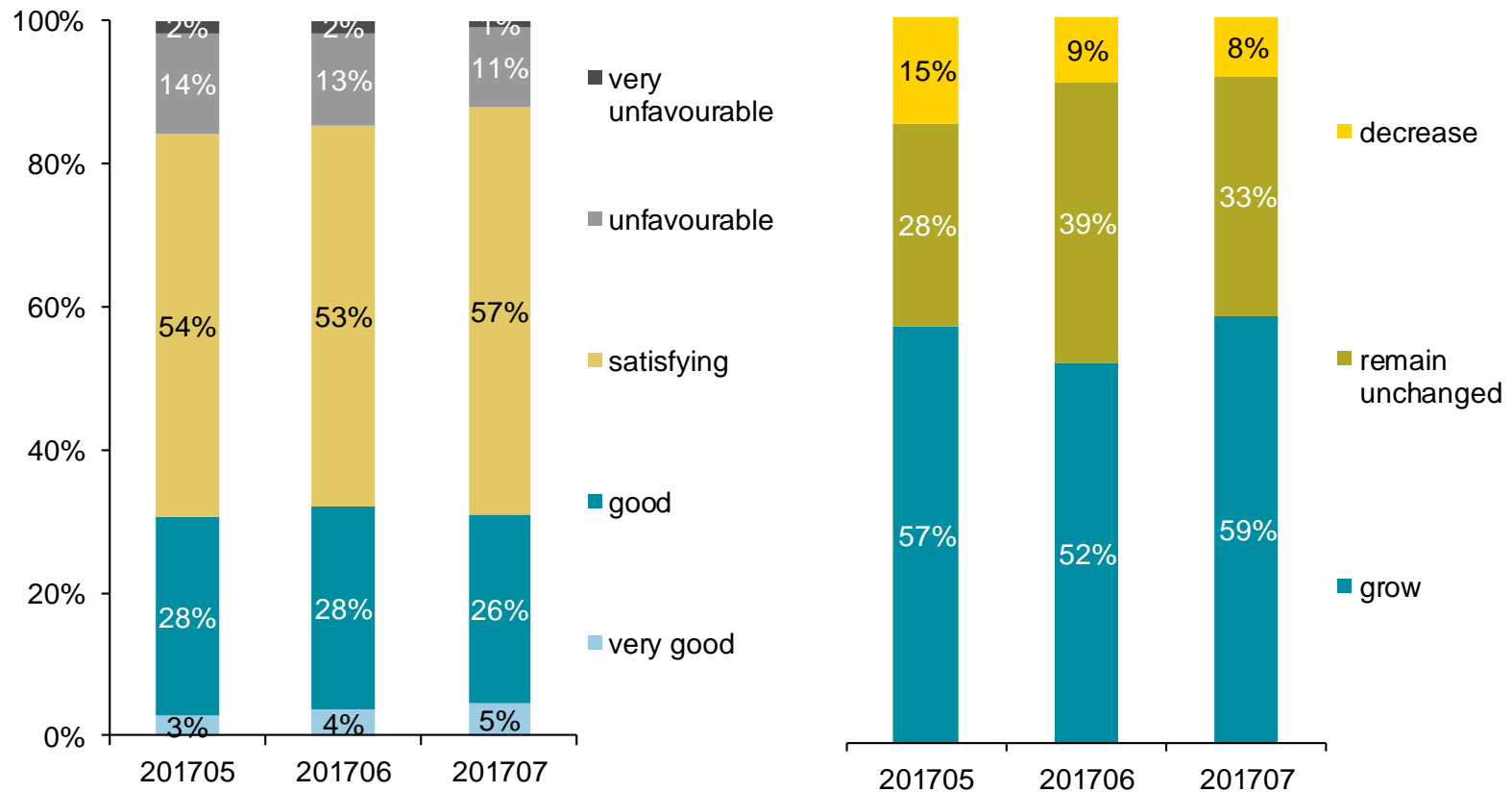


# Business Climate

## Current Evaluation and Expectations

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

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

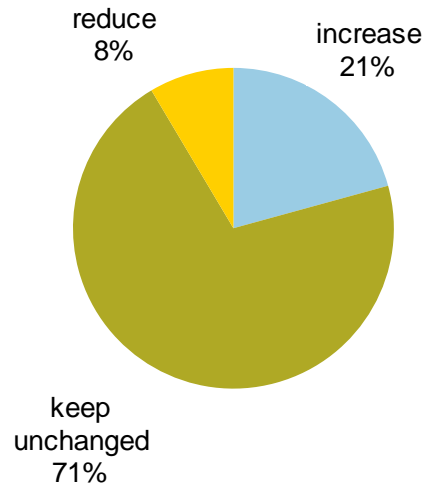


Source: CEMA Business Barometer

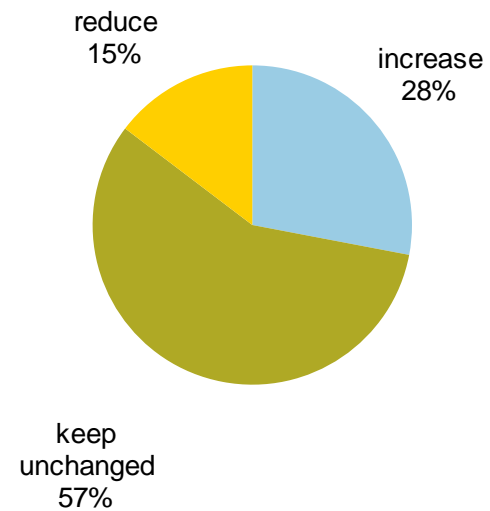
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer July 2017