



CEMA Business Barometer

Executive summary report September 2017



Business climate index continuing on high level

Executive summary of the survey in September

The general business climate index of the agricultural machinery industry in Europe keeps on high level (highest value since 2012). The evaluation of the current situation has thereby risen notably, especially due to improvements in the livestock and the tractor business.

Correspondingly, the forecasts of the European industry remain very positive: For 2017 a clear majority of 80% and in the first outlook for 2018 even 94% of the companies expect their total turnover to grow.

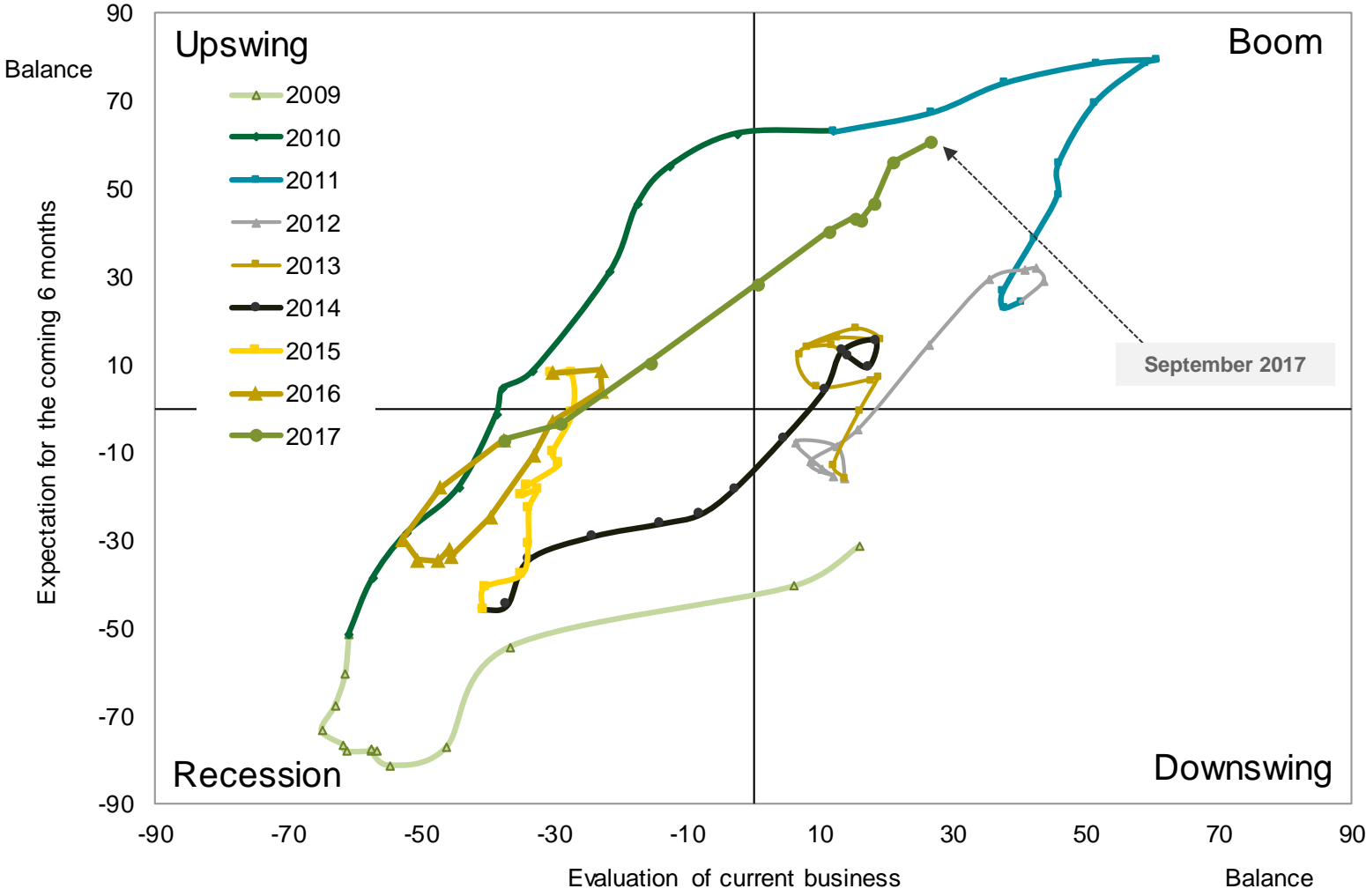
Last month's order intake from Europe shows for harvesting and livestock equipment more, but for arable equipment significantly less dynamics than the incoming orders from the outside of Europe.

Altogether, there is once again for each single European market a majority of survey participants expecting turnover increases in the next six months - again with the CIS countries on the top and Belgium on the bottom of the ranking (due to extreme income losses in the past year). Rather in the lower range remain since some months Spain, Czech Republic and Slovakia (due to poor harvest prospects).

Czech Republic and Slovakia belong however to the European markets that are evaluated to have the highest investment needs. A significantly higher requirement of the end user to enlarge or replace agricultural machinery, seems only to exist in Poland and the CIS countries.

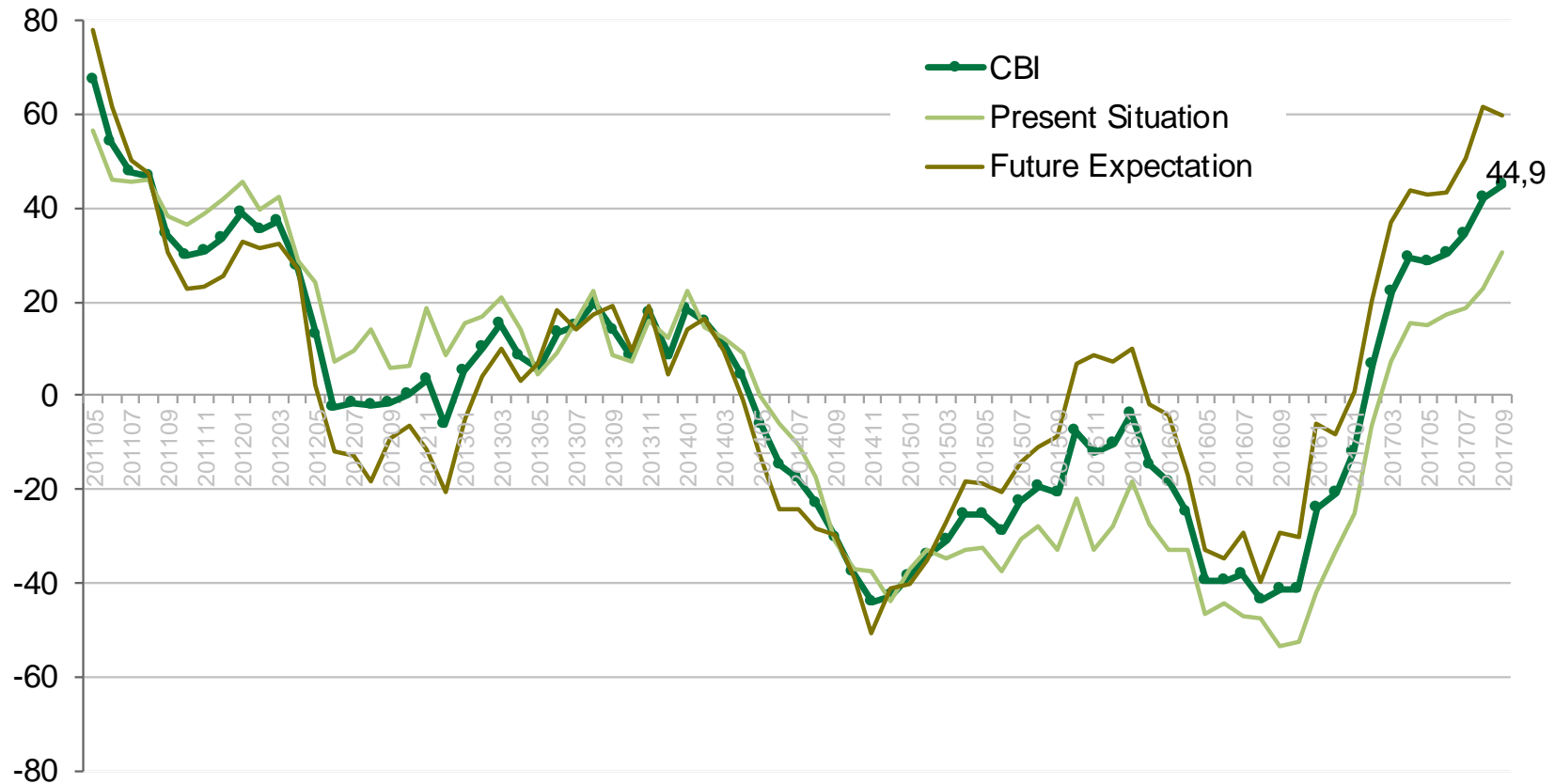
Business Climate

Illustration of Business Cycle



Business Climate Index Development

CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

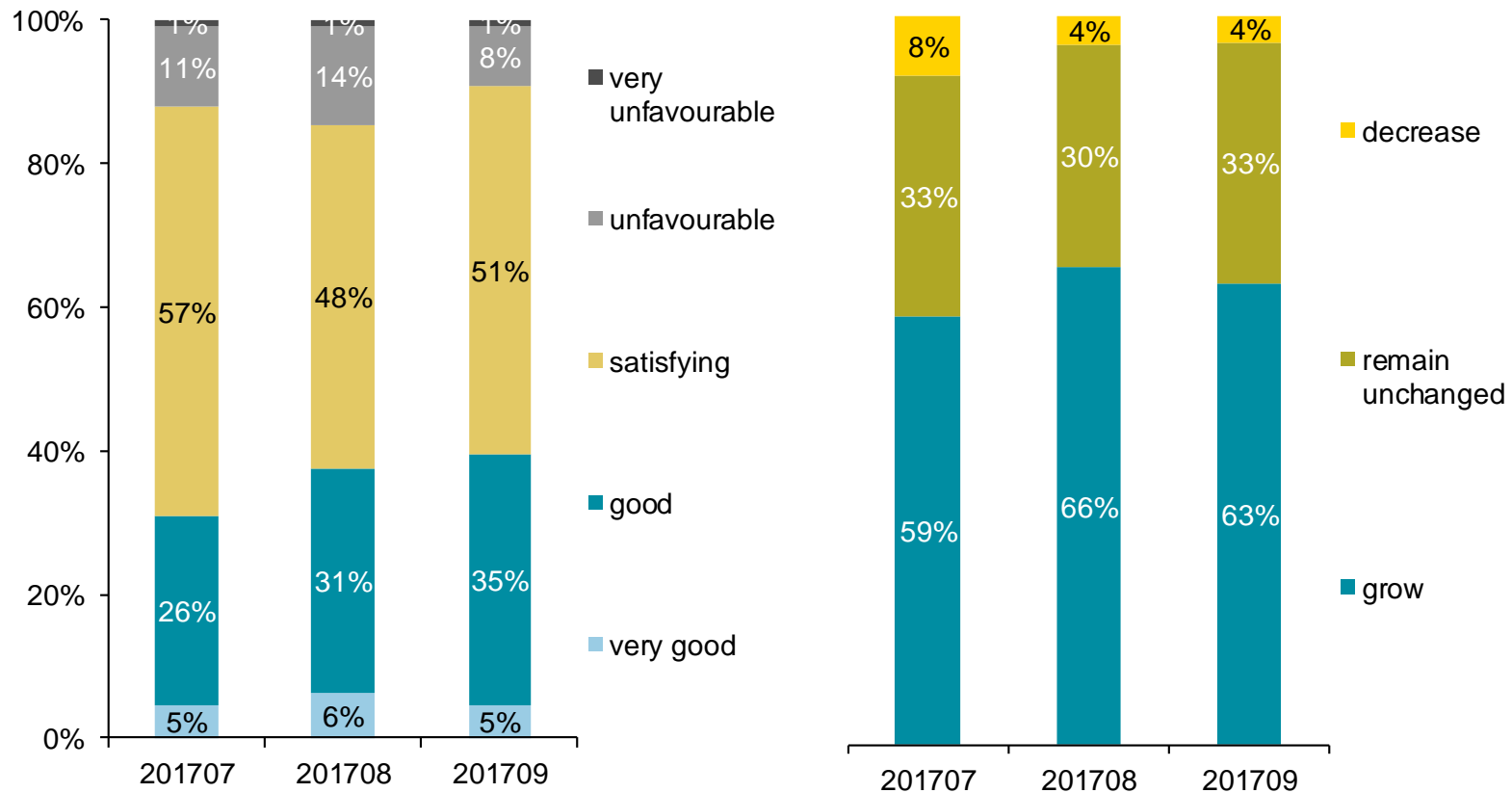
CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

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

Country Ranking



Ranking according to the expected turnover on the single European markets

	Country	Index		
		201707	201708	201709
1	CIS countries	17	26	29
2	Germany	21	25	28
3	Scandinavia (DK, N, S) + FIN	20	25	25
4	France	14	16	24
5	Italy	17	21	24
6	Poland	28	24	24
7	UK + Ireland	14	20	19
8	Romania	11	18	18
9	Other new EU member states	5	14	18
10	Netherlands	11	13	17
11	Austria	14	12	16
12	Switzerland	8	11	15
13	Czech Republic + Slovakia	5	15	13
14	Spain	8	12	13
15	Belgium	4	8	9

Status September 2017

Explanatory note:

Possible index scale: from -100 to +100

-  → positive index value = majority of respondents expect for the next six months an **increasing** turnover from the respective country (compared to the previous year's level)
-  → negative index value = majority of respondents expect for the next six months a **decreasing** turnover from the respective country (compared to the previous year's level)

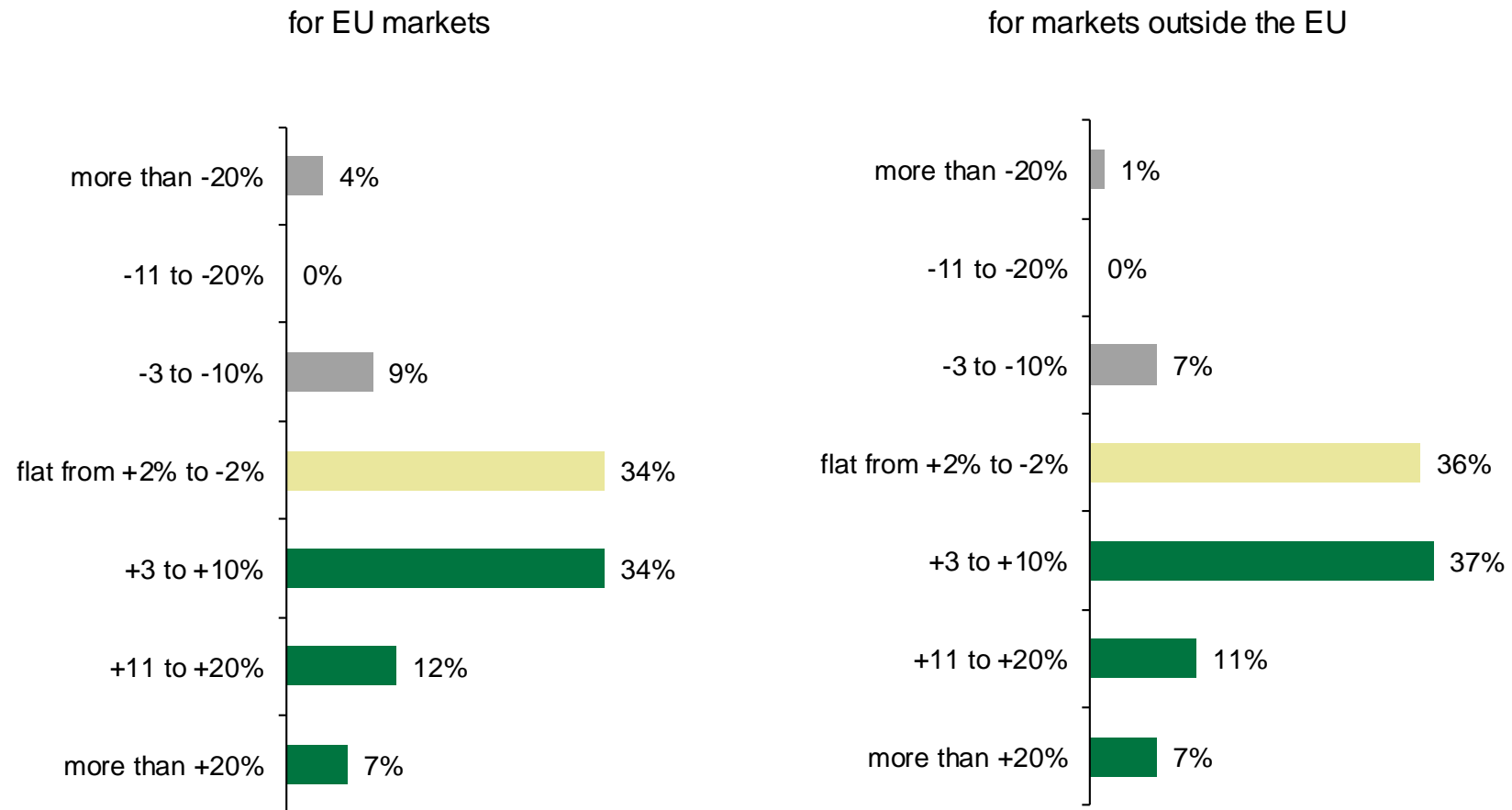
All single market indications given in the survey are summed up and weighted according to the extent of expected decrease/increase.

Country ranking ascending from highest increase resp. lowest decrease to lowest increase resp. highest decrease. The index figures do not show expected %-change rates in turnover, just the expected trend up/down (based on majorities)!

Market Development (EU and outside EU)

Turnover

Question: Compared to the same period a year ago our **turnover** in the past month developed as follows:

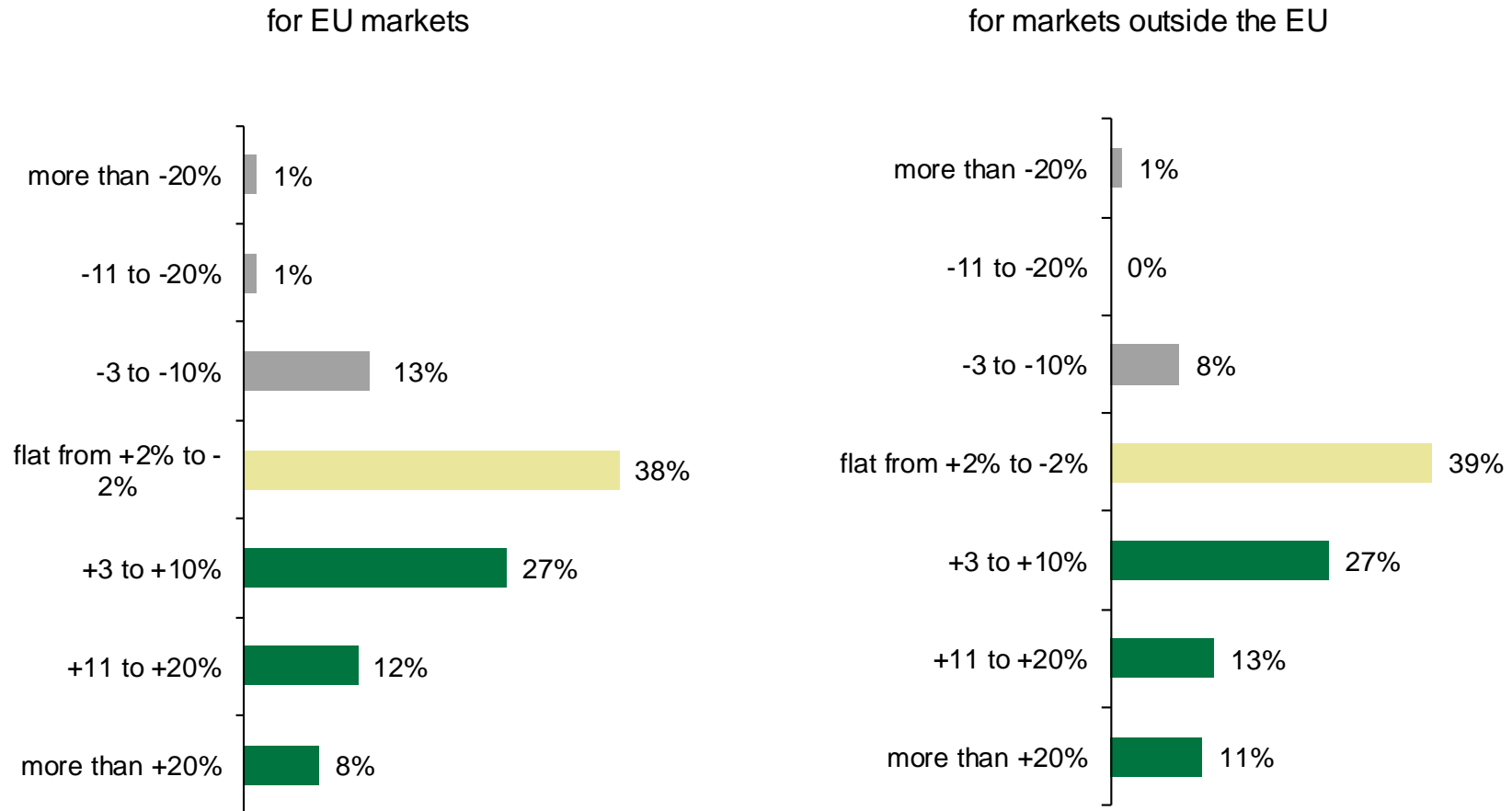


Source: CEMA Business Barometer September 2017

Market Development (EU and outside EU)

Order Intake

Question: Compared to the same period a year ago our **new orders** in the past month developed as follows:



Source: CEMA Business Barometer September 2017