European tractor market declined with 6.7% in 2016

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The European agricultural tractor market[1] experienced a 6.7% decline over the whole of 2016 in comparison with 2015. Even though the market went down overall, the general picture was different between the European markets.

In the two largest markets, **Germany** and **France,** demand decreased with respectively 10.8% and 6%. In **France** the year started well with growth in the first half of the year, but in the second part all growth was outdone. The third and fourth biggest markets **Italy** and the **UK** experienced a minor decrease of registrations of less than 1%. **Spain** is the biggest market where demand went up in 2016, notably with 7.8%. In the other countries demand ranged from a decrease of 28% in Hungary to a plus of 73% in Croatia.

When comparing overall registrations within the year it can be seen registrations dropped in the first two quarters of 2016 followed by a significant increase in the third quarter. This is mostly because of an interesting peak in September. Due to a change of exhaust emission requirements a large number of tractors between 75hp and 175hp with Stage IIIB engines had to be registered before 1 October 2016. Therefore, many of those tractors were placed on the market just before that date. This peak in demand was followed by a sharp fall in the fourth quarter.

The overall drop in demand was not applicable to all tractor categories. In 2016 more tractors under 50hp were sold than in 2015. Additionally, a similar increase was seen for tractors above 250hp and between 150 and 175hp. For all other categories demand fell up to 25% in 2016.

It is still unclear what will happen in 2017. Expectations from the economic experts of the CEMA member associations are that demand will remain stable at this level.

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CEMA (www.cema-agri.org) is the European association of agricultural machinery industry. The industry represented by CEMA includes 4,500 manufacturers of agricultural machinery. 135,000 persons directly work in this branch of business, 125,000 persons work indirectly in distribution and maintenance. The companies are mainly small and medium-sized manufacturers according to the EU definition and generated a total turnover of 26 billion euros.

[1] For this report the European tractor market includes: Austria, Belgium, Bosnia Herzegovina, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Moldova, Netherlands, Norway, Poland, Portugal, Serbia & Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland and United Kingdom

CEMA aisbl - European Agricultural Machinery
Diamant Building, Bld A. Reyers 80, BE-1030 Brussels
T +32 (0)2 706 81 73 - F +32 (0)2 706 82 10
secretariat@cema-agri.org - www.cema-agri.org