

# CEMA Business Barometer

Public excerpt May 2018



# 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 is deteriorating (from high level)

## Executive summary of the survey in May

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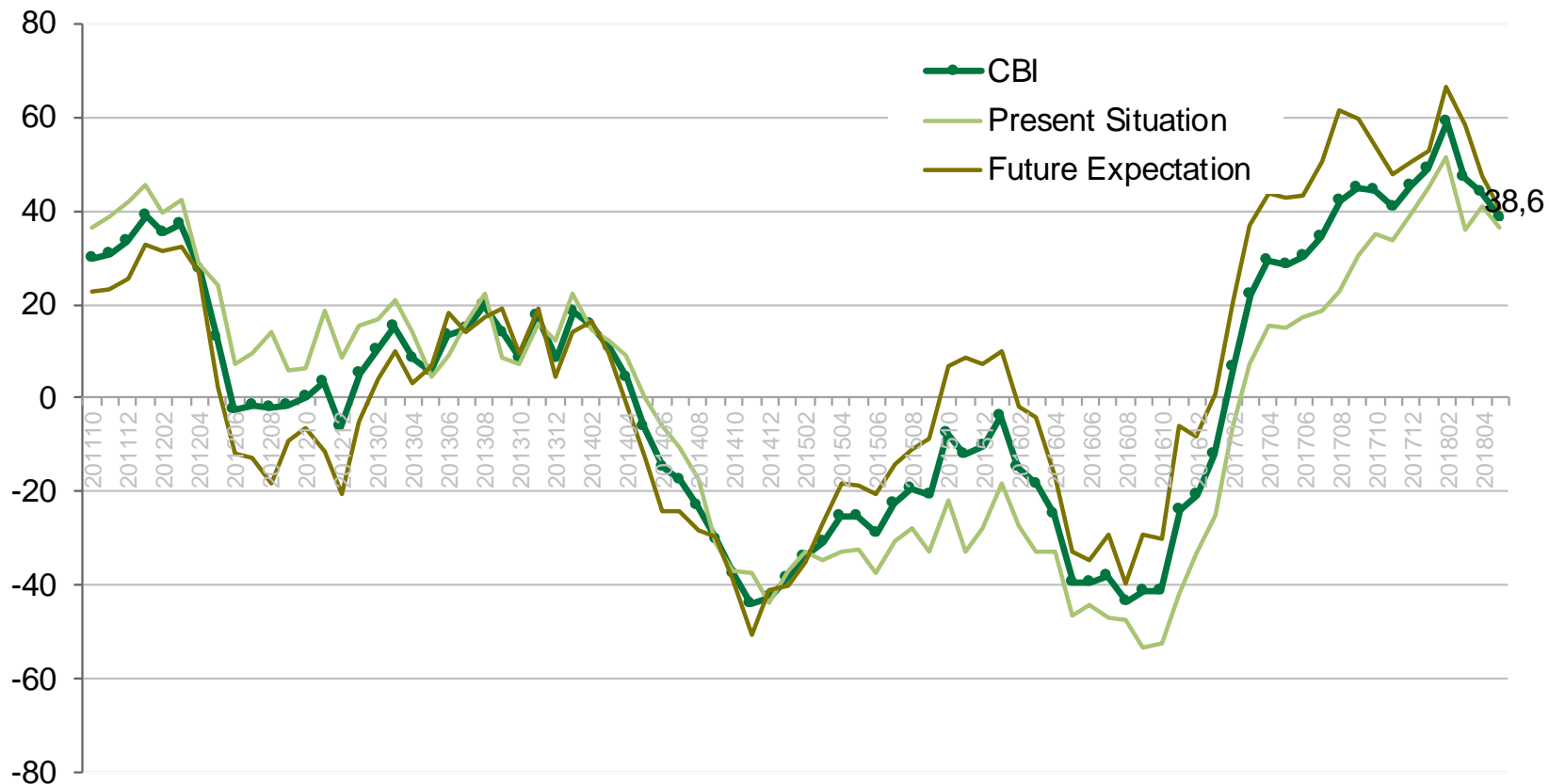
While remaining on a high level, the general business climate index of the agricultural machinery industry in Europe has further deteriorated. Especially future expectations have become more cautious. Incoming orders from both Europe and outside of Europe have lost considerable momentum.

The order stock of the European industry corresponds to a production of 3.3 months, which is still the highest value at this point of time. However, order intake from both Europe and non-Europe has deteriorated in April. Furthermore, less than a third of the manufacturers foresees an increasing order intake for the next 6 months.

The regional breakdown still shows for each single European market that a majority of survey participants are expecting a increase in turnover. However, growth perspectives in general have become weaker and the European markets seem to have reached their peak. Compared to the enthusiasm a few months ago, the expectations for the British market are clearly weakening. The perspectives for the CIS region have completely deteriorated.

# Business Climate Index Development

CEMA Business Climate Index (CBI) -Total

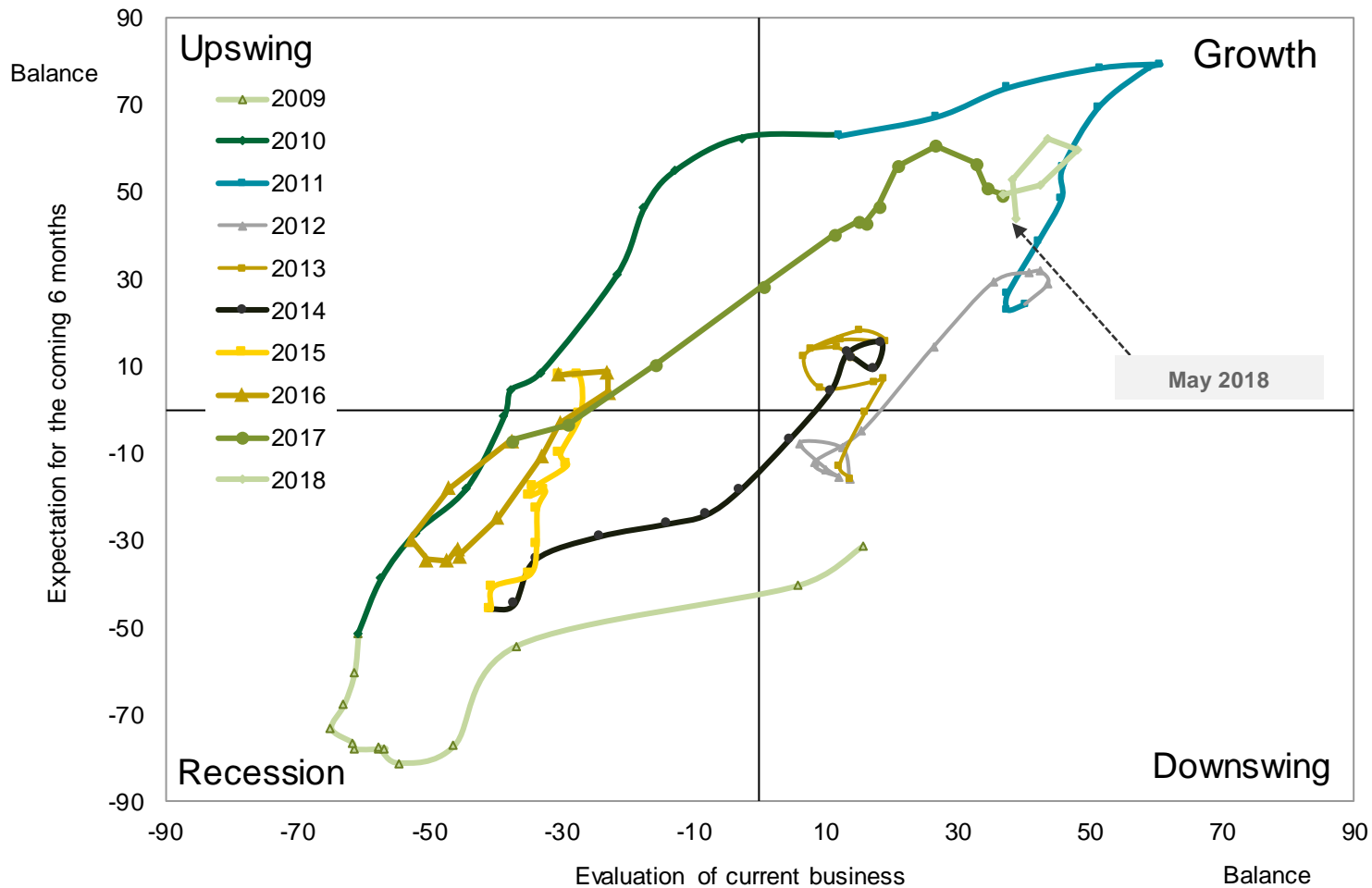


Source: CEMA Business Barometer

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



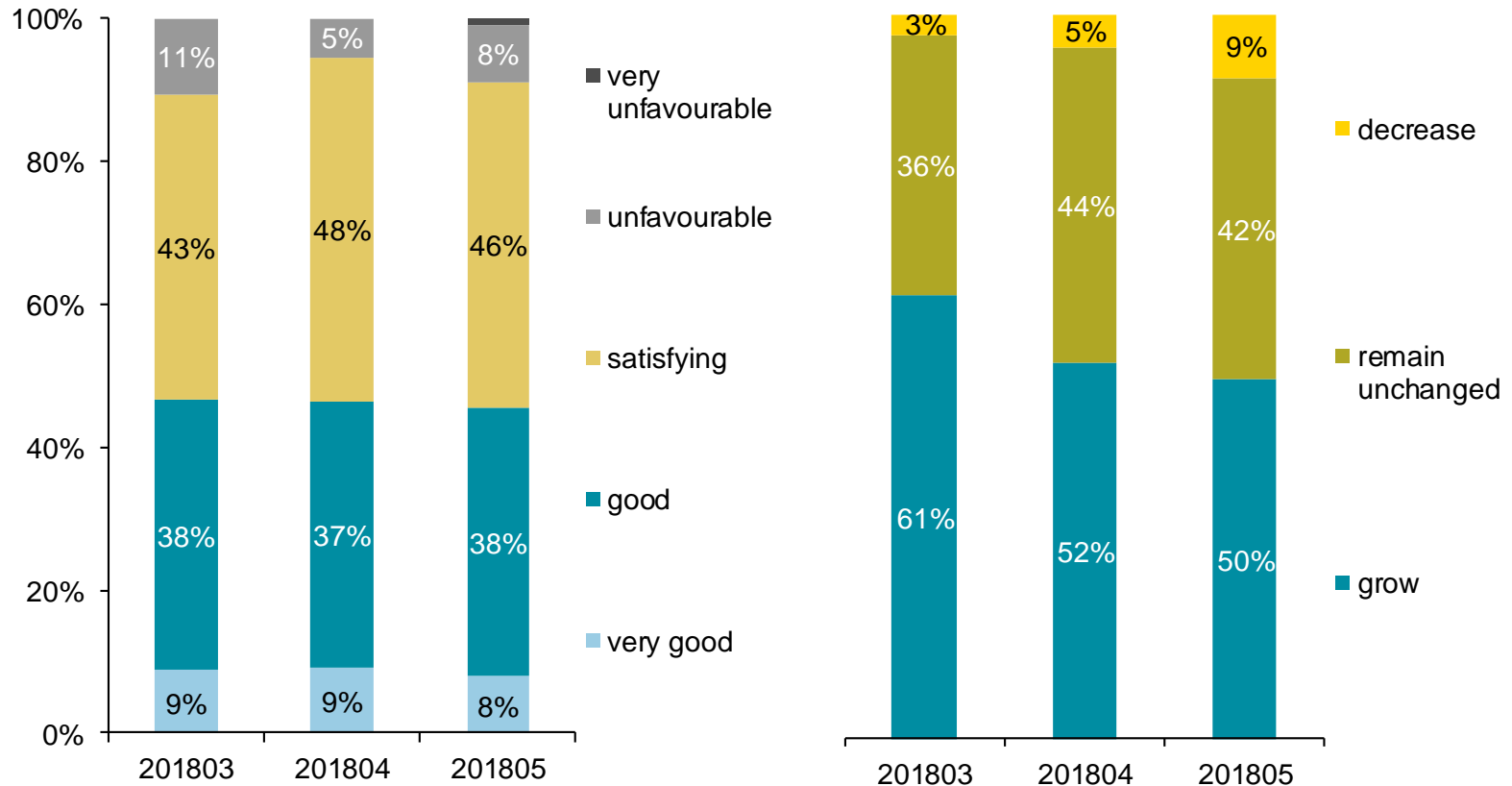
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

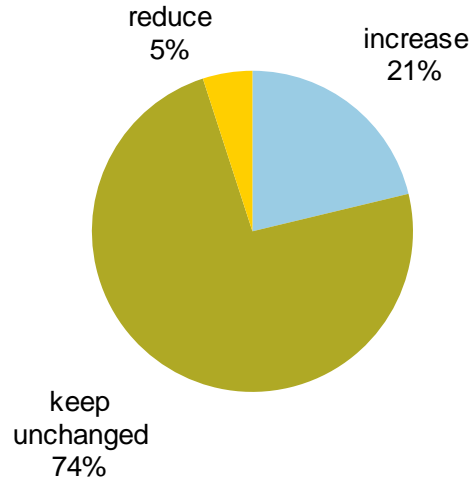


Source: CEMA Business Barometer

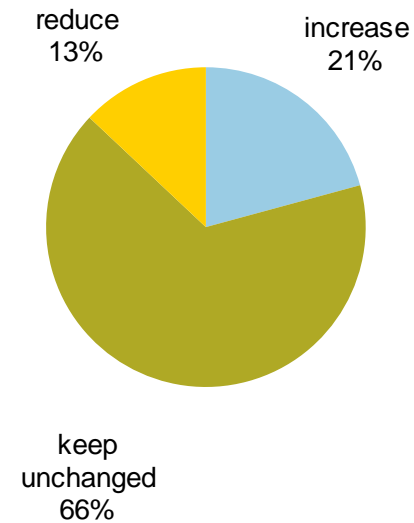
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer May 2018