CEMA Business Barometer

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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
Business climate is slowing down after reaching its peak

Executive summary of the survey in June

The general business climate index of the agricultural machinery industry in Europe has declined further after reaching its peak. The current business seems to remain at a relatively high level, but future expectations have become more cautious. A significant deterioration can be particularly observed in the segment of arable equipment.

However, the industry’s forecast regarding its turnover development is overall still positive. On average, the companies expect an increase by 5% in 2018 and 4% in 2019 (for arable equipment respectively 4% and 3%).

Looking to the market side, the survey further solidifies the picture that the European market has already reached its peak. According to the survey participants, the order intake from Europe has remained strong in the last month, but the confidence regarding turnover expectations in the coming six months has decreased for all single European countries.
Business Climate Index Development

CEMA Business Climate Index (CBI) - Total

CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation; Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year’s level)

Source: CEMA Business Barometer
Expectation for the coming 6 months
 Evaluation of current business
Balance
Recession
Downswing
Growth
Upswing
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 ….

- 5% very unfavourable
- 8% unfavourable
- 42% satisfying
- 37% good
- 9% very good

Source: CEMA Business Barometer

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

- 5% decrease
- 44% remain unchanged
- 42% grow

Source: CEMA Business Barometer
Employment

Question: Our plans regarding the workforce

Regular employees

- Increase: 33%
- Keep unchanged: 64%
- Reduce: 3%

Temporary employees

- Increase: 9%
- Reduce: 14%
- Keep unchanged: 77%

Source: CEMA Business Barometer June 2018