

# CEMA Business Barometer

Public excerpt September 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



# Business climate further deteriorating from high level

## Executive summary of the survey in September

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The general business climate index of the agricultural machinery industry in Europe has further cooled down after reaching its record peak at the beginning of this year.

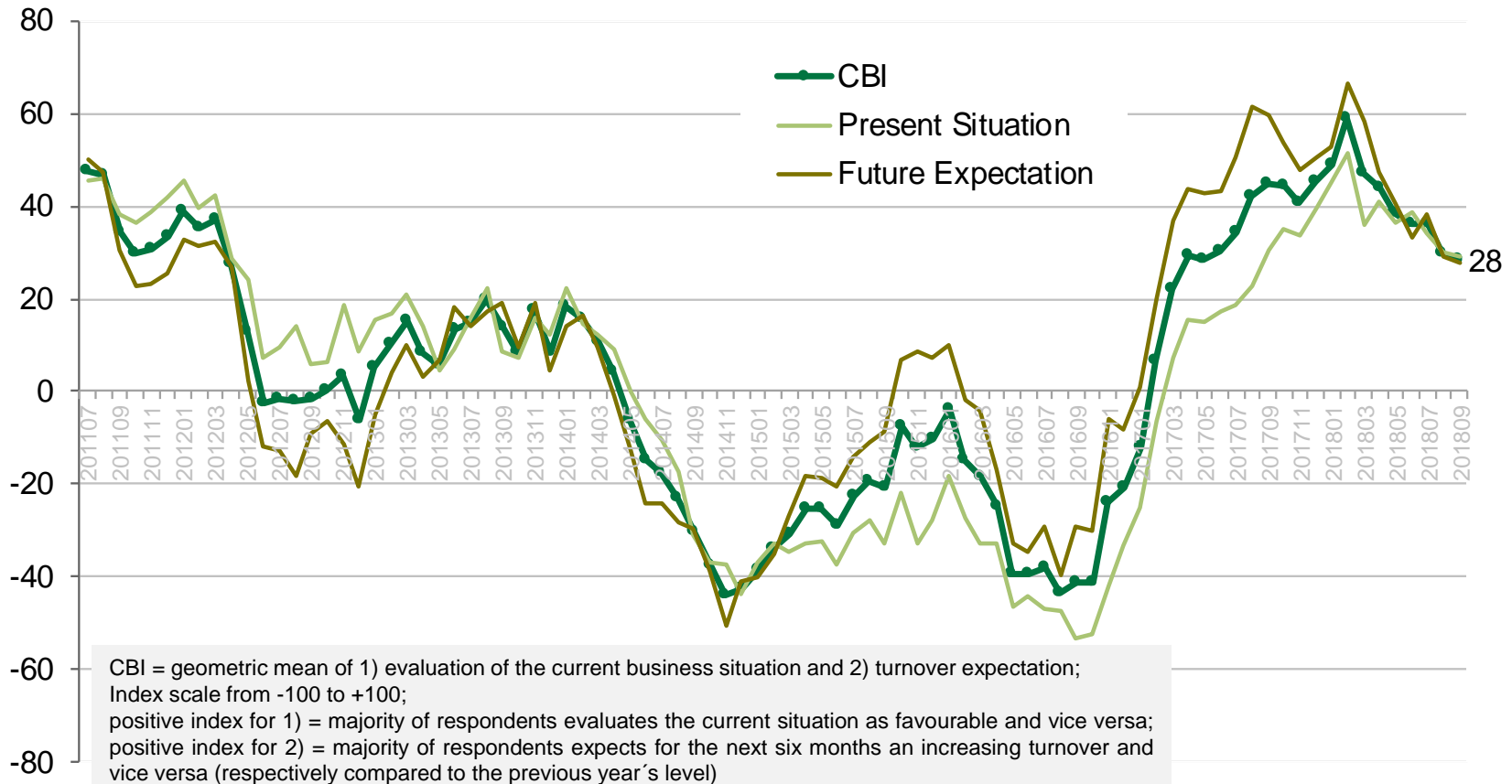
Turnover in the coming six months seems to be secured at high level based on previous incoming orders, however, there is for the first time since 2016 a majority expecting decreasing order intakes. Correspondingly, on average the companies continue to expect their turnover to grow by 5% in 2018, but slightly downgraded their forecast to 3% in 2019.

Both future expectations and current business evaluation for tractors have deteriorated significantly. Business climate for livestock equipment continues far above industry average, however, in the meanwhile livestock is the segment with the highest share of manufacturers expecting declining orders (56%).

Among the major European markets, the expectations for France and Spain have continued to improve. On the other hand, Germany and Italy have further lost confidence. In this context, the results on investment need may also be worth mentioning: Compared to March the investment need is assessed significantly higher in France but noticeably lower in Germany.

# Business Climate Index Development

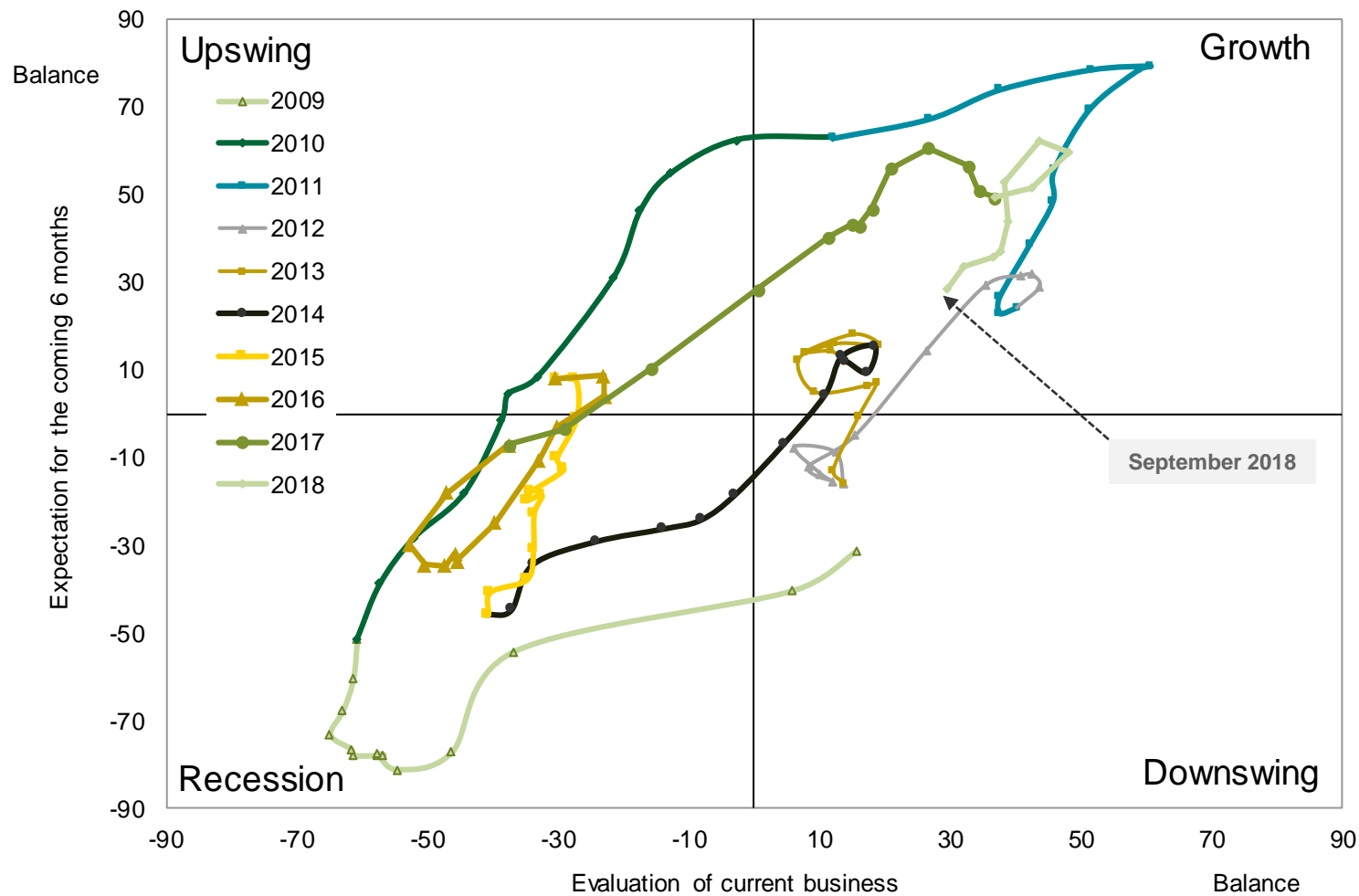
## CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

# Business Climate

## Illustration of Business Cycle



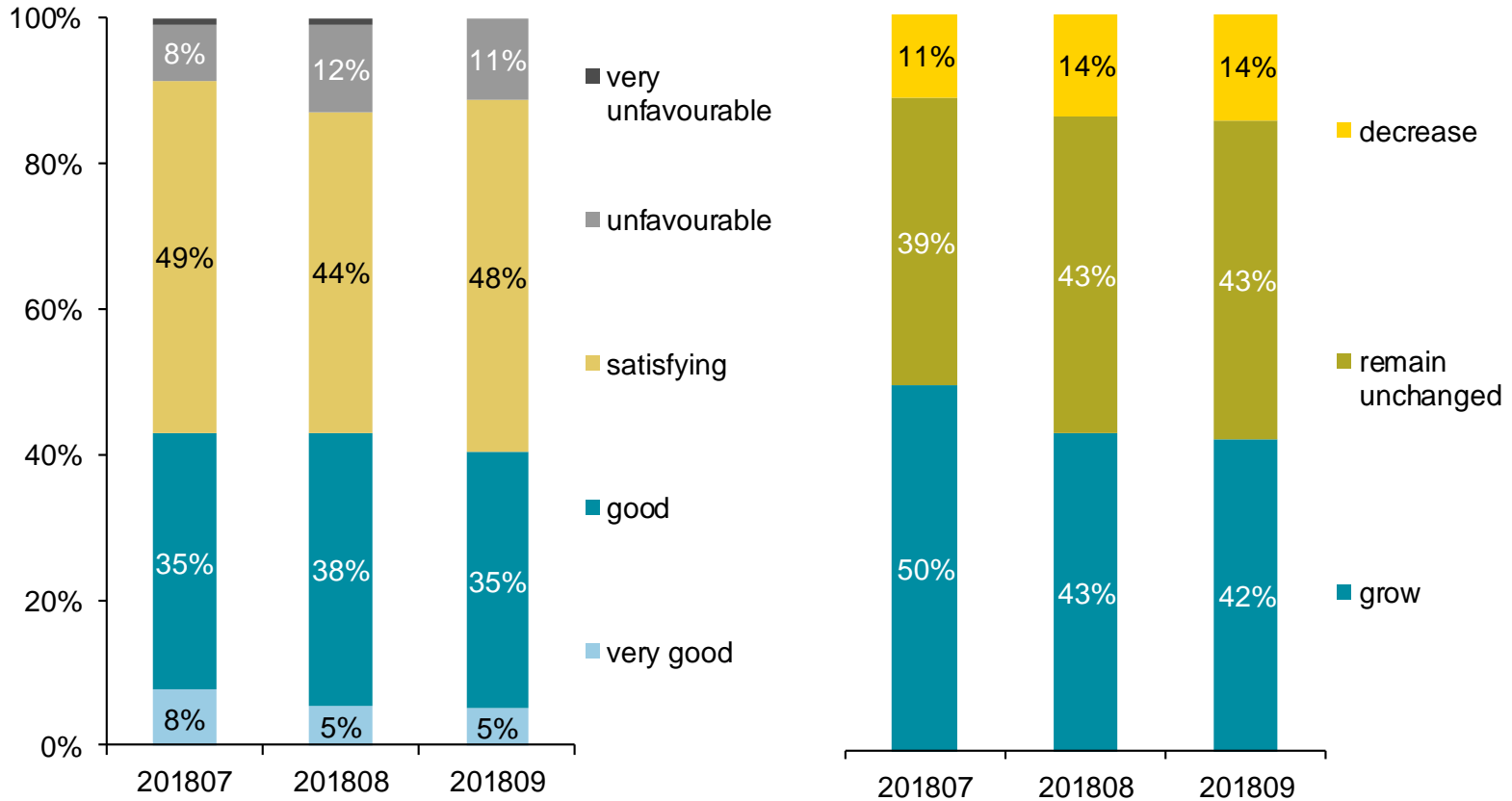
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

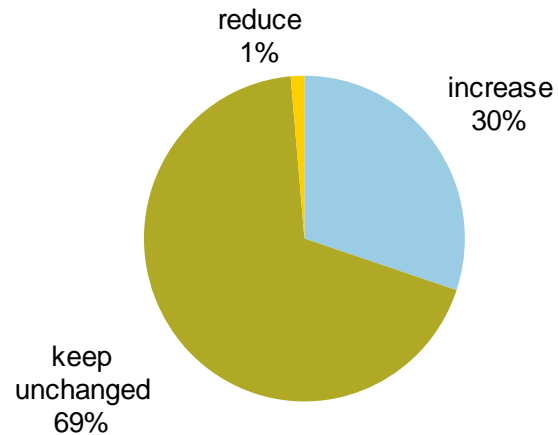


Source: CEMA Business Barometer

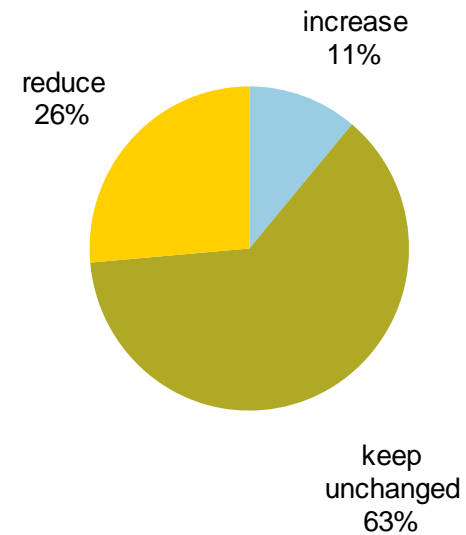
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer September 2018