

# CEMA Business Barometer

Public excerpt August 2020



# 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 back to pre-COVID-19 level

## Executive summary of the survey in August

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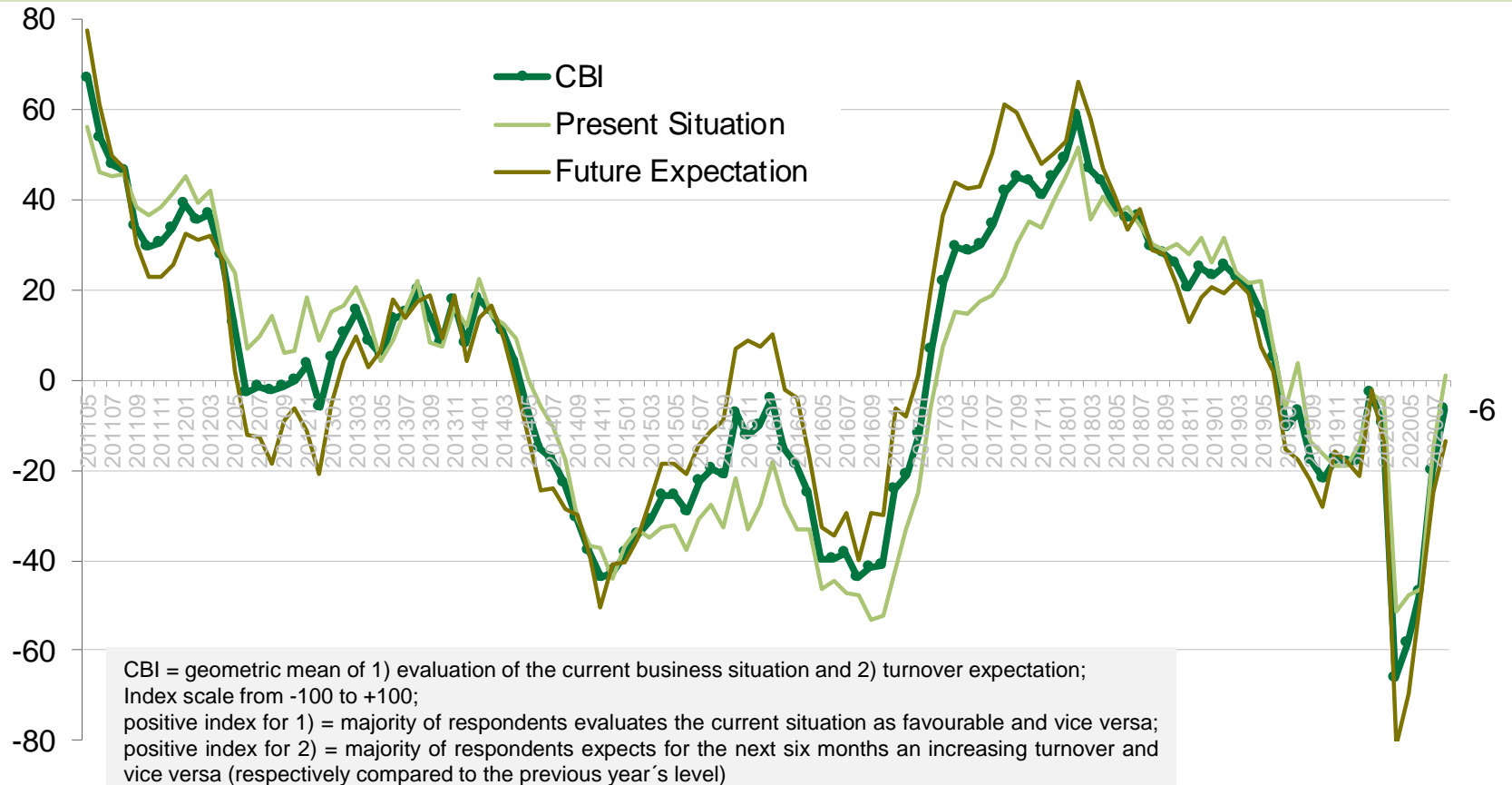
The general Business Climate Index for the Agricultural Machinery Industry in Europe has continued to improve, and thus has completely reached the pre-COVID-19 level, which however was already negative. Now, in August 2020, the index is at -6 points (on a scale of -100 to +100).

While the improvement in the first months after the COVID-19 shock was mainly due to less negative future expectations, as of July also the evaluation of the current business has improved significantly. Meanwhile, the index on the current business has even returned to the plus zone (for the first time since autumn 2019) and is thus outperforming the expectations for the coming six months. This discrepancy between current business and future expectations is most pronounced in the areas of harvesting, livestock and transportation (thereby from very different levels in each case: the expectations are meanwhile flat for livestock, but still quite negative for harvesting equipment).

Altogether, the survey solidifies the impression that the drivers for the overall positive trend can rather be found in the European market. Last month, both turnover and incoming orders from the EU market were back at the previous year's level, while those from outside the EU were still lower. Further impetus seems to come again from Germany, Italy, Poland and Scandinavia. Accordingly, the volume of orders of the Industry in Europe is still corresponding to a production period of 2.7 months (lower than in the years 18/19, but still an average value).

# Business Climate Index Development

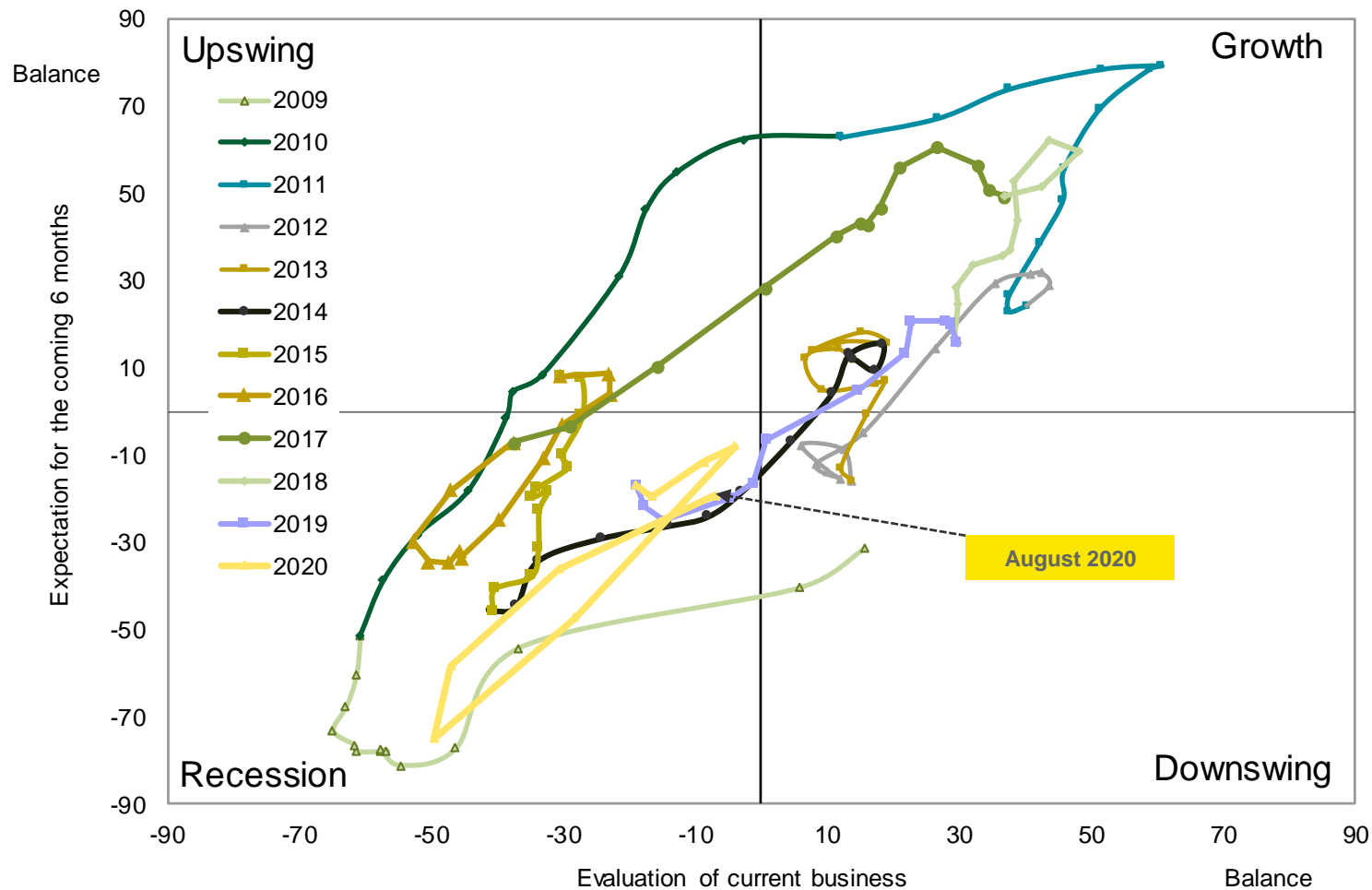
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

# Business Climate

## Illustration of Business Cycle



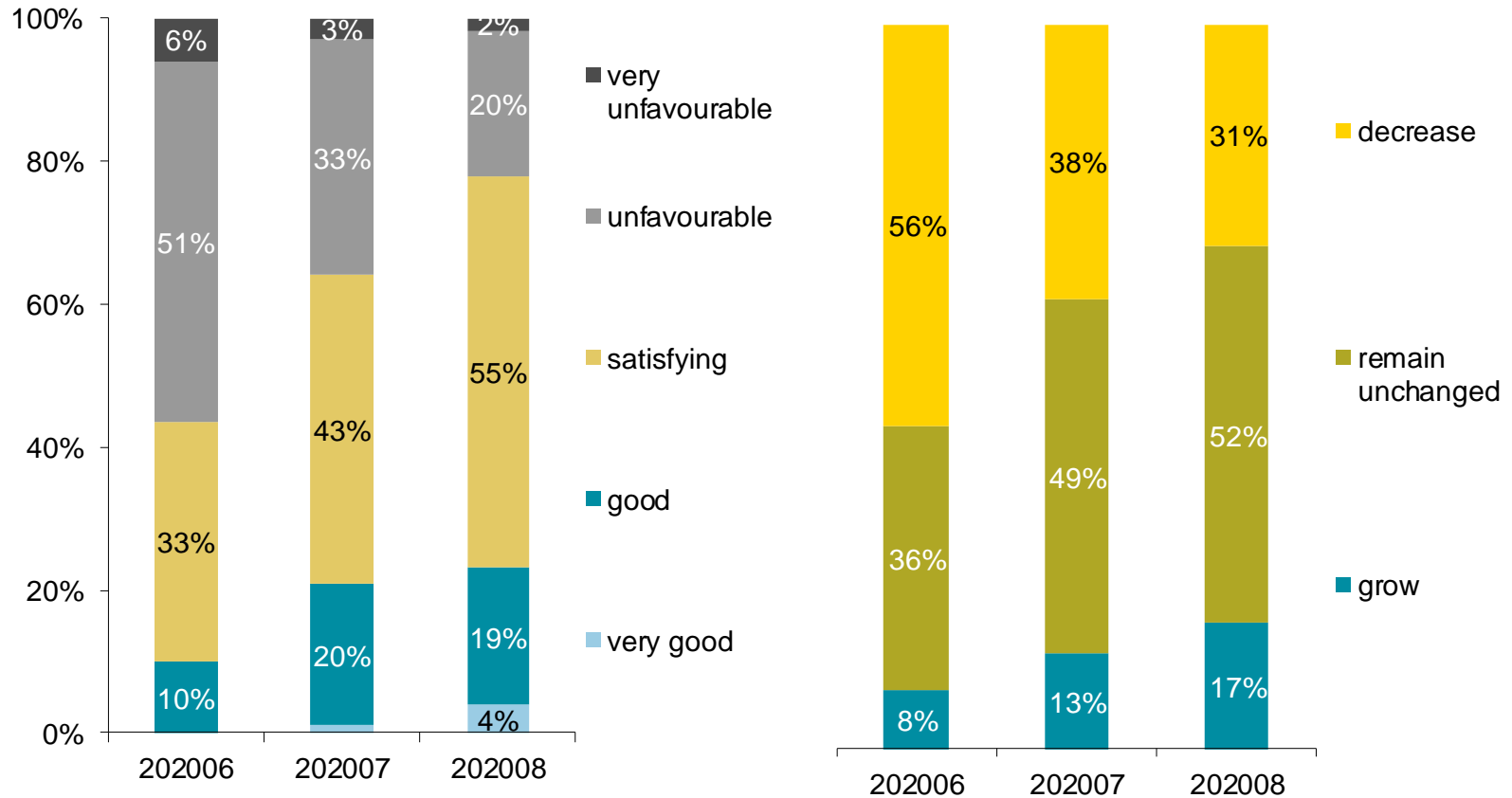
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

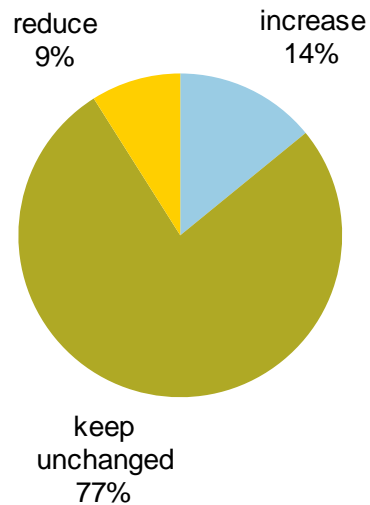


Source: CEMA Business Barometer

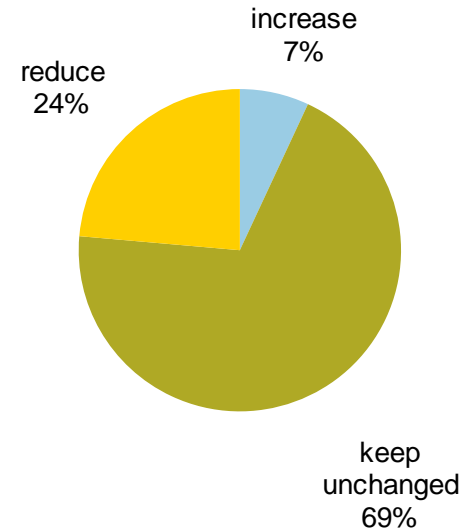
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer August 2020