

PRESS RELEASE

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European Agricultural Machinery Industry Expects Continuous Market Growth

While prospects for the global economy are deteriorating, the European agricultural machinery industry continues to be optimistic that their sales will rise even above the high level of the previous year. "The order intake of our companies has continuously increased until the end of 2011", said Ralf Wezel, Secretary General of CEMA, the European representation of the agricultural machinery manufacturers.

As a consequence, the business climate, measured monthly by means of a representative survey, has again improved in the last two months. The sector remains clearly in a boom situation, with only 13 percent of the company representatives being dissatisfied with the current business situation and almost every second expecting turnover to further increase in the next six months.

According to preliminary estimates, the agricultural machinery industry in the European Union increased its turnover in 2011 by 20 percent to 26 billion Euro. The domestic market grew by 15 to 20 percent, while the Eastern European markets (e.g. Russia, Ukraine), which play a big role for the manufacturers, increased by a much higher rate after the sharp drop of agricultural investment in 2009 and 2010.

The latest results of the CEMA survey show that the recovery especially of the Eastern European markets will continue in 2012. The countries of the former CIS have ranked on top position of the growing markets for the past months. On the other hand, the "bread and butter markets" France and Germany seem to remain the strong pillar of the prosperous development of the European agricultural machinery industry. Based on a very strong growth in 2011, the incoming orders from the French and German distribution partners are still very strong, leading to the assumption that sales in the first half of 2012 will be higher than in the previous year. For the second half of the year, a rather flat demand is anticipated. As a consequence, turnover of the European agricultural machinery industry might grow by another five percent in 2012. Given the high capacity use, many of the manufacturers are investing in their production facilities and have the intention to increase their workforce – under the pre-condition that the required qualification level of the personnel can be obtained on the labour market.