

PRESS RELEASE

Strong demand by farmers in Germany and France drives agricultural machinery sales in Europe

Industry association expects solid EU market volume for 2013

Brussels, 17 June 2013 – The manufacturers of agricultural machinery and tractors in Europe can still count on a relatively buoyant domestic market. For 2013, CEMA, the European umbrella association of the agricultural machinery industry, expects an overall market volume of €24.8 billion in the European Union. This would only be four percentage points below the record level of the previous year. “The two largest markets, France and Germany, play a key role in stabilising the European market,” said Dr. Ulrich Adam, Secretary General of CEMA. “We expect the share of these two countries in the total EU market to increase to 44% this year”. In 2012, it was still at 42%.

Sound income possibilities for farmers are the most important factor for sustained levels of investment. The use of modern machinery helps farmers to achieve higher levels of efficiency in the fields and the farmyard so as to cope with the challenge of rural structural change. At the same time, it remains to be seen whether the adverse weather conditions this spring, particularly in northern France, will affect the positive mood of farmers in the coming months.

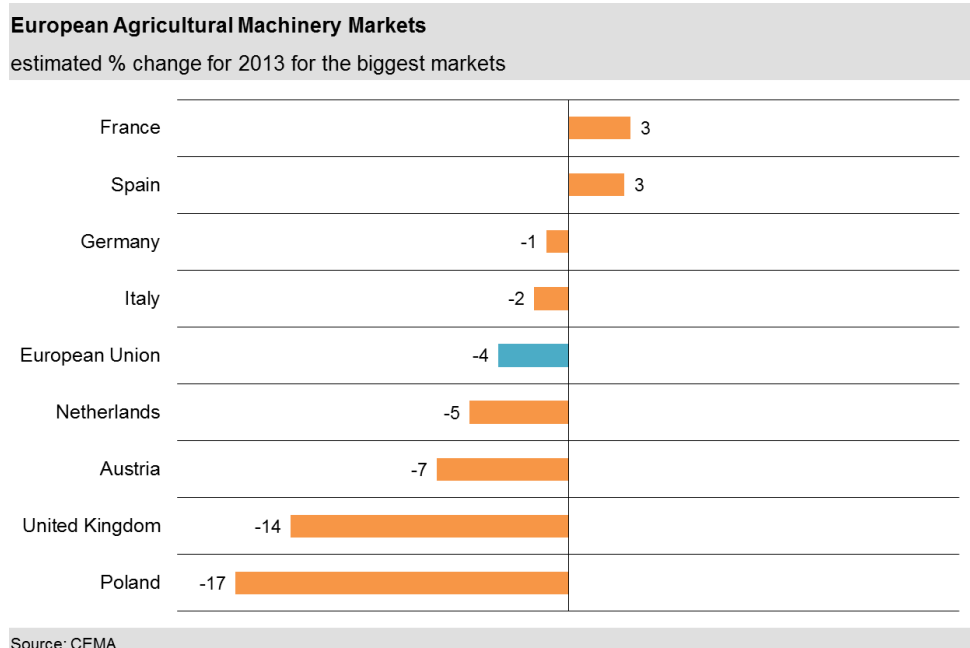
Highly unfavourable weather conditions for arable farming have already left their mark in the third largest market for agricultural machinery, the United Kingdom. In the first five months, new registrations of tractors in the UK fell 22% below the levels recorded for the same period of time during the previous year. Sales figures for harvesting machinery have also dropped significantly. Italy is in fourth place in Europe with regard to the market size for agricultural machinery and tractors. In Italy, investments in the agricultural sector have been below average in the past few years. In 2012, the agricultural machinery market dropped to a record low of less than €2 billion, mainly due to a lack of liquidity and insufficient financing possibilities. Now the market seems to have bottomed out: so far, tractor registrations have not declined further this year, and the sales figures for combine harvesters have even increased once again.

The European agricultural machinery industry remains satisfied with the overall state of business. The CEMA Business Barometer, which is based on a representative monthly survey of the leading manufacturers, is the decisive indicator of the overall business mood. In June, the business climate index rose by eight points after two weaker months. Only a quarter of the companies regard their current situation as being unsatisfactory. 40% of those surveyed expect an increase in turnover in the coming half year, and only 22% expect a decline. The manufacturers of arable equipment, machinery for livestock farms, and components have above-average positive expectations.

With respect to the European markets, manufacturers still consider France and Germany to be the most favourable markets. Lately, optimism has increased again regarding the

markets of Spain, Scandinavia and the United Kingdom, which were far behind in recent months. However, most manufacturers still look at the Italian market with great caution. Following a boom in the past years, sales are also declining significantly in Poland, now the fifth largest market for agricultural machinery in the EU. However, the Polish market is believed to hold further development potential in the medium and long term.

The positive order situation in the agricultural machinery industry will result in a slight increase in employment numbers this year. 15% of the European manufacturers intend to increase their permanent staff. At the same time, there will be increased cutbacks in temporary staff in the factories in the coming weeks due to seasonal factors.



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About CEMA – European Agricultural Machinery

CEMA is the association representing the European agricultural machinery industry. With 10 national member associations, the CEMA network represents both large multinational companies as well as the numerous European SMEs active in this sector. CEMA represents more than 4,500 manufacturers. 135,000 people are directly employed in the sector, with a further 125,000 people working in distribution and maintenance. www.cema-agri.org

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