CEMA Business Barometer

Public excerpt May 2022



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



Contact: Philip.Nonnenmacher@vdma.org

Business climate deteriorating further

Executive summary of the survey in May

The general business climate index for the agricultural machinery industry in Europe has continued to decrease after its sharpest drop since the crash in the wake of COVID-19, but is in total still holding at a positive level. In May, the index decreased from 20 to 16 points (on a scale of -100 to +100).

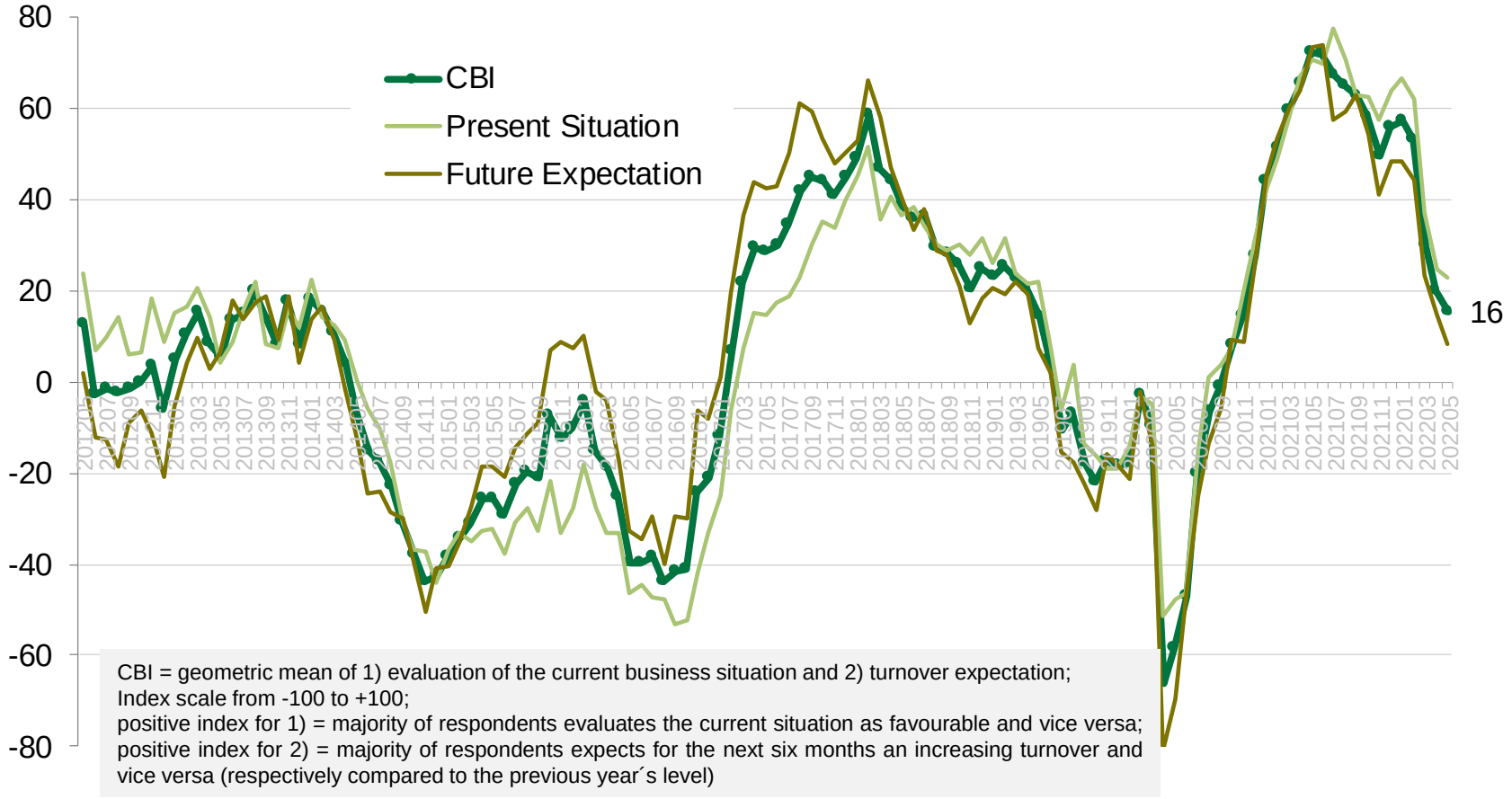
The volume of orders correspondents currently to a production period of exactly 6 months, which is just slightly below the all-time high ever recorded within this survey. However, the reason for the large order backlog is now clearly no longer new demand, as the new order intake is meanwhile cooling down noticeably (from very high levels).

The industry representatives are accordingly no longer entirely optimistic with regard to future turnover from some markets, but currently it is almost purely the price increases and bottlenecks on the supplier side that continue to challenge the industry heavily, even though these appear to diminish slightly. Still, nearly half of the companies are planning a temporarily production stop due to a shortage of certain parts in the coming four weeks and expect this to result in a production shortfall of 18% on average for this period.

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Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total

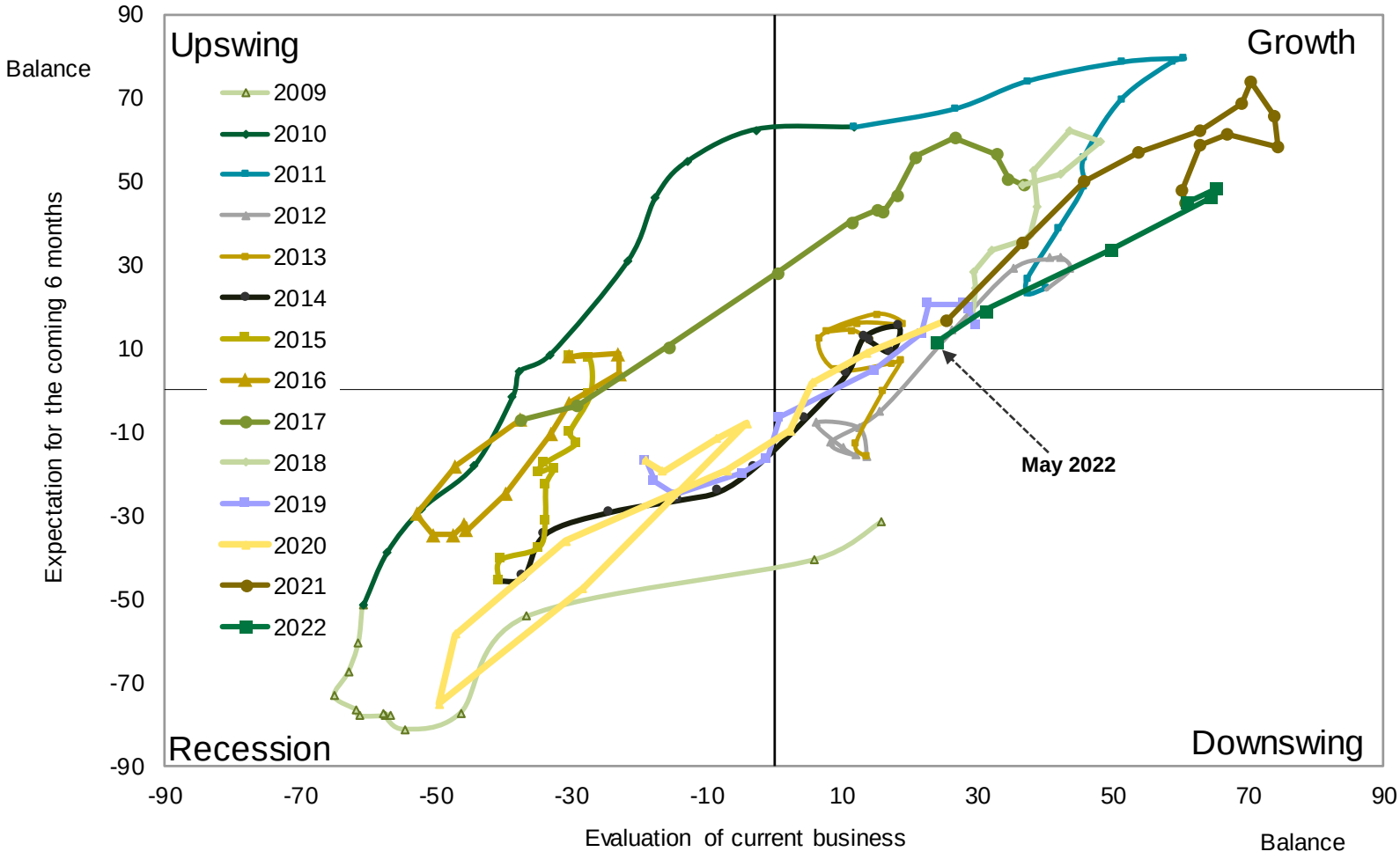


Source: CEMA Business Barometer

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Business Climate

Illustration of Business Cycle

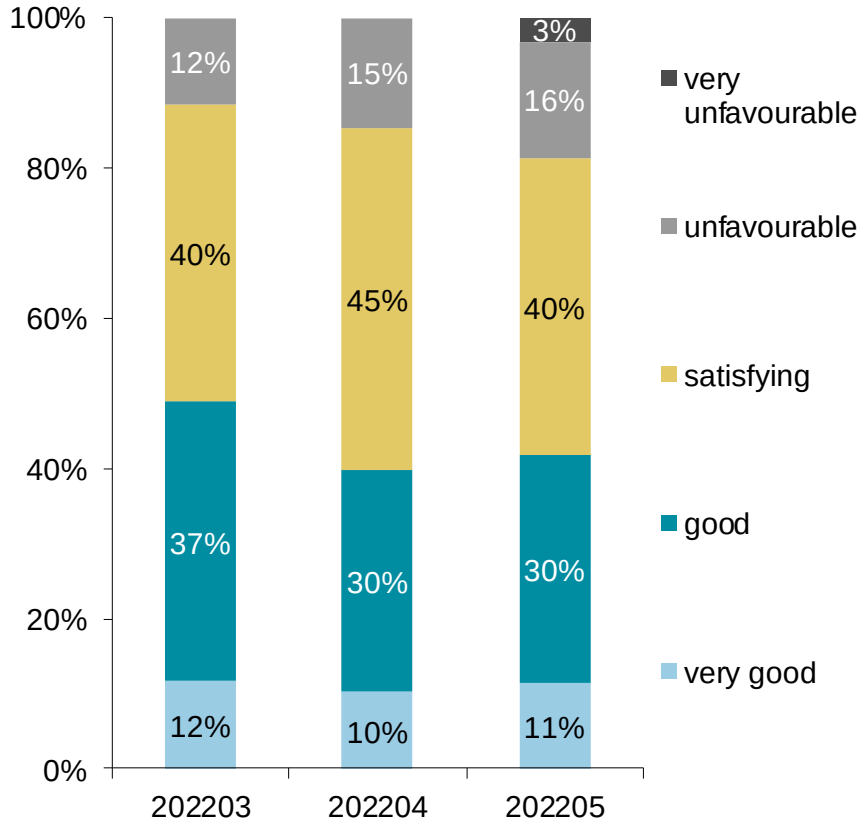


Source: CEMA Business Barometer, each value as an average of the last two months

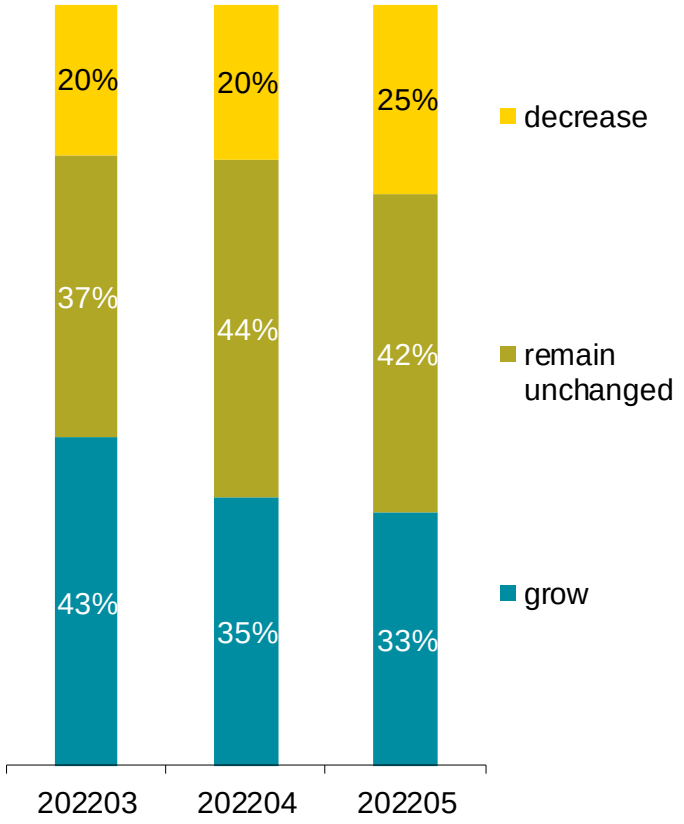
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Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….



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



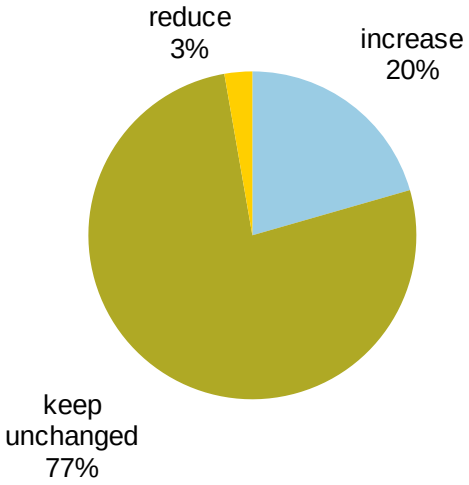
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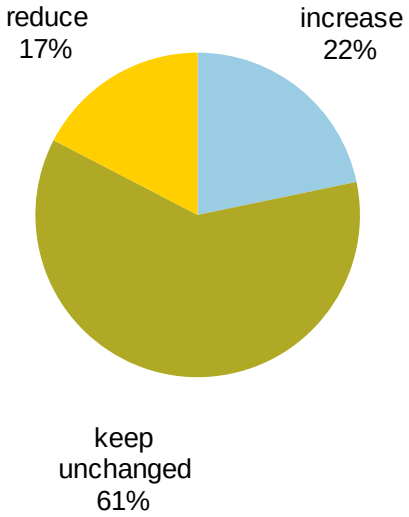
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



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