CEMA Business Barometer

Public excerpt February 2019



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 maintaining on high level

Executive summary of the survey in February

After a period of losses starting from the record highs at the beginning of last year, the general business climate index is maintaining on high level with little changes over the last months.

Based on the previous order intake, a high turnover level is already secured for the coming months. Corresponding to a production period of 3.2 months, the order stock of the agricultural machinery industry in Europe is again nearly as high as at the beginning of last year.

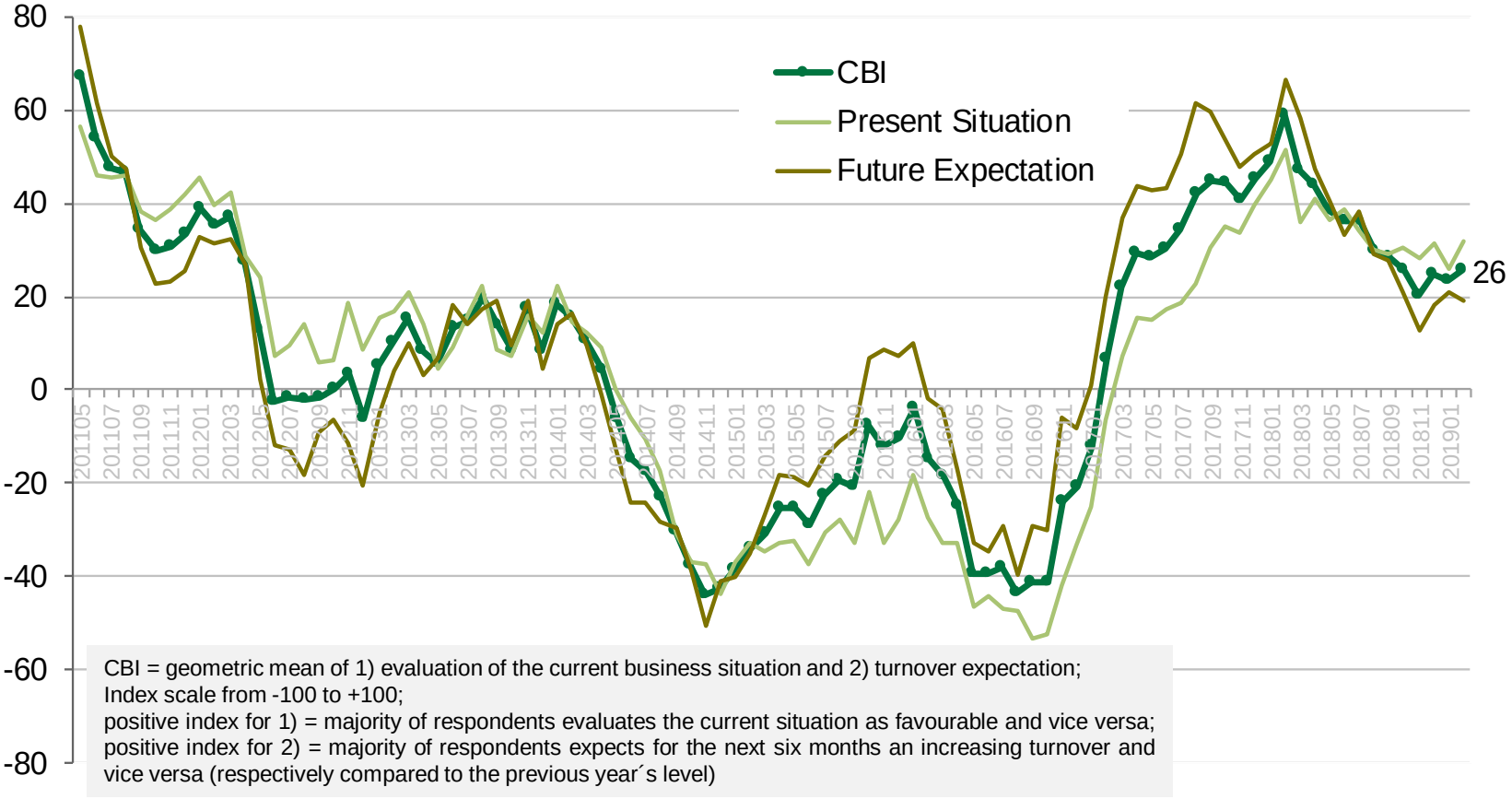
The continued excellent business climate in the area of livestock is overcompensating the rather mediocre business climate in the arable segment. The expectations of the component manufacturers appear correspondingly unstable over the last months, depending on the segment orientation.

The regional breakdown shows for nearly all European markets, a majority of survey participants expecting turnover increases. The outlook for France remains very positive. An additional boost is coming now from Spain, as well as from Switzerland and Austria. At relatively low confidence levels, remain the Czech Republic, the Benelux and Scandinavian countries.

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Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total

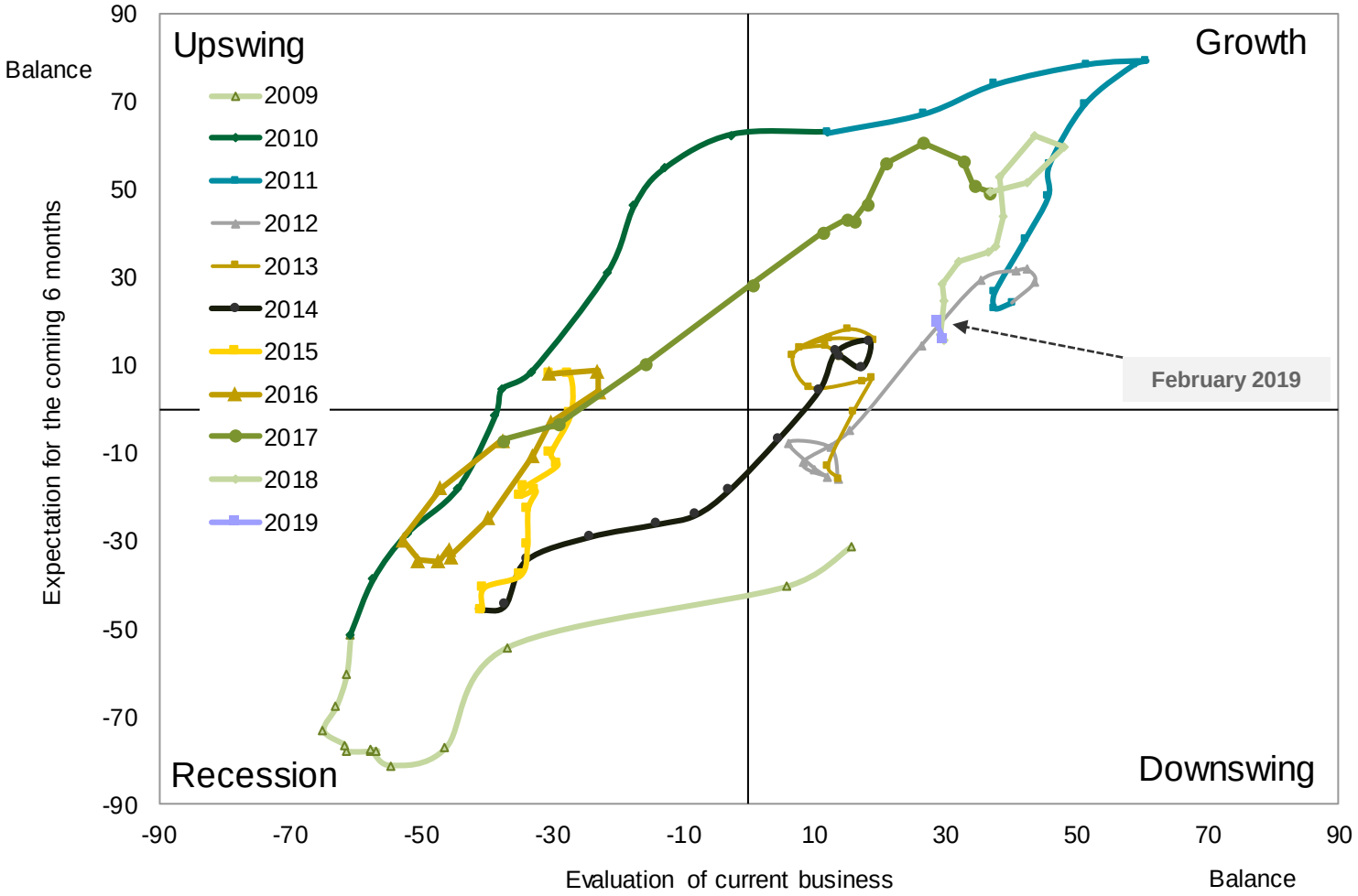


CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year´s level)

Source: CEMA Business Barometer

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Business Climate
Illustration of Business Cycle

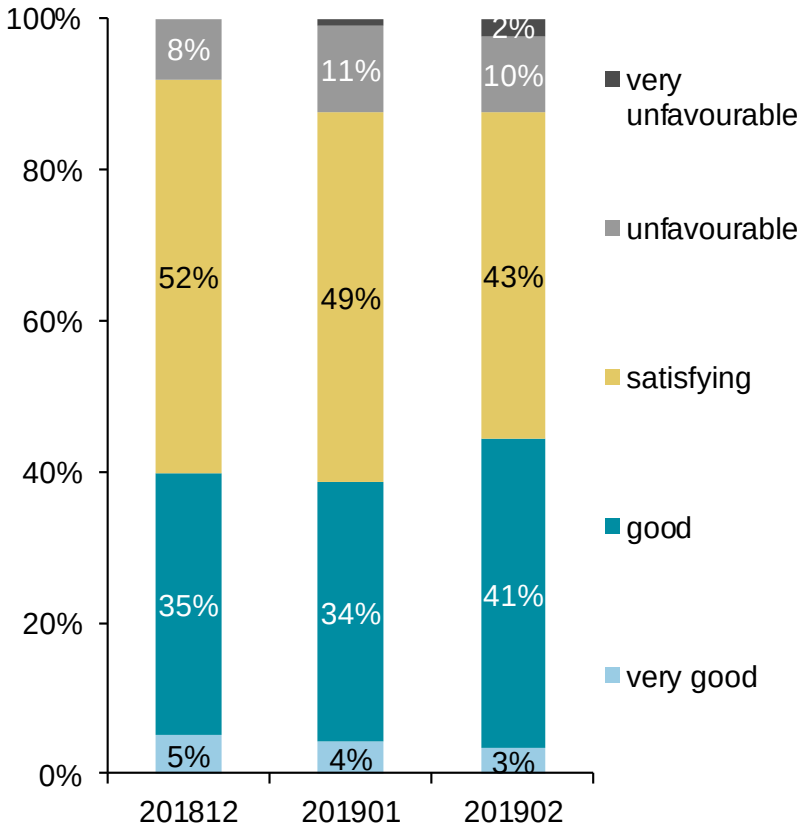


Source: CEMA Business Barometer, each value as an average of the last two months

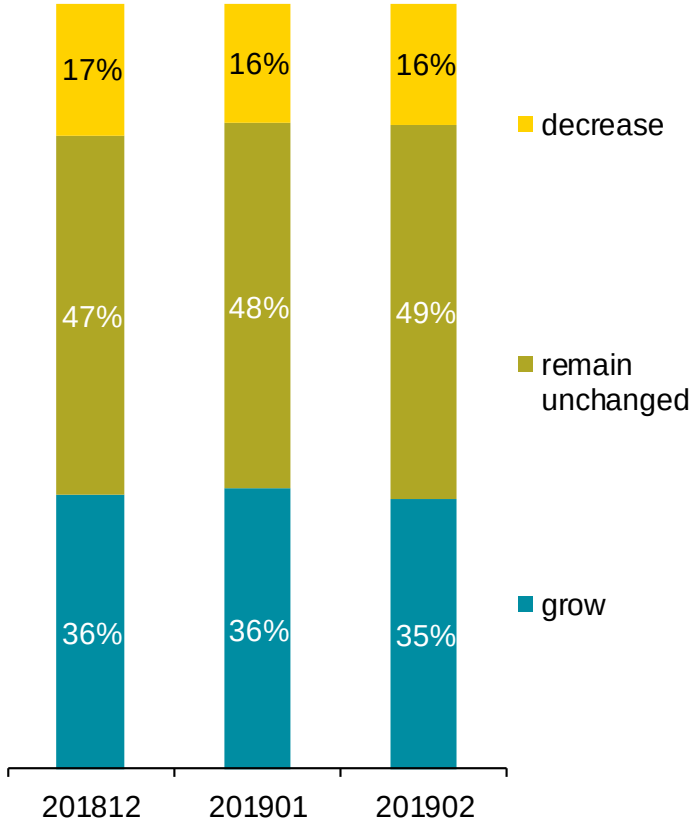
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Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….



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



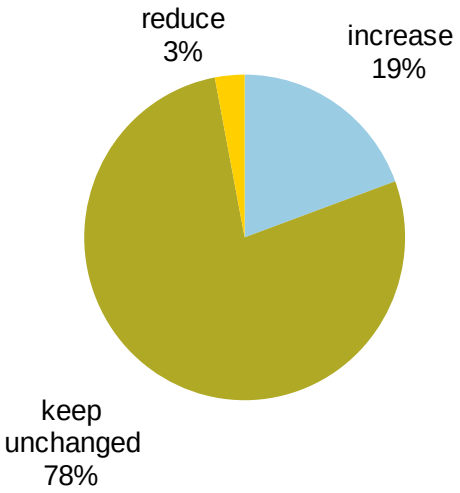
Source: CEMA Business Barometer

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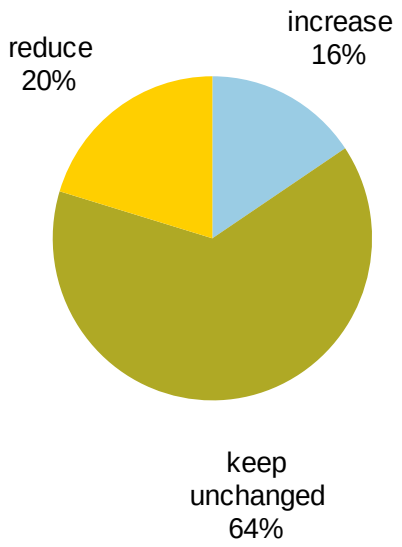
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer February 2019

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