CEMA Business Barometer

Public excerpt October 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

European Ag Machinery Industry in Recession

Executive summary of the survey in October

The general business climate index of the agricultural machinery industry in Europe is further deteriorating. Meanwhile, the industry is clearly in recession. The business climate is now negative across all segments. Manufacturers of arable and livestock equipment appear to be particularly affected.

On an industry average, not only current business evaluations and turnover expectations are negative. Almost half of the participants also expect further declines in incoming orders (while only nearly one in ten expects an increasing order intake). A slowdown of the downward trend is thus not in sight.

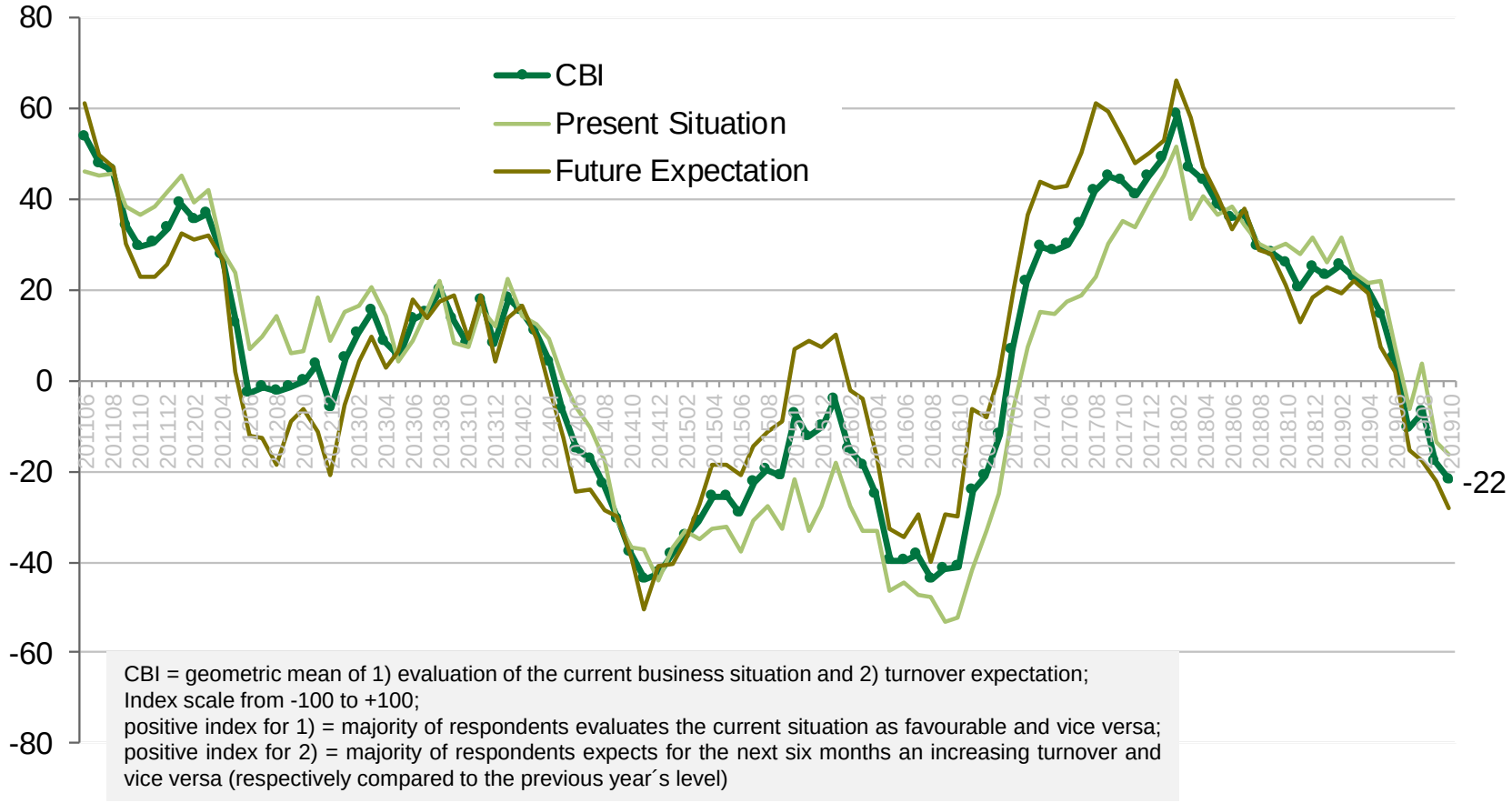
On the European market side, according to the survey, the outlook for the UK is the worst and has reached a new low. France remains as the only positive exception, where a majority of survey participants still expect turnover increases.

France is also the only European market where participants report that dealer stock levels with new machines are currently not above the average of the past three years. The highest above-average stocks with new machines can be seen in the UK and Germany. Dealer stock levels with used machines seem to be above average in all segments throughout Europe.

Contact: Philip.Nonnenmacher@vdma.org

Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total

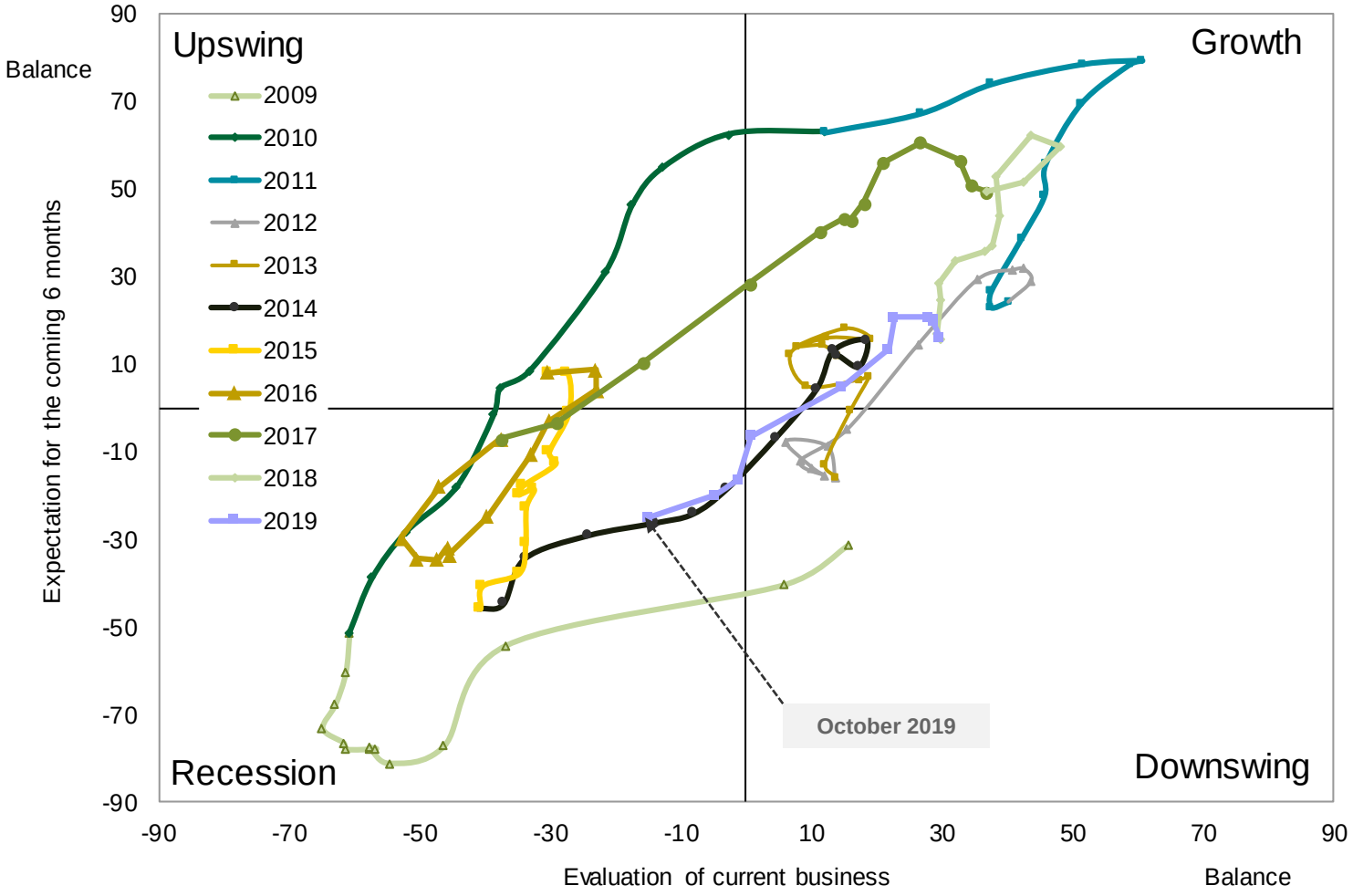


CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for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

Source: CEMA Business Barometer

Contact: Philip.Nonnenmacher@vdma.org

Business Climate
Illustration of Business Cycle

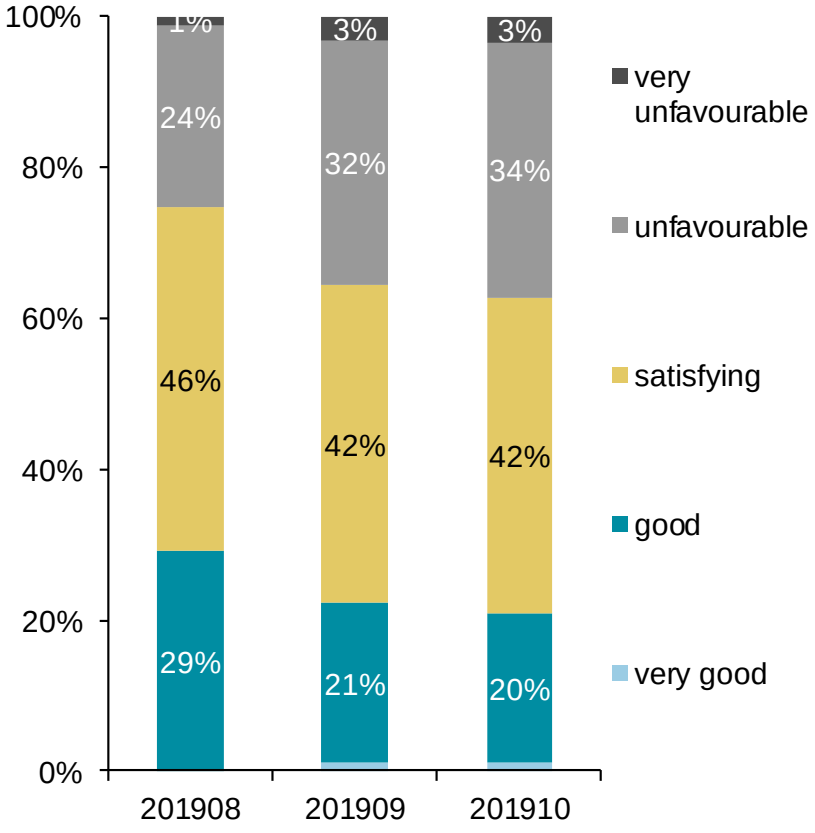


Source: CEMA Business Barometer, each value as an average of the last two months

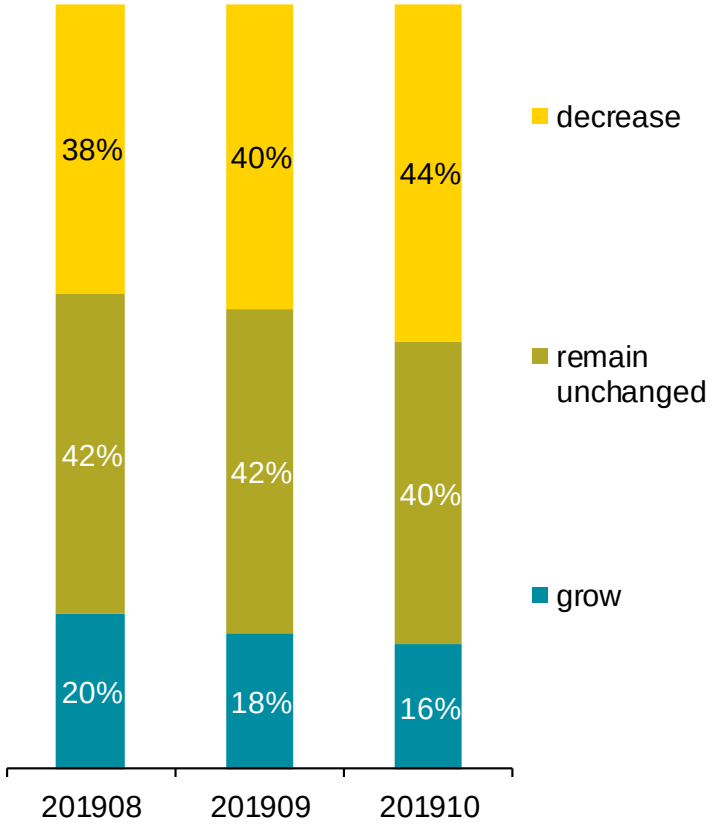
Contact: Philip.Nonnenmacher@vdma.org

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....



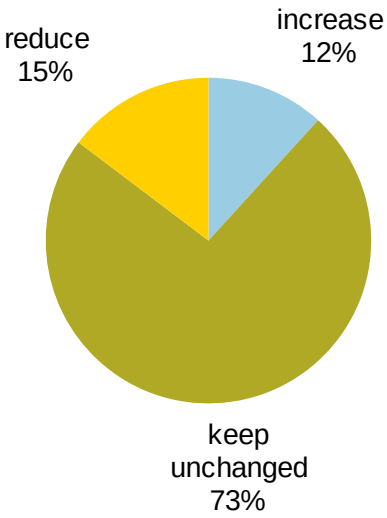
Source: CEMA Business Barometer

Contact: Philip.Nonnenmacher@vdma.org

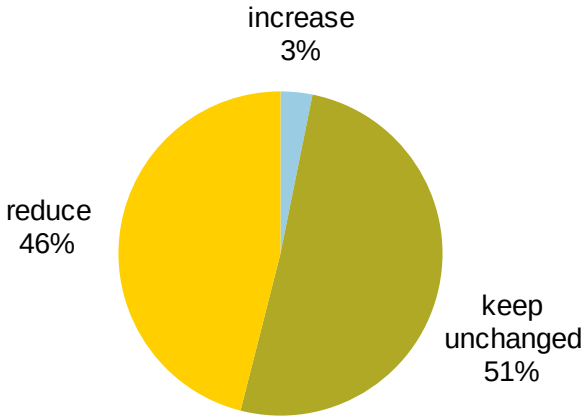
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer October 2019

Contact: Philip.Nonnenmacher@vdma.org