CEMA Business Barometer

Public excerpt January 2020



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 January

The general business climate index of the agricultural machinery industry in Europe continues to move in the recession zone. Overall, the future expectations have deteriorated again slightly, whereas the current business evaluations have improved to some extent. An improvement in the current business was reported in particular for the segments of Transportation, Arable and Livestock Equipment. With regard to expectations for the coming six months, it is noticeable that the share of survey participants with neutral or undecided ratings has grown overall.

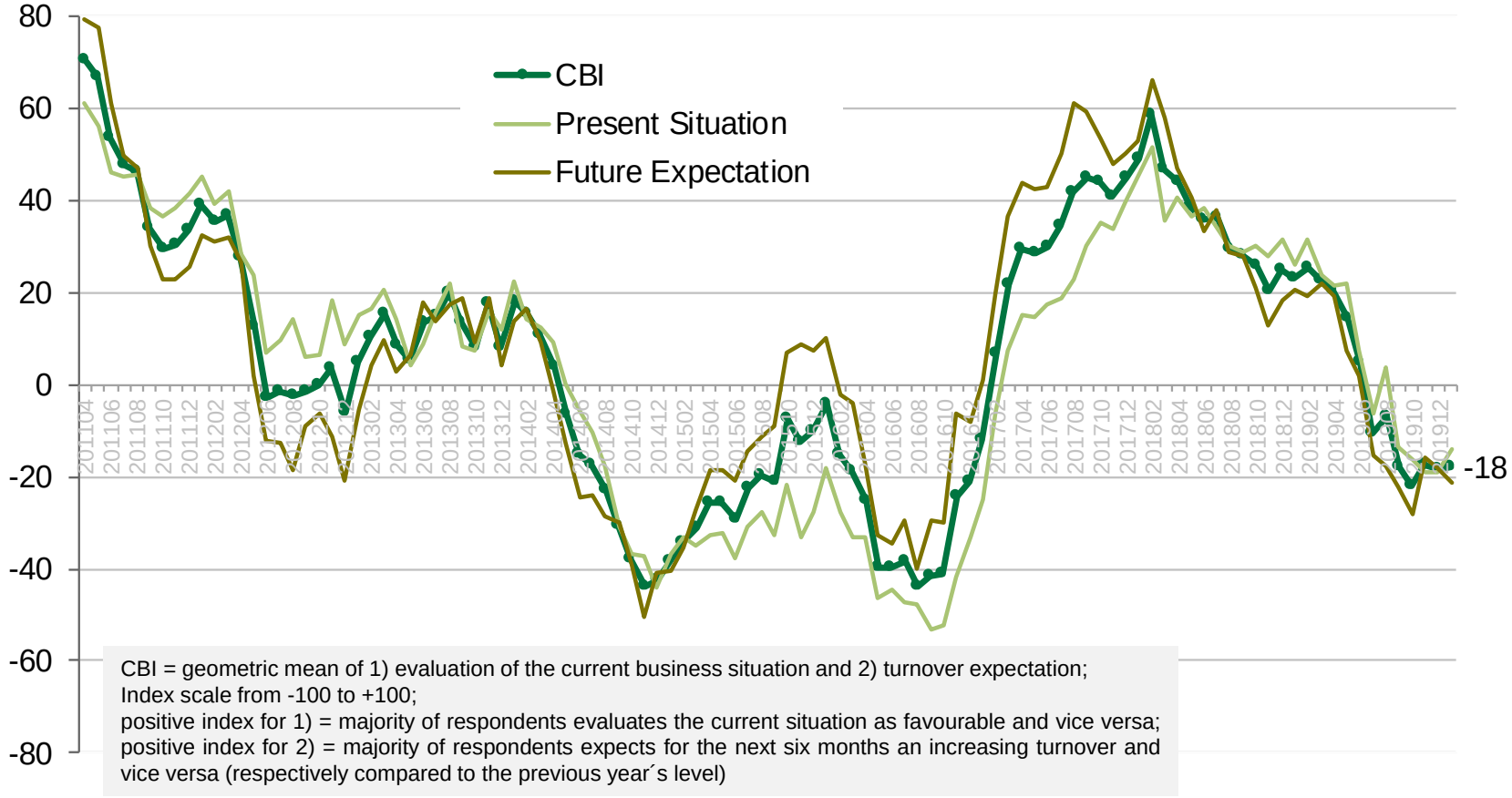
Dealer stock levels with new and used machines continue above the average of the past three years across all segments in most regions of Europe. The highest above-average stocks with new and used machines are reported for the UK and Germany.

Incoming orders from the EU market meanwhile seem to be developing less negatively than from outside the EU. Although the participants expect a negative development over the coming six months for the largest part of Europe, they are no longer quite as pessimistic and have revised their expectations upwards for two thirds of Europe's regions. As expected, a significant recovery seems to be taking place in Scandinavia. By contrast, the trend in the French market is no longer quite as positive as in the past.

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Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total

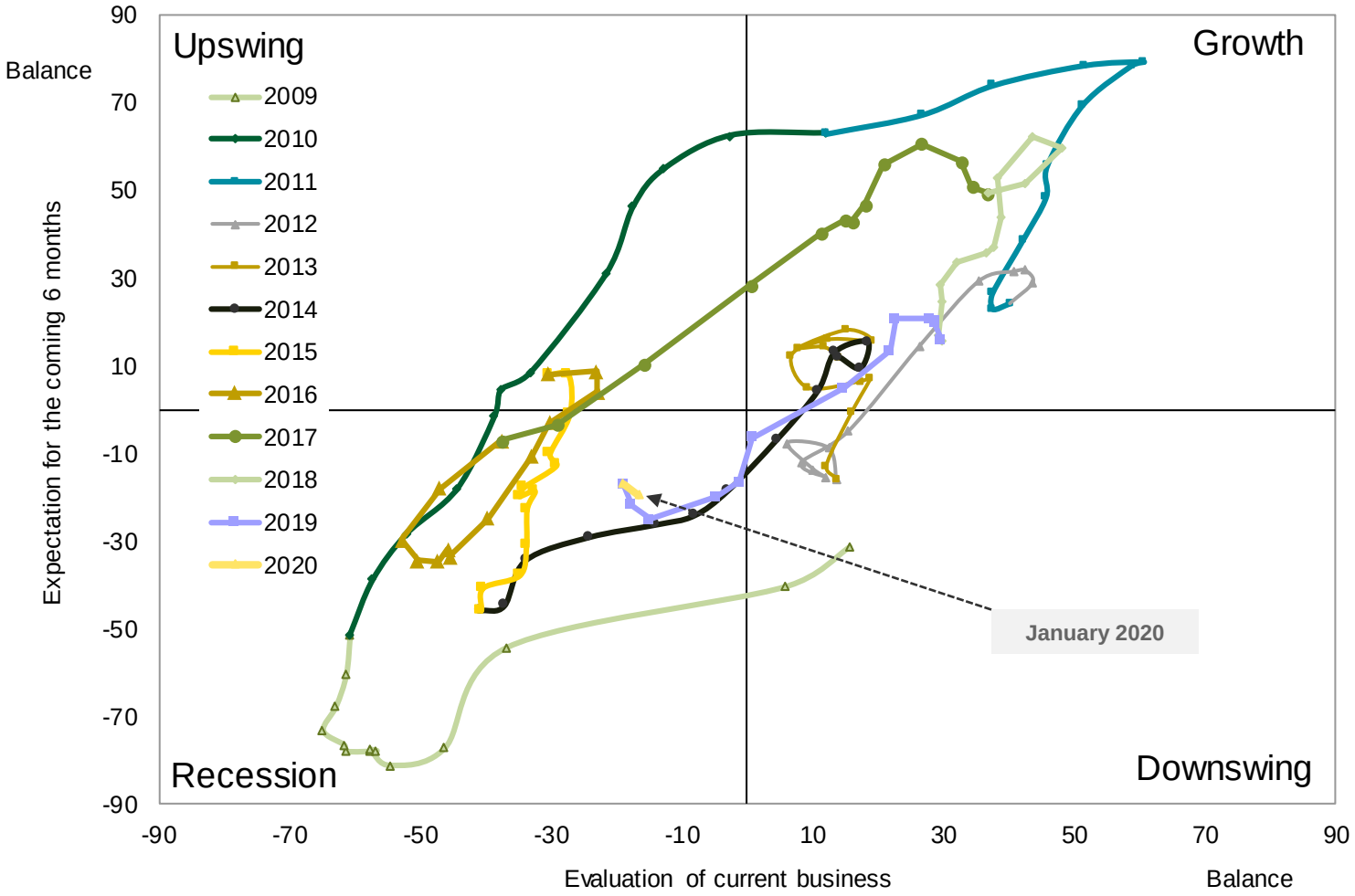


CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for 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

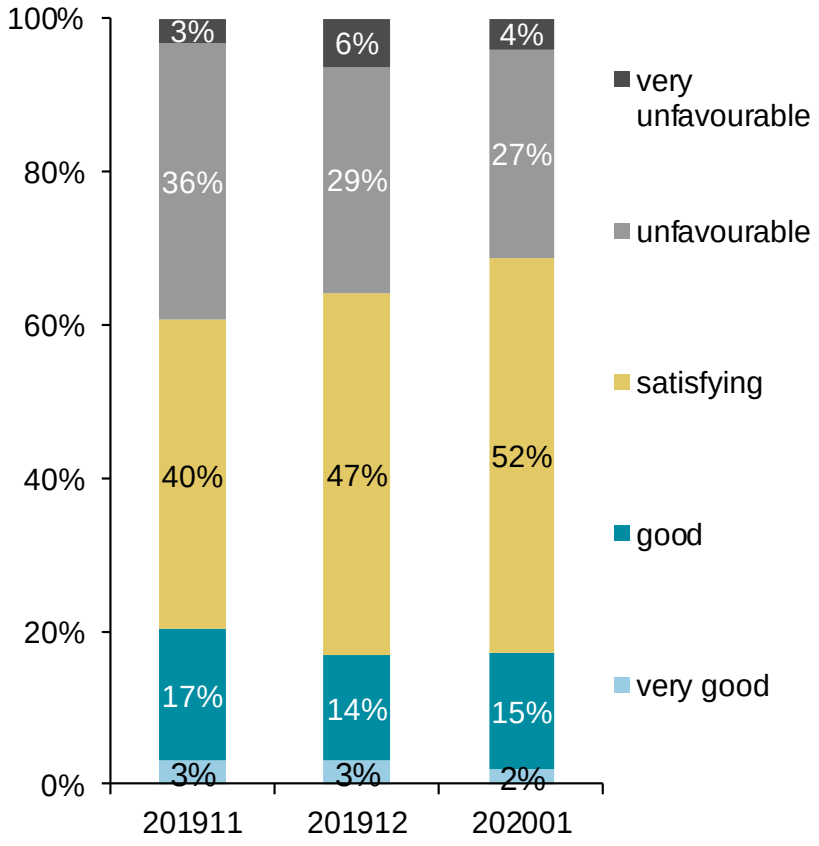


Source: CEMA Business Barometer, each value as an average of the last two months

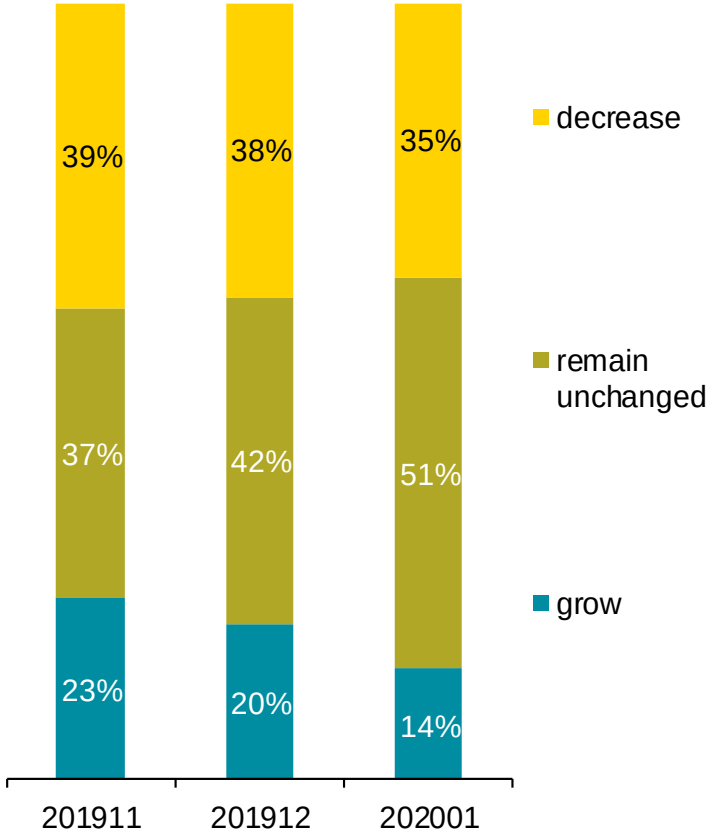
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Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….



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



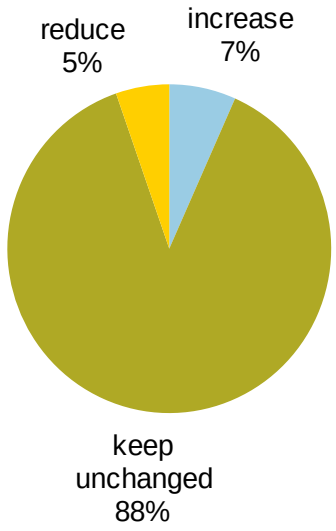
Source: CEMA Business Barometer

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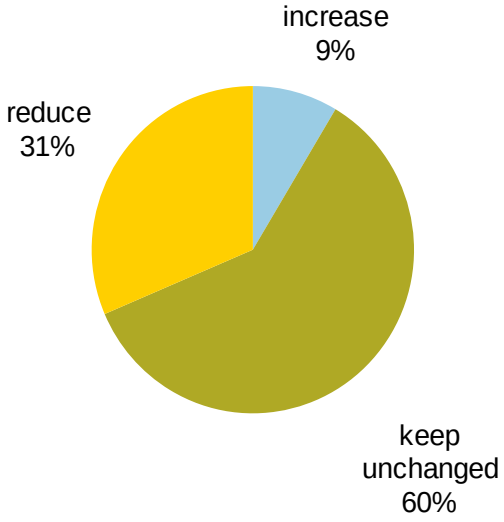
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2020

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