



# **CEMA Business Barometer**

Survey Report May 2015



# What is the CEMA Business Barometer?

- ▶ A monthly survey within for the European agricultural machinery industry (started in 2008)
- ▶ Coverage of all major sectors – from tractors to municipal equipment
- ▶ Target group: 140 senior managers from 8 (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. 12th



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# Recession trends cover all European markets now.

## Executive summary of the May survey

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The sentiment of the European agricultural machinery industry remained more or less unchanged in the last survey compared to the slightly improved trends that we saw in April. After the strong decline in business over the past nine months, the level of orders and sales has reached a new base. Only a minority of the managers thinks that this base will become considerably lower during this recession phase. So the expectation meanwhile goes towards an overall “flat development”.

On the other hand, an astonishing result in this survey was that the concrete market expectations by country have all fallen back again, contrary to the changed picture one month ago, so there is a kind of “zigzag development” over the past few months, which might be the expression of uncertainty. There is no single European market left now for which the industry expects a higher demand in the following short-term period. For Germany and France, expectations have slightly deteriorated so that now around 50% and more expect a further decline, although only to a limited extent.

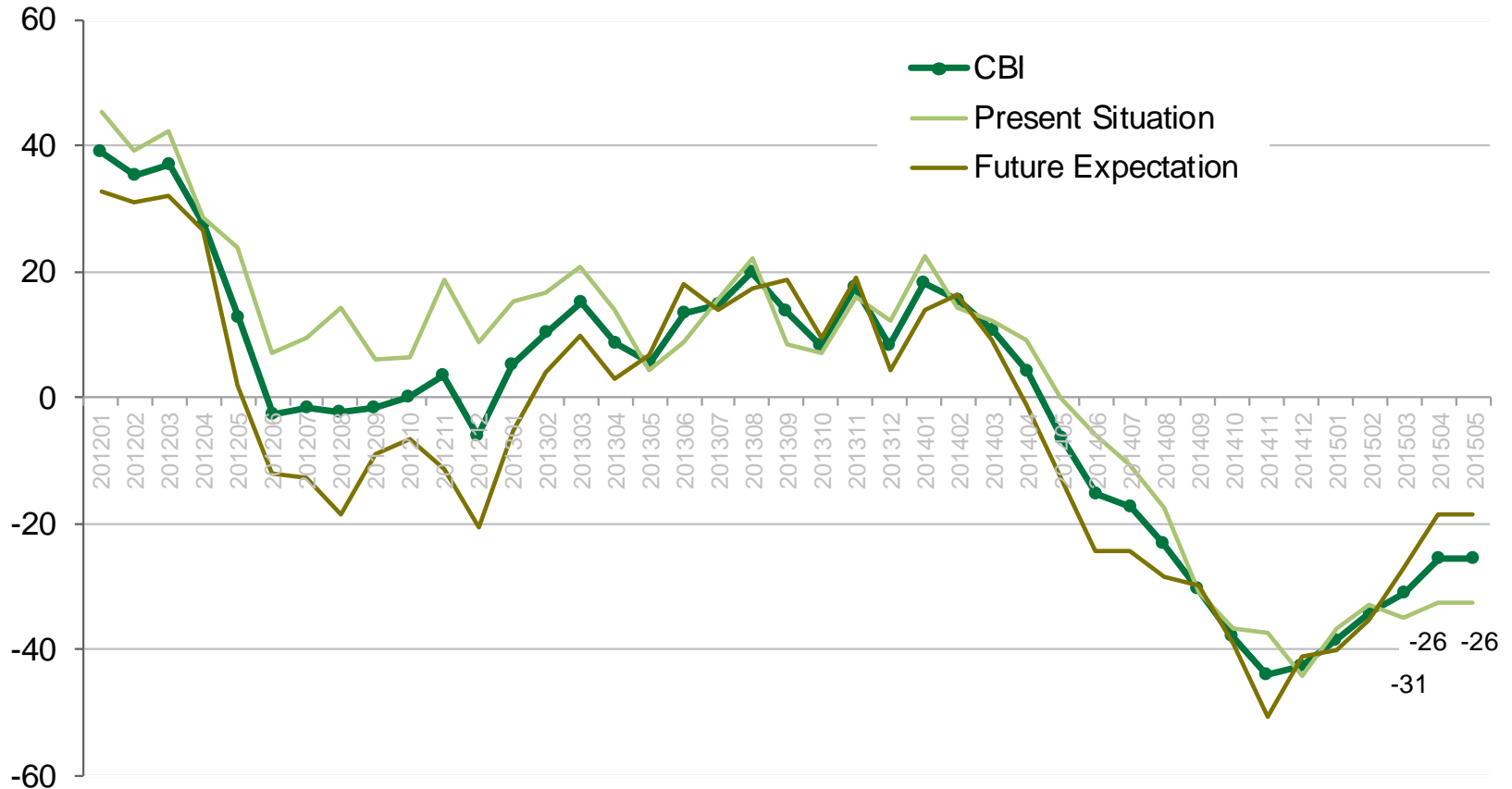
The reach of the orders on hand is 2.2 months currently. Since the start of this survey, only in 2010, this value was minor at this point of time. Most companies do have a visibility for their business that only reaches from one to two months of production time.

The workforce in the companies has already been reduced, so that the speed of further reduction is lower now. Temporary workers are even hired by some companies in order to manage the high season business.

# Business Climate

## Index Development 2012-2015

### CEMA Business Climate Index (CBI)

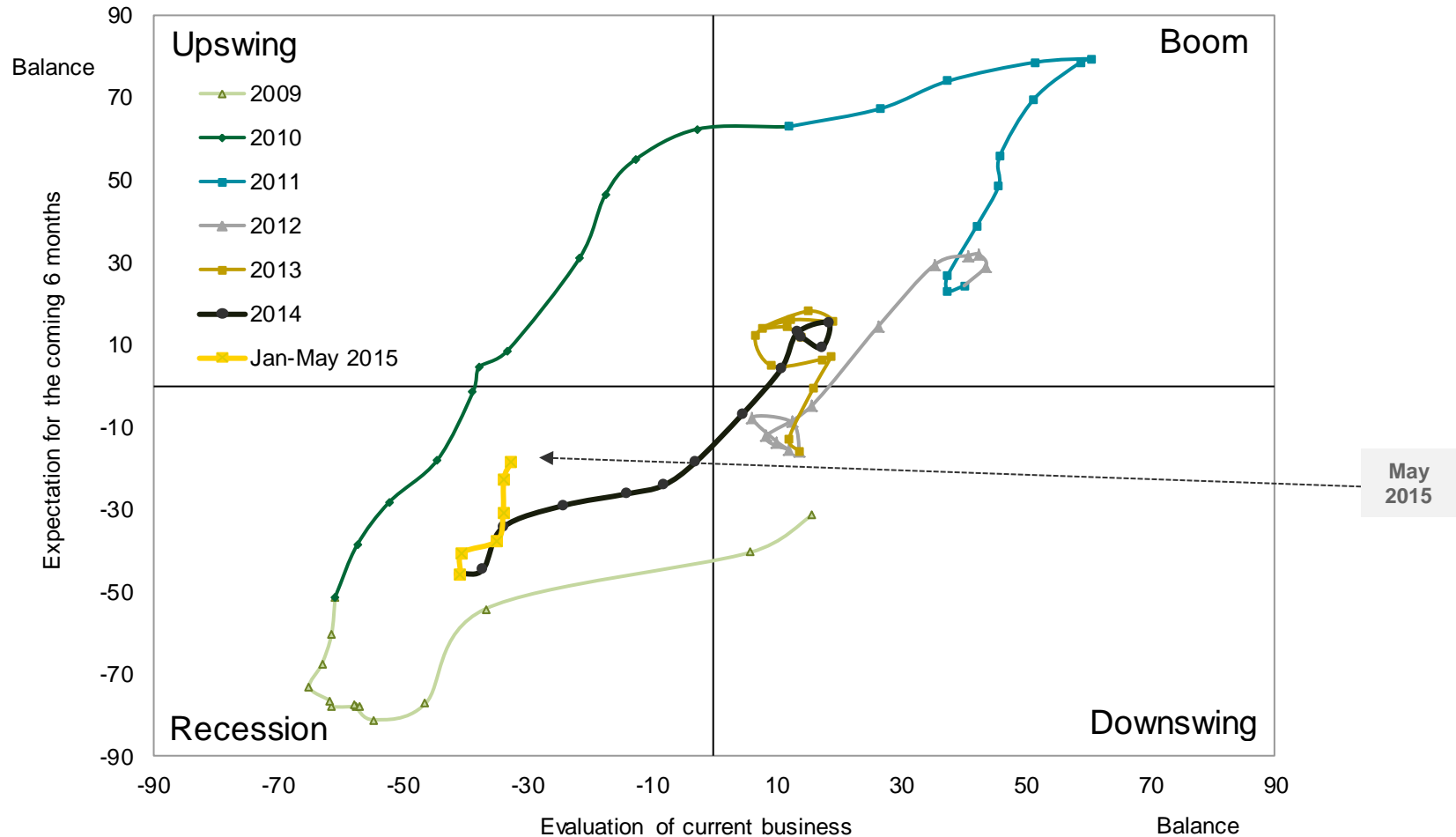


Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

# Business Climate

## Illustration of Business Cycle



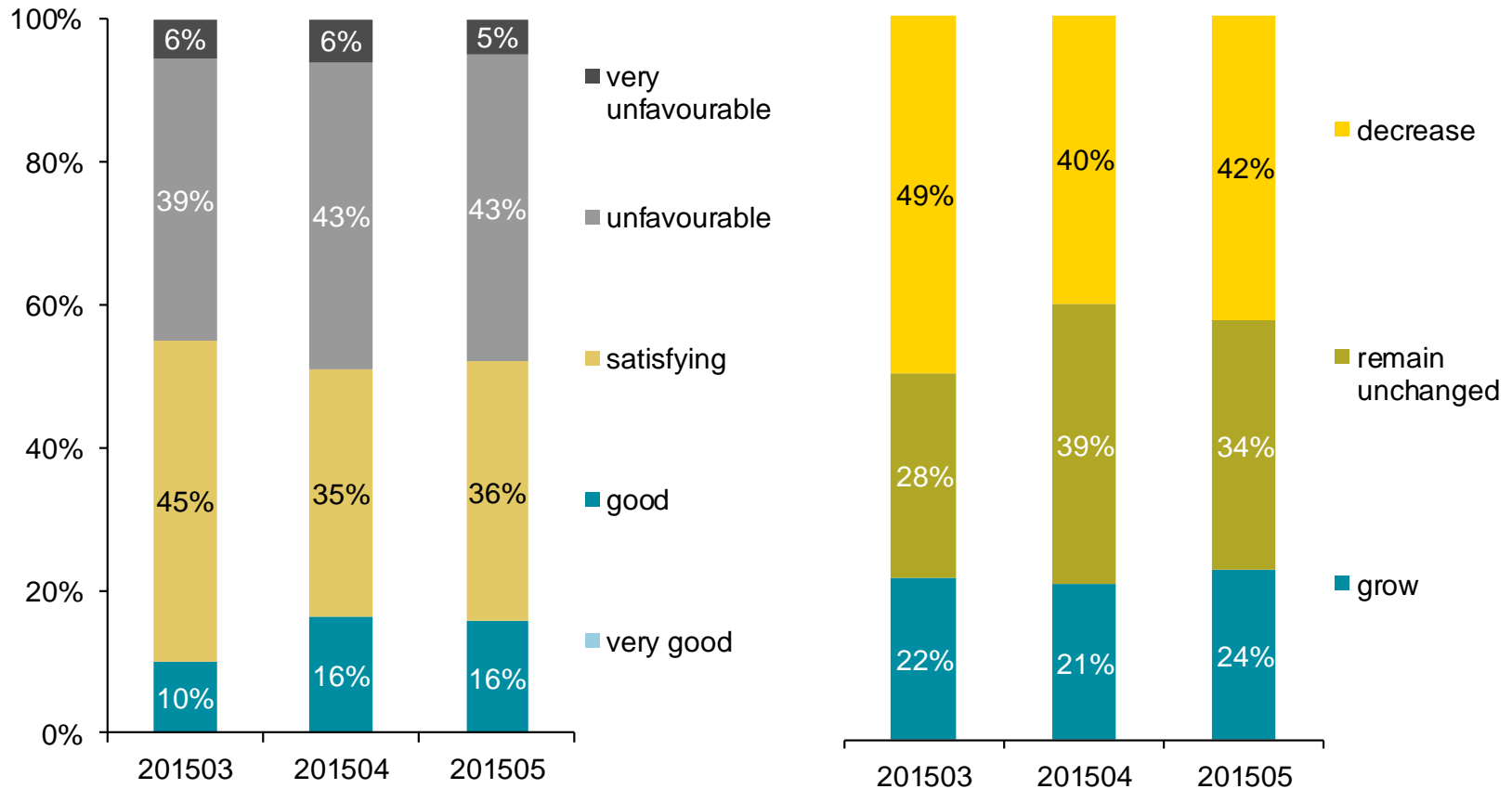
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

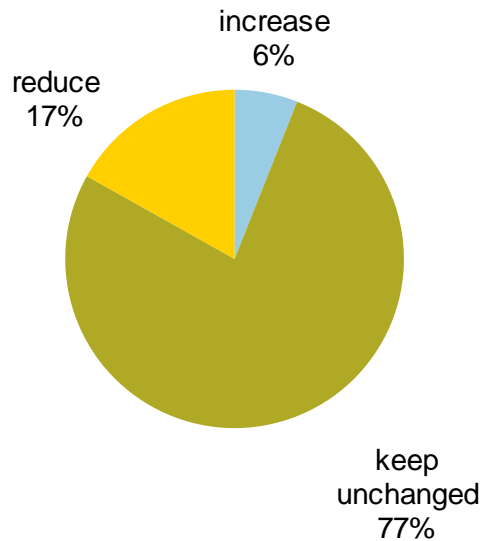


Source: CEMA Business Barometer

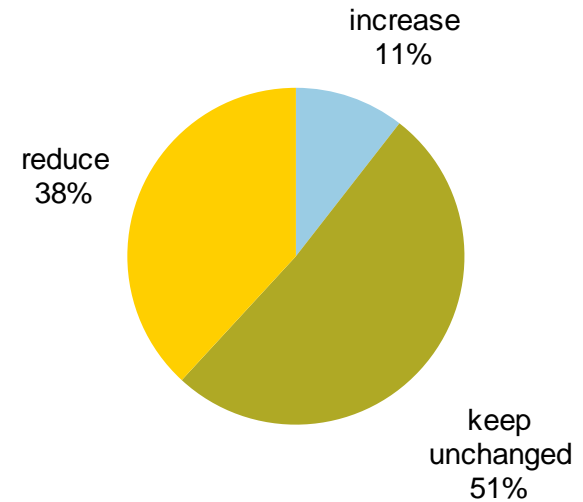
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer May 2015