



# CEMA Business Barometer

Public report May 2014



# 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 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



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# Changing economic signs

## Summary of the May survey

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In this edition, the monthly CEMA Business Barometer survey shows a clear trend. After some ups and downs in the course of the last nine months, our industry seems to switch towards an economic downswing.

The major indicators are:

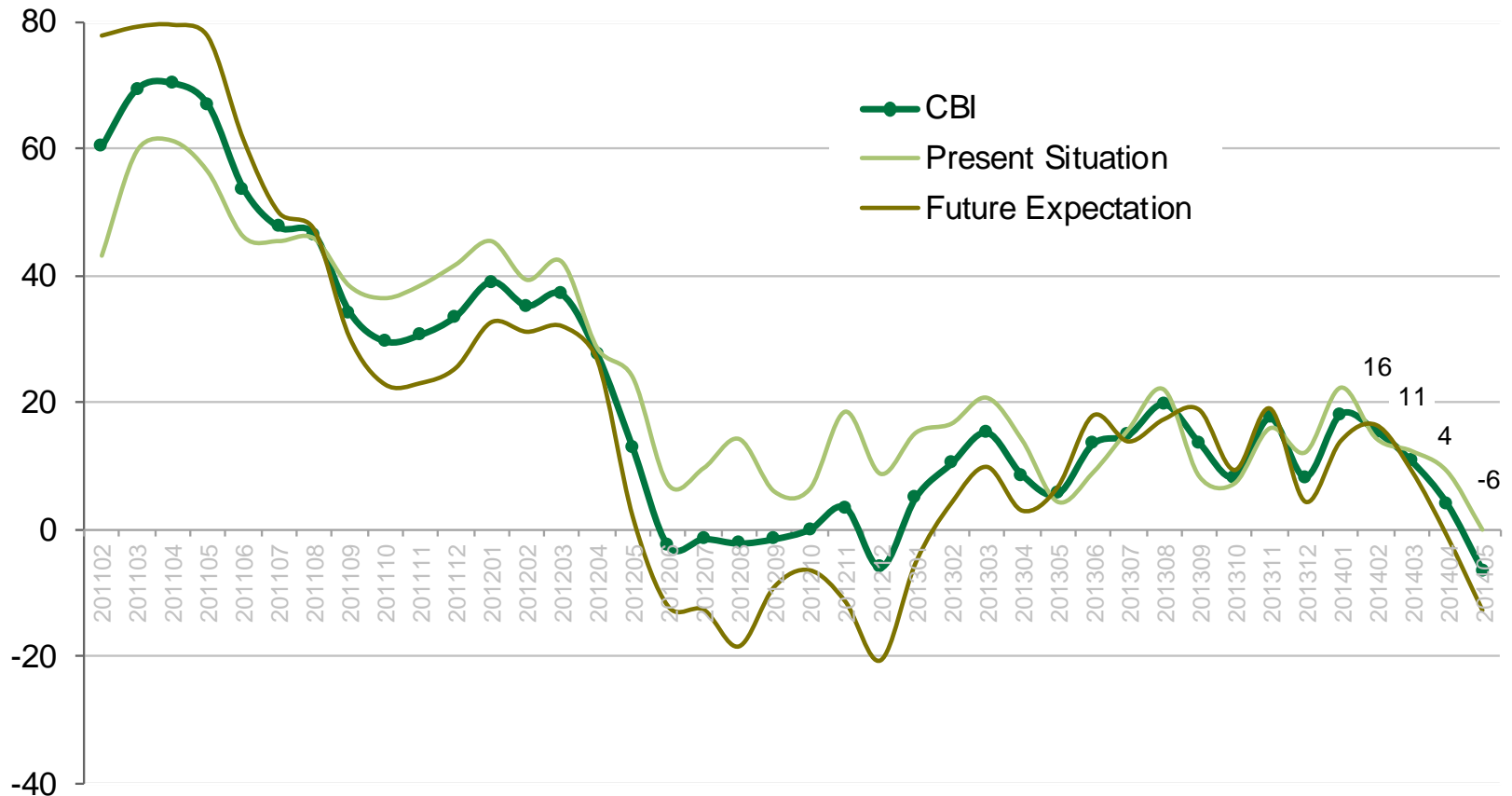
- ▶ Only 21% of the companies expect their orders to grow
- ▶ There is already a decline for new orders (average is at ca. -5%), both within the EU and on markets outside the EU
- ▶ Always less European markets are holding demand on the level of 2013. Big markets like France and Poland are performing considerably below previous year's level. Italy still loses ground. Perspectives in the CIS countries have become very poor. Manufacturers calculate an average decrease of ca. 30% in Ukraine for this year.

Nevertheless, the turnover of the companies in April was still on the previous year's level, which was comparably high. Order stocks are slightly below 2013; less than 20% of the European factories have orders on hand that reach for more than 3 months of production.

After several months of above average development for the manufacturers of tillage and seeding equipment, their orders seem to have reached lower levels now so that growth perspectives have become very limited for them. Manufacturers of milking and feeding equipment expect their business to remain stable.

# Business Climate Index Development

CEMA Business Climate Index (CBI)

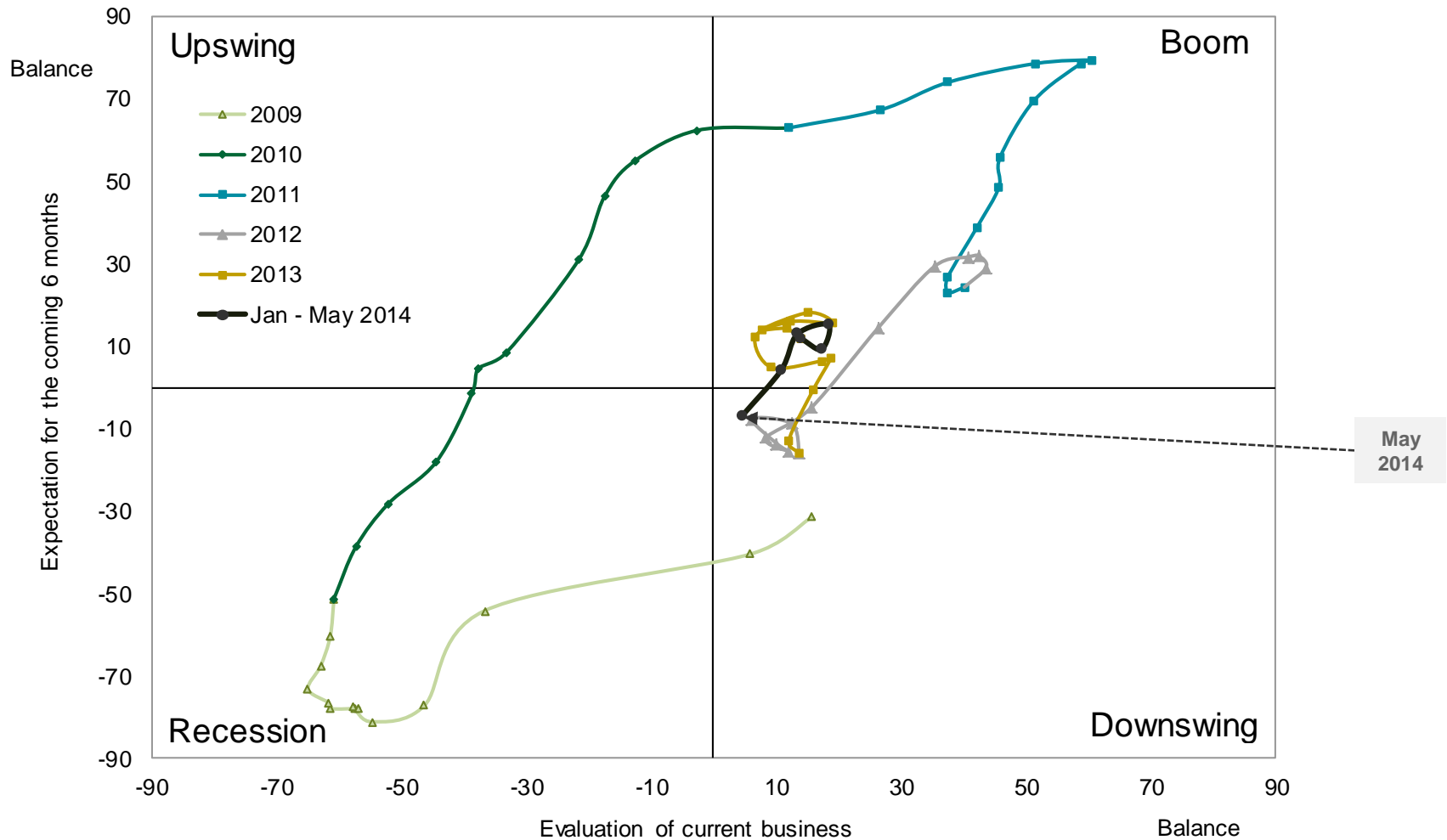


Source: CEMA Business Barometer

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



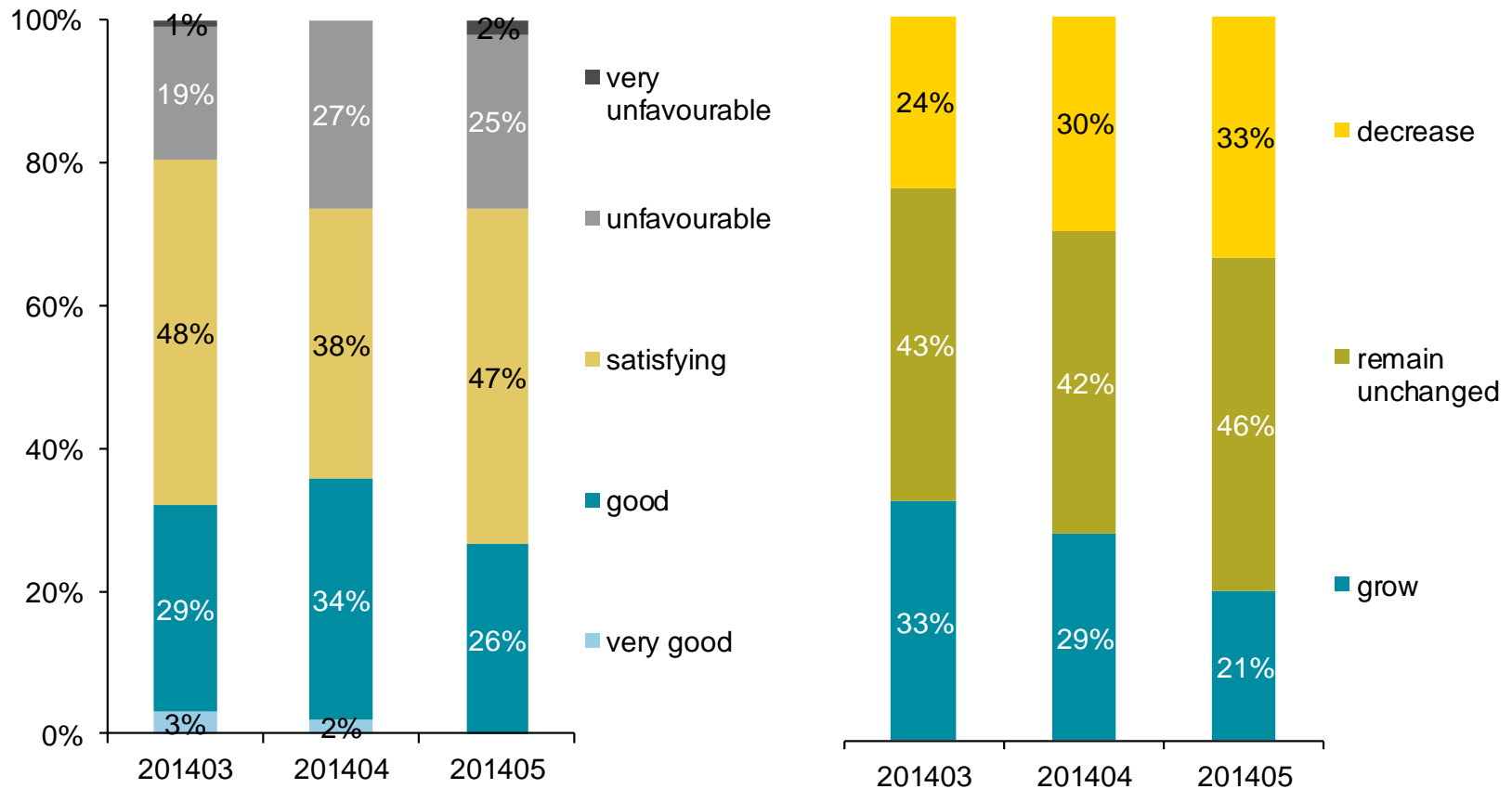
Source: CEMA Business Barometer, each value as an average of the last two months

# 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....

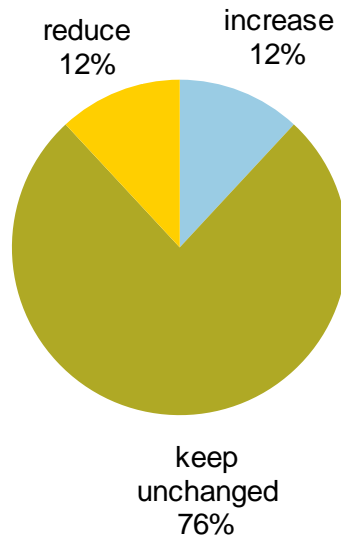


Source: CEMA Business Barometer

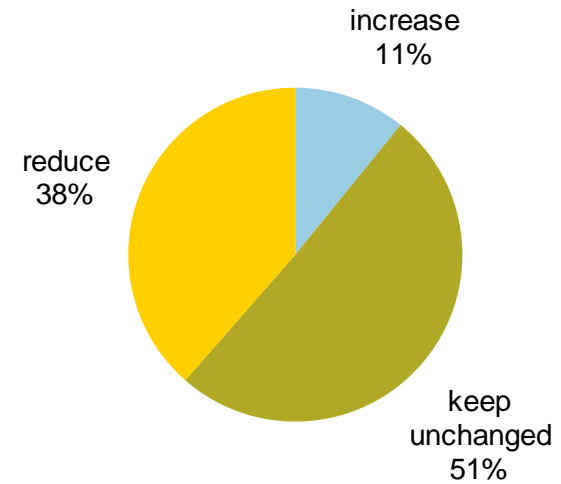
# Employment

Question: Our plans regarding the workforce

## Regular employees



## Temporary employees



Source: CEMA Business Barometer May 2014