



CEMA Business Barometer

Executive summary report November 2013



Summary Notes

November 2013

▶ **Business climate:**

- ▶ Index climbs considerably by 10 points – both for better mood regarding the current business and optimistic outlook

▶ **Orders and turnover** in October (unweighted average):

- ▶ EU market: turnover +5/7%, new orders -3%, above average order decrease for harvesting machines and transport and handling equipment
- ▶ Export business (outside EU): turnover and new orders ca. +3%

▶ **Order book situation:**

- ▶ With an average reach of 2.1 months, it is comparably low. Only 1 out of 6 companies has orders that employ the production capacities for more than 3 months

▶ **Turnover expectations:**

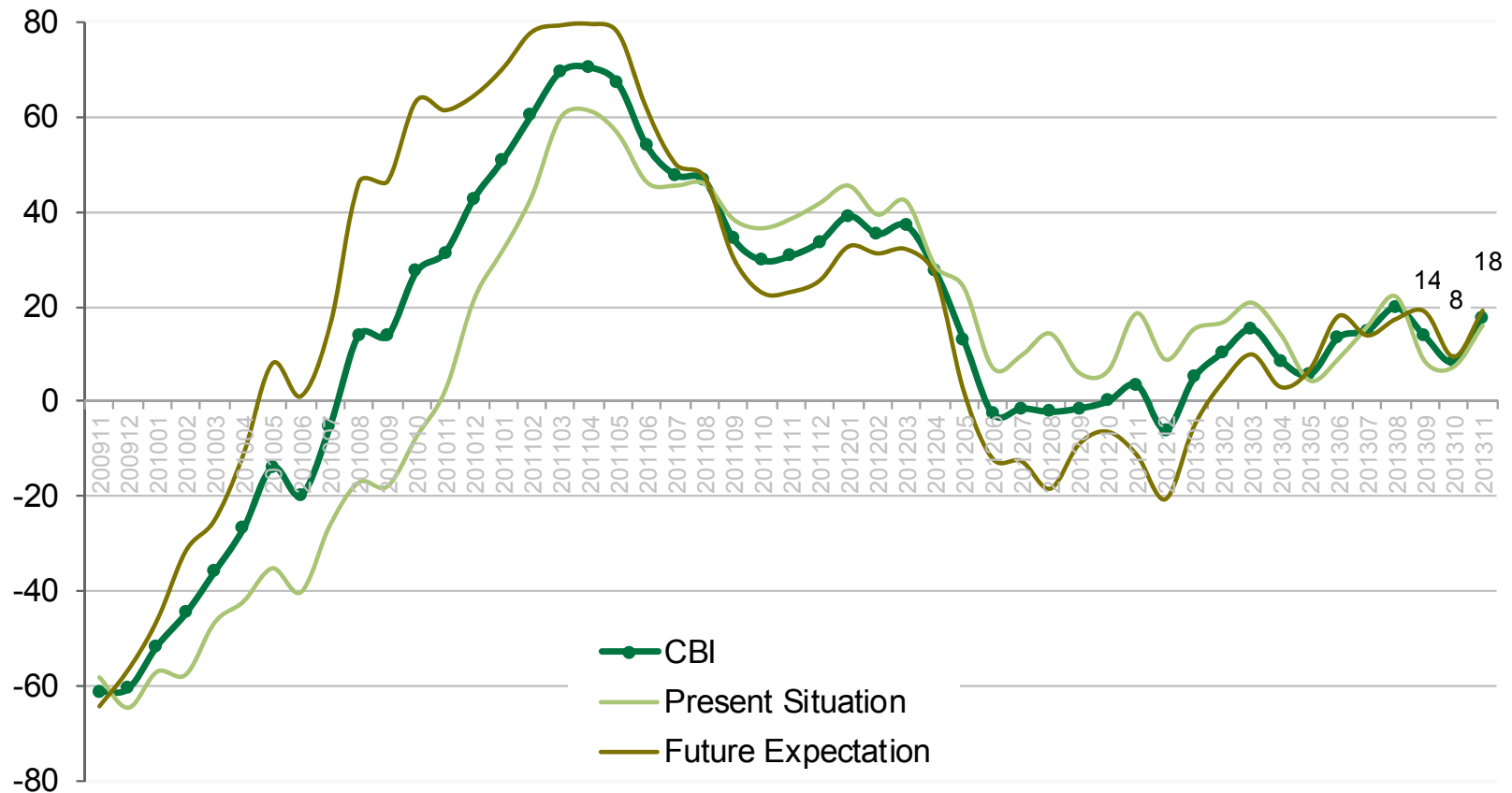
- ▶ Growth perspectives exceed those for a decline – even more than in the past two months
- ▶ Top region for sales: CIS - with growth expected to be up to 10%
- ▶ Recovery trend in Scandinavia
- ▶ Demand on the Austrian market seems to get remarkably lower

▶ **Employment:**

- ▶ Every second French company reduces its temporary staff

Very good mood in the industry leads to strong increase of the climate index

CEMA Business Climate Index (CBI)



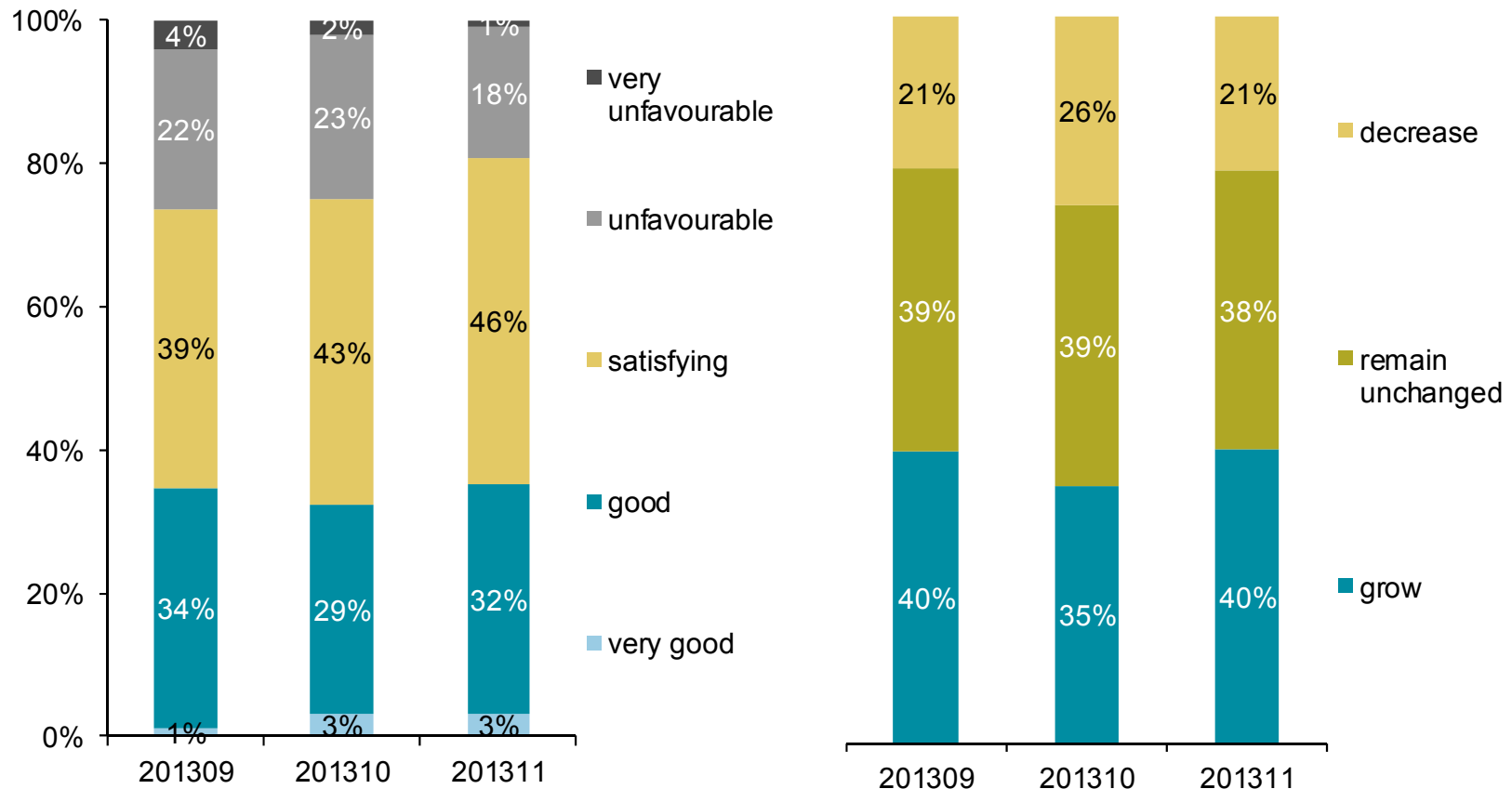
Source: CEMA Business Barometer

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

More satisfaction and more expansion trend seen by the industry

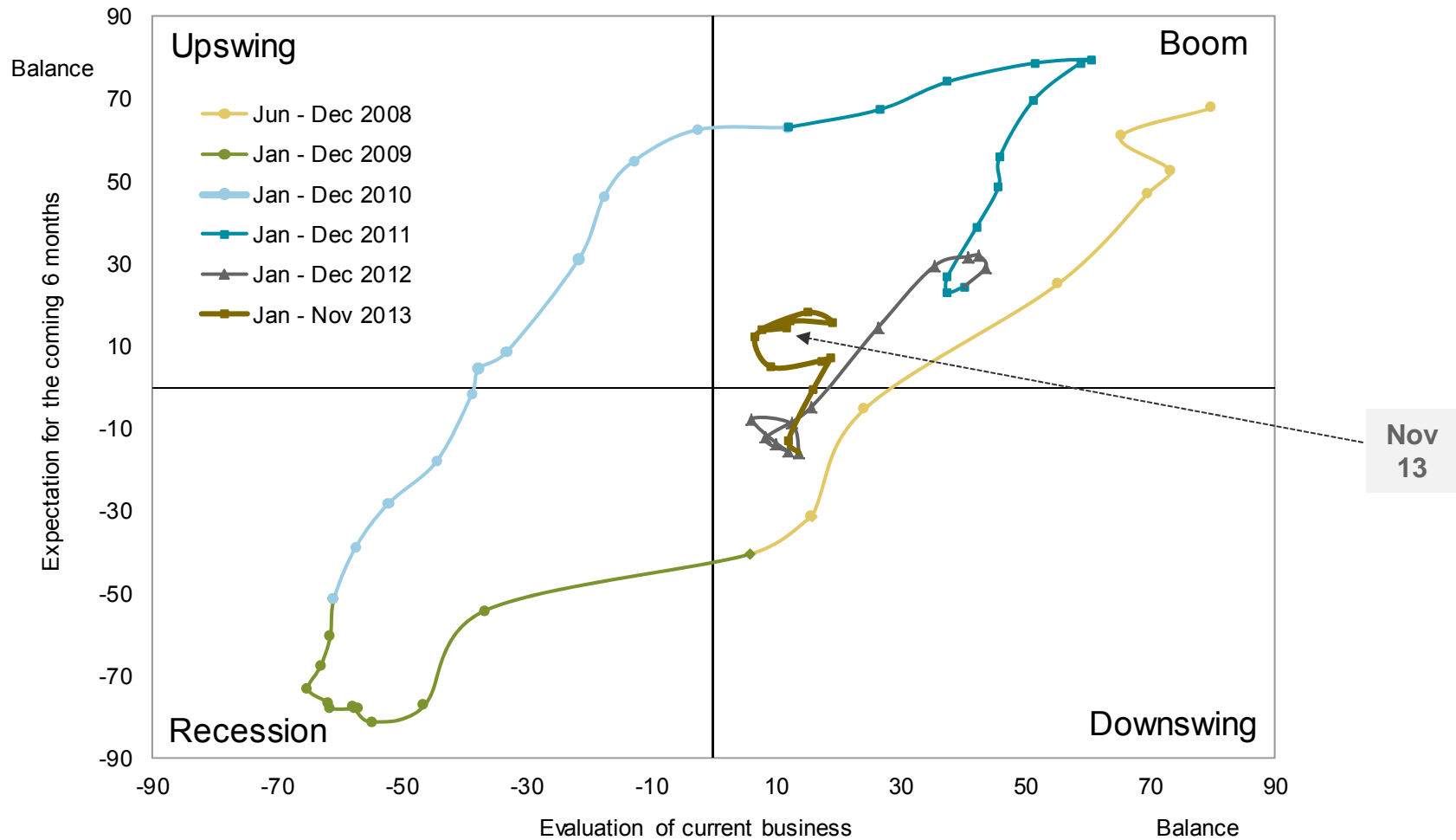
Question: We consider our current business to be

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



Source: CEMA Business Barometer

Stabilisation trend in the boom situation



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

Weak markets come back (Spain and UK), pessimism for Poland has become less pronounced



Ranking according to the expected turnover on the single European markets

	Country	Index	Variation*	
			201311	201310
1	CIS countries	19	1	2
2	Spain	13	-3	6
3	Scandinavia (DK, N, S) + FIN	10	-3	7
4	Germany	9	-9	0
5	UK + Ireland	7	2	0
6	Netherlands	4	-6	7
7	Belgium	2	-5	2
8	Other new EU member states	1	1	1
9	Italy	0	5	3
10	France	-1	-13	-2
11	Czech Republic + Slovakia	-3	-5	4
12	Romania	-3	4	1
13	Switzerland	-4	-3	0
14	Austria	-5	-5	-6
15	Poland	-7	-6	7

* variation in index points compared to previous month

Status November 2013

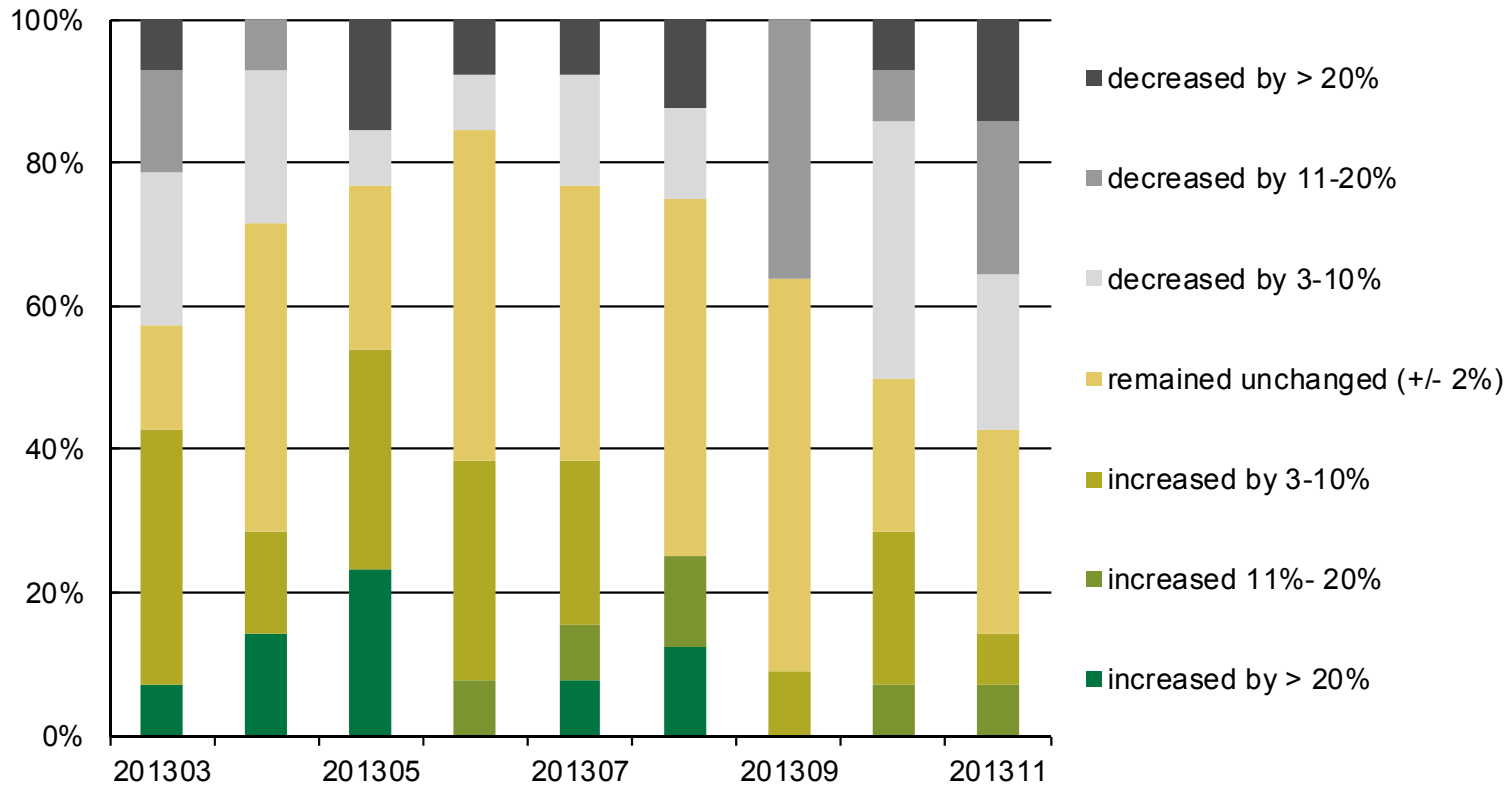
Explanatory note:

-  → positive index value with prevailing expectation for an **increasing** turnover in the next six months on this market
-  → negative index value with prevailing expectation for a **decreasing** turnover in the next six months on this market

Ranking ascending from highest increase resp. lowest decrease to lowest increase resp. highest decrease

French market gets weaker

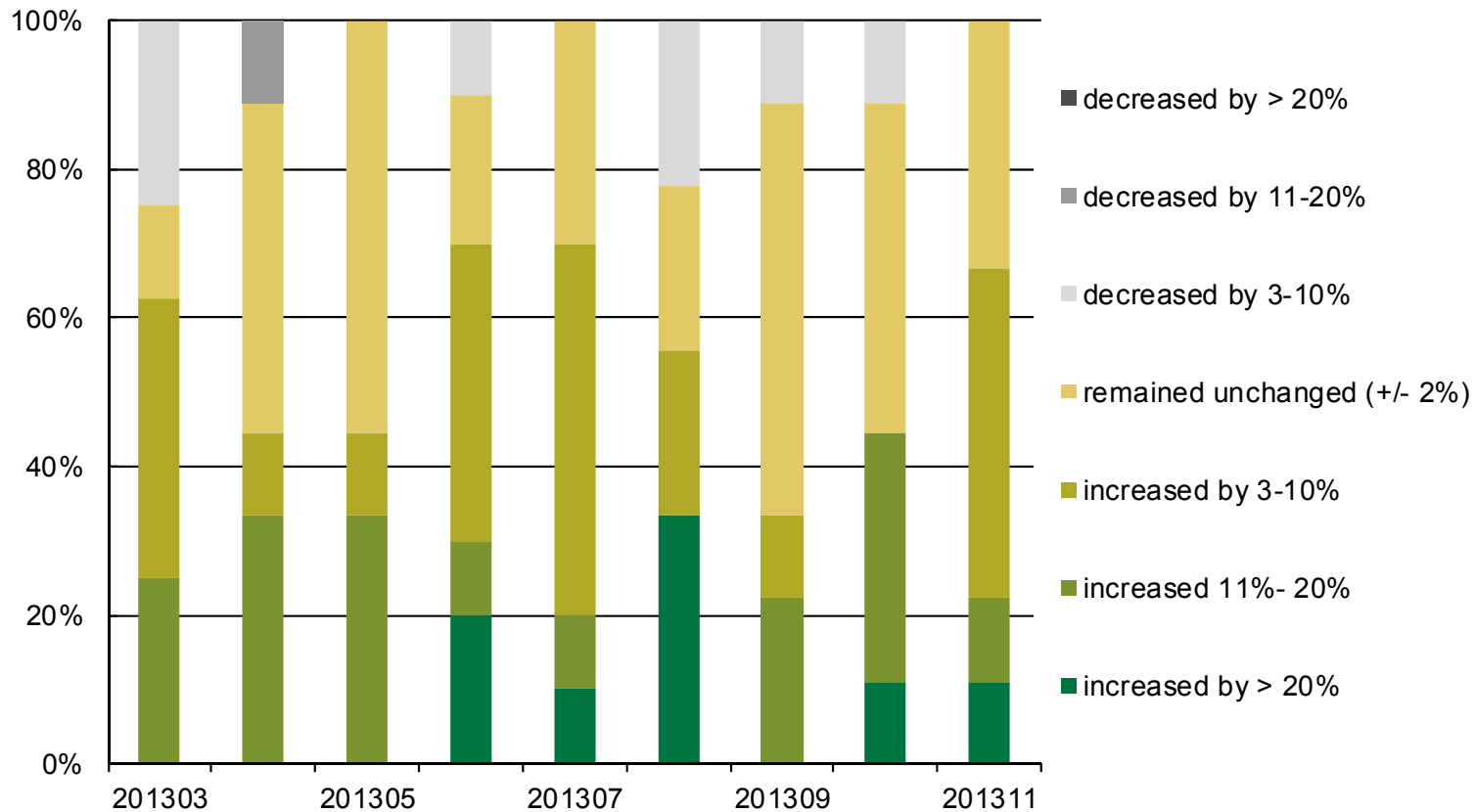
Question: Compared to the same period a year ago, our order intake on the French market in the past month...



Source: CEMA Business Barometer, French companies asked for their domestic market

Spanish dealers have more orders again

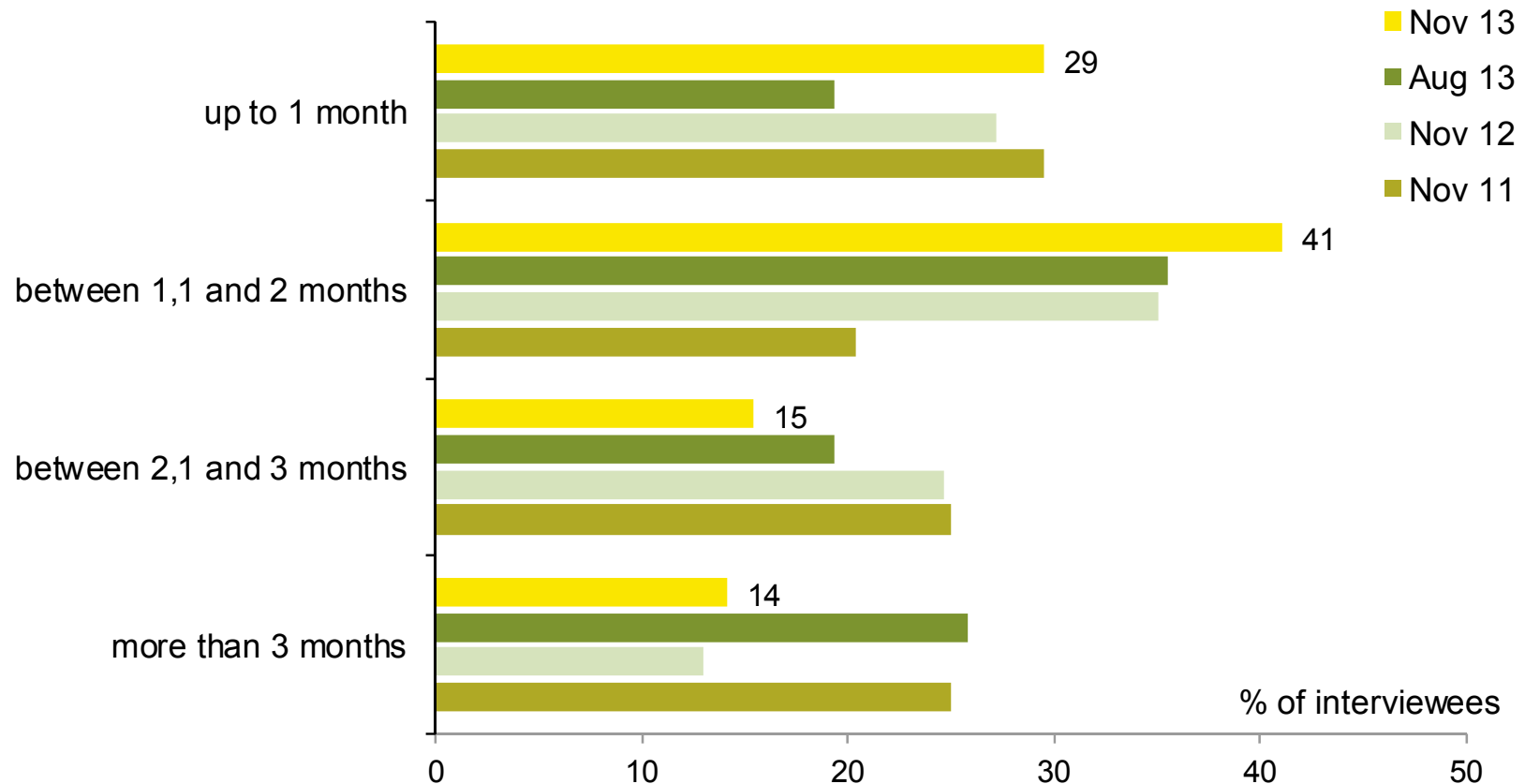
Question: Compared to the same period a year ago, our order intake on the Spanish market in the past month...



Source: CEMA Business Barometer, Spanish companies asked for their domestic market

But: Order book situation in total is relatively tight, with many companies reporting a reach of only one month

Question: Our volume of orders corresponds currently to a production period of ... months.



Source: CEMA Business Barometer

Current Voices of the Industry (selection)

- ▶ „ Due to anticipated purchases in the past two years it probably will not come to increased sales in Austria, Switzerland and Germany in the coming year.“ (Austria)
- ▶ „ Negative outlook. Overall economic situation in Europe depressed. Middle East very quiet, also due to political instability. Asia still recovering from overinvestment in 2010-2011 and avian influenza in China. CIS steady. Only bright spot is Latin America (although Mexico still to pick up after avian influenza outbreaks earlier in the year).“ (Belgium)
- ▶ “ The market is very hesitant in France because of the wrong political climate...” (France)
- ▶ “ We anticipate a decline of 5 to 10% for the next 12 months.” (France)
- ▶ „ It looks like the mood in the market is neither bad nor good, but currently it is not clear in what direction the market will turn in the next 6 months ... seems that everybody is waiting for a positive impact coming from the Agritechnica.“ (Germany)
- ▶ „ After three good and partly very years we see a saturation effect in many markets.“ (Germany)
- ▶ „ Big uncertainty about the market development“ (Germany)
- ▶ „ The Italian market has further deteriorated.“ (Italy)
- ▶ „ Receiving more and better financing helps us to grow more rapidly.“ (Spain)
- ▶ „ We look forward to cautious growth and stability.“ (United Kingdom)