

## ifo Business Climate Saxony Stagnates at a Low Level

Dresden, November 3, 2020 – The ifo Business Climate Index for Saxony rose marginally in October from 94.9 points to 95.0 points. While the companies surveyed assessed their current situation as slightly more positive than in the previous month, their expectations for the coming six months deteriorated somewhat.

In Saxony's *manufacturing*, sentiment saw strong improvement in October. The main reason for this was very significant growth in current business. There was a noticeable improvement in business expectations, too. In October, Saxony's industrial companies were in a positive mood again for the first time since the beginning of the year.

In Saxony's *service sector*, the Business Climate Index fell a little further. Participating service providers' assessments of their current business situation declined slightly, as did their business expectations.

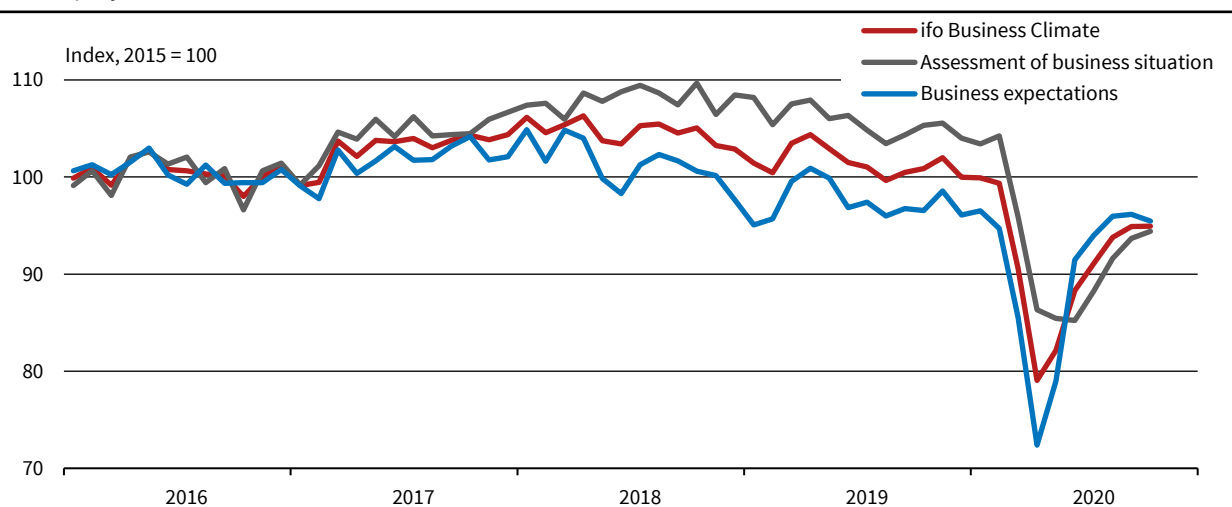
The mood in Saxony's *trade* clouded over somewhat in October. While business expectations in this sector continued to rise, current business plummeted compared to the previous month.

The business climate in Saxony's *construction* turned slightly more optimistic. The construction companies surveyed stated that they were considerably more satisfied with their current business. Their outlook for the coming six months improved again somewhat.

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### ifo Business Climate Saxony<sup>a</sup>

Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction.

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#### ifo Business Climate Saxony (Index, 2015 = 100, seasonally adjusted)

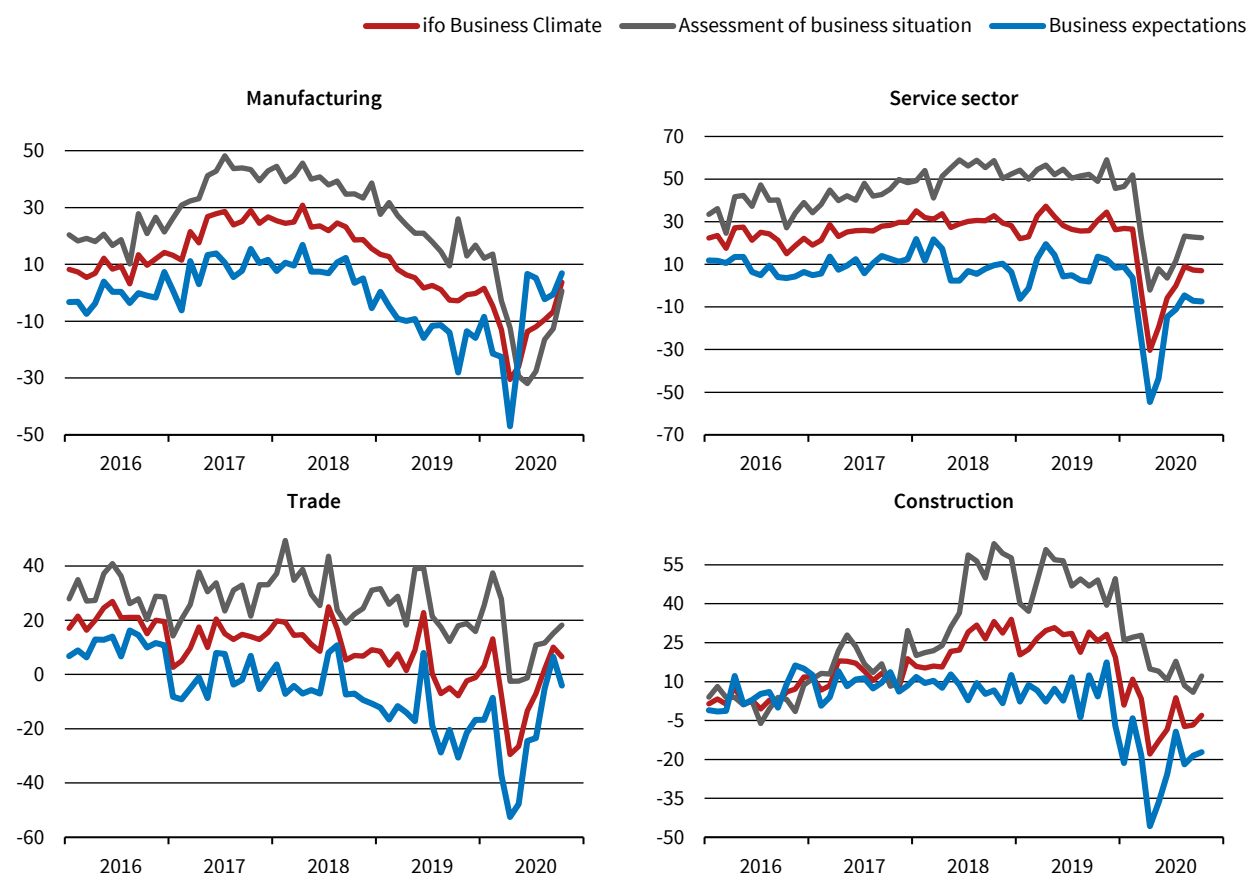
	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20
<b>Climate</b>	100.9	102.0	100.0	99.9	99.4	90.5	79.1	82.2	88.3	91.1	93.8	94.9	95.0
<b>Situation</b>	105.3	105.6	104.0	103.4	104.2	95.9	86.3	85.4	85.2	88.3	91.6	93.7	94.4
<b>Expectations</b>	96.6	98.6	96.1	96.5	94.7	85.5	72.4	79.0	91.5	94.0	96.0	96.2	95.5

Source: ifo Business Survey

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For long time series in Excel format, please see [www.ifo.de/en/umfragen/time-series](http://www.ifo.de/en/umfragen/time-series).

**Business Situation and Expectations Saxony by Sector**  
Balances, seasonally adjusted



Source: ifo Business Survey, October 2020

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**ifo Business Climate Saxony** (Balances, seasonally adjusted)

	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20
<b>Saxony</b>	18.1	20.6	16.2	16.1	14.9	-4.2	-29.0	-22.3	-9.0	-3.0	2.8	5.3	5.4
Manufacturing	-2.9	-0.7	-0.3	1.6	-4.7	-13.0	-30.5	-26.0	-13.7	-11.9	-9.5	-6.7	3.7
Service sector	30.6	34.5	26.3	26.9	26.6	-2.7	-30.4	-19.6	-5.7	-0.1	8.9	7.3	7.0
Trade	-7.9	-2.3	-1.1	3.1	13.2	-7.6	-29.5	-26.6	-13.4	-7.0	1.9	10.1	6.5
Construction	25.6	28.2	19.5	0.9	10.9	3.4	-17.9	-13.0	-8.5	3.8	-7.3	-6.7	-3.0

Source: ifo Business Survey

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The ifo Business Climate for Saxony is based on approx. 500 monthly survey responses from businesses in manufacturing, the service sector, trade, and construction. Companies are asked to give their assessments of the **current business situation** and their **expectations** for the next six months. They can describe their situation as “good,” “satisfactory,” or “poor” and their business expectations for the next six months as “more favorable,” “unchanged,” or “less favorable.” The **balance value** of the current business situation is the difference in the percentage shares of the responses “good” and “poor”; the balance value of the expectations is the difference in the percentage shares of the responses “more favorable” and “less favorable.” The **business climate** is a transformed mean of the balances of the business situation and the expectations. To calculate the **index values**, the transformed balances are all normalized to the average for the year 2015.



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