

ifo Business Climate Index Saxony Falls Slightly

Dresden, July 1, 2022 – The ifo Business Climate Index Saxony dropped slightly in June. The barometer of business sentiment in Saxony’s economy fell to 94.7 points, down by 0.3 points from May. The change was driven by worsening business expectations. Meanwhile, assessments of the current situation among companies in Saxony remained largely the same.

In Saxony’s *manufacturing*, the climate improved marginally. The slight downturn in assessments of the current business situation was roughly on a par with the improvement in business expectations.

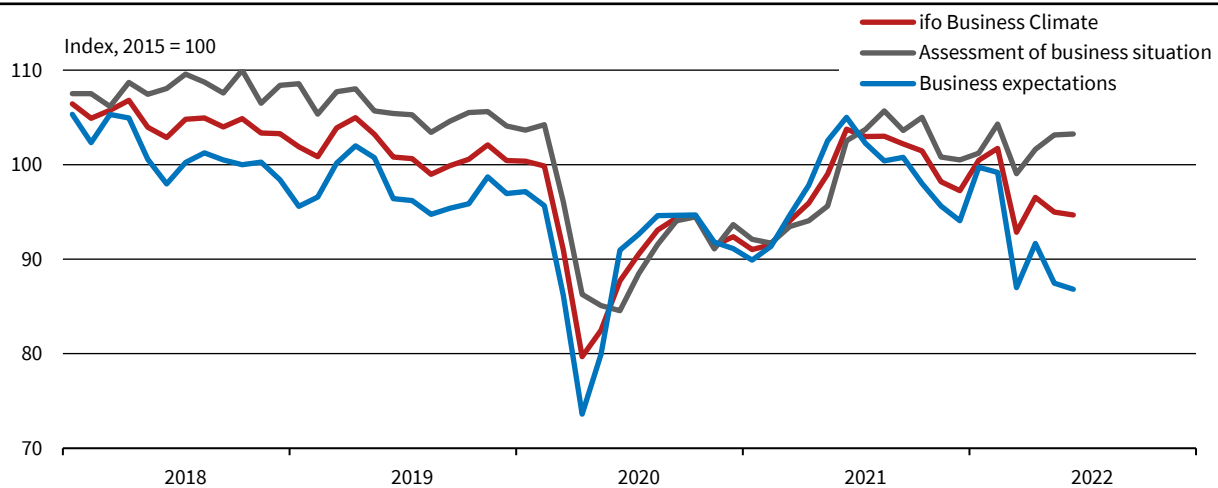
In Saxony’s *service sector*, too, the ifo Business Climate Index saw a slight increase in June. The service providers surveyed were somewhat less satisfied with the business situation compared to the previous month, but they reported being cautiously optimistic when looking ahead to the next six months.

In Saxony’s *trade*, the business climate turned considerably gloomier in June. While Saxony’s retailers assessed the current situation as marginally worse than in the previous month, the wholesalers surveyed reported a massive deterioration in their business situation. Saxony’s retail and wholesale companies view future business development with extreme pessimism. Overall, expectations in Saxony’s trade were even below the previous all-time low recorded in 2020.

In Saxony’s *construction*, the business climate continued the recovery it had in the previous month. Construction companies raised their business expectations massively and their business expectations improved moderately.

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ifo Business Climate Saxony^a Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, June 2022

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

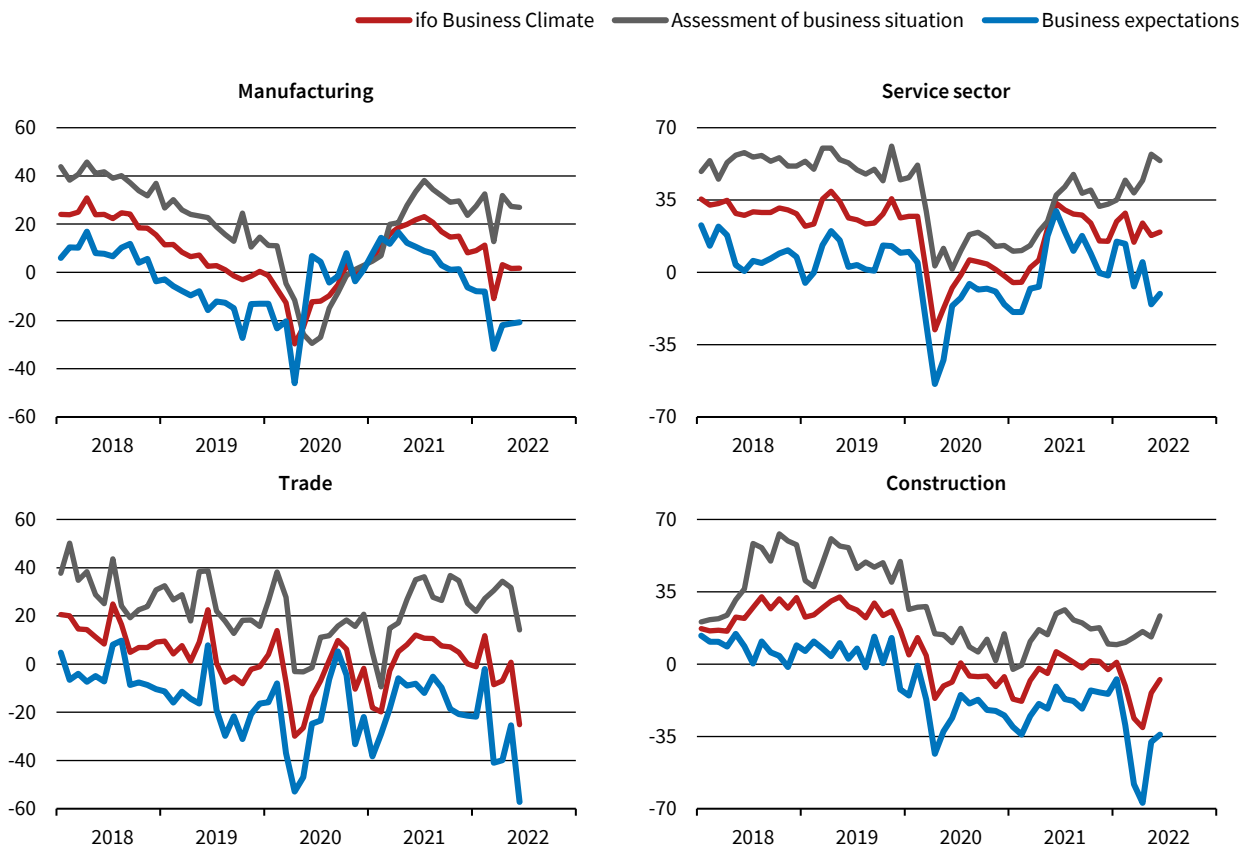
	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	06/22
Climate	103.8	103.0	103.0	102.2	101.4	98.2	97.2	100.5	101.7	92.8	96.5	95.0	94.7
Situation	102.5	103.7	105.7	103.6	105.0	100.8	100.5	101.2	104.3	99.1	101.6	103.1	103.2
Expectations	105.0	102.2	100.4	100.8	98.0	95.6	94.1	99.7	99.2	87.0	91.7	87.5	86.8

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, June 2022

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ifo Business Climate Saxony by Sector (Balances, seasonally adjusted)

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	06/22
Saxony	24.4	22.7	22.8	21.0	19.4	12.4	10.3	17.3	20.0	0.8	8.8	5.4	4.7
Manufacturing	21.7	23.0	20.7	16.8	14.6	15.0	8.1	9.1	11.3	-10.8	3.2	1.6	1.7
Service sector	33.4	30.2	28.2	27.8	23.9	15.2	15.1	24.7	28.7	14.6	23.8	17.8	19.5
Trade	12.1	10.7	10.6	7.6	7.2	4.9	0.1	-1.2	11.8	-8.6	-7.0	0.7	-25.1
Construction	6.0	3.5	0.8	-2.0	1.6	1.3	-2.8	0.9	-10.6	-26.2	-30.7	-14.0	-7.5

Source: ifo Business Survey

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The ifo Business Climate Saxony is based on approx. 500 monthly 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 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.

