

## ifo Business Climate Index for Eastern Germany Slips Slightly

Dresden, June 28, 2024 – The ifo Business Climate Index for Eastern Germany fell slightly in June. The barometer of business sentiment for the regional economy in eastern Germany declined to 92.4 points, down from 92.7 points in May. The eastern German companies surveyed provided assessments of their business situation that were somewhat worse than the previous month and lowered their business expectations slightly. The upward trend of recent months has not continued.

In eastern German *manufacturing*, the business climate cooled down a little in June. The companies surveyed assessed their current business situation as being somewhat less good than in the previous month. Their expectations for future business development fell marginally.

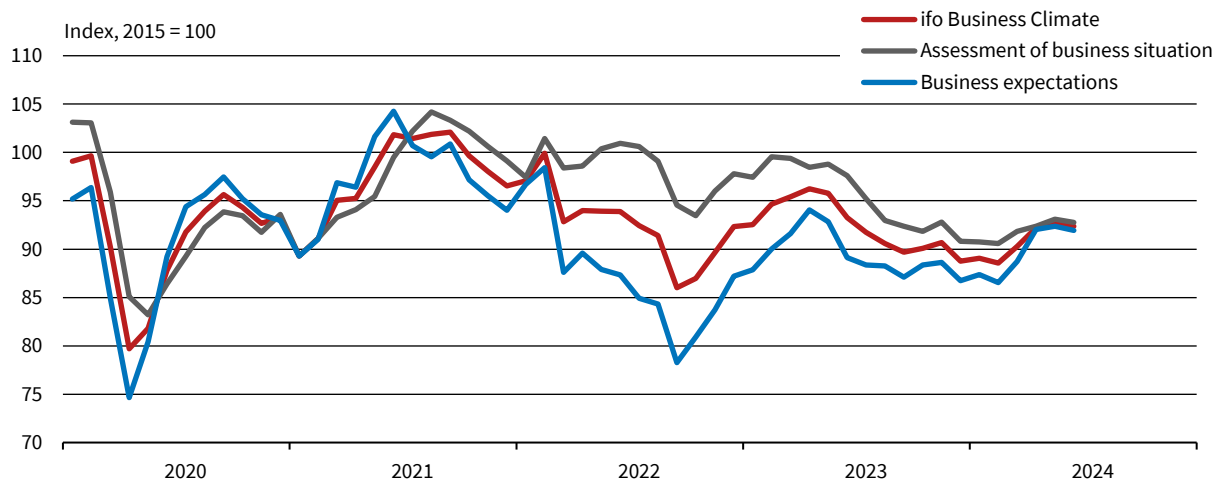
The ifo Business Climate Index rose slightly in the eastern German *service sector* in June. Compared to the previous month, the service providers surveyed raised their assessments of the current situation slightly and their business expectations for the coming months.

In eastern German *trade*, the business climate was perceptibly gloomier in June. Both retailers and wholesalers in eastern Germany reported poorer business than in the previous month. The business situation for retailers deteriorated slightly, while that for wholesale worsened considerably. The outlook for the retail sector deteriorated somewhat, while the outlook for the wholesale trade rose slightly.

In eastern German *construction*, the business climate turned a little brighter in June. The construction companies surveyed stated that their business situation was now a little worse than in May. At the same time, they raised their expectations for future business significantly.

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### ifo Business Climate Eastern Germany<sup>a</sup> Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade and construction.  
Source: ifo Business Survey, June 2024.

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

	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24	05/24	06/24
<b>Climate</b>	93.3	91.7	90.6	89.7	90.1	90.7	88.8	89.0	88.6	90.3	92.2	92.7	92.4
<b>Situation</b>	97.6	95.2	93.0	92.4	91.8	92.8	90.8	90.7	90.6	91.8	92.4	93.1	92.8
<b>Expectations</b>	89.1	88.4	88.3	87.1	88.3	88.6	86.7	87.4	86.6	88.7	92.1	92.4	91.9

Source: ifo Business Survey

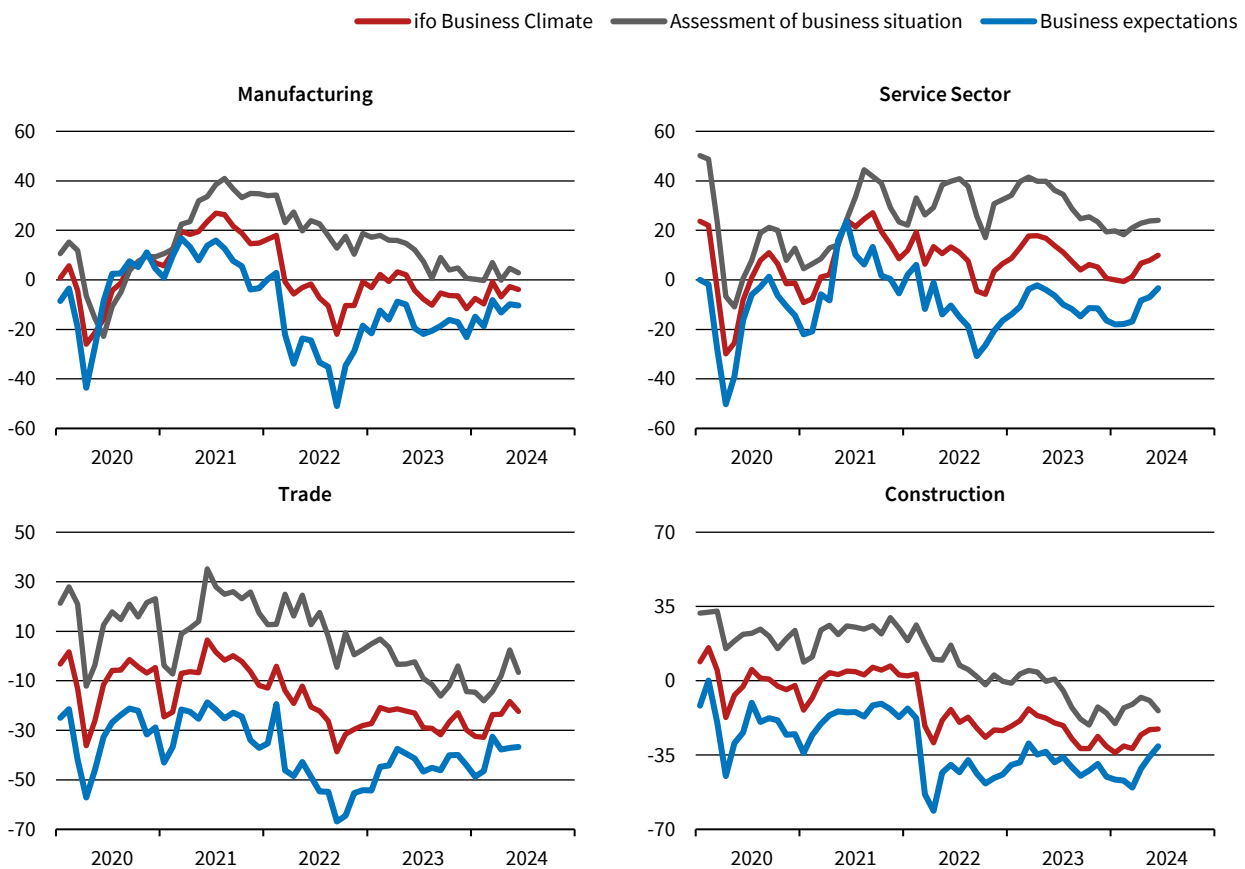
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For long time series in Excel format, please see [www.ifo.de/en/umfragen/time-series](http://www.ifo.de/en/umfragen/time-series).



The ifo Institute's Dresden Branch is partly financed by tax revenues on the basis of the budget approved by the members of Saxony's state parliament.

**Business Situation and Expectations Eastern Germany by Sector**  
Balances, seasonally adjusted



Source: ifo Business Survey, June 2024.

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**ifo Business Climate Eastern Germany** (Balances, seasonally adjusted)

	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24	05/24	06/24
<b>Eastern Germany</b>	1.2	-2.1	-4.5	-6.5	-5.6	-4.3	-8.5	-7.9	-8.9	-5.2	-1.1	0.1	-0.7
Manufacturing	-4.3	-7.8	-10.3	-5.3	-6.3	-6.5	-11.7	-7.5	-9.7	-0.7	-6.8	-2.8	-3.9
Service sector	13.9	11.1	7.5	4.1	6.2	5.2	0.7	0.0	-0.6	1.3	6.8	7.8	9.9
Trade	-23.1	-28.9	-29.2	-31.9	-26.7	-22.9	-29.9	-32.5	-32.9	-23.7	-23.6	-18.4	-22.4
Construction	-19.9	-21.0	-27.3	-31.9	-31.9	-26.3	-30.9	-33.9	-30.7	-31.9	-25.4	-23.0	-22.7

Source: ifo Business Survey

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The ifo Business Climate Eastern Germany is based on approx. 1,700 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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