

## First Glimmer of Hope for Saxony's Economy

Dresden, June 4, 2020 – The ifo Business Climate Index for Saxony rose in May from 78.0 to 81.6 points, representing the first glimmer of hope for the state's economy. The improvement registered on the sentiment barometer was driven by the strong upswing in business expectations; the survey participants' assessments of their current situation once again declined somewhat. However, both sub-indices remain deep in unfavorable territory.

For the time being, the Business Climate Index for Saxony's *manufacturing* has halted the decline of the past few months, a change largely attributable to the rise in business expectations. Meanwhile, assessments of the current situation fell significantly once again.

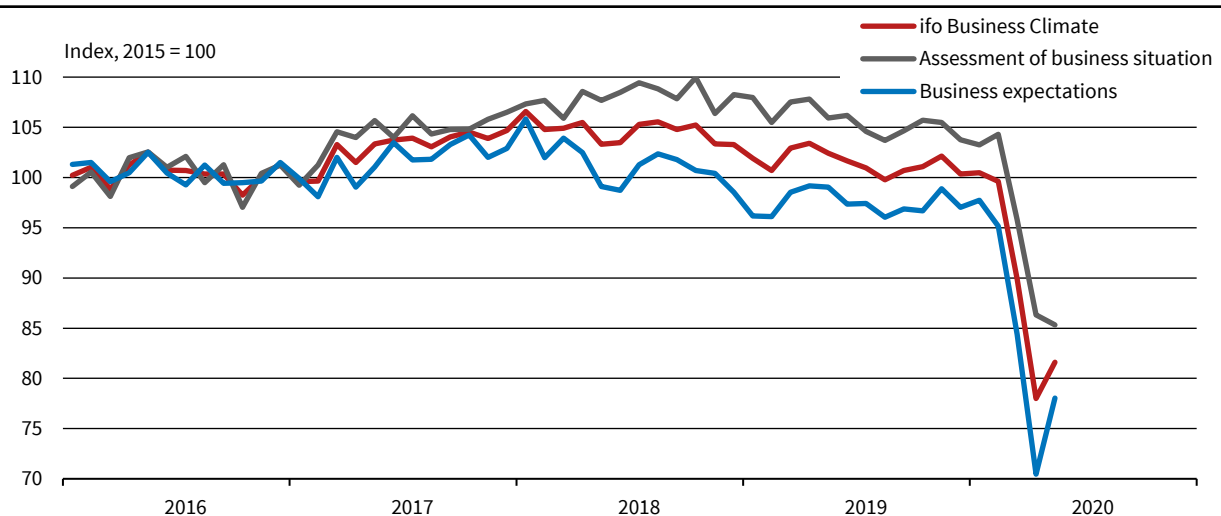
Sentiment in Saxony's *service sector* improved in May, with assessments of the current situation and business expectations seeing a major increase among the companies surveyed.

In Saxony's *trade*, the deterioration in sentiment has halted for the time being. Assessments of the current business situation remain largely in line with the previous month. There was a noticeable improvement in business expectations.

The mood in Saxony's *construction* rose significantly in May, driven by the rise in business expectations. However, assessments of the current situation fell somewhat compared to the previous month.

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



<sup>a</sup> Manufacturing, service sector, trade, and construction.  
Source: ifo Business Survey, May 2020

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

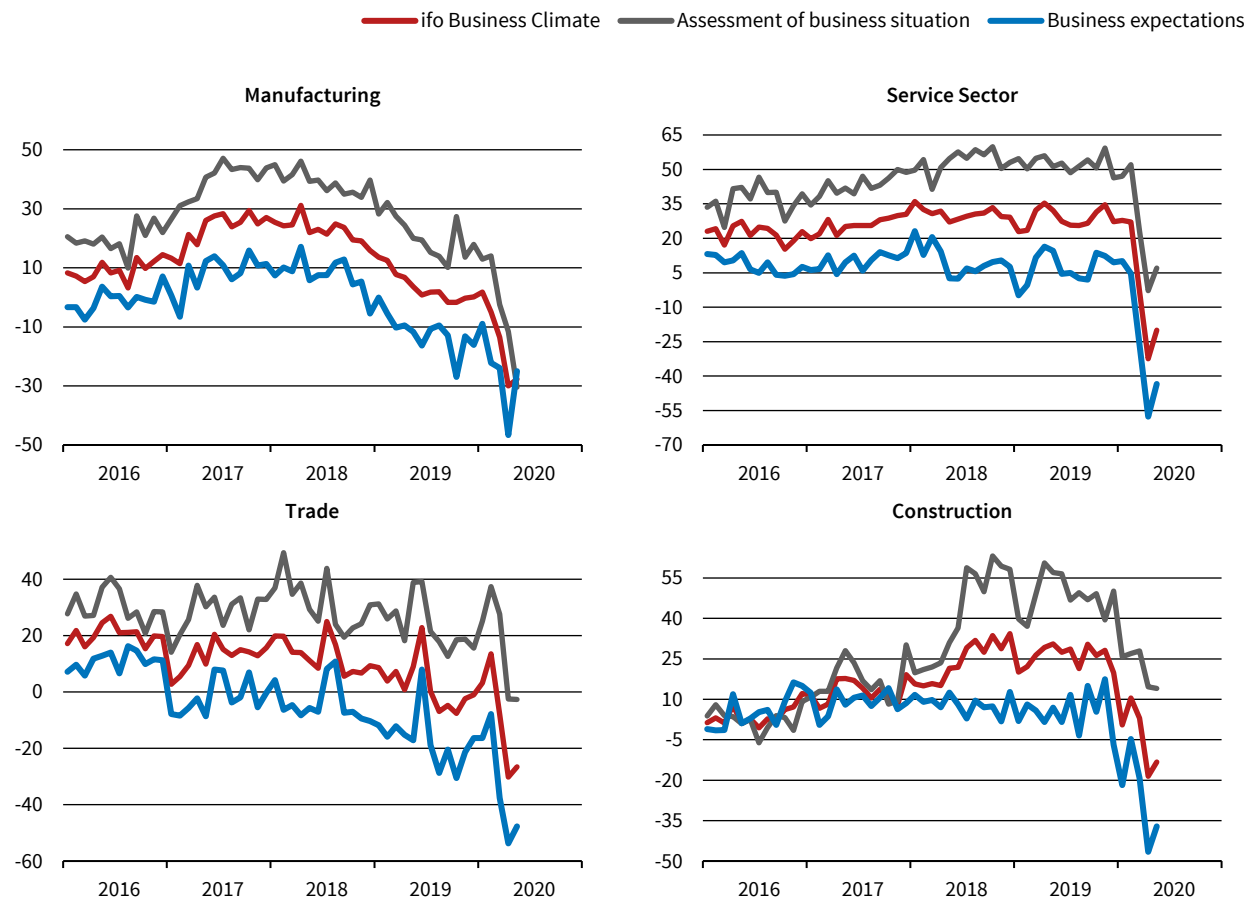
	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20
<b>Climate</b>	102.4	101.7	100.9	99.8	100.7	101.1	102.1	100.3	100.5	99.6	89.9	78.0	81.6
<b>Situation</b>	105.9	106.2	104.6	103.7	104.7	105.7	105.5	103.8	103.3	104.3	95.8	86.3	85.3
<b>Expectations</b>	99.1	97.3	97.4	96.0	96.9	96.7	98.9	97.0	97.7	95.2	84.4	70.5	78.0

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, May 2020

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

	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20
<b>Saxony</b>	21,6	19,9	18,4	15,8	17,8	18,7	20,9	17,0	17,3	15,5	-5,5	-31,3	-23,5
Manufacturing	3,6	0,8	1,8	1,9	-1,7	-1,7	-0,3	0,2	1,7	-4,9	-13,5	-30,0	-27,7
Service Sector	32,1	27,4	25,7	25,6	26,6	31,5	34,7	27,2	27,9	27,2	-3,2	-32,4	-20,0
Trade	9,0	22,8	0,3	-6,9	-4,7	-7,6	-2,4	-1,0	3,2	13,6	-7,9	-30,2	-26,6
Construction	30,6	27,4	28,6	21,5	30,4	26,2	28,2	19,8	0,6	10,5	3,0	-18,6	-13,3

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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