

ifo Business Climate Saxony Improves

Dresden, July 6, 2020 – The ifo Business Climate Index for Saxony saw a sharp rise in June from 81.8 to 88.3 points. It seems that the decline of the past few months is over. Sentiment brightened mainly thanks to the major improvement in business expectations. However, the survey participants' assessments of their current situation fell slightly compared to the previous month.

The business climate in Saxony's *manufacturing* turned much brighter, attributable largely to a clear improvement in business expectations. The survey participants' assessments of their current situation declined somewhat.

Sentiment in Saxony's *service sector* improved very significantly. The outlook for the coming six months brightened considerably. However, assessments of the current situation declined slightly in June.

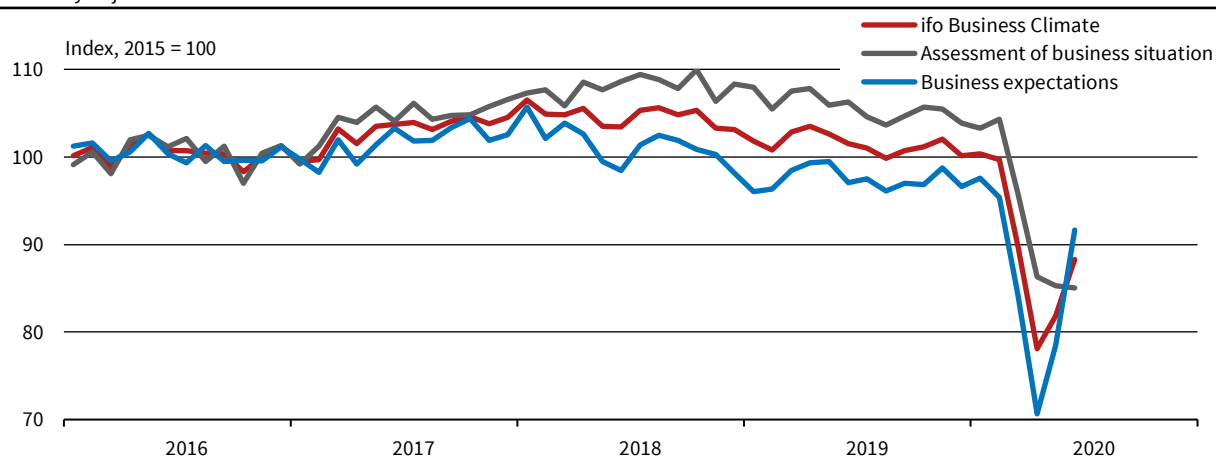
The business climate index for Saxony's *trade* rose very sharply, mainly due to the business expectations. The outlook for the coming six months was much brighter. Survey participants' assessments of their current business situation were also somewhat better than in the previous month.

The mood in Saxony's *construction* was slightly brighter in June, driven by the rise in business expectations. However, assessments of the current situation fell slightly compared to the previous month.

Joachim Ragnitz and Marcel Thum
Executive Directors, Dresden Branch of the ifo Institute

ifo Business Climate Saxony^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, June 2020

© ifo Institute

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

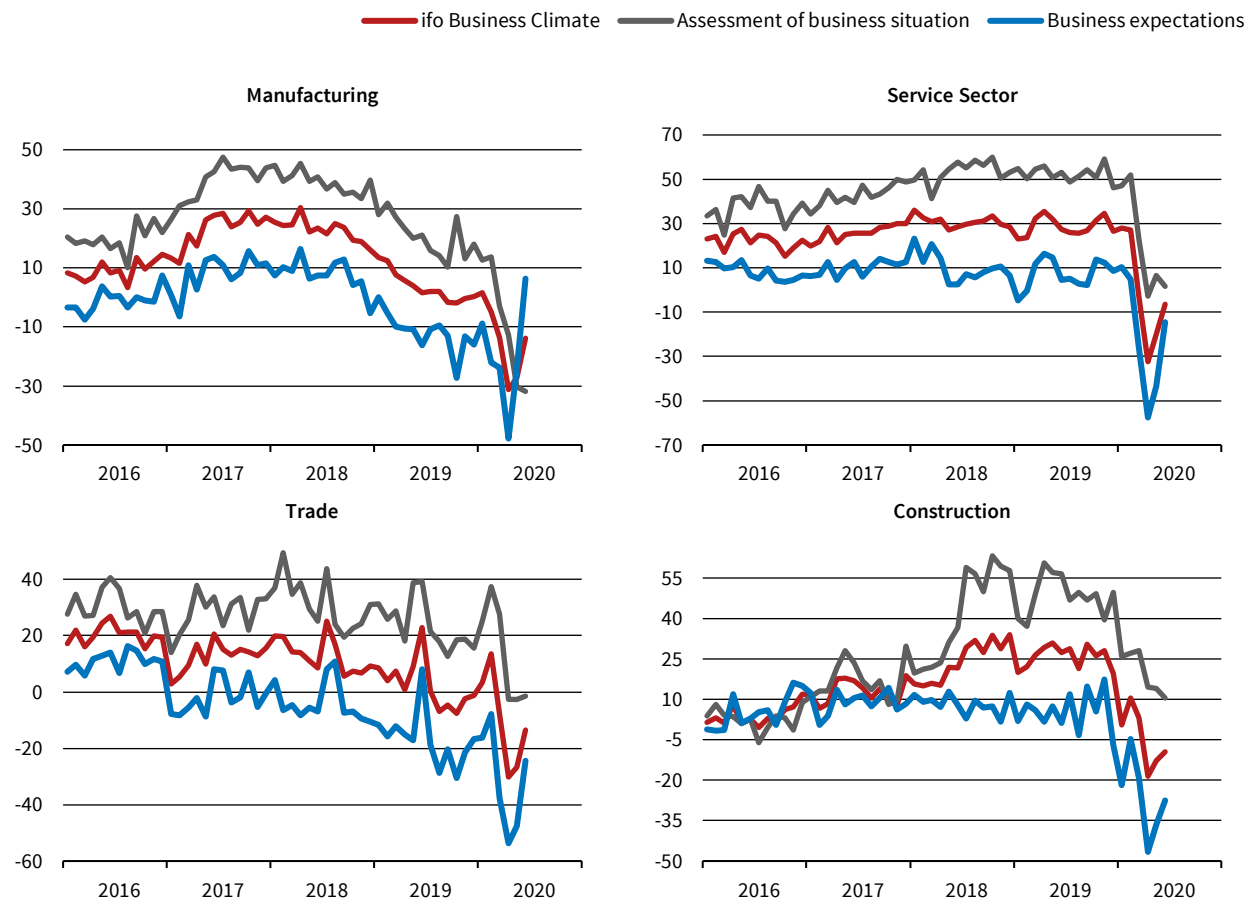
	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20
Climate	101.6	101.0	99.8	100.7	101.2	102.0	100.2	100.4	99.7	89.8	78.1	81.8	88.3
Situation	106.3	104.6	103.7	104.6	105.7	105.5	103.8	103.3	104.3	95.8	86.3	85.3	85.0
Expectations	97.0	97.5	96.1	97.0	96.8	98.7	96.6	97.6	95.4	84.2	70.7	78.5	91.7

Source: ifo Business Survey

© ifo Institute

For long time series in Excel format, please see www.ifo.de/en/umfragen/time-series.

Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, June 2020.

© ifo Institut

ifo Business Climate Saxony (Balances, seasonally adjusted)

	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20
Saxony	19.7	18.5	15.9	17.9	18.8	20.7	16.6	17.1	15.7	-5.7	-31.1	-23.0	-9.0
Manufacturing	1.6	2.1	2.0	-1.7	-1.9	-0.5	0.3	1.6	-5.0	-13.6	-31.2	-27.3	-13.8
Service Sector	27.5	25.9	25.8	26.7	31.6	34.7	26.6	27.9	27.2	-3.3	-32.4	-20.2	-6.5
Trade	22.9	0.3	-6.9	-4.7	-7.6	-2.4	-1.1	3.2	13.6	-7.9	-30.2	-26.6	-13.5
Construction	27.2	28.7	21.5	30.3	26.2	28.1	19.4	0.6	10.6	3.1	-18.6	-12.9	-9.4

Source: ifo Business Survey

© ifo Institute

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.



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