

## ifo Business Climate Saxony Improves Once Again

Dresden, August 3, 2020 – The ifo Business Climate Index for Saxony made a sizable jump in July from 88.4 to 91.1 points, with the entrepreneurs surveyed stating they were distinctly more satisfied with their current business. The outlook for the coming six months was appreciably better as well.

In Saxony's *manufacturing*, there was a marginal improvement in sentiment compared to the previous month. Survey participants reported a slight improvement in their business situation, although business expectations declined somewhat.

In Saxony's *service sector*, the business climate brightened considerably. This was driven by survey participants' notably more positive assessments of the business situation. The outlook for the coming six months also improved slightly.

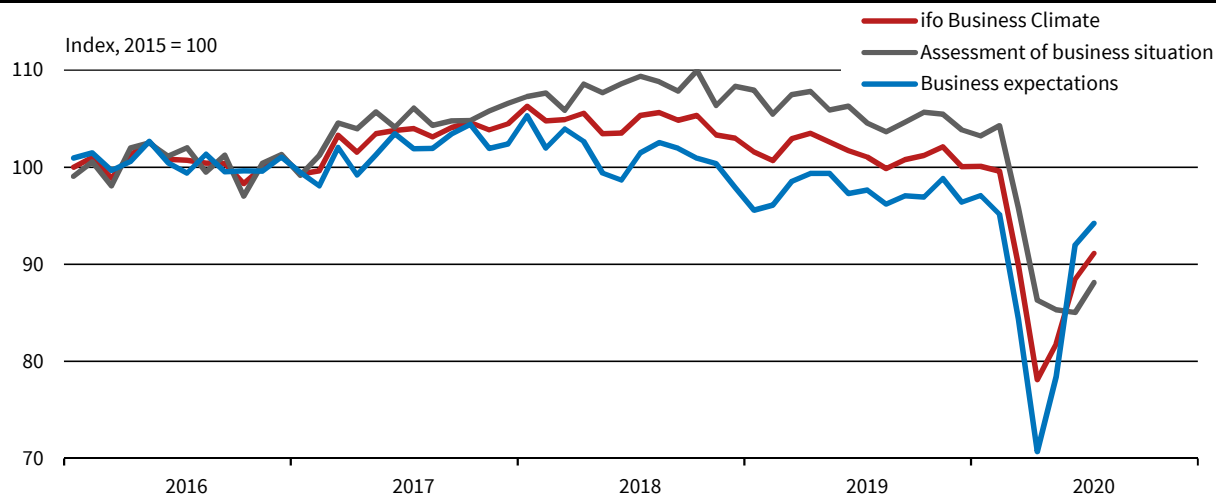
The business climate in Saxony's *trade* turned noticeably brighter in July. This was mainly due to the improvement in wholesalers' and retailers' assessments of the current situation. Business expectations, however, rose only a little. While business expectations in retail increased strongly, in wholesale they fell significantly.

Sentiment in Saxony's *construction* was much better in July: companies' business expectations saw a major boost, and assessments of the current situation increased significantly as well.

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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, July 2020

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

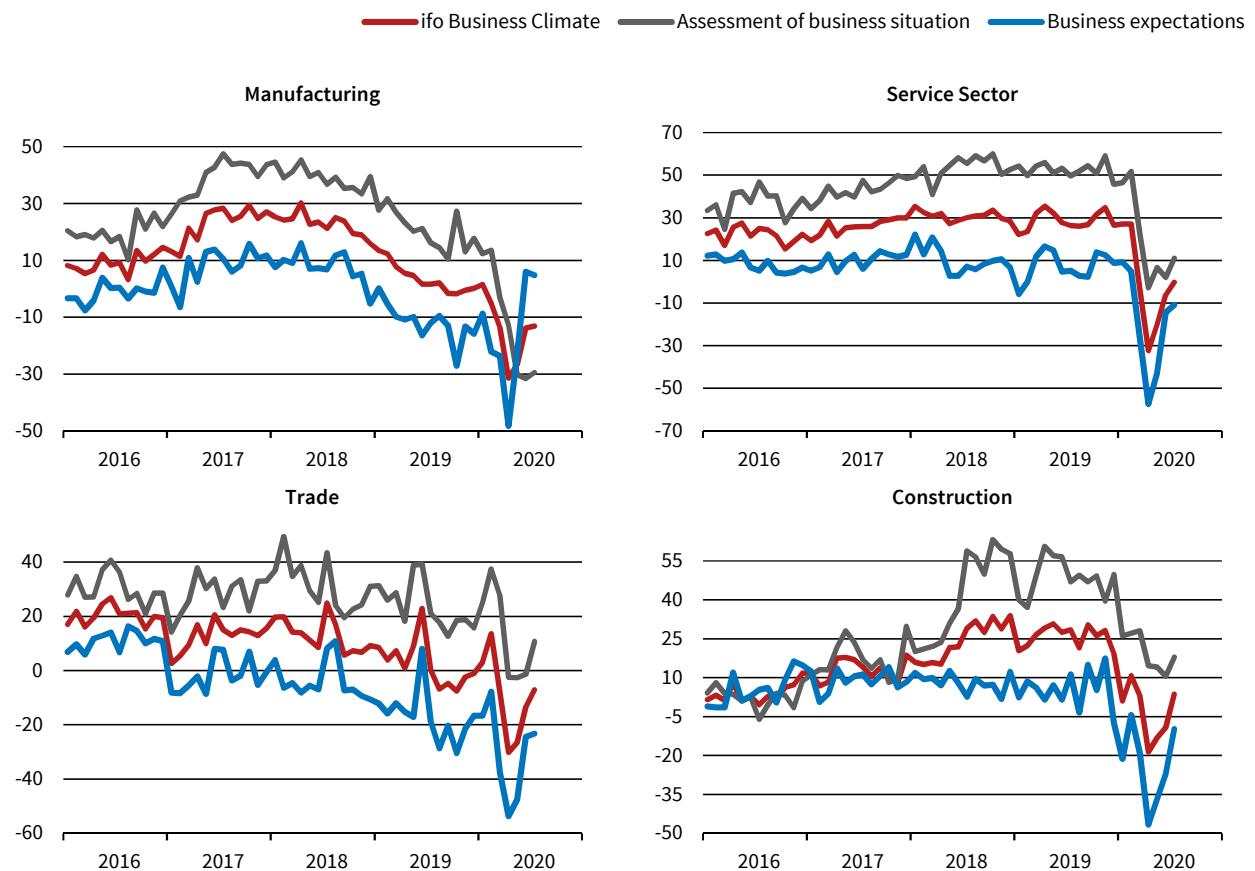
	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20
<b>Climate</b>	101.0	99.9	100.8	101.2	102.1	100.0	100.1	99.6	89.9	78.1	81.8	88.4	91.1
<b>Situation</b>	104.5	103.7	104.7	105.7	105.5	103.8	103.2	104.3	95.8	86.3	85.3	85.0	88.1
<b>Expectations</b>	97.6	96.2	97.1	96.9	98.8	96.4	97.1	95.1	84.4	70.7	78.4	92.0	94.2

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, July 2020

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

	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20
<b>Saxony</b>	<b>18.5</b>	<b>16.0</b>	<b>18.0</b>	<b>18.9</b>	<b>20.8</b>	<b>16.4</b>	<b>16.5</b>	<b>15.5</b>	<b>-5.5</b>	<b>-31.0</b>	<b>-23.1</b>	<b>-8.7</b>	<b>-2.9</b>
Manufacturing	1.6	2.1	-1.6	-1.7	-0.5	0.2	1.5	-5.2	-13.6	-31.5	-26.7	-13.7	-13.1
Service Sector	26.3	26.0	26.8	31.6	34.7	26.5	27.0	27.1	-3.4	-32.4	-20.0	-6.3	-0.2
Trade	0.1	-6.8	-4.7	-7.6	-2.3	-1.1	3.0	13.6	-7.9	-30.2	-26.6	-13.5	-7.0
Construction	28.4	21.5	30.4	26.2	28.2	19.3	1.0	10.7	3.1	-18.6	-13.2	-9.2	3.6

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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