

ifo Business Climate Saxony Falls

Dresden, December 3, 2020 – The ifo Business Climate Index Saxony fell heavily in November. The barometer of business sentiment dropped from 94.8 to 91.2 points. Not only did the survey participants lower their assessments of the current situation very significantly, but their expectations for the coming six months also deteriorated noticeably. The second wave of coronavirus is definitely making itself felt in Saxony.

The mood in Saxony's *manufacturing* sank slightly in November. While companies' expectations for the coming six months fell perceptibly, their assessments of the current situation improved slightly.

In Saxony's *service sector*, the Business Climate Index dropped substantially. The companies adjusted their assessments of the current situation massively downward. Their business expectations also deteriorated slightly.

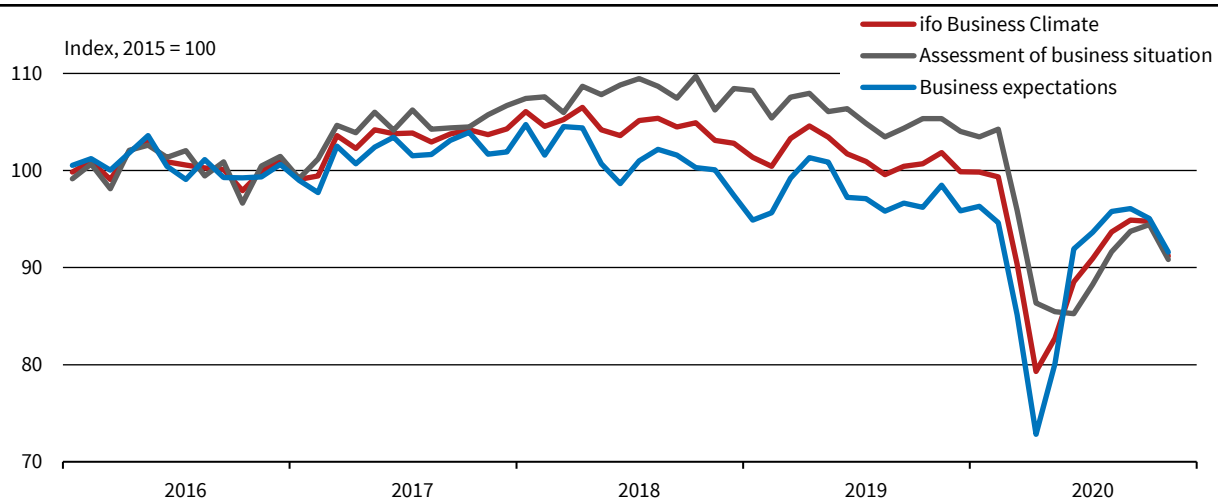
Sentiment in Saxony's *trade* took a nosedive in November. This was primarily due to business expectations for the coming six months, which have rarely fallen so drastically. Assessments of the current business situation also declined slightly.

The business climate for *construction* in Saxony worsened somewhat in November. This was driven by a severe decline in current business. Expectations for the coming six months improved marginally.

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ifo Business Climate Saxony^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, November 2020

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

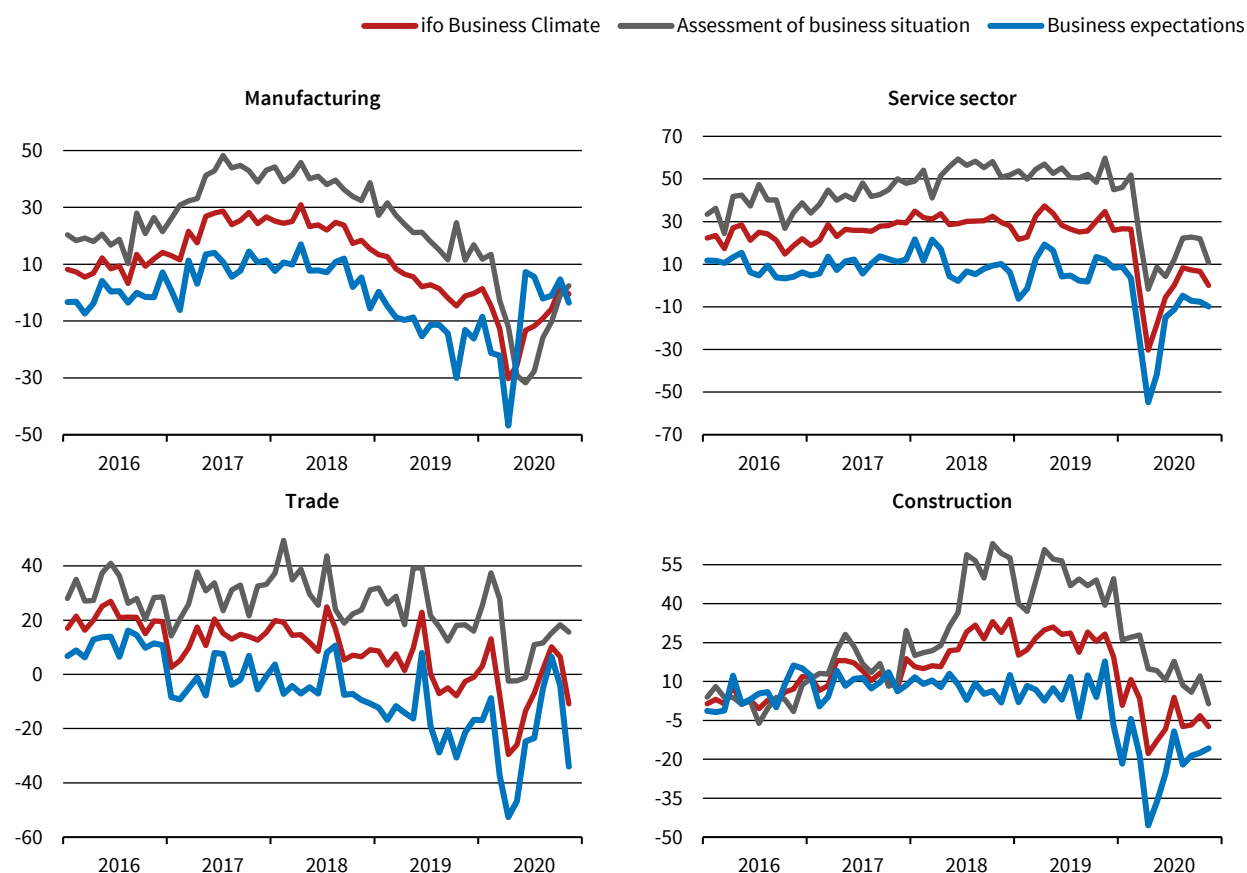
	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20
Climate	101.9	99.9	99.8	99.3	90.4	79.3	82.7	88.5	90.9	93.7	94.9	94.8	91.2
Situation	105.3	104.0	103.5	104.2	95.9	86.3	85.5	85.3	88.3	91.6	93.7	94.4	90.8
Expectations	98.5	95.9	96.3	94.6	85.1	72.8	80.1	91.9	93.7	95.8	96.1	95.1	91.6

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, November 2020

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ifo Business Climate Saxony (Balances, seasonally adjusted)

	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20
Saxony	20.3	16.0	15.9	14.8	-4.6	-28.5	-21.1	-8.5	-3.3	2.6	5.2	4.9	-2.7
Manufacturing	-1.2	-0.3	1.4	-4.7	-12.7	-30.3	-25.6	-13.3	-11.8	-9.1	-5.7	1.9	-0.6
Service sector	34.7	25.9	26.6	26.4	-2.8	-30.3	-18.2	-5.5	0.0	8.3	7.2	6.7	0.1
Trade	-2.6	-1.1	3.1	13.1	-7.6	-29.5	-26.0	-13.5	-7.0	1.9	10.1	6.4	-10.8
Construction	28.3	19.5	0.7	10.7	3.5	-17.8	-12.9	-8.3	3.9	-7.4	-6.8	-3.2	-7.4

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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