

ifo Business Climate Saxony Rises Slightly

Dresden, January 12, 2021 – The ifo Business Climate Index Saxony rose slightly in December. The barometer of business sentiment climbed from 91.2 to 91.5 points, as survey participants' assessments of the business situation were much more positive. Their expectations for the coming six months were a little more pessimistic.

In Saxony's *manufacturing*, sentiment brightened somewhat in December. The outlook for the coming six months improved slightly. Assessments of the current situation remain largely in line with the previous month.

In Saxony's *service sector*, the Business Climate Index slipped a little in December. This was primarily due to considerably more pessimism in business expectations for the coming six months. Current business was somewhat better than the previous month.

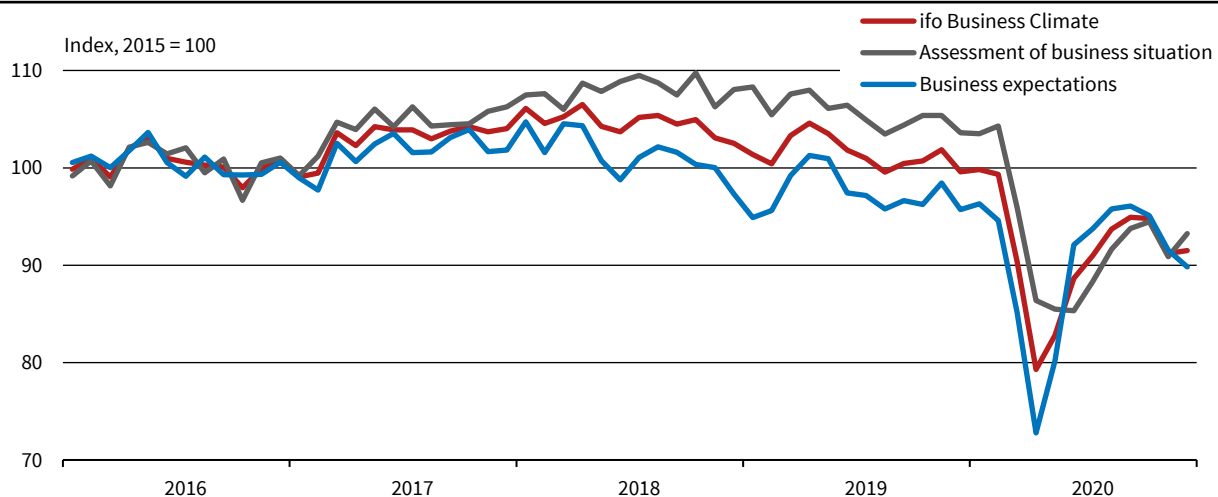
Sentiment in Saxony's *trade* improved noticeably in December, driven by the marked rise in business expectations. Assessments of the current situation rose only slightly compared to the previous month. While wholesalers expressed greater satisfaction with current business, retailers saw their business situation deteriorate.

The business climate for *construction* in Saxony brightened significantly in December. Survey participants reported a strong improvement in their assessments of the situation, while business expectations for the coming six months were only marginally worse.

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ifo Business Climate Saxony^a

Seasonally adjusted



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

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

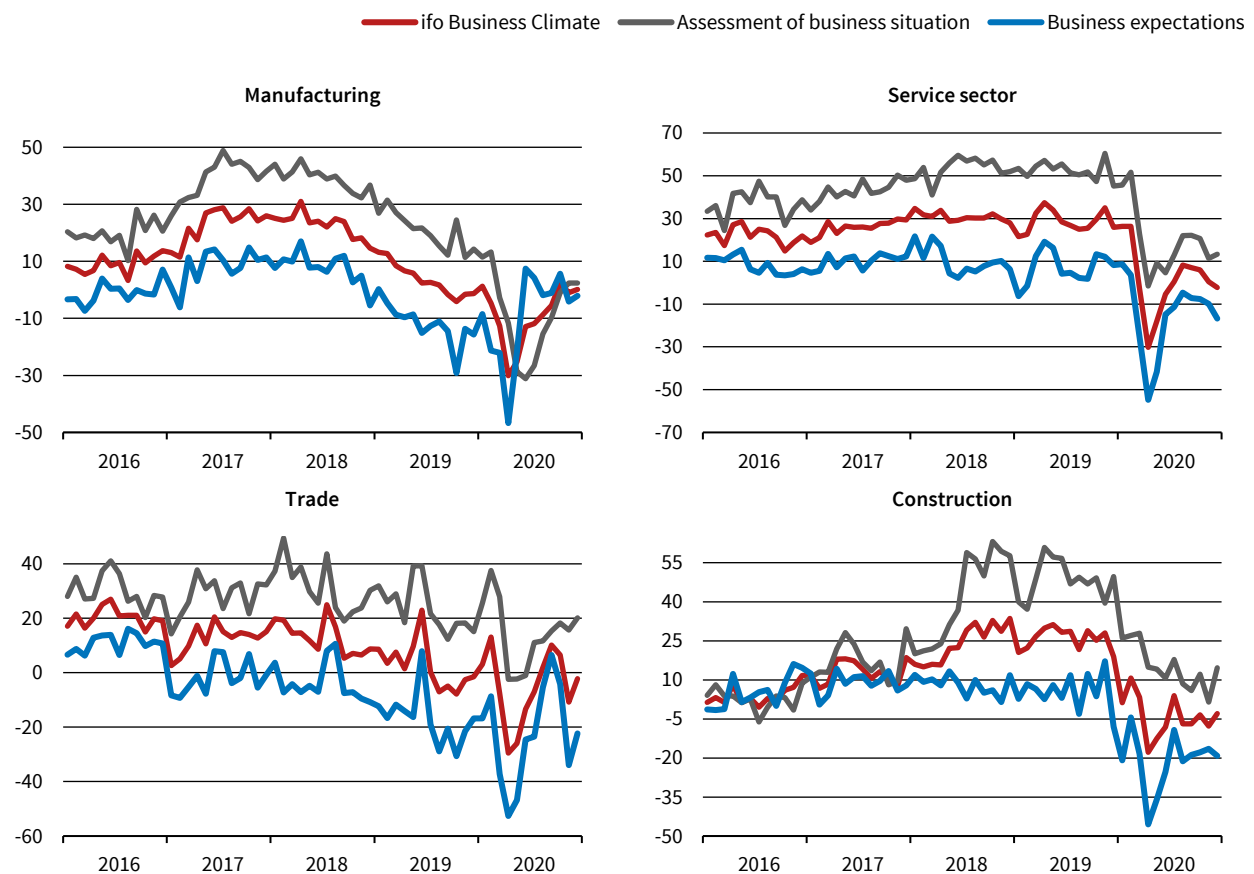
	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20
Climate	99.6	99.8	99.3	90.4	79.3	82.8	88.6	91.0	93.7	94.9	94.8	91.2	91.5
Situation	103.6	103.5	104.3	95.9	86.4	85.5	85.3	88.3	91.7	93.8	94.5	90.9	93.3
Expectations	95.7	96.3	94.6	85.1	72.8	80.2	92.1	93.7	95.8	96.1	95.1	91.5	89.8

Source: ifo Business Survey

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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, December 2020

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ifo Business Climate Saxony (Balances, seasonally adjusted)

	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20
Saxony	15.4	15.9	14.8	-4.6	-28.5	-20.9	-8.3	-3.2	2.6	5.3	5.0	-2.7	-2.1
Manufacturing	-1.3	1.2	-4.7	-12.7	-30.1	-25.3	-12.8	-11.8	-8.8	-5.4	2.3	-0.9	0.1
Service sector	26.0	26.4	26.3	-2.9	-30.2	-18.0	-5.3	0.4	8.2	7.0	6.0	0.5	-2.3
Trade	-1.5	3.2	13.1	-7.6	-29.5	-25.9	-13.4	-7.0	1.9	10.2	6.5	-10.8	-2.2
Construction	18.9	1.2	10.7	3.4	-17.8	-12.5	-8.2	3.9	-6.9	-6.9	-3.4	-7.7	-3.0

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.

