

## ifo Business Climate Saxony Rises Further

Dresden, September 3, 2020 – The ifo Business Climate Index for Saxony rose palpably in August from 91.1 points to 93.3 points. The survey participants' assessments of their current situation were noticeably better, while their expectations improved tangibly. However, the business climate is still significantly lower than it was before the outbreak of the coronavirus crisis in March of this year.

The business climate in Saxony's *manufacturing* turned somewhat brighter. Survey participants reported a very clear improvement in their assessments of the current situation, but the outlook for the coming six months was decidedly worse.

In Saxony's *service sector*, sentiment was much brighter. Service providers' assessments of the current business situation were greatly improved, while business expectations for the coming six months rose markedly.

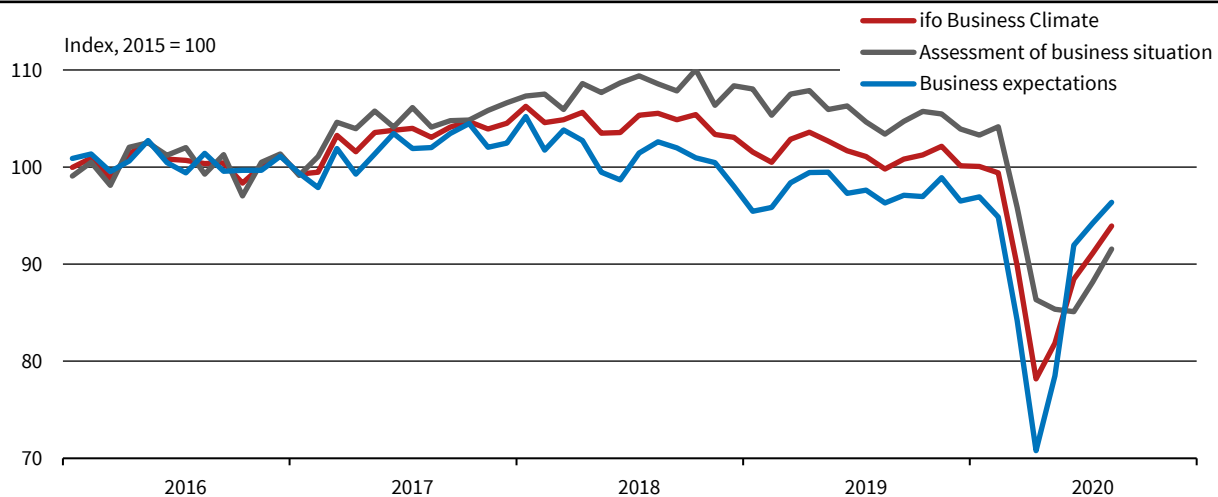
The business climate in Saxony's *trade* brightened discernibly in August. This was driven by companies' substantially improved business expectations. In contrast, assessments of the current situation were barely better than last month.

The mood in Saxony's *construction* took a tumble in August, with the companies surveyed appreciably less satisfied with their current business than in the previous month. Business expectations fell conspicuously.

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

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

Seasonally adjusted



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

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

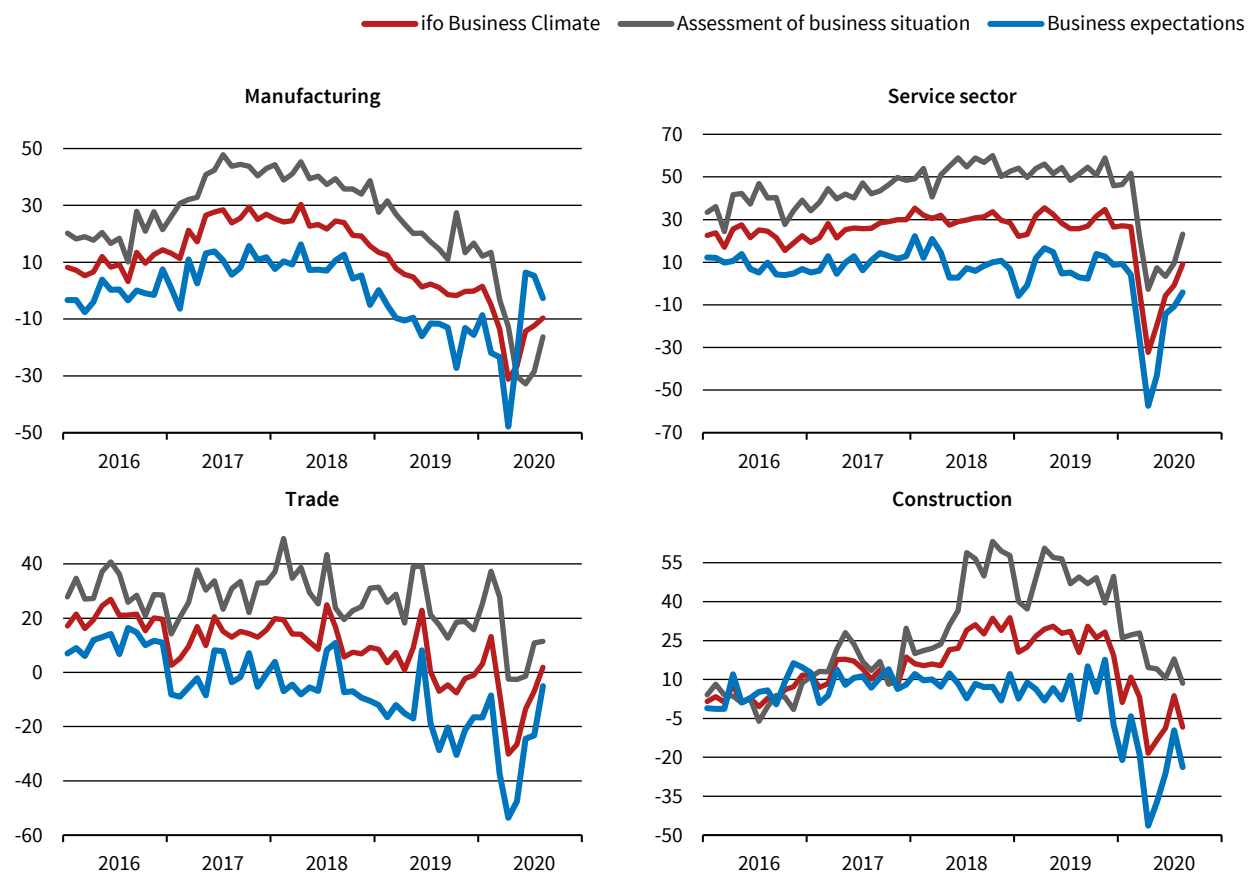
	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20
<b>Climate</b>	99.8	100.8	101.3	102.2	100.1	100.1	99.4	89.8	78.2	81.9	88.5	91.1	93.9
<b>Situation</b>	103.4	104.7	105.7	105.5	103.9	103.3	104.2	95.8	86.3	85.3	85.1	88.2	91.6
<b>Expectations</b>	96.3	97.1	97.0	98.9	96.5	96.9	94.8	84.2	70.8	78.5	92.0	94.2	96.4

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, August 2020

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

	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20
<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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