

ifo Business Climate Saxony Falls Slightly

Dresden, January 12, 2022 – The ifo Business Climate Index Saxony continued to fall in December. The barometer of business sentiment in Saxony’s economy declined slightly from 98.0 to 96.9 points. The companies surveyed lowered their expectations for the coming six months somewhat. Survey participants were also less satisfied with their current business.

In Saxony’s *manufacturing*, sentiment darkened considerably in December. Business expectations for the coming six months were revised noticeably downward, while assessments of the current situation plummeted.

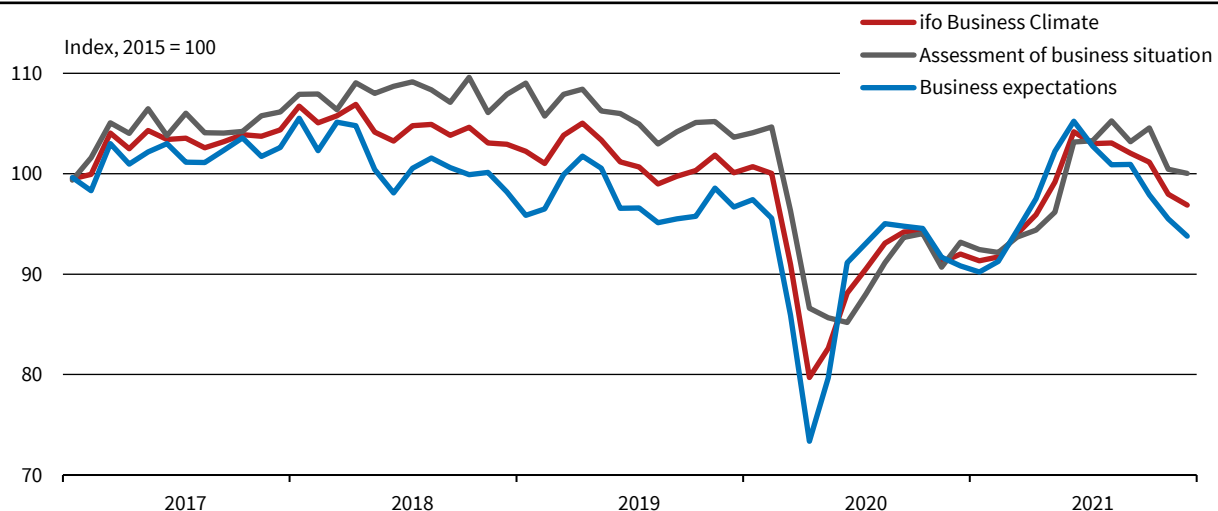
Sentiment in Saxony’s *service sector* worsened slightly in December. The survey participants’ assessments of their current situation were slightly bleaker compared to the previous month. Their assessments of the business situation also fell a little.

In Saxony’s *trade*, the barometer of business sentiment continued to cool down in December. The businesses surveyed were markedly less satisfied with their current situation, while business expectations for the coming six months slid marginally once again.

In Saxony’s *construction industry*, the Business Climate Index fell somewhat in December. The survey participants’ assessments of their current situation were much bleaker compared to the previous month. The outlook among construction companies for the coming six months remained equally pessimistic.

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ifo Business Climate Saxony^a Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, December 2021

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

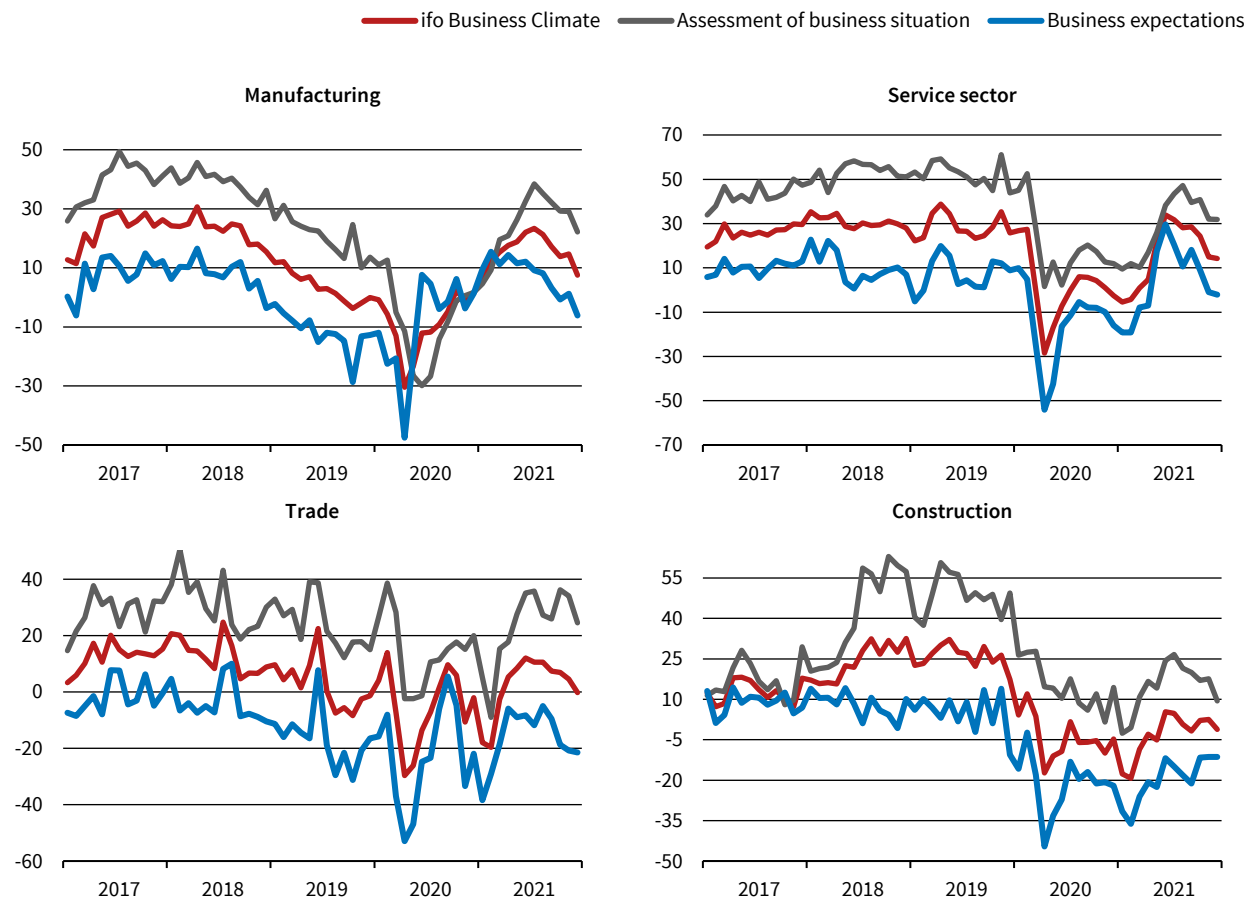
| | 12/20 | 01/21 | 02/21 | 03/21 | 04/21 | 05/21 | 06/21 | 07/21 | 08/21 | 09/21 | 10/21 | 11/21 | 12/21 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Climate | 92.0 | 91.3 | 91.7 | 94.0 | 95.9 | 99.2 | 104.2 | 103.0 | 103.1 | 102.1 | 101.2 | 98.0 | 96.9 |
| Situation | 93.2 | 92.5 | 92.2 | 93.7 | 94.4 | 96.2 | 103.2 | 103.3 | 105.3 | 103.2 | 104.5 | 100.4 | 100.0 |
| Expectations | 90.8 | 90.2 | 91.3 | 94.4 | 97.5 | 102.2 | 105.2 | 102.7 | 100.9 | 100.9 | 97.9 | 95.5 | 93.8 |

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, December 2021

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ifo Business Climate Saxony (Balances, seasonally adjusted)

| | 12/20 | 01/21 | 02/21 | 03/21 | 04/21 | 05/21 | 06/21 | 07/21 | 08/21 | 09/21 | 10/21 | 11/21 | 12/21 |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Saxony | -1.0 | -2.5 | -1.6 | 3.3 | 7.5 | 14.5 | 25.3 | 22.8 | 22.9 | 20.7 | 18.8 | 11.9 | 9.5 |
| Manufacturing | 1.5 | 7.0 | 12.4 | 15.3 | 17.6 | 18.8 | 22.1 | 23.3 | 21.3 | 17.2 | 13.8 | 14.7 | 7.5 |
| Service sector | -2.6 | -5.4 | -4.3 | 0.9 | 4.6 | 21.7 | 33.9 | 31.7 | 28.1 | 28.6 | 24.3 | 15.0 | 14.2 |
| Trade | -2.1 | -18.0 | -19.7 | -2.6 | 5.4 | 8.5 | 12.1 | 10.6 | 10.5 | 7.4 | 6.9 | 4.6 | -0.2 |
| Construction | -4.7 | -17.6 | -19.3 | -8.5 | -2.9 | -5.1 | 5.4 | 4.8 | 0.7 | -1.7 | 2.2 | 2.6 | -1.2 |

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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