

ifo Business Climate Saxony Improves Marginally

Dresden, March 2, 2021 – The ifo Business Climate Index Saxony rose slightly in February 2021. The barometer of business sentiment climbed from 90.6 to 90.8 points. Compared to the previous month, the business expectations of the companies surveyed improved a little. However, their assessments of the current situation declined somewhat.

In Saxony's *manufacturing*, there was a clear uptick in sentiment once again. The outlook for the coming six months was appreciably better, and assessments of the current situation were also somewhat more positive.

In Saxony's *service sector*, the Business Climate Index saw a small increase in February. The companies surveyed were moderately more satisfied with their current business, while their business expectations for the coming months were more or less unchanged.

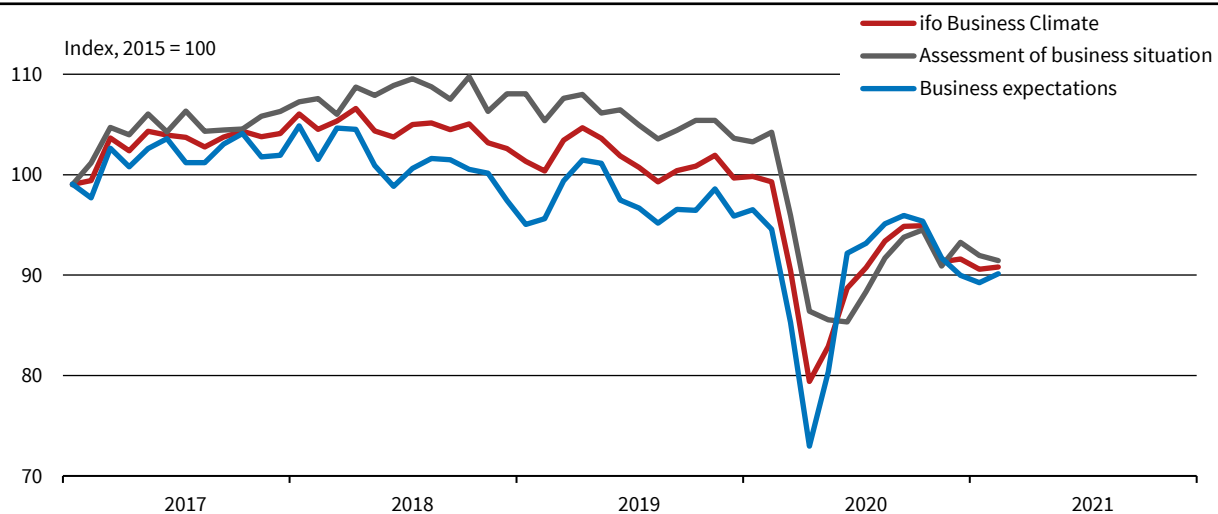
In Saxony's *trade*, the business climate has cooled down a bit, a change largely attributable to the retail sector's latest nosedive in mood. In wholesale, however, the business climate brightened.

In Saxony's *construction industry*, the Business Climate Index fell slightly. Expectations for the coming six months were somewhat gloomier. Assessments of the current situation improved marginally.

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ifo Business Climate Saxony^a

Seasonally adjusted



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

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

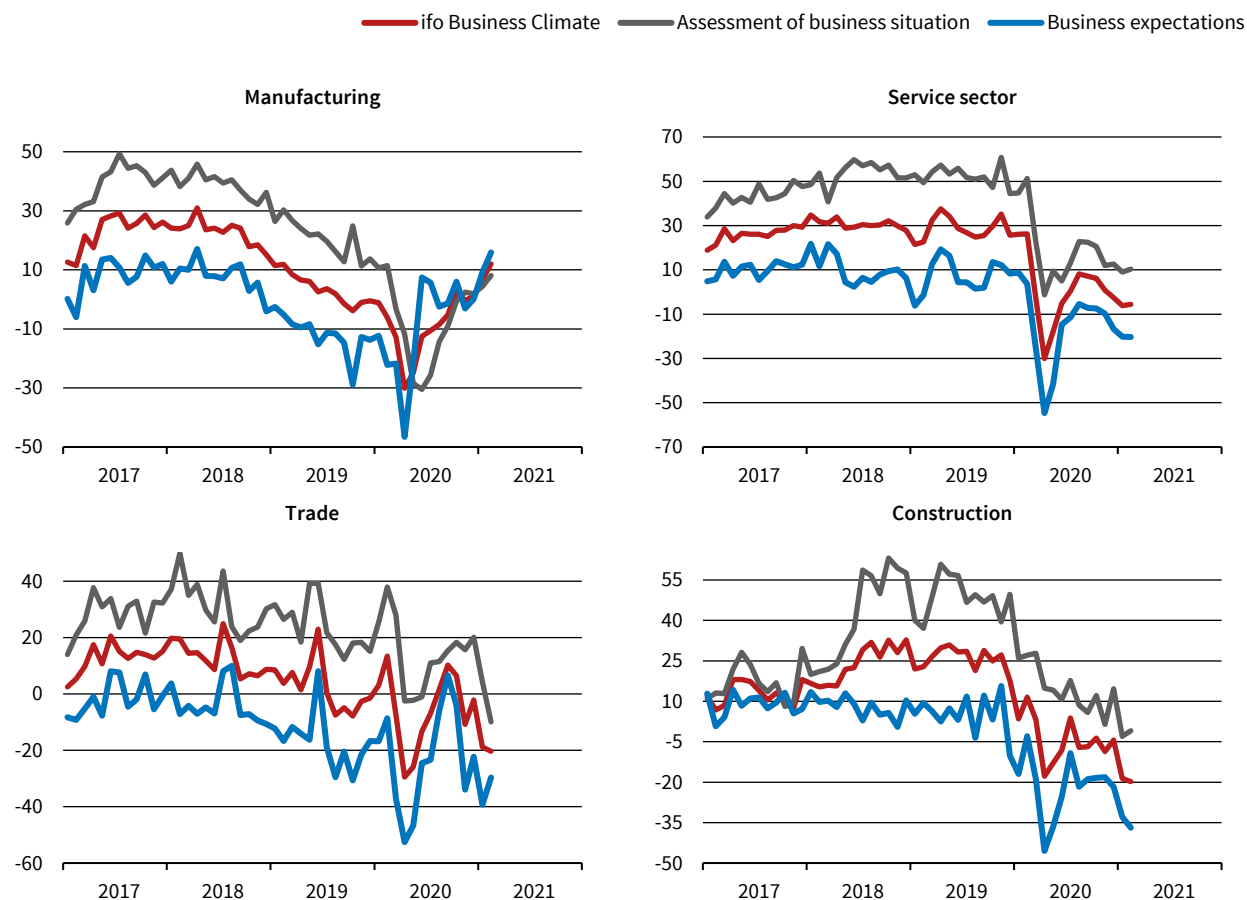
	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21
Climate	99.3	90.5	79.4	82.9	88.7	90.7	93.4	94.9	94.9	91.3	91.6	90.6	90.8
Situation	104.2	95.9	86.4	85.5	85.3	88.4	91.7	93.8	94.5	90.9	93.3	92.0	91.4
Expectations	94.6	85.3	73.0	80.4	92.2	93.2	95.1	96.0	95.4	91.7	90.0	89.2	90.1

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, February 2021

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ifo Business Climate Saxony (Balances, seasonally adjusted)

	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21
Saxony	14.7	-4.3	-28.3	-20.7	-8.2	-3.8	2.0	5.2	5.3	-2.5	-1.8	-4.1	-3.6
Manufacturing	-6.1	-12.7	-30.1	-24.9	-12.5	-10.6	-8.5	-5.2	2.7	-0.4	1.0	6.7	11.9
Service sector	26.2	-2.8	-30.1	-17.8	-5.1	0.4	8.1	7.2	6.1	0.7	-2.6	-6.2	-5.6
Trade	13.4	-7.5	-29.5	-25.9	-13.3	-7.0	1.5	10.2	6.5	-10.8	-2.2	-18.9	-20.4
Construction	11.5	3.3	-17.8	-12.9	-8.2	3.8	-7.2	-6.9	-3.7	-8.6	-4.4	-18.6	-19.8

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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