

## ifo Business Climate Eastern Germany Rises Slightly

Dresden, April 29, 2021 – Sentiment among companies in eastern Germany improved slightly in April. The ifo Business Climate Index for the entire regional economy climbed to 95.9 points from 94.9 points in March. Surveyed companies' assessments of the current situation and business expectations both improved somewhat compared to the previous month.

In eastern German *manufacturing*, the business climate cooled marginally in April. This was mainly due to manufacturing companies lowering their outlook slightly, accompanied by a slight improvement in their assessments of current business.

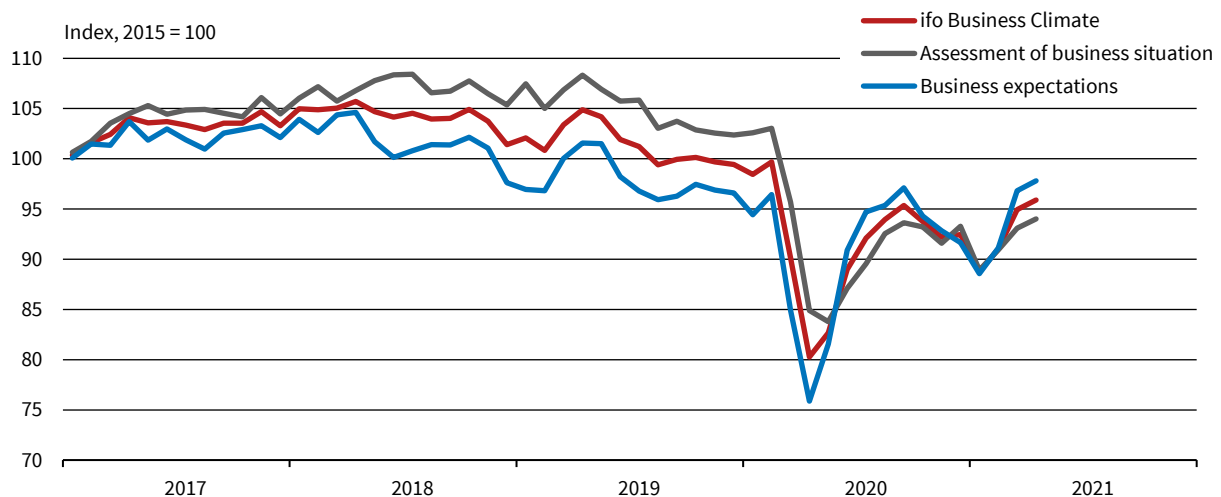
The ifo Business Climate Index climbed a little in the eastern German *services sector* in April. The service providers surveyed raised their overall assessments of the current situation perceptibly, but they also lowered their expectations slightly.

The mood in eastern German *trade* improved marginally. While the business climate improved significantly in retail, it cooled noticeably in wholesale. In both areas, these developments were largely driven by the indicators of the current situation.

In eastern German *construction*, the business climate turned a little brighter in April. The construction companies surveyed raised both their assessments of the current situation and their business outlook somewhat.

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### ifo Business Climate Eastern Germany<sup>a</sup> Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction.  
Source: ifo Business Survey, April 2021

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

	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21
<b>Climate</b>	80.3	82.7	89.0	92.1	93.9	95.4	93.8	92.2	92.5	88.7	91.0	94.9	95.9
<b>Situation</b>	84.9	83.8	87.1	89.6	92.5	93.6	93.2	91.6	93.3	88.9	90.9	93.1	94.0
<b>Expectations</b>	75.9	81.5	90.9	94.7	95.4	97.1	94.3	92.8	91.6	88.6	91.1	96.8	97.8

Source: ifo Business Survey

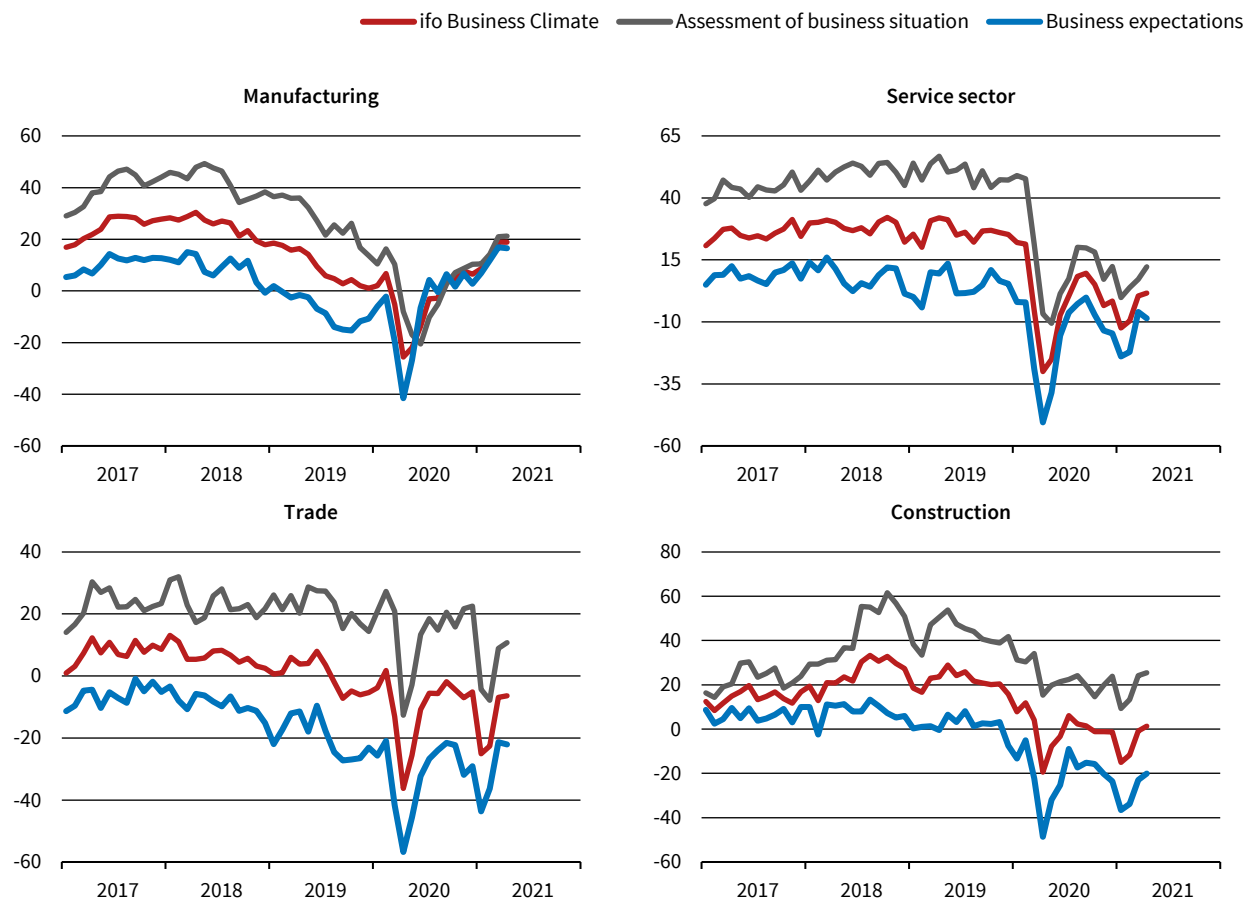
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The ifo Institute's Dresden Branch is partly financed by tax revenues on the basis of the budget approved by the members of Saxony's state parliament.

**Business Situation and Expectations in Eastern Germany by Sector**  
Balances, seasonally adjusted



Source: ifo Business Survey, April 2021

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**ifo Business Climate Eastern Germany** (Balances, seasonally adjusted)

	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21
<b>Eastern Germany</b>	-26.8	-21.7	-8.1	-1.3	2.7	5.7	2.3	-1.1	-0.5	-8.5	-3.6	4.8	6.9
Manufacturing	-25.6	-22.0	-13.7	-3.1	-2.8	4.6	4.4	7.7	6.5	8.7	13.0	18.9	18.8
Service sector	-30.0	-25.1	-7.2	0.5	8.3	9.6	5.1	-3.4	-1.6	-12.5	-9.6	0.5	1.6
Trade	-36.3	-25.6	-10.9	-5.6	-5.7	-1.8	-4.5	-7.0	-5.2	-25.1	-22.6	-6.9	-6.4
Construction	-19.4	-7.8	-3.3	6.1	2.4	1.5	-1.1	-1.2	-1.2	-15.0	-11.7	-0.8	1.4

Source: ifo Business Survey

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The Ifo Business Climate Eastern Germany is based on approx. 1,700 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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