

## ifo Business Climate Saxony Rises Sharply

Dresden, June 1, 2021 – The ifo Business Climate Index Saxony saw a sharp increase in May 2021. The barometer of business sentiment jumped from 95.9 to 99.3 points. This was mainly due to the markedly higher expectations of the companies surveyed. Their assessments of their current business situation also improved considerably compared to the previous month.

In Saxony's *manufacturing*, the mood was again brighter in May. The survey participants' assessments of their current situation saw a clear upswing, even as their business expectations for the coming months declined somewhat.

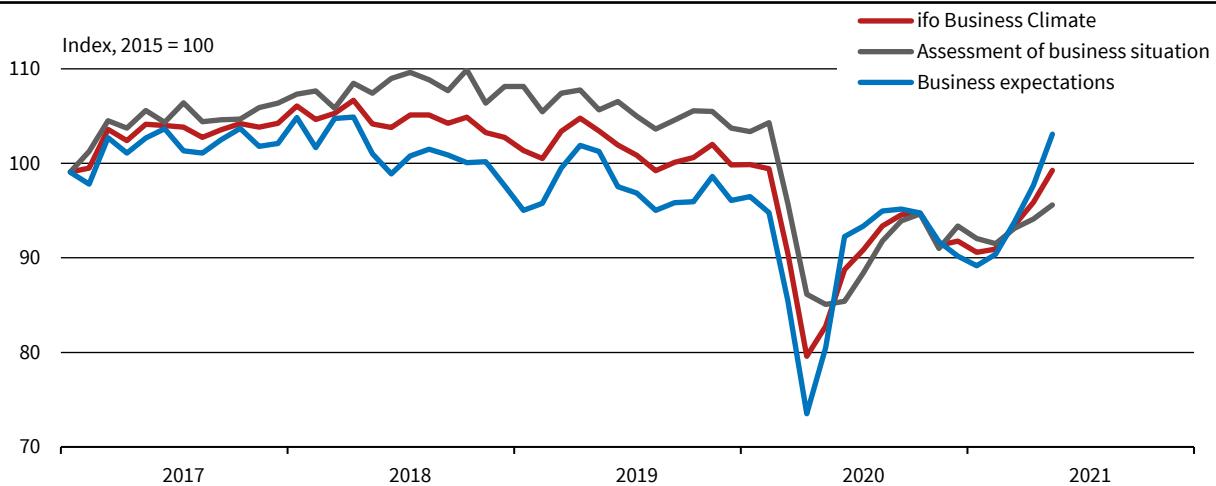
The business climate in Saxony's *service sector* improved significantly in May, driven by the rise in business expectations. Assessments of the current situation were also much better.

In Saxony's *trade*, sentiment was slightly brighter in May, a change largely attributable to the better mood in retail. Retailers' assessments of the business situation surged in May, while sentiment in wholesale clouded over somewhat.

In Saxony's *construction*, the Business Climate Index took a small downturn in May. Participating construction companies reported a marginal decline in their assessments of the current situation, and their business expectations also dipped.

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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, May 2021

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

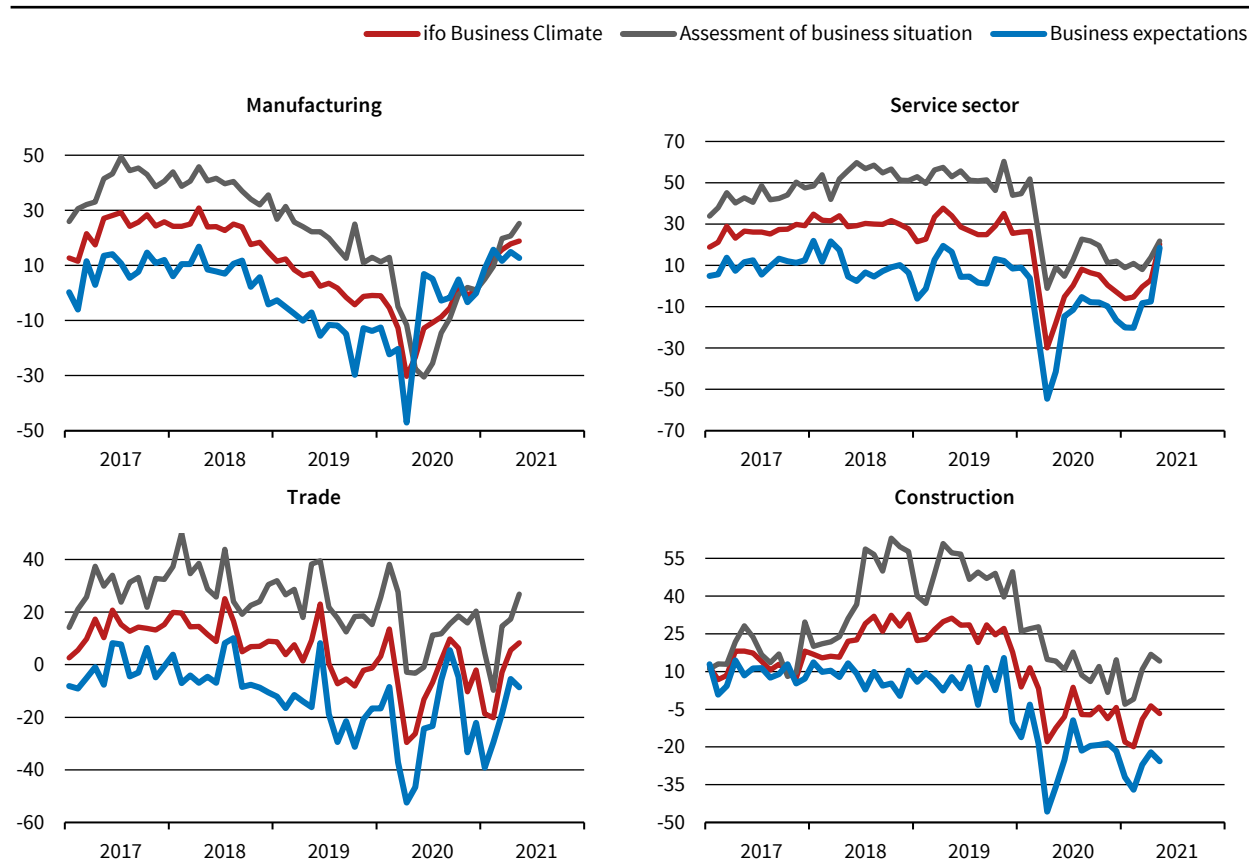
	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21
<b>Climate</b>	82.8	88.8	90.9	93.4	94.5	94.7	91.4	91.8	90.6	90.9	93.5	95.9	99.3
<b>Situation</b>	85.1	85.4	88.4	91.8	93.9	94.6	91.0	93.4	92.0	91.5	93.1	94.1	95.6
<b>Expectations</b>	80.5	92.2	93.4	94.9	95.2	94.8	91.7	90.2	89.2	90.4	93.8	97.7	103.1

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, May 2021

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

	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21
<b>Saxony</b>	-21.0	-8.0	-3.5	1.9	4.5	4.8	-2.4	-1.5	-4.1	-3.3	2.2	7.3	14.7
Manufacturing	-23.4	-12.7	-10.8	-8.7	-5.5	2.2	-0.7	0.5	6.9	12.7	15.7	17.8	18.9
Service sector	-17.9	-5.1	0.2	8.2	6.5	5.4	0.5	-2.8	-6.1	-5.2	-0.3	2.9	20.2
Trade	-26.3	-13.2	-6.8	1.7	9.8	6.3	-10.3	-2.0	-18.7	-20.2	-2.9	5.5	8.3
Construction	-12.5	-8.0	3.7	-7.0	-7.2	-4.2	-8.7	-4.4	-18.1	-19.9	-9.0	-3.6	-6.8

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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