

ifo Business Climate Saxony Rises Sharply

Dresden, July 1, 2021 – In June 2021, the ifo Business Climate Index Saxony rose sharply once again. The barometer of business sentiment climbed from 99.3 to 104.4 points, driven by the steep rise in assessments of the current situation. There was a noticeable improvement in business expectations as well.

In June, the mood in Saxony's *manufacturing* brightened further. Participating companies reported a clear improvement in their assessments of the current situation, and their business expectations also saw a slight improvement.

In Saxony's *service sector*, the ifo Business Climate Index rose markedly again in June. Survey participants' assessments of the current situation and their business expectations both made significant gains compared to the previous month.

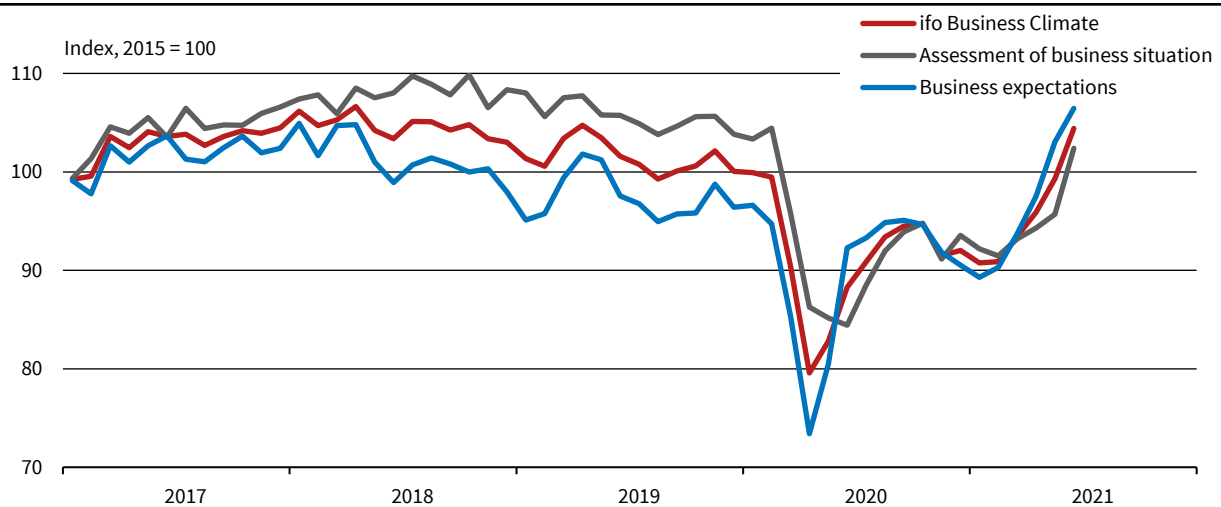
Sentiment in Saxony's *trade* improved slightly in June. Current business for wholesalers and retailers was markedly better than the previous month, while expectations for the coming six months improved marginally.

The business climate in Saxony's *construction* became much brighter in June. Compared to the previous month, companies' assessments of the current situation and their business expectations surged.

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

ifo Business Climate Saxony^a

Seasonally adjusted



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

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

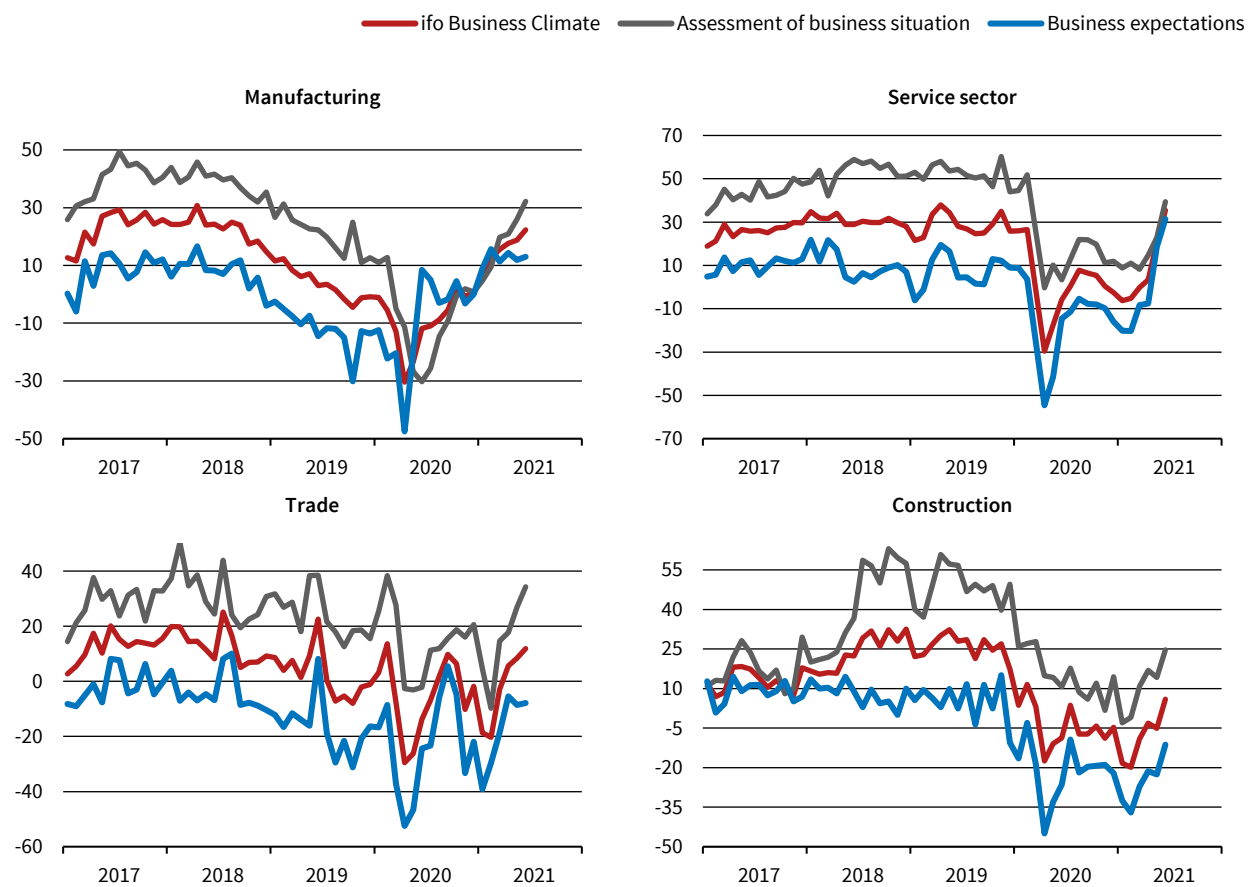
	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21
Climate	88.3	90.9	93.4	94.5	94.7	91.5	92.0	90.7	90.9	93.4	95.9	99.3	104.4
Situation	84.4	88.5	91.9	93.9	94.8	91.1	93.5	92.2	91.5	93.2	94.3	95.7	102.4
Expectations	92.3	93.3	94.9	95.1	94.7	91.8	90.5	89.3	90.3	93.7	97.5	103.0	106.5

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, June 2021

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ifo Business Climate Saxony (Balances, seasonally adjusted)

	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21
Saxony	-9.1	-3.5	2.0	4.4	4.9	-2.1	-1.0	-3.8	-3.4	2.1	7.4	14.8	25.8
Manufacturing	-11.9	-10.9	-8.9	-5.6	1.9	-0.6	0.4	6.8	12.6	15.5	17.6	18.8	22.3
Service sector	-5.8	0.3	7.8	6.5	5.4	0.4	-2.5	-6.2	-5.3	-0.2	3.3	20.7	35.4
Trade	-13.8	-6.8	1.8	9.8	6.4	-10.2	-1.8	-18.7	-20.3	-2.9	5.6	8.3	11.9
Construction	-8.8	3.7	-7.2	-7.3	-4.3	-8.9	-4.7	-18.4	-19.9	-9.1	-3.2	-5.1	5.9

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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