

ifo Business Climate Saxony Falls Slightly

Dresden, August 2, 2021 – In July 2021, the ifo Business Climate Index Saxony took a slight dip. The barometer of business sentiment in Saxony’s economy fell from 104.4 to 103.1 points, due primarily to a distinct drop in business expectations. Over the same period, assessments of the current situation improved narrowly.

In July, the mood in Saxony’s *manufacturing* brightened further, as survey participants’ assessments of the business situation were noticeably more positive. However, their business expectations for the coming six months took a drop.

In Saxony’s *service sector*, the Business Climate Index went down somewhat in July. Companies revised their business expectations massively downward, while assessments of the current situation continued to see palpable improvement.

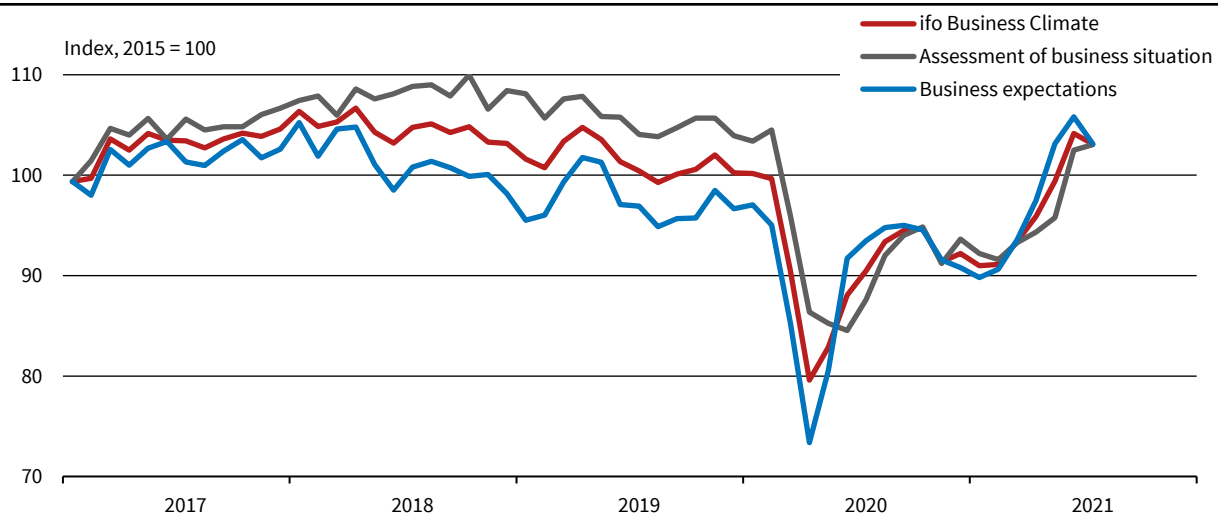
Sentiment in Saxony’s *trade* cooled a bit in July, primarily as a result of the drop in business expectations. The survey participants’ assessments of their current situation rose slightly.

The business climate in Saxony’s *construction* became marginally brighter in July. Participating construction companies reported some improvement in their assessments of the current situation, while their business expectations for the coming six months worsened slightly.

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, July 2021

© ifo Institute

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

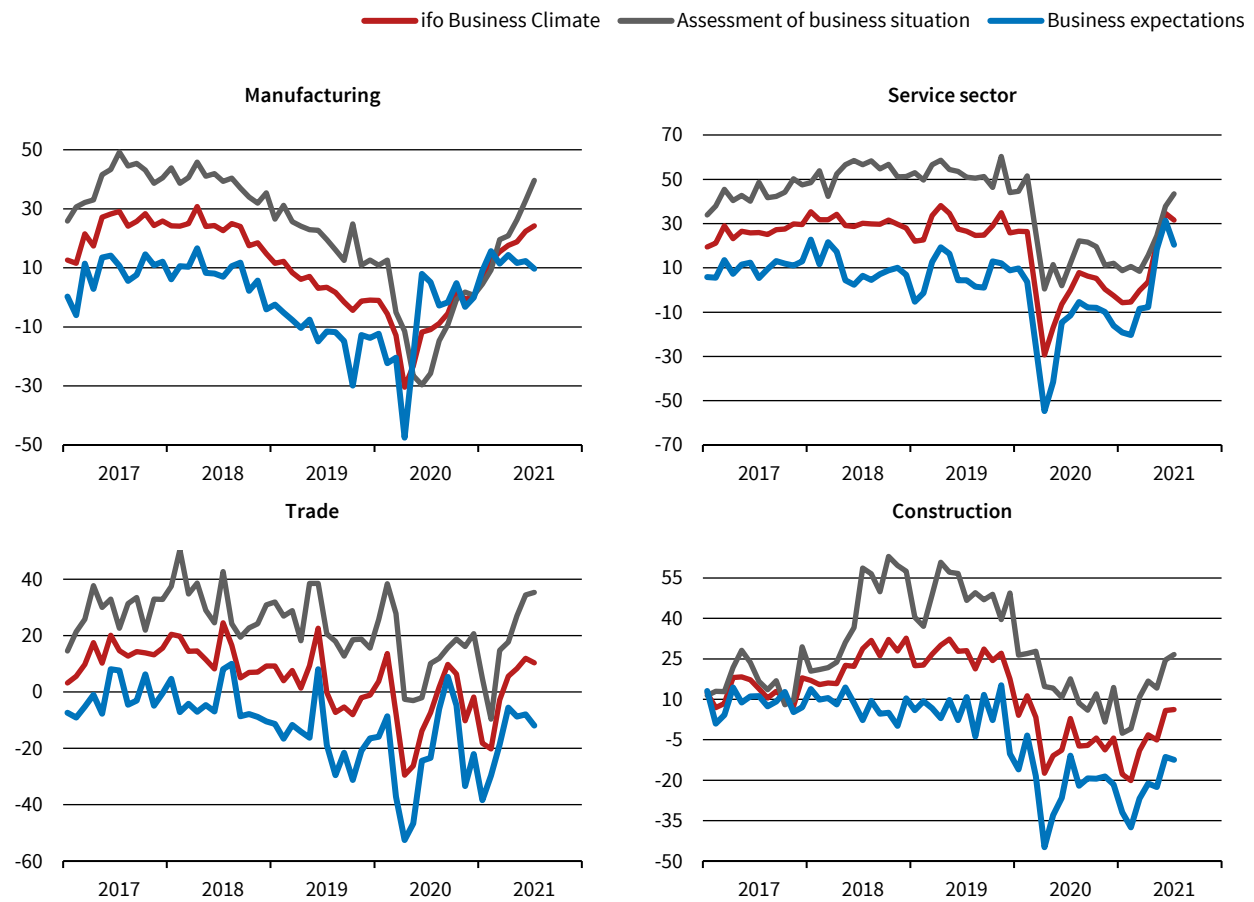
	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21
Climate	90.5	93.4	94.5	94.7	91.4	92.2	91.0	91.1	93.4	95.9	99.4	104.1	103.1
Situation	87.6	92.0	94.0	94.8	91.2	93.6	92.2	91.6	93.3	94.3	95.8	102.5	103.1
Expectations	93.5	94.8	95.0	94.6	91.6	90.8	89.8	90.6	93.6	97.5	103.1	105.8	103.1

Source: ifo Business Survey

© ifo Institute

For long time series in Excel format, please see www.ifo.de/en/umfragen/time-series.

Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, July 2021

© ifo Institut

ifo Business Climate Saxony (Balances, seasonally adjusted)

	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21
Saxony	-4.3	2.0	4.4	4.8	-2.4	-0.6	-3.2	-3.0	2.0	7.4	15.0	25.2	23.0
Manufacturing	-10.9	-8.8	-5.5	2.0	-0.7	0.3	6.8	12.4	15.5	17.6	18.8	22.3	24.2
Service sector	-0.1	7.9	6.3	5.3	0.4	-2.5	-5.8	-5.5	-0.2	3.6	21.4	34.6	31.6
Trade	-7.4	1.8	9.8	6.4	-10.2	-1.8	-18.1	-20.2	-2.9	5.6	8.3	11.9	10.4
Construction	2.9	-7.3	-7.1	-4.4	-8.8	-4.4	-17.8	-20.1	-9.0	-3.1	-5.1	5.8	6.2

Source: ifo Business Survey

© ifo Institute

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.



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