

## ifo Business Climate Saxony Falls Again

Dresden, November 1, 2021 – The ifo Business Climate Index Saxony fell again slightly in October. The barometer of business sentiment in Saxony’s economy slipped from 101.8 to 101.1 points. This was driven by a substantial drop in companies’ business expectations. The survey participants’ assessments of their current situation improved a little.

The mood in Saxony’s *manufacturing* cooled again in October, with companies lowering their business expectations and their assessments of the current situation somewhat. Capacity utilization, recorded quarterly, fell to 84.1 percent, down from 85.5 percent in July.

In Saxony’s *service sector*, the Business Climate Index dropped substantially in October, due in large part to a clear decline in business expectations. Assessments of the current situation improved marginally.

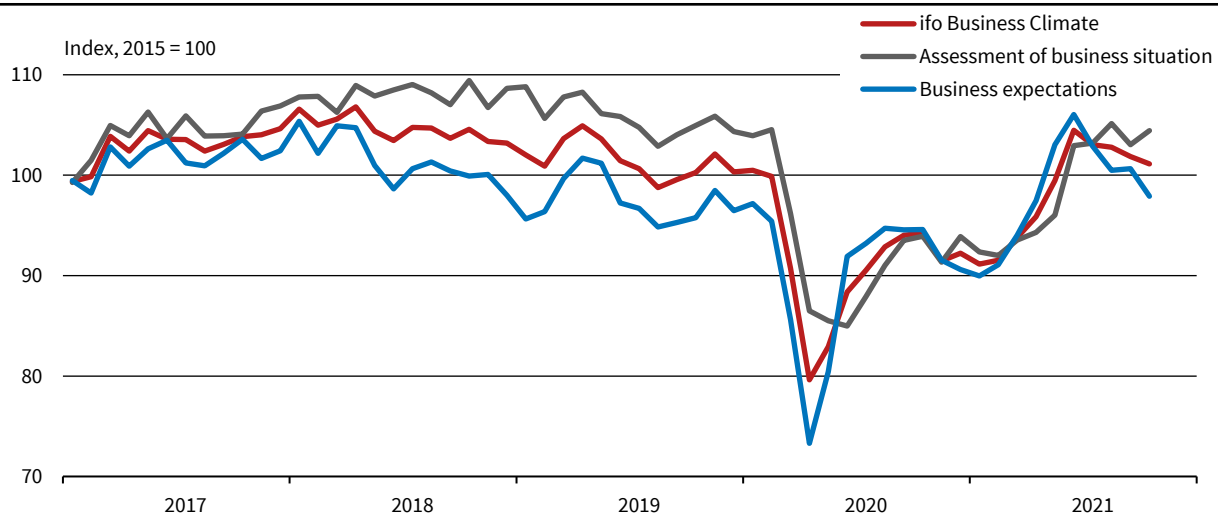
Sentiment in Saxony’s *trade* cooled a little in October, with the businesses surveyed stating they were considerably more satisfied with their current situation. At the same time, their expectations for the coming six months tumbled.

The mood in Saxony’s *construction* was somewhat brighter in October. The companies surveyed raised their business expectations noticeably; meanwhile, their assessments of the current situation fell slightly.

Joachim Ragnitz and Marcel Thum  
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, October 2021

© ifo Institute

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

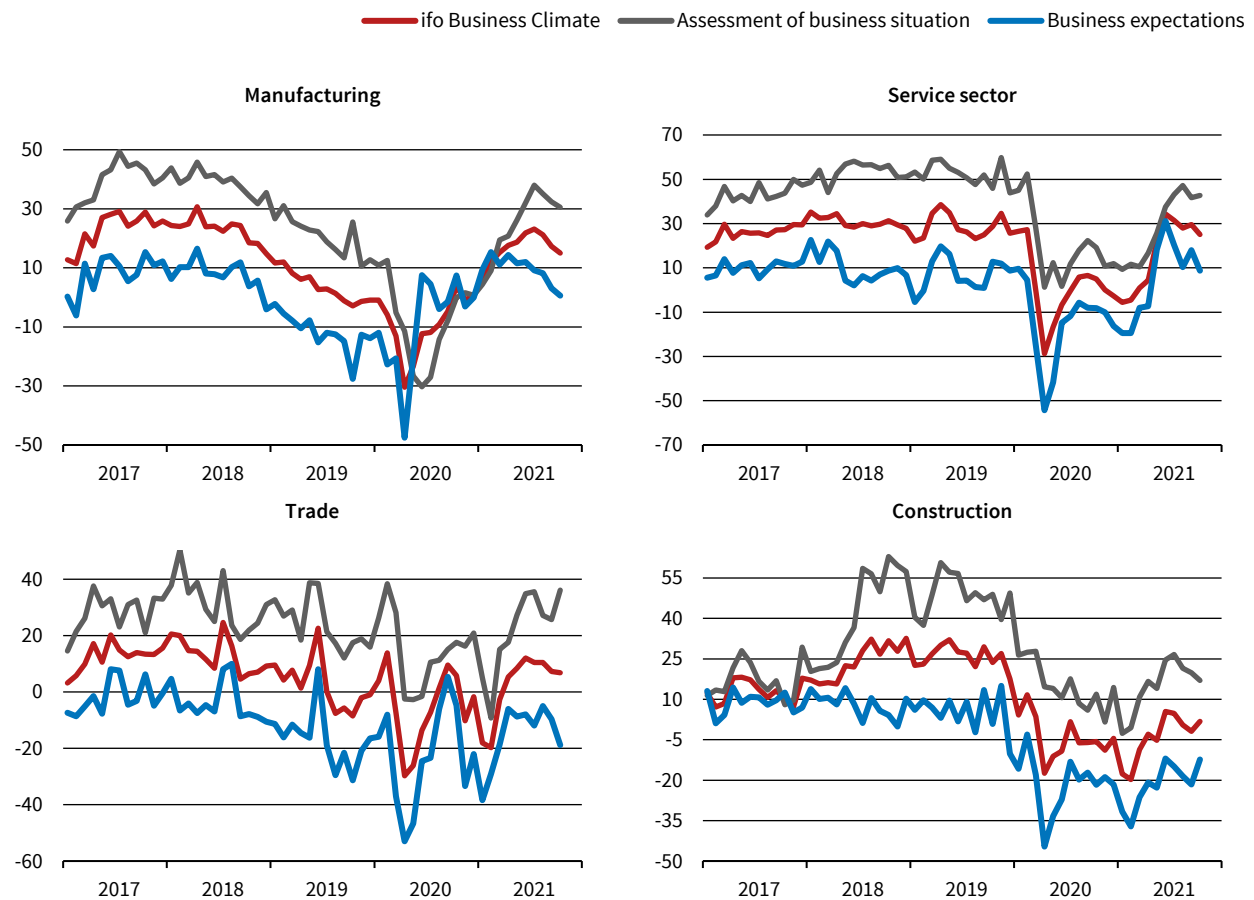
	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21
<b>Climate</b>	94.3	91.5	92.2	91.1	91.5	93.8	95.9	99.5	104.5	103.0	102.8	101.8	101.1
<b>Situation</b>	93.9	91.4	93.9	92.4	92.0	93.5	94.3	96.0	102.9	103.2	105.1	103.0	104.4
<b>Expectations</b>	94.6	91.5	90.6	90.0	91.1	94.0	97.4	103.0	106.0	102.9	100.5	100.7	97.9

Source: ifo Business Survey

© ifo Institute

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, October 2021

© ifo Institute

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

	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21
<b>Saxony</b>	3.8	-2.2	-0.5	-2.9	-2.0	2.8	7.3	15.1	26.0	22.8	22.3	20.3	18.7
Manufacturing	3.7	-0.8	0.3	6.9	12.2	15.2	17.6	18.7	21.8	23.1	21.2	17.3	15.1
Service sector	5.0	0.0	-2.7	-5.6	-4.5	0.9	4.3	21.9	34.3	31.4	28.0	29.5	25.1
Trade	5.8	-10.2	-1.7	-18.1	-19.8	-2.7	5.3	8.5	12.1	10.5	10.4	7.3	6.8
Construction	-5.6	-8.9	-4.4	-17.7	-19.8	-8.6	-3.0	-5.2	5.5	4.8	0.5	-1.9	1.8

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.