

## ifo Business Climate Index Saxony Drops

Dresden, June 1, 2022 – The ifo Business Climate Index Saxony dropped noticeably in May. The barometer of business sentiment in Saxony’s economy fell to 95.0 points, down from 96.5 points in April. Business expectations among companies in Saxony suppressed the business climate as the companies surveyed view the next six months with skepticism. In their assessments of the current business situation, the companies were optimistic – a trend driven mainly by the service sector.

The mood in Saxony’s *manufacturing* clouded over a little in May. Assessments of current business were considerably worse than in the previous month. However, expectations of future business development were even more optimistic among the manufacturing companies surveyed than in April.

The business climate in Saxony’s *service sector* also worsened noticeably. Unlike in the other sectors, the service providers surveyed reported a marked easing of the current business situation, but they also revised their business expectations sharply downward.

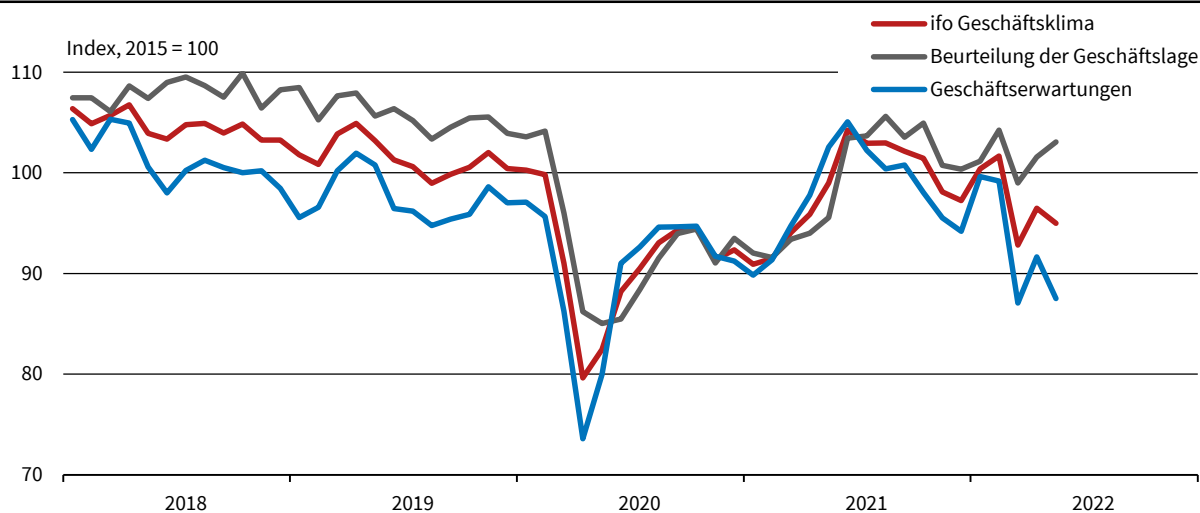
In Saxony’s *trade*, the business climate turned considerably warmer in May. The companies surveyed lowered their assessments only slightly, but raised their business expectations sharply.

In Saxony’s *construction*, the business climate recovered after suffering a slump in the previous two months. Saxony’s construction companies raised their business expectations massively while also reporting only a mild deterioration in their business situation.

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### ifo Business Climate Saxony<sup>a</sup>

Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction.  
Source: ifo Business Survey, May 2022

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

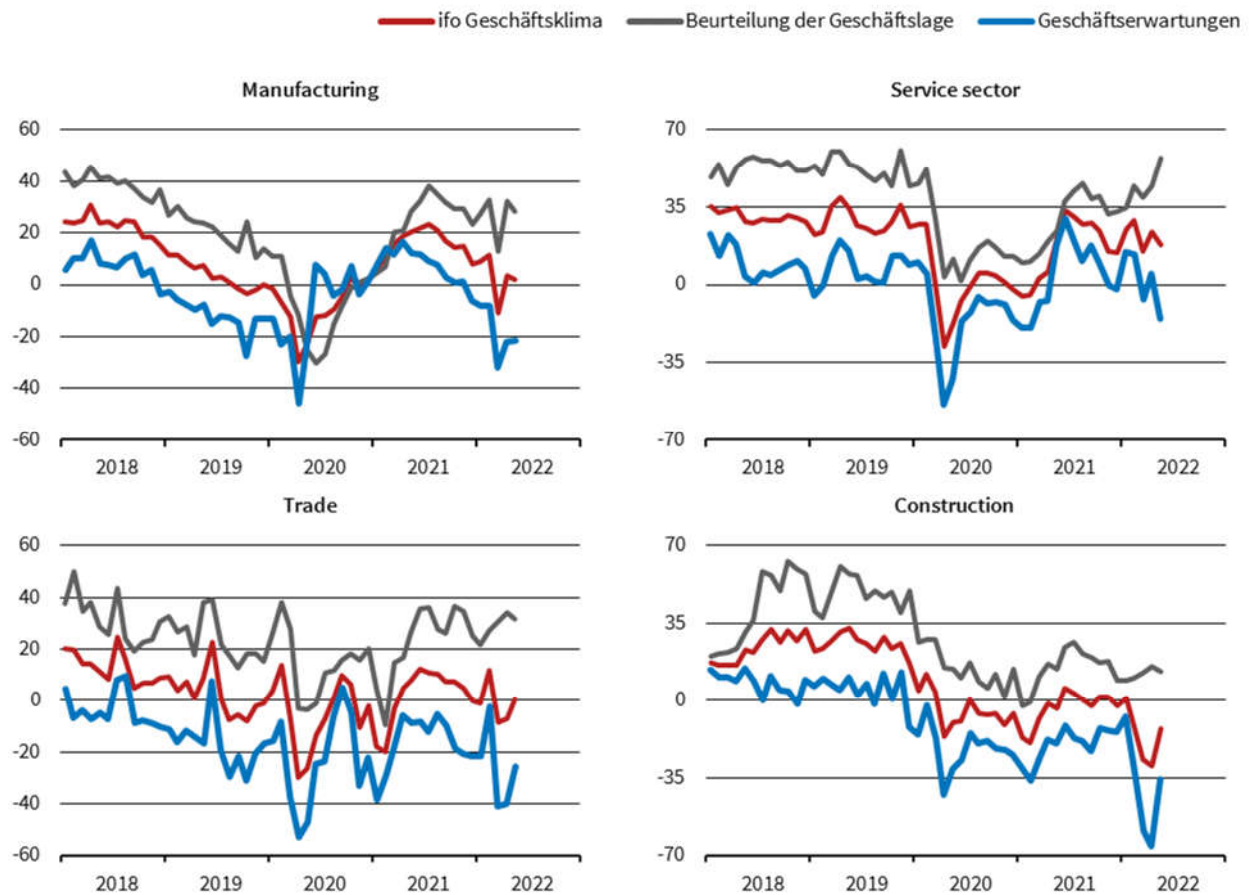
	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22
<b>Climate</b>	99.0	104.2	102.9	103.0	102.1	101.4	98.1	97.2	100.4	101.7	92.8	96.5	95.0
<b>Situation</b>	95.5	103.4	103.7	105.6	103.5	104.9	100.7	100.4	101.2	104.2	99.0	101.6	103.1
<b>Expectations</b>	102.6	105.1	102.2	100.4	100.8	98.0	95.5	94.2	99.6	99.2	87.0	91.6	87.5

Source: ifo Business Survey

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



Source: ifo Business Survey, May 2022

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

	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22
<b>Saxony</b>	14.1	25.5	22.6	22.7	20.9	19.4	12.2	10.3	17.1	19.9	0.7	8.6	5.4
Manufacturing	20.1	21.9	23.2	20.9	16.9	14.3	14.8	7.9	8.9	11.4	-10.7	3.3	1.8
Service sector	21.0	33.6	30.5	27.4	28.0	24.0	15.2	14.7	24.6	28.7	15.0	24.0	17.8
Trade	8.1	12.3	10.7	10.5	7.6	7.2	4.9	0.0	-1.2	11.8	-8.6	-7.0	0.7
Construction	-3.4	5.6	3.4	0.7	-2.6	1.8	1.5	-2.6	1.0	-11.9	-26.5	-29.7	-12.7

Source: ifo Business Survey

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The ifo Business Climate Saxony is based on approx. 500 monthly 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 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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