

ifo Business Climate Saxony: Sentiment Remains Subdued

Dresden, November 2, 2022 – The ifo Business Climate Index for Saxony rose noticeably in October, but remains at a low level. The barometer of business sentiment in Saxony’s economy climbed from 87.1 points in September to 88.7 points. While companies in Saxony were slightly less satisfied with their current business situation compared with the previous month, they raised their business expectations appreciably.

In Saxony’s *manufacturing*, the climate deteriorated greatly in October. The manufacturing companies surveyed were far less positive about their current business situation than in the previous month. Their business expectations hardly changed.

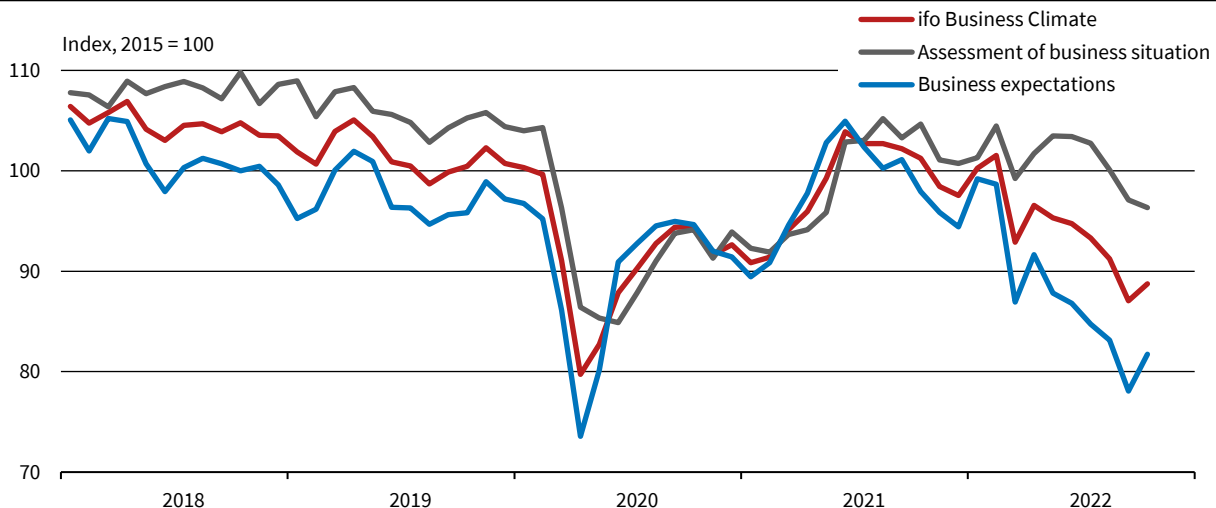
In Saxony’s *service sector*, the Business Climate Index rose substantially in October. Although the service providers surveyed assessed their business situation as slightly worse, they raised their expectations for the coming months considerably.

After reaching a low in the previous month, the ifo Business Climate Index for Saxony’s *trade* improved notably. This movement was driven by wholesalers, who raised their assessment of the business situation and their business expectations markedly. Retail in Saxony reported slightly better business compared with September, but scaled back business expectations somewhat.

In Saxony’s *construction*, the business climate cooled significantly in September. Construction companies in Saxony were tangibly less optimistic about their current business situation and much more pessimistic about future business developments.

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ifo Business Climate Saxony^a
Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, October 2022

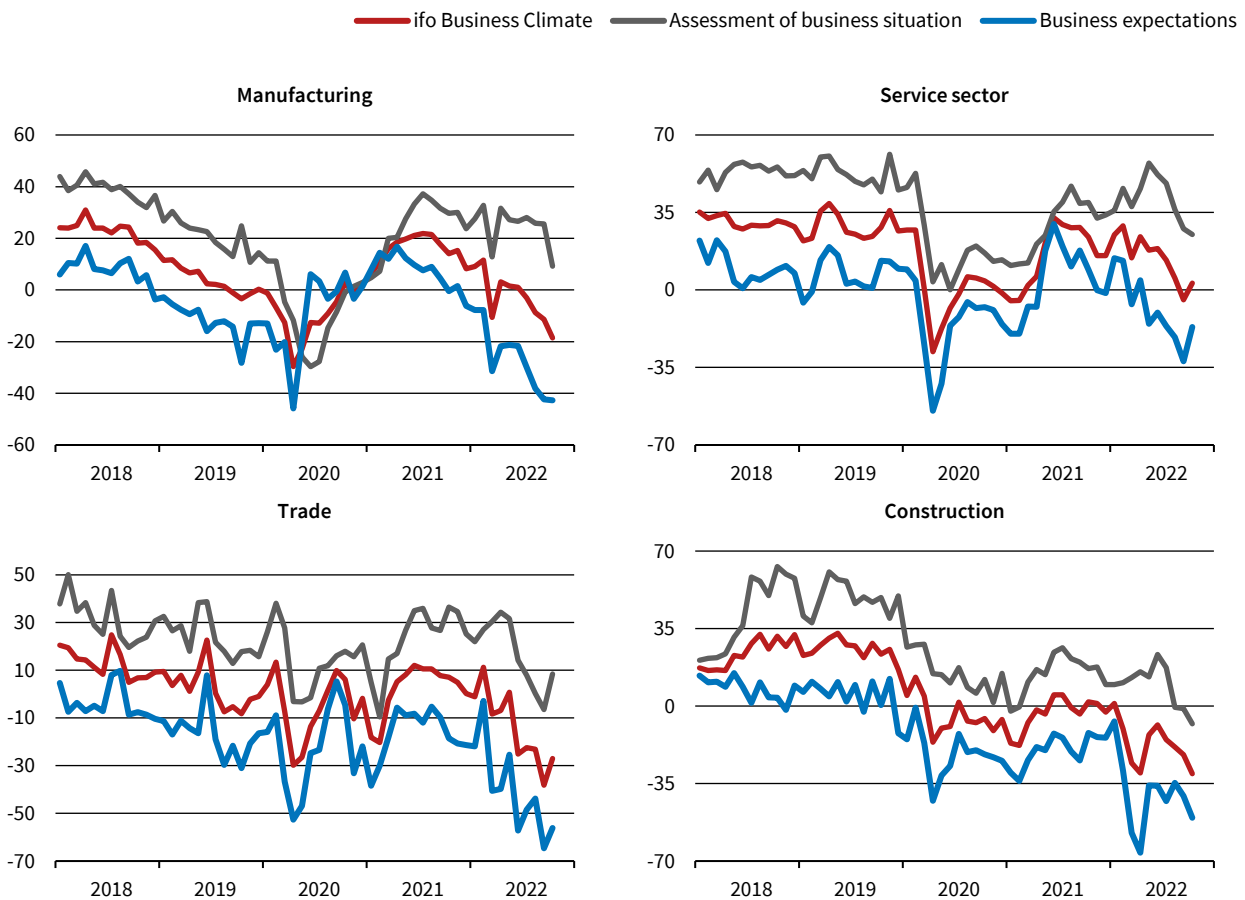
ifo Business Climate Saxony (Index, 2015 = 100, seasonally adjusted)

	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22
Climate	101.2	98.4	97.5	100.3	101.5	92.9	96.5	95.3	94.7	93.3	91.2	87.1	88.7
Situation	104.7	101.1	100.7	101.3	104.5	99.2	101.7	103.5	103.4	102.7	100.1	97.1	96.3
Expectations	97.9	95.9	94.4	99.2	98.7	86.9	91.6	87.8	86.8	84.7	83.1	78.1	81.7

Source: ifo Business Survey

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, October 2022

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

	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22
Saxony	17.2	20.2	16.9	17.1	15.9	-3.0	-27.3	-21.0	-9.4	-4.5	1.1	4.0	4.2
Manufacturing	14.1	15.3	8.2	9.1	11.5	-10.6	3.2	1.5	1.0	-3.1	-8.8	-11.4	-18.5
Service sector	23.9	15.6	15.5	24.9	29.0	14.4	24.1	18.0	18.8	13.5	5.5	-4.5	3.1
Trade	7.1	4.9	0.2	-1.1	11.3	-8.3	-6.9	0.8	-25.1	-22.5	-23.1	-38.2	-27.0
Construction	1.9	1.1	-2.7	1.2	-10.3	-25.7	-30.2	-12.9	-8.6	-15.2	-18.5	-21.9	-30.5

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 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.

