

ifo Business Climate Saxony: Sentiment Improves Further

Dresden, January 10, 2023 – The ifo Business Climate Index Saxony rose considerably in December. The barometer of business sentiment in Saxony’s economy leaped from 91.8 points in November to 93.8 points. Assessments of the current business situation increased slightly and assessments of business expectations increased noticeably.

In Saxony’s *manufacturing sector*, the ifo Business Climate Index rose sharply in December. The manufacturing companies surveyed lifted their assessments of the current business situation and business expectations much higher.

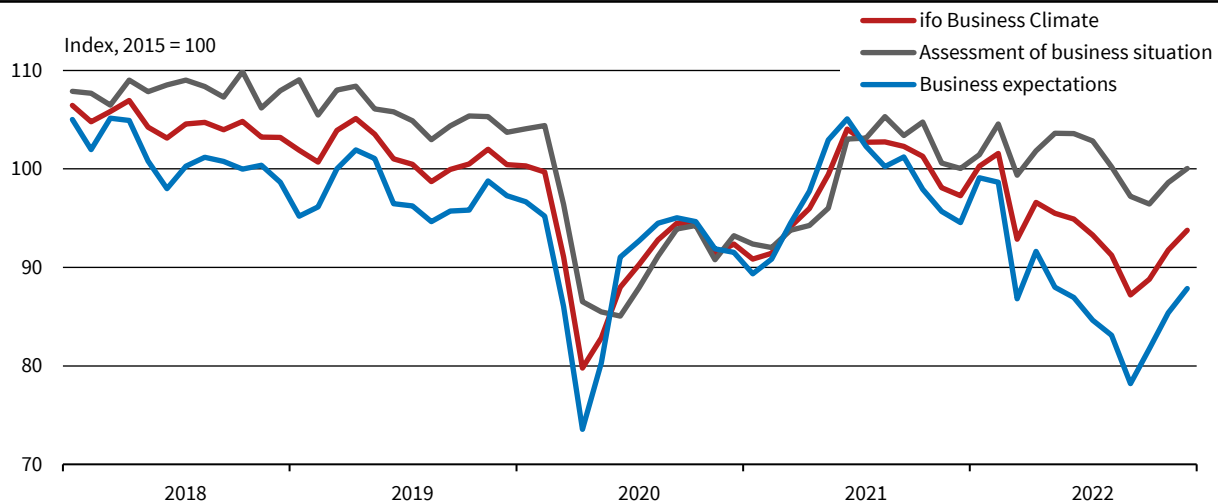
The business climate in Saxony’s *service sector* improved marginally in December. The service providers surveyed assessed their business situation as slightly less positive and lowered their expectations for the coming months somewhat.

In Saxony’s *trade*, the business climate turned a little brighter. The trading businesses surveyed assessed their current situation as much better than in the previous month. At the same time, their business expectations fell slightly. While developments in retail were positive, wholesale was static.

The business climate in Saxony’s *construction* improved marginally in December. Compared with the previous month, construction companies in Saxony were slightly more optimistic about their current business situation and a little less 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, December 2022

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

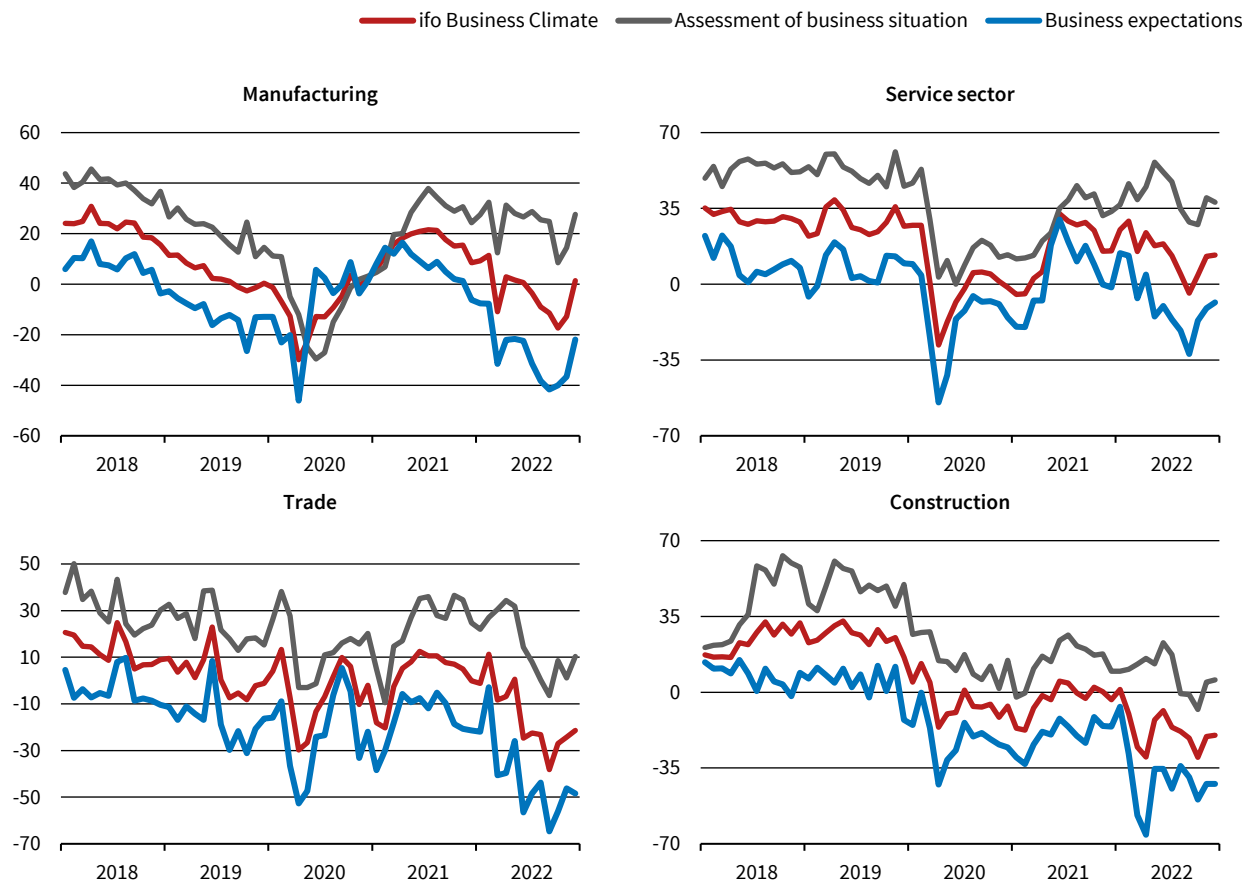
	12/21	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22
Climate	97.3	100.3	101.6	92.9	96.6	95.5	94.9	93.3	91.3	87.2	88.8	91.8	93.8
Situation	100.1	101.4	104.6	99.4	101.8	103.6	103.6	102.8	100.2	97.2	96.5	98.6	100.1
Expectations	94.6	99.1	98.6	86.8	91.6	88.0	87.0	84.6	83.1	78.2	81.7	85.4	87.9

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, December 2022

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

	12/21	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22
Saxony	16.9	17.1	15.9	-3.0	-27.3	-21.0	-9.4	-4.5	1.1	4.0	4.2	-2.9	-0.6
Manufacturing	8.5	9.2	11.4	-10.8	2.9	1.7	0.6	-3.6	-9.0	-11.3	-17.3	-12.8	1.4
Service sector	15.4	25.2	29.2	15.0	23.7	17.8	18.7	13.1	4.7	-4.1	4.2	12.9	13.4
Trade	0.0	-1.1	11.3	-8.3	-6.9	0.6	-24.7	-22.5	-23.1	-38.2	-27.0	-24.3	-21.4
Construction	-3.5	1.3	-9.9	-25.4	-29.9	-12.7	-8.5	-16.2	-18.1	-21.2	-30.1	-20.4	-19.9

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 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.

