

ifo Business Climate Saxony Remains at Previous Month's Level

Dresden, February 2, 2023 – The ifo Business Climate Index Saxony fell marginally in January. The barometer of business sentiment in Saxony's economy slipped from 93.7 points in December to 93.6 points in January. While companies in Saxony were slightly less satisfied with their current business situation than in the previous month, they raised their expectations slightly.

In Saxony's *manufacturing*, the ifo Business Climate Index rose slightly in January. The manufacturing companies surveyed reported a significantly worse business situation than in December. At the same time, they raised their business expectations substantially.

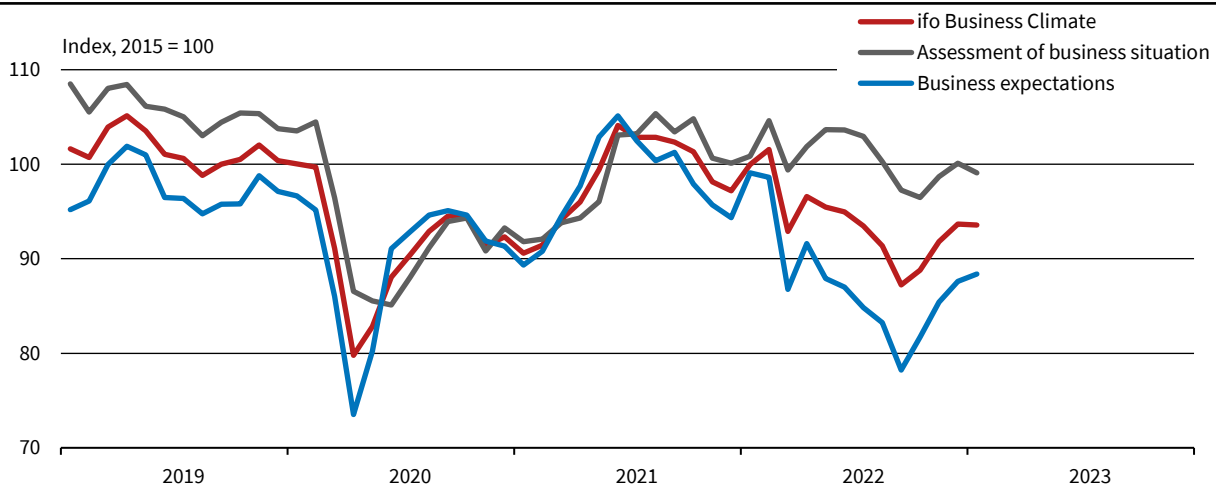
In Saxony's *service sector*, the business climate cooled somewhat in January. Service providers' slightly improved assessments of the current situation were offset by a similarly slight decline in business expectations.

In Saxony's *trade*, the Business Climate Index declined noticeably overall. This drop was driven by the assessments of Saxony's retail businesses, which rated their business situation considerably worse than in the previous month; by contrast, the wholesalers raised their situation assessments slightly. Both groups lowered their expectations for future business a little.

The business climate in Saxony's *construction* improved marginally in January. Construction businesses in Saxony were somewhat less satisfied with their current situation, but they raised their expectations slightly for the months ahead.

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, January 2023

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

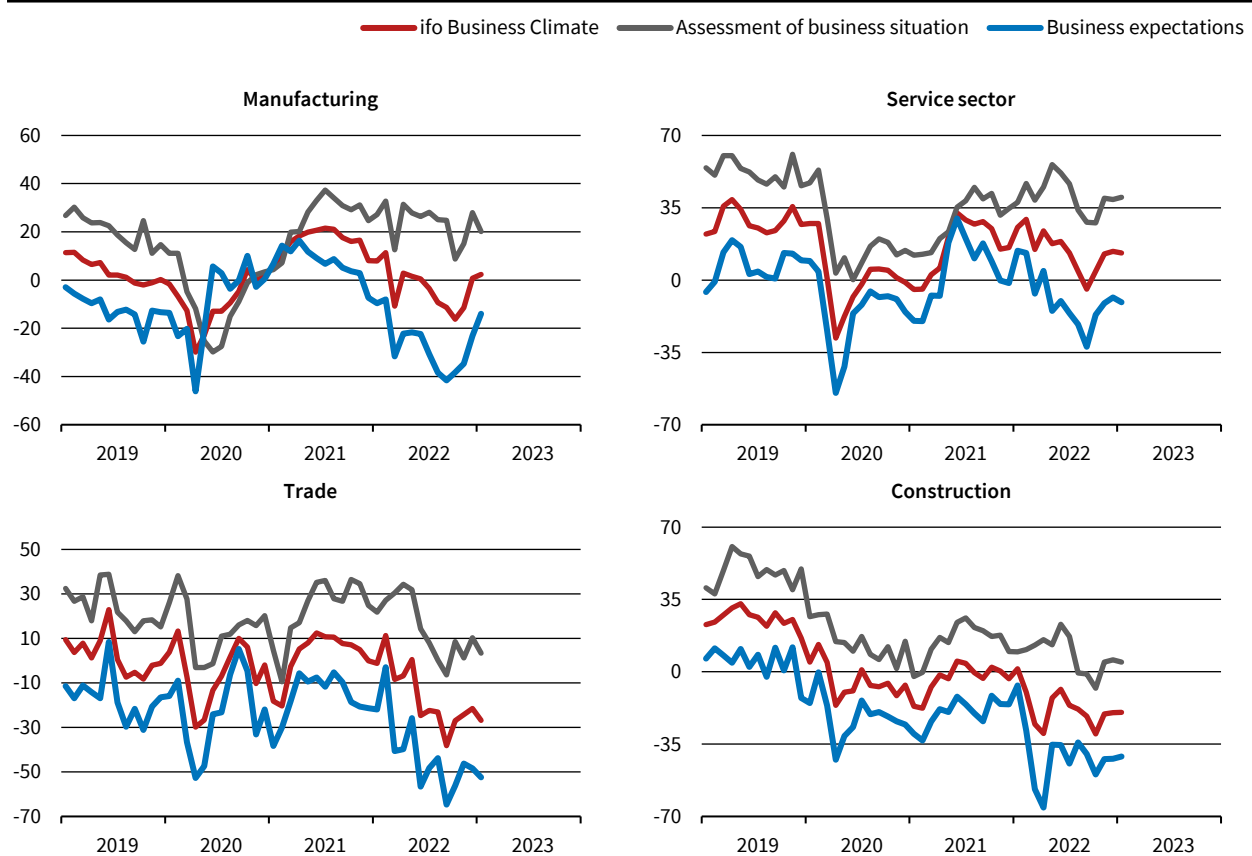
	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23
Climate	100.0	101.6	92.9	96.6	95.5	94.9	93.5	91.4	87.2	88.8	91.8	93.7	93.6
Situation	100.9	104.6	99.4	101.9	103.7	103.6	102.9	100.3	97.3	96.5	98.7	100.1	99.1
Expectations	99.1	98.6	86.8	91.6	87.9	87.0	84.8	83.3	78.2	81.7	85.4	87.6	88.4

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, January 2023

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

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23
Saxony	16.2	19.7	0.9	8.9	6.5	5.4	2.1	-2.4	-11.3	-7.9	-1.5	2.6	2.4
Manufacturing	7.9	11.4	-10.8	2.9	1.5	0.5	-3.5	-9.3	-11.3	-16.2	-11.5	0.8	2.3
Service sector	25.6	29.3	14.9	23.8	17.6	18.7	13.1	4.4	-4.4	4.2	12.7	13.9	13.2
Trade	-1.2	11.3	-8.3	-6.9	0.6	-24.7	-22.4	-23.1	-38.2	-27.0	-24.3	-21.4	-26.8
Construction	1.4	-9.9	-25.4	-29.8	-12.7	-8.4	-16.2	-18.1	-21.5	-30.1	-20.3	-19.8	-19.6

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.

