

ifo Business Climate Saxony Improves Appreciably

Dresden, March 2, 2023 – The ifo Business Climate Index Saxony rose appreciably in February. The barometer of business sentiment in Saxony’s economy climbed from 93.6 points in January to 95.4 points in February. The Saxony-based companies surveyed reported a significantly better business situation than in the previous month and again raised their business expectations somewhat.

In Saxony’s *trade*, the business climate cooled down a little. The manufacturing companies surveyed assessed their current business situation as slightly better than in the previous month, but lowered their business expectations somewhat on the heels of a strong increase in the previous month.

In Saxony’s *service sector*, the ifo Business Climate Index rose markedly in February. Saxony’s service providers assessed their current business situation as considerably better than in January and also raised their business expectations slightly.

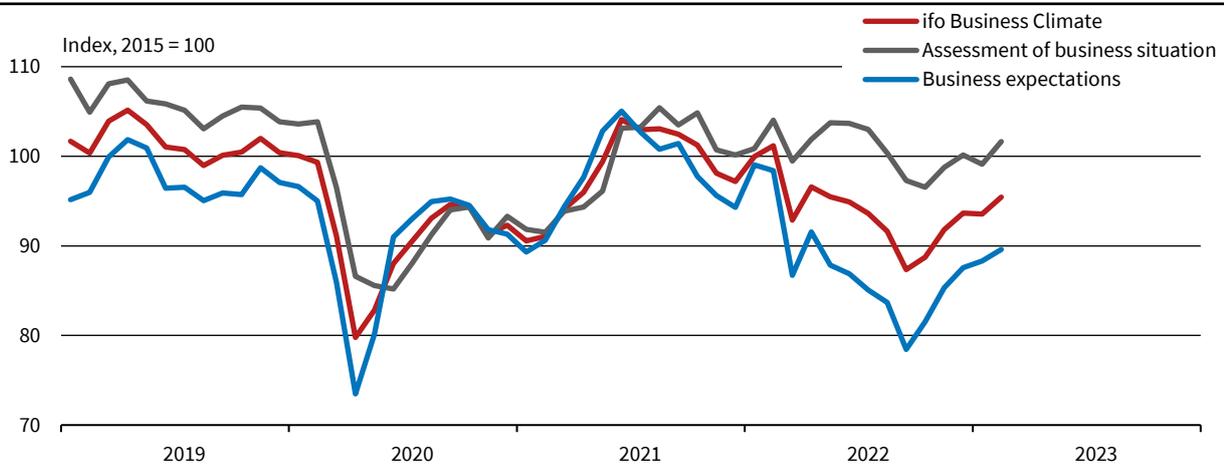
In Saxony’s *trade*, the overall business climate brightened noticeably in February. While wholesalers’ assessments of their situation were tangibly worse than in January, retailers’ assessments improved substantially. While wholesalers in Saxony raised their business expectations a little, retailers upped theirs sharply.

The business climate for *construction* in Saxony worsened slightly in February. The Saxony-based construction companies surveyed lowered both their assessments of the current situation and their business expectations somewhat.

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ifo Business Climate Saxony^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, February 2023

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

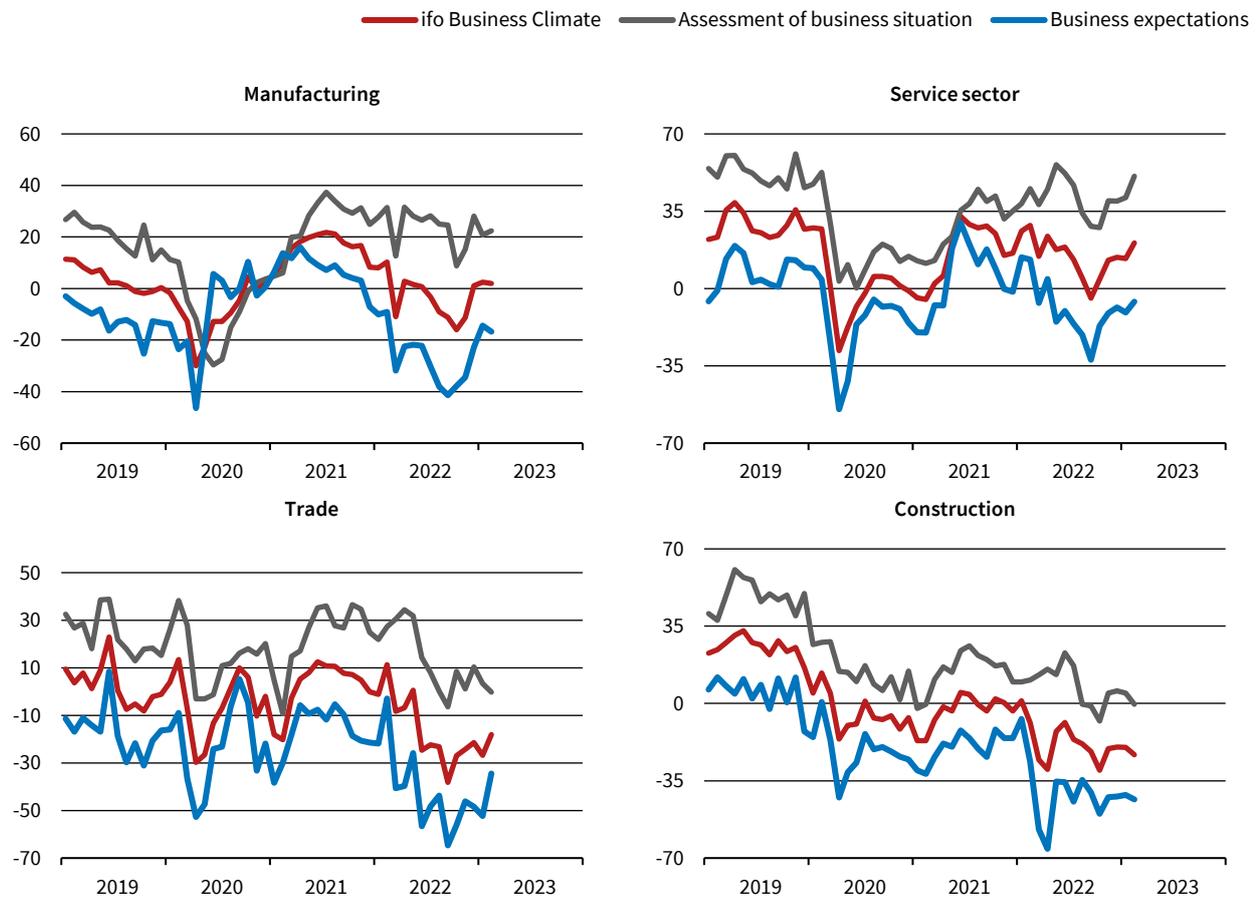
	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23
Climate	101.2	92.9	96.6	95.5	94.9	93.6	91.6	87.4	88.7	91.8	93.6	93.6	95.4
Situation	104.0	99.5	101.9	103.7	103.7	103.0	100.4	97.3	96.5	98.8	100.1	99.1	101.7
Expectations	98.4	86.7	91.5	87.8	86.9	85.1	83.7	78.4	81.6	85.3	87.6	88.3	89.6

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, February 2023

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

	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23
Saxony	18.8	0.8	8.9	6.5	5.3	2.5	-1.8	-11.1	-8.1	-1.5	2.5	2.4	6.4
Manufacturing	10.2	-10.9	2.8	1.6	0.7	-3.2	-9.1	-11.2	-16.0	-11.3	1.1	2.4	1.9
Service sector	28.6	14.6	23.7	17.6	18.8	13.1	4.7	-4.4	4.2	12.8	14.2	13.6	20.7
Trade	11.4	-8.3	-6.9	0.6	-24.7	-22.4	-23.2	-38.2	-27.0	-24.3	-21.4	-26.8	-18.1
Construction	-8.8	-25.5	-29.9	-12.7	-8.6	-16.3	-18.3	-21.7	-30.2	-20.4	-19.8	-19.9	-23.2

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.

