

## ifo Business Climate Index Saxony Sees Steep Decline

Dresden, July 3, 2023 – The ifo Business Climate Index for Saxony fell sharply in June. The barometer of business sentiment in Saxony’s economy slipped from 99.4 points in May to 94.2 points in June. The Saxony-based companies surveyed assessed their current business situation as perceptibly worse than in the previous month and scaled back their business expectations considerably.

In Saxony’s *manufacturing*, the business climate deteriorated greatly in June. Although the manufacturers surveyed were only slightly less satisfied with their current business situation than in the previous month, they now expect business to worsen significantly in the coming months.

In the Saxon *service sector*, the business climate also cooled off substantially. Service providers in Saxony reported their business was much worse than in the previous month and were noticeably more pessimistic about how their business is developing.

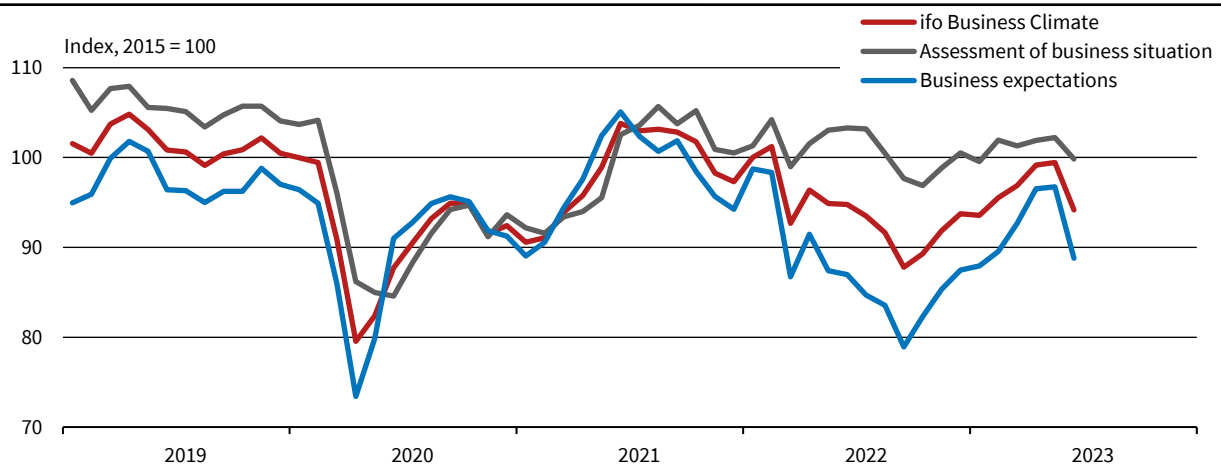
In Saxony’s *trade*, the ifo Business Climate Index saw a clear drop. The Saxon companies surveyed assessed their business situation as only somewhat worse than in the previous month. Retailers were slightly skeptical about the months ahead, while wholesalers expected business to deteriorate considerably.

The business climate for *construction* in Saxony worsened a bit in June. Compared to their responses in May, companies’ current assessments as well as their expectations were somewhat worse.

**Joachim Ragnitz and Marcel Thum**  
Executive Directors, Dresden Branch of the ifo Institute

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

Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction.  
Source: ifo Business Survey, June 2023

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

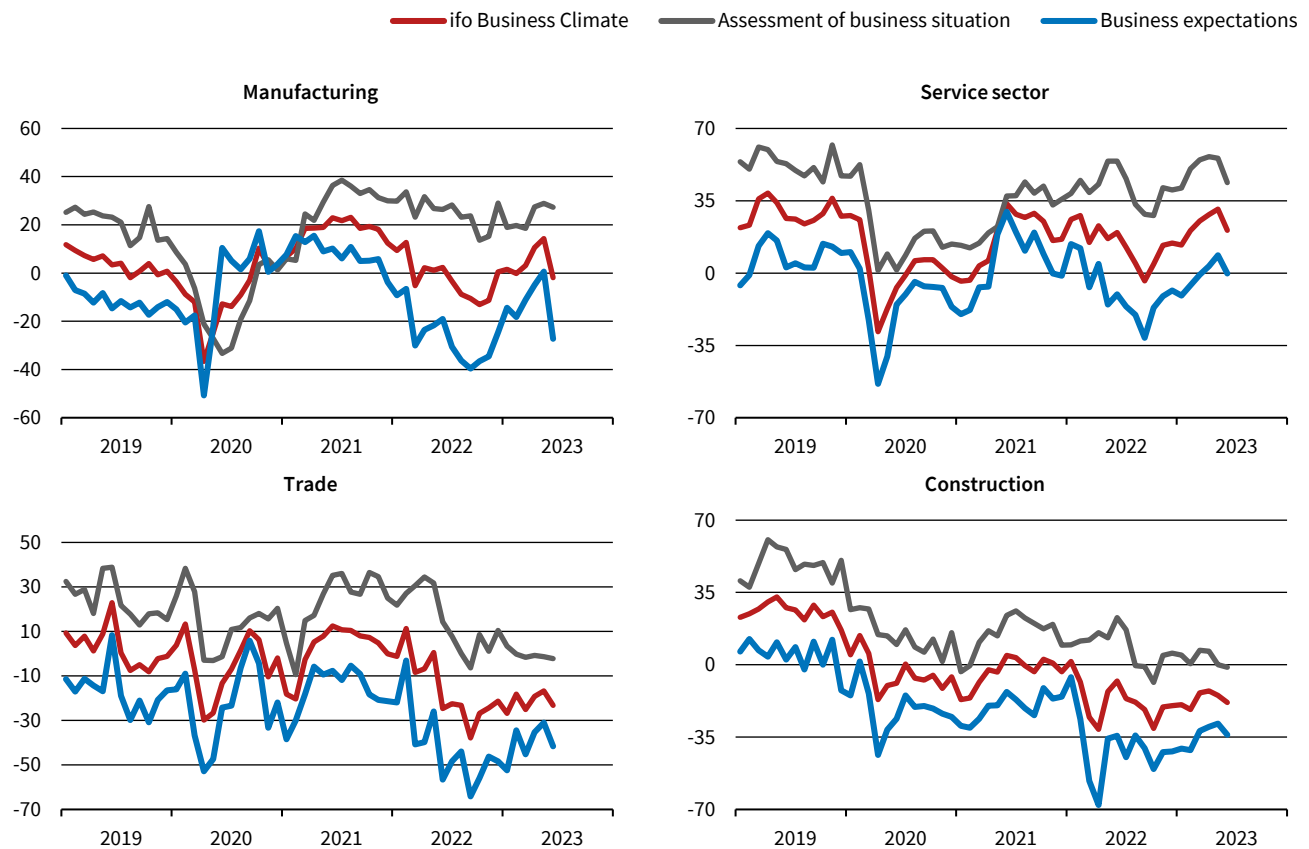
	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23
<b>Climate</b>	94.8	93.5	91.6	87.8	89.3	91.8	93.8	93.6	95.5	96.9	99.2	99.4	94.2
<b>Situation</b>	103.3	103.2	100.5	97.7	96.9	98.8	100.5	99.5	102.0	101.3	101.9	102.2	99.8
<b>Expectations</b>	87.0	84.7	83.6	78.9	82.3	85.4	87.5	87.9	89.5	92.7	96.5	96.7	88.8

Source: ifo Business Survey

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For long time series in Excel format, please see [www.ifo.de/en/umfragen/time-series](http://www.ifo.de/en/umfragen/time-series).

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



Source: ifo Business Survey, June 2023

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

	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23
<b>Saxony</b>	5.0	2.2	-1.8	-10.1	-6.9	-1.3	2.8	2.4	6.6	9.6	14.5	15.1	3.7
Manufacturing	2.4	-3.3	-8.8	-10.5	-13.1	-11.3	0.5	1.6	-0.2	3.2	10.6	14.3	-1.9
Service sector	19.6	12.5	4.8	-3.7	4.3	13.4	14.5	13.5	20.5	25.2	28.3	30.9	20.6
Trade	-24.7	-22.4	-23.3	-37.9	-26.8	-24.4	-21.4	-26.8	-18.2	-25.0	-19.1	-16.7	-23.2
Construction	-7.8	-16.4	-18.0	-21.7	-30.8	-20.3	-19.8	-19.3	-21.6	-13.6	-12.6	-14.8	-18.2

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 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.

