

## ifo Business Climate Eastern Germany Rises a Second Time in a Row

Dresden, April 30, 2024 – The ifo Business Climate Index Eastern Germany rose considerably in April. The barometer of business sentiment for the regional economy in eastern Germany climbed to 92.3 points, up from 90.2 points in March. The eastern German companies surveyed provided assessments of their business situation that were somewhat better than the previous month, and they raised their business expectations substantially. The Business Climate Index has now risen for the second time in succession. Signs indicate an upward trend.

In eastern German *manufacturing*, the business climate cooled significantly in April. The companies surveyed again assessed their current business situation as drastically worse than in the previous month. Their expectations for future business development fell considerably.

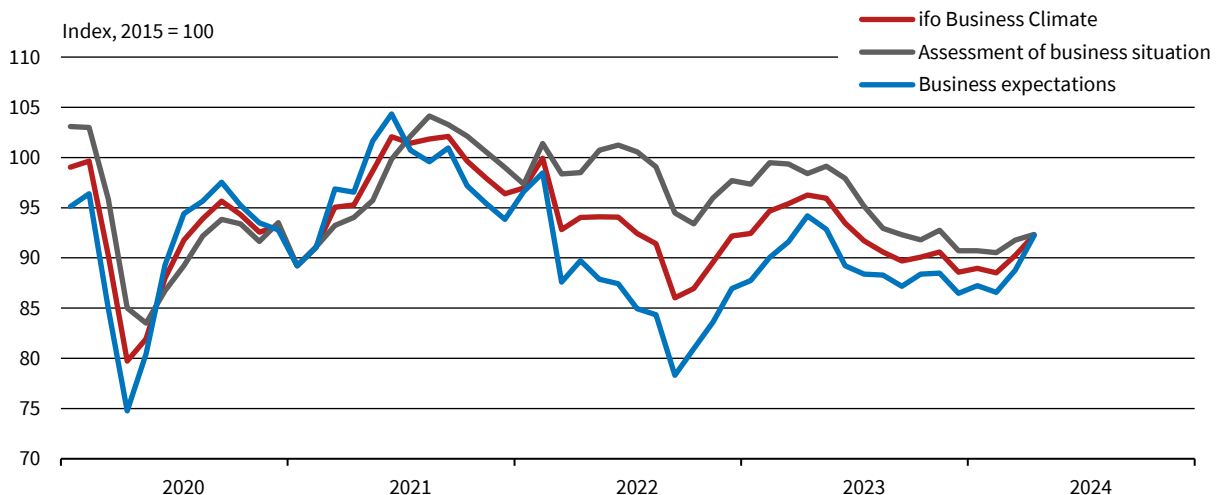
The ifo Business Climate Index rose noticeably in the eastern German *service sector* in April. Compared to the previous month, the service providers surveyed raised their assessments of the current situation slightly and their business expectations for the coming months substantially.

The business climate in eastern German *trade* brightened a little. Both retailers and wholesalers in eastern Germany reported better business than in the previous month. The outlook shows a contrasting trend: while wholesale companies raised their outlook noticeably, retail companies significantly lowered their outlook.

In eastern German *construction*, the business climate turned appreciably brighter in April. The construction companies surveyed stated that their business situation was now a little better than in March. They also raised their expectations for future business greatly.

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Executive Directors, Dresden Branch of the ifo Institute

### ifo Business Climate Eastern Germany<sup>a</sup> Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade and construction.  
Source: ifo Business Survey, April 2024.

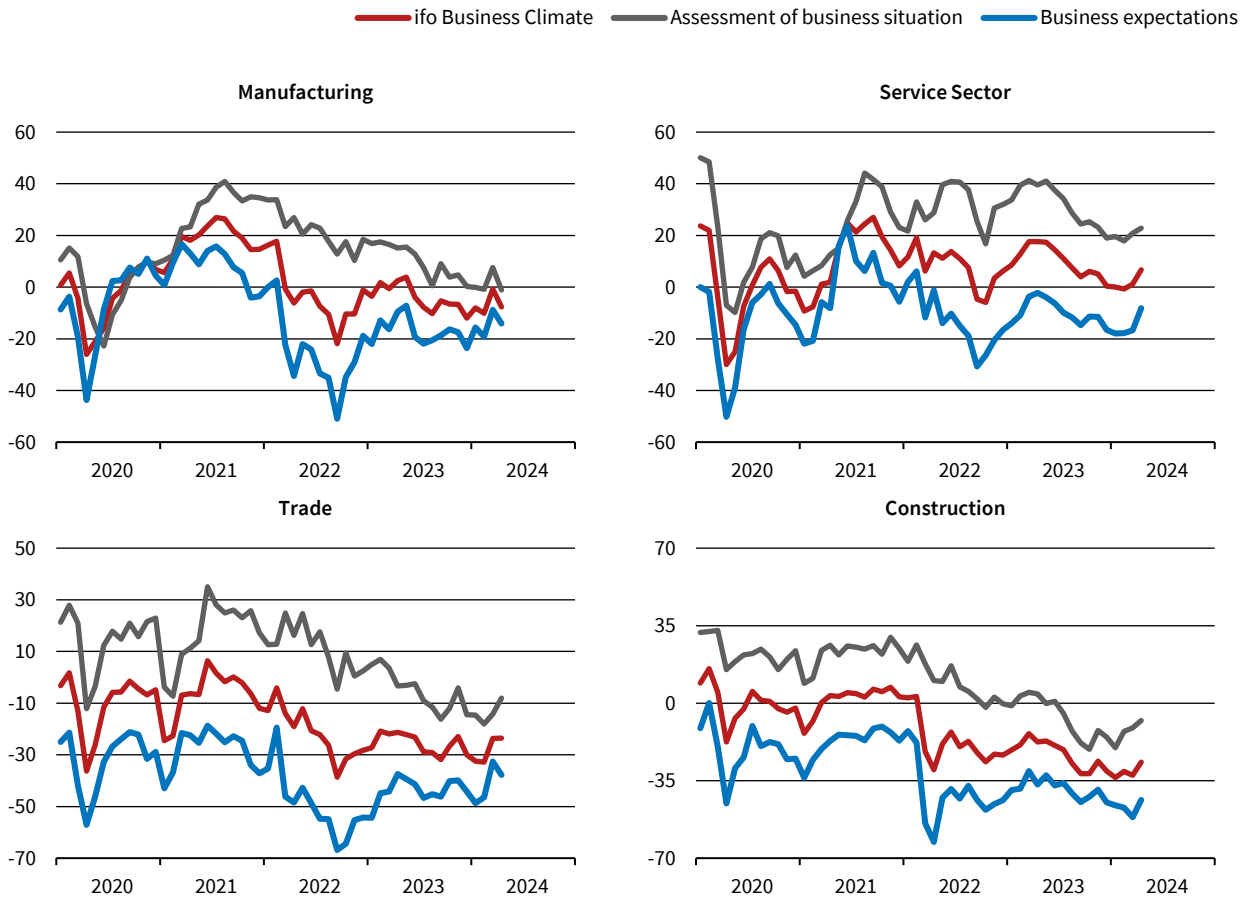
### ifo Business Climate Eastern Germany (Index, 2015 = 100, seasonally adjusted)

	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24
<b>Climate</b>	96.3	95.9	93.5	91.7	90.6	89.7	90.1	90.6	88.6	89.0	88.5	90.2	92.3
<b>Situation</b>	98.4	99.1	97.9	95.1	92.9	92.3	91.8	92.8	90.7	90.7	90.5	91.8	92.3
<b>Expectations</b>	94.2	92.8	89.2	88.4	88.3	87.2	88.4	88.5	86.5	87.2	86.6	88.8	92.2



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 Eastern Germany by Sector**  
Balances, seasonally adjusted



Source: ifo Business Survey, April 2024.

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**ifo Business Climate Eastern Germany** (Balances, seasonally adjusted)

	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24
<b>Eastern Germany</b>	7.7	7.0	1.7	-2.1	-4.5	-6.5	-5.6	-4.5	-8.9	-8.1	-9.0	-5.3	-0.9
Manufacturing	2.4	3.9	-3.9	-7.8	-10.3	-5.3	-6.5	-6.7	-12.1	-8.0	-10.2	-0.7	-7.7
Service sector	17.7	17.4	14.4	11.0	7.4	3.9	6.1	5.1	0.4	0.0	-0.8	1.2	6.7
Trade	-21.3	-22.2	-23.1	-28.9	-29.2	-31.9	-26.7	-22.9	-30.0	-32.5	-32.9	-23.7	-23.6
Construction	-17.5	-17.1	-19.1	-21.0	-27.3	-31.9	-31.9	-26.2	-30.8	-33.6	-30.8	-32.5	-26.7

Source: ifo Business Survey

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The ifo Business Climate Eastern Germany is based on approx. 1,700 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 the 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.



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