

ifo Employment Barometer Falls Again

Munich, January 27, 2021 – German companies’ hiring plans shrank slightly at the start of the new year. The ifo Employment Barometer fell to 95.0 points in January after measuring 95.5 points in December. The lockdown is leading to more layoffs, particularly in the retail sector.

In manufacturing, the barometer rose for the eighth consecutive month. Nevertheless, the companies that say they will downsize their workforce are still in the majority. Among service providers, the figures for new hires and layoffs are more or less balanced. The IT sector and management consultancies are still planning to expand their workforce. More layoffs have been announced in the retail sector due to the lockdown. The only positive exception is supermarkets, which are still looking to take on new staff. Despite the winter months, some companies in the construction industry are also looking to recruit.

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ifo Employment Barometer Germany^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, January 2021

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ifo Employment Barometer Germany (Index, 2015 = 100, seasonally adjusted)

Month/Year	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21
Barometer	99.3	97.8	93.5	86.8	88.7	92.5	93.3	95.4	96.3	96.4	96.7	95.5	95.0

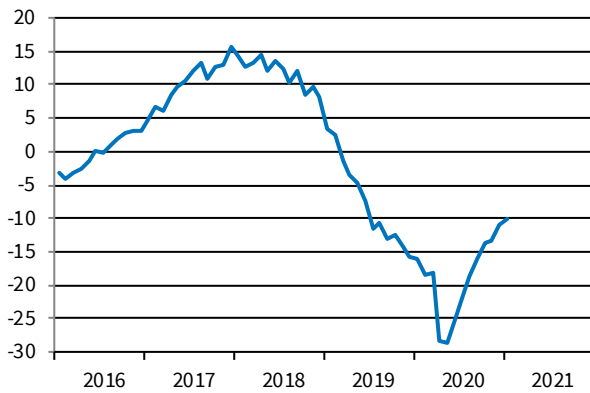
Source: ifo Business Survey.

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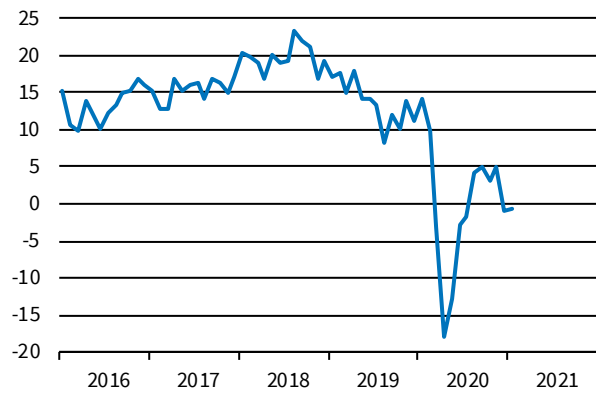
ifo Employment Barometer by Sector

Balances, seasonally adjusted

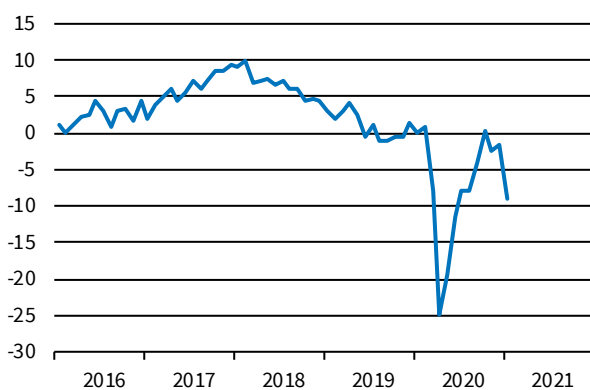
Manufacturing



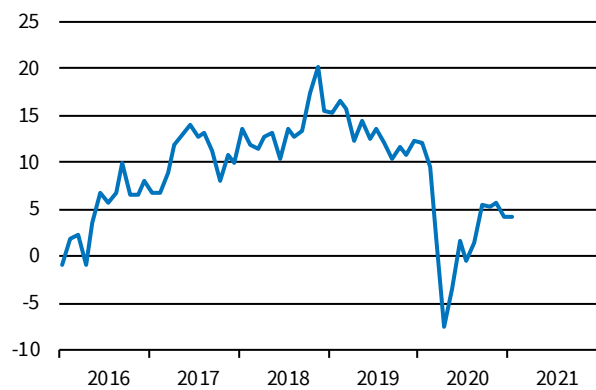
Service Sector



Trade



Construction



Source: ifo BusinessSurvey, January 2021.

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ifo Employment Barometer by sector (Balances, seasonally adjusted)

Month/Year	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21
Manufacturing	-15.9	-18.5	-18.1	-28.4	-28.6	-25.1	-22.4	-18.8	-16.2	-13.7	-13.4	-11.0	-10.0
Service sector	14.3	9.7	-3.1	-18.1	-12.8	-2.9	-1.7	4.3	4.9	3.2	4.9	-0.8	-0.7
Trade	0.1	1.0	-8.0	-24.8	-19.6	-11.5	-7.9	-8.0	-3.9	0.4	-2.4	-1.5	-8.9
Construction	12.1	9.5	2.0	-7.5	-3.5	1.7	-0.4	1.3	5.5	5.3	5.7	4.1	4.1

Source: ifo Business Survey.

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For long time-series in Excel format consult www.ifo.de/langereihen

The ifo Employment Barometer is based on ca. 9.000 monthly responses from businesses in manufacturing, construction, wholesaling, retailing and the service sector. The companies are asked to report on their employment plans for the coming three months. They can describe their plans for the number of employees for the coming six months as “increasing”, “stable”, or “decreasing”. The balance value of the plans is the difference in the percentage shares of the responses “increasing” and “decreasing”. To calculate the index value the balances are normed to the average for the year 2015.

The ifo Employment Barometer is calculated exclusively for the Handelsblatt.