

ifo Business Climate Saxony Cools Down Further

Dresden, September 1, 2023 – Saxony’s business climate cooled slightly in August. The barometer of business sentiment in Saxony’s economy fell from 92.1 points in July to 90.8 points in August, marking the third month in a row to see a decrease. Compared with the previous month, the companies surveyed were noticeably less satisfied with their business situation. They also slightly reduced their business expectations.

In Saxony’s *manufacturing*, the ifo Business Climate Index took a massive drop in August. Manufacturers in Saxony reported their business was much worse than in the previous month. They were also much more pessimistic regarding their business expectations for the coming months.

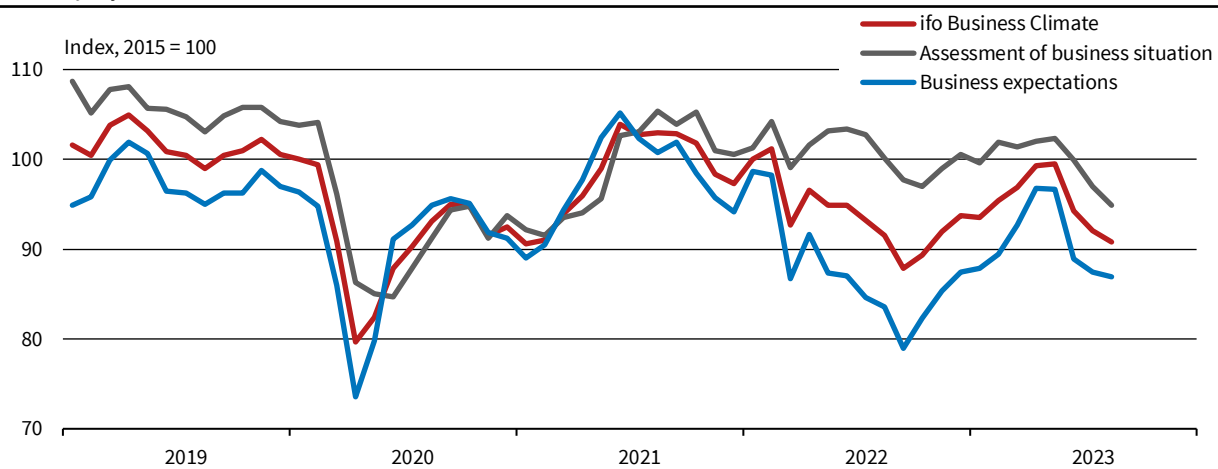
In Saxony’s *service sector*, the business climate cooled markedly in August. Service providers in Saxony reported that their business situation was decidedly worse than in July. Their business expectations worsened slightly.

In Saxony’s *trade*, the business climate brightened considerably in August. Wholesalers in Saxony reported slightly better business than in July, while retailers said theirs was much better. Both were now somewhat less pessimistic about the coming months.

In Saxony’s *construction industry*, the Business Climate Index fell palpably in August. The construction companies surveyed assessed their business situation as significantly worse than in July and scaled back their expectations a bit.

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, August 2023

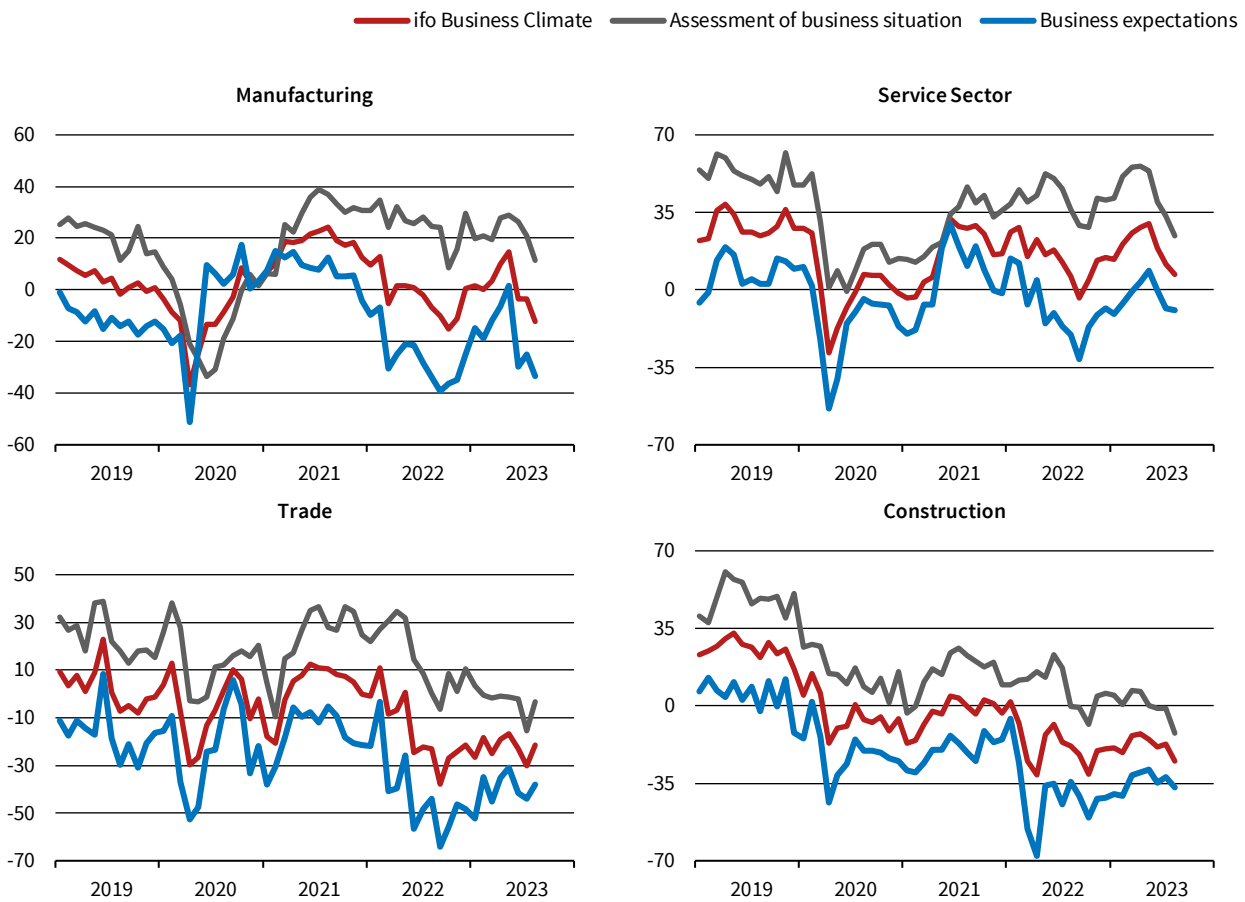
ifo Business Climate Saxony (Index, 2015 = 100, seasonally adjusted)

	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23
Climate	91.5	87.8	89.4	91.9	93.8	93.5	95.5	96.9	99.3	99.5	94.3	92.1	90.8
Situation	100.2	97.7	97.0	98.9	100.6	99.6	101.9	101.4	102.0	102.4	99.9	97.0	94.9
Expectations	83.6	79.0	82.3	85.4	87.4	87.9	89.4	92.6	96.7	96.7	88.9	87.5	86.9

Source: ifo Business Survey

For long time series in Excel format, please see www.ifo.de/en/umfragen/time-series.

Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, August 2023.

© ifo Institute

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

	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23
Saxony	-2.1	-10.0	-6.7	-1.2	2.8	2.3	6.5	9.6	14.8	15.1	3.9	-0.8	-3.5
Manufacturing	-6.9	-10.1	-15.3	-11.1	0.5	1.7	0.1	3.3	10.1	14.7	-3.7	-3.4	-12.4
Service sector	6.2	-3.5	4.6	13.4	14.7	13.8	20.7	25.6	28.2	30.1	18.7	11.4	6.9
Trade	-23.2	-37.9	-26.8	-24.4	-21.4	-26.7	-18.5	-25.1	-19.1	-16.8	-23.2	-30.3	-21.5
Construction	-18.2	-21.9	-30.9	-20.3	-19.6	-19.1	-21.2	-13.3	-12.6	-15.0	-18.8	-17.4	-25.1

Source: ifo Business Survey

© ifo Institute

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.

