

ifo Employment Barometer Falls Markedly

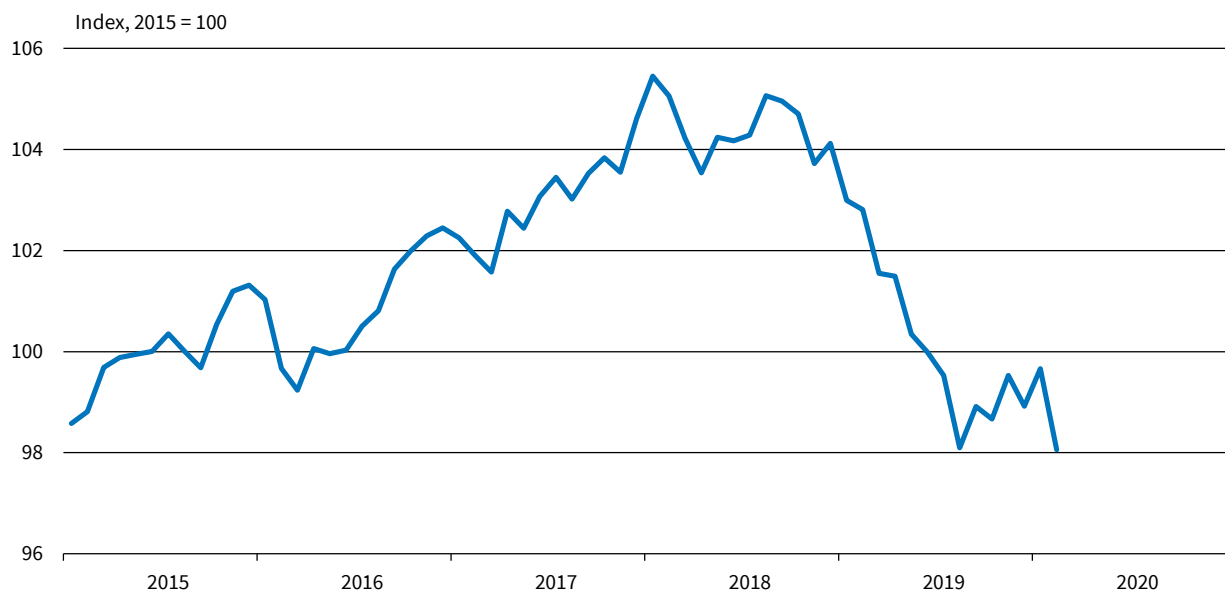
Munich, February 27, 2020 – German companies have become notably more reticent about looking for new staff. The ifo Employment Barometer fell to 98.1 points in February after measuring 99.6 points in January. This is the largest decline since December 2008. The optimism that prevailed on the German labor market at the beginning of the year has evaporated.

While in January the service providers were driving the barometer, this month they were acting more as the brakes as the indicator fell to its lowest level in half a year. In manufacturing, too, the barometer pointed downwards in February, with the number of employees continuing to shrink. Despite a decline in the barometer, the construction industry is still hiring. Meanwhile, as in previous months, there is little movement in employment in trade.

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ifo Employment Barometer Germany^a

Seasonally adjusted



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

Source: ifo Business Survey, February 2020

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

Month/year	02/19	03/19	04/19	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20
Barometer	102.9	101.3	101.5	100.4	100.0	99.5	98.2	98.9	98.7	99.5	98.8	99.6	98.1

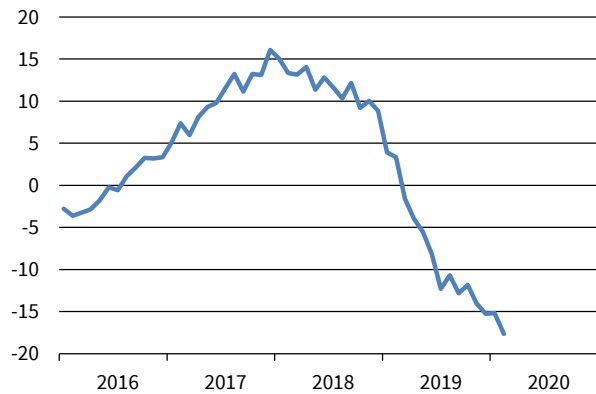
Source: ifo Business Survey

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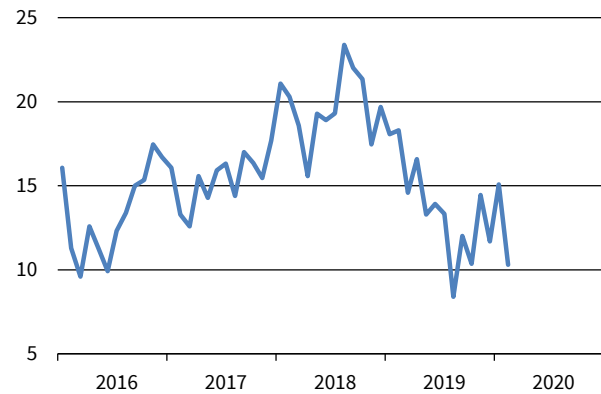
ifo Employment Barometer by Sector

Balances, seasonally adjusted

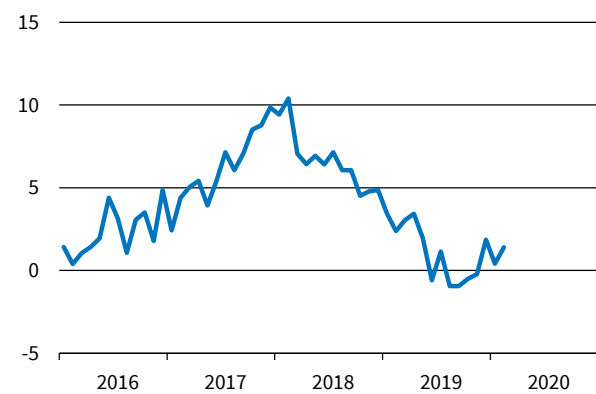
Manufacturing



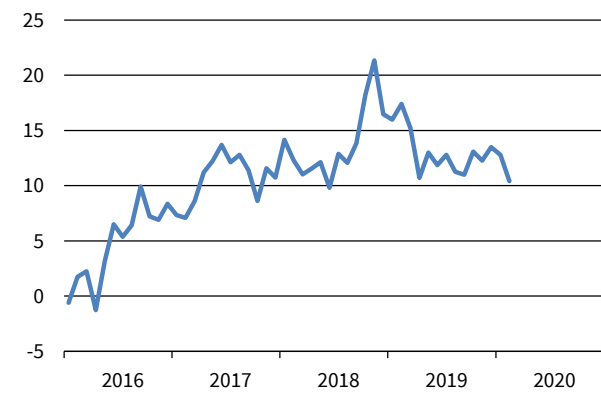
Service Sector



Trade



Construction



Source: ifo Business Survey, February 2020

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ifo Employment Barometer by Sector (Balances, seasonally adjusted)

Month/year	02/19	03/19	04/19	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20
Manufacturing	3.3	-1.6	-4.0	-5.5	-8.2	-12.3	-10.7	-12.8	-11.9	-14.0	-15.3	-15.2	-17.7
Service Sector	18.3	14.6	16.6	13.3	13.9	13.3	8.4	12.0	10.4	14.5	11.7	15.1	10.3
Trade	2.4	3.0	3.4	1.9	-0.6	1.1	-0.9	-0.9	-0.5	-0.2	1.9	0.4	1.4
Construction	17.4	15.2	10.7	13.0	11.9	12.8	11.3	11.0	13.1	12.3	13.5	12.8	10.4

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Source: ifo Business Survey

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

The ifo Employment Barometer is based on around 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 their plans is the difference in the percentage shares of the responses “increasing” and “decreasing.” To calculate the **index value** the balances are normalized to the average for the year 2015.

The ifo Employment Barometer is calculated exclusively for *Handelsblatt*.