

ifo Employment Barometer Plummets to Historic Low

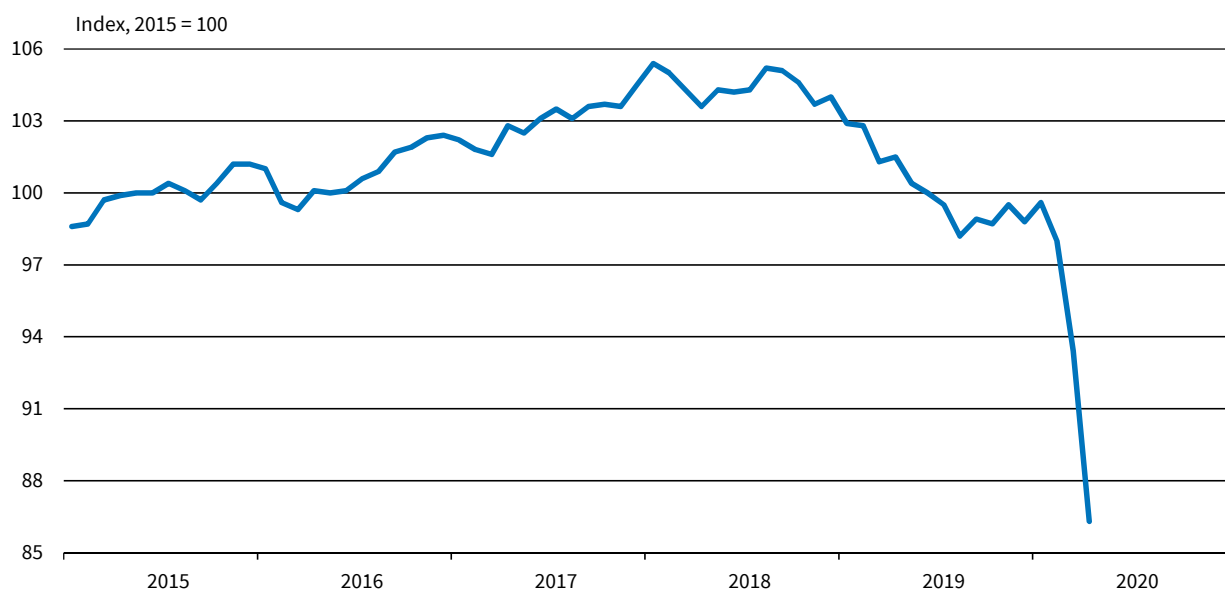
Munich, April 28, 2020 – The personnel departments of German companies are preparing for layoffs. The ifo Employment Barometer plummeted to 86.3 points in April after measuring 93.4 points in March. This represents a historic low. There has never been such a marked decline in the barometer itself, which will correspond to a rise in unemployment in Germany.

In all four sectors, the decline in the barometer is unprecedented. The service sector even experienced a new alltime low, with layoffs expected for the first time since the financial crisis. In manufacturing, the trend in declining employee numbers that began prior to the financial crisis is set to intensify. In trade, headcounts will also drop, with supermarkets being the sole exception. And despite its recent boom, even the construction sector can no longer escape the negative trend in employment.

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ifo Employment Barometer Germany^a

Seasonally adjusted



^a Manufacturing, service sector, trade and construction.

Source: ifo Business Survey, April 2020.

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

Month/Year	04/19	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20
Barometer	101.5	100.4	100.0	99.5	98.2	98.9	98.7	99.5	98.8	99.6	98.0	93.4	86.3

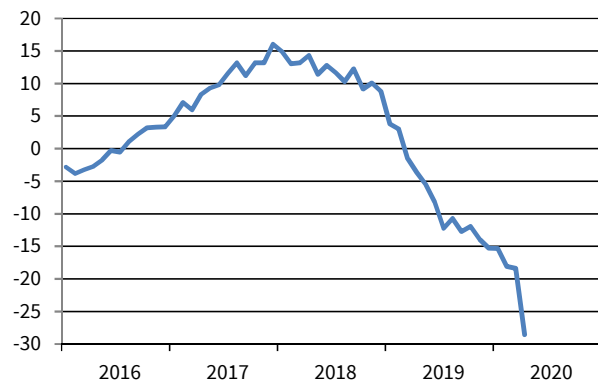
Source: ifo Business Survey.

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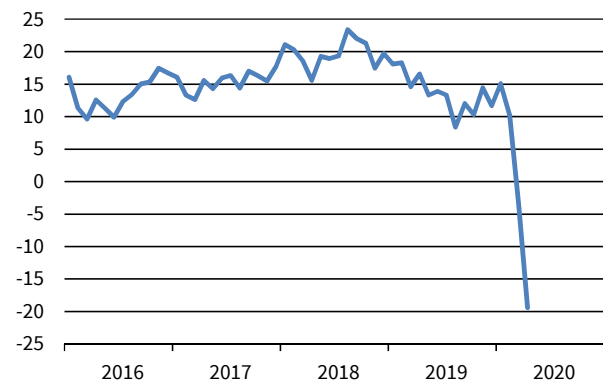
ifo Employment Barometer by Sector

Balances, seasonally adjusted

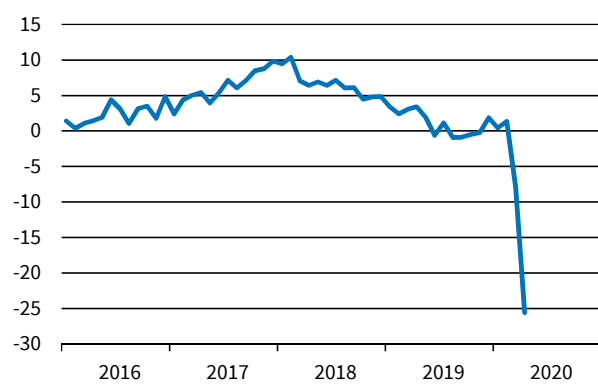
Manufacturing



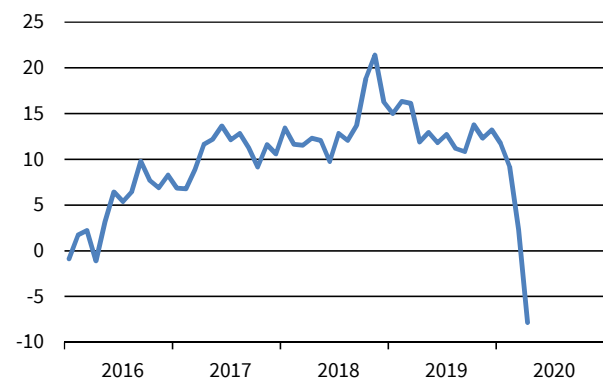
Service Sector



Trade



Construction



Source: ifo Business Survey, April 2020.

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ifo Employment Barometer by sector (Balances, seasonally adjusted)

Month/Year	04/19	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20
Manufacturing	-3.7	-5.5	-8.2	-12.2	-10.7	-12.7	-11.9	-14.0	-15.3	-15.3	-18.1	-18.4	-28.6
Service sector	16.6	13.3	13.9	13.3	8.4	12.0	10.3	14.5	11.7	15.1	10.3	-3.4	-19.4
Trade	3.4	1.9	-0.6	1.1	-0.9	-0.9	-0.5	-0.2	1.9	0.4	1.4	-8.0	-25.6
Construction	11.9	12.9	11.8	12.7	11.2	10.8	13.8	12.3	13.2	11.7	9.2	2.3	-7.9

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.