

Germany: ifo Employment Barometer Rises Strongly

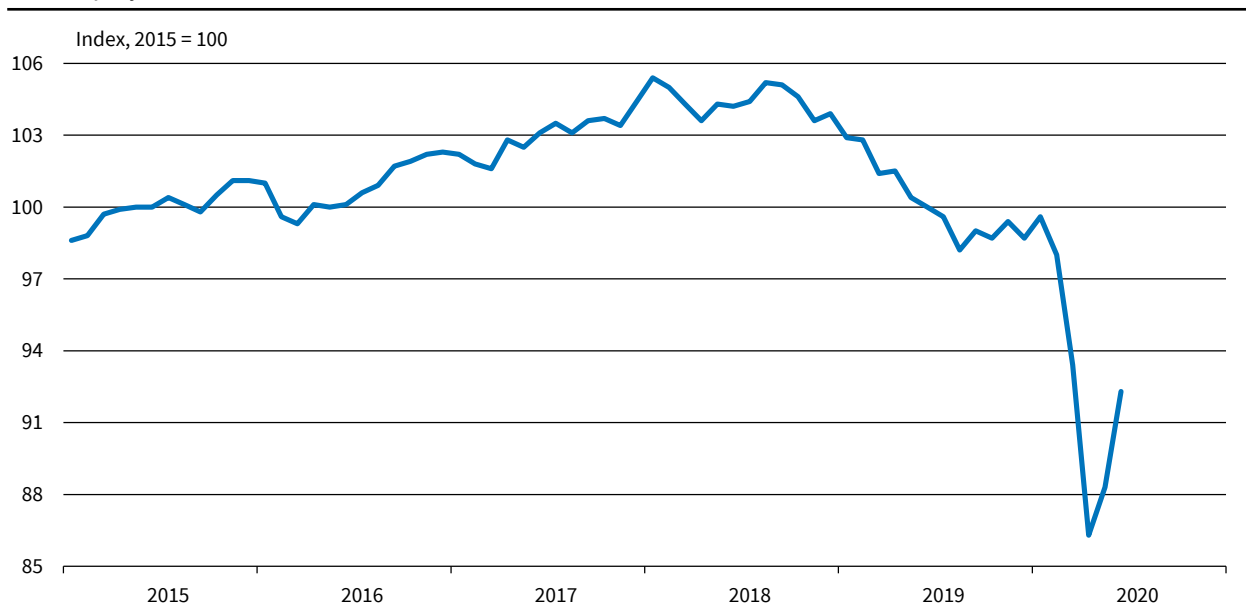
Munich, June 26, 2020 – German companies are no longer quite so pessimistic about employment. The ifo Employment Barometer climbed to 92.3 points in June after measuring 88.3 points in May. And while companies are still making redundancies, the trend was somewhat less negative than in the previous months.

All four sectors saw the barometer rise, in some cases sharply. The most pronounced increase was in the service sector, where the number of employees is set to remain largely constant. This is also true of the construction sector. In manufacturing, the signs continue to point to redundancies, affecting many key sectors such as the automotive industry, electrical engineering, and mechanical engineering. Trade was also unable to fully recover from the lockdown, and employee numbers will continue to shrink here, too.

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ifo Employment Barometer Germany^a

Seasonally adjusted



^a Manufacturing, service sector, trade and construction.

Source: ifo Business Survey, June 2020.

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

Month/Year	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20
Barometer	100.0	99.6	98.2	99.0	98.7	99.4	98.7	99.6	98.0	93.4	86.3	88.3	92.3

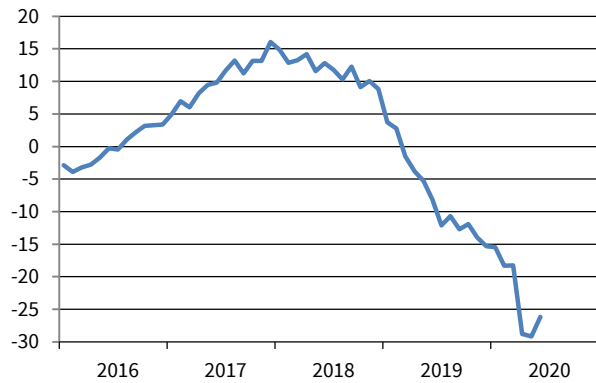
Source: ifo Business Survey

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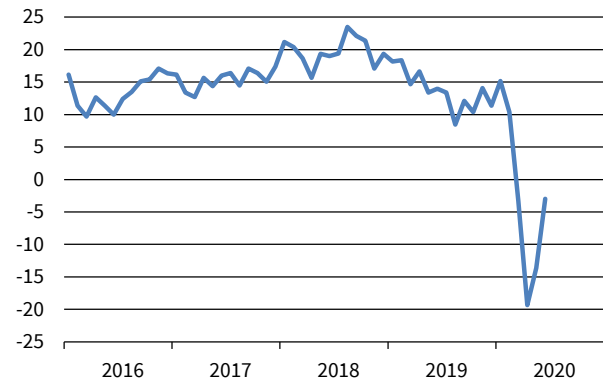
ifo Employment Barometer by Sector

Balances, seasonally adjusted

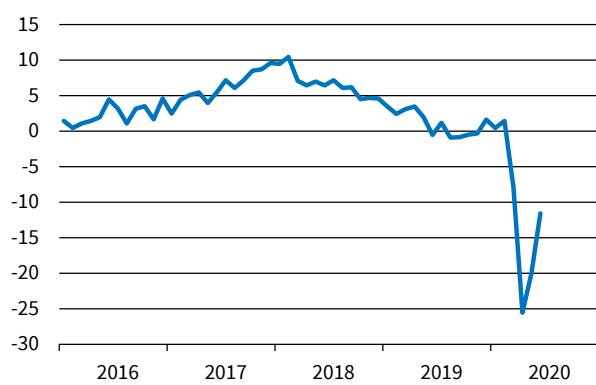
Manufacturing



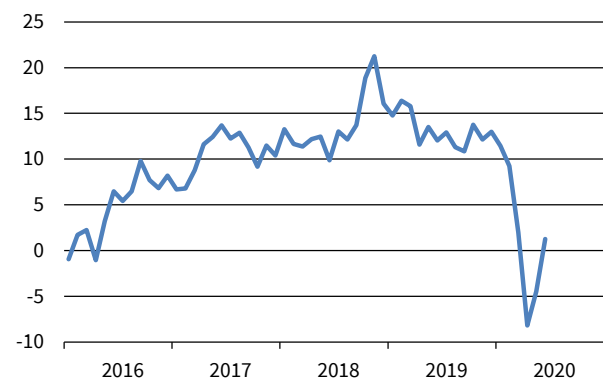
Service Sector



Trade



Construction



Source: ifo Business Survey, June 2020.

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ifo Employment Barometer by sector (Balances, seasonally adjusted)

Month/Year	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20
Manufacturing	-8.2	-12.1	-10.7	-12.7	-11.9	-14.0	-15.3	-15.4	-18.3	-18.3	-28.8	-29.2	-26.2
Service sector	14.0	13.4	8.5	12.1	10.4	14.1	11.4	15.2	10.4	-3.3	-19.3	-13.6	-3.0
Trade	-0.6	1.2	-0.9	-0.9	-0.5	-0.3	1.6	0.5	1.4	-7.9	-25.6	-20.0	-11.6
Construction	12.0	12.9	11.3	10.8	13.8	12.2	13.0	11.5	9.3	2.0	-8.2	-4.5	1.3

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.