

ifo Employment Barometer Climbs Again

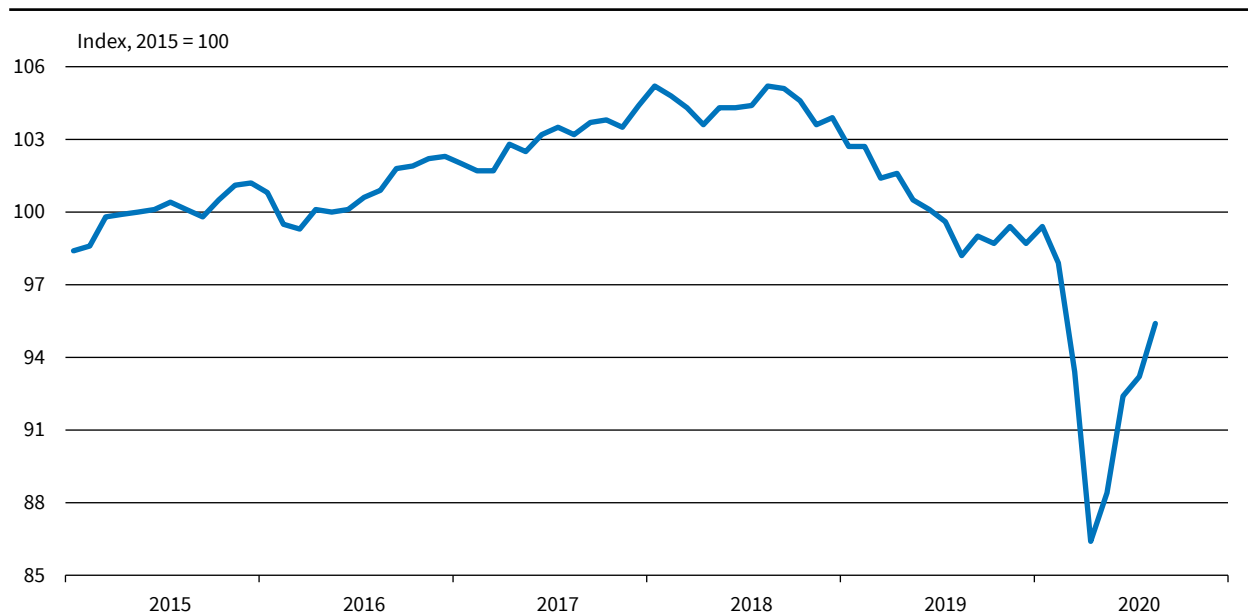
Munich, August 27, 2020 – German companies are scaling back their layoff plans. The ifo Employment Barometer climbed to 95.4 points in August after measuring 93.2 points in July. A turnaround is imminent on the German labor market: after layoffs in recent months, the first signals for new hires have now appeared.

In industry, the barometer rose considerably. Nevertheless, more companies are still tending toward laying employees off rather than hiring them. The service sector is seeing the first signs of new hires, with demand for new employees especially strong in IT. Trade continues to be reluctant to recruit staff and tends to expect layoffs. Only the construction industry is currently displaying little movement in employment development.

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ifo Employment Barometer Germany^a

Seasonally adjusted



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

Source: ifo Business Survey, August 2020

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

Month/year	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20
Barometer	98.2	99.0	98.7	99.4	98.7	99.4	97.9	93.4	86.4	88.4	92.4	93.2	95.4

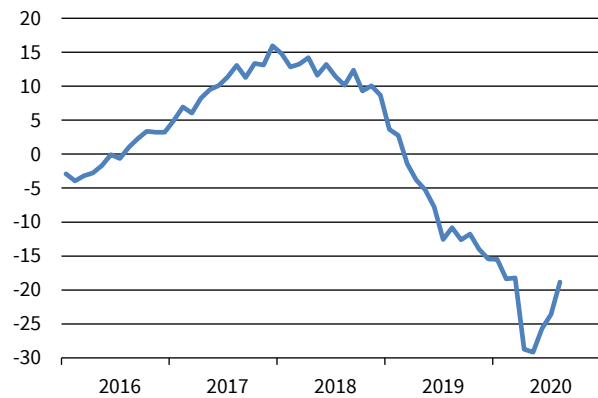
Source: ifo Business Survey

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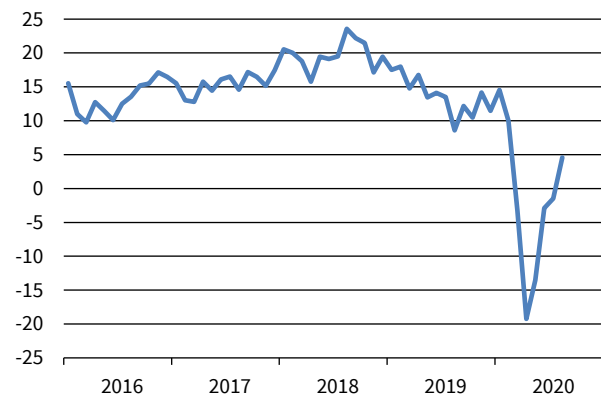
ifo Employment Barometer by Sector

Balances, seasonally adjusted

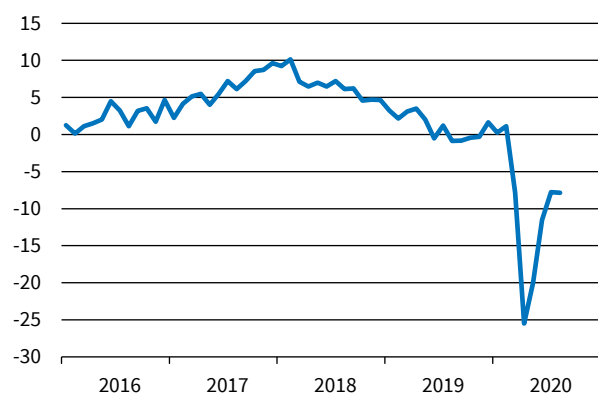
Manufacturing



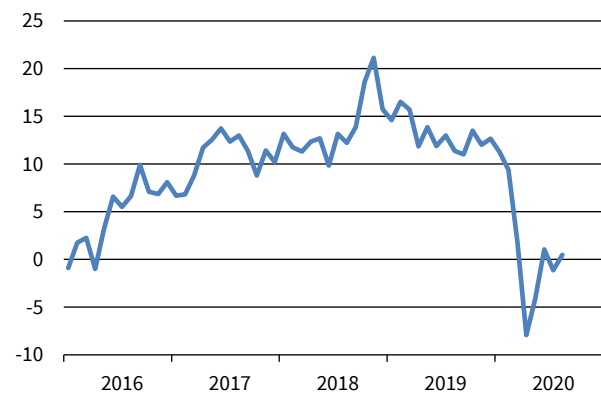
Service sector



Trade



Construction



Source: ifo Business Survey, August 2020

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ifo Employment Barometer by Sector (Balances, seasonally adjusted)

Month/year	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20
Manufacturing	-10.8	-12.6	-11.8	-14.0	-15.4	-15.5	-18.4	-18.2	-28.7	-29.2	-25.7	-23.6	-18.9
Service sector	8.6	12.2	10.5	14.2	11.5	14.5	10.0	-3.2	-19.2	-13.5	-2.9	-1.5	4.6
Trade	-0.9	-0.8	-0.4	-0.3	1.7	0.2	1.1	-7.9	-25.5	-20.0	-11.5	-7.8	-7.9
Construction	11.4	11.0	13.5	12.0	12.7	11.3	9.4	1.9	-7.9	-4.1	1.1	-1.1	0.5

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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*.