

Business Climate in Saxony Improves Moderately

Dresden, June 1, 2023 – The ifo Business Climate Index Saxony rose slightly in May. The barometer of business sentiment in Saxony’s economy climbed from 99.0 points in April to 99.6 points in May. The Saxony-based companies surveyed assessed their current business situation as marginally better than in the previous month and raised their business expectations slightly.

In Saxony’s *manufacturing*, the ifo Business Climate Index climbed a little in May. The companies surveyed assessed their current business situation as somewhat better than in the previous month. Their assessments of business development also saw a modest improvement, with the result that the balance of business expectations is now positive again for the first time since November 2021.

The business climate in Saxony’s *service sector* improved noticeably compared to the previous month. Saxony’s service providers raised their assessments somewhat, both of the current business situation and regarding their business expectations for the months ahead.

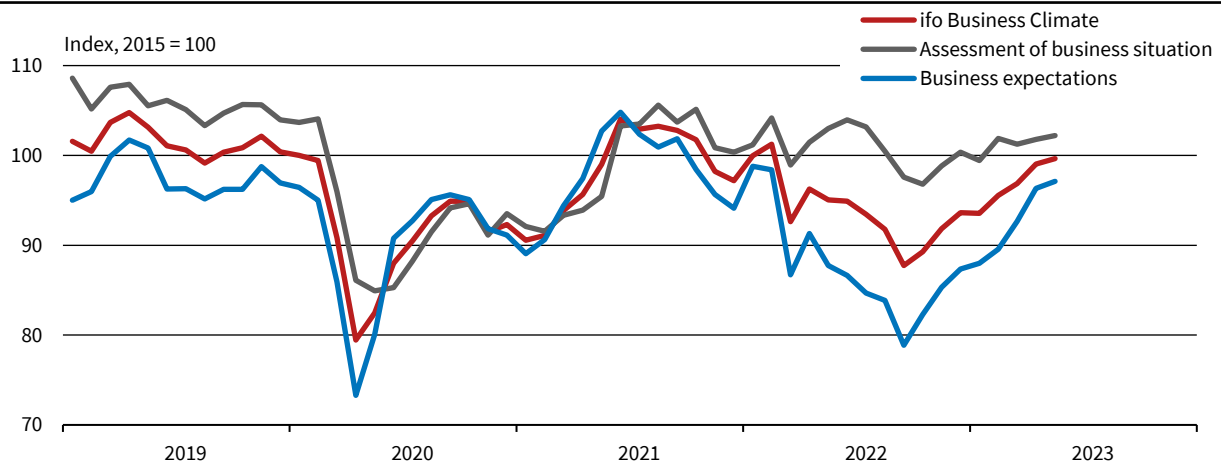
In Saxony’s *trade*, the overall business climate brightened a little in May. The same applies to the retail and wholesale subsectors. Saxony’s retailers assessed the business situation as slightly better and business expectations as slightly worse than in the previous month. Wholesalers, by contrast, assessed the business situation as somewhat worse than in April and expected business to improve significantly in the future.

The business climate for *construction* in Saxony worsened a bit. Compared to their responses in April, the companies surveyed in Saxony were noticeably less optimistic about the business situation in May. With regard to business expectations, they expressed somewhat less pessimism than in the previous month.

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ifo Business Climate Saxony^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, May 2023

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

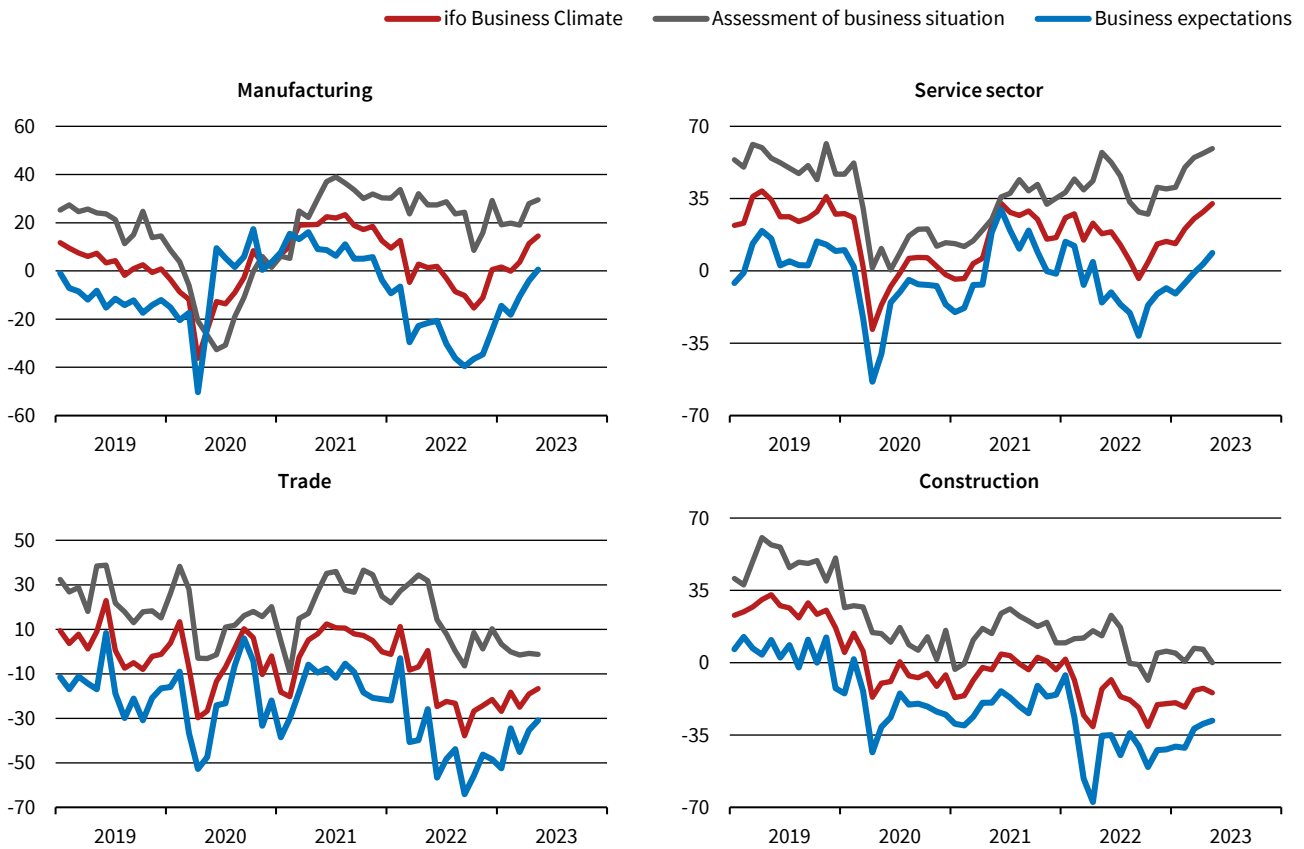
	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23
Climate	95.1	94.9	93.5	91.8	87.7	89.3	91.8	93.6	93.5	95.5	96.9	99.0	99.6
Situation	103.0	103.9	103.2	100.5	97.6	96.8	98.8	100.4	99.4	101.9	101.2	101.8	102.2
Expectations	87.7	86.6	84.7	83.9	78.9	82.3	85.3	87.3	88.0	89.6	92.7	96.3	97.1

Source: ifo Business Survey

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Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, May 2023

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

	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23
Saxony	5.6	5.3	2.1	-1.5	-10.2	-6.9	-1.4	2.5	2.3	6.6	9.5	14.2	15.5
Manufacturing	1.4	1.9	-3.0	-8.6	-10.2	-15.3	-11.1	0.5	1.6	-0.1	3.7	11.3	14.6
Service sector	18.0	18.9	12.5	4.8	-3.7	4.2	13.1	14.3	13.3	20.3	25.3	28.6	32.6
Trade	0.5	-24.7	-22.4	-23.3	-37.8	-26.8	-24.3	-21.5	-26.8	-18.2	-25.0	-19.1	-16.7
Construction	-12.7	-8.3	-16.4	-18.0	-21.7	-30.8	-20.4	-19.8	-19.4	-21.6	-13.5	-12.4	-14.5

Source: ifo Business Survey

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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 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.

