

ifo Business Climate Saxony
Results of the ifo Business Survey for July 2023

ifo Business Climate Saxony Still Declining

Dresden, August 1, 2023 – In July, the ifo Business Climate Index Saxony dropped notably. The barometer of business sentiment in Saxony’s economy fell from 94.2 points in June to 92.0 points in July. The Saxony-based companies surveyed assessed their current business situation as considerably worse than in the previous month and scaled back their business expectations somewhat. This is the second consecutive decline in the business climate.

In Saxony’s *manufacturing*, the business climate brightened a little in July. The manufacturers surveyed were tangibly less satisfied with their current business situation than in the previous month. At the same time, they markedly raised their business expectations for the coming months.

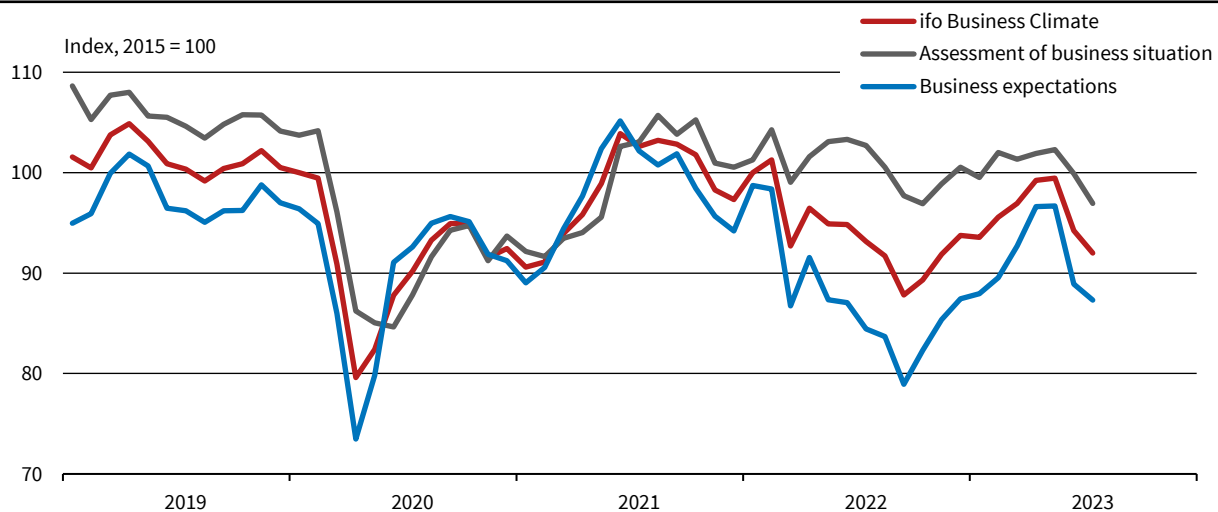
In Saxony’s *service sector*, the business climate turned much cooler in July. This marks a continuation of the previous month’s steep decline. Service providers in Saxony reported that their business situation was much worse. They were noticeably more pessimistic about their business performance.

In Saxony’s *trade*, the Business Climate Index saw a clear drop in July. The Saxon companies surveyed assessed their business situation as perceptibly worse than in the previous month. Business expectations declined only slightly.

In Saxony’s *construction*, the Business Climate Index improved somewhat in July. The construction companies surveyed assessed their business situation as marginally better than in June. Their business expectations improved slightly.

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ifo Business Climate Saxony^a
Seasonally adjusted



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

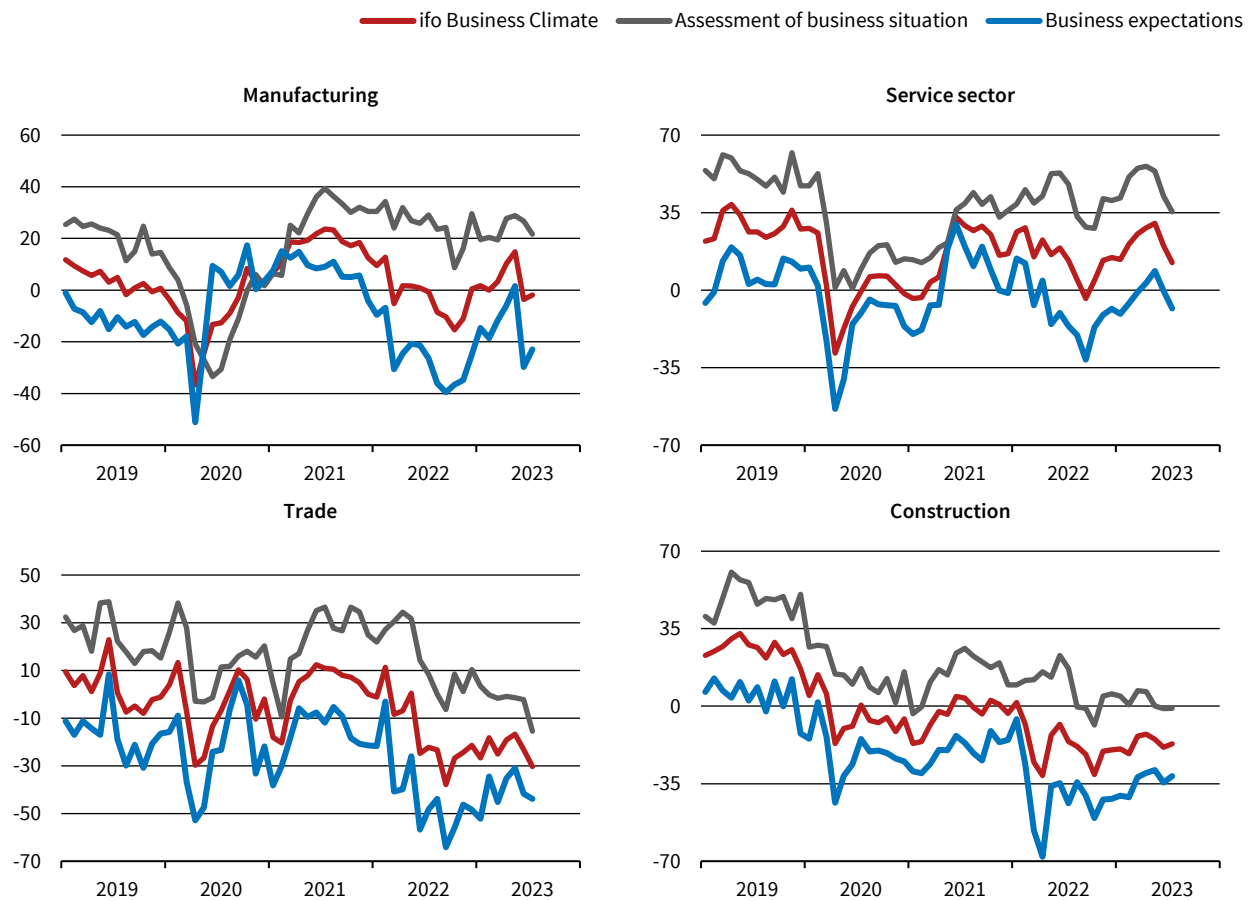
ifo Business Climate Saxony (Index, 2015 = 100, seasonally adjusted)

	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23
Climate	93.1	91.7	87.8	89.3	91.9	93.8	93.6	95.6	96.9	99.2	99.4	94.2	92.0
Situation	102.7	100.5	97.7	96.9	98.9	100.5	99.5	102.0	101.3	101.9	102.3	99.9	96.9
Expectations	84.5	83.7	78.9	82.3	85.4	87.4	87.9	89.5	92.7	96.6	96.7	88.9	87.3

Source: ifo Business Survey

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

Business Situation and Expectations Saxony by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, July 2023

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

	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23
Saxony	1.5	-1.6	-10.1	-6.8	-1.3	2.8	2.4	6.7	9.7	14.6	15.1	3.8	-1.0
Manufacturing	-0.6	-8.6	-10.3	-15.3	-11.1	0.5	1.7	0.0	3.3	10.2	14.8	-3.6	-1.9
Service sector	13.4	4.7	-3.7	4.4	13.5	14.7	13.8	20.7	25.4	28.1	30.1	20.0	12.5
Trade	-22.2	-23.3	-37.9	-26.8	-24.4	-21.4	-26.7	-18.2	-25.1	-19.2	-16.8	-23.2	-30.3
Construction	-15.9	-18.1	-21.8	-30.8	-20.3	-19.7	-19.3	-21.5	-13.5	-12.7	-15.0	-18.5	-16.9

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. They can describe their situation 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.

