

## ifo Business Climate Saxony Cools Down Further

Dresden, October 2, 2023 – The business climate in Saxony deteriorated significantly in September. The barometer of business sentiment in Saxony’s economy fell from 90.7 points in August to 88.0 points. This is its fourth consecutive fall. The Saxony-based companies surveyed reported a noticeable deterioration in their business situation and are much more pessimistic about the future overall.

In Saxony’s *manufacturing*, the ifo Business Climate Index fell only slightly in September. The manufacturers surveyed assessed their current business situation as somewhat worse than in the previous month. Compared to August, they were somewhat less pessimistic regarding their business expectations.

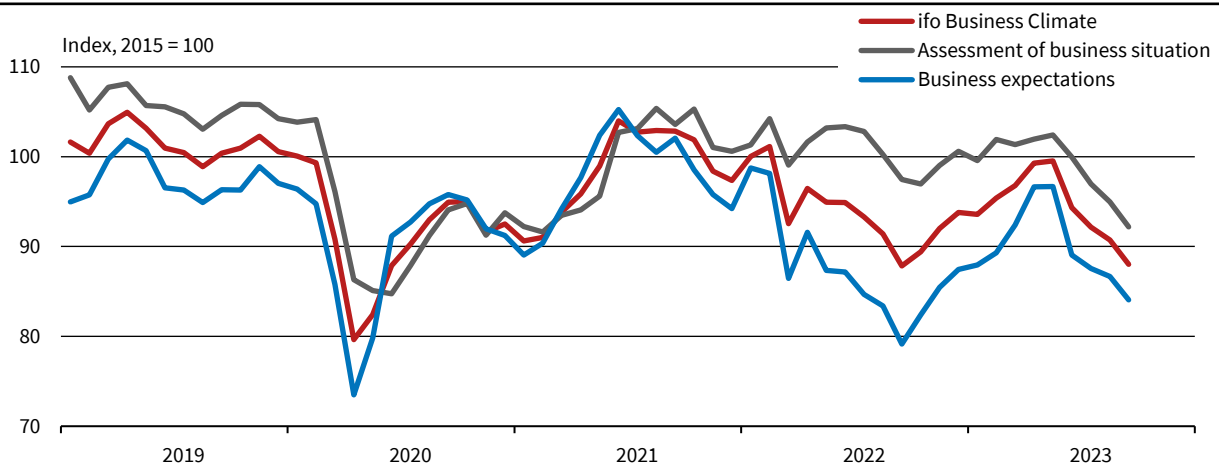
In Saxony’s *service sector*, the business climate became much gloomier in September. The service providers surveyed assessed their current business situation as somewhat worse than in the previous month. Looking ahead, their business expectations deteriorated noticeably.

In Saxony’s *trade*, the business climate cooled appreciably in September. While the Business Climate Index rose slightly among *retailers*, it fell considerably among *wholesalers*. Both groups reported a substantially worse business situation. While retailers were much less pessimistic than in the previous month, wholesalers’ outlook darkened somewhat.

In Saxony’s *construction*, the Business Climate Index fell significantly in September. The Saxony-based construction companies surveyed assessed their business situation as palpably worse than in August and scaled back their business expectations considerably.

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### ifo Business Climate Saxony<sup>a</sup> Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction  
Source: ifo Business Survey, September 2023

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

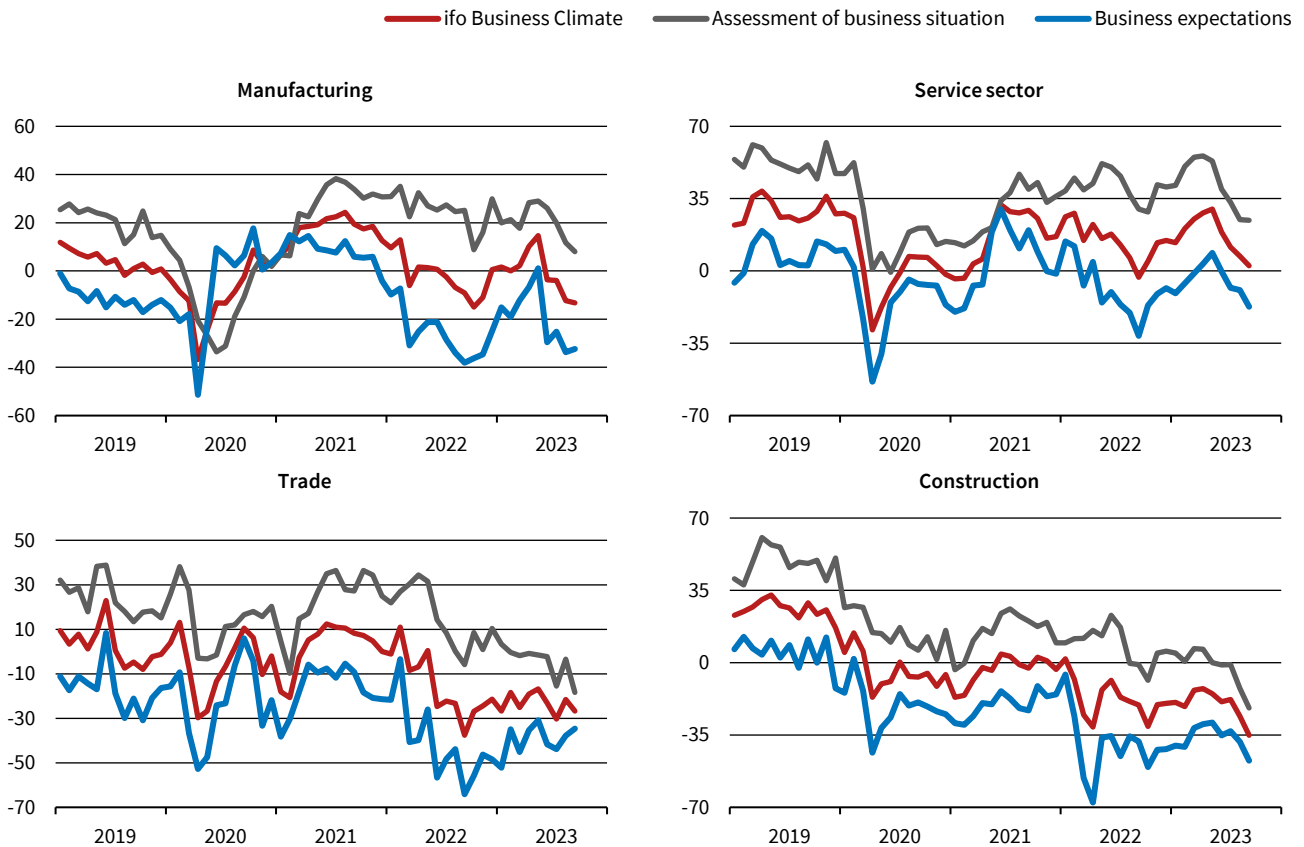
	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23
<b>Climate</b>	87.8	89.4	92.0	93.8	93.6	95.4	96.8	99.3	99.5	94.3	92.1	90.7	88.0
<b>Situation</b>	97.5	97.0	99.0	100.6	99.6	101.9	101.4	102.0	102.4	100.0	97.0	95.0	92.2
<b>Expectations</b>	79.1	82.4	85.5	87.5	88.0	89.3	92.4	96.6	96.7	89.0	87.5	86.7	84.1

Source: ifo Business Survey

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**Business Situation and Expectations Saxony by Sector**  
Balances, seasonally adjusted



Source: ifo Business Survey, September 2023

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

	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23
<b>Saxony</b>	-10.0	-6.6	-1.0	2.9	2.4	6.4	9.3	14.7	15.2	4.1	-0.7	-3.8	-9.6
Manufacturing	-9.1	-15.0	-11.0	0.6	1.7	0.1	2.2	10.1	14.6	-3.7	-3.9	-12.4	-13.2
Service sector	-3.1	4.7	13.6	14.8	13.7	20.5	25.2	28.0	29.9	18.7	11.5	7.2	2.5
Trade	-37.6	-26.8	-24.4	-21.4	-26.7	-18.5	-25.1	-19.1	-16.8	-23.2	-30.3	-21.6	-26.7
Construction	-20.5	-30.8	-20.3	-19.6	-19.1	-21.3	-13.4	-12.5	-15.1	-18.9	-17.8	-25.8	-35.1

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.

