

## ifo Business Climate Saxony: Sentiment Remains Subdued

Dresden, March 4, 2024 – The business climate in Saxony deteriorated slightly in February. The barometer of business sentiment in Saxony’s economy fell from 91.0 points in January to 90.2 points in February, marking the third month in a row to see a decrease. The companies surveyed assessed their business situation as marginally worse than in January; they reduced their expectations for the coming months slightly.

In Saxony’s *manufacturing*, the ifo Business Climate Index fell sharply in February. The manufacturing businesses surveyed assessed their current situation as considerably worse than in the previous month. Their business expectations declined significantly as well.

In Saxony’s *service sector*, the business climate brightened a little. Although the service providers surveyed assessed their current business situation as slightly worse than in the previous month, they were also somewhat less pessimistic in their expectations.

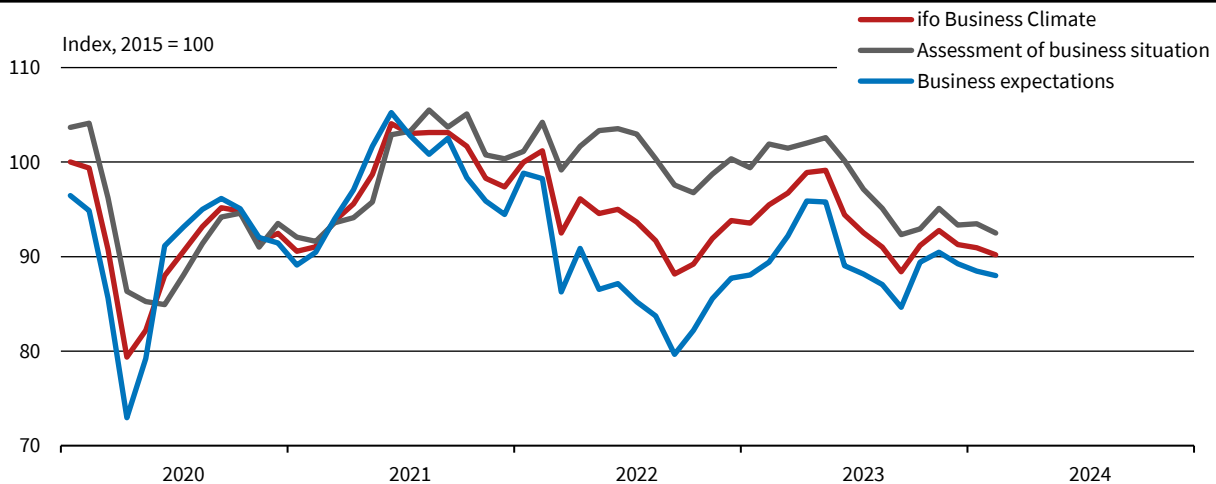
In Saxony’s *trade*, the business climate brightened considerably in February. Retailers’ assessments of the situation rose slightly, while wholesalers’ assessments increased sharply. Looking to the months ahead, however, the trading businesses surveyed were only somewhat less pessimistic than in the previous month.

In Saxony’s *construction* industry, the ifo Business Climate Index rose marginally in February. The construction companies surveyed assessed their current business situation as considerably less negative than in January. However, they were slightly more pessimistic about future business development.

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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, February 2024

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

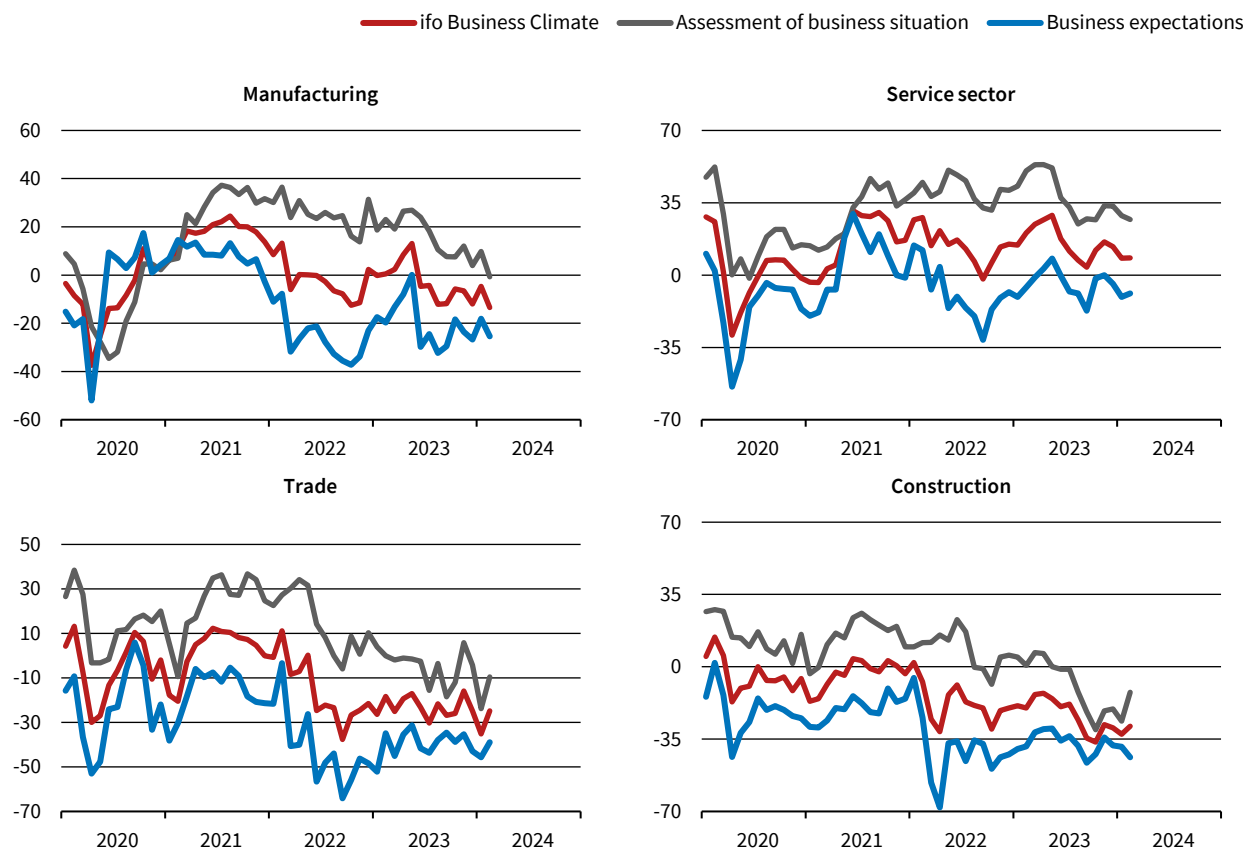
	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24
<b>Climate</b>	95.5	96.7	98.9	99.1	94.4	92.5	91.0	88.4	91.2	92.8	91.3	91.0	90.2
<b>Situation</b>	101.9	101.5	102.0	102.6	100.1	97.1	95.1	92.3	92.9	95.1	93.3	93.5	92.5
<b>Expectations</b>	89.4	92.2	95.9	95.8	89.0	88.1	87.1	84.6	89.4	90.4	89.2	88.5	88.0

Source: ifo Business Survey

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For long time series in Excel format, please see [www.ifo.de/en/umfragen/time-series](http://www.ifo.de/en/umfragen/time-series).

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



Source: ifo Business Survey, February 2024

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

	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24
<b>Saxony</b>	6.5	9.2	13.9	14.4	4.2	0.2	-3.2	-8.8	-2.8	0.6	-2.6	-3.3	-4.9
Manufacturing	0.5	2.4	8.5	13.1	-4.7	-4.3	-12.1	-11.9	-5.8	-6.6	-12.0	-4.7	-13.5
Service sector	20.4	24.5	26.8	28.9	17.7	11.5	7.3	3.8	12.1	16.1	13.8	8.2	8.2
Trade	-18.3	-25.1	-19.3	-17.0	-23.2	-30.3	-21.6	-26.8	-25.9	-15.9	-24.7	-35.1	-24.8
Construction	-20.0	-13.5	-12.8	-15.5	-19.3	-18.1	-25.7	-34.6	-36.4	-27.9	-29.5	-32.6	-28.7

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.

