

Ifo Employment Barometer for Germany

Results of the Ifo Business Survey for April 2008

Hiring propensity somewhat weakened

The Ifo Employment Barometer for German industry and trade turned downwards in April. Still, the personnel plans of the firms continue to point to growing employment. The surveyed companies plan to further increase their staff levels in the coming months, albeit somewhat more cautiously than in previous months.

The employment outlook in manufacturing remains good, but the firms intend to increase employment levels at a more moderate pace. Some industry sectors like metal production and processing or mechanical engineering are feeling the lack of specialists ever more clearly. In retailing, the businesses plan to raise staff levels more cautiously, and construction will be increasingly more reserved in new hirings. In contrast, in wholesaling the need to hire additional staff has become somewhat greater.

Germany (Index value, 2000 = 100, seasonally adjusted)

Month/Year	04/07	05/07	06/07	07/07	08/07	09/07	10/07	11/07	12/07	1/08	2/08	3/08	4/08
Index	105.7	106.5	106.3	106.6	106.3	104.9	104.4	107.0	106.8	105.5	105.5	105.6	104.2



Legend: The Ifo Employment Barometer is based on ca. 7.000 monthly responses from businesses in manufacturing, construction, wholesaling and retailing. 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 the plans is the difference in the percentage shares of the responses “increasing” and “decreasing”. To calculate the **index value** the balances are normed to the average for the year 2000.

The Ifo Employment Barometer is calculated exclusively for the *Financial Times Deutschland*.