

Ifo Employment Barometer for Germany

Results of the Ifo Business Survey for June 2007

Employment outlook continues to be favourable

The Ifo Employment Barometer for German industry and trade fell slightly in June. The indicator remains clearly in positive territory and supports expectations of a further rising demand for additional labour.

The slight weakening in the overall indicator is the result of a reduced hiring propensity in both wholesaling and retailing. Hiring plans in construction remained unchanged. In manufacturing there were more frequent responses indicating personnel expansions. Although optimism regarding the business outlook weakened on the whole, production plans call for even more expansion. In addition, the firms continue to assess their personnel levels as too low.

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

Month/Year	06/06	07/06	08/06	09/06	10/06	11/06	12/06	01/07	02/07	03/07	04/07	05/07	06/07
Index	101.0	102.0	103.2	102.7	103.1	105.1	105.9	106.7	106.3	106.9	105.7	106.5	106.3



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.