

Ifo Employment Barometer for Germany

Results of the Ifo Business Survey for January 2008

Hiring propensity somewhat weakened

The Ifo Employment Barometer for German industry and trade fell in January. The cooling of the economic upswing has ostensibly dampened the hiring willingness of firms. The indicator is nonetheless still at a high level and points to a continued – albeit slower – increase in the number of those in employment for the coming months, in particular because the shortage of highly skilled labour has barely lessened.

In manufacturing, the number of companies intending to hire more personnel has declined somewhat, despite continuing positive plans for expanding production. Retailing's hiring plans dropped markedly, while wholesaling kept its mildly expansive hiring plans unchanged. Construction, in turn, indicated increased willingness to raise its personnel levels.

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

Month/Year	01/07	02/07	03/07	04/07	05/07	06/07	07/07	08/07	09/07	10/07	11/07	12/07	01/08
Index	106.8	106.3	106.8	105.7	106.5	106.3	106.6	106.3	104.9	104.4	107.0	106.8	105.6



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*.