

## Ifo Employment Barometer for Germany

Results of the Ifo Business Survey for September 2007

### Reduced willingness to hire

The Ifo employment Barometer for German trade and industry declined in September. The turbulences in the financial markets have obviously induced the firms to be more also cautious regarding their staff planning. The indicator is still moving in the positive range, however, pointing to a continued, albeit slower rise in employment.

Employment plans in retailing were markedly revised downward, following a noticeable clouding of the business climate here. In the construction industry, too, the share of firms wanting to increase the number of employees has declined a bit. Waning optimism and less expansionary production plans are also reflected in the employment plans of the manufacturing industry. Although additional employees will continue to be needed, the number added will be lower than in the recent past. In contrast, plans in wholesaling point to an unchanged willingness to hire.

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

Month/Year	09/06	10/06	11/06	12/06	01/07	02/07	03/07	04/07	05/07	06/07	07/07	08/07	09/07
<b>Index</b>	102.8	103.1	105.1	105.9	106.7	106.3	106.8	105.7	106.5	106.2	106.6	106.3	104.9



**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*.