

ifo Business Climate for Eastern Germany Unchanged

Dresden, 30 January 2019 – The ifo Business Climate for Eastern Germany remained unchanged in the frosty month of January, holding steady at 101.9 points. The survey participants were noticeably more satisfied with their current business, but their expectations for the coming six months weakened noticeably.

Business confidence in eastern German *manufacturing* improved slightly, primarily due to the significant rise in business expectations. Enterprises' assessments of the business situation declined somewhat. Capacity utilisation rose by 1.0 percentage points to 84 percent.

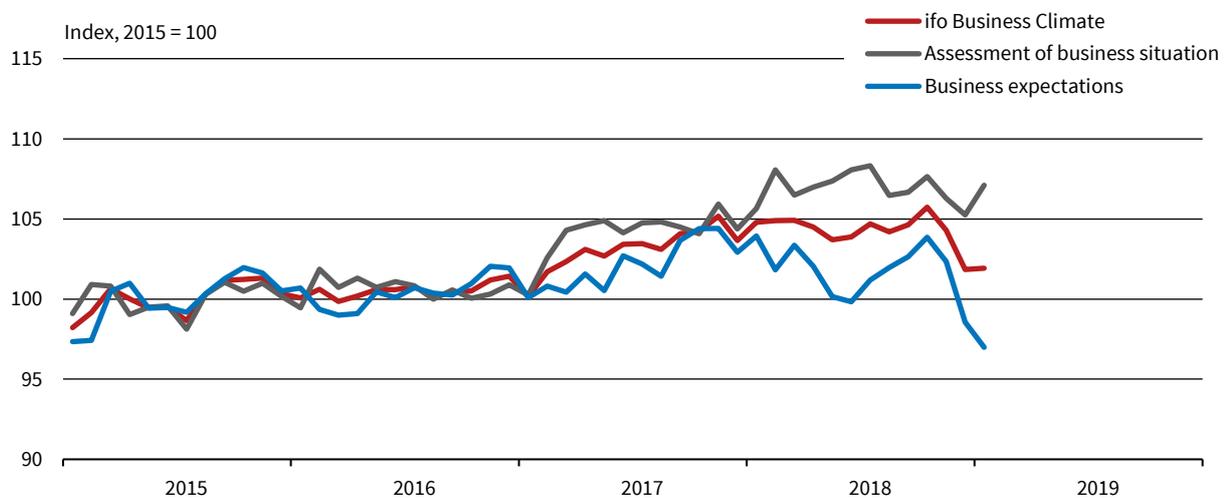
In the eastern German *service sector*, business confidence improved significantly, mainly as a result of the ongoing, favourable business situation of the survey participants. Their expectations for the coming six months worsened somewhat.

In *distribution* in eastern Germany, confidence weakened once again. The surveyed retailers were noticeably more pessimistic about the coming six months, but their assessments of the current situation improved slightly.

The mood in the eastern German *construction* cooled considerably. The surveyed contractors gave strong downward corrections of both their assessments of the current situation and their business expectations.

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ifo Business Climate Eastern Germany^a Seasonally adjusted



^a Manufacturing, service sector, trade and construction.
Source: ifo Business Survey, January 2019.

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ifo Business Climate Eastern Germany (Index, 2015 = 100, seasonally adjusted)

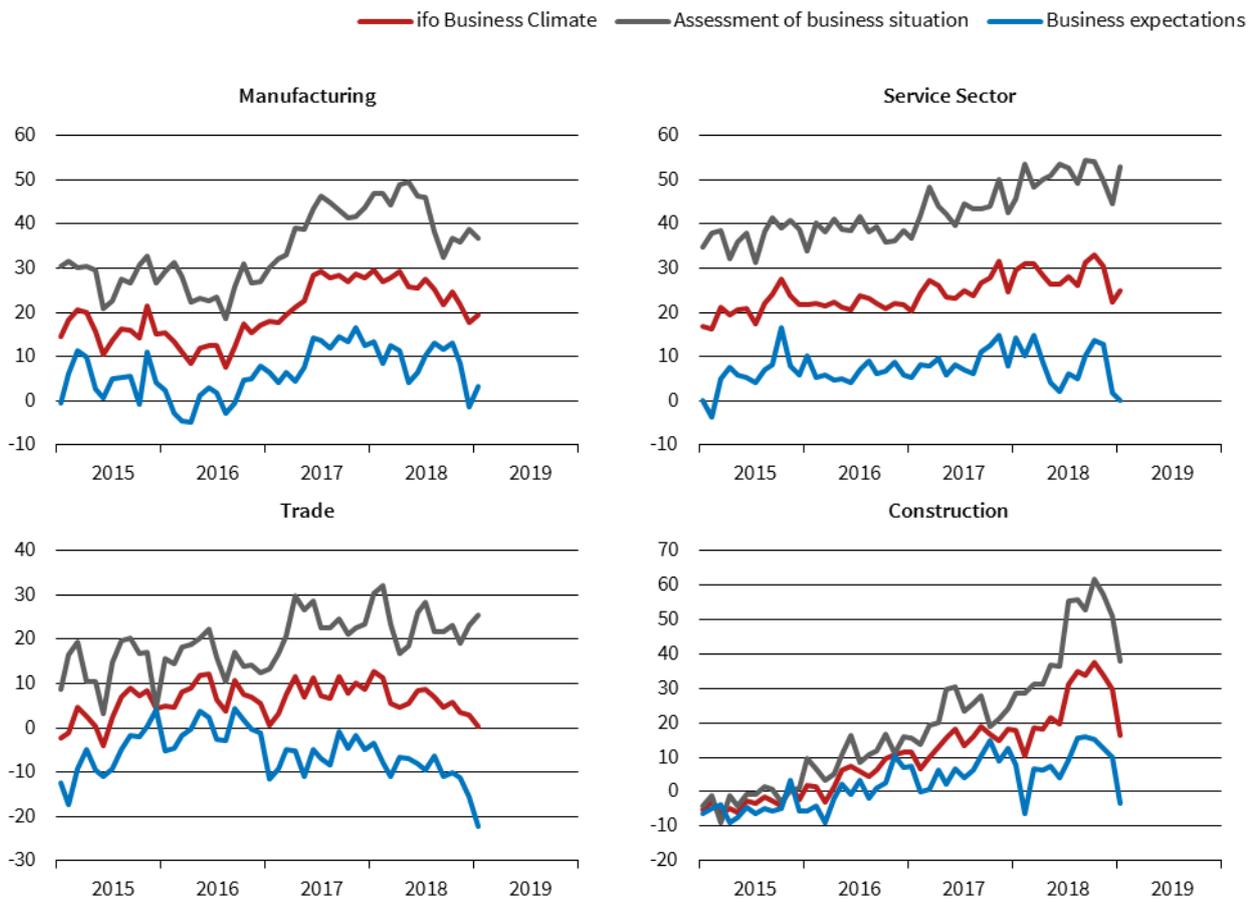
	01/18	02/18	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19
Climate	104.8	104.9	104.9	104.5	103.7	103.9	104.7	104.2	104.6	105.7	104.3	101.9	101.9
Situation	105.6	108.1	106.5	107.0	107.4	108.1	108.3	106.5	106.7	107.6	106.3	105.3	107.1
Expectations	103.9	101.8	103.4	102.0	100.1	99.8	101.2	102.0	102.6	103.9	102.3	98.6	97.0

Source: ifo Business Survey

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For long time-series in Excel format consult www.ifo.de/langereihen.

Business Situation and Expectations Eastern Germany by Sector
Balances, seasonally adjusted



Source: ifo Business Survey, January 2019.

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ifo Business Climate Eastern Germany (Balances, seasonally adjusted)

	01/18	02/18	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19
Eastern Germany	26.1	26.3	26.4	25.5	23.7	24.1	25.9	24.8	25.8	28.1	25.0	19.8	19.9
Manufacturing	29.6	26.9	27.8	29.4	25.8	25.5	27.5	25.4	21.8	24.6	21.7	17.8	19.5
Service Sector	29.5	30.9	31.1	28.5	26.3	26.4	28.2	26.1	31.2	33.0	30.6	22.2	25.1
Trade	12.7	11.2	5.5	4.7	5.4	8.3	8.6	7.0	4.6	5.8	3.4	2.8	0.2
Construction	18.0	10.5	18.5	18.3	21.6	19.6	31.1	34.9	33.8	37.5	33.9	29.6	16.3

Source: ifo Business Survey

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The ifo Business Climate Eastern Germany is based on ca. 1700 monthly survey responses from firms in manufacturing, construction, wholesaling and retailing. The firms are asked to give their assessments of the **current business situation** and their expectations for the next six months. They can characterise their situation as “good”, “satisfactory” or “poor” and their business **expectations** for the next six months as “more favourable”, “unchanged” or “more unfavourable”. The **balance value** of the current business situation is the difference of the percentages of the responses “good” and “poor”; the balance value of the expectations is the difference of the percentages of the responses “more favourable” and “more unfavourable”. The **business climate** is a transformed mean of the balances of the business situation and the expectations. For the purpose of calculating the **index values**, the transformed balances are all normalised to the average of the year 2015.



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