

Strong improvement in ifo Business Climate Eastern Germany

Dresden, 28 March 2019 – The ifo Business Climate Eastern Germany showed strong improvement in March. The ifo Business Climate Index for the economy in eastern Germany rose from 100.4 to 102.5 points. Both the assessments of the current situation and the business expectations of the survey participants improved noticeably. The downward trend in the business confidence indicator for eastern Germany has thus been interrupted.

In eastern German *manufacturing*, the business climate, continuing the trend of recent months, cooled slightly once again. The business expectations of the survey participants were somewhat more pessimistic, and the assessments of the current situation weakened slightly.

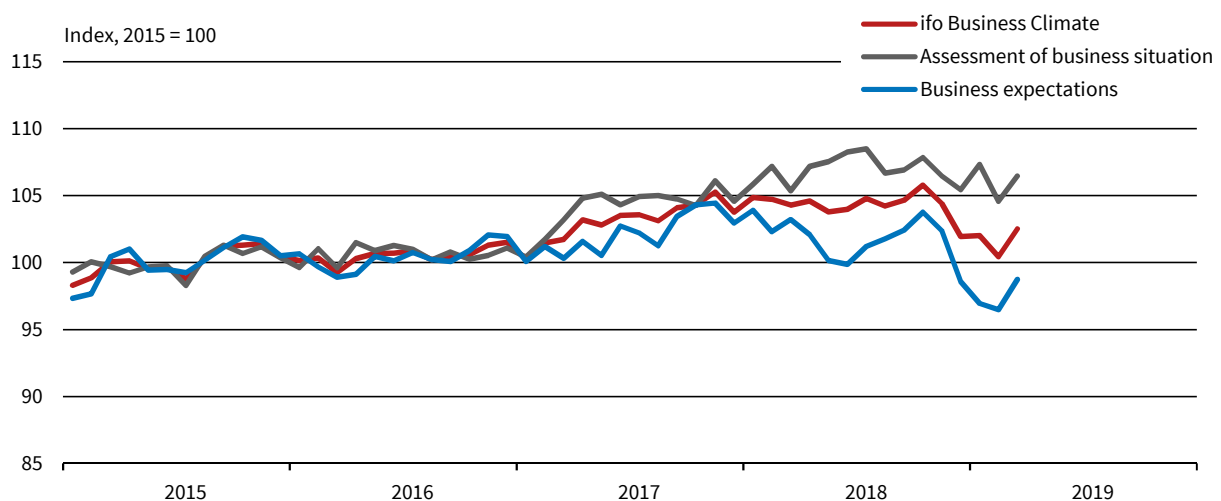
In the *services* in eastern Germany, the business climate brightened noticeably. After the sentiment indicator had fallen steadily in recent months, both survey components improved in March. Survey participants view the business outlook much more positively, and there was a marked improvement in their assessments of the current situation.

Sentiment also improved in eastern German *trade*. Survey participants were noticeably more satisfied with current business, and their business expectations also improved.

In eastern German *construction*, the business climate index rose strongly. After confidence had weakened considerably in recent months, it strengthened again in March. Contractors' assessments of the current situation improved considerably, while business expectations weakened somewhat.

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ifo Business Climate Eastern Germany^a Seasonally adjusted



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

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

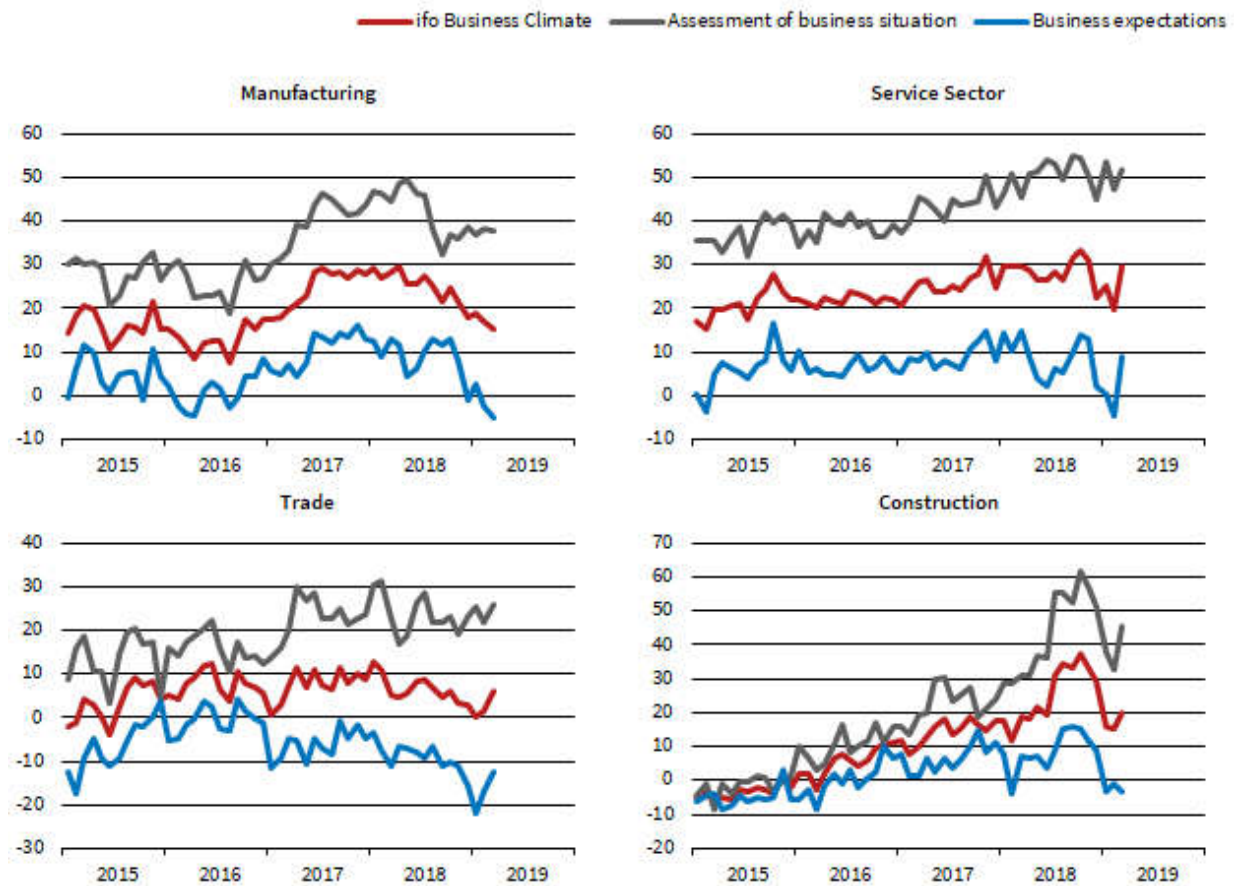
	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19	02/19	03/19
Climate	104.3	104.6	103.8	104.0	104.8	104.2	104.6	105.8	104.4	102.0	102.0	100.4	102.5
Situation	105.4	107.2	107.5	108.3	108.5	106.7	106.9	107.8	106.5	105.4	107.3	104.6	106.5
Expectations	103.2	102.1	100.2	99.9	101.2	101.8	102.4	103.8	102.4	98.6	97.0	96.5	98.7

Source: ifo Business Survey

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



Source: ifo Business Survey, March 2019.

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ifo Business Climate Eastern Germany (Balances, seasonally adjusted)

	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19	02/19	03/19
Eastern Germany	26.6	28.4	23.9	23.9	27.2	27.8	26.8	28.7	24.8	23.1	19.7	18.3	21.7
Manufacturing	28.2	29.5	25.8	25.5	27.5	25.3	21.8	24.5	21.5	18.1	19.0	16.9	15.3
Service Sector	29.7	28.8	26.6	26.6	28.4	26.4	31.4	33.3	30.8	22.5	25.4	19.7	29.5
Trade	5.2	4.8	5.5	8.4	8.6	6.9	4.7	5.9	3.4	2.8	0.3	1.5	5.9
Construction	18.9	18.4	21.6	19.5	31.0	34.5	33.5	37.3	33.5	29.0	16.2	15.1	19.7

Source: ifo Business Survey

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The ifo Business Climate Eastern Germany is based on ca. 1 700 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.

