

Ifo Business Climate Germany

Results of the Ifo Business Survey for November 2013

Ifo Business Climate Improves

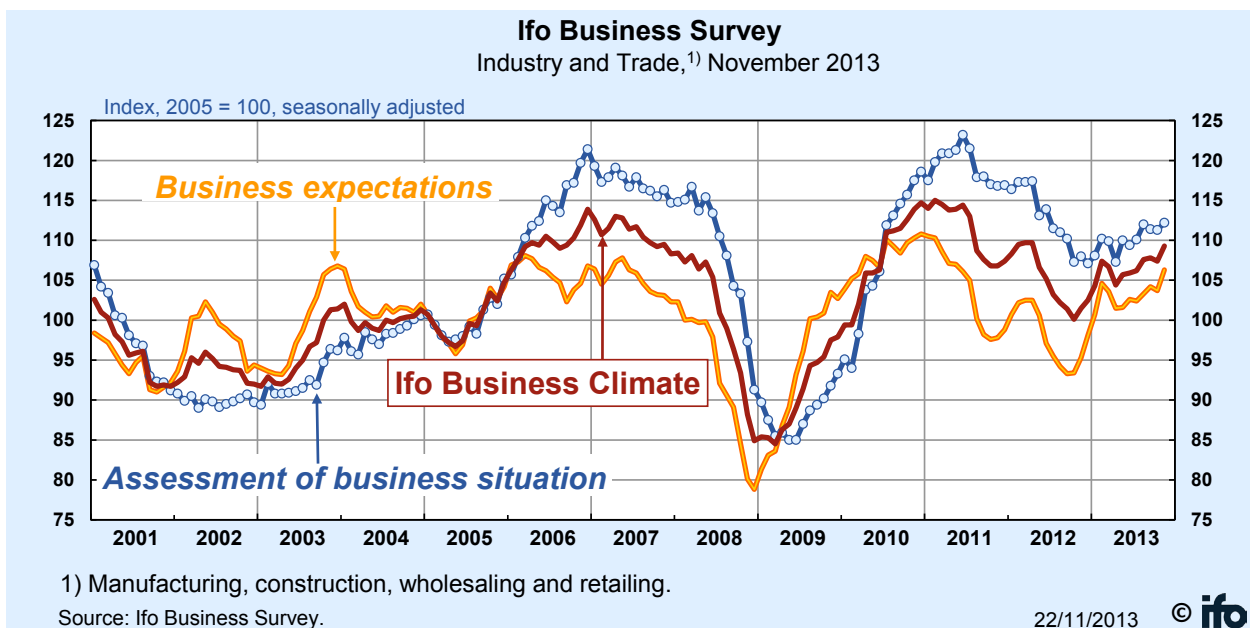
The Ifo Business Climate Index for industry and trade in Germany rose significantly. Assessments of the current business situation improved. Firms' expectations regarding business developments rose to their highest level since spring 2011. The German economy looks ahead to the winter months with confidence.

The business climate indicator in *manufacturing* rose considerably. Assessments of the current business situation were more positive than last month. Manufacturers' business expectations were clearly more optimistic and they expect stronger impulses from exports.

The business climate improved at both levels of trade. *Retailers* were far more optimistic about their future business developments, while assessments of the current business situation remained largely unchanged. In *wholesaling* firms were more satisfied with their current business situation. They also expressed far greater confidence in future business developments.

After seven consecutive decreases, the business climate index in *construction* rose considerably. Although assessments of the current business situation are somewhat less positive, contractors are far more optimistic about their future business outlook than last month.

Hans-Werner Sinn
President of the Ifo Institute



Germany (Index, 2005 = 100, seasonally adjusted)

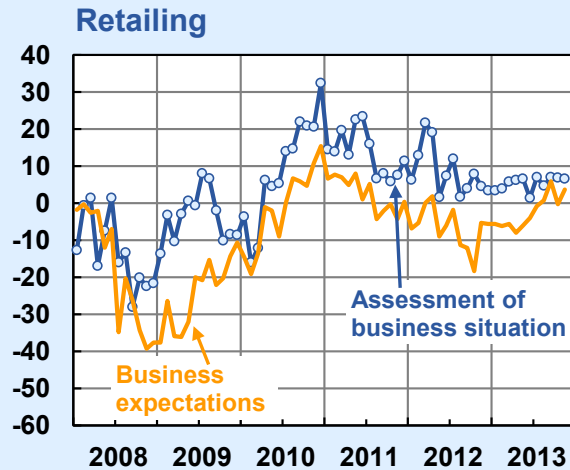
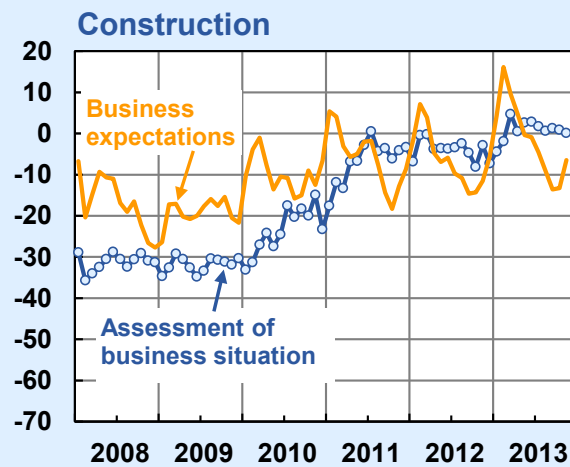
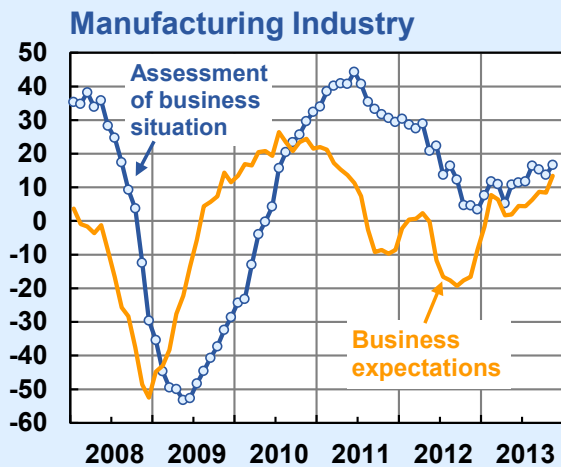
Month/year	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13
Climate	101.5	102.5	104.3	107.4	106.7	104.4	105.7	105.9	106.2	107.6	107.8	107.4	109.3
Situation	108.0	107.1	108.1	110.2	109.9	107.3	110.0	109.4	110.1	112.0	111.4	111.3	112.2
Expectations	95.3	98.1	100.7	104.6	103.6	101.5	101.6	102.6	102.4	103.3	104.2	103.7	106.3

Source: Ifo Business Survey.

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

Business Situation and Expectations by Sector

November 2013; balances, seasonally adjusted



Source: Ifo Business Survey.

22/11/2013 © ifo

Ifo Business Climate Germany (Balances, seasonally adjusted)

Month/year	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13
Trade and Industry	-4.0	-2.0	1.4	7.4	6.1	1.6	4.2	4.6	5.1	7.7	8.1	7.4	11.0
Manufacturing	-6.3	-2.6	2.9	9.7	8.7	3.5	6.3	7.9	8.1	11.3	12.0	11.0	15.0
Construction	-7.3	-6.5	-0.1	6.9	7.1	2.6	1.1	1.0	-1.5	-4.2	-6.3	-6.4	-3.3
Wholesaling	4.6	3.4	-1.4	6.3	0.0	-5.1	1.9	-0.8	-0.1	7.8	5.4	7.8	11.8
Retailing	-0.4	-1.2	-1.1	-1.2	0.0	-1.0	0.2	-1.3	3.1	2.7	6.4	3.3	5.1

Source: Ifo Business Survey.

Explanatory note: The Ifo Business Climate Index is based on ca. 7,000 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 between the percentages of the responses “good” and “poor”; the balance value of the expectations is the difference between 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 2005.

Ifo Business Climate in the German Service Sector

Results of the November 2013 Ifo Business Survey

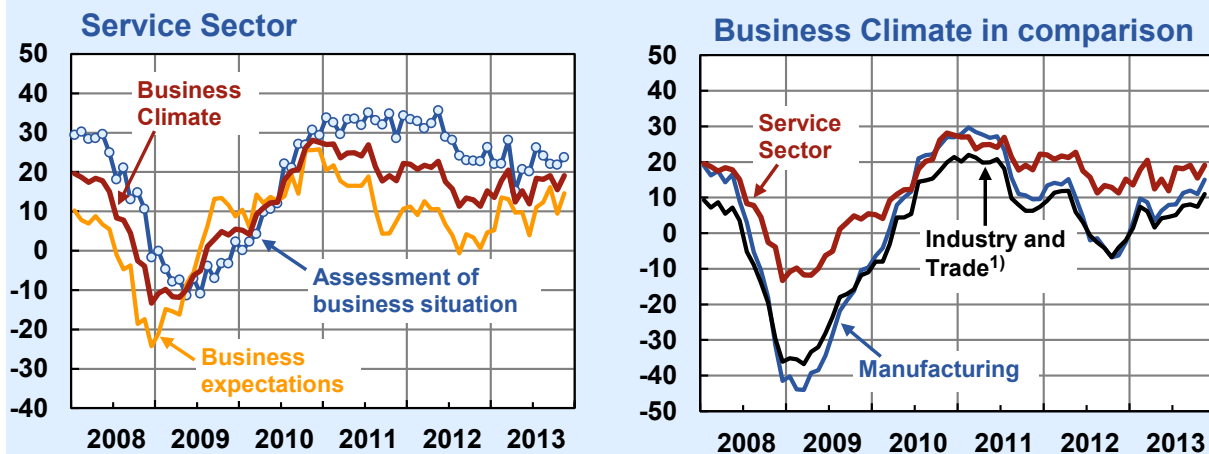
Ifo Business Climate Indicator Rises

After falling in October, the Ifo Business Climate Indicator for the German service sector returned to September's level. Service providers are slightly more satisfied with their current business situation. They are much more optimistic about future business developments and plan to recruit additional staff.

Hans-Werner Sinn
President of the Ifo Institute

Ifo Business Climate in the Service Sector, November 2013

Balances, seasonally adjusted



1) Manufacturing, construction, wholesaling, retailing.

Source: Ifo Business Survey.

22/11/2013



German Service Sector (balances, seasonally adjusted)

Month/Year	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13
Climate	11.3	15.2	13.5	17.8	20.5	12.4	15.2	11.9	18.4	18.1	19.1	15.5	19.1
Situation	22.7	26.3	22.0	22.1	28.1	15.2	20.7	20.1	26.2	24.1	22.0	21.8	23.7
Expectations	0.6	4.7	5.2	13.5	13.1	9.7	9.8	3.9	11.0	12.3	16.2	9.4	14.6

Source: Ifo Business Survey.

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

Explanatory note: The Ifo Business Survey of the service sector is based on ca. 2,500 monthly survey responses from firms in key segments of the tertiary sector, especially business-oriented segments (excl. distribution, financial services, Leasing, insurance and government). The survey is conducted and calculated in the same way as the Ifo Business Survey of industry and trade. The indicator for the Business Climate in the service sector has not yet been incorporated into the Ifo Business Climate Index for industry and trade.