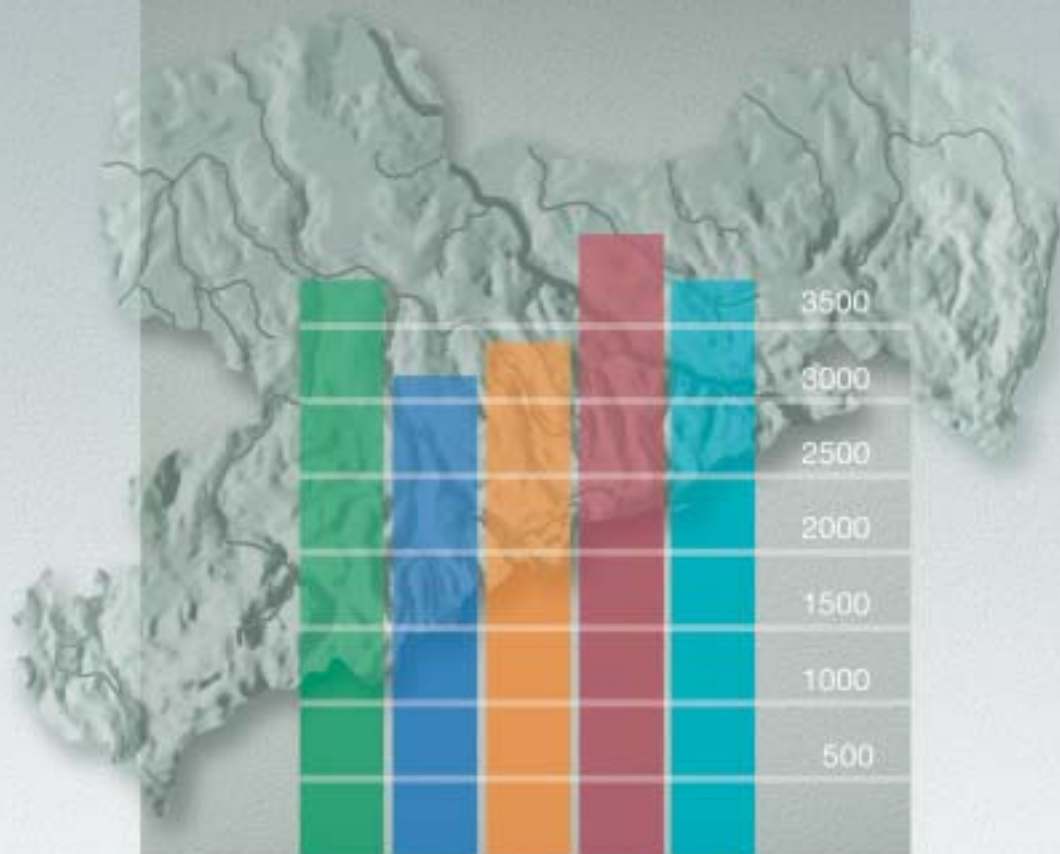


SAXONY

The Facts



Freistaat  Sachsen

State Chancellery

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*Prof. Dr.
Georg Milbradt,
Prime Minister
of the Free
State of Saxony*

The Free State of Saxony has a varied history rich in traditions; moreover, it has a fascinating present and a promising future. The foundation of the margravate of Meissen in 929 is considered the birth date of Saxony. As a consequence of the beginning of silver mining in the Erzgebirge the state flourished during the 12th century, towns emerged; Leipzig University was founded as early as in 1409 and in 1497 the city was granted the privilege to hold fairs.

Numerous inventions were made in Saxony; artists and scientists of international reputation worked here, most notably Johann Sebastian Bach, Bernardo Belotto (“Canaletto”), Caspar David Friedrich, Wilhelm Ostwald or Gotthold Ephraim Lessing. It was also the Saxons who started the peaceful revolution in autumn 1989 with their demonstrations in Leipzig, Plauen, Dresden and other towns and cities, hence paving the way for German reunification.

The cultural treasures in the state attract people from near and far. The treasures in the Green Vault in the Dresden Palace, the picture galleries and the many historical jewels also outside the state capital testify to the rich cultural heritage. The rebuilt Dresden Church of Our Lady is a symbol which is famous far beyond the borders of Saxony. After almost 15 years of reconstruction, with the help of donations from all over the world, it was consecrated again on 30 October 2005—271 years after the first consecration. Approx. 250,000 people showed their interest in this event.

The people in Saxony, among them people from the Vogtland region, from the mountains of the Erzgebirge, Sorbians and Lower Silesians, are very

aware of their history as well as their traditions. And they still provide impulses for the development of the Free State with their down-to-earth approach, cosmopolitan attitude, their joie de vivre, their entrepreneurial spirit as well as their industriousness and scientific drive. This is also why Saxony is called the land of engineers. Dresden is also one of the biggest centres of research in Germany and was the “city of sciences” in 2006.

The successful settlement of large international corporations and centres of research since 1990 points the way into the future. One of the buzzwords today is “Silicon Saxony”, which refers to the microelectronics site between Dresden and Freiberg which is the leading site of this kind in Europe; another buzzword is “Car Country Saxony” with VW, BMW and Porsche locations or “biosaxony”, the biotechnology initiative by the government of the state.

As the most dynamic federal state, Saxony is once again the winner of the ranking of the federal states by Initiative Neue Soziale Marktwirtschaft (INSM) and Wirtschaftswoche after 2004. This indicates that the positive economic development is continuing with unabated dynamic strength.

Let me invite you to get to know Saxony. Visit the Saxon Switzerland National Park or the two most recent sites on the world heritage list, the Dresden Elbe Valley and Fürst Pückler Park in Bad Muskau. Or perhaps you would like to enjoy a concert by Sächsische Staatskapelle Dresden or St. Thomas’ Boys Choir from Leipzig.

Take part in one of the many fairs, in events in the cultural scene or experience the Sorbian traditions when riders in festive costume announce the resurrection of Christ in one of the traditional Easter rides.

The international pub festival “Honky Tonk” and Europe’s biggest Wave and Gothic meeting in Leipzig, the International Dixieland Festival in Dresden, Europe’s biggest splash festival in Chemnitz, the international meeting of Trabant drivers in Zwickau as well as the “Day of the Saxons”, the biggest fair and festival in the state, all extend a warm invitation.

The possibilities are as diverse as the Free State is varied. Allow yourself to be surprised about what is in store for you! Saxony has more to offer than can be presented in this short volume.

A handwritten signature in black ink, appearing to read 'Georg Milbradt', is positioned above the printed name.

Georg Milbradt

STATE AND PEOPLE



Delightful Saxony

Location and area

Saxony lies in the east of the Federal Republic of Germany and extends from the lowlands of Leipzig and Lower Lusatia highlands to the ridge of the Erzgebirge and the Vogtland hills in the south. Its south-eastern perimeter is the Elbsandsteingebirge and the Zittau mountains.

Saxony shares borders with the German federal states of Brandenburg, Saxony-Anhalt, Thuringia and Bavaria and has a 454 km border with the Czech Republic as well as a 123 km border with Poland.

The state has an area of 18,415 sq. km. This makes the Free State of Saxony the fourth smallest among the federal states of Germany excluding city states. Saxony's highest-altitude town is Oberwiesenthal, an Erzgebirge spa 920 metres above sea level, and its lowest point is Greudnitz, a district in the town of Dommitzsch, Torgau-Oschatz rural district, that is 73 metres above the sea level. Saxony's state capital is Dresden.



Restored old city centre of Görlitz

Lowland Saxony

The main lowland area is the north Saxon lowlands, with altitudes of around 100 metres above sea level rising to around 160 metres above sea level to the south. Open-cast brown coal workings have wrought considerable changes on some parts of the countryside over time.

The Leipzig lowlands extend like an ocean bay far into the Saxon hills and are excellent farming country. The eastern lowlands are characterised mainly by the Oberlausitz heath and pond region. To the north is another area where open-cast mining of brown coal has made its marks.

Saxony's hill country

Saxony's hill country reaches altitudes of 120 to around 280 metres. It stretches from the Leipzig region across the Mulde loess hills and the loess hills of central Saxony to the hills and mountains of western Lusatia. In eastern Upper Lusatia, it extends as far as the Polish border.

The loess stratum, which is very dense in some places, provides fertile soil for agriculture, for which the area called Lommatzscher Pflege is known far and wide.



Lommatzscher Pflege

Saxony's central mountains

Saxony's central mountains include the Vogtland, the Erzgebirge, the Elbsandsteingebirge, the Oberlausitz highlands and Germany's smallest central mountain range, the Zittau mountains. Saxony's highest elevation is the 1,215 metre Fichtelberg in the Erzgebirge. While sandstone is the predominant rock in the Elbsandsteingebirge and the Zittau mountains, the



Winter in the Erzgebirge

Erzgebirge is distinguished by prominent basalt peaks. Mineral resources made the Erzgebirge an important mining region, especially for silver ore and tin, which were extracted here from the twelfth century onward.

Rivers and lakes

Saxony has a total of 15,389 kilometres of rivers and streams. The main river, the Elbe, flows through the free state for 180 kilometres. Other major rivers are the Mulde and its source rivers, the Freiburger Mulde and the Zwickauer Mulde, the Lausitz Neisse, the Spree and the Weisse Elster.

All the larger bodies of standing water in Saxony are man-made. They were either created by damming rivers (reservoirs) or by flooding abandoned open-cast mines. With an area of 7.5 sq. km the Quitzdorf reservoir in eastern Saxony currently forms the biggest Saxon lake in terms of the water surface. At 75 million cubic metres the Eibenstock reservoir, which also has the highest dam structure with a 51,3-high wall, has the biggest reservoir capacity. With an area of approx. 13 sq. km, Bärwalder Lake in Lusatia, a former open-cast mine, will be the biggest lake in Saxony once flooding has been completed in 2007. With a total volume of 387 million m³, Berzdorfer Lake, which is also located in eastern Saxony, will hold the biggest volume.

The Müglitztal flood control reservoir, which is currently the second biggest water construction site in Europe, will be completed in 2006 with a storage capacity of more than 5 million cubic metres. The lands which were devastated by surface mining over decades are now being given a new perspective in particular for the development of the regions for tourism by flooding the abandoned open-cast mines.

Distance over which the rivers run through Saxony as of 2003

Elbe	180 km
Zwickauer Mulde	167 km
Lusatian Neisse	125 km
Freiburger Mulde	120 km
Weisse Elster	117 km
Spree	111 km
Vereinigte Mulde	83 km

Data: State Statistical Office of Saxony

Climate

Saxony is located in the transitional zone between the maritime climate of western Europe and the continental climate of eastern Europe. The climate largely depends on the respective geographical locations on site. Vines flourish in the valley of the Elbe river between Pirna and Meissen

(long-term annual average temperature from 1971 until 2000 in Dresden-Klotzsche: 9.2°C). The Leipzig lowland area also enjoys favourable climatic conditions. In the highland regions, in particular towards the Erzgebirge, there is predominantly harsher weather with higher quantities of precipitation (long-term annual average temperature on the Fichtelberg from 1971 to 2000: 3.2°C). These climatic conditions ensure that snow is almost guaranteed on the ski-runs during the winter. However, the annual average of the temperatures from 1951 to 1980 only amounted to 8.5°C in Dresden-Klotzsche and to 2.8°C on the Fichtelberg. Of the 15 state-registered health resorts three are registered as fresh-air health resorts on account of their favourable climatic conditions.

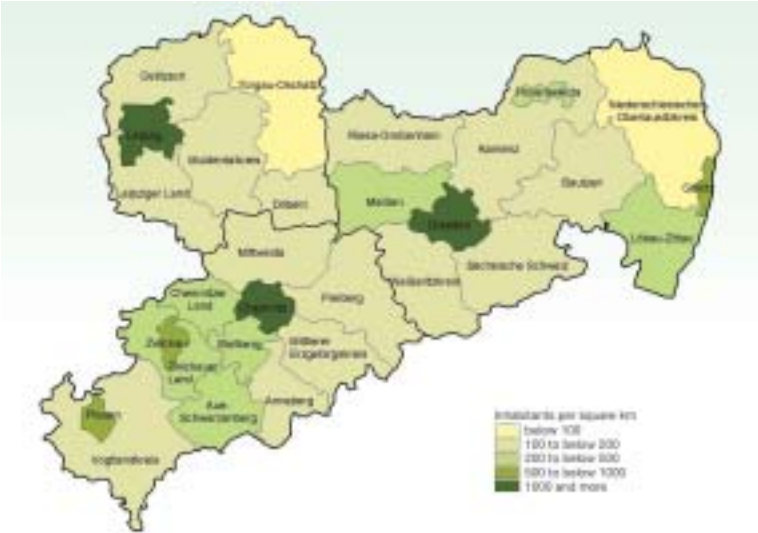


Magnificent weather in the Saxon Switzerland region

The Saxons – A people unto themselves

Spatial distribution

Not everyone who lives in Saxony is a “Saxon”. There are also Vogtlanders, Sorbs, Erzgebirgers, Meisseners, Upper Lusatians, Lower Silesians and many more besides. Many have their own traditions and dialects, but all are at home in Saxony. With a population of 4,296,284 people and a population density of 233 inhabitants per square kilometre the Free State of Saxony has the highest population and the highest population density among the new federal states – except Berlin.



*Population density of the districts and incorporated cities
Inhabitants per sq. km
as of: 31 Dec. 2004*

Data: State Statistical Office of Saxony

<i>Selected population data as of 31 Dec. 2004</i>	<i>Total population</i>	<i>4,296,248</i>
	<i>of which women</i>	<i>2,204,463</i>
	<i>of which men</i>	<i>2,091,821</i>
	<i>of which foreign nationals</i>	<i>118,480</i>
	<i>of which persons aged under 18</i>	<i>14.3 %</i>
	<i>of which persons aged between 18 and under 65</i>	<i>64.2 %</i>
	<i>of which 65 years and older</i>	<i>21.5 %</i>
	<i>Total births 2004</i>	<i>33,044</i>
	<i>of which girls</i>	<i>16,920</i>
	<i>of which boys</i>	<i>16,124</i>
	<i>Total deaths 2004</i>	<i>48,254</i>
	<i>Number of persons moving to Saxony 2004</i>	<i>126,240</i>
	<i>Number of persons leaving Saxony 2004</i>	<i>136,384</i>

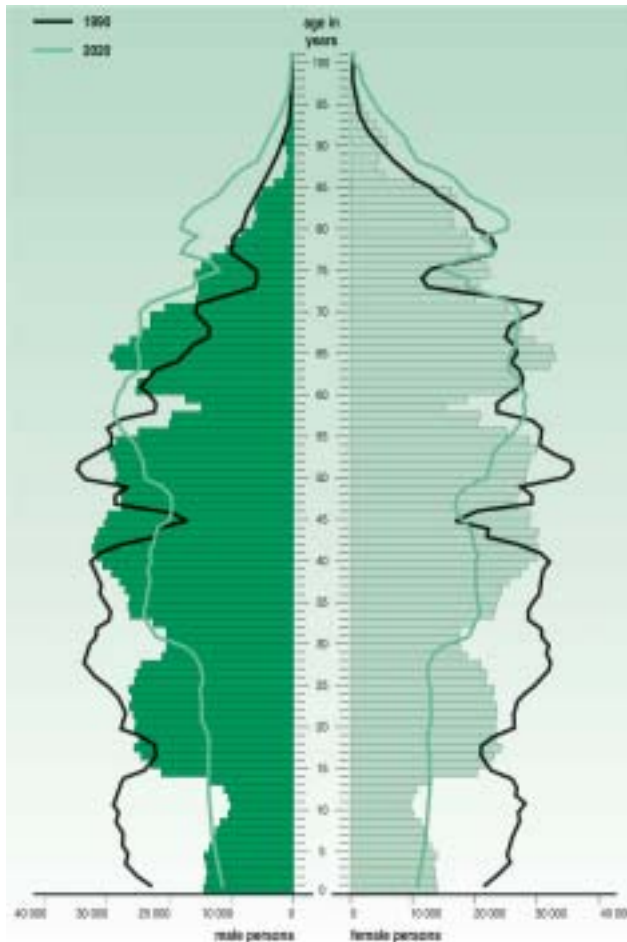
Data: State Statistical Office of Saxony

Compared with the rest of Germany, Saxony occupies one of the middle ranks among the federal states which are not city states in terms of population and population density. With the upper valley of the river Elbe between Pirna and Meissen, the city of Leipzig and the south-western Saxon area between Chemnitz and Zwickau Saxony has three conurbation areas. However, Lusatia, the region between Grimma, Torgau and Döbeln and the Erzgebirge on the other hand which is located in the north-eastern part of the state is relatively sparsely populated.

On 30 June 2006 almost one third (28.7 %) of the state's population lived in the three big cities of Dresden (489,259 inhabitants), Leipzig (499,232) and Chemnitz (247,589). However, only Dresden and Leipzig managed to achieve minor increases in the number of inhabitants over the last years. On the other hand, a continuous decline in the number of inhabitants has been registered in all districts and incorporated cities. More than two thirds of all Saxon municipalities have less than 5,000 inhabitants.

Population Structure

As in most federal states, the age pyramid of Saxony is very irregular in structure. It displays major ruptures for those who are approximately 60 years old today (2nd World War), for the 30-year-olds (drop in the birth rate on account of the impact of the contraceptive pill) and 0-to-15-year-olds (drop in the birth rate on account of the opening of the Wall). The effect of the reduction in the number of inhabitants caused by World War II would have been even bigger if 997,798 displaced persons from



Population structure
by age and sex
As of: 31 Dec. 2004

Data: State Statistical
Office of Saxony

Silesia, Pomerania and the Sudetenland had not settled in Saxony. In 1949 this corresponded to a share of 17.2 % of the population (source: German Federal Archives).

Only 14.3 % of Saxons are younger than 18 years, while 21.5 % of the population are aged 65 years and over. Roughly one half of the adult Saxons (46.8 %) is married, more than one third (38.1 %) is single, the remaining part of the population is either widowed (8.3 %) or divorced (6.9 %). Compared with the other federal states there are fewer foreigners in Saxony; in 2004 they accounted for a share in the population of only roughly 3 %. The Vietnamese formed the biggest group of foreign nationals, with a total of 11.7 %.



Saxon Family Day
in Görlitz
on 17 June 2006

Demographic change

The demographic trends in Saxony are declining just like those for Germany and for many industrialized countries. Whereas there was a total of approx. 4.9 million inhabitants in the Free State of Saxony on 1 January 1990, this number only amounted to 4.3 million inhabitants at the end of the year 2004. This reduction in the number of inhabitants by 11 % is attributable to the low birth rate to approx. three fifths. In addition, there have been losses on account of migration, in particular into the old federal states. A further reduction to 3.8 million inhabitants is forecast until the year 2020. This decline in the number of inhabitants will be accompanied by an ageing of the population.

With 44.4 years Saxony already has the highest average age of all the German federal states today. This average age will increase to up to 49 years by the year 2020. At that time, every third Saxon will be older than 65 years of age.

The effects of demographic change will have an impact on almost all spheres of life. In particular, the Free State of Saxony is faced with the problem of providing an adequate infrastructure for the inhabitants despite the fact that earnings will decline by approx. 25 % until the year 2020.

In order to establish new and efficient structures, the Saxon state government is developing new strategies for coping with the demographic change with the help of various experts from research and business. A comprehensive reorganisation of the administration is provided for as a first important step to ensure more efficiency as of the year 2007. The strategies for an active management of this shrinking process are being developed together with the citizens. Model projects have been initiated in two different regions in which adjustment strategies are being developed for coping with demographic change.

Members of the
Protestant and Roman
Catholic Churches
31 Dec. 2004

Protestant churches	924,533
of which Lutheran Protestant Church of Saxony	843,296
of which Protestant Church of Silesian Upper Lusatia, Saxon part	51,893
of which Protestant Church of the Church Province of Saxony, Saxon part	29,344
Roman Catholic Church	156,280
of which Diocese of Dresden-Meissen, Saxon part	134,818
of which Diocese of Görlitz, Saxon part	15,513
of which Diocese of Magdeburg, Saxon part	5,949

Data: State Statistical
Office of Saxony

Religion

Approximately one fourth of the Saxon population (25.1 %) belongs to one of the two big Christian churches. In this context the protestant denomination is the predominant one in the motherland of the Reformation. At the end of 2004 approx. 17.9 % of the population were members of the Protestant churches in Saxony.

In addition to the Protestant Lutheran Church of the State of Saxony, Saxony comprises parts of the Protestant Church of Berlin-Brandenburg-Silesian Upper Lusatia¹⁾ and the Protestant Church of Central Germany (EKM) Ecclesiastical Province of Magdeburg.

In Saxony, 3.6 % of the population belong to the Roman Catholic Church. The church is divided into the dioceses of Dresden-Meissen, Görlitz and Magdeburg which extend beyond the borders of the state. Moreover, there are three fast-growing Jewish communities in Saxony, with 2,314 members.

Furthermore, there are several free churches and other religious communities.



New synagogue in Chemnitz

The Sorbs – Much more than folklore

Saxony and the neighbouring state of Brandenburg are home to the national minority of the Sorbs, a western Slavic people. Visitors to the Lusatia region first become aware of this when they see road signs, place names and names above shops written in two languages.

Occasionally, you still see people in national costume and especially around Easter time you can see at first hand local festivities and customs such as during the Easter rides in many communities or beautifully decorated Easter eggs. Around two thirds of the roughly 60,000 Sorbs live in Oberlausitz, eastern Saxony. Their cultural centre is Bautzen and Saxony's constitution expressly grants their culture state protection.

The Domowina with headquarters at the House of the Sorbs in Bautzen forms the umbrella organization of Sorbian clubs and associations. The Sorbian language is the most important feature of Sorbian identity. It is spoken in parts of the settlement area of the Sorbs in daily life and within the families. The Sorbian language, art and culture are preserved in particular in Sorbian kindergartens, schools as well as associations.



Traditional Easter riders in Lusatia

¹⁾ With effect as of 1st January 2004 the Protestant Church in Berlin-Brandenburg and the Protestant Church of Silesian Upper Lusatia merged to form the Protestant Church of Berlin-Brandenburg-Silesian Upper Lusatia.

THEN AND NOW



Saxony makes history

History until 929

Between the fourth and sixth centuries AD the German tribes who had settled in the region covered by the present Free State of Saxony emigrated. From approximately 600 AD the region was settled by Sorbs, a Slavic people from the region of present-day Poland and the Czech Republic.

Margrave of Meissen 929–1423

After subjugating the Daleminzers, a Sorbian tribe, the German King Heinrich I in 929 founded the march of Meissen. To convert the heathen population to Christianity, the dioceses of Merseburg, Zeitz and Meissen were established in 968. In 1089, the Wettins were enfeoffed of the margravate. During the course of eastward expansion, migrant farmers and townpeople reinforced the German upper class of nobles and churchmen.

The region had its first economic heyday during the rule of Margrave Otto the Rich, 1156–1190. Land was cleared to make way for many new villages, mainly the characteristic linear villages that stretched out along a road. Behind each farmstead was a narrow strip of farmland bordered by rows of trees and hedges. In the Erzgebirge, mining developed. Initially, small deposits of tin, copper and iron ore were found. In 1268, the discovery of a large deposit of silver ore in Freiberg triggered the first “Berggeschrey”, comparable with the nineteenth-century gold rush in America. From mid-twelfth century, numerous towns were established. Heinrich the Illustrious, 1221–1288, succeeded in adding handsomely to the Wettin possessions. He acquired the Pleissenland region, the landgraviate of Thuringia, and Lower Lusatia, and established the march of Landsberg as a new principality. In the following period, family quarrels and disputes over inheritance diminished the power of the sovereign princes. After losing the march of Meissen to King Adolf of Nassau and King Albrecht of Austria, Margrave Friedrich the Joyful won it back at the Battle of Lucka in 1307, thereby laying the foundation for the house of Wettin to rise again. His successors succeeded in acquiring important territories, among others in the Pleissenland and Vogtland regions and in Thuringia. In 1382, the Wettin possessions were divided between Meissen, Osterland and Thuringia. However, the Meissen branch of the family died out in 1407 and the Thuringian line in 1440, so the Wettin possessions were reunited again. In 1409, a new university was established in Leipzig for German masters and students who had emigrated from Prague.



A section of the mural "Fürstenzug" at the Dresden Stallhof.

Electorate of Saxony 1423–1485

As a mark of gratitude for the battle against the Hussites, in 1423 Emperor Sigismund awarded Friedrich the Valiant the vacant²⁾ Duchy of Saxony-Wittenberg in fee. Wettin rulers thereby acquired the rank of Elector and the name “Saxony” passed to the Wettin territories. In 1464, Dresden became the elector’s capital.

Albertine Duchy of Saxony 1485–1547

In 1485, the Leipzig Partition divided the Wettin possessions between brothers Ernst (founder of the Ernestine line) and Albrecht the Valiant (founder of the Albertine line) in the long run.

Ernst was awarded central and south Thuringia, Vogtland, most of Osterland and the Duchy of Saxony-Wittenberg along with the rank of Elector and Torgau and/or Wittenberg as his capital. Albrecht’s territory covered the old March of Meissen, eastern Pleissenland, the Leipzig region and northern Thuringia. His seat of government was Dresden. Unlike the Ernestine Friedrich the Wise, who gave protection to Martin Luther, the Albertine Georg the Bearded opposed the Protestant doctrine. Only after his death in 1539 did the Reformation come to his territories.

From the mid-fifteenth century, large finds of ore in the Erzgebirge led to the emergence of more mining centers (Schneeberg, Annaberg). In 1491, miner Kaspar Nitzel of Frohnau discovered a rich vein of silver, thereby triggering the “great Berggeschrey” in the upper Erzgebirge and a massive influx of people. Saxony’s trades and crafts flourished. Emperor Maximilian I in 1497 granted Leipzig the right to hold trade fairs and in 1507 a further privilege known as the “Stapelrecht”. The city rose to become³⁾ central Germany’s leading trade fair and trading centre.

Albertine Electorate 1547–1806

Duke Moritz, who with Emperor Charles V defeated the Ernestine Elector Johann Friedrich the Magnanimous at the Battle of Mühlberg in 1547, secured the status of elector and parts of the Ernestine territories for the Albertines. Elector August succeeded in acquiring the secularised dioceses of Merseburg, Naumburg and Meissen, along with the Vogtland. The Electorate of Saxony made its last major territorial gains during the Thirty Years’ War, when the 1635 Peace of Prague assigned to Saxony the margravates of Oberlausitz and Niederlausitz, which had been pledged in 1623.

Nonetheless, the Thirty Years’ War left Saxony severely devastated and after the Peace of Westphalia in 1648 its status in the Empire declined. In



Deed dating back to 1497 granting Leipzig the privilege to hold fairs



Emil Eugen Sachse: Elector Moritz of Saxony, Kupferstich-Kabinett Dresden (Copperplate engraving gallery, Dresden)

²⁾ The term “vacant” is used to signify that the previous incumbent died and there was no legitimate heir.

³⁾ In the Middle Ages, the “Stapelrecht” was a privilege granted by the ruler to certain towns. It permitted them to require merchants passing through to offer their wares for sale in the town for a specified period.

1656 the three collateral lines of Zeitz, Merseburg and Weissenfels were made independent principalities and separated from Electoral Saxony. However, by 1746 their ruling families had died out and returned to the main House of Wettin. During the rule of Elector Friedrich August I (Augustus the Strong), Electoral Saxony steadily increased its political weight. The Elector converted to Catholicism and in 1697 he was crowned King of Poland. In Saxony, a Catholic Elector was now governing over a mainly Protestant population. His son and heir Friedrich August II continued the union between Saxony and Poland, where he was King August III. August the Strong and his successors were passionate collectors, and the Saxon capital owes them gratitude for numerous splendid buildings and treasures, as well as its reputation as “Florence on the Elbe”.

In 1710, Augustus the Strong established the Meissen porcelain factory. From that time on, he made official gifts of porcelain to diplomatically important families. In 1763, Saxony lost the Seven Years’ War and relinquished the Polish crown as a result. The state recovered swiftly from the consequences of war and manufacturing, especially of textiles in Chemnitz and the surrounding area, flourished. In the eighteenth century, Leipzig evolved into the centre of the German book trade and publishing.



*Heinrich Paul Groskurt:
Medal portraying
Augustus the Strong,
Münzkabinett, Dresden*

Kingdom of Saxony 1806/15–1918

After Napoleon’s defeat of Prussia, Saxony signed in 1806 a treaty with the French in Posen (now Poznan), joined the Federation of the Rhine and was rewarded with the status of a kingdom. During the Continental Blockade numerous mechanical spinning workshops were set up, marking the start of industrialisation. After the Battle of the Nations at Leipzig in 1813, King Friedrich August I, who had stood by his alliance with Napoleon to the last, was taken prisoner by the opposing Allies and forced to cede more than half his territory to Prussia. Eastern Upper Lusatia was incorporated into Silesia, Lower Lusatia into the province of Brandenburg, and the remaining territories into the province of Saxony. Other areas of Electoral Saxony fell to Saxony-Weimar.

After revolutionary disturbances in September 1830, Saxony was given a constitution in 1831. During the period of constitutional monarchy, reforms brought change to public administration, municipal and agricultural affairs and elementary schools. As railways were built and steam engines put to use, industrialisation marched on.

When the 1848 March Revolution took place, the King initially gave in to the democratic forces. However, he had the Dresden revolt of May 1849 brutally quashed with the help of Prussia. After its defeat in the war of 1866, Saxony was forced to join the North German Federation. In 1871 it merged with the German Empire. The empire, however, had a federal



Historic view of Meissen



*Chemnitz Museum
of Industry*

structure that guaranteed a certain measure of independence. In the nineteenth century Saxony developed into a highly industrialised state. It was the most densely populated region in Europe. When Ferdinand Lassalle founded the General German Workers' Association (ADAV) in 1863 in Leipzig, it also became the cradle of the German labour movement.

Free State of Saxony 1918–1945; State of Saxony 1945–1989

During the 1918 November Revolution, King Friedrich August III abdicated. Saxony became a free state and in 1920 adopted a democratic constitution. The Social Democratic Party was the leading force in the state assembly and in difficult economic and political circumstances Saxony had a Social Democratic state premier until 1929. From 1929 to 1933, conservative governments ruled the state.

After the National Socialists came to power in 1933, Saxony was brought into line with the Reich. In other words, it ceased to exist as an independent free state and was placed under a Reich governor. That was the end of parliamentary democracy. During World War II Saxony suffered heavy loss of life and cultural assets. In particular, the destruction of Dresden along with the Frauenkirche (Church of Our Lady) between 13 and 15 February 1945 came to symbolise war. After 1945 new borders were drawn along the Oder and Neisse rivers and the territories around Görlitz and Hoyerswerda that had been ceded in 1815 again became part of Saxony, which was under the control of the Soviet occupying forces. In 1949, Saxony became a state in the German Democratic Republic (GDR). To strengthen centralist structures, in 1952 the GDR states were dissolved and Saxony was divided into three administrative regions: Chemnitz (renamed Karl-Marx-Stadt in 1953), Dresden and Leipzig, apart from a few areas that were incorporated into the Cottbus and Gera regions. Görlitz and Niesky were Saxon centres of the popular uprising of 17 June 1953, which was quashed as brutally in Saxony as elsewhere. In the early 1980s, campaigns like Swords into Ploughshares, the Sozialer Friedensdienst (a peaceful alternative to military service) and the Dresden Peace Forum made Saxony an important source of inspiration to the peace movement and the emerging opposition in the GDR.

Free State of Saxony from 1990

The peaceful revolution of 1989 that spread from Leipzig, Plauen and Dresden throughout the GDR (Monday Demonstrations) ended the rule of the SED, the East German communist party. The Free State of Saxony was re-established on 3 October 1990, comprising the administrative regions of Leipzig (less Altenburg and Schmölln districts), Chemnitz and Dresden and the districts of Hoyerswerda and Weisswasser that had

previously been part of Cottbus. When the GDR acceded to the West German constitution, Saxony became a state of the Federal Republic of Germany. On 27 October 1990, the state assembly elected Prof. Dr. Kurt Biedenkopf as Saxony’s first post-reunification prime minister. In 1992, the state adopted a new constitution. Since 18 April 2002 Prof. Dr. Georg Milbradt has been the prime minister of the Free State of Saxony. In 2004 and 2005 he was awarded the title “Prime Minister of the Year” by the “WirtschaftsWoche” journal and “Initiative Neue Soziale Marktwirtschaft” for the successes which Saxony has achieved.



Prof. Dr. Georg
Milbradt, prime minister

Tabular Overview

German Prehistoric era 1000 BC to 900 AD

Date	Development in Germany	Time	Development in Saxony
800	Charlemagne crowned Emperor of the Holy Roman Empire	5th BC c. 600	Start of Germanic immigration Settlement by Slavs begins

Middle Ages 900 to 1500

919	First reference to the "Empire of the Germans" Otto I The Great has himself crowned Roman Emperor	929	German King Henry I establishes the Margravate of Meissen
962		1089	The Margravate of Meissen falls to the Wettin dynasty
		c. 1160	Leipzig granted city charter
		1168	Commencement of silver mining near Freiberg
		c.1170	Foundation of the city of Chemnitz
1347–1351	The Black Death rages in Europe Foundation of the first German university in Prague	1206	First reference to Dresden in a document
1348		1307	Battle of Lucka
		1409	Establishment of Leipzig University
c. 1440	Invention of typography by Gutenberg Diet of Worms – General peace in the land is announced by Emperor Maximilian	1423	The title of the Elector of Saxony devolves upon the Margrave of Meissen
1495		1485	The Leipzig Partition
		1497	Leipzig is granted the privilege to hold fairs by the emperor

Early Modern Age 1500–1800

Date	Development in Germany	Time	Development in Saxony
1517	Martin Luther nails his Ninety-five Theses on the door of the Schlosskirche (Castle Church) in Wittenberg		
1522	Luther's translation of the bible is published – forms the basis of standard German	1525	Battle of Frankenhausen – the army of peasants under Thomas Müntzer suffers a devastating defeat
		1539	Beginning of the Reformation in Albertine Saxony
		1547	Battle of Mühlberg; the title of the elector devolves upon Albertine Saxony
1618	Outbreak of the Thirty Years' War	1635	Peace of Prague and assignment of Upper and Lower Lusatia to the Electorate of Saxony
1648	Peace of Westphalia	1697	Elector Friedrich August I ("Augustus the Strong") converts to Catholicism and receives the Polish crown
		1710	Establishment of the Meissen Porcelain Factory by Augustus the Strong
1756–1763	Seven Years' War (Prussia and England against Austria, France, Sweden and Russia)	1763	The Treaty of Hubertusburg; as a result of the war Saxony relinquishes the Polish crown in 1765
1769	James Watt invents the steam engine – beginning of industrialization		
1789	French Revolution		

Modern Age from 1800

1806	Establishment of the Confederation of the Rhine, Emperor Franz II abdicates	1806	Saxony becomes a kingdom and a member of the Confederation of the Rhine
1814	End of the wars of liberation against Napoleon	1813	Battle of Nations at Leipzig – victory for the allied forces (Austria, Prussia, Russia and Sweden) in the war of liberation against Napoleon
1814/15	Congress of Vienna – Creation of the German confederation	1815	Saxon partition
		1831	Saxony becomes a constitutional monarchy
1835	The first German railway runs between Nuremberg and Fürth	1839	Opening of the first long-distance railway line between Leipzig and Dresden with the Saxonia, a locomotive built in Saxony
1849	Adoption of a constitution for the empire	1849	Rejection of the constitution for the empire by Friedrich August II, May revolt in Dresden (Richard Wagner and Gottfried Semper emigrate)
		1850	Dissolution of the state parliament, restoration of the old order

Date	Development in Germany	Time	Development in Saxony
1862	Prince Otto von Bismarck becomes Prussian prime minister	1863	Establishment of the General German Workers' Association in Leipzig
1866	Establishment of the North German Confederation	1866	Saxony joins the North German Confederation
1870/71	Franco-Prussian War	1871	Saxony becomes one of the states forming the newly established German empire
1883–1889	Introduction of welfare legislation by Bismarck		
1914–1918	World War I	1918/19	November Revolution and the end of the monarchy; Saxony becomes a free state
1919	Treaty of Versailles		
1922/23	Great depression, high inflation		
1933	Hitler's rise to power	1933	Elimination of all opposition; the Free State of Saxony is brought into line with the Third Reich
1938	November Pogroms		
1939–1945	World War II	1943	Most severe air raid on Leipzig
		1945	Heavy bombing of Chemnitz and Dresden
1945	Potsdam Conference	1945	Saxony becomes part of the Soviet zone of occupation
		1949	Saxony becomes part of the German Democratic Republic
		1952	The state of Saxony is dissolved; formation of the three administrative districts of Chemnitz (as of 1953: Karl-Marx-Stadt), Dresden and Leipzig
1953	Uprising of 17 June against increased production quotas and for free elections	1953	Görlitz and Niesky are centres of the popular uprising
1961	Building of the Berlin Wall		
1968	The "Prague Spring"		
1989	Beginning of the peaceful revolution	October 1989	Leipzig, Plauen and Dresden are centres of the demonstrations

Development after German re-unification

Date	Development in Germany	Time	Development in Saxony
3.10.1990	Accession of the five new federal states to the Federal Republic of Germany	3. Oct. 1990	Re-establishment of the Free State of Saxony
		1992	Adoption of a new Saxon constitution
		2002	A flood disaster hits Saxony
		1. May 2004	Festivities celebrating EU expansion in Zittau

CONSTITUTION AND LEGISLATURE

4. Wahlperiode



Saxony in fine constitutional shape

Saxony as a Free State

In November 1918, when the monarchy was collapsed, the Republic of Saxony was proclaimed (10 November) and the King abdicated (13 November). The newly elected Saxon People's Chamber adopted on 28 February 1919 the Preliminary Basic Law for the Free State of Saxony and retained the designation "free state" in its final constitution, making Saxony the oldest free state in Germany.

"Freistaat" (free state) is a German term that corresponds to the French "république" and underscores the idea that the state is governed by free citizens and not by a sovereign. Coining German words for foreign terms was very much in keeping with the spirit of the times, and that is why the term "Freistaat" prevailed over "Republik." The term "free state" and above all parliamentary democracy as the system of government on which it was based were retained until the law which brought the individual German states into Line with the Third Reich came into force on 31 March 1933.

When states were reintroduced in the territory of the German Democratic Republic in 1990 the aim was to institute a return to democratic traditions. The "free state" enjoys no privileges or special legal characteristics in relation to a "Land" or (federal) state, but its traditions of statehood are very much older.



Saxon State Assembly Building in Dresden



The principle of the separation of powers

Constitution

In drafting a constitution for the Free State of Saxony, the State Assembly's constitutional and legal affairs committee, which was in charge of the procedure, was able to fall back on a number of constitutional drafts drawn up in 1990 in the wake of the citizens' movement (the Gohrisch Draft, the Leipzig University Teachers' Draft). The free state's constitution was finally approved on 26 May 1992 by the Saxon state assembly and came into effect on 6 June 1992.



Coat of arms of the Free State of Saxony

Coat of arms

The escutcheon of the Saxon coat of arms is divided into nine black and gold horizontal stripes on which, from top left to bottom right, a green ornamental band is superimposed. The ornamental design is taken from the Gothic style of architecture that flourished in Saxony. The Free State of Saxony founded in 1918 took over the old Saxon coat of arms with its stripes and Rautenkranz, or crancelin. From 1990 the free of state of Saxony resumed this heraldic tradition. While the state administration uses the coat of arms in a plain version, the state assembly uses the baroque version. The official state flag uses the plain version.



Coat of arms of the Saxon state assembly

Flag

Historically speaking, the Saxon flag is a relative newcomer. Its colours date back to instructions issued by King Friedrich August I on 22 May 1815 to Lt-Gen. von Lecoq to take over command of the Saxon forces on the Rhine. Item 7 of these instructions specified that a wide green trim was to be added to the Saxon troops' previously white cockade⁴⁾ to prevent them from being mistaken for other contingents. News of this instruction preceded the King on his return to Saxony after a peace treaty that was less than glorious for the kingdom. Dresden awaited him bedecked in white and green flags. Students from Leipzig wore white and green ribbons on their lapels, soldiers wore white and green cockades⁴⁾ and civil servants wore white and green cordons⁵⁾ on their hats. These new colours symbolised a fresh start after the Wars of Liberation (from Napoleon) in which Saxony had sustained heavy losses. The Free State of Saxony founded in 1918 adopted the white and green flag of the former monarchy. It has since twice had to make way for totalitarian government. The National Socialists replaced it by the swastika flag, and after the state of Saxony had been abolished and replaced by three administrative



Saxon state flag

⁴⁾ rosette, national emblem on uniforms

⁵⁾ ribbon worn as a badge, usually of a knightly or honorary order

regions in the German Democratic Republic, it was again replaced after a brief post-WWII renaissance by the GDR flag. The tradition of the Saxon flag was resumed after 1990.

Anthem

There is no official Saxon anthem. When interest in one was expressed after 1990, the state assembly and state government decided to find out how strong this interest was. The findings of a 1997 opinion poll conducted by the Emnid market research organisation were clear. A mere 27 % of Saxon respondents wanted the free state to have an anthem and 72 % were opposed to the idea. A popular unofficial “anthem” is “Sing, mei Sachse, sing” by Jürgen Hart, while the traditional “Gott sei mit Dir, mein Sachsenland” (Hallbauer/Otto) is more formal and anthem-like.

Saxony’s strong forces

State assembly (Legislature)

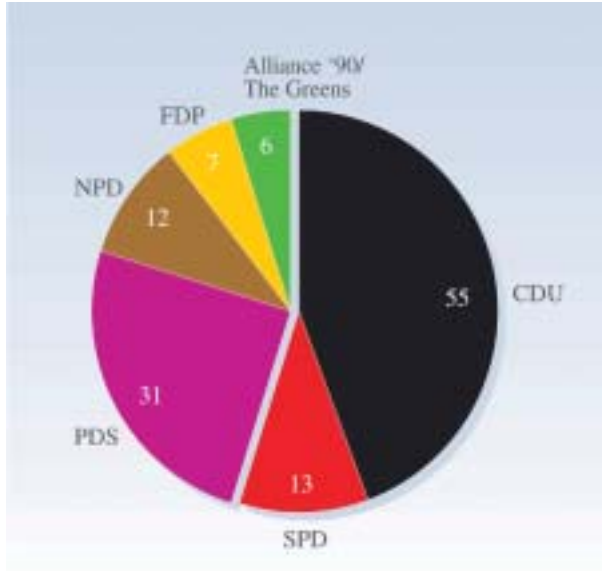
Immediately after the German Democratic Republic acceded to Basic Law on 3 October 1990, Saxony became a federal state of the Federal Republic of Germany. State assembly elections were held on 14 October 1990. From the elections held on 11 September 1994 the legislative period was extended from four years to five, with the result that subsequent elections were held on 19 September 1999 and 19 September 2004. The Saxon state assembly, or parliament, is the supreme representation of the people. The constitution describes the state assembly as the “place where the political will is formed”. Its powers are both legislative – the passing of legislation – and the exercise of control over the executive. Elected for a five-year term, the state assembly can only dissolve itself if two thirds of its members choose to do so. A three-stage process of direct democracy complements the state assembly’s legislative process. Forty thousand signatures are required for a Volksantrag, or referendum petition, to kick-start the process of direct democracy. If the state assembly rejects the petition, 450,000 voters can then initiate a petition that must be followed by a referendum. The referendum decides on the issue by a simple majority. The state premier, elected by the state assembly, and cabinet ministers constitute the state government as the state’s supreme executive



*Plenary chamber in
the Saxon state
assembly building*

authority. The government can only be voted out of office by a vote of constructive no-confidence that names and elects a new state premier. In the fourth legislative period, 2004–09, the state assembly has 124 members. Its speaker is Erich Iltgen. His first, second and third deputy speakers are Regina Schulz, Andrea Dombois and Gunther Hatzsch.⁶⁾

*Distribution of seats
in the Saxon
state assembly after
the elections
of 19 Sep. 2004*

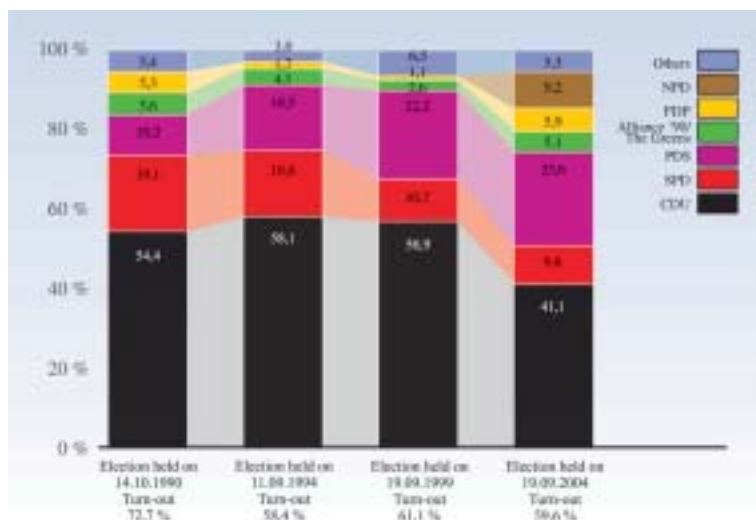


*Data:
State statistical
office of Saxony*

Political parties

The predominant role of the Christian Democratic Union (CDU) in Saxony is not based on historic roots or on any particular part of society. Initially, the party's former federal chairman, Federal Chancellor Helmut Kohl, earned the CDU its popularity as the foremost advocate of German reunification. This role was later taken over by the first state premier, Kurt Biedenkopf, CDU. The CDU also took over from its East German predecessor in 1990 a largely functioning statewide organisational structure. In spite of a sharp fall in membership since reunification (1990: 37,200; 31 December 2003: 15,407 members), the CDU not only won all directly elected seats in the 1994 and 1999 state assembly elections but also the absolute majority in 50 and 49 of the 60 constituencies respectively. In 2004 it lost its absolute majority for the

⁶⁾ Further information is available at www.landtag.sachsen.de



Election results of the elections for the Saxon state assembly

*Data:
State Statistical
Office of Saxony*

first time and formed a coalition with the Social Democratic Party (SPD). The SPD only founded a state association in May 1990 and had to set up its organisational structure in Saxony from scratch. Its membership has been largely unchanged for years, totalling 4,453 at the end of 2004.

It also lacks an established voter base. Its historic roots and strong Social Democratic traditions in the Weimar Republic and the immediate post-WWII period in Saxony have evidently failed to exercise any effect. The SPD, which emerged from the 1994 state assembly elections just ahead of the Party of Democratic Socialism (PDS) as the second-strongest political force in Saxony, lost its leadership of the Opposition in the state assembly in 1999 to the PDS, the successor to the communist SED. In 2004 it again polled the poorest SPD result in any German state. The PDS is the party with the largest membership in Saxony (15,280 at the end of 2004), but its membership is very much lower than it was in 1990 (72,000). Saxony's PDS emerged in August 1990 from a merger of the SED organisations in the three administrative regions into which Saxony was divided in communist East Germany. In the 2004 state assembly elections it improved on its 1999 performance by 1.4 % and now has more than twice as many state assemblymen as the SPD. In 1990, the Saxon Greens, Democracy Today and the New Forum contested the state assembly elections on a joint slate, winning 10 seats. Alliance '90/The Greens was not set up in Saxony as a merger of these three organisations until September 1991, joining the federal party in spring 1992. In the 1994 state assembly elections, divisions in the civil rights and

environmental conservation movement were instrumental in the party's narrow failure to poll the 5 % needed for representation in the state parliament. It failed again in 1999 but succeeded in 2004 by polling 5.1 %. Membership of Alliance '90/The Greens in Saxony has marked time for several years at around 900 (907 at the end of 2004). The Free Democratic Party (FDP) in Saxony was formed in 1990 as a merger of the League of Free Democrats (the former LDPD and NDPD), the East German FDP founded early in 1990, and the New Forum. In this constellation it secured representation in the state assembly in 1990, which it failed by a wide margin to do in later elections. In 2004 the Free Democrats returned to the state assembly by polling 5.9 %. With 2,550 members at the end of 2004, the FDP had the third-smallest membership base. Only the Greens and the NPD had fewer members in the state. The National Democrats (NPD) were elected to the Saxon state assembly for the first time in 2004. In 2004 the NPD was the second smallest party in Saxony with 942 members. Founded in 1990 in Saxony, it gained initial support but has lost nearly half its members since 1998. The Office for the Protection of the Constitution says the NPD rejects parliamentary democracy, yet it was elected democratically. It continues to be under observation by the Saxon Office for the Protection of the Constitution.

Associations/Trade unions

The structures of the Confederation of German Trade Unions (DGB) in Saxony are based mainly on the six regional units in the state. Their organisation, along with that of individual affiliated unions, was completed toward the end of 1991. In recent years DGB (without ver.di, the trade union for the service sector) membership has declined heavily. In 1991 it still had around 1.34 million members in Saxony. At the end of 2004, numbers were down to a mere 147,958. At the end of 2004 Ver.di, the largest trade union in Saxony, still had 127,794 members.

Business associations

The organization of business associations in Saxony is also based on the structure of the administrative districts of Dresden, Leipzig and Chemnitz. As a result of this, there are three chambers of industry and commerce as well as three chambers of trade. Vereinigung der Sächsischen Wirtschaft e. V. (VSW), the Association of Saxon Business, registered association, which was founded in 1998 as the umbrella organization of the Saxon employers' and business association, safeguards the interests of the employers in Saxony.

VSW works as the state representation of the Federal Association of German Employers' Associations (BDA) and of the Confederation of German Industry, registered association (BDI). Since 1991 the Employers' Association of Saxony, registered association, has represented the interests of its members, in particular of small and medium-sized companies, across different industries since 1990.

Civic commitment

Our society benefits from solidarity, a sense of civic responsibility, and courage to stand up for one's beliefs. Societies and people working in a voluntary and unpaid capacity look after large parts of Saxony's cultural, social, religious and sporting activities. Whether it is in the voluntary fire service or the technical relief agency, whether it is in tenants' associations or tax advice co-operatives, voluntary workers in kindergartens, homes and hospitals, in sports clubs or aid projects, in church institutions, in cultural projects or even fields of activities in music, arts or history – volunteers contribute financially, through cash, ideas or physical activity. They form an important foundation for social life within Saxony. For this reason, the free state supports civic commitment with awards, grants benefits or expenses allowances.

Once a year the state government awards the "Voluntary Joker" to members of the public for service to the community. Since 1995 the state has also awarded the Annen-Medaille to up to 20 Saxon citizens per year with a longstanding record of selfless service to the community and to society at large. In addition, the free state of Saxony awards the Saxon Order of Merit, founded by Kurt Biedenkopf. It is awarded to men and women who have been of special service to the state of Saxony, for services to business, sport, society, the humanities, science and technology or for outstanding voluntary service. The number of holders is limited to 500. Each of them can nominate candidates for membership to the State Chancellery. The award decision is made by the state premier.



*Verein Sonnenstrahl e. V.
Dresden – Association
supporting children and
adolescents suffering
from cancer*



Medal "Annen-Medaille"

ADMINISTRATION AND POLITICS



Saxony's lean administration

Prime minister, ministries

The State Chancellery and eight ministries head the administration of the free state as its supreme state authorities. The departmental principle means that each member of the state government is separately and personally responsible for his or her portfolio. The prime minister, or state premier, is in overall charge, with responsibility for deciding the fundamental direction of policy. The prime minister's tasks include deciding on the number of ministries and appointing and dismissing ministers, undersecretaries, civil servants and judges. He represents the free state externally and can exercise the right of pardon or reprieve. The Saxon state chancellery works for and reports directly to the state premier. As the supreme state authority it takes on a headquarter staff role in relations with the ministries. The head of the state chancellery presides over the preliminary conference of undersecretaries that prepares for cabinet meetings. He assists the state premier in laying down policy guidelines and checks approved legislation for conformity with the constitution before the prime minister signs it. The government spokeswoman is in charge of explaining state government policy to the media and the general public.



The Saxon State Chancellery, view from the new Ministry Building

State administration

For the most part, Saxony's state administration operates on three levels. They are the state government (state chancellery and ministries as supreme state authorities), the "middle level" (three regional commissioner's offices and other supreme state authorities), and the "lower level" (towns that constitute an administrative district in their own right and rural administrative district offices insofar as they undertake state activities, and other, lower-level special state agencies). In the course of administrative simplification departments with a two-level administrative organisation such as the Saxon police now exist.

State budget

The Saxon state budget for 2006 provided for total expenditure of around EUR 15.5 billion⁷⁾. Compared with West German non-city states, Saxony's per capita spending⁷⁾ is around 28 % higher, the aim being to make good, especially in the long term, the state's large backlog of public-sector infrastructure investment. As at the end of 2005, indebtedness totalled EUR 12.2 billion, or EUR 2,849 per head of the state's population. The per capita indebtedness of German states in the former East Germany except

⁷⁾ The information provided does not include any receipts and disbursements for overcoming the damage caused by the flooding in August of 2002

*Administrative
regions in Saxony*



Saxony averaged EUR 6,818 on 31 December 2004. Annual net public borrowing has been scaled down steadily since 1994 apart from 2002 and 2003, when tax revenues were much lower than expected and it was not possible to offset the shortfall by budget economies and curbs on expenditure.

In 2006 the planned new debt (net borrowing) amounts to EUR 250 million. This means 1.6 % of the budget is financed through loans. In the budget for 2006⁷⁾ the Saxon fiscal coverage ratio amounts to 49.0 %, whereas it totals approx. 71 % on average in the old non-city states in western Germany. This means that the state finance of the Free State is largely dependent on allocations under the fiscal equalization scheme among the federal states as well as on allocations by the federal government and the European Union (2006: EUR 7.01 billion⁷⁾).

Approximately one third of the total expenses was earmarked for human resources expenses (27.8 %) and interest (4.1 %). A total of EUR 3.49 billion⁷⁾ was available for investment (excluding the expenses⁷⁾ for the removal of the damage caused by the 2002 flooding). The high share of investment expenditure (investment ratio: 22.5 %) characterizes the Saxon budget compared with the old federal states (average: 9.7 %) as well as with the other new federal states (average of the new federal states excluding Saxony: 18.8 %). This serves to show how strongly the Federal State of Saxony focuses on the development of the state. The medium-term financial planning for the years 2005 to 2009 adopted by the Saxon state government continues

⁷⁾ The information provided does not include any receipts and disbursements for overcoming the damage caused by the flooding in August of 2002

to consistently pursue the guideline of high investment expenditure which is incorporated in the annual budgets in a binding manner.

Local government

In an endeavour to make the administration leaner, the formerly 48 districts were reduced to 22 districts and seven autonomous towns and cities (Dresden, Chemnitz, Leipzig, Görlitz, Plauen, Zwickau, Hoyerswerda) in the framework of a reform of the administrative districts of Saxony. This was followed by a reform of local government in the framework of which the number of the Saxon municipalities was reduced from 1,626 to currently 511 municipalities through mergers and incorporations. On application, municipalities which form part of a district can be classified as large district towns provided they have more than 20,000 inhabitants or used to be district towns. In addition to their “normal” tasks large district towns also carry out a part of the tasks of the district administration office for their area.

The local statutes for the Free State of Saxony were last amended with effect as of 11 June 2005. According to these the local council which is elected for a five-year term of office is the most important authority within the municipality and takes decisions in all important matters concerning the municipality. The mayor, who is simultaneously the chair of the local council and is elected directly by the citizens for a term of seven years, is responsible for discharging the tasks of the day-to-day administration, the tasks entrusted to him/ her by the local council as well as the compulsory



New town hall in Leipzig

<i>Nature of the Task</i>	<i>Whether</i>	<i>How</i>	<i>Examples</i>
<i>Compulsory tasks as instructed (subject to directives)</i>	<i>Whether the task is to be fulfilled is determined by law</i>	<i>How the task is performed is determined by law</i>	<i>Registration by the terms of the Registration Act, protection of law and order by the terms of the Police Act</i>
<i>Compulsory tasks (not subject to directives)</i>	<i>Whether the task is to be fulfilled is determined by law</i>	<i>How the task is performed can be decided by the local authority itself</i>	<i>Setting up public schools by the terms of the Education Act running a fire service by the terms of the Firefighting Act</i>
<i>Voluntary tasks</i>	<i>Whether the task is to be fulfilled is decided by the local authority</i>	<i>How the task is performed can be decided by the local authority itself</i>	<i>Cultural affairs and welfare matters, sports and recreation facilities, promotion of clubs and societies</i>

Tasks of the municipalities as per the Saxon local statutes

tasks. On the level of the municipalities, the formation of the political will is supplemented with procedures of direct democracy (residents' applications, petitions for citizens' referendums and citizens' referendums). The regulations for the administrative districts of 19 July 1993 provide for corresponding stipulations also with regard to the level of the administrative districts. Local authorities are entitled to perform their tasks jointly with other local authorities. To do so they may set up ad-hoc administrative consortiums and administrative or special-purpose associations and conclude special-purpose agreements.

E-Government

E-government is generally taken to mean administration and government with the aid of modern communication technologies, especially the Internet. The advantage is that the administration can offer companies and the general public services such as information and data interchange online, saving time and money on both sides and thereby making public services much more user-friendly. The free state and local government are collaborating closely to make efficient use of the facilities in place. The long-term E-government schedule of the Saxon state government comprises more than 130 projects within the part of the state and approx. 70 projects within the part of the municipality. In the year 2005, the Saxon E-government platform was commissioned with a form service, an editing service for internet sites and a joint state portal. With the help of this platform all state and municipal authorities can offer both citizens and companies easy access to electronic services. In the state government's InfoHighway the free state of Saxony already has a data network via which all officials of the Saxon state administration can exchange data as if they were all sitting in a single building. The InfoHighway network consists of more than 840 km of fibre optic cable and is capable in its core ring of transmitting 2.5 gigabits per second. The municipalities of the Free State communicate with each other as well as with the state government via the Municipal Data Network (KDN). In autumn of 2005 all autonomous towns, all district administrations and the predominant share of the municipalities of Saxony which belong to one of the districts – in total 285 locations – were connected with each other via KDN. This means all the municipal and state authorities connected to the system have a secure network platform with a high degree of availability. The InfoHighway and the municipal data



ELSTER
The program for
electronic tax returns

network are connected to the TESTA system (Trans-European Services for Telematics between Administrations) of the federal government. This ensures a smooth exchange of data with the federal administration, the other federal states as well as the European administration. The Saxon authorities offer an increasing number of services electronically. For example citizens and companies can inspect essential legal provisions of the Free State of Saxony via the internet or they can obtain information on the current water levels within the Free State of Saxony on-line at all times.

Amt 24

E-government is available for the citizens of the Free State at <http://amt24.sachsen.de>. Amt24 is Saxony's on-line citizens' advice bureau, which already makes working with the authorities easier today and which will permit the execution of administration procedures on-line from the PC at home in the near future. The structure of Amt24 is based on so-called "life events", which we all experience at some stage of our lives. Amt24 went on-line with a total of eight specific subjects, which have been supplemented and expanded continuously since that time. Connected with these "life events", the user can find descriptions of the administrative procedures, a guide to the authorities which helps you to find the competent authority for every procedure as well as a form service for providing the required forms. Amt24 is a project of the Free State and its municipalities – a project with a future!



Amt24

Simplification of legislation

In the development of new laws and regulations the state government checks, amongst other aspects, the necessity and feasibility of the planned regulation as well as the possibility of a simplification of legislation as well as administration. In addition, a campaign entitled "Regulation pillory" ("Paragrafenpranger") was initiated in February 2003 in order to give the citizens the possibility of submitting proposals for the abolition or simplification of Saxon laws, regulations or administrative rules.

The state government has set up a committee for the reduction of rules and regulations evaluating more than 1,800 proposals received so far and prepares recommendations regarding these. The total of the administrative rules in Saxony has already been reduced by more than one half. Further information on this project is provided on the internet at www.paragraphen-pranger.de.

Saxony in Europe and in the world

Federalism

The Free State of Saxony is one of 16 German federal states. On principle, these states are entitled to discharge the powers of the state and to fulfil the tasks of the government. In order to make sure that certain powers and tasks are enforced uniformly throughout the entire territory of the Federal Republic of Germany, the Basic Law allocates the legislative powers to the federal government in various fields. In these cases the federal states co-operate in the legislative process of the federal government via the Bundesrat. The Bundesrat has an outstanding position as a connecting link between the federal states and the federal government and has also developed such a position towards the European Union for some years.

This is also illustrated by its incorporation in the Basic Law as a constitutional entity. Since the establishment of the Federal Republic of Germany the number of laws of which the federal states have to approve has increased continuously. However, the parliamentary procedure connected with this has increasingly proved to be inefficient. For this reason, the lower house of the German parliament, Bundestag, and the upper house of the German parliament, Bundesrat, launched a legislative procedure for modernization of the federal structure in the year 2005. This procedure aims at improving the capacity to act and to react on the part of both the federal government and the federal states, at assigning political responsibilities more clearly as well as at increasing the efficiency of the performance of their respective tasks. This so-called reform of federalism was passed by Bundestag and Bundesrat in 2006.



The Free State of Saxony is located at the heart of Europe.

Saxony in Europe

Following the accession of ten states to the European Union on 1 May 2004 the Free State is not only located at the geographic heart of Europe. This expansion and, in particular the accession of our neighbours Poland and the Czech Republic, provide great opportunities for the Saxon citizens and companies; however, they also entail considerable risks arising from the increasing competition. For example, one of the consequences of enlargement has been that the funds from the European structural funds from which Saxony has benefited to a considerable degree for more than one decade, are now increasingly provided to the new member states, which are structurally weaker. This means the administrative district of Leipzig will not be among the districts classified as development areas with the highest priority within the EU any more in the future. Nonetheless, measures for economic development, for raising the level of employment, for co-operation



across the different states as well as for the development of rural areas will still be supported throughout Saxony. For the period from 2007 to 2013 total funds from the structural funds to the amount of approx. EUR 4 billion will be available. The main aims of funding are support for sustainable economic growth as well as the creation and protection of jobs. On the one hand, an increasing effort is to be made in order to ensure that young people acquire the skills necessary for finding a job in this process. On the other hand, the problems resulting from the demographic trends in the Free State of Saxony are to be taken into account at an early stage.

In many cases, the interests of Saxony within the EU are represented by the respective member state, i.e. by the federal government in this case. According to art. 23 GG (German Basic Law) the state government participates in the formation of political will in matters regarding the EU via the Bundesrat. Currently, the main topics of Saxon European politics are EU structural policy as well as the reform of the EU. The Saxon liaison office in Brussels, a subsidiary of the state chancellery, maintains contacts with the institutions of the EU.

International relations

Since 1990, the Free State of Saxony has maintained a broad range of international relationships with approx. 30 countries. These diverse forms range from regional partnerships with currently five regions (Polish districts of Lower Silesia, Czech Republic, Slovakia, Bretagne/F., Alberta/Can.) to the co-operation in individual projects (bilingual kindergartens, binational schools) or in subject-specific networks.

The co-operation across the border with the neighbouring countries of Poland and the Czech Republic is of special interest to Saxony. Working groups meeting regularly and intensive contacts on the level of the experts help to fill these partnership agreements with life. Furthermore, the tri-national regional relationships between Saxony, Lower Silesia and the northern and eastern Czech districts are to be intensified in the future.

In addition to the existing partnerships, Saxony is expanding its relations with the central and eastern European region, e.g. Hungary, the Baltic states and Ukraine, as well as with the region of the Far East, e.g. individual Chinese provinces. In 2006, the trips by members of the state government to China and the Russian Federation and, moreover, the participation of President Putin together with Federal Chancellor Angela Merkel in the Petersburg Dialogue in Dresden in October as well as the presentation of Saxony in the US capital Washington, DC on the occasion of the Day of German Re-Unification on 3 October form the highlights of the international encounters.



Prime Minister Milbradt during his trip to Russia in May 2006



Bi-national grammar school of Friedrich-Schiller Gymnasium Pirna, education of German and Czech pupils

LAW AND ORDER



The judiciary – The third force in Saxony

System of justice

Justice is administered in Saxony on the one hand by the regular courts consisting of 30 local courts, six state courts and the supreme state court in Dresden. On the other hand, there are special courts consisting of three administrative courts, three social courts, five labour courts, the supreme administrative court, the Saxon state labour court, the Saxon state social court and the Saxon financial court. The state justice ministry is in charge of all of these jurisdictions.

Six public prosecutors' offices and the state's director of public prosecution handle criminal cases. In 2005, Saxon courts and public prosecutors completed more than 500,000 proceedings.

In 1993 Saxony became the first new federal state to establish a constitutional court and one of the six federal supreme courts, the Federal Administrative Court in Leipzig, is located in Saxony.



Federal Administrative Court in Leipzig



Judicial officers

As of 1 January 2006 the Saxon judiciary employed a payroll of 8,016 employees in addition to the staff at the Ministry of Justice. They included 1,009 judges, 335 public prosecutors, 1,015 judicial clerks, 2,737 clerks

and typists, 2,048 prison service officers, 175 social workers, 223 bailiffs, 12 economic specialists and 392 guards and other personnel. There were also 6,861 jurors and voluntary judges. Moreover, 161 notaries and 4,279 practising solicitors were licensed as professionals. As of 1 January 2006, 961 articulated clerks were undergoing judicial training.

For a safe Saxony

Police organisation

Since 1 January 2005 Saxon police organisation has been based on a two-level administrative structure (with seven police departments at the level of rural administrative districts or municipalities). 79 police stations, five autobahn police stations as well as 88 police offices report to the police departments.

In addition to the seven police departments, the Saxon Department of the Interior also holds responsibility for the Landeskriminalamt or state CID, the state police department of Central Services, the presidium of the Bereitschaftspolizei or riot police, the police training and in-service training institute as well as the police academy of the Saxon Police as central offices and institutions.



Police in Saxony

Police officers

As of 1 January 2006 the Saxon police employed 12,168 police officers, 363 administrative officers, 1,698 salaried and 591 wage-earning staff. The police colleges in Chemnitz, Dresden and Leipzig which are attached to the Police training and in-service training institute of the Saxon police in terms of their organizational structure train middle-grade officers. In addition, the police academy of the Saxon police also offers training facilities to qualify for and gain promotion to senior grades within the police service.

Crime statistics

Over the last years, the number of crimes committed in the Free State of Saxony has declined steadily. In the year 2005 318,166 crimes were reported. Compared to the year 2004 this means a decline by 5.2 %. This corresponds to 7,406 cases per 100,000 head of population. This is 364 cases less than in 2004. This means crime has reached the lowest level since 1993.

The overall percentage of cases solved increased by 0.7 percentage points to 58.6 %. A total of 186,476 criminal cases were solved. In cases of violent crime three out of every four cases were solved. The police identified 119,328 suspects. Among these were 4,039 children (3.4 %) and 15,107 juveniles (12.7 %). In particular among children but also in other age groups fewer suspects were identified than during the previous year.

The financial damage reported amounted to EUR 414 million in total in the year 2005. White-collar crime alone caused damage to the amount of EUR 261.

Prison service

The Free State of Saxony has 10 prisons of which one has a hospital. In 2005, an average of 4,265 people were in prison. As in previous years, there were no escapes in 2005. Four prisoners who failed to return from release on parole were taken back into custody or returned to prison voluntarily. Average costs per prisoner per day were EUR 69.16 (excluding construction costs). The 37 companies owned and operated by the prison services offer a wide range of goods and services.

Saxony are well protected

Emergency services

Dial 112 for the emergency services and you will be put through to one of 20 control desks for the ambulance and fire services in Saxony. The desk officer (member of staff at emergency service headquarters) will decide from case to case which service to call out. 109 ambulance centres with 32 branch offices are manned round the clock all over Saxony. The desk officer can also call out the fire service to fight fire or provide technical assistance at the scene of accident. Seven professional fire services and 508 auxiliary fire services are on call in 2,056 fire stations.

Disaster protection

Disaster protection is the task of the individual federal states. It comprises the preparation for fighting disaster, fighting disaster as well as the co-operation in provisional removal of damage. In the free state of Saxony disaster protection has a three-tier structure.

In disaster protection, all the authorities of the free state, the rural districts and communes as well as the private relief organizations (Arbeiter-Sa-

mariter-Bund, Deutsche Lebensrettungsgesellschaft, German Red Cross, Johanniter Unfallhilfe and Malteser Hilfsdienst) co-operate amongst others. In case of need, the German Armed Forces as well as the Technical Relief Agency also provide relief during a disaster.

For the provision of relief in the framework of disaster protection a large number of units and facilities is available. In these units voluntary workers and workers exempt from military service are available. All in all, the Free State of Saxony currently has 6,514 relief workers at its disposal.

Flood disaster 2002

Im August 2002 Saxony was hit by an extraordinary flood disaster. Heavy rainfall in the Erzgebirge first transformed the normally quiet little rivers like the Weisseritz, the Zwickauer and the Freiburger Mulde, the Triebisch and the Müglitz into torrential currents. Then the Elbe left its riverbed and destroyed roads, bridges, railway tracks and buildings throughout Saxony.

On 17 August the Elbe's high water mark in Dresden reached 9.40 m compared with a normal level of 1.26 metres. In Saxony, 16 rural administrative districts and four municipalities were directly affected by the flooding, which claimed 21 lives, left 110 people injured and caused total damage to the amount of EUR 8.5 billion.

The wave of water was followed by an equally outstanding wave of readiness to help which gave the people in the areas affected strength for reconstruction.

Thanks to the many selfless people and assistance teams from Germany and abroad, including the Bundeswehr, the disaster relief agencies (THW) and the German Red cross, to name but a few, valuable works of art from the Gemäldegalerie and the Albertinum in Dresden were saved. Tireless helpers filled sandbags to build embankments and later helped to clear away enormous piles of waste. Saxony is very grateful to everyone who provided physical or financial assistance and thereby made possible the reconstruction that was largely brought to a conclusion two years after the flood.

157,000 people received the Saxon flood helpers' award for their efforts.

Flood protection

After the August 2002 floods a large number of flood protection measures were undertaken starting with the removal of damage on the Saxon rivers and lakes (more than 18,000 cases of damage were reported). Until 2004 358 areas in Saxony covering a total of around 51,000 hectares were classified as flood protection zones compared with a previous total of just 23 areas. Saxony's designation of flood water retention areas is unique



Enormous piles of rubbish everywhere like this one in the city centre of Grimma

in Germany with the aim of the preservation and improvement of water retention.

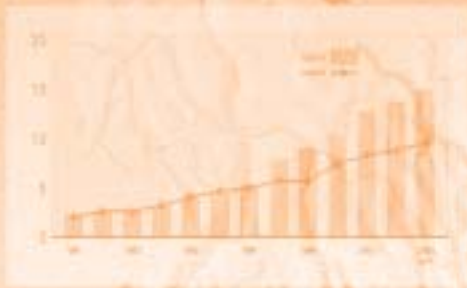
Moreover, the flood water retention areas in Saxony's reservoirs were also expanded by approx. 26 million m³ to 150 million m³. In addition, the flood warning service has also been reorganized completely with reports being relayed uniformly by fax and e-mail down to rural district level and passed on by SMS, fax and e-mail to local authorities from one source. For a sustainable removal of damage and for preventative flood protection a total of 47 flood protection concepts were drawn up to cover the entire endangered area by March 2005. These contain approx. 1,600 proposals for flood protection measures on bodies of flowing water. The investment programme regarding flood protection contains a total of 172 measures for the years 2005 to 2008 with a total volume of EUR 310 million. By April 2006 preventative flood protection measures with a volume of EUR 73.9 million were implemented. In addition to the flood protection concept, a total of 545 newly prepared risk maps were provided to the rural communes and rural districts which will facilitate the avoidance of danger.

In further plans these can be taken into account in the rural communes and, moreover, they are open for inspection by the public at any time. Not least, the retention of water is also increased in the land area by means of targeted cultivation of land, increasing of wood areas and wood conversion as well as the renaturation of bodies of water.



*Flood control basin
Lauenstein*

ECONOMY AND EMPLOYMENT



Saxony powers ahead

Economic structure

Ever since silver was mined in the Erzgebirge in mediaeval times, Saxony has been of the economically most developed regions of Germany. This trend was sustained through industrialisation and two World Wars.

However, the changeover to a market economy that began in 1990 led to a far-reaching collapse of traditional economic structures that had been maintained for long periods in the GDR. It also led discontinuation of many unprofitable jobs. Now, Saxony is again able to pick up on the state's industrial tradition and is developing into a competitive location for industry. The state now has five distinguishable economic regions with three urban centres that act as motors driving the economy.

The area between Dresden and Freiberg is a centre in particular of micro-electronics and electrical engineering ("Silicon Saxony") with companies such as AMD, Infineon/Quimonda, Advanced Mask Technology Center, Siltronic and SolarWorld AG. The North West Saxony economic region surrounds the trading city of Leipzig which is developing into a media and financial services location. The state's mechanical engineering and motor manufacturing industry has traditionally been concentrated in the Central Saxon conurbation centred on Chemnitz and Zwickau. Increasingly, regional networks are forming around these, as has already happened in microelectronics with companies in Dresden/Freiberg, with the vehicle manufacturing and mechanical engineering industry in Chemnitz/Zwickau or with the media location Leipzig. The East Saxony and Erzgebirge/Upper Vogtland regions, which in GDR days were developed in a rather mono-structural way, are having much greater problems in managing the economic transformation and in developing a modern economic profile. Small and medium-sized businesses are an important part of the Saxon economy. This sector is characterized mainly by small business structures. More than two thirds (approx. 69 %) of the 118,800 companies and state institutions with employees subject to social insurance contributions had up to five employees in 2004; 21 % employed 6 to 19 employees and less than 2 % had 100 and more employees. All in all, roughly 96 % of all companies have fewer than 50 employees. Self-employment increased again in 2004.

A total of 200,400 people or 11.3 % of the economically active population were self-employed. The self-employment rate is the highest in any of the states of former East Germany.



*Siltronic AG's new
300 mm wafer
production in Freiberg*



*Assembling vehicles at
Volkswagen works in
Zwickau/Mosel*

Self-employed persons
including assisting
family members
as a percentage of
the overall workforce



Date: State Statistical
Office of Saxony

Economic power

Between 2000 and 2004 the economy in the Free State of Saxony grew by 8.7 % (in real terms). This means Saxony achieved the highest growth rates among all the federal states. In 2005, the Free State did not manage to continue this trend towards growth. After price adjustment, the gross domestic product (GDP)⁸⁾ remained almost unchanged compared to the previous year (+0.1 %).

With its GDP to the amount of EUR 85.8 billion (in respective prices), Saxony contributed 33.3 % to the GDP of the new federal states (except Berlin) and 3.8 % to the GDP in Germany as a whole.

Despite a further improvement in labour productivity economic output per worker reached roughly 76 % of the productivity level⁹⁾ in western Germany (minus Berlin).

Nonetheless, the process of economic restructuring in Saxony is on the right path. Between 1990 and the end of 2005 business registrations outnumbered de-registrations by more than 277,000. This trend continues. After a massive construction boom triggered by subsidies in the early 1990s manufacturing industry and services working closely with business have now become the most dynamic economic segments: They now account for roughly 47 % of gross value added, higher than in all other new states of eastern Germany.



Automotive supplier
Cloyes Europe GmbH,
Oberseifersdorf/Zittau

⁸⁾ The gross domestic product (GDP) is the volume of newly available goods and services produced in a country within one year by domestic and foreign business. GDP is measure of a country's economic performance.

⁹⁾ Labour productivity shows the level of contribution made by each worker. A rise in labour productivity means that the value created has risen in relation to the input of labour and/or that the production target was achieved with fewer hours worked. Technical progress and labour intensity are the main factors influencing productivity.

Industry

Manufacturing industry is the motor that propels the economy in the Free State of Saxony. Between 2000 and 2005 gross value added by manufacturing industry in Saxony increased by approximately 42 % in real terms. In the new federal states (without Berlin) the increase during this period of time amounted to 31 %, whereas it only amounted to 7 % in the old federal states (without Berlin). In the companies within the manufacturing industry with 20 and more employees turnover increased by 9.7 % in 2005 compared to the previous year.

In 2005, the most important industries in Saxony in terms of the numbers employed were metal production and metal working/metal products manufacture, mechanical engineering and the production of office machinery, electrical engineering, precision engineering and optics with approx. 39,000 and 34,000 employees respectively. In addition, the motor manufacturing industry has made above-average progress in recent years and employs approx. 13 % of the workforce (approx. 28,800 persons) in companies with 20 employees and more. With EUR 10.4 billion it generates approx. 24 % of the total manufacturing industry sales.

Along with these traditional industries, new, forward-looking, high-tech branches of industry are becoming increasingly important. Now, the production of cutting edge technology plays as important a part in Saxony as in Germany as whole. Investment in key technologies such as micro-electronics, biological research and technology or new materials are further promoted by means of targeted networking of all actors along the endogenous potentials Saxony commands. In this way networks like “Silicon Saxony” and the Saxon group initiatives become trademarks of a highly productive industrial region.

Saxony has highly specialised manufacturers, some of them rich in tradition such as the watchmakers in Glashütte, the Meissen porcelain factory and also the Volkswagen Transparent Factory in Dresden, which manufactures the Phaeton.

Services and commerce

Overall, structural transformation in Saxony has been defined by a strong trend towards the service sector.

Sectors such as banking, insurance, hotels and restaurants have developed well, but in some areas of services close to businesses there is still a lot of catching up to be done. In contrast, the development in science-based segments of business services, such as consulting services or data processing, has been positive. These make an important contribution toward economic growth and employ highly qualified workers. Overall, the tertiary sector in Saxony employed approx. 71 % of the economically



Meissen® china marks



The Transparent VW factory in Dresden



The Mädler-Passage shopping arcade in the centre of Leipzig

active population which is more than 1.3 million people in 2005. The majority of those employed in healthcare, banking and insurance, the hotel and restaurant industry, home economics and public administration as well as education and teaching are women, who account for more than 60 % of employees subject to social insurance contributions in the service sector.

In 2004, 178,353 people or around 13 % of the employees subject to social insurance contributions in Saxony worked in commerce and the car trade. The retail sales area increased by 10.4 % between 1997 and 2001 with the Dresden Chamber of Commerce and Industry (IHK) district recording the largest increase. In 2002, Saxony had 1.59 square metres of sales area per inhabitant, well above the average in western Germany. Here, too, the IHK district of Dresden led the field (1.67 m² per inhabitant). In 2001, large retailers with a sales area of 700 square metres and more accounted for approx. 64 % of the total sales area.

Trades and crafts



A lathe operator turns blanks for wooden toys

On 31 December 2005, there were 55,643 registered trade and craft firms in Saxony of which 36,614 were undertakings headed by master craftsmen. The Chemnitz administrative region has the largest number with 22,683 undertakings, followed by the Dresden administrative region with 20,943 and the Leipzig administrative region with 12,017 undertakings. Thus, around one third of all craft and trade firms in the states of eastern Germany (without Berlin) are located in Saxony. By way of comparison, at the start of 1990 there were approximately 31,000 trade and craft enterprises in the territory covered by present-day Saxony. Crafts and trades in Saxony currently employ around 320,000 people. In 1989/90 around 95,000 people, including owners, worked in trades and crafts in the East German districts of Karl-Marx-Stadt (Chemnitz), Dresden and Leipzig.

Almost one in five of the labour force in Saxony works in a trade or craft. With thirteen undertakings for every 1,000 inhabitants, trade and craft density in Saxony is well above the German national average of 10.5. In terms of numbers, the largest group of fully registered trades are the electrical and metalworking trades with 18,136 undertakings and building and construction with 16,287 firms.

A special feature in Saxony is the diversity of craftspeople – among these braid makers from Annaberg, gingerbread bakers from Pulsnitz, watchmakers from Glashütte, wooden toy makers from the Erzgebirge as well as musical instrument makers from the Vogtland. The Saxons revived many traditional craft techniques in response to challenges such as the project to restore the Semper Opera (completed in 1985), the

rebuilding of the Frauenkirche (completed in 2005) or of Green Vault (completed in 2006).

Foreign trade

Foreign trade activities in Saxony have increased above average since 1991. Exports increased almost sevenfold in the period from 1991 to 2005. Imports also continue to develop positively. In 2005, goods with a total value of approx. EUR 10.8 billion were imported into the Free State of Saxony.

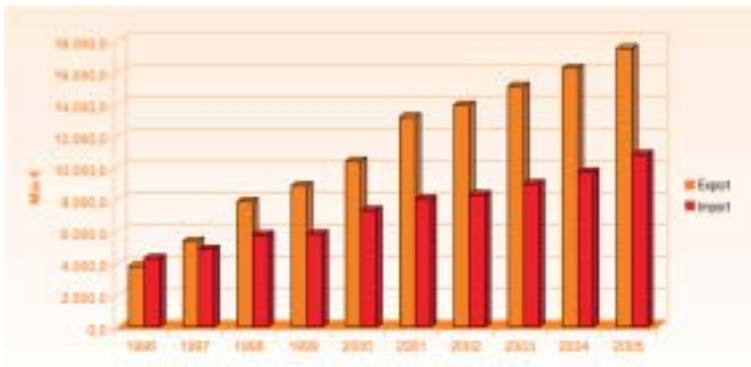
Traditionally, exports go to the countries of central and eastern Europe, western Europe as well as to the United States of America. In 2005, the US was Saxony's largest export partner with exports totalling almost EUR 2.5 billion, followed by Italy, France as well as Great Britain.

Compared to the previous year, there was above-average growth in exports to Cuba (+145 %), India (+69.1 %) and Taiwan (+64.2 %) in 2005. However, American and Asian countries still account for small proportions of exports compared with the volume of exports to Europe. Exports to European countries accounted for almost 65 % of Saxon exports (approx. EUR 11.4 billion).

As regards imports the Czech Republic is still in the lead with approx. one fifth followed by France as well as the Russian Federation.



Utmost precision in watchmaking in Glashütte



Saxony's foreign trade 1996-2005

Data: Saxon State Statistics Office

Trade fairs

Emperor Maximilian I granted the city of Leipzig the right to hold fairs back in 1497, stipulating that no comparable market could be held within a radius of 225 km. During the course of the centuries Leipzig became a very important centre for trade between east and west. The first sample



The new Leipzig Fair grounds

fair took place here in 1895 and the first engineering trade fair was held here in 1918. The first trade fair building, the Städtisches Kaufhaus, opened in 1896. Thus the Leipzig Fair, which has been called the mother of all trade fairs, became an international trading centre. The new trade fair complex was opened in 1996. Particularly successful events taking place here include the Leipzig Book Fair, AutoMobil International and the Games Convention. Dresden and Chemnitz have also succeeded in establishing themselves as trade fair locations with a mainly regional orientation.



The WFS-sponsored exhibition stand at CeBIT 2005

Economic development and promotion of the economy

Since 1991 the state-owned Saxony Economic Development Corporation (WFS) has supported German and foreign investors, Saxon municipalities and Saxon companies. In this process, WFS co-operates closely with municipal economic development offices. The Saxon Bank of Reconstruction provides valuable assistance regarding questions of the promotion of economic development.

The sectors promoted include business and technology, foreign trade, the labour market, start-up companies (primarily coaching of start-up founders) and small and medium businesses. Help is offered for consolidation, as are participations and guarantees. Production and innovation co-operations are supported financially and receive additional impetus by networks funded by the state. A business promotion database (<http://www.foerderfibel.sachsen.de>) helps people seeking promotion under a wide variety of programmes.

Labour market

The transition since 1990 from the unproductive job creation society of the GDR to market economy structures, combined with the corresponding economic restructuring process, has had a profound effect in the employment structure of the Free State of Saxony. The number of people employed dropped by around one third between 1989 and 1993.

After increasing slightly until 1995 this number has remained stagnant with minor annual fluctuations. As of the year 2001 a stronger decline was recorded once again. On an annual average the number of people employed amounted to 1,885 million in 2005. In this context, the weights between the different sectors of the economy have shifted clearly.

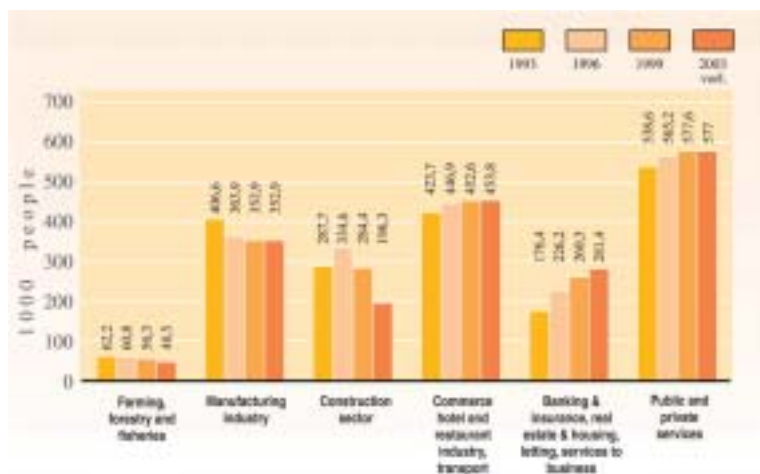
At the same time a drastic increase of open employment was recorded. By 1994 the unemployment rate (unemployed people as a percentage of the dependent civilian economically active population) in Saxony had risen to 15.7 %.

After a slight decline in 1995 the rise in unemployment continued reaching 18.8 % in 1998. After a renewed decline until the year 2000, this rate rose again to 20 % on an annual average in 2005.

However, the unemployment rate only partially reflects actual developments. To assess the situation on the labour market one has to take into account short-time working, labour market policy measures and arrangements for older workers, which were particularly significant in the years until 1996. In 2005, a total of 521,600 people were affected by unemployment¹⁰⁾ in Saxony.

Measured against the dependent civilian economically active population, the total unemployment rate was below the comparable figure for the previous year, however, at 26 %.

The level of total unemployment in Saxony differs from region to region.



Economically active population in the Free State of Saxony by sector

*Data: Working group for the establishment of employment figures of the federal and state governments
(As of March 2006)*

Income and prices

In 2004, the average gross wages and salaries of employees in Saxony in all sectors of the economy amounted to EUR 21,448.

Thus employees in the Free State of Saxony earned around 81 % of the average earnings of employees in Germany – in 1991, the figure was 57 %. In December 2004, the cost of living index for private households in Saxony reached a value of 108,8 (2000=100)¹¹⁾ and was, hence, 2.5 % higher than in December 2004.



¹⁰⁾ Unemployed persons, short-time working, job-creation and structural adjustment measures, further vocational training measures, infrastructural measures creating jobs, jobs for long-term unemployed, work opportunities, special measures for younger persons, free promotion, art. 428 Social Security Code III.

¹¹⁾ This corresponds to a price increase of a representative basket of goods (750 goods) by 8.8 percentage points during the last five years.

Making a living from nature in Saxony

Farming

In 2003, 913,120 ha of Saxony's territory were used for farming, that is around 50 % of its total area. By far the largest proportion of this area is in Lusatia, in central Saxony and the lowland bay of Leipzig.

The natural conditions permit a wide variety of uses. Farmers grow mainly cereals and rape but also forage. With average yields of up to 64.6 dt/ha in 2005, for example, roughly 2.5 million tonnes of cereals were harvested. Fruit growing (in the Elbe Valley and southeast of Leipzig) also has a rich tradition in Saxony, as has wine-growing (in the area between Meissen and Dresden in the Elbe Valley). In 2005, 279 agricultural companies farmed organically on 23,450 ha. In total, 7,434 companies operate in the field of agriculture. They employ approx. 42,000 people.

From 1994 up to and including 2005 funds totalling EUR 670 million were made available for the programme for environment-friendly farming in the Free State of Saxony (UL). Currently, a total of 521,484 ha of farmland (72 % of the total area farmed), 94,423 ha of pastures (52 %), 4,148 ha of orchards (89.6 %), 209 ha of vineyard (46.4 %) and 8,834 ha of lakes and ponds are included in the programme. In the year 2005 alone pollution of the soil by nitrates was reduced by approx. 8,450 t. The use of growing methods that reduce erosion prevented up to 570,000 t of soil from washing away. On an area of 25,454 ha measures of environmental protection and for the preservation of the cultivated landscape were promoted.

Saxon Environmental Alliance



In 1998, the Free State of Saxony chose a new path for strengthening the regional economy while reducing the strain on the environment by means of a voluntary agreement between the Saxon state government and the Saxon economy which is represented by the Saxon chambers of industry and commerce, the chambers of craft and trades and associations at the same time as the second federal state to do so after the Bavaria.

On 8 July 2003, Prime Minister Prof. Dr. Georg Milbradt, the specialist ministers for the environment and for agriculture as well as for economic affairs and labour and the representatives of the Saxon business community signed the extension for another five-year term.

Almost 500 stakeholders ranging from small crafts and trades undertakings, to service providers, hospitals, transport companies, associations, large industrial corporations of chemical industries, micro-electronics or foodstuffs industry participate in the environmental alliance.

The Environmental Alliance for Agriculture and Forestry was established in 1999 as a voluntary agreement between the Saxon state ministry for the environment and agriculture and 14 professional associations of Saxon agriculture, forestry and fisheries. On 15 December 2005 Minister Tillich, Minister of the Environment as well as representatives of the Saxon agriculture, forestry and fisheries signed the extension of the environmental alliance for agriculture and forestry for a further five years.

The 400 signatories undertook to engage in environmentally friendly farming, forestry and fish farming.



Animal husbandry and fish farms

Around two thirds of the total agricultural income in Saxony comes from animal husbandry. The animals kept in Saxony are mainly cattle but also pigs, sheep and laying hens. Moreover, there are also around 30,000 bee colonies. Cattle farming is a source of income for around 13,000 workers and also helps to maintain the cultivated landscape.

Milkproduction is currently a main source of income for livestock owners in Saxony. They are allowed to produce 1.6 million tonnes of milk a year. Horse breeding in Saxony is best known for the elegant heavy warm-blood breed. Numerous new stables (approx. 150) have also become a tourist attraction. The annual parade of stallions in Moritzburg is a highlight for horse lovers from all over the world. There are also numerous horse-breeding and equine sports events organized by clubs and societies. Fish farming in Saxony goes back a long way. In 2005, the fish farmers in the state marketed approx. 3,400 t of fish a year, including 2,800 t of edible carp.

Forestry

In 2005 the Free State of Saxony had a total of 513,008 ha of forest, covering 27.8 % of its surface. There are plans to increase this to 30 % in the medium term by planting trees in former mining areas, areas where flooding originates and areas where forest is sparse. Of the total forest area, 37 % is owned by the Free State of Saxony, 6 % by the federal government and a further 8 % by public bodies. 46 % is privately owned, 2 % are owned by the church and 1 % is special federal government property (LMBV¹²⁾ forest). Saxony's forests are managed by around 73,000 separate forestry enterprises. With almost 80 %, coniferous trees, primarily spruce and pine, prevail in the Saxon forests. The total stock of wood amounts to



Highly automated timber cropping with a harvester

¹²⁾ Lusatian and Central German Mining Management Co.

126 million m³, which corresponds to 258 m³ per hectare. The annual growth of wood amounts to approx. 9 m³/ha, of which only roughly one half is harvested so far. Over the next years, the forests are to become richer in species also with regard to climatic change.

Wine-growing

The first recorded mention of wine-growing in Saxony dates back to 1161. In the fifteenth century, vineyards covered just over 4,000 hectares. The introduction of vine pest in 1887 enormously accelerated the decline of wine-growing, which had already set in. Subsequently, many vineyard slopes were used for building or as orchards.

With the introduction of pest-resistant vine grafts, in the 1920s and 1930s there was a gradual recovery that continued after World War II. Wine-growing was given a further boost by amateur growers who, from around 1970, began replanting some particularly prominent sites in the Elbe Valley with vines. The wine-growing area has grown very fast in recent years, from 320 ha in 1990 to 450 ha today. It is characterised by centuries-old slopes and terraces that lend the Elbe Valley wine-growing landscape its distinctive charm. Saxony produces mainly white wine. The most widespread varieties in 2005 were Müller-Thurgau (81 ha), Riesling (62 ha), Pinot blanc (50 ha); Golden Riesling (12 ha) is grown only here. Pinot noir is the most widely grown type of red grape and is grown on 28 ha. As a rule, annual wine production ranges from 15,000 to 20,000 hl, of which only a very small proportion is table wine. In autumn, the numerous wine festivals held traditionally to celebrate the new harvest are an attraction for locals and tourists alike. The best-known festivals are held in Meissen and Altkötzschenbroda.



*Belvedere and Vineyard
Palace of Wackerbarth,
Radebeul*

Rural development

Saxony supports the integrated development of rural spaces and, therefore, also the improvement of the framework conditions for agriculture, primarily by converting agricultural buildings to other uses. Regional development based on grassroots initiatives is playing an increasingly important role. Around EUR 2.4 billion in funding was approved for this purpose between 1991 and 2003, including the funds for removal of flood damage, by means of which an investment volume of approx. EUR 11 billion was realized.

Mining

Saxony's economic wealth is based not least on its rich mineral resources. In the Erzgebirge, mining can now only be experienced in show mines as a tourist attraction. Elsewhere, however, raw materials close to the surface are extracted by open-cast mining. Since reunification, the brown coal industry in Saxony has invested EUR 10 billion. In 2002, MIBRAG, the central German brown coal company and LAUBAG, the Lusatian brown coal company, together extracted around 30 million tonnes of brown coal that is converted into electricity at the Boxberg and Lippendorf power stations. Around EUR 5 billion has been invested in stone and earth quarrying since 1990. In 2002, 286 business enterprises extracted around 31 million tons of consolidated and unconsolidated rocks. For example, the sand stone for the reconstruction of the Church of Our Lady in Dresden was quarried near Pirna.

INFRASTRUCTURE AND COMMUNICATIONS



Saxony in motion

Roads

Saxony’s road density is higher than the national average with 740 m of regional road per square kilometre. Since 1991, around EUR 13.3 billion has been invested in expanding the state’s road network. The transport policy priority was and still is to complete Saxony’s autobahn network. The A 38 bypass for Leipzig is completed. Expansion of the A 4, into a six-lane highway in some places, and of the A 72 between Plauen and Chemnitz is more or less complete, while the new A 17 from Dresden to the German-Czech border are to be opened to transport in their entirety in the course of the year 2006. Work on the new A 72 from Chemnitz to Leipzig is under way.

1 January 2006, there were 2.69 million licensed motor vehicles in Saxony of which 2.31 million were cars and more than 180,000 were heavy goods vehicles. In 2005, a total of 124,146 road accidents was recorded in the state, 15,922 of these resulted in personal injury, with 20,259 people injured and 352 fatalities.



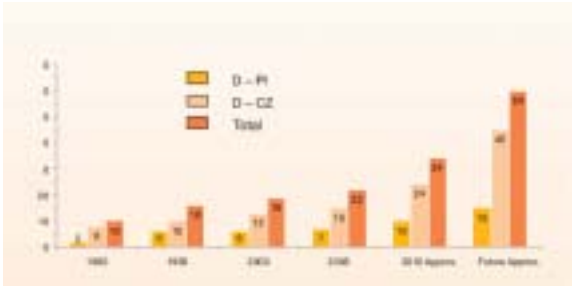
The A 14 autobahn near Leipzig passes beneath the airport runway

Regional roads total	13,532 km
of wich federal autobahns	478 km
of wich federal highways	2,421 km
of wich state roads	4,750 km
of wich district roads	5,883 km

Kilometres of road in Saxony as at 1.1.2006

Data: Saxon State Statistics Office

Number of border crossing-points on roads



Public transport

A network of railway, tram, regional and municipal bus routes makes Saxony very accessible. The planning, organisation and development of public transport is the responsibility of the rural and urban districts. These have formed special-purpose associations and constitute the local



*A Vogtlandbahn
local train*

authority public transport association: Central Saxony, Upper Elbe Area, Vogtland, Upper Lusatia/Lower Silesia and Mitteldeutscher Verkehrsverbund. Since then, they have organized all public transport as a local “one-stop shop”. In 2004, approx. 400 million people used busses and trams and a total of 309 companies with more than 9,600 employees worked in this field. In the Vogtland region of western Saxony, “EgroNet”, a cross-border public transport system was realised.

It integrates trains and busses in a single public transport system. Seventeen rural and urban districts and 62 transport undertakings from Saxony, Bavaria, Thuringia and the Czech Republic work together in EgroNet.

Railways

With around 2,700 kilometres of track and nearly 600 stations and halts, Saxony’s railway network is one of the densest in Europe.

Railway transport in Saxony comprises four areas: intercity express and inter-regional services to destinations in Germany and Europe at high-speed tracks of up to 250 km/h, regional transport on fast tracks with speeds of up to 80 km/h, the Leipzig–Chemnitz route at 160 km/h and the Bischofswerda–Zittau route at 100 km/h; the suburban railway systems the in Dresden and Leipzig as well as the similar model in Chemnitz and the railway transport on the historic narrow gauge tracks which has more of a tourism character.

Currently, Saxony is connected to 75 local and ten long-distance railway lines. Since reunification in 1990, approx. EUR 3.9 billion have been invested in the Saxon railway network. The main focuses of investment into network expansion are the long-distance routes Saxony–Franken-Magistrale Hof–Leipzig/Dresden–Görlitz and the German Unity Transport Project 9 (VDE) Leipzig–Dresden. The routes for EU enlargement towards the east, Berlin–Dresden–Prague, Berlin–Cottbus–Görlitz and Leipzig–Falkenberg–Hoyerswerda–Horka are part of the Trans-European railway network and are also being expanded.

At the moment, there are seven railway border crossing-points to the Czech Republic and two to Poland. By the year 2010, this number is to be increased to ten (Czech Republic) and three (Poland). Regional partial networks are the Vogtland, Erzgebirge, central Saxon and eastern Saxon network.

Since the reform of the railway in 1993, more than 20 private railway companies not owned by the state have been established both in passenger and freight transport, which reinforce competition on the track, in the Free State of Saxony.



*Leipzig railway station –
the world’s largest
railway terminus*



*The narrow gauge
railway from Zittau
to Jonsdorf/Oybin*

Freight traffic

Saxony has supported the freight traffic centres in Leipzig, Glauchau and Dresden with funding to the amount of more than EUR 70 million. The business policy importance is illustrated by means of the following data: Until now 102 companies providing around 2,500 jobs have been located in Leipzig, 70 companies with around 2,300 jobs in Glauchau and Zwickau and seven companies with around 420 jobs in Dresden.

Aviation

Since 1991, the state government has provided a total of EUR 1.4 billion to aid the expansion of Leipzig-Halle and Dresden airports. For example, a second runway capable of handling intercontinental flights is currently being constructed in Leipzig/Halle. The new terminal has a capacity of 4.5 million passengers per year. As of 2008, DHL will operate as the main European hub for air cargo express at the Leipzig/Halle airport and, hence, create 3,500 new jobs.

The Dresden runway is currently being restored and extended, the terminal with a capacity of 3.5 million passengers was completed in 2003. Both of these airports are licensed to operate around the clock and have very good road and rail connections. This means that everyone in Saxony can reach an airport within 90 minutes. In the year 2005, Leipzig/Halle handled more than 2.1 million passengers and Dresden nearly 1.8 million. Saxony also has four regional and nine local commercial airstrips as well as ten special landing strips.



Dresden's newly expanded airport

Inland shipping

The River Elbe links Saxony with the North German sea ports and the countries of central and eastern Europe and, therefore, with international trade. To develop inland shipping, Saxony redeveloped the ports of Torgau, Riesa and Dresden. Since 1995, it has invested more than EUR 65 million in this project. 47 companies were established in the ports. These invested another sum of approx. EUR 60 million and created more than 500 jobs. The ports are operated by Sächsische Binnenhäfen Oberelbe GmbH. In 2002, the company acquired the ports of Decin and Lovosice in the Czech Republic as well as shares in the Roßlau port in 2004. Now, it provides competitive transportation for the Czech and the Saxon economy from a single source.

Saxony is especially proud of the world's biggest and oldest fleet of paddle steamers which is based in Dresden. Sächsische Dampfschiffahrt has nine historic paddle steamers ranging from 75 to 125 years old.



Fleet of paddle steamers

Two elegant saloon ships and two smaller motor boats round off the fleet. Given normal water levels, the fleet carries around 700,000 passengers to and from the 17 stops on the 101-kilometre shipping route between Diesbar-Seußlitz and Decin every year.

Saxony's cities

Urban development in Saxony is characterized by a population reduction on account of the reduced birth rate and migration away from the region. For this reason, a conversion of the Saxon cities and rural communes is required which is accompanied and supported by the Free State of Saxony in a targeted manner with the help of urban development and EU funding. These contributions are intended to remove or sustainably mitigate urban planning grievances and defects by means of urban planning redevelopment measures. The central towns as per the Saxon regional development plan are to be strengthened.

In this context, special emphasis is placed on the measures for urban reconstruction. They serve the purpose of a reduction of the existing stock of flats and, hence, the reduction of the number of vacant flats on the basis of urban planning development concepts. This leads to an urban planning appreciation of sustainable quarters ready for the future. The funds in the framework of the EU programme for urban development aims at sustainably supporting disadvantaged areas within cities in their development on the basis of an integrated campaign and to promote the development of the entire town in this way.



Borsberg coal-fired power station operated by Vattenfall Europe AG & Co. KG

Saxony has energy

Power (energy business, energy exchange, energy trade fair, Saxon energy programme)

Since reunification in 1990, more than EUR 11 billion has been invested in building new and expanding existing plants. The supply of electricity, gas and long-district heat is safeguarded by six regional and 39 municipal utilities in addition to the supra-regional energy suppliers of Vattenfall Europe AG and Verbundnetz Gas AG. One of the strengths of Saxony in this is the fact that the proportion of district heating is more than twice the national average. Moreover, more than 300 small and medium businesses operate in the mineral oil and liquid gas segment and numerous other companies provide related services, including energy trading.

Saxony believes in domestic energy carriers. This comprises brown coal just as much as renewable energies. The use of brown coal forms the basis for a safe and calculable generation of power, because it is competitive and available in a sufficient quantity in Saxony.

The use of brown coal for the generation of base load power in the Saxon power plants of Boxberg and Lippendorf forms an essential basis for the preservation of jobs, in particular in structurally weak regions.

Renewable energies for the generation of power and heat have gained in importance over the last years. Compared to 1990, their use has increased more than tenfold and now amounts to 9.2 %.

Wind power accounts for the biggest share in this, followed by water power, biomass and biogas as well as photovoltaic systems.

An efficient use of energy forms an essential strategy for a sustainable energy supply within the Free State of Saxony. Since 1990, the energy efficiency of the economy (gross domestic product with reference to primary energy consumption) has increased by 2.5 times. In this context, potential is discernible in all fields of application: manufacturing, industries, transport and households. Energy-saving procedures, machinery, devices and vehicles “made in Saxony” are leading worldwide. Research and development are further preconditions for sustainable development of the energy sector.

In this case, the main emphasis is on research regarding CO₂ reduction technologies in the field of power plant engineering, in particular in the interest of a load on the environment which should be as low as possible during the conversion of brown coal into electricity in eastern Germany. The energy business in Saxony also comprises trading in energy and energy technologies. In 1999, the first German electricity exchange was founded in Leipzig upon the initiative of the Saxon state government. In 2002 the Leipzig Power Exchange (LPX) merged with the Frankfurt-based power exchange to form European Energy Exchange AG (EEX) with headquarters in Leipzig.

In addition to EEX, the “enertec” energy fair was established as a trading platform for energy technologies and services.

At the moment, the Free State of Saxony is updating the SAXONY ENERGY PROGRAMME¹³⁾. It defines the state government’s energy policy guidelines and priorities for the years ahead.



Fundamental overhaul of the power line network by ABB



Installation work at the Espenhain solar park

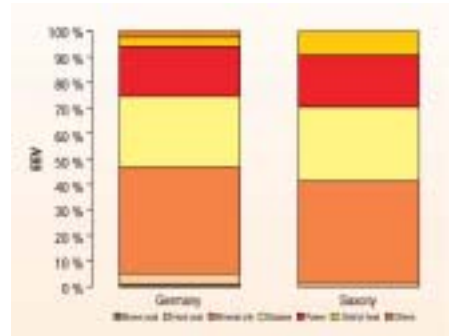
¹³⁾ The SAXONY ENERGY PROGRAMME and the annual energy reports are published at www.smwa.sachsen.de (Wirtschaft/Energie/Sächsische Energiepolitik).

Energy consumption

In parallel to the consumption of primary energy, the final consumption of energy (energy consumption after conversion, usable energy) has changed only to an insignificant degree.

Here, a reduced consumption of mineral oils was set off by an increased demand regarding gasses.

Essentially, the mix of energy carriers is determined by mineral oils and gasses. Furthermore, electricity, district heating, brown and hard coal as well as the other energy carriers contributed to the energy balance. The graph clearly shows that the Saxon energy mix has adjusted to overall German structures since reunification.



Drinking water reservoir Carlsfeld

Drinking water supply

Drinking water is essential to life so ensuring the drinking water supply is a mandatory municipal duty. In Saxony, 79 providers ensure that Saxony is supplied with drinking water, these comprise 45 special-purpose associations, 11 local authorities in a special-purpose sub-association and 33 individual local authorities. Saxony also has three independent long-distance water supply companies that provide drinking water to the public utilities. Thus, public water supply is characterised by a combination of local, supra-regional and long-distance water supply. 58 % of Saxony's drinking water comes from ground water and 42 % from drinking water reservoirs¹⁴⁾.

Sewage disposal

It is the duty of local authorities to dispose of the accruing sewage (foul water and rain water) in their area. The requirements are stipulated both by European directives and by state and federal law.

At the end of 2004, a total of 804 local authority sewage treatment plants with a capacity of 50 population equivalents¹⁵⁾ (inh.) or more were in operation in Saxony.

¹⁴⁾ as per 2006

¹⁵⁾ This is a customary measure used in the water industry to assess water pollution. It is based on the number of inhabitants and equivalent which are calculated in turn on the basis of a comparison between commercial foul water and domestic foul water.

In 2004, a total of 93 special-purpose sewage associations (including 10 special-purpose sub-associations) and 154 local authorities (including 46 local authorities in special-purpose sub-associations) were in charge of sewage disposal. Out of the total number 802 sewage water treatment plants 641 have been newly constructed, reconstructed or expanded since 1991. 94 % of the plants treat the sewage mechanically and biologically. Only 6 % of plants¹⁶⁾ use purely mechanical cleaning methods. In 2004, 90 % of households in areas with a population equivalent density of more than 2,000 per square kilometre were connected to public sewage facilities and 80 % in the state as a whole.¹⁷⁾ For more than 10 % of people in Saxony, especially in rural areas, small sewage systems will be part of local authority waste water disposal permanently. By 2015, all plants are to be equipped with state of the art technology.

Saxony thinks for itself

Newspapers

The main features of Saxony's newspaper market were drawn after 1989 when the Treuhand, the trust established to act as a holding company for state-owned enterprises in former East Germany, sold the communist party's regional newspapers to large West German media corporations. Smaller newspapers were often unable to survive in the market. The remaining newspaper scene in Saxony is as follows (source: IVW 2005): The newspaper with the largest circulation, the Freie Presse (print run: 354,000) is published in Chemnitz and the surrounding area, while Sächsische Zeitung (print run 301,000) is published in Dresden and the surrounding area. Dresdner Neueste Nachrichten, Torgauer Zeitung and Muldentalzeitung take most of their supra-regional material from the Leipziger Volkszeitung (total print run 270 000). The only Sorbian-language newspapers, Serbske Nowiny (print run just under 2,000), is published in Bautzen. The Vogtland-Anzeiger (print run: 9,300), published in Plauen, is a local edition of the Bavarian newspaper Frankenpost. The Morgenpost, published in Dresden and Chemnitz and sold by street-sellers, is one of the few surviving additions to the Saxon newspaper scene. It is a local edition of Berliner Kurier and competes with BILD-

¹⁶⁾ The increase of the share of mechanical sewage treatment plants compared with the status report for 2002 results from a completed collection of data for smaller sewage treatment plants.

¹⁷⁾ 2004 Status Report – Local authority sewage disposal in the Free State of Saxony

Zeitung filling out its uniform nationwide edition with local news in Saxony's major towns and cities.

TV and radio



MDR broadcasting headquarters in Leipzig

Mitteldeutscher Rundfunk (MDR) a broadcasting corporation established jointly by Saxony, Saxony-Anhalt and Thuringia was established in 1991. Prof. Dr. Udo Reiter is the director of this corporation. This broadcasting corporation under public law transmits its own TV programme (MDR television) which should also include contributions by the state broadcasting corporations having a state-specific appearance. In Saxony, MDR has a state broadcasting centre in Dresden and four regional studios. Moreover, it has also become a major supplier of programmes to the first channel of ARD (2006: 11.0 %). Furthermore, MDR has five radio stations in the state (MDR 1 Radio Sachsen, MDR Figaro, Jump, MDR-Info and MDR Sputnik via satellite). In addition, the MDR Klassik programme is available via digital radio.

Private broadcasters



Licensing and supervision authority for broadcasting in Saxony is the state institution for private broadcasting and new media (SLM) based in Leipzig. Private radio stations with a full programme that can be received throughout the state are Radio PSR, Hitradio RTL as well as R.SA. Others broadcast full programmes only regionally or locally. Since 30 December 1999 digital radio has been standard in Saxony with three private programmes available in addition to the public stations available state-wide.

At the moment 61 broadcaster transmit TV programmes in cable systems. Six suppliers transmit their television shows terrestrially. In December 2005, digital terrestrial television (DVB-T) was launched in Saxony.

Territorial aspects



*SLM
Saxon State
Institution for
Private Broadcasting
and New Media*

Continuing in the tradition of the Saxon printing, publishing and radio broadcasting industry, Leipzig is the media industry's main centre of development in Saxony. In 2005, as many as approx. 30,000 people or 13.3 % of the people employed in the city worked for media enterprises in Leipzig. What is even more, the media industry accounted for 17.5 % of the city's overall sales turnover. The building of Media City Leipzig, a complex of offices and studios in the immediate vicinity of MDR, played a major role in this development. Leipzig is also the headquarters of Mitteldeutsche Medienförderung GmbH (MDM), an institution founded in 1998 by the states of Saxony, Saxony-Anhalt and Thuringia along with broadcasters MDR and ZDF for the purpose of promoting

film, television and media projects. MDM is currently Germany's fourth largest film promotion agency, having dispensed more than EUR 12 million in funding. In addition, the Medientreffpunkt (Media rendezvous), an event held each year in May, has become established as a media forum in Leipzig attracting nationwide attention.

Saxony's international links

The Free State of Saxony commands an excellent telecommunications infrastructure. The availability of DSL is considerable above that for all the eastern German states except Berlin. In Saxony most ".de"-domains of the new federal states (without Berlin) are registered. With a growth rate of more than 20 % – which is almost 90.000 ".de"-domains more than at the end 2004 – the Free State occupied a top position throughout Germany. In addition, Leipzig is the German city with the strongest increase in domains.

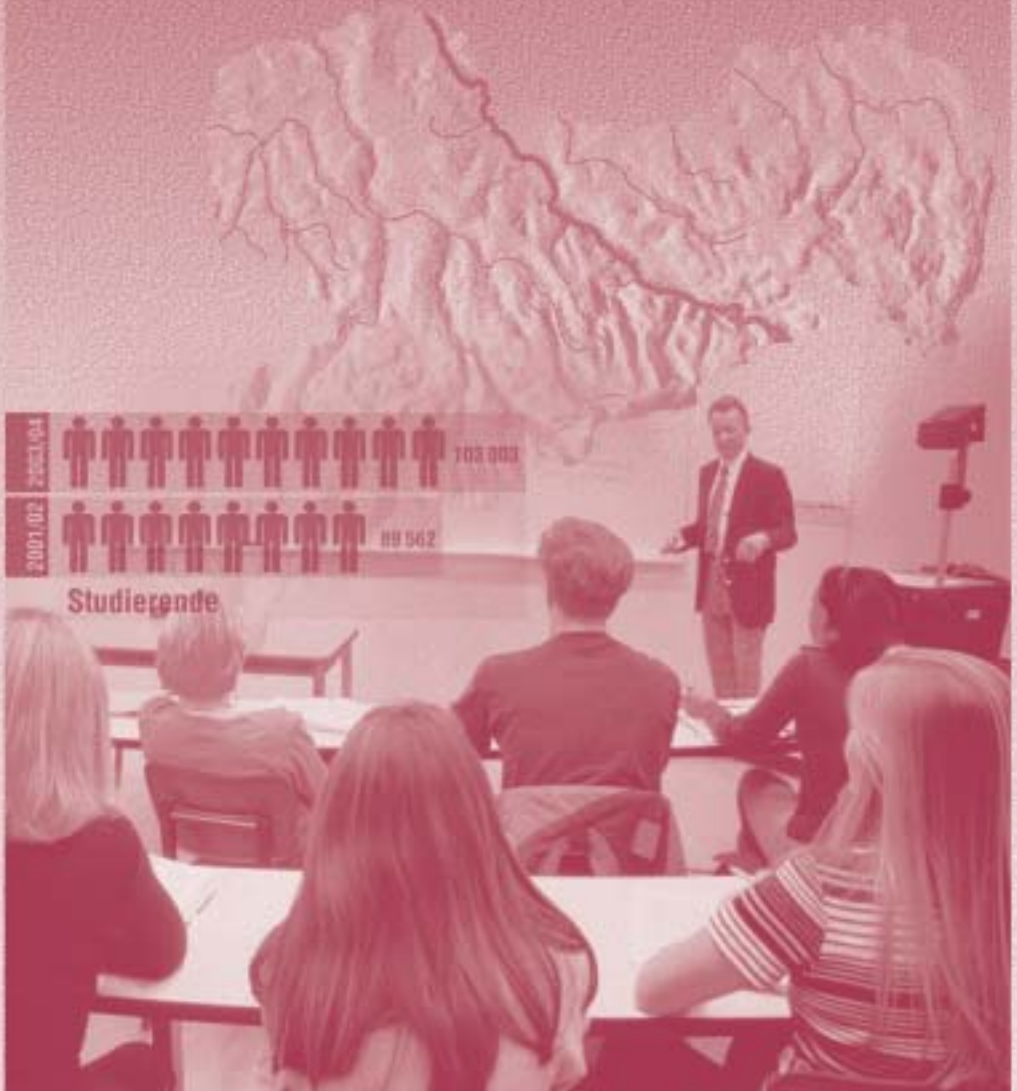
The internet portal "saxxess.com" – a special service for the fields of information, communications and media – provides a lot of information on this as well as on many other aspects.

More than 350 professors were engaged in research and teaching in all fields that are closely connected with the information, communications and media business (IKM) on the thirteen Saxon universities, communications and media in Saxony. More than 20,000 students are preparing for careers in the IT sector and microelectronics. This means Saxony maintains excellent connections in the world by means of a good infrastructure and a lot of expertise.



*The
www.sachsen.de
website*

EDUCATION AND RESEARCH



Saxony educates itself

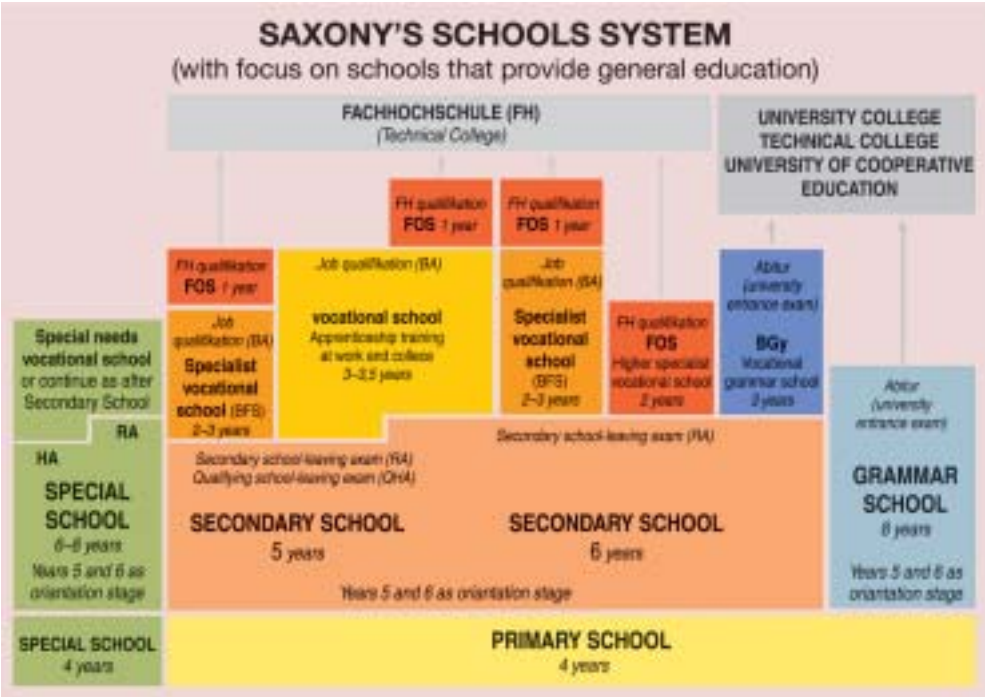
Structure of the education system

The state constitution requires Saxony inter alia to teach young people “to act in a socially responsible manner and adopt a free and democratic outlook.” By the terms of the Education Act of 3 July 1991, Saxony introduced a two-level interchangeable system of schooling to educate students with different skills and levels of achievement in the way that is best suited to them for life in society and a career. Schools that offer general education are primary schools (1st to 4th grade), secondary schools (5th to 9th and/or 10th grades) and grammar schools (5th–12th grade). The schools for children with special needs regarding learning constitute further schools providing general education. Full-time schooling is compulsory for nine years, training at trades college as part of an apprenticeship usually takes a further three years. After primary school, parents decide on the basis of a school recommendation whether to send their children to a secondary or a grammar school. In years 5 and 6 the curriculum in both kinds of school



Secondary schools
Dresden/Leuben

Saxony's schools
system



is largely the same, so that the decision regarding education can be reviewed and may be revised. If students pass their school-leaving exam at the end of the tenth year in secondary school and fulfil certain other requirements, they can switch to the tenth class of an ordinary grammar school or the eleventh class of a vocational grammar school. Grammar schools provide a comprehensive education as a prerequisite for university study or a requirement for some other career training. In Saxony, students take the Abitur, recognised as a university entrance qualification all over Germany, after 12 years at an ordinary grammar school or after 13 years at a vocational grammar school.

There are five categories of vocational school or college in Saxony. Vocational schools and specialist vocational schools teach to different vocational qualifications and offer special one-year courses in preparation for career training or activity.

Higher specialist vocational schools and vocational grammar schools take students who have passed their secondary school-leaving exam and teach to qualifications that entitled the holder to go on to study. Schools

Overview of schools, students and full-time teachers in Saxony (2005/6 school year)

	Number of schools	Students	Teachers
Primary schools			
Public	801	104 905	9 114
Private	53	5 315	375
Secondary school			
Public	402	110 302	11 026
Private	22	2 521	196
Grammar school			
Public	132	90 521	7 786
Private	14	5 101	403
Special school			
Public	147	19 937	3 209
Private	19	911	245
Vocational school			
Public	113	126 666	5 412
Private	183	43 429	1 983
Alternative education schools			
Public	7	2 927	145
Private	1	12	–
Free Waldorf schools	3	1 202	105

Data: Saxon State
Statistical Office

of further vocational education provide further vocational education to skilled workers. Public schools of this kind are organised in vocational school centres, thereby ensuring a state-wide provision of training facilities to meet demand. In vocational training, many private schools and colleges alongside the public system enrich the Saxon school landscape.

As a result of the steep decline in births since 1989 the number of students has halved. The required adjustment of the school network in the sector of general education is now about to be completed¹⁸⁾.

Special schools

Students, who due to impairment of one or more faculty cannot be integrated into the ordinary schools even though special assistance is provided and therefore have special educational needs attend special schools. These comprise special schools for the blind and visually impaired, schools for the hearing impaired, schools for students with learning disabilities, schools for students with physical disabilities, schools for children with learning difficulties, schools to remedy speech defects, schools for children with behavioural difficulties as well as hospital schools and vocational schools for students with special needs. Special schools and vocational schools for students with learning disabilities or difficulties teach students to secondary school leaving certificate or to a career qualification level.

Promotion of specially talented students

Grammar schools with a special focus on mathematics and science, fine arts, sports or languages are available for specially gifted and talented students. In 2001 the Landesgymnasium St. Afra in Meissen was opened as a grammar school for specially gifted and talented students.

In Saxony, members of the Sorbian national minority live with their own language and culture. In Sorbian schools, where teaching is available in Sorbian if parents so wish or students are so inclined, this important cultural good is kept alive for present and future generations.

Because Saxony wants to be a home for people from all over the world and their children, there are international schools in Dresden and Leipzig. Dresden International School takes children from the age of three and educates them up to International Baccalaureate level with English as the language of instruction. At the Leipzig International School instruction is also provided up to IB level (class 12), if required. The curricula are



*Boarding school of
Landesgymnasiums
St. Afra Meissen*

¹⁸⁾ To find out everything about Saxony's educational system, visit www.sachsen-macht-schule.de

based on the International Baccalaureate Programme. The International Baccalaureate entitles holders to study at universities all over the world.



*The "August Horch"
vocational school centre
in Zwickau*

Adult education, further education

People in full-time employment can attend two or three years of evening classes outside working hours and take their school-leaving certificates. After three or four years of full-time study at the Abendgymnasium students can take their Abitur, the German university entrance exam. Colleges also offer the same course in three or four years of full-time study for adults leading to the university entrance exam. In addition, 30 adult education centres and other private facilities offer everyone a wide range of further education courses.

Universities, colleges and universities of cooperative education

Saxon universities provide a high level of education. In the course of restructuring after the demise of the East German university system, what once were 22 state universities have become 4 state universities, an international graduate school, five art academies and five technical colleges. An agreement has been signed with the state universities on development until 2010, with the result that universities, technical and art academies can now plan safely over a longer period. Leipzig University, founded in 1409, has traditionally been geared to science and the humanities. Its students have included Goethe, Lessing and Nietzsche.

After 1989, the Dresden University of Technology extended its subject range substantially by incorporating the former Carl Gustav Carus Medical Academy and the College of Transport and by setting up a number of new faculties. In 2005 it was the university with the largest number of students in Saxony. The University of Technology in Chemnitz, the Freiberg University of Mining and Technology (the oldest of its kind in the world) as well as the International Graduate School Zittau, a university facility in the Neisse Euroregion for students who have already taken a first degree at Polish, Czech or German universities are much smaller. There are technical colleges in Dresden, Leipzig, Mittweida, Zittau/Görlitz and Zwickau. They were formed from former special and engineering colleges and have a strong practical orientation in both teaching and research. They were inaugurated in the winter semester 1992/93.

Saxony's tertiary education sector also boasts the practice-integrated courses of the Saxon University of Cooperative Education with six universities in Bautzen, Breitenbrunn, Dresden, Glauchau, Leipzig, Riesa and Plauen (an experimental facility). The Dresden Academy of Fine



*The historic campus
and proposed new
campus of the
University of Leipzig*

	Institution	Students
Universities and colleges	Dresden University of Technology	32 699
	University of Leipzig	29 147
	Chemnitz University of Technology	10 025
	Freiberg University of Mining and Technology	4 500
	International Graduate School Zittau	282
	Dresden Academy of Fine Arts	537
	Leipzig Academy of Visual Arts	571
	University of Music and Drama Leipzig	822
	University of Music Dresden	619
	Palucca Dance Academy Dresden	139
Technical colleges	Dresden	5 079
	Leipzig	5 965
	Mittweida	5 017
	Zittau/Görlitz	3 658
	Zwickau	4 574
	FHSV Meißen	667
Universities of cooperative education	Bautzen	505
	Breitenbrunn	550
	Dresden	1 095
	Glauchau	1 147
	Leipzig	485
	Riesa	524
	Plauen	196

Number of students
in the winter semester
2005/2006

Data: Saxon State
Staistical Office

Arts dates back to the Electoral Saxon Art Academy, founded in 1764. It shares the distinction of being Saxony’s art academy with the longest tradition with the Leipzig Academy of Drawing, Painting and Architecture, also founded in 1764, and now the Academy of Visual Arts.

Leipzig’s Felix Mendelssohn Bartholdy University of Music and Drama, which with 822 students is the state’s largest arts academy, dates back to the first German conservatory, founded in 1843 by the composer Mendelssohn, while Dresden’s Carl Maria von Weber University of Music dates back to a college of music founded in the city in 1856.

The Palucca Dance Academy, also in Dresden, dates back to a school of dancing founded by Gret Palucca in 1925. In all, Saxony currently boasts 27 universities and colleges with 107,792 students (winter semester 2005/



The Palucca Dance
Academy, Dresden

2006). In addition to the 15 state universities under the aegis of the Ministry of Science and the Fine Arts, two are under the wing of the Ministry of the Interior and ten are run privately.

Libraries and archives

Knowledge gained in the course of centuries is looked after and passed on in Saxony’s libraries and archives. The largest of the state’s 921 libraries is Deutsche Bücherei in Leipzig, which keeps a copy of every publication that appears in Germany.

In 2004 the number of books taken out on loan totalled 21.4 million, or roughly 5 books per inhabitant of Saxony. As a “collective memory of administration and society” the free state runs four state archives (the Hauptstaatsarchiv Dresden, the Staatsarchive Leipzig and Chemnitz, the Bergarchiv Freiberg). Further archives are kept by the Saxon state assembly, the Bautzen archives group, Saxon universities (six archives) and the rural districts (23 district archives).

*Number of libraries
in Saxony at the
end of 2004*

Full-time libraries	222
Part-time libraries	365
Travelling libraries	8
School libraries	326

Saxony thinks ahead

Inventions

Countless inventions are the result of Saxon ingenuity and only a few can be listed here: The first German steam locomotive was made in Saxony, as was the first single-lens reflex camera. Everyday items such as the toothpaste tube, brassiere, teabag, beer mat and coffee filter were invented here. The world’s first daily newspaper was published on 1 July 1650 in Leipzig. Back in 1894, Saxony was home to the precursor of roller skates and inline skates. The first gasworks in continental Europe brought gaslight to Halsbrücke near Freiberg in 1815, while Germany’s first district heating works brought central heating to Dresden in 1900. The first CFC-free refrigerator from Saxony gave the environment a break and won the German environment award in 1993. Between 1997 and 2002 the administrative district of Dresden recorded the highest increase in high-tech patent applications within the EU.



*The world's first single-
lens reflex camera with
perforated cine film saw
the light of day in
Dresden in 1936*

Research and development

The state's universities are centres of Saxon research. In addition to their basic funding they receive project funding from the Saxon ministry of Science in order to undertake projects in the field of basic and innovative research. Saxon universities also share external funding with growing success. In 2004, their third-party funding totalled about EUR 226 million. In addition, the German Research Federation (DFG) currently funds 16 special research areas, 18 graduate colleges and 11 research groups at Saxon universities and research facilities – of which three have an international status – as well as seven research groups at Saxon universities and research institutions. More than 50 non-university research facilities with about 2,800 funded appointments were subsidised by the Free State of Saxony with supplementary funding from the federal government.

The research facilities include three Max Planck institutes each in Leipzig and Dresden that mainly carry out basic research, the Umweltforschungszentrum Leipzig-Halle GmbH, which performs especially complex tasks in environmental and health research, eleven Fraunhofer Society Institutions and 2 Fraunhofer Society facilities as centres of technology transfer, research institutions of the “Gottfried Wilhelm Leibniz” scientific association and 11 state-run facilities.

Over the past ten years, Saxony has also extended extra-university research into the humanities and now has seven non-university research facilities including the Saxon Academy of Science in Leipzig, the Institute of Saxon History and Folklore in Dresden, Simon-Dubnow-Institute of Jewish History and Folklore at the University of Leipzig, the Sorbian Institute in Bautzen, the Hannah Arendt Institute of Research on Totalitarianism at the Dresden University of Technology and the Leipzig Dance Archives. Leipzig also boasts the Humanities Centre for Eastern Central European History and Culture with basic funding from the Free State of Saxony and supplementary project funding from the German Research Federation (DFG).

Since 2005 the Central and Eastern European Centre for Science, the Economy and Culture has also been based in Leipzig which is one of thirteen institutions run by Fraunhofer Society. Biotechnology, which is becoming an important economic factor in Saxony through research and industries, is particularly important. The universities and the industries in the Free State co-operate successfully as well as closely in the biotechnology research centres of BioInnovationsZentrum (BIOZ) in Dresden and Bio-technological Bio-medical Centre (BBZ) in Leipzig.



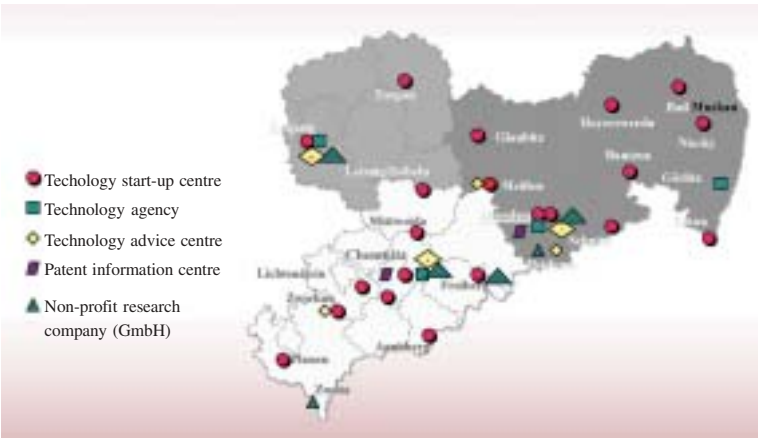
Lobby of the Max Planck Institute of Molecular Cell Biology and genetics, Dresden

www.biosaxony.de – a Saxon initiative – is gaining worldwide reputation. The Free State supports and promotes biotechnology by means of sustainable investments. More than EUR 200 million have been invested into the improvement of the conditions for a sustainable business and scientific structure for biotechnology since the year 2000: The establishment of the start-up centres of BIOZ and BBZ was subsidised with grants totalling EUR 100 million by the Free State. With 12 new professor's chairs that have been established for EUR 40 million the universities in Dresden and Leipzig intensify their research activities in biotechnology. A further EUR 60 million have already been made available for application-oriented research and development projects.

Technology transfer

A network of 42 technology centres for technology advice, technology mediation and technology-oriented business start-up support has been established in Saxony to support the transfer of technology from universities, colleges and research and development facilities to small and medium businesses. This includes two patent information centres, four technology advice centres (technology agencies), 15 technology transfer centres and 21 technology and business start-up centres.

So far, more than 700 technology-oriented new companies with a total of 4,200 employees have been established in the technology start-up centres. The Saxon State Ministry of Economic Affairs and Labour subsidised the activities of these facilities via demand- and results-oriented projects that aimed at activating, accelerating or improving technology transfer. So far, the technology transfer has been supported with funds of in total more than EUR 72 million in the framework of 522 projects. New technologies are also distributed through co-operation relationships and networks to a particular degree. Approx. four fifths of the companies engaging in R&D co-operated with other companies, universities and research institutions in the framework of their research activities. More than one third of the companies active in R&D is integrated into networks. The "Silicon Saxony" network is the biggest micro-electronics network in Europe. It brings together manufacturers, suppliers, service providers, universities, research facilities and administration. The 207 companies which are members of this network employ a total of 17,000 staff members.



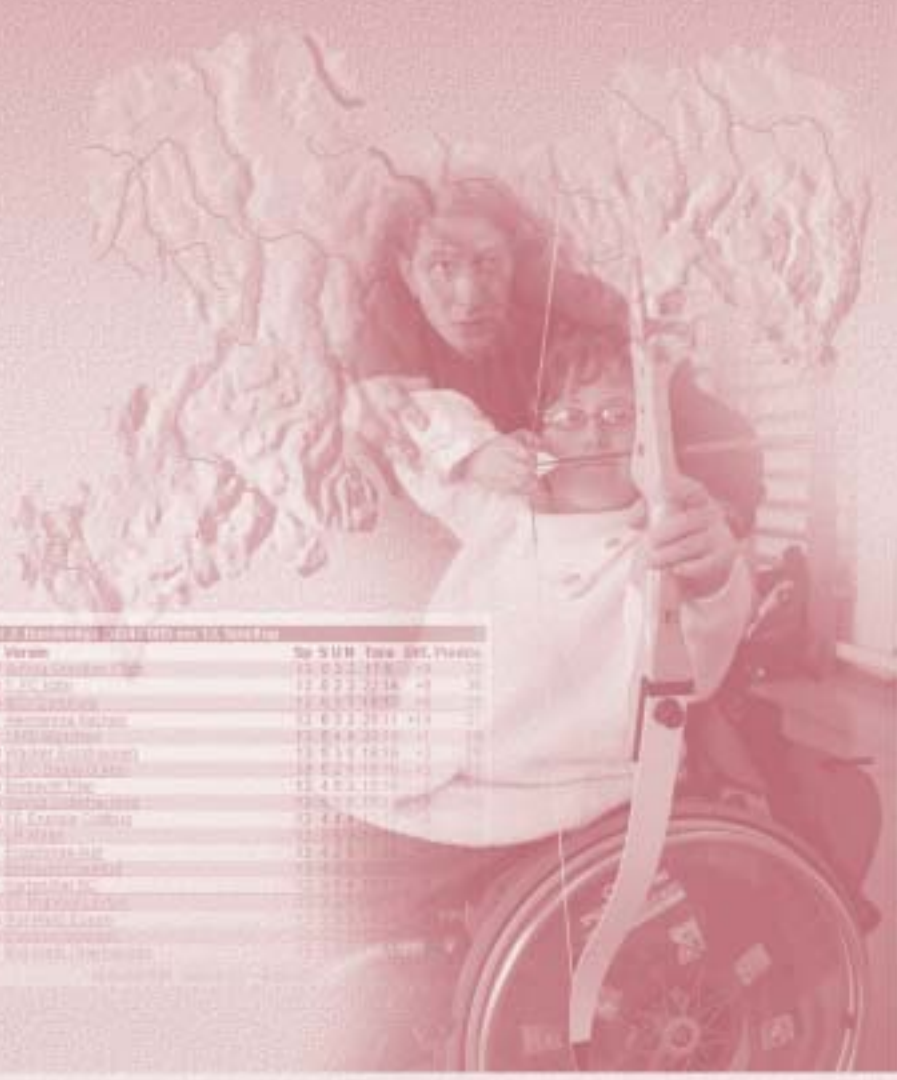
Technology transfer centres and non-profit research companies in Saxony



Many companies have invested in "Silicon Saxony"

WELFARE AND SPORTS

TENNIS - 2006-2007 - 2006-2007 - 2006-2007 - 2006-2007				
PL	Team	Sp-S	W-L	W-L
1	10/10/06	10/10/06	10/10/06	10/10/06
2	11/10/06	11/10/06	11/10/06	11/10/06
3	12/10/06	12/10/06	12/10/06	12/10/06
4	13/10/06	13/10/06	13/10/06	13/10/06
5	14/10/06	14/10/06	14/10/06	14/10/06
6	15/10/06	15/10/06	15/10/06	15/10/06
7	16/10/06	16/10/06	16/10/06	16/10/06
8	17/10/06	17/10/06	17/10/06	17/10/06
9	18/10/06	18/10/06	18/10/06	18/10/06
10	19/10/06	19/10/06	19/10/06	19/10/06
11	20/10/06	20/10/06	20/10/06	20/10/06
12	21/10/06	21/10/06	21/10/06	21/10/06
13	22/10/06	22/10/06	22/10/06	22/10/06
14	23/10/06	23/10/06	23/10/06	23/10/06
15	24/10/06	24/10/06	24/10/06	24/10/06
16	25/10/06	25/10/06	25/10/06	25/10/06
17	26/10/06	26/10/06	26/10/06	26/10/06
18	27/10/06	27/10/06	27/10/06	27/10/06



We Saxons take care

Cosmopolitan Saxony promotes democracy and tolerance

Democracy, tolerance and a cosmopolitan attitude are nothing you can decree “top down”. The citizens themselves have to fill the principles of tolerance and open-mindedness with life and, moreover, they have to commit themselves to *their* democracy. In order to support clubs, associations, municipalities and initiatives fighting right-wing extremism, anti-Semitism and xenophobia or meeting the development of these phenomena preventatively and dedicated to supporting local or democratic structures and promoting own initiatives, the courage of ones’ convictions, civic commitment and co-determination at the same time, the Free State of Saxony started the state programme “Weltoffenes Sachsen” (“Cosmopolitan Saxony”) worth EUR 2 million per year in the year 2005. So far, approx. 80 projects were supported this year and approx. 60,000 Saxon citizens were reached by the measures supported by the state programme. Many small network points and mobile advisory teams help to develop civil society, to ensure that citizens on site show commitment for their community and dedicate themselves to local associations and bodies on site. The fight against right-wing extremism is the logical consequence of these activities, since, after all, tolerance and democracy are the exact opposites of the principle of a “strong leader”.

Applications for grants can be submitted to the State Chancellery of Saxony, Archivstraße 1, 01095 Dresden at any time. An advisory board consisting of nine members takes decisions regarding awarding of grants.

Health care

Saxony ensures that medical care is available throughout the state by means of a state-wide network of medical practices. In many places, medical centres provide a wide range of services under one roof.

In 2004, there were 82 hospitals, two university hospitals and an armed forces hospital in Saxony. The university hospitals provide for both medical training of young doctors and medical research at a high level. Following German re-unification, substantial funding has been made available for investment in hospitals in Saxony that have now caught up with the standard in western Germany both in terms of the buildings and of medical technology.



*The new extensions to
Zittau District Hospital*

Nursery facilities and help for young people

Once children reach the age of three, they have a statutory entitlement to a place at kindergarten. The prescribed ratio of care staff to children is

*Medical care in Saxony
as at 31 Dec. 2005*

<i>Practising doctors</i>	14 329
<i>General practitioners¹⁹⁾</i>	6 124
<i>Hospital doctors</i>	7 139
<i>Doctors at authorities (health authorities, pension offices)</i>	466
<i>Otherwise employed</i>	600
<i>Practising dentist ²⁰⁾</i>	3 821
<i>Hospital beds (as per hospital plan)</i>	26 613
<i>Hospital nurses and nursing auxiliaries in hospitals (31. December 2004)</i>	18 110

*Data: General Medical
Council of Saxony,
General Dentistry
Council of Saxony*



*Carnival at the
kindergarten in
Klotzsche*

one care worker for six children in crèches, one care worker for thirteen children in kindergartens and 0.9 of a care worker per 20 children in day nurseries (on the basis of nine hours of care per day in crèches and kindergarten and six hours in after-school care centres). As of 1 April 2005, there were in total 2,640 day-care facilities in the Free State of Saxony. As of the that date, 203,264 children, including 3,885 children with disabilities, attended one of these facilities and child minders looked after 1,648 children. The percentage of children that make use of these facilities are as follows: 38.7 % of children of crèche age, 102.8 % of children of kindergarten age²¹⁾ and 62.2 % of children of after-school care centre age. In 2005, the state budget provided EUR 294.5 million in subsidies toward the cost of running nursery facilities.

*Nursery facilities in
Saxony 2005*

<i>Crèches</i>	21
<i>Kindergartens</i>	72
<i>After-school care centres</i>	525
<i>Combined facilities</i>	1 996
<i>Private nurseries</i>	26

A further EUR 23.7 million was earmarked in the 2006 budget for offers and services in the framework of help for young people (excluding nursery facilities). Further funding from the European Social Fund was also put to use.

¹⁹⁾ incl. salaried doctors in medical practices and health-care facilities

²⁰⁾ incl. dentists in university hospitals and assistant dentists

²¹⁾ This figure of more than 100% is due to provisions for children of day nursery age who still attend kindergarten.

State child allowances

Saxony pays parents a state child allowance in addition to the federal government's child allowance. It is paid for nine months to an amount of up to EUR 205 (in exceptional cases: EUR 307) but it is income-related. For children who will be born as of 1 January 2007 the federal government's child allowance will be replaced by parents' allowance. The state child allowance will be continued in a form comparable to the current one.

Support for people with disabilities

In the Free State of Saxony, there is a diverse and differentiated offer of facilities for people with disabilities of which some have open access, some are partly open and others are in-patient facilities. The aim is to enable people with disabilities to take part in the life of society with equal rights and as independently as possible. The range of offers by the state, the churches and the free institutions includes self-help groups, advice, employment and qualification, plus sheltered accommodation. Many facilities are offered in integrated contexts (kindergarten, schools, etc.). Employment in the primary labour market, integration projects and workshops for the disabled along with training projects make people with disabilities largely able to lead a normal life. An environment without barriers, whether lowered curbs, traffic lights with acoustic signals and ground-level access to busses and trains are also part of this. The Saxon authorities also feel committed to ensuring freedom from barriers and converting their buildings step by step accordingly. The free state and foundations promote measures to achieve this objective. In Saxony, there are six social paediatric centres, 46 early support and advice centres, two employment promotion agencies, three employment training agencies, 58 workshops for the disabled and 146 homes for people with disabilities; in addition to this, there are advice centres, outpatient services for people with disabilities and many other facilities.

Unemployment benefits stage II (Hartz IV)

In May 2006, 651,347 persons received stage II unemployment benefits, roughly 80 % of the people who needed social welfare were fit for employment, whereas roughly 20 % were not fit for employment in the Free State of Saxony. Moreover, the number of children of less than 15 years of age receiving such welfare benefits is also very high (113,156 persons).



The association of "Dresdner" Tafel hands out food donations to people in need

Support for senior citizens

The aim of Saxony's policy on senior citizens is to enable older and old people to integrate and take part in society on a lasting basis. There are four main areas in which help and care facilities are provided for senior citizens: These are open, outpatient, partially inpatient and inpatient care in local authority, charitable or private facilities. The open facilities are very wide-ranging from meeting places for senior citizens via hiking groups to self-help groups and sheltered accommodation. A dense network of care and nursing services currently numbering around 880 along with welfare centres and other services such as Meals on Wheels, enables older people to be supplied and looked after in the domestic environment with which they are familiar. A total of more than 39,000 inpatient places are available in more than 600 old people's homes and care homes. In addition, approx. 1,600 places are available in short-time care facilities.

Sporting Saxony



Saxony's successful athletes at the 2006 Olympic Winter Games in Turin at a reception held by the State Chancellery

The sporting state of Saxony first attracted notice in 1899: The German Football Association was founded in Leipzig. Here, it was "A time to make friends" on the occasion of the World Cup 2006.

Olympic athletes from Saxony have won 52 Olympic medals, including 18 gold, 18 silver and 16 bronze medals as well as 44 Paralympic medals in fencing, weight-lifting, judo, canoe racing, skating, speed skating, Nordic combination, tobogganing, cross-country skiing and ski jumping. At the 2006 winter Olympics alone eight Saxon athletes won eight medals (among which there were two gold medals).

In relation to its population, Saxony was therefore one of the most successful German states at the Olympics. That must surely be why the "Youth Trains" for the Olympics programme is such a popular scheme in the state and culminated in the federal finals in winter sports hosted in Oberwiesenthal in 2006. Saxony does not just cater for top-level competitive sport, however.

The idea of night skating in Dresden, where motorists are banned from the streets, has been exported to many other towns and cities.

There are numerous marathons, the "Sachsen fährt ab" cycle race and many more. Great importance is attached to school sport, too – which is why Saxons students have three sports lessons per week. This provides scope for elective courses, co-operation with sports clubs and trying out new disciplines.

The variety of sports for the disabled, on the other hand, ranges from rehabilitation sport via sport for the general public to top-level competitive sport. Saxony also goes in for sporting disciplines that are out of the ordinary: Since 1991, Dresden Dragon boaters have been at home in the “Am Blauen Wunder” sailing club. In 1995, the successful young team competed in the Dragon boat world championships in China. Young acrobats have trained in Ottendorf-Okrilla since 1963.

Their club holds an annual international open tournament. Riesa, too, is making a sporting name for itself by holding the sumo wrestling world championships. For winter sports, 1,000 kilometres of cross-country ski runs are available in the Erzgebirge and Zittauer Gebirge mountains, where snow can (almost) be relied on. Down hill skiers can use more than 100 lifts. In addition to long-distance and Alpine skiers, Saxony’s winter sports areas are home to snowboarders, biathlon specialists and ski jumpers. More than 4,200 sports clubs with around 530,000 members belong to Saxony’s state sports association. Between them, more than 80,000 volunteers put in around 15 million hours of unpaid work in this field.



*Dragon boat
race in Dresden*

ART AND CULTURE



Experiencing culture

Castles, palaces and gardens

With its palaces, castles and gardens from all eras, Saxony is one of the richest and most varied cultural landscapes in Europe. Saxony owns approx. 70 of these complexes. Nineteen of the most artistically significant of them have formed the state-owned enterprise State Palaces, Castles and Gardens in 1993. Four further historically important palaces have been operated as largely independent operating companies since the year 2000.

In Dresden, the Zwinger Palace with the Semper Gallery, the Brühl Terrace, Pillnitz Palace and Park as well as the Grosser Garten are world-renowned. They testify magnificently to the glory days of the Saxon electoral court in the Baroque and Rococo era. In 2004, both the Dresden Elbe Valley between the castles of Pillnitz and Übigau as well as Muskau Park/Park Muzakowski which is located on the German and Polish bank of the River Neiße were named UNESCO world heritage sites. Moritzburg Palace, north of Dresden in an extensive cultural and pond landscape, dates back to building work by Electoral Prince Moritz in the sixteenth century and is famous for enormous areas of leather wall covering, the Federzimmer and the large collection of historic antlers as well as a pheasant run with a Rococo castle. The Albrechtsburg in Meissen holds a special place in Saxony history as the „cradle of Saxony”. Built from 1471 on, it represents the transition from a late mediaeval castle to a palace. Moreover, Nossen Castle and the Monastery Park Alzella are also located in this region. Here, a park with ruins was developed in accordance with contemporary taste during the Romantic era on the remains of a former Cistercian monastery.

Augustusburg Palace, built under Electoral Prince August I as a magnificent Renaissance castle in the valley of the river Zschopau, testifies to the wealth of Saxony during the heyday of silver mining in the Erzgebirge. Along with Scharfenstein Castle and Lichtenwalde Palace it makes up the “three worth seeing” – a tourist attraction in the region. The former residence of the later King Johann of Saxony – Weesenstein Palace – in the Valley of the river Müglitz is outstanding on account of its unusual architecture, its genuine era furnishings as well as a valuable library. Kriebstein Palace above the Zschopau Valley, Gndenstein Palace in the Kohrener Land and the castle ruins of Stolpen convey some idea of traditions of the Saxon rural aristocracy that date well back to the Middle Ages. The origins of Rochlitz Castle, Colditz Castle and Mildenstein Castle in the Mulde valley partly date back to the era of the Staufer. Rammenau Palace from the Baroque era in Upper Lusatia is an example



Weesenstein Palace



Moritzburg Palace



Gndenstein Castle



Lichtenwalde Castle

of the Saxon rural aristocracy's way of life. It is famous for its classicist rooms – in particular the mirror hall. Königstein Fortress holds a special position in the landscape of Saxon castles by virtue of its outstanding location and its former military importance, covering an area of 9.5 hectares it is the largest fortress in Germany²²⁾.



1,000-year-old Bautzen



Architecture

The economic and cultural wealth of the past can be experienced in many historic town centres with town houses. The old city centres of Bautzen, Freiberg, Görlitz (with more than 3,600 listed buildings), Grimma, Meissen, Pirna and Torgau are particularly attractive. The late Gothic hall churches built e.g. in Annaberg, Schwarzenberg or Görlitz from the late fifteenth century with their richly decorated vaults and their striving for unification of spatial effect were a consequence of economic prosperity. They boast important artistic interiors.

After the destruction wrought during the Thirty Years' War a separate and distinct Baroque style of architecture inspired by Italian and French models took shape on the basis of the renewed economic recovery. Special mention must here be made of the Frauenkirche (Church of Our



*Umgebindehaus
in Niederoderwitz,
Upper Lusatia*

²²⁾ See series of publications and annuals by "Staatliche Schlösser, Burgen und Gärten Sachsen", plus an annual calendar of events. For further details visit www.schloesser.sachsen.de.

Lady) and the catholic Hofkirche (Court Church). The Romanushaus in Leipzig is a striking example of a Baroque bourgeois city palace. There is also a wide range of testimonies to rural architecture. Moreover, the timber-framed (“Umgebindehaus”) style that has mainly been preserved in the region of Upper Lusatia must also be mentioned. Examples of the neo-classical style that prevailed in about 1800 include the conversion of the Nikolaikirche in Leipzig, the Landhaus in Dresden or the Neue Palais at Pillnitz Palace.

Gottfried Semper’s Gemäldegalerie and his first and second Hoftheater in Dresden mark a return to the Italian Renaissance. The industrialization of Saxony during the 19th century mainly produced railway and industrial buildings. The former Reichsgericht building, now the seat of the Federal Administrative Court, is an impressive example of the historicist style. The Völkerschlachtdenkmal in Leipzig or Memorial to the 1813 Battle of the Nations, is another monumental building. The reform style of architecture in Hellerau Garden City, Dresden and its Festspielhaus adopted a new approach to surmounting historicism. Well-known examples of modern classics include Villa Rabe in Zwenkau as well as Erich Mendelsohn’s Kaufhaus Schocken in Chemnitz²³.

The Fine Arts

In Saxony, art has always enjoyed a special status. This magnificent tradition goes back to the electoral princes and kings of Saxony who were enthusiastic art collectors and amassed immense art treasures over the centuries. Electoral Prince August laid the foundation stone in 1560 by setting up the Kunstkammer. This collection grew so quickly that numerous special museums were founded in the eighteenth century. They included the Gemäldegalerie in Dresden established in 1722 under Augustus the Strong. With works by Titian, Correggio, Rubens, Rembrandt and Vermeer it is one of the world’s foremost art collections. This enthusiasm for the arts included patronage of artists. In 1680, Electoral Prince Johann Georg III endowed the School of Drawing and Painting, the precursor of the Saxon Art Academy. It really flourished in the early nineteenth century when the Romantics Caspar David Friedrich and Ludwig Richter lived and worked in Dresden. Modern art trends in the early twentieth century fell on fertile soil in Saxony. Private art dealers were particularly committed and made Dresden a major trendsetter in European art. That was the period when the artists’ associations “Die Brücke” and “Dresdner Sezession” were founded in 1905 and 1919



*Villa Esche, Chemnitz,
architect: Henry van
de Velde*



*Jean-Étienne Liotard:
The Chocolate Girl,
Gemäldegalerie “Alte
Meister”, Dresden*

²³ Georg Dehio: Handbuch der deutschen Kunstdenkmäler: Sachsen I (Regierungsbezirk Dresden), Munich/Berlin 1996; Sachsen II (Regierungsbezirke Leipzig und Chemnitz), Munich/Berlin 1998

respectively. Saxon artists with a world reputation today include Gerhard Richter and Neo Rauch. Along with major new museum buildings to house the Dresden state art collections and the Museum of Fine Arts in Leipzig, a lively galleries and university scene with a brisk succession of exhibitions is constantly adding fresh stimuli.

Music and the performing arts



*The Leipzig
Thomanerchor*

Saxony is a state with a long tradition of musical theatre. The Dresden Palace, which is currently undergoing restoration, was the birthplace of the opera (Heinrich Schütz's *Daphne*) in the German-speaking world in 1662. Today, the Saxon State Opera in Dresden with the Semper Opera House, rebuilt in 1985, has one of the world's finest opera houses at its disposal. Theatres run by the free state include the Staatsschauspiel Dresden and the Landesbühnen Sachsen. The latter, based in Radebeul, tour a wide range of locations around the state, including in the summer season the open-air Rathen Felsenbühne in Saxon Switzerland. The German-Sorbian Volkstheater Bautzen puts on stage plays both in German and in Sorbian. It is Germany's only professional bi-cultural theater. Over the past two centuries public, non-court theatres have been founded not only in cities such as Leipzig, Dresden, Chemnitz or Zwickau but also in smaller towns such as Annaberg, Bautzen, Freiberg, Görlitz, Plauen and Zittau. At present, Saxony boasts 15 public theatres and 10 orchestras to go with them. Saxony also has 16 large cultural and operatic orchestras that are run by the state, local authorities and private institutions. The Gewandhausorchester in Leipzig, the Sächsische Staatskapelle in Dresden and the Dresden Philharmonie are the best-known. In addition, the symphony orchestra of the Mitteldeutsche Rundfunk broadcasting service is domiciled in Leipzig. One of the oldest features of European musical culture is the Saxon boys' choirs founded nearly 800 years ago, the Dresden Kreuzchor and the Leipzig Thomanerchor.

Popular art and handicrafts

Saxon craft industry workers maintain and enrich traditional craft techniques with a great deal of love, skill and enthusiasm. Striking examples of products that are known well beyond the state's borders include Meissen and Freital china, Plauen lace, musical instruments from the Vogtland, dress trimmings from Annaberg, embroidery from Eibenstein, artificial flowers from Sebnitz, pottery from Waldenburg, blueprinted fabrics and damask from the Lusatia, Christmas stars from Herrnhut, wooden toys from Seiffen and environs, serpentine turned work

from Zöblitz, Christmas decorations from the Erzgebirge, glasswork and basketweaving. In the days of Augustus the Strong, Johann Melchior Dinglinger took the goldsmith's craft to a peak of perfection. The results of his handiwork can be seen in Saxony's richest treasure chamber, the Green Vault in Dresden. Woodcarving, turning, woodwork, lacemaking, silhouette cutout work or the artistic decoration of Easter eggs in the Sorbian-speaking areas are the epitome of popular art, but the range of activities extends to a variety of classical craft techniques, candle-making, felt-making and much more.

Fairs and festivals

Fairs, some with very long traditions, are just as much at home in Saxony as are numerous youth and scene events. All in all they are a colourful mixture of different genres and epochs, only a few of which can be mentioned here. In the Sorbian-speaking areas, the Birds' Wedding is celebrated on January 25. That is when the birds thank young people with sweets for having fed them in winter. On the Easter Rides, Sorbian riders in festive dress proclaim the message of Christ's resurrection in ceremonial processions early on Easter Sunday morning. In May the International Honky Tonk pub festival attracts thousands of visitors to Leipzig, while at the Dresden International Dixieland Festival jazz sets the tone.

Whitsun is the time for Europe's Wave Gothic meeting of Gothic and neo-Romantic punks in Leipzig. In June the International Trabant Drivers' meeting attracts many guests to Zwickau, and in August thousands of hip-hop and reggae fans converge on Chemnitz for Europe's biggest Splash festival. In June, people in Plauen celebrate their own Vogtland Family Festival, but the biggest popular festival of all in Saxony is Saxons' Day, celebrated over the first weekend in September at a different place in the state every year. Clubs and associations meet to share their local customs and traditions accompanied by a rich and varied programme, many culinary specialties and a festival procession. In June Freiberg celebrates its Mining Festival and in December, on the second Sunday in Advent, the miners' parade marches round the town. To add a little light to the winter and set the mood for Christmas, people in Schneeberg celebrate their Lichtelfest, or Festival of Lights, on the second Sunday in Advent. Numerous traditional Christmas markets, including Germany's oldest, the Dresden Striezelmarkt, first recorded mention in 1434, offer Christmas flair to get you in the festive mood. Be they town festivals, fleet parades of the river steamers, the



Easter eggs coloured using the traditional Sorbian wax technique



The annual Wave Gothic meeting in Leipzig



*The Dresden
Striezelmarkt*

steam locomotives event, castle festivals, bridge festivals or world stars in Leipzig, something is always going on in Saxony. Well-known events in Saxony's cultural life also include the following:

- *Gottfried Silbermann Festival and International Silbermann Organ Competition (at Freiberg Cathedral)*
- *Dresden Music Festival (classical and contemporary e-music)*
- *Dresden Days of Contemporary Music*
- *Chemnitz Cultural Encounters (centred on music and performing arts, with a special focus on Art, Industry and Science)*
- *Zwickau Music Festival (in honour of Robert Schumann)*
- *Leipzig Bach Festival (annual) and International Bach Competition (biennial)*
- *euro-scene Leipzig (Festival of Contemporary European Theatre)*
- *Central European Festival (cross-border Saxon-Czech-Bavarian festival with a focus on music)*
- *Filmfest Dresden. International Festival for Animation and Short Films*
- *International Leipzig Festival for Documentary and Animated Film*
- *Film Nights on the Bank of the Elbe (large-scale projection and concerts in Dresden)*
- *Chemnitz Children's Film Festival "Schlingel" – 10th International Film Festival for Children and Young Audiences*
- *Saxon Literature Days (held every other year in a different cultural region)*
- *Kamenz Lessing Days*
- *Dresden Poetry Days*
- *Leipzig Book Prize for European Understanding*
- *Saxon Amateur Theatre Days*

Cultural promotion

Saxony has grown organically over centuries as a cultural area. The state art collections are known well beyond the state's borders for the unique variety and complexity of their exhibits. Saxony was home to composers such as Johann Sebastian Bach, Carl Maria von Weber, Richard Wagner, Felix Mendelssohn-Bartholdy, and famous orchestra played – and continue to play – works by the masters. The Thomanerchor in Leipzig and the Kreuzchor in Dresden have maintained their musical heritage at world level for 800 years. Saxony has also pioneered the performing

arts. Caroline Neuber, 1697–1760 reformed German theatre, and Gret Palucca laid the foundations for modern expressive dancing in the 1920s. From 1990 on, centralist structures in the cultural landscape were replaced by pluralist ones in Saxony. At the same time the state's rich cultural substance was to be maintained to a large extent. In December 1993, the Saxon state assembly passed the Cultural Regions in Saxony Act to strengthen the regional level. By the terms of the Act the state finances jointly with eight rural cultural regions (consisting of rural administrative districts and municipalities) and three urban cultural regions (Chemnitz, Dresden and Leipzig) subsidies for local authority cultural institutions and activities in the regions. State funding for these activities amounts to around EUR 85 million a year.

Saxony funds state institutions such as museums, theatres and orchestras (about EUR 82.5 million a year) in addition to the free artistic activity of composers, performing artists, filmmakers, writers and the socio-cultural activities of committed societies and associations. A varied cultural life can only take shape and be maintained on the basis of unpaid voluntary work in numerous societies and various foundations, such as the Saxon Cultural Foundation. Approx. EUR 6.4 million are allocated every year in the context of the so-called General Promotion of Art and Culture. The "Kulturstiftung des Freistaates Sachsen" foundation contributes approx. EUR 2.4 million to this amount.

The Saxon schools of music which form the basis of musical life in Saxony are supported to the amount of EUR 5 million every year. The Sorbs take care of their art and culture by means of a large number of groups, choirs and societies. Important cultural institutions include the Sorbian National Ensemble, the Domowina Verlag publishing house in Bautzen, the Ortenburg Sorbian Museum in Bautzen, the German-Sorbian People's Theatre in Bautzen and the WITAJ Language Centre. Sorbian language and culture are also maintained in newspapers, magazines and books as well as in Sorbian-language radio and TV programmes. The state government funds these institutions, societies and projects jointly with the federal government and the state of Brandenburg, awarding the Foundation for the Sorbian People an annual grant of EUR 16 million. At around EUR 98 per inhabitant or 2.4 % of the state budget, Saxony is the German non-city state with the highest cultural expenditure in Germany.



Chemnitz Opera House



Bad Muskau landscape park, a UNESCO World Heritage site laid out by Prince Pückler

Saxony treasures memories

Museums

There are now more than 470 museums and exhibition facilities in Saxony. The former electoral and royal collections in Dresden are world-renowned. They include the Gemäldegalerie Alte und Neue Meister, the sculpture collection, the Green Vault (a treasure chamber established by Saxony's rulers), the porcelain collection with a unique abundance of Far Eastern and Meissen china, and the armoury, one of the most outstanding collections of arms, armour and costumes, Leipzig's municipal art museums also enjoy international renown, as do the art collections in Chemnitz. Of the municipal history museums, special mention must be made of the ones in Bautzen, Chemnitz, Dresden, Freiberg, Görlitz, Leipzig, Plauen and Zittau. Specialised collections include the Museum of Military History in Dresden, the German Hygiene Museum, the Transport Museum in Leipzig, the Museums of Musical Instruments in Leipzig and Markneukirchen as well as the German Book and Script Museum and the Deutsche Bücherei in Leipzig.

A speciality of Saxony is its technical museums, including the mining museums in Freiberg and Altenberg-Zinnwald, the mining museum in Oelsnitz/Erzgebirge, the Saxon Industrial Museum in Chemnitz, Lengefeld Chalk Works, the Frohnau Hammer near Annaberg and the Saigerhütte in Grünthal. Craft and technical products are on show at the Plauen Lace Museum, the motorcycle exhibition at Augustusburg Palace, the showrooms at the Staatliche Porzellanmanufaktur Meissen and the automobile exhibition in Zwickau. The city of Dresden's technology collections include numerous exhibits from Saxon film technology. the German Institute for Animated Film (DIAF) collection also includes more than 2,000 copies of Saxon films that are available for public access. The natural-history museums in Görlitz, Dresden, Chemnitz, Leipzig, und Waldenburg have important collections. They also make noteworthy contributions to the research work in this field. A number of museums focus on folklore, e.g. the museum of Erzgebirge toys in Seiffen. The state museums of ethnology in Leipzig, Dresden and Herrnhut present extensive collections of non-European art and items of practical use.



The oldest Horch car in the August Horch Museum, Zwickau



The German Damask and Terry Towelling Museum in Grossschönau

Saxon literature museums include those in Kamenz (the Lessing Museum), Dresden (the Erich Kästner Museum), Hainichen (the Gellert Museum) and the Karl May museums in Hohenstein-Ernstthal (the house where the writer was born) and Radebeul.

Memorials

The Saxon Memorials Foundation is dedicated in equal measure to memories of the victims of Nazi dictatorship, the Soviet occupying power and the East German regime. The curators of the memorials organize exhibitions, events, educational offers and circulate publications.

The Bautzen Memorial recalls the victims of Bautzen's two prisons, the former state penitentiary Bautzen I (the "Yellow Misery"), first a Nazi prison, then a Soviet special camp and one of the most-feared prisons in East Germany, and Bautzen II, which from 1956 to 1989 served as a prison for "prisoners of state" with special access for the Ministry of State Security (MfS, or Stasi).

The Münchner Platz Memorial in Dresden recalls the victims of judicial crime under the Nazi regime, Soviet military justice and the East German criminal justice system. In the Third Reich the former district court served the Nazi judiciary as a court and execution facility. The Pirna-Sonnenstein Memorial recalls the 15,000 mainly mentally handicapped people who were murdered in the gas chamber in 1940/41 as part of the Nazi "destruction of life unfit for living." The Torgau Documentation and Information Centre recalls the victims of Nazi Wehrmacht justice. The military prisons and barracks were used to house political prisoners by the Soviet occupying forces and in East Germany, too. The Ehrenhain Memorial in Zeithain near Riesa testifies to the mass death of mainly Soviet PoWs between 1941 and 1945 in the Zeithain prisoner of war camp. The Foundation also funds memorials to everyday repression by the Ministry of State Security: the former remand prison of the Dresden Stasi in Bautzener Strasse and the museum at the Runde Ecke in Leipzig, the former Stasi headquarters in Leipzig. The Foundation runs a documentation centre on the history of resistance and repression in the Nazi era and East Germany and provides funding or non-material support for smaller memorial projects.



*Bautzen Memorial:
exterior view of BZ II*

Typically Saxon

Dialect(s)

In many areas it does not take experts to identify different languages and dialects. The Saxon, too, is recognized by his dialect – often commented by biting mockery in the form of quotations from that dialect.

Yet a historic form of Saxon dialect, the Meissen or Upper Saxon chancellery German in its written form that was much lauded by linguists from the fourteenth to the eighteenth centuries, was a basis of the later spoken and written High German to which Luther's Bible translation made its contribution.

If you want to describe the Saxon accent, the first feature that strikes the listener is the “softening” of hard consonants. B replaces P (“Babba” instead of “Papa”) and D replaces T (“Diere” instead of “Türe”). In addition, endings are dropped (“ni” instead of “nicht”, “mei instead of “mein”), and vowels are changed and lengthened (“glooben” instead of “glauben”). There are also dialect words that only Saxons understand, such as “Huddelai” (trouble) or “Dämmse” (hot weather). Saxon today is a regional colloquial dialect. Its sub-dialects in particular²⁴⁾ deliberately activate a linguistic tradition that is closely associated with popular musical culture that has survived to this day. Special mention must be made of Sorbian, subdivided into Upper and Lower Sorbian, a separate Slavonic language. In eastern Saxony the bilinguality (German and Sorbian) of local Sorbs is apparent from more than just place names on road signs, such as Bautzen – Budysin). About 1,400 years ago Slavonic was spoken nearly everywhere in what today is Saxony, and in Lusatia it is still a separate living language.

Saxon cooking

Saxon cooking offers a wide variety of regional specialties. The potato became a basic foodstuff in the eighteenth century. Boiled, roast or fried and served as mash, dumplings, soup or chips, countless variations on potato dishes are to be found on the menu. On festive occasions green dumplings or “Bambes”, a potato fritter served in the Vogtland with meat dishes, are popular. Original “Leipziger Allerlei” is a delicious mixture. Saxon cooks are fond of using local herbs to taste. Wine from the Elbe valley completes many a good meal. Germany's smallest wine-growing area between Meissen and Dresden is known for its white wines: Riesling, Mueller-Thurgau, Burgunder, and Bacchus. The Goldriesling



*Writer and dialect poet
Lene Voigt, 1891–1962*



*The Fasskeller
in Auerbachs
Keller, Leipzig*

²⁴⁾ Such as the Eastern and Western Erzgebirge and the Vogtland dialects with their distinct variations or the Oberlausitz dialect with its typical rolling R and other features

is a regional speciality. The Schloss Proschwitz vineyard is one of the quality vineyards awarded with the VDP seal. Schloss Wackerbarth and some smaller vineyards have also collected many medals.

The many tasty Saxon beers ensure good cheer at parties and social events, and herbal liqueurs are popular aids to digestion. Radeberger, the first Pilsener beer brewed in Germany, was even served at the Saxon royal court from 1905. Fish farming has a long tradition in Saxony. Carp, tench, eels and pike were bred in fish ponds laid out around Moritzburg Palace from 1480 and continue to be bred there.

Other large fish ponds are situated in the Lausitz and in the Wermsdorf area. The ponds are fished dry every year in the autumn. This event is celebrated as a major popular festival. Given that cooking must always be seen in the context of lifestyle, table manners and eating habits, Saxon cooking comes in the category of “Saxon *gemütlichkeit*” or home comfort. Saxons are very fond of a cup of hot coffee and their many varieties of fine cake. Stollen, a Christmas cake, is very popular, and Dresden Christstollen® is world-famous, as are the tasty Pulsnitz peppercakes.



Saxon carp

COUNTRYSIDE AND LEISURE



Countryside and environment in Saxony

Flora and fauna

In the course of human settlement the original vegetation was largely removed. Only remnants of the “Miriquidi”, the original dark forest of the Slavs in the Erzgebirge, have been preserved.

Here and there you can still find near natural deciduous forest with a large diversity of species, primarily in the area of the slopes and water meadows of the lowland rivers. In the lowland and hill country areas only a few forests are left. The largest coherent forests, which are frequently characterized by spruce and pine which had to be planted on account of the situation prevailing in the past, are located in the highland area and in Lusatia. However, the first successes of forest diversification into deciduous mixed forest with fir are already discernible.

Large parts of the land are urban or agricultural settlements areas.

In the Upper Lusatian Heath and Pond District Biosphere Reserve this cultural landscape provides a habitat for an immense number of animal species. The land “of the thousand ponds” is home to the biggest population of otters in central Europe. Here, visitors can experience the sight of the giant sea eagle every day.

At the Saxon Switzerland National Park, where the Lynx, the biggest native wild cat, slinks through the spectacular woodland and rock area, nature is left to develop on its own without any interference by man. In the framework of the resettlement programme for the Elbe River salmon in the rivers and lakes which cut deeply into the mountains of Saxon Switzerland the return of this once extinct species of fish in Saxony has already been recorded in many places. In 1998, the wolf returned to Saxony; he lives in Upper Lusatia on the border with Poland.

Protected areas

Numerous protection areas serve the preservation of the natural habitats of animals and plants on Saxony. The Saxon Switzerland National Park (93.5 km²), the Upper Lusatian Heath and Pond District Biosphere Reservation (300 km²), the “Düben Heath” and “Erzgebirge/Vogtland” wildlife parks (1,855 km² in total) are partly subject to strict requirements regarding human use.

Furthermore, there are 173 conservation areas covering a total of approx. 5,322 km² und 214 nature preserves covering a total of approx. 490 km² in Saxony.



The mixed forest culture closely resembles the original dark forest at the time of the Slavs.



Large-scale nature reserves



Good air in Saxon Switzerland

Air quality

Overall, the quality of the air in Saxony improved from 1995 to 2005. During the second half of the nineties numerous obsolete industrial combustion plants in Saxony and in neighbouring regions were decommissioned or modernized and new plants were commissioned. On a state-wide average the pollution load caused by sulphur dioxide has been reduced by approx. 85 %. In the case of nitrogen oxide the reduction is lower, at the measurement stations which are subject to a particular load caused by road traffic the reduction amounted to approx. 25 %. All in all, the dust pollution has also been reduced.

Pollutant	Total emissions 1995/t	Total emissions 2004/t
Sulphur dioxide	691 000	33 000
Dust	25 000	12 500
Nitrogen oxides	128 000	71 000
Carbon dioxide	63 180 000	55 000 000

State of the forests

In the report on the state of the forest for 2004 on average 17 % of the wood area are classified as noticeably damaged and 49 % are classified as slightly damaged. The oak is the tree species in Saxony which is affected most with a share of 53 %, followed by beech at 50 % and spruce at 14 %. Compared with the tree species referred to, pine is the tree species which is affected least. 34 % of the Saxon forest area are free of any signs of damage.

State of the soil

The state of the different soils largely depends on their use. The sandy and usually naturally acid soils of the moraine landscapes formed during the ice age tend to dry out and are only suitable for agricultural use to a limited extent. The fertile loess soils are very prone to erosion by water and require special precautionary measures.

In the mining regions and river areas of Saxony the soils are frequently shaped by the mining activities, ore smelting and the construction of dykes which took place in the past. In the Erzgebirge mountains the acidification of the soils needs to be compensated by means of countermeasures.

The aims of soil protection are the economical use, the protection of natural functions, the preservation of the soil efficiency as well as the reclamation and/or renaturation of loaded soils.

Renaturation

Centuries of mining activities and in particular open-cast mining have left their mark on the landscapes in Saxony. Today, the main focus of the activities is on reclaiming the former open cast mining areas, after the overburden material was compressed, large-scale equipment was dismantled and scrapped and plants and buildings were demolished. Among others, Cospuden Lake in the area to the south of Leipzig and Olbersdorf Lake in Upper Lusatia are results of these activities.

A total of approx. EUR 2 billion has been spent on the rehabilitation of the uranium mining area in Saxony since the commencement of the work activities in 1990. The shafts, pit workings close to the surface, slag heaps and industrial settlement tanks were sealed off and old equipment was demolished in the reclamation operations of Wismut GmbH. The pits in Schlema/Alberoda and Königstein will be flooded. In this way, former slag heaps and operating areas can be introduced into further silvicultural, agricultural or commercial use.

A total of approx. EUR 8.7 million has been spent on securing and/or rehabilitation of 143 danger spots resulting from the previous mining activities since 2002.

Volume of waste

With effect as of June 2005 untreated waste has to be treated in mechanic-biological or mechanic-physical plants or waste incineration plants before the residues can be landfilled or reused. Currently, five plants and five landfills for the treatment of residual waste are operated in the Free State of Saxony.



An excavator as an engineering monument in the Berzdorfer Lake reclamation area near Görlitz

Saxony welcomes visitors

Tourism

With roughly 5.5 million guests and roughly 15 million overnight stays the tourist destination of Saxony experienced its most successful year ever in 2005. For example Dresden recorded a plus of approx. 9 % more guests and an increase of the overnights stay by 11.8 % during the year of the consecration of the Church of Our Lady (compared with the previous year). Positioning Saxony on the German and on the international market as a tourist destination with a unique image is the task of Tourismus Marketing Gesellschaft Sachsen mbH (TMGS). A total of 110,474 beds is available for guests in the 2,142 Saxon hotels with a capacity of nine beds and more. The average occupancy rate of the hotel beds offered increased to 38.3 % in Saxony, whereas it amounted to 35.7 % on a federal level in the year 2005. In the same year, 39,000 employees who were subject to social insurance and 66 % of whom are women worked in the hotel and restaurant trade of the Free State.



Kleinwelka dinosaur park

Leisure facilities

Saxony is a state with unique art and culture, with traditions going back over centuries, a great history and a fascinating present. Whether it is a city or culture trip, activity or health holidays – in “Sachsen. Land von Welt” (“Saxony. A state open to the world”) travelling is an experience which you can enjoy at all times.

An extensive network of cycle tracks (including the Elbe cycle path and the Mulde Valley cycle path), a network of bridle paths and many kilometres of waterways are available for those hungry for activity. Whether it is hiking, white water rafting or inflatable kayaking, horseback riding, mountain biking, cycling, summer tobogganing or climbing – the sport which was once developed by Saxon students – and cross-country skiing, downhill skiing and tobogganing in winter – Saxony offers ideal preconditions for all of these activities.

In addition, there are numerous amusement and theme parks such as the Cultural Island Einsiedel, the Belantis theme park near Leipzig, the dinosaur park with a labyrinth in Kleinwelka, the fairytale and adventure park in Plohn near Lengenfeld in the Vogtland as well as the miniature park of the “Small Erzgebirge” in Oederan. Visitors can watch exotic and native animal species in the numerous zoos and game enclosures, such as those in Dresden, Görlitz, Chemnitz or Leipzig with “Pongoland” the biggest facility



*“Cultural Island
Einsiedel” in
Lower Silesia*

worldwide with all four species of apes. Colourful butterflies can be seen at the Butterfly House in Jonsdorf in the Zittau Mountains. Guests who wish to promote health and wellness can e.g. try out moor spas or enjoy one of the numerous healing springs in Saxony. In the area known as “spa district” in the Vogtland with the Saxon state-registered spas of Bad Brambach (with the most powerful radon bath worldwide) and Bad Elster the use of the healing water has a long tradition.

Recreation areas

During the Christmas season in particular the Erzgebirge attracts tourists to the centres of toy-making and folk craft. The art of woodcarving and wood turning as well as of lace-making gained the region around Seiffen the reputation as a stronghold of handicrafts. During the winter the region offers winter sports facilities that are almost guaranteed to have snow, during the summer it offers extensive hiking trails through the mountains, fields and forests.

The neighbouring Vogtland region is particularly famous for its lace-making around the town of Plauen and the construction of musical instruments in the area known as “Musikwinkel” or “Music Corner”. The tourist attractions of this area are the diverse winter sports facilities, the Saxon state-registered spas, the reservoir lakes as well as Göltzschtal bridge, the biggest brick bridge in the world.

The region of Saxony along the River Elbe, which boasts the most northern wine-growing area in Germany near Dresden, also has a diverse and hilly landscape in addition to its highly appreciated wine products. As regards culture the area has a broad range of museums, castles and historic buildings.

The Valley of the Castles attracts visitors with cosy spots and natural sceneries, the water theme parks and Leipzig as the urban centre. In Upper Lusatia/Lower Silesia, the typical half-timbered Umgebinde-style houses, pottery, damask weaving, blue printing and the lakes with swimming pools beautifully situated in forests and in the landscape are the highlights that have to be mentioned.

The Saxon Switzerland National Park offers hikers, mountaineers and climbers excellent possibilities for active recreation. The Saxon large-scale conservation areas, the Upper Lusatian Heath and Pond District Biosphere Reserve and the two nature reserves of Erzgebirge-Vogtland and Düben Heath invite visitors to enjoy intensive experiences of nature on hiking trails, cycling and bridle paths which are perfectly marked.



Seiffen, the centre of the art of woodcarving in the Erzgebirge



Göltzschtalbrücke in Vogtland, the world's biggest brick bridge

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