

# **Business and Consumer Surveys in Cyprus**

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## **Abstract**

This paper investigates the usefulness of information collected through Business and Consumer Surveys in Cyprus, as a tool for monitoring the developments in the economy and as an input in econometric modelling for the construction of short-term forecasts for macroeconomic variables. The analysis shows that the readily available data from Business and Consumer Surveys capture quite well the different trends both in the economy as a whole and in several sectors. The survey data contain leading information for the future evolution of output growth and, to a smaller extent, of inflation. Moreover, the analysis for different sectors revealed that Business and Consumer Survey data exhibit significant correlations with the corresponding quantitative economic variables published by the Statistical Service and in most cases the changes in survey variables lead the changes in the relevant economic variables. Nevertheless, there are still other aspects of the survey data to be explored and there is room for improvement in the survey results.

**Keywords:** business and consumer surveys, economic sentiment indicator, confidence indicators.