



# BUSINESS AND CONSUMER SURVEYS

ECONOMICS RESEARCH CENTRE  
UNIVERSITY OF CYPRUS

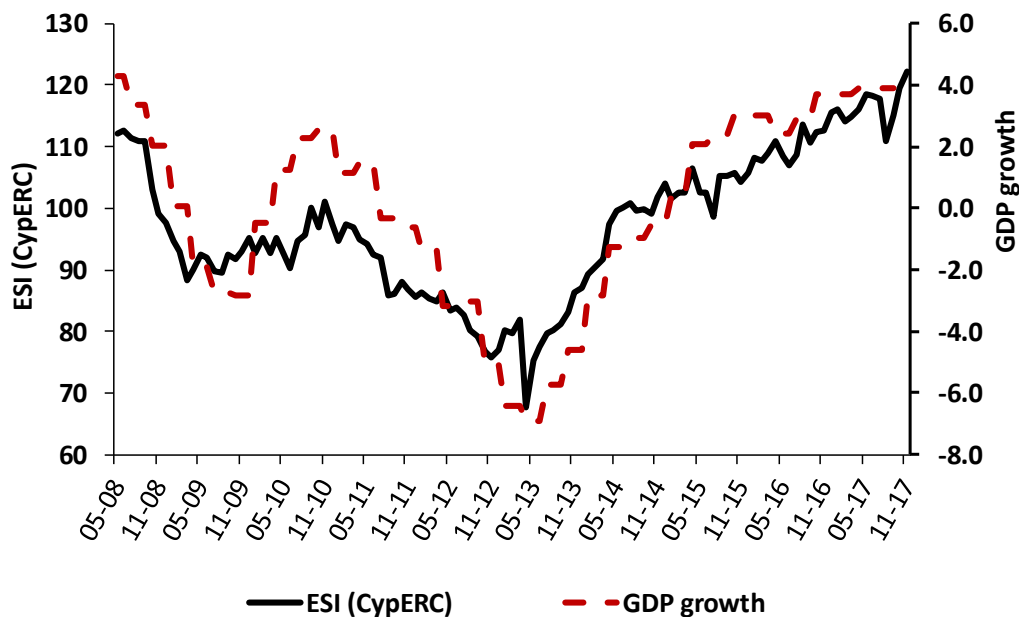


November 2017

## SUMMARY

- In November, the Economic Sentiment Indicator (ESI-CypERC) increased by 2.8 points compared with October. The increase was driven by a boost in services confidence and, to a lesser extent, confidence improvements in construction, industry and among consumers.
- The Services Confidence Indicator increased as a result of firms' more optimistic views on past business situation as well as past and expected demand.
- The decrease in the Retail Trade Confidence Indicator resulted from more adverse assessments of current stock volumes and downward revisions in sales expectations.
- The Construction Confidence Indicator increased due to firms' less pessimistic assessments of the current level of their order books.
- The Industry Confidence Indicator increased marginally as a result of improved assessments of overall order books and upward revisions of production expectations.
- The increase in the Consumer Confidence Indicator was driven by more optimistic responses regarding future economic conditions in Cyprus and future labour market conditions in the country.

Economic Sentiment Indicator (ESI-CypERC) and GDP growth



Note: The weights used in the calculation of the Economic Sentiment Indicator constructed by the Economics Research Centre (ESI CypERC) reflect the contribution of each sector to the GDP of Cyprus.

The Economics Research Centre of the University of Cyprus (CypERC) and RAI Consultants Ltd participate in the Joint Harmonised European Union Programme of Business and Consumer Surveys. CypERC acknowledges funding from the European Commission and the Ministry of Finance for conducting the Business and Consumer Survey Project in Cyprus.

Co-funded by  
the European Union





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Difference between the percentage of positive and negative responses (balance)<sup>1</sup> and ESI (CypERC)

Month	2016		2017										
	11	12	1	2	3	4	5	6	7	8	9	10	11
<b>ECONOMIC SENTIMENT INDICATOR (ESI CypERC)<sup>2</sup></b>	112.6	115.6	116.1	114.2	114.8	116.1	118.4	118.2	117.9	110.9	115.0	119.5	122.3
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	20	28	30	26	26	31	36	37	35	17	26	37	45
Business situation, past 3 months <sup>4</sup>	19	30	27	28	23	30	35	36	34	14	15	26	34
Turnover (demand), past 3 months <sup>4</sup>	21	15	27	26	25	33	37	44	34	15	15	30	41
Expected turnover (demand), next 3 months <sup>4</sup>	21	40	36	25	31	31	36	32	38	23	48	56	60
Employment, past 3 months	-2	-4	-6	-1	-1	6	2	6	2	1	1	3	8
Expected employment, next 3 months	-5	-4	11	4	3	5	4	6	3	4	11	12	7
Expected selling prices, next 3 months	4	-1	0	7	3	0	3	4	4	0	2	-8	-3
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	6	9	9	5	5	6	7	7	6	6	6	8	6
Business activity (sales), past 3 months <sup>4</sup>	-6	-2	8	8	3	-3	1	8	6	11	2	6	10
Stock of goods <sup>4</sup>	-4	-6	0	7	7	8	0	5	6	9	3	7	11
Expected business activity (sales), next 3 months <sup>4</sup>	22	21	19	14	19	29	18	16	19	15	20	24	19
Orders placed with suppliers, next 3 months	8	3	3	2	9	10	9	11	4	4	9	16	9
Expected employment, next 3 months	-1	0	0	0	-3	1	1	-1	0	1	0	1	0
Expected selling prices, next 3 months	6	4	-3	3	1	5	7	6	2	8	6	9	9
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-28	-27	-25	-23	-29	-24	-27	-28	-25	-26	-26	-28	-23
Building activity, past 3 months	11	5	8	2	-4	4	10	6	-1	8	6	-4	7
Current overall order books <sup>4</sup>	-56	-54	-53	-53	-60	-58	-56	-58	-54	-52	-56	-59	-47
Expected employment, next 3 months <sup>4</sup>	1	-1	3	7	1	10	2	2	4	1	3	2	1
Expected selling prices, next 3 months	2	-2	-3	3	4	4	3	6	2	3	9	7	14
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	3	0	0	4	10	7	3	3	6	4	3	8	9
Production, past 3 months	7	6	6	12	12	17	22	11	4	10	9	4	18
Current overall order books <sup>4</sup>	-39	-39	-39	-32	-18	-27	-22	-21	-15	-12	-22	-17	-6
Current export order books	-36	-44	-40	-20	-19	-30	-33	-18	-26	-20	-18	-22	8
Stock of finished products <sup>4</sup>	-29	-16	-21	-16	-17	-18	-17	-17	-18	-11	-12	-16	-5
Expected production, next 3 months <sup>4</sup>	18	22	19	27	33	28	15	12	16	11	21	25	28
Expected employment, next 3 months <sup>5</sup>	-1	-2	-1	-1	0	8	6	12	-2	1	3	5	6
Expected selling prices, next 3 months	-1	0	4	-4	1	3	1	2	-3	-7	0	-2	1
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-1	-1	-1	-3	-2	-3	1	-1	-1	-2	-1	-1	2
Financial situation of household, past 12 months	-13	-15	-12	-8	-8	-9	-7	-8	-3	-7	-7	-6	-5
Expected financial situation of household, next 12 months <sup>4</sup>	7	5	5	2	2	2	6	4	4	1	3	6	6
General economic situation in Cyprus, past 12 months	8	9	14	16	14	14	16	18	16	19	18	18	18
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	19	20	20	18	16	18	16	19	17	22	21	18	20
Consumer prices, past 12 months	-18	-17	-7	-10	-5	-13	-9	-15	-20	-15	-15	-12	-12
Expected consumer prices, next 12 months	-14	-16	-10	-5	-7	-9	-8	-11	-12	-11	-9	-10	-6
Expected unemployment in Cyprus, next 12 months <sup>4,5</sup>	-9	-11	-14	-6	-11	-8	-16	-12	-12	-14	-10	-5	-17
Major purchases at present	-23	-23	-16	-20	-24	-24	-15	-20	-13	-17	-19	-16	-18
Major purchases intentions, next 12 months	-22	-26	-28	-29	-26	-26	-25	-29	-27	-29	-31	-28	-27
Savings at present	-13	-21	-23	-21	-21	-13	-11	-11	-14	-15	-17	-15	-18
Savings intentions, next 12 months <sup>4</sup>	-41	-40	-43	-39	-35	-41	-35	-37	-39	-44	-37	-33	-34
Statement on the current financial condition of household	9	6	7	8	10	10	10	13	14	10	12	13	13

Notes:

<sup>1</sup> Positive responses refer to increase/improvement/ above normal/very or fairly likely, while the opposite holds for negative responses. Data are seasonally adjusted.

<sup>2</sup> The weights used in the calculation of the Economic Sentiment Indicator reflect the contribution of each sector to the GDP of Cyprus.

<sup>3</sup> The calculation of the confidence (composite) indicator is described in [http://ec.europa.eu/economy\\_finance/indicators/business\\_consumer\\_surveys/userguide\\_en.pdf](http://ec.europa.eu/economy_finance/indicators/business_consumer_surveys/userguide_en.pdf).

<sup>4</sup> The responses to this question are used in the calculation of the confidence (composite) indicator for each survey.

<sup>5</sup> Following a suggestion by the European Commission, the responses to this question are not adjusted for seasonality.



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This bulletin publishes results from Business and Consumer Surveys conducted in Cyprus as part of the Joint Harmonised European Union Programme of Business and Consumer Surveys. This bulletin reflects only the authors' views and the European Commission is not responsible for any use that may be made of the information it contains.

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