



# BUSINESS AND CONSUMER SURVEYS

ECONOMICS RESEARCH CENTRE  
UNIVERSITY OF CYPRUS

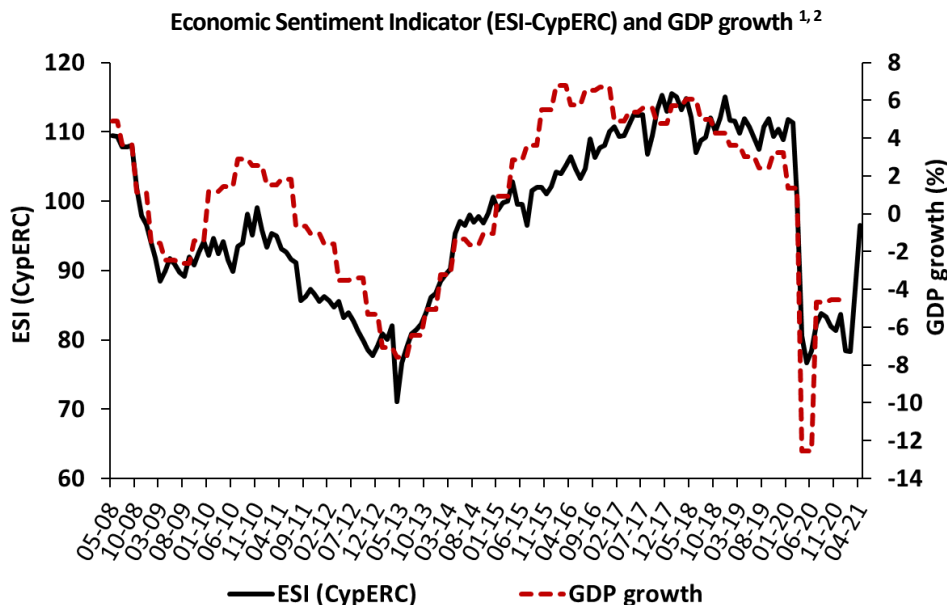


April 2021

Note: The April Surveys had been completed before the announcement of tighter pandemic containment measures in Cyprus on 23 April.

## SUMMARY

- In April 2021, economic sentiment in Cyprus improved significantly as the Economic Sentiment Indicator (ESI-CypERC) increased by 9.2 points compared with March 2021. The increase in the ESI-CypERC was driven primarily by large confidence gains in services, and, to a lesser extent, by confidence improvements in retail trade, industry and among consumers.
- The sizable increase in the Services Confidence Indicator resulted from improved assessments of past performance (business situation, demand) and significant upward revisions in demand expectations. Nevertheless, in April uncertainty rose substantially, suggesting that the recovery of business confidence in the services sector remains fragile.
- The increase in the Retail Trade Confidence Indicator was due to improved assessments of past sales and upward revisions in sales expectations, despite less favourable views on the current stock levels.
- The Construction Confidence Indicator declined marginally because of downward revisions in employment expectations, despite more favourable assessments of the levels of order books.
- The Industry Confidence Indicator increased as a result of improved assessments of the current levels of order books and upward revisions in production expectations.
- The Consumer Confidence Indicator rose in April, registering improvements for the third month in a row. Consumers assessed their recent financial conditions more favourably and revised their expectations about the future economic conditions in Cyprus upwards; also, they expressed stronger intentions to make major purchases over the next months.



Notes:

<sup>1</sup> 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. <sup>2</sup> GDP growth: GDP (in real terms, adjusted for seasonality and working days) is compared to the same quarter of the previous year (Source: Statistical Service of Cyprus).

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## ECONOMICS RESEARCH CENTRE UNIVERSITY OF CYPRUS



### Indicators and balances <sup>1</sup>

Month	2020										2021			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
<b>ECONOMIC SENTIMENT INDICATOR (ESI CypERC)<sup>2</sup></b>	80.5	76.6	78.5	82.3	83.8	83.3	81.9	81.3	83.7	78.5	78.4	87.3	96.5	
<b>SERVICES</b>														
Services Confidence Indicator <sup>3</sup>	-48	-64	-63	-50	-43	-44	-49	-47	-42	-55	-58	-32	-6	
Business situation, past 3 months <sup>4</sup>	-27	-53	-60	-63	-59	-34	-51	-42	-49	-56	-62	-47	-29	
Turnover (demand), past 3 months <sup>4</sup>	-31	-58	-70	-62	-55	-53	-45	-51	-48	-54	-63	-45	-16	
Expected turnover (demand), next 3 months <sup>4</sup>	-88	-81	-59	-26	-15	-45	-51	-47	-30	-56	-48	-6	27	
Employment, past 3 months	-5	-10	-17	2	9	-5	-1	1	1	-12	-9	-13	0	
Expected employment, next 3 months	-7	-4	-2	7	-4	4	11	5	-3	-15	-15	-10	-3	
Expected selling prices, next 3 months	-28	-26	-18	-15	-10	-7	-14	-6	-9	-4	-18	-10	-1	
Uncertainty: difficulty predicting business situation <sup>5,6</sup>		45	63	40	59	48	32	44	58	62	67	42	65	
<b>RETAIL TRADE</b>														
Retail Trade Confidence Indicator <sup>3</sup>	-25	-35	-29	-31	-25	-25	-28	-28	-25	-28	-29	-26	-20	
Business activity (sales), past 3 months <sup>4</sup>	-26	-48	-52	-53	-54	-51	-50	-51	-50	-54	-49	-49	-47	
Stock of goods <sup>4</sup>	-10	-1	-18	-12	-21	-19	-19	-20	-25	-17	-18	-22	-21	
Expected business activity (sales), next 3 months <sup>4</sup>	-61	-58	-54	-51	-43	-43	-52	-55	-50	-45	-56	-52	-33	
Orders placed with suppliers, next 3 months	-50	-51	-52	-48	-41	-42	-49	-55	-52	-48	-49	-51	-36	
Expected employment, next 3 months	-2	0	-1	0	-2	-1	1	0	0	0	-2	0	0	
Expected selling prices, next 3 months	-6	-2	0	2	3	5	2	1	4	1	-3	3	-1	
Uncertainty: difficulty predicting business situation <sup>5,6</sup>		57	53	57	60	71	76	80	78	77	67	68	62	
<b>CONSTRUCTION</b>														
Construction Confidence Indicator <sup>3</sup>	-9	-13	-13	-18	-14	-18	-11	-25	-20	-25	-25	-22	-23	
Building activity, past 3 months	-5	-48	-39	-33	-9	-15	-9	-32	-24	-34	-34	-39	-24	
Current overall order books <sup>4</sup>	-22	-27	-31	-37	-26	-32	-22	-44	-38	-44	-42	-46	-44	
Expected employment, next 3 months <sup>4</sup>	3	1	5	1	-2	-3	-1	-7	-2	-6	-7	1	-2	
Expected selling prices, next 3 months	-9	-8	-6	8	5	-4	2	-2	-8	-1	1	0	11	
Uncertainty: difficulty predicting business situation <sup>5,6</sup>		60	53	46	44	38	52	66	57	57	52	56	43	
<b>INDUSTRY</b>														
Industrial Confidence Indicator <sup>3</sup>	-43	-36	-28	-28	-24	-28	-29	-28	-29	-34	-35	-37	-24	
Production, past 3 months	-21	-66	-63	-66	-56	-59	-61	-57	-60	-56	-53	-65	-58	
Current overall order books <sup>4</sup>	-65	-73	-67	-60	-61	-61	-62	-67	-70	-64	-69	-67	-55	
Current export order books	-83	-45	-21	-60	-66	-51	-70	-69	-62	-68	-78	-82	-69	
Stock of finished products <sup>4</sup>	-10	-32	-20	-9	-14	-13	-18	-23	-33	-20	-30	-20	-17	
Expected production, next 3 months <sup>4</sup>	-75	-67	-38	-31	-26	-37	-44	-39	-52	-57	-66	-66	-34	
Expected employment, next 3 months <sup>5</sup>	-5	-2	-1	0	-1	-1	-2	-3	-1	-2	-2	0	0	
Expected selling prices, next 3 months	-1	-1	-3	6	-1	-1	-1	-1	-3	-4	1	-2	1	
Uncertainty: difficulty predicting business situation <sup>5,6</sup>		61	53	51	49	62	60	68	73	76	64	69	60	
<b>CONSUMERS</b>														
Consumer Confidence Indicator <sup>3</sup>	-33	-29	-24	-21	-31	-29	-29	-35	-33	-35	-32	-23	-18	
Financial situation of household, past 12 months <sup>4</sup>	-1	-8	-14	-13	-17	-15	-15	-18	-20	-20	-22	-24	-20	
Expected financial situation of household, next 12 months <sup>4</sup>	-27	-17	-8	-5	-15	-12	-10	-20	-15	-20	-14	-4	-5	
General economic situation in Cyprus, past 12 months	15	-2	-25	-32	-44	-44	-49	-58	-64	-68	-67	-72	-71	
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-54	-45	-30	-25	-48	-43	-45	-56	-49	-54	-45	-29	-19	
Consumer prices, past 12 months	-3	-7	-13	-13	-16	-18	-19	-17	-17	-21	-25	-20	-17	
Expected consumer prices, next 12 months	-8	-16	-17	-16	-13	-17	-19	-15	-10	-21	-16	-13	-9	
Expected unemployment in Cyprus, next 12 months <sup>5</sup>	63	59	51	51	66	60	57	66	62	60	48	40	36	
Major purchases at present	-55	-41	-35	-30	-39	-42	-32	-49	-53	-51	-42	-35	-31	
Major purchases intentions, next 12 months <sup>4</sup>	-48	-46	-42	-40	-44	-45	-45	-46	-48	-44	-46	-35	-31	
Savings at present	-35	-29	-28	-20	-19	-16	-24	-19	-24	-16	-23	-19	-21	
Savings intentions, next 12 months	-44	-35	-35	-39	-28	-28	-40	-39	-40	-35	-31	-32	-38	
Statement on the current financial condition of household	12	15	17	15	16	21	19	14	14	15	18	17	14	
Uncertainty: difficulty predicting household's financial situation <sup>5,6</sup>		-1	4	7	7	4	6	16	9	12	4	2	0	

Notes: <sup>1</sup> The balance is the difference between the percentage of positive responses and the percentage of negative responses. Positive responses refer to "increase", "improvement", "above normal", "very likely", "fairly likely", etc., while negative responses refer to "decrease", "deterioration", "below normal", "not at all likely", "not likely", etc. 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) and [https://ec.europa.eu/info/files/revised-consumer-confidence-indicator\\_en](https://ec.europa.eu/info/files/revised-consumer-confidence-indicator_en). <sup>4</sup> The responses to this question are used in the calculation of the confidence (composite) indicator for each survey. <sup>5</sup> The responses to this question are not adjusted for seasonality. <sup>6</sup> The balance is the difference between the percentage of respondents who state that the future business situation (or household financial situation) is difficult to predict, and the percentage of respondents who state the opposite.



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