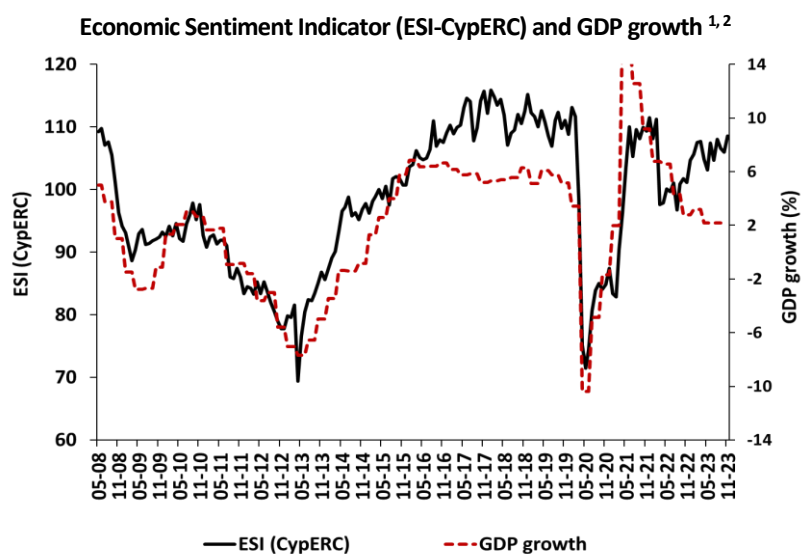


## BUSINESS AND CONSUMER SURVEYS

### November 2023

#### Summary

- In November 2023, economic sentiment in Cyprus strengthened as the Economic Sentiment Indicator (ESI-CypERC) increased by 2.6 points compared with October 2023. The improvement in the ESI-CypERC was mainly driven by confidence gains in services and construction.
- The increase in the Services Confidence Indicator primarily resulted from significant improvements in firms' assessments of their recent performance (business situation and turnover), and, to a smaller extent, from upward revisions in demand expectations.
- The Retail Trade Confidence Indicator remained unchanged at the level registered in October. In November, the improvement in firms' views on recent sales and stock levels was offset by the deterioration in sales expectations.
- The increase in the Construction Confidence Indicator resulted from improved assessments of the current levels of order books and upward revisions in employment expectations.
- The Industry Confidence Indicator decreased, as firms' views on the current levels of order books and future production worsened.
- The Consumer Confidence Indicator rose marginally. In November, consumers' expectations about their future financial situation and the future economic conditions in Cyprus improved. However, in November, consumers' views on their recent financial situation deteriorated, and consumers' intentions to make major purchases weakened.
- In November, economic uncertainty in Cyprus declined for the second month in a row, owing to lower uncertainty among firms in services. Uncertainty in the remaining sectors and among consumers increased in November.



Notes: <sup>1</sup> ESI (CypERC): the weights used in the calculation of the Indicator 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).

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 Union, the Ministry of Finance and the University of Cyprus for conducting the project "Business and Consumer Surveys" in Cyprus.

Co-funded by  
the European Union



Indicators and balances <sup>1</sup>

Month	2022		2023										
	11	12	1	2	3	4	5	6	7	8	9	10	11
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) <sup>2</sup>	101.2	104.7	105.6	107.5	107.7	104.9	103.1	107.4	104.7	108.1	106.5	106.0	108.6
ECONOMIC UNCERTAINTY INDICATOR (CypERC) <sup>2</sup>	32.5	38.8	38.6	34.0	23.6	31.2	29.8	19.7	30.3	21.3	29.6	25.2	23.7
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	12	22	22	27	27	21	14	26	18	30	29	26	34
Business situation, past 3 months <sup>4</sup>	18	27	33	37	41	45	26	41	35	35	29	38	49
Turnover (demand), past 3 months <sup>4</sup>	9	3	19	33	25	25	6	25	16	30	30	27	37
Expected turnover (demand), next 3 months <sup>4</sup>	11	35	13	12	15	-6	9	11	2	26	27	13	15
Employment, past 3 months	-4	0	2	1	-3	12	10	7	-4	6	-4	8	13
Expected employment, next 3 months	1	7	7	11	12	11	13	4	4	6	4	11	15
Expected selling prices, next 3 months	41	47	41	45	40	42	48	39	36	39	36	34	39
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	29	43	42	35	20	35	30	14	30	15	26	21	17
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	-8	-5	1	-2	-3	-1	1	2	2	4	1	0	0
Business activity (sales), past 3 months <sup>4</sup>	-25	-16	-10	-12	-12	-1	-10	-13	-10	-9	-11	-10	-3
Stock of goods <sup>4</sup>	-17	-8	-12	-8	-7	-9	-13	-11	-9	-10	-3	1	-3
Expected business activity (sales), next 3 months <sup>4</sup>	-15	-7	1	-1	-3	-11	1	9	8	11	12	11	1
Orders placed with suppliers, next 3 months	-23	-16	-9	-8	-8	-11	1	2	-1	3	5	2	-3
Expected employment, next 3 months	2	3	0	1	2	2	1	0	0	-1	0	1	1
Expected selling prices, next 3 months	63	57	51	58	57	57	49	46	41	52	51	48	42
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	65	59	54	56	68	66	60	72	62	65	63	59	65
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-15	-11	-15	-14	-17	-13	-11	-13	-8	-11	-10	-6	1
Building activity, past 3 months	-7	-15	-5	-13	-6	5	-5	-6	-4	-8	-5	-3	0
Current overall order books <sup>4</sup>	-31	-23	-32	-27	-32	-25	-19	-22	-13	-18	-18	-17	-10
Expected employment, next 3 months <sup>4</sup>	1	0	3	-2	-3	-1	-3	-5	-3	-4	-2	5	12
Expected selling prices, next 3 months	84	80	80	85	77	74	66	70	65	68	75	72	69
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	58	51	58	51	50	44	40	36	37	36	42	44	48
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	-10	-8	-5	-5	-1	-3	2	3	5	2	0	1	-3
Production, past 3 months	-15	-17	-10	0	-2	-3	-2	6	6	10	11	11	-2
Current overall order books <sup>4</sup>	-44	-36	-28	-30	-29	-28	-25	-27	-24	-28	-27	-27	-30
Current export order books	-44	-35	-14	-20	-24	-36	-54	-13	-12	-42	-36	-24	-44
Stock of finished products <sup>4</sup>	-30	-24	-20	-22	-26	-18	-22	-25	-14	-20	-19	-17	-16
Expected production, next 3 months <sup>4</sup>	-15	-13	-9	-6	-1	1	9	11	24	13	8	12	5
Expected employment, next 3 months	0	0	0	1	2	1	0	0	1	0	0	0	1
Expected selling prices, next 3 months	51	37	36	34	24	28	25	4	9	14	20	20	16
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	78	75	74	70	61	61	67	64	68	67	69	63	66
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-30	-28	-21	-18	-18	-25	-26	-20	-22	-24	-28	-28	-27
Financial situation of household, past 12 months <sup>4</sup>	-24	-24	-20	-16	-18	-18	-21	-16	-16	-16	-28	-18	-21
Expected financial situation of household, next 12 months <sup>4</sup>	-22	-12	-6	-4	-5	-10	-13	-9	-12	-13	-18	-19	-13
General economic situation in Cyprus, past 12 months	-51	-52	-48	-38	-33	-42	-46	-43	-46	-48	-57	-58	-49
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-41	-40	-27	-18	-13	-31	-27	-24	-36	-41	-41	-52	-40
Consumer prices, past 12 months	83	85	88	84	82	84	87	79	78	78	80	78	76
Expected consumer prices, next 12 months	33	25	12	14	11	20	7	16	27	26	25	44	21
Expected unemployment in Cyprus, next 12 months	27	22	19	17	11	16	15	17	17	17	19	24	18
Major purchases at present	-54	-56	-54	-48	-50	-46	-52	-44	-45	-42	-51	-49	-44
Major purchases intentions, next 12 months <sup>4</sup>	-34	-36	-32	-36	-36	-42	-43	-30	-24	-27	-24	-21	-33
Savings at present	-31	-26	-19	-21	-17	-20	-24	-24	-23	-15	-25	-21	-21
Savings intentions, next 12 months	-48	-36	-32	-35	-31	-32	-38	-43	-42	-35	-39	-33	-34
Statement on the current financial condition of household	11	12	15	15	20	16	14	14	15	17	16	14	15
Uncertainty: difficulty predicting household's financial situation <sup>5,6</sup>	9	1	5	5	-4	-7	0	-3	5	2	9	5	6

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 calculation of the Indicator is described in [https://ec.europa.eu/info/sites/default/files/bcs\\_user\\_guide.pdf](https://ec.europa.eu/info/sites/default/files/bcs_user_guide.pdf); however, the weights used in the calculation reflect the contribution of each sector to the GDP of Cyprus. <sup>3</sup> The Confidence Indicator is described in [https://ec.europa.eu/info/sites/default/files/bcs\\_user\\_guide.pdf](https://ec.europa.eu/info/sites/default/files/bcs_user_guide.pdf). <sup>4</sup> The responses to this question are used in the calculation of the Confidence 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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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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