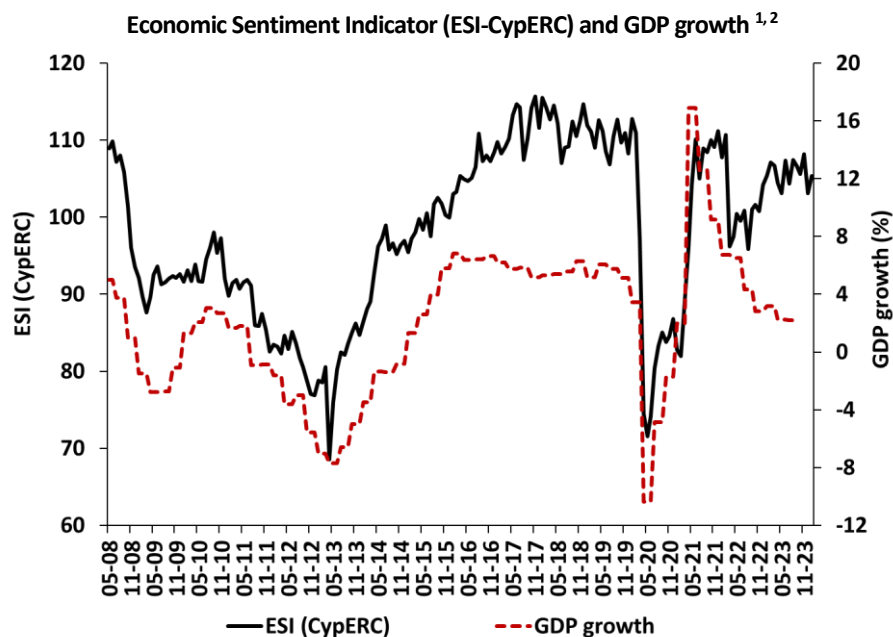


BUSINESS AND CONSUMER SURVEYS

January 2024

Summary

- In January 2024, economic sentiment in Cyprus improved, as the Economic Sentiment Indicator (ESI-CypERC) increased by 2.3 points compared with December 2023. The increase in the ESI-CypERC was mainly driven by confidence gains in services.
- The Services Confidence Indicator picked up as firms' views on their past and expected turnover improved.
- The Retail Trade Confidence Indicator rose marginally as a result of upward revisions in sales expectations, despite a deterioration in firms' assessment of stock levels.
- The Construction Confidence Indicator decreased as firms assessed the current levels of order books more negatively and revised their employment expectations downwards.
- The Industry Confidence Indicator declined marginally because of a deterioration in firms' assessments of the stocks of finished products.
- The Consumer Confidence Indicator remained stable at the level registered in December. On the one hand, consumers' intentions to make major purchases strengthened in January. On the other hand, consumers' views on their recent financial situation and consumers' expectations about the economic conditions in Cyprus deteriorated in January.
- In January, economic uncertainty in Cyprus decreased owing to the lower uncertainty levels observed in services and industry. Uncertainty in construction and retail trade, and among consumers increased in January.



Notes: ¹ ESI (CypERC): the weights used in the calculation of the Indicator reflect the contribution of each sector to the GDP of Cyprus.

² 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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Indicators and balances ¹

Month	2023												2024
	1	2	3	4	5	6	7	8	9	10	11	12	1
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) ²	105.3	107.1	106.7	104.5	103.1	107.4	104.3	107.5	106.6	105.6	108.2	103.1	105.4
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	38.6	34.0	23.6	31.2	29.8	19.7	30.3	21.3	29.6	25.2	23.7	39.2	35.8
SERVICES													
Services Confidence Indicator ³	22	27	25	21	15	27	18	29	30	26	34	12	21
Business situation, past 3 months ⁴	33	35	39	40	29	42	35	35	32	37	46	28	17
Turnover (demand), past 3 months ⁴	21	35	21	27	7	27	14	27	33	28	40	0	19
Expected turnover (demand), next 3 months ⁴	11	12	15	-4	10	12	4	26	26	13	15	8	27
Employment, past 3 months	3	2	-3	12	10	7	-3	5	-4	8	13	-9	-6
Expected employment, next 3 months	10	11	12	12	12	5	6	7	5	11	13	-19	1
Expected selling prices, next 3 months	43	46	42	42	46	39	37	39	36	33	36	34	25
Uncertainty: difficulty predicting business situation ^{5,6}	42	35	20	35	30	14	30	15	26	21	17	46	38
RETAIL TRADE													
Retail Trade Confidence Indicator ³	1	-1	-2	0	1	2	2	3	1	0	0	0	1
Business activity (sales), past 3 months ⁴	-10	-12	-12	-2	-11	-13	-10	-9	-11	-9	-3	-2	-3
Stock of goods ⁴	-12	-8	-7	-9	-12	-11	-9	-9	-3	1	-2	-3	2
Expected business activity (sales), next 3 months ⁴	2	1	-1	-8	0	7	6	10	11	10	1	0	7
Orders placed with suppliers, next 3 months	-7	-6	-6	-8	0	1	-2	1	4	1	-3	-4	3
Expected employment, next 3 months	0	1	2	2	1	0	0	-1	0	1	1	1	2
Expected selling prices, next 3 months	52	57	56	55	49	47	42	50	49	46	41	42	37
Uncertainty: difficulty predicting business situation ^{5,6}	54	56	68	66	60	72	62	65	63	59	65	63	67
CONSTRUCTION													
Construction Confidence Indicator ³	-15	-14	-17	-13	-11	-13	-8	-11	-10	-6	1	-3	-7
Building activity, past 3 months	-9	-18	-7	1	-5	-4	-2	-7	-2	-2	3	8	0
Current overall order books ⁴	-32	-27	-32	-25	-19	-22	-13	-18	-18	-17	-10	-13	-18
Expected employment, next 3 months ⁴	3	-2	-3	-1	-3	-5	-3	-4	-2	5	12	7	4
Expected selling prices, next 3 months	80	85	77	74	66	70	65	68	75	72	69	63	59
Uncertainty: difficulty predicting business situation ^{5,6}	58	51	50	44	40	36	37	36	42	44	48	37	44
INDUSTRY													
Industrial Confidence Indicator ³	-4	-4	-1	-2	1	3	5	2	0	0	-3	1	0
Production, past 3 months	-8	1	-1	-2	-1	6	6	9	10	9	-2	-3	-2
Current overall order books ⁴	-28	-30	-28	-28	-26	-27	-24	-29	-27	-27	-30	-27	-26
Current export order books	-16	-28	-31	-33	-48	-6	-10	-33	-37	-24	-49	-55	-43
Stock of finished products ⁴	-20	-22	-26	-18	-22	-25	-14	-20	-19	-17	-16	-20	-17
Expected production, next 3 months ⁴	-5	-3	1	4	7	12	26	13	7	12	5	9	10
Expected employment, next 3 months	0	1	2	0	1	0	1	0	0	0	0	0	0
Expected selling prices, next 3 months	36	34	24	28	25	4	9	14	20	20	16	7	6
Uncertainty: difficulty predicting business situation ^{5,6}	74	70	61	61	67	64	68	67	69	63	66	68	61
CONSUMERS													
Consumer Confidence Indicator ³	-21	-18	-18	-25	-26	-20	-22	-24	-28	-28	-27	-22	-22
Financial situation of household, past 12 months ⁴	-20	-16	-18	-18	-21	-16	-16	-16	-28	-18	-20	-14	-16
Expected financial situation of household, next 12 months ⁴	-6	-4	-5	-10	-13	-9	-12	-13	-18	-19	-13	-9	-9
General economic situation in Cyprus, past 12 months	-48	-38	-33	-42	-46	-43	-46	-48	-57	-58	-49	-40	-40
Expected general economic situation in Cyprus, next 12 months ⁴	-27	-18	-13	-31	-27	-24	-36	-41	-41	-52	-40	-30	-33
Consumer prices, past 12 months	88	84	83	85	87	78	77	77	80	78	75	76	73
Expected consumer prices, next 12 months	12	14	11	20	7	16	27	26	25	44	21	18	31
Expected unemployment in Cyprus, next 12 months	19	18	14	18	16	18	18	17	18	22	17	18	17
Major purchases at present	-54	-48	-50	-46	-52	-44	-45	-42	-51	-49	-44	-39	-37
Major purchases intentions, next 12 months ⁴	-32	-36	-36	-42	-43	-30	-24	-27	-24	-21	-33	-34	-31
Savings at present	-19	-21	-17	-20	-24	-24	-23	-15	-25	-21	-21	-23	-16
Savings intentions, next 12 months	-32	-35	-31	-32	-38	-43	-42	-35	-39	-33	-34	-31	-25
Statement on the current financial condition of household	15	15	19	16	14	14	15	17	16	15	15	17	15
Uncertainty: difficulty predicting household's financial situation ^{5,6}	5	5	-4	-7	0	-3	5	2	9	5	6	2	8

Notes: ¹ 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. ² The calculation of the Indicator is described in 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. ³ The Confidence Indicator is described in https://ec.europa.eu/info/sites/default/files/bcs_user_guide.pdf. ⁴ The responses to this question are used in the calculation of the Confidence Indicator for each survey. ⁵ The responses to this question are not adjusted for seasonality. ⁶ 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.

The revisions to the data are due to the seasonal adjustment method applied. Moreover, the series for the Economic Sentiment Indicator (ESI-CypERC) has been revised as a result of adjustments to the long-run means and standard deviations of the data used in its calculation.

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