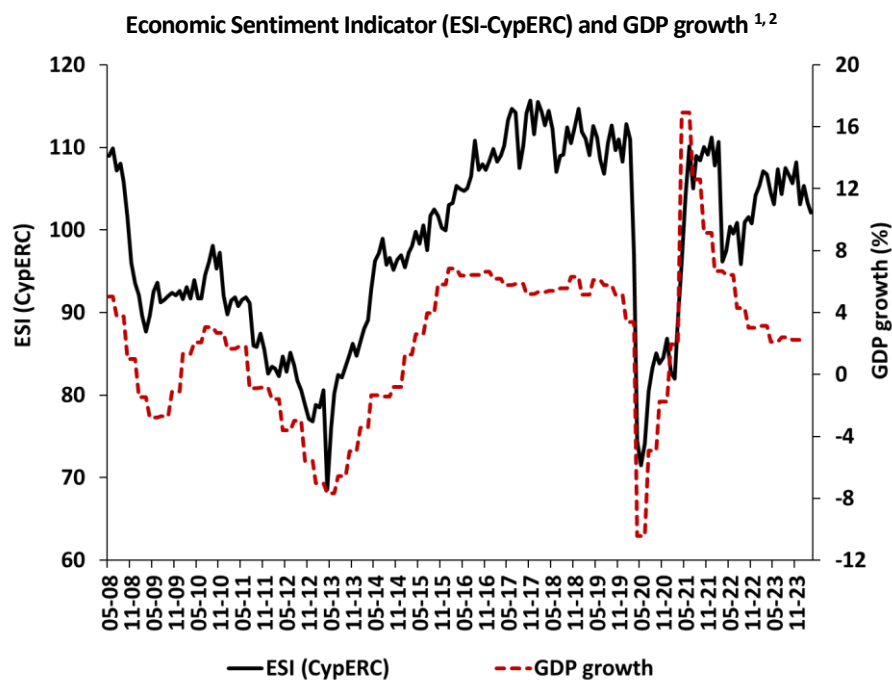


BUSINESS AND CONSUMER SURVEYS

March 2024

Summary

- In March 2024, economic sentiment in Cyprus deteriorated for the second month in a row, as the Economic Sentiment Indicator (ESI-CypERC) decreased by 1.2 points compared with February. The decrease in the ESI-CypERC was driven by weaker business confidence in all sectors, as firms' expectations about their business activities deteriorated.
- Despite improved assessments of the recent business situation in March, the Services Confidence Indicator decreased again, as firms' views on their expected turnover continued to deteriorate.
- The decrease in the Retail Trade Confidence Indicator mainly resulted from worsening views on future sales.
- The Construction Confidence Indicator decreased, as firms revised their employment plans downwards.
- The Industry Confidence Indicator fell markedly in March; firms' assessments of the stocks of finished products deteriorated (possibly indicating lower demand for manufacturing goods) and production expectations declined to a 14-month low.
- The Consumer Confidence Indicator rose in March, as consumers partially reversed their pessimistic views (on their financial situation and the country's economic conditions) expressed in February. However, consumers' intentions to make major purchases over the next months weakened in March.
- In March, economic uncertainty in Cyprus decreased, although it is currently above the level registered in March 2023.



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		
	3	4	5	6	7	8	9	10	11	12	1	2	3
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) ²	106.7	104.5	103.1	107.4	104.3	107.5	106.6	105.6	108.2	103.1	105.4	103.3	102.1
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	23.6	31.2	29.8	19.7	30.3	21.3	29.6	25.2	23.7	39.2	35.8	31.5	29.5
SERVICES													
Services Confidence Indicator ³	25	21	15	27	18	29	30	26	34	12	21	17	14
Business situation, past 3 months ⁴	39	40	29	42	35	35	32	37	46	28	17	23	32
Turnover (demand), past 3 months ⁴	21	27	7	27	14	27	33	28	40	0	19	16	16
Expected turnover (demand), next 3 months ⁴	15	-4	10	12	4	26	26	13	15	8	27	12	-6
Employment, past 3 months	-3	12	10	7	-3	5	-4	8	13	-9	-6	4	12
Expected employment, next 3 months	12	12	12	5	6	7	5	11	13	-19	1	10	23
Expected selling prices, next 3 months	42	42	46	39	37	39	36	33	36	34	25	34	39
Uncertainty: difficulty predicting business situation ^{5,6}	20	35	30	14	30	15	26	21	17	46	38	32	26
RETAIL TRADE													
Retail Trade Confidence Indicator ³	-2	0	1	2	2	3	1	0	0	0	1	-2	-6
Business activity (sales), past 3 months ⁴	-12	-2	-11	-13	-10	-9	-11	-9	-3	-2	-3	-4	-5
Stock of goods ⁴	-7	-9	-12	-11	-9	-9	-3	1	-2	-3	2	1	0
Expected business activity (sales), next 3 months ⁴	-1	-8	0	7	6	10	11	10	1	0	7	-2	-12
Orders placed with suppliers, next 3 months	-6	-8	0	1	-2	1	4	1	-3	-4	3	-8	-14
Expected employment, next 3 months	2	2	1	0	0	-1	0	1	1	1	2	1	2
Expected selling prices, next 3 months	56	55	49	47	42	50	49	46	41	42	37	41	47
Uncertainty: difficulty predicting business situation ^{5,6}	68	66	60	72	62	65	63	59	65	63	67	67	70
CONSTRUCTION													
Construction Confidence Indicator ³	-17	-13	-11	-13	-8	-11	-10	-6	1	-3	-7	-2	-4
Building activity, past 3 months	-7	1	-5	-4	-2	-7	-2	-2	3	8	0	7	10
Current overall order books ⁴	-32	-25	-19	-22	-13	-18	-18	-17	-10	-13	-18	-12	-13
Expected employment, next 3 months ⁴	-3	-1	-3	-5	-3	-4	-2	5	12	7	4	8	5
Expected selling prices, next 3 months	77	74	66	70	65	68	75	72	69	63	59	57	66
Uncertainty: difficulty predicting business situation ^{5,6}	50	44	40	36	37	36	42	44	48	37	44	34	42
INDUSTRY													
Industrial Confidence Indicator ³	-1	-2	1	3	5	2	0	0	-3	1	0	-1	-6
Production, past 3 months	-1	-2	-1	6	6	9	10	9	-2	-3	-2	2	9
Current overall order books ⁴	-28	-28	-26	-27	-24	-29	-27	-27	-30	-27	-26	-27	-22
Current export order books	-31	-33	-48	-6	-10	-33	-37	-24	-49	-55	-43	-35	-45
Stock of finished products ⁴	-26	-18	-22	-25	-14	-20	-19	-17	-16	-20	-17	-22	-9
Expected production, next 3 months ⁴	1	4	7	12	26	13	7	12	5	9	10	2	-4
Expected employment, next 3 months	2	0	1	0	1	0	0	0	0	0	0	1	0
Expected selling prices, next 3 months	24	28	25	4	9	14	20	20	16	7	6	14	22
Uncertainty: difficulty predicting business situation ^{5,6}	61	61	67	64	68	67	69	63	66	68	61	70	70
CONSUMERS													
Consumer Confidence Indicator ³	-18	-25	-26	-20	-22	-24	-28	-28	-27	-22	-22	-27	-24
Financial situation of household, past 12 months ⁴	-18	-18	-21	-16	-16	-16	-28	-18	-20	-14	-16	-22	-19
Expected financial situation of household, next 12 months ⁴	-5	-10	-13	-9	-12	-13	-18	-19	-13	-9	-9	-14	-11
General economic situation in Cyprus, past 12 months	-33	-42	-46	-43	-46	-48	-57	-58	-49	-40	-40	-47	-41
Expected general economic situation in Cyprus, next 12 months ⁴	-13	-31	-27	-24	-36	-41	-41	-52	-40	-30	-33	-40	-33
Consumer prices, past 12 months	83	85	87	78	77	77	80	78	75	76	73	71	72
Expected consumer prices, next 12 months	11	20	7	16	27	26	25	44	21	18	31	29	22
Expected unemployment in Cyprus, next 12 months	14	18	16	18	18	17	18	22	17	18	17	17	14
Major purchases at present	-50	-46	-52	-44	-45	-42	-51	-49	-44	-39	-37	-36	-38
Major purchases intentions, next 12 months ⁴	-36	-42	-43	-30	-24	-27	-24	-21	-33	-34	-31	-31	-33
Savings at present	-17	-20	-24	-24	-23	-15	-25	-21	-21	-23	-16	-23	-24
Savings intentions, next 12 months	-31	-32	-38	-43	-42	-35	-39	-33	-34	-31	-25	-39	-38
Statement on the current financial condition of household	19	16	14	14	15	17	16	15	15	17	15	9	15
Uncertainty: difficulty predicting household's financial situation ^{5,6}	-4	-7	0	-3	5	2	9	5	6	2	8	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.

**Economics Research Centre
University of Cyprus**

Website: <https://www.ucy.ac.cy/erc/en/>

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* Vasiliki G. Bozani (email: bozani.vasiliki@ucy.ac.cy)

* Niki Demosthenous (email: demosthenous.niki@ucy.ac.cy)

* Anastasia Dimiski (email: dimiski.c.anastasia@ucy.ac.cy)

* Nicoletta Pashourtidou (email: pashourtidou.nicoletta@ucy.ac.cy)

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