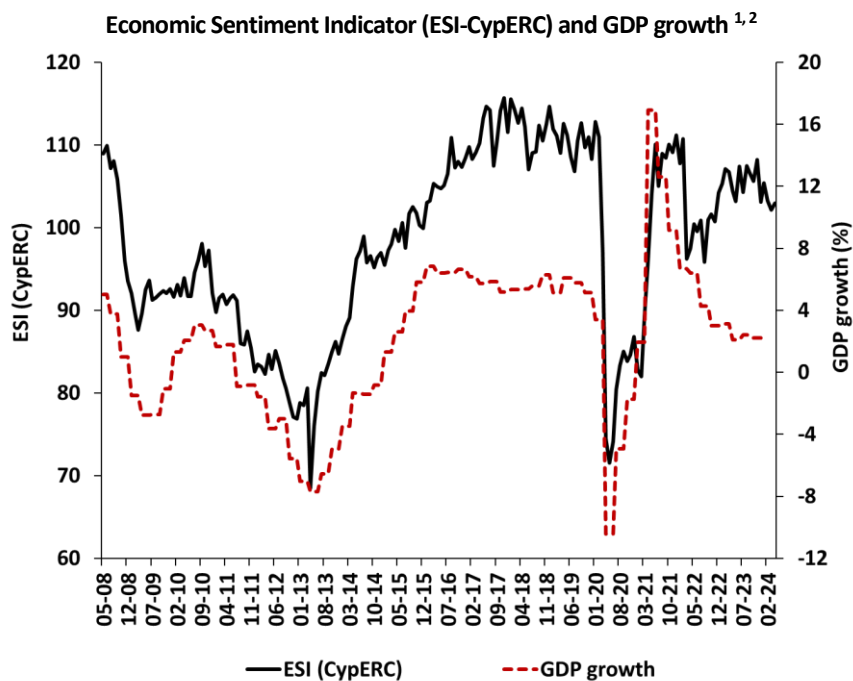


BUSINESS AND CONSUMER SURVEYS

April 2024

Summary

- In April 2024, economic sentiment in Cyprus improved after two months of deterioration, as the Economic Sentiment Indicator (ESI-CypERC) increased by 0.8 points compared with March. The increase in the ESI-CypERC was driven by gains in business confidence in all sectors. Consumer confidence weakened in April, owing to a deterioration in expectations.
- The Services Confidence Indicator increased marginally, as a result of upward revisions in turnover expectations.
- The increase in the Retail Trade Confidence Indicator was driven by improved views on the current stock levels and upward revisions in sales expectations.
- The increase in the Construction Confidence Indicator was due to improved assessments of the current levels of order books and upward revisions in employment expectations.
- The Industry Confidence Indicator rose markedly, as all its components improved (i.e. views on current overall order books, assessments of the stocks of finished products, and production expectations).
- The Consumer Confidence Indicator declined in April, as consumers lowered their expectations about their financial situation and about the general economic conditions in the country. In April, consumers' intentions to make major purchases over the next months remained about as weak as in March.
- In April, economic uncertainty in Cyprus increased marginally, on account of higher uncertainty experienced by firms in services and retail trade.



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			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) ²	104.5	103.1	107.4	104.3	107.5	106.6	105.6	108.2	103.1	105.4	103.3	102.1	102.9	
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	31.2	29.8	19.7	30.3	21.3	29.6	25.2	23.7	39.2	35.8	31.5	29.5	30.8	
SERVICES														
Services Confidence Indicator ³	21	15	27	18	29	30	26	34	12	21	17	14	15	
Business situation, past 3 months ⁴	40	29	42	35	35	32	37	46	28	17	23	32	26	
Turnover (demand), past 3 months ⁴	27	7	27	14	27	33	28	40	0	19	16	16	12	
Expected turnover (demand), next 3 months ⁴	-4	10	12	4	26	26	13	15	8	27	12	-6	9	
Employment, past 3 months	12	10	7	-3	5	-4	8	13	-9	-6	4	12	5	
Expected employment, next 3 months	12	12	5	6	7	5	11	13	-19	1	10	23	9	
Expected selling prices, next 3 months	42	46	39	37	39	36	33	36	34	25	34	39	31	
Uncertainty: difficulty predicting business situation ^{5, 6}	35	30	14	30	15	26	21	17	46	38	32	26	30	
RETAIL TRADE														
Retail Trade Confidence Indicator ³	0	1	2	2	3	1	0	0	0	1	-2	-6	-4	
Business activity (sales), past 3 months ⁴	-2	-11	-13	-10	-9	-11	-9	-3	-2	-3	-4	-5	-6	
Stock of goods ⁴	-9	-12	-11	-9	-9	-3	1	-2	-3	2	1	0	-3	
Expected business activity (sales), next 3 months ⁴	-8	0	7	6	10	11	10	1	0	7	-2	-12	-9	
Orders placed with suppliers, next 3 months	-8	0	1	-2	1	4	1	-3	-4	3	-8	-14	-16	
Expected employment, next 3 months	2	1	0	0	-1	0	1	1	1	2	1	2	1	
Expected selling prices, next 3 months	55	49	47	42	50	49	46	41	42	37	41	47	50	
Uncertainty: difficulty predicting business situation ^{5, 6}	66	60	72	62	65	63	59	65	63	67	67	70	75	
CONSTRUCTION														
Construction Confidence Indicator ³	-13	-11	-13	-8	-11	-10	-6	1	-3	-7	-2	-4	1	
Building activity, past 3 months	1	-5	-4	-2	-7	-2	-2	3	8	0	7	10	8	
Current overall order books ⁴	-25	-19	-22	-13	-18	-18	-17	-10	-13	-18	-12	-13	-5	
Expected employment, next 3 months ⁴	-1	-3	-5	-3	-4	-2	5	12	7	4	8	5	8	
Expected selling prices, next 3 months	74	66	70	65	68	75	72	69	63	59	57	66	64	
Uncertainty: difficulty predicting business situation ^{5, 6}	44	40	36	37	36	42	44	48	37	44	34	42	27	
INDUSTRY														
Industrial Confidence Indicator ³	-2	1	3	5	2	0	0	-3	1	0	-1	-6	0	
Production, past 3 months	-2	-1	6	6	9	10	9	-2	-3	-2	2	9	2	
Current overall order books ⁴	-28	-26	-27	-24	-29	-27	-27	-30	-27	-26	-27	-22	-18	
Current export order books	-33	-48	-6	-10	-33	-37	-24	-49	-55	-43	-35	-45	-36	
Stock of finished products ⁴	-18	-22	-25	-14	-20	-19	-17	-16	-20	-17	-22	-9	-17	
Expected production, next 3 months ⁴	4	7	12	26	13	7	12	5	9	10	2	-4	1	
Expected employment, next 3 months	0	1	0	1	0	0	0	0	0	0	1	0	1	
Expected selling prices, next 3 months	28	25	4	9	14	20	20	16	7	6	14	22	21	
Uncertainty: difficulty predicting business situation ^{5, 6}	61	67	64	68	67	69	63	66	68	61	70	70	69	
CONSUMERS														
Consumer Confidence Indicator ³	-25	-26	-20	-22	-24	-28	-28	-27	-22	-22	-27	-24	-27	
Financial situation of household, past 12 months ⁴	-18	-21	-16	-16	-16	-28	-18	-20	-14	-16	-22	-19	-19	
Expected financial situation of household, next 12 months ⁴	-10	-13	-9	-12	-13	-18	-19	-13	-9	-9	-14	-11	-17	
General economic situation in Cyprus, past 12 months	-42	-46	-43	-46	-48	-57	-58	-49	-40	-40	-47	-41	-47	
Expected general economic situation in Cyprus, next 12 months ⁴	-31	-27	-24	-36	-41	-41	-52	-40	-30	-33	-40	-33	-39	
Consumer prices, past 12 months	85	87	78	77	77	80	78	75	76	73	71	72	74	
Expected consumer prices, next 12 months	20	7	16	27	26	25	44	21	18	31	29	22	35	
Expected unemployment in Cyprus, next 12 months	18	16	18	18	17	18	22	17	18	17	17	14	13	
Major purchases at present	-46	-52	-44	-45	-42	-51	-49	-44	-39	-37	-36	-38	-41	
Major purchases intentions, next 12 months ⁴	-42	-43	-30	-24	-27	-24	-21	-33	-34	-31	-31	-33	-32	
Savings at present	-20	-24	-24	-23	-15	-25	-21	-21	-23	-16	-23	-24	-25	
Savings intentions, next 12 months	-32	-38	-43	-42	-35	-39	-33	-34	-31	-25	-39	-38	-34	
Statement on the current financial condition of household	16	14	14	15	17	16	15	15	17	15	9	15	13	
Uncertainty: difficulty predicting household's financial situation ^{5, 6}	-7	0	-3	5	2	9	5	6	2	8	2	8	3	

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.

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