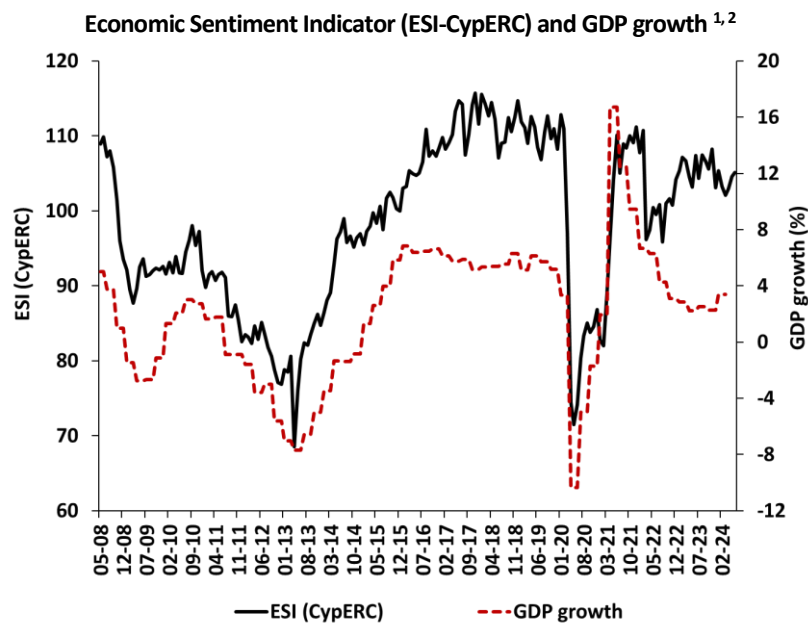


## BUSINESS AND CONSUMER SURVEYS

June 2024

### Summary

- In June 2024, economic sentiment in Cyprus improved slightly, as the Economic Sentiment Indicator (ESI-CypERC) increased by 0.6 points compared with May. The increase in the ESI-CypERC was driven by stronger consumer confidence and a small pickup in business confidence in services.
- The small increase in the Services Confidence Indicator resulted from firms' improved assessments of their recent performance (business situation and turnover).
- The Retail Trade Confidence Indicator remained unchanged, as the improvement in sales expectations was offset by a deterioration in views on recent sales.
- The decline in the Construction Confidence Indicator, for second month in row, was due to worsening assessments of the level of order books, and downward revisions in employment expectations.
- The Industry Confidence Indicator decreased slightly mainly because of worsening views on the current level of order books.
- The Consumer Confidence Indicator rose again in June, as consumers' intentions to make major purchases over the next months strengthened markedly. Moreover, consumers' expectations about their financial situation and the general economic conditions in Cyprus improved further in June.
- Compared to May, consumers and firms in services reported a higher degree of difficulty in predicting their financial situation in June, leading to an increase in economic uncertainty. However, economic uncertainty in June remained below the levels registered in the first four months of 2024.



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).

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Indicators and balances <sup>1</sup>

Month	2023							2024					
	6	7	8	9	10	11	12	1	2	3	4	5	6
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) <sup>2</sup>	107.4	104.3	107.5	106.6	105.6	108.2	103.1	105.4	103.3	102.1	102.9	104.5	105.1
ECONOMIC UNCERTAINTY INDICATOR (CypERC) <sup>2</sup>	19.7	30.3	21.3	29.6	25.2	23.7	39.2	35.8	31.5	29.5	30.8	22.3	28.6
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	27	18	29	30	26	34	12	21	17	14	15	21	23
Business situation, past 3 months <sup>4</sup>	42	35	35	32	37	46	28	17	23	32	26	36	38
Turnover (demand), past 3 months <sup>4</sup>	27	14	27	33	28	40	0	19	16	16	12	22	27
Expected turnover (demand), next 3 months <sup>4</sup>	12	4	26	26	13	15	8	27	12	-6	9	6	3
Employment, past 3 months	7	-3	5	-4	8	13	-9	-6	4	12	5	4	10
Expected employment, next 3 months	5	6	7	5	11	13	-19	1	10	23	9	6	7
Expected selling prices, next 3 months	39	37	39	36	33	36	34	25	34	39	31	27	37
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	14	30	15	26	21	17	46	38	32	26	30	20	28
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	2	2	3	1	0	0	0	1	-2	-6	-4	-6	-6
Business activity (sales), past 3 months <sup>4</sup>	-13	-10	-9	-11	-9	-3	-2	-3	-4	-5	-6	-10	-13
Stock of goods <sup>4</sup>	-11	-9	-9	-3	1	-2	-3	2	1	0	-3	-4	-4
Expected business activity (sales), next 3 months <sup>4</sup>	7	6	10	11	10	1	0	7	-2	-12	-9	-11	-9
Orders placed with suppliers, next 3 months	1	-2	1	4	1	-3	-4	3	-8	-14	-16	-16	-15
Expected employment, next 3 months	0	0	-1	0	1	1	1	2	1	2	1	3	1
Expected selling prices, next 3 months	47	42	50	49	46	41	42	37	41	47	50	48	42
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	72	62	65	63	59	65	63	67	67	70	75	67	65
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-13	-8	-11	-10	-6	1	-3	-7	-2	-4	1	-5	-8
Building activity, past 3 months	-4	-2	-7	-2	-2	3	8	0	7	10	8	6	8
Current overall order books <sup>4</sup>	-22	-13	-18	-18	-17	-10	-13	-18	-12	-13	-5	-13	-16
Expected employment, next 3 months <sup>4</sup>	-5	-3	-4	-2	5	12	7	4	8	5	8	4	0
Expected selling prices, next 3 months	70	65	68	75	72	69	63	59	57	66	64	66	59
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	36	37	36	42	44	48	37	44	34	42	27	31	25
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	3	5	2	0	0	-3	1	0	-1	-6	0	0	-1
Production, past 3 months	6	6	9	10	9	-2	-3	-2	2	9	2	-2	-3
Current overall order books <sup>4</sup>	-27	-24	-29	-27	-27	-30	-27	-26	-27	-22	-18	-20	-22
Current export order books	-6	-10	-33	-37	-24	-49	-55	-43	-35	-45	-36	-28	-39
Stock of finished products <sup>4</sup>	-25	-14	-20	-19	-17	-16	-20	-17	-22	-9	-17	-15	-14
Expected production, next 3 months <sup>4</sup>	12	26	13	7	12	5	9	10	2	-4	1	6	5
Expected employment, next 3 months	0	1	0	0	0	0	0	0	1	0	1	0	1
Expected selling prices, next 3 months	4	9	14	20	20	16	7	6	14	22	21	20	16
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	64	68	67	69	63	66	68	61	70	70	69	67	69
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-20	-22	-24	-28	-28	-27	-22	-22	-27	-24	-27	-26	-21
Financial situation of household, past 12 months <sup>4</sup>	-16	-16	-16	-28	-18	-20	-14	-16	-22	-19	-19	-18	-17
Expected financial situation of household, next 12 months <sup>4</sup>	-9	-12	-13	-18	-19	-13	-9	-9	-14	-11	-17	-14	-11
General economic situation in Cyprus, past 12 months	-43	-46	-48	-57	-58	-49	-40	-40	-47	-41	-47	-42	-47
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-24	-36	-41	-41	-52	-40	-30	-33	-40	-33	-39	-36	-33
Consumer prices, past 12 months	78	77	77	80	78	75	76	73	71	72	74	76	74
Expected consumer prices, next 12 months	16	27	26	25	44	21	18	31	29	22	35	31	26
Expected unemployment in Cyprus, next 12 months	18	18	17	18	22	17	18	17	17	14	13	14	13
Major purchases at present	-44	-45	-42	-51	-49	-44	-39	-37	-36	-38	-41	-37	-43
Major purchases intentions, next 12 months <sup>4</sup>	-30	-24	-27	-24	-21	-33	-34	-31	-31	-33	-32	-34	-22
Savings at present	-24	-23	-15	-25	-21	-21	-23	-16	-23	-24	-25	-21	-29
Savings intentions, next 12 months	-43	-42	-35	-39	-33	-34	-31	-25	-39	-38	-34	-40	-38
Statement on the current financial condition of household	14	15	17	16	15	15	17	15	9	15	13	14	12
Uncertainty: difficulty predicting household's financial situation <sup>5, 6</sup>	-3	5	2	9	5	6	2	8	2	8	3	-4	4

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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