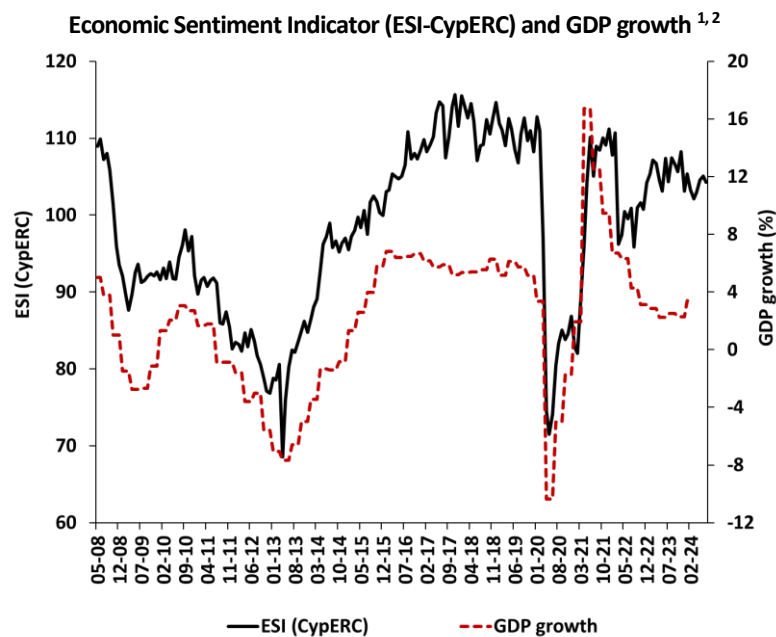


BUSINESS AND CONSUMER SURVEYS

July 2024

Summary

- In July 2024, economic sentiment in Cyprus deteriorated slightly, as the Economic Sentiment Indicator (ESI-CypERC) decreased by 0.8 points compared with June. The decrease in the ESI-CypERC was mainly driven by weaker business confidence in services.
- Despite the improvement in firms' employment expectations, the Services Confidence Indicator decreased, as firms assessed their recent performance (i.e. business situation and demand) less favourably in July.
- The Retail Trade Confidence Indicator increased markedly, driven by improvements in all of its components, i.e. assessments of recent sales, views on current stock levels, and sales expectations.
- The strong pickup in the Construction Confidence Indicator was due to improved assessments of the current levels of order books and upward revisions in employment expectations.
- The slight decrease in the Industry Confidence Indicator stemmed from worsening views on the current level of order books and downward revisions in production expectations, despite improved views on the stocks of finished products.
- The Consumer Confidence Indicator declined marginally in July as consumers' expectations about their financial situation were revised downwards and consumers' intentions to make major purchases weakened slightly.
- In July, economic uncertainty in Cyprus registered a small decline, owing to lower uncertainty among consumers as well as among firms in all sectors except construction.



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).

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 ¹

Month	2023						2024						
	7	8	9	10	11	12	1	2	3	4	5	6	7
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) ²	104.3	107.5	106.6	105.6	108.2	103.1	105.4	103.3	102.1	102.9	104.5	105.1	104.3
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	30.3	21.3	29.6	25.2	23.7	39.2	35.8	31.5	29.5	30.8	22.3	28.6	26.9
SERVICES													
Services Confidence Indicator ³	18	29	30	26	34	12	21	17	14	15	21	23	17
Business situation, past 3 months ⁴	35	35	32	37	46	28	17	23	32	26	36	38	29
Turnover (demand), past 3 months ⁴	14	27	33	28	40	0	19	16	16	12	22	27	12
Expected turnover (demand), next 3 months ⁴	4	26	26	13	15	8	27	12	-6	9	6	3	10
Expected employment, next 3 months	6	7	5	11	13	-19	1	10	23	9	6	7	18
Expected selling prices, next 3 months	37	39	36	33	36	34	25	34	39	31	27	37	30
Uncertainty: difficulty predicting business situation ^{5, 6}	30	15	26	21	17	46	38	32	26	30	20	28	26
RETAIL TRADE													
Retail Trade Confidence Indicator ³	2	3	1	0	0	0	1	-2	-6	-4	-6	-6	1
Business activity (sales), past 3 months ⁴	-10	-9	-11	-9	-3	-2	-3	-4	-5	-6	-10	-13	-8
Stock of goods ⁴	-9	-9	-3	1	-2	-3	2	1	0	-3	-4	-4	-8
Expected business activity (sales), next 3 months ⁴	6	10	11	10	1	0	7	-2	-12	-9	-11	-9	3
Orders placed with suppliers, next 3 months	-2	1	4	1	-3	-4	3	-8	-14	-16	-16	-15	1
Expected employment, next 3 months	0	-1	0	1	1	1	2	1	2	1	3	1	2
Expected selling prices, next 3 months	42	50	49	46	41	42	37	41	47	50	48	42	46
Uncertainty: difficulty predicting business situation ^{5, 6}	62	65	63	59	65	63	67	67	70	75	67	65	62
CONSTRUCTION													
Construction Confidence Indicator ³	-8	-11	-10	-6	1	-3	-7	-2	-4	1	-5	-8	0
Building activity, past 3 months	-2	-7	-2	-2	3	8	0	7	10	8	6	8	15
Current overall order books ⁴	-13	-18	-18	-17	-10	-13	-18	-12	-13	-5	-13	-16	-10
Expected employment, next 3 months ⁴	-3	-4	-2	5	12	7	4	8	5	8	4	0	10
Expected selling prices, next 3 months	65	68	75	72	69	63	59	57	66	64	66	59	57
Uncertainty: difficulty predicting business situation ^{5, 6}	37	36	42	44	48	37	44	34	42	27	31	25	34
INDUSTRY													
Industrial Confidence Indicator ³	5	2	0	0	-3	1	0	-1	-6	0	0	-1	-2
Production, past 3 months	6	9	10	9	-2	-3	-2	2	9	2	-2	-3	-3
Current overall order books ⁴	-24	-29	-27	-27	-30	-27	-26	-27	-22	-18	-20	-22	-25
Current export order books	-10	-33	-37	-24	-49	-55	-43	-35	-45	-36	-28	-39	-50
Stock of finished products ⁴	-14	-20	-19	-17	-16	-20	-17	-22	-9	-17	-15	-14	-22
Expected production, next 3 months ⁴	26	13	7	12	5	9	10	2	-4	1	6	5	-3
Expected employment, next 3 months	1	0	0	0	0	0	0	1	0	1	0	1	1
Expected selling prices, next 3 months	9	14	20	20	16	7	6	14	22	21	20	16	6
Uncertainty: difficulty predicting business situation ^{5, 6}	68	67	69	63	66	68	61	70	70	69	67	69	68
CONSUMERS													
Consumer Confidence Indicator ³	-22	-24	-28	-28	-27	-22	-22	-27	-24	-27	-26	-21	-22
Financial situation of household, past 12 months ⁴	-16	-16	-28	-18	-20	-14	-16	-22	-19	-19	-18	-17	-16
Expected financial situation of household, next 12 months ⁴	-12	-13	-18	-19	-13	-9	-9	-14	-11	-17	-14	-11	-14
General economic situation in Cyprus, past 12 months	-46	-48	-57	-58	-49	-40	-40	-47	-41	-47	-42	-47	-44
Expected general economic situation in Cyprus, next 12 months ⁴	-36	-41	-41	-52	-40	-30	-33	-40	-33	-39	-36	-33	-34
Consumer prices, past 12 months	77	77	80	78	75	76	73	71	72	74	76	74	74
Expected consumer prices, next 12 months	27	26	25	44	21	18	31	29	22	35	31	26	24
Expected unemployment in Cyprus, next 12 months	18	17	18	22	17	18	17	17	14	13	14	13	15
Major purchases at present	-45	-42	-51	-49	-44	-39	-37	-36	-38	-41	-37	-43	-35
Major purchases intentions, next 12 months ⁴	-24	-27	-24	-21	-33	-34	-31	-31	-33	-32	-34	-22	-24
Savings intentions, next 12 months	-42	-35	-39	-33	-34	-31	-25	-39	-38	-34	-40	-38	-33
Statement on the current financial condition of household	15	17	16	15	15	17	15	9	15	13	14	12	16
Uncertainty: difficulty predicting household's financial situation ^{5, 6}	5	2	9	5	6	2	8	2	8	3	-4	4	-1

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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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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