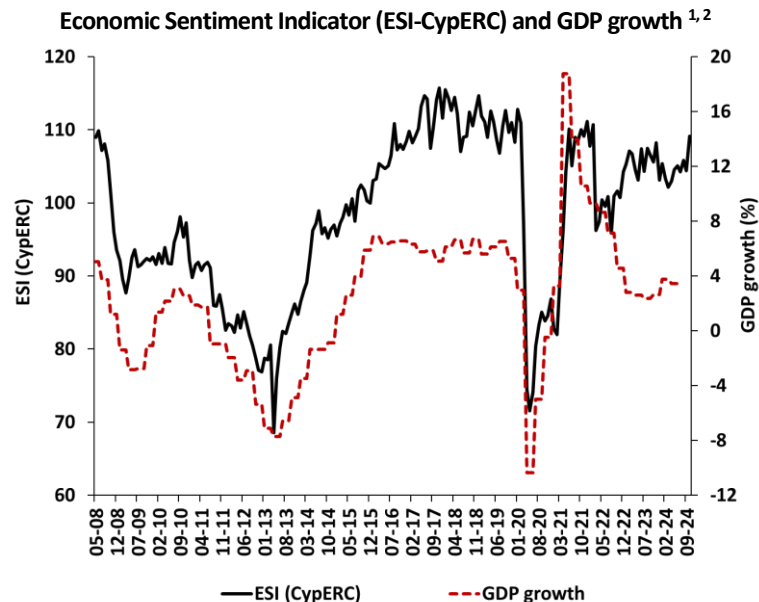


BUSINESS AND CONSUMER SURVEYS

October 2024

Summary

- In October 2024, economic sentiment in Cyprus improved, as the Economic Sentiment Indicator (ESI-CypERC) increased by 4.7 points compared to September 2024. The increase in the ESI-CypERC, was mainly driven by stronger business confidence in services.
- The increase in the Services Confidence Indicator resulted from firms' improved views on all the components of the indicator namely, past business situation as well as past and expected demand (i.e. turnover).
- The Retail Trade Confidence Indicator decreased marginally, as firms assessed their current stock levels less favourably and revised their sales expectations downwards.
- The small increase in the Construction Confidence Indicator was due to improvements in the assessments of the current levels of order books and upward revisions in employment expectations.
- The Industry Confidence Indicator declined markedly in October, driven by a deterioration in firms' views on all the components of the indicator, namely current levels of order books, stocks of finished products and expected production.
- The Consumer Confidence Indicator decreased slightly in October. More specifically, consumers assessed their recent financial situation less favourably and lowered their expectations about their future financial situation and the economic conditions in Cyprus. Nevertheless, consumers' intentions to make major purchases strengthened in October.
- The Economic Uncertainty Indicator for Cyprus decreased in October for the second consecutive month. Uncertainty about the future business situation declined sharply among firms in services, while smaller declines in uncertainty were registered among firms in construction and manufacturing. Consumers' uncertainty about their future financial situation rose in October, driven by higher uncertainty among households in the middle 50% of the income distribution.



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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	105.6	108.2	103.1	105.4	103.3	102.1	102.9	104.5	105.1	104.3	105.8	104.4	109.1
ECONOMIC UNCERTAINTY INDICATOR (CypERC)²	25.2	23.7	39.2	35.8	31.5	29.5	30.8	22.3	28.6	26.9	41.9	27.3	14.7
SERVICES													
Services Confidence Indicator ³	26	34	12	21	17	14	15	21	23	17	24	17	36
Business situation, past 3 months ⁴	37	46	28	17	23	32	26	36	38	29	33	28	40
Turnover (demand), past 3 months ⁴	28	40	0	19	16	16	12	22	27	12	22	10	33
Expected turnover (demand), next 3 months ⁴	13	15	8	27	12	-6	9	6	3	10	18	14	35
Expected employment, next 3 months	11	13	-19	1	10	23	9	6	7	18	14	15	4
Expected selling prices, next 3 months	33	36	34	25	34	39	31	27	37	30	27	29	14
Uncertainty: difficulty predicting business situation 5, 6	21	17	46	38	32	26	30	20	28	26	49	29	5
RETAIL TRADE													
Retail Trade Confidence Indicator ³	0	0	0	1	-2	-6	-4	-6	-6	1	-2	3	2
Business activity (sales), past 3 months ⁴	-9	-3	-2	-3	-4	-5	-6	-10	-13	-8	-13	-4	-5
Stock of goods ⁴	1	-2	-3	2	1	0	-3	-4	-4	-8	-6	-7	-10
Expected business activity (sales), next 3 months ⁴	10	1	0	7	-2	-12	-9	-11	-9	3	1	7	2
Orders placed with suppliers, next 3 months	1	-3	-4	3	-8	-14	-16	-16	-15	1	-2	7	1
Expected employment, next 3 months	1	1	1	2	1	2	1	3	1	2	1	3	2
Expected selling prices, next 3 months	46	41	42	37	41	47	50	48	42	46	40	36	46
Uncertainty: difficulty predicting business situation 5, 6	59	65	63	67	67	70	75	67	65	62	65	56	59
CONSTRUCTION													
Construction Confidence Indicator ³	-6	1	-3	-7	-2	-4	1	-5	-8	0	3	-1	2
Building activity, past 3 months	-2	3	8	0	7	10	8	6	8	15	5	5	9
Current overall order books ⁴	-17	-10	-13	-18	-12	-13	-5	-13	-16	-10	-7	-10	-7
Expected employment, next 3 months ⁴	5	12	7	4	8	5	8	4	0	10	12	8	10
Expected selling prices, next 3 months	72	69	63	59	57	66	64	66	59	57	55	56	41
Uncertainty: difficulty predicting business situation 5, 6	44	48	37	44	34	42	27	31	25	34	38	35	29
INDUSTRY													
Industrial Confidence Indicator ³	0	-3	1	0	-1	-6	0	0	-1	-2	0	3	-3
Production, past 3 months	9	-2	-3	-2	2	9	2	-2	-3	-3	-6	-3	-1
Current overall order books ⁴	-27	-30	-27	-26	-27	-22	-18	-20	-22	-25	-28	-20	-26
Current export order books	-24	-49	-55	-43	-35	-45	-36	-28	-39	-50	-57	-64	-81
Stock of finished products ⁴	-17	-16	-20	-17	-22	-9	-17	-15	-14	-22	-25	-23	-17
Expected production, next 3 months ⁴	12	5	9	10	2	-4	1	6	5	-3	3	6	1
Expected employment, next 3 months	0	0	0	0	1	0	1	0	1	1	1	0	0
Expected selling prices, next 3 months	20	16	7	6	14	22	21	20	16	6	15	16	20
Uncertainty: difficulty predicting business situation 5, 6	63	66	68	61	70	70	69	67	69	68	69	66	60
CONSUMERS													
Consumer Confidence Indicator ³	-28	-27	-22	-22	-27	-24	-27	-26	-21	-22	-27	-26	-27
Financial situation of household, past 12 months ⁴	-18	-20	-14	-16	-22	-19	-19	-18	-17	-16	-19	-17	-20
Expected financial situation of household, next 12 months ⁴	-19	-13	-9	-9	-14	-11	-17	-14	-11	-14	-17	-13	-17
General economic situation in Cyprus, past 12 months	-58	-49	-40	-40	-47	-41	-47	-42	-47	-44	-45	-53	-51
Expected general economic situation in Cyprus, next 12 months ⁴	-52	-40	-30	-33	-40	-33	-39	-36	-33	-34	-41	-40	-45
Consumer prices, past 12 months	78	75	76	73	71	72	74	76	74	74	77	77	79
Expected consumer prices, next 12 months	44	21	18	31	29	22	35	31	26	24	41	27	39
Expected unemployment in Cyprus, next 12 months	22	17	18	17	17	14	13	14	13	15	19	18	17
Major purchases at present	-49	-44	-39	-37	-36	-38	-41	-37	-43	-35	-40	-40	-40
Major purchases intentions, next 12 months ⁴	-21	-33	-34	-31	-31	-33	-32	-34	-22	-24	-32	-33	-25
Savings intentions, next 12 months	-33	-34	-31	-25	-39	-38	-34	-40	-38	-33	-31	-30	-31
Statement on the current financial condition of household	15	15	17	15	9	15	13	14	12	16	16	13	15
Uncertainty: difficulty predicting household's financial situation 5, 6	5	6	2	8	2	8	3	-4	4	-1	5	-4	4

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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