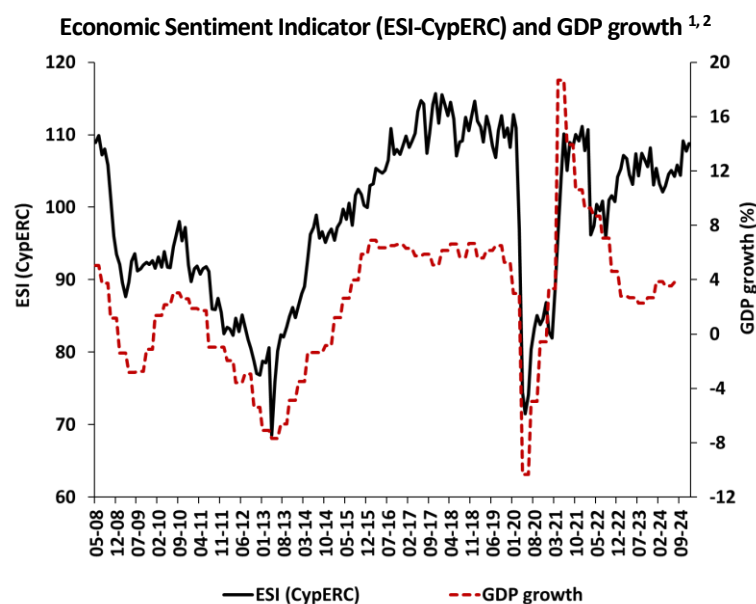


BUSINESS AND CONSUMER SURVEYS

December 2024

Summary

- In December 2024, economic sentiment in Cyprus improved, as the Economic Sentiment Indicator (ESI-CypERC) increased by 1.0 point compared to November 2024. The increase in the ESI-CypERC was driven by stronger consumer confidence and, to a lesser extent, by higher business confidence in industry.
- The Services Confidence Indicator remained unchanged, as lower demand (i.e. turnover) expectations were offset by improved assessments of the past business situation.
- The Retail Trade Confidence Indicator remained stable, as the deterioration in views on recent sales and stock levels was counterbalanced by the improvement in sales expectations.
- The Construction Confidence Indicator declined slightly for the second month in a row in December because of downward revisions in employment expectations.
- The increase in the Industry Confidence Indicator mainly resulted from improvements in firms' assessments of the current level of order books and upward revisions in production expectations.
- The Consumer Confidence Indicator rose for the second consecutive month in December. The marked increase in consumer confidence was driven by consumers' improved views on their recent and future financial situation, as well as by upward revisions in consumers' expectations about the economic conditions in Cyprus.
- The Economic Uncertainty Indicator for Cyprus increased in December, owing to higher uncertainty among firms in services and retail trade. Despite the December increase, uncertainty in services has remained relatively low. Uncertainty among construction firms and among consumers declined markedly in December.



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											
	12	1	2	3	4	5	6	7	8	9	10	11	12
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) ²	103.1	105.4	103.3	102.1	102.9	104.5	105.1	104.3	105.8	104.4	109.1	107.8	108.8
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	39.2	35.8	31.5	29.5	30.8	22.3	28.6	26.9	41.9	27.3	14.7	9.1	17.8
SERVICES													
Services Confidence Indicator ³	12	21	17	14	15	21	23	17	24	17	36	28	28
Business situation, past 3 months ⁴	28	17	23	32	26	36	38	29	33	28	40	23	31
Turnover (demand), past 3 months ⁴	0	19	16	16	12	22	27	12	22	10	33	27	27
Expected turnover (demand), next 3 months ⁴	8	27	12	-6	9	6	3	10	18	14	35	35	25
Expected employment, next 3 months	-19	1	10	23	9	6	7	18	14	15	4	4	2
Expected selling prices, next 3 months	34	25	34	39	31	27	37	30	27	29	14	4	4
Uncertainty: difficulty predicting business situation ^{5, 6}	46	38	32	26	30	20	28	26	49	29	5	-4	16
RETAIL TRADE													
Retail Trade Confidence Indicator ³	0	1	-2	-6	-4	-6	-6	1	-2	3	2	0	0
Business activity (sales), past 3 months ⁴	-2	-3	-4	-5	-6	-10	-13	-8	-13	-4	-5	-4	-8
Stock of goods ⁴	-3	2	1	0	-3	-4	-4	-8	-6	-7	-10	-10	-7
Expected business activity (sales), next 3 months ⁴	0	7	-2	-12	-9	-11	-9	3	1	7	2	-5	3
Orders placed with suppliers, next 3 months	-4	3	-8	-14	-16	-16	-15	1	-2	7	1	-10	-2
Expected employment, next 3 months	1	2	1	2	1	3	1	2	1	3	2	2	1
Expected selling prices, next 3 months	42	37	41	47	50	48	42	46	40	36	46	45	44
Uncertainty: difficulty predicting business situation ^{5, 6}	63	67	67	70	75	67	65	62	65	56	59	59	64
CONSTRUCTION													
Construction Confidence Indicator ³	-3	-7	-2	-4	1	-5	-8	0	3	-1	2	1	0
Building activity, past 3 months	8	0	7	10	8	6	8	15	5	5	9	0	6
Current overall order books ⁴	-13	-18	-12	-13	-5	-13	-16	-10	-7	-10	-7	-10	-2
Expected employment, next 3 months ⁴	7	4	8	5	8	4	0	10	12	8	10	12	2
Expected selling prices, next 3 months	63	59	57	66	64	66	59	57	55	56	41	17	18
Uncertainty: difficulty predicting business situation ^{5, 6}	37	44	34	42	27	31	25	34	38	35	29	17	9
INDUSTRY													
Industrial Confidence Indicator ³	1	0	-1	-6	0	0	-1	-2	0	3	-3	-1	2
Production, past 3 months	-3	-2	2	9	2	-2	-3	-3	-6	-3	-1	-7	-1
Current overall order books ⁴	-27	-26	-27	-22	-18	-20	-22	-25	-28	-20	-26	-24	-18
Current export order books	-55	-43	-35	-45	-36	-28	-39	-50	-57	-64	-81	-32	-33
Stock of finished products ⁴	-20	-17	-22	-9	-17	-15	-14	-22	-25	-23	-17	-23	-24
Expected production, next 3 months ⁴	9	10	2	-4	1	6	5	-3	3	6	1	-3	2
Expected employment, next 3 months	0	0	1	0	1	0	1	1	1	0	0	0	1
Expected selling prices, next 3 months	7	6	14	22	21	20	16	6	15	16	20	25	19
Uncertainty: difficulty predicting business situation ^{5, 6}	68	61	70	70	69	67	69	68	69	66	60	69	68
CONSUMERS													
Consumer Confidence Indicator ³	-22	-22	-27	-24	-27	-26	-21	-22	-27	-26	-27	-22	-15
Financial situation of household, past 12 months ⁴	-14	-16	-22	-19	-19	-18	-17	-16	-19	-17	-20	-17	-9
Expected financial situation of household, next 12 months ⁴	-9	-9	-14	-11	-17	-14	-11	-14	-17	-13	-17	-15	-5
General economic situation in Cyprus, past 12 months	-40	-40	-47	-41	-47	-42	-47	-44	-45	-53	-51	-49	-33
Expected general economic situation in Cyprus, next 12 months ⁴	-30	-33	-40	-33	-39	-36	-33	-34	-41	-40	-45	-35	-25
Consumer prices, past 12 months	76	73	71	72	74	76	74	74	77	77	79	77	78
Expected consumer prices, next 12 months	18	31	29	22	35	31	26	24	41	27	39	29	28
Expected unemployment in Cyprus, next 12 months	18	17	17	14	13	14	13	15	19	18	17	14	7
Major purchases at present	-39	-37	-36	-38	-41	-37	-43	-35	-40	-40	-40	-42	-34
Major purchases intentions, next 12 months ⁴	-34	-31	-31	-33	-32	-34	-22	-24	-32	-33	-25	-20	-21
Savings intentions, next 12 months	-31	-25	-39	-38	-34	-40	-38	-33	-31	-30	-31	-36	-24
Statement on the current financial condition of household	17	15	9	15	13	14	12	16	16	13	15	13	22
Uncertainty: difficulty predicting household's financial situation ^{5, 6}	2	8	2	8	3	-4	4	-1	5	-4	4	5	-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 [Methodological User Guide](#); 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 [Methodological User Guide](#). 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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