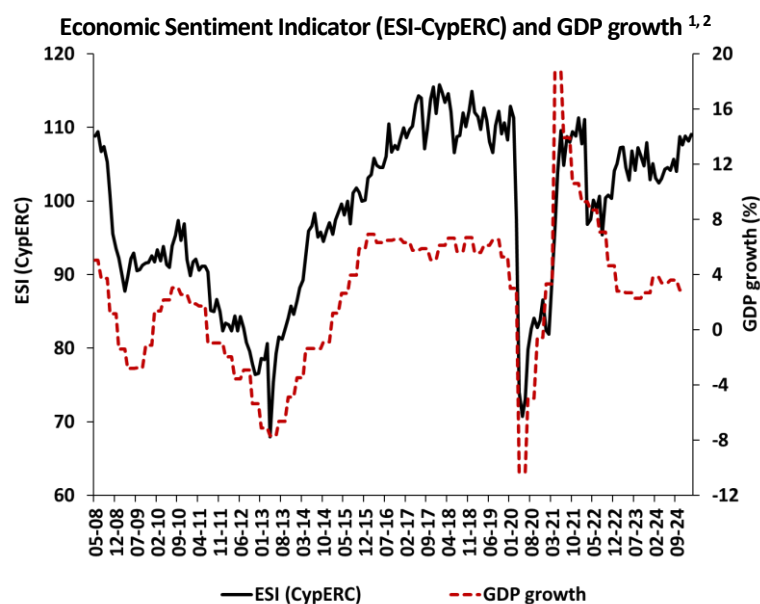


## BUSINESS AND CONSUMER SURVEYS

### February 2025

#### Summary

- In February 2025, economic sentiment in Cyprus improved slightly, as the Economic Sentiment Indicator (ESI-CypERC) increased by 0.8 points compared to January 2025. The increase in the ESI-CypERC was driven by stronger business confidence in all sectors except retail trade.
- The increase in the Services Confidence Indicator stemmed from firms' improved assessments of their turnover performance.
- The Retail Trade Confidence Indicator remained stable, as the deterioration in sales expectations was offset by the improvement in views on recent sales.
- The Construction Confidence Indicator picked up markedly, because of improved assessments of the current levels of order books and upward revisions in employment expectations.
- The Industry Confidence Indicator rose slightly, as firms expressed more favourable views on the current level of order books.
- The Consumer Confidence Indicator declined in February for the second consecutive month. Although consumers' assessments of their recent financial situation improved marginally, consumers' expectations about their future financial situation and the economic conditions in Cyprus worsened. However, consumers' intentions to make major purchases strengthened markedly in February.
- The Economic Uncertainty Indicator for Cyprus decreased again in February, owing to further declines in uncertainty levels among firms in the services and construction sectors.



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	2024											2025	
	2	3	4	5	6	7	8	9	10	11	12	1	2
ECONOMIC SENTIMENT INDICATOR (ESI CypERC) <sup>2</sup>	103.1	102.5	103.0	104.3	104.6	104.2	105.6	104.0	108.7	107.6	108.8	108.2	109.0
ECONOMIC UNCERTAINTY INDICATOR (CypERC) <sup>2</sup>	31.5	29.5	30.8	22.3	28.6	26.9	41.9	27.3	14.7	9.1	17.8	17.0	13.7
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	17	16	17	21	22	17	24	17	35	28	28	29	31
Business situation, past 3 months <sup>4</sup>	27	35	29	33	36	26	31	25	37	25	32	30	29
Turnover (demand), past 3 months <sup>4</sup>	14	18	12	24	25	15	23	10	32	24	27	25	36
Expected turnover (demand), next 3 months <sup>4</sup>	11	-5	9	7	4	11	19	15	35	35	26	32	30
Expected employment, next 3 months	8	28	6	4	3	19	13	16	6	6	5	-3	-3
Expected selling prices, next 3 months	35	38	30	25	33	24	21	24	12	6	5	10	0
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	32	26	30	20	28	26	49	29	5	-4	16	13	6
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	-3	-6	-4	-5	-6	1	-2	3	2	1	0	1	1
Business activity (sales), past 3 months <sup>4</sup>	-4	-5	-7	-10	-13	-8	-12	-4	-6	-4	-9	-11	-1
Stock of goods <sup>4</sup>	0	0	-3	-4	-4	-9	-6	-7	-10	-10	-6	0	1
Expected business activity (sales), next 3 months <sup>4</sup>	-4	-12	-8	-10	-9	3	1	6	2	-4	4	14	6
Orders placed with suppliers, next 3 months	-9	-14	-15	-15	-14	1	-1	6	1	-9	-1	8	6
Expected employment, next 3 months	1	2	1	3	1	2	1	3	2	2	1	1	3
Expected selling prices, next 3 months	43	46	47	46	42	45	41	37	43	41	41	34	40
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	67	70	75	67	65	62	65	56	59	59	64	59	62
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-2	-4	1	-5	-8	0	3	-1	2	1	0	-8	2
Building activity, past 3 months	7	10	8	6	8	15	5	5	9	0	6	0	7
Current overall order books <sup>4</sup>	-12	-13	-5	-13	-16	-10	-7	-10	-7	-10	-2	-15	0
Expected employment, next 3 months <sup>4</sup>	8	5	8	4	0	10	12	8	10	12	2	-1	4
Expected selling prices, next 3 months	57	66	64	66	59	57	55	56	41	17	18	33	24
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	34	42	27	31	25	34	38	35	29	17	9	8	5
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	-1	-6	-1	1	-2	-2	0	3	-2	-1	3	0	2
Production, past 3 months	1	7	0	-3	-4	-4	-6	-3	-1	-7	-1	0	4
Current overall order books <sup>4</sup>	-26	-22	-19	-20	-23	-25	-28	-20	-26	-23	-18	-16	-13
Current export order books	-35	-45	-36	-28	-39	-50	-57	-64	-81	-32	-33	-26	-51
Stock of finished products <sup>4</sup>	-22	-9	-17	-15	-14	-22	-25	-23	-17	-23	-24	-14	-26
Expected production, next 3 months <sup>4</sup>	1	-4	0	7	3	-4	3	6	1	-2	2	2	-8
Expected employment, next 3 months	1	0	1	0	1	1	1	0	1	0	1	0	0
Expected selling prices, next 3 months	14	22	21	20	16	6	15	16	20	25	19	15	19
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	70	70	69	67	69	68	69	66	60	69	68	70	71
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-27	-24	-27	-26	-21	-22	-27	-26	-27	-22	-15	-17	-19
Financial situation of household, past 12 months <sup>4</sup>	-22	-19	-19	-18	-17	-16	-19	-17	-20	-17	-9	-15	-13
Expected financial situation of household, next 12 months <sup>4</sup>	-14	-11	-17	-14	-11	-14	-17	-13	-17	-15	-5	-5	-13
General economic situation in Cyprus, past 12 months	-47	-41	-47	-42	-47	-44	-45	-53	-51	-49	-33	-38	-33
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-40	-33	-39	-36	-33	-34	-41	-40	-45	-35	-25	-25	-31
Consumer prices, past 12 months	71	72	74	76	74	74	77	77	79	77	78	77	74
Expected consumer prices, next 12 months	29	22	35	31	26	24	41	27	39	29	28	30	28
Expected unemployment in Cyprus, next 12 months	17	15	14	15	14	14	17	15	15	13	8	10	11
Major purchases at present	-36	-38	-41	-37	-43	-35	-40	-40	-40	-42	-34	-34	-35
Major purchases intentions, next 12 months <sup>4</sup>	-31	-33	-32	-34	-22	-24	-32	-33	-25	-20	-21	-23	-18
Savings intentions, next 12 months	-39	-38	-34	-40	-38	-33	-31	-30	-31	-36	-24	-20	-35
Statement on the current financial condition of household	9	15	13	14	12	16	16	13	15	13	22	20	16
Uncertainty: difficulty predicting household's financial situation <sup>5, 6</sup>	2	8	3	-4	4	-1	5	-4	4	5	-8	-1	2

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 [Methodological User Guide](#); 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 [Methodological User Guide](#). <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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