

# The Cyprus Composite Leading Economic Index (CCLEI)

*“The recent trend of the CCLEI is upward, but slowing down”*

## What is a Composite Leading Economic Index (CLEI)?

The CLEI Index is designed to provide early warning signals for the turning points of business cycles i.e., early evidence of the turns in economic activity. CCLEI comprises of several leading economic activity variables whose changes tend to lead the changes in the overall economic activity and which are evaluated on a regular basis.

## What are the components of the Cyprus Composite Leading Economic Index (CCLEI)?

The leading variables have been selected from a large pool of domestic and international leading indicators and are: the Brent Crude oil price (€), the Economic Sentiment Indicator (ESI) in Cyprus and the euro area, the total property sales contracts, the tourist arrivals in Cyprus, the value of Cypriot credit card transactions, the retail trade sales turnover volume Index, and the temperature-adjusted volume Index of electricity production.

The Cyprus Composite Leading Economic Index<sup>1</sup> (CCLEI), constructed and estimated by the Economics Research Centre (CypERC) of the University of Cyprus, recorded a year-over-year increase of 1.7% in March<sup>2</sup> 2025. This increase followed year-over-year increases of 2.3% and 2.4% recorded in February and January of 2025, respectively, according to the most recently revised data.

The Cyprus Composite Leading Economic Index (CCLEI) maintained its upward trend, with the growth rate, however, showing a slowdown. It's positive trend was supported by the improvement in year-over-year growth rates, of both domestic and international leading indicators, such as the property sales contracts, the total value of Cypriot's credit cards transactions, the retail sales volume and the decline in the price of Brent crude oil, according to the most recently available data. *In contrast*, recent data for the Consumer Confidence Index in Cyprus and the euro area indicate a partial deterioration in the economic climate, negatively affecting the CCLEI. Furthermore, preliminary data for the volume of electricity production, as well as the year-over-year decrease in tourist arrivals, had also a limiting effect on the further strengthening of the Index.

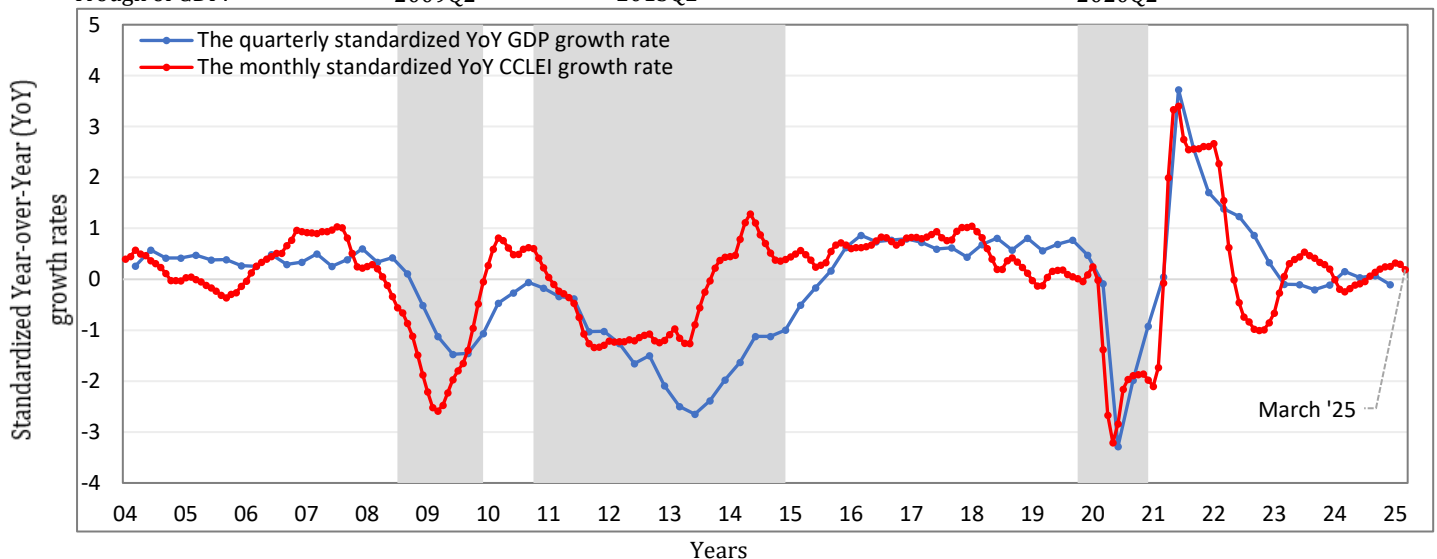
*In summary*, the slowdown in the year-over-year growth rate of the CCLEI reflects the great economic uncertainty prevailing internationally and its effects on economic growth rates worldwide, including Cyprus. For further details on the methodology used in constructing the CCLEI, please refer to: [CCLEI](#).

### Notes:

1. The CCLEI is estimated based on the econometric model developed by Aruoba, Diebold, and Scotti (2009) and the relevant adjustment methodology of the Covid-19 pandemic.
2. The recent estimated CCLEI is based on available data on property sales contracts, tourist arrivals, and credit card transactions for March 2025. In addition, retail sales volume for the same month was estimated based on the most recent available data from a range of economic indicators. Finally, high-frequency and preliminary April data on Brent crude oil prices, the weighted Economic Sentiment Index (ESI) in the euro area and Cyprus, as well as temperature-adjusted electricity production volume, were also used in the estimation of the Index.

**Figure: The Cyprus Composite Leading Economic Index (CCLEI) vis-à-vis the Economic Activity of Cyprus**

Peak of GDP:	2008Q2	2010Q3	2019Q3
Trough of GDP:	2009Q2	2013Q2	2020Q2



**Source:** Economics Research Centre (ERC) - Department of Economics, University of Cyprus (UCY).

Note that for comparison purposes, the Year-over-Year (YoY) quarterly growth rate of the Gross Domestic Product (GDP) vis-à-vis the YoY monthly growth rate of the CCLEI are presented in a standardized format in the graph. Shaded areas represent recession periods defined following the CERP Euro Area Business Cycle Dating Committee in combination with the conventional recession definition of at least two consecutive quarters of negative YoY growth rate of the GDP.

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