

# The Cyprus Composite Leading Economic Index (CCLEI)

## “CCLEI August: Stable growth”

### What is CCLEI?

The CCLEI Index is designed to provide early warning signals of turning points in business cycles, i.e., turning points in economic activity. The CCLEI consists of a number of leading economic activity variables whose changes tend to precede changes in overall economic activity and which are assessed on a regular basis.

### What are the components of the 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 (CCLEI)<sup>1</sup>, which is constructed and estimated by the Economics Research Centre (CypERC) of the University of Cyprus, recorded a year-over-year increase of 2.2% in August<sup>2</sup> 2025. This increase follows year-over-year increases of 2.2% in July and 2.4% in June 2025, according to the most recently revised data.

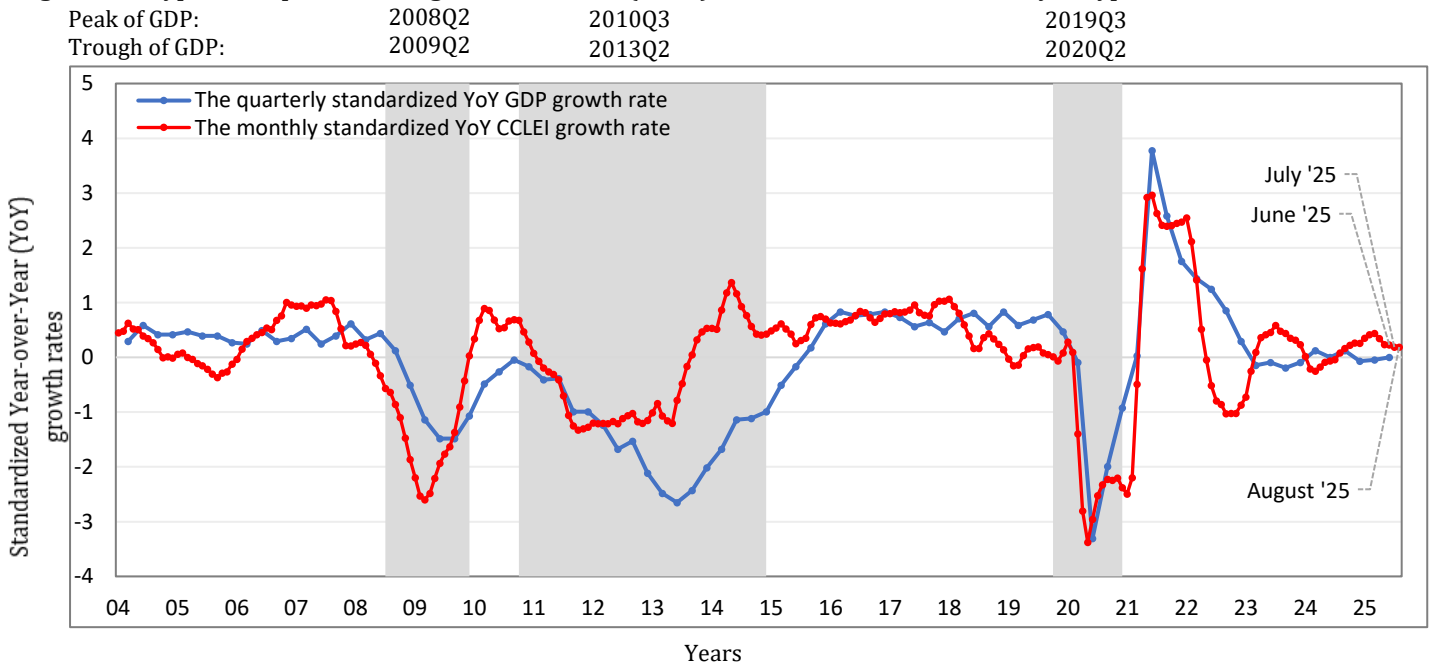
The year-over-year growth rate of the CCLEI remained stable in August 2025, which is attributed to the changes observed in both its domestic and international components. In particular, the Economic Sentiment Indicator (ESI) in the euro area and the temperature-adjusted volume of electricity production contributed negatively to the CCLEI. In contrast, the positive development of the remaining leading indicators, such as property sales contracts, tourist arrivals, and retail trade, combined with the continued decline in the weekly price of Brent crude oil, improved the growth of the CCLEI.

In conclusion, the stable year-over-year growth rate of the CCLEI in August reflects the countervailing effects of the individual components of the Index, in an international economic environment that continues to be characterized by uncertainty. For further details on the methodology used in constructing the CCLEI, please refer to the [CCLEI](#) website.

### 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 estimated August CCLEI is based on available weekly data for the price of Brent crude oil and electricity production (temperature-adjusted), as well as available monthly data for the Economic Sentiment Indicator (ESI) in the euro area and Cyprus. Preliminary data for tourist arrivals and retail sales were also incorporated into the estimate, while the unavailable recent data for property sales contracts and credit card transactions are estimated through the econometric model (Kalman filter).

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



**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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