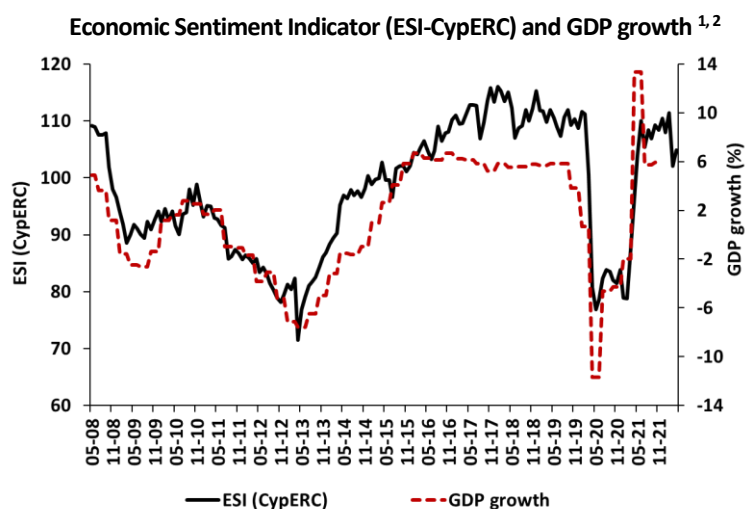


BUSINESS AND CONSUMER SURVEYS

April 2022

Summary

- In April 2022, economic sentiment in Cyprus improved as the Economic Sentiment Indicator (ESI-CypERC) increased by 2.8 points compared with March 2022. The increase in the ESI-CypERC resulted from stronger business confidence in services, retail trade and industry.
- The Services Confidence Indicator increased as a result of improved assessments of past performance (business situation and demand) and upward revisions in demand expectations.
- The increase in the Retail Trade Confidence Indicator was driven by upward revisions in sales expectations, despite more pessimistic assessments of the current stock levels.
- The decline in the Construction Confidence Indicator resulted from less favourable assessments of the levels of order books and downward revisions in employment expectations.
- The increase in the Industry Confidence Indicator was due to more favourable views on the current levels of order books and stocks of finished products, as well as more optimistic views on future production.
- The Consumer Confidence Indicator remained unchanged at the level registered in March. The deterioration in the assessments of recent household financial conditions was offset by the upward revision in expectations about the general economic conditions in the country.
- In April, economic uncertainty decreased as a result of lower uncertainty in services, construction and industry as well as among consumers; uncertainty among firms in the retail trade sector increased further. Firm's selling price expectations rose again in April, indicating a continuation of upward price pressures.



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 | 2021 | | | | | | | | | | 2022 | | | |
|------------------------------------------------------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | |
| ECONOMIC SENTIMENT INDICATOR (ESI CypERC)² | 96.5 | 103.9 | 110.0 | 105.5 | 108.4 | 106.9 | 109.2 | 108.4 | 110.4 | 108.0 | 111.5 | 102.1 | 104.9 | |
| ECONOMIC UNCERTAINTY INDICATOR (CypERC)² | 49.9 | 39.6 | 27.9 | 39.3 | 37.9 | 35.6 | 33.1 | 43.4 | 31.7 | 43.6 | 36.9 | 57.0 | 42.6 | |
| SERVICES | | | | | | | | | | | | | | |
| Services Confidence Indicator ³ | -6 | 15 | 35 | 23 | 31 | 25 | 33 | 32 | 37 | 29 | 41 | 15 | 23 | |
| Business situation, past 3 months ⁴ | -29 | -2 | 20 | 23 | 26 | 7 | 9 | 26 | 15 | 26 | 26 | 16 | 21 | |
| Turnover (demand), past 3 months ⁴ | -16 | 1 | 29 | 24 | 33 | 28 | 30 | 39 | 44 | 32 | 44 | 27 | 30 | |
| Expected turnover (demand), next 3 months ⁴ | 27 | 47 | 54 | 23 | 34 | 41 | 60 | 31 | 53 | 29 | 53 | 2 | 18 | |
| Employment, past 3 months | 0 | 2 | 4 | -5 | -6 | -6 | -17 | -9 | -20 | -14 | 0 | -8 | -1 | |
| Expected employment, next 3 months | -3 | 2 | 6 | 6 | 5 | 6 | 11 | 7 | -3 | -7 | 2 | 2 | -3 | |
| Expected selling prices, next 3 months | -1 | 7 | 5 | 4 | 6 | 11 | 9 | 19 | 10 | 24 | 24 | 31 | 33 | |
| Uncertainty: difficulty predicting business situation ^{5, 6} | 65 | 45 | 32 | 46 | 41 | 39 | 35 | 49 | 32 | 48 | 41 | 67 | 45 | |
| RETAIL TRADE | | | | | | | | | | | | | | |
| Retail Trade Confidence Indicator ³ | -20 | -11 | -7 | -8 | -6 | -5 | -4 | -3 | -3 | -5 | 1 | -8 | -5 | |
| Business activity (sales), past 3 months ⁴ | -47 | -49 | -37 | -39 | -29 | -21 | -22 | -17 | -14 | -25 | -16 | -20 | -19 | |
| Stock of goods ⁴ | -21 | -24 | -11 | -14 | -15 | -12 | -17 | -16 | -11 | -13 | -9 | -11 | -2 | |
| Expected business activity (sales), next 3 months ⁴ | -33 | -9 | 4 | 2 | -2 | -8 | -7 | -8 | -6 | -2 | 11 | -17 | 2 | |
| Orders placed with suppliers, next 3 months | -36 | -14 | -1 | -7 | -11 | -12 | -14 | -11 | -14 | -11 | -5 | -20 | -11 | |
| Expected employment, next 3 months | 0 | -1 | 1 | 0 | 0 | -1 | -1 | -1 | 2 | -1 | 0 | 1 | -1 | |
| Expected selling prices, next 3 months | -1 | 9 | 10 | 23 | 37 | 45 | 65 | 68 | 68 | 60 | 65 | 71 | 79 | |
| Uncertainty: difficulty predicting business situation ^{5, 6} | 62 | 65 | 57 | 67 | 76 | 72 | 71 | 77 | 73 | 71 | 68 | 69 | 81 | |
| CONSTRUCTION | | | | | | | | | | | | | | |
| Construction Confidence Indicator ³ | -23 | -15 | -18 | -17 | -17 | -20 | -16 | -19 | -17 | -14 | -16 | -16 | -19 | |
| Building activity, past 3 months | -24 | -4 | -3 | -13 | -15 | -17 | -20 | -17 | -11 | -9 | -12 | -17 | -27 | |
| Current overall order books ⁴ | -44 | -36 | -35 | -41 | -39 | -37 | -34 | -37 | -39 | -34 | -33 | -31 | -37 | |
| Expected employment, next 3 months ⁴ | -2 | 5 | -1 | 7 | 4 | -2 | 1 | 0 | 6 | 6 | 1 | 0 | -2 | |
| Expected selling prices, next 3 months | 11 | 20 | 29 | 50 | 56 | 54 | 67 | 77 | 76 | 81 | 80 | 90 | 99 | |
| Uncertainty: difficulty predicting business situation ^{5, 6} | 43 | 41 | 33 | 52 | 54 | 38 | 37 | 58 | 46 | 57 | 56 | 67 | 58 | |
| INDUSTRY | | | | | | | | | | | | | | |
| Industrial Confidence Indicator ³ | -24 | -15 | -13 | -12 | -12 | -10 | -8 | -8 | -3 | -3 | 1 | -7 | 3 | |
| Production, past 3 months | -58 | -38 | -28 | -23 | -23 | -12 | -2 | 0 | 5 | -2 | 4 | -3 | -5 | |
| Current overall order books ⁴ | -55 | -52 | -53 | -52 | -59 | -49 | -43 | -44 | -36 | -35 | -26 | -31 | -27 | |
| Current export order books | -69 | -54 | -68 | -50 | -52 | -38 | -16 | -43 | -46 | -77 | -44 | -41 | -34 | |
| Stock of finished products ⁴ | -17 | -21 | -22 | -21 | -30 | -27 | -26 | -22 | -22 | -16 | -23 | -20 | -25 | |
| Expected production, next 3 months ⁴ | -34 | -14 | -7 | -4 | -6 | -7 | -6 | -3 | 7 | 11 | 7 | -11 | 11 | |
| Expected employment, next 3 months ⁵ | 0 | 1 | 0 | 1 | 1 | 1 | 1 | 3 | 0 | 1 | 0 | 0 | 1 | |
| Expected selling prices, next 3 months | 1 | 3 | 1 | 10 | 10 | 27 | 38 | 58 | 56 | 52 | 52 | 62 | 71 | |
| Uncertainty: difficulty predicting business situation ^{5, 6} | 60 | 61 | 56 | 57 | 66 | 71 | 66 | 76 | 72 | 81 | 67 | 81 | 74 | |
| CONSUMERS | | | | | | | | | | | | | | |
| Consumer Confidence Indicator ³ | -18 | -18 | -13 | -23 | -20 | -17 | -20 | -19 | -20 | -18 | -20 | -27 | -27 | |
| Financial situation of household, past 12 months ⁴ | -20 | -19 | -13 | -16 | -16 | -16 | -15 | -18 | -15 | -17 | -17 | -19 | -23 | |
| Expected financial situation of household, next 12 months ⁴ | -5 | -3 | 0 | -8 | -5 | -8 | -11 | -11 | -8 | -7 | -14 | -18 | -17 | |
| General economic situation in Cyprus, past 12 months | -71 | -71 | -56 | -59 | -52 | -48 | -41 | -40 | -36 | -44 | -44 | -50 | -58 | |
| Expected general economic situation in Cyprus, next 12 months ⁴ | -19 | -19 | -11 | -31 | -26 | -20 | -24 | -23 | -22 | -20 | -26 | -42 | -38 | |
| Consumer prices, past 12 months | -17 | -17 | -13 | 6 | 21 | 28 | 41 | 44 | 47 | 56 | 69 | 67 | 75 | |
| Expected consumer prices, next 12 months | -9 | -9 | -12 | 7 | 18 | 14 | 37 | 36 | 20 | 25 | 34 | 63 | 58 | |
| Expected unemployment in Cyprus, next 12 months ⁵ | 36 | 23 | 13 | 40 | 36 | 24 | 21 | 22 | 22 | 20 | 9 | 39 | 33 | |
| Major purchases at present | -31 | -38 | -32 | -41 | -42 | -39 | -43 | -37 | -44 | -42 | -47 | -49 | -47 | |
| Major purchases intentions, next 12 months ⁴ | -31 | -31 | -30 | -37 | -31 | -26 | -31 | -25 | -35 | -29 | -25 | -31 | -30 | |
| Savings at present | -21 | -21 | -19 | -15 | -19 | -24 | -19 | -19 | -18 | -25 | -27 | -20 | -25 | |
| Savings intentions, next 12 months | -38 | -33 | -33 | -33 | -32 | -40 | -33 | -36 | -32 | -37 | -33 | -35 | -40 | |
| Statement on the current financial condition of household | 14 | 15 | 17 | 16 | 17 | 16 | 15 | 17 | 16 | 18 | 13 | 15 | 15 | |
| Uncertainty: difficulty predicting household's financial situation ^{5, 6} | 0 | 6 | -4 | -1 | 1 | 1 | 1 | -1 | -1 | 4 | -2 | 10 | 6 | |

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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