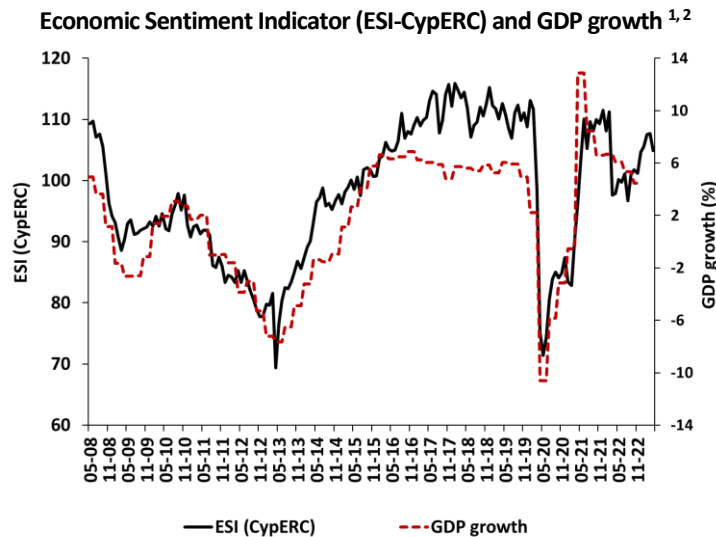


BUSINESS AND CONSUMER SURVEYS

April 2023

Summary

- In April 2023, economic sentiment in Cyprus deteriorated, as the Economic Sentiment Indicator (ESI-CypERC) decreased by 2.8 points compared with March 2023. The decrease in the ESI-CypERC resulted from weaker business confidence in services and industry, and from significant confidence losses among consumers.
- The Services Confidence Indicator declined as firms revised their demand expectations downwards, despite the slight improvement in firms' views on past business situation.
- The small increase in the Retail Trade Confidence Indicator resulted from more favourable assessments of past sales and improved views on the current stock levels.
- The increase in the Construction Confidence Indicator was driven by improvements in both of its components. In April, firms assessed their current levels of order books more favourably and revised their employment expectations upwards.
- The slight decrease in the Industry Confidence Indicator was mainly due to the deterioration of firms' assessments of the stocks of finished products.
- The Consumer Confidence Indicator decreased as most of its components deteriorated. Consumers revised their expectations about their future financial conditions and the economic conditions in Cyprus downwards. Furthermore, consumers' intentions to make major purchases in the near future weakened in April.
- In April, economic uncertainty in Cyprus rose due to higher uncertainty levels experienced by firms in services. In April, uncertainty among firms in retail trade and construction declined, while uncertainty among manufacturing firms stayed at the level registered in March. Uncertainty among consumers declined further in April, registering its lowest value in three years.



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	2022										2023			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	97.9	100.1	99.7	101.1	96.7	100.9	101.7	101.2	104.7	105.6	107.5	107.7	104.9	
ECONOMIC UNCERTAINTY INDICATOR (CypERC) ²	42.6	37.7	35.9	36.7	30.6	32.2	32.0	32.5	38.8	38.6	34.0	23.6	31.2	
SERVICES														
Services Confidence Indicator ³	5	13	13	16	1	10	16	12	22	22	27	27	21	
Business situation, past 3 months ⁴	9	12	4	9	4	4	7	18	27	33	37	41	45	
Turnover (demand), past 3 months ⁴	17	13	21	14	-4	13	13	9	3	19	33	25	25	
Expected turnover (demand), next 3 months ⁴	-10	14	14	25	4	14	27	11	35	13	12	15	-6	
Employment, past 3 months	0	1	9	0	-8	-4	-13	-4	0	2	1	-3	12	
Expected employment, next 3 months	-2	8	3	-1	0	1	5	1	7	7	11	12	11	
Expected selling prices, next 3 months	29	31	36	34	38	41	44	41	47	41	45	40	42	
Uncertainty: difficulty predicting business situation ^{5,6}	45	36	32	36	29	29	28	29	43	42	35	20	35	
RETAIL TRADE														
Retail Trade Confidence Indicator ³	-11	-10	-11	-12	-12	-10	-6	-8	-5	1	-2	-3	-1	
Business activity (sales), past 3 months ⁴	-20	-24	-29	-25	-29	-22	-22	-25	-16	-10	-12	-12	-1	
Stock of goods ⁴	-2	-13	-15	-13	-19	-15	-15	-17	-8	-12	-8	-7	-9	
Expected business activity (sales), next 3 months ⁴	-15	-18	-20	-24	-26	-22	-12	-15	-7	1	-1	-3	-11	
Orders placed with suppliers, next 3 months	-24	-17	-19	-28	-27	-27	-18	-23	-16	-9	-8	-8	-11	
Expected employment, next 3 months	-1	0	1	-1	-3	3	-1	2	3	0	1	2	2	
Expected selling prices, next 3 months	73	76	72	71	67	64	64	63	57	51	58	57	57	
Uncertainty: difficulty predicting business situation ^{5,6}	81	74	65	55	61	57	61	65	59	54	56	68	66	
CONSTRUCTION														
Construction Confidence Indicator ³	-23	-18	-18	-18	-20	-16	-22	-15	-11	-15	-14	-17	-13	
Building activity, past 3 months	-28	-23	-15	-15	-15	-16	-16	-7	-15	-5	-13	-6	5	
Current overall order books ⁴	-43	-38	-34	-34	-35	-28	-43	-31	-23	-32	-27	-32	-25	
Expected employment, next 3 months ⁴	-2	1	-2	-1	-4	-3	-1	1	0	3	-2	-3	-1	
Expected selling prices, next 3 months	87	86	88	85	86	90	86	84	80	80	85	77	74	
Uncertainty: difficulty predicting business situation ^{5,6}	58	54	55	57	50	45	56	58	51	58	51	50	44	
INDUSTRY														
Industrial Confidence Indicator ³	-9	-10	-13	-7	-7	-4	-6	-10	-8	-5	-5	-1	-3	
Production, past 3 months	-13	-16	-16	-10	-12	-18	-17	-15	-17	-10	0	-2	-3	
Current overall order books ⁴	-36	-46	-38	-38	-36	-33	-30	-44	-36	-28	-30	-29	-28	
Current export order books	-46	-31	-39	-37	-38	-48	-59	-44	-35	-14	-20	-24	-36	
Stock of finished products ⁴	-23	-25	-17	-17	-16	-29	-28	-30	-24	-20	-22	-26	-18	
Expected production, next 3 months ⁴	-14	-10	-17	-1	-2	-8	-18	-15	-13	-9	-6	-1	1	
Expected employment, next 3 months	1	1	2	1	1	0	1	0	0	0	1	2	1	
Expected selling prices, next 3 months	67	73	68	66	62	59	55	51	37	36	34	24	28	
Uncertainty: difficulty predicting business situation ^{5,6}	74	77	73	76	77	73	75	78	75	74	70	61	61	
CONSUMERS														
Consumer Confidence Indicator ³	-33	-35	-35	-35	-36	-28	-33	-30	-28	-21	-18	-18	-25	
Financial situation of household, past 12 months ⁴	-23	-25	-29	-27	-27	-22	-27	-24	-24	-20	-16	-18	-18	
Expected financial situation of household, next 12 months ⁴	-23	-27	-28	-25	-23	-21	-21	-22	-12	-6	-4	-5	-10	
General economic situation in Cyprus, past 12 months	-55	-54	-62	-61	-62	-47	-55	-51	-52	-48	-38	-33	-42	
Expected general economic situation in Cyprus, next 12 months ⁴	-51	-55	-52	-51	-51	-38	-43	-41	-40	-27	-18	-13	-31	
Consumer prices, past 12 months	72	76	82	76	83	74	82	83	85	88	84	82	84	
Expected consumer prices, next 12 months	56	57	45	44	32	31	35	33	25	12	14	11	20	
Expected unemployment in Cyprus, next 12 months	35	37	32	36	31	28	27	27	22	19	17	11	16	
Major purchases at present	-55	-57	-57	-57	-51	-54	-57	-54	-56	-54	-48	-50	-46	
Major purchases intentions, next 12 months ⁴	-35	-34	-31	-38	-43	-29	-39	-34	-36	-32	-36	-36	-42	
Savings at present	-26	-23	-32	-25	-28	-25	-32	-31	-26	-19	-21	-17	-20	
Savings intentions, next 12 months	-41	-46	-46	-44	-47	-42	-50	-48	-36	-32	-35	-31	-32	
Statement on the current financial condition of household	14	12	12	12	14	11	8	11	12	15	15	20	16	
Uncertainty: difficulty predicting household's financial situation ^{5,6}	6	9	16	13	1	15	11	9	1	5	5	-4	-7	

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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