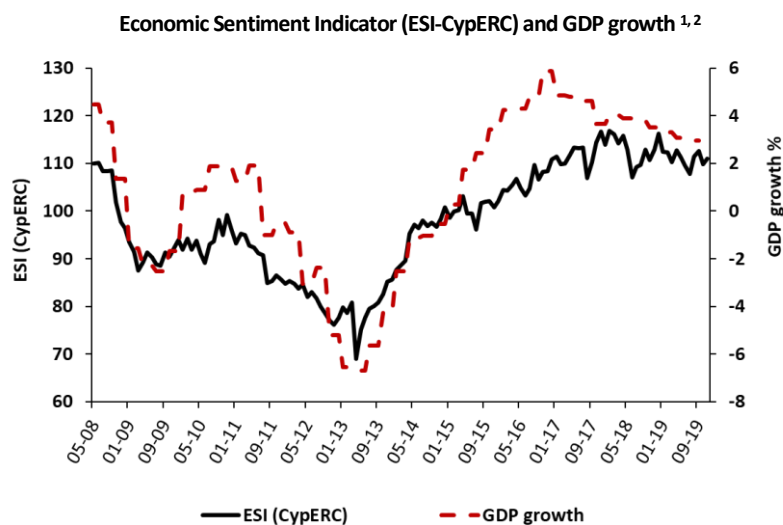




November 2019

SUMMARY

- In November 2019, economic sentiment in Cyprus improved as the Economic Sentiment Indicator (ESI-CypERC) increased by 1.2 points compared with October 2019. The increase resulted mainly from stronger business confidence among firms in services and construction as well as from confidence improvements among consumers.
- The increase in the Services Confidence Indicator was driven by firms' more favourable views on their past performance (business situation and demand) and upward revisions in demand expectations.
- The decrease in the Retail Trade Confidence Indicator was due to downward revisions in sales expectations.
- The Construction Confidence Indicator improved mainly due to upward revisions in employment expectations.
- The Industry Confidence Indicator rose marginally as a result of firms' improved views on the current level of their order books.
- The increase in the Consumer Confidence Indicator was driven by more favourable assessments of the households' financial situation, upward revisions in consumers' expectations regarding the economic conditions in the country, and consumers' stronger intentions to make major purchases.



Notes:

¹ The weights used in the calculation of the Economic Sentiment Indicator constructed by the Economics Research Centre (ESI CypERC) reflect the contribution of each sector to the GDP of Cyprus.

² GDP growth: GDP (at constant prices, seasonally and working day adjusted) is compared to the same quarter of the previous year (Source: Statistical Service of Cyprus).

The Economics Research Centre of the University of Cyprus (CypERC) and RAI Consultants Ltd participate in the Joint Harmonised European Union Programme of Business and Consumer Surveys. CypERC acknowledges funding from the European Union, the Ministry of Finance and the University of Cyprus for conducting the project "Business and Consumer Surveys" in Cyprus.

Co-funded by
the European Union





BUSINESS AND CONSUMER SURVEYS

ECONOMICS RESEARCH CENTRE UNIVERSITY OF CYPRUS



Indicators and balances ¹

Month	2018		2019										
	11	12	1	2	3	4	5	6	7	8	9	10	11
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	112.9	116.2	112.4	112.3	110.3	112.7	111.4	109.5	107.8	111.4	112.7	109.8	111.0
SERVICES													
Services Confidence Indicator ³	35	44	33	36	28	34	31	24	19	30	33	26	29
Business situation, past 3 months ⁴	27	40	29	37	30	32	27	17	15	29	34	30	33
Turnover (demand), past 3 months ⁴	42	49	35	42	26	35	35	28	20	31	33	26	30
Expected turnover (demand), next 3 months ⁴	36	43	34	29	27	37	30	28	24	31	31	22	24
Employment, past 3 months	10	13	13	2	8	10	-2	6	-4	-4	7	2	-10
Expected employment, next 3 months	21	24	18	6	5	13	-3	15	4	8	15	5	-2
Expected selling prices, next 3 months	5	8	10	7	5	-1	1	3	-2	2	7	10	1
RETAIL TRADE													
Retail Trade Confidence Indicator ³	5	2	1	0	1	1	0	2	-3	-2	-3	-4	-6
Business activity (sales), past 3 months ⁴	-1	-4	-6	-11	-9	-9	-15	-10	-16	-21	-20	-18	-17
Stock of goods ⁴	2	5	0	-4	-2	-2	3	-2	-1	-7	2	-1	-2
Expected business activity (sales), next 3 months ⁴	19	13	8	6	9	10	19	15	7	7	12	6	-2
Orders placed with suppliers, next 3 months	9	13	-4	3	7	9	8	8	5	0	4	-4	-6
Expected employment, next 3 months	0	0	2	0	-3	-1	0	-1	0	1	2	-1	1
Expected selling prices, next 3 months	2	4	6	8	2	6	4	6	5	5	5	1	8
CONSTRUCTION													
Construction Confidence Indicator ³	-13	-11	-11	-11	-9	-10	1	-4	-6	-3	-2	-2	0
Building activity, past 3 months	3	6	11	18	13	12	17	15	21	24	23	24	29
Current overall order books ⁴	-35	-30	-27	-34	-29	-28	-14	-18	-21	-20	-16	-13	-12
Expected employment, next 3 months ⁴	9	7	5	12	11	9	16	10	8	15	11	9	12
Expected selling prices, next 3 months	5	15	8	19	17	21	19	18	13	17	23	11	19
INDUSTRY													
Industrial Confidence Indicator ³	5	12	5	-1	3	5	3	9	5	3	7	9	10
Production, past 3 months	4	22	12	4	7	9	1	7	10	1	8	18	23
Current overall order books ⁴	-19	-20	-27	-26	-26	-20	-22	-19	-23	-21	-24	-18	-8
Current export order books	-17	-20	-20	-29	-23	-33	-25	4	-33	-41	-18	-14	-13
Stock of finished products ⁴	-12	-17	-18	-3	-18	-13	-9	-15	-17	-13	-21	-12	-7
Expected production, next 3 months ⁴	23	39	23	19	17	22	23	30	20	18	23	31	30
Expected employment, next 3 months ⁵	0	2	2	2	2	2	0	2	2	0	0	9	7
Expected selling prices, next 3 months	7	3	-2	2	6	1	3	4	4	1	3	3	4
CONSUMERS													
Consumer Confidence Indicator ³	-6	-6	-4	-7	-8	-7	-9	-8	-6	-7	-4	-9	-7
Financial situation of household, past 12 months ⁴	-5	-8	-6	-10	-6	-4	-7	-6	-7	-5	-4	-5	-2
Expected financial situation of household, next 12 months ⁴	-1	2	4	0	1	2	1	-2	-1	3	4	-1	-1
General economic situation in Cyprus, past 12 months	5	4	10	5	4	4	5	-1	6	4	8	2	9
Expected general economic situation in Cyprus, next 12 months ⁴	5	7	9	4	2	-1	0	-2	2	-2	4	-3	-1
Consumer prices, past 12 months	17	12	7	8	13	15	15	13	4	-1	2	3	-2
Expected consumer prices, next 12 months	7	2	-1	4	0	8	2	5	-2	-3	0	0	-5
Expected unemployment in Cyprus, next 12 months ⁵	-8	-8	-13	-8	-11	-11	-13	-4	-9	-4	-4	-1	-6
Major purchases at present	-26	-17	-18	-21	-11	-17	-14	-24	-20	-13	-13	-18	-11
Major purchases intentions, next 12 months ⁴	-23	-26	-23	-22	-27	-26	-29	-22	-18	-25	-22	-27	-24
Savings at present	-31	-28	-27	-29	-29	-28	-31	-33	-28	-31	-22	-33	-30
Savings intentions, next 12 months	-39	-42	-43	-48	-42	-37	-47	-44	-38	-38	-41	-46	-47
Statement on the current financial condition of household	7	12	10	9	12	12	10	13	11	18	13	13	13

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 weights used in the calculation of the Economic Sentiment Indicator reflect the contribution of each sector to the GDP of Cyprus.

³ The calculation of the confidence (composite) indicator is described in http://ec.europa.eu/economy_finance/indicators/business_consumer_surveys/userguide_en.pdf and https://ec.europa.eu/info/files/revised-consumer-confidence-indicator_en.

⁴ The responses to this question are used in the calculation of the confidence (composite) indicator for each survey.

⁵ Following a suggestion by the European Commission, the responses to this question are not adjusted for seasonality.



Economics Research Centre

University of Cyprus

P.O. box 20537, 1678 Nicosia, CYPRUS

Telephone: 22893660, Fax: 22895027

Email: erc@ucy.ac.cy

Website: www.erc.ucy.ac.cy

This bulletin publishes results from Business and Consumer Surveys conducted in Cyprus as part of the Joint Harmonised European Union Programme of Business and Consumer Surveys. This bulletin reflects only the authors' views* and the European Commission is not responsible for any use that may be made of the information it contains.

* Christiana Anaxagorou (email: anaxagorou.christiana@ucy.ac.cy)

* Nicoletta Pashourtidou (email: n.pashourtidou@ucy.ac.cy)

The material in this document can be copied, distributed, transmitted and otherwise disseminated, but the source must be acknowledged.