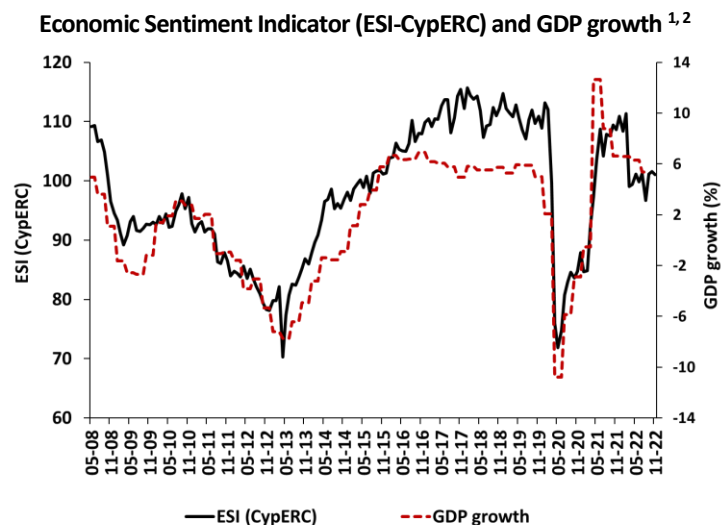


BUSINESS AND CONSUMER SURVEYS

November 2022

Summary

- In November 2022, economic sentiment in Cyprus deteriorated slightly, as the Economic Sentiment Indicator (ESI-CypERC) decreased by 0.5 points compared with October 2022. The small decrease in the ESI-CypERC was driven by weaker business confidence in services, industry, and, to a lesser degree, retail trade.
- The Services Confidence Indicator declined, as firms' views on their past and expected turnover worsened.
- The small reduction in the Retail Trade Confidence Indicator resulted from a deterioration in firms' assessments of past sales and downward revisions in sales expectations.
- The rise in the Construction Confidence Indicator was driven by improved assessments of the current levels of order books and upward revisions in employment expectations.
- The Industry Confidence Indicator decreased, for the second consecutive month, as firms' assessments of the current level of order books worsened markedly.
- The Consumer Confidence Indicator picked up, as most of its components improved. Consumers assessed their recent financial conditions more favourably and revised their expectations about the country's future economic conditions upwards. Furthermore, consumers' intentions to make major purchases in the near future strengthened.
- In November, economic uncertainty in Cyprus increased marginally. Uncertainty in retail trade, construction and industry rose, while uncertainty in services remained broadly stable at the levels registered in the previous three months. Uncertainty among consumers declined further in November.



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										
	11	12	1	2	3	4	5	6	7	8	9	10	11
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	108.6	110.9	108.4	111.4	99.0	99.4	101.2	99.8	101.2	96.7	101.2	101.6	101.1
ECONOMIC UNCERTAINTY INDICATOR (CypERC)²	43.4	31.7	43.6	36.9	57.0	42.6	37.7	35.9	36.7	30.6	32.2	32.0	32.5
SERVICES													
Services Confidence Indicator ³	32	38	30	40	8	10	16	13	16	1	11	15	12
Business situation, past 3 months ⁴	32	21	34	33	19	11	9	1	5	0	3	5	19
Turnover (demand), past 3 months ⁴	35	36	30	39	26	27	24	24	18	1	17	13	8
Expected turnover (demand), next 3 months ⁴	29	57	26	46	-21	-9	15	14	25	3	13	26	9
Employment, past 3 months	-10	-20	-11	1	-5	0	1	10	0	-9	-4	-13	-4
Expected employment, next 3 months	8	-2	-5	2	0	-5	5	2	-1	-1	3	8	4
Expected selling prices, next 3 months	22	11	26	26	32	25	27	32	27	34	42	47	44
Uncertainty: difficulty predicting business situation ^{5, 6}	49	32	48	41	67	45	36	32	36	29	29	28	29
RETAIL TRADE													
Retail Trade Confidence Indicator ³	-3	-1	-5	1	-8	-9	-11	-12	-13	-13	-11	-7	-8
Business activity (sales), past 3 months ⁴	-15	-12	-25	-16	-19	-20	-26	-30	-26	-30	-24	-22	-25
Stock of goods ⁴	-15	-13	-12	-8	-10	-2	-13	-15	-13	-19	-14	-15	-17
Expected business activity (sales), next 3 months ⁴	-8	-5	-1	10	-16	-11	-20	-22	-27	-29	-23	-13	-16
Orders placed with suppliers, next 3 months	-11	-12	-11	-5	-17	-20	-19	-20	-30	-29	-29	-19	-23
Expected employment, next 3 months	-2	1	-1	0	1	-1	0	1	-1	-3	3	-1	2
Expected selling prices, next 3 months	58	60	58	64	67	69	70	67	66	63	60	62	61
Uncertainty: difficulty predicting business situation ^{5, 6}	77	73	71	68	69	81	74	65	55	61	57	61	65
CONSTRUCTION													
Construction Confidence Indicator ³	-16	-14	-17	-17	-19	-23	-18	-18	-18	-20	-16	-22	-15
Building activity, past 3 months	-12	-5	-8	-14	-19	-33	-24	-13	-13	-13	-13	-16	-4
Current overall order books ⁴	-33	-34	-37	-34	-33	-43	-38	-34	-34	-35	-28	-43	-31
Expected employment, next 3 months ⁴	2	7	3	0	-4	-2	1	-2	-1	-4	-3	-1	1
Expected selling prices, next 3 months	80	74	77	79	85	87	86	88	85	86	90	86	84
Uncertainty: difficulty predicting business situation ^{5, 6}	58	46	57	56	67	58	54	55	57	50	45	56	58
INDUSTRY													
Industrial Confidence Indicator ³	-6	-1	-2	2	-8	-10	-11	-14	-7	-7	-4	-6	-10
Production, past 3 months	2	9	1	6	-1	-12	-15	-16	-9	-11	-18	-17	-15
Current overall order books ⁴	-39	-32	-32	-21	-28	-37	-46	-39	-38	-37	-33	-29	-45
Current export order books	-41	-50	-85	-54	-46	-43	-23	-35	-37	-27	-48	-58	-47
Stock of finished products ⁴	-21	-22	-19	-24	-18	-23	-25	-17	-17	-16	-29	-28	-30
Expected production, next 3 months ⁴	0	9	9	4	-15	-15	-12	-19	-1	-1	-7	-18	-16
Expected employment, next 3 months	2	1	1	0	0	1	1	2	1	1	0	1	0
Expected selling prices, next 3 months	68	60	52	53	61	67	74	68	68	65	59	56	52
Uncertainty: difficulty predicting business situation ^{5, 6}	76	72	81	67	81	74	77	73	76	77	73	75	78
CONSUMERS													
Consumer Confidence Indicator ³	-20	-22	-19	-19	-33	-33	-35	-35	-35	-36	-28	-33	-30
Financial situation of household, past 12 months ⁴	-17	-16	-17	-17	-19	-23	-25	-29	-27	-28	-22	-27	-24
Expected financial situation of household, next 12 months ⁴	-13	-9	-6	-12	-24	-23	-27	-28	-25	-23	-21	-21	-22
General economic situation in Cyprus, past 12 months	-38	-36	-42	-41	-47	-55	-54	-62	-61	-62	-47	-55	-51
Expected general economic situation in Cyprus, next 12 months ⁴	-26	-23	-19	-25	-54	-51	-55	-52	-51	-51	-38	-43	-41
Consumer prices, past 12 months	48	51	56	71	65	72	77	83	76	83	74	82	83
Expected consumer prices, next 12 months	42	20	22	33	64	56	57	45	44	32	31	35	33
Expected unemployment in Cyprus, next 12 months	23	22	22	14	32	26	31	28	37	32	29	30	31
Major purchases at present	-42	-44	-40	-45	-57	-55	-57	-57	-57	-51	-54	-57	-54
Major purchases intentions, next 12 months ⁴	-23	-39	-33	-24	-35	-35	-34	-31	-38	-43	-29	-39	-34
Savings at present	-23	-20	-25	-29	-23	-26	-23	-32	-25	-28	-25	-32	-31
Savings intentions, next 12 months	-36	-31	-39	-35	-37	-40	-48	-48	-43	-47	-41	-49	-46
Statement on the current financial condition of household	15	16	16	13	15	14	12	12	13	14	11	9	11
Uncertainty: difficulty predicting household's financial situation ^{5, 6}	-1	-1	4	-2	10	6	9	16	13	1	15	11	9

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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