



BUSINESS AND CONSUMER SURVEYS

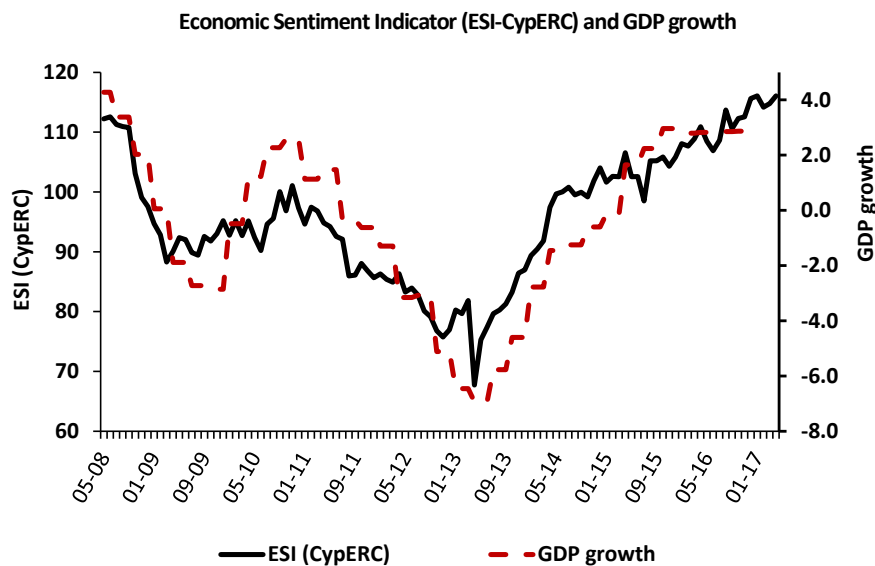
ECONOMICS RESEARCH CENTRE
UNIVERSITY OF CYPRUS



April 2017

SUMMARY

- In April 2017, economic sentiment in Cyprus picked up as the Economic Sentiment Indicator (ESI-CypERC) increased by 1.3 points compared with March 2017, driven by confidence improvements in services, construction and retail trade.
- The Services Confidence Indicator rose as a result of markedly more optimistic views expressed by firms regarding their business situation and demand over the past three months.
- The Retail Trade Confidence Indicator increased marginally as the positive effect of stronger sales expectations was almost offset by adverse assessments of the volume of recent sales and stocks.
- The Construction Confidence Indicator rose due to firms' less pessimistic views on the current level of order books and upward revisions of future employment plans.
- The Industry Confidence Indicator dropped as a result of the deterioration in firms' assessments of current orders and the downward revision of production expectations.
- The Consumer Confidence Indicator declined as a result of more pessimistic views on future savings and less optimistic responses regarding the labour market conditions.



Note: 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.

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Difference between the percentage of positive and negative responses (balance)¹ and ESI (CypERC)

Month	2016										2017			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	110.9	108.5	106.9	108.6	113.7	110.6	112.3	112.6	115.6	116.1	114.2	114.8	116.1	
SERVICES														
Services Confidence Indicator ³	19	16	10	14	27	20	21	20	28	30	26	26	31	
Business situation, past 3 months ⁴	20	14	5	16	23	16	14	19	30	27	28	23	30	
Turnover (demand), past 3 months ⁴	16	15	8	16	20	20	16	21	15	27	26	25	33	
Expected turnover (demand), next 3 months ⁴	22	20	16	11	38	22	33	21	40	36	25	31	31	
Employment, past 3 months	3	4	3	5	3	1	2	-2	-4	-6	-1	-1	6	
Expected employment, next 3 months	1	5	-1	2	-1	-1	1	-5	-4	11	4	3	5	
Expected selling prices, next 3 months	7	-4	-5	2	1	-3	2	4	-1	0	7	3	0	
RETAIL TRADE														
Retail Trade Confidence Indicator ³	0	0	-6	-1	3	0	4	6	9	9	5	5	6	
Business activity (sales), past 3 months ⁴	-19	-8	-19	-16	-3	-8	-6	-6	-2	8	8	3	-3	
Stock of goods ⁴	-4	0	4	-4	6	2	-5	-4	-6	0	7	7	8	
Expected business activity (sales), next 3 months ⁴	15	6	5	8	19	10	12	22	21	19	14	19	29	
Orders placed with suppliers, next 3 months	-1	-8	-7	-10	1	-6	-4	8	3	3	2	9	10	
Expected employment, next 3 months	-1	-1	-1	-1	-1	1	-2	-1	0	0	0	-3	1	
Expected selling prices, next 3 months	7	2	4	0	3	3	2	6	4	-3	3	1	5	
CONSTRUCTION														
Construction Confidence Indicator ³	-25	-34	-28	-24	-32	-24	-26	-28	-27	-25	-23	-29	-24	
Building activity, past 3 months	1	0	6	2	3	12	-6	11	5	8	2	-4	4	
Current overall order books ⁴	-54	-62	-56	-51	-62	-51	-59	-56	-54	-53	-53	-60	-58	
Expected employment, next 3 months ⁴	5	-6	0	2	-2	2	6	1	-1	3	7	1	10	
Expected selling prices, next 3 months	-4	-2	-10	-5	0	0	-4	2	-2	-3	3	4	4	
INDUSTRY														
Industrial Confidence Indicator ³	4	4	1	0	8	-2	-2	3	0	0	4	10	7	
Production, past 3 months	8	7	14	12	6	13	3	7	6	6	12	12	17	
Current overall order books ⁴	-34	-29	-29	-33	-25	-32	-40	-39	-39	-39	-32	-18	-27	
Current export order books	11	-3	-38	-31	5	-14	-30	-36	-44	-40	-20	-19	-30	
Stock of finished products ⁴	-26	-25	-23	-19	-26	-11	-18	-29	-16	-21	-16	-17	-18	
Expected production, next 3 months ⁴	20	17	11	14	24	15	15	18	22	19	27	33	28	
Expected employment, next 3 months ⁵	0	1	1	1	-1	1	-1	-1	-2	-1	-1	0	8	
Expected selling prices, next 3 months	5	4	-3	-2	5	0	2	-1	0	4	-4	1	3	
CONSUMERS														
Consumer Confidence Indicator ³	-7	-11	-7	-8	-7	-6	-3	-1	-1	-1	-3	-2	-3	
Financial situation of household, past 12 months	-20	-17	-16	-14	-13	-14	-11	-13	-15	-12	-8	-8	-9	
Expected financial situation of household, next 12 months ⁴	-1	-6	-1	-3	1	-2	2	7	5	5	2	2	2	
General economic situation in Cyprus, past 12 months	-1	-3	-1	-2	5	6	8	8	9	14	16	14	14	
Expected general economic situation in Cyprus, next 12 months ⁴	10	5	12	9	14	15	18	19	20	20	18	16	18	
Consumer prices, past 12 months	-25	-23	-19	-10	-7	-13	-17	-18	-17	-7	-10	-5	-13	
Expected consumer prices, next 12 months	-14	-13	-7	-9	-17	-15	-14	-14	-16	-10	-5	-7	-9	
Expected unemployment in Cyprus, next 12 months ^{4,5}	-7	-7	-10	-3	-6	-5	-11	-9	-11	-14	-6	-11	-8	
Major purchases at present	-27	-36	-32	-33	-28	-30	-24	-23	-23	-16	-20	-24	-24	
Major purchases intentions, next 12 months	-30	-37	-36	-34	-38	-30	-24	-22	-26	-28	-29	-26	-26	
Savings at present	-17	-23	-17	-19	-19	-23	-18	-13	-21	-23	-21	-21	-13	
Savings intentions, next 12 months ⁴	-45	-51	-48	-41	-49	-43	-43	-41	-40	-43	-39	-35	-41	
Statement on the current financial condition of household	4	3	5	8	6	5	9	9	6	7	8	10	10	

Notes:

¹ Positive responses refer to increase/improvement/ above normal/very or fairly likely, while the opposite holds for negative responses. 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.

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.



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