



BUSINESS AND CONSUMER SURVEYS

ECONOMICS RESEARCH CENTRE
UNIVERSITY OF CYPRUS

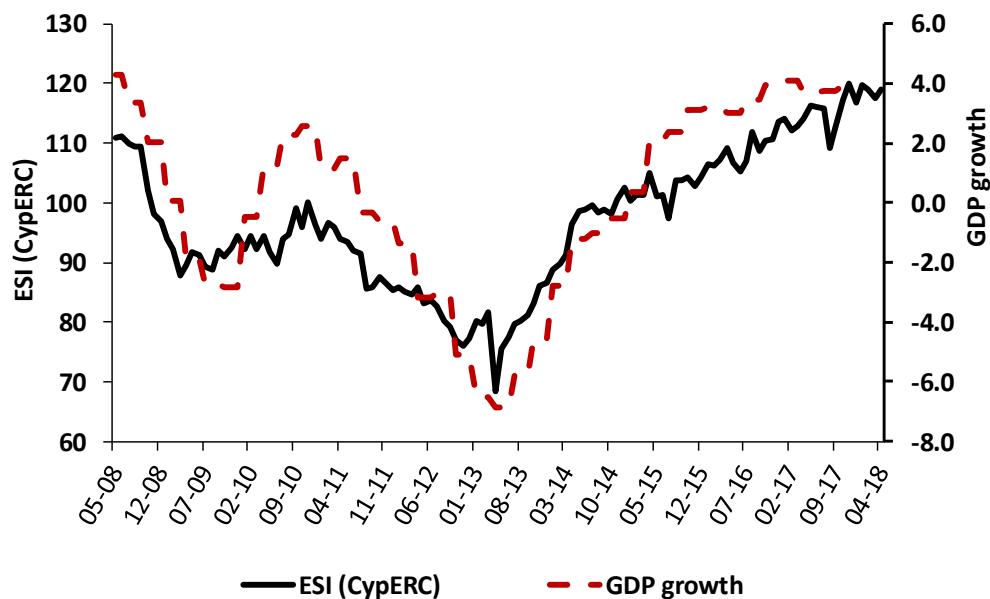


April 2018

SUMMARY

- In April 2018, economic sentiment in Cyprus improved as the Economic Sentiment Indicator (ESI-CypERC) increased by 1.5 points compared with March 2018; the increase was driven by stronger business confidence in services and industry, and firmer consumer confidence.
- The Services Confidence Indicator increased as a result of firms' more optimistic views on their past business situation and their past demand.
- The Retail Trade Confidence Indicator declined as a result of a deterioration in firms' assessments of their stock volumes, and downward revisions in sales expectations.
- The Construction Confidence Indicator deteriorated due to firms' more pessimistic views on their current level of order books.
- The Industry Confidence Indicator increased as a result of improved assessments of current orders and stock volumes of finished products.
- The increase in the Consumer Confidence Indicator was driven by upward revisions in consumers' expectations about their future financial conditions and savings, and the future economic conditions in Cyprus.

Economic Sentiment Indicator (ESI-CypERC) and GDP growth (%)



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	2017										2018			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)^{2,*}	114.0	116.3	116.1	115.8	109.1	112.9	117.3	119.9	116.8	119.8	119.1	117.5	119.0	
SERVICES														
Services Confidence Indicator ³	31	36	37	35	17	26	37	45	37	45	40	36	40	
Business situation, past 3 months ⁴	30	35	36	34	14	15	26	34	24	40	27	22	33	
Turnover (demand), past 3 months ⁴	33	37	44	34	15	15	30	41	42	44	48	41	46	
Expected turnover (demand), next 3 months ⁴	31	36	32	38	23	48	56	60	44	52	46	46	42	
Employment, past 3 months	6	2	6	2	1	1	3	8	6	8	8	8	-8	
Expected employment, next 3 months	5	4	6	3	4	11	12	7	10	14	4	9	7	
Expected selling prices, next 3 months	0	3	4	4	0	2	-8	-3	-5	-10	-6	-2	1	
RETAIL TRADE														
Retail Trade Confidence Indicator ³	6	7	7	6	6	6	8	6	10	8	9	13	8	
Business activity (sales), past 3 months ⁴	-3	1	8	6	11	2	6	10	13	7	5	7	14	
Stock of goods ⁴	8	0	5	6	9	3	7	11	3	9	9	5	9	
Expected business activity (sales), next 3 months ⁴	29	18	16	19	15	20	24	19	20	26	30	36	20	
Orders placed with suppliers, next 3 months	10	9	11	4	4	9	16	9	8	16	17	24	13	
Expected employment, next 3 months	1	1	-1	0	1	0	1	0	1	-1	0	3	0	
Expected selling prices, next 3 months	5	7	6	2	8	6	9	9	8	2	5	3	11	
CONSTRUCTION														
Construction Confidence Indicator ³	-24	-27	-28	-25	-26	-26	-28	-23	-24	-23	-19	-16	-17	
Building activity, past 3 months	4	10	6	-1	8	6	-4	7	3	12	5	10	13	
Current overall order books ⁴	-58	-56	-58	-54	-52	-56	-59	-47	-47	-52	-45	-37	-42	
Expected employment, next 3 months ⁴	10	2	2	4	1	3	2	1	-2	6	8	6	9	
Expected selling prices, next 3 months	4	3	6	2	3	9	7	14	-1	0	11	9	3	
INDUSTRY														
Industrial Confidence Indicator ³	7	3	3	6	4	3	8	9	9	11	11	5	7	
Production, past 3 months	17	22	11	4	10	9	4	18	20	18	13	10	8	
Current overall order books ⁴	-27	-22	-21	-15	-12	-22	-17	-6	-9	-5	-5	-24	-19	
Current export order books	-30	-33	-18	-26	-20	-18	-22	8	-23	-6	-15	-21	-12	
Stock of finished products ⁴	-18	-17	-17	-18	-11	-12	-16	-5	-16	-12	-12	-8	-10	
Expected production, next 3 months ⁴	28	15	12	16	11	21	25	28	19	24	25	32	30	
Expected employment, next 3 months ⁵	8	6	12	-2	1	3	5	6	0	6	0	7	11	
Expected selling prices, next 3 months	3	1	2	-3	-7	0	-2	1	-6	-5	0	-1	-1	
CONSUMERS														
Consumer Confidence Indicator ³	-3	1	-1	-1	-2	-1	-1	2	-1	1	5	2	4	
Financial situation of household, past 12 months	-9	-7	-8	-3	-7	-7	-6	-5	-5	-5	0	-6	-1	
Expected financial situation of household, next 12 months ⁴	2	6	4	4	1	3	6	6	4	5	10	3	8	
General economic situation in Cyprus, past 12 months	14	16	18	16	19	18	18	18	18	18	28	24	26	
Expected general economic situation in Cyprus, next 12 months ⁴	18	16	19	17	22	21	18	20	15	17	23	19	21	
Consumer prices, past 12 months	-13	-9	-15	-20	-15	-15	-12	-12	-9	-17	-15	-28	-11	
Expected consumer prices, next 12 months	-9	-8	-11	-12	-11	-9	-10	-6	-11	-11	-13	-18	-12	
Expected unemployment in Cyprus, next 12 months ^{4,5}	-8	-16	-12	-12	-14	-10	-5	-17	-10	-18	-20	-20	-19	
Major purchases at present	-24	-15	-20	-13	-17	-19	-16	-18	-15	-17	-21	-13	-11	
Major purchases intentions, next 12 months	-26	-25	-29	-27	-29	-31	-28	-27	-21	-26	-17	-22	-19	
Savings at present	-13	-11	-11	-14	-15	-17	-15	-18	-18	-20	-9	-14	-11	
Savings intentions, next 12 months ⁴	-41	-35	-37	-39	-44	-37	-33	-34	-34	-37	-32	-33	-30	
Statement on the current financial condition of household	10	10	13	14	10	12	13	13	12	9	12	15	13	

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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The Economics Research Centre (CypERC) of the University of Cyprus is an independent, non-profit organization with the aim of promoting scientific knowledge in economics, especially in matters concerning Cyprus.

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