



# BUSINESS AND CONSUMER SURVEYS

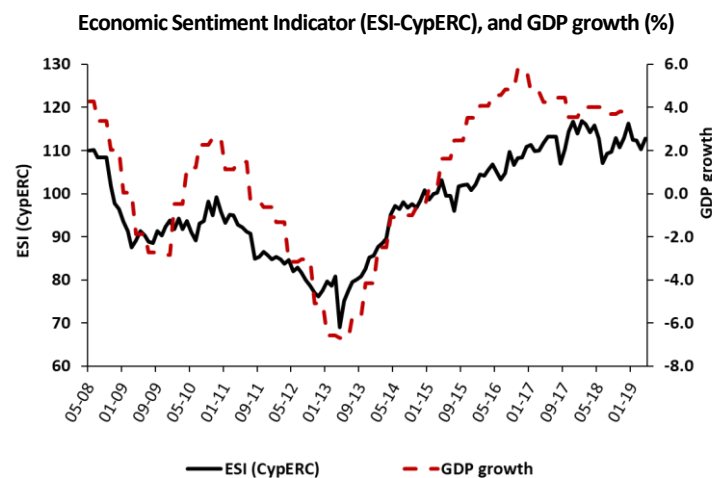
ECONOMICS RESEARCH CENTRE  
UNIVERSITY OF CYPRUS



April 2019

## SUMMARY

- In April 2019, economic sentiment in Cyprus improved as the Economic Sentiment Indicator (ESI-CypERC) increased by 2.4 points compared with March 2019. The increase was driven by stronger business confidence in services and, to a smaller degree, confidence improvements in industry and among consumers.
- The Services Confidence Indicator increased as a result of firms' more positive assessments of past business situation and past demand as well as upward revisions in demand expectations.
- The Retail Trade Confidence Indicator did not change from the marginally positive level registered in March, as firms' views on all three components of the Indicator (i.e. past sales, volume of stocks, expected sales) remained broadly unchanged.
- The marginal decrease in the Construction Confidence Indicator was driven by downward revisions in firms' employment plans.
- The Industry Confidence Indicator increased due to improvements in firms' assessments of the current level of order books, and upward revisions in production expectations.
- The Consumer Confidence Indicator increased only marginally, as more favourable assessments about household-specific aspects (financial situation, intentions for major purchases) were almost offset by more pessimistic views on the future general economic conditions in Cyprus.



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)<sup>1</sup> and ESI (CypERC)

Month	2018										2019			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
<b>ECONOMIC SENTIMENT INDICATOR (ESI CypERC)<sup>2</sup></b>	115.9	112.8	107.1	109.2	109.7	112.9	110.7	112.9	116.2	112.4	112.3	110.3	112.7	
<b>SERVICES</b>														
Services Confidence Indicator <sup>3</sup>	40	33	16	25	23	32	26	35	44	33	36	28	34	
Business situation, past 3 months <sup>4</sup>	33	20	11	13	11	16	14	27	40	29	37	30	32	
Turnover (demand), past 3 months <sup>4</sup>	46	42	22	33	26	29	23	42	49	35	42	26	35	
Expected turnover (demand), next 3 months <sup>4</sup>	42	36	16	29	33	50	39	36	43	34	29	27	37	
Employment, past 3 months	-8	6	-2	-6	0	-11	2	10	13	13	2	8	10	
Expected employment, next 3 months	7	9	5	6	11	10	6	21	24	18	6	5	13	
Expected selling prices, next 3 months	1	0	-10	-1	-3	-7	3	5	8	10	7	5	-1	
<b>RETAIL TRADE</b>														
Retail Trade Confidence Indicator <sup>3</sup>	8	10	6	5	10	0	2	5	2	1	0	1	1	
Business activity (sales), past 3 months <sup>4</sup>	14	12	1	3	6	-3	3	-1	-4	-6	-11	-9	-9	
Stock of goods <sup>4</sup>	9	6	1	4	-3	1	11	2	5	0	-4	-2	-2	
Expected business activity (sales), next 3 months <sup>4</sup>	20	23	17	14	20	6	16	19	13	8	6	9	10	
Orders placed with suppliers, next 3 months	13	13	10	8	12	-4	7	9	13	-4	3	7	9	
Expected employment, next 3 months	0	1	0	1	0	0	1	0	0	2	0	-3	-1	
Expected selling prices, next 3 months	11	3	3	4	8	4	7	2	4	6	8	2	6	
<b>CONSTRUCTION</b>														
Construction Confidence Indicator <sup>3</sup>	-17	-13	-15	-11	-11	-11	-8	-13	-11	-11	-11	-9	-10	
Building activity, past 3 months	13	12	-3	3	10	16	9	3	6	11	18	13	12	
Current overall order books <sup>4</sup>	-42	-37	-34	-37	-33	-34	-26	-35	-30	-27	-34	-29	-28	
Expected employment, next 3 months <sup>4</sup>	9	10	5	16	12	12	11	9	7	5	12	11	9	
Expected selling prices, next 3 months	3	13	15	11	14	24	11	5	15	8	19	17	21	
<b>INDUSTRY</b>														
Industrial Confidence Indicator <sup>3</sup>	7	4	-3	1	3	11	10	5	12	5	-1	3	5	
Production, past 3 months	8	15	10	8	4	10	18	4	22	12	4	7	9	
Current overall order books <sup>4</sup>	-19	-19	-28	-28	-17	-11	-18	-19	-20	-27	-26	-26	-20	
Current export order books	-12	-18	-36	-7	0	-18	-11	-17	-20	-20	-29	-23	-33	
Stock of finished products <sup>4</sup>	-10	-6	-15	-14	-6	-16	-13	-12	-17	-18	-3	-18	-13	
Expected production, next 3 months <sup>4</sup>	30	25	3	16	21	27	36	23	39	23	19	17	22	
Expected employment, next 3 months <sup>5</sup>	11	3	2	3	3	2	5	0	2	2	2	2	2	
Expected selling prices, next 3 months	-1	1	5	-5	1	6	0	7	3	-2	2	6	1	
<b>CONSUMERS</b>														
Consumer Confidence Indicator <sup>3</sup>	2	0	0	-9	-3	-3	-2	-6	-6	-4	-7	-8	-7	
Financial situation of household, past 12 months <sup>4</sup>	-1	-3	-5	-9	-7	-5	-5	-5	-8	-6	-10	-6	-4	
Expected financial situation of household, next 12 months <sup>4</sup>	8	2	4	0	2	4	2	-1	2	4	0	1	2	
General economic situation in Cyprus, past 12 months	26	20	17	0	6	4	10	5	4	10	5	4	4	
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	21	17	14	-1	5	7	12	5	7	9	4	2	-1	
Consumer prices, past 12 months	-11	-12	-3	-2	-2	3	5	17	12	7	8	13	15	
Expected consumer prices, next 12 months	-12	-7	3	-2	0	-2	-2	7	2	-1	4	0	8	
Expected unemployment in Cyprus, next 12 months <sup>5</sup>	-19	-21	-9	-3	-7	-5	-8	-8	-8	-13	-8	-11	-11	
Major purchases at present	-11	-13	-15	-20	-11	-7	-9	-26	-17	-18	-21	-11	-17	
Major purchases intentions, next 12 months <sup>4</sup>	-19	-15	-15	-24	-14	-17	-18	-23	-26	-23	-22	-27	-26	
Savings at present	-11	-9	-14	-27	-24	-19	-19	-31	-28	-27	-29	-29	-28	
Savings intentions, next 12 months	-30	-29	-38	-44	-41	-38	-43	-39	-42	-43	-48	-42	-37	
Statement on the current financial condition of household	13	17	12	9	7	15	11	7	12	10	9	12	12	

### Notes:

<sup>1</sup> Positive responses refer to increase/improvement/ above normal/very or fairly likely, while the opposite holds for negative responses. Data are seasonally adjusted.

<sup>2</sup> The weights used in the calculation of the Economic Sentiment Indicator reflect the contribution of each sector to the GDP of Cyprus.

<sup>3</sup> The calculation of the confidence (composite) indicator is described in [http://ec.europa.eu/economy\\_finance/indicators/business\\_consumer\\_surveys/userguide\\_en.pdf](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](https://ec.europa.eu/info/files/revised-consumer-confidence-indicator_en).

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

<sup>5</sup> 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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