



BUSINESS AND CONSUMER SURVEYS

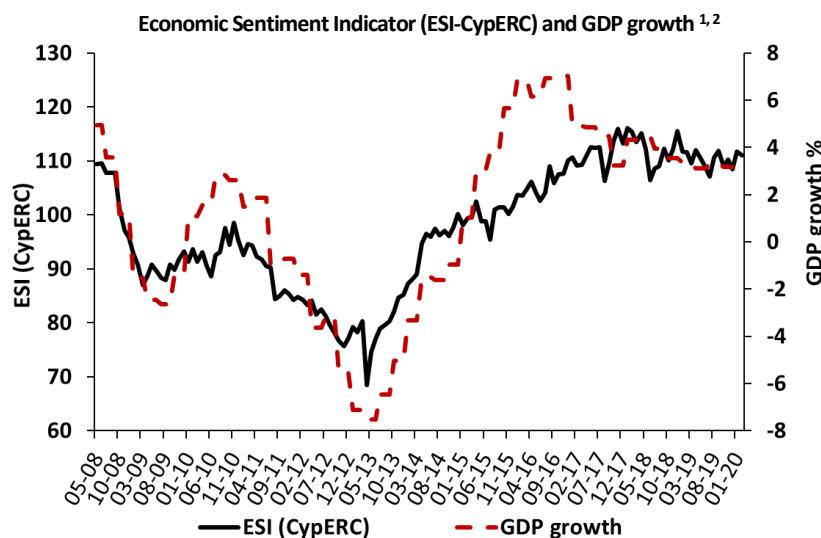
ECONOMICS RESEARCH CENTRE
UNIVERSITY OF CYPRUS



February 2020

SUMMARY

- In February 2020, economic sentiment in Cyprus deteriorated as the Economic Sentiment Indicator (ESI-CypERC) decreased by 0.7 points compared with January 2020. The decrease resulted from weaker business confidence in services, despite confidence improvements in retail trade, construction and among consumers.
- The decrease in the Services Confidence Indicator was driven by firms' less favourable views on their past turnover and downward revisions in demand expectations.
- The increase in the Retail Trade Confidence Indicator resulted from firms' improved assessments of their past sales and their current stock levels.
- The Construction Confidence Indicator rose as a result of firms' more favourable assessments of the current levels of their order books and upward revisions in employment expectations.
- The Industry Confidence Indicator remained at the positive level registered in January, as the downward revisions in production expectations were offset by improved views on past performance.
- The Consumer Confidence Indicator increased mainly due to consumers' stronger intentions to make major purchases in the next 12 months.



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 (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	2019												2020	
	2	3	4	5	6	7	8	9	10	11	12	1	2	
ECONOMIC SENTIMENT INDICATOR (ESI CypERC)²	111.6	109.6	112.0	110.6	108.9	107.1	110.7	111.9	109.1	110.2	108.4	111.7	111.0	
SERVICES														
Services Confidence Indicator ³	32	28	34	31	24	19	30	33	26	29	24	32	29	
Business situation, past 3 months ⁴	38	30	32	27	17	15	29	34	30	33	31	38	44	
Turnover (demand), past 3 months ⁴	33	26	35	35	28	20	31	33	26	30	28	33	24	
Expected turnover (demand), next 3 months ⁴	26	27	37	30	28	24	31	31	22	24	13	26	20	
Employment, past 3 months	3	8	10	-2	6	-4	-4	7	2	-10	-9	3	-6	
Expected employment, next 3 months	1	5	13	-3	15	4	8	15	5	-2	-7	1	11	
Expected selling prices, next 3 months	1	5	-1	1	3	-2	2	7	10	1	3	1	5	
RETAIL TRADE														
Retail Trade Confidence Indicator ³	-4	1	1	0	2	-3	-2	-3	-4	-6	-5	-4	-2	
Business activity (sales), past 3 months ⁴	-22	-9	-9	-15	-10	-16	-21	-20	-18	-17	-14	-22	-12	
Stock of goods ⁴	3	-2	-2	3	-2	-1	-7	2	-1	-2	2	3	0	
Expected business activity (sales), next 3 months ⁴	14	9	10	19	15	7	7	12	6	-2	2	14	6	
Orders placed with suppliers, next 3 months	6	7	9	8	8	5	0	4	-4	-6	2	6	0	
Expected employment, next 3 months	1	-3	-1	0	-1	0	1	2	-1	1	-2	1	2	
Expected selling prices, next 3 months	15	2	6	4	6	5	5	5	1	8	11	15	8	
CONSTRUCTION														
Construction Confidence Indicator ³	-5	-9	-10	1	-4	-6	-3	-2	-2	0	2	-5	1	
Building activity, past 3 months	25	13	12	17	15	21	24	23	24	29	19	25	21	
Current overall order books ⁴	-20	-29	-28	-14	-18	-21	-20	-16	-13	-12	-7	-20	-14	
Expected employment, next 3 months ⁴	11	11	9	16	10	8	15	11	9	12	11	11	15	
Expected selling prices, next 3 months	12	17	21	19	18	13	17	23	11	19	16	12	16	
INDUSTRY														
Industrial Confidence Indicator ³	10	3	5	3	9	5	3	7	9	10	8	10	10	
Production, past 3 months	20	7	9	1	7	10	1	8	18	23	20	20	22	
Current overall order books ⁴	-14	-26	-20	-22	-19	-23	-21	-24	-18	-8	-16	-14	-6	
Current export order books	-19	-23	-33	-25	4	-33	-41	-18	-14	-13	-1	-19	-2	
Stock of finished products ⁴	-22	-18	-13	-9	-15	-17	-13	-21	-12	-7	-8	-22	-20	
Expected production, next 3 months ⁴	21	17	22	23	30	20	18	23	31	30	32	21	16	
Expected employment, next 3 months ⁵	4	2	2	0	2	2	0	0	9	7	6	4	6	
Expected selling prices, next 3 months	6	6	1	3	4	4	1	3	3	4	3	6	10	
CONSUMERS														
Consumer Confidence Indicator ³	-6	-8	-7	-9	-8	-6	-7	-4	-9	-7	-7	-6	-4	
Financial situation of household, past 12 months ⁴	-3	-6	-4	-7	-6	-7	-5	-4	-5	-2	-2	-3	-4	
Expected financial situation of household, next 12 months ⁴	3	1	2	1	-2	-1	3	4	-1	-1	3	3	4	
General economic situation in Cyprus, past 12 months	7	4	4	5	-1	6	4	8	2	9	9	7	7	
Expected general economic situation in Cyprus, next 12 months ⁴	2	2	-1	0	-2	2	-2	4	-3	-1	1	2	2	
Consumer prices, past 12 months	5	13	15	15	13	4	-1	2	3	-2	1	5	12	
Expected consumer prices, next 12 months	4	0	8	2	5	-2	-3	0	0	-5	3	4	4	
Expected unemployment in Cyprus, next 12 months ⁵	-5	-11	-11	-13	-4	-9	-4	-4	-1	-6	-6	-5	-5	
Major purchases at present	-8	-11	-17	-14	-24	-20	-13	-13	-18	-11	-7	-8	-7	
Major purchases intentions, next 12 months ⁴	-24	-27	-26	-29	-22	-18	-25	-22	-27	-24	-28	-24	-20	
Savings at present	-29	-29	-28	-31	-33	-28	-31	-22	-33	-30	-22	-29	-28	
Savings intentions, next 12 months	-43	-42	-37	-47	-44	-38	-38	-41	-46	-47	-38	-43	-40	
Statement on the current financial condition of household	15	12	12	10	13	11	18	13	13	13	19	15	15	

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

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

* Sofia Andreou (email: andreou.sofia@ucy.ac.cy)

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

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