

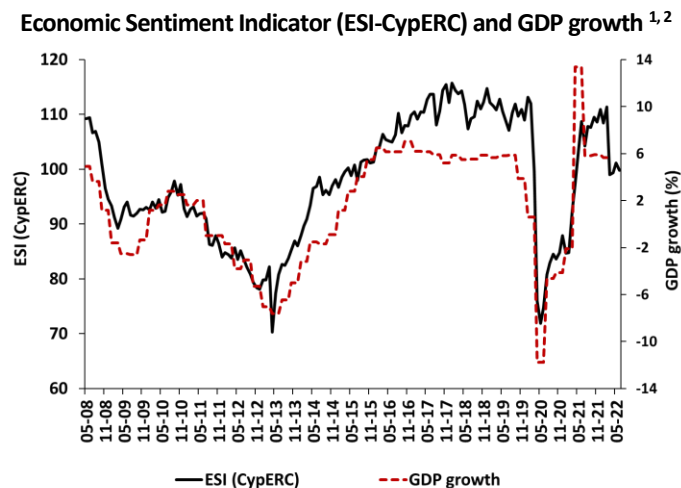
## BUSINESS AND CONSUMER SURVEYS

June 2022

### Summary

- In June 2022, economic sentiment in Cyprus deteriorated as the Economic Sentiment Indicator (ESI-CypERC) decreased by 1.4 points compared with May 2022. The decrease in the ESI-CypERC resulted from weaker business confidence in services, industry and retail trade.
- The Services Confidence Indicator decreased as firms' assessments of the past business situation deteriorated.
- The Retail Trade Confidence Indicator declined marginally as firms assessed their recent sales more negatively and revised their sales expectations downwards, despite more favourable views on current stock levels.
- The Construction Confidence Indicator remained unchanged as improved assessments of the level of order books were offset by more pessimistic employment expectations.
- The decrease in the Industry Confidence Indicator was due to less favourable views on the stocks of finished products and more pessimistic production expectations.
- The Consumer Confidence Indicator remained unchanged. Upward revisions in consumers' expectations regarding the economic conditions in Cyprus and stronger purchase intentions were offset by a deterioration in consumers' views on their financial conditions.
- In June, economic uncertainty in Cyprus declined as a result of lower uncertainty among firms; uncertainty among consumers rose for the second month in a row.

*Note: The data have been revised as a result of a change in the method used for seasonal adjustment.*



Notes: <sup>1</sup> ESI (CypERC): the weights used in the calculation of the Indicator reflect the contribution of each sector to the GDP of Cyprus.

<sup>2</sup> 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 <sup>1</sup>

Month	2021							2022					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>ECONOMIC SENTIMENT INDICATOR (ESI CypERC)<sup>2</sup></b>	<b>108.7</b>	<b>104.2</b>	<b>107.8</b>	<b>107.6</b>	<b>109.5</b>	<b>108.6</b>	<b>110.9</b>	<b>108.4</b>	<b>111.4</b>	<b>99.0</b>	<b>99.4</b>	<b>101.2</b>	<b>99.8</b>
<b>ECONOMIC UNCERTAINTY INDICATOR (CypERC)<sup>2</sup></b>	<b>27.9</b>	<b>39.3</b>	<b>37.9</b>	<b>35.6</b>	<b>33.1</b>	<b>43.4</b>	<b>31.7</b>	<b>43.6</b>	<b>36.9</b>	<b>57.0</b>	<b>42.6</b>	<b>37.7</b>	<b>35.9</b>
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	28	19	29	27	32	32	38	30	40	8	10	16	13
Business situation, past 3 months <sup>4</sup>	15	18	20	10	9	32	21	34	33	19	11	9	1
Turnover (demand), past 3 months <sup>4</sup>	19	16	25	26	26	35	36	30	39	26	27	24	24
Expected turnover (demand), next 3 months <sup>4</sup>	50	23	42	44	62	29	57	26	46	-21	-9	15	14
Employment, past 3 months	4	-7	-7	-8	-18	-10	-20	-11	1	-5	0	1	10
Expected employment, next 3 months	6	5	5	7	9	8	-2	-5	2	0	-5	5	2
Expected selling prices, next 3 months	2	5	8	12	10	22	11	26	26	32	25	27	32
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	32	46	41	39	35	49	32	48	41	67	45	36	32
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	-7	-8	-5	-7	-4	-3	-1	-5	1	-8	-9	-11	-12
Business activity (sales), past 3 months <sup>4</sup>	-36	-39	-28	-22	-21	-15	-12	-25	-16	-19	-20	-26	-30
Stock of goods <sup>4</sup>	-10	-13	-15	-12	-16	-15	-13	-12	-8	-10	-2	-13	-15
Expected business activity (sales), next 3 months <sup>4</sup>	4	1	-3	-10	-7	-8	-5	-1	10	-16	-11	-20	-22
Orders placed with suppliers, next 3 months	-1	-9	-12	-15	-16	-11	-12	-11	-5	-17	-20	-19	-20
Expected employment, next 3 months	1	1	0	-1	-1	-2	1	-1	0	1	-1	0	1
Expected selling prices, next 3 months	20	29	39	43	56	58	60	58	64	67	69	70	67
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	57	67	76	72	71	77	73	71	68	69	81	74	65
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-17	-18	-16	-16	-13	-16	-14	-17	-17	-19	-23	-18	-18
Building activity, past 3 months	-5	-16	-11	-9	-13	-12	-5	-8	-14	-19	-33	-24	-13
Current overall order books <sup>4</sup>	-33	-41	-37	-31	-27	-33	-34	-37	-34	-33	-43	-38	-34
Expected employment, next 3 months <sup>4</sup>	-1	6	6	-1	2	2	7	3	0	-4	-2	1	-2
Expected selling prices, next 3 months	35	56	63	62	69	80	74	77	79	85	87	86	88
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	33	52	54	38	37	58	46	57	56	67	58	54	55
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	-12	-11	-9	-6	-4	-6	-1	-2	2	-8	-10	-11	-14
Production, past 3 months	-27	-22	-21	-8	1	2	9	1	6	-1	-12	-15	-16
Current overall order books <sup>4</sup>	-54	-53	-55	-45	-40	-39	-32	-32	-21	-28	-37	-46	-39
Current export order books	-63	-54	-35	-33	-3	-41	-50	-85	-54	-46	-43	-23	-35
Stock of finished products <sup>4</sup>	-22	-19	-28	-27	-29	-21	-22	-19	-24	-18	-23	-25	-17
Expected production, next 3 months <sup>4</sup>	-3	0	-1	-2	0	0	9	9	4	-15	-15	-12	-19
Expected employment, next 3 months	0	1	0	1	1	2	1	1	0	0	1	1	2
Expected selling prices, next 3 months	2	11	10	32	43	68	60	52	53	61	67	74	68
Uncertainty: difficulty predicting business situation <sup>5, 6</sup>	56	57	66	71	66	76	72	81	67	81	74	77	73
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-10	-23	-21	-16	-19	-20	-22	-19	-19	-33	-33	-35	-35
Financial situation of household, past 12 months <sup>4</sup>	-12	-16	-17	-15	-13	-17	-16	-17	-17	-19	-23	-25	-29
Expected financial situation of household, next 12 months <sup>4</sup>	3	-8	-6	-8	-12	-13	-9	-6	-12	-24	-23	-27	-28
General economic situation in Cyprus, past 12 months	-52	-62	-51	-44	-36	-38	-36	-42	-41	-47	-55	-54	-62
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-3	-34	-29	-17	-24	-26	-23	-19	-25	-54	-51	-55	-52
Consumer prices, past 12 months	-9	9	25	32	46	48	51	56	71	65	72	77	83
Expected consumer prices, next 12 months	-10	10	21	18	44	42	20	22	33	64	56	57	45
Expected unemployment in Cyprus, next 12 months	22	47	39	29	25	23	22	22	14	32	26	31	28
Major purchases at present	-30	-40	-39	-36	-40	-42	-44	-40	-45	-57	-55	-57	-57
Major purchases intentions, next 12 months <sup>4</sup>	-29	-35	-31	-24	-29	-23	-39	-33	-24	-35	-35	-34	-31
Savings at present	-17	-16	-20	-25	-20	-23	-20	-25	-29	-23	-26	-23	-32
Savings intentions, next 12 months	-33	-35	-33	-40	-35	-36	-31	-39	-35	-37	-40	-48	-48
Statement on the current financial condition of household	18	15	17	17	15	15	16	16	13	15	14	12	12
Uncertainty: difficulty predicting household's financial situation <sup>5, 6</sup>	-4	-1	1	1	1	-1	-1	4	-2	10	6	9	16

Notes: <sup>1</sup> 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. <sup>2</sup> The calculation of the Indicator is described in [https://ec.europa.eu/info/sites/default/files/bcs\\_user\\_guide.pdf](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. <sup>3</sup> The Confidence Indicator is described in [https://ec.europa.eu/info/sites/default/files/bcs\\_user\\_guide.pdf](https://ec.europa.eu/info/sites/default/files/bcs_user_guide.pdf). <sup>4</sup> The responses to this question are used in the calculation of the Confidence Indicator for each survey. <sup>5</sup> The responses to this question are not adjusted for seasonality. <sup>6</sup> 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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