



## BUSINESS AND CONSUMER SURVEYS

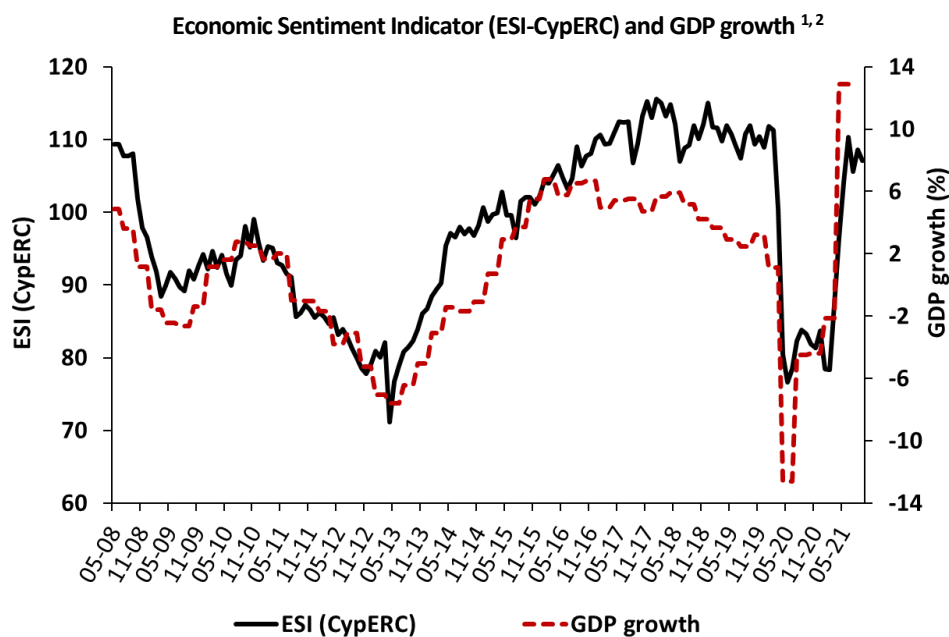
ECONOMICS RESEARCH CENTRE  
UNIVERSITY OF CYPRUS



September 2021

### SUMMARY

- In September 2021, economic sentiment in Cyprus deteriorated as the Economic Sentiment Indicator (ESI-CypERC) decreased by 1.5 points compared with August 2021. The decrease in the ESI-CypERC resulted from weakened business confidence in services and, to a smaller extent, from a fall in construction confidence.
- The decrease in the Services Confidence Indicator resulted from firms' less favourable views on their past business situation and past demand, despite improved demand expectations.
- The Retail Trade Confidence Indicator increased marginally because of more favourable assessments of past sales, despite downward revisions in sales expectations.
- The Construction Confidence Indicator deteriorated slightly as a result of downward revisions in employment expectations, despite more favourable assessments of the current levels of order books.
- The marginal increase in the Industry Confidence Indicator was driven by the improvement in firms' views on the current levels of order books.
- The Consumer Confidence Indicator rose in September, registering improvements for the second month in a row. Consumers revised their expectations about the future economic conditions in Cyprus upwards; also, consumers expressed stronger intentions for making major purchases.



Notes:

<sup>1</sup> 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.

<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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## ECONOMICS RESEARCH CENTRE UNIVERSITY OF CYPRUS



### Indicators and balances <sup>1</sup>

Month	2020				2021								
	9	10	11	12	1	2	3	4	5	6	7	8	9
<b>ECONOMIC SENTIMENT INDICATOR (ESI CypERC)<sup>2</sup></b>	83.3	81.9	81.3	83.7	78.5	78.4	87.3	96.5	104.1	110.3	105.6	108.6	107.1
<b>SERVICES</b>													
Services Confidence Indicator <sup>3</sup>	-44	-49	-47	-42	-55	-58	-32	-6	15	35	23	31	25
Business situation, past 3 months <sup>4</sup>	-34	-51	-42	-49	-56	-62	-47	-29	-2	20	23	26	7
Turnover (demand), past 3 months <sup>4</sup>	-53	-45	-51	-48	-54	-63	-45	-16	1	29	24	33	28
Expected turnover (demand), next 3 months <sup>4</sup>	-45	-51	-47	-30	-56	-48	-6	27	47	54	23	34	41
Employment, past 3 months	-5	-1	1	1	-12	-9	-13	0	2	4	-5	-6	-6
Expected employment, next 3 months	4	11	5	-3	-15	-15	-10	-3	2	6	6	5	6
Expected selling prices, next 3 months	-7	-14	-6	-9	-4	-18	-10	-1	7	5	4	6	11
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	48	32	44	58	62	67	42	65	45	32	46	41	39
<b>RETAIL TRADE</b>													
Retail Trade Confidence Indicator <sup>3</sup>	-25	-28	-28	-25	-28	-29	-26	-20	-11	-7	-8	-6	-5
Business activity (sales), past 3 months <sup>4</sup>	-51	-50	-51	-50	-54	-49	-49	-47	-49	-37	-39	-29	-21
Stock of goods <sup>4</sup>	-19	-19	-20	-25	-17	-18	-22	-21	-24	-11	-14	-15	-12
Expected business activity (sales), next 3 months <sup>4</sup>	-43	-52	-55	-50	-45	-56	-52	-33	-9	4	2	-2	-8
Orders placed with suppliers, next 3 months	-42	-49	-55	-52	-48	-49	-51	-36	-14	-1	-7	-11	-12
Expected employment, next 3 months	-1	1	0	0	0	-2	0	0	-1	1	0	0	-1
Expected selling prices, next 3 months	5	2	1	4	1	-3	3	-1	9	10	23	37	45
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	71	76	80	78	77	67	68	62	65	57	67	76	72
<b>CONSTRUCTION</b>													
Construction Confidence Indicator <sup>3</sup>	-18	-11	-25	-20	-25	-25	-22	-23	-15	-18	-17	-17	-20
Building activity, past 3 months	-15	-9	-32	-24	-34	-34	-39	-24	-4	-3	-13	-15	-17
Current overall order books <sup>4</sup>	-32	-22	-44	-38	-44	-42	-46	-44	-36	-35	-41	-39	-37
Expected employment, next 3 months <sup>4</sup>	-3	-1	-7	-2	-6	-7	1	-2	5	-1	7	4	-2
Expected selling prices, next 3 months	-4	2	-2	-8	-1	1	0	11	20	29	50	56	54
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	38	52	66	57	57	52	56	43	41	33	52	54	38
<b>INDUSTRY</b>													
Industrial Confidence Indicator <sup>3</sup>	-28	-29	-28	-29	-34	-35	-37	-24	-15	-13	-12	-12	-10
Production, past 3 months	-59	-61	-57	-60	-56	-53	-65	-58	-38	-28	-23	-23	-12
Current overall order books <sup>4</sup>	-61	-62	-67	-70	-64	-69	-67	-55	-52	-53	-52	-59	-49
Current export order books	-51	-70	-69	-62	-68	-78	-82	-69	-54	-68	-50	-52	-38
Stock of finished products <sup>4</sup>	-13	-18	-23	-33	-20	-30	-20	-17	-21	-22	-21	-30	-27
Expected production, next 3 months <sup>4</sup>	-37	-44	-39	-52	-57	-66	-66	-34	-14	-7	-4	-6	-7
Expected employment, next 3 months <sup>5</sup>	-1	-2	-3	-1	-2	-2	0	0	1	0	1	1	1
Expected selling prices, next 3 months	-1	-1	-1	-3	-4	1	-2	1	3	1	10	10	27
Uncertainty: difficulty predicting business situation <sup>5,6</sup>	62	60	68	73	76	64	69	60	61	56	57	66	71
<b>CONSUMERS</b>													
Consumer Confidence Indicator <sup>3</sup>	-29	-29	-35	-33	-35	-32	-23	-18	-18	-13	-23	-20	-17
Financial situation of household, past 12 months <sup>4</sup>	-15	-15	-18	-20	-20	-22	-24	-20	-19	-13	-16	-16	-16
Expected financial situation of household, next 12 months <sup>4</sup>	-12	-10	-20	-15	-20	-14	-4	-5	-3	0	-8	-5	-8
General economic situation in Cyprus, past 12 months	-44	-49	-58	-64	-68	-67	-72	-71	-71	-56	-59	-52	-48
Expected general economic situation in Cyprus, next 12 months <sup>4</sup>	-43	-45	-56	-49	-54	-45	-29	-19	-19	-11	-31	-26	-20
Consumer prices, past 12 months	-18	-19	-17	-17	-21	-25	-20	-17	-17	-13	6	21	28
Expected consumer prices, next 12 months	-17	-19	-15	-10	-21	-16	-13	-9	-9	-12	7	18	14
Expected unemployment in Cyprus, next 12 months <sup>5</sup>	60	57	66	62	60	48	40	36	23	13	40	36	24
Major purchases at present	-42	-32	-49	-53	-51	-42	-35	-31	-38	-32	-41	-42	-39
Major purchases intentions, next 12 months <sup>4</sup>	-45	-45	-46	-48	-44	-46	-35	-31	-31	-30	-37	-31	-26
Savings at present	-16	-24	-19	-24	-16	-23	-19	-21	-21	-19	-15	-19	-24
Savings intentions, next 12 months	-28	-40	-39	-40	-35	-31	-32	-38	-33	-33	-33	-32	-40
Statement on the current financial condition of household	21	19	14	14	15	18	17	14	15	17	16	17	16
Uncertainty: difficulty predicting household's financial situation <sup>5,6</sup>	4	6	16	9	12	4	2	0	6	-4	-1	1	1

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 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> 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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