

Friday January 27th 2011

MACROECONOMIC NEWS
CYPRUS ECONOMIC INDICATORS

| | Period | Actual | Change mom | Change yoy | Prior |
|--|-----------------|------------------|------------|----------------|----------------------|
| Consumer Price Index | Dec-11 | 118.95 | 0.02% | 3.9% | 3.8% yoy |
| Inflation (EU harm.) | Dec-11 | 117.82 | -0.1% | 4.15% | 3.48% yoy |
| GDP | Q3 11 | -0.7% qoq | | -0.5% | 0.2% qoq |
| Current Acc. Deficit | 2010 | 7% | | | 6.09%(2009) |
| Trade Deficit | Jan-Oct | 4.06bln | | -6.1% | 4.33bln yoy |
| Public Debt | 2010 | 10.6bln(61%) | | 7.5% | 55.2% |
| Budget Deficit | Jan-Nov | 885mln(4.91%) | | 400.9mln(82%) | 484.1mln(2.79%) |
| Building Permits | Jan-Nov | 6,946 | | -13.6% | 8,044 |
| Building Permits-Sq.m (000) | Jan- Nov | 2,039,121 | | -24.5% | 2,701,079 |
| Industrial Output Price Index | Oct-11 | 132.4 | 0.1% | | 132.3 |
| Industrial Production Index | Sep-11 | 96.4 | | -11.9% | 109.5 |
| Unemployment Rate | Nov-11 | 9.1% | | 40%(6.5%Nov10) | 8.8% mom |
| Registered Unemployed | Dec-11 | 32,895 | +1,069 | +7,202 | 25,693yoy(28.3%) |
| Tourist Arrivals (Monthly) | Dec-11 | 65,339 | | 6.8% | 61,199 yoy |
| Tourist Arrivals (Year to Date) | Jan-Dec | 2,392,223 | | 10.1% | 2,172,993 yoy |
| Tourism Revenues | Oct-11 | 188.8mln | | 7.58% | 175.5mln yoy |
| Retail Sales (Vol Prel. Data) | Oct-11 | 114.2 | | -2.70% | 117.4 |

Building Permits – Drop by 18% yoy in November

Total building permits dropped by 18% yoy in November to 601 compared to 733 a year ago. The total value of these permits reached €145.1mln and their total area summed up to 153.8 thousand square metres. **During the January–November 2011 period a total of 6,946 building permits were issued, recording a 13.6% yoy drop compared to the corresponding period of 2010 (8,044).** Furthermore, their **total value and area decreased by 23.4% yoy and 24.5% yoy respectively** to €1.88bln and 2,039 thousand square meters.

It's interesting to note that building interest has shifted towards non-residential units in the past year, since the total area of residential property unit permits dived by 32.9% yoy to 1,500 thousand square meters. Total area of permits in residential block of flats decreased by 51.2% yoy, while on the contrary, the area of newly authorised non-residential permits actually increased by 26% yoy.

Tourist Industry – Arrivals jump by 10.1% yoy in 2011

Arrivals of tourists **inched up by 6.8% yoy in December** to 65,339 compared to 61,199 in December 2010. This was driven by a 7.1% yoy rise in UK arrivals (to 21,054) followed by 3.4% yoy increase in arrivals from Greece (to 10,182 this year)!

In 2011 total tourist arrivals climbed by 10.1% yoy to a total of 2.4mln from 2.2mln in 2010. This was largely led by the rich Russian market as arrivals from Russia jumped by an impressive 49.2% yoy to 0.33mln up from 0.22mln last year, followed by a 2.4% yoy increase in UK arrivals (Cyprus' main tourist market) to 1mln compared to 0.996mln in 2010.

Construction Materials – Index lands higher in 2011

The Price Index of Construction Materials decreased by 0.29% mom in December 2011 to 126 compared to the previous month. Moreover, **during 2011, the index increased by 4.12% yoy compared to 2010.**

Industrial Turnover – Index drops in October

The Industrial Turnover Index decreased by 4.3% yoy in October 2011 to 123.3 units compared to October 2010, while during the **January-October 2011 period the index dropped by 0.9% yoy** compared to the corresponding period of 2010.

During the same period, the **manufacturing index decreased by 7.6% yoy** to 106.4 units compared to October 2010.

Cyprus sells 30 and 60-day T-bills

The Ministry of Finance **sold €120mln 30-day T-bills** at an auction on Friday at an average yield of **4.40%**, cheaper than last month's 30-day t-bill auction (4.82%). Furthermore, it has also sold **€150mln 60-day bills at an average yield of 4.50%**. The issue date for both t-bills is the 3rd of February 2012.

The Ministry has also announced that it hasn't accepted any bids for its third 13-week T-bill auction.

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