Cyprus

Introduction

Cyprus is an island country in the Middle East in the Eastern Mediterranean Sea. Nearby countries include Turkey, Syria, and Lebanon. Geographically, Cyprus is a central plain with mountains to the north and south. The government system is a republic; the chief of state and head of government is the president. Cyprus has a market economy system in which the prices of goods and services are determined in a free price system. Cyprus is a member of the European Union (EU).

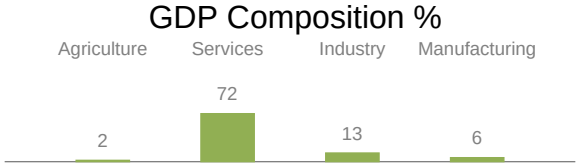
Location: Western Asia
Capital City: Nicosia (+2 GMT)
Chief of State: President Nicos Christodoulidis
Head of Govt.: President Nicos Christodoulidis
Currency: Euro (EUR)
Major Languages: Greek (official) 80.9%, Turkish (official) 0.2%, English 4.1%, Romanian 2.9%, Russian 2.5%, Bulgarian 2.2%, Arabic 1.2%, Filipino 1.1%, other 4.3%, unspecified 0.6% (2011 est.)
Primary Religions: Eastern Orthodox Christian 89.1%, Roman Catholic 2.9%, Protestant/Anglican 2%, Muslim 1.8%, Buddhist 1%, other (includes Maronite Catholic, Armenian Apostolic, Hindu) 1.4%, unknown 1.1%, none/atheist 0.6% (2011 est.)
Calling Code: 357
Voltage: 240

Key Websites

Main Government Page:	cyprus.gov.cy
Commerce Ministry:	meci.gov.cy
Investment Promotion Agency:	investcyprus.org.cy

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international $):	$45.39 billion (2022)
GDP growth (annual %):	5.63% (2022)
GDP per capita, PPP (current international $):	$49,930.87 (2022)
Manufacturing, value added (% of GDP):	5.72% (2022)
Current account balance (BoP, current US$):	-$2.63 billion (2022)
Inflation, consumer prices (annual %):	8.40% (2022)
Labor force, total:	675,104 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	6.98% (2022)
Imports of goods and services (current US$):	$26.13 billion (2022)
Exports of goods and services (current US$):	$26.03 billion (2022)



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	51 / 178
Global Competitiveness Index	44 / 141
Global Enabling Trade Index	47 / 136
Index of Economic Freedom	18 / 176
International Logistics Performance Index (LPI)	45 / 160
Inward FDI Potential Index	47 / 139
KOF Index of Globalization	14 / 185
Networked Readiness Index (NRI)	40 / 139

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

Strengths

- Central geographical location between Europe, Asia and Africa favours the transhipment industry
- Offshore finance hub
- Rich, unexploited offshore natural gas deposits
- Skilled, English-speaking workforce
- Relatively successful pandemic management

Weaknesses

- Divided territory, increasingly tense geopolitical neighbourhood
- Small domestic market, isolated from the rest of Europe
- Highly dependent on Russia and the UK as export markets and sources of financing (Brexit risk)
- Slow legal process, poor enforcement of contracts
- Heavy debt load for the state, banks, companies, and households
- Weak industrial diversification (tourism, construction, natural gas, finance)

U.S. Embassy

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