

About Cyprus – Economy



- The Cyprus economy is characterised by robustness and macroeconomic stability.
- In 2008 it was **classified by the IMF amongst the 32 advanced economies of the world.**
- From 1 January 2008, the country entered the Eurozone and **adopted the Euro (€)** and monetary policy is dictated by the European Central Bank.
- Cyprus has **an open, free-market, service-based economy.**
- Throughout the post-Independence period, Cyprus has had **a record of successful economic performance**, reflected in **rapid growth, full employment conditions and external and internal stability.**



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- The underdeveloped economy, inherited from Colonial Rule in 1960, has been transformed into a modern economy, with dynamic services, industrial and agricultural sectors and advanced physical and social infrastructure.
- Cyprus is **classified among the high-income countries**. It has a standard of living that is higher than most other European Union member-states and **the performance of the economy compares favorably with that of most of the wealthier other EU countries**.
- The average annual rate of growth in the past five years was about 3.8%, while inflation stood at 2.9% and unemployment at 3.4% over that period.



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- These achievements appear all the more striking, bearing in mind the severe economic and social dislocation created by the Turkish invasion of 1974 and the continuing occupation of the northern part of the island by Turkey. The Turkish invasion inflicted a serious blow to the Cyprus economy and in particular to agriculture, tourism, mining and quarrying: 70% of the island's rich producing resources were lost, the tourist industry lost 65% of its hotels and tourist accommodation, the industrial sector lost 46%, and mining and quarrying lost 56% of production. The loss of the Port of Famagusta, which handled 83% of the general cargo, and the closure of the Nicosia International Airport, in the buffer zone, were additional blows.



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- The success of Cyprus in the economic sphere is attributed, inter alia, to the adoption of a market oriented economic system, the pursuance of sound macroeconomic policies by the government as well as the existence of a dynamic and flexible entrepreneurship and a highly educated labor force. Moreover, the economy benefited from the close cooperation between the public sector and the social partners.
- Noteworthy, is that Cyprus has the fourth-largest ship registry in the world, with 2,758 ships and 25.5 million gross registered tons (GRTs). It is an open registry and includes ships from more than 43 countries.



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