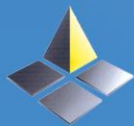


CYPRUS

Focus on Foreign Trade 2011



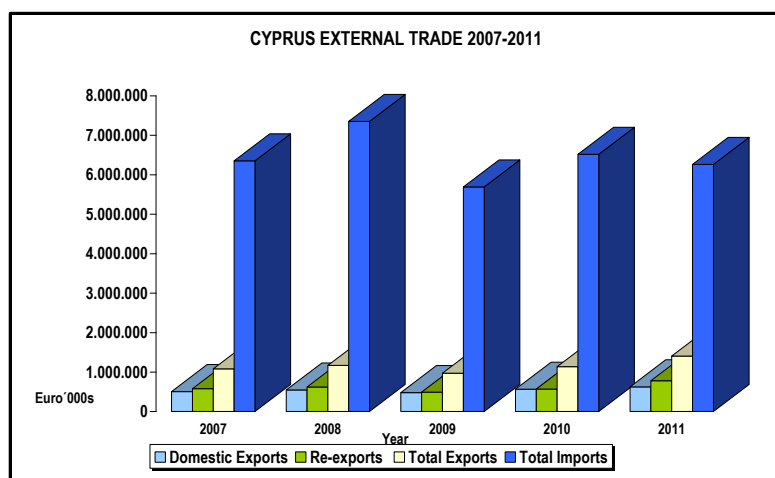
Department of Trade
Ministry of Commerce, Industry and
Tourism

CYPRUS EXTERNAL TRADE DEVELOPMENTS IN 2011

1. INTRODUCTION

Cyprus, has an exceptionally extrovert economy. Due to its small domestic market and the open nature of its economy, considers access to international markets as of utmost importance. Because of its location, Cyprus has always had strong economic ties with other countries. As a result, trade has always played a crucial role in the development of the economy. During 2011 exports accounted for about 12,5% of the Country's GDP.

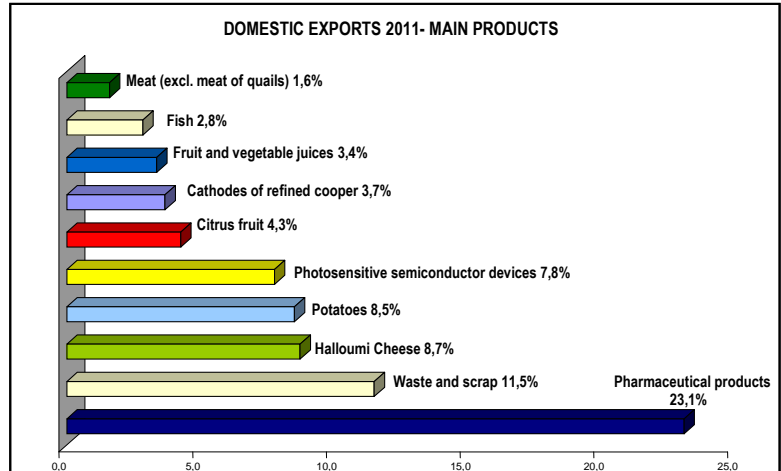
During 2011 Cyprus's total trade has increased by 1%. **Total exports** have increased by about 24% reaching €1,4 b. from €1,1 b. during 2010. **Domestic exports** have also by 10% reaching €625 m. compared to €567 m. in 2010. An increase of about 37% has also been observed in **re - exports** which have amounted to €780 m. from €570 m. in 2010. **Total imports** have decreased by 4% reaching € 6.3 b. in 2011 from €6.5 b. in 2010. (Table 1)



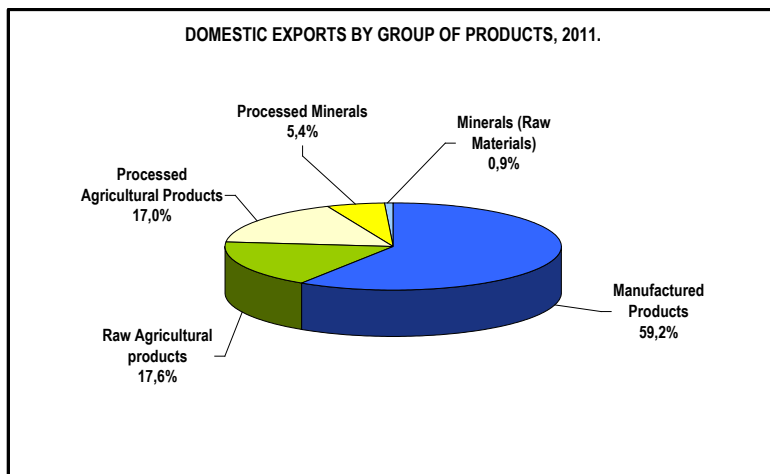
2. CYPRUS'S DOMESTIC EXPORTS

During 2011 domestic exports (excluding stores and provisions) amounted to €624 m. from €566 m. in 2010, thus registering an increase of about 10% from the previous year. Cyprus's domestic exports cover a range of areas, the most important being the manufacturing and agricultural sectors.

The main products exported during 2011 were **pharmaceuticals, waste and scrap, halloumi cheese, potatoes, photosensitive semiconductor devices, citrus fruit, cathodes of refined copper, fruit and vegetable juices, fish and meat.** (Table 2)



2.1 Exports by broad economic sector (Group of Products)



Exports of **manufactured products** which constitute the bulk of Cyprus' domestic exports with a 60% share in 2011, increased to €369 m. from €357 m. in 2010.

Exports of **raw agricultural products** have increased as well, reaching in 2011 €110 m., compared to €86 m. in

2010. They represent 18 % of domestic exports.

Exports of **processed agricultural products** during 2011 rose to about €106 m., from €94 m. in 2010 representing 17% of total domestic exports.

Exports of **processed minerals** have increased to €33 m. in 2011 compared to €25 m. in 2010. Exports of **unprocessed minerals** have increase to €6 m. from €5 m. in 2010. They represent 5% and 1% of total domestic exports, respectively. (Table 3)

2.1.1 Exports of Manufactured Products

Exports of **manufactured products** (i.e. industrial products of manufacturing origin) constitute the bulk of Cyprus' domestic exports representing 60% of total exports in 2011. In 2011 they have increased to € 369 m., from €357 m. in 2010.

The most important manufactured products exported during 2011 were **pharmaceuticals** (€144 m.), **waste and scrap** (€72 m.), **photosensitive semiconductor devices** (€48 m.), **plastic products** (€8 m.), **cigarettes** (€6 m.), **paper products** (€5 m.), **shotgun cartridges** (€4 m.), **animal feeding** (€4 m.) and **aluminum products** (€4 m.). (Table 4)

2.1.2 Exports of Agricultural Products

In 2011 exports of raw and processed agricultural products accounted for 18% and 17% of total domestic exports, respectively.

Exports of **raw agricultural products** during 2011 amounted to €110 m.. **Potatoes, citrus fruit, fish and vegetables** were the most important products, with exports valued at €53 m., €27 m., €17 m. and €8 m. respectively.

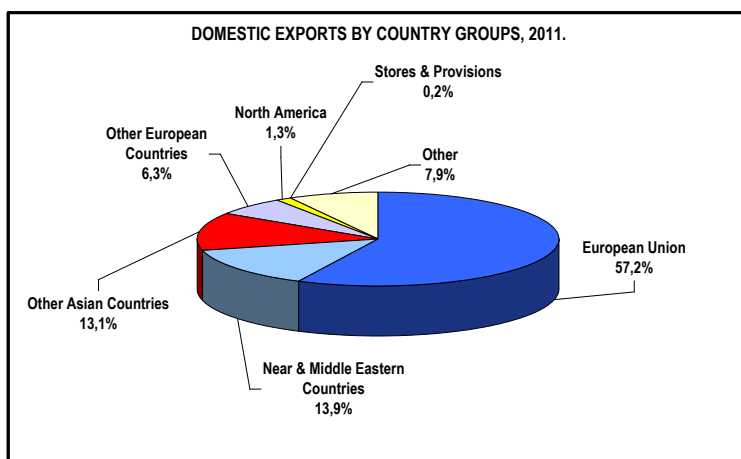
Exports of **processed agricultural products** during 2011 experienced an increase compared to 2010, and reached €106 m.. **Halloumi cheese, fruit and vegetable juices, meat, raw hides and skins and wines** are the main products included in this group. (Table 5)

2.2 Direction of Domestic Exports

The **European Union** is by far the most important market area for Cyprus. In 2011 no less than 57%, or (€358 m.) of Cyprus' s domestic exports were absorbed by the E.U. countries. The major E.U. export market for Cyprus products is **Greece**, followed by **Germany**, the **United Kingdom**, and **Italy**.

The **Near and Middle Eastern Countries**, the second most important group, absorbed during 2011 about 14% of Cyprus' domestic exports. They increased to €87 m., from €72 m. in the previous year. The major markets in this group are **Israel, Lebanon, the United Arab Emirates, Saudi Arabia and Jordan**.

Exports to **other Asian countries** have increased to €82 m. in 2011 from €63 m. in 2010, representing about 13% of Cyprus's domestic exports. The major export markets in this group are **China, Hong Kong, India, and Malaysia.**



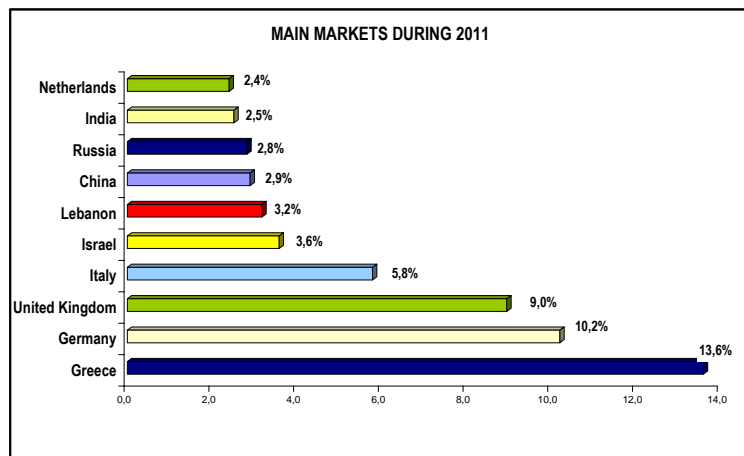
Domestic exports to other **European Countries** represent 6% of the total.

During 2011 they stayed to €39 m.. The major markets in this group are **Russia, Ukraine, Norway and Croatia.**

Exports to **North America**, with most important export market the **U.S.A.**, increased to €8 m. in 2011 from, €6 m. in 2010. Their share to the total was about 1%.

Exports to the **rest of the world** have declined to €50 m. in 2011 from €55 m. in 2010 and accounted for 8% of total domestic exports.

Stores and provisions amounted to €1,3 m. in 2011 representing about 0,2% of total domestic exports. (Table 6)



On a country basis, the major markets during 2010 were **Greece, Germany, the United Kingdom, Italy, Israel, Lebanon, China, Russia, India and Netherlands.** (Table 7)

3. RE-EXPORTS

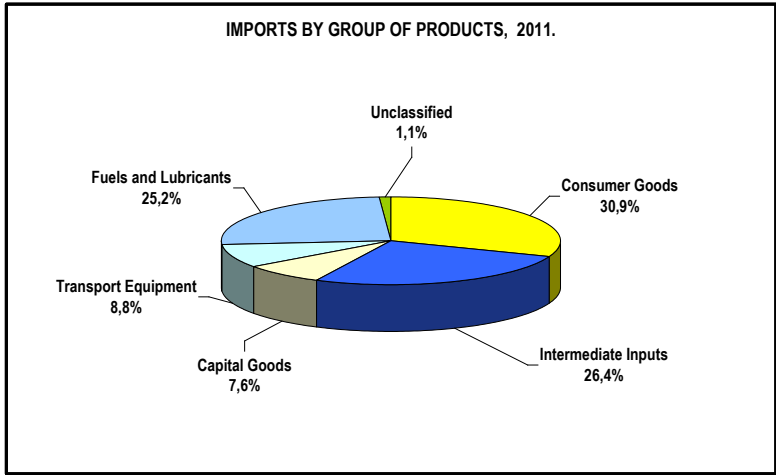
A significant share in foreign exchange earnings comes from re-exports, which in 2011 reached €780 m.. They have shown an increase from the previous year where as their value was €570 m..

The bulk of these re-exports, about 46%, was directed mainly towards the countries of the **European Union**. They were followed by **Near and Middle Eastern** countries which absorbed 11%, while 3% were directed to **Asian countries**. **Other European Countries**, **South America** and **South African countries** absorbed about 2%.

4. CYPRUS' IMPORTS

Total imports in 2011 reached €6,3 b., compared to €6,5 m. in 2010, thus showing a decrease of about 4%.

4.1 Total Imports/Arrivals by Economic Destination, (Group of Products)



Imports of **consumer goods** and **intermediate inputs** (raw materials) make up for most of the total imports, accounting for 31% and 26% respectively. They are followed by **fuels and lubricants** (25%), **transport equipment** (9%) and **capital goods** (8%).

Imports of **consumer goods** showed a decrease in 2011 and reached €1,9 b. from €2,0 b. in the previous year.

Imports of **intermediate inputs** (raw materials) also decreased during 2011 to €1,6 b. in comparison with €1,7 b. in the previous year. The overwhelming majority of the 2011 imports of intermediate inputs were raw materials for the manufacturing sector.

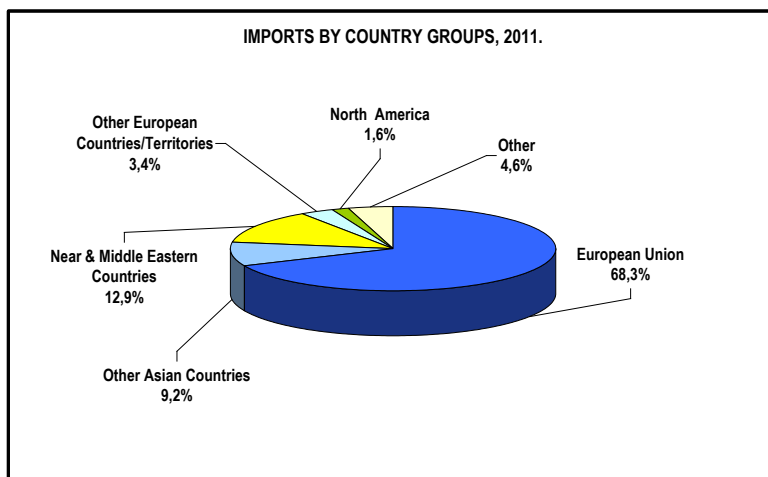
Imports of **fuels and lubricants** showed an increase and reached €1,6 b. in 2011 from €1,3 b. in 2010.

Imports of **transport equipment** and parts also decreased and reached €549 m. in 2011, compared to €874 m. in 2010. Passenger motor vehicles, parts for transport equipment and motor vehicles for the transport of goods, accounted for most of the imports in this group.

Imports of **capital goods** have declined and reached in 2011 €477 m. as compared to €555 m. in 2010. (Table 8)

4.2 Geographical Origin of Imports

The European Union countries continued in 2011 to be the biggest suppliers of goods to Cyprus providing 68% of the total imports, or goods valued at €4,3 b.. The major European Union countries exporting to Cyprus were **Greece, the United Kingdom, Italy and Germany**.



The **Middle Eastern** countries were the second most important group of suppliers in 2011 supplying Cyprus with goods valued at €809 m. or 13% of the total. The major supplier in this group was **Israel** followed by **Georgia, Kuwait, the United Arab Emirates, Lebanon, Saudi Arabia, and Syria**.

Imports from the **Asian** countries, represented in 2011 9% of total imports and accounted for €577 m.. **China, India, Japan, Thailand, South Korea, and Taiwan** were the most important suppliers.

Imports from **other European countries** have also decreased and reached €210 m. in 2011 and accounted for 3% of the total. The major suppliers in this group were **Switzerland, Ukraine, Norway and Russia**.

Imports from **North America** during 2011 amounted to €101 m. They accounted for only 2% of Cyprus' total imports. The **United States** is the biggest supplier from this group of countries.

Imports from the **rest of the world** account for 5% of the **total imports**. They have decreased to €286 m. in 2011 compared to €314 m. in 2010. (Table 9)

5. PROMOTION OF EXPORTS

The main objective of the Ministry of Commerce, Industry and Tourism regarding the area of trade is the expansion of exports of goods and services. In order to achieve its goal the Ministry has developed and put into effect a plan of actions. This plan is designed in such a way as to improve the ability of the Cypriot enterprises to penetrate into foreign markets.

This plan of actions involves much more than advertising and includes amongst others, the introduction of export oriented schemes, the participation in international trade fairs, the organization of business missions and seminars abroad, public relations and market research.

The Ministry operates also eleven **Trade Centres** abroad, situated in carefully targeted markets. At present, the Ministry maintains Centres in **Austria, Egypt, France, Germany, Greece, Lebanon, Poland, Russia, the United Arab Emirates, the United Kingdom, and the U.S.A.** The main responsibility of the Trade Centres is the promotion of exports of goods and services in overseas markets. Furthermore the Trade Centres are actively involved in the promotion of Cyprus as an International Business Centre, as well as in the attraction of foreign investments.

TABLE 1: CYPRUS EXTERNAL TRADE 2007 - 2011

						€'000s	
	2007	2008	2009	2010	2011	2010 -2011	
						%	
Domestic Exports	505.290	545.355	479.368	566.692	625.461	10,4	
Re-exports	577.379	622.015	491.078	570.096	780.499	36,9	
Total Exports	1.082.669	1.167.370	970.446	1.136.788	1.405.960	23,7	
Total Imports	6.353.445	7.349.049	5.691.779	6.517.413	6.260.461	-3,9	
Trade Balance	-5.270.776	-6.181.679	-4.721.333	-5.380.625	-4.854.501		

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

Notes: Data on exports includes stores and provisions (exports to ships and aircraft).

TABLE 2: DOMESTIC EXPORTS (excl. stores and prov.). MAIN PRODUCTS 2011.

		€'000s	
Product		2011	%
1	Pharmaceutical products	144.015	23,1
2	Waste and scrap	71.712	11,5
3	Halloumi Cheese	54.412	8,7
4	Potatoes	53.105	8,5
5	Photosensitive semiconductor devices	48.460	7,8
6	Citrus fruit	26.570	4,3
7	Cathodes of refined copper	22.905	3,7
8	Fruit and vegetable juices	20.961	3,4
9	Fish	17.749	2,8
10	Meat (excl. meat of quails)	9.969	1,6
11	Other products	154.004	24,7
Total		623.862	100,0

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 3: DOMESTIC EXPORTS (excl. stores and provisions) BY GROUP OF PRODUCTS 2007 -2011

	€'000s					
	2007	2008	2009	2010	2011	%
Manufactured Products	283.377	317.586	291.688	356.633	369.187	59,2
Raw Agricultural products	120.091	116.646	82.679	86.212	109.776	17,6
Processed Agricultural Products	69.752	79.464	79.964	83.771	105.831	17,0
Processed Minerals	19.032	23.722	18.016	24.598	33.383	5,4
Minerals (Raw Materials)	11.938	7.216	6.136	4.707	5.653	0,9
Unclassified	46	83	144	270	32	0,0
Total Domestic Exports	504.236	544.717	478.627	556.191	623.862	100,0

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 4: DOMESTIC EXPORTS (excl. stores and prov.) OF MAJOR MANUFACTURED PRODUCTS, 2007-2011

Product	€'000s				
	2007	2008	2009	2010	2011
Coffee, roasted	460	382	457	564	407
Animal or vegetable fats and oils	1.950	2.111	1.278	1.483	3.289
Sugar and Chocolate confectionery	126	154	155	164	63
Biscuits, waffles, wafers and other bakers wares	844	748	743	665	670
Cigarettes	7.103	6.155	10.682	9.645	5.752
Cement	2.018	0	1.620	484	1.823
Pharmaceutical products	103.943	122.579	108.019	129.820	144.015
Paints	441	372	349	464	328
Perfumery and cosmetics	3.105	2.859	2.730	2.171	2.733
Soap, washing preparations	1.565	1.648	1.268	1.330	1.338
Insecticides	270	818	668	1.151	485
Tubes,pipes,sheets etc.of plastics	5.830	5.657	5.526	6.245	8.138
Plastic articles for packing goods	1.669	1.045	943	943	522
Articles of paper or of paperboard	6.766	5.675	4.709	5.477	4.692
Printed material	547	435	236	289	1.260
Clothing	6.582	5.164	3.332	2.542	2.389
Footwear	600	679	482	234	150
Articles of iron and steel	2.189	2.123	1.774	2.819	4.313
Aluminium bars, rods and profiles	13.665	9.682	4.209	3.902	2.810
Pumps for liquids	3.195	2.459	3.209	1.027	1.315
Refrigerators and freezers	31	76	4	23	9
Brooms,brushes,mops,etc.	2.209	1.201	1.304	1.276	940
Shotgun cartridges	2.792	3.015	3.167	3.560	4.461
Furniture	4.796	4.198	4.580	7.280	2.568
Lighting fixtures and fittings	863	373	535	674	57
Records, tapes and other recorded media	1.873	1.005	97	8	185
Photosensitive semiconductor devices	45.099	58.346	57.421	83.440	48.460
Yachts and other sports and pleasure boats	3.253	2.084	1.730	1.534	1.470
Animal feeding preparation	1.683	1.424	2.393	3.682	4.322
Waste and scrap	28.763	35.106	29.900	51.140	71.712
Jewellery, goldsmiths and silversmiths wares	805	858	1.369	867	759
Machinery for filling, closing, scaling, labeling	2.542	2.311	3.195	843	350
Watering appliances for agricultural or horticultural sectors	56	0	0	0	171
Part and accessories of motor vehicles	444	981	1.251	231	660
Uncooked or stuffed pasta	619	910	776	1.060	988
All others	24.681	34.953	31.577	29.596	45.583
Total	283.377	317.586	291.688	356.633	369.187

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 5: DOMESTIC EXPORTS (excl. stores and provisions) OF MAJOR AGRICULTURAL PRODUCTS 2007 - 2011

	€'000s				
	2007	2008	2009	2010	2010
Raw agricultural products	120.091	116.646	82.679	86.212	109.776
Citrus fruit	29.248	29.286	23.112	28.336	26.570
Fresh Grapes	200	418	491	511	566
Potatoes	55.902	47.000	38.094	33.245	53.105
Other Vegetables (fresh, frozen, or dried)	10.009	9.217	8.783	8.207	7.530
Fish, crustaceans, mollusks (live, fresh, chilled or frozen)	8.391	8.598	9.051	11.347	17.749
Other	16.341	22.127	3.148	4.566	4.256
Industrial pr. of agricultural origin	69.752	79.464	79.964	93.771	105.831
Halloumi cheese	31.155	34.907	41.207	47.627	54.412
Cheese (excl. halloumi cheese)	1.468	1.342	858	1.094	1.159
Locust beans (incl. Seeds)	906	1.045	1.258	2.000	1.611
Wines	5.191	3.429	2.863	2.350	2.126
Fruit and vegetable juices	12.353	11.248	10.753	16.029	20.961
Beer	1.726	1.411	526	505	659
Alcoholic beverages (excl. beer and wines)	489	421	375	330	239
Meat (excl. meat of quails)	6.050	12.549	10.040	10.432	9.969
Raw Hides and skins	2.992	3.555	2.749	3.370	4.133
Fruit preserved	581	520	326	152	140
Other	6.841	9.037	9.009	9.882	10.422
Total	189.843	196.110	162.643	179.983	215.607

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2010 Statistical Service of Cyprus.

TABLE 6: DOMESTIC EXPORTS (including stores and provisions) BY COUNTRY GROUPS 2011

	€'000s	
	2011	%
European Union	357.580	57,2
Near & Middle Eastern Countries	87105	13,9
Other Asian Countries	81.787	13,1
Other European Countries	39.589	6,3
North America	8.115	1,3
Stores & Provisions	1.297	0,2
Other	49.584	7,9
Total Domestic Exports	625.057	100,0

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 7: MAIN MARKETS FOR DOM. EXPORTS DURING 2011.

COYNTRY		€'000s	%
1	Greece	84.843	13,6
2	Germany	63.708	10,2
3	United Kingdom	55.905	9,0
4	Italy	36.123	5,8
5	Israel	22.361	3,6
6	Lebanon	19.825	3,2
7	China	18.094	2,9
8	Russia	17.619	2,8
9	India	15.697	2,5
10	Netherlands	15.001	2,4

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 8: TOTAL IMPORTS BY GROUP OF PRODUCTS 2007 - 2011

						€'000s
	2007	2008	2009	2010	2011	%
Consumer Goods	1.834.477	2.039.561	1.914.402	1.959.116	1.934.891	30,9
Intermediate Inputs	1.848.912	2.126.354	1.555.326	1.702.850	1.651.766	26,4
Capital Goods	571.479	661.481	654.852	554.866	476.807	7,6
Transport Equipment	1.013.746	1.044.694	561.937	873.664	548.671	8,8
Fuels and Lubricants	1.071.198	1.450.018	996.222	1.309.775	1.579.593	25,2
Unclassified	13.633	26.941	9.040	117.143	68.732	1,1
Total Imports	6.353.445	7.349.049	5.691.779	6.517.414	6.260.460	100,0

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

TABLE 9: TOTAL IMPORTS BY COUNTRY GROUPS 2007- 2011

						€'000s
	2007	2008	2009	2010	2011	%
European Union	4.336.498	4.914.758	4.085.104	4.503.163	4.276.825	68,3
Other Asian Countries	775.375	893.615	637.645	663.538	577.495	9,2
Near & Middle Eastern Countries	578.497	798.080	483.546	659.897	808.930	12,9
Other European Countries/Territories	198.712	316.822	181.701	274.200	210.480	3,4
North America	88.469	139.164	99.670	101.722	100.566	1,6
Other	375.894	286.610	204.113	314.894	286.164	4,6
Total Imports	6.353.445	7.349.049	5.691.779	6.517.414	6.260.460	100,0

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2011. Statistical Service of Cyprus.

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