



**Republic of Cyprus**  
**Ministry of Commerce, Industry and Tourism**

# **FOCUS ON TRADE**

## **2009**

**Department of Trade**  
**Ministry of Commerce, Industry and**  
**Tourism**

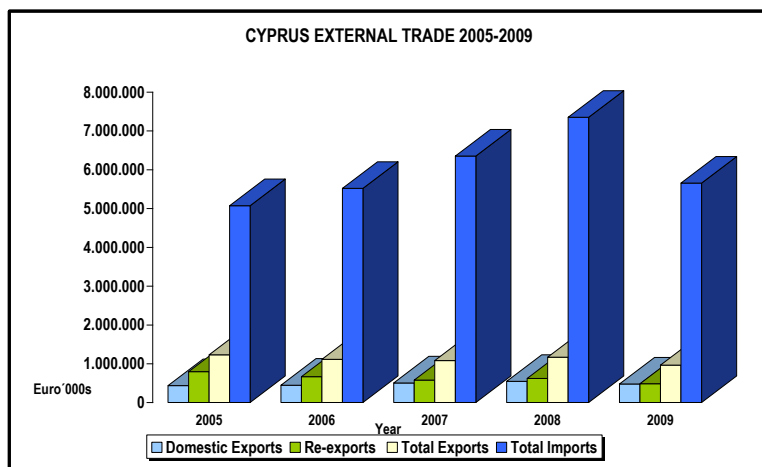
# CYPRUS EXTERNAL TRADE DEVELOPMENTS IN 2009

## 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 2009 exports accounted for about 6% of the Country's GDP.

As a result of the global financial crisis, Cyprus's international trading values in terms of both exports and imports have plunged during 2009 by about 22%.

During 2009 the country's imports and exports have shown a downturn. Specifically **total exports** declined by about 17% reaching in 2009 €963 m. from €1.167 m. during 2008. **Total imports** declined by 23% reaching € 5.654 m. in 2009 from € 7.349 m. in 2008. Furthermore, **domestic exports** declined by 12% reaching €479 m.

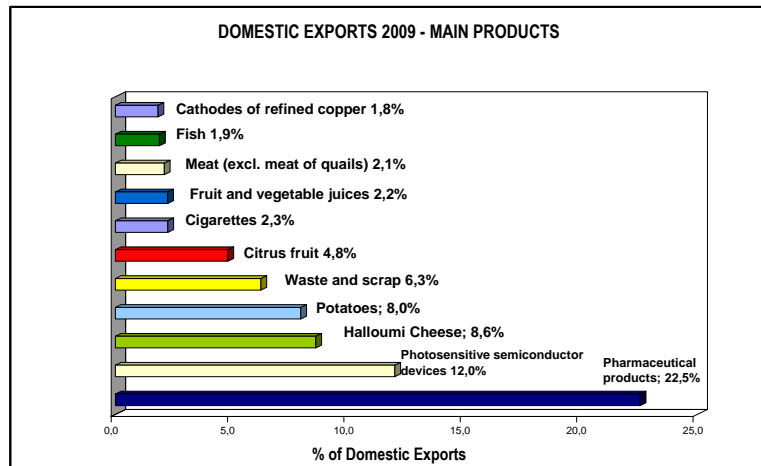


compared to €545 m. in 2008. A decline of about 22% has also been observed in **re - exports** which have amounted to €484 m. from €622 m. in 2008. (Table 1)

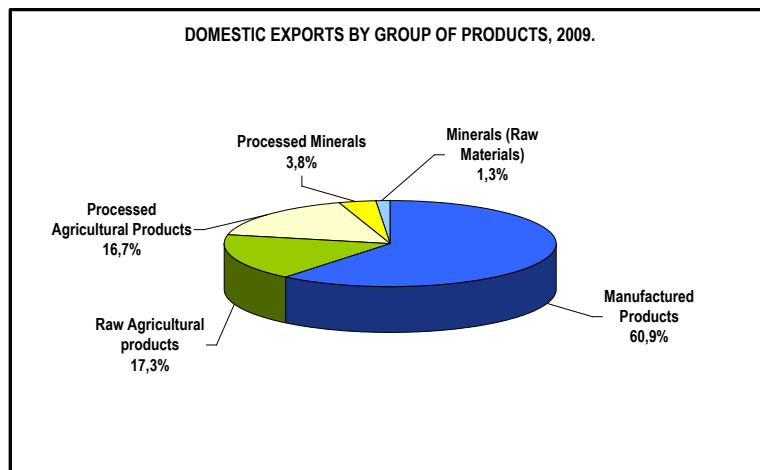
## 2. CYPRUS' DOMESTIC EXPORTS

During 2009 domestic exports (including stores and provisions) amounted to €479 m. from €545 m. in 2008, thus registering a decline of about 12% 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 2009 were **pharmaceuticals, photosensitive semiconductor devices, halloumi cheese, potatoes, waste and scrap, citrus, cigarettes, fruit and vegetable juices, meat, fish and cathodes of refined copper.** (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 61% share in 2009, declined to €291 m. from €318 m. in 2008.

Exports of **raw agricultural products** declined as well, reaching in 2009 €83 m., compared to €117 m. in 2008.

They represent 17 % of domestic exports.

Exports of **processed agricultural products** during 2009 remained at about €80 m., the same levels as 2008, representing 17% of the total domestic exports.

Exports of **processed minerals** have declined to €18 m. in 2009 compared to €14 m. in 2008. Exports of **unprocessed minerals** have declined to €6 m. from €7 m. in 2008. They represent 4% 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 61% of total exports in 2009. In 2009 they declined to € 291 m., from €318 m. during 2008.

The most important manufactured products exported during 2009 were **pharmaceuticals** (€108 m.), **photosensitive semiconductor devices** (€57 m.), **waste and scrap** (€30 m.), **cigarettes** (€11 m.), **plastic products** (€6 m.), **paper products** (€5 m.), **furniture** (€5 m.), **aluminum products** (€4 m.), **clothing** (€3 m) and **pumps for liquids** (€3 m.). (Table 4)

### 2.1.2 Exports of Agricultural Products

In 2009 exports of raw and processed agricultural products accounted for 17% of total domestic exports, respectively.

Exports of **raw agricultural products** during 2009 amounted to €83 m.. **Potatoes, citrus fruit, fish and vegetables** were the most important products, with exports valued at €38 m., €23 m., €9 m. and €9 m. respectively.

Exports of **processed agricultural products** during 2009 amounted to about €80 m., almost the same levels as 2008. **Halloumi cheese, fruit and vegetable juices, meat, 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 2009 no less than 59%, or (€282 m.) of Cyprus' s domestic exports were absorbed by the E.U. countries. The major E.U. export market for Cyprus products is **Germany**, followed by **Greece**, the **United Kingdom**, and **Italy**.

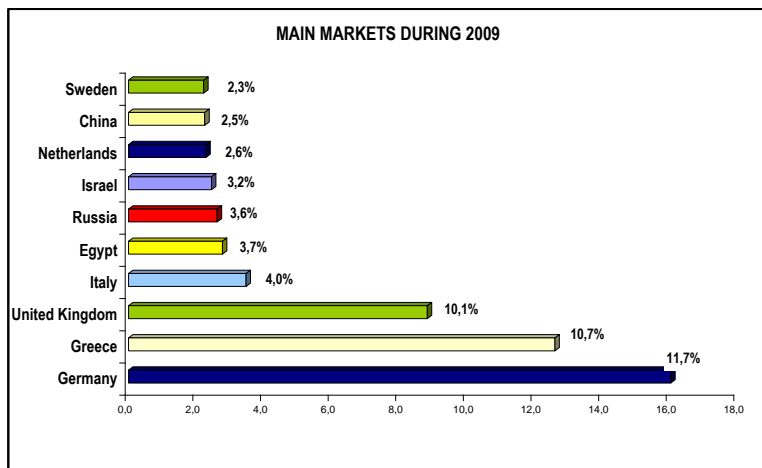
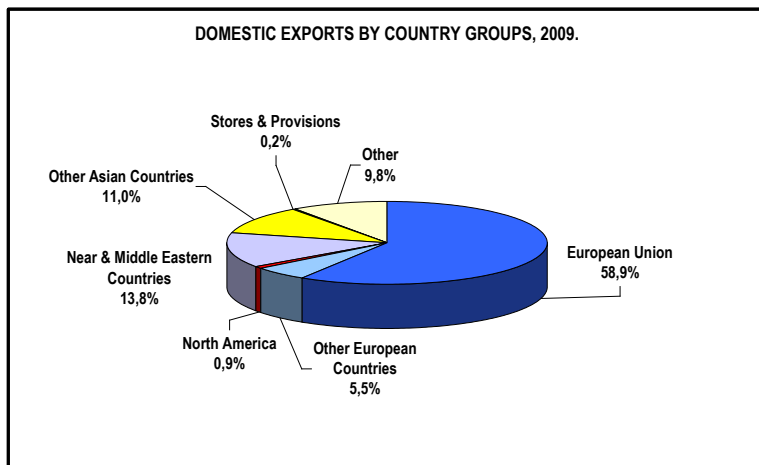
The **Near and Middle Eastern Countries**, the second most important group, absorbed during 2009 about 14% of Cyprus' domestic exports. They declined to €66 m., from €70 m. in the previous year. The major markets in this group are **Israel**, the **United Arab Emirates**, **Saudi Arabia**, **Lebanon** and **Jordan**.

Exports to **other Asian countries** declined to €53 m. in 2009 from €60 m. in 2008, representing about 11% of Cyprus' domestic exports. The major export markets in this group are **China, India, Vietnam, and Hong Kong**.

Domestic exports to other **European Countries** represent 6% of the total. During 2009 they have declined to €26 m. from €45 m. in 2008. The major markets in this group are **Russia, Ukraine, and Norway**.

Exports to **North America**, with most important export market the **U.S.A.**,

declined to €4 m. in 2009 from, €6 m. in 2008. Their share to the total was about 1%.



Exports to the **rest of the world** declined to €47 m. in 2009 from €83 m. in 2008 and account for 10% of total domestic exports.

**Stores and provisions** increased to €0, 7 m. in 2009, representing about 0,2% of the total domestic exports. (Table 6)

On a country basis, the major markets during 2009 were **Germany, Greece, the United Kingdom, Italy, Egypt, Russia, Israel, Netherlands, China and Sweden**. (Table 7)

### 3. RE-EXPORTS

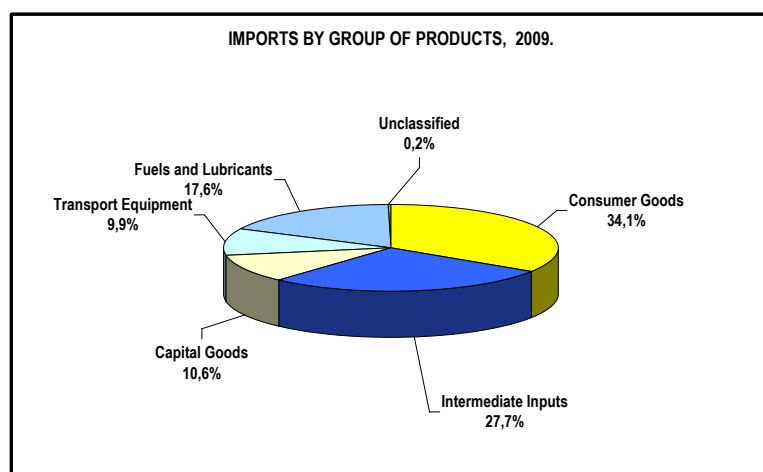
A significant share in foreign exchange earnings comes from re-exports, which in 2009 reached €484 m.. They have shown a decline from the previous year where their value was €622 m..

The bulk of these re-exports, about 44%, was directed mainly towards the countries of the **European Union**. They were followed by **Near and Middle Eastern** countries which absorbed 15%, while 5% were directed to **South African countries**. **Other European Countries** and **South America** absorbed about 2%.

## 4. CYPRUS' IMPORTS

Total imports in 2009 declined to €5.654 m., compared to €7.349 m. in 2008, showing thus a decrease of about 23 %.

### 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 34% and 28% respectively. They are followed by **fuels and lubricants** (18%), **capital goods** (11%) and **transport equipment** (10%).

Imports of **consumer goods** showed a decline in 2009 and reached €1.928 m. from €2.040 m. in the previous year.

Imports of **intermediate inputs** (raw materials) also declined during 2009 to €1.563 m. in comparison with €2.126 m. in the previous year. The overwhelming majority of the 2009 imports of intermediate inputs were raw materials for the manufacturing sector.

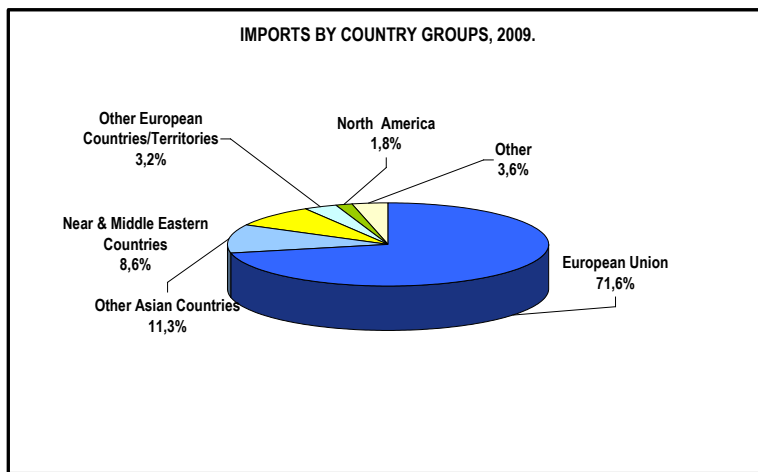
Imports of **fuels and lubricants** also showed a decline and reached €996 m. in 2009 from €1.450 m. in 2008.

Imports of **transport equipment** and parts declined as well and reached €561 m. in 2009, compared to €1.045 m. in 2008. Passenger motor vehicles, parts for transport equipment and motor vehicles for the transport of goods, account for most of the imports in this group.

Imports of **capital goods** also declined and reached in 2009 €597 m. as compared to €661 m. in 2008. (Table 8)

## 4.2 Geographical Origin of Imports

The European Union countries continued in 2009 to be the biggest suppliers of goods to Cyprus providing 72% of the total imports, or goods valued at €4.048 m.. The major European Union countries exporting to Cyprus were **Greece, Italy, the United Kingdom** and **Germany**.



The **Asian countries** were the second most important group of suppliers in 2009, supplying Cyprus with goods valued at €638 m. or 11% of the total. **China, Japan, India, Thailand, Taiwan, South Korea and Singapore**, were the most important suppliers.

Imports from **Middle Eastern** countries, represented in 2009 9% of total imports and accounted for €484 m.. The major supplier in this group was **Israel** followed by the **United Arab Emirates, Kuwait, Lebanon, Syria, Georgia, and Saudi Arabia**.

Imports from **North America** during 2009 amounted to €100 m. They account for only 2% of Cyprus' total imports. The **United States** is the biggest supplier from this group of countries.

Imports from **other European countries** have also declined and reached €182 m. in 2009 and accounted for 3% of the total. The major suppliers in this group were **Switzerland, Ukraine, Russia and Croatia**.

Imports from the **rest of the world** account for 4% of the **total imports**. They have declined to €204 m. in 2009 compared to €287 m. in 2008. (Table 9)

## 5. EXPORTS OF SERVICES

Cyprus is also an exporter of services. The services sector dominates economic activity in Cyprus as indicated by its 79% contribution to GDP. Over the last years, Cyprus has undertaken a major role in facilitating the provision of services and support to business people and professionals world wide.

Services include banking and financial services, insurance, advertising, legal, architecture and civil engineering, accounting and auditing, consultancy, design, electrical and mechanical engineering, market research, medical, printing and publishing, public relations, education, software development, tourism and related services.

## 6. 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**, 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 sole 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 2005 - 2009**

						€'000s
						<b>2008 -2009</b>
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>%</b>
Domestic Exports	435.147	446.915	505.290	545.355	479.083	-12,2
Re-exports	794.605	665.753	577.379	622.015	484.130	-22,2
Total Exports	1.229.752	1.112.668	1.082.669	1.167.370	963.213	-17,5
Total Imports	5.073.218	5.517.968	6.353.445	7.349.049	5.654.446	-23,1
<b>Trade Balance</b>	<b>-3.843.466</b>	<b>-4.405.300</b>	<b>-5.270.776</b>	<b>-6.181.679</b>	<b>-4.691.233</b>	

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

Notes:

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

(2) Because of rounding there may be slight discrepancies between the totals shown and the sum of constituent items.

**TABLE 2: DOMESTIC EXPORTS (excl.stores and prov.). MAIN PRODUCTS 2009.**

		€'000s	
<b>Product</b>		<b>2009</b>	<b>%</b>
1	Pharmaceutical products	107.833	22,5
2	Photosensitive semiconductor devices	57.421	12,0
3	Halloumi Cheese	41.174	8,6
4	Potatoes	38.094	8,0
5	Waste and scrap	29.900	6,3
6	Citrus fruit	23.112	4,8
7	Cigarettes	10.772	2,3
8	Fruit and vegetable juices	10.753	2,2
9	Meat (excl. meat of quails)	10.040	2,1
10	Fish	9.051	1,9
11	Cathodes of refined copper	8.754	1,8
12	Other products	131.438	27,5
<b>Total</b>		<b>478.342</b>	<b>100,0</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 3: DOMESTIC EXPORTS (excl. stores and provisions) BY GROUP OF PRODUCTS 2005 -2009**

	€'000s					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>%</b>
Manufactured Products	228.784	260.989	283.377	317.586	291.404	60,9
Raw Agricultural products	93.492	94.344	120.091	116.646	82.647	17,3
Processed Agricultural Products	72.648	72.294	69.752	79.464	79.993	16,7
Processed Minerals	5.816	7.366	19.032	23.722	18.016	3,8
Minerals (Raw Materials)	5.298	10.742	11.938	7.216	6.136	1,3
Unclassified	460	185	46	83	146	0,0
<b>Total Domestic Exports</b>	<b>406.498</b>	<b>445.920</b>	<b>504.236</b>	<b>544.717</b>	<b>478.342</b>	<b>100,0</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 4: DOMESTIC EXPORTS (excl. stores and prov.) OF MAJOR MANUFACTURED PRODUCTS, 2005 - 2009.**

Product	€'000s				
	2005	2006	2007	2008	2009
Coffee, roasted	405	486	460	382	451
Animal or vegetable fats and oils	2.640	1.876	1.950	2.111	1.278
Sugar and Chocolate confectionery	263	229	126	154	155
Biscuits, waffles, wafers and other bakers wares	388	487	844	748	731
Cigarettes	13.536	6.958	7.103	6.155	10.772
Cement	8.172	8.559	2.018	0	1.620
Pharmaceutical products	86.232	91.933	103.943	122.579	107.833
Paints	679	569	441	372	349
Perfumery and cosmetics	3.193	3.170	3.105	2.859	2.730
Soap, washing preparations	901	1.414	1.565	1.648	1.268
Insecticides	1.130	344	270	818	668
Tubes, pipes, sheets etc. of plastics	5.687	5.342	5.830	5.657	5.527
Plastic articles for packing goods	1.990	1.937	1.669	1.045	943
Articles of paper or of paperboard	7.709	9.776	6.766	5.675	4.709
Printed material	901	684	547	435	236
Clothing	7.727	7.156	6.582	5.164	3.278
Footwear	905	992	600	679	482
Articles of iron and steel	1.127	1.383	2.189	2.123	1.775
Aluminium bars, rods and profiles	6.900	12.071	13.665	9.682	4.209
Pumps for liquids	2.399	3.579	3.195	2.459	3.209
Refrigerators and freezers	299	101	31	76	4
Oil and air filters for motor vehicles	3.459	0	0	0	0
Brooms, brushes, mops, etc.	1.884	2.144	2.209	1.201	1.304
Shotgun cartridges	2.156	1.910	2.792	3.015	3.167
Furniture	8.246	5.966	4.796	4.198	4.572
Lighting fixtures and fittings	633	1.040	863	373	535
Records, tapes and other recorded media	9.198	1.587	1.873	1.005	97
Photosensitive semiconductor devices	11.633	33.446	45.099	58.346	57.421
Yachts and other sports and pleasure boats	2.406	2.977	3.253	2.084	1.730
Animal feeding preparation	1.823	1.336	1.683	1.424	2.393
Waste and scrap	15.619	27.610	28.763	35.106	29.900
Jewellery, goldsmiths and silversmiths wares	1.002	1.009	805	858	1.281
Machinery for filling, closing, scaling, labeling	2.102	1.636	2.542	2.311	3.195
Watering appliances for agricultural or horticultural sectors	1.312	347	56	0	0
Part and accessories of motor vehicles	746	588	444	981	1.251
Uncooked or stuffed pasta	484	604	619	910	776
All others	16.412	19.743	24.681	34.953	31.555
<b>Total</b>	<b>232.298</b>	<b>260.989</b>	<b>283.377</b>	<b>317.586</b>	<b>291.404</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 5: DOMESTIC EXPORTS (excl. stores and provisions) OF MAJOR AGRICULTURAL PRODUCTS 2005 - 2009**

	€'000s				
	2005	2006	2007	2008	2009
<b>Raw agricultural products</b>	<b>93.493</b>	<b>94.344</b>	<b>120.091</b>	<b>116.646</b>	<b>82.647</b>
Citrus fruit	35.474	32.586	29.248	29.286	23.112
Fresh Grapes	667	356	200	418	491
Potatoes	20.294	39.865	55.902	47.000	38.094
Other Vegetables (fresh, frozen, or dried)	10.910	11.146	10.009	9.217	8.752
Fish, crustaceans, mollusks (live, fresh, chilled or frozen)	22.890	7.370	8.391	8.598	9.051
Other	3.258	3.021	16.341	22.127	3.147
<b>Industrial pr. of agricultural origin</b>	<b>72.640</b>	<b>72.294</b>	<b>69.752</b>	<b>79.464</b>	<b>79.993</b>
Halloumi cheese	26.103	29.043	31.155	34.907	41.174
Cheese (excl. halloumi cheese)	1.094	1.070	1.468	1.342	883
Locust beans ( incl. Seeds)	1.674	1.440	906	1.045	1.258
Wines	9.051	3.936	5.191	3.429	2.863
Fruit and vegetable juices	7.909	9.492	12.353	11.248	10.753
Beer	1.604	1.869	1.726	1.411	526
Alcoholic beverages ( excl. beer and wines)	386	511	489	421	375
Meat (excl. meat of quails)	6.852	3.235	6.050	12.549	10.040
Raw Hides and skins	3.362	3.047	2.992	3.555	2.749
Fruit preserved	800	730	581	520	326
Other	13.805	17.921	6.841	9.037	9.046
<b>Total</b>	<b>166.133</b>	<b>166.638</b>	<b>189.843</b>	<b>196.110</b>	<b>162.640</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 6: DOMESTIC EXPORTS (including stores and provisions) BY COUNTRY GROUPS 2008- 2009**

	€'000s			
	2008	%	2009	%
European Union	321.041	58,9	282.085	58,9
Other European Countries	44.771	8,2	26.201	5,5
North America	5.709	1,0	4.405	0,9
Near & Middle Eastern Countries	69.941	12,8	65.947	13,8
Other Asian Countries	20.252	3,7	52.828	11,0
Stores & Provisions	639	0,1	741	0,2
Other	83.002	15,2	47.070	9,8
<b>Total Domestic Exports</b>	<b>545.355</b>	<b>100,0</b>	<b>479.277</b>	<b>100,0</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 7: MAIN MARKETS FOR DOM. EXPORTS DURING 2009.**

COYNTRY	€'000s	%
1 Germany	76.870	16,0
2 Greece	60.454	12,6
3 United Kingdom	42.356	8,8
4 Italy	16.678	3,5
5 Egypt	13.315	2,8
6 Russia	12.582	2,6
7 Israel	11.763	2,5
8 Netherlands	10.960	2,3
9 China	10.815	2,3
10 Sweden	10.671	2,2

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 8: TOTAL IMPORTS BY GROUP OF PRODUCTS 2005 - 2009**

	2005	2006	2007	2008	2009	€'000s %
Consumer Goods	1.674.005	1.684.429	1.834.477	2.039.561	1.927.638	34,1
Intermediate Inputs	1.371.783	1.527.117	1.848.912	2.126.354	1.563.473	27,7
Capital Goods	463.371	506.124	571.479	661.481	596.658	10,6
Transport Equipment	660.361	727.550	1.013.746	1.044.694	561.375	9,9
Fuels and Lubricants	823.138	1.000.673	1.071.198	1.450.018	996.222	17,6
Unclassified	80.560	72.075	13.633	26.941	9.080	0,2
<b>Total Imports</b>	<b>5.073.218</b>	<b>5.517.968</b>	<b>6.353.445</b>	<b>7.349.049</b>	<b>5.654.446</b>	<b>100,0</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

**TABLE 9: TOTAL IMPORTS BY COUNTRY GROUPS 2005 - 2009**

	2005	2006	2007	2008	2009	€'000s %
European Union	3.340.644	3.610.937	4.336.498	4.914.758	4.047.731	71,6
Other Asian Countries	571.408	586.289	775.375	893.615	637.620	11,3
Near & Middle Eastern Countries	519.224	552.316	578.497	798.080	483.571	8,6
Other European Countries/Territories	242.796	292.492	198.712	316.822	181.701	3,2
North America	88.357	95.613	88.469	139.164	99.670	1,8
Other	310.789	380.321	375.894	286.610	204.153	3,6
<b>Total Imports</b>	<b>5.073.218</b>	<b>5.517.968</b>	<b>6.353.445</b>	<b>7.349.049</b>	<b>5.654.446</b>	<b>100,0</b>

Source: Intra - Extra EU Trade Statistics (Summarised Data) December 2009. Statistical Service of Cyprus.

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