

## **KEY FACTS**

**Official name:** Kypriaki  
Dimokratia-Kibris Cumhuriyeti  
(Republic of Cyprus)

**Head of State:** President Demetris Christofias (Akel party) (from 28 Feb 2008)

**Head of government:** President Demetris Christofias (from 28 Feb 2008)

**Ruling party:** Coalition led by Dimokratikos Sinagermos (DS) (Democratic Rally), with Anorthotikon Komma Ergazomenou Laou (AKEL) (Progressive Party for Working People) (from Jun 2011)

**Area:** 9,251 square km (including the north)

**Population:** 872,000 (2012)

**Capital:** Lefkosa (Nicosia); Greek spellings in use since 1995

**Official language:** Greek and Turkish

**Currency:** Euro (€) = 100 cents (from 1 Jan 2008; previous currency Cypriot pound, locked C£0.58 per euro)

**Exchange rate:** €0.75 per US\$ (Jul 2013)

**GDP per capita:** US\$26,389 (2012)\*

GDP real growth: +2.42% (2012)\*

GDP: US\$23.01 billion (2012)

**Labour force:** 404,000 (2010)

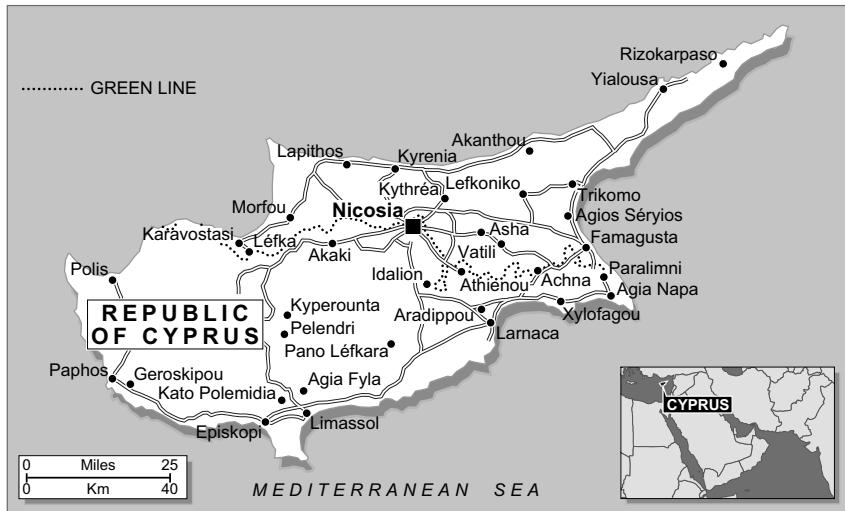
**Unemployment:** 12.13% (2012)

**Inflation:** 3.09% (2012)\*

**Balance of trade:** -US\$4.15

(2011)(2012)\*  
\* estimated figure

# Cyprus



**A**s small island states go, 2013 saw Cyprus – the island of Aphrodite – with more than its fair share of international headlines. Forced to accept a sinister scheme devised by the European Union (EU) and the International Monetary Fund (IMF), Cyprus was, quite literally, sent reeling. The so called international salvation ‘bail out’ provided Cyprus with €10,000 million (US\$13,350 million), principally to re-finance its banks, not one of which – according to most reports – was actually solvent. The hyper-activity surrounding the financial crisis and the bailout did succeed in pushing Cyprus’ other problem – its partition into Greek and Turkish sectors – off the world’s front pages.

## Why me?

When compared to previous EU/IMF bail-outs, the terms of the 2013 Cyprus rescue not only were draconian, they introduced new measures which seemed to fly in the face of many EU aspirations. In 2012 the ‘first’ EU bail-out of Cyprus’ beleaguered economy and the related austerity programme had seen the government’s popularity drop to unacceptably low levels. But, as they say in Hollywood – ‘you ain’t seen nothing, yet.’ The EU and the IMF now asserted that Cyprus was an isolated and exceptional case (representing

0.2 per cent of the total EU gross domestic product (GDP)) requiring an exceptional remedy. In per capita terms, the €10,000 million funding was high – Cyprus barely has a population of one million. The bail-out may have eased the pressure on the banks, but it piled it high on the Cypriot population. One radical step was the introduction of a tax, initially set at 6.75 per cent on all deposits, rising to 9.9 per cent on deposits over €100,000 (US\$133,350). Understandably, the plan to tax depositors met with a wave of popular and political disapproval. So certain was the Cypriot government that the scheme would be defeated in parliament – the government did not even hold a parliamentary majority – that barely three days after the scheme had been announced it requested a conference call with other EU governments to ascertain if there was any possible leeway. The communiqué that followed this initiative announced that the EU considered that ‘small depositors should receive a different treatment.’ There was no mention of why this consideration had not been taken into account from the outset. The Troika of the IMF, the EU and the ECB having stepped back an inch or two, left it to the government in Nicosia to fine tune what was still an unpalatable mix. The revised proposals exempted deposits of less than €20,000

(US\$26,650) from the tax, in return for an increase to 15 per cent for deposits of over €500,000 (US\$666,650). Although the unhappy idea of making the banks' users accountable apparently originated in Germany, both Brussels and Berlin held Nicosia responsible for the idea that all the banks' depositors should be made responsible, even those who had considered themselves protected by state guarantee that they had thought covered €100,000 (US\$133,350) of their deposits. Some Cypriots considered that their money was being used to keep Cyprus afloat as an offshore financial centre. Bailout funds were only to be granted to those banks which accepted a downsizing very much along the lines of other European countries (i.e. Spain). Nationalised banks were to reduce their turnover by an average of 60 per cent and would in turn be subject to a turnover tax of 10 to 12.5 per cent (i.e. as in Ireland). Shutting doors and bolting horses came to mind with the announcement by the Troika that henceforth it would carefully monitor any attempts at money-laundering. In the eight years since Cyprus joined the EU there had been absolutely no anti-money laundering measures taken by Brussels, Bonn or Washington.

From Brussels and Berlin there came a chorus of criticism that Cyprus was little more than a semi-legal tax-haven set up to launder illegal Russian money. This populist argument overlooked the fact that much of the Russian money deposited in Cyprus was completely above board; it also chose to overlook the act that when Cyprus joined the EU in 2004 it was already known to be something of a tax haven. This fact did not prevent its membership of the EU, nor its adoption of the euro as its currency. On the contrary, an expansionist EU wanted to increase its membership and Cyprus offered the opportunity to expand eastwards. The questions that were being raised about the activities of Cyprus' financial sector in 2013 should have been raised – and answered – in 2004. But in 2013 it was too late – the Cyprus bailout broke two EU banking principles: first the guarantee on bank deposits, second the free movement of capital around and in and out of all the EU countries and the rest of the world. Free capital movement was replaced by the banking *corralito* (a concept first deployed in the Argentine financial crash of 2000.)

Cypriots could be forgiven for getting angry, not only with their own banks if they had indeed overstepped the mark, but also with faceless officials in Brussels

who had once taken steps to 'guarantee' bank deposits to the tune of €100,000 (US\$133,350). The same faceless officials now looked on as Cypriots saw their government helping itself to a rescue tax on their deposits. It was hardly surprising that whatever respect there had been for Brussels, precious little was left. Alice in Wonderland couldn't have expressed it better. Cypriot bank deposits were being raided to prevent its banks from failing. The government guarantee of up to €100,000 would only be triggered if a bank failed which, thanks to the depositors' money, should not happen. President Nikos Anastasiadis acknowledged that a major bank failure could cost the government as much as €30,000 million (US\$40 million), 'which the state would not be able to pay.' In that case depositors risked losing 60 per cent of their cash, which – so ran the official rationale – was a lot more than the government was likely to remove from their accounts. Cypriots already knew the answer to President Kennedy's question: 'Ask not what your country can do for you...' but in very blunt terms they had certainly been told what it was they could do for their country – no questions asked and none answered. When enquiring if their deposits might in fact be guaranteed (at least up to the sum of €100,000) as had once been promised, Cypriots were given the same equivocal answer as had once been given to Icelanders: 'it depends'.

One concern provoked by the nature of the Cyprus rescue was that of contagion. Although the small scale of the bailout meant that the international financial

markets rather took it in their stride, it was well known that other countries – Greece, Italy and Spain – were in a similarly weak position. Most observers found it hard to comprehend the short-sightedness of the EU lead by Angela Merkel in agreeing to adopt such harsh measures in the case of Cyprus. In the case of Germany it was thought that Frau Merkel – at the time facing re-election later in the year – was simply not prepared to risk her re-election over the problems of this small island state located far away from Germany. But many observers considered that Cyprus was simply being sacrificed on the doubtful altar of the euro.

Worried by the possible political consequences of the bail out and the conditions attached to it, many felt that a more simple, equitable, effective and even elegant solution would have been for Cyprus to exit the euro-zone completely, reverting to a genuinely national currency within which the Cyprus authorities could happily determine their own fiscal and monetary policies as appropriate – and devalue as necessary. But in the first half of 2013 neither the EU nor the IMF seemed interested in the problems that their savage austerity programmes were inflicting.

## Before the storm

In its end 2012 report on the economy the Central Bank of Cyprus noted that the annual growth rate continued to decelerate, reaching 0.9 per cent in December 2012 from 1.1 per cent in December 2011. This deceleration was partly due to the slowdown recorded in the annual growth of deposits by domestic non-financial

		Cyprus				
	Unit	2008	2009	2010	2011	2012
Population	m	0.79	0.80	0.80	0.84	*0.87
Gross domestic product (GDP)	US\$bn	24.90	23.60	23.20	24.90	*23.01
GDP per capita	US\$	32,772	29,620	28,637	30,571	*26,389
GDP real growth	%	3.6	-1.9	1.1	0.5	*-2.4
Inflation	%	4.4	0.2	2.6	3.5	*3.1
Unemployment	%	3.7	5.3	6.5	8.1	*12.1
Exports (fob) (goods)	US\$m	1,906.0	2,065.0	2,089.0	577.0	2,602.0
Imports (fob) (goods)	US\$m	10,543.0	7,973.0	8,465.0	2,241.0	6,755.0
Balance of trade	US\$m	-8,638.0	-5,907.0	-6,376.0	-1,664.0	-4,153.0
Current account	US\$m	-4,566.0	-1,915.0	-1,807.0	-2,581.0	-1,125.0
Total reserves minus gold	US\$m	616.8	796.2	514.9	564.1	449.0
Foreign exchange	US\$m	585.5	562.9	276.2	238.1	143.0
Exchange rate	per US\$	0.68	0.78	0.76	0.75	0.77

\* estimated figure

companies (NFCs), which registered a reduction of 6.1 per cent in December 2012 compared with an increase of 2.1 per cent in the corresponding period of 2011. Deposits by domestic households, which constitute the largest share of deposits in the private sector, also followed a significant decelerating trend.

Specifically, the annual growth rate of these categories slowed down to 1.6 per cent in December 2012 compared with an increase of 2.9 per cent in December 2011. It should be noted that low growth rates were recorded in deposits with agreed maturity, while negative growth rates were recorded in deposits redeemable at notice. The financial developments in 2012 also led to an increasing upward pressure on interest rates. As a result, during the year under review all interest rates on new loans and deposits to households and NFCs in Cyprus remained at the high levels recorded in the second half of 2011, although towards the end of 2012 some categories exhibited a slight decrease. Moreover, the annual average difference between lending rates in Cyprus and the euro-zone widened further in 2012, compared with 2011, with the exception of the slight decrease of the gap in the cost of borrowing for consumption purposes. Similarly, the gap between deposit rates during the period under review increased due to higher increases recorded in the corresponding rates in Cyprus, reflecting the fact that domestic credit institutions had increased their deposit rates as part of their recapitalisation and liquidity efforts.

Indicatively, the average interest rate on loans up to €1 million (US\$1.35 million) to NFCs in Cyprus registered a slight decrease, from 7.39 per cent in December 2011 to 7.29 per cent in December 2012, remaining however at high levels. In the euro-zone, further decreases in the average interest rate widened the gap against the equivalent rate in Cyprus in 2012 to 321 basis points from 297 basis points in 2011. The average rate on new loans to households for housing purposes followed a similar pattern, reaching 5.32 per cent at the end of 2012 compared with 5.73 per cent at the end of 2011. The corresponding average rate in the euro-zone recorded a further decline towards the end of 2012, reaching 2.86 per cent in December 2012 from 3.49 per cent in December 2011.

In 2012 the Harmonised Index of Consumer Prices (HICP) in Cyprus recorded an increase of 3.1 per cent compared with 3.5 per cent in 2011. The deceleration of inflation in 2012 was mainly due to the smaller annual percentage increase in the

prices of energy, the base effect of the increase in the VAT on foodstuff and pharmaceuticals in January 2011, as well as the downward pressure on prices, primarily in the retail trade, owing to the domestic recession. More specifically, as far as the energy component is concerned, the increase in international oil prices and the VAT increase from 15 per cent to 17 per cent in March 2012 exerted an upward pressure on the index. However, the downward base effect ensuing from the relatively much higher annual oil prices increases in 2011 outweighed the upward impact and, therefore, energy prices increased by 14.1 per cent in 2012, as opposed to 18.1 per cent in 2011. Food prices in 2012 increased by 3.1 per cent compared with an increase of 5.1 per cent in 2011. The decrease in food inflation was due to the significantly lower processed food inflation reflecting the base effect of the increase of the value added tax (VAT) on foodstuffs and pharmaceuticals from 0 per cent to 5 per cent in January 2011, as well as the moderate increases in the prices of key categories of this component, due to the intensifying competition between supermarkets. As regards unprocessed food, inflation in 2012 stood at 4.5 per cent from 3.8 per cent in 2011. The acceleration of unprocessed food inflation is due to the significant annual percentage increases in the prices of vegetables.

Non-energy industrial goods inflation stood at -0.4 per cent in 2012 compared with 1.2 per cent in 2011. This negative trend is indicative of the downward price pressure in retail trade as a consequence of the contraction of private consumption. The prices of services registered an increase of 2.6 per cent in 2012 compared with 1.1 per cent in 2011. A change in the calculation methods of the weights for the compilation of the HICP had a significant impact on services inflation of approximately 1 percentage point while, according to the Statistical Service of Cyprus, the methodological change's impact on headline inflation in 2012 was around 0.4 percentage points. Adjusting for the impact of the methodological change, domestic inflation in 2012 was slightly above its euro-zone counterpart, despite the deceleration in the last four months of the year.

In 2012 there was a contraction in GDP of 2.3 per cent, compared with a marginal increase of 0.5 per cent in 2011. Imports of goods and services decreased by 9.1 per cent compared with a 0.6 per cent during the corresponding period of 2011. Exports

of goods and services rose by 3.1 per cent compared with a 4.3 per cent increase in the corresponding period of 2011, mainly as a result of the increase in revenue recorded from tourism and commerce.

## Energy hopes

In January 2013, Cyprus had no recorded proven reserves of oil or natural gas. However, according to the US government Energy Information Administration (EIA) a recent offshore discovery of natural gas resources – with additional exploration on the horizon – has the potential to alter significantly Cyprus' energy sector. Cyprus has substantial offshore acreage in the Levant Basin, estimated by the US Geological Survey to contain mean recoverable resources of 1.7 billion barrels of oil and 122 trillion cubic feet (tcf) of natural gas.

In 2011, the US company Noble Energy discovered the Aphrodite field in Block 12 of Cyprus' offshore territory and estimates indicate that the field contains 7tcf of recoverable natural gas. There has not, however, been another discovery since, but a bidding round for the country's offshore blocks concluded in late 2012 and further exploration was expected to begin in the near future.

Cyprus consumed 67,000 barrels per day (bpd) of petroleum in 2012, all of which was imported. Cyprus' lone oil refinery closed in 2004, ending the country's ability to produce refined petroleum products for the domestic market. Cyprus now imports petroleum products – primarily from fellow EU member countries – to meet all of its internal demand.

Construction is underway on a new oil trans-shipment terminal at Vasilikos on the southern coast, with the first phase of development scheduled to conclude in early 2014. This is part of a broader effort to develop Cyprus into a regional energy hub, a plan that includes the construction of a liquefied natural gas (LNG) facility at Vasilikos that will be fed with natural gas from the country's offshore territory. If completed, the LNG facility could also incorporate natural gas from elsewhere in the eastern Mediterranean, but to date there are no agreements in place. Additional volumes from Cyprus' offshore areas or from fields elsewhere in the Levant Basin may be required to make an LNG terminal in Vasilikos economically viable.

## Risk assessment

Politics	Poor
Economy	Poor
Regional stability	Fair

## COUNTRY PROFILE

### Historical profile

1925 Cyprus became a British crown colony.

1955 The Greek Cypriots of the Ethniki Organosis Kipriakou Agonos (Eoka) (National Organisation of Cypriot Combatants) launched a guerrilla war against British authority. The Eoka wanted Cyprus to unify with mainland Greece.

1960 President Makarios oversaw Cyprus' independence, which followed a compromise agreement between Greek and Turkish Cypriots, with Britain retaining sovereignty over two military bases.

1961 Cyprus joined the IMF and World Bank.

1963 Makarios upset the Turkish Cypriots when he proposed constitutional change, which would abrogate power-sharing arrangements. Inter-communal fighting erupted and the Turkish Cypriot community withdrew from the central government.

1964 A UN peace-keeping force was sent to the island.

1968–74 Talks on constitutional reform were inconclusive, as Turkish Cypriots sought separate municipalities in the five main towns.

1974 A brief Greek junta sponsored coup by supporters of a union with Greece toppled President Makarios who fled the island. On 20 July Turkey launched an invasion on northern Cyprus and Greek Cypriots fled their homes in the north; 37 per cent of the island came under Turkish control, enforcing partition between north and south. The border between the two became known as the Green Line. The coup failed and Glafcos Clerides took over as the Greek Cypriot president, until Makarios returned at the end of the year.

1975 Northern Cyprus declared the formation of the 'Turkish Federated State of Cyprus' with Rauf Denktash as president and with the aim of eventually gaining independence.

1977 President Makarios died and was succeeded by Spyros Kyprianou.

1980 UN-sponsored peace talks resumed.

1983 Rauf Denktash suspended talks and northern Cyprus officially seceded as the Kuzey Kıbrıs Türk Cumhuriyeti (KKTC) (Turkish Republic of Northern Cyprus (TRNC)) introducing its own government and legal system. The international community rejected the secessionist move and only Turkey recognised it as a state.

1988 Georgios Vassiliou was elected Greek Cypriot president.

1992–93 Additional UN-sponsored talks with Rauf Denktash failed when the UN Security Council rejected Turkish demands for the recognition of separate sovereignty

for the KKTC, including a right to secession.

1993 Glafcos Clerides defeated George Vassiliou in the presidential election.

1994 The European Court of Justice ruled that all direct trade between northern Cyprus and the EU was illegal.

1994–95 Talks continued between north and south with little progress. The Greek Cypriots and the UN pushed for a federal system, but this was rejected by the KKTC.

1996 Tension between the two sides increased and there was violence along the Green Line.

1997 UN-mediated talks between Clerides and Denktash failed.

1998 Clerides was narrowly re-elected for a second term. The EU listed Cyprus as a potential member.

1999 Further peace talks in the US failed to find a solution to Cyprus' division.

2000 Rauf Denktash was elected for a fourth five-year term as the KKTC president.

2001 The leaders of the two Cypriot communities held their first direct talks in four years and agreed to restart peace talks to pave the way for EU membership.

2002 A UN-sponsored plan for reunification as a federation with a rotating presidency was rejected by the KKTC, which insisted on international recognition. The EU invited Cyprus to join, however if the two estranged communities could not agree to reunification then only the Greek Cypriot part of the island would become a member.

2003 Tassos Papadopoulos of the Dimokratikom Komma (DIKO) (Democratic Party) won the presidency. A coalition led by the leftist, Anorthotikon Komma Ergazomenou Laou (AKEL) (Progressive Party of the Working People) with Kinima Sosialdimokraton (Kisos) (Social Democrats Movement) won parliamentary elections. The UN deadline for agreement on reunification passed without agreement. Crossing points between the two zones were temporarily opened and the government lifted 20-year-old trade sanctions against the KKTC, thus allowing farmers in the north to sell produce in the south and export to the EU, and permitting Turkish Cypriots to work in the south.

2004 Twin referenda on the UN reunification plan and united EU entry saw Greek Cypriots voting against unification with the north by 76 per cent, while in the north, 65 per cent voted in favour of the proposal. The Republic of Cyprus joined the EU. Turkey agreed that it would recognise Cyprus as an EU member.

2005 Turkey agreed to extend a free trade accord with the EU, including Cyprus. Mehmet Ali Talat became president of KKTC. In Cyprus' worst ever air accident, 121 people on board a Helios

Airways plane were killed in a crash as it approached Athens' airport.

2006 The ruling coalition won the parliamentary elections with a combined vote of 49 per cent.

2007 EU officials formally invited Cyprus to join the third stage of the European Monetary Union (EMU). The ruling coalition was dissolved as Akel nominated its own candidate for the 2008 presidential election. Ministerial posts were filled by technocrats. Cyprus became a member of the European Union Schengen area whereby all travellers may cross borders without a passport or visa.

2008 Cyprus adopted the euro as its official currency. Demetris Christofias became president. Ledra Street, which runs through the UN buffer zone in Lefkosia, was reopened; it had been closed since 1964.

2009 In KKTC elections the ruling CTP lost power to the Ulusal Birlik Partisi (UBP) (National Unity Party) and Dervis Eroglu (UBP), became prime minister; he is expected to adopt a more hard-line stance in talks with the government of the Republic of Cyprus. Cyprus blocked progress of Turkey's accession (to the EU) talks when it refused to allow the start of talks in five policy areas unless Turkey changed its position on the Cyprus dispute.

2010 In KKTC presidential elections, Dervis Eroglu (UBP) won 50.4 per cent of the vote and incumbent Mehmet Ali Talat 42.9 per cent. The president of KKTC appointed Irsen Kucuk as prime minister of KKTC. Cyprus and Romania signed a Memorandum of Understanding (MoU), covering technical and entrepreneurial development in renewable energy sources. UN-mediated talks on the future of northern Cyprus were held.

2011 In parliamentary elections held in May, the opposition, centre-right, Dimokratikos Sinagermos (DS) (Democratic Rally) won 34.28 per cent of the vote (20 seats out of 56), while the ruling Anorthotikon Komma Ergazomenou Laou (AKEL) (Progressive Party for Working People) won 32.67 per cent (19 seats). Without enough seats for a majority in parliament, DS formed a coalition government with AKEL. An explosion in July, in the arms depot of the Evangelos Florakis Naval Base on the south coast, killed 12 people and destroyed Cyprus' largest power plant. Total damage was estimated at US\$2.8 billion; repairing just the power station, which had produced about half of the island's electricity, could cost US\$1.4 billion. The governor of the central bank, Athanasios Orphanides, warned that as a result of the explosion the country faced a 'state of emergency' and that Cyprus could become the next southern eurozone member to look for a

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bail-out from the EU. He recommended a harsher programme of austerity measures. Cyprus began drilling for oil in the eastern Mediterranean in September; Turkey has said it will also start drilling, risking an escalation in tension between the two countries.

2012 Former president of North Cyprus, Rauf Denktas died on 13 January. He was the founder and first president of the breakaway KKTC. In April, Turkey began drilling for oil and natural gas offshore in Cypriot waters. On 27 April, talks between the governments of Cyprus and KKTC chaired by the UN were cancelled. On 13 June 2012, the credit ratings agency, Moody's, cut Cyprus's rating from Ba1 to Ba3 (two notches), a rate considered as 'junk' and effectively worthless. Fitch, another ratings agency, stated that Cyprus's debt level was likely to climb to over 100 per cent of GDP in 2012. On 4 October 2012, the government announced that it intended to apply for €11.5 billion (US\$15 billion) in financial assistance from the European Financial Stability Facility (EFSF), to shore up its failing banks, which were exposed to Greek debt.

2013

## Political structure

The government of southern Cyprus is internationally recognised as the sole administration of the Republic of Cyprus. Occupied by Turkish troops since 1974, northern Cyprus has its own government and calls itself the Kuzey Kıbrıs Türk Cumhuriyeti (KKTC) (Turkish Republic of Northern Cyprus (TRNC)). It is only recognised by Turkey.

## Constitution

The constitution was promulgated in 1960.

The voting age was extended to include all citizens above the age of 18 for the 1998 presidential election.

Northern Cyprus introduced its own constitution after declaring unilateral independence in 1983.

## Independence date

1960

## Form of state

Presidential republic

## The executive

Executive power is held by the president who is directly elected for a five-year term by universal suffrage. A council of ministers is appointed by the president, who convenes and presides over its meetings. Ministers may not sit in the house of representatives, but may introduce bills.

## National legislature

The unicameral Vouli Antiprosópon (House of Representatives) has 59 members elected for a five-year term, of which 56 members are elected by proportional

representation; three members are observers representing the Maronite, Latin and Armenian communities and 24 seats are allocated to the Turkish Cypriot community but have not been filled since 1963.

In 1983, northern Cyprus introduced its own parliament, the 50-member Temsilciler Meclisi (House of Representatives).

## Legal system

The Republic of Cyprus' legal system is embodied in the 1960 constitution and is based on British common law. The legal system in northern Cyprus is based on Turkish law.

## Last elections

22 May 2011 (parliamentary); 17 and 24 February 2008 (presidential, first and second rounds); 19 April 2009 (KKTC parliamentary), 18 April 2010 (KKTC presidential).

**Results:** Parliamentary: Dimokratikos Sinagermos (DS) (Democratic Rally) won 34.28 per cent of the vote (20 seats out of 56), Anorthotikon Komma Ergazomenou Laou (AKEL) (Progressive Party for Working People) 32.67 per cent (19), Dimokratikon Komma (DK) (Democratic Party), 15.76 per cent (nine), Kinima Sosialdimokraton (KSD) (Movement for Social Democracy) 8.93 per cent (five), Evropaiko Komma (EK) (European Party) 3.88 per cent (two), Kinima Oikologon Perivalloantiston (KOP) (Ecological and Environmental Movement) 2.21 per cent (one); four political parties and independents failed to win enough votes to win seats. Turnout was 78.7 per cent. Presidential: (first round), Ioannis Kasoulides 33.5 per cent, Dimitris Christofias 33.3 per cent and Tassos Papadopoulos 31.8 per cent; turnout was 89.6 per cent. Second round: Demetris Christofias 53.36 per cent of the vote, Ioannis Kasoulides 46.64 per cent.

KKTC parliamentary: Ulusal Birlik Partisi (UBP) (National Unity Party) won 44.07 per cent; 26 seats (out of 50), Cumhuriyetçi Türk Partisi (CTP) (Republican Turkish Party) 29.15 per cent (15), Demokrat Partisi (Democratic Party) (Democrats) 10.65 per cent (five), Toplumcu Demokrasi Partisi (TDP) (Communal Democracy Party) 6.87 per cent (two), Özgürlik ve Reform Partisi (ÖRP) (Freedom and Reform Party) 6.2 per cent (two); two other parties failed to win enough votes to reach the threshold for gaining a seat. Turnout was 81.42 per cent.

KKTC presidential: Dervis Eroglu (UBP) won 50.4 per cent of the vote, Mehmet Ali Talat (CTP) 42.9 per cent.

European parliament (June 2009): turnout was 59.4 per cent, compared to 72.5 per cent in 2004.

## Next elections

17 February 2013 (presidential); 2016 (parliamentary).

## Political parties

### Ruling party

Coalition led by Dimokratikos Sinagermos (DS) (Democratic Rally), with Anorthotikon Komma Ergazomenou Laou (AKEL) (Progressive Party for Working People) (from Jun 2011)

### Main opposition party

Dimokratikos Sinagermos (Disi) (Democratic Coalition); KKTC parliament: Cumhuriyetçi Türk Partisi (CTP) (Republican Turkish Party)

## Population

872,000 (2012)

**Last census:** 1 October 2011: 638,897 (excluding Northern Cyprus)

**Population density:** 82 inhabitants per square km. Urban population 70 per cent (2010 Unicef).

**Annual growth rate:** 1.8 per cent, 1990–2010 (Unicef).

## Ethnic make-up

Greeks (84.1 per cent), Turks (11.8 per cent), Maronites (0.6 per cent), Armenians (0.3 per cent), Latins (0.1 per cent), foreign residents (mainly British and Greek) (3.1 per cent).

## Religions

Christian Orthodox (77 per cent), Muslim (18 per cent).

## Education

Primary schooling lasts for six years between the ages of six and 12. Public general secondary education extends over six years. Almost 20,000 students, mostly from Turkey, Eastern Europe and the Middle East, attend six private universities in northern Cyprus.

**Literacy rate:** 97 per cent, adult rate (World Bank)

**Compulsory years:** Six to 15.

**Enrolment rate:** 100 per cent gross primary enrolment of the relevant age group (including repeaters) (World Bank)

## Health

The government is looking for ways to persuade Greek-Cypriot medical specialists to return from overseas and offer high-quality healthcare services at a considerably lower cost than in Western Europe.

**Life expectancy:** 79 years, 2004 (WHO 2006)

## Fertility rate/Maternal mortality rate

1.5 births per woman, 2010 (Unicef)

**Birth rate/Death rate:** 8 deaths and 17 births per 1,000 people (World Bank)

## Child (under 5 years) mortality rate

(per 1,000): 3 per 1,000 live births (WHO 2012)

**Head of population per physician:**  
2.34 physicians per 1,000 people, 2002  
(WHO 2006)

### Welfare

Cyprus offers a statutory social insurance scheme securing decent pensions and allows pensioners to continue working without affecting their pensions. The Social Insurance Scheme provides insurance for all employees who contribute 16.6 per cent on the insured income. The employer deducts 6.3 per cent of the employees' income and contributes 6.3 per cent, while the remaining 4 per cent is paid by the state. There is provision for a non-contributory social pension for elderly people who are not entitled to a pension from any other source. There is also a complementary public assistance scheme for people whose resources are not sufficient to meet their basic and special needs. There is provision for unemployment and disability benefits. The National Social Security System allows women a paid 16-week maternity leave and a substantial birth allowance. Cyprus also offers crime victims a financial compensation programme.

### Main cities

Lefkosa (commonly known as Nicosia) (capital, estimated population 237,854 in 2012), Lemesos (Limassol) (179,450), Larnaka (Larnaca) (58,007), Pafos (Paphos) (32,700), Aradippou (14,229). In Turkish-occupied northern Cyprus, Lefkosa (the part of Lefkosa under Turkish control, estimated population 57,269 in 2012), Gazimagusa (35,912), Girne (34,362), Gonyeli (14,229).

### Languages spoken

English is widely spoken in tourist regions.

**Official language/s**  
Greek and Turkish

### Media

Media services have outlets in each zone operating under their own regulations.

### Press

**Dailies:** In Greek, the most popular newspapers are all independents, including *Phileleftheros* ([www.philenews.com](http://www.philenews.com)), *Simerini* (*Today*) ([www.simerini.com.cy](http://www.simerini.com.cy)), *Politis* (*Citizen*) ([www.politis-news.com](http://www.politis-news.com)) and *Haravgi* ([www.haravgi.com.cy](http://www.haravgi.com.cy)). In Turkish important newspapers include *Kibris Gazetesi* ([www.kibrisgazetesi.com](http://www.kibrisgazetesi.com)) and *Halkin Sesi* (*Voice of the People*) ([www.halkinsesi.org](http://www.halkinsesi.org)), both independents and *Yeni Kibris* ([www.ykp.org.cy](http://www.ykp.org.cy)) published by the unification, YKP (New Cyprus Party), with Greek and English online versions. In English, *The Cyprus Mail*, ([www.cyprus-mail.com](http://www.cyprus-mail.com)).

**Weeklies:** In Greek, the SSP Media Group publishes several titles for women, men and lifestyle magazines

([www.sppmedia.com](http://www.sppmedia.com)). *To Periodiko* ([www.toperiodiko.com](http://www.toperiodiko.com)) for current affairs, *The Cyprus Government Gazette* ([www.cygazette.com](http://www.cygazette.com)) is a comprehensive weekly publication. In English, *The Cyprus Weekly* ([www.cyprusweekly.com.cy](http://www.cyprusweekly.com.cy)) has the largest circulation, followed by the *Cyprus Observer* ([www.observercyprus.com](http://www.observercyprus.com)).

**Business:** Two publications that are closely linked are the *Financial Mirror* ([www.financialmirror.com](http://www.financialmirror.com)), published in English, with a Greek version *Xpress Economiki*.

In Greek, *Euro Kerdos* (*Euro Profit*) ([www.eurokerdos.com](http://www.eurokerdos.com)) a financial and *Chrimatistiriaki* a stock exchange, monthly magazines.

**Periodicals:** Monthlies include, in Greek, *Flash* ([www.flashcy.com](http://www.flashcy.com)) for young people, as is, in English, *Scoop* ([www.scoop-magazine.com](http://www.scoop-magazine.com)) and *Sports in the City* ([www.sportsinthecitynews.com](http://www.sportsinthecitynews.com)), *In Touch* ([www.intouchcyprus.com](http://www.intouchcyprus.com)) for lifestyle articles.

### Broadcasting

Cyprus Broadcasting Corporation (CyBC) ([www.cybc.com.cy](http://www.cybc.com.cy)) is state broadcaster for the Republic of Cyprus.

Bayrak Radio and Television Corporation (BRT) ([www.brtk.cc](http://www.brtk.cc)) operates in Northern Cyprus.

**Radio:** CyBC operates three radio stations: the First Programme, International Programme, Third Programme and Fourth Programme, offering a range of news, talk, education, entertainment and music programmes, also in English, Armenian and Turkish.

BRT ([www.brtk.cc](http://www.brtk.cc)) has five stations including Bayrak Radio, Bayrak FM, Baryrak International, Bayrak Classic FM and Bayrak Turkish Music, all broadcasting from Famagusta.

Private commercial radio stations include Radio Astra ([www.astra.com.cy](http://www.astra.com.cy)) Radio 91.4 FM ([www.91.4coastfm.com](http://www.91.4coastfm.com)) and Mix FM ([www.mixfmradio.com](http://www.mixfmradio.com)).

**Television:** CyBC ([www.cybc.com.cy](http://www.cybc.com.cy)) is the national public TV station, which operates two terrestrial channels, Pik 1, with news and factual programmes and Pik 2, with entertainment programmes and one satellite television channel (Pik TV).

BRT ([www.brtk.cc](http://www.brtk.cc)) operates two TV channels Bayrak TV 1 and 2.

There are several other satellite and pay-to-view TV stations including Sigma ([www.sigma.com.cy](http://www.sigma.com.cy)), Music Box TV ([www.musicbox.com.cy](http://www.musicbox.com.cy)) and Lumiere TV ([www.lumieretv.com](http://www.lumieretv.com)).

**National news agency:** Cyprus News Agency (CNA)

**Other news agencies:** TAK (Arca Haber Ajansi) (in Turkish): [www.arcaaajans.com](http://www.arcaaajans.com)

### Economy

The service sector, in particular tourism, but also financial services and real estate, constitutes almost 80 per cent of GDP, and employs over 70 per cent of the workforce. Over two million people visit the island each year. Manufacturing enterprises in ship repair and construction materials, pharmaceutical and clothing contribute just under than 20 per cent of GDP, while agriculture comprises less than 3 per cent, providing potatoes, grapes, oranges, olives and wines for export.

Cyprus formally joined the Emu in 2008 and adopted the euro as its currency, not only to enhance its prospects of trading within the EU but also, ironically as the eurozone crisis worsened in 2011, to gain a degree of safety from external shocks. However as tourist numbers fell during the global economic crisis so Cyprus' fortunes also weakened. GDP growth in 2007 was a strong 5.1 per cent, falling to 3.6 per cent in 2008, before dropping into recession in early 2009, with -1.9 per cent growth as tourism, the real estate market and local construction contracted sharply. Domestic demand fell as unemployment rose.

The government introduced measures to ease the economy and aid its recovery by allowing increased public debt. This increased its budget deficit to above 8 per cent of GDP, a figure that, in 2009, the European Central Bank (ECB) required to be lowered to 3 per cent by 2012. Measures to achieve this may include reducing the size of public employment.

Recovery began slowly, so that by the third quarter of 2010, GDP growth year-on-year was 1.7 per cent; the annual figure was 1.1 per cent. In 2011 the estimated growth rate was a weakened 0.5 per cent.

On 13 June 2012, the credit ratings agency Moody's cut Cyprus's rating from Ba1 to Ba3 (two notches), a rate considered as 'junk' and effectively worthless. The government began seeking a €5 billion (US\$6.3 billion) bailout from the eurozone and IMF. On 24 June 2012, the government announced that it intended to apply for €1.8 billion (US\$2.3 billion) in financial assistance from the European Financial Stability Facility (EFSF), to shore up its failing banks, which were exposed to Greek debt. Fitch, another credit ratings agency, stated that Cyprus's debt level was likely to climb to over 100 per cent of GDP in 2012 after the debt level rose to 71.6 per cent of GDP in 2011.

Northern Cyprus, which uses the Turkish lira as its currency, suffers from high inflation – 6.5 per cent in 2011. Financial aid from Turkey and remittances from the

more than 200,000 Turkish Cypriots living abroad are vital sources of revenue. Tourism is the principal economic activity, although all visitors have to access the northern sector via Turkey.

On 4 October 2012, the government announced that it intended to apply for €11.5 billion (US\$15 billion) in financial assistance from the European Financial Stability Facility (EFSF), to shore up its failing banks, which were exposed to Greek debt.

### External trade

As a member of the European Union, Cyprus operates within a community-wide free trade area, with tariffs set as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide.

In 2007 Cyprus licensed oil exploration in its territorial waters. This angered Turkish administered Northern Cyprus which argued that such exploration should be a joint venture and result in the benefit of both communities. In October 2010 Turkey announced plans to explore for oil off the coast of Northern Cyprus.

### Imports

Cyprus has a large trade deficit as most goods must be imported, including cigarettes, crude oil, raw materials and machinery for manufacturing, and all transport vehicles.

**Main sources:** Greece (21.4 per cent of total in 2012), Isreal (11.8 per cent), Italy (8.3 per cent).

### Exports

Export of manufactured goods, including electric and electronic equipment, processed food, chemicals, paper, textiles and refined oil represent the largest portion of foreign earnings; important agricultural exports include potatoes, grapes, wine and citrus. Minerals exported include copper, pyrites, chrome, asbestos, and gypsum.

**Main destinations:** Greece (21.7 per cent of total in 2012), UK (9.4 per cent), US (3.4 per cent).

### Re-exports

Refined oil accounts for a significant share of total annual exports.

### Agriculture

The agriculture sector contributes 5 per cent annually to GDP. Major crops are potatoes, grapes, citrus fruits and barley. Cattle, sheep and goats, swine and poultry are raised. Fresh pork, poultry meat and eggs satisfy local demand. Local production of beef, veal, mutton and lamb is supplemented by imports. Agriculture typically contributes 3.5 per cent to GDP and employs 7 per cent of the workforce.

The implementation of modern irrigation technologies has helped to address the sector's water shortage. A large-scale

water development programme culminated in the Southern Conveyor Project that carries surplus water from the south-western part of the island to the central and eastern areas in an effort to broaden and boost agricultural production and alleviate water shortages. Now a member of the EU, Cyprus is only eligible for full EU agricultural subsidies and rural development aid through the Common Agricultural Policy (CAP) from 2013.

During its transitional entry stage Cyprus has decided to implement the reform of the CAP on 1 January 2009. The reform was introduced throughout most of the EU in 2005, when subsidies on farm output, which tended to benefit large farms and encourage overproduction, were replaced by single farm payments not conditional on production. The change is expected to reward farms that provide and maintain a healthy environment, food safety and animal welfare standards. The changes are also intended to encourage market conscious production and cut the cost of CAP to the EU taxpayer.

The fishing industry largely consists of in-shore and trawl fishing, as well as aquaculture. Annual fish production typically totals 4,000 tonnes.

Forest and other wooded land accounts for less than a third of the land area. Industrial wood and paper products are largely imported.

### Industry and manufacturing

The industrial sector contributes around 12 per cent to GDP and accounts for 16 per cent of the workforce.

Major growth industries, which are mainly export-based, include cement, food and drink, footwear and clothing. Chemical and pharmaceutical products, plastics and publishing are also expanding areas. Foreign investment is encouraged. Industrial activity in northern Cyprus is limited to food and textiles.

### Tourism

Cyprus markets itself as an island of ancient myth and culture. However, its political turmoil has cut the island in two and left relations fractious with not only its own Turkish community but also Turkey as its closest mainland neighbour. Tourists from the UK constitute the largest visitor group (1,242 million in 2008), followed by those from Russia (180,926).

In 2005 the tourist sector constituted 24.2 per cent of GDP, by 2009 this had fallen to 16.7 per cent, the lowest contribution since before 1989 (it peaked in 1994 at 34.4 per cent of GDP). Tourist arrivals peaked in 2005, with 2.470 million and the number slowly fell to 2.404 million in 2008 before dropping to 2.141 million in 2009 as the global economic crisis saw a

drop in visitors from the UK, not only as their income was reduced, but as the pound sterling fell against the euro. In 2009 all indicators showed negative growth for the industry, as annual employment fell by -16 per cent, visitor spending fell by -19.2 per cent and capital investment dropped by -32.2 per cent. Government moved to reverse the decline by cutting value added tax (VAT) on tourist elements in the economy. Value for money package deals as well as special activity packages are promoted. In 2010 numbers picked up, with 2.172 million arrivals and increased spending.

An open sky policy for more budget airlines to land, plus a new terminal at Larnaca Airport, opened in 2009, and capable of processing 7.5 million passengers annually, should enhance the experience of travellers to Cyprus. There are marina projects being constructed around the south and west coasts to attract yachting enthusiasts and a cruise liner terminal, with facilities and berths for six ships, is planned.

### Environment

The problems of water shortages, sewage disposal, industrial and agricultural pollution and waste disposal are acute. The government has introduced a programme of legislation incorporating the principle that the polluter pays. By July 2008, Cyprus had had no substantial winter rainfall since 2004 and water reservoirs were at their lowest since 1908 so that potable water had to be imported from the Greek mainland; contamination fears condemned a shipment of 40,000 cubic metres of water, which had to be discarded and pumped into the ground. Cyprus will import eight million cubic metres of water, costing US\$70 million, by November 2008.

Northern Cyprus is particularly badly affected by water shortages, a problem accentuated by the Turkish soldiers stationed on the island. Shortages have caused many to stop cultivating the land as low rainfalls mean water reserves are used faster than they are replenished. The Turkish government has proposed building a water pipeline to northern Cyprus, capable of carrying 70–100 million cubic metres a year to the island. Since the 1990s, giant plastic 'sacks' of water have been pulled across the Mediterranean from Turkey to northern Cyprus; there is a concern about a long-term shortage of water.

### Mining

Cyprus was once famous for its enormous copper reserves. It has a 3,000 year tradition of copper mining, which was the biggest source of the nation's revenue.

However after the 1974 Turkish invasion copper mining stopped. Continued expansion in the construction industry has led to a boom in quarrying of construction materials and non-metallic minerals. Other quarried materials include marble, bentonite, umber, sienna, ochra and limonite.

### **Hydrocarbons**

Although oil reserves are thought to be present in waters surrounding Cyprus and exploration has been undertaken, no commercial drilling is in operation. Oil exploration licences for the entire Cypriot territorial waters were issued to foreign oil companies from 2006 and evoked opposition from Northern Cyprus and Turkey which considered that any benefits from oil and gas finds would be garnered by the Republic of Cyprus. Cyprus began exploratory drilling for oil in the eastern Mediterranean in September 2011; Turkey has said it will also start drilling, risking an escalation in tension between the two countries.

The Turkish oil company, TPAO began exploration drilling for oil and natural gas in Northern Cyprus in April 2012. The Cyprus government was swift in condemning the work saying 'Turkey and the Turkish Cypriot leadership are violating the law by going ahead with drilling in the occupied area of Famagusta'.

Cyprus does not produce natural gas and any imports of liquefied natural gas (LNG) are negligible.

There are reserves of coal but production is not commercially recorded.

### **Energy**

Total installed generating capacity was 1,124WM in 2007, producing 4.37 billion kilowatt hours.

The Electricity Authority of Cyprus (EAC) operates three power stations, two of which use heavy fuel oil. Valilikos Power Station, the third, and latest, plant, uses a combination of heavy fuel and gas. It will be extended to include additional turbines increasing the capacity by 480MW and powered by diesel, until a new natural gas terminal is built and they are converted to natural gas.

Cyprus is well suited to solar power with over 300 days of sunshine per annum. The government subsidises the installation of solar technology to a maximum 55 per cent of the cost, and has now started to subsidise wind power.

Cyprus began drilling for oil in the eastern Mediterranean in September; Turkey has said it will also start drilling, risking an escalation in tension between the two countries.

### **Financial markets**

The Cyprus Stock Exchange (CSE) was transformed in 1996 from an over-the-counter market to an official stock exchange. The CSE became a fully computerised trading system in 1999. The overall supervision of the stock exchange is assigned to the minister of finance and is exercised by the minister through the Securities and Exchange Commission.

#### **Stock exchange**

Cyprus Stock Exchange (CSE)

#### **Banking and insurance**

The Bank of Cyprus, which was founded in 1899, leads the Cypriot banking sector. The Central Bank of Cyprus (CBC) oversees monetary policy. There are nine commercial banks. The abolition of the interest rate ceiling was part of a drive to reform banking practices in line with those of the EU.

#### **Central bank**

Central Bank of Cyprus

#### **Time**

GMT plus two hours (daylight saving, late March to late October, GMT plus three hours)

#### **Geography**

Cyprus is an island in the eastern Mediterranean Sea, about 100km south of Turkey. The landscape varies between rugged coastlines, sandy beaches, rocky hills and forest-covered mountains. The Troodos Mountains in the centre of the island rise to almost 1,950 metres.

#### **Hemisphere**

Northern

#### **Climate**

Mediterranean. Summers are long and dry. Winters are changeable with occasional rain. Temperatures range from 0–27 degrees Celsius (C) (in the mountains), 5–40 degrees C (inland) and 9–35 degrees C (on the coast). Hottest months are July and August; coldest are January and February. Average annual rainfall is 500mm.

#### **Entry requirements**

##### **Passports**

Required by all except citizens of EU, Switzerland, Iceland and Norway travelling with official national ID cards. Passports must have at least three months validity from the date of departure from Cyprus.

##### **Visa**

Required by all except citizens of most European countries, America and Japan. Contact the local embassy or High Commission for a full list of exceptions and application, see consular and protocol information in: [www02.mfa.gov.cy](http://www02.mfa.gov.cy). A Schengen visa application (offered in several languages) can be downloaded from

<http://europa.eu/abc/travel/> see 'documents you will need'.

For a business visa, applications should include an introductory letter from the employer, which gives details and the nature of business to be conducted.

#### **Prohibited entry**

Cypriot authorities do not recognise any ports of entry other than those in the Republic of Cyprus. Visitors with passports stamped in the Turkish Republic of Northern Cyprus must have their visa stamps cancelled by the Republic of Cyprus immigration authorities.

#### **Currency advice/regulations**

Local currency may be imported without restriction but must be declared; foreign currency over US\$1,000 (or the equivalent) must be declared. The export of foreign and local currency is limited to the amount declared on arrival. Export of local currency withdrawn from Cypriot banks is permitted, provided a holding certificate is obtained.

To avoid extra exchange fees travellers cheques in UK pounds sterling or Cyprus pounds are advised.

#### **Customs**

Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

Unauthorised export of antiquities is prohibited; permission of the Cyprus Museum is required.

#### **Health (for visitors)**

Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries which joined the EU in 2004 whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

#### **Mandatory precautions**

None

#### **Advisable precautions**

Recommended immunisations include tetanus and polio, while long-term visitors are advised to consider a hepatitis A immunisation.

Tap water is safe to drink, but fruit, especially soft fruit, should be washed.

#### **Hotels**

There are over 500 hotels (from deluxe to one star). Visitors should book well in advance, especially during the peak holiday season (April–October). Cyprus Tourism Organisation (CTO) operates a rating system, both for hotels and any other licensed tourist accommodation. Tipping is not obligatory. A 15 per cent valued added tax (VAT) is charge on all bills.

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## Credit cards

Most leading cards are accepted in the main hotels, restaurants and shops.

## Public holidays (national)

### Fixed dates

1 Jan (New Year's Day), 6 Jan (Epiphany), 25 Mar (Greek National Day), 1 Apr (Greek Cypriot National Day), 1 May (Labour Day), 15 Aug (Assumption Day), 1 Oct (Cyprus Independence Day), 28 Oct (Greek National Day/Ochi Day), 24–26 Dec (Christmas Holiday).

### Variable dates

Green Monday (Feb/Mar), Greek Orthodox Easter (Mar/Apr, four days Thu–Mon); Pentecost (Festival of the Flood (Jun)).

## Working hours

### Banking

Mon–Fri: 0815–1230; Mon (only) 1515–1645, (year around).

In summer (Jun–Aug), in central districts, some banks have extended hours Tue–Fri: 1515–1645.

### Business

Mon–Fri: 0800–1300 and 1500–1800 (winter), 0730–1300 and 1600–1830 (summer); Wed and Sat half-day (year round).

### Government

Mon–Fri: 0730–1430; in winter Sept–June, Thu: 1500–1800.

### Shops

Mon–Fri: 0800–1300 and 1430–1800 (winter), 0730–1300 and 1600–1830 (summer); Wed and Sat half-day 0800–1400.

## Telecommunications

### Telephone/fax

GSM 900/1800 and G3 services are available in Greek Cypriot areas

### Electricity supply

240V AC. Sockets are the UK flat three-pin style.

### Weights and measures

The metric system is used.

### Social customs/useful tips

It is considered impolite to refuse drinks offered at a first meeting. Cypriots customarily offer fruit preserves to guests. Between 1300–1600 hours is siesta time in the summer (May–September).

There are restrictions on photographing military installations in both south and north Cyprus.

## Getting there

### Air

**International airport/s:** Larnaka International (LCA), 8km from Larnaka (49km from Lefkosa); Pafos International (PFO), 10km east of Pafos (146km from Lefkosa).

Both airports offer tourist information, foreign exchange, hotel reservations and duty free shops.

**Other airport/s:** Northern Cyprus has an airport at Ercan with flights to and from Turkey. Flights are provided by a number of Turkish airlines and the northern Cypriot airline, Kibris Türk Hava Yolları (KYHY) (Cyprus Turkish Airlines). Visitors planning to arrive via Turkey are not allowed into southern Cyprus.

**Airport tax:** None

### Surface

**Water:** Access by ship from Greece, Syria, Israel, Italy, Lebanon and Egypt.

**Main port/s:** Lemesos (Limassol)

## Getting about

### National transport

**Buses:** An efficient intra-cud (inter-town) bus service is available. All buses run from the central bus depots, connecting towns and villages. A rural bus operation is limited to once or twice a day, usually to the local market.

### City transport

**Taxis:** An efficient service is operated throughout the island by metered taxis. The transurban service-taxis are shared taxis connecting all main towns. Prices are regulated. Between 2300–0600 an additional 15 per cent is charged. Tipping is standard practice.

**Buses, trams & metro:** Urban buses operate frequently during the day. In certain tourist areas during the summer, buses extend their operations until midnight.

### Car hire

Car hire is available in all parts of the island, particularly from airports and commercial centres. Rates vary depending on the size of the car and are also subject to seasonal variations. For a higher price, a prestige service is also available. Cheap rates are available for hire periods of more than one week. Visitors should book cars well in advance during the period June–September. A national or international driving licence is required. Driving is on the left. Road signs are in both Greek and English.

## BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

### Telephone area codes

The international direct dialling codes (IDD) for Cyprus is +357, followed by area code and subscriber's number:

Larnaka	24	Lemesos	25
Lefkosa	22	Pafos	26

North Cyprus numbers are preceded by +90-392, in place of +357. Area code for Famagusta 366, Kyrenia 815.

## Useful telephone numbers

Emergencies 112

### Chambers of Commerce

Cyprus Chamber of Commerce and Industry, Chamber Building, 38 Grivas Dighenis Ave and 3 Deligiorgis Street, PO Box 21455, 1509 Lefkosa (tel: 889-600; fax: 667-433).

Famagusta Chamber of Commerce and Industry, 339 Ayiou Andreou Street, Andrea Chamber Bldg, PO Box 3124, Limassol (tel: 370-165, 370-167; fax: 370-291).

Larnaka Chamber of Commerce and Industry, 12 12 Gregoriou Afxentiou Str, Skourou Bldg, 4th Floor, PO Box 287, Larnaka (tel: 655-051; fax: 628-281).

Lefkosa Chamber of Commerce and Industry, 38 Grivas Dighenis Ave and 3 Deligiorgis Str, Chamber Building, PO Box 1455, Lefkosa (tel: 449-500; fax: 367-433).

Limassol Chamber of Commerce and Industry, PO Box 347, 25 Spyrou Araouzou Street, Verengaria Building, PO Box 347, Limassol (tel: 362-556; fax: 371-655).

Pafos Chamber of Commerce and Industry, 32 Grivas Dighenis Avenue, Demetra Court, 2nd Floor, Flat 22, Pafos (tel: 235-115; fax: 244-602).

### Banking

Alpha Bank Ltd, Yiorkion Bldg, 1 Prodromou Street, 1095 Lefkosa (tel: 77-3799, 88-8888; fax: 77-3744).

Bank of Cyprus Ltd, Box 1472, 86-90 Phaneromeni Street, Lefkosa (tel: 46-4064; fax: 46-4340).

Cyprus Development Bank, PO Box 1415, Alpha House, 50 Archbishop Makarios III Avenue, Lefkosa (tel: 45-7575; fax: 46-4322).

Cyprus Investment and Securities Corporation, 60 Digenis Akritas Avenue, PO Box 597, Lefkosa (tel: 45-1535; fax: 44-5481).

Cyprus Popular Bank Ltd, PO Box 2032, 39 Archbishop Makarios III Avenue, Lefkosa (tel: 45-0000; fax: 44-9169).

Federal Bank of the Middle East Ltd, J & P Building, 90 Archbishop Makarios III Avenue, 1077 Lefkosa (tel: 88-8444; fax: 88-8555).

Hellenic Bank Ltd, Corner 92 Dhigenis Akritas Ave & Cretes Str, 1061 Lefkosa (tel: 86-0000; fax: 76-507).

Société Générale Cyprus Ltd, PO Box 25400, 7-9 Grivas Dighenis Ave, 1309 Lefkosa (tel: 81-7777; fax: 76-4471).

**Central bank**

Central Bank of Cyprus, 80 Kennedy Avenue, PO Box 25529, 1395 Lefkosia (tel: 714-100; fax: 378-153; internet: [www.centralbank.gov.cy](http://www.centralbank.gov.cy)).

**Stock exchange**

Cyprus Stock Exchange (CSE), [www.cse.com.cy](http://www.cse.com.cy)

**Travel information**

Cyprus Airways, PO Box 1903, 21 Alkeou Street, Lefkosia (tel: 44-3054, 2246-1800; fax: 44-3167, 2236-0075; e-mail: [marketing@cypriusair.com.cy](mailto:marketing@cypriusair.com.cy); internet site: [www.cypriusairways.com.cy](http://www.cypriusairways.com.cy)).

Cyprus Hotel Association, PO Box 24772, Lefkosia (tel: 37-4251; fax: 36-5460).

**Ministry of tourism**

Ministry of Commerce, Industry and Tourism, 1421 Lefkosia (fax: 375-120).

**National tourist organisation offices**

Cyprus Tourism Organisation (main office, for postal enquiries only), 19 Limassol Ave, PO Box 4535, Lefkosia (tel: 315-715; fax: 313-022); (for personal and telephone enquiries only, open every morning except Sun, and on Mon and Thurs afternoons) Laiki Yitonia, East of Eleftheria Sq, Lefkosia (tel: 444-264); (24-hour service) Larnaka International Airport (tel: 654-389).

**Ministries**

Ministry of Agriculture, Natural Resources and Environment, Loukis Akritas Avenue, Lefkosia (tel: 30-0807; fax: 78-1156).

Ministry of Commerce, Industry and Tourism, 2 A Araouzos Street, Lefkosia (fax: 35-7120).

Ministry of Communication and Works, 28 Acheon Street, Lefkosia CY-1101 (tel: 30-2830; fax: 77-6272, 46-5462, 36-0578).

Ministry of Defence, 4 Emmanuel Rorides Street, Lefkosia (tel: 80-7528; fax: 36-6225).

Ministry of Education and Culture, Gr Afentiou Street, Lefkosia (tel: 30-5188; fax: 42-7559).

Ministry of Finance, Ex Secretariat Compound, Lefkosia (tel: 80-3530; fax: 36-6080).

Ministry of Foreign Affairs, Dem Severis Avenue, Government House No. 18-19, Lefkosia (tel: 30-0600; fax: 45-1881).

Ministry of Health, Ex Secretarial Offices, Lefkosia (tel: 30-9526; fax: 36-8883).

Ministry of Interior, Dem Severis Avenue, Ex Secretariat Offices, Lefkosia (tel: 51-0222; fax: 45-3465, 36-6709).

Ministry of Justice and Public Order, 12 Helioupolos, Lefkosia (tel: 30-2355; fax: 76-1427).

Ministry of Labour and Social Insurance, Byron Avenue, Lefkosia (tel: 30-3481; fax: 45-0993).

Presidential Palace, Lefkosia (tel: 45-1333; fax: 44-5016).

**Other useful addresses**

British High Commission, Alexander Pallis St, PO Box 1978, Lefkosia (tel: 47-3131/7; fax: 36-7198).

Central Post Office, Eleftheria Square, Lefkosia (tel: 30-3219).

Cyprus Broadcasting Corporation, PO Box 4824, Lefkosia (tel: 42-2231; fax: 31-4050).

Cyprus Employers' and Industrialists' Federation, 30 Grivas Dhigenis Avenue, PO Box 1657, Lefkosia (tel: 44-5102; fax: 45-9459).

Cyprus News Agency, 7 Kastorias St, PO Box 3947, Lefkosia (tel: 31-9009; fax: 31-9006).

Cyprus Petroleum Refinery Ltd, PO Box 40275, 6302 Larnaka (fax: 2464-1401; e-mail: [lambroug@cprl.com.cy](mailto:lambroug@cprl.com.cy)).

Cyprus Telecommunications Authority, PO Box 4929, Lefkosia (tel: 31-3111).

Department of Customs & Excise, Customs Headquarters, 29 Katonis Street, Ay Omoloyitae, Lefkosia (tel: 30-5404, 30-5737; fax: 35-5050).

Department of Statistics and Research, Ministry of Finance, 13 Andreas Araouzos Street, 1444 Lefkosia (tel: 30-9305, 30-3208; fax: 37-4830, 45-6712).

Embassy of the United States of America, Therissos St & Dositheos St, Lefkosia (fax: 45-9571).

Press and Information Office, Apellis Street, Ay Omoloyitae, 1456 Lefkosia (tel: 80-1155/1164/1177; fax: 36-6123; email: [communications@pio.moi.gov.cy](mailto:communications@pio.moi.gov.cy)).

**National news agency:** Cyprus News Agency (CNA), 7 Kastorias Street, 2002 Strovolos, Lefkosia (tel: 556-009; fax: 556-103; email: [news@cna.org.cy](mailto:news@cna.org.cy); internet: [www.cna.org.cy](http://www.cna.org.cy)).

**Other news agencies:** TAK (Arca Haber Ajansi) (in Turkish): [www.arcaajans.com](http://www.arcaajans.com)

**Internet sites**

Bridge to Greece and Cyprus: [www.greekvillage.com/bridge/bridge.htm](http://www.greekvillage.com/bridge/bridge.htm)

Cyprus News: [www.cyprusnews.com](http://www.cyprusnews.com)

Cyprus Telecommunications Authority: [www.cyfanet.com.cy](http://www.cyfanet.com.cy)

Cyprus Tourism Organisation: [www.cyprustourism.org](http://www.cyprustourism.org)

Official Cyprus homepage: [www.pio.gov.cy](http://www.pio.gov.cy)