

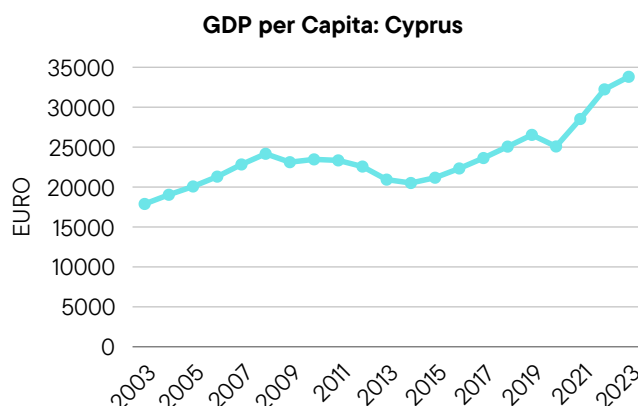
IMPACTS OF THE 2004 EU ENLARGEMENT ON CYPRUS

Cyprus's GDP 2003-2023

Since the accession of Cyprus to the EU, **Cyprus's GDP per capita has generally been lower than the EU-15 average**. The gap widened during the **local financial crisis around 2013** but has narrowed in recent years, indicating relative economic improvement in Cyprus compared to the Eurozone.

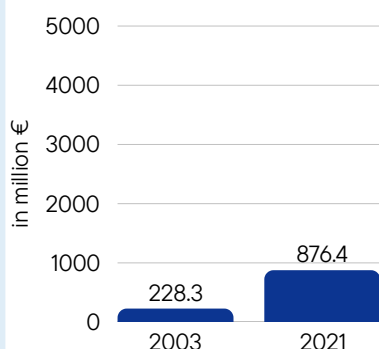
However, **GDP per capita rose from €17,883 in 2003**, the year before accession, **to €33,804 in 2023**. Overall, it was slow and steady growth, except during the global financial crisis of 2008 and the local economic crash of 2013.

Source: Eurostat, CyStat and Cyprus Ministry of Finance

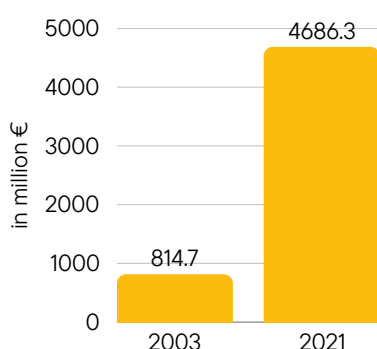


Trade in goods and services

Cyprus exports to EU



Cyprus total exports



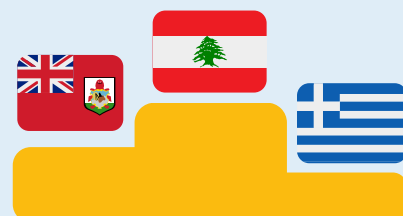
In 2003, **€228.3 million worth of exports went from Cyprus to EU member states**, from a total of exports worth €814.7 million, representing 27.92% of all exports. In 2021, **€876.4 million worth of exports** were directed to EU member states from a total of exports worth €4,686.3 million, representing 18.7% of exports. Whilst by percentage the amount of intra-EU exports **dropped**, in actual figures it **rose fourfold**, signifying **strong growth in intra-EU trade**, but also successful external trade which grew quite significantly. **Intra-EU two-way trade** ensures economic benefits for the member states with **tax-free trade**, but exports outside the EU mean inbound income generation for the bloc.

Source: Eurostat and Cyprus Ministry of Energy, Commerce and Industry's Trade Service

Cyprus's main trade partners

In **2003**, the top source countries for imports were Greece, Italy, the UK, Germany and Japan; the top countries for exports were the UK, Greece, Germany, Lebanon and the Netherlands.

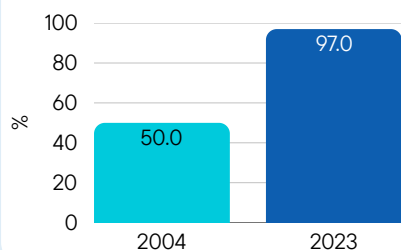
In **2023**, the top source countries for **imports** were **Greece, the UK, Italy, China and Germany**; and the top countries for **exports** were **Lebanon, Bermuda, Greece, the Marshall Islands and the UK**. In 2003, imports and exports were based on goods and services, while in **2023**, **exports were primarily based on services and investments and banking**.



Top export destinations (2023)

Exports of goods and services as a percentage of GDP

Exports of Goods & Services as % of GDP



As of the end of 2023, exports of goods and services accounted for 97% of Cyprus's GDP. This followed a record of 102.2% in 2022. Over the past few decades, Cyprus has seen a significant increase in the share of exports relative to its GDP, rising from 35.49% in 1975 to 50.3% just after accession in 2004, to the current much higher levels. This high export-to-GDP ratio underscores the critical importance of international trade to the Cypriot economy. The country's strategic location in the Eastern Mediterranean, along with its developed services sector – particularly in tourism, shipping, and financial services – contributes to this substantial export performance.

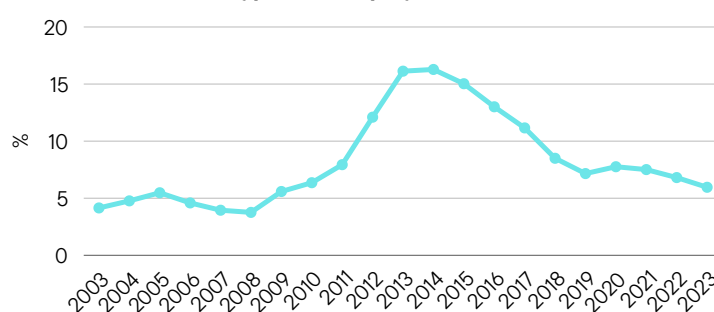
Source: CyStat, EuroStat and Cyprus Ministry of Energy, Commerce and Industry's Trade Service

Unemployment

In 2003, the unemployment rate in Cyprus was 4.15% and **remained relatively stable** for the first five years after EU accession, before **rising rapidly** with the growing global financial crisis in 2008 and then **peaking** at 16.28% following the local economic crisis from 2013. Since then, **unemployment began to drop** (with a slowdown during the 2020 pandemic), down to 5.96% in 2023.

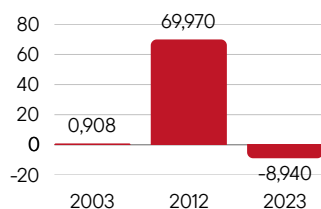
Source: Eurostat and Cyprus Ministry of Labour and Social Insurance

Cyprus Unemployment rate



Foreign direct investments (FDIs)

Net FDI into Cyprus



Net FDIs in Cyprus in 2003 amounted to €908,147.518, reaching a high of €69.97 billion in 2012 and falling to **€-8.94 billion in 2023**. Net FDI stock was negative in 2023 (inward FDI stock exceeded outward FDI stock). **Net FDI transactions remained negative for the eighth consecutive year in 2021**. FDI stock invested in/from Cyprus, originated mainly from/to Europe (primarily Greece, Luxembourg and the Netherlands). Most of the FDI invested in/from Cyprus was related to the **tertiary sector, in particular financial and insurance activities**.

Source: Cyprus Central Bank and CyStat

Corruption in Cyprus

In 2003, on the eve of EU accession, **Cypriots perceived their public sector as relatively non-corrupt**, scoring **61/100** on Transparency International's Corruption Perception Index, ranking an impressive **27th globally**. By 2023, however, this **ranking plummeted to 49th globally**, with a ranking of **53/100**. This change can be explained by the fact that prior to EU accession, little efforts were made by investigative journalists and civil society actors to question and expose corruption in Cyprus. With the integration into the EU, public perceptions shifted to become quite aware of **corruption at all levels of governance** due to pressure from the bloc and new partners. The economic crisis of 2013 and the subsequent exposé of the **golden passports scandal swayed public opinion** exponentially and resulted in a firm perception change.

Source: Transparency International



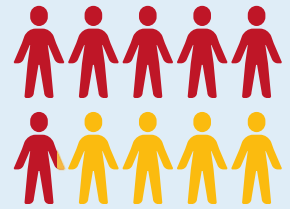
Gender equality

According to the **Gender Equality Index 2024** of the European Institute for Gender Equality (EIGE), **Cyprus was ranked 20th among the 27 EU member states**. In 2024, the **World Economic Forum (WEF)** ranked Cyprus in **86th place globally** for gender equality, and the **UN report on the Sustainable Development Goals 2030** ranked **Cyprus 39th out of 139 countries**. In 2013, EIGE's earliest year of records, Cyprus was ranked 26th among the 27 EU member states while being ranked in 83rd place globally by the WEF in 2006, suggesting very little improvement over the past two decades. NGOs and the President's Gender Equality Commissioner attribute this plunging statistic to the long-term effects of the global and local financial crises from 2008 and the compounding effects of the pandemic, with **women bearing the brunt of the negative effects of the economic downturn, working from home and homeschooling**. The reality is also that prior to EU accession, civil society activity in Cyprus was absolutely minimal, and until very recently, gender equality was not a tackled issue.

Tertiary education

On the eve of accession in 2003, 41% of Cypriots had reached a tertiary education. By 2023, that figure had risen to 59.2%. However, it needs to be taken into account that from 2007, many private colleges in Cyprus became officially universities, bolstering local uptake of tertiary education.

Source: Ministry of Education



59,2 % of the Cypriot population had completed tertiary education.



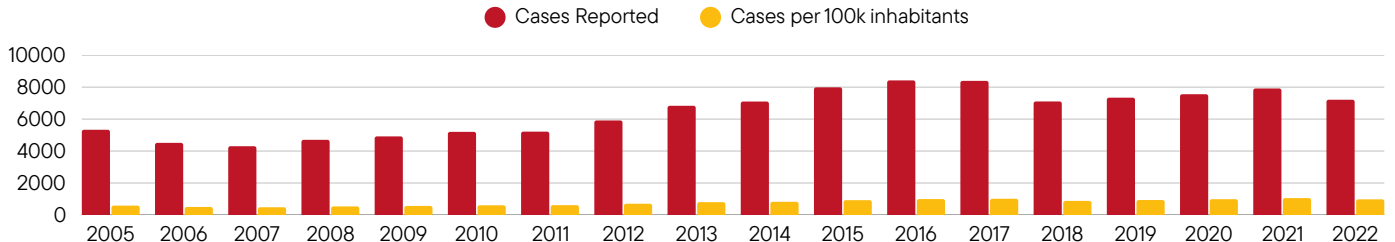
In 2003, there were no recycling programs at all in Cyprus. In 2023, Cyprus ranked third from last in the EU in terms of the percentage of municipal waste recycled, according to Eurostat, with just 15% of the waste recycled. Cyprus also registered the highest waste of food per capita in the EU, at 397kg of food waste annually per person, eclipsing the second-worst country, Belgium, with 250kg per person.

Change in recycling rates

Criminality

There were 5,332 (584 per 100,000 inhabitants) cases of serious offences reported to the police in 2005. This number rose to 7,212 (977 per 100,000 inhabitants) in 2022. **It is a controversial issue in Cyprus as to what has caused the growth in figures**, especially the per capita figure, with many voicing concern over legal and irregular migration and the regional refugee crisis. However, most NGOs and criminologists claim that **it is a matter of more reliable record keeping and civilian willingness to report** rather than actual crimes occurring.

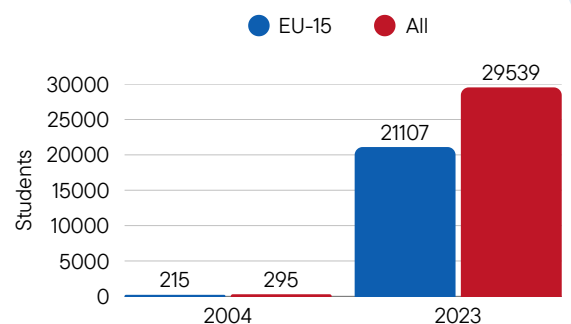
True cases of serious offences reported in Cyprus



Source: Cyprus Police, Ministry of Justice and Public Order and CyStat

Foreign students in Cyprus

In 2004, there were just 295 foreign tertiary students in Cyprus, of which 215 were from the EU-15 (209, the vast majority, were from Greece). It wasn't until after 2007 when many private colleges in Cyprus became universities that interest from foreign students grew rapidly. Education at private institutions is primarily in **English**, which **allows accessibility to a wider market and enhances appeal**, coupled with the perception of 'studying in the EU'. In 2023, 29,539 foreign tertiary students were studying in Cyprus, of which 21,377 (72.37%) were from the current **EU countries**. 21,107 (71.45%) students were from the **EU-15** (including 205 from the UK) and 474 (1.6%) from **post-2004 accession EU member states**.



Source: Ministry of Education

Life expectancy

Life expectancy of the population in Cyprus was 79.1 years in 2003, rising to 81.9 years by 2021, representing a gain of 2.8 years.

Source: EuroStat and WHO

