Cyprus

Key indicators, 2014

Population (millions) ........................................ 0.9
GDP (US$ billions) ........................................ 23.3
GDP per capita (US$) ..................................... 26,115
GDP (PPP) as share (%) of world total .......... 0.03

Global Competitiveness Index

GCI 2015–2016 ...................................................... 65 ...... 4.2
GCI 2014–2015 (out of 144) ..................................... 58 ...... 4.3
GCI 2013–2014 (out of 148) ..................................... 58 ...... 4.3
GCI 2012–2013 (out of 144) ..................................... 58 ...... 4.3

Basic requirements (20.0%) .......................................51 ...... 4.8
1st pillar: Institutions ................................................. 43 ...... 4.3
2nd pillar: Infrastructure ............................................ 50 ...... 4.5
3rd pillar: Macroeconomic environment ............. 109 ...... 4.2
4th pillar: Health and primary education ............... 17 ...... 6.4

Efficiency enhancers (50.0%) .....................................59 ...... 4.2
5th pillar: Higher education and training ............... 41 ...... 4.9
6th pillar: Goods market efficiency ...................... 28 ...... 4.8
7th pillar: Labor market efficiency ....................... 34 ...... 4.5
8th pillar: Financial market development ............ 108 ...... 3.4
9th pillar: Technological readiness ...................... 45 ...... 4.6
10th pillar: Market size ........................................... 112 ...... 2.9

Innovation and sophistication factors (30.0%) ...........45 ...... 3.9
11th pillar: Business sophistication ...................... 47 ...... 4.2
12th pillar: Innovation ........................................... 44 ...... 3.6

The most problematic factors for doing business

Score*

Access to financing ........................................... 24.6
Inefficient government bureaucracy .................. 18.9
Corruption ......................................................... 10.1
Insufficient capacity to innovate ....................... 9.0
Restrictive labor regulations ............................... 6.1
Inadequate supply of infrastructure .................. 5.9
Government instability/coups ............................ 5.6
Poor work ethic in labor force ......................... 3.9
Policy instability ................................................. 3.8
Tax rates ......................................................... 2.5
Inadequately educated workforce .................... 2.4
Foreign currency regulations ......................... 2.3
Inflation .......................................................... 1.7
Poor public health ............................................. 1.3
Complexity of tax regulations ......................... 1.1
Crime and theft ................................................ 0.8

* From the list of factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

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The Global Competitiveness Index in detail

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>VALUE</th>
<th>RANK/140</th>
</tr>
</thead>
</table>

#### 1st pillar: Institutions
- **Property rights**: 4.5
- **Intellectual property protection**: 4.4
- **Diversion of public funds**: 4.0
- **Public trust in politicians**: 2.6
- **Irregular payments and bribes**: 4.8
- **Judicial independence**: 4.7
- ** Favoritism in decisions of government officials**: 2.8
- **Wastefulness of government spending**: 3.4
- **Burden of government regulation**: 4.0
- **Efficacy of legal framework in settling disputes**: 3.7
- **Efficacy of legal framework in challenging regs**: 3.9
- **Transparency of government policymaking**: 4.4
- **Business costs of terrorism**: 6.0
- **Business costs of crime and violence**: 5.8
- **Organized crime**: 5.6
- **Reliability of police services**: 4.7
- **Ethical behavior of firms**: 3.9
- **Strength of auditing and reporting standards**: 5.0
- **Efficacy of corporate boards**: 4.1
- **Protection of minority shareholders’ interests**: 4.3
- **Strength of investor protection**: 6.8

#### 2nd pillar: Infrastructure
- **Quality of overall infrastructure**: 4.6
- **Quality of roads**: 5.0
- **Quality of railroad infrastructure**: 5.8
- **Quality of port infrastructure**: 4.4
- **Quality of air transport infrastructure**: 4.7
- **Available airline seat km/week, millions**: 197.1
- **Quality of electricity supply**: 5.4
- **Mobile telephone subscriptions/100 pop.**: 96.3
- **Fixed-telephone lines/100 pop.**: 28.4

#### 3rd pillar: Macroeconomic environment
- **Government budget balance, % GDP**: –0.1
- **Gross national savings, % GDP**: 10.1
- **Inflation, annual % change**: –0.3
- **General government debt, % GDP**: 107.1
- **Country credit rating, 0–100 (best)**: 36.1

#### 4th pillar: Health and primary education
- **Malaria cases/100,000 pop.**: M.F.
- **Business impact of malaria**: N/A
- **Tuberculosis cases/100,000 pop.**: 5.8
- **Quality of tuberculosis**: 6.2
- **HIV prevalence, % adult pop.**: 0.1
- **Business impact of HIV/AIDS**: 6.0
- **Infant mortality, deaths/1,000 live births**: 2.8
- **Life expectancy, years**: 79.8
- **Quality of primary education**: 5.0
- **Primary education enrollment, net %**: 97.9

#### 5th pillar: Higher education and training
- **Secondary education enrollment, gross %**: 95.3
- **Tertiary education enrollment, gross %**: 45.9
- **Quality of the education system**: 4.9
- **Quality of math and science education**: 5.0
- **Quality of management schools**: 4.7
- **Internet access in schools**: 5.0
- **Availability of specialized training services**: 4.6
- **Extent of staff training**: 4.1

#### 6th pillar: Goods market efficiency
- **Intensity of local competition**: 5.3
- **Extent of market dominance**: 4.0
- **Effectiveness of anti-monopoly policy**: 4.2
- **Effect of taxation on incentives to invest**: 4.7
- **Total tax rate, % profits**: 23.2

#### 7th pillar: Labor market efficiency
- **Cooperation in labor-employer relations**: 4.7
- **Flexibility of wage determination**: 4.6
- **Hiring and firing practices**: 4.1
- **Recruiting and training costs**: 5.7
- **Effect of taxation on incentives to work**: 4.7
- **Pay and productivity**: 4.3
- **Reliance on professional management**: 3.8
- **Country capacity to retain talent**: 3.7
- **Country capacity to attract talent**: 3.2
- **Women in labor force, ratio to men%**: 0.8

#### 8th pillar: Financial market development
- **Availability of financial services**: 4.7
- **Affordability of financial services**: 4.4
- **Financing through local equity market**: 2.3
- **Ease of access to loans**: 2.4
- **Venture capital availability**: 2.3
- **Soundness of banks**: 2.7
- **Mobile-broadband subscriptions/100 pop.**: 42.1
- **Legal rights index, 0–12 (best)**: 7

#### 9th pillar: Technological readiness
- **Availability of latest technologies**: 5.2
- **Firm-level technology absorption**: 5.1
- **FDI and technology transfer**: 4.2
- **Individuals using Internet, %**: 69.3
- **Fixed-broadband Internet subscriptions/100 pop.**: 21.1
- **Int'1 Internet bandwidth, kb/s per user**: 75.1
- **Mobile-broadband subscriptions/100 pop.**: 42.1

#### 10th pillar: Market size
- **Domestic market size index, 1–7 (best)**: 2.6
- **Foreign market size index, 1–7 (best)**: 3.8
- **GDP (PPP$ billions)**: 27.4
- **Exports as a percentage of GDP**: 50.9

#### 11th pillar: Business sophistication
- **Local supplier quantity**: 4.6
- **Local supplier quality**: 4.6
- **State of cluster development**: 3.9
- **Nature of competitive advantage**: 4.4
- **Value chain breadth**: 4.1
- **Control of international distribution**: 3.9
- **Production process sophistication**: 4.1
- **Extent of marketing**: 4.6
- **Willingness to delegate authority**: 4.0

#### 12th pillar: Innovation
- **Capacity for innovation**: 3.7
- **Quality of scientific research institutions**: 4.1
- **Company spending on R&D**: 3.2
- **University-industry collaboration in R&D**: 4.2
- **Gov’t procurement of advanced tech products**: 3.3
- **Availability of scientists and engineers**: 4.9
- **PCT patents, applications/million pop.**: 10.8

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Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section “How to Read the Country/Economy Profiles” on page 89.