



Cyprus

Overview

EIB INVESTMENT SURVEY

2019

EIB Group survey on investment
and investment finance 2019
Country overview

Cyprus

EIB Group survey on investment and investment finance 2019. Country overview: Cyprus

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique, annual survey of some 13.500 firms. It comprises firms in all EU Member States, as well as a sample of US firms which serves as a benchmark. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all Member States of the EU and for the US, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI.

For more information: <http://www.eib.org/eibis>.

About this publication

This EU-wide report is an overview of a series covering each of the EU Member States and the United States of America. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 40 economists, is headed by Debora Revoltella, Director of Economics.

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Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

EIBIS 2019 – Cyprus

KEY RESULTS

Investment Dynamics

Investment is gradually recovering, mostly due to the private sector, yet it remains below its level in 2008. Four in five firms in Cyprus invested in the last financial year (79%).

The outlook on future investments is negative with the share of firms expecting to reduce their investment activities marginally exceeding the share of firms expecting to increase them.

Innovation Activities

Four in ten firms (39%) claim to develop or introduce new products, processes or services. Firms in the service sector are most likely to exhibit high levels of innovation (50%), but the proportion doing so has declined since EIBIS 2018 (61%).

Three in five firms in Cyprus (64%) are implementing, either fully or partially, the digital technologies they were asked about.

Service sector firms in Cyprus tend to be particularly advanced in adopting internet of things, platform and cognitive technologies.

Drivers and Constraints

Firms are on balance pessimistic about the political and regulatory climate, and only marginally more firms expect the economic climate to improve than deteriorate in the next twelve months.

Availability of skilled staff, energy costs, access to digital infrastructure, availability of finance and uncertainty about the future are all cited as long term barriers by an increasing number of firms since EIBIS 2018.

Access to Finance

Firms that use external finance are on balance satisfied with the finance received. The highest proportion of dissatisfaction is with the collateral requirements (8%) and cost of finance (7%).

Firms in Cyprus are as likely to be finance constrained as firms across the EU (6% in Cyprus versus 5% EU-wide).

Investment Focus

The share of firms in Cyprus with no planned investment in the coming three years has risen since EIBIS 2018 (17% versus 10%), and is above the EU average (also 10%).

The largest share of investment in Cyprus is in machinery and equipment (37%), followed by land, buildings, and infrastructure (28%), and larger than their EU peers. In addition, 44% of investment is driven by the replacement of existing buildings, machinery, equipment and IT.

Investment Needs

Around three-quarters of firms (73%) say they invested about the right amount over the last three years, but 17% of firms report investing too much (including 25% of medium/large firms).

Firms' average share of perceived state-of-the-art machinery and equipment remains higher than the EU average (66% versus 44% respectively).

Just under half of firms (45%) have had an energy audit in the past 3 years, similar to the EU average. However, firms report that the share of investment intended to improve energy efficiency is below the EU average (7% versus 10%).

Investment Finance

The overall pattern of sources and types of finance used remains in line with EIBIS 2018. Internal funds account for the highest share of investment finance but share of external finance has increased (33% versus 19% in EIBIS 2018).

The share of firms saying they are happy to use internal funds or do not need external finance is 16%, matching the EU average.

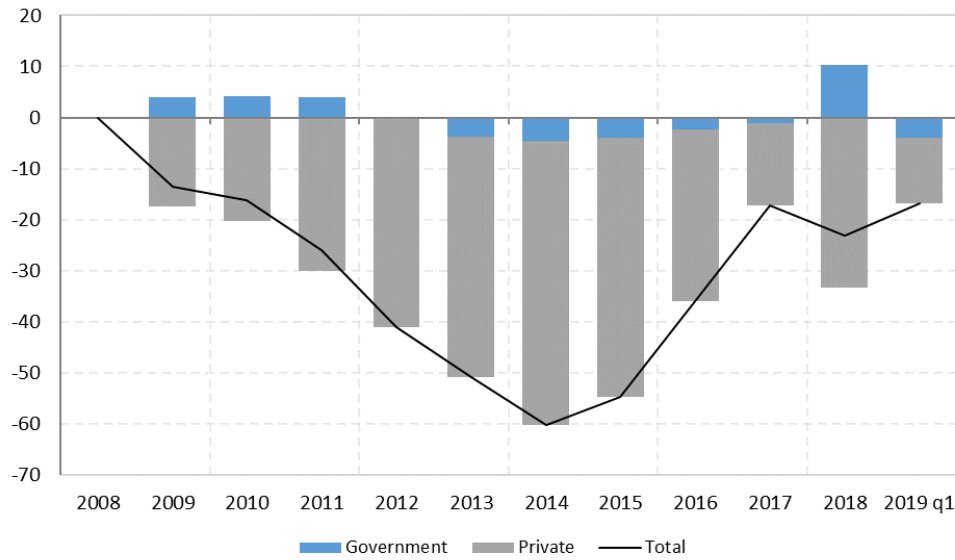
The proportion of firms in Cyprus reporting being highly profitable has declined (21%, versus 29% in EIBIS 2018).

Investment Dynamics

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

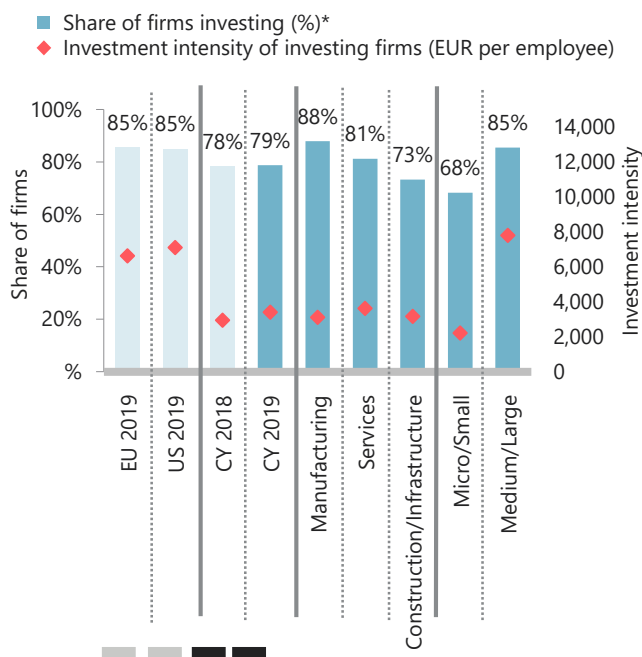
Investment activity is gradually recovering but remains below 2008 levels. The recovery is mostly due to the private sector.

Government investment, apart from one-off effects, remains sluggish.



The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR



Four in five firms in Cyprus invested in the last financial year (79%, similar to EIBIS 2018). The proportion that invested remains lower than the EU average (85%).

Firms in the construction and infrastructure sectors are less likely to invest than those in the manufacturing and service sectors (73% versus 88% and 81% respectively).

Larger firms are more likely to invest than smaller firms (85% versus 68%).

The reported intensity of investment remains below the EU average (EUR 3,407 vs EUR 6,631 per employee, respectively).

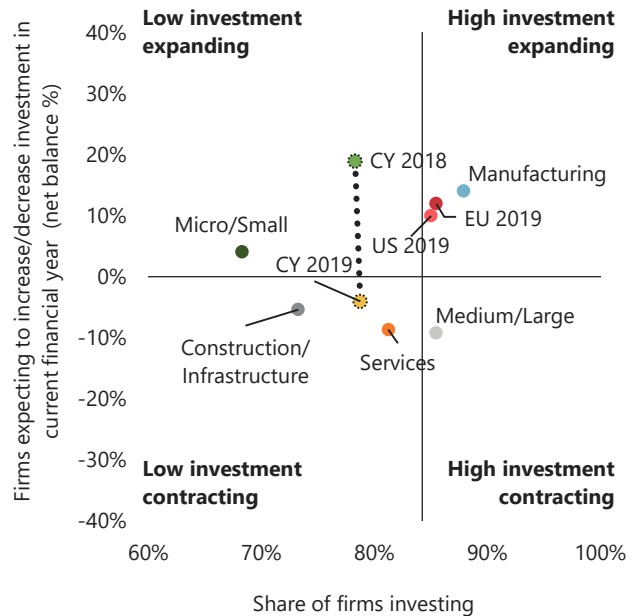
*The blue bars indicate the proportion of firms who have invested in the last financial year. A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities. Investment intensity is the median investment per employee of investing firms. Investment intensity is reported in real terms using the Eurostat GFCF deflator (indexed to EIBIS 201).

Investment Dynamics

INVESTMENT CYCLE

In Cyprus, the outlook for investment activity amongst firms has declined since EIBIS 2018: with more firms expected to reduce than increase investment. Cyprus has moved from the 'low investment expanding' quadrant to marginally being in the 'low investment contracting' quadrant on the investment cycle.

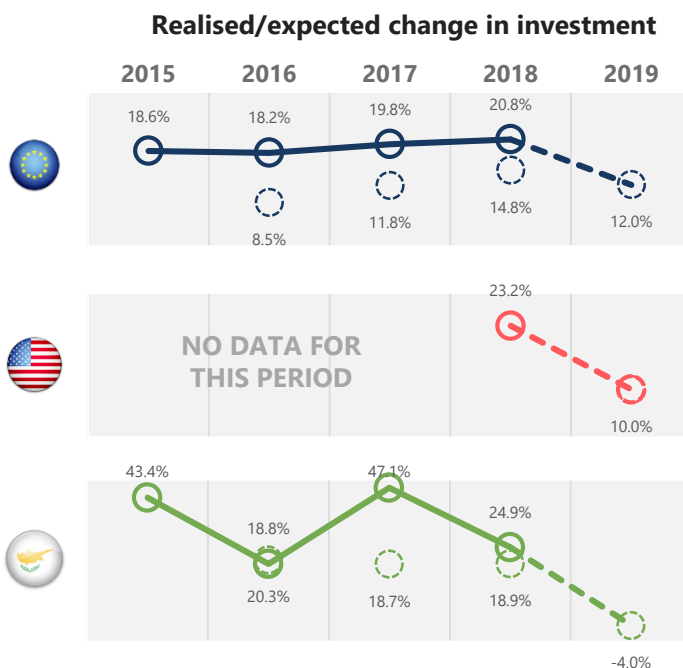
Firms in the manufacturing sector exhibit both relatively high shares of firms investing and net plans to expand investment in the current financial year.



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

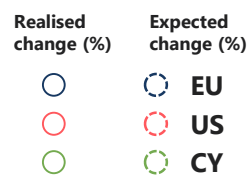
Base: All firms

EVOLUTION OF INVESTMENT EXPECTATIONS



Firms in Cyprus were correctly forecasting some slowing dynamics in terms of investment.

In the current year, the outlook is negative with the share of firms expecting to reduce their investment exceeding the share of firms expecting to increase their investment.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

Investment Focus

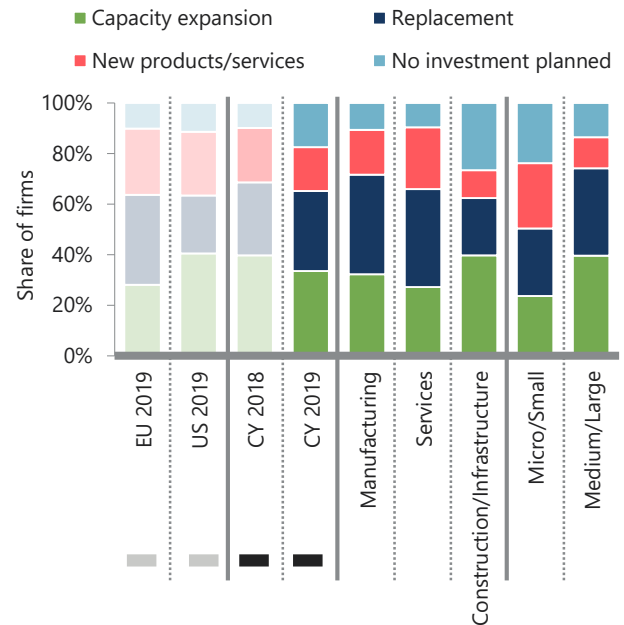
FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, capacity expansion remains the most cited priority (by 34% of firms in Cyprus, though this is lower than the 40% recorded in EIBIS 2018), closely followed by replacement (32%).

Investment in capacity expansion is most likely to be a priority for medium/large firms (40%, versus 24% of smaller firms). Conversely, 26% of micro/small firms prioritise new products and services compared with 12% of larger firms.

The share of firms with no investment planned has increased since EIBIS 2018 (from 10% to 17%), and is higher than the EU average (also 10%).

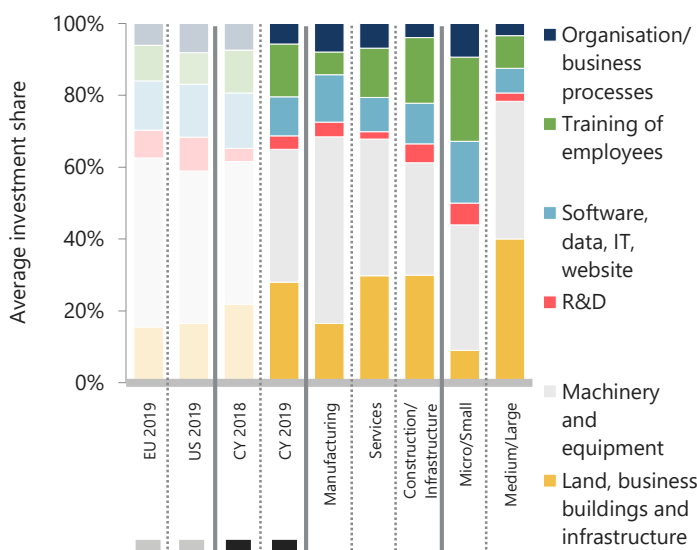
Firms in the construction and infrastructure sectors (27%) and smaller firms (24%) are the most likely to have no investment planned.



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

INVESTMENT AREAS



Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Out of the six investment areas asked about, the highest share of investment by firms in Cyprus is in machinery and equipment (37%), followed by land, business buildings and infrastructure (28%) and training of employees (15%).

Firms in Cyprus invested a significantly higher share in land than their EU peers which is possibly due to firms in the tourism industry investing in expanding their capacity.

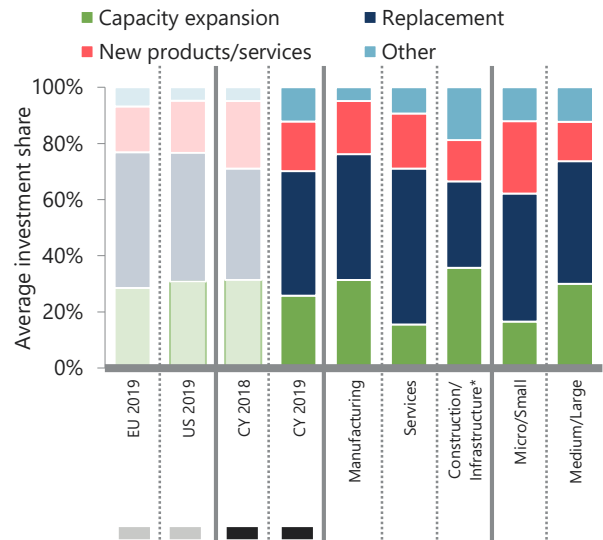
The pattern of investment has changed slightly when compared to EIBIS 2018. There has been an increase in the share of investment in land, business buildings and infrastructure (from 22% to 28%), and in employee training (from 12% to 15%). Share of investment in software, data, IT and website activities has declined slightly (11% in EIBIS 2019 versus 15% in EIBIS 2018).

Investment Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

As in previous years, the largest share of investment in Cyprus is driven by the need to replace existing buildings, machinery, equipment and IT (44%). This is in line with the EU average (48%).

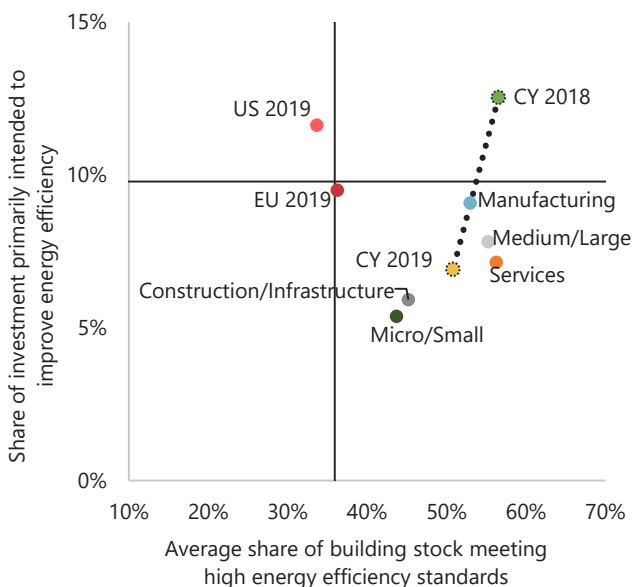
Share of investment towards replacement is highest in the service sector (55%), whilst the share of investment for developing new products and services is much higher among smaller firms compared to larger firms (26% versus 14%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)
*Caution very small base size less than 30

ENERGY EFFICIENCY INVESTMENT



Firms in Cyprus report a higher share of building stock perceived to meet high energy efficiency standards than the EU average, but the share of investment primarily intended to improve energy efficiency is below the EU average.

On average, firms in Cyprus report slightly lower figures in EIBIS 2019, both in terms of their share of building stock meeting high energy efficiency standards (51% versus 57% in EIBIS 2018), and their share of investment primarily intended to improve energy efficiency (7% versus 13% in EIBIS 2018).

Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?
Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (excluding don't know/ refused responses) / All firms who have invested in the last financial year (excluding don't know/ refused responses)

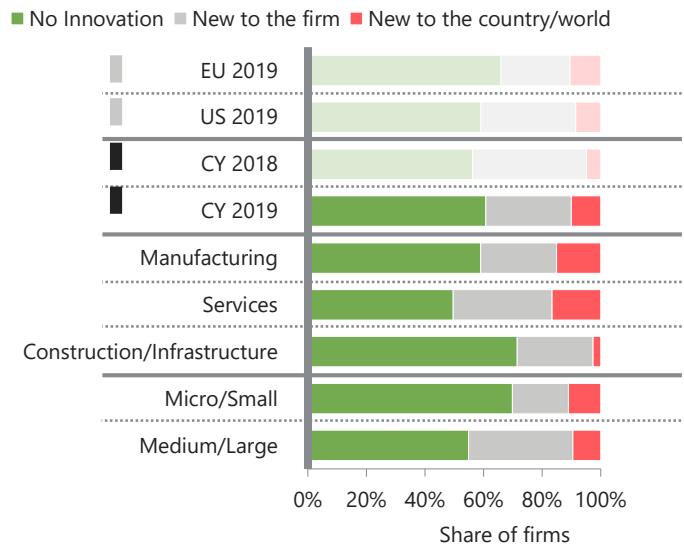
Innovation Activities

INNOVATION ACTIVITY

Around four in ten firms (39%) claim to have developed or introduced new products, processes or services as part of their investment activities. This includes 10% of firms claiming innovations new to the country or global market.

Firms in the service sector remain most likely to innovate (50%), although to a lesser extent than in EIBIS 2018 (61%).

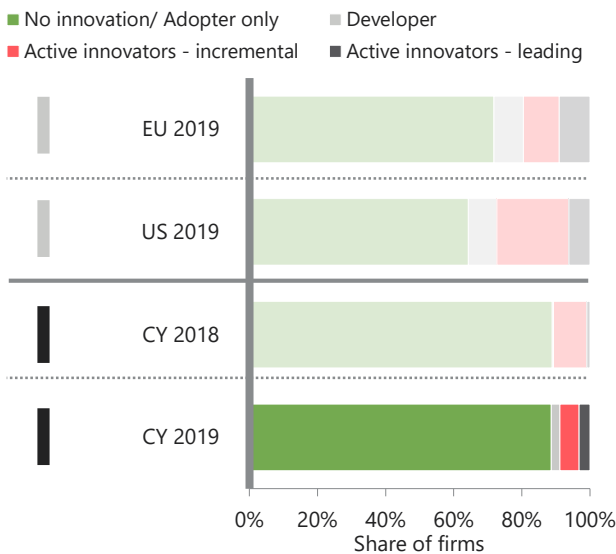
Three in ten micro/small firms (30%) invested in developing innovative products, processes or services, compared with 45% of medium/large firms.



Q. What proportion of total investment was for developing or introducing new products, processes, services?
 Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?
 Q. Were the products, processes or services new to the company, new to the country, new to the global market?
 Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, only 11% of firms in Cyprus fit under one of the innovation categories (either as active innovators or developers), the same as in EIBIS 2018. This is below the EU average of 28%.

The 'No innovation/Adopter only' group comprises firms that did not introduce any new products, processes or services in the last financial year (no innovation) or did so but without any own research and development effort (adopter). 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

Innovation Activities

IMPLEMENTATION OF DIGITAL TECHNOLOGIES

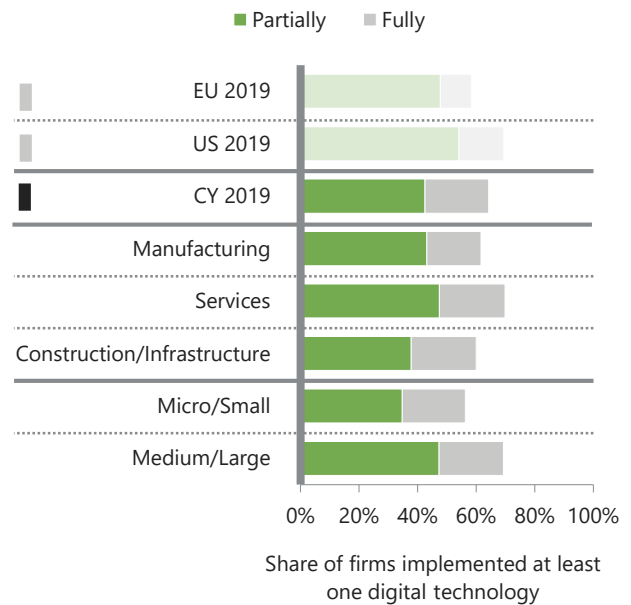
Three in five firms in Cyprus (64%) have implemented, either fully or partially, the digital technologies they were asked about. The proportion of firms organising their entire business around one or more of these digital technologies is greater than the EU average (22% in Cyprus versus 11% EU wide).

Firms in the service sector are the most likely to be implementing digital technologies, either fully or partially, within their business (70%).

Service sector firms in Cyprus tend to be relatively advanced compared to their EU peers in adopting internet of things, platform and cognitive technologies. Firms in the manufacturing and infrastructure sectors in Cyprus also match or exceed the corresponding EU sector average regarding their implementation of internet of things and cognitive technologies.

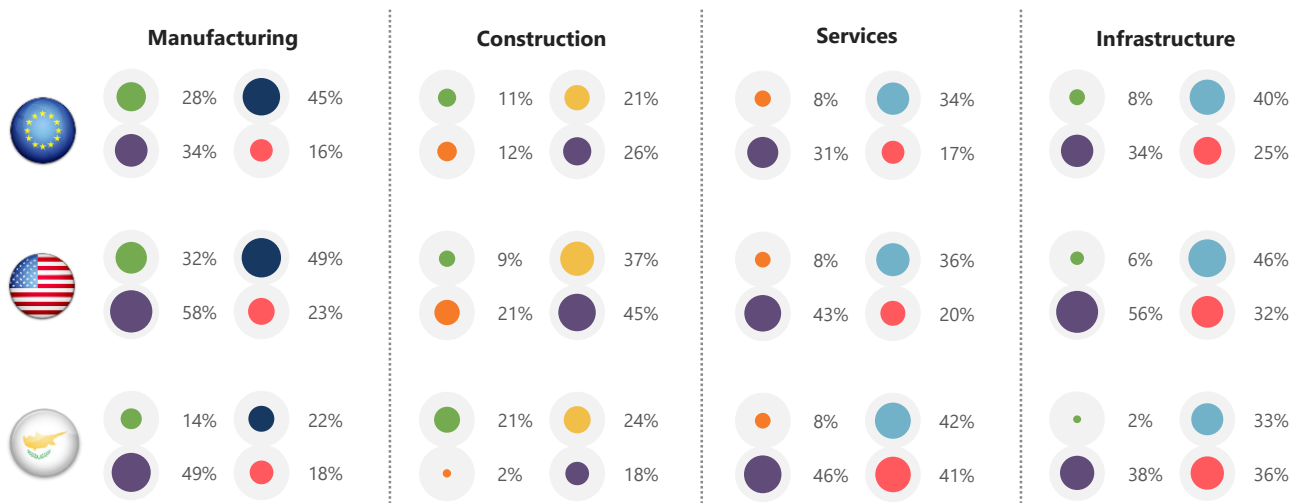
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)



DIGITAL TECHNOLOGIES BY SECTOR

- 3-D printing
- Automation via advanced robotics
- Internet of things
- Cognitive technologies
- Augmented or virtual reality
- Drones
- Platform technologies



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

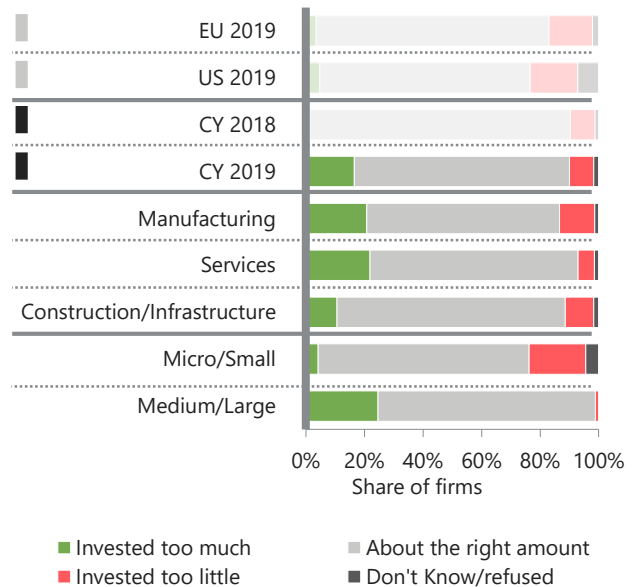
Investment Needs

PERCEIVED INVESTMENT GAP

Whilst around three-quarters of firms in Cyprus (73%) say they invested about the right amount in the last three years, 17% of firms report investing too much (including 25% of medium/large firms) – this is higher than in EIBIS 2018 and the current EU-wide average of 3%.

Firms in the manufacturing and service sectors are more likely to think they had invested too much (both 21%, compared with 11% of construction/infrastructure firms).

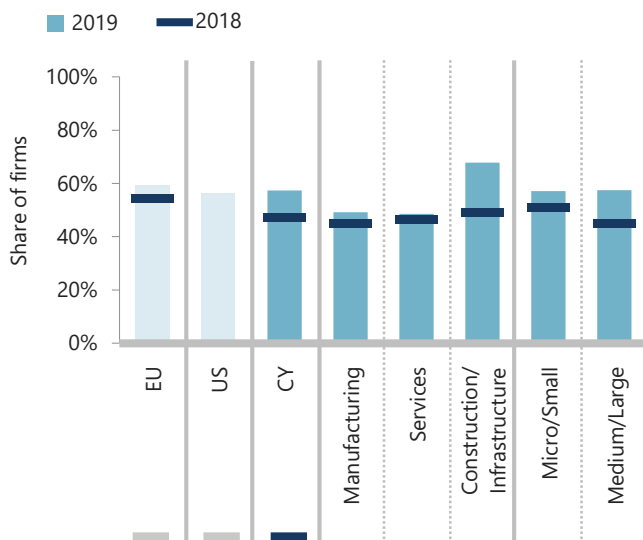
Smaller firms in Cyprus are most likely to report investing too little over the past three years (19%, versus 1% of larger firms).



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms

Around three in five firms in Cyprus report operating at or above maximum capacity in the last financial year (57%), slightly above EIBIS 2018 (47%).

The findings are similar to the EU average.

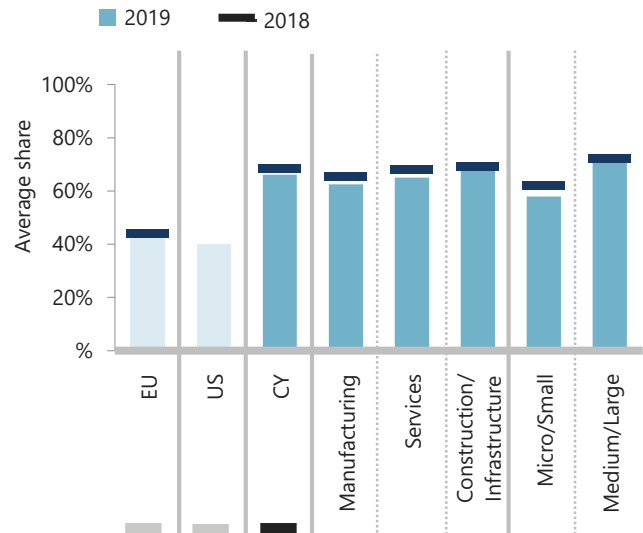
Firms in the construction and infrastructure sectors are most likely to report operating at or above full capacity (68%).

Investment Needs

SHARE OF STATE-OF-THE-ART MACHINERY

The average share of machinery and equipment in firms that is perceived to be state-of-the-art remains higher than the EU average (66% versus 44%).

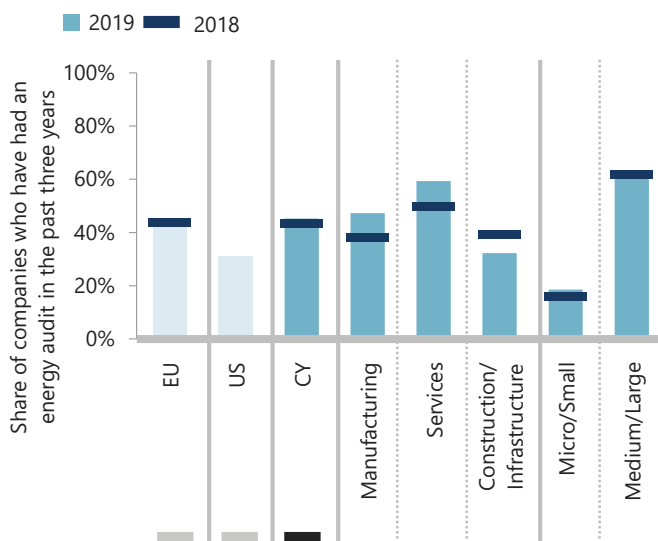
The share of state-of-the-art machinery is lower among smaller firms compared to larger firms (58% versus 71%).



Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

Base: All firms (excluding don't know/refused responses)

ENERGY AUDIT



Just under half of firms in Cyprus (45%) report having an energy audit in the past three years. This finding is similar to the EU average.

Firms in the service sector and larger firms are most likely to have had an energy audit in this time (59% and 63% respectively).

The share of firms in the manufacturing and service sectors claiming to have had an energy audit has increased since EIBIS 2018 (manufacturing: 47% versus 38%; and services: 59% versus 50% respectively).

Q. Can I check, in the past three years has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings?

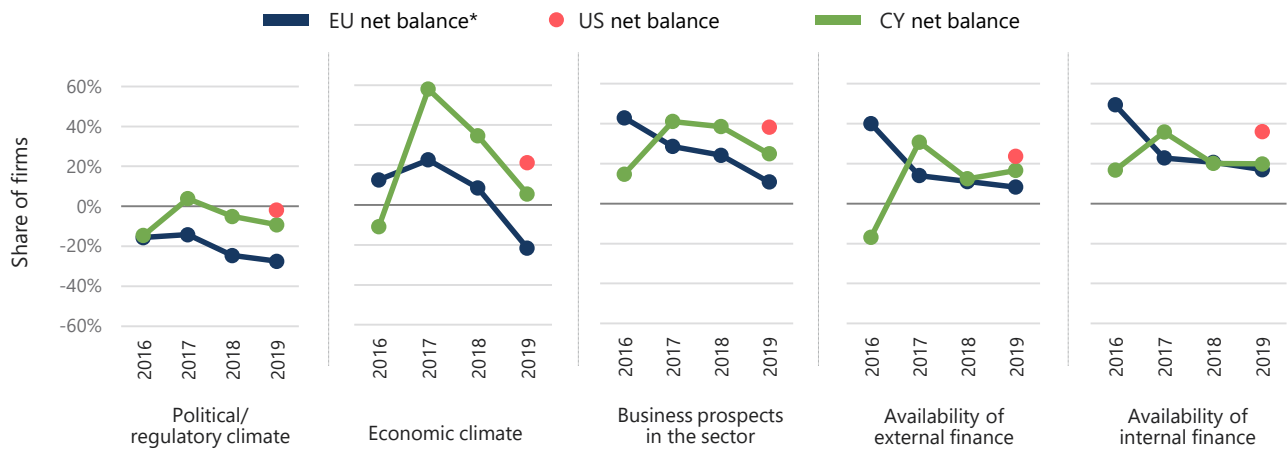
Base: All firms (excluding 'Company didn't exist three years ago' responses)

Drivers And Constraints

SHORT TERM INFLUENCES ON INVESTMENT

More firms expect the political and regulatory climate to deteriorate than improve in the next twelve months, and to a larger extent than in EIBIS 2018. However, EU firms remain even more negative on this measure than firms in Cyprus.

Firms are also less optimistic than in EIBIS 2018 about the overall economic climate, though more firms in Cyprus still expect an improvement than a deterioration, whereas more EU firms now foresee a deterioration than an improvement.

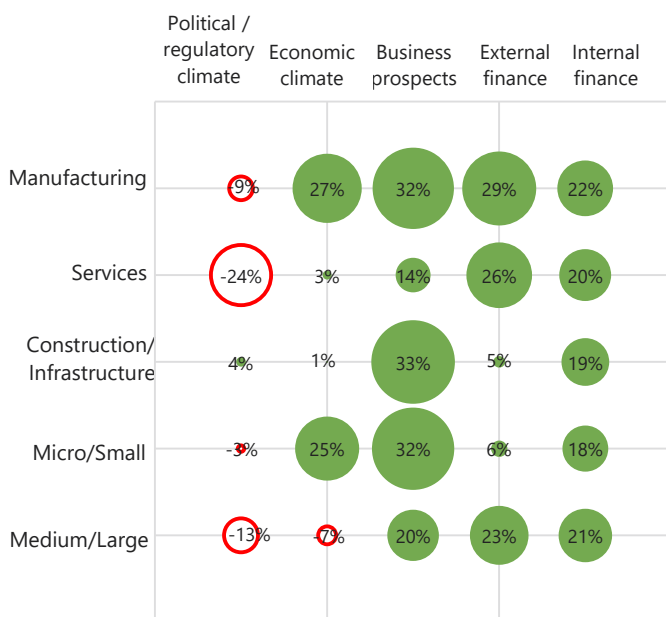


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT TERM INFLUENCES BY SECTOR AND SIZE (NET BALANCE)



Larger firms and firms in the service sector are the most likely on balance to be negative about the political and regulatory climate.

There are some key differences by sector. Firms in the manufacturing and service sectors are most optimistic about expecting an improvement in the availability of external finance compared to construction and infrastructure sector firms. Services firms are least optimistic regarding business prospects in their sector.

Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

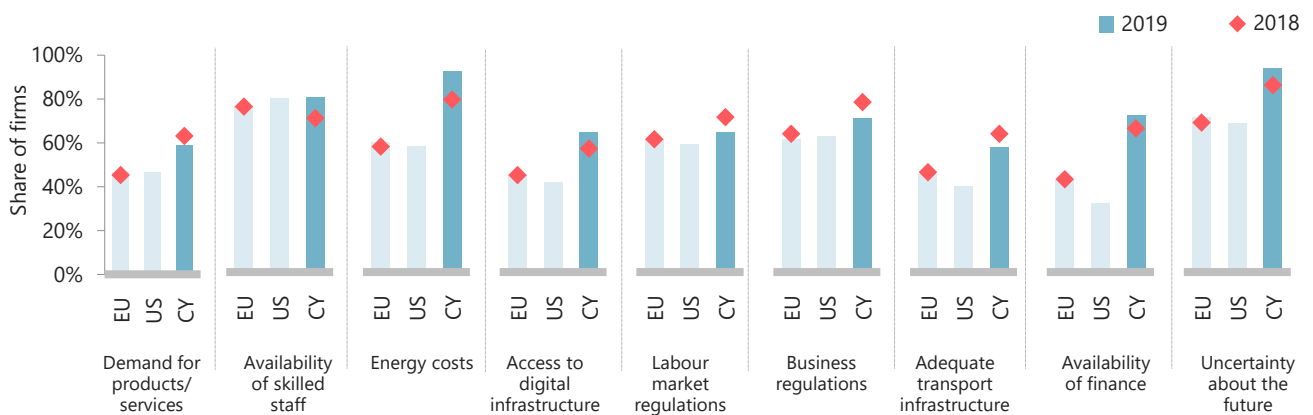
Base: All firms

Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

The proportion of firms in Cyprus citing long-term barriers to their investment activities is much higher than the EU average on almost every measure.

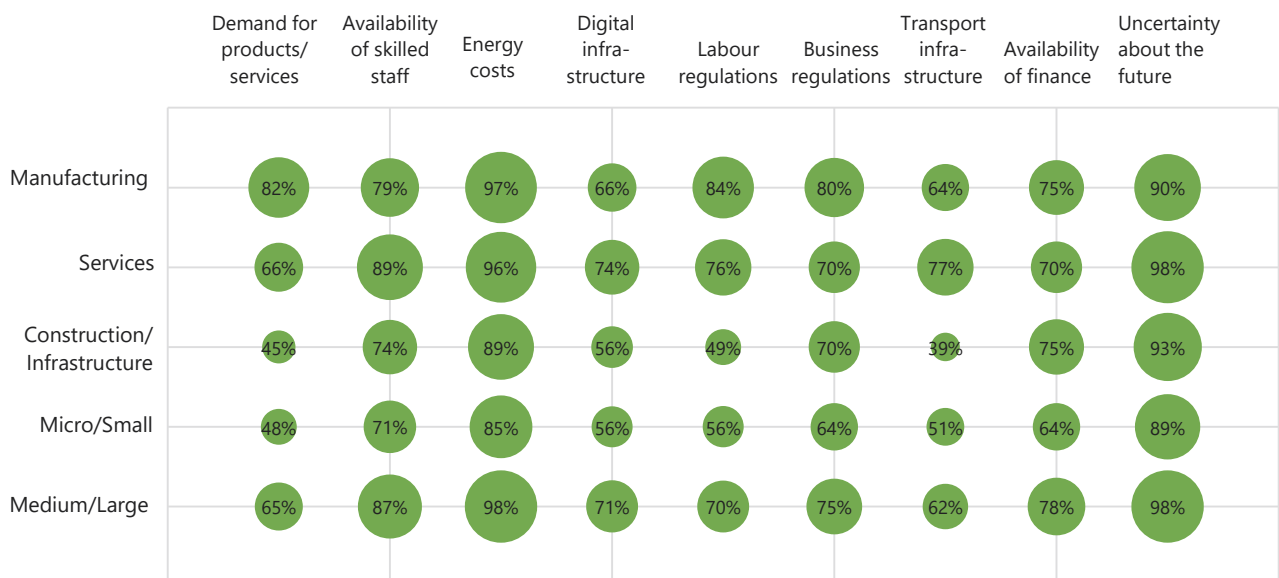
Availability of skilled staff, energy costs, access to digital infrastructure, availability of finance and uncertainty about the future are perceived as obstacles for an increasing number of firms since EIBIS 2018.



Q. Thinking about your investment activities in Cyprus, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

Q. Thinking about your investment activities in Cyprus, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

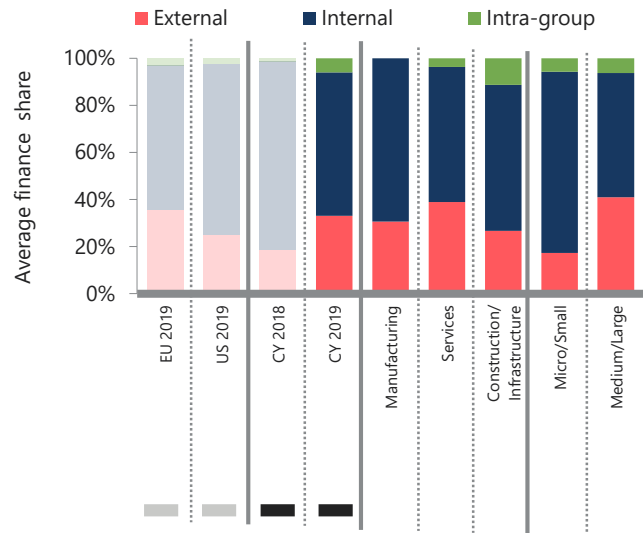
Investment Finance

SOURCE OF INVESTMENT FINANCE

Internal funds again account for the highest share of investment finance (69%), but the share of external finance has increased to 33% (from 19% in EIBIS 2018).

Overall, larger firms report a higher share of external finance than smaller firms (41% versus 17% respectively) and again this share has increased since the EIBIS 2018 (41% in EIBIS 2019 versus 20% in EIBIS 2018).

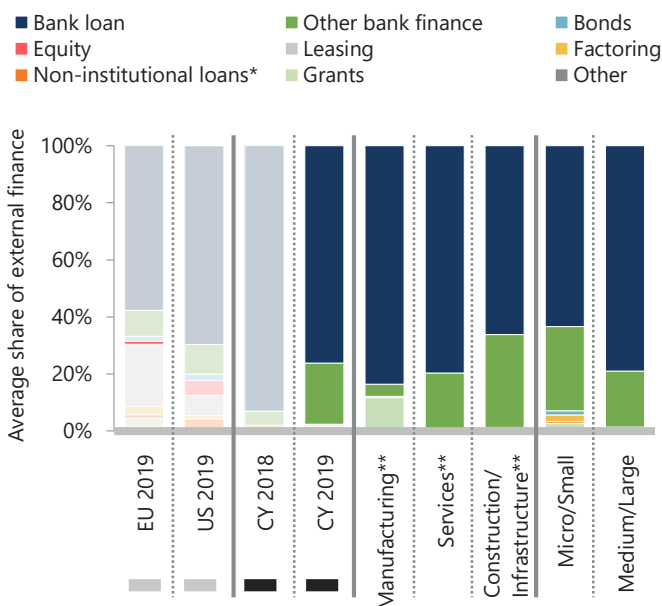
Firms in the service sector also report a higher share of external finance than other sectors (39%, versus 31% for manufacturing and 27% among construction/infrastructure firms).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

**Caution very small base size less than 30

Bank loans still account for the highest share of external finance (76%), but there has been an increase in the share of external finance provided via other forms of bank finance (21% versus 5% in EIBIS 2018).

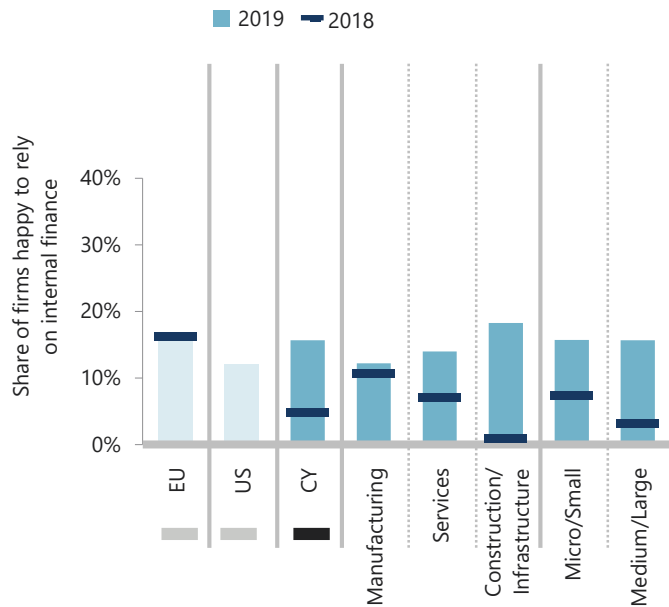
Among smaller firms, the share of external finance accounted for by other forms of bank finance was higher than among larger businesses (30% and 20% respectively).

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Around one in six of all firms in Cyprus report the main reason for not applying for external finance is because they are happy to use internal funds or do not have a need for it (16%). This is in line with the EU average (also 16%).

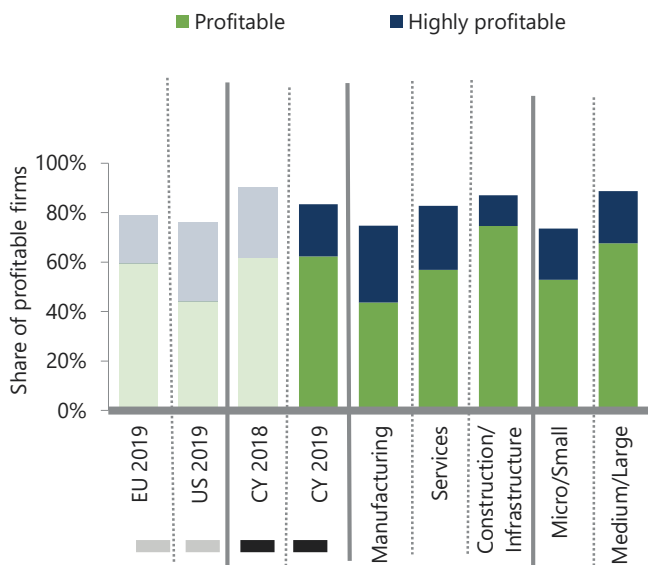
This represents a rise in the share of firms in Cyprus happy to rely exclusively on internal funds or not having a need for external finance (from 5% in EIBIS 2018). This increase can be seen across all sizes of firms and sectors, though to a much lesser extent among manufacturing firms.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



Fewer firms in Cyprus report being highly profitable (21% compared to 29% in EIBIS 2018).

Highly profitable firms in Cyprus are more likely to be in the manufacturing sector (31%).

Larger firms tend to be more likely to be profitable overall (whether profitable or highly profitable) than smaller firms (89% versus 74% respectively).

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

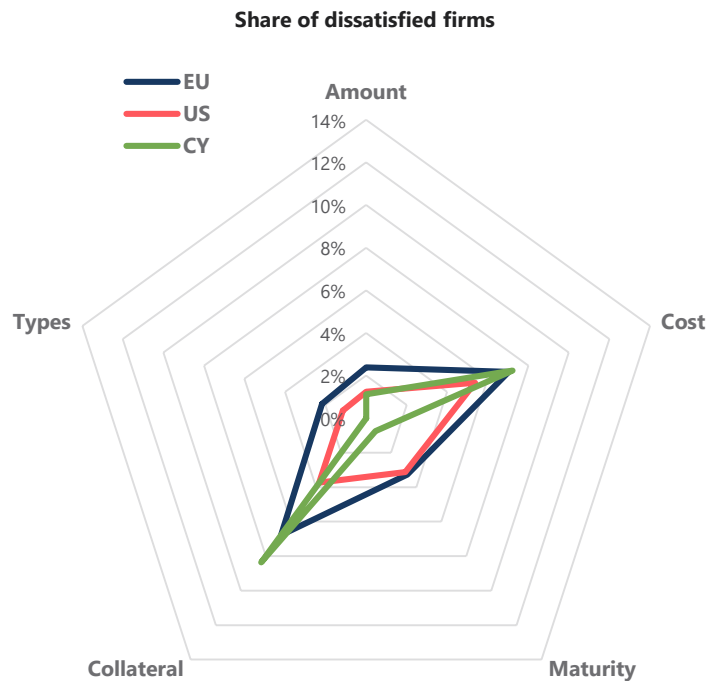
Base: All firms (excluding don't know/refused)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms using external finance are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

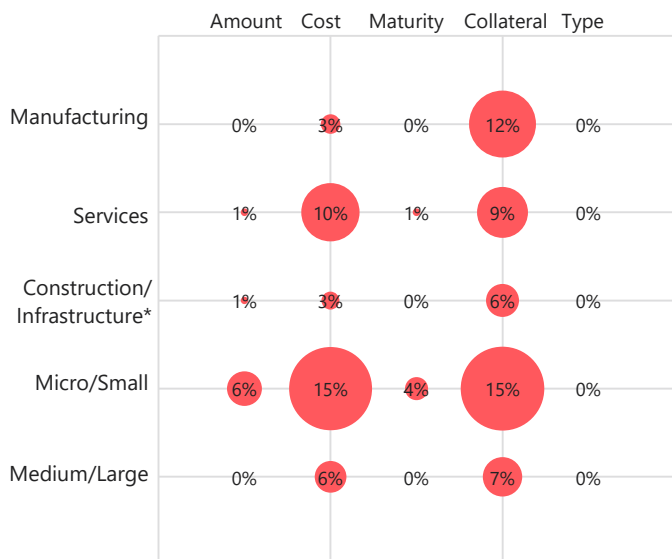
The highest proportions of dissatisfaction recorded among firms in Cyprus are with the collateral requirements (8%) and cost of finance (7%). No firms reported dissatisfaction with the types of finance offered.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

*Caution very small base size less than 30

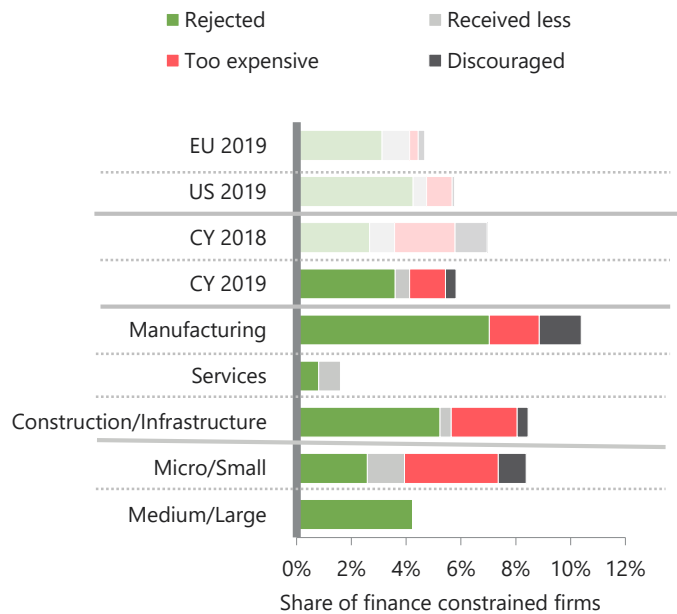
Overall levels of dissatisfaction are low; the highest levels of dissatisfaction are recorded regarding the cost of the finance and the collateral requirements.

Smaller firms are most likely to be dissatisfied on both of these aspects.

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

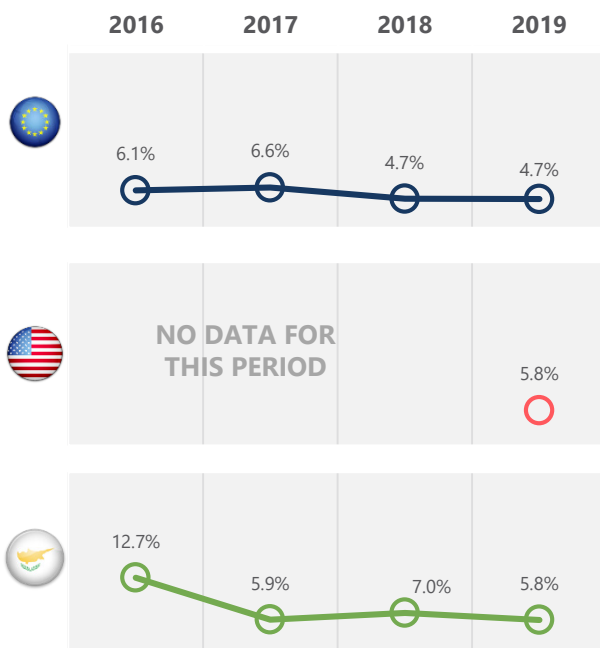
Six per cent of all firms in Cyprus can be considered external finance constrained, which is line with the EU average (5%). Firms in the manufacturing sector are the most likely to be financially constrained (10%). Only 2% of service sector firms are finance constrained. Micro/small firms are twice as likely to be constrained as medium/large firms (8% versus 4%).



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms

FINANCING CONSTRAINTS OVER TIME



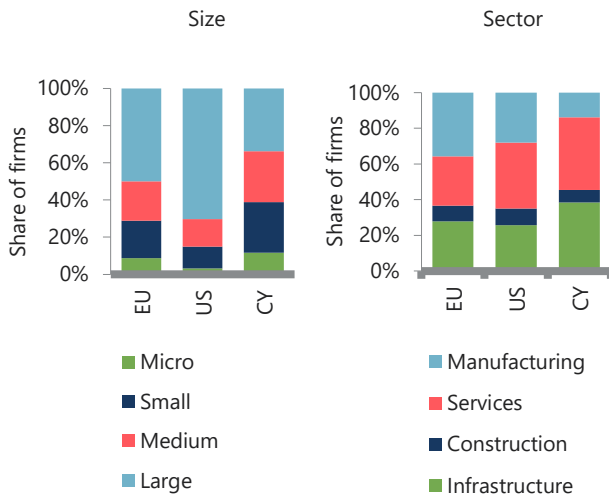
Data derived from the financial constraint indicator

Base: All firms

There has been little change in the share of finance constrained firms since EIBIS 2017.

Profile Of Firms

CONTRIBUTION TO VALUE ADDED



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

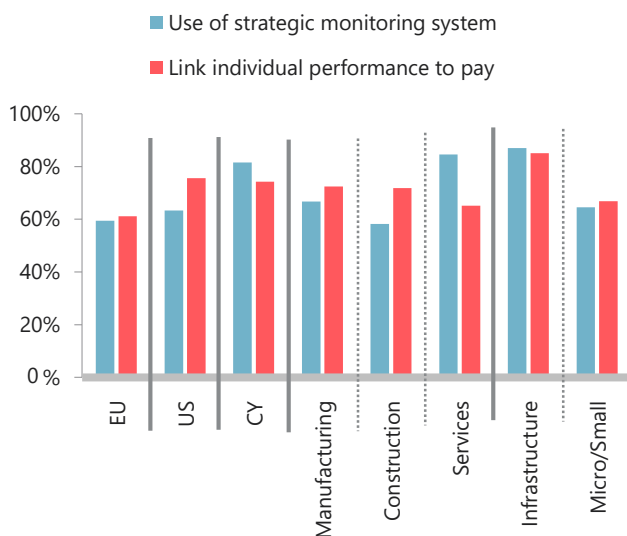
Large firms with 250+ employees account for the greatest share of value-added (34%) in Cyprus, though this is well below the EU average (50%).

The service and infrastructure sectors contribute to the highest share of value-added across the sectors (41% and 38% respectively). The EU averages in these sectors are much lower (28% for both).

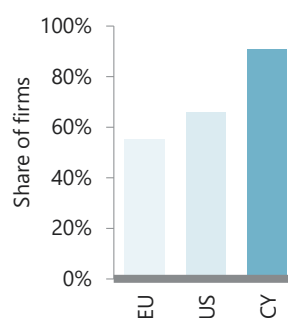
Firms in Cyprus are more likely than the EU average to report using a strategic monitoring system (82% versus 60%), and to link individual performance to pay (74% versus 61%).

More than nine in ten firms in Cyprus report being owner-managed (91%) and being owned by someone with 10+ years of industry experience (98%).

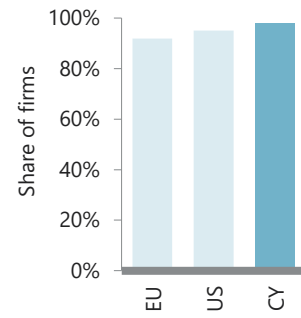
FIRM MANAGEMENT



Owner managed



10 years+ industry experience



Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?

Base: All firms (excluding don't know/refused)

Q. Does the CEO/ company head of your firm (a) own or control the firm, or have a family member that owns/controls it (b) have more than 10 years of experience in your firm's industry or sector?

Base: All firms (excluding don't know/refused)

EIBIS 2019 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Cyprus, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	CY	Manufacturing	Services	Construction/ Infrastructure	Micro/Small	Medium/Large	EU vs CY	Manufacturing vs Construction /Infrastructure	Micro/ Small vs Medium/ Large
	(12672)	(803)	(180)	(51)	(68)	(56)	(120)	(60)	(12672 vs 180)	(51 vs 56)	(120 vs 60)
10% or 90%	1.0%	2.9%	5.7%	7.5%	7.4%	10.4%	5.5%	8.7%	5.8%	12.8%	10.3%
30% or 70%	1.5%	4.4%	8.7%	11.5%	11.4%	15.9%	8.4%	13.2%	8.8%	19.6%	15.7%
50%	1.7%	4.8%	9.5%	12.5%	12.4%	17.4%	9.2%	14.5%	9.7%	21.4%	17.1%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
Micro/Small firms	Firms with between 5 and 49 employees.
Medium/Large firms	Firms with at least 50 employees.

EIBIS 2019 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 180 firms in Cyprus (carried out between April and July 2019).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2019/2018	US 2019	CY 2019/2018	Manufacturing	Services	Construction/ Infrastructure	Micro/Small	Medium/Large
All firms, p. 3, p. 4, p. 8, p. 10, p. 13, p. 15, p. 16	12672/12355	803	180/150	51	68	56	120	60
All firms (excluding don't know/refused responses), p. 2	11967/11790	711	167/147	48	65	50	110	57
All firms (excluding don't know/refused responses), p. 6*	8802/9095	516	91/85	32	38	20	56	35
All firms (excluding don't know/refused responses), p. 7*	12533/NA	800	178/NA	49	65	54	118	60
All firms (excluding don't know/refused responses), p. 9	12216/11952	778	176/149	48	68	55	117	59
All firms (excluding don't know/refused responses), p. 13	10980/10865	605	137/123	42	54	39	88	49
All firms (excluding don't know/refused responses), p. 16*	12201/NA	762	171/NA	47	66	53	114	57
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10005/10126	620	129/104	38	49	39	82	47
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5*	10247/10004	639	142/122	42	57	40	91	51
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9407/9030	587	127/115	37	54	33	80	47
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4426/4212	245	62/36	19	30	12	30	32
All firms (excluding those who did not exist three years ago), p. 8	12640/12335	802	178/149	50	67	56	120	58
All firms (excluding those who did not exist three years ago), p. 9	12640/12335	802	178/149	50	67	56	120	58
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 11	12672/12355	803	180/150	51	68	56	120	60
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4578/4323	255	62/36	19	29	12	30	32



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Cyprus

Overview

EIB INVESTMENT SURVEY

2019