

EIB INVESTMENT SURVEY 2024

CYPRUS

OVERVIEW



**European
Investment Bank**

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EIB Investment Survey 2024 Country Overview: Cyprus

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About the EIB Economics Department

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 and its team of economists is headed by Debora Revoltella, director of economics.

About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 300 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision-makers and communities.

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

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About the EIB Investment Survey

The EIB Group Investment Survey (EIBIS), conducted annually since 2016, is a unique survey of approximately 13 000 firms across all European Union Member States, with an additional sample from the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges, such as climate change and digital transformation. The EIBIS uses a stratified sampling methodology and is representative across all 27 EU Member States and the United States, as well as across four categories of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. Developed and managed by the EIB Economics Department, the survey is conducted with support from Ipsos.

About this publication

The reports resulting from EIBIS provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

The EIBIS 2024 overview presents the results of the survey run in 2024. Questions in the survey might point to “last financial year” (2023) or “expectations for the current year” (2024). The text and the footnote referring to the question will specify in each case which year is considered.

Due to rounding, charts may not add up to 100%.

Download the findings of the EIB Investment Survey for each EU country and explore the data portal at www.eib.org/eibis.

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EIBIS 2024 – Cyprus overview

Key results

Investment dynamics, needs and priorities

The share of firms investing has remained stable, at a similar rate as the EU average (86% vs. 87% EU firms). However, the share of firms expecting to increase rather than decrease investment has decreased in 2024 (from a net balance of 18% in EIBIS 2023 to a net balance of 1% in EIBIS 2024).

The investment outlook remains mixed. Cypriot firms are, on balance, negative about the political and regulatory climate and the economic climate with more firms expecting a deterioration rather than an improvement in the next 12 months. However, the Cypriot firms tend to be optimistic, about their business prospects and availability of internal and external finance. For these drivers of investments, Cypriot firms expect an improvement on balance. In general, Cypriot firms hold similar views as EU firms.

Most (87%) Cypriot firms are satisfied with their overall investment level over the past three years, but a minority (6%) report an investment gap. Cypriot firms continue to focus their investments on replacement rather than capacity expansion or new products/services. However, Cypriot firms are more likely than EU firms to have invested in new products/services in the last financial year. Firms in Cyprus report an average of 32% of their investment in intangible assets for 2023, similar to the EU average (37%) and last year's EIBIS.

Looking ahead, Cypriot firms expect to prioritise replacement investment over capacity expansion and new products and/or services.

Global value chains, climate change and innovation

Compared to EU firms, Cypriot firms are more integrated into global trade (81% of Cypriot firms vs 63% of EU firms). In EIBIS 2024, concerns about supply chain disruptions remained stable for Cypriot firms, while they declined for EU firms, compared to EIBIS 2023. Logistical challenges represent a key trade-related challenge for Cypriot firms and are more likely to be seen as an obstacle compared to the EU firms. Cypriot firms are less inclined to increase stocks and inventory in response to trade shocks than EU firms (9% vs. 20%).

Cypriot firms are less likely than firms across the EU to have already invested in mitigating climate change impacts (25% have invested vs. 61% in the EU) and to have future investment plans (31% vs. 53% in the EU). Overall, 30% of Cypriot firms consider the transition to stricter climate standards and regulations as a risk over the next five years, while 27% see it as an opportunity, in line with EU firms. While most firms in both Cyprus and the EU have taken action to reduce greenhouse-gas emissions, Cypriot firms are less likely to have done so (78% vs. 91% EU firms). Cypriot firms are notably less likely than EU firms to have invested in waste minimisation and sustainable transport.

About 68% of Cypriot firms have been directly impacted by physical risks of climate change, similar to firms across the EU. However, the share of firms taking actions in terms of building resilience to the impact of climate change remains relatively low in both Cyprus and the EU, and compared to EU firms, fewer Cypriot firms are taking any of the actions asked about (48% EU firms vs. 38%). In particular, they tend to be less inclined to be investing in solutions to avoid/reduce exposure to physical risk.

Innovation and digitalisation are a key source of firms' competitiveness. In 2023, 55% of Cypriot firms reported innovation activity, exceeding both last year's EIBIS results and the EU average. These firms report mostly a higher proportion of firm-level innovation compared to last year's EIBIS and EU firms. While most Cypriot and EU firms use digital technologies, Cypriot firms report a somewhat lower adoption rate than EU firms (66% vs. 74%).

Investment barriers

Compared to EU firms, more Cypriot firms report availability of staff with the right skills, energy costs and availability of finance as obstacles. Availability of skilled staff, energy costs and uncertainty about the future remain the top three obstacles to investment in Cyprus.

Looking into regulatory issues and the functioning of the EU single market sheds some new light on the fragmentation of the EU single market. Firms were asked whether their key product is subject to differentiated regulatory requirements and standards (e.g., consumer protection, health and safety standards, environmental standards for products) across EU countries. The vast majority (91%) of Cypriot exporters report that they have to comply with different standards and consumer protection rules across EU member states. This is well above the ratio in the EU overall (60%). The survey also asks firms to estimate the number of employees dedicated to dealing with compliance to regulatory requirements and standards. Overall, 80% of Cypriot firms employ staff for regulatory compliance. The regulatory burden is particularly cumbersome for SMEs, given their small size. 51% of Cypriot SMEs report that more than 10% of their staff are employed to deal with regulatory requirements and reporting.

Access to finance

In the last financial year, internal financing continues to remain the main source of investment finance in Cyprus. The share of finance-constrained firms has increased in Cyprus and is higher than the EU average, driven by a higher share of firms who had their application rejected and who found the financing too expensive. The share of financially-constrained firms in Cyprus is now at its highest historical level.

Overall, 42% of Cypriot firms rely on external financing for investment similar to EU firms. Bank financing remains the dominant source of external funding in 2023, for both Cypriot and EU firms, with Cypriot firms showing an even higher reliance (98% vs. 81%). Overall, 10% of Cypriot firms access policy support, in the form of bank finance on concessional terms or grants, such as with subsidised interest rates or extended repayment terms.

Gender equality in business

Cypriot firms have a higher proportion of women in senior management (at least 40%) than EU firms (44% vs. 23%), but the proportion of women owning at least 50% of the firm is very similar: 16% in Cyprus and 13% in the EU.

Investment dynamics and focus

Investment dynamics by institutional sector

The annual growth rate in gross fixed capital investment res peaked up in mid-2024 aided by and it is expected to continue improving as investment benefits from the funds of the Recovery and Resilience Facility, and easing financial conditions are expected to provide a further stimulus.

Evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector



Year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector



The graph at the top shows the evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector. The nominal GFCF source data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF (2015 = €100). The four-quarter sum of total GFCF in the fourth quarter of 2019 is normalised to 0.

Source: Eurostat.

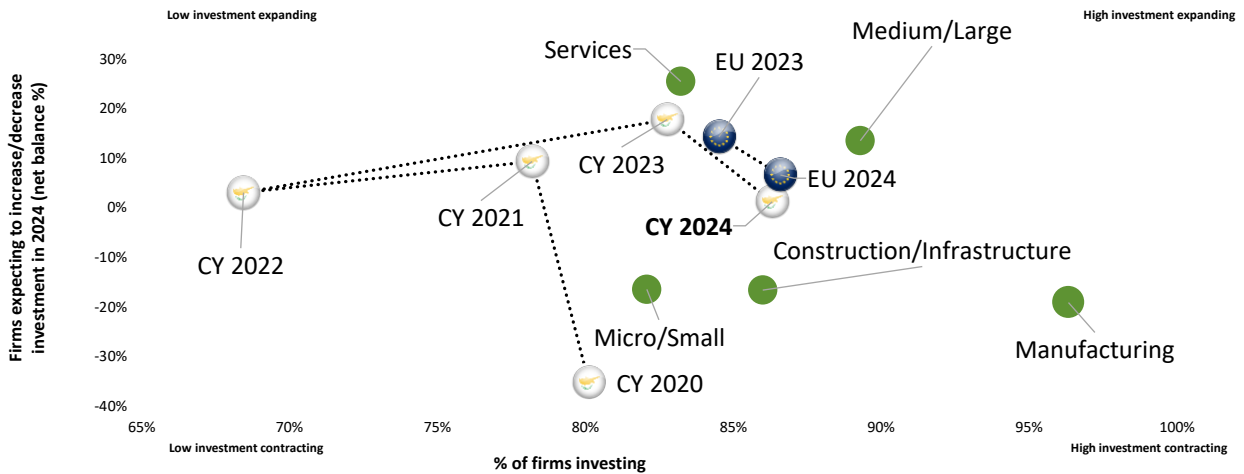
The graph at the bottom shows the year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector. The data are deflated using the implicit deflator for total GFCF.

Source: Eurostat.

Investment dynamics and focus

Investment cycle and evolution of investment expectations

The share of firms investing has remained stable, at a similar rate as the EU average (86% vs 87% EU firms). However, the share of firms expecting to increase rather than decrease investment has decreased in 2024 (from a net balance of 18% in EIBIS 2023 to a net balance of 1% in EIBIS 2024).

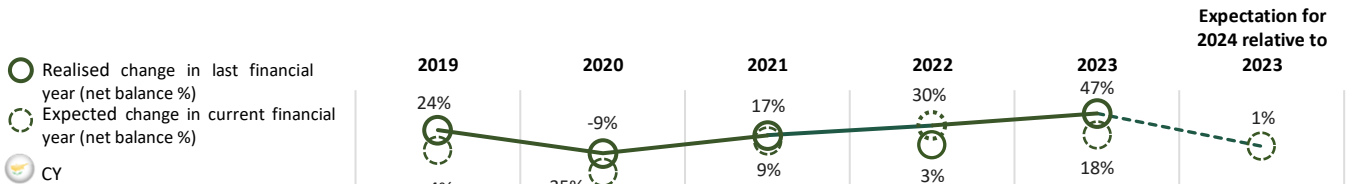


Share of firms investing shows the percentage of firms with investment per employee greater than €500.

Base for share of firms investing: all firms (excluding don't know/refused responses).

Base for expected and realised change: all firms.

Expected and realised investment changes over time:



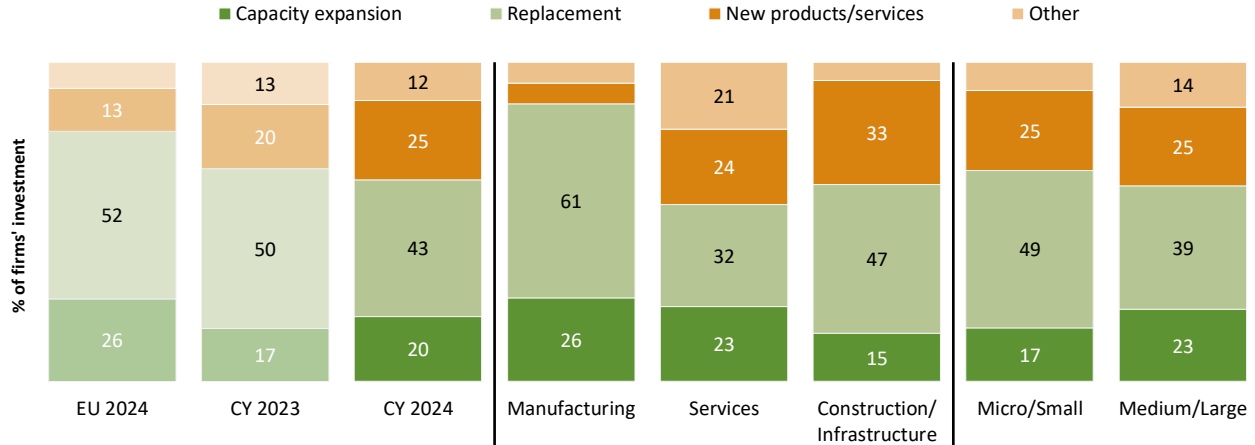
"Realised change" is the share of firms that invested more, minus those that invested less.

"Expected change" is the share of firms that expect(ed) to invest more, minus those that expect(ed) to invest less.

Investment dynamics and focus

Purpose of investment in last financial year

Cypriot firms continue to focus their investment on replacement rather than capacity expansion or new products and/or services. Cypriot firms are more likely than EU firms to have invested in new products/services in the last financial year.



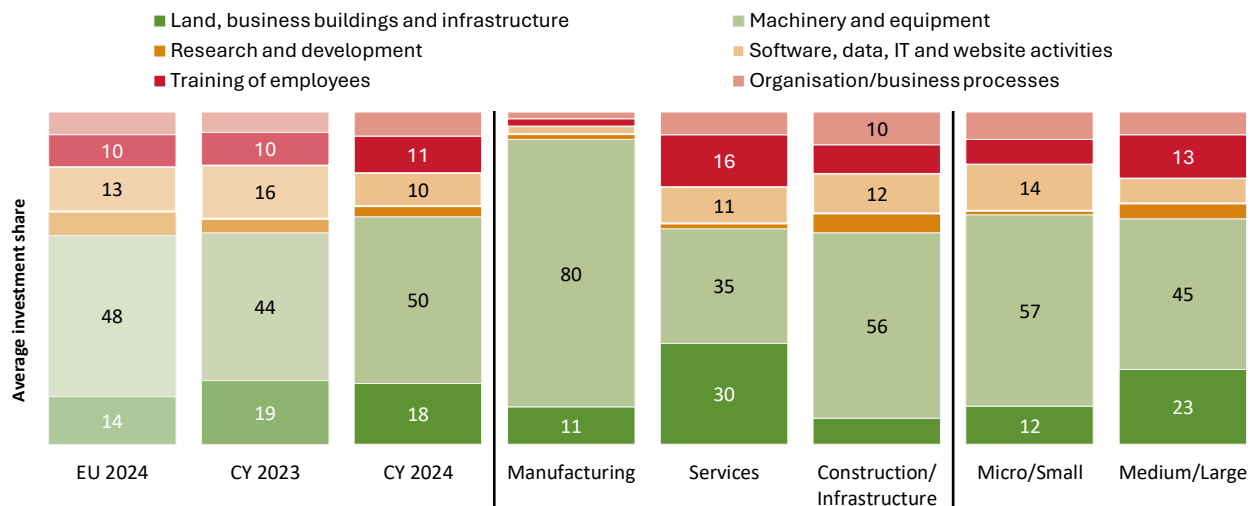
Please note: Sector and firm size show CY data only.

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

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

Investment areas

Firms in Cyprus report an average of 32% of their investment in intangible assets for 2023, similar to the EU average (37%) and last year's EIBIS.



Please note: Sector and firm size show CY data only.

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?

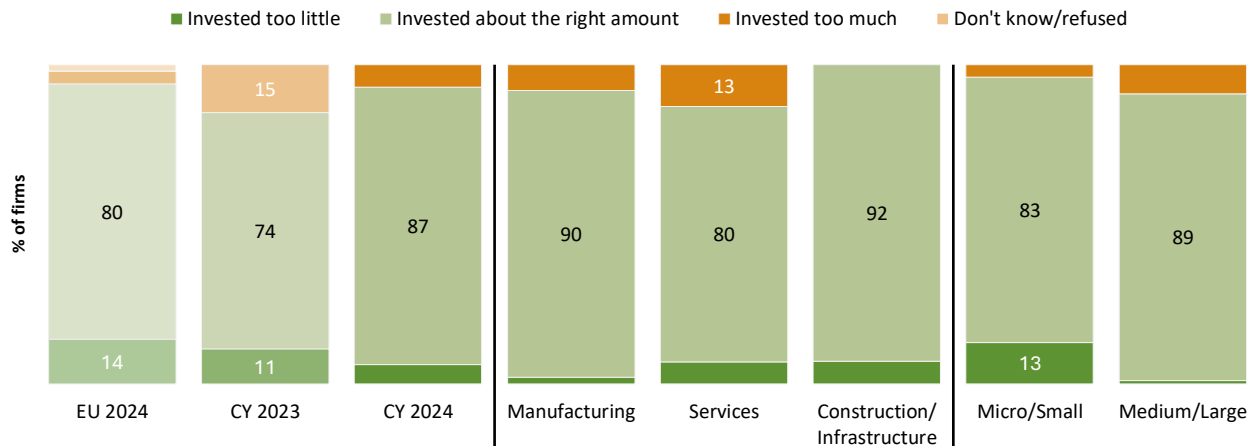
Base: All firms that invested in the last financial year (excluding don't know/ refused responses).

Note: Tangible assets are land and machinery; intangible assets are research and development, software, data, IT and website activities, training of employees and organisation/business processes.

Investment needs and priorities

Perceived investment gap

Most Cypriot firms are satisfied with their overall investment level over the past three years, but a minority (6%) report an investment gap.



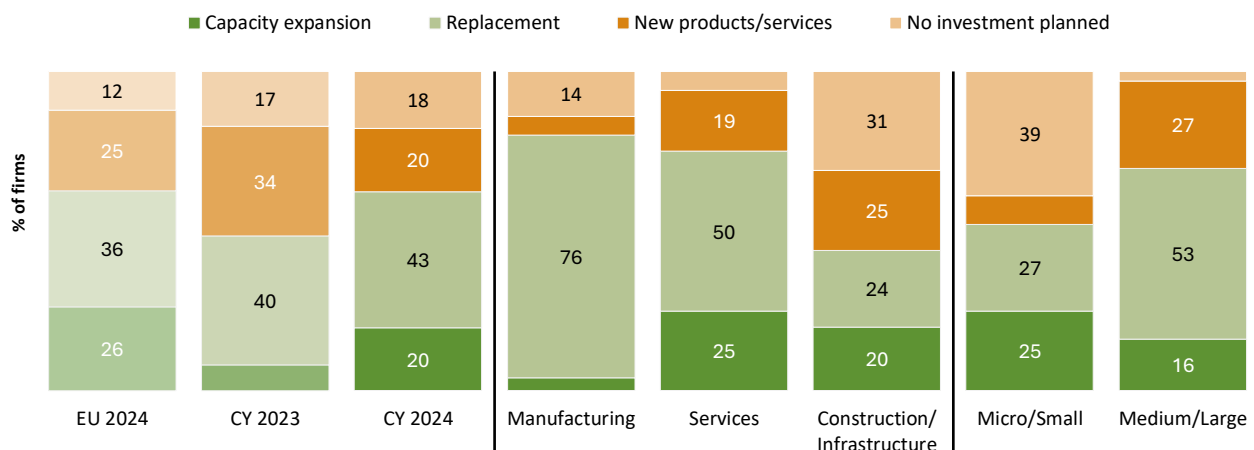
Please note: Sector and firm size show CY data only.

Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount to ensure the success of your business going forward?

Base: All firms (excluding response "Company didn't exist three years ago").

Future investment priorities

Looking ahead to the next three years, Cypriot firms expect to prioritise replacement investment over expansion and new products and/or services.



Please note: Sector and firm size show CY data only.

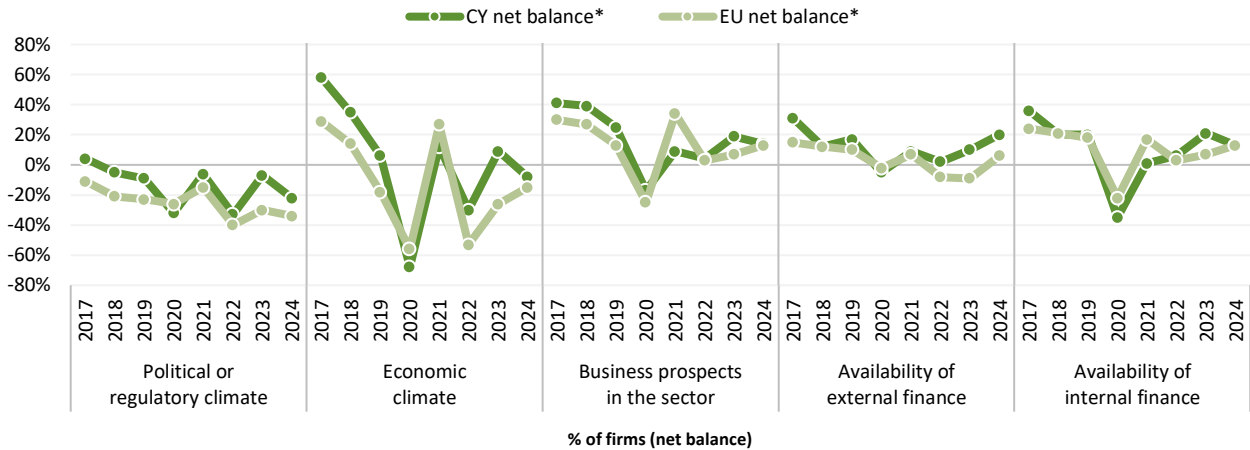
Q. Looking ahead to the next three years, which of the following is your investment priority: (a) developing or introducing new products, processes and services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services; (d) no investment planned?

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

Investment needs and priorities

Short-term drivers and constraints (net balance)

The investment outlook remains mixed. Cypriot firms are, on balance, negative about the political and regulatory climate and the economic climate with more firms expecting a deterioration rather than an improvement in the next 12 months. The Cypriot firms are optimistic, in net balance terms, on their business prospects and availability of internal and external finance. Firms in the EU and Cyprus hold similar views.



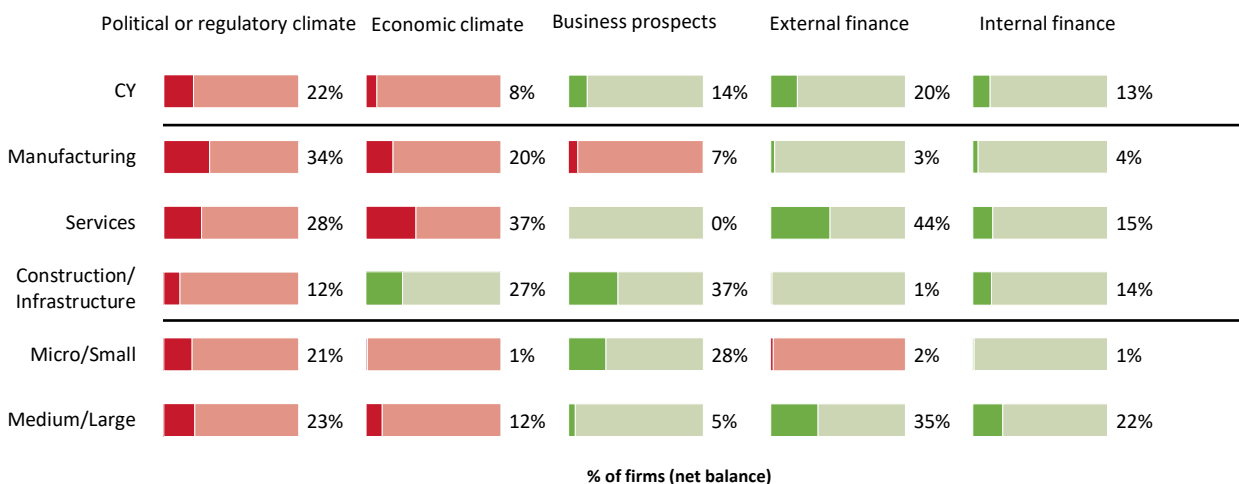
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

* Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration. Negative values thus imply that more firms expect a deterioration than an improvement.

Short-term drivers and constraints by sector and firm size (net balance)

Manufacturing firms tended to be pessimistic about political/regulatory, economic climate and business prospects and micro and small firms were weakly negative about external finance. In contrast, construction and infrastructure firms reported observe a slight improvement, in net balance terms, about the economic climate.



Please note: Green figures represent a positive net balance, while red figures represent a negative net balance. Sector and firm size show CY data only.

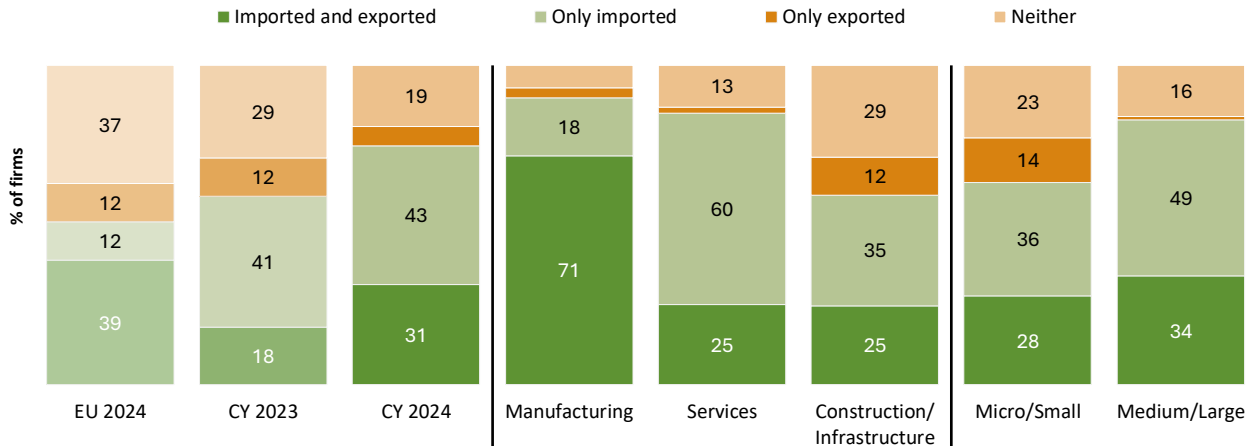
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms.

International trade

Engagement in international trade

Overall, 81% of Cypriot firms engage in international trade (either within the EU or outside the EU), above the EU average. Cypriot firms are much more likely to import goods than EU firms.



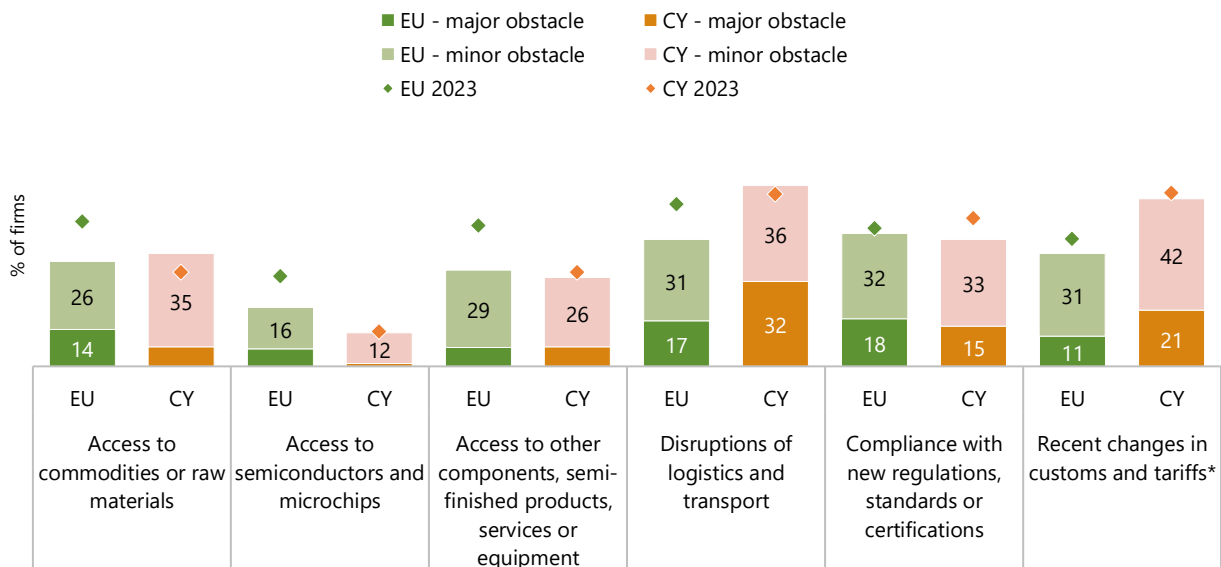
Please note: Sector and firm size show CY data only.

Q. In 2023, did your company export or import goods and/or services?

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

Obstacles related to international trade

While some trade disruptions have declined for EU firms since the start of 2023, they have largely remained at the same level for Cypriot firms. Firms in Cyprus remain particularly concerned about logistical disruptions and recent changes in customs and tariffs. Logistical challenges are a greater obstacle for Cypriot firms than for EU firms.



Q. Since the beginning of 2023, were any of the following an obstacle to your business's activities?

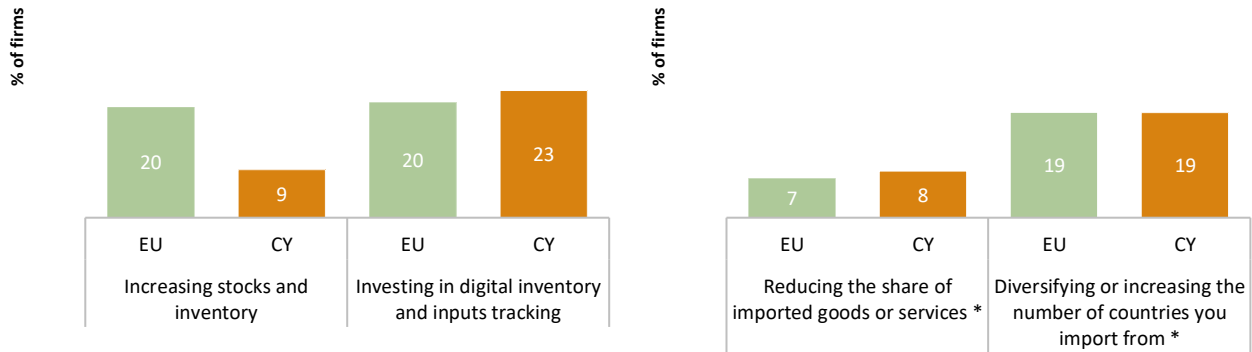
Base: All firms (excluding don't know/refused responses).

*Base: All importers and exporters (excluding don't know/refused responses).

International trade

Change in sourcing strategy

While Cypriot and EU firms have generally adopted similar strategies in response to trade shocks, Cypriot firms are less likely to increase stocks and inventory (9% vs. 20% EU firms).



Q. Since the beginning of 2023, has your company made any of the following changes to your sourcing strategy, or are you planning to make any of these changes this year?

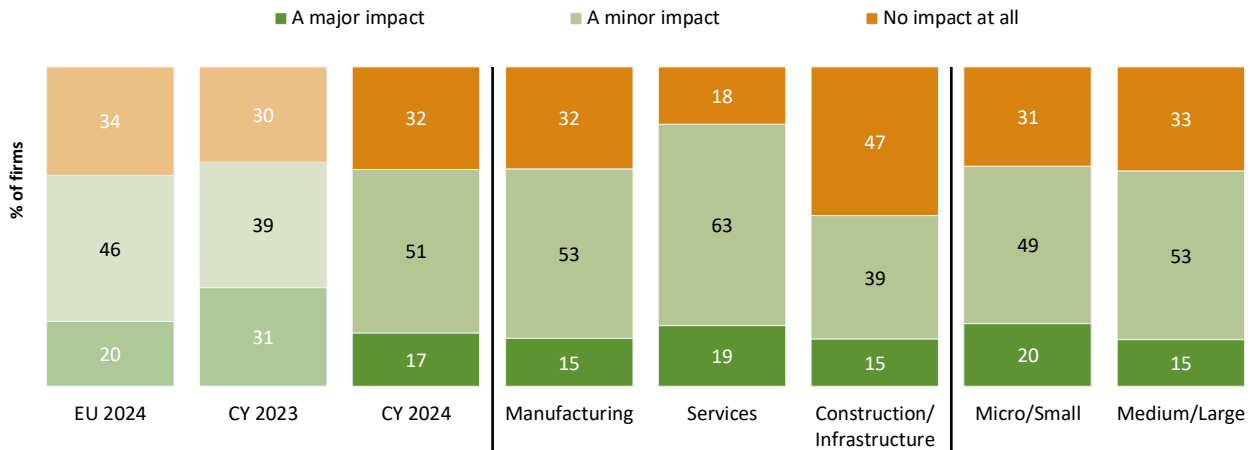
Base: All firms (excluding don't know/refused responses).

* Base: All firms that import (excluding don't know/refused responses).

Climate change and energy efficiency

Impact of climate change — physical risk

Overall, 68% of Cypriot firms report they have been impacted by the physical risk of climate change (either as a major or minor impact), consistent with EU firms. Most service firms (82%) have been impacted by the physical risk of climate change, while 47% of construction and infrastructure have not been impacted at all.



Please note: Sector and firm size show CY data only.

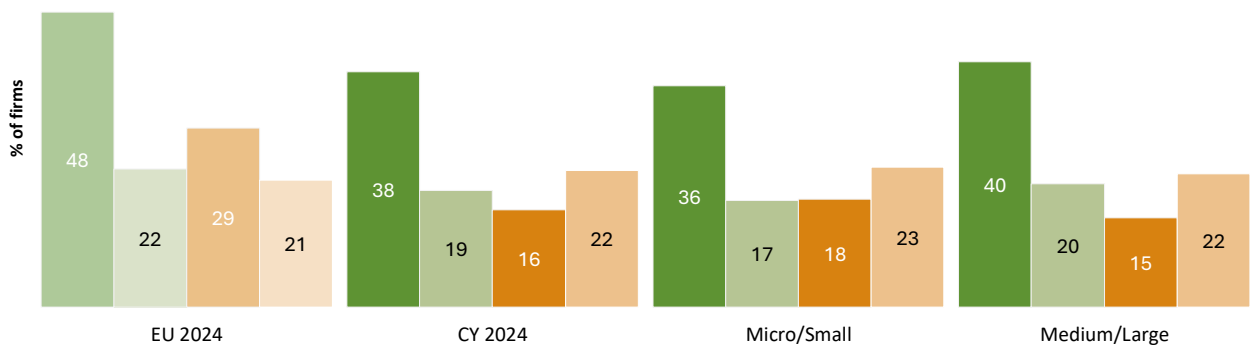
Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms, or changes in weather patterns due to progressively increasing temperatures and rainfall. What is the impact, also called physical risk, of this on your company?

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

Building resilience to physical risk

Compared to the EU average, fewer Cypriot firms are taking action to adapt to climate change (38% vs. 48% EU firms). In particular, they tend to be less likely to be investing in solutions to avoid/reduce exposure to physical risk.

- Any action
- Adaptation strategy for physical risks
- Investment in solutions to avoid/reduce exposure to physical risks
- Buying or renewing insurance products to offset climate-related losses



Please note: Firm size show CY data only.

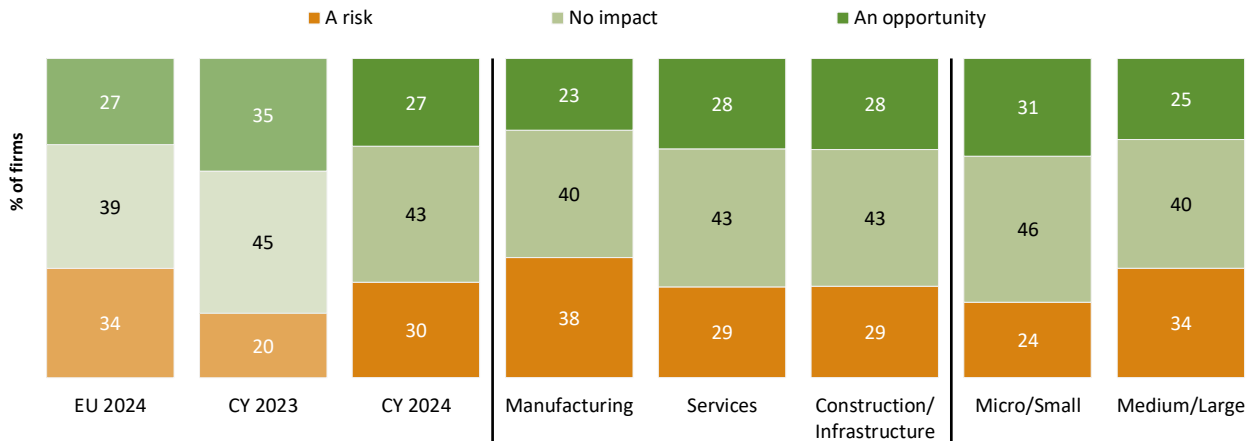
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks of climate change?

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

Climate change and energy efficiency

Risks associated with the transition to a net zero emission economy over the next five years

Overall, 30% of Cypriot firms consider the transition to stricter climate standards and regulations as a risk over the next five years, while 27% see it as an opportunity, in line with EU firms.



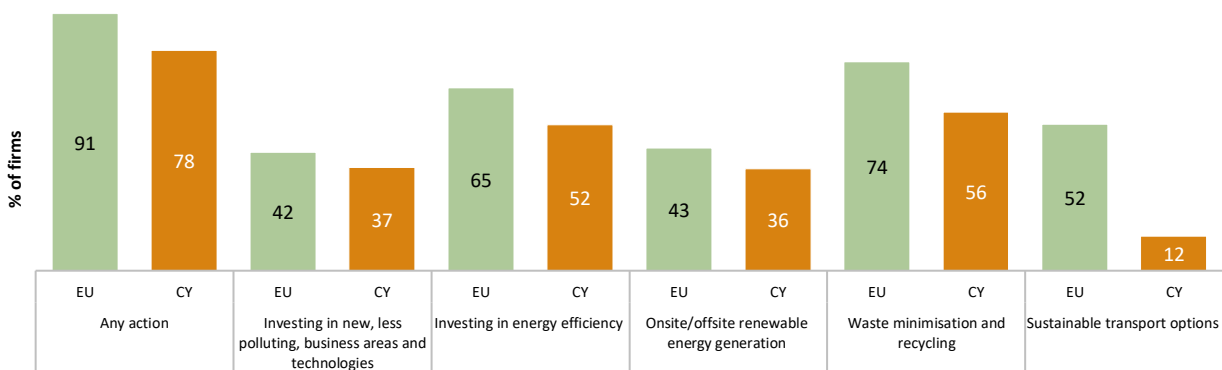
Please note: Sector and firm size show CY data only.

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

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

Measures to reduce greenhouse gas emissions

While most firms in both Cyprus and the EU have taken action to reduce greenhouse gas emissions, Cypriot firms are less likely to have done so. Investment in waste management and energy efficiency are key strategies being implemented. Cypriot firms are notably less likely than EU firms to have invested in waste minimisation and sustainable transport.



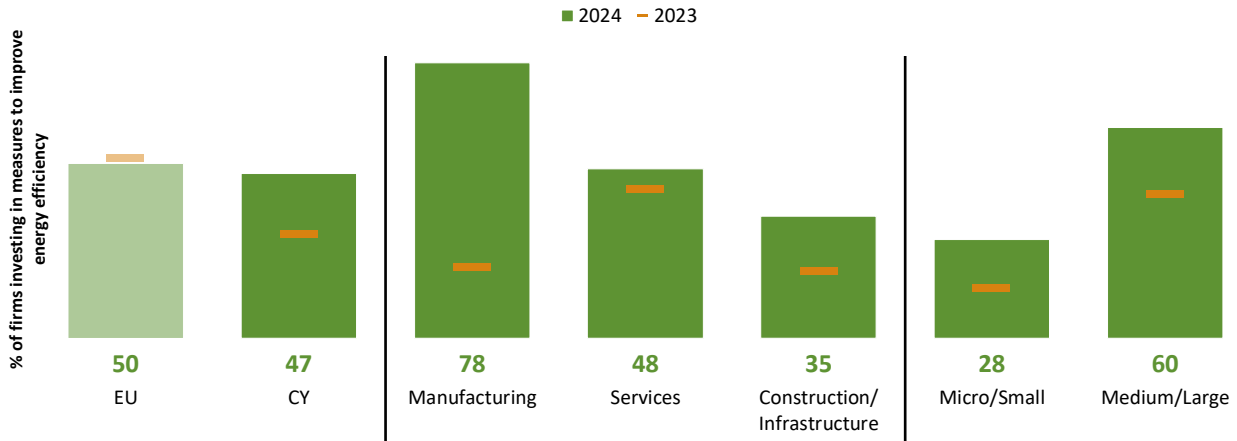
Q. Has your company invested in or implemented the following, to reduce greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

Share of firms investing in measures to improve energy efficiency

Overall, 47% of Cypriot firms report investing in energy efficiency in 2023, slightly up from 30% in EIBIS 2023. The vast majority (78%) of manufacturing firms have made such investments.

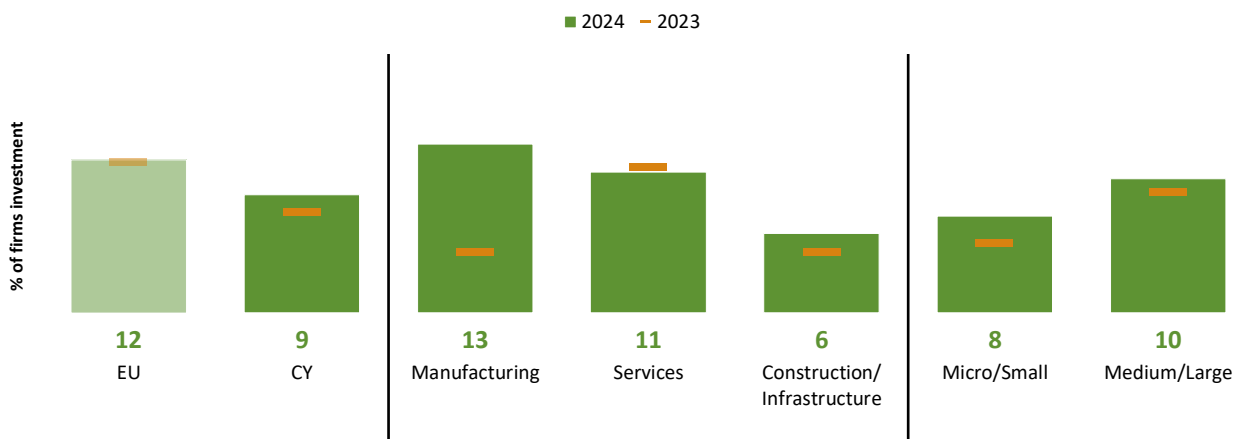


Please note: Sector and size show CY data only. Derived indicator based on the number of firms that reported a percentage above 0% for the amount they invested in the last financial year to improve energy efficiency.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?
Base: All firms.

Share of investment in measures to improve energy efficiency

Cypriot firms dedicated 9% of total investment to energy efficiency in 2023, similar to both last year's EIBIS findings and the EU average.



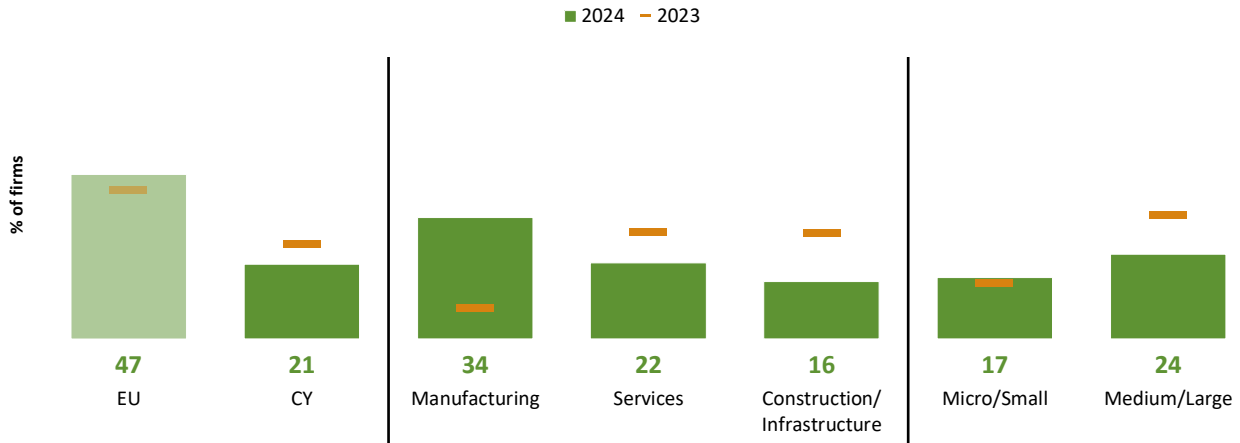
Please note: Sector and firm size show CY data only.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?
Base: All firms that invested in the last financial year (excluding don't know/refused responses).

Climate change and energy efficiency

Targets for own greenhouse gas emissions

Just one in five (21%) of Cypriot firms set and monitor targets for internal greenhouse gas emissions, slightly fewer than last year's EIBIS findings (27%) and below the EU average. Over a third (34%) of manufacturing firms set and monitor targets this year.

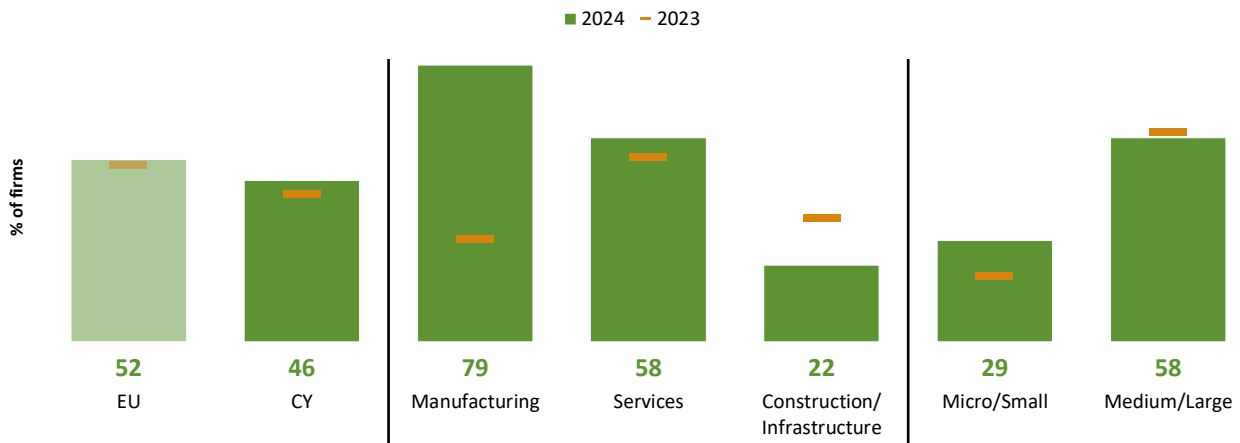


Please note: Sector and firm size show CY data only.

Q. Does your company set and monitor targets for its own greenhouse gas (GHG) emissions?
 Base: All firms (excluding don't know/refused responses).

Energy audit

Overall, 46% of Cypriot firms have conducted energy audits in the past three years, consistent with both last year's EIBIS findings and the EU average. Most manufacturing firms (79%) have conducted energy audits.



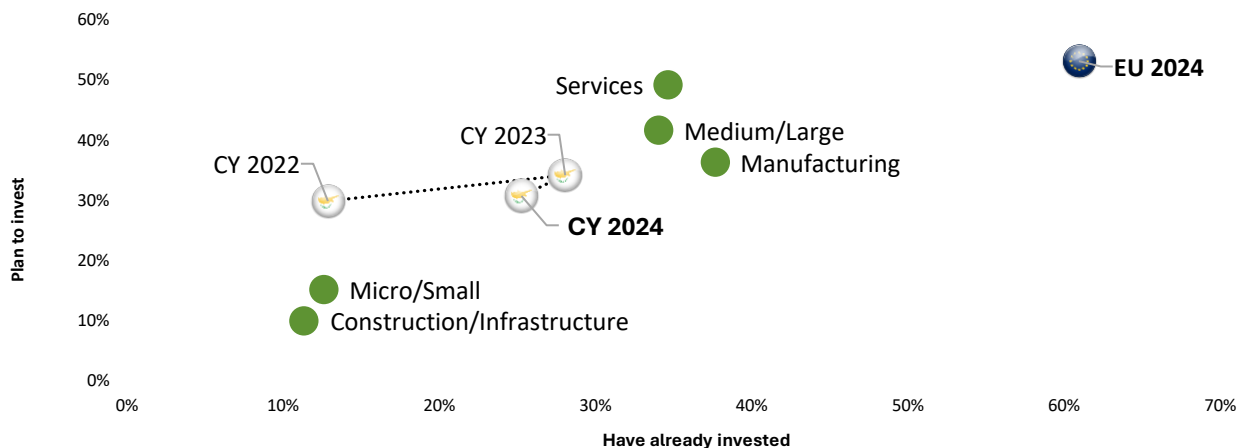
Please note: Sector and firm size show CY data only.

Q. 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 don't know/refused responses).

Climate change and energy efficiency

Investment plans to deal with climate change impact

Compared to EU firms, fewer Cypriot firms have already invested (25% vs. 61% EU firms) and/or have future investment plans to mitigate the impacts of climate change (31% vs. 53% EU firms).



Please note: Sector and firm size show CY data only.

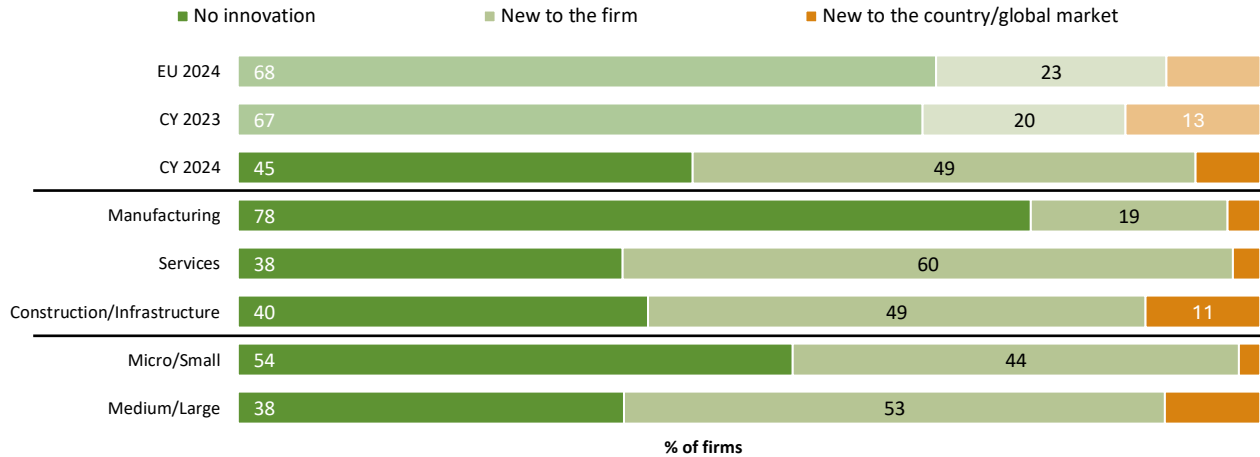
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?
 (a) Before this year the company had already made such investments; (b) The company is investing this year; (c) The company intends to invest over the next three years; (d) The company has no investment planned for the next three years.

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

Innovation activities

Innovation activities

In 2023, 55% of Cypriot firms reported innovation activity, exceeding both last year's EIBIS results and the EU average. These firms report mostly a higher proportion of firm-level innovation compared to last year's EIBIS and EU firms, mostly driven by the services, and the construction/infrastructure sectors.



Please note: Sector and firm size show CY data only.

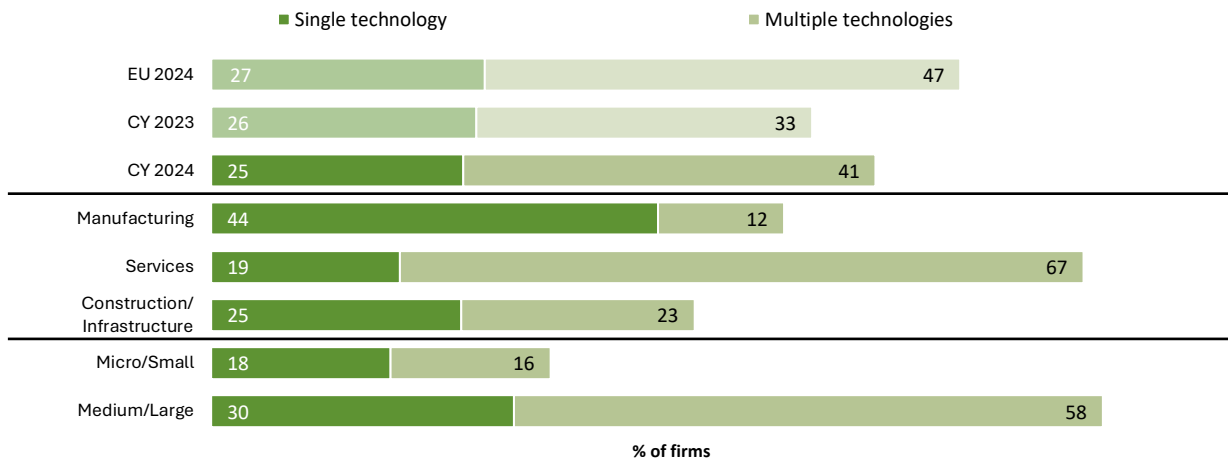
Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

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

Use of advanced digital technologies

While most Cypriot and EU firms use digital technologies, Cypriot firms show a lower adoption rate than EU firms (66% vs. 74%).



Please note: Sector and firm size show CY data only.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares group responses of firms that "used" the technology, used it "in parts of business" or had the "entire business organised around it." Single technology refers to firms using one of the technologies surveyed for. Multiple technologies refers to firms using more than one of the technologies surveyed for.

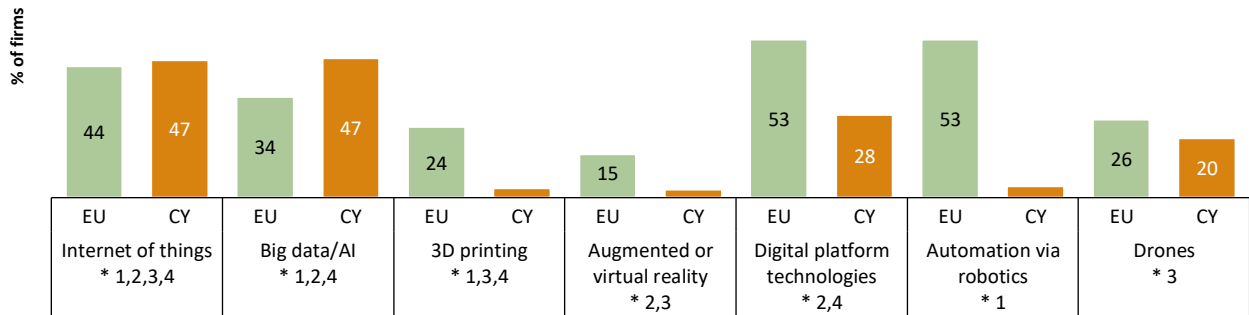
Base: All firms (excluding don't know/refused responses).

Innovation activities

Use of advanced digital technologies

There are different adoption rates for digital technologies between Cypriot and EU firms. Cypriot firms have most often used the Internet of Things and Big Data/AI in their business.

The technologies asked about differ by sector



Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

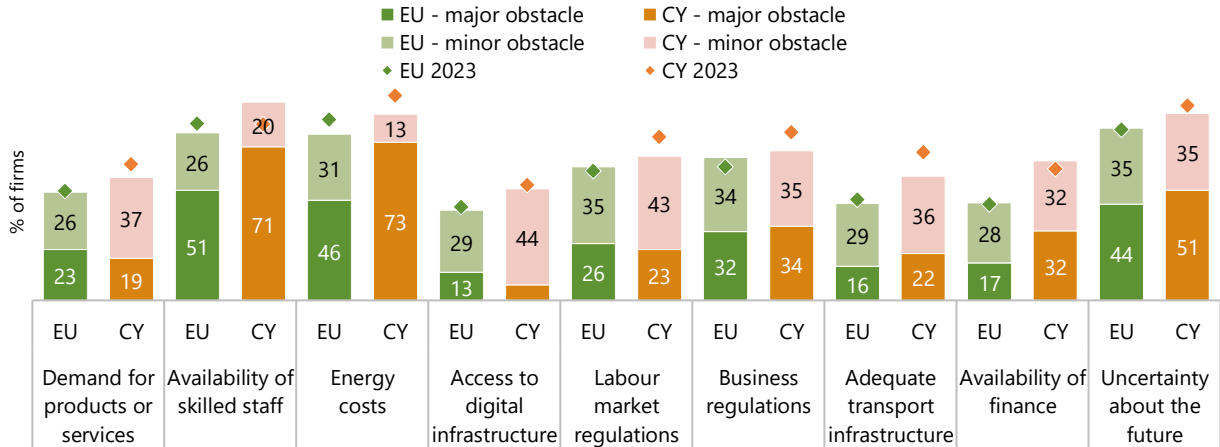
Reported shares group the responses of firms that implemented the technology "in parts of business" or had the "entire business organised around it."

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

Investment barriers

Obstacles to investment

Compared to EU firms, more Cypriot firms report availability of staff with the right skills, energy costs and availability of finance as obstacles. Availability of skilled staff, energy costs and uncertainty about the future remain as the top three obstacles to investment in Cyprus.

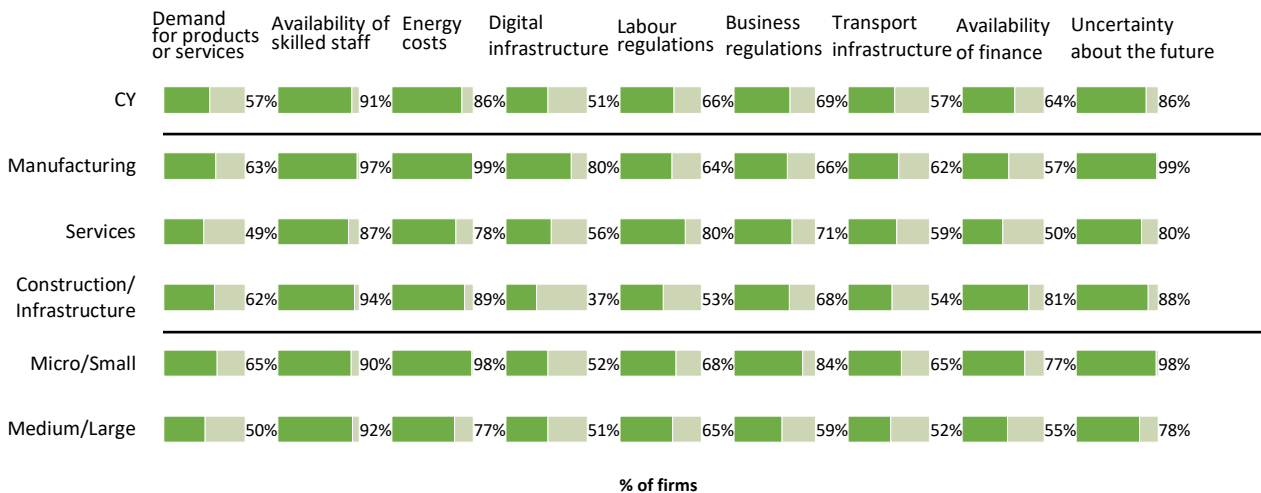


Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Obstacles to investment, by sector and firm size

Availability of skilled staff, energy costs and uncertainty about the future are seen as obstacles across sectors and firms of different sizes.



Please note: Sector and firm size show CY data only.

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

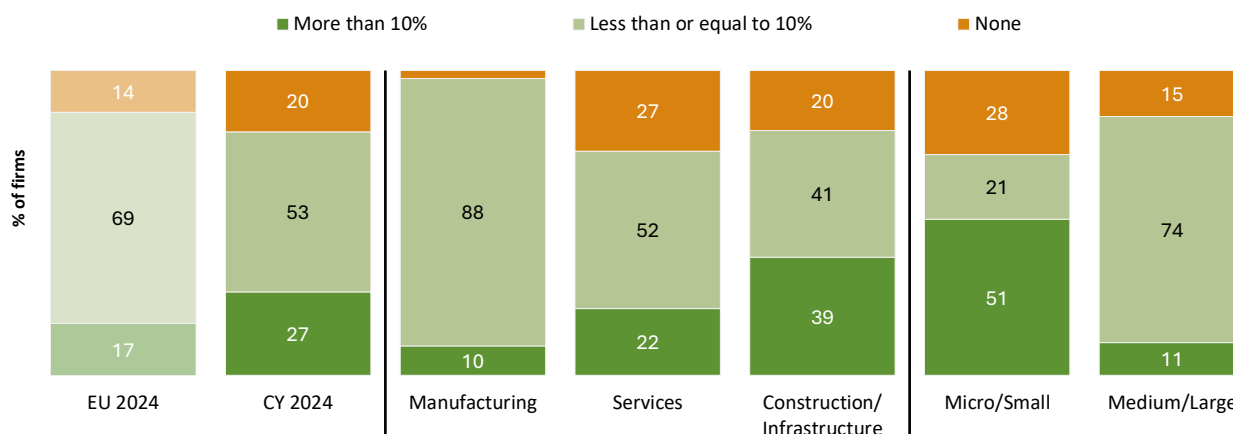
Reported shares combine "minor" and "major" obstacles into one category.

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

Room for streamlining, and for strengthening the single market

Firms by share of staff employed to meet regulatory requirements

Overall, 80% of Cypriot firms employ staff to deal with regulatory compliance. The regulatory burden is particularly high for SMEs, given their small size. Indeed, 51% of Cypriot SMEs employ more than 10% of their staff to assess and comply with regulation.



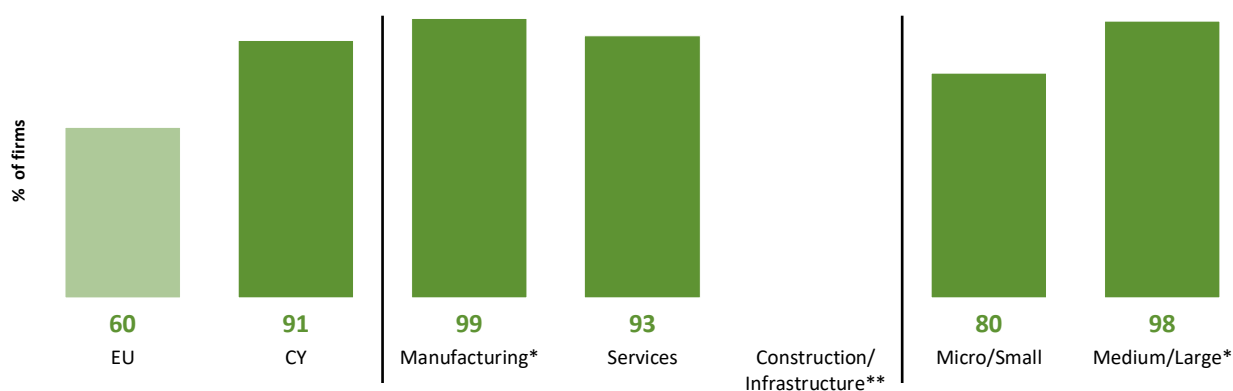
Please note: Sector and firm size show CY data only.

Q. How many staff does your company employ to assess and comply with mandatory or voluntary regulatory requirements and standards and to fulfil reporting requirements related to those?

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

Main product or service subject to varying requirements and standards across countries

The survey measures the fragmentation of the EU single market. The vast majority (91%) of Cypriot exporters report that they have to comply with different standards and consumer protection rules across EU countries. This is well above the ratio in the EU overall (60%).



Please note: Sector and firm size show CY data only.

Q. Does your main product or service have to comply with differentiated regulatory requirements, standards or consumer protection rules across EU member states?

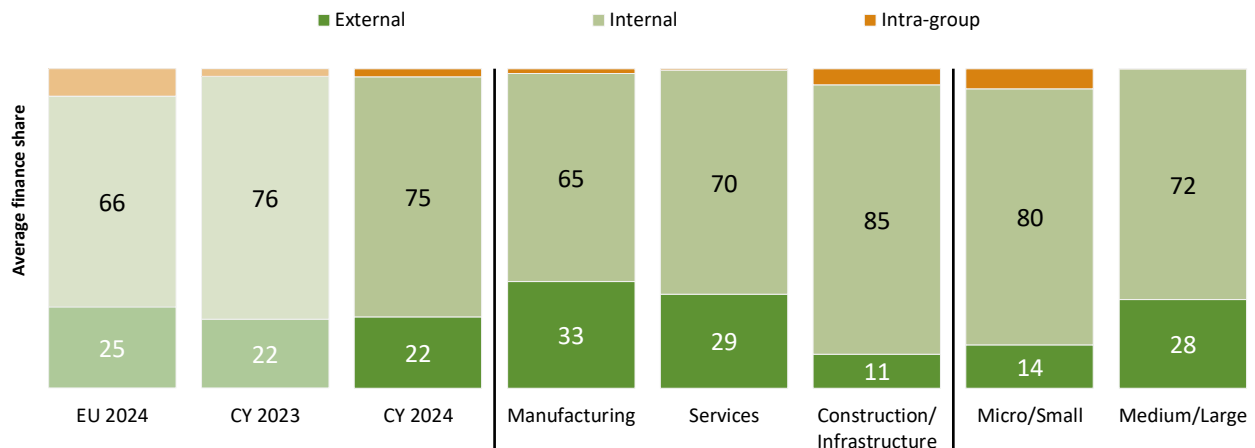
Base: All EU firms that export (excluding don't know/refused responses).

* Caution: base size is low, it is less than 30 observations. **Base size too low to include.

Access to finance

Source of investment finance

Across firms that invested, on average, the largest share of investment was financed internally in 2023, as in previous years.

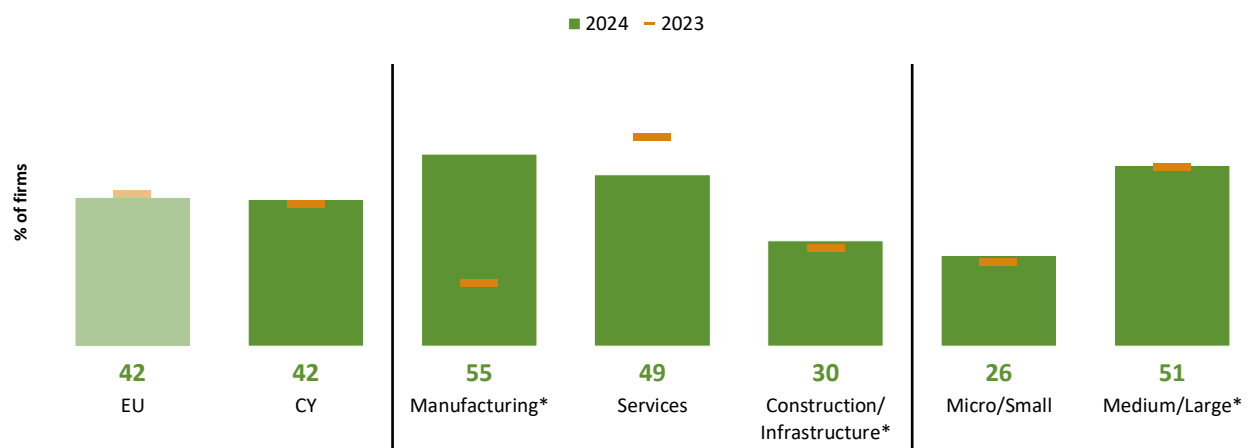


Please note: Sector and firm size show CY data only.

Q. Approximately, what proportion of your investment in the last financial year was financed by each of the following?
 Base: All firms that invested in the last financial year (excluding don't know/refused responses).

Use of external finance

Overall, 42% of Cypriot firms, who invested, relied on external finance in the last financial year, similar to last year's EIBIS and in line with the EU average.



Please note: Sector and firm size show CY data only.

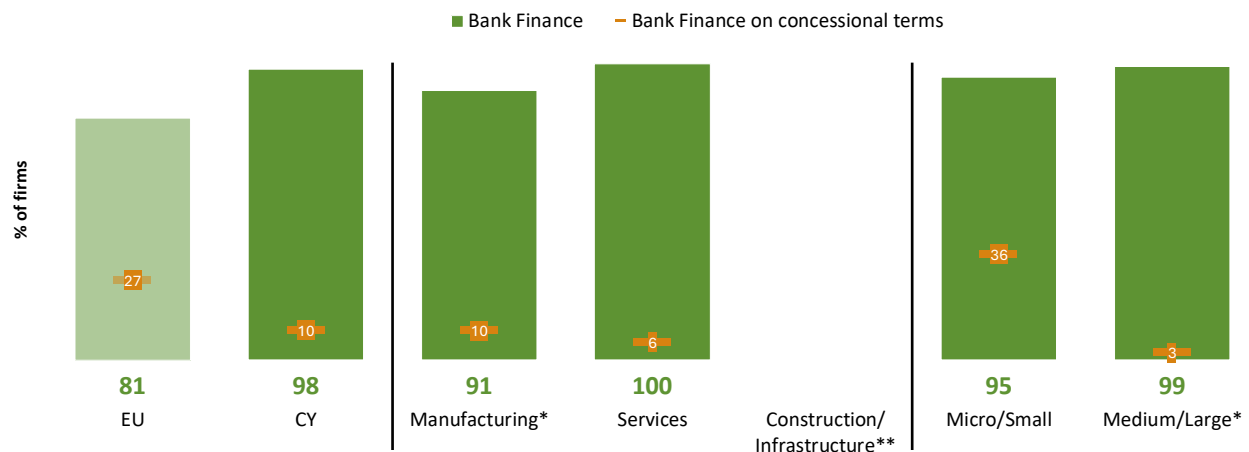
Q. Approximately, what proportion of your investment in the last financial year was financed from each of the following?
 Base: All firms that invested in the last financial year (excluding don't know/refused responses).

* Caution: base size is low, it is less than 30 observations.

Access to finance

Use of bank finance and bank finance on concessional terms

For Cypriot firms using external finance, bank financing remains the dominant source of external funding in 2023 for both Cypriot and EU firms, with Cypriot firms showing an even higher reliance (98% vs. 81%). About 10% of Cypriot firms using external finance reported to have bank loans with concessional terms.



Please note: Sector and firm size show CY data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

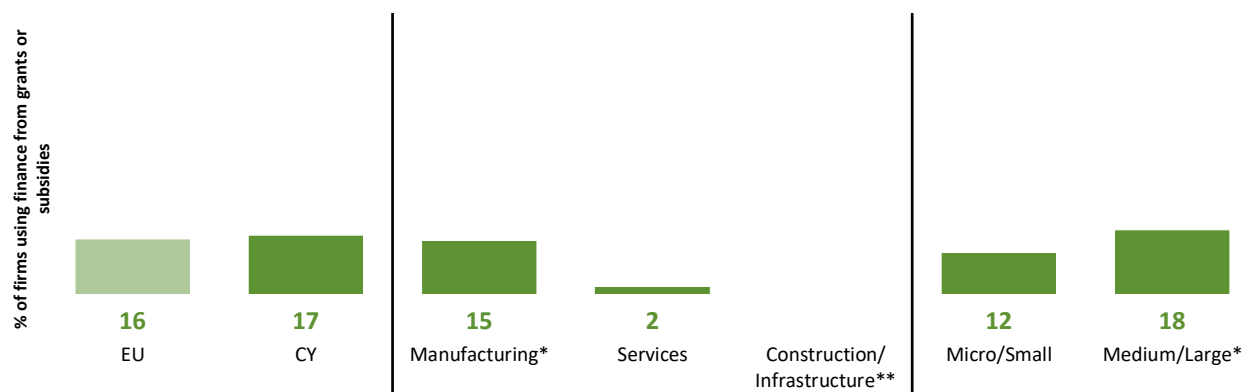
Q. Was any of the bank finance you received on concessional terms (e.g., subsidised interest rate, longer grace period to make debt payments)?

Base: All firms using external finance (excluding don't know/refused responses).

* Caution: base size is low, it is less than 30 observations. **Base size too low to include.

Firms with finance from grants or subsidies

About 17% of Cypriot firms, who are using external finance, reported they utilise finance from grants or subsidies, similar to the EU average.



Please note: Sector and firm size show CY data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

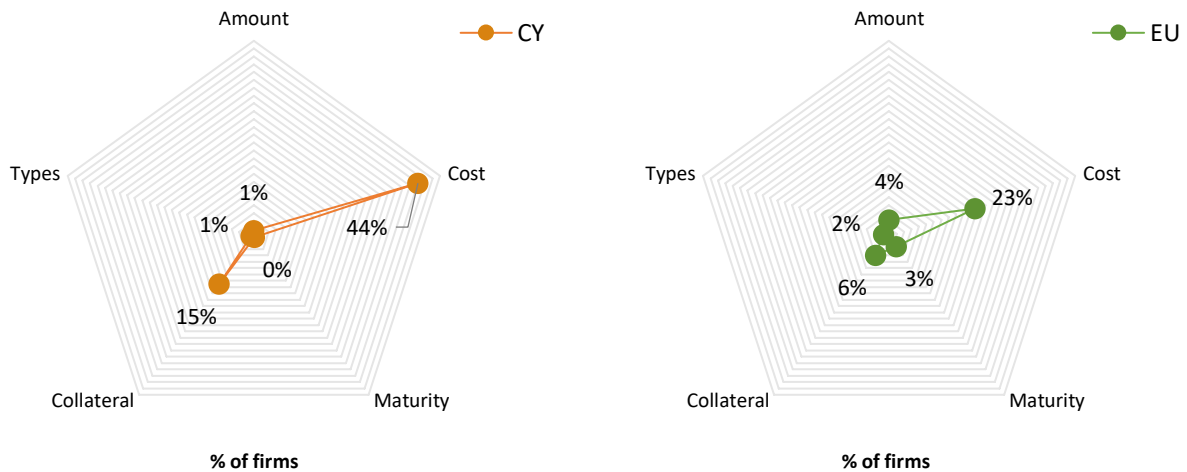
Base: All firms using external finance (excluding don't know and refused responses).

* Caution: base size is low, it is less than 30 observations. **Base size too low to include.

Access to finance

Dissatisfaction with external finance received

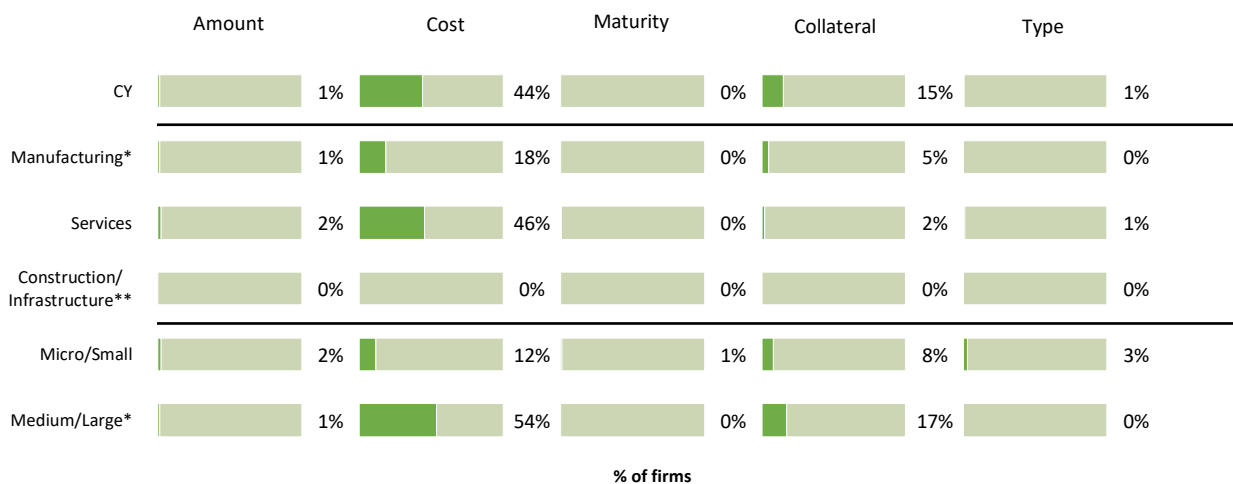
The highest level of dissatisfaction among Cypriot firms was the cost of the finance, exceeding the EU average. This is followed by collateral requirements, again higher than the EU average.



Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with ...?
 Base: All firms that used external finance in the last financial year (excluding don't know and refused responses).

Dissatisfaction with external finance received, by sector and firm size

The highest levels of dissatisfaction with cost are among service firms.



Please note: Sector and firm size show CY data only.

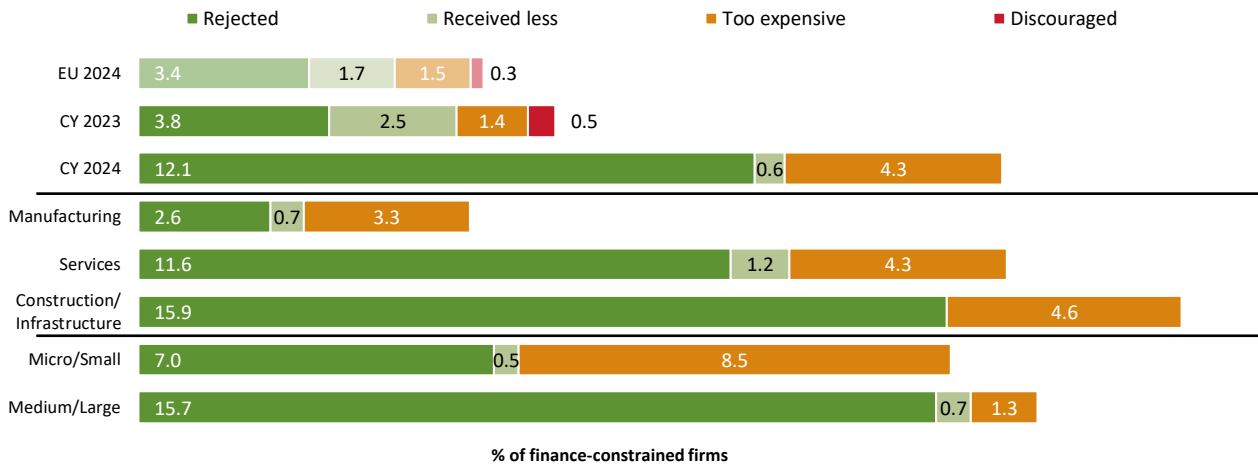
Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with ...?
 Base: All firms that used external finance in the last financial year (excluding don't know/refused responses).

* Caution: base size is low, it is less than 30 observations. **Base size too low to include.

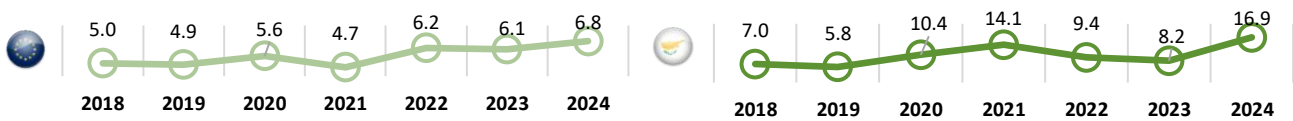
Access to finance

Share of finance-constrained firms

The share of financially-constrained firms in Cyprus has reached its highest historical level and exceeds the EU average, primarily because of a higher proportion of firms whose applications were rejected or who found the financing too expensive.

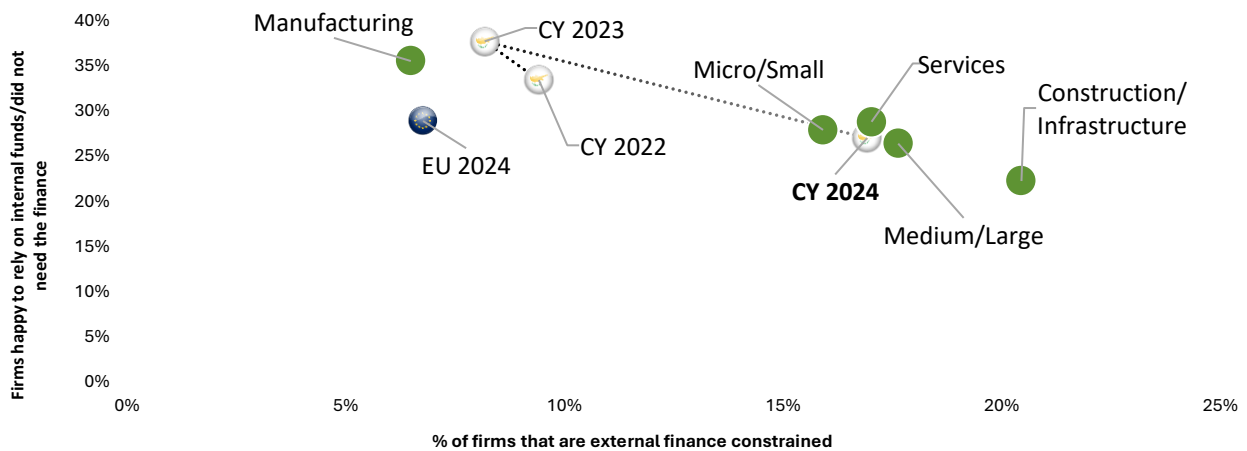


Base: All firms (excluding don't know/refused responses). Please note: Sector and firm size show CY data only.



Financing cross

Just over a quarter (27%) of firms are happy to use internal finance, similar to EU firms. The share of finance-constrained firms is higher in Cyprus compared with the EU average (17% vs. 7%).



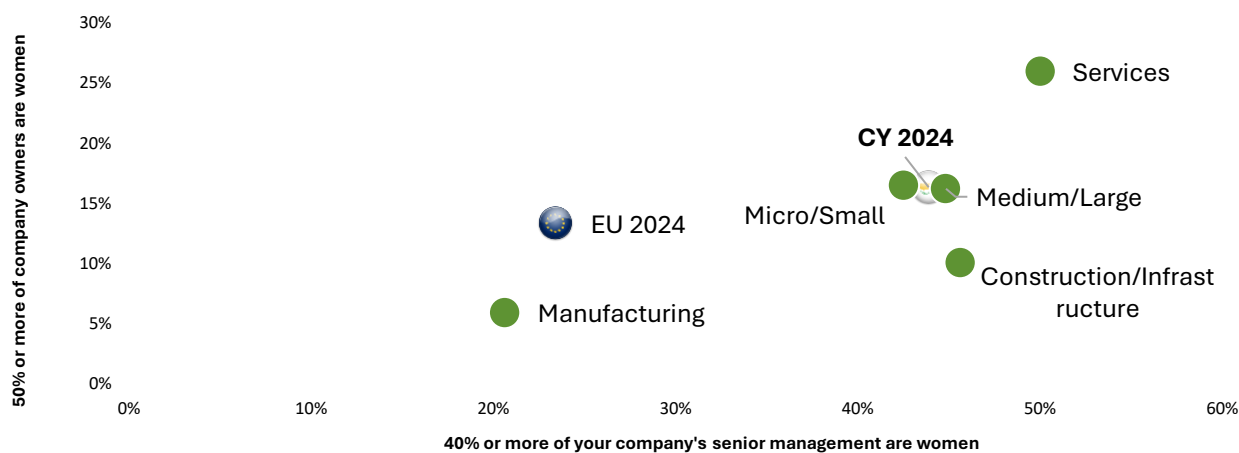
Please note: Sector and firm size show CY data only. Data derived from the financial constraint indicator and firms indicating that the main reason for not applying for external finance was "happy to use internal finance/didn't need finance."

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

Gender equality in business

Firms by share of women in senior roles

Cypriot firms have a higher proportion of women in senior management (at least 40%) than EU firms (44% vs. 23%), but the proportion of women owning at least 50% of the firm is very similar: (16% in Cyprus and vs. 13% in the EU).



Please note: Sector and firm size show CY data only.

Q. Which of the following, if any, apply to your company: 50% or more of your company's owners are women; 40% or more of your company's senior management are women?

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

EIBIS 2024: Country technical details

Sampling tolerances applicable to percentages at or near these levels

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

	EU (12 033)	CY (181)	Manufacturing (39)	Services (103)	Construction/ Infrastructure (35)	Micro/Small (138)	Medium/Large (43)	EU 2024 vs. CY 2024 (12 033 vs. 181)	Manuf vs. Constr/Infra (39 vs. 35)	Micro/Small vs. Medium/Large (138 vs. 43)
10% or 90%	1.1%	7.8%	19.2%	12.3%	11.9%	9.2%	11.6%	7.9%	22.5%	14.8%
30% or 70%	1.7%	11.9%	29.3%	18.7%	18.2%	14.0%	17.8%	12.0%	34.4%	22.6%
50%	1.9%	13.0%	31.9%	20.4%	19.9%	15.3%	19.4%	13.1%	37.5%	24.6%

Glossary

Construction sector	Based on the NACE classification of economic activities: firms in group F (construction).
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).
Investment	A firm is considered to have invested if it spent more than €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 the current financial year compared to the last one, and on the share of firms with investment greater than €500 per employee.
Large firms	Firms with at least 250 employees.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (manufacturing).
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).
SMEs	Small and medium companies (firms with between five and 249 employees).

EIBIS 2024: Country technical details

The country overview presents selected findings based on telephone interviews with 181 firms in Cyprus (carried out between April and July 2024).

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

Base definition and page reference <i>*Chart with multiple bases — due to limited space, only the lowest base is shown.</i>	EU 2024	CY 2024/2023	Manufacturing	Services	Construction/ infrastructure	Micro/Small	Medium/Large
All firms, p. 4 (bottom), p. 7 (top), p. 7 (bottom), p. 12 (top)	12033	181/180	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 4 (top)	11693	180/180	39	102	35	138	42
All firms that invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10213	149/135	34	83	30	110	39
All firms that invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	10021	160/162	34	92	31	119	41
All firms (excluding response "Company didn't exist three years ago"), p. 6 (top)	12020	181/180	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 6 (bottom)	11773	181/178	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 8 (top)	11998	181/180	39	103	35	138	43
All importers and exporters (excluding /don't know/refused responses),* p. 8 (bottom)	7343	147/136	33	91	23	109	38
All firms (excluding don't know/refused responses) p. 9 (left)	11961	180/179	39	103	34	137	43
All firms that import (excluding don't know/refused responses) p. 9 (right)	6092	137/77	32	85	20	101	36
All firms (excluding don't know/refused responses), p. 10 (top)	11940	181/179	39	103	35	138	43
All firms (excluding don't know/refused responses) p. 10 (bottom)	11938	181/180	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 11 (top)	11498	176/172	37	100	35	134	42
All firms (excluding don't know/refused responses), p. 11 (bottom)	12005	181/180	39	103	35	138	43
All firms that invested in the last financial year (excluding don't know/refused responses), p. 12 (bottom)	10249	156/163	35	88	30	119	37
All firms (excluding don't know/refused responses), p. 13 (top)	11832	181/178	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 13 (bottom)	11578	176/170	38	101	33	135	41
All firms (excluding don't know/refused responses), p. 14 (top)	11711	181/178	39	103	35	138	43

All firms (excluding don't know/refused responses), p. 15 (top)	11781	179/174	39	102	34	136	43
All firms (excluding don't know/refused responses), p. 15 (bottom)	12010	181/180	39	103	35	138	43
All firms (excluding don't know/refused responses), p. 16	11924	180/179	39	103	35	138	42
All firms (data not shown for not an obstacle at all/don't know/refused responses), p. 17	12033	181/180	39	103	35	138	43
All firms (excluding don't know/refused responses) p. 18 (top)	11539	176/NA	38	100	34	134	42
All firms that export (excluding don't know/refused responses) p. 18 (bottom)	5308	44/NA	16	22	6	28	16
All firms that invested in the last financial year (excluding don't know/refused responses), p. 19 (top)	10635	158/163	35	91	30	117	41
All firms that invested in the last financial year (excluding don't know/refused responses), p. 19 (bottom)	10635	158/163	35	91	30	117	41
All firms using external finance (excluding don't know/refused responses), p. 20 (top)	4174	62/3	19	33	10	44	18
All firms using external finance (excluding don't know and refused responses), p. 20 (bottom)	4172	64/51	20	34	10	46	18
All firms that used external finance in the last financial year (excluding don't know and refused responses), p. 21	4114	63/50	20	33	10	45	18
All firms (excluding don't know/refused responses), p. 22 (top)	11627	175/177	39	99	34	134	41
All firms (excluding don't know/refused responses), p. 22 (bottom)	11627	175/177	39	99	34	134	41
All firms (excluding don't know/refused responses), p. 23	11947	181/NA	39	103	35	138	43

EIB INVESTMENT SURVEY 2024

CYPRUS

OVERVIEW

