



CENTRAL BANK OF CYPRUS

ECONOMIC RESEARCH AND STATISTICS DIVISION

ECONOMIC RESEARCH DEPARTMENT

Concise
Monetary Policy Report

JANUARY 2007



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The Monetary Policy Report (MPR) is drafted by the Central Bank's Economic Research Department in preparation for the meetings of the Monetary Policy Committee (MPC), and summarises current economic developments in Cyprus. The MPR appears about eight times a year. Of these eight issues, four are more extensive and comprehensive than the others.

The Greek version of the MPR as well as the English version of the statistical tables are available on the Bank's website on the same day as the MPC meeting. The entire English version of the MPR is posted on the Bank's website during the following month. The English edition of the more extensive version is also available in printed form.

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ECONOMIC RESEARCH AND STATISTICS DIVISION

Address:	80 Kennedy Avenue 1076 Nicosia Cyprus
Postal Address:	P.O. Box 25529 CY-1395 Nicosia Cyprus
Telephone:	+357-22714433
Website:	http://www.centralbank.gov.cy
E-mail:	erdept@centralbank.gov.cy
Fax:	+357-22378155
Telex:	2424, 2228

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Symbols, conventions and abbreviations

1. The following symbols are used:

-	no figures to be expected	CYP and £	Cyprus pound
n.y.a.	not yet available	€	euro
0	nil or negligible	\$	US dollar
Q	quarter	ST£	pound sterling
p	provisional	¥	Japanese yen

2. Thousands, millions and billions are separated by a dot (.) and decimals are separated by a comma (,). In some cases the totals in the tables may not add up due to rounding.

3. CCI	Co-operative Credit Institutions
CPI	Consumer Price Index
CSE	Cyprus Stock Exchange
Cystat	Statistical Service of the Republic of Cyprus
ECB	European Central Bank

INTRODUCTION

The world economy continued growing at a satisfactory pace until the end of 2006, being led by the economies of the US, the euro area and Japan. Inflationary pressures eased towards the end of the year mainly due to the decrease in energy prices, down from the high levels in the summer of 2006. In December, the major central banks, with the exception of the ECB which raised its official interest rates by 25 basis points, left their official interest rates unchanged.

On the domestic front, the annual growth rates of the money supply (M2) and credit to the private sector remained virtually unchanged, compared with the previous month. In particular, M2 growth remained at 14,9% in November while in the same month of the preceding year it had reached 9,2%. The annual growth rate of credit given by domestic banks to the private sector was 15,6% in November, compared with 15,5% in October and 5,9% in November 2005.

The CPI measure of inflation reached 1,1% in November compared with 1,4% in October 2006. In November, a deceleration was recorded in the prices of domestic industrial and agricultural products, while motor vehicle prices fell due to the reduction in excise taxes. At the same time a fall was recorded in the prices of electricity and petroleum products. A deceleration was also recorded by the HICP which rose by 1,3% compared with 1,7% in the previous month. Recent data for the year as a whole show that inflation in 2006 reached 2,5%, compared with 2,6% in 2005.

As far as external transactions are concerned, the trade deficit increased to £2.172,7 million in the first ten months of 2006 compared with £1.811,8 in the corresponding period of 2005. The worsening of the deficit was mainly the result of the increase in the value of imports of goods, specifically in the value of imported oil products, as well as the significant decrease in re-exports.

The number of tourists visiting Cyprus in the first 11 months of the year was down by 2,7%, compared with an increase of 5,5% recorded in the corresponding period of 2005. During the same period, revenue from tourism increased by 2,4% compared with the marginal increase of 2,3% recorded in the same period of 2005, thus indicating an increase in per capita expenditure.

As regards private consumption, the turnover volume index of retail trade, based on provisional data, rose by 10,7% in October 2006 compared with 8,7% in the corresponding month of 2005.

Unemployment as a percentage of the economically active population reached 3,4% in 2006, compared with 3,7% in 2005. The decrease in the number of unemployed was mainly the result of: the change in the methodology for the registration of seasonal unemployment; the satisfactory performance of the economy; and the reduction of the inflow of foreign workers in Cyprus.

In the secondary sectors of the economy, the manufacturing volume index decreased in the first ten months of the year, while the

performance of the construction sector showed a downward trend. Indicative of this was the deceleration in the volume index of authorised building permits in the first seven months of 2005, as well as the local sales of cement in the period January- November 2005.

According to the preliminary results of the consolidated accounts covering the central government and the social security funds, total revenue reached £2.441 million while total expenditure reached £2.436,7 million. Thus, there was a surplus of £4,3 million or 0,05% of GDP for the first ten months of 2006, compared with a deficit of 0,03% of GDP recorded in the corresponding period of 2005.

International economic developments

In the **US** there was a slowdown in the third quarter mainly due to the levelling off in the real estate market. Nevertheless, consumer expenditures remained robust and non-property investments unchanged. The current account deficit rose to the historically high levels of \$225,6 billion during the third quarter and amounted to \$880,3 billion in the last 12 months. The markets expect negative pressures on the dollar as a result of the trade data. However, a counterbalancing factor is the stable growth of the economy. Inflation remained at 2% in November, compared with 3,5% in the same month of the previous year, while unemployment was 4,5% in the same month, compared with 5% in November 2005. At its recent meeting on 12 December, the Federal Reserve decided to leave its official interest rates unchanged

at 5,25%. According to the Fed, inflationary pressures are expected to subside in the medium term because of the fall in oil prices and the anchoring of inflation expectations due to the recent interest rate rises.

In the **euro area** evidence from business confidence surveys confirm that economic growth continued in the fourth quarter of 2006. According to the ECB, economic growth in 2007 is anticipated to remain close to potential. A possible decrease in oil prices and, consequently, a more favourable external environment are expected to affect positively the economy of the euro area. Inflation in November was 1,9%, compared with 2,3% in the same month of 2005. In October the trade account surplus reached €2,4 billion due to the strong external demand for euro area products. The ECB, as widely anticipated, raised its reference rate by 25 basis points to 3,5% in December, in view of inflationary pressures and strong credit growth to the private sector.

In the **UK** investment expenditures were the driving force behind third quarter growth. During the period August – October 2006, unemployment reached 5,5%, compared with 4,9% in the same period of 2005. Inflation reached 2,7% in November, compared with 2,4% in October and 2,1% in November of the previous year. Strong activity in the real estate market persisted during October and this is reflected in high property prices and the large number of new mortgages. According to market analysts, economic growth is expected to continue at the same pace in the coming quarters. During its meeting on 7 December, the Bank of England left its reference rate unchanged at 5%.

In **Japan** economic prospects continue to be positive and this is confirmed by the Bank of Japan's latest quarterly Tankan survey on the business environment. Economic growth mainly relies on exports and domestic demand, which in turn affects investment expenditure. Regarding inflation, there was a small rise by 0,3% in November, compared with a fall of 1% in the same month of 2005. During the same month, unemployment was 4% compared with 4,5% in November of the previous year.

Chart 1 presents the Eurostoxx 50 and Nikkei 225 **share indices**. These indices rose by 4,1%, 6,5% and 6%, respectively during the period October - December. Positive earnings and increased M&A activity were the main factors that affected share prices in the largest financial centres.

The daily average price of **Brent crude** reached \$63,31 per barrel in December, compared with \$57,98 per barrel in November. The decrease in production by OPEC by 1,2 billion barrels per day which commenced in November, geopolitical uncertainty surrounding Iran's nuclear programme as well as the political future of Iraq, caused an upward pressure on oil prices.

Exchange rates

During the first 29 days of December 2006, the dollar exhibited minor fluctuations reaching \$1,32 to the euro on 29 December. The dollar was mainly affected by the publication of mixed economic indicators as well as by the widening of the current account deficit. As regards the eurozone, analysts

expect the ECB to increase interest rates at the beginning of the year.

During the period under consideration, sterling did not register significant fluctuations against the euro. It remained stable at 67 pence to the euro. As far as the Japanese yen is concerned, a weakening was recorded relative to the euro, reaching ¥156,31 on 29 December, compared with ¥153,8 on 1 December.

Cyprus pound

During the first 29 days of December, the Cyprus pound remained stable at 57,82 cent to the euro. Reflecting the fluctuations of foreign currency during the period under review, the Cyprus pound also exhibited minor fluctuations relative to the dollar reaching \$2,2774 on 29 December 2006, compared with \$2,2899 on 1 December 2006. Minor weakening was recorded relative to sterling reaching ST£1,1609 to the Cyprus pound on 29 December 2006, compared with ST£1,1641 on 1 December 2006.

Table 3 illustrates the Central Bank's total foreign currency transactions until 29 December 2006 on the basis of their transaction dates. During the period under consideration, there were net inflows of £593,65 million compared with £560,68 million in the corresponding period of 2005. This was partly the result of the high level of borrowing by Cypriots in euro.

Monetary developments

In November 2006, M2 growth was 14,9% which was unchanged from October's level,

but higher than the 9,2% registered in November 2005 (Table 4). Credit to the private sector was the main factor influencing M2. In addition, growth of credit to the public sector decelerated slightly.

According to provisional data, the annual growth rate of total money supply, M2C¹, which includes deposits with banks and CCIs, reached 13,9% in November, remaining unchanged from the previous month but higher than the 9,2% registered in November 2005. The annual growth rate of credit to the private sector was 15,6% in November, compared with 15,5% in October and 5,9% in November 2005. If we estimate the growth of credit by both the domestic commercial banks and the CCIs, we would expect the rate of growth to be lower since CCIs do not give out credit in foreign currency. Indeed, total credit expansion grew by 14,4% in November, compared with 7,1% in the same month of the previous year.

Loans to companies in the construction sector rose by 23,2% in November, while personal/professional loans rose by 24,7% during the same period (Table 6). As far as the other main sectors are concerned, there was an increase of 7,1% in loans in the tourism sector while loans in the domestic and foreign trade sector decreased by 3,4%.

Regarding the foreign currency borrowing of residents, there was a rise of £703,9 million in the 12 months to November, compared with a rise of £708 million in the 12 months to October and £236,5 million in the 12 months to November 2005. This is consistent with

the large foreign exchange inflows during the referred period (Table 8). The share of net new loans in foreign currency to total credit was 49,5% in the 12 month period to November, compared with 50,4% in the previous 12 months and 46,3% in the 12 month to November 2005. As a result, the share of these loans to total loans at the end of November 2006 stood at 17,6%, compared with 12,6% at the end of November 2005. At the end of November 2006, loans in euro accounted for 56,5% of total foreign currency loans, those in Swiss francs accounted for 35,6% and loans in dollars 5,1%, compared with 66,6%, 21,8% and 8%, respectively, at the end of November 2005.

Residents' deposits in domestic currency rose by 12,5% in November, while in the same month of the previous year they had risen by 5,9%. At the same time, the annual rate of growth of residents' deposits in foreign currency continued to be high. In particular, it rose by 37,2% in November compared with 44,5% in the same month of 2005.

In November and December surplus liquidity conditions prevailed in the **money market**. As a result, the Central Bank intervened in the money market via auctions for the acceptance of deposits. During the last auction, held on 4 January 2007, £650 million was absorbed at an average interest rate of 3,84%. The total amount of bids was £889 million.

Turning to **government securities** (Table 14), there was one auction in five and ten year government bonds, as well as one auction in 13 week treasury bills. The average yields on the aforementioned securities were 4,22%, 4,37% and 3,6%,

1. The monetary aggregate M2C should be treated with caution since the co-operative credit institutions are not supervised by the Central Bank of Cyprus and, in addition, the automation undertaken by the Co-operative Computers Society (SEM) Ltd, does not yet cover all the co-operative credit institutions.

respectively. The average yields during the previous auctions had been 4,11% (October), 4,26% (October) and 2,56% (July), respectively.

The average of the **overnight interbank** rate was 3,58% in November and 3,37% in December, compared with 2,62% and 2,51% in the same months of 2005.

Cyprus Stock Exchange

The main and parallel market index of the **Cyprus Stock Exchange (CSE)** rose in December 2006 amidst increased M&A activity (Chart 7). The index fluctuated between 3.739,77 and 3.945,1. The daily average volume decreased while the daily average value rose slightly compared with November. More specifically, the daily average volume fell to 3.296 transactions from 3.751 in the previous month, while the daily average value was £11,7 million from £10,9 million in November. Regarding non-residents' trading on the CSE, in October there were net purchases amounting to £45,6 million, mainly due to intense activity in the banking sector, compared with net purchases of £0,3 million during October of the previous year (Table 20).

Domestic economy

In November 2006 the CPI measure of inflation rose to 1,07% compared with 1,43% in October 2006. This development was mainly due to the deceleration in the prices of domestic industrial and agricultural products as the fuel in motor vehicles prices. At the same time a deceleration was recorded in the prices of electricity and petroleum products. A deceleration was recorded in the HICP

which reached 1,3%, compared with 1,7% in the previous month. In the first 11 months of 2006 inflation rose to 2,6% while the HICP rose to 2,2% in the period January-November 2006 compared with 2% in the same period of 2005.

Tourist arrivals decreased by 8,7% in November compared with the 8,1% decrease reported in the corresponding month of 2005. During the period January-November 2006, tourist arrivals decreased by 2,7% compared with the 5,5% increase in the same period of the previous year. As regards revenue from tourism, in November 2006 this increased by 12,8% compared with 0% in November 2005. In the period January-November 2006, revenue from tourism recorded an increase of 2,4% compared with the marginal increase of 2,3% recorded in the same period of 2005. It should be noted that these figures do not include the expenditure of tourists owning holiday homes in Cyprus.

Table 27 presents preliminary data relating to the trade deficit for the first ten months of 2006, as published by Cystat. The value of total imports increased by 12,6% compared with a 10,5% increase recorded in the same period of 2005. This acceleration is mainly due to the significant increase in the imports of fuel and consumer goods. As far as total exports are concerned a significant decrease of 10,6% was recorded with 28,1% recorded in the corresponding period of 2005.

As a result of the above developments, the trade deficit deteriorated to £2.172,5 million in the first ten months of 2006, compared with £1.811,8 million in the same period of 2005. As regards private consumption, the turnover volume index of retail trade, based on

provisional data, rose by 10,7% in October 2006. During the first ten months of 2006, the index recorded an increase of 7,1% compared with 5% in the corresponding period of 2005. Note, however, that the index does not include the registration of new cars, which recorded a 6,5% reduction in the first seven months of 2006, which indicates weaker private consumption compared with the rise in the volume index of retail trade. On the other hand, the significant increase in personal loans as well as the acceleration recorded by domestic credit card expenditure, which rose by 16,5% in the first 11 months of 2006, indicates that private consumption still remains strong.

In the labour market, the number of registered unemployed fell by 2,5% in 2006, compared with an increase of 6,5% in 2005. Unemployment as a percentage of the economically active population fluctuated at around 3,4%, compared with 3,7% in 2005. The reduction in unemployment occurred due to the fact that those who are seasonally unemployed do not have to register with the Labour Office in order to receive unemployment benefits. The reduction of the inflow of foreign workers, as well as the satisfactory performance of economic activity also contributed to the fall in unemployment.

As regards the secondary sectors of the economy, during the first ten months of 2006, manufacturing fell by 1,2%. In construction there was a deceleration in the volume of building permits and the sale of cement rose by 2,5% in the first 11 months of 2006 compared with an increase of 3,4% in the corresponding period of 2005. Building permits rose by 4,2% in the first seven

months of 2006 compared with an increase of 11,7% in the corresponding period of 2005.

As regards **public finances**, developments are consistent with the fiscal consolidation programme set out by the government. In accordance with the preliminary consolidated accounts of the Ministry of Finance, a fiscal surplus of £4,3 million or 0,05% of GDP was recorded for the first ten months, compared with a deficit of £2,3 million or 0,03% of GDP recorded for the same period in 2005. However, if we exclude the 2005 temporary receipts totalling £133 million, then instead of a fiscal deficit of £2,3 million a surplus of £4,3 million is recorded. Hence, the improvement is of the order of £139,6 million or 1,7% of GDP.

During the same period, public debt fell to 66,1% of GDP from 70,4% during the corresponding ten month period of 2005.

Excluding the temporary revenues of 2005, public revenue rose by 13,2% while public expenditure rose by 6,3%. More analytically, on the revenue side, tax revenues rose by 8,7%. Direct tax revenue also rose by 8,7% with proceeds from land and survey fees increasing by 68,5% thus reaching £24,1 million, compared with £14,3 million in the previous year. This was mainly the result of the booming construction sector as well as the simplified administrative procedures. A significant increase of the order of 150%, i.e. an increase from £14,2 million to £35,5 million was recorded in tax receipts mainly as a result of a regulation passed in 2002 which provided for the taxation of undistributed profits of legal entities in 2003. Additionally, the revenues from capital gains tax rose by 100% reaching £90 million, again the result of the boom in the construction sector.

Indirect tax receipts rose by 9,5% with VAT receipts rising by 10,7% and reaching £635,4 million, mainly the result of enhanced tax collection and the 67,4% increase in the revenues from land registry fees which fall under indirect taxation. A reduction of 23,1% was recorded in the proceeds from import duties as a result of the increase in intra EU trade at the expense of trade with third countries. Also, only a marginal increase of 1,9% was registered in excise duty receipts mainly as a result of a halt in car sales, in anticipation of announced duty reductions. A reduction of 5,1% was recorded in non-tax receipts during the period January-October 2006, compared with the corresponding period of 2005.

On the expenditure side, an increase of 6,3% was registered. This was mainly the result of the following: (i) an increase of 8,8% in expenditure on wages and salaries, including the incorporation of a 2,9% increase due to COLA and a 2% contractual salary increase; and (ii) a significant increase of 23,9% in payments for the purchase of medical supplies, election expenses and maintenance of public buildings. Moreover, current transfers rose by 12,4% despite the deceleration in expenditures on pensions and gratuities resulting from the implementation of the gradual increase in the retirement age.

Estimates for 2006 and prospects for 2007

In 2006 the real rate of growth is estimated to be around the 2005 level. As the price of oil remained high, growth was slightly restrained. In the first nine months of 2006 the growth rate of real GDP reached 3,7%

compared with 3,8% in the same period of 2005. External demand is estimated to have played a major role, due mainly to the anticipated improvement in the economies of the EU. As regards the labour market, the rise in real GDP led to a stabilisation of the registered unemployed to 3,4% in 2006. The reduction of the inflow of foreign workers in Cyprus also contributed to the reduction of registered unemployment.

Inflation during 2006 reached 2,5%, as in 2005, despite the significant increase in the price of oil. The continuation of competition in the retail sector, following Cyprus's accession to the EU, as well as monetary developments had a significant impact on the inflation rate. Inflation was also affected by the increase in the prices of agricultural products. Even with the rise in oil prices, the HICP is expected to remain at 2,2%. Up until October 2006, the 12 month moving average HICP was around 2,3% compared with the relevant Maastricht criterion of 2,8% for October 2006.

In 2006 the balance of payments deficit is expected to show a slight rise compared with 2005, mainly as a result of the increase in the price of oil internationally, as well as the significant increase in the imports of consumer goods.

The outlook for public finances is positive as far as the convergence criteria for joining the eurozone are concerned. The importance of structural measures in the fiscal consolidation process is highlighted and re-emphasised although it should be noted that the government has, and is planning to, adopt further measures.

According to the projections of the Ministry of Finance, the fiscal deficit for 2006 is expected to be around 2% of GDP with public debt falling to around 65% of GDP. The prospects are positive despite the fact that it is anticipated that expenditures will be higher than initially expected. Even though these increases are covered by unexpectedly high and unsustainable increases in receipts during 2006, the need for fiscal consolidation based on expenditure restraint is emphasised as this is the most appropriate means of reducing fiscal deficits and ensuring the medium-term viability of public finances.

In 2007 GDP is expected to register a marginal increase compared with 2006. External consumption is expected to remain at the same level as in 2005, while public consumption, fixed capital investments and imports are expected to decelerate. As a result of the positive economic environment in the EU, exports are expected to increase.

Provided that the increase in foreign workers remains at the same level as in 2006, unemployment is expected to register a marginal decrease. At the same time the rate of inflation is expected to decelerate significantly, due to the reduction in excise taxes and the stabilisation in the price of oil, which will also influence positively the balance of payments.

ANNEX

Table 1**GDP projections⁽¹⁾***(annual percentage change)*

	The Economist Poll GDP forecasts ⁽²⁾			Lehman Brothers Weekly Outlook - GDP ⁽³⁾			International Monetary Fund World Economic Outlook ⁽⁴⁾			European Commission Economic Forecasts ⁽⁵⁾		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
World				2,5	2,9 (3,0)	2,1 (2,2)	4,9 (4,8)	5,1 (4,9)	4,9 (4,7)	4,9 (4,6)	5,1 (4,6)	4,6 (4,3)
Euro area	1,4	2,6	1,9	1,5	2,7	1,7 (1,5)	1,3	2,4 (2,0)	2,0 (1,9)	1,4 (1,3)	2,6 (2,1)	2,1 (1,8)
USA	3,6	3,3	2,2 (2,3)	3,2	3,3	2,5	3,2 (3,5)	3,4	2,9 (3,3)	3,2 (3,5)	3,4 (3,2)	2,3 (2,7)
Japan	2,6	2,8 (2,7)	2,0 (2,1)	2,7 (2,6)	2,1 (2,8)	1,8 (2,4)	2,6 (2,7)	2,7 (2,8)	2,1	2,6 (2,7)	2,7 (2,8)	2,3 (2,4)
UK	1,7	2,6	2,4	1,9	2,6	2,3	1,9 (1,8)	2,7 (2,5)	2,7	1,9 (1,8)	2,7 (2,4)	2,6 (2,8)

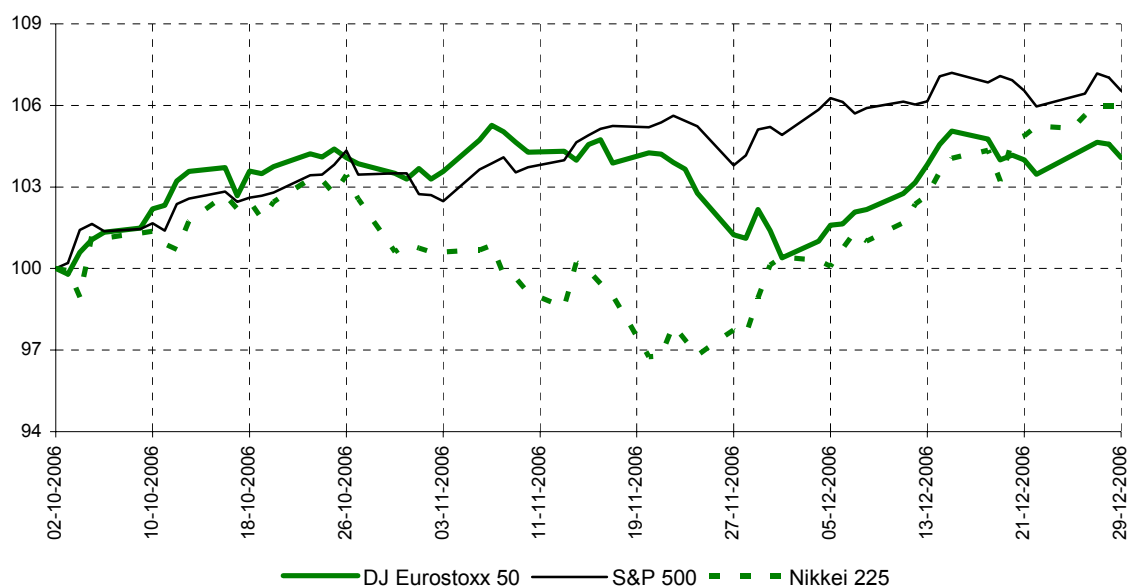
(1) Figures in parentheses indicate the corresponding projection in the previous Monetary Policy Report, in case of change. In the case of the International Monetary Fund and European Commission, the figures indicate the projections in April 2006.

(2) The Economist, 19 December 2006.

(3) Lehman Brothers Global Weekly Economic Monitor, 15 December 2006.

(4) International Monetary Fund, World Economic Outlook, September 2006.

(5) European Commission, Economic Forecasts, Autumn 2006.

Chart 1**Selected international stock market indices***(2 October 2006 = 100, daily data)*

Source: Bloomberg.

Table 2
Main economic indicators

(percentage change year-on-year)

	GDP				Industrial production October (annual)	Retail sales October (annual)	Unemployment November (annual)	Inflation ⁽²⁾ November (annual)
	2006 (Q2)		2006 (Q3)					
	(quarterly) ⁽¹⁾	(annual)	(quarterly) ⁽¹⁾	(annual)				
UK	2,8	2,6	2,7	2,7	0,6	3,2 ⁽³⁾	5,5 ⁽⁴⁾	2,7
Japan	1,0	2,5	0,8	1,6	4,8 ⁽³⁾	-0,1	4,0	0,3
USA	2,6	3,5	2,0	3,0	3,8 ⁽³⁾	5,8	4,5	2,0
Euro area	3,6	2,4	2,0	2,7	3,6	1,1	7,7 ⁽⁵⁾	1,9

 Source: *The Economist*, 4 January 2007.

(1) Percentage change on previous quarter at an annualised rate.

(2) Based on the consumer price index.

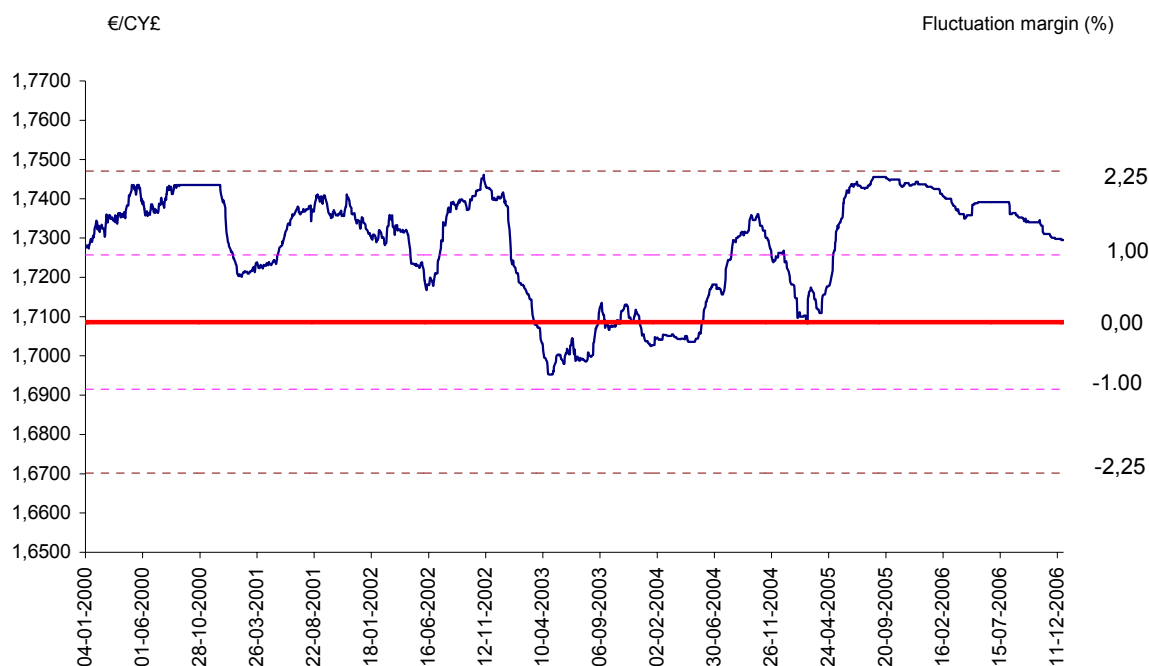
(3) November 2006.

(4) August - October 2006.

(5) October 2006.

Chart 3
Exchange rate of the euro against the Cyprus pound

(middle rate fixing)



Source: Central Bank of Cyprus.

 Note: The official fluctuation margins of the Cyprus pound against the euro are set equal to $\pm 15\%$.

Chart 2

Major international currencies

(middle rate)

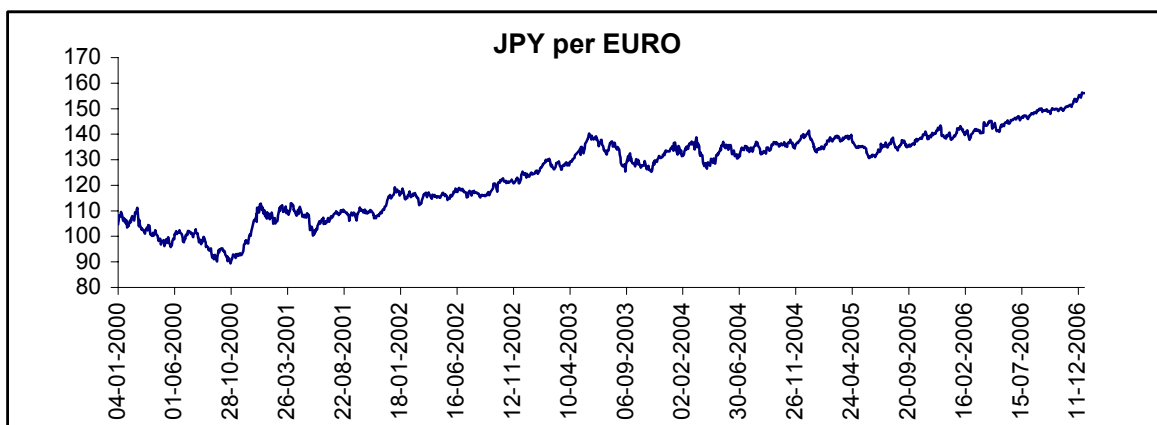
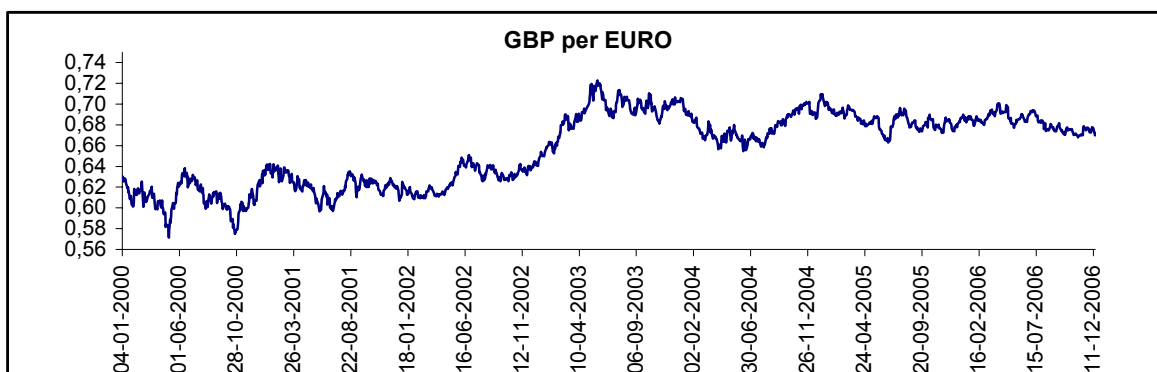
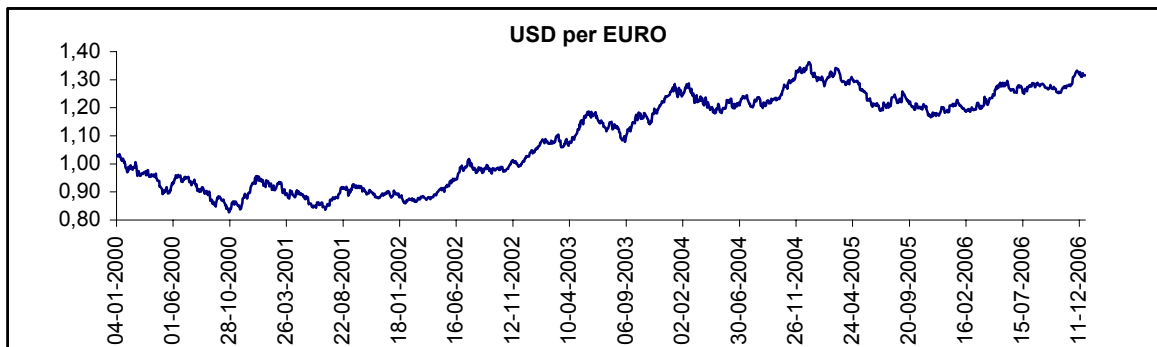
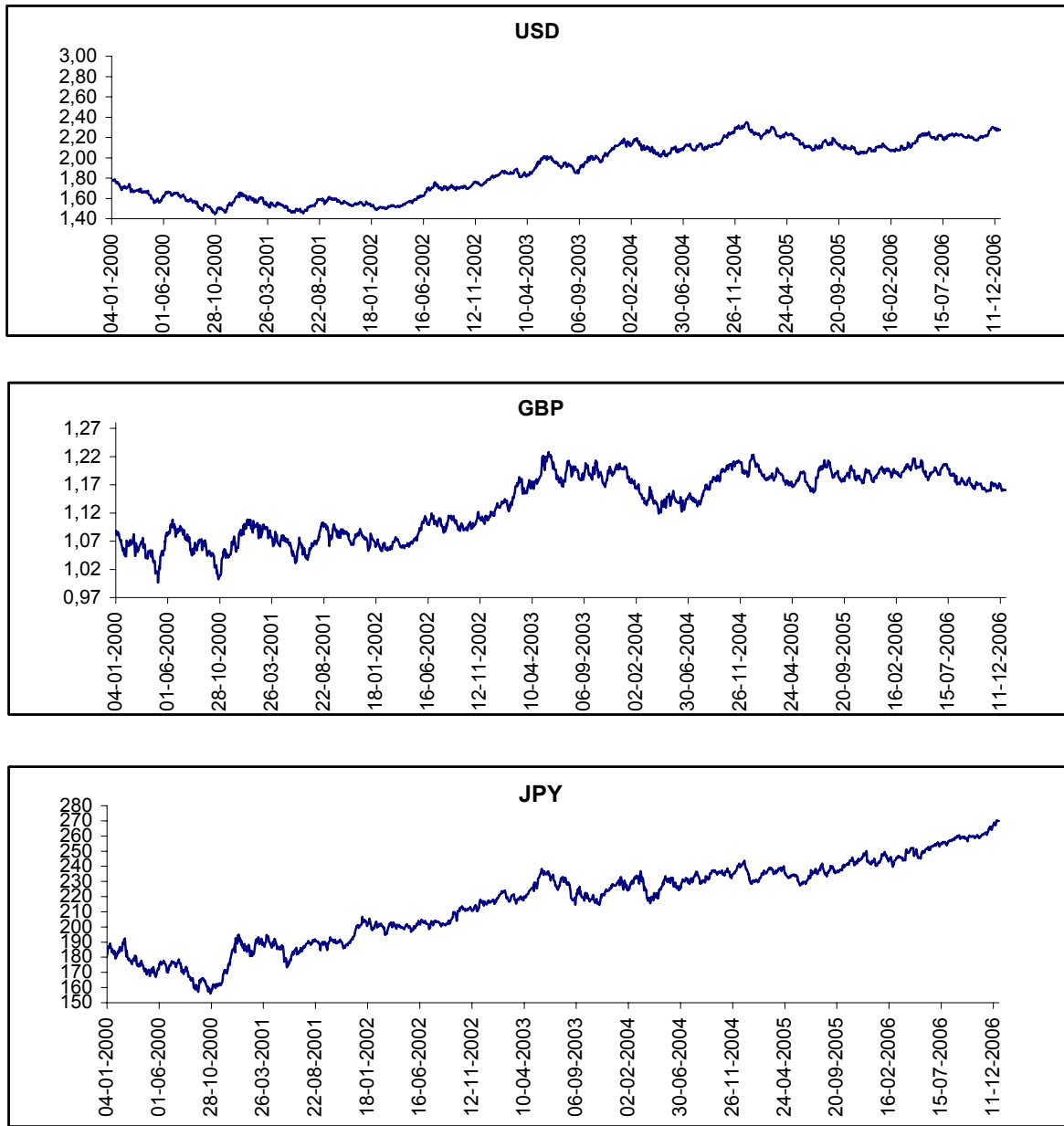


Chart 4
Cyprus pound against major international currencies
 (middle rate)



Source: Central Bank of Cyprus.

Table 3**Domestic foreign exchange market: purchases and sales by the Central Bank of Cyprus**

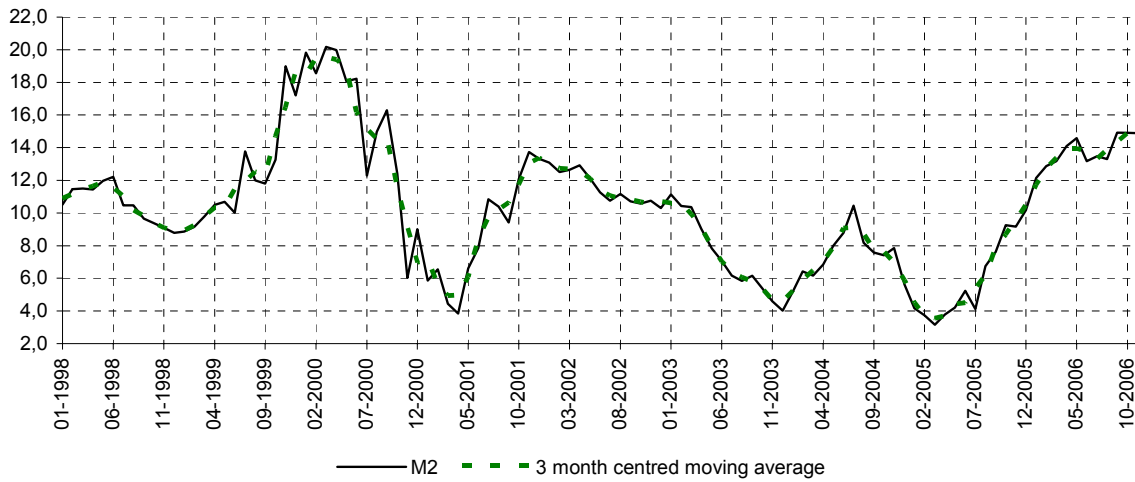
Period	Foreign currency Cyprus per pound (period average)			Purchases(+)/Sales(-) of foreign exchange by the Central Bank (based on transaction date)			
				In foreign currency (million)			In Cyprus pounds (million)
	Euro	USD	Sterling	Euro	USD	Sterling	
Yearly							
2001	1,7314	1,5602	1,0805	755,82	242,99	76,39	663,30
2002	1,7383	1,6445	1,0934	321,55	64,75	53,05	273,13
2003	1,7122	1,9361	1,1844	-259,75	1,30	19,50	-134,01
2004	1,7187	2,1357	1,1663	-91,40	15,75	25,70	-25,52
2005	1,7335	2,1574	1,1858	899,55	29,30	37,3	560,68
Quarterly							
2004 Q1	1,7060	2,1348	1,1604	-155,75	2,00	30,20	-64,23
2004 Q2	1,7099	2,0579	1,1401	-19,05	6,50	1,10	-7,49
2004 Q3	1,7271	2,1107	1,1612	199,60	4,95	-19,20	101,02
2004 Q4	1,7317	2,2394	1,2033	-116,2	2,3	13,6	-54,82
2005 Q1	1,7161	2,2496	1,1902	-161,1	10,5	30,1	-64,1
2005 Q2	1,7297	2,1785	1,1742	518,15	22,3	4,40	312,86
2005 Q3	1,7443	2,1278	1,1928	250,45	-3,55	-0,10	141,83
2005 Q4	1,7440	2,0737	1,1861	292,05	0,5	2,90	170,09
2006 Q1	1,7407	2,0930	1,1947	-85,05	1,70	0,60	-47,47
2006 Q2	1,7379	2,1830	1,1962	631,05	0,00	2,00	364,75
2006 Q3	1,7383	2,2116	1,1891	284,85	-0,15	1,80	152,29
2005							
January	1,7189	2,2561	1,2009	-100,60	0,00	10,90	-49,46
February	1,7149	2,2324	1,1828	-18,00	0,00	12,30	-0,11
March	1,7145	2,2602	1,1868	-42,50	10,05	6,90	-14,53
April	1,7159	2,2208	1,1722	91,35	20,75	4,40	66,32
May	1,7312	2,1958	1,1852	175,45	0,05	0,00	101,53
June	1,7419	2,1189	1,1653	251,35	1,50	0,00	145,01
July	1,7432	2,0992	1,1992	49,00	0,00	0,00	28,10
August	1,7453	2,1395	1,1831	134,05	-3,40	0,00	75,27
September	1,7445	2,1447	1,1960	67,40	-0,15	-0,10	38,46
October	1,7447	2,0961	1,1892	140,30	0,80	0,00	80,78
November	1,7437	2,0558	1,1845	95,15	-0,15	0,90	55,24
December	1,7438	2,0691	1,1845	56,60	-0,15	2,00	34,07
2006							
January	1,7429	2,1102	1,1960	-79,95	-0,30	0,00	-46,01
February	1,7411	2,0798	1,1896	-8,45	0,00	0,60	-4,34
March	1,7382	2,0894	1,1984	3,35	2,00	0,00	2,88
April	1,7356	2,1247	1,2059	159,45	-0,15	2,00	93,46
May	1,7388	2,2216	1,1881	326,40	0,00	0,00	187,73
June	1,7392	2,2027	1,1946	145,20	0,15	0,00	83,56
July	1,7392	2,2061	1,1963	113,65	-1,00	0,00	64,89
August	1,7366	2,2260	1,1759	26,00	0,00	0,00	14,94
September	1,7346	2,2093	1,1714	183,70	-0,15	1,80	107,36
October	1,7339	2,1876	1,1667	210,40	0,00	0,00	121,33
November	1,7310	2,2300	1,1666	-81,50	-0,15	0,00	3,68
December	1,7298	2,2860	1,1640	26,00	0,00	0,00	15,03

Source: Central Bank of Cyprus.

Chart 5

M2 growth

(annual percentage change, monthly data)

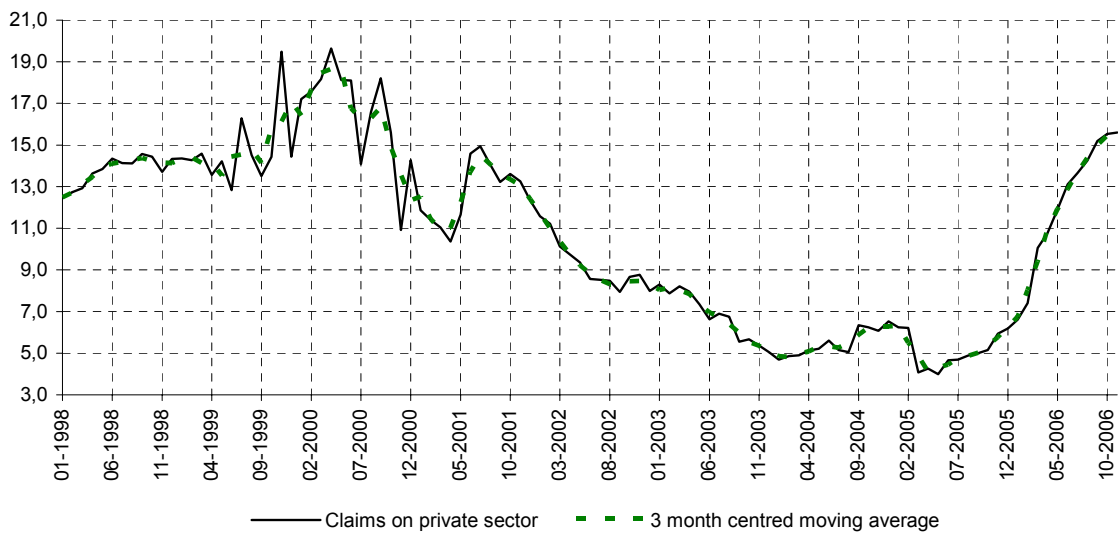


Source: Central Bank of Cyprus.

Chart 6

Growth of claims on private sector

(annual percentage change, monthly data)



Source: Central Bank of Cyprus.

Table 4
Main monetary indicators

	Outstanding amount as a percentage of M2 ⁽¹⁾	Annual percentage change			
		2005 Oct.	2005 Nov.	2006 Oct.	2006 Nov.
Money supply (M1)	19,3	20,3	13,2	25,0	27,7
Currency in circulation	4,9	8,9	9,8	8,0	7,7
Demand deposits	14,4	26,1	14,7	32,6	36,5
Quasi-money	80,7	7,2	8,4	12,8	12,2
Total money supply (M2)	100,0	9,3	9,2	14,9	14,9
Claims on private sector		5,2	5,9	15,5	15,6
of which in foreign currency		25,2	26,0	64,0	61,5
Claims on public sector		1,6	13,1	20,4	18,3

Source: Central Bank of Cyprus.

(1) As at the end of the last month available.

Table 5
Monetary aggregates and counterparts
(outstanding amounts at end of period, CYP thousand)

	2005 Oct.	2005 Nov.	2006 Oct.	2006 Nov.
Money supply (M1)	1.679.998	1.678.464	2.100.457	2.143.633
Currency in circulation	518.122	510.386	559.627	549.584
Demand deposits	1.008.454	1.057.809	1.344.631	1.332.989
Deposits in foreign currency	153.422	110.269	196.199	261.060
Quasi-money	7.958.922	7.988.514	8.975.302	8.962.761
Saving deposits	337.548	339.673	407.391	409.785
Time deposits	6.720.535	6.738.558	7.425.417	7.414.203
Deposits in foreign currency	900.839	910.283	1.142.494	1.138.773
Total money supply (M2)	9.638.920	9.666.978	11.075.759	11.106.394
Net foreign assets	1.762.732	1.723.826	1.995.510	1.871.540
Claims on private sector	9.045.987	9.110.058	10.451.775	10.531.152
of which in foreign currency	1.105.413	1.144.956	1.813.396	1.848.888
Claims on public sector	1.984.638	2.022.879	2.389.766	2.394.061
Unclassified items	-3.154.437	-3.189.785	-3.761.292	-3.690.359

Source: Central Bank of Cyprus.

Table 6
Bank credit by sector ⁽¹⁾

	Outstanding amount as a percentage of total ⁽²⁾	Annual percentage change			
		2005 Oct.	2005 Nov.	2006 Oct.	2006 Nov.
Public institutions and corporations ⁽³⁾	3,01	7,2	9,1	10,0	10,4
Agriculture	0,92	-9,3	-9,9	-1,1	-0,3
Mining	0,25	5,5	5,5	-1,2	-0,1
Manufacturing	4,69	-1,8	-0,7	1,9	3,4
Transport and communications	0,95	-17,6	-6,9	22,8	14,2
Foreign and domestic trade	13,16	-1,1	-0,1	-3,1	-3,4
Building and construction	18,66	9,3	10,7	23,3	23,2
Tourism	7,90	-2,4	-1,7	7,2	7,1
Personal and professional loans	50,43	10,3	10,0	24,5	24,7
Bills discounted: local	0,02	-17,4	-11,7	22,5	11,4
foreign	0,02	-30,2	-34,3	19,3	24,0
Total	100,00				

Source: Central Bank of Cyprus.

(1) This refers to loans in local and foreign currency, given to residents and non-residents of Cyprus.

(2) As at the end of the last month available.

(3) Including government loans.

Table 7**Bank credit by sector⁽¹⁾***(outstanding amounts at end of period, CYP thousand)*

	2005 Oct.	2005 Nov.	2006 Oct.	2006 Nov.
Public institutions and corporations ⁽²⁾	300.920	306.615	331.000	338.544
Agriculture	104.290	103.985	103.093	103.646
Mining	28.397	28.031	28.058	27.997
Manufacturing	519.230	511.093	529.077	528.301
Transport and communications	90.365	93.274	110.925	106.517
Foreign and domestic trade	1.531.533	1.532.382	1.484.203	1.480.469
Building and construction	1.662.929	1.703.839	2.049.773	2.099.727
Tourism	824.796	829.859	884.225	888.728
Personal and professional loans	4.510.676	4.549.003	5.616.197	5.674.425
Bills discounted: local	2.456	2.491	3.009	2.776
foreign	1.562	1.437	1.863	1.782
Total	9.577.154	9.662.009	11.141.423	11.252.912

*Source: Central Bank of Cyprus.**(1) This refers to loans in local and foreign currency, given to residents and non-residents of Cyprus.**(2) Including government loans.***Table 8****Claims on private sector⁽¹⁾**

	2003	2004	2005	2005 Nov.	2006 Oct.	2006 Nov.
<i>(outstanding amounts at end of period, CYP million)</i>						
Foreign currency loans to residents	799,0	909,9	1.205,8	1.145,0	1.813,4	1.848,9
Claims on private sector	8.302,0	8.843,7	9.390,8	9.110,1	10.451,8	10.531,2
Share %	9,6	10,3	12,8	12,6	17,4	17,6
<i>(12 month change, CYP million)</i>						
Foreign currency loans to residents	13,8	111,0	295,8	236,5	708,0	703,9
Claims on private sector	397,9	541,7	547,1	510,6	1.405,8	1.421,1
Share %	3,5	20,5	54,1	46,3	50,4	49,5

*Source: Central Bank of Cyprus.**(1) From domestic banks.*

Table 9
Credit card transactions

	2004	2005	November		Jan.-Nov.	
			2005	2006	2005	2006
Foreign cardholder spending in Cyprus						
Value (CYP thousand)	232.671	244.609	16.818	16.917	233.758	244.899
Annual % change	8,6	5,1	-0,6	0,6	5,2	4,8
Local cardholder spending in Cyprus						
Value (CYP thousand)	591.912	659.486	57.286	66.092	579.330	674.957
Annual % change	12,3	11,4	12,2	15,4	11,3	16,5
Local cardholder spending abroad						
Value (CYP thousand)	195.009	244.131	24.340	33.340	220.814	301.526
Annual % change	9,3	25,2	41,5	37,0	24,0	36,6

Source: JCC Payment Systems.

Table 10**Banking system's liquidity position***(CYP million, period averages of daily positions)*

	Liquidity - providing factors					Liquidity - absorbing factors						Credit institutions current accounts (MRA)	Base money (6+7+9+12)
	Net assets in gold and foreign currency (NFA)	Monetary policy operations				Deposit facility (overnight)	Other liquidity-absorbing operations (additional, special & S.M.E. dep.)	Rev-repos & depos	Currency in circulation	Central govern. deposits (net) ⁽¹⁾	Other factors (net)		
		Main refinancing operations (repos)	Long-term refinancing operations	Marginal lending facility (lombard)	Other liquidity providing operations (swap)								
	1	2	3	4	5	6	7	8	9	10	11	12	13
2004 Nov.	1.376,0	0,0	0,0	0,0	0,0	15,8	79,3	82,2	516,3	-144,9	184,1	643,2	1.254,6
Dec.	1.441,6	0,0	0,0	10,0	0,0	12,9	79,3	0,0	543,5	-29,0	201,9	642,9	1.278,6
2005 Jan.	1.419,9	0,0	0,0	0,6	0,0	50,7	79,6	114,2	537,8	-142,3	139,9	640,8	1.308,8
Feb.	1.425,9	0,0	0,0	0,6	0,3	11,4	79,4	55,0	520,7	-36,0	149,0	647,3	1.258,8
Mar.	1.432,9	0,0	0,0	0,3	0,0	25,2	79,3	28,4	524,0	-48,4	178,9	646,2	1.274,8
Apr.	1.361,7	0,0	0,0	0,1	0,0	63,7	79,3	17,3	537,7	-191,8	208,2	647,7	1.328,1
May	1.395,2	0,0	0,0	0,0	0,0	33,4	79,3	72,9	554,6	-204,1	210,1	648,9	1.316,3
June	1.510,9	0,0	0,0	6,2	0,1	36,2	79,7	68,3	568,4	-114,8	224,1	655,2	1.339,6
July	1.571,9	0,0	0,0	0,4	0,0	31,9	79,6	88,1	586,5	-62,2	182,6	665,8	1.363,8
Aug.	1.596,2	0,0	0,0	0,0	0,0	37,7	79,4	93,5	587,6	-58,1	185,2	670,8	1.375,5
Sep.	1.638,9	0,0	0,0	0,0	0,0	87,5	79,4	198,7	579,4	-119,0	200,2	612,7	1.359,1
Oct.	1.712,1	0,0	0,0	7,3	0,0	55,1	79,3	168,1	579,7	-12,5	231,5	618,1	1.332,3
Nov.	1.772,0	0,0	0,0	0,0	0,0	181,7	79,3	173,7	566,4	-41,3	246,6	565,6	1.393,1
Dec.	1.830,5	0,0	0,0	0,0	0,0	198,5	79,3	227,7	594,8	-130,6	277,8	583,0	1.455,7
2006 Jan.	1.840,4	0,0	0,0	0,0	0,0	190,5	0,1	333,5	579,2	-148,0	223,8	661,1	1.430,9
Feb.	1.796,1	0,0	0,0	0,0	0,0	174,0	0,0	302,9	562,2	-154,2	236,9	674,3	1.410,5
Mar.	1.792,1	0,0	0,0	0,9	0,0	238,8	0,1	256,1	564,8	-210,2	265,8	677,6	1.481,2
Apr.	1.845,7	0,0	0,0	0,0	0,0	183,3	0,0	138,7	594,7	-32,1	266,1	695,1	1.473,1
May	1.993,9	0,0	0,0	0,0	0,0	233,0	0,0	269,7	603,8	-78,0	271,3	694,2	1.531,0
June	2.066,8	0,0	0,0	0,0	0,0	237,5	0,0	417,3	618,9	-176,4	272,0	697,4	1.553,8
July	1.974,6	0,0	0,0	5,7	0,0	132,6	0,2	431,0	633,6	-133,8	211,6	705,1	1.471,5
Aug.	2.007,3	0,0	0,0	13,7	0,0	100,0	0,0	477,4	636,3	-127,0	225,7	708,6	1.444,9
Sep.	2.073,3	0,0	0,0	0,5	0,0	155,9	0,0	500,0	625,3	-171,5	245,2	718,9	1.500,1
Oct.	2.182,6	0,0	0,0	0,0	0,0	244,4	0,1	538,1	622,9	-230,0	262,9	744,3	1.611,7
Nov.	2.247,0	0,0	0,0	0,0	0,0	260,7	0,0	580,0	609,8	-233,7	277,9	752,1	1.622,7

Source: Central Bank of Cyprus.

(1) The negative sign of net central government deposits is due to the inclusion of the government loan amounting to £961,1 million. Following the prohibition of public sector financing by the Central Bank in July 2002, outstanding claims of the Central Bank on the government were converted into a loan with a maturity of 30 years, the repayment of which will commence in 2007.

Table 11**Inflation and interest rates in Europe and Cyprus - November 2006***(latest 12-month average)*

	Inflation (HICP)	Long-term interest rates	Long-term real interest rates
	(%)	(%)	(%)
Austria	1,70	3,76	2,06
Belgium	2,40	3,78	1,38
Czech Republic	2,10	3,77	1,67
Denmark	1,90	3,78	1,88
Estonia ⁽²⁾	4,30	4,18	-0,12
Finland	1,30	3,74	2,44
France	1,90	3,76	1,86
Germany	1,80	3,73	1,93
Greece ⁽¹⁾	3,50	3,83	0,33
Hungary	3,80	7,12	3,32
Ireland	2,60	3,71	1,11
Italy	2,20	4,01	1,81
Latvia	6,60	4,02	-2,58
Lithuania	3,70	4,04	0,34
Luxembourg	3,10	3,84	0,74
Malta	2,80	4,32	1,52
Netherlands	1,70	3,74	2,04
Poland	1,20	5,23	4,03
Portugal ⁽²⁾	3,10	3,85	0,75
Slovakia	4,30	4,37	0,07
Slovenia	2,50	3,84	1,34
Spain	3,60	3,75	0,15
Sweden	1,50	3,68	2,18
United Kingdom	2,20	4,35	2,15
Eurozone	2,20	3,81	1,61
EU -25 ⁽³⁾	2,30	3,88	1,58
Cyprus	2,20	4,12	1,92

*Sources: Eurostat and European Central Bank.**(1) Data for July 2006.**(2) Data for October 2006.**(3) Data for August 2006.*

Table 12**Selected official interest rates***(percent per annum, changes in percentage points)*

		change
European Central Bank		
<i>(7 December 2006)</i>		
Minimum bid rate on the main refinancing operations	3,50	0,25
Interest rate on the marginal lending facility	4,50	0,25
Interest rate on the deposit facility	2,50	0,25
Bank of England		
<i>(7 December 2006)</i>		
Rate paid on commercial bank reserves	5,00	-
Federal Reserve		
<i>(12 December 2006)</i>		
Federal funds rate	5,25	-
Discount rate	6,25	-
Central Bank of Cyprus		
<i>(1 December 2006)</i>		
Minimum bid rate on the main refinancing operations	4,50	-
Maximum bid rate on the liquidity absorbing operations	4,50	-
Interest rate on the marginal lending facility	4,50	-
Interest rate on the deposit facility	2,50	-

Sources: European Central Bank, Bank of England, Federal Reserve and Central Bank of Cyprus.

Table 13
Interest rates

(percent per annum, period averages)

Date of monetary policy decision	Deposit facility	Open market operations			Marginal lending facility	
		Main refinancing operations	Liquidity absorbing operations			
		Repo operations	Reverse repo operations	Acceptance of deposits operations ⁽¹⁾		
		Minimum bid rate	Maximum bid rate	Maximum bid rate		
2001	10 Aug.	3,50	5,00	5,00	-	6,50
	18 Sep.	3,00	4,50	4,50	-	6,00
	02 Nov.	2,50	4,00	4,00	4,00	5,50
2002	13 Dec.	2,50	3,75	3,75	3,75	5,00
2003	04 Apr.	2,50	3,50	3,50	3,50	4,50
2004	30 Apr.	3,50	4,50	4,50	4,50	5,50
2005	25 Feb.	3,25	4,25	4,25	4,25	5,25
	20 May	2,75	3,75	3,75	3,75	4,75
	09 Jun.	2,25	3,25	3,25	3,25	4,25
2006	01 Sep.	2,50	4,50	4,50	4,50	4,50

Source: Central Bank of Cyprus.

(1) The first operation for the acceptance of deposits was conducted on 9 October 2001 with a maximum bid rate of 4,50%.

Table 14
Interest rates

(percent per annum, period averages)

	2003	2004	2005	2005 Dec.	2006 Oct.	2006 Nov.	2006 Dec.
Interbank (1 day)	3,35	3,92	3,27	2,51	3,67	3,58	3,37
Acceptance of deposits	3,45	3,89	3,28	2,51	3,89	3,88	3,83
Treasury bills (13 weeks)	3,51	4,21	4,26	-	-	-	-
Treasury bills (52 weeks)	3,70	4,77	4,29	3,12	-	-	-
Development stocks (2 years)	3,83	5,14	4,74	-	-	-	-
Development stocks (5 years)	4,49	5,92	5,68	-	4,11	-	-
Development stocks (10 years)	4,70	6,07	5,17	4,08	4,26	-	-
Development stocks (15 years)	4,81	6,31	5,61	-	-	-	-

Source: Central Bank of Cyprus.

Table 15**Open market operations allotted through tenders - liquidity absorbing operations ⁽¹⁾***(CYP million, interest rates in percent per annum)*

Date of settlement	Bids (amount)	Allotment (amount)	Variable rate tenders				Running for (...) days
			Maximum bid rate	Weighted average allotment rate	Minimum allotment rate	Maximum allotment rate	
2006 05 Jan.	533,5	300,0	3,25	2,46	2,44	2,49	14
19 Jan.	604,0	380,0	3,25	2,41	2,39	2,43	14
02 Feb.	544,0	300,0	3,25	2,37	2,36	2,37	14
16 Feb.	477,0	300,0	3,25	2,71	2,32	3,25	14
02 Mar.	414,0	250,0	3,25	2,58	2,46	2,69	14
16 Mar.	508,5	280,0	3,25	2,69	2,46	3,00	14
30 Mar.	260,5	110,0	3,25	2,43	2,43	2,44	14
13 Apr.	366,0	140,0	3,25	2,39	2,38	2,41	14
27 Apr.	434,5	220,0	3,25	2,36	2,34	2,37	14
11 May	536,0	280,0	3,25	2,35	2,33	2,35	14
25 May	691,0	320,0	3,25	2,32	2,26	2,33	14
08 Jun.	627,5	400,0	3,25	2,31	2,29	2,32	14
22 Jun.	622,5	520,0	3,25	2,78	2,30	3,22	14
06 Jul.	552,0	400,0	3,25	2,84	2,31	3,14	14
20 Jul.	553,0	430,0	3,25	3,13	2,78	3,17	14
03 Aug.	707,0	480,0	3,25	3,06	2,85	3,09	14
17 Aug.	687,0	480,0	3,25	3,03	2,95	3,05	14
31 Aug.	687,5	500,0	3,25	3,00	2,96	3,02	14
14 Sep.	727,5	500,0	4,50	3,88	3,29	3,94	14
28 Sep.	803,0	500,0	4,50	3,89	3,65	3,94	14
12 Oct.	829,0	550,0	4,50	3,89	3,79	3,91	14
26 Oct.	930,5	580,0	4,50	3,87	3,69	3,93	14
09 Nov.	824,0	580,0	4,50	3,88	3,78	3,92	14
23 Nov.	842,0	580,0	4,50	3,89	3,79	3,91	14
07 Dec.	886,0	530,0	4,50	3,87	3,79	3,90	14
21 Dec.	1.034,0	600,0	4,50	3,76	3,65	3,80	14
2007 04 Jan.	889,0	650,0	4,50	3,84	3,50	3,97	14

Source: Central Bank of Cyprus.

(1) Since 9 October 2001, open market operations for the absorption of liquidity have been conducted through auctions for the acceptance of deposits (depos).

Table 16
Money market interest rates

(percent per annum, period averages)

	Cyprus					Euro area				
	Overnight deposits	2-7 days deposits	1-month deposits	1-6 months deposits	6-12 months deposits	Overnight deposits (EONIA)	1-month deposits (EURIBOR)	3-month deposits (EURIBOR)	6-month deposits (EURIBOR)	12-month deposits (EURIBOR)
2005 Nov.	2,62	2,84	2,90	5,75	-	2,09	2,22	2,36	2,50	2,68
Dec.	2,51	2,85	2,95	3,31	-	2,28	2,41	2,47	2,60	2,78
2006 Jan.	2,51	3,07	3,12	3,07	-	2,33	2,39	2,51	2,65	2,83
Feb.	2,48	2,90	2,98	4,33	3,38	2,35	2,46	2,60	2,72	2,91
Mar.	2,52	2,84	3,02	2,97	3,35	2,52	2,63	2,72	2,87	3,11
Apr.	2,53	2,80	2,95	3,64	3,35	2,63	2,65	2,79	2,96	3,22
May	2,48	3,23	3,22	3,44	3,55	2,58	2,69	2,89	3,06	3,31
June	2,49	2,95	2,97	3,26	-	2,70	2,87	2,99	3,16	3,40
July	2,79	3,08	3,23	3,53	-	2,81	2,94	3,10	3,29	3,54
Aug.	2,86	3,04	3,25	3,67	-	2,97	3,09	3,23	3,41	3,62
Sep.	3,46	3,79	3,73	3,76	-	3,04	3,16	3,34	3,53	3,72
Oct.	3,67	4,16	4,09	4,45	-	3,28	3,35	3,50	3,64	3,80
Nov.	3,58	3,95	4,02	4,24	-	3,33	3,42	3,60	3,73	3,86
Dec.	3,37	4,16	4,02	4,01	-					

Sources: Central Bank of Cyprus and European Central Bank.

Table 17**Commercial bank interest rates** ^(1, 2)

(percentages per annum)

	Lending rates					Deposit rates		
	Enterprises: overdraft within limits	Enterprises: secured loans	Personal: secured loans	Housing: loans secured by assignment of life policy	Credit cards	Current accounts	3 month notice - over CYP5.000	1 year fixed deposits - over CYP5.000
2004 Nov.	7,92	7,92	8,55	7,30	11,50	0,64	4,44	4,21
Dec.	7,92	7,92	8,55	7,30	11,50	0,63	4,44	4,21
2005 Jan.	7,92	7,92	8,55	7,30	11,50	0,66	4,47	4,32
Feb.	7,90	7,91	8,60	7,30	11,67	0,67	4,39	4,36
Mar.	7,61	7,63	8,38	6,76	11,83	0,65	4,37	4,38
Apr.	7,61	7,63	8,38	6,76	11,75	0,64	4,30	4,38
May	7,18	7,20	7,97	6,33	11,83	0,55	4,04	4,07
June	6,69	6,70	7,58	5,76	12,00	0,39	3,47	3,88
July	6,69	6,70	7,47	5,76	12,00	0,42	3,47	3,85
Aug.	6,70	6,69	7,49	5,74	12,00	0,45	3,47	3,82
Sep.	6,69	6,69	7,49	5,74	12,00	0,46	3,47	3,79
Oct.	6,69	6,68	7,29	5,74	12,00	0,47	3,47	3,75
Nov.	6,69	6,68	7,29	5,72	12,00	0,46	3,48	3,72
Dec.	6,69	6,68	7,28	5,71	12,00	0,45	3,47	3,68
2006 Jan.	6,67	6,67	7,28	5,71	12,00	0,46	3,48	3,63
Feb.	6,65	6,65	7,27	5,71	12,00	0,45	3,48	3,59
Mar.	6,64	6,65	7,27	5,69	12,00	0,47	3,48	3,57
Apr.	6,64	6,64	7,28	5,69	12,00	0,48	3,48	3,55
May	6,64	6,63	7,28	5,68	12,00	0,47	3,48	3,52
June	6,65	6,62	7,28	5,68	12,00	0,43	3,48	3,43
July	6,65	6,62	7,28	5,68	12,00	0,46	3,47	3,42
Aug.	6,64	6,62	7,29	5,68	12,00	0,46	3,47	3,42
Sep.	6,88	6,81	7,51	5,84	12,17	0,55	3,64	3,58
Oct.	6,89	6,81	7,50	5,84	12,17	0,51	3,65	3,58
Nov.	6,88	6,81	7,48	5,84	12,17	0,50	3,65	3,58

Source: Domestic banks.

(1) Reported as at end of month.

(2) Data refer to the average of the representative interest rates as defined by the three largest banks.

Table 18
Interest rates - European monetary financial institutions

(percent per annum, outstanding amounts as at end-of-period)

1. Interest rates on euro-denominated deposits by euro area residents

	Deposits from households					Deposits from non-financial corporations			
	Overnight	With agreed maturity		Redeemable at notice ⁽¹⁾		Overnight	With agreed maturity		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
2005 Oct.	0,69	1,93	3,17	1,97	2,27	0,97	2,12	3,40	
Nov.	0,70	1,96	3,15	2,00	2,27	1,00	2,16	3,43	
Dec.	0,71	2,01	3,15	1,97	2,30	1,02	2,30	3,41	
2006 Jan.	0,73	2,05	3,11	2,00	2,32	1,05	2,32	3,47	
Feb.	0,74	2,09	3,13	1,97	2,34	1,08	2,38	3,47	
Mar.	0,76	2,16	3,01	1,98	2,37	1,14	2,48	3,46	
Apr.	0,79	2,21	3,01	2,00	2,42	1,16	2,53	3,51	
May	0,79	2,27	3,05	2,00	2,48	1,18	2,59	3,52	
Jun.	0,81	2,34	3,08	2,04	2,53	1,22	2,72	3,53	
Jul.	0,81	2,43	3,03	2,08	2,58	1,24	2,80	3,57	
Aug.	0,85	2,52	3,05	2,23	2,64	1,32	2,93	3,64	
Sep.	0,86	2,59	3,08	2,26	2,68	1,36	3,00	3,69	

2. Interest rates on euro-denominated loans by euro area residents

	Loans to households						Loans to non-financial corporations		
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity			With maturity		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years
2005 Oct.	4,49	4,19	4,57	7,92	6,80	5,64	4,24	3,77	4,24
Nov.	4,48	4,17	4,53	7,86	6,77	5,66	4,29	3,79	4,25
Dec.	4,54	4,14	4,52	7,89	6,77	5,62	4,35	3,84	4,24
2006 Jan.	4,62	4,14	4,50	7,99	6,78	5,60	4,42	3,88	4,26
Feb.	4,59	4,17	4,54	7,97	6,78	5,68	4,49	3,95	4,31
Mar.	4,60	4,15	4,52	8,06	6,80	5,73	4,53	3,98	4,31
Apr.	4,63	4,16	4,52	8,10	6,73	5,75	4,59	4,05	4,34
May	4,63	4,16	4,52	8,10	6,70	5,71	4,64	4,10	4,36
June	4,67	4,20	4,55	8,10	6,75	5,73	4,72	4,19	4,40
July	4,68	4,21	4,57	8,15	6,71	5,82	4,81	4,27	4,45
Aug.	4,72	4,23	4,60	8,21	6,72	5,82	4,85	4,33	4,48
Sep.	4,81	4,27	4,62	8,31	6,81	5,86	4,93	4,40	4,53

Source: European Central Bank.

(1) For this instrument category, households and non-financial corporations are merged and allocated to the household sector, since the outstanding amounts of non-financial corporations are negligible compared with those of the household sector in all participating Member States combined.

Table 19
Interest rate announcements in 2006

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
European Central Bank ⁽¹⁾	12 2,25	2 2,25	2 2,50	6 2,50	4 2,50	8 2,75	6 2,75	3 3,00		5 3,25	2 3,25	7 3,50
								31 3,00				
Bank of England ⁽²⁾	12 4,50	9 4,50	9 4,50	6 4,50	4 4,50	8 4,50	6 4,50	3 4,75	7 4,75	5 4,75	9 5,00	7 5,00
Federal Reserve ⁽³⁾	31 4,50		28 4,75		10 5,00	28/29 5,25		8 5,25	20 5,25	24/25 5,25		12 5,25
Central Bank of Cyprus ⁽⁴⁾	13 4,25	24 4,25		7 4,25	19 4,25		7 4,25		1 4,50	20 4,50		1 4,50

(1) Minimum bid rate on the main refinancing operations.

(2) Rate paid on commercial bank reserves.

(3) Federal funds rate.

(4) Bid rate on the main refinancing operations (repo rate).

Table 20
Interest rate announcements in 2007

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
European Central Bank ⁽¹⁾	11	8	8	12	10	6	5		6	4	8	6
Bank of England ⁽²⁾	11	8	8	5	10	7	5	2	6	4	8	6
Federal Reserve ⁽³⁾	30/31		20/21		9	27/28		7	18	30/31		11
Central Bank of Cyprus ⁽⁴⁾	12	23		13	18		6		7	19		7

(1) Minimum bid rate on the main refinancing operations.

(2) Rate paid on commercial bank reserves.

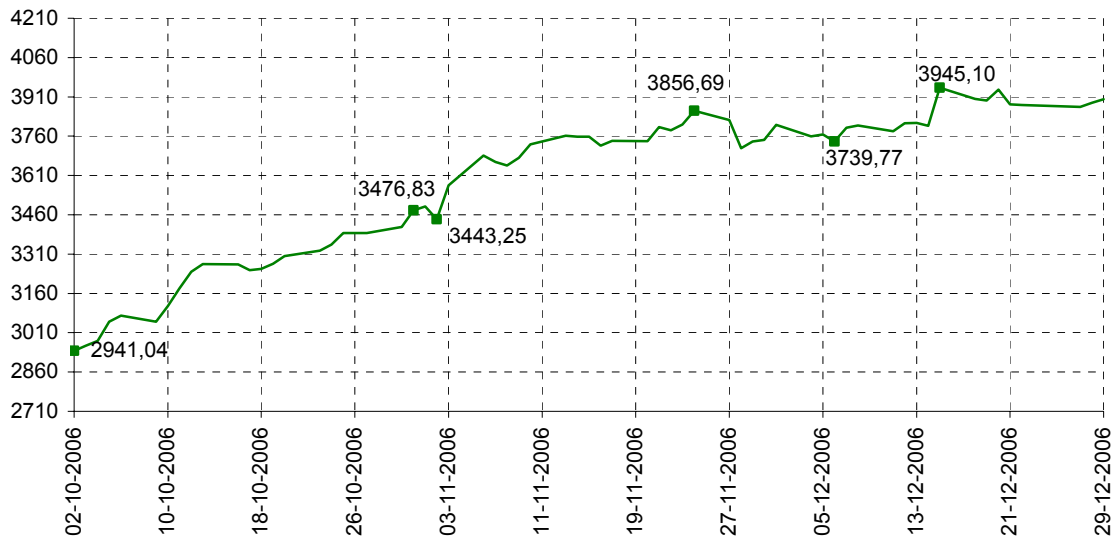
(3) Federal funds rate.

(4) Bid rate on the main refinancing operations (repo rate).

Chart 7

Cyprus Stock Exchange – main parallel market index

(daily data, 3/9/2004=1000)



Source: Cyprus Stock Exchange.

Table 21
Cyprus Stock Exchange: purchase and sale of listed shares by non-residents⁽¹⁾

(CYP thousand)

Geographic origin of non-resident investors	Purchase of listed shares by non-residents							Sale of listed shares by non-residents						
	2004	2005	2006					2004	2005	2006				
			June	July	Aug.	Sep.	Oct.			June	July	Aug.	Sep.	Oct.
EUROPE	7.416,2	7.395,9	14.458,3	958,1	26.718,8	6.138,7	41.626,0	1.199,3	3.461,1	1.474,1	2.465,1	2.114,4	2.731,2	5.275,4
EU-25	6.064,4	6.805,2	13.348,1	926,7	26.561,9	4.372,8	37.615,0	3.710,1	2.980,4	816,9	1.767,7	2.077,7	2.273,9	2.715,5
Greece	5.519,5	5.667,5	13.136,1	848,6	25.493,0	3.531,2	31.313,8	3.328,1	2.269,5	630,5	1.608,2	1.595,5	1.994,4	2.190,5
United Kingdom	265,2	238,2	149,2	11,4	75,0	76,3	6.175,8	182,5	390,6	74,0	138,6	274,8	272,5	392,2
Other European countries	1.351,8	590,7	1.110,1	31,4	156,8	1.765,9	4.010,9	228,6	480,7	657,3	697,4	36,6	457,4	2.560,0
Russian Federation	1.131,5	405,4	5,3	19,3	19,5	0,9	6,4	59,3	279,7	39,6	46,5	34,3	78,1	16,9
AFRICA	415,8	51,4	13,4	2,8	7,7	1.414,1	513,5	295,7	90,1	0,0	0,0	6.210,6	0,3	22,6
North African countries	0,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,8	0,0	0,0	0,0	0,0	0,0
Other African countries	414,9	51,4	13,4	2,8	7,7	1.414,1	513,5	295,7	88,3	0,0	0,0	6.210,6	0,3	22,6
South Africa	56,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	7,6	0,0	0,0	0,0	0,3	3,6
AMERICA	888,6	429,3	3.440,4	12.983,6	2.586,5	1.702,0	11.251,5	1.643,7	1.232,7	668,9	551,0	19.107,0	1.243,0	1.793,1
North American countries	635,6	84,1	6,0	1.079,0	87,5	148,0	8.487,5	80,0	33,2	20,8	74,5	1.187,9	276,0	262,7
United States of America	634,9	81,9	6,0	1.078,5	87,3	142,4	8.487,5	28,7	33,2	14,9	74,5	1.185,8	276,0	256,6
Canada	0,7	2,2	0,0	0,5	0,2	5,6	0,0	51,3	0,0	5,9	0,0	2,1	0,0	6,1
Central American countries	253,0	345,2	3.434,4	11.904,6	2.499,0	1.554,0	2.764,0	1.563,7	1.199,4	648,1	476,5	17.919,2	967,0	1.530,4
South American countries	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
ASIA	61,7	267,3	0,0	0,0	19,2	20,9	13,1	12,2	229,2	4,3	0,0	54,1	8,9	642,8
West Asia	17,0	204,7	0,0	0,0	17,4	20,9	13,1	12,2	168,9	4,3	0,0	54,1	8,9	642,8
Other Asian countries	44,8	62,6	0,0	0,0	1,7	0,0	0,0	0,0	60,3	0,0	0,0	0,0	0,0	0,0
OCEANIA	18,5	0,0	0,0	0,0	0,0	28,2	0,0	8,2	0,0	0,0	0,0	0,0	19,0	0,0
Total	8.800,8	8.143,9	17.912,0	13.944,5	29.332,1	9.303,9	53.404,1	5.898,5	5.013,0	2.147,4	3.016,1	27.486,1	4.002,5	7.734,0

Source: Cyprus Stock Exchange.

(1) Purchase of shares included in the central securities depository as well as shares not included in the central securities depository.

Table 22**Percentage change in CPI by economic category***(January – November 2006)*

	2003	2004	2005	November		October		November		Jan.- Nov. 2005/ 2004	Jan.- Oct. 2006/ 2005	Jan.- Nov. 2006/ 2005	Weights	
				2005/ 2004	2004	2006/ 2005	2005	2006/ 2005	1998=100				2005=100	
GENERAL INDEX	4,14	2,28	2,56	2,87	1,43	1,07	2,61	2,73	2,58				100,00	100,00
A Domestic products	6,21	2,95	1,79	3,64	3,94	2,55	1,89	4,58	4,39				36,69	28,60
A.1 Agricultural	4,54	3,32	1,34	6,51	7,20	5,53	1,98	5,82	5,79				7,93	6,92
A.2 Industrial	6,46	3,36	1,14	1,00	2,65	2,01	1,15	2,60	2,55				22,91	19,24
A.3 Electricity	10,20	-3,13	11,51	23,37	4,60	-1,55	10,30	16,92	14,97				1,52	2,44
B Petroleum products	14,16	17,18	14,82	11,14	-6,37	-1,32	15,01	9,73	8,69				4,33	6,44
C Imported products	-2,38	-5,55	-2,47	-1,75	-1,24	-2,62	-2,57	-0,82	-0,99				22,20	25,31
C1 Motor vehicles	-8,31	-13,50	-2,42	-1,71	-1,28	-9,61	-2,55	0,27	-0,63				9,43	6,15
C2 Other imported	1,81	-0,39	-2,49	-1,76	-1,23	-0,43	-2,58	-1,17	-1,10				12,77	19,16
D Services	4,38	3,23	3,34	2,74	2,69	2,75	3,40	2,53	2,55				41,11	39,65
HICP	4,0	1,9	2,1	2,0	1,7	1,3	2,0	2,4	2,2					

Source: Cystat.

Table 23
Weighted contribution to the total percentage change in CPI by economic category

January- November 2006

		2003	2004	2005	November 2005/ 2004	October 2006/ 2005	November 2006/ 2005	Jan.- Nov. 2005/ 2004	Jan.- Oct. 2006/ 2005	Jan.- Nov. 2006/ 2005	Weights	
											1998=100	2005=100
GENERAL INDEX		4,14	2,28	2,56	2,87	1,43	1,07	2,61	2,73	2,58	100,00	100,00
A	Domestic products	2,79	1,98	1,58	1,24	1,14	0,75	0,64	1,30	1,25	36,69	28,60
A.1	Agricultural	0,37	0,27	0,11	0,54	0,51	0,40	0,16	0,40	0,40	7,93	6,92
A.2	Industrial	1,47	0,78	0,27	0,24	0,51	0,39	0,20	0,50	0,49	22,91	19,24
A.3	Electricity	0,20	-0,07	0,23	0,46	0,12	-0,04	0,21	0,40	0,36	1,52	2,44
B	Petroleum products	0,74	0,99	0,97	0,77	-0,44	-0,09	0,99	0,63	0,56	4,33	6,44
C	Imported products	-0,48	-1,04	-0,43	-0,30	-0,31	-0,66	-0,45	-0,21	-0,25	22,20	25,31
C1	Motor vehicles	-0,69	-1,00	-0,15	-0,10	-0,08	-0,58	-0,16	0,02	-0,04	9,43	6,15
C2	Other imported	0,21	-0,04	-0,28	-0,19	-0,23	-0,08	-0,29	-0,22	-0,21	12,77	19,16
D	Services	1,83	1,35	1,41	1,15	1,05	1,07	1,44	1,01	1,01	41,11	39,65

Source: Cystat.

Table 24**Percentage change in the consumer price index by category of goods and services (%)***(January – November 2006)*

	Years			November 2005/ 2004	October 2006/ 2005	November 2006/ 2005	Jan.- Nov. 2005/ 2004	Jan.- Oct. 2006/ 2005	Jan.- Nov. 2006/ 2005	Weights	
	2003	2004	2005							2005=100	1998=100
GENERAL INDEX	4,14	2,28	2,56	2,87	1,43	1,07	2,61	2,73	2,58	100,00	100,00
Food & non-alcoholic beverages	5,11	3,97	1,59	4,03	5,27	4,13	1,85	4,63	4,58	17,50	18,20
Alcoholic beverages & tobacco	24,22	10,57	0,23	-0,57	1,29	0,61	0,26	0,51	0,52	2,21	1,78
Clothing & footwear	1,19	-0,79	-2,24	-0,10	-1,88	-1,11	-2,41	-0,13	-0,23	8,93	8,22
Housing, water, electricity & gas	5,04	4,19	5,41	5,68	2,13	1,72	5,36	5,58	5,22	15,87	21,27
Furnishings, household equipment & supplies	3,59	-0,45	0,58	0,13	-0,66	-0,29	0,63	0,22	0,18	6,78	7,08
Health	5,66	3,72	0,36	-1,29	3,72	3,76	0,51	0,82	1,08	5,03	4,92
Transport	0,35	-3,06	3,79	3,81	-1,85	-3,21	3,73	4,01	3,34	15,99	17,42
Communications	-7,16	-8,48	-10,34	-12,39	-0,16	-0,19	-10,15	-2,14	-1,97	3,94	1,79
Recreation & culture	3,55	2,26	1,06	-0,72	0,55	0,89	1,21	-0,52	-0,40	6,33	5,88
Education	4,02	3,96	5,21	4,24	4,89	4,89	5,30	4,64	4,66	2,87	2,33
Restaurants & hotels	5,31	4,69	3,30	2,14	1,96	1,80	3,43	2,26	2,22	7,57	6,07
Miscellaneous goods & services	5,50	5,16	3,83	3,75	2,44	2,71	3,81	2,17	2,22	6,98	5,04

Source: Cystat.

Table 25
Weighted contribution to the total change in the consumer price index by category of goods and services (%)

(January-November 2006)

	Years			November 2005/ 2004	October 2006/ 2005	November 2006/ 2005	Jan.- Nov. 2005/ 2004	Jan.- Oct. 2006/ 2005	Jan.- Nov. 2006/ 2005	Weights	
	2003	2004	2005							2005=100	1998=100
GENERAL INDEX	4,14	2,28	2,56	2,87	1,43	1,07	2,61	2,73	2,58	100,00	100,00
Food & non-alcoholic beverages	5,11	3,97	1,59	4,03	5,27	4,13	1,85	4,63	4,58	17,50	18,20
Alcoholic beverages & tobacco	24,22	10,57	0,23	-0,57	1,29	0,61	0,26	0,51	0,52	2,21	1,78
Clothing & footwear	1,19	-0,79	-2,24	-0,10	-1,88	-1,11	-2,41	-0,13	-0,23	8,93	8,22
Housing, water, electricity & gas	5,04	4,19	5,41	5,68	2,13	1,72	5,36	5,58	5,22	15,87	21,27
Furnishings, household equipment & supplies	3,59	-0,45	0,58	0,13	-0,66	-0,29	0,63	0,22	0,18	6,78	7,08
Health	5,66	3,72	0,36	-1,29	3,72	3,76	0,51	0,82	1,08	5,03	4,92
Transport	0,35	-3,06	3,79	3,81	-1,85	-3,21	3,73	4,01	3,34	15,99	17,42
Communications	-7,16	-8,48	-10,34	-12,39	-0,16	-0,19	-10,15	-2,14	-1,97	3,94	1,79
Recreation & culture	3,55	2,26	1,06	-0,72	0,55	0,89	1,21	-0,52	-0,40	6,33	5,88
Education	4,02	3,96	5,21	4,24	4,89	4,89	5,30	4,64	4,66	2,87	2,33
Restaurants & hotels	5,31	4,69	3,30	2,14	1,96	1,80	3,43	2,26	2,22	7,57	6,07
Miscellaneous goods & services	5,50	5,16	3,83	3,75	2,44	2,71	3,81	2,17	2,22	6,98	5,04

Source: Cystat.

Table 26**Tourist arrivals⁽¹⁾***(number of persons)*

	2000	2001	2002	2003	2004	2005	2006	% change 2003/2002	% change 2004/2003	% change 2005/2004	% change 2006/2005
January	63.553	64.214	54.067	59.529	56.504	58.894	54.875	10,1	-5,1	4,2	-6,8
February	87.243	83.569	71.950	77.972	75.705	72.600	66.151	8,4	-2,9	-4,1	-8,9
March	135.487	137.578	138.625	91.634	111.946	137.075	107.071	-33,9	22,2	22,4	-21,9
April	221.785	237.228	180.481	169.891	191.251	183.561	206.548	-5,9	12,6	-4,0	12,5
May	299.355	324.901	279.070	231.527	261.646	284.132	283.513	-17,0	13,0	8,6	-0,2
June	302.011	322.835	293.192	262.100	264.799	282.652	280.164	-10,6	1,0	6,7	-0,9
July	362.299	373.385	327.404	318.143	305.978	338.972	341.443	-2,8	-3,8	10,8	0,7
August	356.686	371.536	301.724	325.390	305.926	336.587	314.872	7,8	-6,0	10,0	-6,5
September	329.964	329.400	306.731	287.358	303.506	302.833	296.532	-6,3	5,6	-0,2	-2,1
October	300.597	269.744	275.840	271.980	278.976	292.273		-1,4	2,6	4,8	
November	133.500	107.454	111.327	123.800	114.048	104.822		11,2	-7,9	-8,1	
December	93.722	74.887	77.822	83.919	78.723	75.656		7,8	-6,2	-3,9	
Jan. - Dec.	2.686.202	2.696.731	2.418.233	2.303.243	2.349.008	2.470.057		-4,8	2,0	5,2	
Jan.-Nov.	2.592.480	2.621.844	2.340.411	2.219.324	2.270.285	2.394.401	2.329.897	-5,2	2,3	5,5	-2,7

Source: Cystat.

*(1) Arrivals of same-day visitors are not included.***Table 27****Receipts from tourism⁽¹⁾***(CYP million)*

	2000	2001	2002	2003	2004	2005	2006	% change 2004/2003	% change 2005/2004	% change 2006/2005
January	-	24,9	21,6	25,6	21,8	20,7	21,2	-15,0	-5,0	2,4
February	-	29,1	28,9	31,4	25,4	23,5	23,1	-19,1	-7,5	-1,7
March	-	49,7	59,2	37,8	42,1	47,6	38,9	11,2	13,2	-18,3
April	-	89,9	77,0	67,1	72,1	62,0	74,5	7,4	-14,0	20,2
May	-	139,1	119,5	92,5	99,5	105,4	111,9	7,6	5,9	6,2
June	122,9	157,4	139,3	114,8	109,3	113,3	117,7	-4,8	3,7	3,9
July	162,7	192,0	160,7	152,4	135,1	140,1	155,0	-11,4	3,7	10,6
August	173,7	205,0	153,8	165,3	148,1	161,3	155,0	-10,4	8,9	-3,9
September	161,9	176,3	157,4	134,1	141,2	137,9	140,9	5,3	-2,3	
October	135,1	130,2	128,0	112,4	115,9	120,5		3,1	4,0	
November	54,1	48,8	51,4	48,7	43,1	43,1		-11,5	0,0	
December	36,2	29,2	35,6	32,9	28,8	30,3		-12,4	5,2	
Jan. - Dec.	-	1.271,6	1.132,4	1.015,0	982,3	1.005,7		-3,2	2,4	
Jan. - Nov.		1242,4	1096,7	982,2	953,5	975,4	998,7	-2,9	2,3	2,4

Source: Cystat.

(1) Receipts from same-day visitors are not included.

Table 28**Trade balance data**

(CYP million)

Period	TOTAL TRADE		EXTRA-EU TRADE		INTRA-EU TRADE	
	Total Imports/ Arrivals	Total Exports/ Dispatches	Total Imports	Total Exports	Arrivals	Dispatches
	(cif)	(fob)	(cif)	(fob)	(cif)	(fob)
2003	2.304,1	476,8	992,8	198,3	1.311,3	278,5
2004	2.679,3	548,0	921,7	202,5	1.757,6	345,5
2005	2.966,8	719,2	952,9	224,3	1.965,4	447,8
2005						
January	195,2	42,4	62,9	14,6	132,3	27,8
February	214,9	46,8	76,5	18,6	138,5	28,2
March	256,5	57,9	74,0	22,5	182,5	35,4
April	230,7	59,8	78,1	18,6	152,6	41,3
May	239,0	56,1	74,5	16,0	164,5	40,1
June	234,7	56,7	85,3	18,9	149,4	37,8
July	239,5	58,7	78,6	18,9	160,9	39,8
August	221,0	52,8	64,8	17,3	156,2	35,5
September	270,5	69,9	94,8	15,4	175,7	54,5
October	283,5	72,5	93,9	16,2	189,6	56,3
November	307,9	88,5	115,1	27,7	192,8	60,9
December	273,3	56,9	74,6	17,0	198,8	40,0
2006						
January	247,3	52,0	80,8	13,8	166,5	38,2
February	237,1	49,0	83,3	17,1	153,6	31,9
March	283,1	65,5	91,3	22,5	191,8	43,0
April	251,3	51,5	86,5	21,1	164,9	30,4
May	278,5	51,0	93,2	16,2	185,3	34,8
June	342,6	51,7	152,5	17,3	190,1	34,4
July	254,2	52,0	81,7	17,7	172,4	34,5
August	259,2	43,6	98,8	18,6	160,4	26,0
September	259,6	53,0	92,4	22,1	167,2	30,6
October*	273,1	43,8	80,4	17,1	192,7	26,4
Jan. - Oct. 2003	1.905,5	409,9	832,8	168,4	1.072,6	217,0
Jan. - Oct. 2004	2.158,6	447,8	757,1	163,3	1.401,5	253,0
Jan. - Oct. 2005	2.385,5	573,7	783,4	177,0	1.602,2	396,7
Jan - Oct. 2006 (p)	2.685,9	513,2	941,0	183,5	1.744,9	330,3
% change Jan. - Oct. 2004/2003	13,3	9,3	-9,1	-3,0	30,7	16,6
% change Jan. - Oct 2005/2004	10,5	28,1	3,5	8,4	14,3	56,8
% change Jan. - Oct 2006/2005 (p)	12,6	-10,6	20,1	3,7	8,9	-16,8

Source :Cystat

Note: Care should be taken when comparing data for May 2004 onwards with pre-May 2004 data due to methodological changes resulting from accession to the EU.

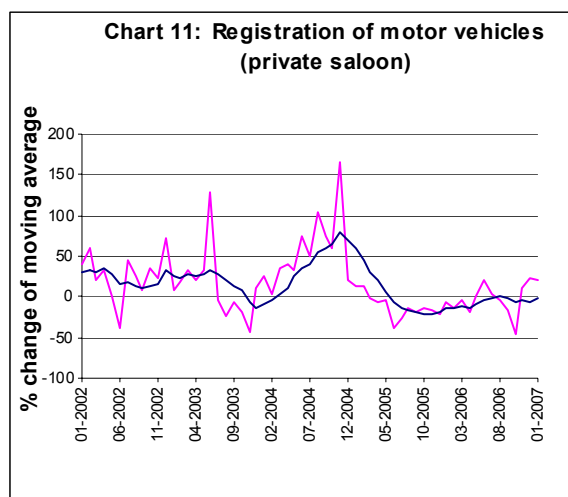
Figures are not strictly comparable since data prior to May 2004 for intra-Eu and extra-EU trade on arrivals/imports are recorded by country of origin while for dispatches/exports by country of final destination, whereas data for May 2004 onwards for intra-EU trade on arrivals/imports are recorded by country of consignment and for dispatches by country of dispatch. Intra-EU trade refers to trade with EU 25 Member States, while extra-EU trade refers to trade with third countries. "Arrivals" denote goods within the European Union which enter the statistical territory of Cyprus and "Dispatches" denote goods which leave the statistical territory of Cyprus in order to enter another Member State. Data on countries and territories not specified and stores and provisions prior to May 2004 are included in extra-EU trade.

Table 28**Turnover volume index of retail trade**

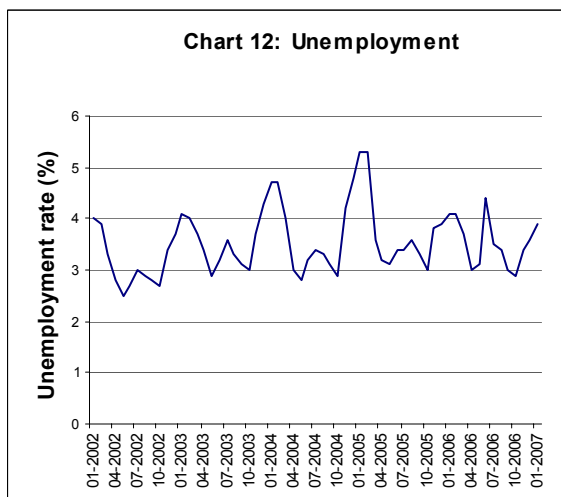
(percentage change by category)

	Oct. 05/04	Oct. 06/05	Jan-Oct. 05/04	Jan.-Oct. 06/05
General index	8,68	10,70	4,99	7,12
Retail sale in non-specialised stores with food, beverages or tobacco predominating	8,18	5,34	10,07	7,56
Other retail sale in non-specialised stores	0,45	5,53	1,95	2,75
Retail sale of food, beverages and tobacco in specialised stores	4,27	16,37	9,21	12,90
Retail sale of pharmaceutical and medical goods, cosmetics and toilet articles	21,03	27,60	18,25	15,84
Retail sale of textiles, clothing, footwear and leather goods	23,54	8,54	4,61	6,82
Retail sale of furniture, lighting equipment and household articles, electrical household appliances and radio and television goods hardware, paints and glass	8,56	14,7	7,15	9,96
Retail sale of books, newspapers and stationery and other retail sale in specialised stores	6,90	16,10	-5,02	2,62
Retail sale of second-hand goods in stores	2,18	-48,90	-17,17	75,76
Retail sale not in stores	12,19	-6,92	0,33	3,70

Source: Cystat.

Charts 11 - 12**Selected economic indicators (A)**

Source: Cystat.



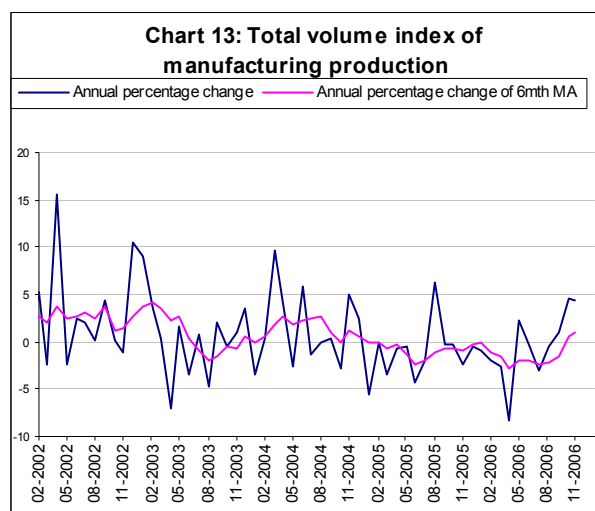
Source: Cystat.

Table 30
Manufacturing production volume index

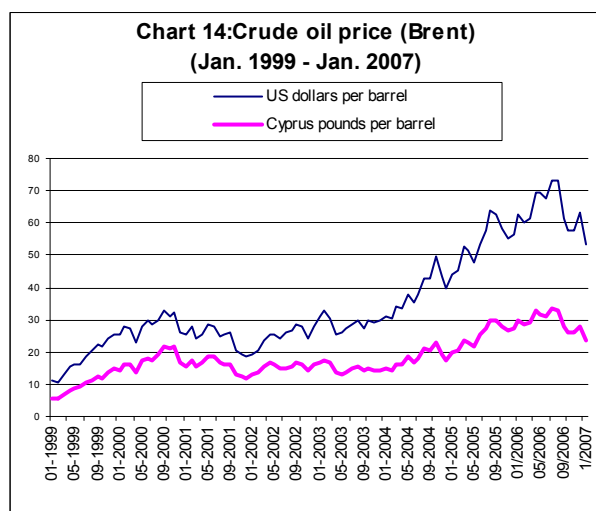
(percentage change by category)

	Oct. 05/04	Oct. 06/05	Jan-Oct. 05/04	Jan .- Oct. 06/05
General index	0,7	3,6	-0,8	-1,2
Food products, beverages & tobacco	-1,2	2,8	1,5	-7,0
Textiles & textile products	3,7	-0,7	-7,7	-14,5
Leather & leather products	-27,2	-28,5	-45,6	-25,2
Wood & wood products	-6,1	-6,0	-0,53	-2,0
Paper, paper products, publishing & printing	-0,2	3,4	-3,6	4,0
Refined petroleum products	-5,6	-2,9	-90,9	1,4
Chemicals, chemical products & man-made fibres	-0,2	4,4	2,5	6,0
Rubber & plastic products	4,8	6,9	-4,7	2,3
Other non-metallic mineral products	0,1	3,7	3,3	0,0
Basic metals & fabricated metal products	-0,5	15,3	-7,1	5,7
Machinery & equipment n.e.c.	22,2	-3,7	8,5	-4,0
Electrical & optical equipment	-1,1	38,1	0,6	24,8
Transport equipment	-10,1	6,1	-4,6	6,5
Manufacturing n.e.c.	13,4	2,9	-1,9	1,9

Source: Cystat.

Charts 13- 14
Selected economic indicators (B)


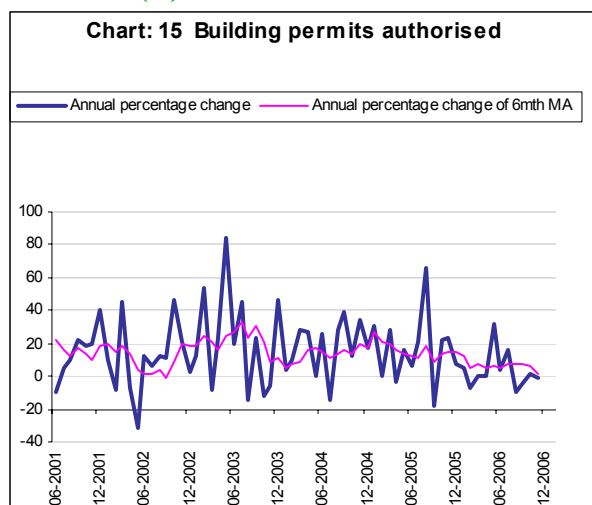
Source: Cystat.



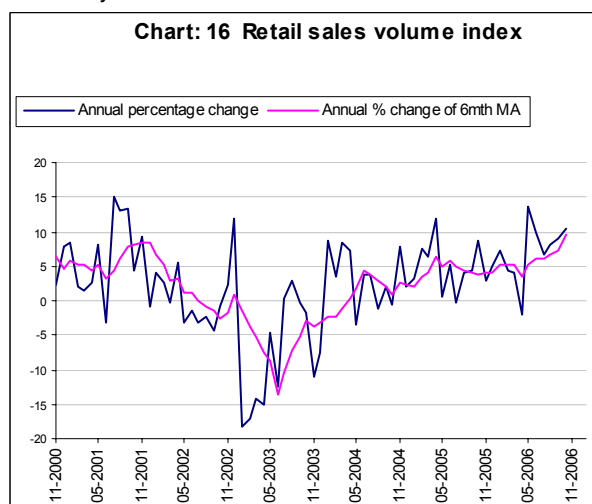
Source: Cystat.

Charts 15 -17

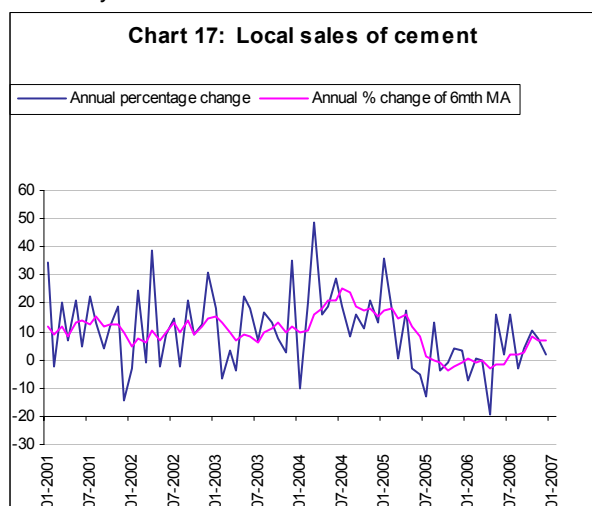
Selected economic indicators (C)



Source: Cystat.



Source: Cystat.



Source: Cystat.

Table 31
Balance of payments

(CYP million)

CATEGORIES	2005 (Annual) (Prov.)			2006 (Q1) (Prov.)			2006 (Q2) (Prov.)			2006 (Q3) (Prov.)		
	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET
CURRENT ACCOUNT	4.778,7	5.219,1	-440,5	1.031,9	1.256,8	-224,9	1.276,0	1.388,6	-112,6	1.596,3	1.324,2	272,1
Goods, services and income	4.486,1	4.969,0	-482,8	940,5	1.184,8	-244,2	1.177,8	1.328,2	-150,4	1.491,1	1.240,3	250,8
Goods and services	3.729,8	3.938,5	-208,7	771,9	1.024,3	-252,4	987,3	1.101,6	-114,2	1.275,7	1.061,0	214,7
Goods	719,2	2.684,5	-1.965,3	166,5	703,7	-537,2	152,9	790,2	-637,3	148,8	717,5	-568,7
Services	3.010,6	1.254,0	1.756,6	605,3	320,6	284,7	834,5	311,4	523,1	1.126,9	343,5	783,4
Transport	713,1	497,7	215,4	185,1	144,8	40,3	208,8	124,5	84,3	252,6	107,4	145,1
Travel	1.081,7	432,8	648,9	100,5	97,3	3,3	305,0	98,7	206,3	467,3	137,8	329,6
Communications services	15,6	44,0	-28,4	7,5	11,9	-4,4	7,2	18,0	-10,8	9,2	14,5	-5,3
Construction services	75,6	4,9	70,7	17,5	2,5	15,0	24,5	2,6	21,9	20,0	2,8	17,3
Insurance services	26,3	30,0	-3,7	15,4	11,2	4,2	14,1	6,9	7,2	12,9	8,3	4,6
Financial services	123,4	43,7	79,7	31,7	6,2	25,5	41,2	16,1	25,1	45,4	15,1	30,2
Computer and information services	98,8	16,0	82,8	19,2	4,5	14,8	23,7	3,2	20,6	30,8	3,0	27,9
Royalties and licence fees	6,9	21,2	-14,3	2,1	3,0	-0,9	0,2	1,7	-1,5	4,1	5,6	-1,6
Other business services	699,6	94,6	605,1	175,7	22,9	152,9	163,8	26,6	137,2	238,8	32,4	206,4
Personal, cultural and recreational services	19,2	26,0	-6,9	6,5	6,8	-0,3	4,2	6,6	-2,4	5,2	7,2	-2,0
Government services, n.i.e.	150,5	43,1	107,4	44,0	9,5	34,4	41,8	6,6	35,2	40,6	9,4	31,2
Income	756,3	1.030,4	-274,1	168,7	160,5	8,2	190,5	226,7	-36,2	215,4	179,2	36,1
Compensation of employees	25,4	85,8	-60,4	4,3	24,0	-19,7	3,8	15,2	-11,4	3,3	23,7	-20,4
Investment income	730,9	944,7	-213,7	164,4	136,5	27,9	186,7	211,4	-24,8	212,1	155,5	56,5
Current transfers	292,5	250,2	42,4	91,4	72,1	19,3	98,2	60,4	37,8	105,3	83,9	21,3
General government	108,3	97,4	10,9	38,7	32,4	6,3	25,6	13,2	12,5	41,3	25,4	15,9
Other sectors	184,2	152,8	31,4	52,7	39,7	13,0	72,6	47,3	25,3	63,9	58,6	5,4
Capital and financial account			390,1			277,4			189,5			-228,1
Capital account	60,9	20,6	40,3	7,7	11,2	-3,5	37,9	10,6	27,2	45,1	9,6	35,5
Financial account			349,8			280,9			162,3			-263,6
Direct investment			339,7			60,5			55,9			17,4
Abroad			-223,5			-36,1			-29,0			-72,6
In Cyprus			563,2			96,6			84,9			90,0
Portfolio investment			-62,0			-90,8			169,6			-481,8
Assets			-755,9			-386,0			-428,7			-719,8
Liabilities			693,9			295,2			598,3			238,0
Financial derivatives			-6,8			1,6			1,3			3,6
Other investment			412,7			241,6			126,1			265,8
Assets			-3.384,1			-269,4			-448,5			-1.398,5
Liabilities			3.796,8			511,0			574,6			1.664,3
Reserve assets			-333,8			68,0			-190,6			-68,6
NET ERRORS AND OMISSIONS			50,4			-52,4			-76,9			-44,0

Sources: Central Bank of Cyprus and Cystat.

Table 32**Public finances summary: central government and social security fund⁽¹⁾**

	Jan-Oct. 2005	Jan-Oct. 2006	Change
	CYP million		(CYP million)
Total revenue and grants	2.289,1	2.441,0	151,9
Direct taxes	632,1	687,4	55,3
Income tax	370,6	486,0	115,4
Other direct taxes	261,6	201,4	-60,2
Indirect taxes	993,6	1.088,2	94,6
Value added tax	574,1	635,4	61,3
Excise taxes	276,7	282,0	5,2
Import duty	26,8	20,6	-6,2
Social security contributions	298,8	317,1	18,3
Non-tax revenue	292,2	277,2	-15,0
Foreign grants	72,4	71,2	-1,2
Total expenditure and net lending	2.291,4	2.436,7	145,3
Current expenditure	2.147,7	2.291,7	144,0
Goods and services	154,8	191,8	37,0
Wages and salaries	636,5	692,3	55,8
Pensions and gratuities	135,6	146,6	10,9
Social pensions	25,2	23,0	-2,2
Other current transfers ⁽²⁾	453,7	521,2	67,6
Unallocable expenses ⁽³⁾	10,5	6,7	-3,7
Social security funds payments	383,8	383,4	-0,4
Subsidies	43,1	18,3	-24,9
Interest	304,5	308,5	4,0
Capital expenditure	143,7	145,0	1,3
Investment	143,7	145,0	1,3
Capital transfers	0,0	0,0	0,0
Net lending	0,0	0,0	0,0
Fiscal surplus (+)/deficit(-)	-2,3	4,3	
<i>As % of GDP</i>	<i>-0,03</i>	<i>0,05</i>	

Source: Cystat.

(1) The figures are prepared on a cash basis methodology. Therefore, they are not identical to the figures submitted officially by Cystat to Eurostat as these refer to general government finances and are compiled on an accrual basis.

(2) Includes transfers to semi-governmental organisations, local authorities, pensioners and students.

(3) Includes only expenditure on military equipment.