



**CENTRAL BANK OF CYPRUS**  
**ECONOMIC RESEARCH DEPARTMENT**

**MONETARY  
POLICY  
REPORT**

**JANUARY 2004**

## **1. INTRODUCTION**

The world economic situation which shows signs of recovery is strongly linked to the rebound reported in United States economy and, to a lesser extent, to the euro economic area, which also shows signs of growth but at a slower rate. The continuous depreciation of the US dollar makes American exports more attractive while, in contrast, the appreciation of the euro adversely affects the economic growth of the euro area. Interest rates are expected to remain unchanged both in the US and Europe since inflation in the former is still at low levels and inflationary pressures in the latter are constrained by the recent appreciation of the euro. In Japan, the economic recovery is continuing, albeit at a slow rate, despite worries about the recent appreciation of the yen against the US dollar. In Cyprus there was a distinct decline in inflation due to a decrease in the prices of new cars caused by lower import duties. A significant development during December was the outflow of foreign currency which was partly due to seasonal factors coupled with the increase in the currency in circulation.

## **2. ECONOMIC DEVELOPMENTS**

### **2.1 INTERNATIONAL DEVELOPMENTS AND EXCHANGE RATES**

In the **United States**, industrial production in November increased by 1,6%. Unemployment reached 5,9%, slightly down from 6,0% in October and inflation slowed to 1,8% from 2,0% recorded in September. The Federal Reserve System pointed out in its latest meeting in December that there is no imminent danger of inflationary pressures and that interest rates are expected to remain for some time at their current levels. The University of Michigan's consumer confidence index fell to 89,6 in December from 93,7 in November. The Dow Jones, S&P 500 and Nasdaq indices increased by 6,6%, 4,9% and 2,5%, respectively, in December. Over 2003 they showed increases of 25,1%, 26,2% and 50,0%, respectively.

In the **euro area**, industrial confidence is showing encouraging signs. In Germany, the Ifo index increase in September to 96,8 from 95,7 was due to the improving prospects of the European economy in 2004. In spite of this, the continuous appreciation of the euro has began causing some concern to European officials who believe that this development may prove harmful to EU exports. The official stance of the European Central Bank is that it is following a strong euro policy with the intention of lowering inflation below 2,0% in 2004. Prices based on the consumer price index have increased by 2,2% year on year in November while Eurostat's flash estimate for December showed inflation standing at 2,1%. In its meeting on 8 January 2004, the European Central Bank left the base interest rate unchanged. Most analysts do not expect any change in European interest rates within the next few months. In December, the German DAX and French CAC 40 share indices rose by 3,8% and 1,9%, respectively, while the Italian BCI fell by 1,3%. The respective rises for the whole of 2003 were 37,1%, 16,1% and 15,1%.

In **Britain**, inflation based on the newly formed consumer price index, rose by 1,3% in November and was below the new target of 2,0% set by the Bank of England which adopted a "wait-and-see" approach in tis latest meeting held on 8 January, leaving its official interest rates unchanged. Retail sales rose by 3,7% year on year in November and unemployment increased by 5,0% on an annual basis during the period August-September. The FTSE 100 share index rose by 1,5% in December while the increase for 2003 was 13,6%.

In **Japan**, strong domestic and foreign demand form the basis of forecasts for steady recovery and escape from deflationary conditions. The Japanese government is estimating that the economy will grow by 1,8% in 2004, despite the recent appreciation of the yen against the US dollar. The Tankan survey showed a positive climate in December for large Japanese industries. The Nikkei 225 share index rose by 2,6% in December and by 22,5% in 2003.

The average price of crude oil during November was \$28,86 per barrel. In December the average price rose to \$29,88 per barrel due to winter demand while production from OPEC remained at low levels.

### **International currencies**

As far as international currencies are concerned, a significant development is the weakening of the dollar against the euro and sterling and, to a smaller degree, the yen. The dollar reached USD 1,27 to the euro on 31 December 2003, which was its lowest value against the euro since January 1999, when the euro was first launched. A similar course followed with sterling which reached USD 1,78, its lowest rate during the last ten years. The same tendency ensued during the first 12 days of 2004, with the US dollar depreciating even further against the euro and sterling.

The main events that undermined the course of the dollar were the increased current account deficit, which is expected to reach 5% of GDP, concerns about new terrorist actions as well as the recent discovery of a case of mad cow disease.

Nevertheless, the announcement of the six-monthly poll results carried out by the Federal Bank of Philadelphia reports positive findings. According to this poll, 25 economists from the private and academic sectors expect that within next year there will be a recovery in the US economy recording an increase in economic growth of 4% while inflation will fall to below 2%.

### **Cyprus pound**

The Cyprus pound registered a marginal depreciation vis-à-vis the euro in December reaching EUR 1,7054 on 31 December 2003, (opening/selling price) compared with EUR 1,7130 on 1 December 2003. Reflecting fluctuations in international currencies during this period, the Cyprus pound strengthened to USD 2,1494 on 31 December from 2,0610 on 1

December. In the same period, the Cyprus pound registered a minimal appreciation against sterling reaching to GBP 1,2064 on 31 December, from 1,1945 on 1 December.

In December, the domestic foreign exchange market recorded total net foreign exchange outflows £37,27 million compared with £9,07 million during November. The outflows of foreign exchange which are attributed to seasonal factors continued into January 2004.

## **2.2 INFLATION**

In the domestic economy, inflation during December decelerated to 2,49% compared with 4,05% in the previous month. This deceleration was mainly caused by the decrease in the price of new cars resulting from a decrease in excise taxes. Similarly, a deceleration was recorded in the price of domestic agricultural goods and electricity. In total, during 2003 the consumer price index increased to 4,14% compared with 2,80% during 2002. This increase was mainly due to the increase in the standard rate of VAT from 10% to 13% (effective from July 2002) and by a further two percentage points on 1 January 2003.

A detailed analysis of inflation by economic origin is given in tables 29 to 32.

## **2.3 DOMESTIC ECONOMY**

As regards tourism, tourist arrivals throughout the year decreased except in November 2003, which recorded an increase of 11,2% compared with 3,6% in November 2002. Between January and November 2003, which recorded an increase of 11,2% compared with 3,6% in November 2002. Between January and November 2003, tourist arrivals declined by 5,2% compared with a decrease of 10,7% during the same corresponding period in 2002. Despite the increase of tourist arrivals during November 2003, expenditure by tourists decreased by approximately 16% per person. Receipts from tourism fell by 10,5% in the period between January and November 2003.

Provisional data for external trade showed that total imports decreased by 7,7% in the first nine months of 2003. A smaller decrease was recorded for imports for home consumption excluding petroleum products and military equipment. Exports fell by 5,9% during this period. This decline was mainly due to a decrease in re-exports and exports for home consumption. As a result of the above developments, the trade deficit during the period between January and September 2003, reached £1.339,0 million compared with £1.458,4 million during the corresponding period of 2002.

With regards to private consumption, the retail sales volume index declined by 2,9% in the first nine months of 2003, compared with a decrease of 0,4% during the same period in 2002. The sluggish course of the retail sales volume index reflects, partly, the decline in the growth rate of retail sales of cars during this period.

Turning to the labour market, the number of registered unemployed increased in December 2003, compared with December 2002, thereby continuing the upward trend that has been evident since November 2001. The unemployment rate reached 3,7% of the economically active population in December 2003, compared with 3,1% in the same month of 2002. Manufacturing registered a contraction in the first three quarters of the year, whereas the construction sector remained generally encouraging. In particular, the volume and value indices of building permits and cement sales showed large increases. With regard to public finances, according to data from the Ministry of Finance the fiscal deficit reached £389,5 million in the first nine months of 2003, compared with £219,6 million for the same period of 2002. Public expenditure accelerated by 18,6% resulting in an increase in the fiscal deficit for the first nine months of 2003.

## 2.4 MONETARY DEVELOPMENTS

As far as monetary developments are concerned, the slowdown in total money supply (M2) continued in November at a rate of 4,6% compared with 5,4% in October and 10,8% in November 2002. This slowdown was mainly due to the further deceleration in bank credit to the private sector. In the money market, surplus bank liquidity continued its fall and was at lower levels towards the end of the year. In contrast, at the beginning of January it increased substantially.

The rate of growth of bank credit to the private sector diminished to 5,4% in November from 5,7% in October. The largest share of new bank credit in Cyprus pounds (65,9%) was absorbed by the building and construction sector while 38,4% was accounted for by personal and professional loans. A decrease of £12,6 million was observed in November in foreign currency loans to residents, compared with a rise of £2,5 million in the previous month. As a result, the share of foreign currency credit in total credit fell to 9,4% in November compared with 9,6% in October. According to preliminary data, in the period from 1 January to 24 December 2003 the aforementioned share was 9,8% compared with 10,0% during the same period in 2002. The distribution of loans by currency shows that there has been no material difference in October compared with September. At the end of October, loans in euros accounted for 67,0%, those in US dollars 11,4% and those in Swiss francs 11,0% of the total.

In the money market, there was a decrease in excess liquidity towards the end of the year. In December, the daily average value of acceptance of deposits was £47,4 million, as compared with £107,7 million in November. This development was due to an increase in the currency in circulation and government deposits with the Central Bank of Cyprus. At the beginning of January there was a substantial rise in bank liquidity. This was due to the unfreezing of £97,8 million of the frozen reserves in government securities and the maturity of other government issues, combined with a limited demand for re-investment by the

private sector. As a result, during the auction for the acceptance of deposits held on 5 January, the Central Bank of Cyprus absorbed £180,0 million at an average interest rate of 3,38%.

As far as **interest rates** are concerned, there was a slight decrease in the interbank overnight rate, from 3,34% in November to 3,31% in December, despite the decrease in surplus liquidity, while government yields rose. It is noted that in December the net sale of government securities amounted to £24,5 million, compared with £66,7 million in the previous month.

The **Cyprus All Share Index (CSE)** closed at 80,6 in 2003. During December there was a falling trend, with a slight rebound in the middle of the month. Both the daily average volume and daily average value of transactions decreased in December. Specifically, the daily average volume was 470 transactions, down from 543 during the previous month, while the daily average value was £0,35 million, compared with £0,38 million in November. Regarding investments by non-residents in the CSE, in November there were net outflows amounting to £112 thousand while in December there were net inflows of £137 thousand.

**Table 1****GDP projections**(annual percentage change)<sup>1</sup>

	The Economist Poll GDP forecasts <sup>2</sup>			Lehman Brothers Weekly Outlook - GDP <sup>3</sup>			International Monetary Fund World Economic Outlook <sup>4</sup>			European Commission Economic Forecasts <sup>5</sup>		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Britain	2,2	2,0	2,7	1,7	2,1 (2,0)	2,8 (2,3)	1,9 (1,6)	1,7 (2,0)	2,4 (2,5)	1,7	2,0 (2,2)	2,8 (2,6)
Japan	0,5	2,6	2,0 (1,8)	0,1	2,2 (2,7)	2,3 (2,1)	0,2 (0,3)	2,0 (0,8)	1,4 (1,0)	0,1	2,6 (1,5)	1,7 (1,3)
USA	2,5	2,9 (2,8)	4,2 (3,9)	2,4	3,1 (3,0)	4,4 (4,1)	2,4	2,6 (2,2)	3,0 (3,6)	2,5	2,8 (2,4)	3,8 (2,5)
Euro area	1,1	0,5 (0,4)	1,8	0,9	0,5	1,5	0,9 (0,8)	0,5 (1,1)	1,9 (2,3)	0,9	0,4 (1,0)	1,8 (2,3)
World				1,5	2,1	3,0 (2,8)	3,0	3,2	4,1	3,3		4,0

<sup>1</sup> Figures in parentheses indicate the corresponding previous month projection, in case of change.

In the case of the IMF and the EC, the figures indicate the respective projections in April and March 2003.

<sup>2</sup> The Economist, 3 January 2004.<sup>3</sup> Lehman Brothers Global Weekly Economic Monitor, 19 December 2003.<sup>4</sup> International Monetary Fund, World Economic Outlook, September 2003.<sup>5</sup> European Commission, Economic Forecasts, Autumn 2003 (European Economy no. 5/2003).**Table 2****Major share indices**

(closing prices)

	2002		2003			% change
	31 Dec.	1 Dec.	31 Dec.	Jan. - Dec.	Dec.	

**USA**

Dow Jones	8.332,9	9.782,5	10.425,0	25,1	6,6
S&P 500	879,4	1.058,2	1.109,6	26,2	4,9
Nasdaq	1.339,5	1.960,3	2.009,9	50,0	2,5

**Germany**

DAX	2.892,6	3.821,2	3.965,2 *	37,1	3,8
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**France**

CAC 40	3.063,9	3.490,3	3.557,9	16,1	1,9
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**Italy**

BCI	1.091,9	1.273,7	1.256,6 *	15,1	-1,3
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**Britain**

FTSE 100	3.940,4	4.410,0	4.476,9	13,6	1,5
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**Japan**

Nikkei 225	8.714,1	10.403,3	10.676,6 *	22,5	2,6
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Source: Reuters

\* Closing date 30 December 2003

**Table 3**  
**Main economic indicators**  
*(percentage change on year ago)*

	GDP				Industrial production November (annual)	Retail sales November (annual)	Unemployment November (annual)	Inflation <sup>1</sup> November (annual)				
	2003:Q2		2003:Q3									
	(quarterly)*	(annual)	(quarterly)*	(annual)								
Britain	2,4	2,0	3,1	2,0	0,9 <sup>2</sup>	3,7	5,0 <sup>4</sup>	1,3				
Japan	3,9	3,0	1,4	1,8	2,4	0,3 <sup>2</sup>	5,2	-0,5				
USA	3,3	2,5	8,2	3,5	1,6	7,8 <sup>2</sup>	5,9	1,8				
Euro area	-0,3	0,2	1,5	0,3	0,9 <sup>2</sup>	-0,6 <sup>3</sup>	8,8 <sup>2</sup>	2,2				

Source: *The Economist*, 3 January 2004.

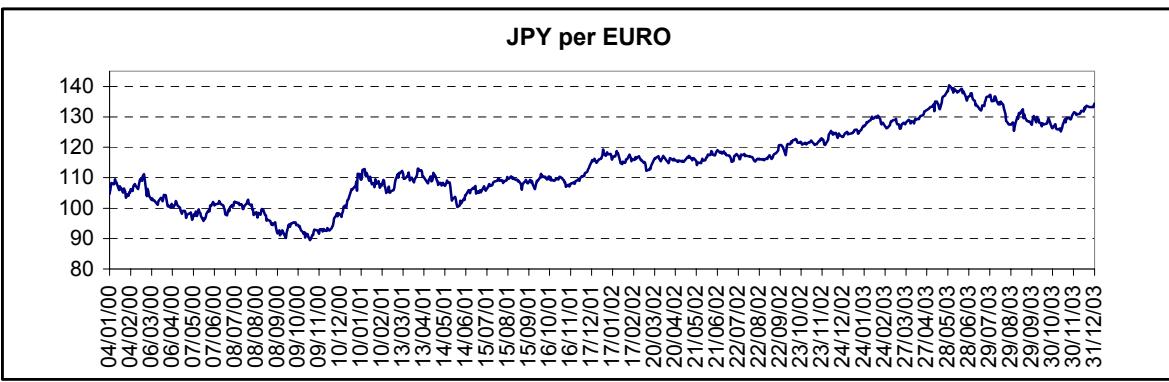
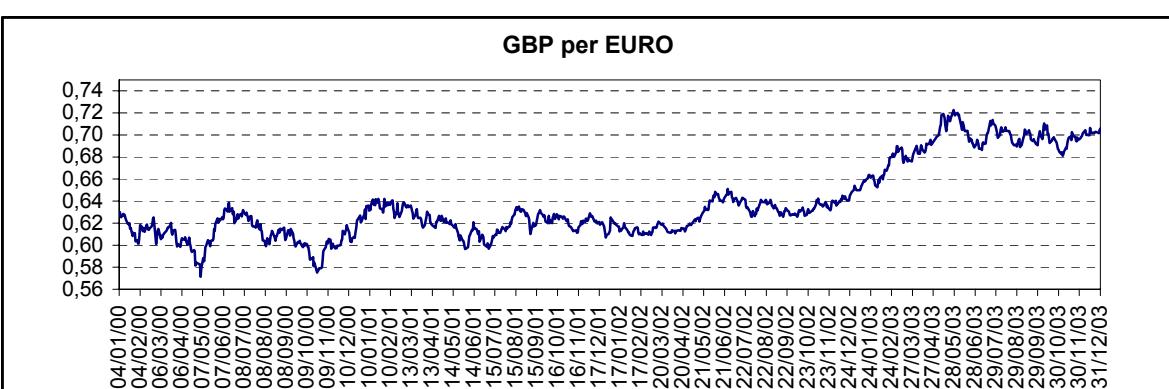
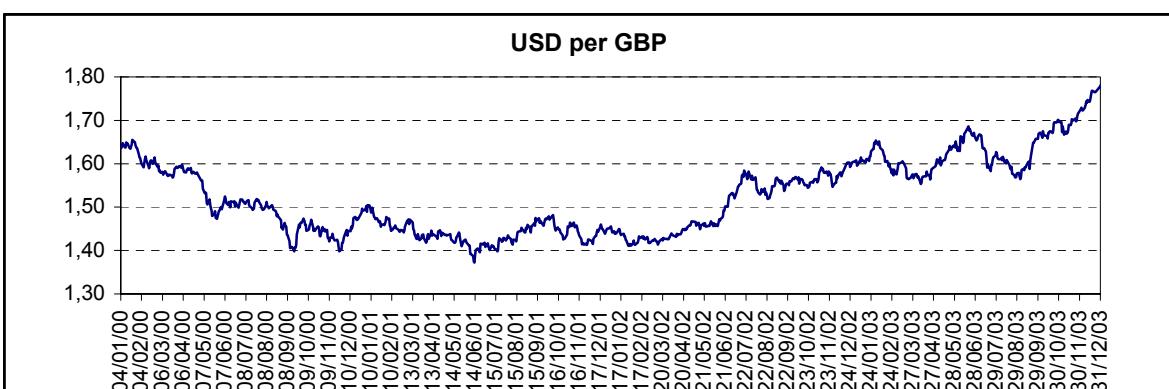
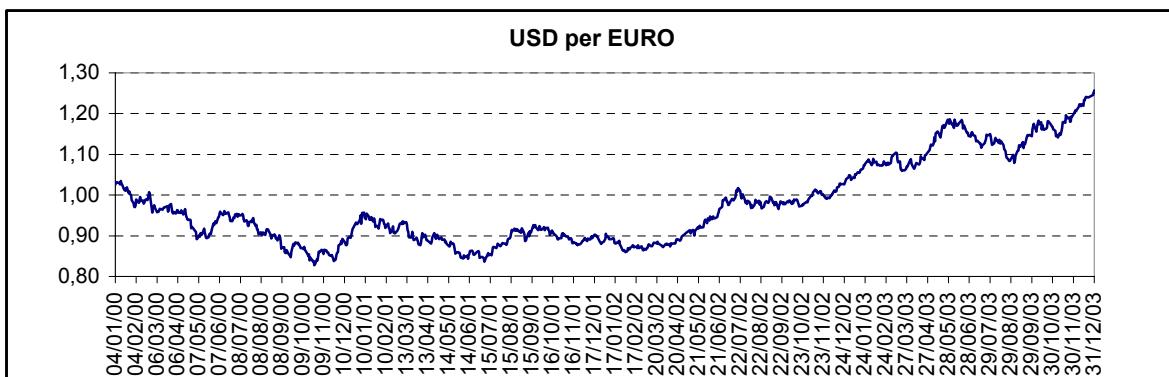
<sup>1</sup> Based on the Consumer Price Index. It is noted that since December 2003 Britain has adopted the CPI as a measure of inflation. The Bank of England has set a new inflation target of 2,0% based on the CPI.

<sup>2</sup> Data of October 2003

<sup>3</sup> Data of September 2003

<sup>4</sup> August - October 2003

\* percentage change on previous quarter at an annualised rate

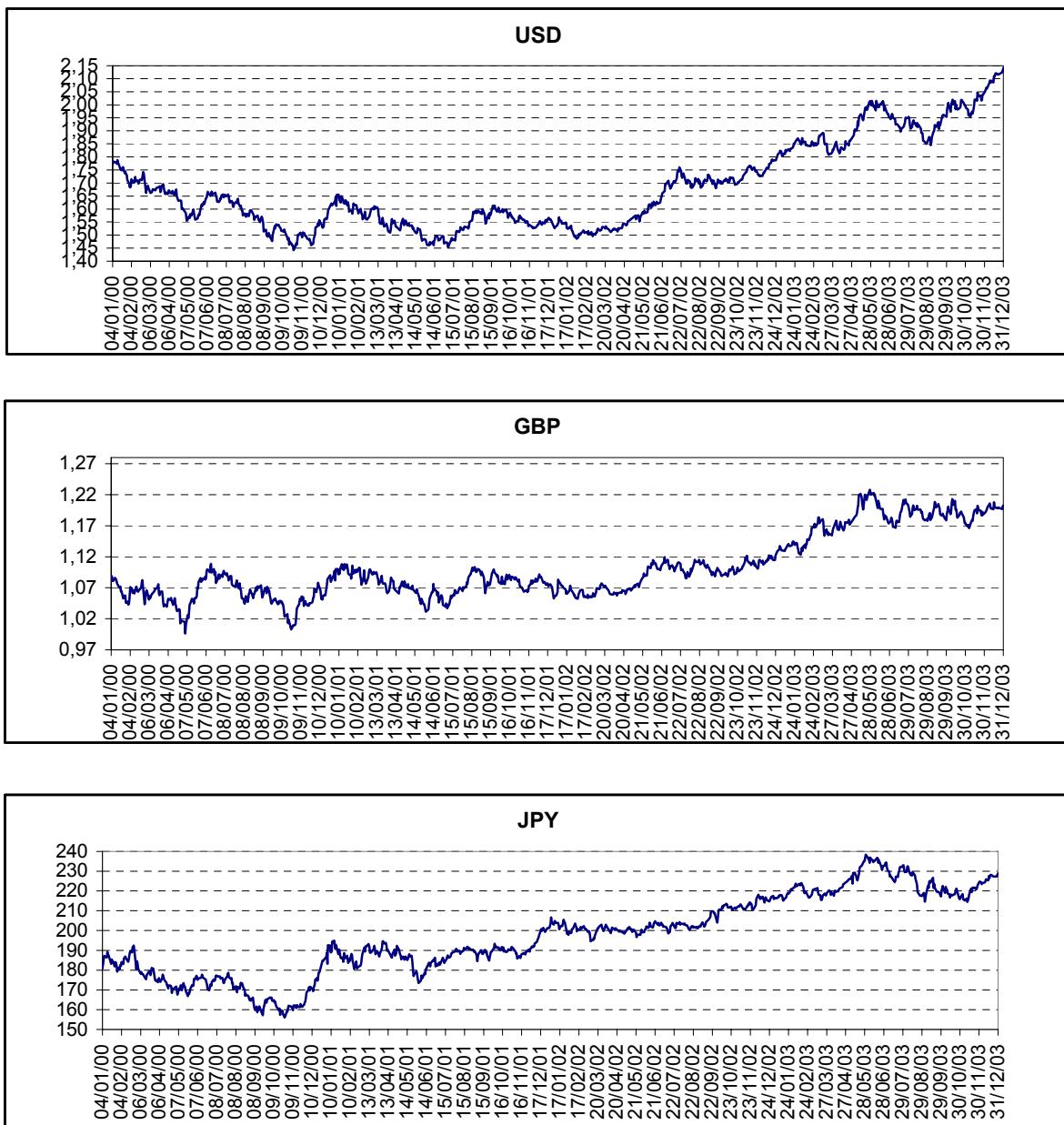
**Chart 1****Major international currencies****04/01/2000 - 31/12/2003***(opening, selling values)*

**Chart 2A****Exchange rate of the euro against the Cyprus pound****04/01/2000 – 31/12/2003***(opening, selling values)*

Note: The official exchange rate fluctuation margins of the Cyprus pound against the euro are set equal to ±15,0%

**Chart 2B****Cyprus Pound against major international currencies****04/01/2000 - 31/12/2003**

(opening, selling values)

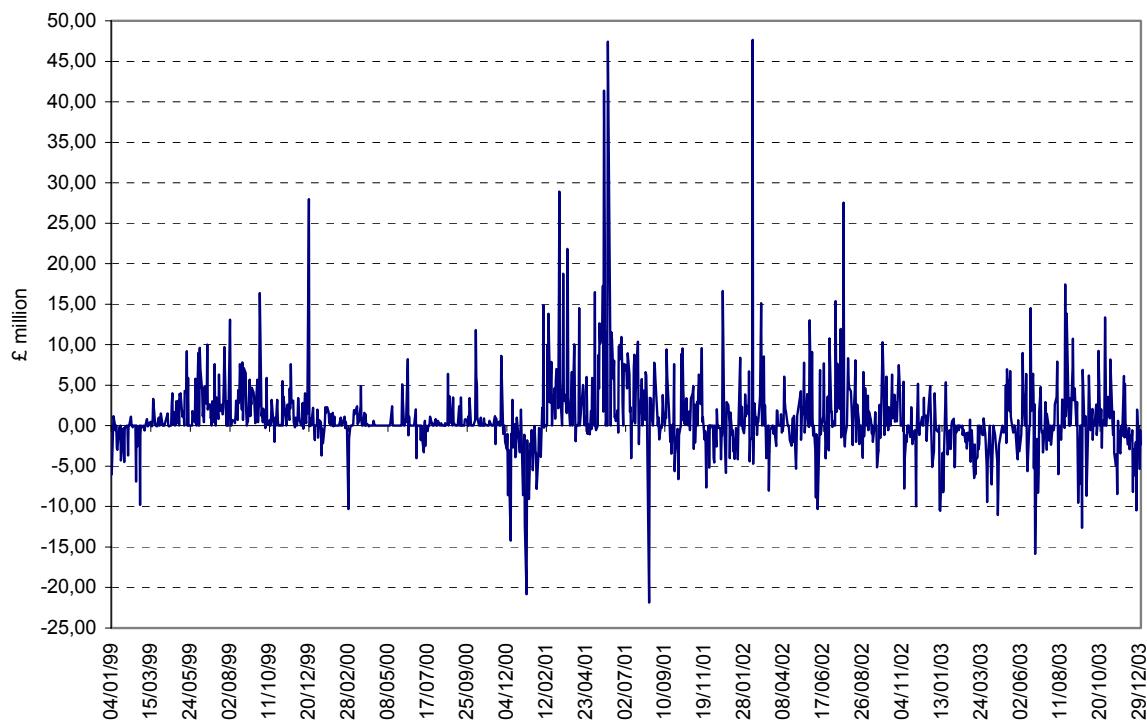


**Table 4****Domestic Foreign Exchange Market: Purchases and Sales by the Central Bank of Cyprus**

Period	Average exchange rate intervention Foreign currency per Cyprus pound (period average)			Purchases(+)/Sales(-) of foreign exchange by the Central Bank (based on transaction date)			
	Euro	US dollar	Pound sterling	In foreign currency (million)			In Cyprus pounds (million)
<u>Year</u>							
2001	1,7314	1,5602	1,0805	437,31	155,24	70,72	663,30
2002	1,7383	1,6445	1,0934	321,55	64,75	53,05	273,13
<u>Quarter</u>							
2002 Q1	1,7367	1,5226	1,0678	106,05	4,50	8,10	71,79
2002 Q2	1,7295	1,5882	1,0873	-12,25	17,30	33,80	34,44
2002 Q3	1,7397	1,7119	1,1054	205,55	13,85	-0,20	126,36
2002 Q4	1,7467	1,7472	1,1119	22,20	29,10	11,35	39,90
2003 Q1	1,7240	1,8505	1,1539	-201,80	1,610	0,00	-116,28
2003 Q2	1,7050	1,9358	1,1963	-56,20	1,75	1,00	-33,09
2003 Q3	1,7073	1,9208	1,1927	50,60	0,45	0,30	30,01
2003 Q4	1,7123	2,0373	1,1948	-52,35	1,35	18,20	-14,66
<u>Month</u>							
December 2002	1,7453	1,7780	1,1209	13,20	8,80	2,60	14,96
January 2003	1,7328	1,8419	1,1392	-96,25	-0,40	0,00	-55,73
February 2003	1,7230	1,8570	1,1535	-37,25	-0,70	0,00	-22,00
March 2003	1,7154	1,8532	1,1707	-68,30	2,35	0,00	-38,55
April 2003	1,7050	1,8457	1,1749	-108,30	-1,40	0,00	-64,26
May 2003	1,7038	1,9728	1,2148	23,10	-0,35	1,00	14,21
June 2003	1,7063	1,9890	1,1991	29,00	0,00	0,00	16,96
July 2003	1,7026	1,9366	1,1919	-33,30	0,00	0,10	-19,47
August 2003	1,7053	1,9073	1,1940	88,30	0,05	-0,20	51,57
September 2003	1,7132	1,9226	1,1936	-4,40	0,40	0,40	-2,08
October 2003	1,7118	2,0038	1,1950	42,95	0,00	7,90	31,68
November 2003	1,7144	2,0062	1,1878	-28,80	1,35	8,30	-9,07
December 2003	1,7106	2,1005	1,2012	-66,50	0,00	2,00	-37,27

**Chart 3**

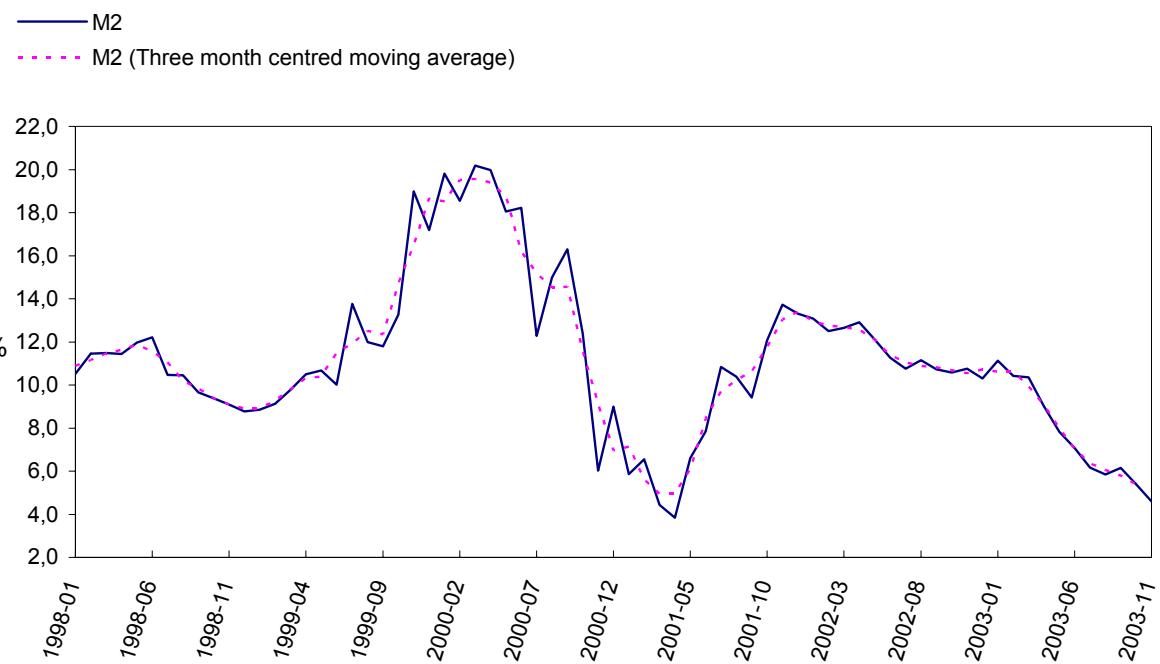
**Daily purchases / sales of foreign exchange by the Central Bank  
from the domestic banks  
4/1/1999-31/12/2003**



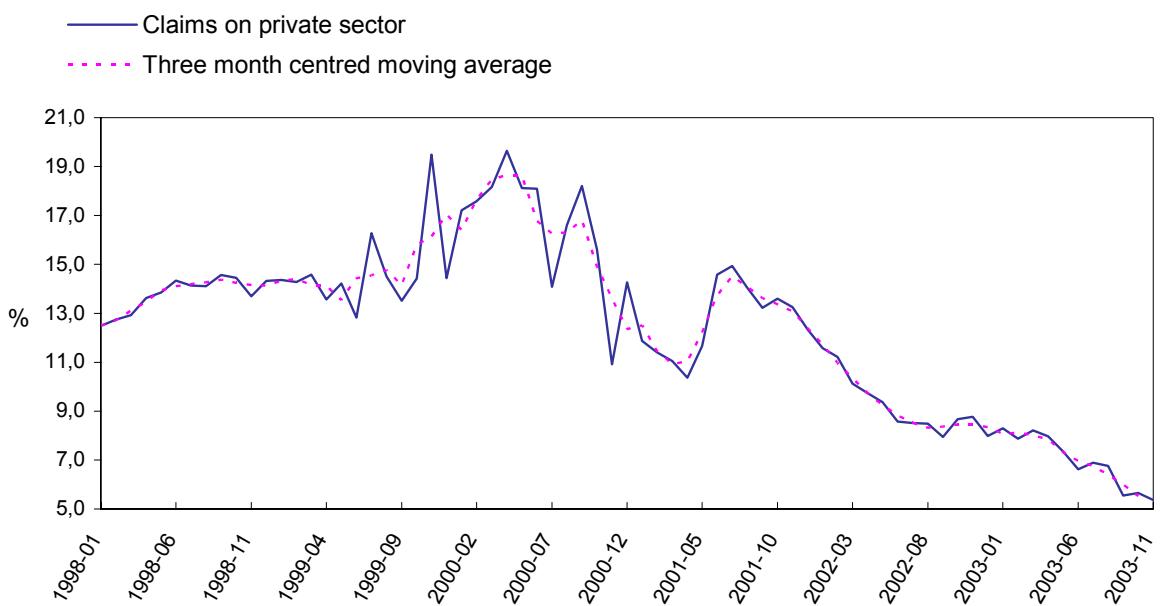
*Note: Purchases of foreign exchange by the Central Bank are shown with a positive sign.*

**Chart 4****M2 growth**

(annual percentage changes, monthly data)

**Chart 5****Growth of claims on private sector**

(annual percentage changes, monthly data)



**Table 5****Main monetary indicators***(annual percentage change)*

	1999	2000	2001	2002	2002 Nov.	2003 Oct.	2003 Nov.
Money supply (M1)	41,5	-3,8	1,1	2,6	1,7	34,9	34,0
Total money supply (M2)	17,2	9,0	13,3	10,3	10,8	5,4	4,6
Claims on private sector	14,4	14,3	12,3	8,0	8,8	5,7	5,4

**Table 6****Factors affecting total money supply**

(change, CYP thousand)

	Nov. 2003	Jan. - Nov.		Oct. 2002/2003	Nov. 2002/2003
		2002	2003		
Foreign assets (net)	108.547	-63.364	75.434	-158.057	60.300
Claims on private sector	9.274	373.870	202.846	433.767	413.010
Claims on public sector	-73.461	151.142	200.165	461.296	303.279
Unclassified items	-46.133	-14.043	-432.285	-316.948	-415.493
<b>Total money supply (M2)</b>	<b>-1.773</b>	<b>447.605</b>	<b>46.160</b>	<b>420.058</b>	<b>361.096</b>
<b>Money supply (M1)</b>	<b>-13.459</b>	<b>-87.044</b>	<b>201.674</b>	<b>324.311</b>	<b>315.072</b>
Currency in circulation	-4.947	-410	24.329	62.233	61.058
Demand deposits	-8.512	-86.634	177.345	262.078	254.014
<b>Quasi-money</b>	<b>11.686</b>	<b>534.649</b>	<b>-155.514</b>	<b>95.747</b>	<b>46.024</b>

**Table 7****Bank credit by sector**

	January - November			
	2002		2003	
	change CYP' 000	share %	change CYP' 000	share %
Public institutions and corporations <sup>1</sup>	8.786	2,4	16.398	8,5
Agriculture	-8.442	-2,3	-937	-0,5
Mining	-214	-0,1	1.865	1,0
Manufacture	9.965	2,7	-22.646	-11,7
Transport and communication	12.899	3,6	-12.466	-6,5
Foreign and domestic trade	44.159	12,2	14.348	7,4
Building and construction	92.377	25,4	127.106	65,9
Tourism	32.127	8,9	-4.724	-2,5
Personal and professional loans	172.240	47,5	74.052	38,4
Bills discounted: Local	-469	-0,1	161	0,1
Foreign	-436	-0,1	-362	-0,2
<b>Total</b>	<b>362.992</b>	<b>100,0</b>	<b>192.795</b>	<b>100,0</b>

1) Including Government loans

**Table 8****Claims on private sector<sup>1)</sup>**

(change, CYP million)

	2003 Sep.	2003 Oct.	2003 Nov.			
Foreign currency loans to residents	-72,3	2,5	-12,6			
Claims on private sector	-55,7	8,9	9,3			
(end of period balances, CYP million)	2000	2001	2002	2002 Nov.	2003 Oct.	2003 Nov.
Foreign currency loans to residents	372,0	733,0	785,2	773,5	774,9	762,4
Claims on private sector	6516,0	7320,1	7904,1	7693,9	8097,7	8107,0
Share %	5,7	10,0	9,9	10,1	9,6	9,4

1) From local banks.

**Table 9****Banking System's liquidity position**

(£ million, period averages of daily positions)

	Liquidity - providing factors						Liquidity - absorbing factors					Credit institutions current accounts (MRA)	Base money		
	Monetary policy operations														
	Net assets in gold and foreign currency (NFA)	Main refinancing operations (repos)	Long term refinancing operations	Marginal lending facility (lombard)	Other liquidity providing operations (swap)	Deposit facility (overnight)	Other liquidity-absorbing operations (additional & special & S.M.E. dep.)	Revs-repos & depos	Currency in circulation	Central Govern. deposits (net) <sup>1)</sup>	Other factors (net)				
	1	2	3	4	5	6	7	8	9	10	11	12	(6+7+9+12) 13		
2002															
Feb.	1.384,4	0,0	0,0	0,6	0,0	14,5	79,4	131,3	363,9	169,8	137,7	488,6	946,4		
Mar.	1.684,4	0,0	0,0	3,3	0,0	24,8	79,4	189,9	367,4	369,6	167,3	489,2	960,9		
Apr.	1.637,5	0,0	0,0	3,4	0,0	17,6	79,4	267,7	379,4	121,7	284,6	490,7	967,0		
May	1.632,1	0,0	0,0	1,0	0,0	11,2	79,4	287,6	400,1	98,2	263,2	493,4	984,1		
June	1.576,3	0,0	0,0	0,6	0,0	26,0	79,4	366,9	403,1	-16,3	221,6	496,3	1.004,7		
July	1.403,2	0,0	0,0	1,5	0,0	41,5	79,4	405,2	413,5	-212,0	179,6	497,5	1.031,9		
Aug.	1.465,0	0,0	0,0	1,9	0,0	21,9	79,5	427,1	422,7	-166,4	176,7	505,4	1.029,5		
Sep.	1.450,9	0,0	0,0	8,6	0,0	2,2	79,3	392,3	413,0	-127,4	190,7	509,3	1.003,9		
Oct.	1.461,3	0,0	0,0	0,3	0,0	10,5	79,4	332,6	413,3	-98,8	213,4	511,2	1.014,4		
Nov.	1.446,9	0,0	0,0	0,6	0,0	4,7	79,5	385,3	399,9	-135,9	201,8	512,1	996,2		
Dec.	1.371,4	0,0	0,0	0,0	0,0	36,2	79,3	412,0	425,4	-330,1	231,9	516,6	1.057,6		
2003															
Jan.	1.340,4	0,0	0,0	3,5	0,0	29,3	79,3	438,9	413,6	-315,3	172,7	525,3	1.047,6		
Feb.	1.280,1	0,0	0,0	0,4	0,0	32,4	79,3	325,0	402,2	-276,0	181,8	535,8	1.049,7		
Mar.	1.210,2	0,0	0,0	10,3	0,0	11,1	79,4	308,5	404,4	-309,5	188,5	538,1	1.032,9		
Apr.	1.141,6	0,0	0,0	0,2	0,0	14,7	79,4	210,4	422,4	-328,7	208,4	535,0	1.051,6		
May	1.112,4	0,0	0,0	3,2	0,0	13,4	79,4	152,3	438,8	-315,7	214,8	532,6	1.064,2		
June	1.095,7	0,0	0,0	1,6	0,0	9,9	79,3	136,7	447,1	-309,5	204,0	529,8	1.066,1		
July	1.075,1	0,0	0,0	0,0	0,0	27,6	79,3	117,7	462,2	-332,7	193,2	527,8	1.096,9		
Aug.	1.104,4	0,0	0,0	0,0	0,0	24,0	79,3	146,8	471,3	-343,6	196,6	530,0	1.104,6		
Sep.	1.144,1	0,0	0,0	2,6	0,0	14,0	79,7	174,5	465,9	-301,8	184,4	530,0	1.089,6		
Oct.	1.079,8	0,0	0,0	0,3	0,0	23,0	79,4	123,6	467,2	-330,3	184,9	532,3	1.101,9		
Nov.	1.122,7	0,0	0,0	0,6	0,0	31,2	79,3	107,7	461,5	-286,9	199,2	531,4	1.103,4		
Dec.	1.173,1	0,0	0,0	4,8	0,0	17,8	79,5	47,4	496,3	-217,9	222,7	532,1	1.125,7		

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

**Table 10****Interest rates**

(percentages, per annum)

	2000	2001	2002	2002 Dec.	2003 Oct.	2003 Nov.	2003 Dec.
Interbank (1day)	5,96	4,93	3,42	3,52	3,18	3,34	3,31
Repos	5,97	6,39					
Reverse repos/depos	4,44	4,59	3,91	3,95	3,44	3,35	3,00
Treasury bills (13 weeks)	5,75	6,00	4,02				
Treasury bills (52 weeks)	6,21	6,35	4,30		3,60	3,58	3,68
Development stocks (2 years)	6,55	6,11	4,56		3,79	3,90	3,99
Development stocks (5 years)	7,45	6,96	5,07		4,50	4,56	4,68
Development stocks (10 years)	7,55	7,66	5,37		4,75		
Development stocks (15 years)		6,47	5,60		4,90		

**Table 11**
**Inflation and interest rates in Europe and Cyprus – September 2003**  
*(latest 12-month average)*

	Inflation ( HICP)	Long-term interest rates	Long-term real interest rates
Belgium	1,40	4,23	2,83
Denmark	2,30	4,37	2,07
Germany	1,00	4,11	3,11
Greece	3,60	4,33	0,73
Spain	3,40	4,18	0,78
France	2,10	4,17	2,07
Ireland	4,30	4,20	-0,10
Italy	2,90	4,31	1,41
Luxembourg	2,70	3,51	0,81
Netherlands	2,60	4,16	1,56
Austria	1,40	4,20	2,80
Portugal	3,60	4,24	0,64
Finland	1,50	4,20	2,70
Sweden	2,20	4,67	2,47
United Kingdom	1,40	4,46	3,06
Euro zone	2,10	4,20	2,10
EU -15	2,00	4,25	2,25
Cyprus <sup>1)</sup>	3,91	4,85	0,94

1) The table has been revised so that Cyprus inflation is based on the Harmonised Consumer Price Index as in the other EU countries.

**Table 12****Official interest rates**

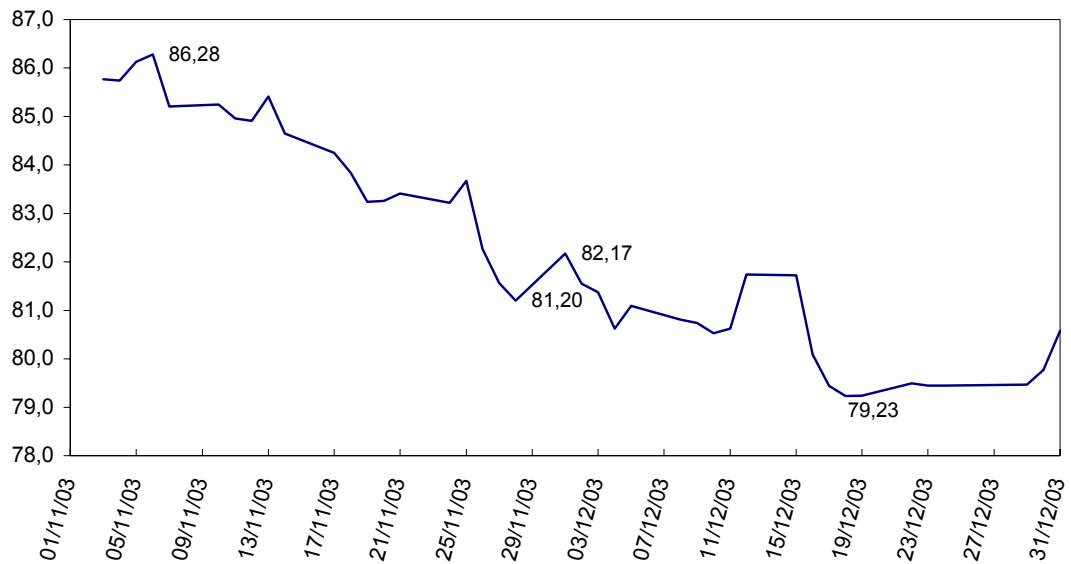
(levels in percentages per annum; change in percentage points)

		change
European Central Bank <i>(8 January 2004)</i>		
Minimum bid rate on the main refinancing operations	2,00	-
Interest rate on the marginal lending facility	3,00	-
Interest rate on the deposit facility	1,00	-
Bank of England <i>(8 January 2004)</i>		
Repo Rate	3,75	-
Federal Reserve System <i>(9 December 2003)</i>		
Federal Funds Rate	1,00	-
Discount Rate	2,00	-
Central Bank of Cyprus <i>(28 November 2003)</i>		
Minimum bid rate on the main refinancing operations	3,50	-
Interest rate on the marginal lending facility	4,50	-
Interest rate on the deposit facility	2,50	-

**Chart 6****Cyprus Stock Exchange (CSE) General Index**

November - December 2003

(29/3/1996=100, daily data)



**Table 13**

**Investments by non-residents on the Cyprus Stock Exchange<sup>1</sup>**  
*(CYP thousand)*

	2001	2002	2003				
	Dec.	Dec.	Sep.	Oct.	Nov.	Dec.	
Purchases	367	50	2.182	672	193	495	
Sales	577	0	105	145	305	358	
Net investments	-210	50	2.077	527	-112	137	

Source: Cyprus Stock Exchange

<sup>1</sup> The data for 2001 and 2002 refer only to purchases and sales of shares not included in the dematerialisation process.

**Table 14**

## Latest economic indicators

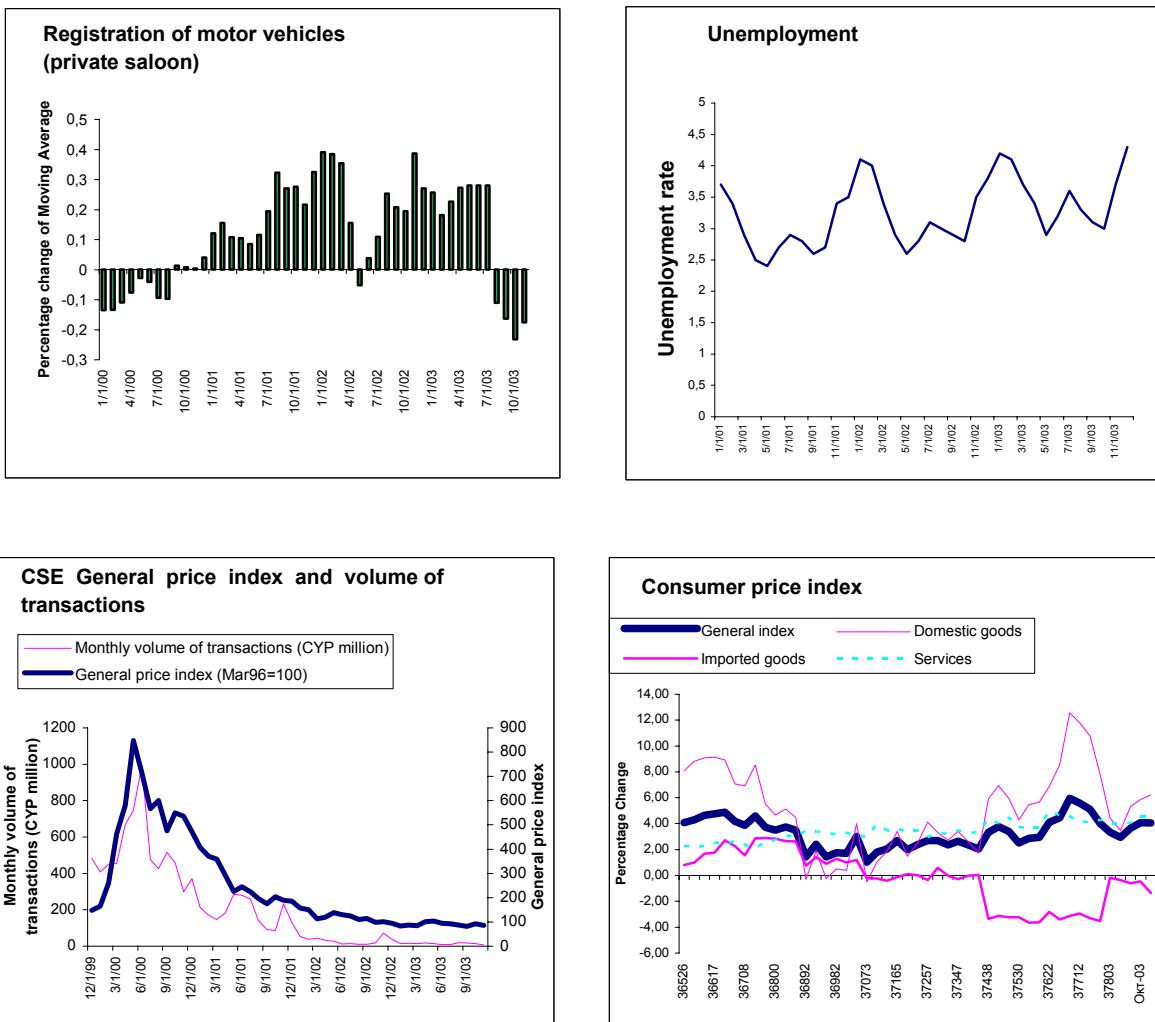
	2000	2001	Latest month with available data	Corresponding month of the previous year	Latest period with available data	Corresponding period of the previous year
Consumer price index (% change)	4,1	2,0	Mar. 2003	6,0	Mar. 2002	2,4
Unemployment rate (% of E.A.P.)	3,4	3,0	Mar. 2003	3,8	Mar. 2002	3,4
Fiscal deficit(-)/surplus(+) (% of GDP)	-150,5	-166,5	Jan.-Dec. 2002	-215,6	Jan.-Dec. 2001	-166,5
Tourist arrivals (% change)	10,3	0,4	Mar. 2003	-33,9	Mar. 2002	0,8
Tourist revenue (% change)	16,5	7,0	Feb. 2003	8,9	Feb. 2002	-0,9
Cypriots traveling abroad (% change)	4,2	16,8	Jan. 2003	35,5	Jan. 2002	-14,4
Volume index of retail sales (% change)	5,7	5,9	Feb. 2003	-1,3	Feb. 2002	2,7
Private car registration (% change)	-6,5	19,4	Mar. 2003	33,0	Mar. 2002	19,6
Volume index of manufacturing production (% change)	4,0	-2,6	Dec. 2002	2,3	Dec. 2001	3,0
Volume index of building permits authorised (% change)	2,6	23,4	Dec. 2002	-3,6	Dec. 2001	48,8
Value index of building permits authorised (% change)	7,2	26,2	Dec. 2002	4,6	Dec. 2001	46,3
Local sales of cement (% change)	1,1	11,6	Feb. 2003	-6,8	Feb. 2002	24,9
Total imports (c.i.f.) (% change)	23,2	2,4	Dec. 2002	18,0	Dec. 2001	-11,5
Imports for home consumption (c.i.f.) <sup>1</sup> (% change)	16,5	8,7	Dec. 2002	12,9	Dec. 2001	-4,9
Total exports (f.o.b.) (% change)	9,0	6,1	Dec. 2002	-6,5	Dec. 2001	6,7
Domestic exports(f.o.b.) (% change)	8,4	4,5	Dec. 2002	-3,8	Dec. 2001	-1,8
Trade deficit (£ million)	-1877,0	-1900,7	Dec. 2002	-183,0	Dec. 2001	-146,4
(1) Non-oil civil imports						

**Table 15****Manufacturing production volume index**

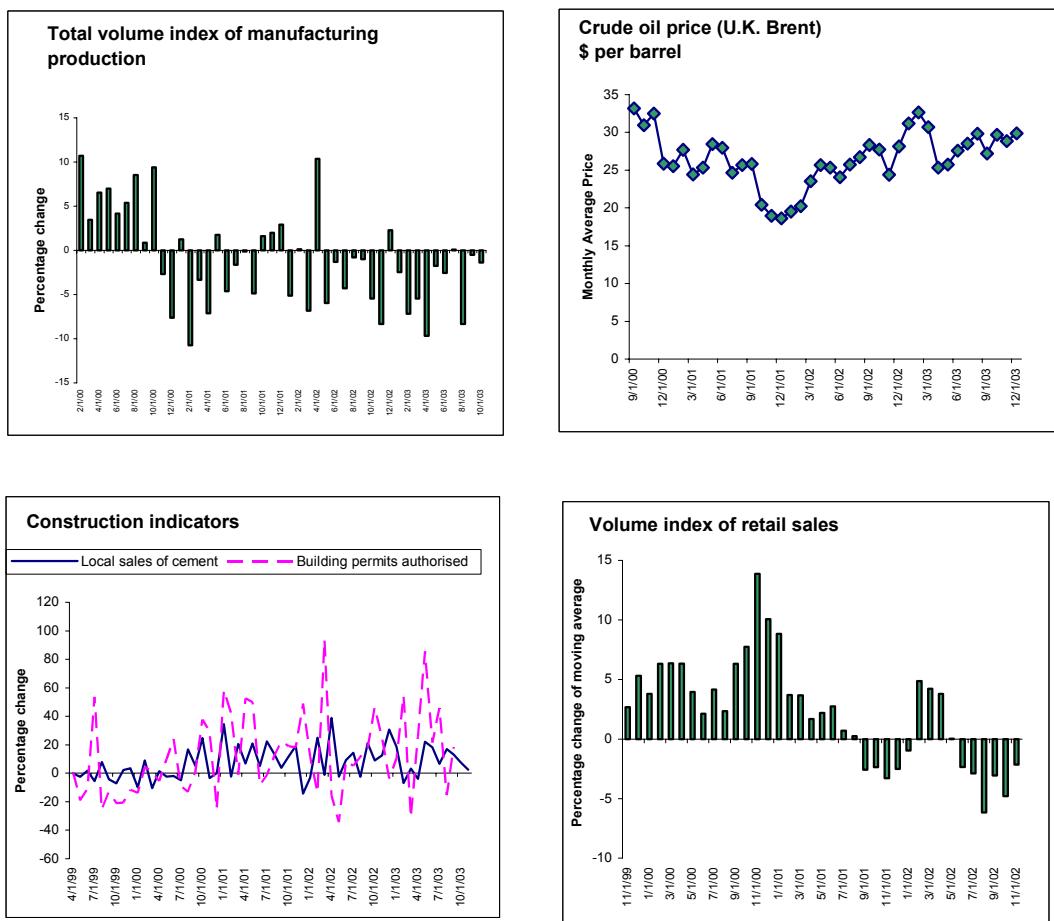
(percentage change by category)

	Sept. 02/01	Sept. 03/02	Jan.-Sept. 02/01	Jan.-Sept. 03/02
General index	<b>-0,5</b>	<b>-1,0</b>	<b>-2,0</b>	<b>-4,1</b>
Food products, beverages & tobacco	-4,9	1,5	-7,5	-1,6
Textiles & textile products	-21,4	-14,8	-17,3	-25,2
Leather and leather products	-5,7	-51,5	-5,3	-41,6
Wood & wood products	0,2	-3,4	-0,7	-3,6
Paper, paper products, publishing & printing	1,2	2,4	-2,5	-1,7
Refined petroleum products	9,3	-12,1	-2,6	-6,7
Chemicals, chemical products and man-made fibres	1,5	4,9	3,2	-3,2
Rubber and plastic products	1,5	-3,6	4,9	-2,7
Other non-metallic mineral products	9,1	9,9	9,5	8,2
Basic metals & fabricated metal products	11,4	3,6	7,6	-3,7
Machinery and equipment n.e.c.	-3,5	-7,8	-0,9	-13,4
Electrical & optical equipment	-7,9	-22,3	2,7	-13,2
Transport equipment	36,9	4,3	27,0	1,9
Manufacturing n.e.c.	1,86	-11,73	-0,36	-10,41

## Chart 7



## Chart 8



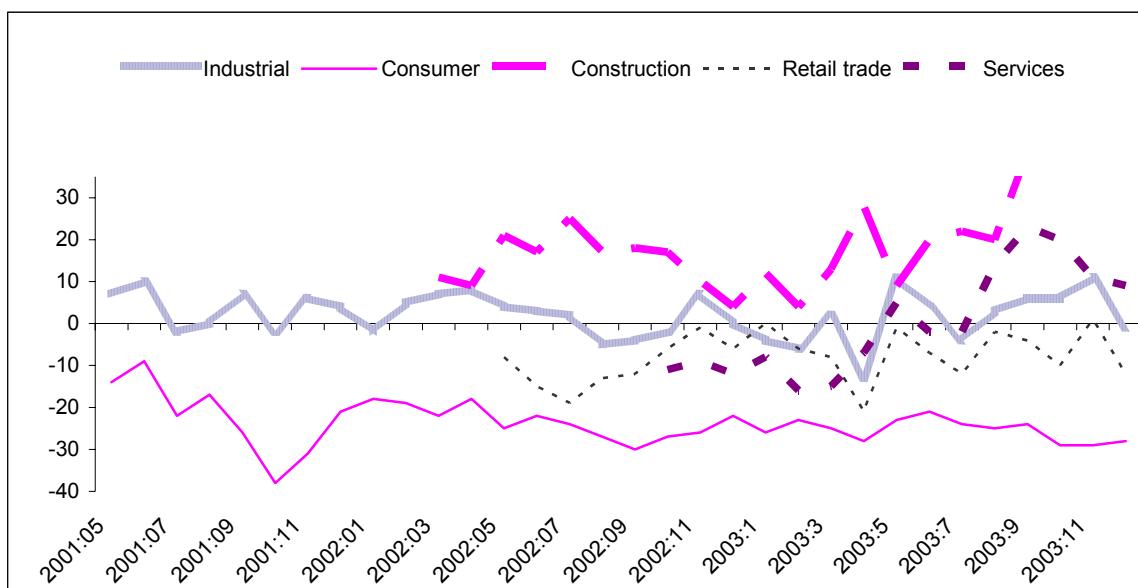
**Table 16****Retail sales volume index**

(percentage change by category)

	Sept. 02/01	Sept. 03/02	Jan.-Sept. 02/01	Jan.-Sept. 03/02
General index	<b>-4,3</b>	<b>0,3</b>	<b>-0,4</b>	<b>-2,9</b>
Food, drinks and tobacco	-7,1	-3,7	-8,2	-3,4
Clothing and textiles	19,3	-4,7	4,7	-0,7
Footwear & leather products	-11,4	15,3	-0,4	10,2
Electrical goods & appliances	-7,2	22,5	6,3	-4,8
Vehicles, machinery & spare parts	-1,4	-13,8	5,4	-6,6
Supermarkets	-16,2	0,3	-6,4	-8,7
Pharmacies	9,3	7,7	4,9	9,3
Furniture	-0,4	-3,6	3,4	-10,6
Petrol stations	11,8	20,8	4,5	16,2
Toys	10,7	-21,0	-0,4	-9,3

**Chart 9****Confidence Indicators**

(units, end of month)



**Table 17****Public finances summary**

	Jan.-Sept. 2002	Jan.-Sept. 2003	Jan.-Sept. 02/01	Jan.-Sept. 03/02
	<i>million</i>		(% change)	
<b>Total revenue and grants</b>	<b>1435,8</b>	<b>1574,4</b>	<b>2,9</b>	<b>9,6</b>
Direct taxes	435,8	368,8	-0,7	-15,4
Income tax	312,4	244,1	-2,7	-21,9
Indirect taxes	571,6	701,6	6,8	22,7
Value added tax	273,9	376,7	9,5	37,5
Excise taxes	144,2	665,9	6,5	361,9
Import duty	53,2	35,7	6,9	-32,9
Social security funds contributions	228,5	230,4	16,6	0,8
Other revenues	198,9	270,2	-11,5	35,9
Foreign grants	1,1	3,3	-11,7	203,1
<b>Total expenditure and net lending</b>	<b>1655,4</b>	<b>1963,9</b>	<b>8,3</b>	<b>18,6</b>
Current expenditure	1528,8	1788,9	9,2	17,0
Goods and services	652,5	741,6	9,6	13,7
Wages and salaries	407,9	480,6	6,9	17,8
Pensions and gratuities	90,5	110,3	15,4	21,9
Social pensions	18,7	19,0	4,9	1,8
Other current transfers	231,8	295,4	17,7	27,4
Social security funds payments	234,1	260,2	11,5	11,2
Subsidies	48,8	70,9	-26,0	45,5
Interest	252,4	291,4	7,0	15,5
Capital expenditure	115,7	165,2	-6,4	42,7
Investment	87,8	120,8	-5,0	37,6
Capital transfers	27,9	44,4	-10,7	59,0
Net lending	10,9	9,8	94,4	-10,0
<b>Fiscal surplus (+)/deficit(-)</b>	<b>-219,6</b>	<b>-389,5</b>	<b>64,8</b>	<b>77,4</b>

**Table 18****Trade Balance Data<sup>1</sup>**

(Cyprus pounds in millions)

	2001	2002	2001/2000 yearly % change	2001	2002	2003	2002/2001 % chagne Jan. - Sept.	2003/2002 % chagne Jan. - Sept.
	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.	Jan. - Sept.
<b>Total imports (cif)</b>	2.528,7	2.486,6	-1,7	1.913,5	1.852,0	1.709,3	-3,2	-7,7
Imports for home consumption (cif)	2.176,8	2.256,5	3,7	1.640,6	1.682,9	1.545,7	2,6	-8,2
<i>Non oil civil imports for home consumption (cif)</i>	1.813,0	1.882,1	3,8	1.361,0	1.407,8	1.331,3	3,4	-5,4
<i>Imports destined for re-exports</i>	351,9	230,1	-34,6	272,9	169,1	163,6	-38,0	-3,2
<b>Total exports</b>	628,0	511,3	-18,6	477,8	393,5	370,3	-17,6	-5,9
Domestic exports (fob)	233,9	221,9	-5,1	179,9	173,0	156,9	-3,8	-9,3
Re-exports (fob)	337,0	247,1	-26,7	251,9	188,4	177,3	-25,2	-5,9
Shipstores	57,1	42,3	-1,7	46,0	32,1	36,1	-30,2	12,6
<b>Trade balance</b>	-1.900,7	-1.975,3	3,9	-1.435,7	-1.458,4	-1.339,0	1,6	-8,2

<sup>1</sup>Figures for September 2003 are provisional

**Table 19****Imports (cif) by economic destination**

(Cyprus pounds in millions)

	2001 yearly	2002 yearly	2001 Jan. - Aug.	2002 Jan. - Aug.	2003 Jan. - Aug.	2002/2001 yearly % change	2002/2001 Jan. - Aug. % change	2003/2002 Jan. - Aug. % change
<b>Consumer goods</b>	<b>617,7</b>	<b>641,6</b>	<b>411,1</b>	<b>425,3</b>	<b>397,1</b>	<b>3,9</b>	<b>3,5</b>	<b>-6,6</b>
Non-durable	338,1	351,0	226,0	238,7	224,5	3,8	5,6	-5,9
Semi-durable	170,4	178,0	109,1	110,9	102,7	4,5	1,6	-7,4
Durable	109,2	112,6	76,0	75,8	69,9	3,1	-0,3	-7,7
<b>Intermediate inputs</b>	<b>710,3</b>	<b>715,8</b>	<b>480,6</b>	<b>479,2</b>	<b>455,3</b>	<b>0,8</b>	<b>-0,3</b>	<b>-5,0</b>
Agricultural	42,2	43,3	24,1	25,2	22,5	2,6	4,6	-10,9
Construction and mining	120,7	135,9	83,8	93,2	100,3	12,6	11,3	7,5
Manufacturing	421,8	419,3	285,3	284,0	264,6	-0,6	-0,5	-6,8
Transport, storage and communication	29,4	26,2	22,0	14,2	16,4	-10,9	-35,6	15,6
Other sectors of the economy	96,2	91,1	65,4	62,6	51,6	-5,3	-4,3	-17,6
<b>Capital goods</b>	<b>258,3</b>	<b>242,8</b>	<b>180,1</b>	<b>163,1</b>	<b>162,0</b>	<b>-6,0</b>	<b>-9,4</b>	<b>-0,7</b>
Agricultural	8,8	8,6	6,3	5,9	4,9	-2,3	-5,2	-16,9
Construction and mining	20,6	21,2	14,1	13,9	15,7	2,9	-1,3	12,9
Manufacturing	69,6	60,0	49,1	40,7	39,5	-13,8	-17,2	-2,8
Transport, storage and communication	52,3	45,8	36,4	30,2	37,2	-12,4	-17,1	23,3
Other sectors of the economy	107,0	107,3	74,2	72,4	64,6			
<b>Transport equipment and parts thereof</b>	<b>226,6</b>	<b>281,5</b>	<b>156,0</b>	<b>204,2</b>	<b>155,7</b>	<b>24,2</b>	<b>30,9</b>	<b>-23,7</b>
of which:								
passenger cars	94,6	160,1	103,7	109,7	102,9			
spare parts	61,3	66,3	43,0	42,5	45,7			
aircraft and parts	0,6	42,7	0,1	42,7	203,0			
<b>Fuels and lubricants</b>	<b>266,1</b>	<b>240,4</b>	<b>182,5</b>	<b>159,2</b>	<b>115,7</b>			
<b>Unclassified</b>	<b>97,9</b>	<b>134,3</b>	<b>67,5</b>	<b>61,6</b>	<b>75,8</b>			
<b>Imports for home consumption</b>	<b>2176,8</b>	<b>2256,4</b>	<b>1477,7</b>	<b>1492,6</b>	<b>1361,7</b>	<b>3,7</b>	<b>1,0</b>	<b>-8,8</b>
Imports destined for re-exports	351,9	230,2	252,2	148,8	146,7	-34,6	-41,0	-1,4
<b>Total imports</b>	<b>2528,7</b>	<b>2486,6</b>	<b>1729,9</b>	<b>1641,4</b>	<b>1508,3</b>	<b>-1,7</b>	<b>-5,1</b>	<b>-8,1</b>
Memo item: Non oil civil imports for home consumption	1813,0	1882,1	1227,9	1270,3	1170,2	3,8	3,5	-7,9

Source: Statistical Service of Cyprus

**Table 20****Exports (fob) by economic destination**

(Cyprus pounds in millions)

	2001 yearly	2002 yearly	2001 Jan. - Aug.	2002 Jan. - Aug.	2003 Jan. - Aug.	2002/2001 yearly % change	2002/2001 Jan. - Aug. % change	2003/2002 Jan. - Aug. % change
<b>Agricultural products (raw)</b>	<b>43,8</b>	<b>36,9</b>	<b>38,6</b>	<b>32,1</b>	<b>38,2</b>	<b>-15,8</b>	<b>-16,9</b>	<b>18,9</b>
of which:								
potatoes	17,5	11,1	17,5	10,7	15,2	-36,6		
other vegetables	4,2	3,8	2,9	2,6	2,8	-15,8		
fresh, frozen or dried citrus fruit	14,7	18,3	12,4	16,0	16,6	24,5		
<b>Minerals and industrial products of mineral origin</b>	<b>11,6</b>	<b>10,5</b>	<b>8,3</b>	<b>6,7</b>	<b>6,8</b>	<b>-9,5</b>	<b>-18,6</b>	<b>0,7</b>
<b>Industrial products of agricultural origin</b>	<b>28,0</b>	<b>32,9</b>	<b>19,0</b>	<b>22,7</b>	<b>21,4</b>	<b>17,5</b>	<b>19,4</b>	<b>-6,0</b>
of which:								
haloumi cheese	7,7	10,9	5,1	7,5	7,1	41,6		
fruit preserved	0,9	0,9	0,4	0,4	0,2	0,0		
fruit and vegetable juices	4,1	4,7	2,0	3,6	3,3	14,6		
beer	1,0	0,9	0,7	0,7	0,5	-10,0		
wines	5,3	5,1	2,4	3,9	3,2	-3,8		
meat	2,9	4,5	1,7	3,4	2,5	55,2		
<b>Industrial products of manufacturing origin</b>	<b>150,5</b>	<b>141,6</b>	<b>99,5</b>	<b>94,8</b>	<b>75,5</b>	<b>-5,9</b>	<b>-4,8</b>	<b>-20,3</b>
of which:								
cigarettes	10,8	4,5	7,7	3,0	2,3	-58,3		
cement	8,4	8,8	5,2	5,7	5,8	4,8		
pharmaceutical products	39,4	43,1	24,7	28,5	24,3	9,4	15,6	-14,7
articles of paper/paperboard	6,0	5,5	3,7	3,8	3,5	-8,3		
clothing	19,7	16,0	13,6	11,0	6,9	-18,8		
footwear	3,8	3,2	2,8	1,9	1,0	-15,8		
furniture	6,8	6,0	5,0	4,5	2,9	-11,8		
<b>Unclassified</b>	<b>0,1</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>			
<b>Domestic exports</b>	<b>233,9</b>	<b>221,9</b>	<b>165,5</b>	<b>156,4</b>	<b>141,9</b>	<b>-5,1</b>	<b>-5,5</b>	<b>-9,3</b>
re-exports	337,0	247,1	251,9	188,4	177,3	-26,7	-25,2	-5,9
shipstores	57,1	42,3	14,4	2,9	8,1			
<b>Total exports</b>	<b>628,0</b>	<b>511,3</b>	<b>431,8</b>	<b>347,8</b>	<b>327,3</b>	<b>-18,6</b>	<b>-19,5</b>	<b>-5,9</b>

Source: Statistical Service of Cyprus

**Table 21****Tourist arrivals<sup>1</sup>**

(number of persons)

	1999	2000	2001	2002	2003	% change 2001/2000	% change 2002/2001	% change 2003/2002
January	57.740	63.553	64.214	54.067	59.529	1,0	-15,8	10,1
February	74.041	87.243	83.569	71.950	77.972	-4,2	-13,9	8,4
March	126.494	135.487	137.578	138.625	91.634	1,5	0,8	-33,9
April	180.076	221.785	237.228	180.481	169.891	7,0	-23,9	-5,9
May	273.317	299.355	324.901	279.070	231.527	8,5	-14,1	-17,0
June	276.879	302.011	322.835	293.192	262.100	6,9	-9,2	-10,6
July	322.041	362.299	373.385	327.404	318.143	3,1	-12,3	-2,8
August	341.088	356.686	371.536	301.724	325.390	4,2	-18,8	7,8
September	309.498	329.964	329.400	306.731	287.358	-0,2	-6,9	-6,3
October	270.732	300.597	269.744	275.840	271.980	-10,3	2,3	-1,4
November	118.105	133.500	107.454	111.327	123.800	-19,5	3,6	11,2
December	84.274	93.722	74.887	77.822		-20,1	3,9	
Jan. - Nov.	2.350.011	2.592.480	2.621.844	2.340.411	2.219.324	1,1	-10,7	-5,2
Jan. - Dec.	2.434.285	2.686.202	2.696.731	2.418.233		0,4	-10,3	

Source: Statistical Service of Cyprus

<sup>1</sup>Arrivals of same - day visitors are not included**Table 22****Receipts from tourism<sup>1</sup>**

(Cyprus pounds in millions)

	2000	2001	2002	2003	% change 2002/2001	% change 2003/2002
January		24,9	21,6	25,6	-13,5	18,8
February		29,1	28,9	31,4	-0,9	8,9
March		49,7	59,2	37,8	18,9	-36,1
April		89,9	77,0	67,1	-14,3	-12,9
May		139,1	119,5	92,5	-14,1	-22,6
June	122,9	157,4	139,3	114,8	-11,5	-17,6
July	162,7	192,0	160,7	152,4	-16,3	-5,2
August	173,7	205,0	153,8	165,3	-25,0	7,5
September	161,9	176,3	157,4	134,1	-10,7	-14,8
October	135,1	130,2	128,0	112,4	-1,7	-12,2
November	54,1	48,8	51,4	48,7	5,4	-5,3
December	36,2	29,2	35,6		21,8	
Jan. - Nov.		1.242,4	1.096,8	982,2	-11,7	-10,5
Jan. - Dec.		1.271,6	1.132,4		-11,0	

Source: Statistical Service of Cyprus

<sup>1</sup>Receipts from same - day visitors are not included

**Table 23****Official interest rates**

(levels in percentages per annum)

With effect from <sup>(1)</sup> (date of decision)	Deposit facility	Main refinancing operations				Marginal lending facility
		Variable rate tenders			Fixed rate tenders	
		Repo	Reverse repo	Acceptance of deposits	Acceptance of deposits	
		Minimum bid rate	Maximum bid rate	Maximum bid rate	Fixed rate	
2001	10 Aug.	3,50		5,00		6,50
	18 Sep.	3,00		4,50		6,00
	02 Nov.	2,50		4,00	4,00	5,50
2002	13 Dec.	2,50		3,75	3,75	5,00
2003	04 Apr.	2,50		3,50	3,50	4,50

(1) The date refers to the overnight deposit and marginal lending facilities. For main refinancing operations, changes in the rate are effective from the first operation following the date indicated.

**Table 24****Main refinancing operations allotted through tenders <sup>(1)</sup>**

(Cyprus pounds millions; interest rates in percentages per annum)

Date of settlement	Bids (amount)	Allotment (amount)	Variable rate tenders				Fixed rate tenders	Running for (...) days	
			Maximum bid rate	Weighted average allotment rate	Minimum allotment rate	Maximum allotment rate			
2003	13 Feb.	144,2	130,0	3,75	3,57	3,50	3,64		14
	27 Feb.	236,0	220,0	3,75	3,70	3,63	3,75		14
	13 Mar.	135,0	135,0	3,75	3,70	3,67	3,75		14
	27 Mar.	295,0	100,0				3,75	42	
	27 Mar.	127,0	127,0	3,75	3,71	3,68	3,72		14
	10 Apr.	157,0	125,0	3,50	3,40	3,39	3,44		14
	24 Apr.	95,0	60,0	3,50	3,42	3,32	3,50		14
	08 May	205,0	150,0	3,50	3,39	3,37	3,50		14
	22 May	157,0	150,0	3,50	3,39	3,35	3,47		14
	05 June	161,0	130,0	3,50	3,41	3,38	3,50		14
	19 June	173,0	140,0	3,50	3,38	3,34	3,43		14
	03 July	146,0	110,0	3,50	3,36	3,33	3,39		14
	17 July	141,0	120,0	3,50	3,32	3,28	3,38		14
	31 July	210,0	150,0	3,50	3,29	3,27	3,31		14
	14 Aug.	173,0	140,0	3,50	3,25	3,24	3,27		14
	28 Aug.	182,0	160,0	3,50	3,34	3,20	3,50		14
	11 Sep.	232,0	200,0	3,50	3,43	3,35	3,50		14
	25 Sep.	139,0	139,0	3,50	3,48	3,44	3,50		14
	09 Oct.	167,0	130,0	3,50	3,47	3,40	3,50		14
	23 Oct.	151,0	100,0	3,50	3,35	3,34	3,38		14
	06 Nov.	213,0	140,0	3,50	3,41	3,29	3,50		14
	20 Nov.	114,0	70,0	3,50	3,19	3,19	3,19		14
	04 Dec.	128,0	70,0	3,50	3,11	3,09	3,14		7
	11 Dec.	45,0	30,0	3,50	3,01	2,99	3,04		7
	18 Dec.	53,0	40,0	3,50	2,84	2,84	2,84		15
	2004 05 Jan.	200,0	180,0	3,50	3,38	3,25	3,45		10

(1) Since 9 October 2001, the main refinancing operations for the absorption of liquidity are conducted through auctions for the acceptance of deposits.

**Table 25****Money market interest rates**

(percentages per annum)

		Cyprus					Euro area				
		Overnight deposits	2-7 days deposits	1-month deposits	1-6 months deposits	6-12 months deposits	Overnight deposits	1-month deposits	3-month deposits	6-month deposits	12-month deposits
2002	Jan.	3,39	3,82	4,09	-	-	3,29	3,35	3,34	3,34	3,48
	Feb.	3,22	3,66	3,83	-	4,50	3,28	3,34	3,36	3,40	3,59
	Mar.	3,20	-	4,10	5,05	4,57	3,26	3,35	3,39	3,50	3,82
	Apr.	3,29	-	4,10	5,10	-	3,32	3,34	3,41	3,54	3,86
	May	3,28	3,74	4,25	4,60	5,02	3,31	3,37	3,46	3,62	3,95
	June	3,42	3,77	3,96	4,88	5,55	3,35	3,38	3,46	3,59	3,87
	July	3,45	3,00	4,00	-	4,95	3,30	3,36	3,41	3,48	3,64
	Aug.	3,33	3,67	4,02	-	-	3,29	3,33	3,35	3,38	3,44
	Sep.	3,72	3,70	4,29	5,02	-	3,32	3,32	3,31	3,27	3,24
	Oct.	3,40	3,50	3,73	4,19	-	3,30	3,31	3,26	3,17	3,13
	Nov.	3,79	3,28	4,15	4,15	-	3,30	3,23	3,12	3,04	3,02
	Dec.	3,52	3,13	3,33	-	-	3,09	2,98	2,94	2,89	2,87
2003	Jan.	3,25	2,75	3,37	-	4,00	2,79	2,86	2,83	2,76	2,71
	Feb.	3,31	-	3,63	3,90	-	2,76	2,77	2,69	2,58	2,50
	Mar.	3,79	-	3,55	3,88	4,05	2,75	2,60	2,53	2,45	2,41
	Apr.	3,36	3,45	3,68	-	-	2,56	2,58	2,53	2,47	2,45
	May	3,56	-	3,56	3,70	3,96	2,56	2,52	2,40	2,32	2,26
	June	3,42	3,38	3,63	3,67	-	2,21	2,18	2,15	2,08	2,01
	July	3,19	-	3,49	3,75	-	2,08	2,13	2,13	2,09	2,08
	Aug.	3,09	-	3,41	3,57	-	2,10	2,12	2,14	2,17	2,28
	Sep.	3,35	3,60	3,46	3,66	-	2,02	2,13	2,15	2,18	2,26
	Oct.	3,18	3,42	3,56	3,58	3,90	2,01	2,10	2,14	2,17	2,30
	Nov.	3,34	3,54	3,55	3,70	4,00	1,97	2,09	2,16	2,22	2,41
	Dec.	3,31	3,60	3,50	3,65	-					

Sources: Central Bank of Cyprus and European Central Bank

**Table 26**
**Bank interest rates**  
*(percentages per annum)*

	Lending rates <sup>1,2</sup>					Deposit rates <sup>1,3</sup>		
	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 CYP5000	1 year fixed deposits - over CYP5000
2001 Dec.	7,12	7,12	7,95	7,00	9,00	0,90	4,00	4,94
2002 Jan.	7,12	7,12	8,03	7,00	10,00	0,92	4,00	4,95
Feb.	7,12	7,12	8,12	7,08	10,50	0,93	4,03	4,95
Mar.	6,78	7,13	7,90	7,15	10,50	0,93	4,03	4,79
Apr.	6,78	7,13	7,90	7,15	10,50	0,93	4,03	4,79
May	6,78	7,13	7,90	7,15	10,50	0,93	4,03	4,79
June	6,98	7,16	7,90	7,15	10,50	0,93	4,42	4,85
July	6,98	7,16	7,90	7,15	10,50	0,93	4,42	4,85
Aug.	6,98	7,16	7,90	7,21	10,50	0,83	4,42	4,85
Sept.	6,98	7,16	7,90	7,21	10,50	0,84	4,37	4,88
Oct.	7,15	7,33	7,90	7,21	10,50	0,84	4,37	4,88
Nov.	7,15	7,33	7,90	7,21	10,50	0,83	4,40	4,84
Dec.	6,98	6,88	7,52	6,78	10,33	0,66	3,80	4,56
2003 Jan.	7,40	7,32	7,70	6,78	10,50	0,71	3,85	4,43
Feb	7,22	7,21	7,70	6,78	10,50	0,65	3,84	4,40
Mar	7,23	7,22	7,70	6,78	10,50	0,68	3,85	4,37
Apr	6,77	6,74	7,13	6,18	10,50	0,45	3,33	3,68
May	6,66	6,68	7,10	6,18	10,50	0,45	3,34	3,64
June	6,76	6,72	7,20	6,18	10,50	0,45	3,33	3,60
July	6,97	6,98	7,40	6,30	10,50	0,42	3,34	3,57
Aug.	6,92	6,90	7,40	6,30	10,50	0,40	3,34	3,55
Sep	6,92	6,90	7,40	6,30	10,50	0,46	3,34	3,52
Oct.	6,92	6,90	7,53	6,30	10,50	0,44	3,35	3,50
Nov.	6,92	6,90	7,53	6,30	10,50	0,42	3,35	3,48

(1) Reported as end of month.

(2) For the period Jan.01-Nov.01, data refer to the average of the minimum interest rates charged on each loan category, as reported by the three largest banks. From December 2001, data refer to the average of the representative interest rates charged on each loan category, as defined by the three largest banks.

(3) Data refer to the average of the representative interest rates offered on each deposit category, as defined by the three largest banks.

**Table 27****European retail bank interest rates**

(percentages per annum, period averages)

	Deposit interest rates						Lending interest rates				
	Overnight	With agreed maturity			Redeemable at notice		To enterprises		To households		
		Up to 1 year	Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	Up to 1 year	Over 1 year	Consumer lending	For house purchase	
2001	Sep.	0,91	3,28	3,28	3,98	2,36	3,33	6,71	6,07	10,08	5,86
	Oct.	0,84	3,06	3,06	3,84	2,29	3,01	6,46	5,82	9,99	5,65
	Nov.	0,78	2,84	2,83	3,65	2,19	2,75	6,31	5,71	9,87	5,48
	Dec.	0,74	2,79	2,78	3,77	2,17	2,79	6,26	5,69	9,81	5,52
2002	Jan.	0,73	2,77	2,77	3,83	2,17	2,80	6,18	5,63	9,79	5,53
	Feb.	0,73	2,78	2,79	3,95	2,15	2,91	6,16	5,75	9,83	5,61
	Mar.	0,73	2,84	2,84	4,07	2,15	3,00	6,09	5,85	9,78	5,74
	Apr.	0,74	2,89	2,90	4,13	2,14	3,07	6,17	5,95	9,83	5,81
	May	0,74	2,91	2,92	4,15	2,15	3,08	6,20	5,98	9,87	5,82
	June	0,74	2,93	2,94	4,09	2,13	3,08	6,18	5,92	9,83	5,77
	July	0,74	2,89	2,90	4,02	2,13	3,02	6,16	5,79	9,78	5,68
	Aug.	0,73	2,84	2,85	3,81	2,12	2,94	6,15	5,71	9,79	5,53
	Sep.	0,73	2,77	2,77	3,64	2,13	2,73	6,12	5,61	9,85	5,38
	Oct.	0,72	2,74	2,74	3,58	2,11	2,63	6,13	5,54	9,72	5,26
	Nov.	0,71	2,70	2,69	3,53	2,11	2,55	6,10	5,50	9,70	5,21
2003	Dec.	0,68	2,51	2,51	3,45	2,05	2,41	5,98	5,34	9,58	5,10
	Jan.	0,63	2,43	2,42	3,29	2,04	2,34	5,87	5,27	9,48	4,91
	Feb.	0,62	2,32	2,32	3,15	2,02	2,12	5,81	5,18	9,39	4,77
	Mar.	0,59	2,20	2,19	3,08	1,97	2,05	5,69	5,17	9,29	4,69
	Apr.	0,56	2,15	2,14	3,14	1,93	2,05	5,57	5,14	9,24	4,70
	May	0,56	2,08	2,08	2,98	1,91	1,92	5,51	5,01	9,22	4,56
	June	0,52	1,85	1,84	2,76	1,83	1,65	5,39	4,86	9,15	4,34
	July	0,46	1,78	1,77	2,65	1,77	1,48	5,26	4,70	9,01	4,16
	Aug.	0,46	1,75	1,75	2,50	1,61	1,43	5,24	4,82	9,07	4,23
	Sep.	0,46	1,73	1,72	2,54	1,60	1,41	5,24	4,78	9,06	4,36

**Table 28****Calendar of interest rates announcements in 2004**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
European Central Bank <sup>1</sup>	8 2,00	5	4	1	6	3	1	5	2	7	4	2
Bank of England <sup>2</sup>	8 3,75	5	4	8	6	10	8	5	9	7	4	9
Federal Reserve System <sup>3</sup>	27/28		16		4	29/30		10	21		10	14
Central Bank of Cyprus <sup>4</sup>	16	27		7	21		9		3	22		3

(1) Minimum bid rate on the main refinancing operations

(2) Repo Rate

(3) Federal Funds Rate

(4) Interest rate on the marginal lending facility

**Table 29****Percentage change in the Consumer Price Index by economic origin (%)****2001-2003**

	Yearly		Quarterly			Dec. 2002/ 2001	Nov. 2003/ 2002	Dec. 2003/ 2002	Jan.-Dec. 2002/ 2001	Jan.-Nov. 2003/ 2002	Jan.-Dec. 2003/ 2002	Weights 1998=100
	2001	2002	2003 II	2003 III	2003 IV							
<b>GENERAL INDEX</b>	<b>1,98</b>	<b>2,81</b>	<b>4,90</b>	<b>3,31</b>	<b>3,54</b>	<b>2,94</b>	<b>4,05</b>	<b>2,49</b>	<b>2,80</b>	<b>4,29</b>	<b>4,14</b>	<b>100,00</b>
<b>A LOCAL GOODS</b>	<b>1,34</b>	<b>4,35</b>	<b>10,11</b>	<b>4,41</b>	<b>5,54</b>	<b>5,66</b>	<b>6,23</b>	<b>4,54</b>	<b>4,35</b>	<b>7,56</b>	<b>7,30</b>	<b>36,69</b>
A.1 Agricultural	4,50	1,79	5,95	6,87	6,04	-7,35	9,41	1,84	1,79	4,79	4,54	7,93
A.2 Industrial	0,78	5,62	10,86	3,60	5,50	9,70	5,58	5,55	5,62	8,13	7,90	27,24
A.2.1 <i>industrial non-petroleum</i>	0,10	4,55	7,30	4,36	5,29	7,13	5,56	4,94	4,55	6,61	6,46	22,91
A.2.2 <i>fuel and gas</i>	3,99	10,57	27,59	0,57	6,39	21,87	5,69	8,11	10,57	14,77	14,16	4,33
A.3 Electricity	-3,23	-2,26	16,93	6,57	4,41	11,09	3,33	1,11	-2,26	11,11	10,20	1,52
<b>B IMPORTED GOODS</b>	<b>0,47</b>	<b>-1,69</b>	<b>-3,26</b>	<b>-0,38</b>	<b>-2,69</b>	<b>-3,61</b>	<b>-1,36</b>	<b>-6,25</b>	<b>-1,69</b>	<b>-2,03</b>	<b>-2,38</b>	<b>22,20</b>
B.1 Motor Vehicles	0,55	-5,07	-11,28	-1,75	-8,12	-10,48	-4,97	-16,94	-5,07	-7,58	-8,31	9,43
B.2 Other Imported	0,41	0,85	2,70	0,53	0,84	1,45	0,98	0,71	0,85	1,92	1,81	12,77
<b>C SERVICES</b>	<b>3,35</b>	<b>3,67</b>	<b>4,20</b>	<b>4,01</b>	<b>4,58</b>	<b>3,71</b>	<b>4,55</b>	<b>4,64</b>	<b>3,67</b>	<b>4,35</b>	<b>4,38</b>	<b>41,11</b>
<b>HICP</b>		<b>2,8</b>	<b>4,8</b>	<b>2,8</b>	<b>3,2</b>	<b>3,1</b>	<b>3,8</b>	<b>2,2</b>	<b>2,8</b>	<b>4,2</b>	<b>4,0</b>	<b>4,1</b>
<b>Euro area inflation</b>	<b>2,3</b>	<b>2,3</b>	<b>1,9</b>	<b>2,0</b>		<b>2,3</b>	<b>2,2</b>		<b>2,2</b>	<b>2,1</b>		

**Table 30**

**Weighted contribution to the total change in the Consumer Price Index by economic origin (%)  
2001-2003**

	Yearly		Quarterly			Dec. 2002/ 2001	Nov. 2003/ 2002	Dec. 2003/ 2002	Jan.-Dec. 2002/ 2001	Jan.-Nov. 2003/ 2002	Jan.-Dec. 2003/ 2002	Weights 1998=100
	2001	2002	2003 II	2003 III	2003 IV							
<b>GENERAL INDEX</b>	<b>1,98</b>	<b>2,81</b>	<b>4,90</b>	<b>3,31</b>	<b>3,54</b>	<b>2,94</b>	<b>4,05</b>	<b>2,49</b>	<b>2,80</b>	<b>4,29</b>	<b>4,14</b>	<b>100,00</b>
<b>A LOCAL GOODS</b>	<b>0,51</b>	<b>1,64</b>	<b>3,82</b>	<b>1,69</b>	<b>2,17</b>	<b>2,17</b>	<b>2,43</b>	<b>1,78</b>	<b>1,64</b>	<b>2,88</b>	<b>2,79</b>	<b>36,69</b>
A.1 Agricultural	0,36	0,15	0,48	0,53	0,48	-0,68	0,74	0,15	0,15	0,39	0,37	7,93
A.2 Industrial	0,21	1,53	3,02	1,03	1,60	2,64	1,62	1,61	1,53	2,27	2,22	27,24
A.2.1 industrial non-petroleum	0,02	1,02	1,67	1,00	1,24	1,60	1,30	1,15	1,02	1,50	1,47	22,91
A.2.2 fuel and gas	0,19	0,51	1,35	0,03	0,36	1,03	0,32	0,45	0,51	0,77	0,74	4,33
A.3 Electricity	-0,07	-0,05	0,32	0,13	0,09	0,21	0,07	0,02	-0,05	0,22	0,20	1,52
<b>B IMPORTED GOODS</b>	<b>0,10</b>	<b>-0,35</b>	<b>-0,67</b>	<b>-0,07</b>	<b>-0,52</b>	<b>-0,75</b>	<b>-0,27</b>	<b>-1,21</b>	<b>-0,35</b>	<b>-0,41</b>	<b>-0,48</b>	<b>22,20</b>
B.1 Motor Vehicles	0,05	-0,46	-0,99	-0,14	-0,62	-0,92	-0,38	-1,29	-0,46	-0,63	-0,69	9,43
B.2 Other Imported	0,05	0,10	0,32	0,06	0,10	0,17	0,12	0,08	0,10	0,23	0,21	12,77
<b>C SERVICES</b>	<b>1,37</b>	<b>1,52</b>	<b>1,75</b>	<b>1,69</b>	<b>1,90</b>	<b>1,52</b>	<b>1,89</b>	<b>1,92</b>	<b>1,52</b>	<b>1,82</b>	<b>1,83</b>	<b>41,11</b>

**Table 31**

**Percentage change in the Consumer Price Index by category of goods and services (%)  
2001-2003**

	Yearly		Quarterly			Dec. 2002/ 2001	Nov. 2003/ 2002	Dec. 2003/ 2002	Jan.-Dec. 2002/ 2001	Jan.-Nov. 2003/ 2002	Jan.-Dec. 2003/ 2002	Weights 1998=100	
	2001	2002	2003 II	2003 III	2003 IV								
<b>GENERAL INDEX</b>	<b>1,98</b>	<b>2,81</b>	<b>4,90</b>	<b>3,31</b>	<b>3,54</b>	<b>2,94</b>	<b>4,05</b>	<b>2,49</b>	<b>2,80</b>	<b>4,29</b>	<b>4,14</b>		<b>100,00</b>
Food & non-alcoholic beverages	4,09	4,58	5,72	5,42	5,26	0,79	6,53	3,75	4,58	5,24	5,11		18,20
Alcoholic beverages & tobacco	2,79	13,32	27,05	12,37	24,53	24,73	25,35	23,08	13,32	24,33	24,22		1,78
Clothing and footwear	-6,75	-3,46	1,13	1,32	1,34	-1,48	1,67	1,14	-3,46	1,20	1,19		8,22
Housing, water, electricity and gas	1,59	4,08	6,21	3,93	4,46	5,87	4,39	4,24	4,08	5,11	5,04		21,27
Furnishings, household equipment and supplies	0,15	0,81	6,31	1,46	1,34	1,58	1,73	0,89	0,81	3,84	3,59		7,08
Health	5,41	4,70	4,51	5,49	5,36	4,28	5,26	5,42	4,70	5,69	5,66		4,92
Transport	2,29	0,39	1,39	0,32	-1,81	0,32	-0,42	-5,81	0,39	0,91	0,35		17,42
Communication	1,73	-8,81	-9,56	-11,04	3,98	-13,42	3,82	3,92	-8,81	-8,06	-7,16		1,79
Recreation & culture	-0,50	2,20	4,41	2,14	2,83	2,83	2,71	2,94	2,20	3,61	3,55		5,88
Education	4,60	5,71	4,49	3,84	3,28	4,49	3,25	3,25	5,71	4,09	4,02		2,33
Restaurants & hotels	6,00	3,97	5,82	4,37	4,59	5,06	4,63	4,55	3,97	5,39	5,31		6,07
Miscellaneous goods and services	3,97	5,49	5,91	4,36	4,43	7,30	4,50	4,68	5,49	5,58	5,50		5,04

**Table 32**

**Weighted contribution to the total change in the Consumer Price Index by category of goods and services (%)**

**2001-2003**

	Yearly		Quarterly			Dec. 2002/ 2001	Nov. 2003/ 2002	Dec. 2003/ 2002	Jan.-Dec.	Jan.-Nov.	Jan.-Dec.	Weights 1998=100
	2001	2002	2003 II	2003 III	2003 IV				2002/ 2001	2001	2003/ 2002	
<b>GENERAL INDEX</b>	<b>1,98</b>	<b>2,81</b>	<b>4,90</b>	<b>3,31</b>	<b>3,54</b>	<b>2,94</b>	<b>4,05</b>	<b>2,49</b>	<b>2,80</b>	<b>4,29</b>	<b>4,14</b>	<b>100,00</b>
Food & non-alcoholic beverages	0,75	0,86	1,08	1,01	0,99	0,15	1,23	0,72	0,86	0,99	0,97	18,20
Alcoholic beverages & tobacco	0,06	0,27	0,58	0,30	0,59	0,49	0,60	0,55	0,27	0,54	0,54	1,78
Clothing and footwear	-0,54	-0,25	0,08	0,08	0,10	-0,11	0,12	0,08	-0,25	0,08	0,08	8,22
Housing, water, electricity and gas	0,34	0,88	1,35	0,87	0,98	1,25	0,96	0,93	0,88	1,12	1,10	21,27
Furnishings, household equipment and supplies	0,01	0,05	0,41	0,10	0,09	0,11	0,11	0,06	0,05	0,25	0,23	7,08
Health	0,27	0,25	0,24	0,29	0,28	0,22	0,28	0,29	0,25	0,30	0,30	4,92
Transport	0,40	0,07	0,24	0,05	-0,30	0,06	-0,07	-0,96	0,07	0,15	0,06	17,42
Communication	0,03	-0,13	-0,13	-0,15	0,05	-0,18	0,04	0,04	-0,13	-0,10	-0,09	1,79
Recreation & culture	-0,03	0,12	0,24	0,12	0,15	0,15	0,15	0,16	0,12	0,19	0,19	5,88
Education	0,11	0,14	0,11	0,10	0,08	0,11	0,08	0,08	0,14	0,10	0,10	2,33
Restaurants & hotels	0,38	0,26	0,38	0,29	0,30	0,33	0,31	0,30	0,26	0,36	0,35	6,07
Miscellaneous goods and services	0,20	0,28	0,31	0,23	0,24	0,37	0,24	0,25	0,28	0,29	0,29	5,04

**Table 33****Cyprus Stock Exchange: Purchase of listed shares by non-residents<sup>1</sup>**

(CYP thousand)

Geographical origin of non-resident investors	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2003	2003	2003	2003	2003	2003	2003	2003	2003		
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.-Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	
<b>EUROPE</b>	<b>632,9</b>	<b>102,3</b>	<b>149,0</b>	<b>305,0</b>	<b>164,4</b>	<b>110,9</b>	<b>347,6</b>	<b>50,6</b>	<b>34,2</b>	<b>396,2</b>	<b>122,9</b>	<b>74,7</b>	<b>2.490,6</b>	<b>40,2</b>	<b>41,1</b>	<b>141,0</b>	<b>146,2</b>	<b>202,4</b>	<b>457,5</b>	<b>347,9</b>	<b>507,5</b>	<b>2.018,5</b>	<b>531,6</b>	
European Union <sup>2</sup>	595,9	98,5	147,3	305,0	151,7	100,3	347,6	47,8	30,8	390,7	105,9	71,4	2.392,8	37,0	32,2	140,2	135,5	200,1	456,6	345,2	506,3	2.013,0	529,5	
Germany	15,7	0,0	4,8	19,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,9	42,9	15,9	13,6	27,8	32,0	49,1	12,2	5,6	19,3	5,5	0,9	
Greece	368,9	59,2	116,2	268,5	134,2	90,1	301,3	24,0	18,4	88,0	58,0	55,4	1.582,5	8,8	13,1	73,1	22,2	106,0	34,9	331,6	431,0	1.991,7	523,2	
United Kingdom	208,9	35,0	26,3	16,0	12,3	10,2	46,3	23,8	11,9	301,4	37,5	13,1	742,6	12,3	5,5	37,8	81,3	45,0	409,5	5,8	52,0	13,0	5,5	
Acceding countries <sup>3</sup>	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,5	0,0	5,2	13,6	3,0	24,4	0,0	0,0	0,0	0,5	0,3	0,0	0,0	0,0	0,0	1,4	
Other European countries	37,0	3,8	1,6	0,0	12,7	10,6	0,0	0,3	3,4	0,3	3,3	0,2	73,4	3,2	8,9	0,8	10,2	2,0	1,0	2,7	1,2	5,6	0,7	
Russian Federation	22,1	3,0	0,6	0,0	11,5	8,9	0,0	0,3	2,4	0,0	1,2	0,2	50,2	0,4	2,4	0,7	10,0	2,0	0,3	1,8	0,0	0,0	0,2	
<b>AFRICA</b>	<b>139,8</b>	<b>130,4</b>	<b>68,4</b>	<b>94,3</b>	<b>68,7</b>	<b>7,9</b>	<b>39,2</b>	<b>10,7</b>	<b>31,9</b>	<b>17,1</b>	<b>158,3</b>	<b>26,1</b>	<b>792,6</b>	<b>0,5</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>137,1</b>	<b>127,0</b>	
North African countries	0,0	0,5	2,0	0,0	0,0	0,0	0,0	0,0	0,0	1,2	2,9	0,0	6,6	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Other African countries	139,8	129,9	66,4	94,3	68,7	7,9	39,2	10,7	31,9	15,8	155,4	26,1	786,0	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	137,1	127,0
South Africa	139,1	122,7	61,8	94,3	68,7	7,9	39,2	10,7	31,9	15,8	155,4	26,1	773,6	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>AMERICA</b>	<b>82,4</b>	<b>84,1</b>	<b>11,6</b>	<b>75,4</b>	<b>30,6</b>	<b>0,0</b>	<b>3,5</b>	<b>22,2</b>	<b>2,0</b>	<b>16,1</b>	<b>5,8</b>	<b>4,3</b>	<b>338,0</b>	<b>4,7</b>	<b>0,7</b>	<b>0,0</b>	<b>4,6</b>	<b>56,4</b>	<b>3,0</b>	<b>54,5</b>	<b>83,1</b>	<b>21,3</b>	<b>9,8</b>	
North American countries	15,3	7,4	2,3	75,4	22,7	0,0	2,7	22,2	1,0	0,0	1,5	0,0	150,3	0,0	0,0	0,0	0,0	0,4	3,0	4,3	29,9	17,4	9,8	
United States of America	14,8	0,0	0,5	35,6	22,7	0,0	2,7	7,3	1,0	0,0	0,0	0,0	84,4	0,0	0,0	0,0	0,0	0,4	3,0	4,3	28,0	17,4	7,7	
Central American countries	67,1	76,7	9,3	0,0	7,9	0,0	0,8	0,0	1,1	16,1	4,3	4,3	187,6	4,7	0,7	0,0	4,6	56,0	0,0	50,2	53,1	4,0	0,0	
British Virgin Islands	67,1	76,7	9,3	0,0	6,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	159,0	0,0	0,0	0,0	4,6	55,7	0,0	50,2	49,1	0,0	0,0	
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	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
<b>ASIA</b>	<b>9,2</b>	<b>3,7</b>	<b>9,7</b>	<b>3,2</b>	<b>9,2</b>	<b>0,0</b>	<b>42,3</b>	<b>1,7</b>	<b>4,4</b>	<b>2,9</b>	<b>18,3</b>	<b>7,4</b>	<b>112,1</b>	<b>0,2</b>	<b>1,4</b>	<b>0,8</b>	<b>2,8</b>	<b>3,4</b>	<b>0,0</b>	<b>4,6</b>	<b>2,6</b>	<b>4,2</b>	<b>4,2</b>	
West Asia	9,2	3,7	9,7	3,2	9,2	0,0	42,3	0,6	4,0	2,9	17,3	6,4	108,5	0,2	1,4	0,8	2,8	2,6	0,0	4,6	2,6	4,2	4,2	
Lebanon	0,0	0,0	0,5	0,3	1,6	0,0	42,3	0,6	3,7	2,9	17,3	3,8	73,0	0,2	1,4	0,8	2,8	2,6	0,0	4,6	2,6	3,8	3,7	
Other Asian countries	0,0	0,1	0,0	0,0	0,0	0,0	1,1	0,5	0,0	1,0	1,0	3,6	0,0	0,0	0,0	0,0	0,8	0,0	0,0	0,0	0,0	0,0	0,0	
<b>OCEANIA</b>	<b>0,0</b>	<b>0,0</b>	<b>1,8</b>	<b>0,0</b>	<b>0,6</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>2,4</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,4</b>	<b>0,0</b>	<b>0,0</b>	<b>1,7</b>	<b>0,9</b>	<b>0,8</b>	<b>0,0</b>	
<b>Total</b>	<b>864,3</b>	<b>320,5</b>	<b>240,4</b>	<b>478,0</b>	<b>273,4</b>	<b>118,8</b>	<b>432,6</b>	<b>85,2</b>	<b>72,5</b>	<b>432,3</b>	<b>305,2</b>	<b>112,5</b>	<b>3.735,6</b>	<b>45,6</b>	<b>43,2</b>	<b>141,8</b>	<b>153,9</b>	<b>262,2</b>	<b>460,5</b>	<b>408,7</b>	<b>594,1</b>	<b>2.181,9</b>	<b>672,5</b>	

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

(2) Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom

(3) The countries (other than Cyprus) acceding to the European Union on 1 May 2004 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia)

**Table 34****Cyprus Stock Exchange: Sale of listed shares by non-residents<sup>1</sup>**

(CYP thousand)

Geographical origin of non-resident investors	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2003	2003	2003	2003	2003	2003	2003	2003	2003
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.-Dec.		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.
<b>EUROPE</b>	<b>214,4</b>	<b>99,1</b>	<b>168,5</b>	<b>70,2</b>	<b>23,9</b>	<b>374,1</b>	<b>174,1</b>	<b>24,6</b>	<b>20,4</b>	<b>18,0</b>	<b>73,7</b>	<b>24,3</b>	<b>1.285,1</b>	<b>14,9</b>	<b>12,0</b>	<b>36,9</b>	<b>35,0</b>	<b>9,9</b>	<b>70,9</b>	<b>24,3</b>	<b>112,6</b>	<b>96,9</b>	<b>137,3</b>
European Union <sup>1</sup>	178,8	87,2	164,5	38,4	23,3	372,6	172,2	24,6	18,3	12,9	54,1	18,9	1.165,7	14,9	11,4	36,5	34,7	9,2	66,4	24,3	106,6	63,2	135,3
Germany	0,0	0,0	0,0	0,0	0,0	1,5	0,0	0,0	0,0	0,0	2,7	0,0	4,2	0,0	0,0	0,0	0,3	0,0	0,0	0,0	7,7	0,7	22,0
Greece	24,5	72,8	139,9	36,5	15,5	169,6	166,4	24,3	15,8	8,5	37,5	18,4	729,7	14,7	9,5	23,6	11,8	3,7	55,3	11,6	91,5	44,0	29,4
United Kingdom	154,4	14,4	19,4	1,8	4,0	201,4	2,6	0,3	1,3	0,0	11,1	0,5	411,2	0,3	1,9	12,8	22,6	4,3	11,1	8,6	5,1	14,8	81,6
Acceding countries <sup>2</sup>	4,9	1,8	0,0	0,0	0,0	0,0	0,0	2,1	4,5	19,0	5,4	37,7	0,0	0,0	0,2	0,0	0,6	0,0	0,0	0,0	0,0	0,2	0,0
Other European countries	30,7	10,2	4,0	31,8	0,6	1,5	1,9	0,0	0,0	0,6	0,6	0,0	81,8	0,0	0,6	0,3	0,3	0,1	4,6	0,0	6,0	33,5	2,0
Russian Federation	23,2	10,1	2,6	31,7	0,0	1,0	1,9	0,0	0,0	0,6	0,0	0,0	71,1	0,0	0,2	0,0	0,0	0,0	2,9	0,0	0,0	0,4	0,0
<b>AFRICA</b>	<b>46,8</b>	<b>158,3</b>	<b>9,7</b>	<b>23,4</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>1,4</b>	<b>61,5</b>	<b>4,6</b>	<b>0,0</b>	<b>305,8</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>2,6</b>
North African countries	0,0	0,9	0,5	0,0	0,0	0,0	0,0	0,0	1,4	0,0	4,6	0,0	7,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other African countries	46,8	157,3	9,2	23,4	0,0	0,0	0,0	0,0	0,0	61,5	0,0	0,0	298,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
South Africa	46,8	157,3	9,2	23,4	0,0	0,0	0,0	0,0	0,0	61,5	0,0	0,0	298,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>AMERICA</b>	<b>241,7</b>	<b>97,3</b>	<b>78,1</b>	<b>0,6</b>	<b>11,4</b>	<b>6,5</b>	<b>0,8</b>	<b>2,4</b>	<b>0,0</b>	<b>1,4</b>	<b>10,0</b>	<b>9,6</b>	<b>459,8</b>	<b>3,9</b>	<b>1,1</b>	<b>6,3</b>	<b>0,0</b>	<b>0,0</b>	<b>3,4</b>	<b>0,0</b>	<b>2,4</b>	<b>4,0</b>	<b>0,5</b>
North American countries	202,1	97,2	78,1	0,0	10,8	0,0	0,1	2,4	0,0	0,0	2,6	0,0	393,3	0,0	0,0	0,0	0,0	0,0	3,4	0,0	0,0	0,2	0,0
United States of America	202,1	97,2	78,1	0,0	10,8	0,0	0,0	2,1	0,0	0,0	2,2	0,0	392,5	0,0	0,0	0,0	0,0	0,0	3,4	0,0	0,0	0,2	0,0
Central American countries	39,6	0,1	0,0	0,6	0,6	6,5	0,8	0,0	0,0	1,4	7,4	9,6	66,5	3,9	1,1	6,3	0,0	0,0	0,0	0,0	2,4	3,8	0,5
British Virgin Islands	39,6	0,1	0,0	0,0	0,0	3,3	0,0	0,0	0,0	0,0	0,0	0,0	42,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
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	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
<b>ASIA</b>	<b>0,0</b>	<b>1,7</b>	<b>0,0</b>	<b>0,2</b>	<b>0,0</b>	<b>0,0</b>	<b>0,6</b>	<b>0,2</b>	<b>0,8</b>	<b>0,3</b>	<b>11,6</b>	<b>0,0</b>	<b>15,4</b>	<b>0,3</b>	<b>0,9</b>	<b>0,7</b>	<b>0,0</b>	<b>0,3</b>	<b>0,0</b>	<b>1,3</b>	<b>1,8</b>	<b>4,4</b>	<b>4,8</b>
West Asia	0,0	1,7	0,0	0,0	0,0	0,0	0,6	0,2	0,8	0,3	11,6	0,0	15,2	0,3	0,9	0,7	0,0	0,3	0,0	1,3	1,8	4,4	4,8
Lebanon	0,0	1,7	0,0	0,0	0,0	0,0	0,6	0,2	0,8	0,1	11,6	0,0	15,0	0,3	0,2	0,7	0,0	0,3	0,0	1,3	1,8	4,4	4,8
Other Asian countries	0,0	0,0	0,0	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
<b>OCEANIA</b>	<b>0,4</b>	<b>2,5</b>	<b>1,0</b>	<b>0,6</b>	<b>2,5</b>	<b>0,0</b>	<b>7,6</b>	<b>0,4</b>	<b>0,0</b>	<b>1,2</b>	<b>0,0</b>	<b>0,0</b>	<b>16,3</b>	<b>0,0</b>	<b>0,0</b>								
<b>Total</b>	<b>503,3</b>	<b>359,0</b>	<b>257,3</b>	<b>94,9</b>	<b>37,8</b>	<b>380,6</b>	<b>183,1</b>	<b>27,6</b>	<b>22,7</b>	<b>82,4</b>	<b>99,8</b>	<b>33,9</b>	<b>2.082,4</b>	<b>19,2</b>	<b>14,0</b>	<b>43,9</b>	<b>35,0</b>	<b>10,2</b>	<b>74,4</b>	<b>25,6</b>	<b>116,8</b>	<b>105,3</b>	<b>145,3</b>

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

(2) Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom

(3) The countries (other than Cyprus) acceding to the European Union on 1 May 2004 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia)

**Table 35****Balance of payments**

(CYP million)

CATEGORIES	2002 (Annual)			2003 1st quarter		
	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET
<b>CURRENT ACCOUNT</b>						
<b>GOODS, SERVICES AND INCOME</b>	3676,7	4007,6	-330,9	649,7	876,0	-226,3
<b>GOODS AND SERVICES</b>	3537,3	3908,3	-371,0	622,8	861,2	-238,4
<b>GOODS</b>	3226,5	3632,6	-406,0	567,9	814,2	-246,3
General merchandise	514,4	2253,4	-1739,0	113,6	483,1	-369,5
Repairs on goods	469,0	2238,0	-1769,1	103,1	481,8	-378,7
Goods procured in ports by carriers	3,1	15,3	-12,2	0,6	1,3	-0,7
Non-monetary gold	42,3	0,0	42,3	9,9	0,0	9,9
	0,0	0,0	0,0	0,0	0,0	0,0
<b>SERVICES</b>	2712,1	1379,2	1333,0	454,3	331,1	123,2
Transport	528,3	538,2	-9,9	103,5	149,2	-45,6
Sea transport	269,0	377,2	-108,3	71,2	100,1	-28,9
Passenger transport on sea	1,6	1,2	0,4	0,3	0,3	-0,1
Freight transport on sea	67,7	165,7	-98,0	11,2	37,2	-26,0
Supporting, auxiliary and other services	199,6	210,4	-10,7	59,8	62,6	-2,8
Air transport	259,4	161,0	98,4	25,4	47,6	-22,2
Passenger transport by air	129,7	42,2	87,5	10,5	18,2	-7,7
Freight transport by air	17,1	82,9	-65,8	2,3	17,9	-15,6
Supporting, auxiliary and other services	112,6	35,8	76,7	12,6	11,6	1,1
Other transportation	0,0	0,0	0,0	6,9	1,4	5,5
Passenger	0,0	0,0	0,0	0,0	0,0	0,0
Freight	0,0	0,0	0,0	0,0	0,8	-0,8
Other services	0,0	0,0	0,0	6,9	0,7	6,2
Travel	1156,8	319,0	837,9	103,1	76,6	26,5
Business travel	57,6	12,3	45,3	10,5	2,9	7,6
Personal travel	1099,2	306,7	792,5	92,6	73,8	18,8
Communications services	22,3	39,2	-16,8	1,5	7,1	-5,7
Construction services	47,6	4,3	43,3	15,1	3,6	11,5
Insurance services	17,1	19,2	-2,1	3,0	4,4	-1,5
Financial services	91,3	40,0	51,3	13,7	2,5	11,3
Computer and information services	140,6	131,9	8,7	18,1	3,7	14,4
Royalties and licence fees	1,5	9,3	-7,8	0,7	3,0	-2,3
Other business services	521,8	205,2	316,6	146,6	64,5	82,1
Merchanting and other trade-related services	165,0	128,8	36,2	50,1	49,7	0,4
Operational leasing	25,5	5,3	20,2	5,3	3,6	1,7
Miscellaneous business, professional and technical services	331,3	71,2	260,2	91,2	11,3	79,9
Personal, cultural and recreational services	8,9	8,1	0,7	1,5	2,4	-0,9
Government services, n.i.e.	175,9	64,7	111,1	47,5	14,1	33,4
Services not allocated	0,0	0,0	0,0	0,0	0,0	0,0
<b>INCOME</b>	310,7	275,7	35,0	54,9	47,0	7,9
Compensation of employees	8,7	29,7	-21,0	3,8	10,3	-6,4
Investment Income	302,0	246,0	56,0	51,1	36,7	14,4
Of which:	0,0	0,0	0,0	0,0	0,0	0,0
Reinvested earnings	82,8	68,7	14,1	20,0	0,2	19,8
Portfolio investment income	77,4	49,3	28,1	9,9	20,4	-10,5
<b>CURRENT TRANSFERS</b>	139,5	99,3	40,1	26,9	14,8	12,0
General government	16,1	1,1	15,0	3,2	0,2	3,0
Other sectors	123,4	98,2	25,1	23,6	14,6	9,1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>				300,3		222,0
<b>Capital Account</b>	13,6	16,7	-3,1	3,8	2,2	1,6
<b>Financial Account</b>				303,4		220,4
Direct Investment				187,5		5,6
Abroad				-176,4		-38,0
In Cyprus				364,0		43,6
Portfolio Investment				-277,7		-100,1
Assets				-397,4		-82,2
Liabilities				119,7		-17,9
Financial Derivatives				-31,1		-4,4
Other Investment				661,7		113,8
Assets				1318,3		-145,5
Liabilities				-656,6		259,3
Reserve Assets				-237,0		205,5
<b>NET ERRORS AND OMISSIONS</b>				30,6		4,4

Note: The totals may not be equal to the sum of constituent items due to rounding.