



CENTRAL BANK OF CYPRUS
ECONOMIC RESEARCH DEPARTMENT

CONCISE
MONETARY POLICY REPORT

JUNE 2004



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The Monetary Policy Report (MPR), which is drafted by the Central Bank's Economic Research Department in preparation for the meetings of the Monetary Policy Committee (MPC), contains an overview of current economic developments in Cyprus. The MPR appears about eight times a year. Of these eight issues, four (March, May, September and December) 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.

**CENTRAL BANK OF CYPRUS, 2004
ECONOMIC RESEARCH DEPARTMENT**

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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Introduction

International economic growth continues even though its sustainability is threatened by rising oil prices. In order to avoid any negative repercussions for world growth, it is likely that OPEC will increase production after all, despite its decision last February to reduce it. World economic growth is being driven by the US and Asian economies. The major central banks, with the exception of the Bank of England which increased its official rates by 25 basis points, have maintained a cautionary stance. World share price indices, excluding those in America, registered slight increases in April.

As regards, domestic developments, inflation in April remained at the same low level, as in March, mainly due to a decline in the price of fuel and other imported goods compared with increases in the prices of those goods in February. Electricity prices recorded a further decrease compared with March. On 30 April 2004, the Central Bank's Monetary Policy Committee increased the official interest rate from 4,5% to 5,5%. This decision resulted, in part, in the reversal of capital outflows that had occurred in the last fortnight of April. Consequently, in the first 20 days of May there were net currency inflows and, during the first five months of the year, there were smaller net currency outflows compared with the same period last year.

The high level of the fiscal deficit is of major concern. Such a high level has a negative impact on inflation and on the balance of payments and has resulted in the European Union implementing the excessive deficit procedure. The need for fiscal consolidation is essential and will enable Cyprus's participation in ERM II and its adoption of the euro at an early date.

International economic developments

The **US** economy grew by an annual rate of 4,9% in the first quarter of 2004. As regards the main economic indicators, unemployment in April fell slightly to 5,6% from 5,7% in March.

Inflation rose to 2,3% in April, up from 1,7% in March and industrial production increased by an annual rate of 3,4% in March from 2,2% in February. In its latest meeting the Federal Reserve decided to maintain its official interest rate unchanged at 1%. Better than expected employment data resulted in a fall in share prices due to market anticipation of an imminent rise in interest rates. In April the Dow Jones, S&P 500 and Nasdaq share indices fell by 0,8%, 1,1% and 1,8%, respectively.

In the **euro area**, external demand was the driving force behind the annual rise of 0,6% in GDP in the fourth quarter of 2003. Unemployment remained at 8,8% in March and inflation rose to 2% in April, up from 1,7% in March. The European Central Bank in its latest meeting on 6 May left its official interest rates unaltered at 2%. Share values, as reflected in the respective indices, rose slightly during April. More specifically, Germany's DAX, France's CAC 40 and Italy's BCI increased by 1,5%, 0,1% and 2,7%, respectively.

In **Britain**, GDP rose by 3% on an annual rate for the first quarter of 2004. On 6 May the Bank of England in a pre-emptive move raised its official rates from 4% to 4,25%, mainly because of the continued rise in property prices in conjunction with steady economic growth. In parallel, the FTSE 100 share index rose by 1,8% in April.

In **Japan**, GDP for the first quarter of 2004 rose by an annual rate of 4,7%. Japans' steady growth is mainly based on external demand. Consequently, unemployment fell to 4,7% in March, its lowest point in the last three years, whilst prices have decreased by 0,1%. Although deflation is still a source of concern for policy makers the fall in unemployment combined with significant growth rates may prevent future falls in prices. As far as share values are concerned, the Nikkei 225 index registered an increase of 2,7% in April.

Finally, the average price of crude oil was until 20 May \$37,44 per barrel. Increased demand by the US and Asian countries, uncertainty about insufficient US oil reserves and geopolitical uncertainty in the Middle East were the main reasons for this increase.

Analysts have expressed concern that the continued rise in the price of oil may become an obstacle to world economic growth. In view of increased pressure by western governments, OPEC will probably increase its production with the aim of preventing negative growth in the world's major economies.

International currencies

In the period up until 20 May the dollar strengthened. At the end of 2003 and during the first months of 2004, the US currency depreciated significantly against the euro and sterling. On 20 May 2004, the currency rates were 1,1972 dollars to a euro and 1,7750 dollars to a pound sterling compared with 1,2364 dollars to a euro and 1,8544 dollars to the pound sterling on 2 April 2004.

The strengthening of the dollar vis-à-vis other international currencies during this period was due to the positive results of the US economy coupled with positive statements made by the Secretary of the Treasury, Mr John Snow, about the positive expectations regarding the recovery of the US economy. There were, however, other factors which affected negatively the course of the dollar, such as the bomb attacks in Turkey, which renewed worries about security and the recent upward trend in the price of oil.

During April and the first 20 days of May, the Cyprus pound recorded minor fluctuations against the euro. During the same period, the Cyprus pound weakened against the dollar reaching 2,0365 dollars on 20 May, compared with 2,1000 dollars on 2 April. During the same period, the Cyprus pound recorded small fluctuations against sterling, reaching 1,1516 on 20 May compared with 1,1371 on 2 April 2004.

Nominal and real effective exchange rates of the Cyprus pound

The aforementioned analysis of exchange rate developments can be complemented by an analysis of various “effective exchange rate indices of the Cyprus Pound”. These indices represent the average fluctuation of a currency relative to the currencies of its trading partners. The real effective exchange rates expressed in real terms represent the deflated value of the corresponding nominal effective exchange rate, where the deflator can be either the consumer price index or any other price or cost variable such as unit labour cost. An upward trend of the average index is constructed to reflect an appreciation of the domestic currency, in real or nominal terms, thus indicating loss of competitiveness of exported products.

Graph 2C shows the monthly nominal and real effective exchange rates of the Cyprus pound from 1992 to March 2004.

The real effective exchange rate of the Cyprus pound “REER IMF” shown in graph 2C is calculated by the International Monetary Fund (IMF) and is a third country competition weighted index, taking into account 19 countries. The weights are estimated using data on trade and tourism for the years 1988 – 1991. The latest published month for this index, with a base year 1995 = 100, is January 2004. Due to this lag in reporting, the Central Bank of Cyprus calculates its own index with 8 countries instead of 19, “REER CBC”, based on this IMF index. The REER CBC index shown on the same graph follows the original IMF index very closely. Both indices report a small appreciation of the Cyprus pound for the first few months of 2003, while this appreciation becomes stronger during the end of 2003. In 2003 the average value of the REER CBC index was 106,7 units compared with 100,1 units in 2002, while for December 2003 the index was 107,9 units. During the first months of 2004 the real effective exchange rate index recorded a small improvement reaching 105,7 units in March 2004.

The nominal effective exchange rate index recorded a different path than the real index, exhibiting a smaller increase around 97,8 in 2003 compared with 94,6 units during 2002. This stronger appreciation recorded by the real effective exchange rate index, relative to the nominal effective exchange rate, is mainly due to the higher inflation rate recorded in Cyprus relative to other EU countries. The higher inflation rate in Cyprus was the result of VAT increases from 10% to 15% in 2002 and 2003, as well as increases in other consumer taxes especially on oil products. Recent data for April 2004 shows the index at 96,9 units thus enhancing the stability which has been observed during recent months.

In the domestic foreign exchange market, purchases and sales by the Central Bank from January till the end of May 2004, based on the transaction date, recorded net outflows of £128,62 million, compared with net outflows of £166,33 million in the corresponding period of 2003. Specifically, in April outflows of £93,62 million were recorded compared with outflows of £64,26 million in April 2003. This substantial increase of outflows is attributed mainly to the climate of insecurity emanating from the referendum on the Annan plan and to the unsubstantiated rumours of a devaluation of the Cyprus pound. As a result, on 30 April 2004, the Monetary Policy Committee of the Central Bank of Cyprus decided to increase the interest rate by 1%, thus signaling strong support for the currency. This decision reversed the outflows of capital. Specifically, May recorded inflows of £29,22 million, compared with inflows of £14,21 million for May 2003.

Domestic developments

Inflation in April remained at the same low level as in the previous month. Specifically, the rate of inflation recorded a marginal increase of 0,48% compared with a 0,41% increase recorded in March. As table 15 indicates, this development stemmed mainly from a small acceleration in the prices of agricultural products compared with a decrease in their prices during the previous month, as well as from a small increase in the prices of industrial non-oil products and of services. The decline in the prices of fuel and gas and other imported goods compared with an increase in prices in the previous month, contributed to the low inflation figure. At the same time, a further reduction in the price of electricity was recorded as this had not yet been affected by the increase in the price of oil due to the Electricity Authority of Cyprus's adequate oil reserves. Taking into consideration the tax measures implemented in 2003 and the significant reductions in the excise taxes on most types of vehicles in November 2003, inflation is expected to decelerate to around 2%. It should be noted, however, that the recent upward trend in the price of oil might, if it continues, lead inflation in 2004 to accelerate more than originally anticipated. For the first four months of

2004 inflation reached 1,13%, compared with 5,03% during the corresponding period of 2003.

As regards the services sector, and in particular tourism, tourist arrivals for the months of March and April increased significantly by 22,2% and 12,6%, respectively. For the first four months of 2004 tourist arrivals registered an increase of 9,1%, compared with the corresponding period of the previous year. During April 2004, receipts from tourism increased by 7,4%. However, during the first four months of 2004, receipts from tourism fell by 0,4%. This was due to the decrease in the average expenditure per tourist.

As far as external trade is concerned, provisional data indicate that total imports increased by 13,1% in March 2004, compared with an increase of 1,6% in the same month of 2003. A similar increase was recorded for imports for home consumption (excluding petroleum products and military equipment). In parallel, total exports increased by 11% in March 2004, and domestic exports registered a larger increase of 28,6%. As a result of these developments, the crude trade deficit reached £194 million in March 2004 compared with £170,7 million in March 2003.

As regards private consumption, the retail sales volume index declined by 2,8% in 2003, compared with an increase of 1% in 2002. Credit card expenditure by Cypriots decreased by 12% in April 2004 compared with an increase of 17,5% in the corresponding month of 2003. During the first four months of the year credit card expenditure by Cypriots increased by 15,3%, compared with an increase of 14,4% during the same period of 2003. Credit card expenditure of non-residents in Cyprus increased by 25,8% in April 2004, compared with a decrease of 9,4% during the corresponding period of 2003. During the first four months of the year, a significant increase of 17,3% in credit card usage was observed compared with an increase of 1% during the first four months of last year.

Turning to the labour market, the number of registered unemployed decreased by 11,6% in April 2004, compared with an increase of 21,6% in the corresponding month of 2003. Specifically, in April 2004 the unemployment rate as a percentage of the economically active population, reached 3% compared with 3,4% in the same month of the previous year. The reduction in the number of registered unemployed was mainly observed in the hotel and catering industry and to a smaller degree in the wholesale and retail trade sectors. In the secondary sector, the picture remained mixed. On the one hand, in the first two months of the year construction continued to show positive signs but on the other hand, manufacturing continued to show a downturn. Specifically, the volume and value index of building permits¹ during 2003, as well as the sale of cement, continued a positive trend. The sales of cement also registered an increase in the first quarter of 2004.

According to data from the Ministry of Finance, the fiscal deficit reached £417 million in 2003 compared with £284 million in 2002 thus reaching 6,3% of GDP compared with 4,6% in 2002. In 2003, public revenue and public expenditure reached £2.505 million and £2.922 million, respectively, compared with £2.195 million and £2.479 million, respectively, in 2002. In particular, public revenue grew by 14,1%, while public expenditure accelerated with a growth of 17,9%. The public debt in 2003 also increased to 72,6% of GDP from 67,4% of GDP in 2002.

Based on the above fiscal results, Cyprus does not fulfill the requirements under the Treaty of Maastricht, which specifically require that the fiscal deficit should not exceed 3% of GDP and public debt should not be beyond 60% of GDP. As a result, on 1 May 2004, the European Union implemented the excessive deficit procedure for Cyprus.

¹ Due to rebasing undertaken by the Statistical Service, there are no available data for this indicator for 2004.

The need to correct fiscal imbalances is essential so as to comply with the Maastricht criteria thus enabling Cyprus's accession to ERM II for the required minimum period of two years prior to the adoption of the euro on 1 January 2007.

Monetary developments

Regarding monetary developments, in April there was a rise in the growth rate of M2 as well as credit to the private sector. Notable developments were also the increase in domestic interest rates by 100 basis points and the consequent reversal of capital outflows in May.

Total money supply (M2) grew by 7% in April. In March it had risen by 6,2% and in February by 6,4%. It remains, however, well below last April's figure of 9%. The rise in M2 this April is attributed to the increase in all components of M2, excluding unclassified items.

Claims on the private sector increased by 5,1% in April, up from 4,9% registered in March. In April of last year the growth rate of credit reached 8%. Personal and professional loans captured the biggest share of new credit in Cyprus pounds, reaching 44,9% while the construction sector absorbed 30,1%. As regards foreign currency lending to Cypriot residents there was a decrease of £9,2 million in April, compared with an increase of £10,7 million in the previous month. However, the share of foreign currency loans to total credit remained virtually unchanged at 9,6%. At the end of March, loans in euros accounted for 67,4% of the total, loans in dollars accounted for 12,4% and loans in Swiss francs 10,7%. In February the corresponding figures were 69,3%, 10,5% and 10,9%.

In the ***money market***, foreign currency outflows had a negative effect on surplus banking liquidity. As a result, the daily average value of deposit acceptances (depos) auctioned by the Central Bank was £93,3 million in April, compared with £140,3 million in March. It should be noted that on 29 April there was an auction held at which there were no bids on behalf of the banks. Also, since 1 May commercial banks have had an obligation to maintain minimum reserves at the Central Bank in foreign currency as well. Both factors

influenced surplus banking liquidity and as a result by mid-May there were balanced liquidity conditions. As has already been mentioned, the increase in interest rates on 30 April contributed to the reversal of currency outflows during May.

As far as **interest rates** are concerned, there was an increase in the inter-bank overnight interest rate to 3,25% in April from 3,21% in March, due to the decrease in excess liquidity. The yields of government securities also registered a rise. More specifically, the average yield of 13 and 52-week treasury bills in April was 3,96% and 4,43%, respectively, compared with 3,9% and 4,3% in March. Two and five-year bonds had average yields of 5,01% and 5,5%, respectively. In March the average interest rate on two-year bonds was 4,79%, while there were no auctions held in 5, 10 and 15-year securities. No auctions were held in April either for 10 and 15-year government bonds. It is noted that in April there were net repayments in government securities amounting to £66,5 million, compared with net sales of £43,9 million in the previous month. In May there was a rise in the yield of the three-year government bond from 4% to 5,5% which reflected the rise in the official interest rate. Towards the end of May there was also an increase in the inter-bank overnight rate which stood at 4,7%.

The **Cyprus All Share Index** closed at 82,4 points in April, down from the previous month's close. The average daily volume of transactions dropped to 636 from 654 in the previous month. The average daily value of transactions rose to £0,75 million, compared with £0,62 million in March. As regards investments in the stock market by non-residents, in March there were net inflows amounting to £121.000 whilst in April net outflows reached £208.000. The biggest volume of transactions originated from Greece.

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

	The Economist Poll GDP forecasts ⁽²⁾			Lehman Brothers Weekly Outlook - GDP ⁽³⁾			International Monetary Fund World Economic Outlook ⁽⁴⁾			European Commission Economic Forecasts ⁽⁵⁾		
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
Britain	2,1	3,2 (3,0)	2,7 (2,5)	2,2 (2,3)	3,0 (3,2)	2,4 (2,6)	2,3 (1,7)	3,5 (2,4)	2,5	2,2 (2,0)	3,0 (2,8)	2,8 (2,9)
Japan	2,3	3,3 (2,6)	2,0 (1,8)	2,7	3,7 (3,0)	1,0 (1,5)	2,7 (2,0)	3,4 (1,4)	1,9	2,7 (2,6)	3,4 (1,7)	2,3 (1,5)
USA	3,2	4,7	3,6 (3,5)	3,1	4,6 (4,5)	3,9	3,1 (2,6)	4,6 (3,0)	3,9	3,1 (2,8)	4,2 (3,8)	3,2 (3,3)
Euro area	0,5	1,6 (1,8)	2,0 (2,2)	0,4	1,7 (1,5)	2,4	0,4 (0,5)	1,7 (1,9)	2,3	0,4	1,7 (1,8)	2,3
World				2,2	3,5 (3,2)	2,8 (2,9)	3,9 (3,2)	4,6 (4,1)	4,4	3,7 (3,3)	4,5 (4,1)	4,3 (4,1)

⁽¹⁾ 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 September and October 2003, respectively.

⁽²⁾ The Economist, 22 May 2004.⁽³⁾ Lehman Brothers Global Weekly Economic Monitor, 21 May 2004.⁽⁴⁾ International Monetary Fund, World Economic Outlook, April 2004.⁽⁵⁾ European Commission, Economic Forecasts, Spring 2004.**Table 2****Major share indices**

(closing prices)

	2003		2004			% change		
	31 Dec.	1 Apr.	30 Apr.	Jan.-Apr.	Apr.			
USA								
Dow Jones	10.425,0		10.357,7		10.272,3		-1,5	-0,8
S&P 500	1.109,6		1.126,2		1.113,9		0,4	-1,1
Nasdaq	2.009,9		1.994,2		1.958,8		-2,5	-1,8
Germany								
DAX	3.965,2 *		3.924,9		3.985,2		0,5	1,5
France								
CAC 40	3.557,9		3.670,0		3.674,3		3,3	0,1
Italy								
BCI	1.256,6 *		1.281,2		1.315,9		4,7	2,7
Britain								
FTSE 100	4.476,9		4.410,7		4.489,7		0,3	1,8
Japan								
Nikkei 225	10.676,6 *		11.683,4		12.004,3 **		12,4	2,7

Source: Reuters

* Closing date 30 December 2003

** Closing date 28 April 2004

Table 3**Main economic indicators**

(percentage change on year ago)

	GDP				Industrial production March (annual)	Retail sales March (annual)	Unemployment March (annual)	Inflation ⁽¹⁾ March (annual)				
	2003		2003 (Q4) 2004 (Q1)									
	(quarterly)*	(annual)	(quarterly)*	(annual)								
Britain	3,8 Q4	2,8 Q4	2,6 Q1	3,0 Q1	-0,6	6,4	4,7 ⁽²⁾	1,2 ⁽³⁾				
Japan	6,4 Q4	3,4 Q4	5,6 Q1	4,7 Q1	8,3	-2,2	4,7	-0,1				
USA	4,1 Q4	4,3 Q4	4,2 Q1	4,9 Q1	3,4	9,2	5,6 ⁽³⁾	2,3 ⁽³⁾				
Euro area	1,5 Q3	0,3 Q3	1,2 Q4	0,6 Q4	1,0	0,9	8,8	2,0 ⁽³⁾				

Source: *The Economist*, 22 May 2004.

(1) Based on the Consumer Price Index.

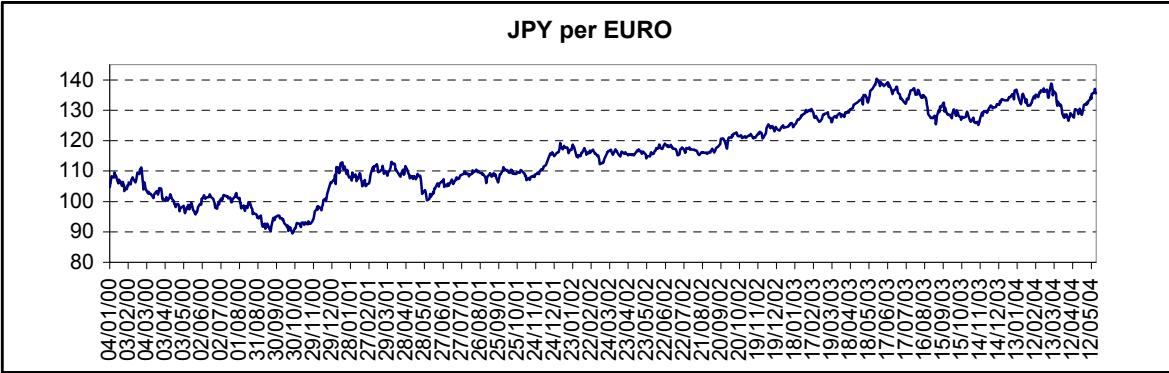
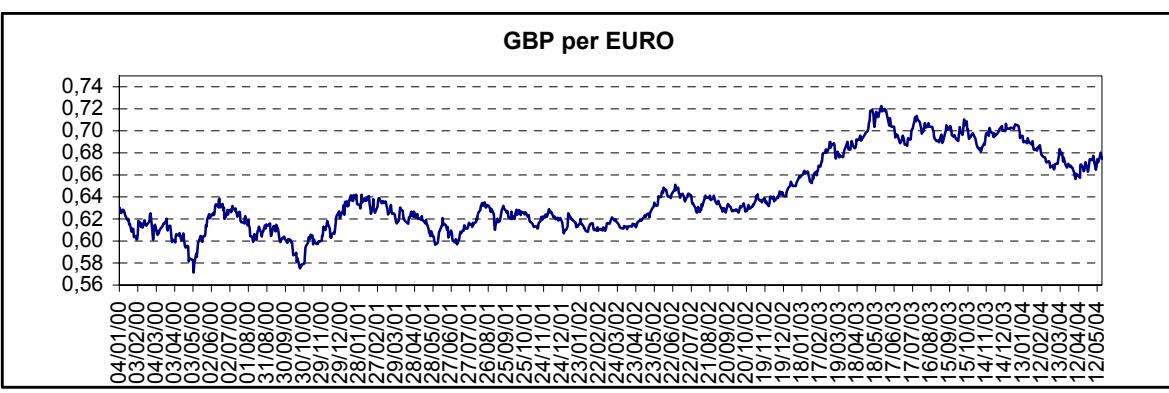
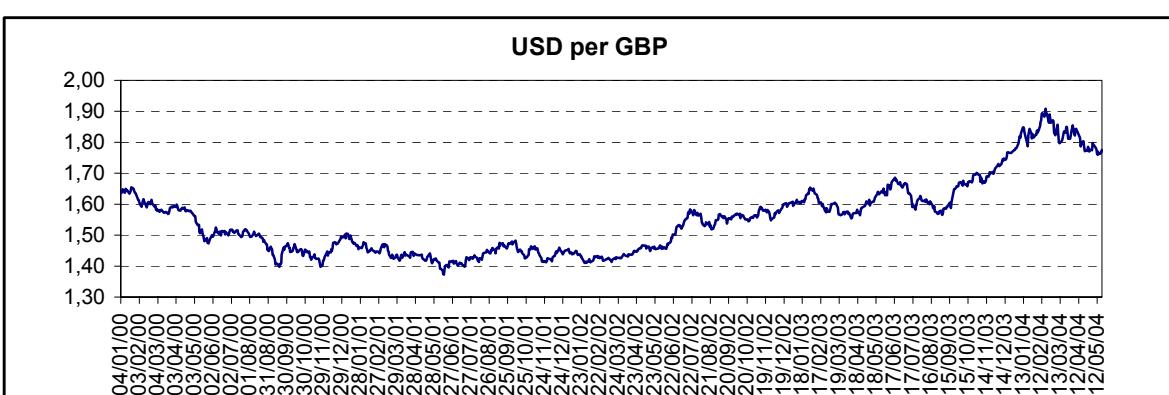
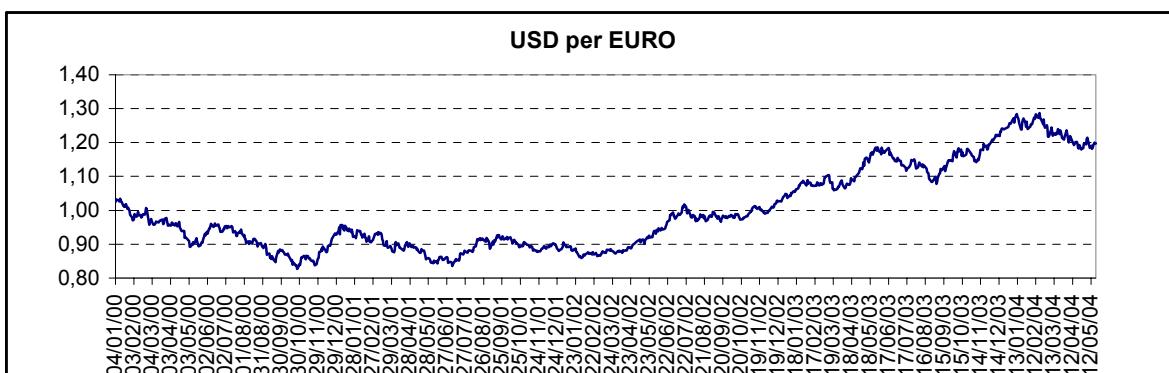
(2) December 2003 - February 2004

(3) April 2004

* percentage change on previous quarter at an annualised rate

Graph 1**Major international currencies****04/01/2000 - 20/05/2004**

(opening, selling values)



Source: Central Bank of Cyprus

Graph 2A

Exchange rate of the Euro against the Cyprus pound

04/01/2000 - 20/05/2004

(Selling rate, opening)

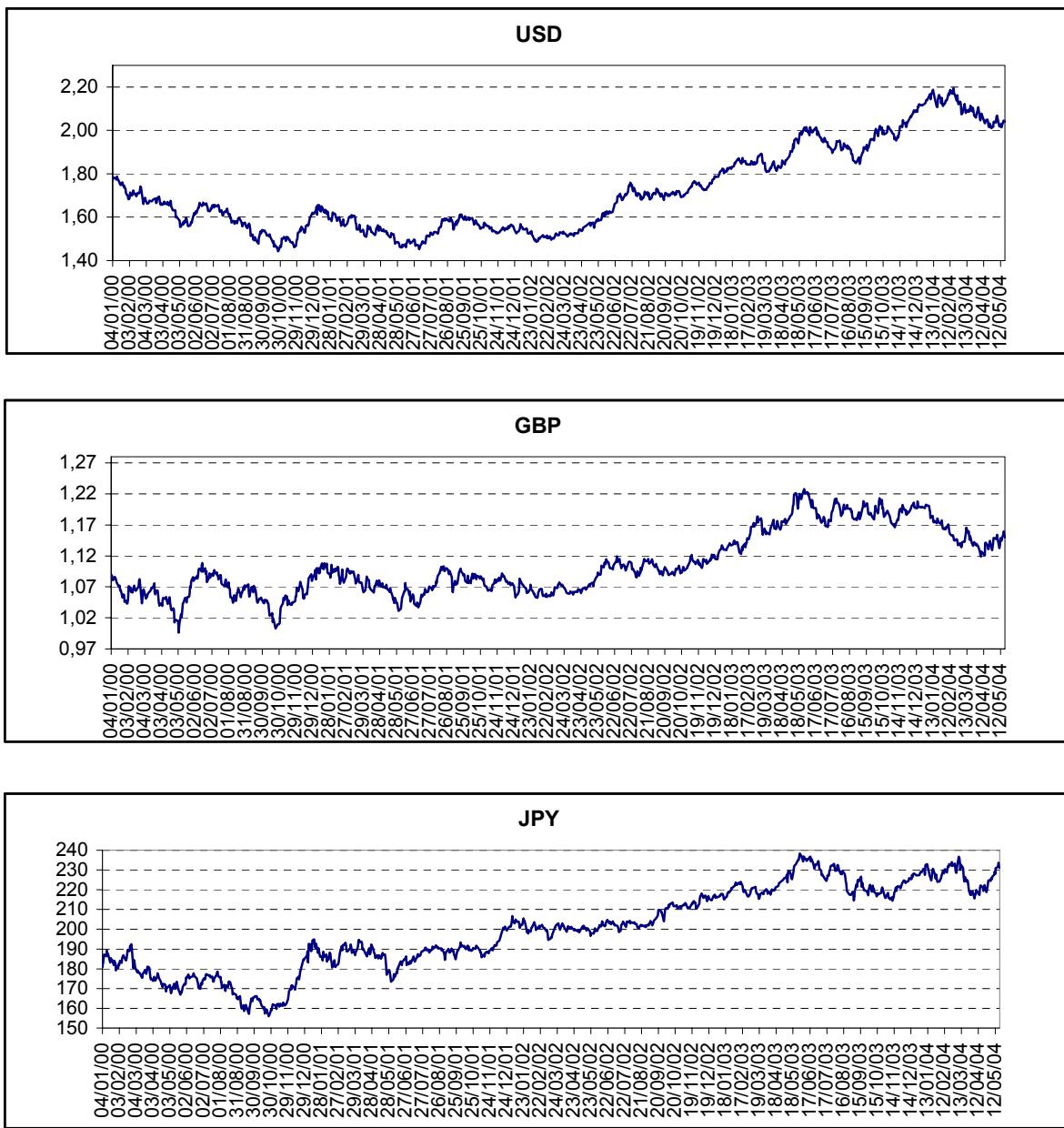


Source: Central Bank of Cyprus

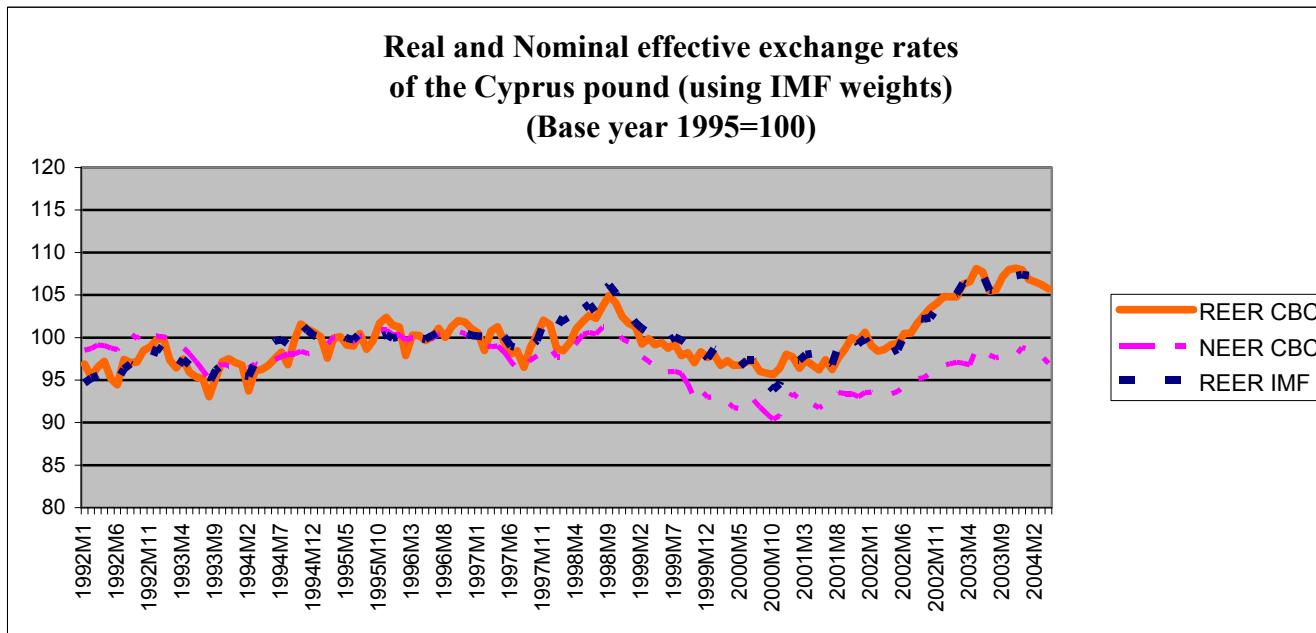
Note: The official fluctuation margins of the Cyprus pound against the euro are set equal to $\pm 15\%$

Graph 2B**Cyprus Pound against major international currencies****04/01/2000 - 20/05/2004**

(opening, selling values)



Source: Central Bank of Cyprus

Graph 2C

Source: Central Bank of Cyprus and International Monetary Fund

Table 4**Domestic foreign exchange market: purchases and sales by the Central Bank of Cyprus**

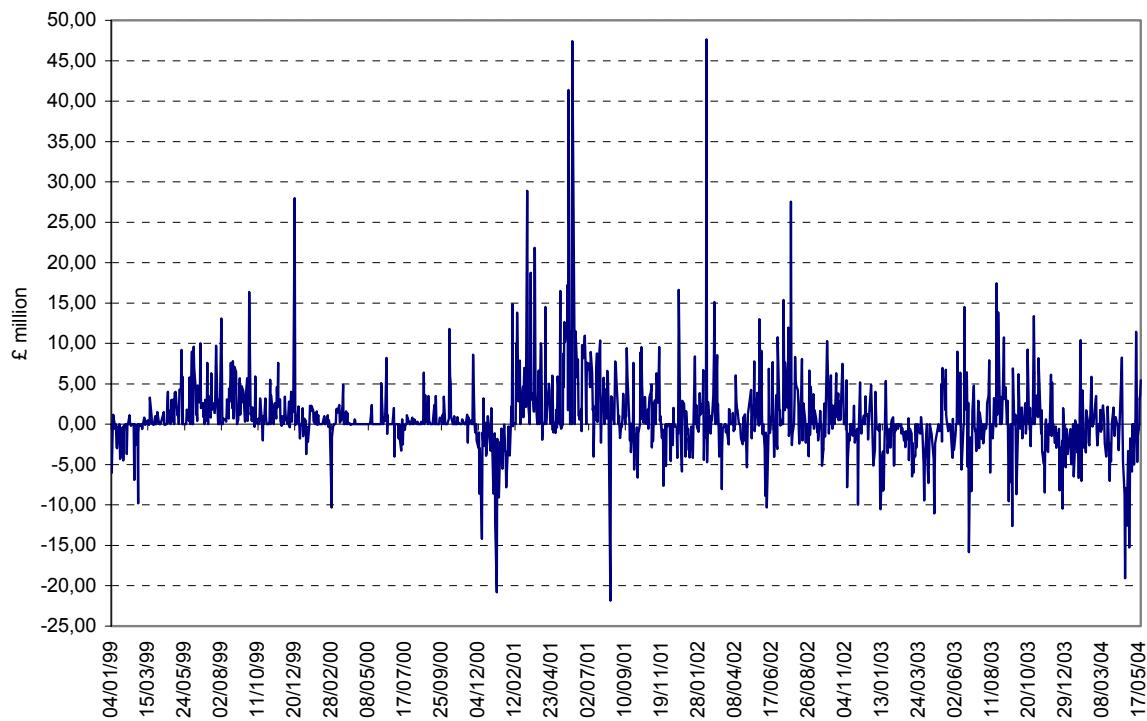
Period	Average exchange rate intervention Foreign currency per Cyprus Pound (period average)			Purchases(+)/Sales(-) of foreign exchange by the Central Bank (based on transaction date)			
	Euro	US dollar	Pound sterling	In foreign currency (million)		In Cyprus pounds (million)	
<u>Yearly</u>							
2001	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
2003	1,7121	1,9378	1,1849	-259,75	5,16	19,50	-134,02
<u>Quarterly</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	1,61	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
2004 Q1	1,7060	2,1398	1,1604	-155,75	2,00	30,20	-64,23
<u>Monthly</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
January 2004	1,7051	2,1497	1,1799	-83,20	-0,20	9,70	-40,62
February 2004	1,7064	2,1595	1,1555	-23,55	0,00	11,00	-4,25
March 2004	1,7066	2,0954	1,1457	-49,00	2,20	9,50	-19,36
April 2004	1,7058	2,0416	1,1355	-161,15	0,00	1,00	-93,62
May ⁽¹⁾ 2004	1,7059	2,0405	1,1494	1,32	0,00	0,00	10,80

Source: Central Bank of Cyprus

(1) It includes data until 20 May 2004.

Graph 3

**Daily purchases / sales of foreign exchange by the Central Bank
from / to the domestic banks**
4/1/1999-20/5/2004

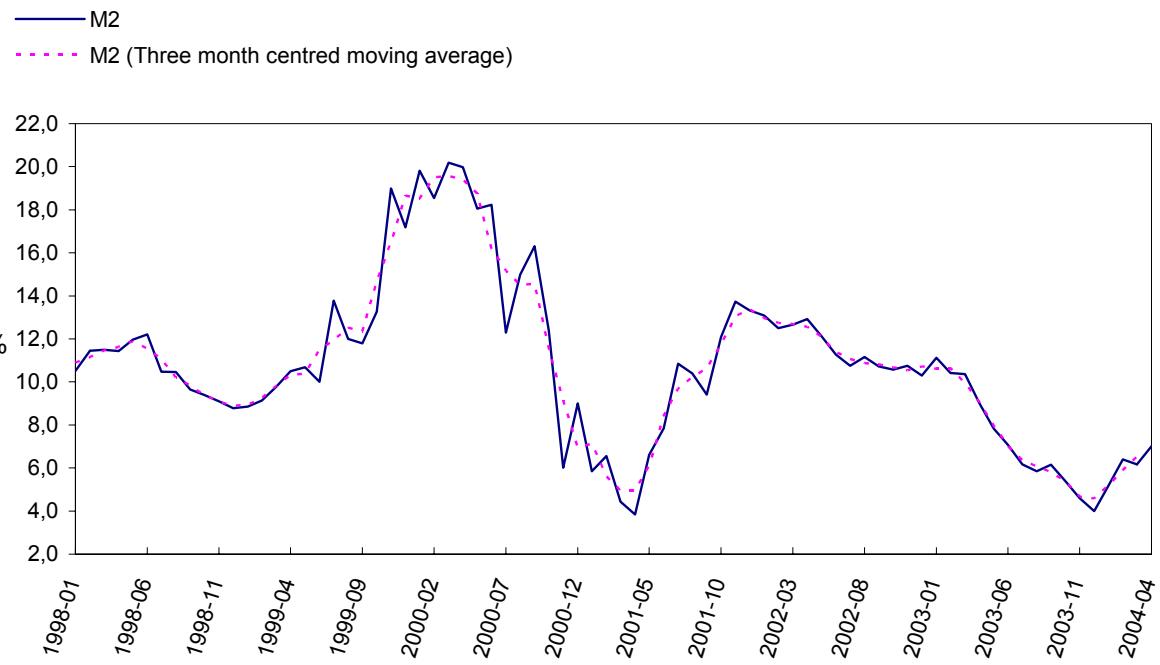


Source: Central Bank of Cyprus

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

Graph 4**M2 growth**

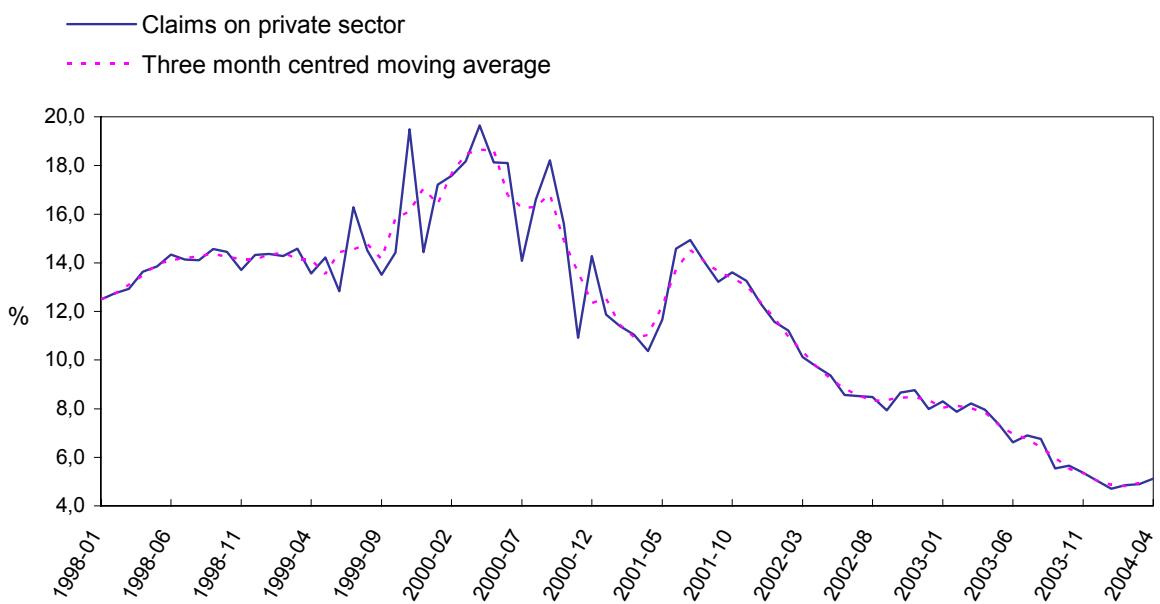
(annual percentage changes, monthly data)



Source: Central Bank of Cyprus

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

(annual percentage changes, monthly data)



Source: Central Bank of Cyprus

Table 5

Main monetary indicators
(annual percentage change)

	2000	2001	2002	2003	2003 Apr.	2004 Mar.	2004 Apr.
Money supply (M1)	-3,8	1,1	2,6	32,5	12,4	37,3	30,3
Total money supply (M2)	9,0	13,3	10,3	4,0	9,0	6,2	7,0
Claims on private sector	14,3	12,3	8,0	5,0	8,0	4,9	5,1

Source: Central Bank of Cyprus

Table 6**Factors affecting total money supply**

(change, CYP thousand)

	Apr. 2004	Jan. - Apr.		Mar. 2003/2004	Apr. 2003/2004
		2003	2004		
Foreign assets (net)	10.739	-251.147	-95.736	461.307	507.107
Claims on private sector	13.256	144.890	158.553	394.471	411.975
Claims on public sector	-20.527	91.369	171.275	248.935	248.268
Unclassified items	22.156	-44.772	-51.768	-602.415	-599.098
Total money supply (M2)	25.624	-59.660	182.324	502.298	568.252
Money supply (M1)	16.267	-5.157	-29.123	361.301	313.248
Currency in circulation	16.619	468	-8.802	78.332	65.123
Demand deposits	-352	-5.625	-20.321	282.969	248.125
Quasi-money	9.357	-54.503	211.447	140.997	255.004

Source: Central Bank of Cyprus

Table 7**Bank credit by sector**

	January - April			
	2003		2004	
	change CYP' 000	share %	change CYP' 000	share %
Public institutions and corporations ⁽¹⁾	20.403	11,9	4.094	2,2
Agriculture	748	0,4	1.106	0,6
Mining	363	0,2	-2.546	-1,4
Manufacturing	987	0,6	-3.202	-1,8
Transport and communications	-1.862	-1,1	-117	-0,1
Foreign and domestic trade	54.158	31,6	35.243	19,3
Building and construction	44.181	25,8	54.978	30,1
Tourism	52.557	30,7	11.552	6,3
Personal and professional loans	164	0,1	82.035	44,9
Bills discounted: Local	850	0,5	53	0,0
Foreign	-1.280	-0,7	-385	-0,2
Total	171.269	100,0	182.811	100,0

Source: Central Bank of Cyprus

(1) Including Government loans

Table 8**Claims on private sector⁽¹⁾**

(change, CYP milion)

	2004 Feb.	2004 Mar.	2004 Apr.			
Foreign currency loans to residents	8,0	10,7	-9,2			
Claims on private sector	20,1	108,4	13,3			
<i>(end of period balances, CYP million)</i>						
	2001	2002	2003	2003 Apr.	2004 Mar.	2004 Apr.
Foreign currency loans to residents	733,0	785,2	799,0	853,4	824,3	815,1
Claims on private sector	7320,1	7904,1	8302,4	8049,0	8447,7	8461,0
Share %	10,0	9,9	9,6	10,6	9,7	9,6

Source: Central Bank of Cyprus

(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 (6+7+9+12) 13		
	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.)	Repos & depos	Currency in circulation	Central Govern. deposits (net) ⁽¹⁾	Other factors (net)				
	1	2	3	4	5	6	7	8	9	10	11	12	13		
2002															
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		
2004															
Jan.	1.214,1	0,0	0,0	0,0	0,0	55,4	79,3	151,9	491,2	-290,5	192,6	534,2	1.160,1		
Feb.	1.185,3	0,0	0,0	0,0	0,0	22,2	79,4	169,0	477,0	-304,4	194,1	547,9	1.126,5		
Mar.	1.151,2	0,0	0,0	2,2	0,0	17,4	79,6	140,3	478,6	-313,8	199,7	551,5	1.127,2		
Apr.	1.121,0	0,0	0,0	0,7	0,0	29,7	79,3	93,3	503,7	-366,2	226,5	555,2	1.168,0		

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 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 a maturity of 30 years, the repayment of which will commence in 2007.

Table 10

Interest rates
(percentages per annum, period averages)

	2001	2002	2003	2003 Apr.	2004 Feb.	2004 Mar.	2004 Apr.
Interbank (1day)	4,93	3,42	3,35	3,36	3,03	3,21	3,25
Repos	6,39						
Reverse repos/depos	4,59	3,91	3,45	3,62	3,47	3,44	3,30
Treasury bills (13 weeks)	6,00	4,02	3,51			3,70	3,96
Treasury bills (52 weeks)	6,35	4,30	3,70			4,30	4,43
Development stocks (2 years)	6,11	4,56	3,83	3,68	4,53	4,79	5,01
Development stocks (5 years)	6,96	5,07	4,49	4,36	5,10		5,50
Development stocks (10 years)	7,66	5,37	4,70	4,63	5,17		
Development stocks (15 years)	6,47	5,60	4,81	4,62	5,56		

Source: Central Bank of Cyprus

Table 11**Inflation and interest rates in Europe and Cyprus - March 2004**

(latest 12-month average)

	Inflation (HICP)	Long-term interest rates	Long-term real interest rates
Belgium	1,40	4,19	2,79
Denmark	1,40	4,30	2,90
Germany	1,00	4,08	3,08
Greece	3,20	4,26	1,06
Spain	2,70	4,13	1,43
France	2,10	4,13	2,03
Ireland	3,30	4,12	0,82
Italy	2,70	4,26	1,56
Luxembourg	2,30	3,14	0,84
Netherlands	1,90	4,13	2,23
Austria	1,20	4,17	2,97
Portugal	2,80	4,18	1,38
Finland	0,90	4,12	3,22
Sweden	1,70	4,62	2,92
United Kingdom	1,30	4,70	3,40
Eurozone	1,90	4,16	2,26
EU -15	1,80	4,25	2,45
Cyprus	2,93	4,72	1,79

Source: Eurostat

Table 12**Official interest rates***(levels in percentages per annum, changes in percentage points)*

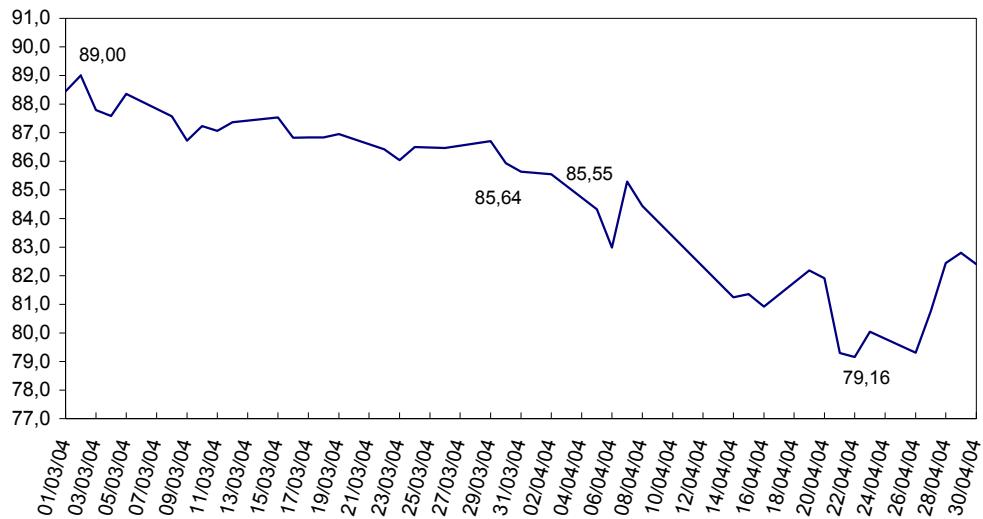
		change
European Central Bank <i>(6 May 2004)</i>		
Minimum bid rate on the main refinancing operations	2,00	-
Interest rate on the marginal lending facility	3,00	-
Interest rate on the deposit facility	1,00	-
Bank of England <i>(6 May 2004)</i>		
Repo rate	4,25	+0,25
Federal Reserve <i>(4 May 2004)</i>		
Federal funds rate	1,00	-
Discount rate	2,00	-
Central Bank of Cyprus <i>(30 April 2004)</i>		
Minimum bid rate on the main refinancing operations	4,50	+1,00
Interest rate on the marginal lending facility	5,50	+1,00
Interest rate on the deposit facility	3,50	+1,00

Sources: ECB, Bank of England, Federal Reserve and CBC

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

March - April 2004

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



Source: Cyprus Stock Exchange

Table 13

Investments by non-residents on the Cyprus Stock Exchange⁽¹⁾
 (CYP thousand)

	2002	2003	2004			
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.
Purchases	50	495	2.235	1.295	361	809
Sales	0	358	572	327	240	1.017
Net investments	50	137	1.663	968	121	-208

Source: Cyprus Stock Exchange

(1) The data for 2002 refer only to purchases and sales of shares not included in the dematerialisation process.

Table 14**Manufacturing production volume index**

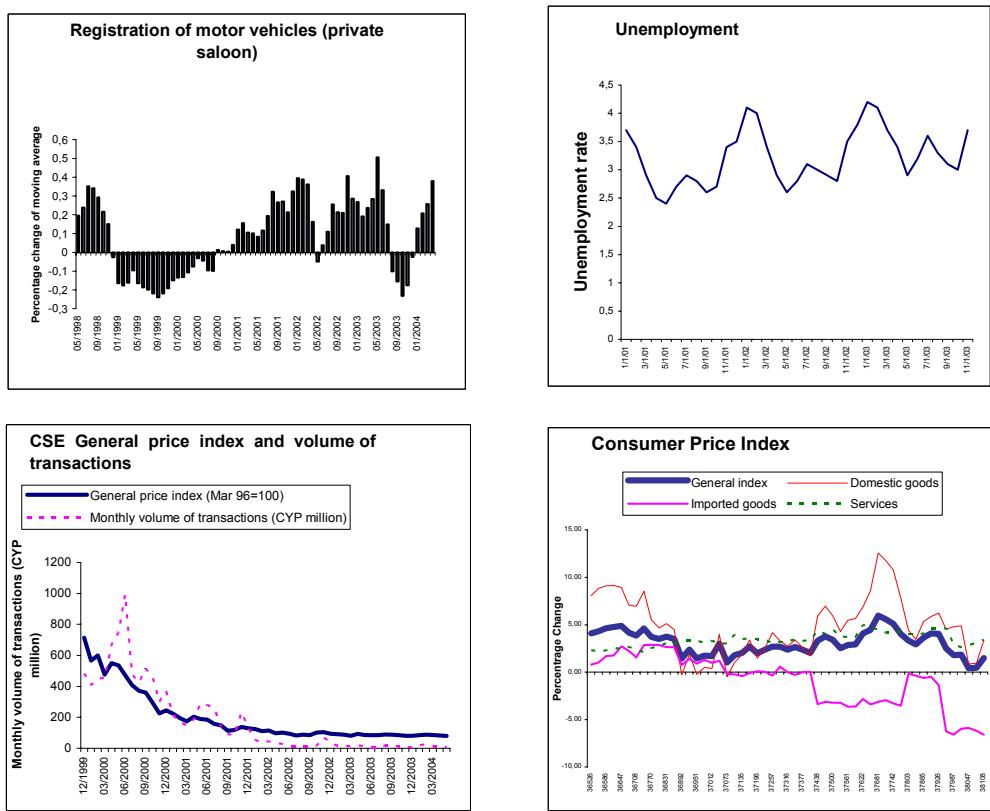
(percentage change by category)

	Feb. 02/01	Feb. 03/02	Jan.-Feb. 03/02	Jan.-Feb. 04/03
General index	-7,2	0,4	-4,8	-1,9
Food products, beverages & tobacco	-6,8	9,6	-1,5	-3,3
Textiles & textile products	-32,0	0,7	-31,7	4,4
Leather and leather products	-31,4	-56,2	-34,3	-51,6
Wood & wood products	-2,8	8,6	-4,9	7,5
Paper, paper products, publishing & printing	-1,3	-7,9	-3,8	-4,1
Refined petroleum products	26,0	-30,2	-20,1	11,9
Chemicals, chemical products and man-made fibres	-14,2	-1,0	-8,8	1,3
Rubber and plastic products	-3,2	-7,4	-3,7	-4,5
Other non-metallic mineral products	4,1	-1,3	11,9	-2,4
Basic metals & fabricated metal products	-9,2	-1,6	-4,7	-2,0
Machinery and equipment n.e.c.	-20,1	-0,2	-16,3	1,2
Electrical & optical equipment	-5,5	-13,3	-14,5	-6,3
Transport equipment	12,2	-17,0	10,8	-15,6
Manufacturing n.e.c.	-17,4	-5,4	-17,0	-2,7

Source: Central Bank of Cyprus

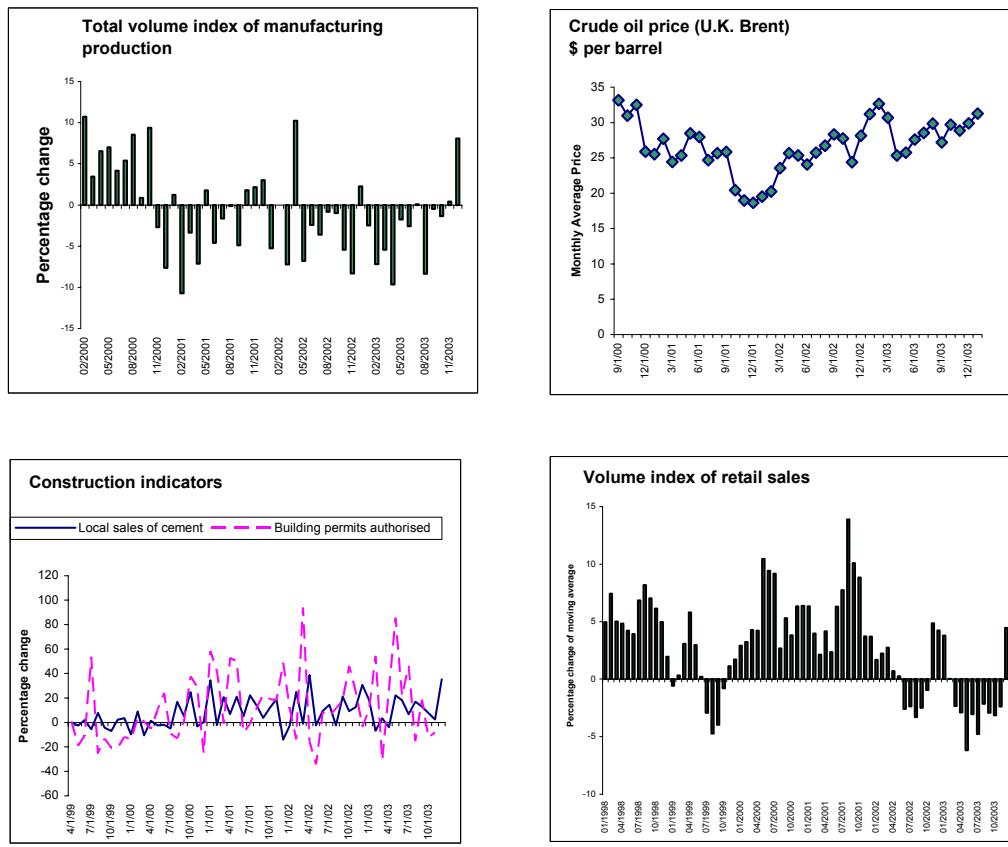
* Since 2003 the base year was 2000 whereas in previous years the base year was 1998

Graph 7



Source: Central Bank of Cyprus

Graph 8



Source: Central Bank of Cyprus

Table 15**Retail sales volume index**

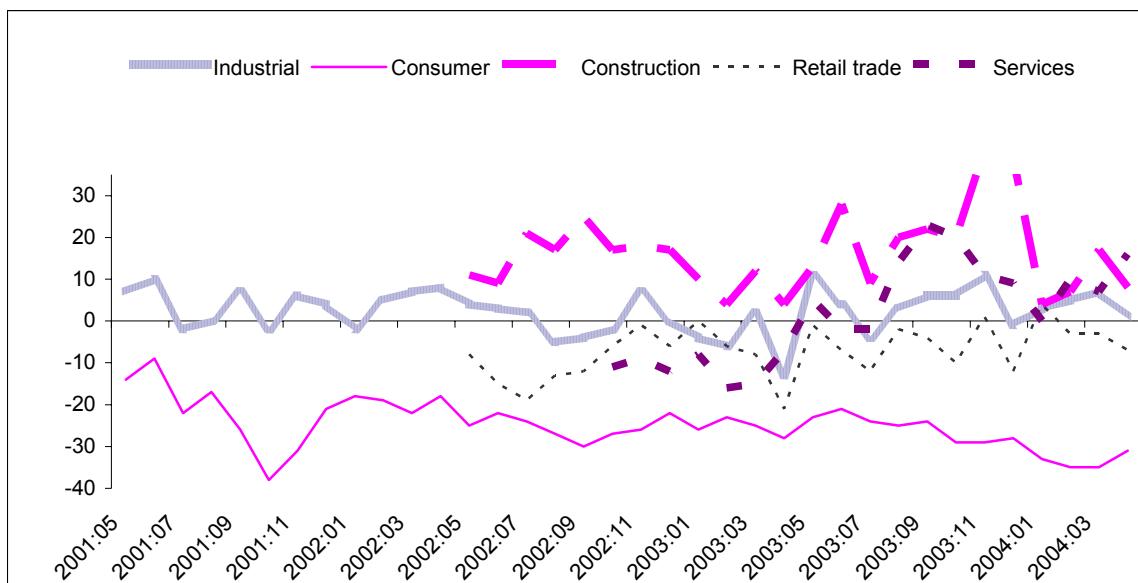
(percentage change by category)

	Dec. 02/01	Dec. 03/02	Jan.-Dec. 02/01	Jan.-Dec. 03/02
General index	11,8	1,2	1,0	-2,7
Food, drinks and tobacco	-12,8	4,8	-8,2	-2,3
Clothing and textiles	3,8	-3,6	3,5	-0,2
Footwear & leather products	-0,8	12,8	-1,1	10,5
Electrical goods & appliances	12,5	4,0	3,3	-2,1
Vehicles, machinery & spare parts	70,0	-2,3	11,8	-9,2
Supermarkets	-18,0	3,4	-9,6	-5,9
Pharmacies	3,3	22,2	5,2	9,9
Furniture	83,6	-23,9	10,2	-10,2
Petrol stations	15,6	21,2	5,7	17,2
Toys	-28,1	-2,4	-3,3	-11,4

Source: Statistical Service of Cyprus

Graph 9**Confidence Indicators**

(units, end of the month)



Source: European Committee

Table 16**Trade Balance Data⁽¹⁾**

(Cyprus pounds in millions)

	2002	2003	2003/2002 % change	2002	2003	2004	2003/2002 % change	2004/2003 % change
	Jan. - Dec.	Jan. - Dec.	Jan. - Dec.	Mar.	Mar.	Mar.	Mar.	Mar.
Total imports (cif)	2.486,6	2.304,0	-7,3	211,4	214,8	243,0	1,6	13,1
Imports for home consumption (cif)	2.256,5	2.096,5	-7,1	183,7	195,4	216,0	6,4	10,5
Non oil civil imports for home consumption (cif)	1.882,1	1.841,9	-2,1	157,2	164,9	197,6	4,9	19,9
<i>Imports destined for re-exports</i>	230,2	220,2	-4,3	27,7	19,4	27,0	-29,9	39,2
Total exports	511,3	476,8	-6,7	45,0	44,1	49,0	-2,0	11,0
Domestic exports (fob)	221,9	205,9	-7,2	21,4	17,1	22,0	-20,2	28,6
Re-exports (fob)	247,1	224,5	-9,1	20,8	23,0	23,0	10,7	0,1
Shipstores	42,3	46,4	9,7	2,8	4,1	4,0	43,3	-1,3
Trade balance	-1.975,4	-1.827,2	-7,5	-166,3	-170,7	-194,0	2,6	13,7

(1) Figures for March 2004 are provisional

Source: Statistical Service of Cyprus

Table 17**Imports (cif) by economic destination**

(Cyprus pounds in millions)

	2002 Yearly Value	2003 Yearly Value	2002 Jan. - Feb. Value	2003 Jan. - Feb. Value	2004 Jan. - Feb. Value	2003/2002 Annual % Change	2003/2002 Jan. - Feb. % Change	2004/2003 Jan. - Feb. % Change
Consumer goods	641,6	638,2	105,4	84,7	89,7	-0,5	-19,6	5,9
Non-durable	351,0	356,8	70,6	50,8	54,8			
Semi-durable	178,0	172,6	19,2	19,6	19,5			
Durable	112,6	108,7	15,6	14,3	15,3			
Intermediate inputs	715,8	716,4	115,8	106,4	109,0	0,1	-8,1	2,4
Agricultural	43,3	41,2	6,0	4,4	6,7			
Construction and mining	135,9	154,9	23,1	23,2	25,6			
Manufacturing	419,3	416,8	70,2	63,1	62,2			
Transport, storage and communication	26,2	23,3	3,5	3,6	2,9			
Other sectors of the economy	91,1	80,2	12,9	12,1	11,5			
Capital goods	242,8	256,6	36,5	35,7	43,1	5,7	-2,3	20,9
Agricultural	8,6	7,5	1,3	1,3	1,1			
Construction and mining	21,2	23,8	2,3	3,9	4,2			
Manufacturing	60,0	61,0	9,4	8,1	8,1			
Transport, storage and communication	45,8	62,4	7,7	8,0	13,6			
Other sectors of the economy	107,3	101,8	15,9	14,3	16,1			
Transport equipment and parts thereof	281,5	228,3	50,9	55,3	58,1	-18,9	8,6	5,2
of which:								
passenger cars	160,1	149,8	39,0	43,4	45,6			
spare parts	66,3	66,3	10,2	10,5	10,3			
aircraft and parts	42,7	0,2	0,0	0,2	0,0			
Fuels and lubricants	240,4	162,5	50,9	38,6	39,6	-32,4	-24,1	2,5
Unclassified	134,3	92,1	17,5	0,0	0,0			
Imports for home consumption	2256,4	2094,0	341,8	281,9	299,8	-7,2	-17,5	6,3
Imports destined for re-exports	230,2	207,6	35,3	38,7	39,7	-9,8	9,9	2,5
Total imports	2486,6	2301,6	377,0	320,6	339,5	-7,4	-15,0	5,9
Memo item: Non oil civil imports for home consumption	1882,1	1841,9	278,2	251,4	265,5	-2,1	-9,6	5,6

Source: Statistical Service of Cyprus

Table 18**Exports (fob) by economic destination**

(Cyprus pounds in millions)

	2002 Yearly Value	2003 Yearly Value	2002 Jan. - Feb. Value	2003 Jan. - Feb. Value	2004 Jan. - Feb. Value	2003/2002 Annual % Change	2003/2002 Jan. - Feb. % Change	2004/2003 Jan. - Feb. % Change
Agricultural products (raw)	36,9	43,6	6,5	7,6	7,5	18,2	15,8	-1,7
of which:								
potatoes	11,1	15,1	0,6	1,3	0,7			
other vegetables								
fresh, frozen or dried	3,8	4,4	1,1	1,1	1,2			
citrus fruit	18,3	19,0	4,6	4,8	5,1			
Minerals and industrial products of mineral origin	10,5	9,8	1,7	1,8	1,1	-6,7	5,3	-37,1
Industrial products of agricultural origin	32,9	32,7	4,6	4,8	3,7	-0,6	3,4	-23,3
of which:								
halloumi cheese	10,9	10,5	1,8	1,5	1,3			
fruit preserved	0,9	0,4	0,1	0,1	0,0			
fruit and vegetable juices	4,7	4,4	0,6	0,6	0,4			
beer	0,9	0,6	0,1	0,0	0,0			
wines	5,1	6,1	0,6	0,9	0,6			
meat	4,5	3,7	0,7	0,7	0,2			
Industrial products of manufacturing origin	141,6	119,9	22,8	18,2	16,6	-15,3	-20,0	-9,1
of which:								
cigarettes	4,5	6,8	0,5	0,5	2,0			
cement	8,8	9,1	1,2	1,7	1,3			
pharmaceutical products	43,1	38,7	6,7	5,7	5,4	-10,2	-15,0	-5,8
articles of paper or of paperboard	5,5	5,6	1,2	0,8	0,9			
clothing	16,0	9,8	2,5	1,6	1,0			
footwear	3,2	1,4	0,6	0,3	0,1			
furniture	6,0	4,2	0,9	0,7	0,5			
Unclassified	0,0	0,0	0,0	0,0	0,1			
Domestic exports	221,9	205,9	35,6	32,4	28,9	-7,2	-9,2	-10,8
re-exports	247,1	224,5	40,0	30,6	29,7	-9,1	-23,5	-3,2
shipstores	42,3	46,4	3,7	5,8	4,0	9,6	57,8	-31,0
Total exports	511,3	476,8	79,4	68,8	62,6	-6,7	-13,3	-9,1

Source: Statistical Service of Cyprus

Table 19**Tourist arrivals⁽¹⁾**

(number of persons)

	2000	2001	2002	2003	2004	% change 2001/2000	% change 2002/2001	% change 2003/2002	% change 2004/2003
January	63.553	64.214	54.067	59.529	56.504	1,0	-15,8	10,1	-5,1
February	87.243	83.569	71.950	77.972	75.705	-4,2	-13,9	8,4	-2,9
March	135.487	137.578	138.625	91.634	111.946	1,5	0,8	-33,9	22,2
April	221.785	237.228	180.481	169.891	191.251	7,0	-23,9	-5,9	12,6
May	299.355	324.901	279.070	231.527		8,5	-14,1	-17,0	
June	302.011	322.835	293.192	262.100		6,9	-9,2	-10,6	
July	362.299	373.385	327.404	318.143		3,1	-12,3	-2,8	
August	356.686	371.536	301.724	325.390		4,2	-18,8	7,8	
September	329.964	329.400	306.731	287.358		-0,2	-6,9	-6,3	
October	300.597	269.744	275.840	271.980		-10,3	2,3	-1,4	
November	133.500	107.454	111.327	123.800		-19,5	3,6	11,2	
December	93.722	74.887	77.822	83.919		-20,1	3,9	7,8	
Jan. - Apr.	508.068	522.589	445.123	399.026	435.406	2,9	-14,8	-10,4	9,1
Jan. - Dec.	2.686.202	2.696.731	2.418.233	2.303.243			-10,3	-4,8	

Source: Statistical Service of Cyprus

(1) Arrivals of same - day visitors are not included

Table 20**Receipts from tourism⁽¹⁾**

(Cyprus pounds in millions)

	2000	2001	2002	2003	2004	% change 2003/2002	% change 2004/2003
January		24,9	21,6	25,6	21,8	18,8	-15,0
February		29,1	28,9	31,4	25,4	8,9	-19,1
March		49,7	59,2	37,8	42,1	-36,1	11,2
April		89,9	77,0	67,1	72,1	-12,9	7,4
May		139,1	119,5	92,5		-22,6	
June	122,9	157,4	139,3	114,8		-17,6	
July	162,7	192,0	160,7	152,4		-5,2	
August	173,7	205,0	153,8	165,3		7,5	
September	161,9	176,3	157,4	134,1		-14,8	
October	135,1	130,2	128,0	112,4		-12,2	
November	54,1	48,8	51,4	48,7		-5,3	
December	36,2	29,2	35,6	32,9		-7,6	
Jan. - Apr.		193,6	186,7	162,0	161,3	-13,2	-0,4
Jan. - Dec.		1.271,6	1.132,4	1.015,1		-10,4	

Source: Statistical Service of Cyprus

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

Table 21**Official Interest Rates**

(levels in percentages per annum)

Date of monetary policy 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	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	

Source: Central Bank of Cyprus

Table 22**Main refinancing operations allotted through tenders⁽¹⁾**

(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	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
	15 Jan.	263,5	200,0	3,50	3,37	3,27	3,44		6
	22 Jan.	169,8	169,8	3,50	3,31	3,24	3,43		7
	29 Jan.	177,5	160,0	3,50	3,47	3,36	3,50		14
	12 Feb.	198,0	170,0	3,50	3,47	3,41	3,50		14
	26 Feb.	202,0	190,0	3,50	3,47	3,41	3,50		14
	11 Mar.	201,0	150,0	3,50	3,47	3,42	3,50		7
	18 Mar.	165,0	100,0	3,50	3,37	3,33	3,39		15
	02 Apr.	164,0	100,0	3,50	3,31	3,29	3,50		13
	15 Apr.	152,0	100,0	3,50	3,29	3,29	3,29		14

Source: Central Bank of Cyprus

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

Table 23
Money market interest rates
(percentages 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	1-month deposits	3-month deposits	6-month deposits	12-month deposits
2003	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	2,54	2,47	2,45
	May	3,56	-	3,56	3,70	3,96	2,56	2,52	2,41	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	-	2,06	2,13	2,15	2,20	2,38
2004	Jan.	3,10	-	3,52	-	3,25	2,02	2,08	2,09	2,12	2,22
	Feb.	3,03	-	3,57	3,86	4,18	2,03	2,06	2,07	2,09	2,16
	Mar.	3,21	3,18	3,58	4,09	-	2,00	2,04	2,03	2,02	2,06
	Apr.	3,25	3,44	3,46	4,25	-					

Sources: Central Bank of Cyprus and European Central Bank

Table 24**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 CYP5000	1 year fixed deposits - over CYP5000
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
Sep.	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
Dec.	6,92	6,90	7,53	6,30	10,50	0,44	3,35	3,45
2004 Jan.	6,92	6,90	7,53	6,30	10,50	0,44	3,35	3,43
Feb.	6,92	6,90	7,53	6,30	10,50	0,45	3,35	3,42
Mar.	6,92	6,90	7,53	6,30	10,50	0,44	3,35	3,43
Apr.	6,92	6,90	7,53	6,30	10,50	0,42	3,35	3,40

Source: Domestic Banks

(1) Reported as end of month.

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

Table 25**European Monetary Financial Institutions (MFI) interest rates**

(percentages per annum, outstanding amounts as 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
2003 Feb.	0,91	2,56	3,68	2,34	3,23	1,19	2,73	4,73
Mar.	0,87	2,45	3,54	2,29	3,19	1,14	2,61	4,66
Apr.	0,84	2,39	3,54	2,31	3,14	1,11	2,53	4,62
May	0,84	2,34	3,47	2,24	3,10	1,08	2,50	4,50
June	0,76	2,18	3,47	2,23	3,01	0,99	2,26	4,45
July	0,68	2,08	3,43	2,14	2,93	0,88	2,24	4,40
Aug.	0,68	2,04	3,42	1,99	2,88	0,88	2,20	4,26
Sep.	0,69	2,01	3,44	2,00	2,85	0,87	2,23	4,32
Oct.	0,69	1,97	3,47	2,05	2,73	0,88	2,12	4,33
Nov.	0,70	1,98	3,44	2,01	2,70	0,87	2,13	4,43
Dec.	0,69	1,97	3,53	2,01	2,68	0,88	2,15	4,25
2004 Jan.	0,69	1,94	3,36	2,02	2,65	0,95	2,09	4,24

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
2003 Feb.	5,48	5,43	5,62	8,69	7,53	6,23	5,18	4,82	5,25
Mar.	5,45	5,36	5,55	8,64	7,42	6,17	5,00	4,68	5,11
Apr.	5,39	5,26	5,49	8,53	7,45	6,11	4,89	4,61	5,03
May	5,33	5,22	5,44	8,52	7,34	6,09	4,83	4,56	4,94
June	5,30	5,13	5,39	8,47	7,37	6,03	4,72	4,46	4,90
July	5,21	5,07	5,31	8,36	7,27	5,96	4,60	4,32	4,80
Aug.	5,11	4,99	5,25	8,31	7,23	6,07	4,53	4,21	4,74
Sep.	5,05	4,95	5,24	8,34	7,26	6,00	4,55	4,19	4,75
Oct.	5,04	4,92	5,20	8,17	7,12	5,85	4,55	4,12	4,70
Nov.	4,96	4,90	5,17	7,98	7,09	5,82	4,51	4,17	4,67
Dec.	4,96	4,88	5,14	8,04	7,04	6,00	4,53	4,23	4,66
2004 Jan.	4,90	4,89	5,11	8,16	7,02	5,92	4,55	4,07	4,57

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 26**Calendar of interest rate announcements in 2004**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
European Central Bank ⁽¹⁾	8 2,00	5 2,00	4 2,00	1 2,00	6 2,00	3	1	5	2	7	4	2
Bank of England ⁽²⁾	8 3,75	5 4,00	4 4,00	8 4,00	6 4,25	10	8	5	9	7	4	9
Federal Reserve System ⁽³⁾	27/28 1,00		16 1,00		4 1,00	29/30		10	21		10	14
Central Bank of Cyprus ⁽⁴⁾	16 4,50	27 4,50		7 4,50		4	9		3	22		3
					30 5,50							

(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 27**Percentage change in the Consumer Price Index by economic origin (%)**

2002 - 2004

	Quarterly					Apr. 2003/ 2002	Mar. 2004/ 2003	Apr. 2004/ 2003	Jan.- Apr. 2003/ 2002	Jan.- Mar. 2004/ 2003	Jan.- Apr. 2004/ 2003	Weights 1998=100
	2002	2003	2003 III	2003 IV	2004 I				2003	2003	2003	
GENERAL INDEX	2,81	4,14	3,31	3,54	1,35	5,58	0,41	0,48	5,03	1,35	1,13	100,00
A LOCAL GOODS	4,35	7,30	4,41	5,54	3,47	11,78	0,84	0,97	9,96	3,47	2,82	36,69
A.1 Agricultural	1,79	4,54	6,87	6,04	6,06	2,67	-6,42	0,37	0,53	0,64	0,57	7,93
A.2 Industrial	5,62	7,90	3,60	5,50	5,21	13,86	3,56	2,08	12,62	4,76	4,07	27,24
A.2.1 <i>industrial non-petroleum</i>	4,55	6,46	4,36	5,29	4,71	8,10	2,79	2,89	8,85	3,23	3,15	22,91
A.2.2 <i>fuel and gas</i>	10,57	14,16	0,57	6,39	7,24	41,76	6,56	-0,91	30,42	10,93	7,69	4,33
A.3 Electricity	-2,26	10,20	6,57	4,41	1,63	22,96	-6,09	-11,86	16,14	-2,94	-5,28	1,52
B IMPORTED GOODS	-1,69	-2,38	-0,38	-2,69	-4,73	-2,95	-5,89	-6,19	-3,07	-6,15	-6,16	22,20
B.1 Motor Vehicles	-5,07	-8,31	-1,75	-8,12	-12,87	-11,19	-15,10	-15,06	-11,35	-15,75	-15,58	9,43
B.2 Other Imported	0,85	1,81	0,53	0,84	0,61	3,20	0,05	-0,50	3,22	0,15	-0,01	12,77
C SERVICES	3,67	4,38	4,01	4,58	4,03	4,16	2,88	3,07	4,58	2,81	2,87	41,11
HICP	2,8	4,0	2,8	3,2		5,6	0,1		5,3	1,1		4,1
Euro area inflation	2,3	2,1	2,0	2,0		2,1	1,6		2,3	1,7		

Source: Statistical Service of Cyprus

Table 28

**Weighted contribution to the total change in the Consumer Price Index by economic origin (%)
2002 - 2004**

	Quarterly					Apr. 2003/ 2002	Mar. 2004/ 2003	Apr. 2004/ 2003	Jan.- Apr. 2003/ 2002	Jan.- Mar. 2004/ 2003	Jan.- Apr. 2004/ 2003	Weights 1998=100
	2002	2003	2003 III	2003 IV	2004 I							
GENERAL INDEX	2,81	4,14	3,31	3,54	1,35	5,58	0,41	0,48	5,03	1,35	1,13	100,00
A LOCAL GOODS	1,64	2,79	1,69	2,17	1,35	4,45	0,34	0,39	3,74	1,36	1,11	36,69
A.1 Agricultural	0,15	0,37	0,53	0,48	0,06	0,23	-0,57	0,03	0,05	0,05	0,05	7,93
A.2 Industrial	1,53	2,22	1,03	1,60	1,36	3,80	1,03	0,62	3,39	1,36	1,17	27,24
A.2.1 <i>industrial non-petroleum</i>	1,02	1,47	1,00	1,24	0,74	1,84	0,64	0,67	1,96	0,74	0,72	22,91
A.2.2 <i>fuel and gas</i>	0,51	0,74	0,03	0,36	0,62	1,96	0,39	-0,06	1,43	0,62	0,45	4,33
A.3 Electricity	-0,05	0,20	0,13	0,09	-0,06	0,43	-0,13	-0,26	0,31	-0,06	-0,11	1,52
B IMPORTED GOODS	-0,35	-0,48	-0,07	-0,52	-1,18	-0,61	-1,12	-1,17	-0,63	-1,17	-1,17	22,20
B.1 Motor Vehicles	-0,46	-0,69	-0,14	-0,62	-1,19	-0,98	-1,12	-1,11	-1,01	-1,19	-1,17	9,43
B.2 Other Imported	0,10	0,21	0,06	0,10	0,02	0,38	0,01	-0,06	0,38	0,02	0,00	12,77
C SERVICES	1,52	1,83	1,69	1,90	1,17	1,73	1,19	1,26	1,92	1,17	1,20	41,11

Source: Statistical Service of Cyprus

Table 29**Percentage change in the Consumer Price Index by category of goods and services (%)**

2002 - 2004

	Yearly		Quarterly			Apr. 2003/ 2002	Mar. 2004/ 2003	Apr. 2004/ 2003	Jan.- Apr. 2003/ 2002	Jan.- Mar. 2004/ 2003	Jan.- Apr. 2004/ 2003	Weights 1998=100
	2002	2003	2003 III	2003 IV	2004 I				2003	2003	2003	
GENERAL INDEX	2,81	4,14	3,31	3,54	1,35	5,58	0,41	0,48	5,03	1,35	1,13	100,00
Food & non-alcoholic beverages	4,58	5,11	5,42	5,26	3,11	4,47	-0,44	2,42	4,17	3,11	2,94	18,20
Alcoholic beverages & tobacco	13,32	24,22	12,37	24,53	13,36	34,74	12,85	12,38	35,07	13,36	13,12	1,78
Clothing and footwear	-3,46	1,19	1,32	1,34	-2,11	1,14	-2,43	-1,97	1,01	-2,11	-2,08	8,22
Housing, water, electricity and gas	4,08	5,04	3,93	4,46	3,79	7,22	3,08	1,89	6,00	3,79	3,32	21,27
Furnishings, household equipment and supplies	0,81	3,59	1,46	1,34	-0,37	5,90	-0,34	-0,06	5,53	-0,37	-0,29	7,08
Health	4,70	5,66	5,49	5,36	3,63	5,35	3,96	3,74	6,84	3,63	3,66	4,92
Transport	0,39	0,35	0,32	-1,81	-6,41	4,27	-6,94	-8,31	2,18	-6,41	-6,88	17,42
Communication	-8,81	-7,16	-11,04	3,98	-5,05	-9,49	-8,73	-8,69	-10,35	-5,05	-5,96	1,79
Recreation & culture	2,20	3,55	2,14	2,83	1,59	4,87	1,62	1,44	4,88	1,59	1,55	5,88
Education	5,71	4,02	3,84	3,28	3,25	4,49	3,25	3,25	4,49	3,25	3,25	2,33
Restaurants & hotels	3,97	5,31	4,37	4,59	3,62	5,83	3,94	3,75	6,36	3,62	3,65	6,07
Miscellaneous goods and services	5,49	5,50	4,36	4,43	4,81	6,47	5,34	6,02	7,20	4,81	5,11	5,04

Source: Statistical Service of Cyprus

Table 30
**Weighted contribution to the total change in the Consumer Price Index by category of goods and services (%)
2002 - 2004**

	Yearly		Quarterly			Apr. 2003/ 2002	Mar. 2004/ 2003	Apr. 2004/ 2003	Jan.- Apr. 2003/ 2002	Jan.- Mar. 2004/ 2003	Jan.- Apr. 2004/ 2003	Weights 1998=100
	2002	2003	2003 III	2003 IV	2004 I							
GENERAL INDEX	2,81	4,14	3,31	3,54	1,35	5,58	0,41	0,48	5,03	1,35	1,13	100,00
Food & non-alcoholic beverages	0,86	0,97	1,01	0,99	0,60	0,86	-0,09	0,46	0,81	0,59	0,56	18,20
Alcoholic beverages & tobacco	0,27	0,54	0,30	0,59	0,35	0,70	0,33	0,32	0,71	0,35	0,34	1,78
Clothing and footwear	-0,25	0,08	0,08	0,00	-0,13	0,08	-0,16	-0,14	0,07	-0,13	-0,13	8,22
Housing, water, electricity and gas	0,88	1,10	0,87	0,98	0,84	1,57	0,67	0,42	1,31	0,83	0,73	21,27
Furnishings, household equipment and supplies	0,05	0,23	0,10	0,09	-0,02	0,38	-0,02	0,00	0,36	-0,02	-0,02	7,08
Health	0,25	0,30	0,29	0,28	0,20	0,29	0,21	0,20	0,36	0,20	0,20	4,92
Transport	0,07	0,06	0,05	-0,30	-1,07	0,73	-1,15	-1,40	0,37	-1,07	-1,15	17,42
Communication	-0,13	-0,09	-0,15	0,05	-0,06	-0,12	-0,10	-0,10	-0,14	-0,06	-0,07	1,79
Recreation & culture	0,12	0,19	0,12	0,15	0,09	0,26	0,09	0,08	0,26	0,09	0,08	5,88
Education	0,14	0,10	0,10	0,08	0,08	0,11	0,08	0,08	0,11	0,08	0,08	2,33
Restaurants & hotels	0,26	0,35	0,29	0,30	0,24	0,38	0,26	0,25	0,42	0,24	0,24	6,07
Miscellaneous goods and services	0,28	0,29	0,23	0,24	0,26	0,33	0,28	0,31	0,37	0,26	0,27	5,04

Source: Statistical Service of Cyprus

Table 31

Cyprus Stock Exchange: Purchase of listed shares by non-residents¹
 (CYP thousand)

Geographic origin of non-resident investor	2002 Jan.-Dec.	2003 Jan.	2003 Feb.	2003 Mar.	2003 Apr.	2003 May	2003 June	2003 July	2003 Aug.	2003 Sep.	2003 Oct.	2003 Nov.	2003 Dec.	2003 Jan.-Dec.	2004 Jan.	2004 Feb.	2004 Mar.	2004 Apr.
EUROPE	2.490,6	40,2	41,1	141,0	146,2	202,4	457,5	347,9	507,5	2.018,5	531,6	166,0	414,3	5.014,3	1.597,3	1.011,7	301,2	702,6
European Union ²	2.392,8	37,0	32,2	140,2	135,5	200,1	456,6	345,2	506,3	2.013,0	529,5	165,4	414,3	4.975,2	1.596,1	1.006,4	301,0	696,1
Greece	1.582,5	8,8	13,1	73,1	22,2	106,0	34,9	331,6	431,0	1.991,7	523,2	154,5	411,1	4.101,0	1.595,7	926,6	110,3	589,2
United Kingdom	742,6	12,3	5,5	37,8	81,3	45,0	409,5	5,8	52,0	13,0	5,5	10,9	0,1	678,7	0,0	9,5	120,6	105,9
Acceding countries ³	24,4	0,0	0,0	0,0	0,5	0,3	0,0	0,0	0,0	1,4	0,0	0,0	2,2	0,7	5,3	0,2	3,9	
Other European countries	73,4	3,2	8,9	0,8	10,2	2,0	1,0	2,7	1,2	5,6	0,7	0,6	0,0	36,8	0,4	0,0	0,0	2,5
Russian Federation	50,2	0,4	2,4	0,7	10,0	2,0	0,3	1,8	0,0	0,0	0,2	0,0	0,0	17,9	0,2	0,0	0,0	0,0
AFRICA	792,6	0,5	0,0	137,1	127,0	14,0	5,6	284,1	147,9	145,2	37,6	29,7						
North African countries	6,6	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
Other African countries	786,0	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	137,1	127,0	14,0	5,6	284,1	147,9	145,2	37,6	29,7
South Africa	773,6	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,5	5,0	20,0	0,0	12,5
AMERICA	338,0	4,7	0,7	0,0	4,6	56,4	3,0	54,5	83,1	21,3	9,8	13,1	51,8	303,0	489,6	138,0	20,8	76,8
North American countries	150,3	0,0	0,0	0,0	0,0	0,4	3,0	4,3	29,9	17,4	9,8	13,1	51,8	129,7	424,6	130,9	5,7	55,8
United States of America	84,4	0,0	0,0	0,0	0,0	0,4	3,0	4,3	28,0	17,4	7,7	13,1	51,8	125,7	424,6	130,2	5,7	55,8
Central American countries	187,6	4,7	0,7	0,0	4,6	56,0	0,0	50,2	53,1	4,0	0,0	0,0	0,0	173,3	65,1	7,1	15,1	21,0
British Virgin Islands	159,0	0,0	0,0	0,0	4,6	55,7	0,0	50,2	49,1	0,0	0,0	0,0	0,0	159,6	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
ASIA	112,1	0,2	1,4	0,8	2,8	3,4	0,0	4,6	2,6	4,2	4,2	0,0	0,0	24,1	0,0	0,0	0,7	0,0
West Asia	108,5	0,2	1,4	0,8	2,8	2,6	0,0	4,6	2,6	4,2	4,2	0,0	0,0	23,3	0,0	0,0	0,7	0,0
Lebanon	73,0	0,2	1,4	0,8	2,8	2,6	0,0	4,6	2,6	3,8	3,7	0,0	0,0	22,4	0,0	0,0	0,0	0,0
Other Asian countries	3,6	0,0	0,0	0,0	0,0	0,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8	0,0	0,0	0,0	0,0
OCEANIA	2,4	0,0	0,0	0,0	0,4	0,0	0,0	1,7	0,9	0,8	0,0	0,0	23,0	26,8	0,0	0,0	1,0	0,0
Total	3.735,6	45,6	43,2	141,8	153,9	262,2	460,5	408,7	594,1	2.181,9	672,5	193,1	494,7	5.652,2	2.234,8	1.294,9	361,3	809,1

Source: Cyprus Stock Exchange, Central Bank of Cyprus

(1) Purchase of shares included in the central securities depository as well as shares not included in the central securities 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 32

Cyprus Stock Exchange: Sale of listed shares by non-residents¹
(CYP thousand)

Geographic origin of non-resident investor	2002 Jan.-Dec.	2003 Jan.	2003 Feb.	2003 Mar.	2003 Apr.	2003 May	2003 June	2003 July	2003 Aug.	2003 Sep.	2003 Oct.	2003 Nov.	2003 Dec.	2003 Jan.-Dec.	2004 Jan.	2004 Feb.	2004 Mar.	2004 Apr.
EUROPE	1.285,1	14,9	12,0	36,9	35,0	9,9	70,9	24,3	112,6	96,9	137,3	292,9	355,7	1.199,3	484,6	171,7	186,4	989,0
European Union ²	1.165,7	14,9	11,4	36,5	34,7	9,2	66,4	24,3	106,6	63,2	135,3	290,9	355,7	1.148,9	484,0	169,3	183,4	983,0
Greece	729,7	14,7	9,5	23,6	11,8	3,7	55,3	11,6	91,5	44,0	29,4	238,6	345,7	879,3	381,9	132,7	89,8	957,6
United Kingdom	411,2	0,3	1,9	12,8	22,6	4,3	11,1	8,6	5,1	14,8	81,6	47,1	6,1	216,1	7,9	30,6	89,8	6,8
Acceding countries ³	37,7	0,0	0,0	0,2	0,0	0,6	0,0	0,0	0,0	0,2	0,0	2,0	0,0	3,0	0,2	0,8	1,1	0,0
Other European countries	81,8	0,0	0,6	0,3	0,3	0,1	4,6	0,0	6,0	33,5	2,0	0,0	0,0	47,4	0,5	1,6	1,9	6,1
Russian Federation	71,1	0,0	0,2	0,0	0,0	0,0	2,9	0,0	0,0	0,4	0,0	0,0	0,0	3,5	0,0	0,0	0,0	0,0
AFRICA	305,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,6	12,4	2,1	17,1	69,3	124,3	36,9	28,4
North African countries	7,5	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
Other African countries	298,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,6	12,4	2,1	17,1	69,3	124,3	36,9	28,4
South Africa	298,3	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
AMERICA	459,8	3,9	1,1	6,3	0,0	0,0	3,4	0,0	2,4	4,0	0,5	0,0	0,0	21,6	18,0	30,5	15,2	0,0
North American countries	393,3	0,0	0,0	0,0	0,0	0,0	3,4	0,0	0,0	0,2	0,0	0,0	0,0	3,7	0,0	1,0	0,0	0,0
United States of America	392,5	0,0	0,0	0,0	0,0	0,0	3,4	0,0	0,0	0,2	0,0	0,0	0,0	3,7	0,0	0,0	0,0	0,0
Central American countries	66,5	3,9	1,1	6,3	0,0	0,0	0,0	0,0	2,4	3,8	0,5	0,0	0,0	18,0	18,0	29,5	15,2	0,0
British Virgin Islands	42,9	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
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
ASIA	15,4	0,3	0,9	0,7	0,0	0,3	0,0	1,3	1,8	4,4	4,8	0,0	0,0	14,6	0,0	0,0	1,8	0,0
West Asia	15,2	0,3	0,9	0,7	0,0	0,3	0,0	1,3	1,8	4,4	4,8	0,0	0,0	14,6	0,0	0,0	1,8	0,0
Lebanon	15,0	0,3	0,2	0,7	0,0	0,3	0,0	1,3	1,8	4,4	4,8	0,0	0,0	13,9	0,0	0,0	0,0	0,0
Other Asian countries	0,2	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
OCEANIA	16,3	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
Total	2.082,4	19,2	14,0	43,9	35,0	10,2	74,4	25,6	116,8	105,3	145,3	305,3	357,8	1.252,6	572,0	326,6	240,3	1.017,4

Source: Cyprus Stock Exchange, Central Bank of Cyprus

(1) Sale of shares included in the central securities depository as well as shares not included in the central securities 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 33

Balance of payment
(CYP million)

CATEGORIES	2002 (Annual)			2003 (1st quarter)			2003 (2nd quarter)			2003 (3rd quarter)		
	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET
CURRENT ACCOUNT	3.676,7	4.007,6	-330,9	649,7	876,0	-226,3	880,4	949,2	-68,8	1.237,2	1.052,9	184,2
GOODS, SERVICES AND INCOME	3.537,3	3.908,3	-371,0	622,8	861,2	-238,4	860,1	929,6	-69,5	1.173,9	1.023,6	150,3
GOODS AND SERVICES	3.226,5	3.632,6	-406,0	567,9	814,2	-246,3	829,2	865,5	-36,3	1.126,8	944,2	182,6
GOODS	514,4	2.253,4	-1.739,0	113,6	483,1	-369,5	134,0	527,4	-393,5	123,8	530,1	-406,3
General merchandise	469,0	2.238,0	-1.769,1	103,1	481,8	-378,7	120,0	524,2	-404,2	110,7	528,9	-418,1
Repairs on goods	3,1	15,3	-12,2	0,6	1,3	-0,7	0,0	2,9	-2,9	0,1	0,7	-0,6
Goods procured in ports by carriers	42,3	0,0	42,3	9,9	0,0	9,9	14,0	0,3	13,6	13,0	0,5	12,4
Non-monetary gold	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
SERVICES	2.712,1	1.379,2	1.333,0	454,3	331,1	123,2	695,2	338,1	357,2	1.003,0	414,1	588,9
Transport	528,3	538,2	-9,9	103,5	149,2	-45,6	129,1	152,1	-23,0	243,0	189,0	53,9
Sea transport	269,0	377,2	-108,3	71,2	100,1	-28,9	76,4	99,3	-22,9	129,8	101,1	28,7
Passenger transport on sea	1,6	1,2	0,4	0,3	0,3	-0,1	0,2	1,3	-1,2	0,4	0,7	-0,3
Freight transport on sea	67,7	165,7	-98,0	11,2	37,2	-26,0	15,1	38,8	-23,7	53,2	39,2	14,1
Supporting, auxiliary and other services	199,6	210,4	-10,7	59,8	62,6	-2,8	61,1	59,1	2,0	76,2	61,3	14,9
Air transport	259,4	161,0	98,4	25,4	47,6	-22,2	52,2	41,0	11,2	78,6	50,7	28,0
Passenger transport by air	129,7	42,2	87,5	10,5	18,2	-7,7	21,6	8,3	13,3	39,3	11,9	27,4
Freight transport by air	17,1	82,9	-65,8	2,3	17,9	-15,6	4,3	19,4	-15,1	10,8	19,6	-8,8
Other transportation	0,0	0,0	0,0	6,9	1,4	5,5	0,5	11,8	-11,3	34,6	37,3	-2,7
Passenger	0,0	0,0	0,0	0,0	0,0	0,0	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	0,0	0,4	-0,4	0,1	0,4	-0,3
Other services	0,0	0,0	0,0	6,9	0,7	6,2	0,5	11,4	-10,9	34,5	36,9	-2,4
Travel	1.156,8	319,0	837,9	103,1	76,6	26,5	278,7	58,8	219,9	460,6	105,5	355,1
Business travel	57,6	12,3	45,3	10,5	2,9	7,6	14,7	1,1	13,7	13,1	2,1	11,1
Personal travel	1.099,2	306,7	792,5	92,6	73,8	18,8	264,0	57,7	206,2	447,4	103,4	344,0
Communications services	22,3	39,2	-16,8	1,5	7,1	-5,7	1,6	7,7	-6,0	5,1	9,2	-4,2
Construction services	47,6	4,3	43,3	15,1	3,6	11,5	19,2	1,0	18,2	20,5	0,8	19,6
Insurance services	17,1	19,2	-2,1	3,0	4,4	-1,5	3,4	4,1	-0,6	5,7	6,1	-0,4
Financial services	91,3	40,0	51,3	13,7	2,5	11,3	11,8	7,8	4,1	30,7	6,0	24,7
Computer and information services	140,6	131,9	8,7	18,1	3,7	14,4	3,7	3,2	0,4	12,3	2,5	9,7
Royalties and licence fees	1,5	9,3	-7,8	0,7	3,0	-2,3	2,7	2,4	0,3	2,3	1,7	0,6
Other business services	521,8	205,2	316,6	146,6	64,5	82,1	195,6	82,8	112,8	177,3	75,8	101,5
Merchanting and other trade-related services	165,0	128,8	36,2	50,1	49,7	0,4	98,5	69,6	28,9	78,9	61,7	17,2
Operational leasing	25,5	5,3	20,2	5,3	3,6	1,7	5,3	1,0	4,3	10,2	1,5	8,7
Miscellaneous business, professional and technical services	331,3	71,2	260,2	91,2	11,3	79,9	91,7	12,1	79,6	88,2	12,6	75,6
Personal, cultural and recreational services	8,9	8,1	0,7	1,5	2,4	-0,9	1,0	2,4	-1,4	1,1	2,6	-1,5
Government services, n.i.e.	175,9	64,7	111,1	47,5	14,1	33,4	48,3	15,8	32,5	44,6	14,7	29,9
Services not allocated	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
CATEGORIES	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET	CREDIT	DEBIT	NET
INCOME	310,7	275,7	35,0	54,9	47,0	7,9	30,8	64,1	-33,2	47,1	78,4	-32,4
Compensation of employees	8,7	29,7	-21,0	3,8	10,3	-6,4	1,7	11,1	-9,4	4,1	13,4	-9,4
Investment Income	302,0	246,0	56,0	51,1	36,7	14,4	29,2	53,0	-23,8	43,0	66,0	-23,0
Of which:				0,0	0,0	0,0	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	13,0	35,2	-22,3	13,0	30,8	-17,8
Portfolio investment income	77,4	49,3	28,1	9,9	20,4	-10,5	6,8	0,2	6,6	8,8	12,5	-3,7
CURRENT TRANSFERS	139,5	99,3	40,1	26,9	14,8	12,0	20,3	19,6	0,7	63,3	29,3	34,0
General government	16,1	1,1	15,0	3,2	0,2	3,0	3,2	0,2	2,9	7,5	0,4	7,0
Other sectors	123,4	98,2	25,1	23,6	14,6	9,1	17,1	19,3	-2,2	55,8	28,9	26,9
CAPITAL AND FINANCIAL ACCOUNT												
Capital Account				300,3			222,0			104,4		
Financial Account	13,6	16,7	-3,1	3,8	2,2	1,6	6,1	2,0	4,2	6,2	3,2	2,9
Direct Investment				303,4			220,4			100,2		
Abroad				187,5			5,6			29,1		
In Cyprus				-176,4			-38,0			-43,0		
Portfolio Investment				364,0			43,6			72,1		
Assets				-277,7			-100,1			-160,3		
Liabilities				397,4			-82,2			-169,7		
Financial Derivatives				119,7			-17,9			9,4		
Other Investment				-31,1			-4,4			6,2		
Assets				661,7			113,8			104,0		
Liabilities				1.318,3			-145,5			-166,3		
Reserve Assets				-656,6			259,3			270,3		
NET ERRORS AND OMISSIONS				-237,0			205,5			121,2		
				30,6			4,4			-35,6		

Source: Central Bank of Cyprus