



CENTRAL BANK OF CYPRUS
ECONOMIC RESEARCH DEPARTMENT

CONCISE
MONETARY POLICY REPORT

SEPTEMBER 2005



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

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

CENTRAL BANK OF CYPRUS, 2005
ECONOMIC RESEARCH DEPARTMENT

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Symbols, conventions and abbreviations

1. The following symbols are used:

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

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

3. CCIs	Co-operative Credit Institutions
CPI	Consumer Price Index
CSE	Cyprus Stock Exchange
Cystat	Statistical Service of the Republic of Cyprus
ECB	European Central Bank
ERM II	Exchange Rate Mechanism II
Eurostat	Statistical Office of the European Communities
HIPC	Harmonised Index of Consumer Prices
IBUs	International Banking Units
IMF	International Monetary Fund
MPC	Monetary Policy Committee

Introduction

Growth in the main economies continued, albeit subdued, under the shadow of persistently high oil prices. Notwithstanding developments in the oil market, the future of the world economy still remains upbeat, while inflationary pressures look contained. In this environment, the monetary policy of the main central banks has varied. The Federal Reserve continued its tight monetary policy. In contrast, the ECB and the Central Bank of Cyprus maintained interest rates unaltered while the Bank of England decided for the first time in more than two years to decrease its official interest rate by 25 basis points.

As regards domestic developments, inflation in July reached 1,9% compared with 1,7% in the previous month and 3,3% in July 2004. This small acceleration is mainly attributable to the increase in the price of electricity and fuel. In contrast, the prices of industrial non-oil products as well as of services decelerated, while a further decrease was observed in the prices of motor vehicles and agricultural products. As a result of the aforementioned developments, inflation rose to 2,54% during the first seven months of 2005, while the harmonised index of consumer prices (HICP) increased by 2,1% during the same period.

Tourist arrivals increased by 7,1% during the period January-July 2005, compared with an increase of 4,7% in the corresponding month of 2004. Receipts from tourism increased by 0,6% during the period January-June 2005, compared with a marginal increase of 0,2% in the corresponding period of 2004. The trade deficit reached £1.038,2 million in the period January – June 2005, compared with £1.027,6 million in the corresponding period of 2004. During the first six

months of 2005, the significant increase in oil imports was counter-balanced by proportionally higher exports and the fall in imports of non-oil products.

As regards private consumption, the retail sales volume index increased by 12,3% in April 2005, compared with the corresponding month of 2004, which was 7,2% higher than the corresponding month of 2003. During the first four months of 2005, the retail sales volume index increased by 7,7% compared with a 7% increase in the corresponding period of 2004. In the labour market, unemployment as a percentage of the economically active population fluctuated at around 3,9% in the first seven months of 2005, compared with 3,6% in the corresponding period of 2004. The increase in the number of unemployed in 2005, is mainly the result of an increase in the labour force arising, in large part, from an increase in foreign (mainly European) labour.

In the secondary sectors of the economy mixed developments were recorded. The manufacturing volume index decreased during the period January-May 2005, mainly due to the closing down of the Dhekelia oil refineries in May 2004, while the performance of the construction sector continued its upward trend. Indicative of this, is the rise in the volume index of building permits authorised as well as the local sales of cement during the first five months of 2005.

According to provisional data concerning the consolidated accounts of the central government and the social security funds prepared by the Ministry of Finance, a fiscal surplus of £49,6 million or 0,6% of GDP was observed in the first

half of 2005, compared with a fiscal deficit of £83,2 million or 1,2% of GDP in the corresponding period of 2004. These encouraging developments are mainly the result of the £68 million in receipts emanating from the 2005 tax amnesty as well as the £35 million received from the Cyprus Telecommunications Authority (CYTA) in the form of dividend income. If we exclude these amounts, the fiscal surplus becomes a deficit of 0,5% of GDP.

In the monetary sector, the annual growth rate of credit to the private sector by domestic banks was 4,7% in July 2005, compared with 5,1% in July 2004. M2 grew by 4,1% in July 2005, compared with 5,2% in June and 10,4% in July of the previous year. Residents' deposits in Cyprus pounds grew by 2,4% in July 2005, compared with 5,2% in the same month of the previous year, while foreign currency deposits increased by 19,1%, compared with a rise of 34,8% in the previous month. During the period under review surplus liquidity conditions prevailed in the money market.

International economic developments

In the **US** economic activity remained strong during the second quarter of 2005, relying mainly on domestic demand. Low interest rates continue to support high real estate prices via the continuous rise in credit growth and mortgages. The US trade deficit remains a source of concern for analysts due to its likely negative impact on the dollar and the economy in general. The Federal Reserve projects that economic growth is on a steady course while inflationary pressures, although currently under control, in the short run are dependent on the oil price. GDP grew by 3,6% in the second quarter, compared with 3,7% in the first quarter. In July inflation reached 3,2%, while unemployment was 5%. During the same

month the Dow Jones and S&P 500 share indices each rose by 3,6% while the Nasdaq index rose by 6,2%.

According to the ECB low interest rates continue to support economic activity in the **euro area**. GDP grew by 1,2% in the second quarter, compared with 1,3% in the previous quarter. In July inflation reached 2,2%, compared with 2,1% in June and 2,3% in July 2004. Unemployment remained unchanged at 8,7% in June, compared with May and was lower than the 9% registered in June 2004. The two biggest risks the euro area economy is facing are the rise in oil prices and its effects on inflation, as well as consumer confidence and its influence on domestic demand. The ECB maintained its wait-and-see stance without signalling a change in its policy in the medium-term. The main share indices in the euro area also rose during July. More specifically, the German DAX rose by 6,5%, the French CAC 40 by 5,3% and the Italian BCI by 4,1%.

In the **UK** the Bank of England decided to decrease its official interest rate by 25 basis points, to 4,5%. The subdued growth of the economy during the first half of the year, which was an outcome of limited domestic demand and investments, combined with the fall in real estate prices, were the main reasons justifying the Bank's decision. According to the Bank of England the risk of no recovery in the growth of domestic consumption in the short run still remains. GDP grew at an annual rate of 1,7% in the second quarter, compared with 2,7% in the first quarter and 3,7% in the second quarter of the previous year. In July inflation was 2,3%, compared with 2% in June 2005 and 1,4% in July 2004. The rate in July 2005 exceeded the target of 2% set by the Treasury for the first time since the new CPI measure was introduced. Unemployment in the period April – June 2005 was 4,7%, virtually unchanged compared with the

previous quarter. During the same period of the previous year it had reached 4,8%. In July the FTSE 100 share index rose by 3,3%.

In **Japan** economic growth continues at a steady pace. In the second quarter of the year, GDP grew at an annual rate of 1,4%, compared with 1,3% in the first quarter and 4,4% in the second quarter of 2004. Several firms ran down their stocks and this resulted in GDP being below initial projections. Deflationary trends continued as shown by the 0,5% fall in the CPI in July. It is noted that the CPI did not show any change during May and June. In July the Nikkei 225 share index rose by 2,7%.

The average price of Brent crude reached \$57,41 per barrel in July while by mid-August it climbed to record highs, surpassing \$67 per barrel. A lack of oil refineries and, to a lesser extent, limited supplies, are causing upward pressure on oil prices. The riots in Equador also affected prices since the country's production was disrupted. In addition, a further increase in prices was caused by the summer season in the US which is a time when motor fuel demand rises. Analysts project that these levels will persist until the end of the year, with a probable minor decline in 2006.

International currencies

The euro reached 125 cents against the dollar on 12 August 2005, thus recording an initial marginal strengthening, although it weakened to 122 cents by 19 August. The weakening of the dollar during the first months of 2005 was partially reversed, mainly due to expectations of a continuing tight monetary policy, as indicated by the recent interest rate increase of 25 basis points on 9 August.

On 19 August 2005, sterling was 68 pence to a euro, thus maintaining its parity at the same levels during the previous two months. It is noted that sterling registered minor fluctuations during August, without recording substantial changes.

Cyprus pound

Between 1 April and 19 August 2005, the Cyprus pound exhibited minor fluctuations with a marginal appreciation vis-à-vis the euro, reaching €1,7455 on 19 August compared with €1,7428 on 29 July. Reflecting fluctuations in the movement of international currencies during the period under review, the Cyprus pound strengthened against the dollar. On 12 August the pound reached \$2,1763 compared with \$2,1075 on 29 July, which was reversed during the second half of the month reaching \$2,1245 on 19 August. During the same period, the Cyprus pound exhibited a minor weakening against sterling, reaching ST£1,1833 on 19 August, compared with ST£1,2015 on 29 July.

Table 4 illustrates the Central Bank's total foreign currency transactions until 19 August 2005 on the basis of their transaction dates. The corresponding daily total transactions in foreign currency by the Central Bank from 2001 until now, are illustrated in Chart 3 of the Annex. During the first 19 days of August, net capital inflows of £69,64 million were recorded compared with net inflows of £40,46 million in the corresponding month of 2004. During the period 1 January – 19 August 2005, net inflows of £346,50 million were recorded compared with net outflows of £17,63 million in the corresponding period of 2004.

Monetary developments

In July there was a slowdown in the annual growth rate of total money supply (M2) and credit to the private sector, compared with the same month of 2004. **M2** grew by 4,1% in July compared with 5,2% in June and 10,4% in July 2004 (Table 5). The slowdown in M2 in July was mainly a result of the limited rise in foreign assets, despite the large increase in credit to the public sector. According to provisional data, total money supply which includes CCIs (M2C)¹, grew by 5,8% in July 2005, compared with 6,8% in June and 10,3% in July 2004.

The rate of growth of **credit to the private sector** remained unchanged at 4,7% in July 2005, compared with the previous month, while it was lower compared with July 2004 when it had reached 5,1%. The slowdown in credit was a result of the debt write-offs which had taken place in March. It is noted that the write-offs were held for accounting purposes and the amounts are still being claimed from the debtors. A final write-off can only be accepted once all the claims have been processed through the judicial system. If we ignore these write-offs the adjusted growth rate of credit for the period under review is 6,4%.

Loans in the construction sector rose by £73,5 million in the first seven months of 2005, and personal-professional loans rose significantly by £163,7 million during the same period (Table 7). Regarding the other sectors, there was an increase in loans to public institutions and

corporations of £16,2 million, and a decrease in credit to the tourism sector of £40,7 million.

Residents' loans in foreign currency decreased by £4,8 million in July 2005, compared with a rise of £38 million in June (Table 8). The share of foreign currency loans to the total amount of loans remained unchanged at 11,3% compared with June, and was higher than the 10,1% in July 2004. At the end of July, euro loans amounted to 67% of total loans in foreign currency, while loans in dollars accounted for 9,7% and loans in Swiss francs 18,8% of the total.

During the first seven months of 2005 there was an increase in **residents' deposits** (including the government) in Cyprus pounds of £140,3 million. In parallel, the foreign currency deposits of residents continued to rise, exhibiting an increase of £250,4 million, with a strong preference for time deposits. During the same period of 2004 foreign currency deposits rose by £355,5 million.

In the **money market** surplus liquidity conditions prevailed both during July and August, resulting in the Central Bank of Cyprus's intervention via auctions for the acceptance of deposits. On 25 August the Central Bank absorbed £140 million via an auction for the acceptance of deposits with duration seven days and at an average interest rate of 2,73% (Table 20).

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

Regarding **interest rates** (Table 10), the average inter-bank overnight interest rate declined to 2,7% in July, compared with 3,11% in June and 4,15% in July 2004, thus reflecting the excess bank liquidity conditions. In July auctions were held for 52-week treasury bills and 2-year development stocks. The average interest rate on the 52-week treasury bills reached 4,01%, compared with 4,4% in June. During the same month, the average interest rate on 2-year development stocks was 4,03%, compared with 5,7% in July.

Cyprus Stock Exchange

The **CSE all-share index** rose during the first half of June reaching 86,2 and closed the month a bit lower at 85,4. The downward trend continued in July, and the index fell to 83,1 but closed the month higher at 85,7 (Chart 6). The daily average volume declined while the daily average value of transactions remained virtually unaltered during July. More specifically, the daily average volume was 414 transactions from 472 in the previous month, while the daily average value remained at £0,4 million.

Regarding non-residents' investments in the stock market, the latest data which refer to July show that there were net outflows amounting to £0,2 million, compared with minimal net flows registered in June (Table 13).

Domestic economy

In July 2005 inflation registered an increase and reached 1,9%, compared with 1,70% in the previous month. This development was mainly due to the acceleration in the prices of electricity and fuel. In contrast the prices of industrial non-oil products as well as services decelerated

compared with the previous month, while, at the same time, car prices fell further.

A relatively smaller reduction compared to June was observed in the prices of agricultural products. In total, as a result of the above developments, inflation rose to 2,54% during the first seven months of 2005, while the HICP increased by 2,1% compared with the corresponding period in 2004.

Tourist arrivals increased by 10,8% in July 2005 compared with a reduction of 3,8% recorded in the corresponding month of 2004. Tourist arrivals increased by 7,1% during the period January-July, compared with an increase of 4,7% in the corresponding period of 2004. Receipts from tourism registered an increase of 3,7% in June 2005, in contrast to a reduction of 4,8% in June 2004. Receipts from tourism increased by 0,6% during the period January – July, compared with an increase of 0,2% in the corresponding period of 2004. It should be noted that data on receipts from tourism do not include the expenditure incurred by tourists who own a private residence in Cyprus.

A provisional overview of the trade balance for the first six months of 2005 is given in Table 16, on the basis of provisional data prepared by Cystat. Total import recorded an increase of 5% compared with an increase of 15,3% in the same period of 2004. This slowdown in imports should be seen as a correction following the exceptionally high level of car imports in 2004 (which resulted from a reduction in excises on motor vehicles). Total exports registered a significant increase of 20,5% during the period January – June, compared with an increase of 6,3% in the corresponding period of 2004. As a result of the above developments, the trade balance exhibited a marginal deterioration, since a trade deficit of

£1.038,2 million was registered during the first six months, compared with a deficit of £1.027,6 million in the corresponding period of 2004.

As regards private consumption, the turnover volume index of retail trade rose by 12,3% in April 2005 compared with the corresponding month of 2004. During the first four months of 2005, this index recorded an increase of 7,7%. It should be noted that consumption through the use of credit cards, registered an increase of 9,3% during the first seven months of the year, compared with an increase of 15% in the corresponding period of 2004. In the labour market the number of registered unemployed rose by 8,4% in the first seven months of 2005, compared with an increase of 4,6% in the corresponding period of 2004, while unemployment as a percentage of the economically active population fluctuated at around 3,9%, compared with 3,6% in the first seven months of 2004. In July the unemployment rate fluctuated at around 3,4% of the economically active population, the same as in the corresponding month of 2004. In the secondary sectors of the economy, mixed developments were recorded. The manufacturing index volume dropped marginally during the first five months of 2005, while the construction sector continued its upward trend. Indicative of this is the rise in the volume index of building permits authorised as well as the local sales of cement during the first five months of 2005. The increase in real GDP was 3,9% during the first three months of 2005, as against 3,7% in the corresponding period of 2004.

As regards public finances, the provisional consolidated accounts of the Ministry of Finance

covering the central government and social insurance funds during the period January – June 2005² show that total revenue reached £1.363,9 million and total expenditure £1.314,3 million. As a result, a fiscal surplus of £49,6 million or 0,6% of GDP was recorded, compared with a fiscal deficit of £87,2 million or 1,2% of GDP in the corresponding six month period of 2004.

More analytically, public revenue during the first six months of 2005 increased by 18%, mainly as a result of the large increase in tax revenue. The increase in tax receipts was due to the significant increase in the category of “other direct taxes”, including the £68 million in receipts from the tax amnesty. An increase of 11,3% was also recorded in “non-tax revenue” mainly due to the dividend payment of £35 million from CYTA. However, if we exclude these two sums the fiscal surplus becomes a deficit of 0,5% of GDP. As regards public expenditure, during the first six months of 2005 defence expenditure was reduced by 63,3% compared with the same period in 2004. Subsidies were reduced by 60,1% reflecting the fact that agricultural subsidies in 2004 were paid during the first half of the year, whereas in 2005 these are expected to be paid during the second six-month period. An increase of 12% was recorded in current transfers which is mainly due to the contribution of £332,9 million towards the EU budget³. The corresponding 2004 sum had been paid after June 2004. Capital expenditure registered an increase of 41,3% reflecting the intensification in the rate of completion of approved projects.

The surplus finances of the first six months of 2005 is attributed to the non-recurring revenues

2. The official quarterly data covering the general government sector, prepared by Cystat and covering the second quarter of 2005, have not been published yet.

3. Current transfers include pensions and gratuities, child benefits, student grants, social pensions, public aid, grants to semi-governmental organisations, local authorities and the EU budget.

arising from the tax amnesty and the dividend payment from CYTA, totalling £103 million. The corresponding inflows of £65 million in 2004 had in fact been effected during the second six-month period.

While the fiscal deficit for 2005 is estimated to be below 3% of GDP, and perhaps lower than the initial government projection of 2,9%, the need for implementing structural measures is of the upmost importance. These will safeguard medium and long-term fiscal discipline. It should also be borne in mind that Cyprus is going through a process of significant change which began with EU accession in 2004 and will culminate, hopefully, with accession to the eurozone in 2008. In connection with the latter, Cyprus's successful apprenticeship in ERM II is dependent on fiscal consolidation and discipline.

On the basis of the developments mentioned above, prospects for the domestic economy for 2005 are, in general, favourable, despite the negative repercussions of high oil prices. Inflation is expected to accelerate and to fluctuate between 2,5% and 3%, while the current account balance is expected to register minor improvements due to the anticipated increase in tourism revenue as well as the projected reduction in car imports. Real GDP growth is expected to be around 4% while unemployment as a percentage of the economically active population, is expected to increase slightly as a result of the likely continuation of the inflow of foreign workers. Finally, the fiscal deficit is expected to be slightly below 3% of GDP.

Tables and Charts

Table 1
GDP projections⁽¹⁾

(annual percentage change)

	The Economist Poll GDP forecasts ⁽²⁾			Lehman Brothers Weekly Outlook - GDP ⁽³⁾			International Monetary Fund World Economic Outlook ⁽⁴⁾			European Commission Economic Forecasts ⁽⁵⁾		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
World				3,1 (3,2)	2,5	2,1	5,1 (5,0)	4,3	4,4	5,0	4,2	4,1 (4,2)
Euro area	1,8	1,3 (1,4)	1,7 (1,8)	1,7	1,3	1,0 (1,3)	2,0 (2,2)	1,6 (2,2)	2,3	2,0 (2,1)	1,6 (2,0)	2,1 (2,2)
USA	4,3	3,6 (3,5)	3,3 (3,2)	4,2 (4,4)	3,7 (3,6)	3,2 (3,1)	4,4 (4,3)	3,6 (3,5)	3,6	4,4	3,6 (3,0)	3,0 (2,9)
Japan	3,0	1,7 (1,4)	1,7 (1,8)	2,7	1,7 (1,5)	1,1 (1,0)	2,6 (4,4)	0,8 (2,3)	1,9	2,7 (4,2)	1,1 (2,1)	1,7 (2,3)
UK	3,0	2,1 (2,4)	2,1	3,2 (3,1)	1,8 (2,3)	1,7 (1,9)	3,1 (3,4)	2,6 (2,5)	2,6	3,1 (3,3)	2,8	2,8

(1) Figures in parentheses indicate the corresponding projection in the previous Monetary Policy Report, in case of change. In the case of the International Monetary Fund and the European Community, the figures indicate the projections in September 2004 and October 2004, respectively.

(2) The Economist, 20 August 2005.

(3) Lehman Brothers Global Weekly Economic Monitor, 19 August 2005.

(4) International Monetary Fund, World Economic Outlook, April 2005.

(5) European Commission, Economic Forecasts, Spring 2005.

Table 2
Major share indices

(closing prices)

	2004		2005		
	31 Dec.	30 June	29 July	% change	
				Jan.-July	July
USA					
Dow Jones	10.783,0	10.275,0	10.640,9	-1,3	3,6
S&P 500	1.211,9	1.191,3	1.234,2	1,8	3,6
Nasdaq	2.175,4	2.057,0	2.184,8	0,4	6,2
Germany					
DAX	4.256,1 ⁽¹⁾	4.586,3	4.886,5	14,8	6,5
France					
CAC 40	3.821,2	4.229,4	4.451,7	16,5	5,3
Italy					
BCI	1.475,1	1.549,0	1.613,0	9,4	4,1
UK					
FTSE 100	4.814,3	5.113,2	5.282,3	9,7	3,3
Japan					
Nikkei 225	11.488,8 ⁽¹⁾	11.584,0	11.899,6	3,6	2,7

Source: Reuters.

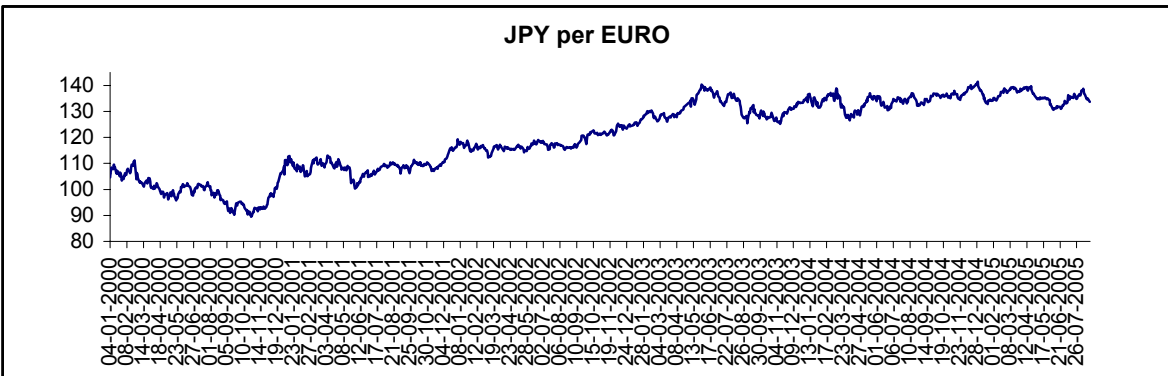
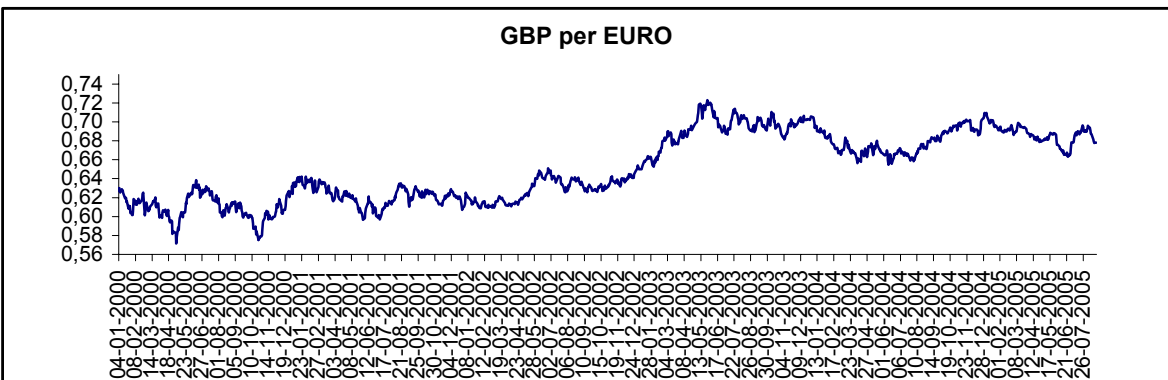
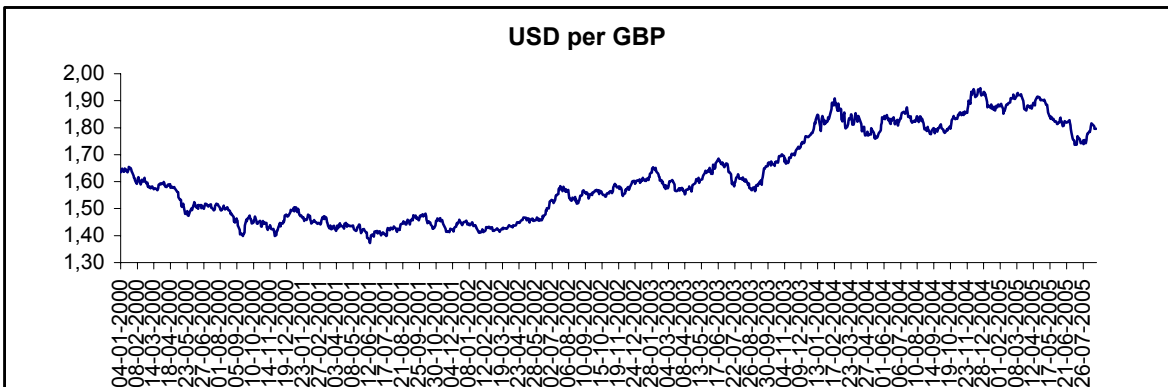
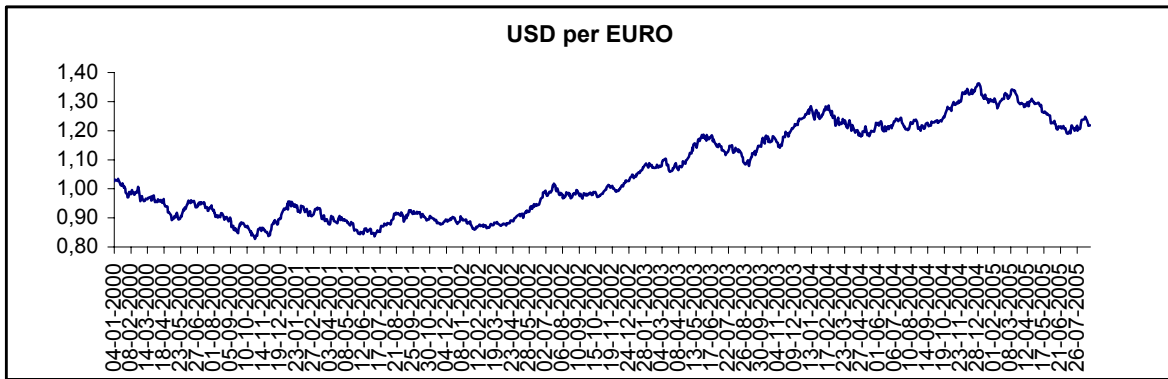
(1) Closing date 30 December 2004.

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

	GDP				Industrial production June (annual)	Retail sales June (annual)	Unemployment June (annual)	Inflation ⁽²⁾ July (annual)
	2005 (Q1)		2005 (Q2)					
	(quarterly) ⁽¹⁾	(annual)	(quarterly) ⁽¹⁾	(annual)				
UK	2,0	2,7	1,5	1,7	-1,9	1,7	4,7 ⁽³⁾	2,3
Japan	4,9	1,3	1,1	1,4	0,2	3,1	4,2	-0,5 ⁽⁴⁾
USA	3,5	3,7	3,4	3,6	3,0 ⁽⁵⁾	7,6	5,0 ⁽⁵⁾	3,2
Euro area	2,0	1,3	1,0	1,2	0,1 ⁽⁶⁾	0,9	8,7	2,2

*Source: The Economist, 20 August 2005.**(1) Percentage change on previous quarter at an annualised rate.**(2) Based on the consumer price index.**(3) April-June 2005.**(4) June 2005.**(5) July 2005.**(6) May 2005.*

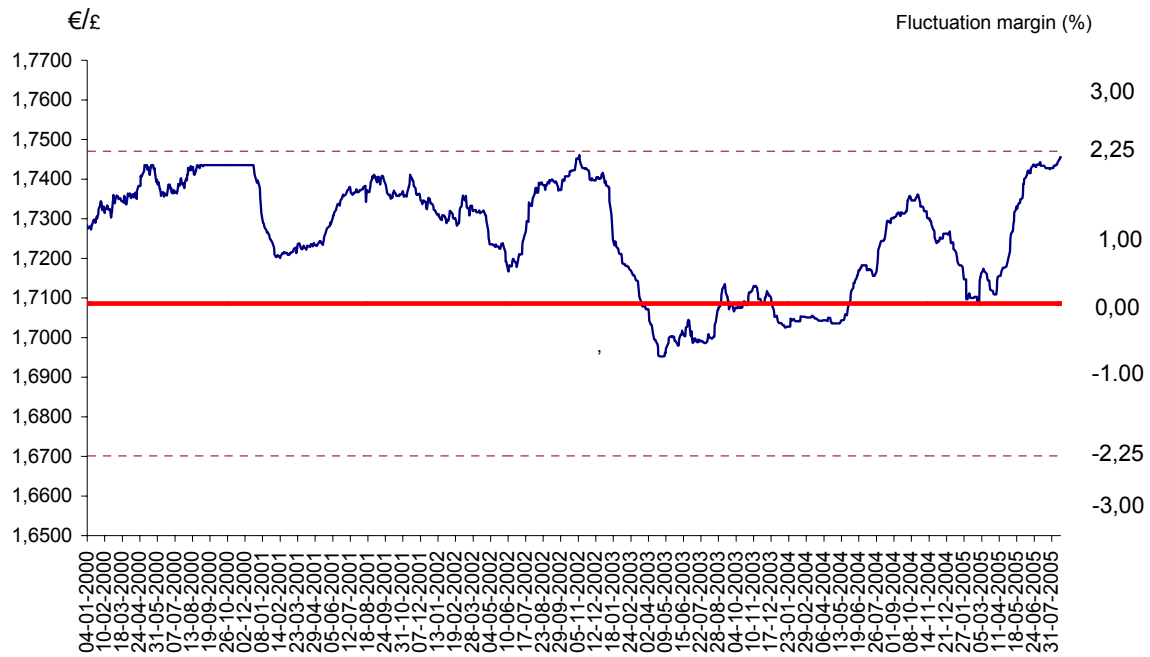
Chart 1
Major international currencies
 (middle rate)



Source: Central Bank of Cyprus.

Chart 2A

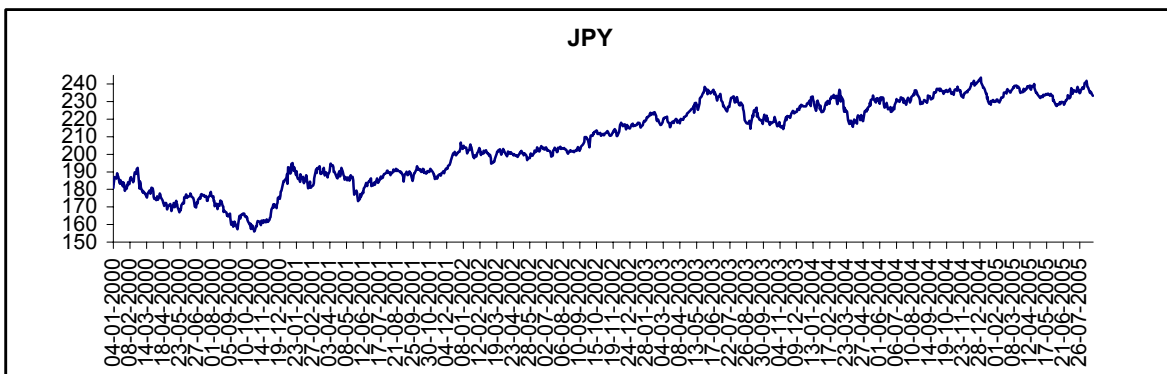
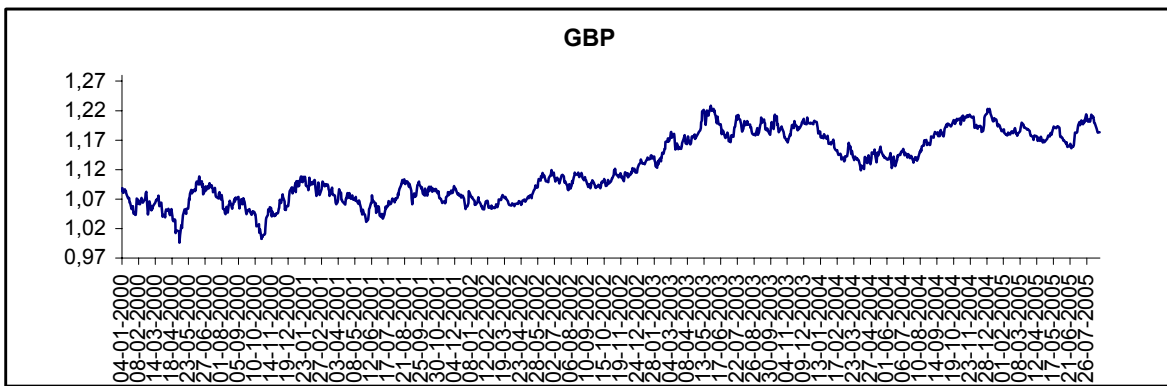
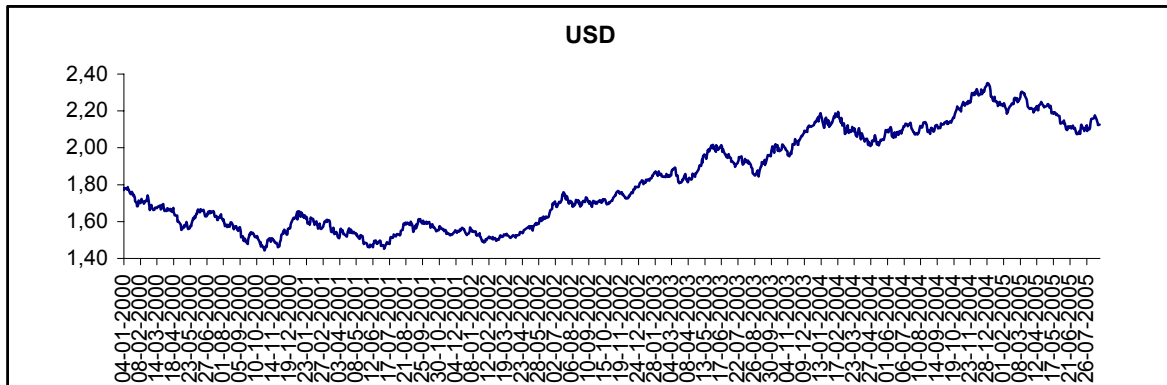
Exchange rate of the euro against the Cyprus pound



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

Chart 2B

Cyprus pound against major international currencies
(middle rate)



Source: Central Bank of Cyprus.

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

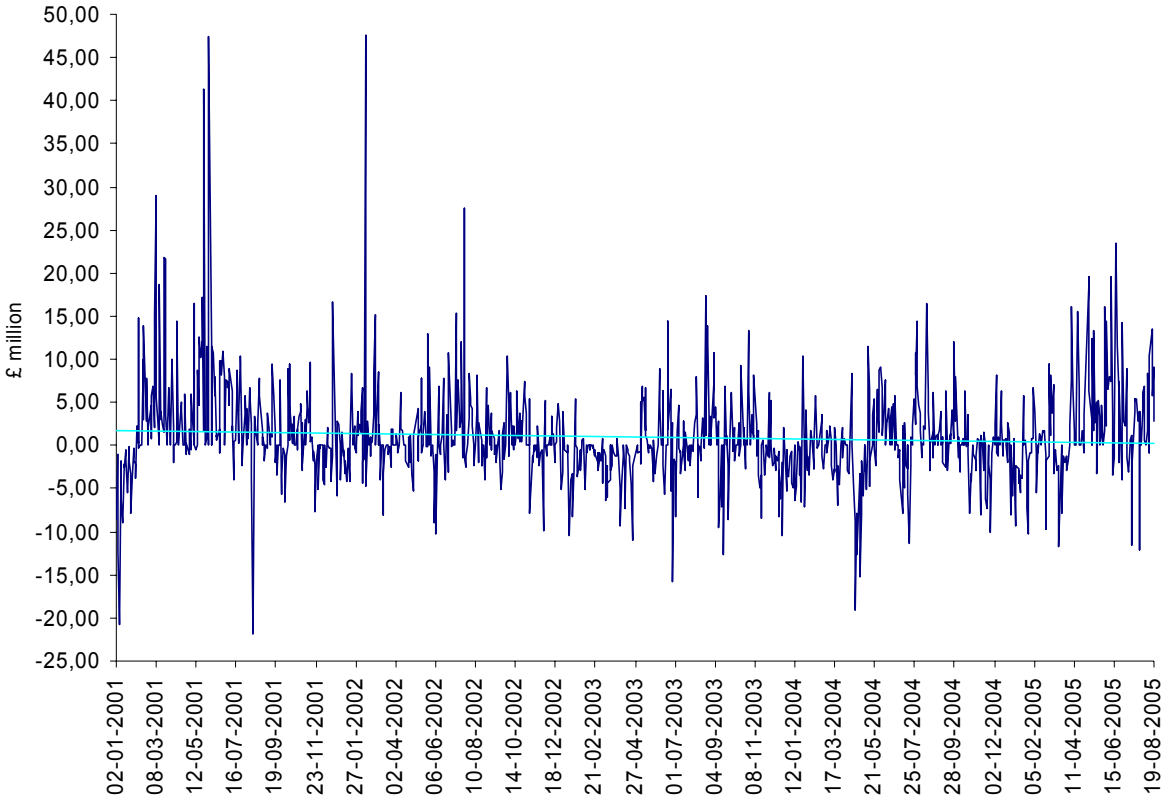
Period	Average exchange rate intervention Foreign currency per Cyprus pound (period average)			Purchases (+)/Sales(-) of foreign exchange by the Central Bank (based on transaction date)			
				In foreign currency (million)			In Cyprus pounds (million)
	Euro	US dollar	Pound sterling	Euro	US Dollar	Pound sterling	
<u>Yearly</u>							
2001	1,7314	1,5602	1,0805	755,82	242,99	76,39	663,30
2002	1,7383	1,6445	1,0934	321,55	64,75	53,05	273,13
2003	1,7121	1,9378	1,1849	-259,75	5,16	19,50	-134,01
2004	1,7187	2,1357	1,1663	-91,40	15,75	25,70	-25,52
<u>Quarterly</u>							
2004 Q1	1,7060	2,1398	1,1604	-155,75	2,00	30,20	-64,23
2004 Q2	1,7099	2,0579	1,1409	-19,05	6,50	1,10	-7,49
2004 Q3	1,7271	2,1107	1,1612	199,60	4,95	-19,20	101,02
2004 Q4	1,7317	2,2394	1,2033	-116,20	2,30	13,60	-54,82
2005 Q1	1,7161	2,2496	1,1902	40,10	10,50	30,10	-64,10
2005 Q2	1,7297	2,1785	1,1742	518,15	22,30	4,40	312,86
<u>2004</u>							
January	1,7051	2,1497	1,1799	-83,20	-0,20	9,70	-40,62
February	1,7064	2,1595	1,1555	-23,55	0,00	11,00	-4,25
March	1,7066	2,0954	1,1457	-49,00	2,20	9,50	-19,36
April	1,7058	2,0416	1,1355	-161,15	0,00	1,00	-93,62
May	1,7068	2,0483	1,1471	49,95	0,00	0,00	29,22
June	1,7171	2,0838	1,1402	92,15	6,50	0,10	56,90
July	1,7190	2,1083	1,1454	54,70	5,40	-23,70	13,64
August	1,7290	2,1063	1,1574	78,00	-0,30	4,50	48,89
September	1,7332	2,1175	1,1809	66,90	-0,15	0,00	38,49
October	1,7363	2,1681	1,2007	-23,10	-0,15	2,50	-11,31
November	1,7320	2,2346	1,2084	-85,20	3,35	4,40	-44,14
December	1,7269	2,3156	1,2007	-7,90	-0,90	6,70	0,63
<u>2005</u>							
January	1,7189	2,2561	1,2009	-100,60	0,00	10,90	-49,46
February	1,7149	2,2324	1,1878	-18,00	0,00	12,30	-0,11
March	1,7145	2,2602	1,1868	-42,50	10,05	6,90	-14,53
April	1,7159	2,2208	1,1722	91,35	20,75	4,40	66,32
May	1,7312	2,1958	1,1852	175,45	0,05	0,00	101,53
June	1,7419	2,1189	1,1653	251,35	1,50	0,00	145,01
July	1,7432	2,0992	1,1992	49,00	0,00	0,00	28,10
August*	1,7440	2,1488	1,1997	123,90	-3,00	0,00	69,64

Source: Central Bank of Cyprus.

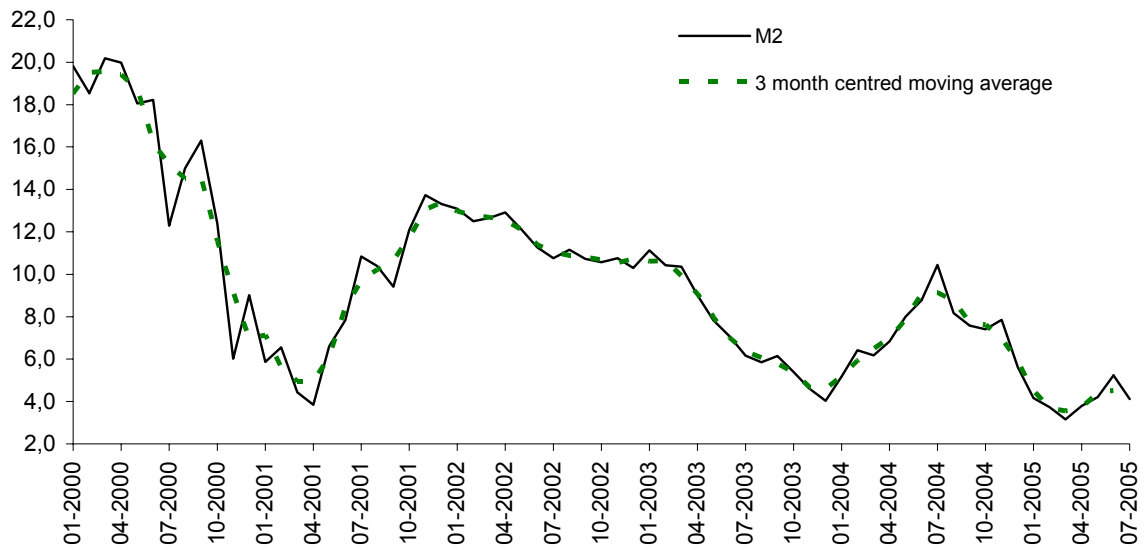
*Until and including 19 August 2005.

Chart 3

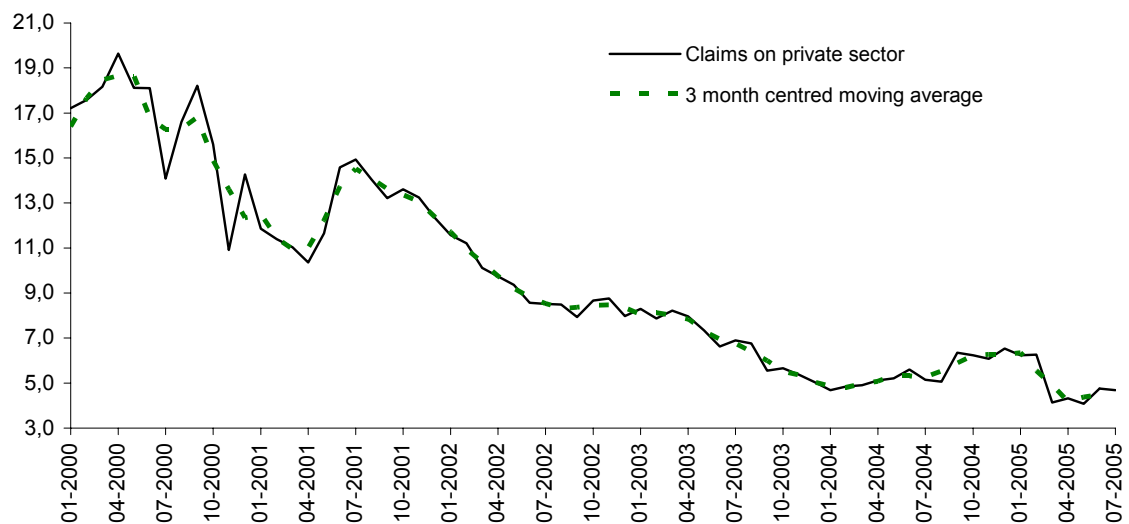
Daily purchases / sales of foreign exchange by the Central Bank of Cyprus from / to domestic banks



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

Chart 4**M2 growth***(annual percentage change, monthly data)*

Source: Central Bank of Cyprus.

Chart 5**Growth of claims on private sector***(annual percentage change, monthly data)*

Source: Central Bank of Cyprus.

Table 5
Main monetary indicators

(annual percentage change)

	2001	2002	2003	2004	2004 July	2005 June	2005 July
Money supply (M1)	1,1	2,6	32,6	10,6	18,9	12,9	13,7
Total money supply (M2)	13,3	10,3	4,0	5,6	10,4	5,2	4,1
Claims on private sector	12,3	8,0	5,0	6,5	5,1	4,7 ⁽¹⁾	4,7 ⁽¹⁾

Source: Central Bank of Cyprus.

(1) In March 2005 the banks wrote off a number of loans, for which provisions had already been made. This was done for accounting purposes only and the amounts are still being claimed by the banks. As a result the growth of claims on the private sector was reduced. Adjusting for the above, the growth rates for June and July 2005 are 6,5% and 6,4%, respectively.

Table 6
Factors affecting total money supply

(change, CYP thousand)

	July 2005	Jan. - July		June 2004/2005	July 2004/2005
		2004	2005		
Foreign assets (net)	48.497	508.641	347.063	526.371	155.750
Claims on private sector	-39.898	292.572	153.223	409.582	402.838
Claims on public sector	103.068	-98.279	176.988	-124.810	161.591
Unclassified items	-22.242	-188.093	-269.341	-349.053	-349.675
Total money supply (M2)	89.425	514.841	407.933	462.090	370.504
Money supply (M1)	48.364	47.781	96.089	178.916	194.719
Currency in circulation	19.346	30.678	26.972	47.755	42.710
Demand deposits	29.018	17.103	69.117	131.161	152.009
Quasi-money	41.061	467.060	311.844	283.174	175.785

Source: Central Bank of Cyprus.

Table 7
Bank credit by sector

	January - July			
	2004		2005	
	change CYP' 000	share %	change CYP' 000	share %
Public institutions and corporations ⁽¹⁾	4.468	1,5	16.154	8,1
Agriculture	980	0,3	-1.664	-0,8
Mining	-2.650	-0,9	406	0,2
Manufacturing	-11.943	-3,9	8.316	4,2
Transport and communications	-4.209	-1,4	-8.057	-4,1
Foreign and domestic trade	7.527	2,5	-13.809	-6,9
Building and construction	122.042	40,3	73.486	36,9
Tourism	14.113	4,7	-40.725	-20,5
Personal and professional loans	174.255	57,5	163.716	82,3
Bills discounted: local	-694	-0,2	324	0,2
foreign	-983	-0,3	775	0,4
Total	302.906	100,0	198.922	100,0

Source: Central Bank of Cyprus.

(1) Including government loans.

Table 8
Claims on private sector ⁽¹⁾

(change, CYP million)

	2005 May	2005 June	2005 July
Foreign currency loans to residents	2,1	38,0	-4,8
Claims on private sector	-20,0	230,5	-39,9

(end of period balances, CYP million)

	2002	2003	2004	2004 July	2005 June	2005 July
Foreign currency loans to residents	785,2	799,0	909,9	867,7	1.023,3	1.018,6
Claims on private sector	7.904,1	8.302,0	8.844,2	8.594,6	9.037,3	8.997,4
Share %	9,9	9,6	10,3	10,1	11,3	11,3

Source: Central Bank of Cyprus.

(1) From domestic banks.

Table 9
Banking system's liquidity position

(CYP million, period averages of daily positions)

	Liquidity - providing factors					Liquidity - absorbing factors						Credit institutions current accounts (MRA)	Base money (6+7+9+12)
	Net assets in gold and foreign currency (NFA)	Monetary policy operations				Deposit facility (overnight)	Other liquidity-absorbing operations (additional, special & S.M.E. dep.)	Rev-repos & depos	Currency in circulation	Central govern. deposits (net) ⁽¹⁾	Other factors (net)		
		Main refinancing operations (repos)	Long-term refinancing operations	Marginal lending facility (lombard)	Other liquidity providing operations (swap)								
	1	2	3	4	5	6	7	8	9	10	11	12	13
2003 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	-302,2	184,8	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	-330,6	185,2	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	-290,8	192,9	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	194,2	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	-365,8	226,1	555,2	1.168,0
May	1.038,5	0,0	0,0	6,0	0,2	8,0	79,3	0,0	509,8	-416,2	223,1	640,6	1.237,7
June	1.108,4	0,0	0,0	0,0	0,0	32,9	79,4	0,0	519,6	-374,9	214,7	636,8	1.268,6
July	1.340,1	0,0	0,0	0,0	0,0	42,1	79,5	61,2	533,4	-190,3	175,0	639,4	1.294,3
Aug.	1.499,7	0,0	0,0	0,0	0,0	44,5	79,4	151,6	536,1	-140,6	185,9	642,9	1.302,8
Sep.	1.429,8	0,0	0,0	2,0	0,0	31,9	79,3	162,7	531,1	-208,9	191,0	644,6	1.286,9
Oct.	1.393,1	0,0	0,0	0,0	0,0	24,3	79,4	121,1	529,0	-192,1	185,5	645,8	1.278,6
Nov.	1.376,0	0,0	0,0	0,0	0,0	15,8	79,3	82,2	516,3	-144,9	184,1	643,2	1.254,6
Dec.	1.441,6	0,0	0,0	10,0	0,0	12,9	79,3	0,0	543,5	-29,0	201,9	642,9	1.278,6
2005 Jan.	1.419,9	0,0	0,0	0,6	0,0	50,7	79,6	114,2	537,8	-142,3	139,9	640,8	1.308,8
Feb.	1.425,9	0,0	0,0	0,6	0,3	11,4	79,4	55,0	520,7	-36,0	149,0	647,3	1.258,8
Mar.	1.432,9	0,0	0,0	0,3	0,0	25,2	79,3	28,4	524,0	-48,4	178,9	646,2	1.274,8
Apr.	1.361,7	0,0	0,0	0,1	0,0	63,7	79,3	17,3	537,7	-191,8	208,2	647,7	1.328,1
May	1.395,2	0,0	0,0	0,0	0,0	33,4	79,3	72,9	554,6	-204,1	210,1	648,9	1.316,3
Jun.	1.510,9	0,0	0,0	6,2	0,1	36,2	79,7	68,3	568,4	-114,8	224,1	655,2	1.339,6
Jul.	1.571,9	0,0	0,0	0,4	0,0	31,9	79,6	88,1	586,5	-62,2	182,6	665,8	1.363,8

Source: Central Bank of Cyprus.

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

Table 10**Interest rates***(percent per annum, period averages)*

	2002	2003	2004	2004 July	2005 May	2005 June	2005 July
Interbank (1day)	3,42	3,35	3,92	4,15	3,47	3,11	2,70
Repos	-	-	-	-	-	-	-
Reverse repos/depos	3,91	3,45	3,89	4,38	3,71	3,17	2,63
Treasury bills (13 weeks)	4,02	3,51	4,21	-	-	3,95	-
Treasury bills (52 weeks)	4,30	3,70	4,76	-	-	4,40	4,01
Development stocks (2 years)	4,56	3,83	5,14	5,70	-	-	4,03
Development stocks (5 years)	5,07	4,49	5,93	6,54	-	4,84	-
Development stocks (10 years)	5,37	4,70	6,07	-	-	4,84	-
Development stocks (15 years)	5,60	4,81	6,31	-	-	5,04	-

Source: Central Bank of Cyprus.

Table 11
Inflation and interest rates in Europe and Cyprus - July 2005

(latest 12-month average)

	Inflation (HICP)	Long-term interest rates	Long-term real interest rates
	(%)	(%)	(%)
Austria	2,20	3,67	1,47
Belgium	2,30	3,69	1,39
Czech Republic	1,90	4,01	2,11
Denmark	1,20	3,80	2,60
Estonia	4,10	4,15	0,05
Finland	0,50	3,67	3,17
France	2,00	3,67	1,67
Germany	1,90	3,61	1,71
Greece	3,30	3,83	0,53
Hungary	4,70	7,30	2,60
Ireland	2,30	3,60	1,30
Italy	2,20	3,81	1,61
Latvia	7,00	4,27	-2,73
Lithuania	2,70	4,01	1,31
Luxembourg	3,50	3,65	0,15
Malta	2,30	4,68	2,38
Netherlands	1,30	3,64	2,34
Poland	3,50	5,94	2,44
Portugal	2,10	3,67	1,57
Slovakia	4,00	4,16	0,16
Slovenia	2,90	4,11	1,21
Spain	3,30	3,66	0,36
Sweden	0,80	3,80	3,00
United Kingdom	1,70	4,67	2,97
Eurozone	2,10	3,68	1,58
EU -25	2,10	3,99	1,89
Cyprus	2,30	6,02	3,72

Source: Eurostat.

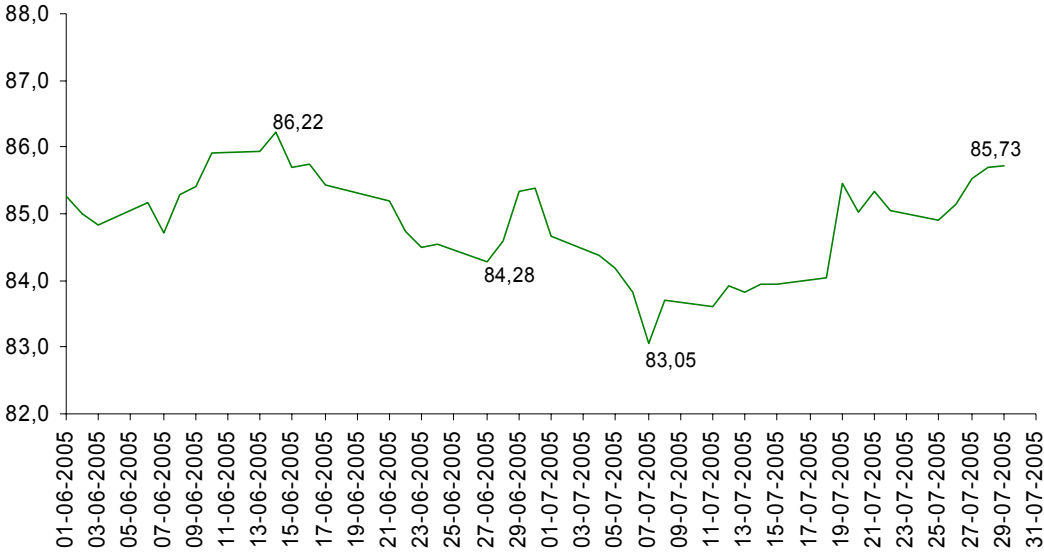
Table 12**Selected official interest rates***(percent per annum, changes in percentage points)*

		change
European Central Bank		
<i>(4 August 2005)</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>(4 August 2005)</i>		
Repo rate	4,50	-0,25
Federal Reserve		
<i>(9 August 2005)</i>		
Federal funds rate	3,50	+0,25
Discount rate	4,50	+0,25
Central Bank of Cyprus		
<i>(8 July 2005)</i>		
Minimum bid rate on the main refinancing operations	3,25	-
Maximum bid rate on the liquidity absorbing operations	3,25	-
Interest rate on the marginal lending facility	4,25	-
Interest rate on the deposit facility	2,25	-

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

Chart 6

Cyprus Stock Exchange general index
(daily data, 29/3/1996=100)



Source: Cyprus Stock Exchange.

Table 13**Investments by non-residents in the Cyprus stock market***(CYP thousand)*

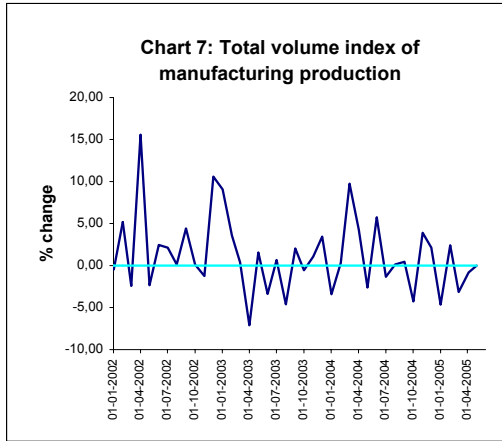
	2003	2004	2005						
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Purchases	495	244	235	804	218	73	92	105	112
Sales	358	527	482	606	324	172	195	138	307
Net investments	137	-283	-247	198	-106	-99	-103	-33	-195

*Source: Cyprus Stock Exchange.***Table 14****Manufacturing production volume index***(percentage change by category)*

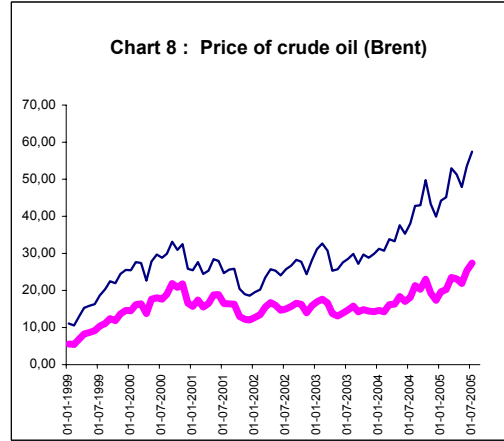
	May 04/03	May 05/04	Jan.-May 04/03	Jan.-May 05/04
General index	-2,6	0,0	1,6	-1,3
Food products, beverages & tobacco	-12,0	8,9	1,4	2,0
Textiles & textile products	-16,4	-15,3	-10,2	-15,0
Leather & leather products	-19,0	-49,7	-17,7	-42,4
Wood & wood products	16,8	0,7	13,3	2,4
Paper, paper products, publishing & printing	6,4	-4,0	1,2	-3,0
Refined petroleum products	-93,7	-23,7	-27,2	-95,7
Chemicals, chemical products & man-made fibres	-3,6	9,3	3,0	2,2
Rubber & plastic products	-3,5	-2,6	0,0	-4,2
Other non-metallic mineral products	6,5	-3,5	3,6	6,0
Basic metals & fabricated metal products	1,3	-4,4	2,6	-1,9
Machinery & equipment n.e.c.	7,4	-14,8	2,1	-1,9
Electrical & optical equipment	-10,8	-18,0	-13,0	-9,3
Transport equipment	-10,9	3,9	-20,2	2,7
Manufacturing n.e.c.	7,7	-1,0	1,2	-3,3

Source: Cystat.

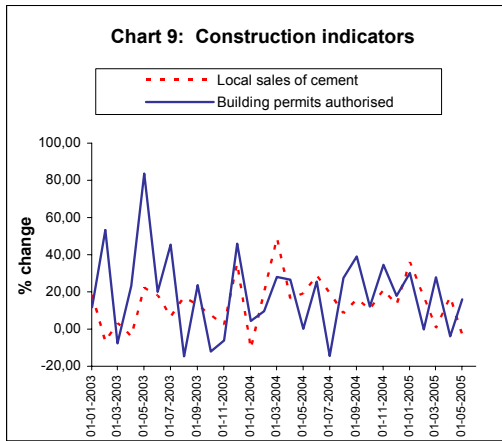
Charts 7 - 10



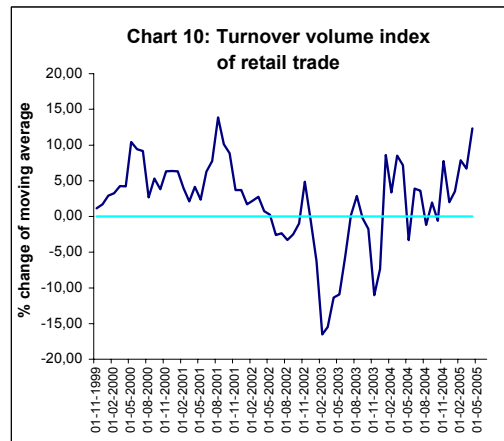
Source: Cystat.



Source: Reuters.

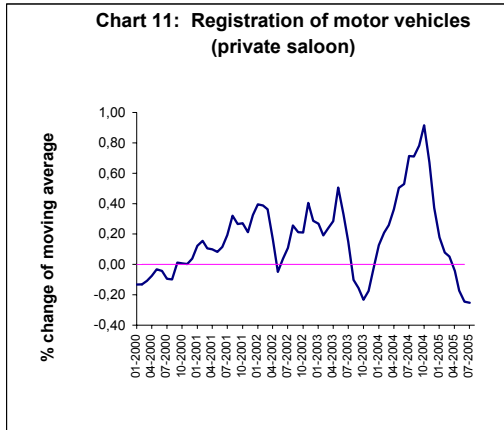


Source: Cystat.

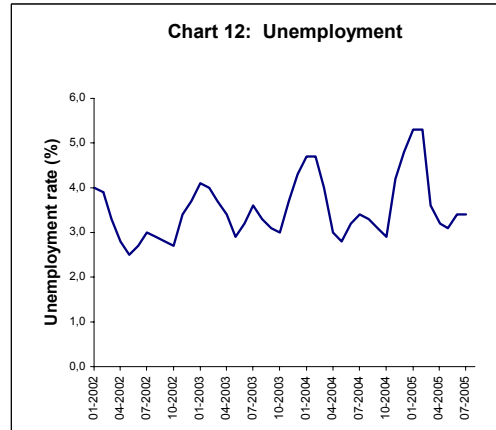


Source: Cystat.

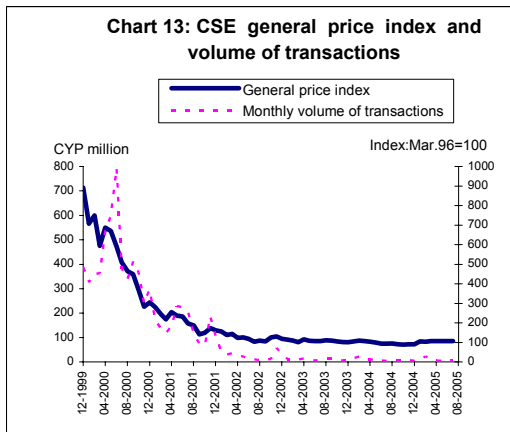
Charts 11 -14



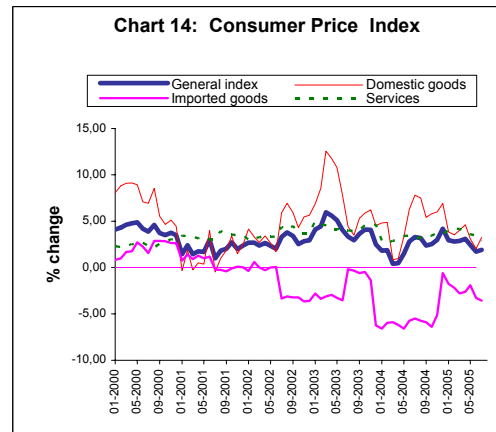
Source: Cystat.



Source: Cystat.



Source: CSE.



Source: Cystat.

Table 15

Turnover volume index of retail trade

(percentage change by category)

	April 04/03	April 05/04	Jan.- Apr. 04/03	Jan.- Apr. 05/04
General index	7,18	12,32	6,99	7,70
Retail sale in non-specialised stores with food, beverages or tobacco predominating	4,82	18,12	3,28	14,34
Other retail sale in non-specialised stores	6,14	6,29	3,80	4,57
Retail sale of food, beverages and tobacco in specialised stores	5,00	19,59	5,10	13,08
Retail sale of pharmaceutical and medical goods, cosmetics and toilet articles	5,15	70,80	7,90	37,66
Retail sale of textiles, clothing, footwear and leather goods	14,16	8,44	16,69	3,23
Retail sale of furniture, lighting equipment and household articles, electrical household appliances and radio and television goods hardware, paints and glass	8,84	16,25	13,59	9,95
Retail sale of books, newspapers and stationery and other retail sale in specialised stores	6,26	-1,81	4,74	-5,56
Retail sale of second-hand goods in stores	-16,9	18,67	-0,95	-19,88
Retail sale not in stores	8,88	-9,05	-2,67	-2,02

Source: Cystat.

Table 16**Trade balance data**

(CYP million)

Period	TOTAL TRADE		EXTRA-EU TRADE		INTRA-EU TRADE	
	Total Imports/ Arrivals (cif)	Total Exports/ Dispatches (fob)	Total Imports (cif)	Total Exports (fob)	Arrivals (cif)	Dispatches (fob)
2000	2.402,0	591,9	1.140,9	364,5	1.261,1	227,4
2001	2.528,7	627,9	1.208,8	376,5	1.320,0	251,4
2002	2.486,6	511,3	1.140,9	240,9	1.345,8	270,4
2003	2.304,1	476,8	992,8	198,3	1.311,3	278,5
2004						
January	176,9	28,5	85,7	12,7	91,2	15,8
February	159,4	33,5	60,7	13,0	98,7	20,5
March	241,7	50,9	97,7	16,9	144,0	34,0
April	316,8	44,7	138,6	15,2	178,2	290,5
May	169,0	56,3	47,0	14,2	122,0	42,1
June	225,1	47,3	70,6	16,4	154,5	30,9
July	221,2	45,5	66,8	16,4	154,4	29,1
August	197,6	35,7	65,1	11,7	132,4	24,0
September	212,7	49,6	68,2	22,5	144,5	27,1
October	238,2	55,7	56,6	24,3	181,6	31,5
November	256,8	52,7	78,6	24,3	178,2	28,5
December	263,9	47,5	86,1	15,0	177,9	32,6
2005						
January	193,1	43,3	62,9	14,4	130,2	29,0
February	209,0	46,8	76,5	18,1	132,5	28,7
March	255,2	61,3	74,0	22,8	181,2	38,5
April	223,6	51,4	78,1	19,0	145,4	32,4
May	238,6	56,2	74,6	16,8	164,1	39,4
June (p)	233,7	55,9	85,3	20,1	148,4	35,8
Jan. - Jun. 2003	1.118,0	245,7	478,3	100,5	639,6	145,2
Jan. - Jun. 2004	1.288,9	261,3	500,3	88,4	788,6	433,9
Jan. - Jun.(p)2005	1.353,1	314,9	451,4	111,1	901,9	203,8
% change 2004/2003	15,3	6,3	4,6	-12,0	23,3	198,8
% change 2005/2004	5,0	20,5	-9,8	25,6	14,4	-53,0

Source : Cystat.

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

Table 17
Tourist arrivals⁽¹⁾

(number of persons)

	2000	2001	2002	2003	2004	2005	% change 2003/2002	% change 2004/2003	% change 2005/2004
January	63.553	64.214	54.067	59.529	56.504	58.894	10,1	-5,1	4,2
February	87.243	83.569	71.950	77.972	75.705	72.600	8,4	-2,9	-4,1
March	135.487	137.578	138.625	91.634	111.946	137.075	-33,9	22,2	22,4
April	221.785	237.228	180.481	169.891	191.251	183.561	-5,9	12,6	-4,0
May	299.355	324.901	279.070	231.527	261.646	284.132	-17,0	13,0	8,6
June	302.011	322.835	293.192	262.100	264.799	282.652	-10,6	1,0	6,7
July	362.299	373.385	327.404	318.143	305.978	338.972	-2,8	-3,8	10,8
August	356.686	371.536	301.724	325.390	305.926	<i>n.y.a.</i>	7,8	-6,0	<i>n.y.a.</i>
September	329.964	329.400	306.731	287.358	303.506	<i>n.y.a.</i>	-6,3	5,6	<i>n.y.a.</i>
October	300.597	269.744	275.840	271.980	278.976	<i>n.y.a.</i>	-1,4	2,6	<i>n.y.a.</i>
November	133.500	107.454	111.327	123.800	114.048	<i>n.y.a.</i>	11,2	-7,9	<i>n.y.a.</i>
December	93.722	74.887	77.822	83.919	78.723	<i>n.y.a.</i>	7,8	-6,2	<i>n.y.a.</i>
Jan. - Dec.	2.686.202	2.696.731	2.418.233	2.303.243	2.349.008	<i>n.y.a.</i>	-4,8	2,0	<i>n.y.a.</i>
Jan. - July	1.471.733	1.543.710	1.344.789	1.210.796	1.267.829	1.357.886	-10,0	4,7	7,1

Source: Cystat.

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

Table 18
Receipts from tourism⁽¹⁾

(CYP million)

	2000	2001	2002	2003	2004	2005	% change 2004/2003	% change 2005/2004
January	-	24,9	21,6	25,6	21,8	20,7	-15,0	-5,0
February	-	29,1	28,9	31,4	25,4	23,5	-19,1	-7,5
March	-	49,7	59,2	37,8	42,1	47,6	11,2	13,2
April	-	89,9	77,0	67,1	72,1	62,0	7,4	-14,0
May	-	139,1	119,5	92,5	99,5	105,4	7,6	5,9
June	122,9	157,4	139,3	114,8	109,3	113,3	-4,8	3,7
July	162,7	192,0	160,7	152,4	135,1	<i>n.y.a.</i>	-11,4	<i>n.y.a.</i>
August	173,7	205,0	153,8	165,3	148,1	<i>n.y.a.</i>	-10,4	<i>n.y.a.</i>
September	161,9	176,3	157,4	134,1	141,2	<i>n.y.a.</i>	5,3	<i>n.y.a.</i>
October	135,1	130,2	128,0	112,4	115,9	<i>n.y.a.</i>	3,1	<i>n.y.a.</i>
November	54,1	48,8	51,4	48,7	43,1	<i>n.y.a.</i>	-11,5	<i>n.y.a.</i>
December	36,2	29,2	35,6	32,9	28,8	<i>n.y.a.</i>	-12,4	<i>n.y.a.</i>
Jan. - Dec.	-	1.271,6	1.132,4	1.015,0	982,3	<i>n.y.a.</i>	-3,2	<i>n.y.a.</i>
Jan. - June	-	490,1	445,5	369,3	370,1	372,5	0,2	0,6

Source: Cystat.

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

Table 19**Official interest rates***(percent per annum)*

Date of monetary policy decision		Deposit facility	Open market operations			Marginal lending facility
			Main refinancing operations	Liquidity absorbing operations		
			Repo operations	Reverse repo operations	Acceptance of deposits operations	
			Minimum bid rate	Maximum bid rate	Maximum bid 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
2005	25 Feb.	3,25	4,25	4,25	4,25	5,25
	20 May	2,75	3,75	3,75	3,75	4,75
	09 Jun.	2,25	3,25	3,25	3,25	4,25

Source: Central Bank of Cyprus.

Table 20**Open market operations allotted through tenders - liquidity absorbing operations ⁽¹⁾***(CYP million, interest rates in percent per annum)*

Date of settlement		Bids (amount)	Allotment (amount)	Variable rate tenders				Running for (...) days
				Maximum bid rate	Weighted average allotment rate	Minimum allotment rate	Maximum allotment rate	
2005	05 Jan.	210,0	180,0	4,50	4,29	4,15	4,45	15
	20 Jan.	95,0	70,0	4,50	4,38	4,19	4,43	14
	03 Feb.	78,5	40,0	4,50	4,21	4,19	4,40	14
	17 Feb.	100,0	70,0	4,50	4,14	4,13	4,16	14
	17 Mar.	82,0	50,0	4,25	3,95	3,84	3,99	14
	31 Mar.	90,0	40,0	4,25	3,89	3,88	3,93	14
	05 May	101,0	50,0	4,25	3,84	3,83	3,85	14
	19 May	164,0	120,0	4,25	3,65	3,62	3,73	14
	02 Jun.	223,0	140,0	3,75	3,23	3,00	3,74	7
	09 Jun.	141,0	60,0	3,75	3,60	3,12	3,75	7
	16 Jun.	88,5	30,0	3,25	2,60	2,60	2,60	14
	30 Jun.	159,5	110,0	3,25	2,64	2,56	2,90	14
	14 Jul.	151,5	70,0	3,25	2,62	2,60	2,67	14
	28 Jul.	122,0	80,0	3,25	2,62	2,58	2,78	14
	11 Aug.	122,0	80,0	3,25	2,69	2,65	2,72	14
	25 Aug.	209,0	140,0	3,25	2,73	2,61	3,24	7

Source: Central Bank of Cyprus.

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

Table 21
Money market interest rates

(percent per annum, period averages)

	Cyprus					Euro area				
	Overnight deposits	2-7 days deposits	1-month deposits	1-6 months deposits	6-12 months deposits	Overnight deposits	1-month deposits	3-month deposits	6-month deposits	12-month deposits
2004 June	4,22	4,41	4,67	5,20	5,20	2,03	2,08	2,11	2,19	2,40
July	4,15	4,42	5,15	-	5,20	2,07	2,08	2,12	2,19	2,36
Aug.	4,16	4,30	4,75	5,25	-	2,04	2,08	2,11	2,17	2,30
Sep.	4,11	4,39	4,56	5,33	5,50	2,05	2,08	2,12	2,20	2,38
Oct.	4,10	4,45	4,69	-	-	2,11	2,09	2,15	2,19	2,32
Nov.	4,20	4,44	4,83	5,38	-	2,09	2,11	2,17	2,22	2,33
Dec.	4,73	4,82	5,00	5,55	-	2,05	2,17	2,17	2,21	2,30
2005 Jan.	4,25	4,42	4,83	4,44	-	2,08	2,11	2,15	2,19	2,31
Feb.	4,38	4,53	4,60	-	5,18	2,06	2,10	2,14	2,18	2,31
Mar.	4,16	4,43	4,63	4,89	5,15	2,06	2,10	2,14	2,19	2,34
Apr.	3,83	4,14	4,55	-	5,15	2,08	2,10	2,14	2,17	2,27
May	3,47	4,10	-	4,30	5,10	2,07	2,10	2,13	2,14	2,19
June	3,11	3,49	3,31	3,75	-	2,06	2,10	2,11	2,11	2,10
July	2,70	3,12	2,85	3,44	-	2,07	2,11	2,12	2,13	2,17

Sources: Central Bank of Cyprus and European Central Bank.

Table 22**Bank interest rates^(1,2)***(percent per annum)*

	Lending rates					Deposit rates		
	Enterprises: overdraft within limits	Enterprises: secured loans	Personal: secured loans	Housing: loans secured by assignment of life policy	Credit cards	Current accounts	3 month notice - over CYP5.000	1 year fixed deposits - over CYP5.000
2003 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
May	7,92	7,90	8,53	7,30	11,50	0,69	4,41	3,88
June	7,92	7,90	8,53	7,30	11,50	0,66	4,42	4,04
July	7,92	7,90	8,53	7,30	11,50	0,66	4,43	4,08
Aug.	7,92	7,90	8,53	7,30	11,50	0,67	4,61	4,11
Sep.	7,92	7,92	8,55	7,30	11,50	0,66	4,44	4,14
Oct.	7,92	7,92	8,55	7,30	11,50	0,66	4,44	4,18
Nov.	7,92	7,92	8,55	7,30	11,50	0,64	4,44	4,21
Dec.	7,92	7,92	8,55	7,30	11,50	0,63	4,44	4,21
2005 Jan.	7,92	7,92	8,55	7,30	11,50	0,66	4,47	4,32
Feb.	7,90	7,91	8,60	7,30	11,67	0,67	4,39	4,36
Mar.	7,61	7,63	8,38	6,76	11,83	0,65	4,37	4,38
Apr.	7,61	7,63	8,38	6,76	11,75	0,64	4,30	4,38
May	7,18	7,20	7,97	6,33	11,83	0,55	4,04	4,07
June	6,69	6,70	7,58	5,76	12,00	0,39	3,47	3,88
July	6,69	6,70	7,47	5,76	12,00	0,42	3,47	3,85

Source: Domestic banks.

(1) Reported as at end of month.

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

Table 23**Interest rates - European monetary financial institutions***(percent per annum, outstanding amounts as at end-of-period)***1. Interest rates on euro-denominated deposits by euro area residents**

	Deposits from households					Deposits from non-financial corporations		
	Overnight	With agreed maturity		Redeemable at notice ⁽¹⁾		Overnight	With agreed maturity	
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years
2004 June	0,70	1,88	3,28	1,96	2,55	0,87	2,09	4,03
July	0,70	1,89	3,26	1,94	2,55	0,86	2,09	4,03
Aug.	0,72	1,90	3,24	1,95	2,53	0,87	2,10	3,99
Sep.	0,72	1,90	3,22	2,00	2,52	0,90	2,12	3,97
Oct.	0,72	1,90	3,27	2,00	2,52	0,89	2,10	3,89
Nov.	0,73	1,90	3,26	2,01	2,51	0,90	2,12	3,86
Dec.	0,73	1,92	3,24	2,00	2,52	0,90	2,16	3,77
2005 Jan.	0,74	1,90	3,23	1,98	2,49	0,92	2,13	3,72
Feb.	0,74	1,91	3,25	1,97	2,49	0,92	2,13	3,69
Mar.	0,74	1,91	3,22	1,97	2,47	0,94	2,09	3,75
Apr.	0,74	1,92	3,22	1,95	2,45	0,95	2,10	3,61
May	0,75	1,92	3,19	1,98	2,43	0,95	2,11	3,50

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
2004 June	4,84	4,72	4,97	8,14	7,15	5,90	4,43	4,00	4,54
July	4,84	4,64	4,94	8,16	7,10	5,85	4,43	4,00	4,52
Aug.	4,81	4,61	4,91	8,17	7,06	5,86	4,42	3,97	4,51
Sep.	4,82	4,58	4,90	8,06	7,13	5,85	4,45	3,99	4,52
Oct.	4,69	4,54	4,88	8,05	7,07	5,80	4,41	3,97	4,48
Nov.	4,67	4,52	4,86	7,94	6,98	5,82	4,40	3,96	4,48
Dec.	4,72	4,50	4,83	7,95	7,01	5,80	4,34	3,97	4,44
2005 Jan.	4,69	4,45	4,79	8,07	6,96	5,77	4,42	3,90	4,41
Feb.	4,65	4,45	4,76	8,08	7,03	5,76	4,40	3,92	4,46
Mar.	4,74	4,41	4,78	8,09	6,97	5,77	4,38	3,91	4,40
Apr.	4,70	4,38	4,74	8,03	6,94	5,76	4,34	3,86	4,37
May	4,66	4,36	4,71	8,03	6,86	5,74	4,32	3,85	4,35

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 24**Interest rate announcements in 2005**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
European Central Bank ⁽¹⁾	13 2,00	3 2,00	3 2,00	7 2,00	4 2,00	2 2,00	7 2,00	4 2,00	1	6	3	1
Bank of England ⁽²⁾	13 4,75	10 4,75	10 4,75	7 4,75	9 4,75	9 4,75	7 4,75	4 4,50	8	6	10	8
Federal Reserve ⁽³⁾		1/2 2,50	22 2,75		3 3,00	29/30 3,25		9 3,50	20		1	13
Central Bank of Cyprus ⁽⁴⁾	14 5,50	25 5,25		8 5,25	20 4,75	9 4,25 (unscheduled meeting)	8 4,25		2	21		2

(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 25
Percentage change in the consumer price index by economic origin (%)

(2002 – 2005)

	Yearly			Quarterly			July	June	July	Jan.-	Jan.-	Jan.-	Weights
	2002	2003	2004	2004 IV	2005 I	2005 II	2004/ 2003	2005/ 2004	2005/ 2004	2004/ 2003	2005/ 2004	2005/ 2004	
GENERAL INDEX	2,81	4,14	2,28	3,24	2,88	2,41	3,30	1,70	1,91	1,73	2,64	2,54	100,00
A LOCAL GOODS	4,35	7,30	5,03	6,23	3,81	3,25	7,83	2,02	3,26	4,09	3,53	3,49	36,69
A.1 Agricultural	1,79	4,54	3,32	4,95	2,82	-2,22	11,13	-3,32	-1,48	3,04	0,30	0,05	7,93
A.2 Industrial	5,62	7,90	6,09	7,05	4,33	4,38	7,66	2,97	3,95	5,05	4,36	4,30	27,24
A.2.1 industrial non-petroleum	4,55	6,46	3,36	3,30	1,87	1,57	3,83	1,38	0,57	3,27	1,72	1,56	22,91
A.2.2 fuel and gas	10,57	14,16	17,18	22,53	13,59	14,96	23,37	8,59	15,60	12,19	14,28	14,46	4,33
A.3 Electricity	-2,26	10,20	-3,13	-0,39	0,27	8,78	-1,76	9,31	12,11	-5,15	4,53	5,61	1,52
B IMPORTED GOODS	-1,69	-2,38	-5,55	-4,04	-2,23	-2,60	-5,50	-3,27	-3,56	-6,07	-2,41	-2,58	22,20
B.1 Motor vehicles	-5,07	-8,31	-13,65	-8,80	-1,81	-2,61	-14,23	-3,44	-3,55	-15,17	-2,21	-2,40	9,43
B.2 Other	0,85	1,81	-0,39	-1,04	-2,46	-2,59	0,25	-3,18	-3,57	-0,15	-2,53	-2,68	12,77
C SERVICES	3,67	4,38	3,23	3,59	4,13	3,69	3,12	3,47	2,85	3,07	3,91	3,76	41,11
HICP	2,8	4,0	1,9	2,8	2,5	2,2	2,9	1,5	1,3	1,4	2,3	2,1	
Core inflation	2,5	2,5	2,5	2,6	2,4	1,5	2,8	1,5	1,0	2,4	2,2	1,9	
Euro area inflation	2,3	2,1	2,1	2,3	2,0	2,0	2,3	2,1		2,0	2,0		

Source: Cystat.

Table 26**Weighted contribution to the total change in the consumer price index by economic origin (%)**

(2002 – 2005)

	Yearly			Quarterly			July	June	July	Jan.-	Jan.-	Jan.-	Weights 1998=100
	2002	2003	2004	2004 IV	2005 I	2005 II	2004/ 2003	2005/ 2004	2005/ 2004	July 2004/ 2003	June 2005/ 2004	July 2005/ 2004	
GENERAL INDEX	2,81	4,14	2,28	3,24	2,88	2,41	3,30	1,70	1,91	1,73	2,64	2,54	100,00
A LOCAL GOODS	1,64	2,79	1,98	2,48	1,52	1,31	3,00	0,82	1,31	1,60	1,42	1,40	36,69
A.1 Agricultural	0,15	0,37	0,27	0,41	0,24	-0,18	0,84	-0,27	-0,12	0,25	0,03	0,01	7,93
A.2 Industrial	1,53	2,22	1,77	2,08	1,28	1,32	2,20	0,91	1,18	1,46	1,30	1,28	27,24
A.2.1 industrial non-petroleum	1,02	1,47	0,78	0,79	0,44	0,37	0,88	0,33	0,13	0,76	0,41	0,37	22,91
A.2.2 fuel and gas	0,51	0,74	0,99	1,30	0,84	0,95	1,32	0,58	1,05	0,70	0,90	0,92	4,33
A.3 Electricity	-0,05	0,20	-0,07	-0,01	0,00	0,17	-0,04	0,18	0,24	-0,11	0,09	0,11	1,52
B IMPORTED GOODS	-0,35	-0,48	-1,04	-0,75	-0,39	-0,45	-1,04	-0,57	-0,62	-1,15	-0,42	-0,45	22,20
B.1 Motor vehicles	-0,46	-0,69	-1,00	-0,63	-0,11	-0,16	-1,07	-0,21	-0,22	-1,14	-0,14	-0,15	9,43
B.2 Other	0,10	0,21	-0,04	-0,12	-0,28	-0,29	0,03	-0,36	-0,40	-0,02	-0,29	-0,30	12,77
C SERVICES	1,52	1,83	1,35	1,50	1,75	1,55	1,33	1,46	1,21	1,28	1,65	1,59	41,11

Source: Cystat.

Table 27
Percentage change in the consumer price index by category of goods and services (%)

(2002 – 2005)

	Yearly			Quarterly			July	June	July	Jan.-	Jan.-	Jan.-	Weights 1998=100
	2002	2003	2004	2004 IV	2005 I	2005 II	2004/ 2003	2005/ 2004	2005/ 2004	July 2004/ 2003	June 2005/ 2004	July 2005/ 2004	
GENERAL INDEX	2,81	4,14	2,28	3,24	2,88	2,41	3,29	1,71	1,90	1,73	2,64	2,54	100,00
Food & non-alcoholic beverages	4,58	5,11	3,97	4,24	2,57	0,06	7,65	-0,79	-0,30	3,97	1,32	1,08	18,20
Alcoholic beverages & tobacco	13,32	24,22	10,57	2,23	1,44	0,79	13,24	0,91	-0,21	13,23	1,12	0,93	1,78
Clothing & footwear	-3,46	1,19	-0,79	1,26	-2,40	-0,67	0,25	-0,97	-4,78	-1,60	-1,54	-2,00	8,22
Housing, water, electricity & gas	4,08	5,04	4,19	5,23	4,72	5,35	4,35	4,97	5,31	3,46	5,03	5,07	21,27
Furnishings, household equipment & supplies	0,81	3,59	-0,45	0,24	0,30	0,26	-0,98	0,23	1,63	-0,68	0,28	0,47	7,08
Health	4,70	5,66	3,72	3,83	2,09	0,47	2,90	0,33	0,07	3,85	1,28	1,11	4,92
Transport	0,39	0,35	-3,06	0,68	3,38	3,28	-1,87	0,69	3,11	-5,17	3,33	3,30	17,42
Communications	-8,81	-7,16	-8,48	-10,88	-9,87	-7,56	-8,42	-3,67	-9,63	-7,06	-8,72	-8,85	1,79
Recreation & culture	2,20	3,55	2,26	2,91	2,42	2,50	2,27	2,39	1,05	1,66	2,46	2,26	5,88
Education	5,71	4,02	3,96	5,51	5,60	5,60	3,25	5,60	5,60	3,25	5,60	5,60	2,33
Restaurants & hotels	3,97	5,31	4,69	5,35	4,95	3,67	5,34	3,01	2,60	4,27	4,31	4,06	6,07
Miscellaneous goods & services	5,49	5,50	5,16	4,90	4,53	4,17	4,71	3,84	3,05	5,45	4,35	4,16	5,04

Source: Cystat.

Table 28**Weighted contribution to the total change in the consumer price index by category of goods and services (%)**

(2002 – 2005)

	Yearly			Quarterly			July	June	July	Jan.-	Jan.-	Jan.-	Weights
	2002	2003	2004	2004 IV	2005 I	2005 II	2004/ 2003	2005/ 2004	2005/ 2004	July 2004/ 2003	June 2005/ 2004	July 2005/ 2004	
GENERAL INDEX	2,81	4,14	2,28	3,24	2,88	2,41	3,29	1,71	1,90	1,73	2,64	2,54	100,00
Food & non-alcoholic beverages	0,86	0,97	0,76	0,82	0,51	0,01	1,44	-0,15	-0,06	0,76	0,26	0,21	18,20
Alcoholic beverages & tobacco	0,27	0,54	0,28	0,06	0,04	0,02	0,35	0,03	-0,01	0,35	0,03	0,03	1,78
Clothing & footwear	-0,25	0,08	-0,05	0,09	-0,15	-0,05	0,02	-0,07	-0,28	-0,11	-0,10	-0,12	8,22
Housing, water, electricity & gas	0,88	1,10	0,93	1,16	1,06	1,20	0,98	1,11	1,20	0,77	1,13	1,14	21,27
Furnishings, household equipment & supplies	0,05	0,23	-0,03	0,02	0,02	0,02	-0,06	0,01	0,10	-0,04	0,02	0,03	7,08
Health	0,25	0,30	0,20	0,21	0,12	0,03	0,16	0,02	0,00	0,21	0,07	0,06	4,92
Transport	0,07	0,06	-0,51	0,10	0,52	0,51	-0,31	0,11	0,49	-0,86	0,51	0,51	17,42
Communications	-0,13	-0,09	-0,10	-0,12	-0,11	-0,08	-0,10	-0,04	-0,10	-0,08	-0,09	-0,09	1,79
Recreation & culture	0,12	0,19	0,12	0,16	0,13	0,13	0,12	0,13	0,06	0,09	0,13	0,12	5,88
Education	0,14	0,10	0,10	0,14	0,15	0,14	0,08	0,14	0,14	0,08	0,14	0,14	2,33
Restaurants & hotels	0,26	0,35	0,31	0,36	0,34	0,25	0,36	0,21	0,18	0,29	0,29	0,28	6,07
Miscellaneous goods & services	0,28	0,29	0,28	0,26	0,25	0,23	0,26	0,21	0,17	0,29	0,24	0,23	5,04

Source: Cystat.

Table 29
Cyprus Stock Exchange: purchase of listed shares by non-residents⁽¹⁾

(CYP thousand)

Geographic origin of non-resident investors	2003	2004	2004						2005						
			July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
EUROPE	5.014,2	7.416,2	1.054,2	628,5	302,4	239,0	341,3	224,2	220,6	721,2	200,0	65,4	83,8	92,3	94,5
EU-25	4.977,4	6.064,4	634,7	239,8	186,4	49,5	229,8	112,7	184,4	682,0	129,3	43,2	36,5	50,4	64,4
Greece	4.101,0	5.519,5	616,0	224,3	117,7	37,1	220,0	107,6	161,5	670,5	117,2	12,3	12,6	41,2	46,9
United Kingdom	678,7	265,2	0,3	0,3	0,2	3,4	1,0	2,6	4,9	7,0	9,7	18,1	11,8	5,8	6,2
Other European countries	36,8	1.351,8	419,5	388,6	116,0	189,5	111,5	111,5	36,2	39,3	70,7	22,2	47,3	42,0	30,1
Russian Federation	17,9	1.131,5	379,5	333,6	101,4	161,0	78,5	71,3	24,1	23,9	38,6	15,0	40,6	25,1	18,1
AFRICA	284,1	415,8	2,0	11,6	4,1	5,6	5,0	2,5	0,8	30,4	5,3	0,0	0,2	5,3	4,4
North African countries	0,0	0,9	0,0	0,0	0,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other African countries	284,1	414,9	2,0	11,6	3,2	5,6	5,0	2,5	0,8	30,4	5,3	0,0	0,2	5,3	4,4
South Africa	0,5	56,7	0,7	11,6	3,2	2,9	0,0	0,7	0,0	0,0	1,0	0,0	0,0	0,0	2,6
AMERICA	303,0	888,6	0,0	0,0	19,4	92,2	15,2	10,4	11,0	12,6	2,3	4,6	0,8	0,0	0,0
North American countries	129,7	635,6	0,0	0,0	6,1	8,9	3,4	0,0	0,0	0,0	0,0	0,0	0,8	0,0	0,0
United States of America	125,7	634,9	0,0	0,0	6,1	8,9	3,4	0,0	0,0	0,0	0,0	0,0	0,2	0,0	0,0
Canada	4,0	0,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,6	0,0	0,0
Central American countries	173,3	253,0	0,0	0,0	13,2	83,2	11,8	10,4	11,0	12,6	2,3	4,6	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
ASIA	24,1	61,7	20,2	7,3	1,7	5,4	19,5	6,9	3,0	39,9	10,1	3,2	7,2	7,4	13,3
West Asia	23,3	17,0	3,2	3,8	0,8	3,6	4,8	0,0	0,0	4,6	1,9	0,0	0,7	6,0	12,8
Other Asian countries	0,8	44,8	16,9	3,5	0,9	1,8	14,6	6,9	3,0	35,3	8,1	3,2	6,5	1,4	0,5
OCEANIA	26,8	18,5	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
Total	5.652,2	8.800,8	1.076,3	647,4	327,7	342,2	381,0	244,0	235,4	804,2	217,8	73,2	92,0	105,1	112,2

Source: Cyprus Stock Exchange.

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

Table 30**Cyprus Stock Exchange: sale of listed shares by non-residents⁽¹⁾***(CYP thousand)*

Geographic origin of non-resident investors	2003	2004	2004						2005						
			July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
EUROPE	1.199,3	3.938,7	177,1	93,8	117,6	651,9	502,2	349,5	323,6	524,8	321,2	153,8	117,6	82,9	255,5
EU-25	1.149,8	3.710,1	173,0	65,0	115,0	603,5	472,8	292,6	311,5	518,2	243,9	125,5	50,4	54,2	225,1
Greece	879,3	3.328,1	164,0	45,5	96,6	602,2	459,0	283,4	132,7	490,0	173,4	122,2	40,3	42,6	158,2
United Kingdom	216,1	182,5	7,6	7,5	12,2	1,4	0,9	4,7	155,5	20,4	47,6	1,9	5,6	11,6	29,9
Other European countries	49,5	228,6	4,1	28,8	2,7	48,3	29,4	56,8	12,1	6,7	77,3	28,3	67,2	28,6	30,4
Russian Federation	3,5	59,3	0,0	0,0	0,5	10,4	17,4	16,1	8,5	3,4	63,9	10,3	27,0	11,7	4,8
AFRICA	17,1	295,7	2,6	22,5	0,0	0,0	0,0	0,0	0,0	32,8	0,0	0,0	9,5	2,3	2,7
North African 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	1,8
Other African countries	17,1	295,7	2,6	22,5	0,0	0,0	0,0	0,0	0,0	32,8	0,0	0,0	9,5	2,3	0,9
South Africa	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	21,6	1.643,7	455,2	407,2	182,7	182,6	164,0	177,8	156,3	35,8	1,4	8,5	0,0	33,2	0,0
North American countries	3,7	80,0	5,8	0,0	0,1	5,8	0,0	67,3	11,8	0,0	0,0	0,0	0,0	0,0	0,0
United States of America	3,7	28,7	3,5	0,0	0,1	3,8	0,0	21,3	11,8	0,0	0,0	0,0	0,0	0,0	0,0
Canada	0,0	51,3	2,3	0,0	0,0	2,0	0,0	46,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Central American countries	18,0	1.563,7	449,4	407,2	182,6	176,8	164,0	110,5	144,5	35,8	1,4	8,5	0,0	33,2	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
ASIA	14,6	12,2	1,3	0,0	5,4	0,0	2,2	0,0	2,3	13,0	1,9	9,2	68,3	20,1	49,2
West Asia	14,6	12,2	1,3	0,0	5,4	0,0	2,2	0,0	0,0	13,0	1,9	7,8	60,3	0,0	45,0
Other Asian countries	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,3	0,0	0,0	1,4	8,0	20,1	4,2
OCEANIA	0,0	8,2	0,0	0,0	0,0	0,0	8,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total	1.252,6	5.898,5	636,1	523,6	305,7	834,5	676,7	527,2	482,2	606,4	324,5	171,5	195,4	138,5	307,4

Source: Cyprus Stock Exchange.

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

Table 31
Public finances summary: central government and social security fund ⁽¹⁾

	Jan.- Jun. 2005	Jan.- Jun. 2004	Jan.-Jun. 05/04
	CYP million		% Change
Total revenue and grants	1363,9	1155,6	18,0
Direct taxes	360,9	239,8	50,5
Income tax	150,7	152,9	-1,4
Other direct taxes	210,2	86,9	142,0
Indirect taxes	588,2	537,7	9,4
Value added tax	334,7	282,0	18,7
Excise taxes	169,9	175,4	-3,1
Import duty	16,9	6,6	154,4
Social security contributions	188,2	186,3	1,0
Non-tax revenue	183,6	165,0	11,3
Foreign grants	43,0	26,8	60,6
Total expenditure and net lending	1314,3	1238,8	6,1
Current expenditure	1237,8	1184,6	4,5
Goods and services	84,9	71,3	19,1
Wages and salaries	379,0	367,0	3,3
Pensions and gratuities	79,2	73,0	8,4
Social pensions	13,6	20,1	-32,6
Other current transfers ⁽²⁾	280,4	240,1	16,8
Other unallocable expenses ⁽³⁾	6,4	17,5	-63,3
Social security funds payments	214,9	211,3	1,7
Subsidies	12,6	31,5	-60,1
Interest	166,7	152,7	9,2
Capital expenditure	76,6	54,2	41,3
Investment	76,6	54,2	41,3
Capital transfers	0,0	0,0	0,0
Net lending	0,0	0,0	0,0
Fiscal surplus (+)/deficit(-)	49,6	-83,2	
<i>As % of GDP</i>	<i>0,64</i>	<i>-1,15</i>	

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

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

3. Includes only expenditure on military equipment.