



CENTRAL BANK OF CYPRUS

EUROSYSTEM

## Explanatory note on External Statistics – October 2024

The current note aims to provide an overview of the main developments in External Statistics<sup>1</sup> of Cyprus for the Second Quarter of **2024**, with an emphasis on developments in selected macroeconomic indicators. Moreover, the Statistics Department of the Central Bank of Cyprus (CBC), in the context of benchmark revisions, has released revised external statistics data for the period 2008 - 2023 and the first quarter of 2024.

### DATA REVISION FOR THE YEARS 2008 to 2023 AND THE FIRST QUARTER OF 2024 (2024 Q1)

The revision of data, as part of the benchmark revision, which takes place every five years, was deemed necessary due to:

- ❖ Enhanced coverage of Special Purpose Entities (SPEs), and updated information on previously included SPEs for which data is collected from financial statements that are available with a considerable time lag.
- ❖ Enhanced coverage of companies through surveys which recently started operations in Cyprus.
- ❖ Improved accuracy on the capture of residents' assets abroad.
- ❖ Elimination of various breaks in the data series caused by previous revisions that could not be extended further back due to the limitations in the periods those revisions covered.
- ❖ Incorporation of new or additional information in the compilation process as well as adjustments of information arising from methodological, conceptual and classification changes, in an effort to reduce/correct errors and omissions.
- ❖ Revised imports of FISIM (financial intermediation services indirectly measured) emanating from updated data of:
  - External Reference Rate.
  - Financial SPEs (mainly loans (stocks) and interest), as extracted from updated information included in their financial statements.
  - Investment firms (as extracted from their financial statements).
- ❖ Integration/adjustment of data of new entities identified during the ongoing process of reference sample alignment between the CBC and the Cyprus Statistical Service.

As a result of the aforementioned revisions, the current account deficit improved in almost every year of the revision period. Net international investment position (IIP) data showed mixed changes throughout the revision period with the most recent year (2023) showing a slight worsening. Gross External Debt was revised significantly upwards from 2018 onwards driven by the enhancement of the SPEs coverage. Lastly, net External Debt, similar to IIP, showed mixed results with the most recent year (2023) showing a small improvement.

---

<sup>1</sup> External Statistics – namely Balance of Payments, International Investment Position and External Debt Statistics – measure all economic transactions and all financial positions between residents and non-residents.



## CENTRAL BANK OF CYPRUS

EUROSYSTEM

In relation to data adjusted for the impact of SPEs (i.e. treating SPEs as non-residents), the revisions in the current account followed the same pattern as when treating SPEs as residents (i.e. improvements in almost all the years of the revision period with the most notable in 2022). Regarding net international investment position, gross external debt and net external debt, all recorded mixed changes during the revision period.

**Table of the main revisions of External Statistics indicators**

(€ million)	Data treating SPEs as residents							
	Current Account		International Investment Position		External Debt		Net External Debt	
	Data prior to revision	Revised data	Data prior to revision	Revised data	Data prior to revision	Revised data	Data prior to revision	Revised data
2008	-2.802,1	<b>-2.802,1</b>	-18.414,8	<b>-17.745,9</b>	140.336,8	<b>139.312,0</b>	28.008,5	<b>27.250,1</b>
2009	-1.249,0	<b>-1.249,0</b>	-21.662,8	<b>-21.207,8</b>	157.714,4	<b>156.968,3</b>	28.631,1	<b>28.129,9</b>
2010	-2.083,2	<b>-2.067,1</b>	-23.724,6	<b>-23.375,0</b>	151.645,3	<b>150.990,8</b>	29.349,5	<b>29.010,1</b>
2011	-458,5	<b>-437,8</b>	-28.096,9	<b>-28.005,2</b>	163.696,9	<b>162.756,6</b>	45.171,7	<b>44.789,0</b>
2012	-752,0	<b>-729,3</b>	-27.421,5	<b>-27.897,0</b>	174.486,0	<b>173.398,5</b>	53.380,0	<b>52.983,7</b>
2013	-265,4	<b>-273,1</b>	-29.241,9	<b>-29.316,8</b>	173.006,5	<b>170.593,8</b>	66.108,7	<b>65.017,9</b>
2014	-709,2	<b>-699,4</b>	-28.520,5	<b>-28.662,3</b>	200.099,6	<b>198.416,9</b>	87.845,8	<b>88.222,7</b>
2015	-80,2	<b>-48,3</b>	-27.544,3	<b>-27.426,3</b>	225.117,3	<b>222.954,0</b>	104.528,1	<b>104.419,7</b>
2016	-795,6	<b>-751,3</b>	-25.333,2	<b>-25.367,3</b>	216.628,8	<b>213.025,2</b>	96.102,2	<b>94.542,4</b>
2017	-1.024,4	<b>-1.018,9</b>	-27.560,1	<b>-27.744,8</b>	207.463,4	<b>224.708,7</b>	96.373,1	<b>96.963,9</b>
2018	-857,7	<b>-846,4</b>	-27.142,9	<b>-27.244,9</b>	193.281,0	<b>277.790,4</b>	78.700,8	<b>101.054,3</b>
2019	-1.287,8	<b>-1.290,1</b>	-26.742,7	<b>-26.484,4</b>	191.037,1	<b>289.748,9</b>	67.533,3	<b>73.138,3</b>
2020	-2.201,6	<b>-2.169,7</b>	-29.457,2	<b>-27.703,9</b>	175.542,8	<b>249.079,3</b>	55.866,6	<b>49.276,2</b>
2021	-1.513,5	<b>-1.378,6</b>	-25.914,2	<b>-27.145,7</b>	172.528,7	<b>255.284,2</b>	14.862,6	<b>28.899,6</b>
2022	-2.202,7	<b>-1.584,0</b>	-26.713,5	<b>-27.981,5</b>	169.326,4	<b>258.424,2</b>	21.938,4	<b>29.048,2</b>
2023	-3.607,2	<b>-2.966,3</b>	-28.743,3	<b>-29.065,1</b>	171.696,6	<b>259.577,4</b>	17.081,4	<b>16.087,4</b>
2024Q1	-890,2	<b>-856,3</b>	-28.491,4	<b>-28.541,7</b>	172.162,0	<b>260.541,2</b>	14.209,4	<b>14.948,0</b>

Source: Central Bank of Cyprus

**Table of the main revisions of External Statistics indicators**

(€ million)	Data treating SPEs as non-residents							
	Current Account		International Investment Position		External Debt		Net External Debt	
	Data prior to revision	Revised data	Data prior to revision	Revised data	Data prior to revision	Revised data	Data prior to revision	Revised data
2008	-2.662,9	<b>-2.663,4</b>	-4.694,5	<b>-4.044,7</b>	86.064,8	<b>86.077,8</b>	231,7	<b>-386,4</b>
2009	-1.281,3	<b>-1.281,3</b>	-7.750,3	<b>-7.320,2</b>	102.092,8	<b>102.385,7</b>	2.212,0	<b>1.797,8</b>
2010	-2.053,4	<b>-2.037,6</b>	-9.573,6	<b>-9.249,9</b>	94.835,7	<b>95.307,3</b>	4.140,7	<b>3.790,5</b>
2011	-479,7	<b>-459,5</b>	-13.766,7	<b>-13.700,6</b>	90.484,2	<b>91.245,2</b>	7.048,8	<b>6.985,4</b>
2012	-769,2	<b>-747,2</b>	-12.915,5	<b>-13.416,2</b>	84.461,4	<b>85.663,4</b>	3.142,8	<b>3.409,5</b>
2013	-199,9	<b>-207,9</b>	-14.483,1	<b>-14.582,8</b>	61.392,3	<b>61.837,4</b>	4.850,7	<b>4.658,5</b>
2014	-773,8	<b>-764,1</b>	-13.645,0	<b>-13.811,1</b>	60.035,6	<b>62.469,6</b>	3.858,7	<b>6.208,8</b>
2015	-173,3	<b>-149,6</b>	-12.596,1	<b>-12.502,1</b>	61.681,1	<b>64.384,1</b>	207,0	<b>2.715,6</b>
2016	-104,2	<b>-54,9</b>	-9.506,4	<b>-9.568,2</b>	58.972,5	<b>61.870,2</b>	-550,6	<b>354,4</b>
2017	-288,4	<b>-282,6</b>	-10.037,7	<b>-10.790,5</b>	61.513,8	<b>63.927,2</b>	1.219,1	<b>-178,6</b>
2018	-663,4	<b>-653,4</b>	-9.422,3	<b>-9.840,6</b>	57.864,3	<b>60.502,8</b>	-1.180,9	<b>-2.433,7</b>
2019	-1.401,7	<b>-1.383,8</b>	-9.560,0	<b>-8.944,1</b>	63.150,0	<b>64.618,2</b>	-799,2	<b>-1.345,3</b>
2020	-2.065,8	<b>-2.065,9</b>	-11.862,7	<b>-9.773,2</b>	62.498,9	<b>61.257,6</b>	109,4	<b>-3.495,7</b>
2021	-1.855,0	<b>-1.813,9</b>	-8.439,3	<b>-9.351,4</b>	66.584,3	<b>68.399,2</b>	-6.205,1	<b>-6.886,9</b>
2022	-2.540,9	<b>-2.363,2</b>	-9.359,1	<b>-10.427,4</b>	58.444,7	<b>60.214,4</b>	-11.861,7	<b>-13.103,1</b>
2023	-3.434,2	<b>-3.269,3</b>	-10.847,3	<b>-11.150,6</b>	58.448,5	<b>59.652,6</b>	-15.141,3	<b>-16.886,4</b>
2024Q1	-1.007,1	<b>-1.121,9</b>	-10.834,1	<b>-10.713,9</b>	58.839,3	<b>60.016,4</b>	-15.464,9	<b>-17.432,9</b>

Source: Central Bank of Cyprus



# CENTRAL BANK OF CYPRUS

EUROSYSTEM

## I. BALANCE OF PAYMENTS (Table 1 and Figure 1)

### I.1 Current and Capital Accounts

The Current Account deficit decreased to €52.9 million in Q2 2024, compared with a deficit of €285.4 million in Q2 2023 (see Table 1 and Figure 2). The decrease in the Current Account deficit resulted mainly from the improvement of the surplus of Services (from €1.978,2 million in Q2 2023 to €2.274,8 million in Q2 2024). In addition, the improvement of the deficit in *Goods* (from €1.608,0 million to €1.545,7 million) and, to a lesser extent, the marginal decrease in the deficit of Secondary *Income* (from €62,2 million to €62,0 million), contributed to the shrinkage of the deficit. The aforementioned developments were partly offset by the increased deficit of Primary *Income* (from €593,3 million to €719,9 million).

Table 1. The Balance of Payments

(€ million)	Q2 2023			Q2 2024			%ΔBalance*
	Credit	Debit	Balance	Credit	Debit	Balance	
<b>Current account</b>	<b>14.792,4</b>	<b>15.077,8</b>	<b>-285,4</b>	<b>16.086,0</b>	<b>16.138,8</b>	<b>-52,9</b>	<b>↑ 81,5%</b>
<b>Goods</b>	<b>1.090,1</b>	<b>2.698,2</b>	<b>-1.608,0</b>	<b>1.190,5</b>	<b>2.736,2</b>	<b>-1.545,7</b>	<b>↑ 3,9%</b>
<b>Services</b>	<b>6.013,8</b>	<b>4.035,6</b>	<b>1.978,2</b>	<b>7.272,7</b>	<b>4.997,8</b>	<b>2.274,8</b>	<b>↑ 15,0%</b>
<i>of which:</i>							
Transport	1.199,4	795,6	403,7	1.160,5	778,8	381,7	↓ -5,5%
Travel	954,2	324,6	589,2	980,8	446,6	534,1	↓ -9,4%
Financial services	1.272,4	837,9	434,5	1.416,9	894,4	522,5	↑ 20,3%
Telecommunications, computer, and information services	1.615,0	973,7	641,3	2.037,9	1.605,6	432,3	↓ -32,6%
Other business services	487,0	748,6	-261,6	726,1	844,8	-118,6	↑ 54,7%
<b>Primary Income</b>	<b>7.458,5</b>	<b>8.051,8</b>	<b>-593,3</b>	<b>7.356,7</b>	<b>8.076,6</b>	<b>-719,9</b>	<b>↓ -21,3%</b>
Compensation of employees	12,3	17,3	-5,0	25,3	53,9	-28,6	↓ -468,4%
Direct investment	6.898,4	7.137,1	-238,7	6.710,2	7.143,1	-432,9	↓ -81,3%
Portfolio investment	134,5	146,7	-12,1	190,1	158,4	31,7	↑ 360,7%
Other investment	402,5	721,6	-319,1	419,9	709,3	-289,4	↑ 9,3%
Reserve assets	0,7		0,7	1,1		1,1	↑ 67,5%
Other primary income	10,1	29,2	-19,0	10,1	11,9	-1,8	↑ 90,5%
<b>Secondary Income</b>	<b>230,0</b>	<b>292,2</b>	<b>-62,2</b>	<b>266,2</b>	<b>328,2</b>	<b>-62,0</b>	<b>↑ 0,3%</b>
<b>Capital account</b>	<b>27,6</b>	<b>24,2</b>	<b>3,4</b>	<b>37,8</b>	<b>61,4</b>	<b>-23,7</b>	<b>↓ -801,9%</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	
<b>Financial Account</b>	<b>-996,6</b>	<b>-332,4</b>	<b>-664,2</b>	<b>4.221,5</b>	<b>4.125,3</b>	<b>96,2</b>	<b>↑ 114,5%</b>
Direct investment	-1.991,6	862,3	-2.853,9	1.354,9	2.813,7	-1.458,8	↑ 48,9%
Portfolio investment	609,4	-882,2	1.491,6	1.024,9	752,7	272,2	↓ -81,8%
Financial derivatives	-16,5	-104,0	87,6	115,4	-117,4	232,9	↑ 165,9%
Other investment	406,8	-208,4	615,2	1.715,7	676,3	1.039,4	↑ 68,9%
Reserve assets	-4,7		-4,7	10,5		10,5	↑ 324,8%
<b>Net Errors and Omissions</b>			<b>-382,2</b>			<b>172,7</b>	<b>↑ 145,2%</b>

Source: Central Bank of Cyprus

Note: \*%ΔBalance is defined as the % change in the balance of Q2 2023 over the corresponding balance of Q2 2024

More details of the changes recorded in the main categories of the Current Account are given below:

- *Goods* - Imports remained consistently higher than exports. The trade deficit in Q2 2024 decreased, as a result of the increase in exports. The increase in imports, which slightly mitigated the result above, was attributed to the increase in imports of movable equipment while imports of general merchandise recorded a slight decrease. On the export side, the category of general merchandise recorded an increase while movable equipment decreased. With regards to net exports of goods under merchanting, this registered an increase of €94,8 million (from €221,4 million in Q2 2023 to €316,2 million in Q2 2024).
- *Services* - The increase in the surplus of *Services* resulted mainly from positive developments in *Other Business Services* and, to a lesser extent, from *Financial Services* and *Charges for the use of*



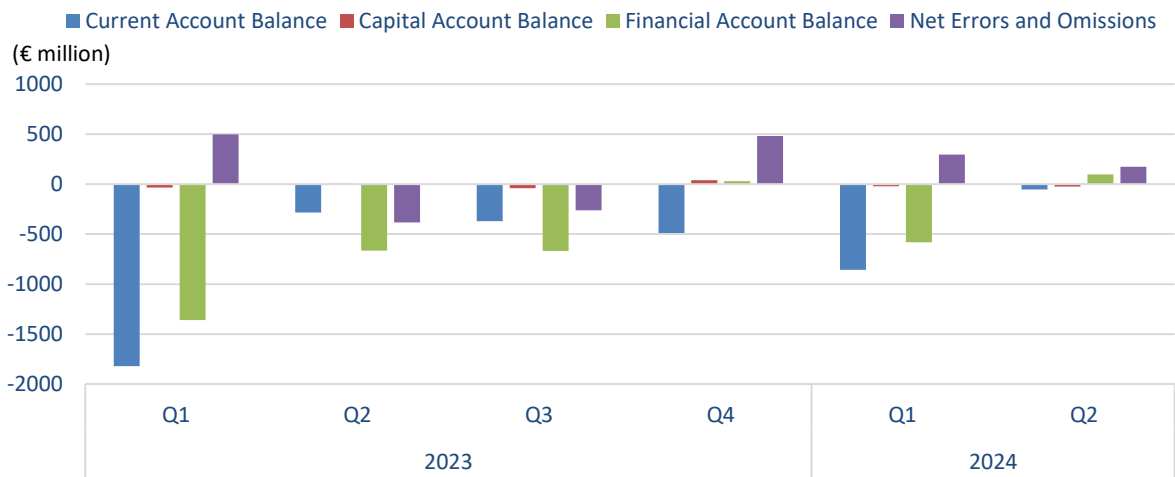
# CENTRAL BANK OF CYPRUS

EUROSYSTEM

*intellectual property n.i.e..* The said increases were partially offset by decreases in the categories of *ICT (telecommunications, computer and information), travel and transport.*

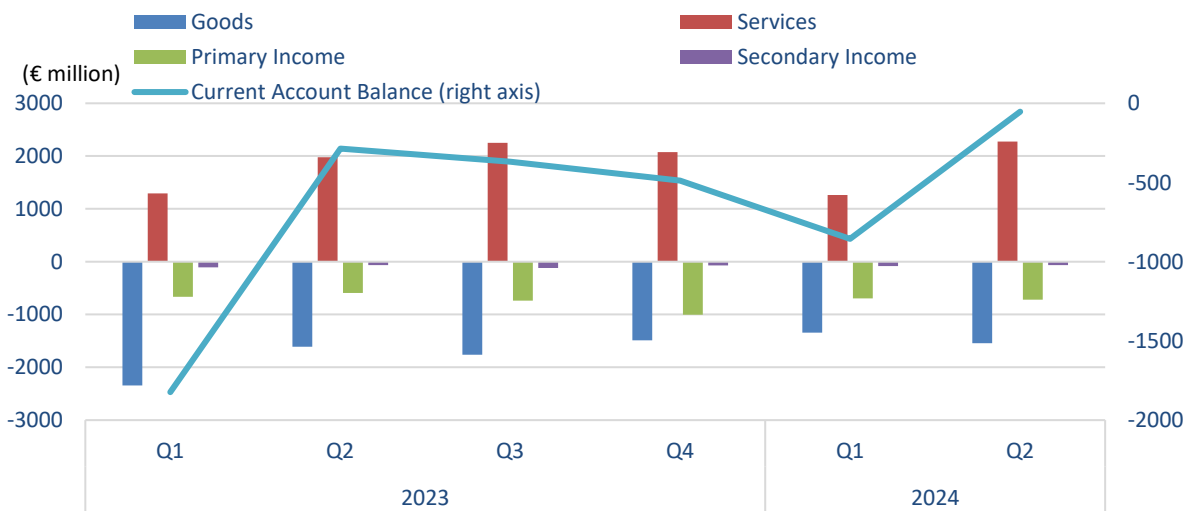
- *Primary Income* – The increase in the deficit of *Primary Income* was mainly associated with the negative developments recorded in *investment income, mainly direct investment income*, and to a lesser degree, in *compensation of employees.*
- *Secondary Income* – The small improvement of the deficit of *Secondary Income* was mainly associated with an increase of net receipts of General Government and other sectors.

**Figure 1**  
The Balance of Payments



Source: Central Bank of Cyprus

**Figure 2**  
The Current Account



Source: Central Bank of Cyprus



# CENTRAL BANK OF CYPRUS

EUROSYSTEM

The Capital Account recorded a deficit of €23,7 million in Q2 2024, compared with a surplus of €3,4 million in the equivalent Quarter of 2023. The deficit of the said account is mainly the result of *Gross acquisitions/disposals of non-produced non-financial assets*.

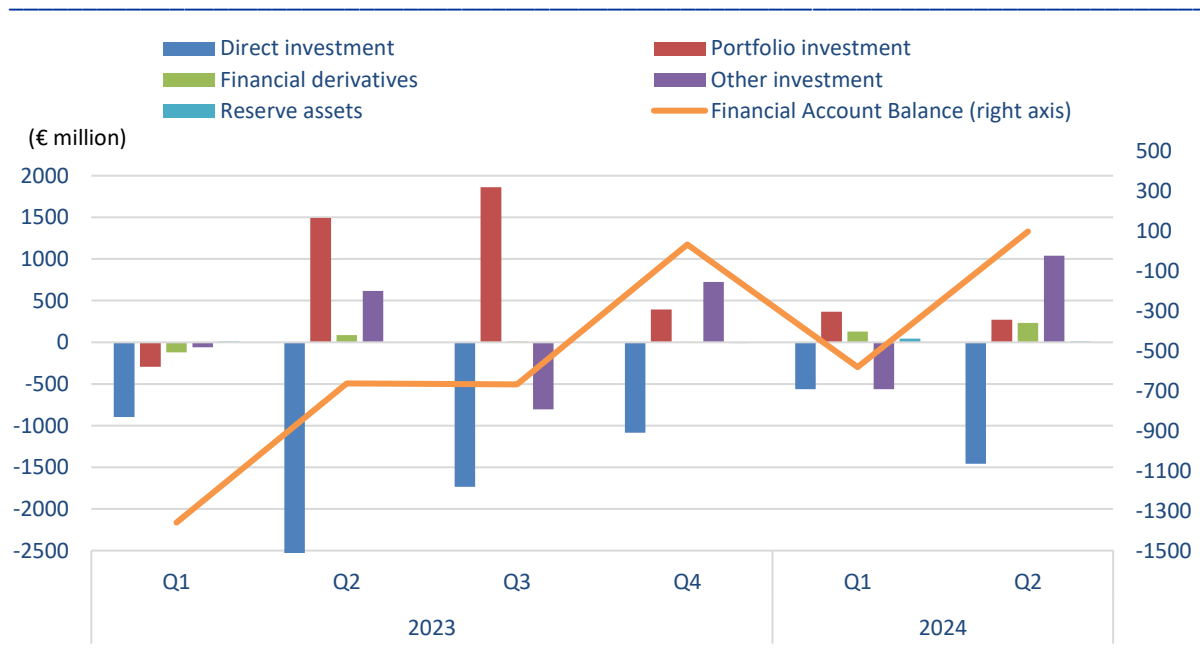
## I.2. Financial Account

The Financial Account recorded a net outflow of €96,2 million in Q2 2024, compared with a net inflow of €664,2 million in Q2 2023 (see Table 1 and Figure 3), as the increased net outflows of the categories of *Financial Derivatives* and *Other Investment*, and the improvement of the net inflow of *Direct Investment*, mitigated in a very large degree the decrease of net outflows recorded in the category of *Portfolio Investments* in Q2 2024.

As regards *Direct Investments*, the net inflow recorded in Q2 2024 resulted from the increase in net asset transactions by €1.354,9 million in combination with an increase in net liabilities transactions by €2.813,4 million (total net inflows of €1.458,8 million). The category of *Other Investments* recorded the highest outflows in Q2 2024 with €1.039,4 million. In particular, net asset transactions increased by €1.715,7 million while net liabilities transactions increased by €676,3 million.

Concerning *Portfolio Investment*, this recorded a net outflow of €272,2 million in Q2 2024 compared to a net outflow of €1.491,6 million in Q2 2023. Regarding the category of *Financial Derivatives*, it recorded an increase in net asset transactions by €115,4 million while net liabilities transactions decreased by €117,4 million. Finally, *Reserve assets* increased by €10,4 million in Q2 2024 compared with a decrease of €4,7 million in Q2 2023.

**Figure 3**  
The Financial Account



Source: Central Bank of Cyprus

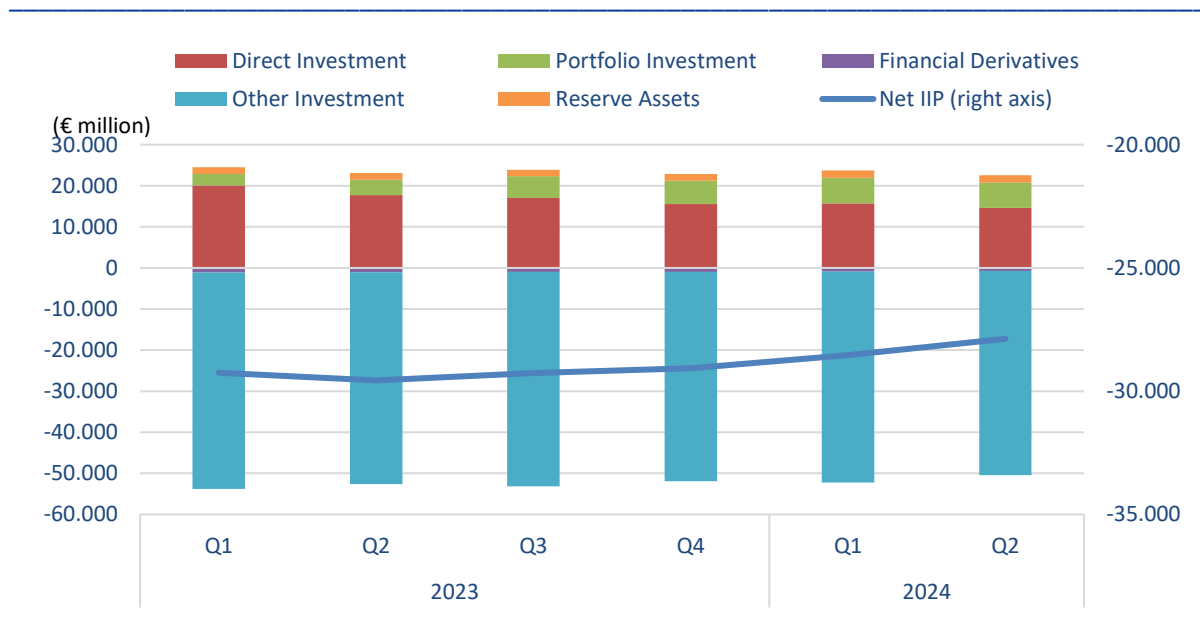


CENTRAL BANK OF CYPRUS  
EUROSYSTEM

## II. INTERNATIONAL INVESTMENT POSITION

Cyprus' financial liabilities with the rest of the world remained significantly higher than the foreign financial assets owned by its residents and thus the *International Investment Position* recorded a net liability position of €27.875,8 million in Q2 2024, compared with a respective position of €28.541,7 million, in Q1 2024 (see Figure 4 and Table 2).

**Figure 4**  
Net International Investment Position



Source: Central Bank of Cyprus

The improvement in Q2 of 2024 was mainly the result of the decrease of the net liability position of *Financial Derivatives*, and that of *Other Investments*. On the other hand, the decreased net asset positions of *Direct Investments*, as well as *Portfolio Investments*, affected negatively the net *International Investment Position*, thus mitigating the above-mentioned improvement.

In parallel, the improvement in the net *International Investment Position* of Q2 2024 was driven by negative price changes. Those changes were partially offset by positive net other volume changes, positive net exchange rate revaluations and to a lesser extent by positive transactions (see Table 2).



## CENTRAL BANK OF CYPRUS

EUROSYSTEM

**Table 2. International Investment Position**

(€ million)	2024 Q1	2024 Q2				
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
<b>Net</b>	-28.541,7	96,2	329,1	-383,2	623,8	-27.875,8
Direct investment	15.733,4	-1.458,8	12,1	88,2	226,8	14.601,8
Portfolio investment	6.222,8	272,2	113,3	-547,2	89,1	6.150,2
Financial derivatives	-877,5	232,9	0,0	13,5	-103,4	-734,6
Other investment	-51.375,0	1.039,4	200,3	1,4	411,2	-49.722,6
Reserve assets	1.754,6	10,5	3,3	60,8	0,2	1.829,4
<b>Assets</b>	664.284,2	4.221,5	543,9	499,1	-164,9	669.383,9
Direct investment	555.278,4	1.354,9	201,8	653,4	-610,6	556.878,0
Portfolio investment	30.739,5	1.024,9	95,5	-226,1	101,5	31.735,4
Financial derivatives	551,8	115,4	0,0	9,5	49,4	726,1
Other investment	75.960,0	1.715,7	243,3	1,4	294,6	78.215,0
Reserve assets	1.754,6	10,5	3,3	60,8	0,2	1.829,4
<b>Liabilities</b>	692.825,9	4.125,3	214,8	882,3	-788,7	697.259,6
Direct investment	539.544,9	2.813,7	189,7	565,2	-837,4	542.276,1
Portfolio investment	24.516,7	752,7	-17,8	321,2	12,4	25.585,2
Financial derivatives	1.429,3	-117,4	0,0	-4,0	152,8	1.460,7
Other investment	127.335,0	676,3	42,9	0,0	-116,6	127.937,6

Source: Central Bank of Cyprus

### III. EXTERNAL DEBT

The *Gross External Debt* increased to €262.098,6 million in Q2 2024, compared with €260.541,2 million in Q1 2024. Furthermore, *external assets in debt instruments* increased to €249.665,7 million from €245.593,2 million in Q1 2024. Consequently, *net External Debt (gross external debt less external assets in debt instruments)* decreased by €2.515,1 million to €12.432,9 million in Q2 2024 (see Figure 5).

More analytically, with regards to:

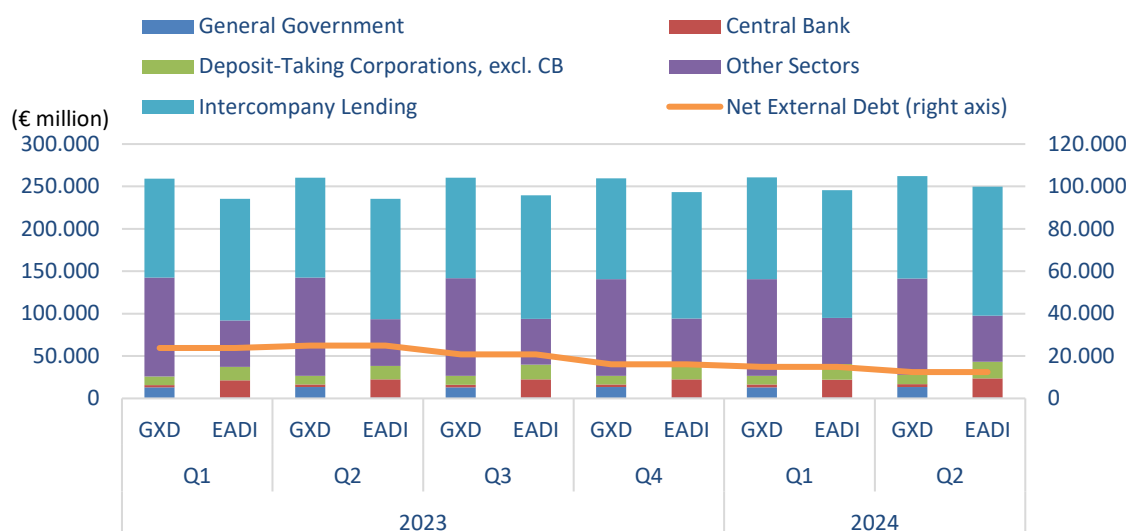
- *Gross External Debt* – The increase of the *Gross External Debt* resulted from a debt increase of *General Government, Central Bank, Deposit Taking Corporations except the Central Bank* as well as *Intercompany lending*. The aforementioned increases were mitigated by the decrease recorded by *Other Sectors*.
- *External assets in debt instruments* - The increase of external assets in debt instruments resulted from increases in all categories, namely the *General Government, Central Bank, Deposit-Taking Corporations except the Central Bank, Intercompany Lending*, and to a lesser degree the *Other Sectors*.



## CENTRAL BANK OF CYPRUS

EUROSYSTEM

**Figure 5**  
External Debt by Sector



Acronyms used: Gross External Debt (GXD), External Assets in Debt Instruments (EADI), Central Bank (CB)  
Source: Central Bank of Cyprus

## IV. GEOGRAPHICAL BREAKDOWN OF MAIN EXTERNAL INDICATORS

### IV. 1. Geographical breakdown of the Current Account<sup>2</sup>

Data on the main geographic counterparts of the Cyprus' current account (see Figure 6) show that in Q2 2024, Cyprus recorded bilateral surpluses vis-à-vis Germany (€186,4 million, up from €115,0 million a year earlier), and the United Kingdom (€564,3 million, up from a surplus of €539,4 million). On the other hand, bilateral deficits in the current account were recorded vis-à-vis Greece (€638,1 million compared with a deficit of €576,7 million in Q2 2023), Russia (€22,5 million, down from a deficit of €121,2 million a year ago) and the USA (€286,3 million compared with a deficit of €82,0 million a year earlier).

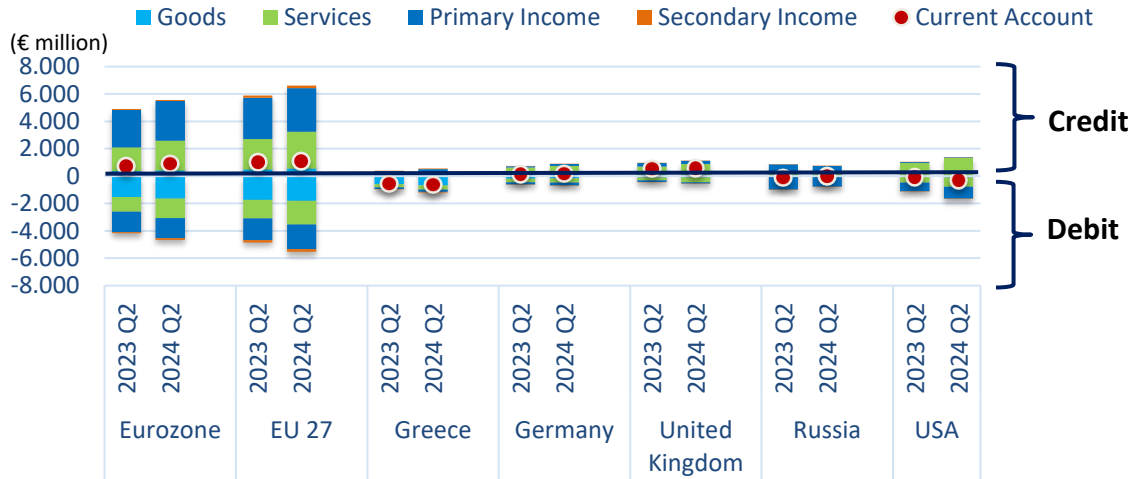
With regards to bilateral data vis-à-vis the Eurozone, a surplus of €910,3 million was recorded in Q2 2024 up from €743,6 million a year earlier. In parallel a surplus of €1.087,5 million was recorded vis-à-vis the European Union up from €1.033,7 million a year earlier.

<sup>2</sup> A part of *Primary Income* payable (in particular *Portfolio Investment Income*) is not broken down at a country level according to the current methodological standards.



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

**Figure 6**  
Geographical breakdown of the Current Account



Source: Central Bank of Cyprus

**IV.2. Geographical breakdown of the International Investment Position<sup>3</sup>**

As shown in Figure 7, the largest assets and liabilities stocks of Cyprus vis-à-vis an individual country, continued to be recorded with Russia, reflecting the fact that Cyprus hosts a large number of SPEs with Russian origin. In particular, stock assets with Russia stood at €145.082,7 million and liabilities at €126.111,3 million (net position of €18.971,4 million). With regards to the European Union, stock assets stood at €178.654,3 million and stock liabilities at €187.492,3 million (negative net position of €8.847,4 million).

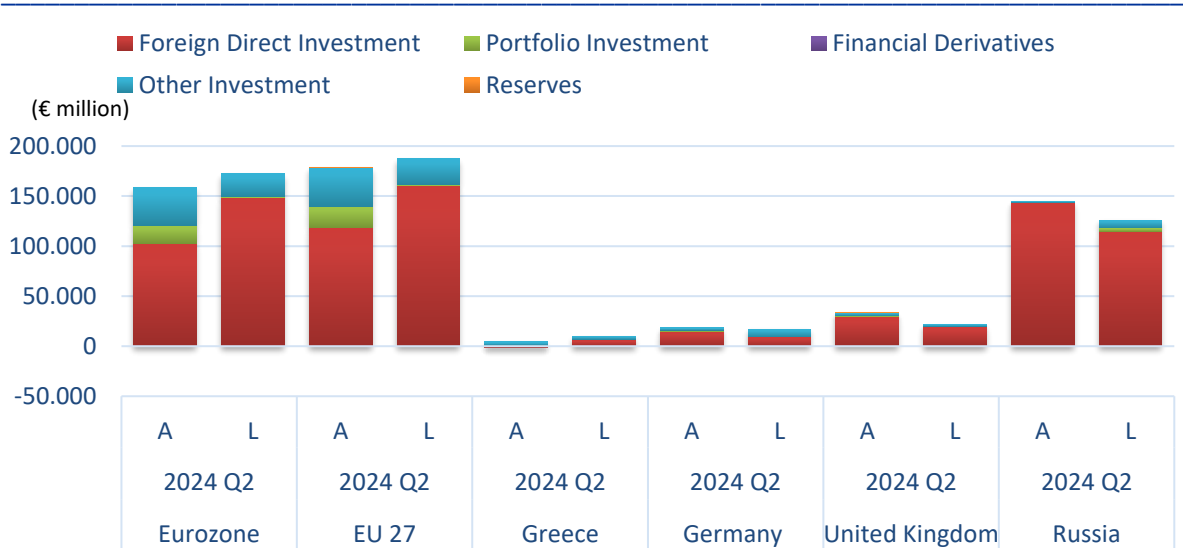
As regards direct investment, the main category of the IIP, Russia recorded the highest net position which stood at €28.676,2 million while European Union recorded a negative net position of €41.626,7 million.

<sup>3</sup> Certain data on International Investment Position (especially Portfolio Liabilities) are not able to be classified to a specific counterpart country. In particular, a share of around 25,2% in total assets and 23,1% in total liabilities in Q2 2024 were not able to be allocated to a certain country.



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

**Figure 7**  
Geographical breakdown of the International Investment Position



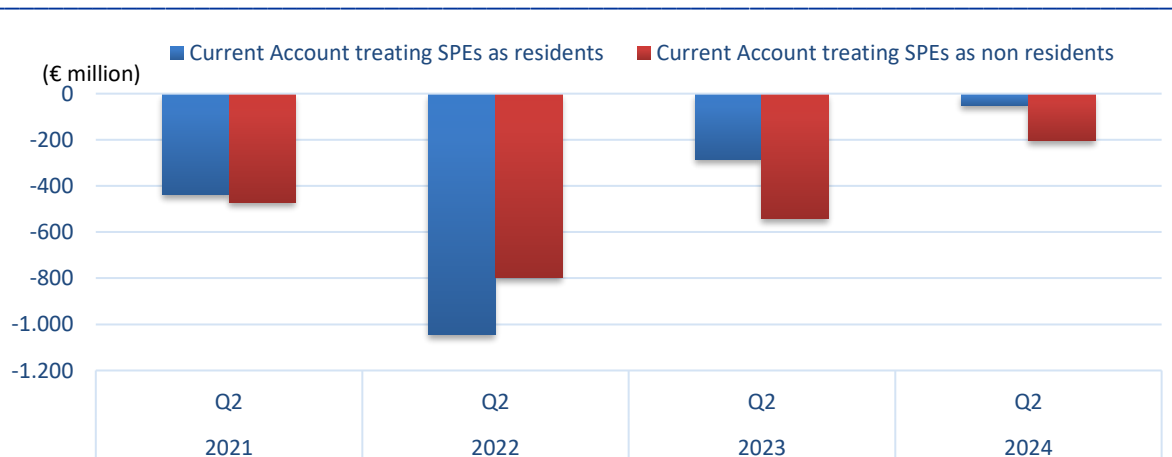
Acronyms used: Assets (A), Liabilities (L)  
Source: Central Bank of Cyprus

**V. DATA ADJUSTED FOR THE IMPACT OF SPES**

In order to present external statistics in a more objective manner, the main figures are also adjusted for the impact of special purpose entities (SPEs), i.e. by classifying them as non-residents.

The *Current Account*, adjusted for the impact of SPEs, recorded an improvement in Q2 2024, recording a deficit of €205,0 million, compared with a deficit of €541,0 million in Q2 2023 (see Figure 8). The said development, as mentioned before, resulted mainly from the improvement of the surplus in *Services*. The deterioration of the deficit in *Primary Income* mitigated the improvement of the *Current Account* but only partially.

**Figure 8**  
Current Account treating SPEs as residents and as non-residents



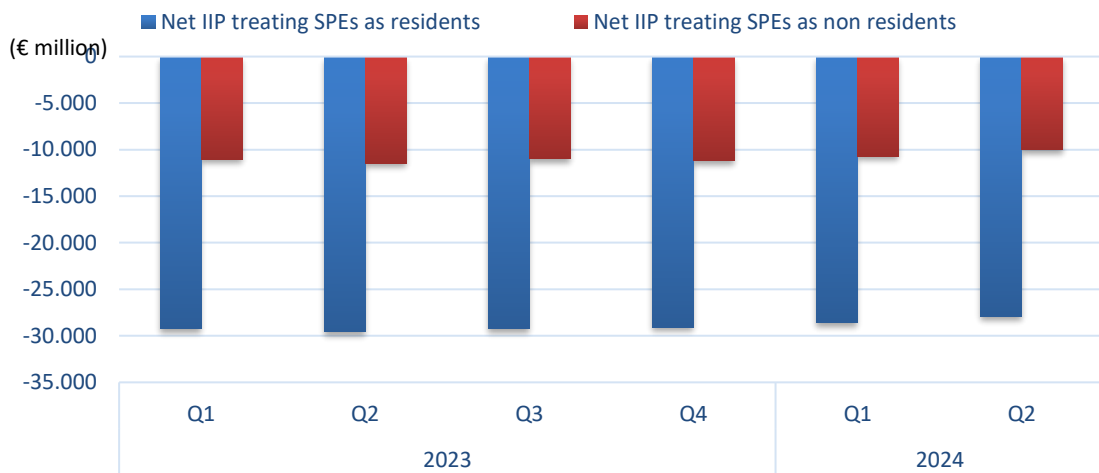
Source: Central Bank of Cyprus



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

The *International Investment Position*, adjusted for the impact of SPEs, recorded a net liability position of €10.010,2 million in Q2 2024, compared with a net liability position of €10.713,9 million, in the previous quarter (see Figure 9), thus recording an improvement. It is worth mentioning that the significant gap between net *International Investment Position* treating SPEs as residents and the one treating SPEs as non-residents, is primarily connected to ship-owning SPEs. This is due to the fact that these companies own real assets (i.e. ships) which are not included in IIP since they are not financial assets while their financing is mainly obtained from non-domestic sources which is included in IIP.

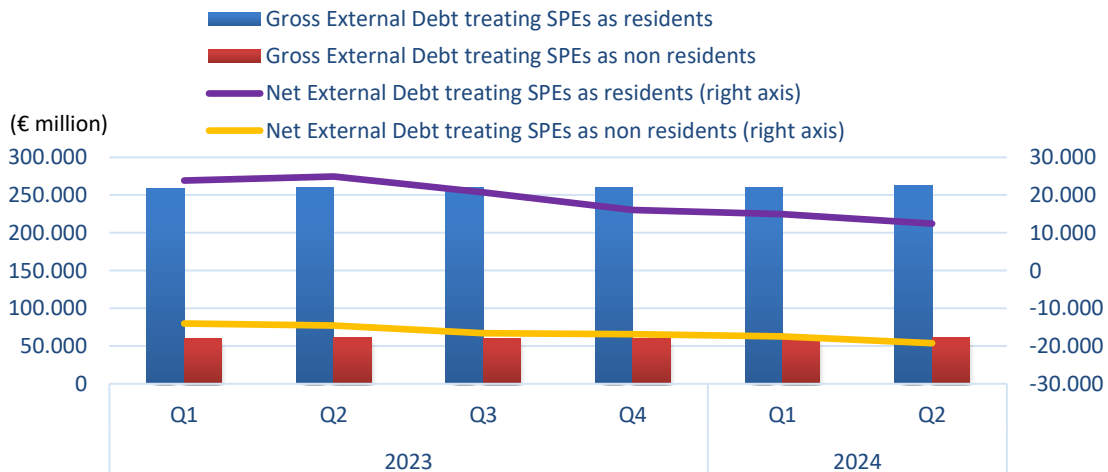
**Figure 9**  
Net International Investment Position treating SPEs as residents and as non-residents



Source: Central Bank of Cyprus

The *gross External Debt*, adjusted for the impact of SPEs, amounted to €61.077,4 million in Q2 2024, up from €60.016,4 million in the previous quarter, while the corresponding *net External Debt* indicator was recorded at -€19.239,7 million, down from -€17.432,9 million the previous quarter (see Figure 10).

**Figure 10**  
External Debt treating SPEs as residents and as non-residents



Source: Central Bank of Cyprus