

Republic of cyprus



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Republic of Cyprus is an island country located in the Mediterranean Sea, at south from Turkey and north from Egypt. It is a former British colony and became independent in 1960. In 1974 the island was effectively partitioned with the northern third inhabited by Turkish Cypriots and the southern two-thirds by Greek Cypriots. In 1983 the Turkish-held area declared itself the Turkish Republic of Northern Cyprus (TRNC). The status of Northern Cyprus as a separate entity is recognized only by Turkey. (BBC Profile) The island comprehends a total area of 9251 km² and a coastline of 648 km.

The entire island entered the EU on May 2004, although the EU acquis applies only to the areas under the internationally recognized government, and is suspended in the area administered by Turkish Cypriots. However, individual Turkish Cypriots able to document their eligibility for Republic of Cyprus citizenship legally enjoy the same rights accorded to other citizens of EU states. (world fact book - CIA) According to latest data from Worldbank, it has total population is 1. 16 Million inhabitants (2016) and a current GDP of US\$ 19. 6 Billion (2015), putting the country in the 34^o position in GDP ranking across European countries.

The currency is Euro in the Greek part and Turkish Lira in the Turkish northern part. The government of Republic of Cyprus consists in a presidential democracy, while the self-declared Turkish Republic of Northern Cyprus is a semi-presidential democracy. The division of Cyprus remains a key issue in the political arena, but UN-brokered peace talks between the Greek and Turkish Cypriot leaderships gained significant momentum following the elections of both of leaders.

Nicos Anastasiades (Greek Cypriot) and Mustafa Akinci (Turkish Cypriot) have been holding direct talks for nearly two years in a bid to reunify the island and have certainly accelerated efforts to reach a sustainable solution, most recently at high-profile talks in Geneva and the Swiss resort Mont Pelerin. Although the negotiations are tough, both parties have underscored their strong resolve and determination to maintain the current momentum. (Cyprus Profile). The area of the Republic of Cyprus under government control has a market economy dominated by the service sector.

Tourism, financial services, and real state are the most important sectors. The economy in the area under government control has grown at a rate well above the EU average since 2000. The economy tipped into recession in 2009 due the global crisis and serious problems surfaced in the Cypriot financial sector in early 2011 as the Greek fiscal crisis and euro zone debt crisis deepened. Cyprus has been sought as a base for several offshore business for its highly developed infrastructure.

Tourism, financial services, and shipping are significant parts of the economy. Also, significant quantities of offshore natural gas have been discovered and the US-based firm Noble Energy entered into a production-sharing agreement with the Cypriot government regarding the block's commercial development. Cyprus has an open, free-market, services-based economy with some light manufacturing. Manufactured goods accounts around 60% of domestic exports, while potatoes and citrus constitute the principal export crops. (book)

The Turkish Cypriot economy has roughly half the per capita GDP of the south, and economic growth tends to be volatile, given the north's relative isolation, bloated public sector, reliance on the Turkish lira and small market size. The economy is dominated by the services sector including the public sector, trade, tourism and education, with smaller agriculture and light manufacturing sectors. The economy operates on a free-market basis, although it continues to be handicapped by the political isolation of Turkish Cypriots.

The major trading partners is Turkey and rest of EU, that had allowed goods produced or transformed in the area to be sold duty-free to consumers in the government-controlled area and through that area to the rest of the EU. However, assistance from Turkey is still crucial to the Turkish Cypriot economy. (book) Cyprus' speedy return to the international markets was a positive step towards restoring confidence and credibility in the eyes of the international business community.

The country returned to growth from 2015, posting a growth rate of 1. % The Cypriot Ministry of Finance predicts a growth rate of 2. 5% to 3% for 2017. The main domestic export commodities are pharmaceutical products, raw and manufactured food products, and scrap products. The three leading import partners are Greece, the United Kingdom and Italy. The island mainly imports hydrocarbons, machinery, chemicals, vehicles, and iron and steel. As a small open economy that is currently dependent on energy imports, Cyprus' trade balance is traditionally in deficit, while its services balance is normally in surplus.