



**Cyprus is a Moderate Innovator.** Over time, performance has declined by 12.7% relative to that of the EU in 2010.

## Innovation system

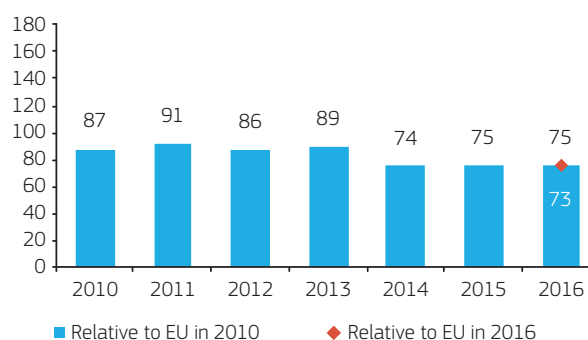
Relative strengths of the innovation system are in Attractive research systems, Human resources, and Intellectual assets. Relative weaknesses are in Linkages, Finance and support, and Firm investments.

## Structural differences

Notable differences are a smaller share of employment in Agriculture & Mining, a smaller share of employment in Manufacturing and High and Medium high-tech manufacturing, a larger share of employment in Utilities and Construction, a larger share of micro enterprises and SMEs in turnover, a smaller share of large enterprises in turnover, a smaller share of foreign controlled enterprises, a lower number of Top R&D spending enterprises and a lower average R&D spending of these enterprises, a lower and negative growth rate of GDP, a higher growth rate of population, and lower population density.

	CY	EU
<b>Structure of the economy</b>		
Composition of employment, average 2011-15		
- Agriculture & Mining (NACE A-B) (%)	3.7	5.1
- Manufacturing (NACE C) (%)	7.7	15.6
of which High and Medium high-tech (%)	10.7	36.4
- Utilities and Construction (NACE D-F) (%)	10.5	8.6
- Services (NACE G-N) (%)	70.5	63.6
of which Knowledge-intensive services (%)	55.6	58.0
- Public administration, etc. (NACE O-U) (%)	7.6	7.1
<b>Business indicators</b>		
Composition of turnover, average 2011-2014		
- Micro enterprises (0-9 employees) (%)	24.0	17.3
- SMEs (10-249 employees) (%)	55.8	38.0
- Large enterprises (250+ employees) (%)	20.3	44.1
Share of foreign controlled enterprises, 2014 (%)	0.66	1.18
Top R&D spending enterprises		
- average number per 10 mln population, 2011-15	3.3	29.9
- average R&D spending, mln Euros, 2011-15	13.7	165.8
Enterprise births (10+ empl.) (%), avg 2012-14	1.4	1.5
Buyer sophistication 1-7 (best), 2013-14	3.8	3.6
Ease of starting a business, Doing Business 2017	72.7	76.5
<b>Socio-demographic indicators</b>		
GDP per capita, PPS, avg 2011-13	23,000	25,400
Change in GDP between 2010 and 2015, (%)	-8.5	5.4
Population size, avg 2011-15 (millions)	0.9	505.5
Change in population between 2010 and 2015 (%)	3.4	1.1
Population aged 15-64, avg 2011-2015 (%)	70.1	66.1
Population density, average 2011-15	92.8	116.4
Degree of urbanisation, average 2011-15 (%)	75.1	74.4

Values in green show performance above 120% of EU, values in red show performance below 80% of EU.



Cyprus	Performance relative to EU 2010 in		Change 2010-2016
	2010	2016	
<b>SUMMARY INNOVATION INDEX</b>	<b>87.5</b>	<b>74.8</b>	<b>-12.7</b>
<b>Human resources</b>	<b>89.8</b>	<b>111.2</b>	<b>21.4</b>
New doctorate graduates	0.0	27.0	27.0
Population with tertiary education	197.4	205.1	44.7
Lifelong learning	72.6	60.0	-12.6
<b>Attractive research systems</b>	<b>67.6</b>	<b>116.2</b>	<b>48.6</b>
International scientific co-publications	203.8	175.5	172.6
Most cited publications	53.6	99.7	46.1
Foreign doctorate students	39.7	47.8	8.1
<b>Innovation-friendly environment</b>	<b>38.9</b>	<b>52.7</b>	<b>13.8</b>
Broadband penetration	0.0	33.3	33.3
Opportunity-driven entrepreneurship	66.4	66.4	0.0
<b>Finance and support</b>	<b>53.4</b>	<b>46.7</b>	<b>-6.7</b>
R&D expenditure in the public sector	25.4	25.4	0.0
Venture capital expenditures	88.8	73.7	-15.2
<b>Firm investments</b>	<b>136.4</b>	<b>49.0</b>	<b>-87.4</b>
R&D expenditure in the business sector	5.6	4.7	-0.9
Non-R&D innovation expenditures	270.5	17.0	-253.9
Enterprises providing ICT training	164.3	121.4	-42.9
<b>Innovators</b>	<b>135.9</b>	<b>86.7</b>	<b>-49.2</b>
SMEs product/process innovations	130.5	90.1	-40.4
SMEs marketing/organizational innovations	125.7	69.3	-56.5
SMEs innovating in-house	151.7	101.1	-50.5
<b>Linkages</b>	<b>84.7</b>	<b>43.8</b>	<b>-40.9</b>
Innovative SMEs collaborating with others	201.6	105.0	-96.6
Public-private co-publications	64.9	36.5	-28.4
Private co-funding of public R&D exp.	6.0	0.0	-6.0
<b>Intellectual assets</b>	<b>71.6</b>	<b>111.2</b>	<b>39.6</b>
PCT patent applications	34.5	46.4	11.8
Trademark applications	165.2	125.8	80.6
Design applications	26.9	72.5	45.7
<b>Employment impacts</b>	<b>56.4</b>	<b>60.0</b>	<b>3.5</b>
Employment in knowledge-intensive activities	111.5	135.9	24.4
Employment fast-growing enterprises	16.2	4.5	-11.7
<b>Sales impacts</b>	<b>98.1</b>	<b>63.5</b>	<b>-34.6</b>
Medium and high tech product exports	67.9	67.0	-0.9
Knowledge-intensive services exports	104.0	102.8	-1.2
Sales of new-to-market/firm innovations	120.0	13.4	-114.4

Dark green: normalised performance above 120% of EU; light green: normalised performance between 90% and 120% of EU; yellow: normalised performance between 50% and 90% of EU; orange: normalised performance below 50% of EU. Normalised performance uses the data after a possible imputation of missing data and transformation of the data.

Change highlighted in green is positive; change highlighted in light red is negative.