

CBI MARKET SURVEY

THE CHEMICALS MARKET IN CYPRUS

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the chemicals market in Cyprus. The information is complementary to the information provided in the CBI market survey covering the EU chemicals market. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1. Market description: Industrial demand and production

Industrial demand

- Cyprus is a small market for chemicals, accounting for 0.1% of the total EU market. In 2005, industrial demand for chemicals in Cyprus amounted to € 600 million, representing an average annual increase of 2% during the review period (European Chemical Industry Council (CEFIC), 2006).

Table 1.1 Industrial demand for chemicals in the EU and Cyprus, 2001-2005, in € million

	2001	2003	2005	Average annual growth
EU25	496,581	507,835	564,598	3.3%
Cyprus	562	560	600	1.6%

Source: CEFIC (2006)

Production

- Cyprus hardly has a domestic chemical industry, accounting for 0.03% of total EU turnover.
- In 2005, the Cypriot chemical industry turnover amounted to € 199 million (CEFIC, 2006), representing an annual average increase of 3% during the review period.

Trends

- No specific information on trends regarding the chemical sector in Cyprus is available. The trends, which have been described in the CBI market survey covering the EU chemicals market, are also applicable to Cyprus.

Opportunities and threats

- Given the limited size of the Cypriot chemical sector, the possibilities for developing countries on the Cypriot market are likely also to be very limited.

Useful sources

- For more information on the chemical industry in Cyprus, the European Federation CEFIC (<http://www.cefic.org>) is of interest.
- The statistical service of Cyprus offers indexed figures on manufacturing of chemicals http://www.mof.gov.cy/mof/cystat/statistics.nsf/index_en/index_en?OpenDocument#.
- ChemIndustry.com, (<http://chemindustry.com/index.html>) is also of interest, both for chemical information as well as finding companies in Cyprus.

2. Trade channels for market entry

- In general, the trade channels in Cyprus do not differ from the trade channels which have been mentioned in the CBI market survey covering the EU chemicals market. The

traditional approach of contacting traders, intermediate processing companies, agents and wholesalers (either with or without processing capacity, dependent on the chemical) remains the most effective method.

- Cyprus hardly has a domestic chemical industry. No companies of interest to developing country exporters were encountered.
- However, Cyprus is home to three producers of pharmaceuticals. Remedica (<http://www.remedica.com.cy>), Medochemie (<http://www.medochemie.com>) and Aegis (<http://www.cyprus2000.com/aegis>).

3. Trade: imports and exports

Imports

- Cyprus is a very small importer of chemicals, accounting for 0.1% of total EU imports.
- In 2006, Cyprus imported € 50 million / 31 thousand tonnes of chemicals, representing an annual average growth of 9% during the review period.
- In 2006, developing countries supplied 13% of all imports by Cyprus, which is average compared to EU. Imports from developing countries increased by an annual average rate of 16% in the period reviewed, amounting to € 6.7 million / 1.5 thousand tonnes in 2006. The most important developing country suppliers are India and China, both accounting for 6% of total imports by Cyprus.
- Greece is, by far, Cyprus' leading supplier of chemicals, accounting for 42% of total imports by Cyprus.
- Cyprus' imports of chemicals consisted of oleo chemicals (75%), organic chemicals (20%), dyes and pigments (4%) and inorganic chemicals (1%).

Exports

- Cyprus hardly has a domestic chemical industry. It is the smallest EU exporter of chemicals, with an export value of only € 2.8 million in 2006.
- Cyprus' total exports increased annually, by an annual average rate of 19%.
- Only exports of inorganic chemicals show a strong increase during the review period, by an annual rate of 34%.

Opportunities and threats

- Cyprus' trade in chemicals is among the smallest in volume and value among EU countries.
- Although the share of developing countries in Cypriot imports is large, exporters should note the very limited size of the market.

Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int>
- Eurostat, the official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

4. Price developments

- The CBI market survey covering the EU chemicals market, presents general information on prices. These price indications do not differ from those in Cyprus.
- The prices of most commodity chemicals can be found relatively easily. Useful sources are <http://www.cnionline.com> (subscription site with information on companies, markets, products, strategies, mergers, acquisitions, capacity expansions, forecasts and trends in the chemical industry) and <http://www.icislor.com> (subscription site for prices on the petrochemical and oil markets).
- However, the prices of fine and specialty chemicals are more difficult to obtain. They are not published and can vary widely from one application area to another. Obtaining reliable price information in these segments often requires asking a distributor, or asking a producer for a quotation.

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>.

6. Business practices

Trade Associations

An interesting Trade Association in Cyprus is:

- Cyprus Association of Pharmaceutical Companies: <http://www.capc.org.cy/>

Trade Fairs

- No trade fairs of importance were encountered in Cyprus.

Trade Press

- No trade press of importance was encountered in Cyprus.

This survey was compiled for CBI by ProFound – Advisers in Development
in collaboration with Jan Ramakers Fine Chemical Consulting Group.
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