

## CBI MARKET SURVEY

## THE ELECTRONIC COMPONENTS MARKET IN CYPRUS

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**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments concerning the electronic components market in Cyprus. The information is complementary to the information provided in the CBI market survey 'The electronic components market in the EU' which covers the EU in general. 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.nl/marketinfo>

**1. Market description: industrial demand and production****Industrial demand**

Local demand is mostly driven by small repair needs, small home devices production and IT system adaptations. In value, like for example Malta, this market won't exceed € 1 million.

**Production**

There is no high-tech industry on Cyprus. The government has been trying to promote new high-tech industries in the country, but until now without results.

**Opportunities and threats**

– Hardly a market for and production of components or assemblies.

**Useful sources**

• Cyprus Chamber of Commerce and Industry - <http://www.ccci.org.cy>

**2. Trade: imports and exports****Imports**

In 2005, Cyprus' imports of components and assemblies totalled € 20 million and € 19 million respectively. The country was the smallest importer of electronic components in Europe. The total import value of components in Cyprus doubled in the period 2003-2005. Actives (55%) accounted for the largest share of total imports, followed by electromechanicals (35%) and passives (10%). Assemblies imports decreased 14%. DCs' shares in 2005 were 9% (components) and 18% (assemblies) respectively. China was the most important DC components supplier (8%), followed by India (1%). China was the largest supplier in assemblies (14%) as well, followed by Malaysia (4%).

**Exports**

The total export value of Cyprus exploded in the period 2003-2005: it grew with more than € 9 million, totalling € 11.8 million in 2005. In the same period, electronic assemblies exports increased too: by 150%, totalling € 3.3 million in 2005. Unfortunately, the value of re-exports is unknown, as Eurostat doesn't allow such detailed analysis.

**Opportunities and threats**

+ Considerable import shares for DCs, especially for assemblies.  
+ Import value of components has been increasing in recent years.  
+ Export value has been growing fast.  
– Cyprus is the smallest importer in the EU.  
– Import value of assemblies showed a negative trend in recent years.

**Useful sources**

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

**3. Trade structure**

Generally, the intermediary channels (importers, agents, distributors) are the most suitable trade channels for DCs. Please refer to the CBI market survey “The Electronic Components market in the EU” for general information on trade structures in Europe. For more information on finding prospects in this country, please refer to section 6.

**4. Prices**

Prices of electronic components and assemblies continue decreasing year after year. While electromechanicals and assemblies are down by 5-10% annually, semiconductors and most passive components decrease 10-30% annually. However, there might be exceptions, depending on supply in relation to demand and raw material costs. Some distributor sites present prices of components, e.g. the site of Spoerle (<http://www.spoerle.com>; click on the icon of the shopping cart).

**5. Market access requirements**

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country 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.nl/marketinfo>
- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- In Cyprus, the VAT tariff is 15%. **More VAT tariffs:** <http://www.expatax.nl/vatrates>.

**6. Business practices****Finding prospects**

Among the helpful websites that can be used to identify prospects are the company databases such as Europages - <http://www.europages.com>, KellySearch - <http://www.kellysearch.co.uk>, Kompass - <http://www.kompass.com> and Thomas Global Register - <http://www.trem.biz>. Refer to the manual “Digging for Gold” for guidelines on searching with these databases. Also, the exhibitor database of trade fair Electronica (refer to trade fairs; below) can be used to identify key players in the industry.

**Trade press**

In general, German trade magazines contain good information, also for this country. Another option might be the magazines of neighbouring countries. To find relevant European magazines, visit Components Source (<http://www.componentssource.com>; click ‘magazines’) or consult the CBI market survey “The Electronic Components Market in the EU.”

**Trade fairs**

A relevant fair might be Cyprus International Fair - <http://www.biztradeshows.com/cyprus>. The largest components trade fair in Europe is Electronica (<http://www.global-electronics.net>). Visiting trade fairs in neighbouring countries could be an option as well. Please refer to Auma (<http://www.auma.de>) and EventsEye (<http://www.eventseye.com>) to find relevant fairs.

This survey was compiled for CBI by Facts Figures Future in collaboration with Mr. G. Fandrich.

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