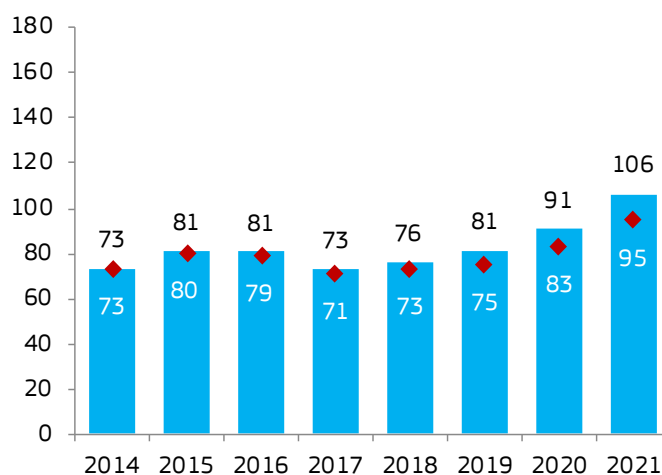




Cyprus is a Moderate Innovator.

Over time, performance relative to the EU has increased strongly.



■ Relative to EU in base year ◆ Relative to EU in same year

Structural differences with the EU are shown in the table below including, compared to the EIS 2020, new information on different types of (innovating) enterprises (Innovation profiles) and environmental indicators.

	CY	EU
Performance and structure of the economy		
GDP per capita (PPS)	27,700	30,800
Average annual GDP growth (%)	-2.3	-2.5
Employment share Manufacturing (NACE C) (%)	7.3	16.5
of which High and Medium high-tech (%)	12.1	37.9
Employment share Services (NACE G-N) (%)	53.5	41.2
of which Knowledge-intensive services (%)	39.0	35.1
Turnover share SMEs (%)	n/a	36.5
Turnover share large enterprises (%)	22.7	45.7
Foreign-controlled enterprises – share of value added (%)	5.8	11.8
Business and entrepreneurship		
Enterprise births (10+ employees) (%)	1.2	1.0
Total Entrepreneurial Activity (TEA) (%)	7.8	6.7
FDI net inflows (% GDP)	36.6	2.0
Top R&D spending enterprises per 10 million population	0.0	16.2
Buyer sophistication (1 to 7 best)	3.9	3.7
Innovation profiles		
In-house product innovators with market novelties	n/a	10.7
In-house product innovators without market novelties	n/a	12.3
In-house business process innovators	n/a	11.0
Innovators that do not develop innovations themselves	n/a	11.6
Innovation active non-innovators	n/a	3.3
Non-innovators with potential to innovate	n/a	19.9
Non-innovators without disposition to innovate	n/a	31.3
Governance and policy framework		
Ease of starting a business (0 to 100 best)	72.8	76.5
Basic school entrepreneurial education and training	2.1	2.0
Govt. procurement of advanced tech. products	3.1	3.5
Rule of law (-2.5 to 2.5 best)	0.8	1.1
Climate change indicators		
Circular material use rate	2.7	11.7
Greenhouse gas emissions intensity of energy consumption	96.9	86.6
Eco-Innovation Index	56.0	100.0
Demography		
Population size	0.9	446.7
Average annual population growth (%)	1.4	0.1
Population density	94.5	108.8

Cyprus' strengths are in *Linkages*, *Innovators*, and *Employment impacts*. The top-3 indicators include International scientific co-publications, Innovative SMEs collaborating with others, and Population with tertiary education.

The strong performance improvement between 2019 and 2021 is due to very strong increases in several indicators, including Venture capital, Broadband penetration, Product innovators, and Innovative SMEs collaborating with others.

Cyprus is showing below average scores on the Climate change related indicators.

Cyprus	Relative to EU 2021 in 2021	Relative to EU 2014 in 2014	Relative to EU 2021 in 2021
SUMMARY INNOVATION INDEX	94.6	73.4	106.5
Human resources	102.6	101.6	108.7
Doctorate graduates	35.1	19.6	31.1
Population with tertiary education	212.8	249.6	274.4
Lifelong learning	50.5	75.6	55.6
Attractive research systems	119.6	109.4	134.6
International scientific co-publications	177.1	140.3	232.3
Most cited publications	96.4	112.8	94.8
Foreign doctorate students	78.8	62.9	93.6
Digitalisation	80.7	15.1	111.6
Broadband penetration	86.0	0.0	130.4
People with above basic overall digital skills	72.7	33.3	88.9
Finance and support	67.0	21.3	79.8
R&D expenditures in the public sector	21.8	22.8	21.1
Venture capital expenditures	180.8	38.9	304.1
Government support for business R&D	2.3	6.9	2.7
Firm investments	41.8	30.3	50.5
R&D expenditure in the business sector	14.9	1.6	16.5
Non-R&D Innovation expenditures	109.6	79.4	124.5
Innovation expenditures per employee	36.9	19.6	48.6
Use of information technologies	92.4	91.6	106.7
Enterprises providing ICT training	133.3	113.3	133.3
Employed ICT specialists	57.1	66.7	76.2
Innovators	163.5	110.0	223.7
Product innovators (SMEs)	169.3	83.8	238.8
Business process innovators (SMEs)	158.1	133.1	210.4
Linkages	183.9	144.4	248.0
Innovative SMEs collaborating with others	237.4	185.7	347.8
Public-private co-publications	181.3	113.2	203.3
Job-to-job mobility of HRST	146.4	138.5	210.3
Intellectual assets	54.1	61.4	46.9
PCT patent applications	17.8	8.4	15.5
Trademark applications	68.9	135.8	72.3
Design applications	72.5	35.1	49.7
Employment impacts	147.2	100.5	149.9
Employment in knowledge-intensive activities	140.2	149.3	153.3
Employment in innovative enterprises	152.8	66.0	147.5
Sales impacts	100.7	88.5	102.5
Medium and high tech goods exports	96.1	71.5	105.3
Knowledge-intensive services exports	106.5	110.2	112.8
Sales of innovative products	99.7	85.2	86.7
Environmental sustainability	29.1	47.9	30.3
Resource productivity	54.6	29.5	80.9
Air emissions by fine particulate matter	28.8	40.2	30.6
Environment-related technologies	0.0	68.8	0.0

The colours show normalised performance in 2021 relative to that of the EU in 2021: dark green: above 125%; light green: between 100% and 125%; yellow: between 70% and 100%; orange: below 70%. Normalised performance uses the data after a possible imputation of missing data and transformation of the data.