

THE EBRD IN CYPRUS

Competitiveness and growth of SMEs

2014-20

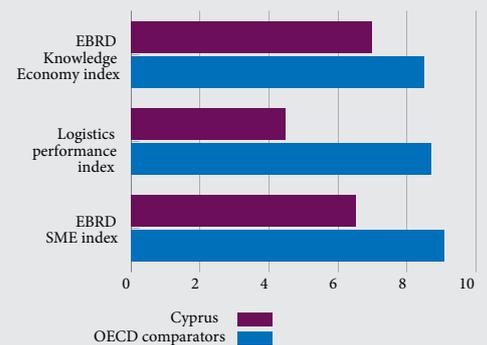
Related SDGs



Cyprus has an open and liberalised economy with a relatively enabling business environment. However, in the aftermath of the 2008 financial crisis, the corporate sector was in urgent need of restructuring, partly as a result of previous indiscriminate lending practices. SMEs have been hit particularly hard by the subsequent significant reduction in lending from the financial sector. This concerns both access to long-term funding and working capital. Moreover, due to the relative isolation of the island and its reliance for the bulk of its international trade on Limassol Port, the competitiveness of Cypriot SMEs remains limited. The lack of international competition and over-reliance on the banking and real estate sectors have contributed to relatively low levels of productivity. Cypriot SMEs remain in need of improved skills, such as HR management, financial reporting, export promotion or innovation.

EBRD score

(1-worst, 10-best)



How we work

The Bank selectively engages in the financial and operational restructuring of larger enterprises, including improving corporate governance standards and working closely with commercial banks with the purpose of demonstrating successful restructuring more widely. SME support includes the EBRD's Advice for Small Businesses (ASB) programme, focused on improvements in corporate governance, sustainability standards and operating practices. In Cyprus, the EBRD deployed its advisory services to provide business advice and skills training to small businesses across the island, and supported development and adaptation of new technologies through its ICT business

support programme. The Bank also offered direct financing and policy advice for the development of key transport and digital infrastructure.

In numbers

€10.4 million

Total direct EBRD financing for SMEs

263

SMEs supported through the EBRD ASB programme

Quick links

- > [Advice for Small Businesses](#)
- > [EBRD Knowledge Economy Initiative](#)

Within the Small Business Initiative, in addition to finance, we provide business advice to help SMEs grow, succeed, then grow again, becoming genuine catalysts for their local economies and regions.



Achievements and results: Enhancing the competitiveness and growth of SMEs

The EBRD supported local and international competitiveness of SMEs through:

- ▶ providing business skills advice to 263 SME clients, including on export promotion, strategic planning, supply chain management, exports, planning and budgeting; and organising sector-specific workshops in the areas of agribusiness and consumer goods to share know-how with SMEs
- ▶ offering tailored advice for start-ups, including as part of the EBRD Business Clinics programme that coached 45 small businesses
- ▶ improving the efficiency and productivity of the largest port in Cyprus through financing a local investor for the private concession of the port.

The Bank has promoted the digital economy by:

- ▶ supporting SMEs to reap the benefits of e-commerce and e-government with improved digital skills, broadband access and awareness through the ICT business support programme
- ▶ improving access to the internet by leading a comprehensive assessment of the telecommunications sector to help create a viable national implementation plan for broadband with the state telecoms agency, in order to support its planned privatisation
- ▶ advising the government on broadband connectivity, including boosting demand for broadband services, improving digital skills and encouraging the adoption of broadband services among SMEs.

SME growth

Fifty-two per cent of SMEs advised by the EBRD hired more people. In total, 1,188 new jobs were created.*

More exports

Nineteen per cent of SMEs advised by the EBRD grew their exports. In total, the Bank's advisory services contributed to €29 million of new exports.*

Higher productivity

Sixty-three per cent of SMEs advised by the EBRD became more productive.*

Higher turnover

Seventy-eight per cent of SMEs advised by the EBRD increased their turnover. In total, the Bank's advisory services contributed to €153 million of additional turnover.*

More efficient international trade

EBRD investment in Limassol Port contributed to significant improvements in operational performance and the faster turnaround of ships.

Better skills

The EBRD promoted a scheme to improve digital skills across Cyprus.

Better digital governance

The EBRD advised the government on boosting demand for broadband services through a connection voucher scheme.

Our case study:

Advice for women-led businesses in Cyprus



Read why the EBRD received an award from the government for “contributions to the Economy of Cyprus”, notably for its support of a private concession for Limassol Port, which was one of the greatest successes of the government’s reform programme.



See how the EBRD helped a local business improve its ICT connectivity.



*within a year after the advisory project ended.