



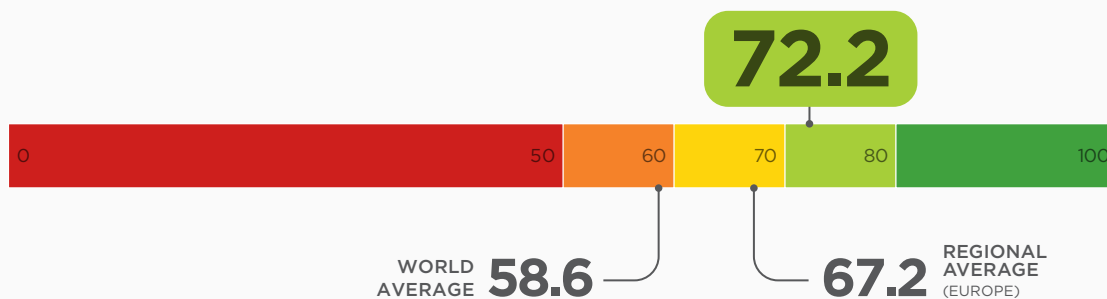
WORLD RANK:	REGIONAL RANK:
17	11
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

CYPRUS

Cyprus's economic freedom score is 72.2, making its economy the 17th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and Cyprus is ranked 11th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Cyprus's economy is considered "mostly free" according to the 2024 *Index*.

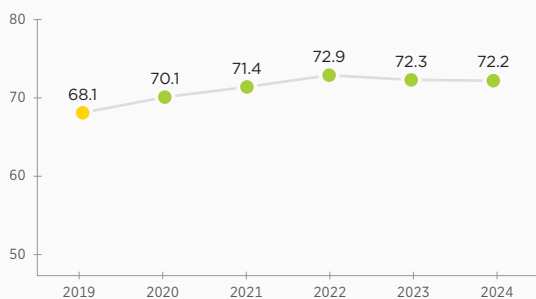
Cyprus's relatively sound foundations of economic freedom are sustained by a generally well-functioning judicial system. The overall freedom to start, operate, and close a business is relatively well maintained within the regulatory framework, and there is no minimum capital requirement. Public debt is moderate compared to that of other European economies, but an increasing level of public spending is eroding respect for the principle of limited government. Services such as tourism, finance, shipping, and real estate account for more than 80 percent of GDP.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +4.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
1.2 million

GDP (PPP):
\$46.8 billion
5.6% growth in 2022
5-year average growth rate: 3.8%
\$51,774 per capita

UNEMPLOYMENT:
6.1%

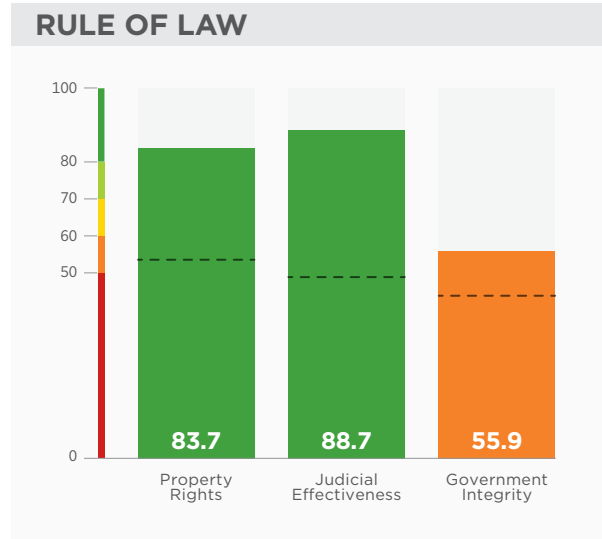
INFLATION (CPI):
8.1%

FDI INFLOW:
\$4.9 billion

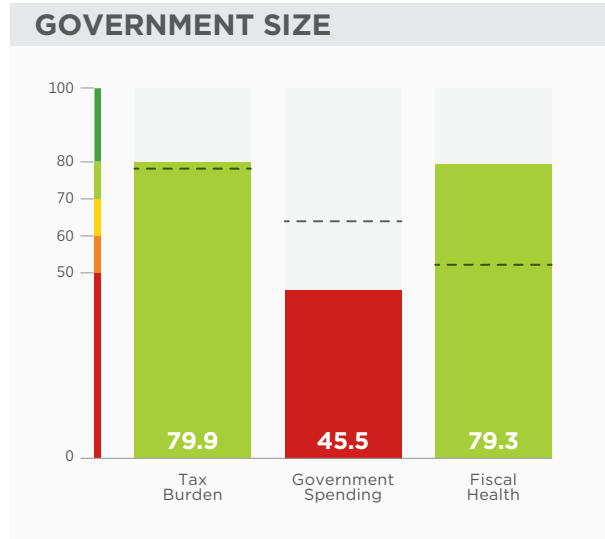
PUBLIC DEBT:
86.5% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

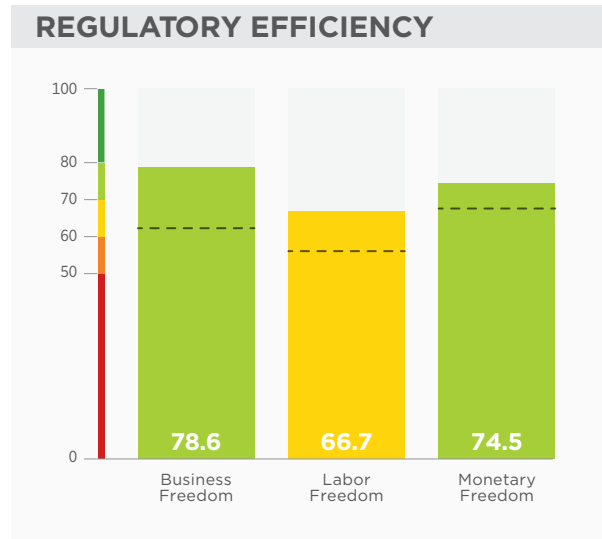
12 ECONOMIC FREEDOMS | CYPRUS



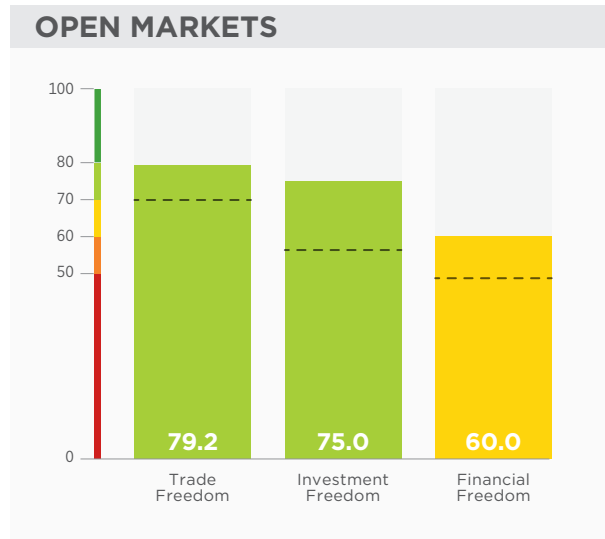
The overall rule of law is well respected in Cyprus. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 12.5 percent. The tax burden equals 25.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.6 percent and -1.9 percent of GDP. Public debt amounts to 86.5 percent of GDP.



Cyprus's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.9 percent, and more than 600 EU-mandated nontariff measures are in force along with nine country-specific nontariff barriers. There is no restrictive screening of foreign investment. The small financial markets are stable, and banking is well capitalized.