



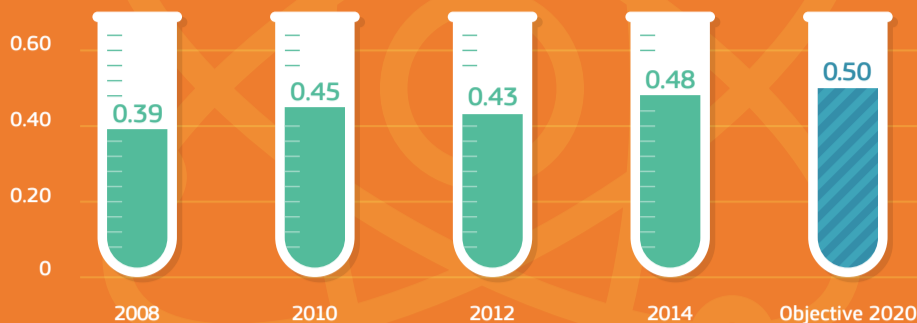
Cyprus

Developing competitive advantage through research and innovation

INVESTMENT IN R&D

R&D SPENDING

R&D spending has increased since 2007 but its intensity remains one of the lowest in the EU

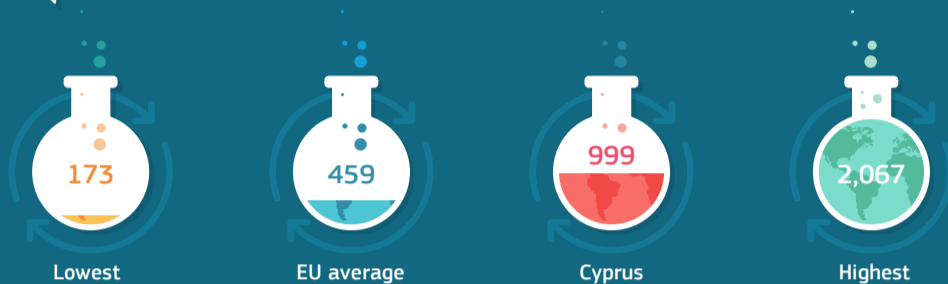


R&D intensity (total R&D spending as % of GDP)

STRENGTHS OF R&I SYSTEM

INTERNATIONAL COOPERATION

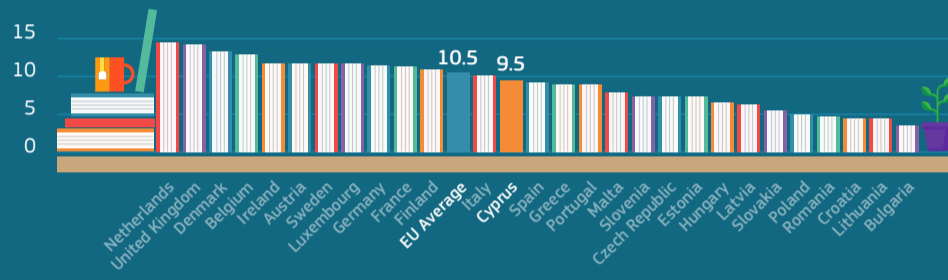
Strong international scientific collaboration has the potential to improve the quality of the R&I system



Number of international scientific co-publications per million population (2015)

QUALITY OF RESEARCH SYSTEM

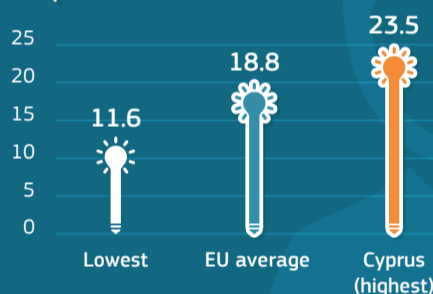
The number of highly cited scientific publications has increased in recent years



Scientific publications within the top 10% most cited worldwide as % of total scientific publications (2013)

HIGH-GROWTH ENTERPRISES

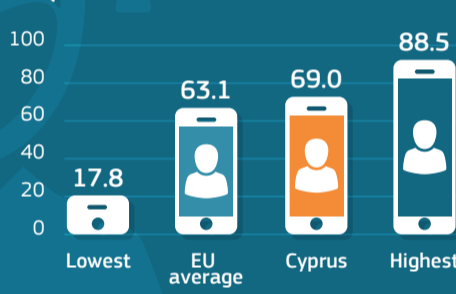
Smart specialisation plays a key role in boosting Cypriot innovation



Innovativeness of high-growth enterprises (DYN) (2013)

KNOWLEDGE-INTENSIVE SERVICES

Knowledge-intensive services are also important to the economy and R&I system

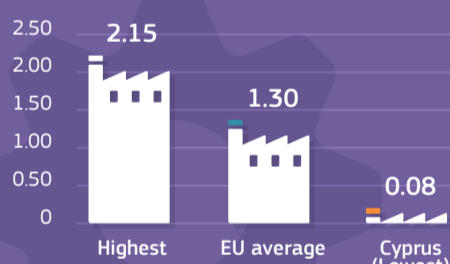


Knowledge-intensive exports as % total service exports (2013)

KEY CHALLENGES

BUSINESS R&D SPENDING

Business sector involvement in research and innovation activities is very limited



Business R&D intensity (business R&D spending as % of GDP) (2014)

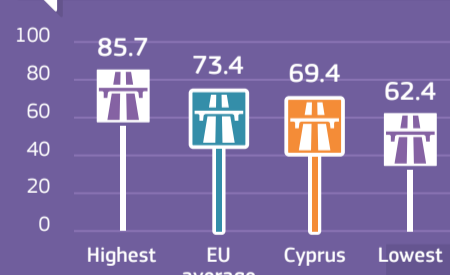
PUBLIC-PRIVATE COOPERATION



Public-performed R&D funded by business, as % of GDP (2013)

EASE OF DOING BUSINESS

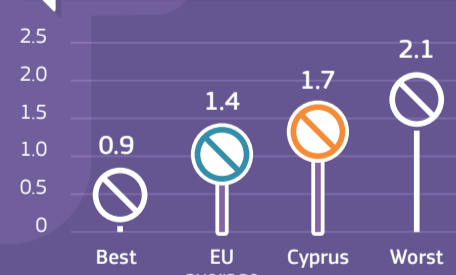
The regulatory framework might be more favourable for businesses...



Ease of doing business rating (scored out of 100) (2014)

PRODUCT MARKET REGULATION

...while high levels of market regulation do not fully support new entrants, and thus innovation



OECD product market regulation rating and ranking (2013)

RECOMMENDATIONS

ROOM FOR IMPROVEMENT

- Strengthen the quality of the science base** with more and better investment in research & innovation
- Develop an innovation-friendly business environment** to leverage business R&D investment
- Promote academia-business cooperation**
- Improve R&I policy governance** by bringing in a sound evaluation culture

HORIZON 2020 POLICY SUPPORT FACILITY ACTIVITIES

- Cyprus has participated in the **Mutual Learning Exercises on Administration and monitoring of R&D tax incentives** (as observer country) and on **Performance-based funding of public research**