

DOING BUSINESS ABROAD

UK exports to Cyprus were valued at £321m in 2004, representing 8% of the market. The UK has traditionally been the number one importer into Cyprus.

This article refers only to the area controlled by the government of the Republic of Cyprus (the Southern part of the island).

Cypriots enjoy one the highest standards of living in the EU, and unemployment is low. Cyprus is very dependent on imports. The main imports are Road vehicles, Power-generating equipment, Machinery, Medicines and Pharmaceutical products, Clothing, Food and drink.

Signs of a recovery in the construction market have been evident in recent years, due mainly to foreign interest in holiday homes and government infrastructure projects.

The banking sector has been greatly influenced by efforts to harmonise with EU law, and there has been significant development in the offshore financial services sector and tax.

Tourism is the single most important sector in the Cypriot economy, accounting for 20% of GDP. In 2004, 2.3m tourists visited the island, of which 55% were British.

Cypriots prefer face to face meetings, rather than doing business by post. It takes time to develop personal relationships. Socialising is an important part of the relationship building process. You must show deference and respect to those in positions of authority

Making appointments for business meetings is mandatory and should be made in advance by letter. Punctuality for meetings is taken extremely seriously. Arrive on time and be prepared to wait. Decisions are not reached at meetings. Meetings are for discussion and to exchange ideas.

Personal relationships are the foundation of a successful business relationship. Expect a great deal of bargaining. Opening bids should leave a great deal of room for negotiation and concession on both sides.

Every prudent business carries out market research and evaluation before attempting to break into a market. Acquiring knowledge of local laws, regulations and trading practices is an important element in order to obviate potential risk and maximise opportunity.

george@apostoloulaw.com of Apostolou law firm of Nicosia, works with Temple & Co Commercial, Solicitors in Daventry, in inward investment work into Cyprus, as well as in real estate/construction, taxation, employment, distribution, corporate acquisitions, and joint venture issues

Contact Euan Temple at Temple & Co Commercial Solicitors, Daventry eft@templesols.com
www.templesols.com

Word Count 373