Abstract

The current crisis has highlighted the importance of increasing productivity for the economy to become more competitive and thereby increase its growth prospects. In this paper, we analyse the productivity path of Cyprus using various indices and compare these with the average performance in the Eurozone. We assess the performance of the Cypriot economy as a whole and also for each sector of economic activity separately. In particular, we distinguish between eight sectors, extracted using the NACE2 classification scheme. The period under study is from 1995 to 2011 for the aggregate indices and from 2002 to 2010 for the sectoral disaggregation.

Keywords: labour and total factor productivity, competitiveness, capital deepening, unit labour cost.