

SPRING 2017 REFORM BAROMETER – CYPRUS

European Semester - Overall assessment of 2016 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	To a large extent	It addresses all important aspects such as structural and institutional reform measures and also all actions in support of the five headline Europe 2020 targets. Lack of specific time schedules.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	1. Excessive public sector debt still remains. 2. Measures to increase access to finance for small and medium-sized enterprises 3. Horizontal reform of the public administration law and the law on the governance of state-owned entities 4. Adopt the secondary legislation to complete the new budgetary framework.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To some extent	1. Efforts to restructure non-performing exposures have not yet shown tangible results. 2. Non-financial corporate debt is affected by a high level of non-performing loans, alongside a deteriorating liquidity position

Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Following the correction of the excessive deficit, respect the medium-term budgetary objective in 2016 and in 2017. By the end of 2016, adopt a binding mechanism containing the growth rate of the compensation of public employees.	Extremely important	Mixed	
CSR 1b	By the end of 2016, adopt the horizontal reform of the public administration and the law on the governance of state-owned entities, and implement the reform of local governments. By the end of 2016, adopt the secondary legislation to complete the new budgetary framework.	Extremely important	Unsatisfactory	
CSR 2a	By June 2017, eliminate impediments to the full implementation of the insolvency and foreclosure frameworks and ensure adequate resources for the Insolvency Service.	Extremely important	Satisfactory	
CSR 2b	Ensure reliable and swift systems for the issuance of title deeds and the transfer of immovable property rights. Increase the efficiency and capacity of the court system. Reform the civil procedure law.	Important	Mixed	
CSR 3	By the end of 2016, take additional measures to ensure a decline in non-performing loans and accurate valuations of collateral for provisioning purposes. Increase the range of information available for creditors and enhance the information currently provided to make the credit registry fully effective.	Extremely important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Remove impediments to investment, in particular by implementing the action plan for growth, pursuing the privatisation plan and strengthening the national regulatory authorities. Take measures to increase access to finance for small and medium-sized enterprises.	Extremely important	Mixed	
CSR 5	Enhance the capacity of the public employment services and their provision to the long-term unemployed; improve outreach to the non-registered unemployed. Adopt legislation for a hospital reform and advance with the planned implementation of universal health care coverage.	Important	Unsatisfactory	

Reform Progress in your Member State in 2016

How would you assess reform progress in 2016, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BUSINESSEUROPE could highlight in its 2017 Reform Barometer?

Horizontal reform of the public administration and the law on the governance of state-owned entities.

Reform priorities for 2017

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Bank lending conditions	More measures to increase access to finance for SMEs.	yes
Priority 2	Public sector efficiency	Increase productivity through the horizontal reform of the public administration.	yes
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	Improve the business environment and the entrepreneurial ecosystem.	yes
Priority 4	Sector specific regulation (telecom, energy)	Implementation of the Republic of Cyprus' Privatisations Programme.	yes
Priority 5	Pension and health care reforms	Speed up the procedure for Implementation of the NHS.	yes