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plastics processing

THE DEVELOPMENT OF THE PLASTICS INDUSTRY
IN */*CYPRUS*/*
by

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

First of all I would like to thank the UNIDO, as well as the Government of Austria for giving me the honour to be here at this moment.

A. CYPRUS

Cyprus is the second biggest island in the Eastern Mediterranean and has a population of approx. 600,000 people, 80% of which are Greek, 18% Turk and 2% other.

Cyprus has from very old times been, due to a great extent to its geographical position, a center of international trade and business activity.

Though it still remains mainly an agricultural country, in the post war years and as a result of its climatic conditions, its beautiful sandy beaches, the traditional hospitality and the enterpreneurial spirit of its people, has developed its tourist industry to such an extent that it became one of the most favourable tourist spots in the Mediterranean attracting tourists from all over the world and in particular Europe.

In the same period there has been a significant development of light manufacturing industry which having at first provided for the needs of the country it started in the very recent years to orientate itself towards the export market.

One of the leading light manufacturing industries is the plastics industry.

B. Status of Plastics Industry

1. History

The Cyprus Plastics Industry has a history of approx. 15 years. The first medium size factory for the production of mainly polyethylene film was established around 1960. By 1965, relatively speaking, a sizeable industry came into being and today there are in all 25 plastic factories in my country, 7 of which have 80% of the industry's capacity.

2. Tonnage Capacity and Range of Products

The total capacity is approximately 15,000 tons per year as follows:

2.a LDPE and HDPE	7,500 tons per year
2.b PVC	4,000 tons per year
2.c Polypropylene	2,500 tons per year
2.d Polystyrene	<u>1,000</u> tons per year
	15,000 tons per year

The main range of products produced by the industry are as follows:

- (a) Household, commercial and industrial articles up to a maximum of 3 kilos.
- (b) All kinds of rigid PVC pipes up to diameter 3" and profiles.
- (c) Synthetic flexible polyurethane foam.
- (d) Woven polypropylene bags, rope and twine, as well as raschel bags.

- (e) Polyethylene film and all types of polyethylene bags.
- (f) PVC boots.

Production has been increasing steadily and significantly from year to year either with the expansion of existing factories both in size and range of products as well as with the creation of new plants.

C. Raw Material

As you would expect there is no production of plastic raw materials in Cyprus and, therefore, all such material has to be imported mainly from Europe.

This means for the plastics industry in Cyprus that higher prices than those ruling in Europe have to be paid if for no other reason because of the transportation cost.

If one adds to this the necessity of keeping such higher stocks than those required by an average factory based in Europe then it is evident that the Cyprus plastics industry finds it difficult to compete with European firms.

D. Labour and Technical Personnel

Though the labour cost is still lower than that of most European countries, wages and salaries are not as low as one would think, because the industry has, since its inception, and given a state of full employment, to compete for labour.

Availability of technical personnel is easier so far as university qualified engineers are concerned but we still lack specialists in the plastics industry as well as technicians with the required experience.

Another problem is that the collection study and analysis of technical information is wholly in the hands of individual firms and therefore of a limited and insufficient nature.

In this respect I believe that UNIDO might help by, a) providing scholarships for technical personnel to attend seminars and visit factories of other countries for training, b) by passing on information to countries like Cyprus regarding the latest technical developments in our industry.

E. Consumption

In line with the continuously increasing demand for plastic products all over the world there has been a continual increase in the demand of such products in our country.

As however prices of raw materials have started moving up in the last year and a half or so there has been some slackening in demand which varied from sector to sector and this was more evident in my country given the fact that the size of the industry by the early seventies was big enough to satisfy local demand and was nearing the time when it had to look for exports if further expansion was to be warranted.

Some exporting is made but it is still very insignificant. At the same time many plastic articles are imported especially large ones (over 3 kilos) which cannot be produced locally.

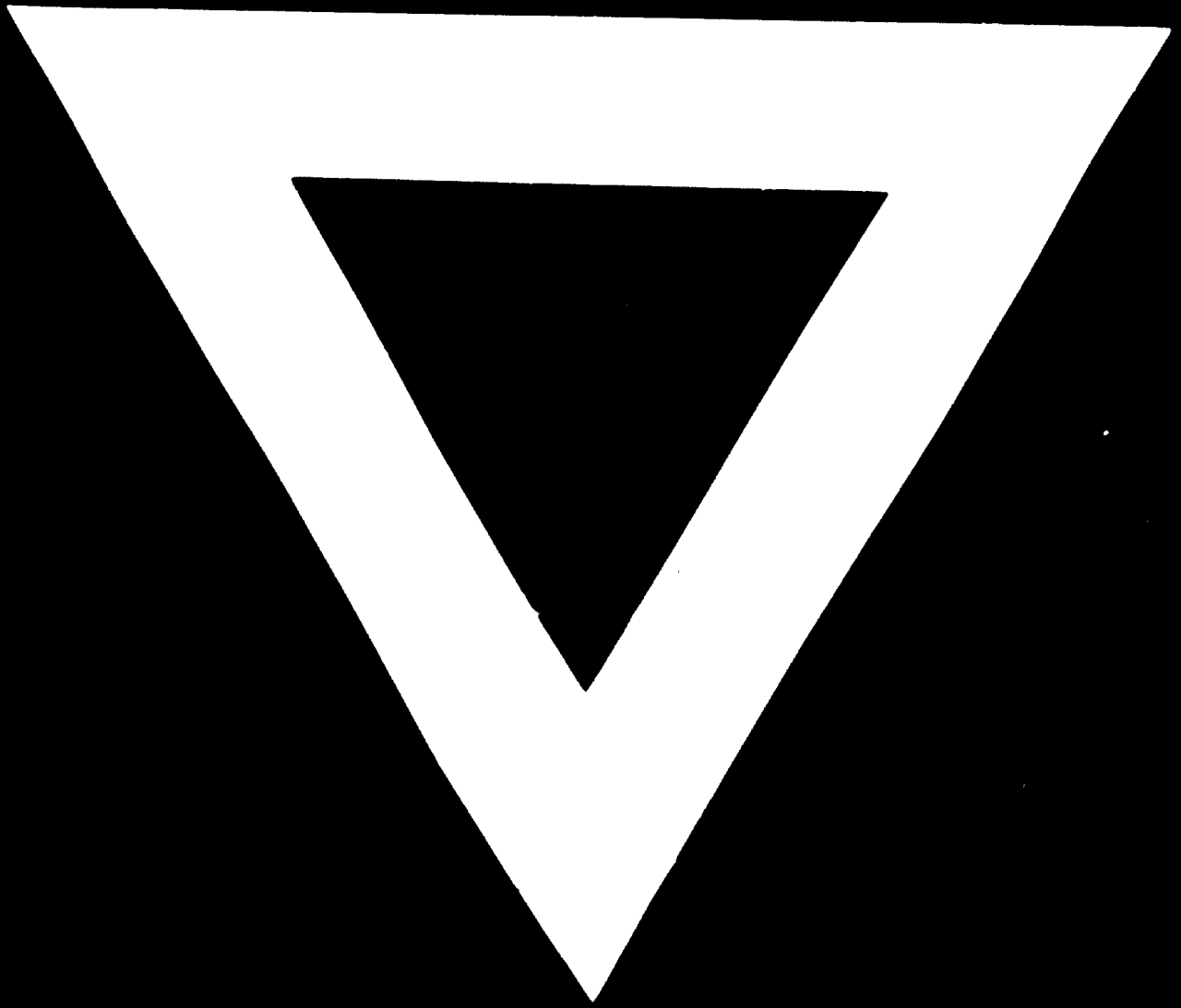
The picture I have tried to paint of the Cyprus Plastics Industry unfortunately is approximately right only until the end of July.

Since then the picture has changed completely because with the Turkish invasion of Cyprus and the occupation of 40% of the island 90% of the Plastics Industry is in areas controlled by the Turkish invading forces and therefore out of production.

The future of the industry therefore must depend on the final solution to the Cyprus political problem.

- G. I would like to add that I have applied and I am attending the present training programme in plastics technology fully prepared to learn as much as possible from this course.

Finally, I must thank once again UNIDO and the Austrian Government for giving me this opportunity to be here with you.



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