



STATISTICAL SERVICE OF CYPRUS

**INFORMATION AND COMMUNICATION
TECHNOLOGIES (ICT) USAGE AND E-COMMERCE
SURVEY IN ENTERPRISES
2008**

SUMMARY RESULTS

Nicosia, November 2008

C O N T E N T S

INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) USAGE AND E-COMMERCE SURVEY IN ENTERPRISES 2008

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PREFACE

This report presents the results of the survey on ICT Usage and e-Commerce in Enterprises 2008. The aim of the annual survey is to collect data on ICT usage, on Internet usage and on electronic commerce in enterprises. These data are necessary for the implementation of policy programs of both the Government and the Private Sector.

The survey, which is cofunded by the European Community, conforms to the regulation (EC) No. 808/2004 of the European Parliament and of the Council of 21 April 2004 concerning Community statistics on the information society. The objective of this Regulation is to establish a common framework for the systematic production of Community statistics on the information society.

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A. SURVEY METHODOLOGY

The survey covers enterprises with 10 or more employees in the following statistical codes of economic activities NACE Rev1.1 (Detailed description in annex):

D	Manufacturing
F	Construction
G	Wholesale and Retail Trade. Repair of motor vehicles, motorcycles and personal and household goods
H55.1-2	Hotels
I	Transport, Storage and Communication
K	Real Estate, Renting and Business activities
O92.1-2	Recreational, Cultural and Sporting activities

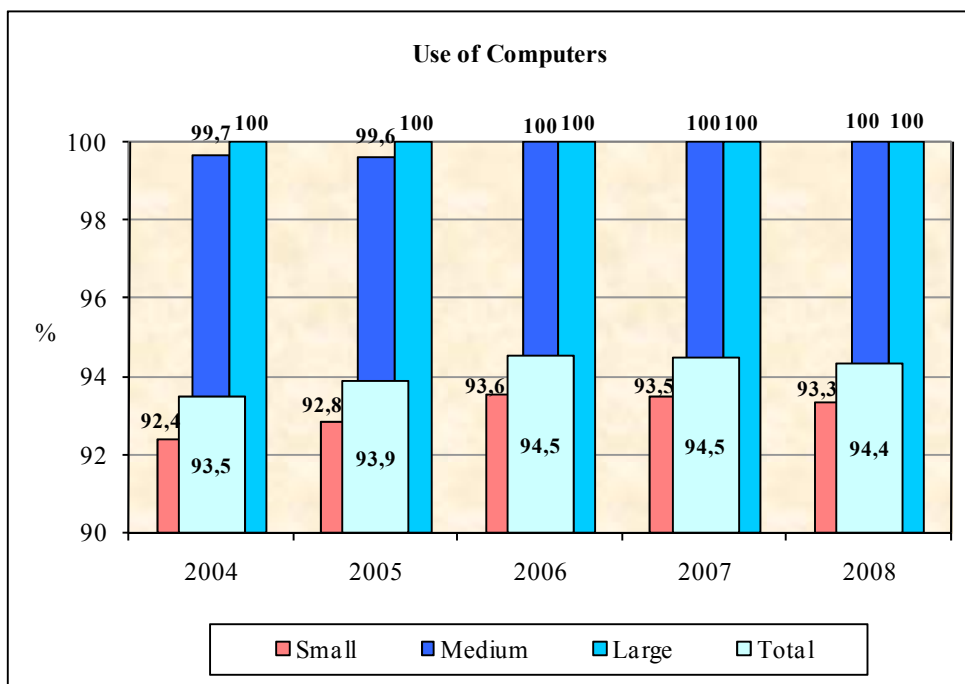
The sampling method used was stratified random sampling. Two variables were used for stratification, NACE group and size of the enterprise. There were 14 NACE groups and 3 size groups.

The 14 NACE groups (of economic activities) were the following: 15-21, 23-25, 26-28, 29-37, 45, 50, 51, 52, 55.1+55.2, 60-63, 64, 70+71+73+74, 72, 92.1+92.2. The 3 size groups were: Small enterprises (10-49 employees), Medium enterprises (50-249 employees) and Large enterprises (250+ employees).

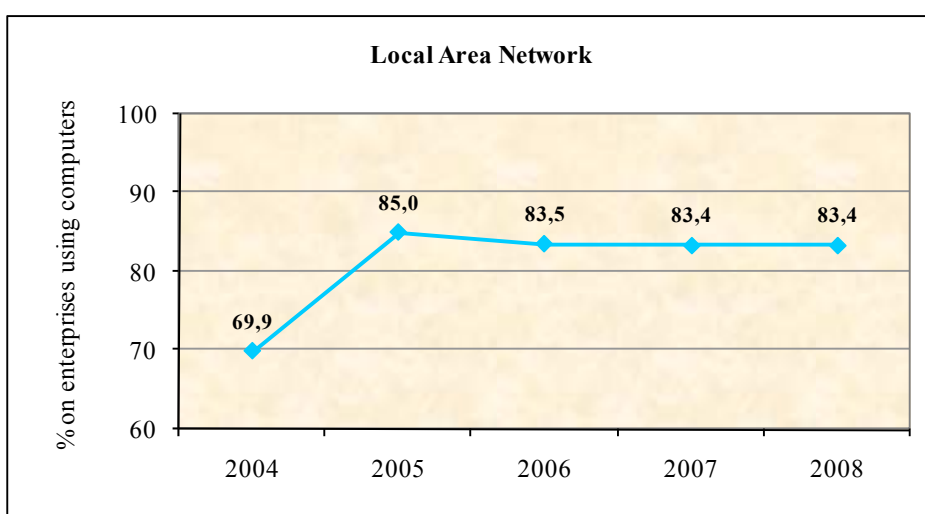
B. MAIN FINDINGS

Use of Computers and Computer Networks

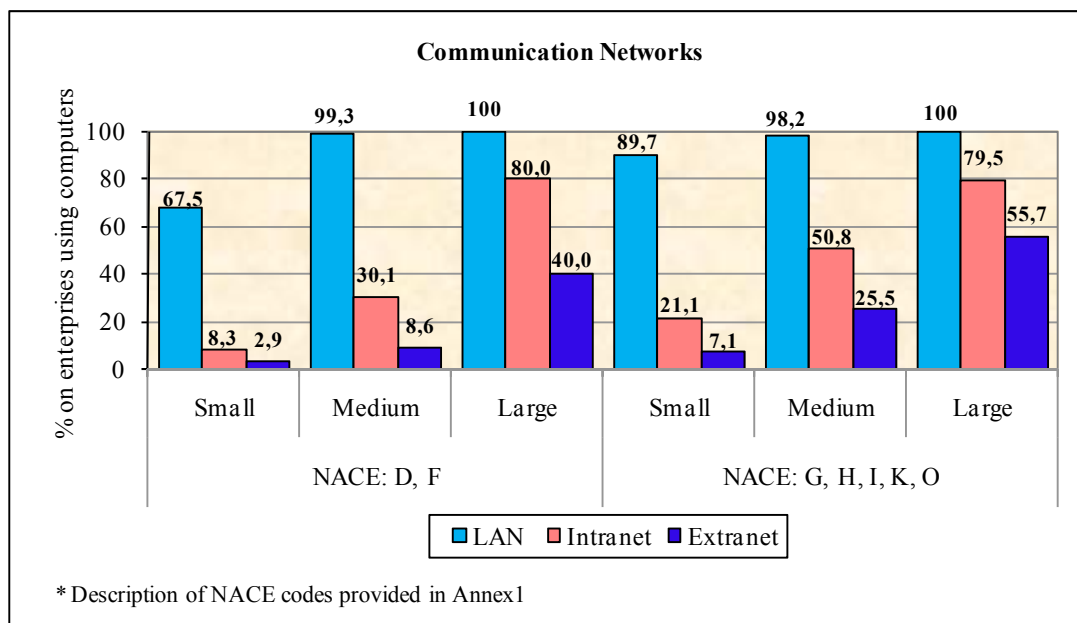
In January 2008, computers were used in all enterprises in Cyprus with 50 or more employees (i.e. medium and large enterprises). The percentage of small enterprises (10 – 49 employees) using computers was 93,3%. There was no change in this percentage over the last three years.



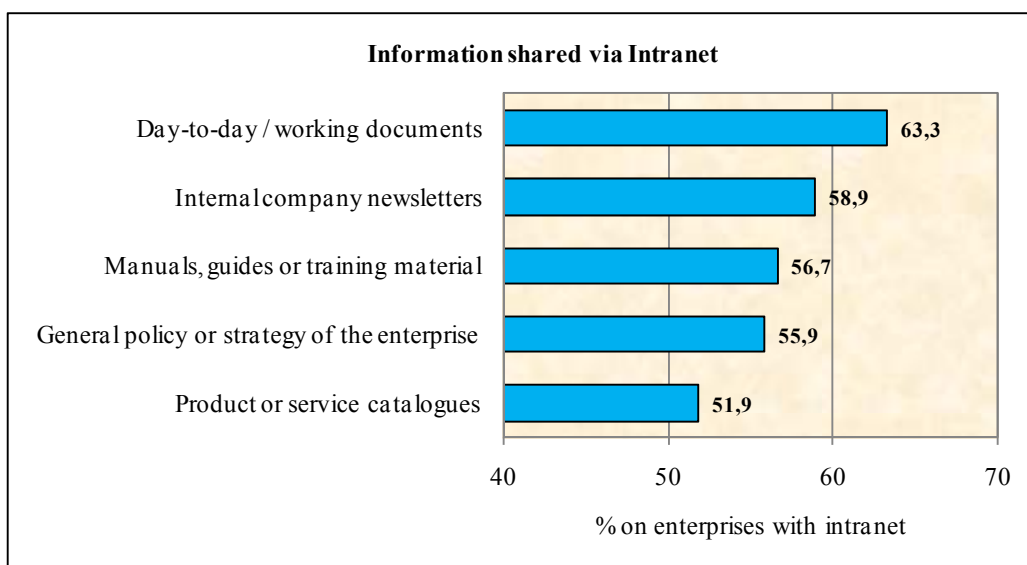
The majority of enterprises with 10 or more employees had local area networks (LAN) for communication between computers. More specifically, 83,4% of the enterprises using computers during January 2008 had a LAN. This percentage remained stable over the last four years.



The probability of an enterprise having a local area network (LAN) was highly depended on the enterprise's size. All large and almost all medium enterprises had a LAN. In small enterprises the percentage of enterprises having a LAN (% on enterprises using computers) was 67,5% for enterprises with NACE D and F (Manufacturing and Construction), and 89,7% for enterprises with NACE G, H, I, K and O (Trade, Transportation and Services). The percentages of having Intranet or Extranet were also highly correlated with the size and type of economic activity. They were increasing as size was increasing and as economic activity was changing from 'Manufacturing and Construction' to 'Trade, Transportation and Services'.

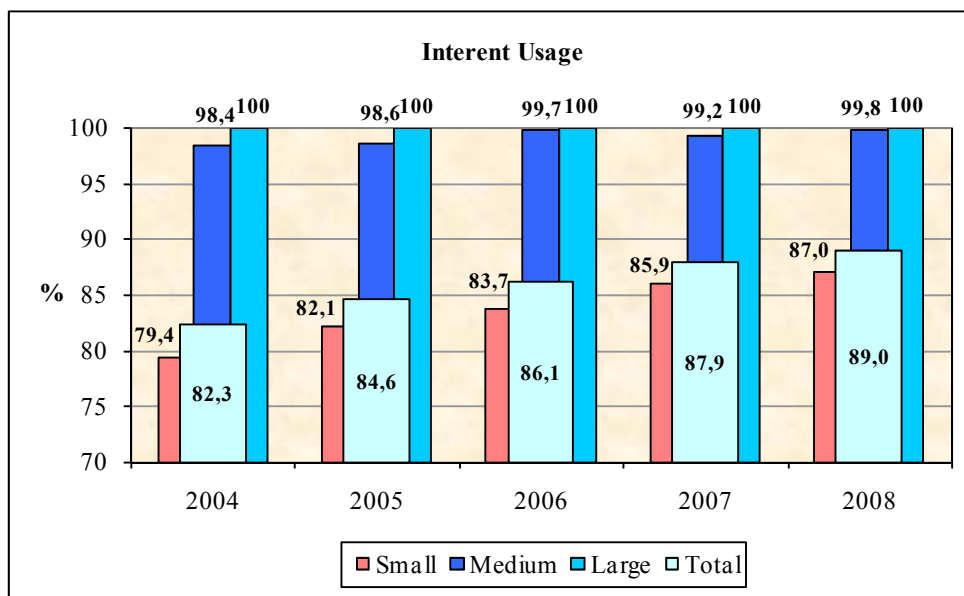


20% of the enterprises had an internal homepage (Intranet) in use, in January 2008. Among those enterprises 63,3% were using it to share day-to-day working documents, 58,9% internal company newsletters or daily news and 56,7% manuals, guides and training material. The general policy or strategy of the enterprise and product or service catalogues in 55,9% and 51,9% of enterprises with intranet respectively.

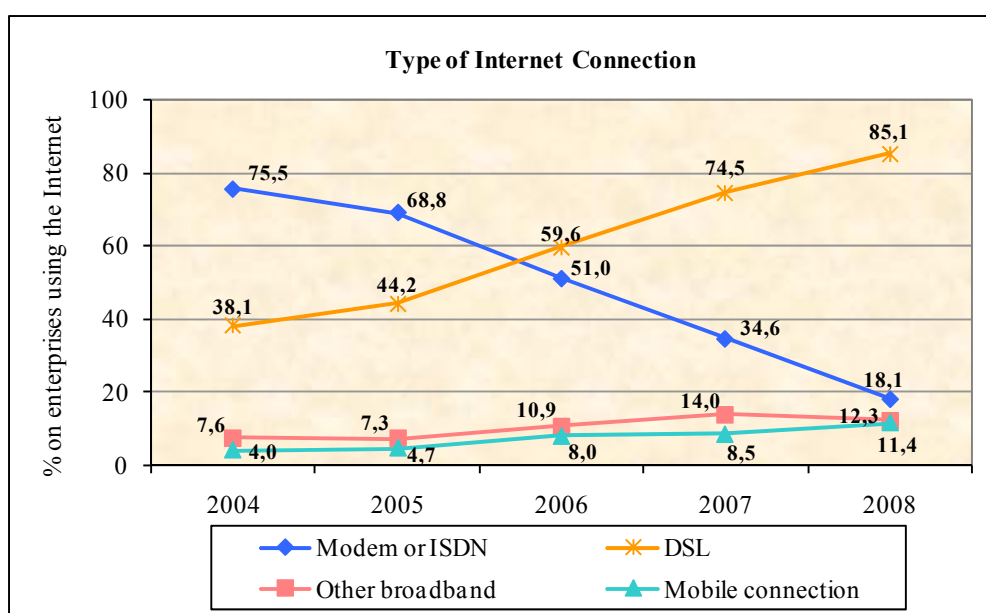


Access and Use of the Internet

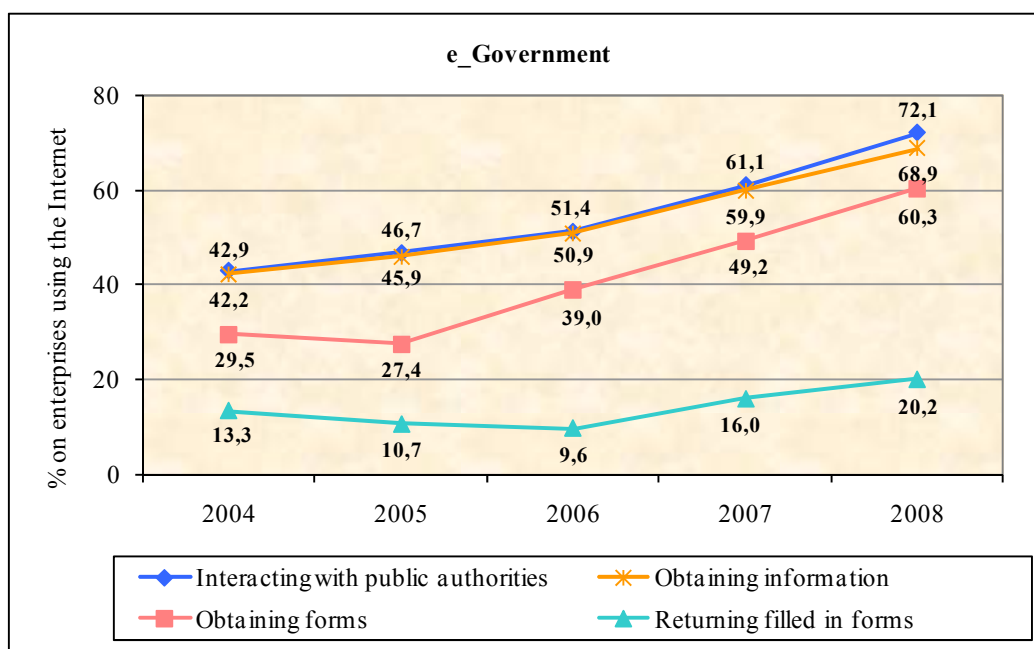
Unlike computer usage, that remained stable over the last years, Internet usage in enterprises was steadily increasing. 89,0% of enterprises (employing 10 or more persons) had access to the Internet in 2008. The same percentage was 82,3% in 2004. The Internet was used in all large and almost all medium enterprises. Internet usage in small enterprises was below 90%, but kept increasing (79,4% in 2004, 82,1% in 2005, 83,7% in 2006, 85,9% in 2007 and 87,0% in 2008).



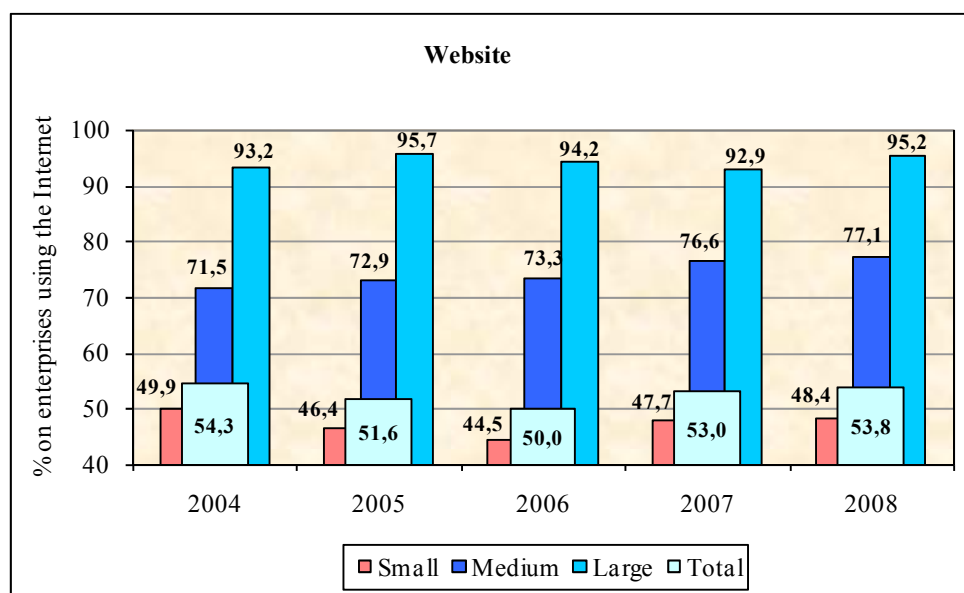
In the last four years there was a significant increase in broadband connections to the Internet. The modem used to be the most popular type of access to the Internet by enterprises in 2004. Over the years the use of a modem to connect to the Internet was decreasing, giving rise to broadband connections, and thus making DSL the most popular type of Internet access from 2006 onwards. In 2008, 85,1% of the enterprises with access to the Internet had a DSL connection.



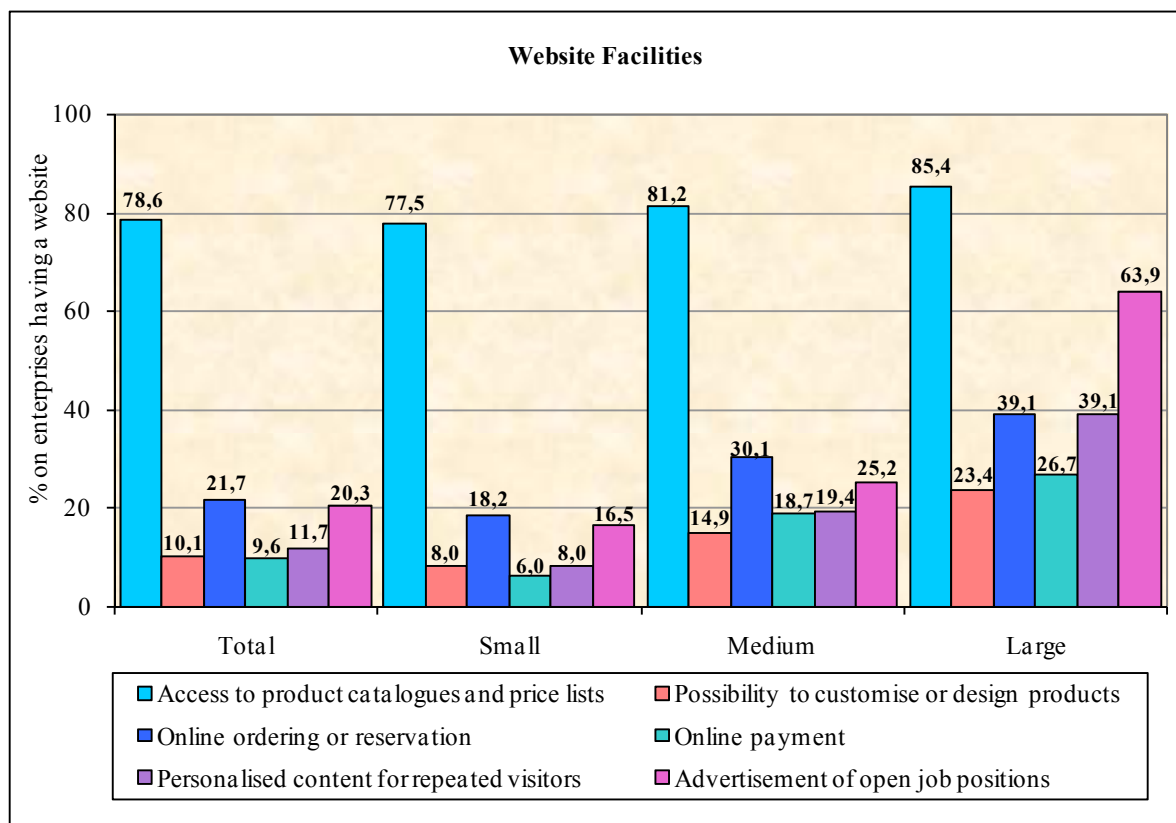
Enterprises use the Internet more and more to interact with public authorities. They can obtain information, forms, or return filled in forms via the Internet. 72,1% of the enterprises (employing 10 or more persons) that had access to the Internet in 2008, used the Internet to interact with public authorities during the previous year. Most of these enterprises used the Internet for obtaining information from public authorities' websites.



More than half of the enterprises that used computers connected to the Internet, in 2008, also had a website (53,9%). Almost all large enterprises (95,2%) had a website.

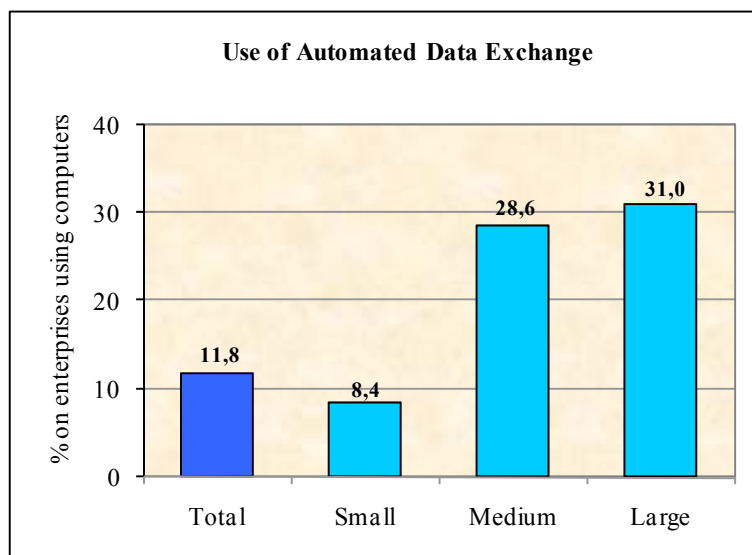


Among the facilities provided by enterprises through their website, the most predominant was the access to product catalogues and price lists (provided by 78,6% of enterprises having a website). 21,7% of the enterprises that had a website, provided the possibility of online ordering or reservation to their customers, while only 9,6% the possibility of online payment. Advertisement of open job positions on a website was more common in large enterprises (63,9%).

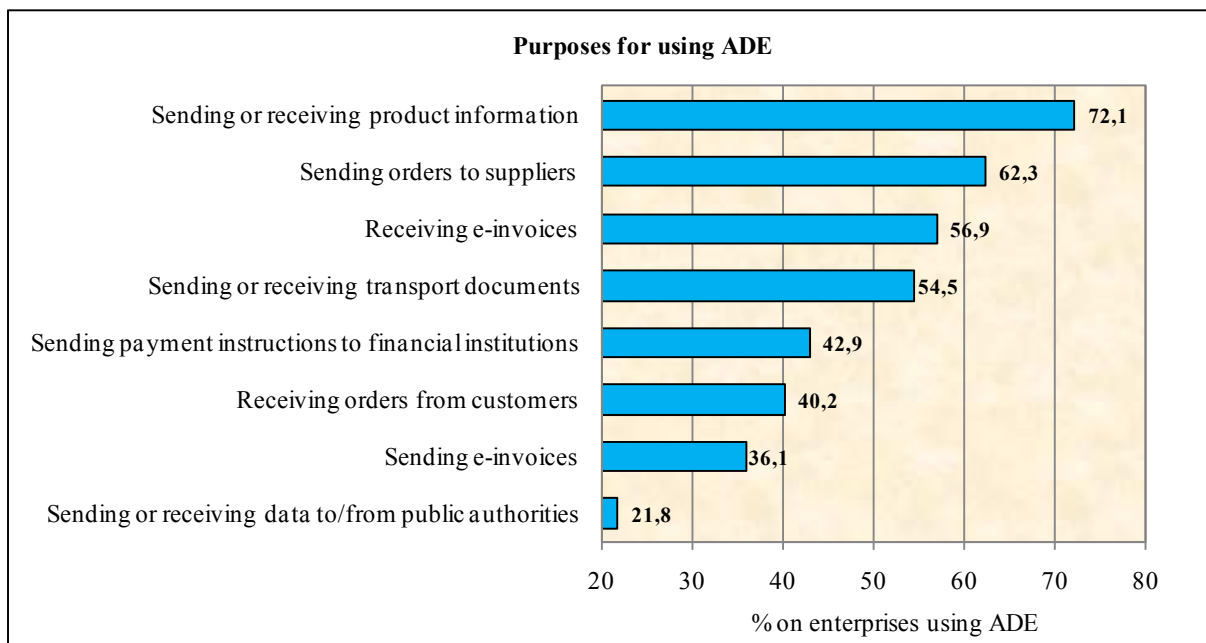


Automated Data Exchange

Automated Data Exchange (ADE) between an enterprise and other ICT systems outside the enterprise is the exchange of messages via the internet or other computer networks in an agreed format which allows its automatic processing without the individual message being manually typed. In January 2008, 11,8% of enterprises that had access to computers were using such a data exchange.

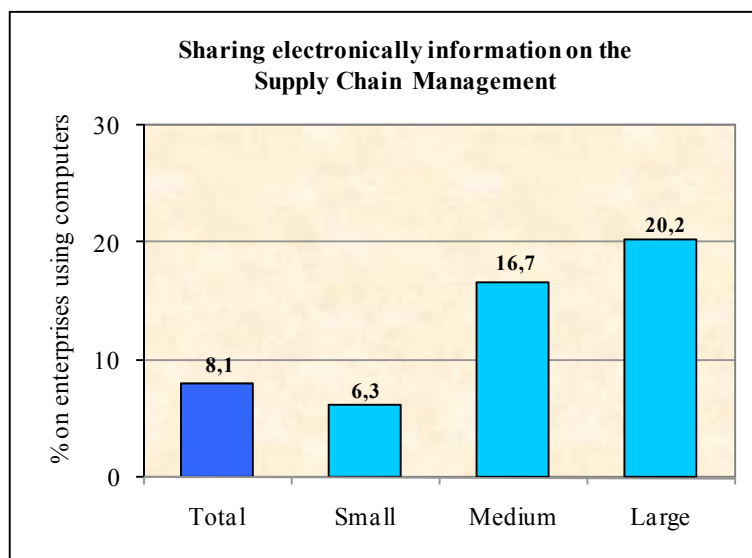


Most of the enterprises using ADE were exchanging information on products via ADE (72,1%).

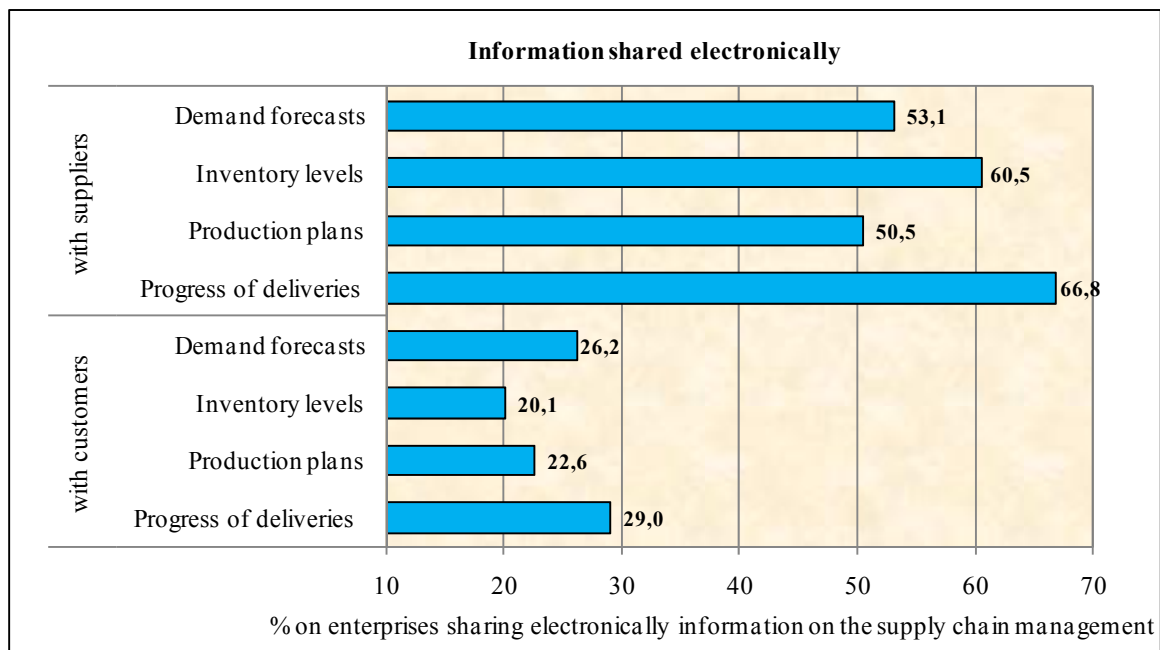


Sharing electronically information on the Supply Chain Management

In January 2008, only 8,1% of enterprises using computers were regularly sharing information electronically on the Supply Chain Management with either their suppliers or their customers. In large enterprises the percentage was 20,2%.

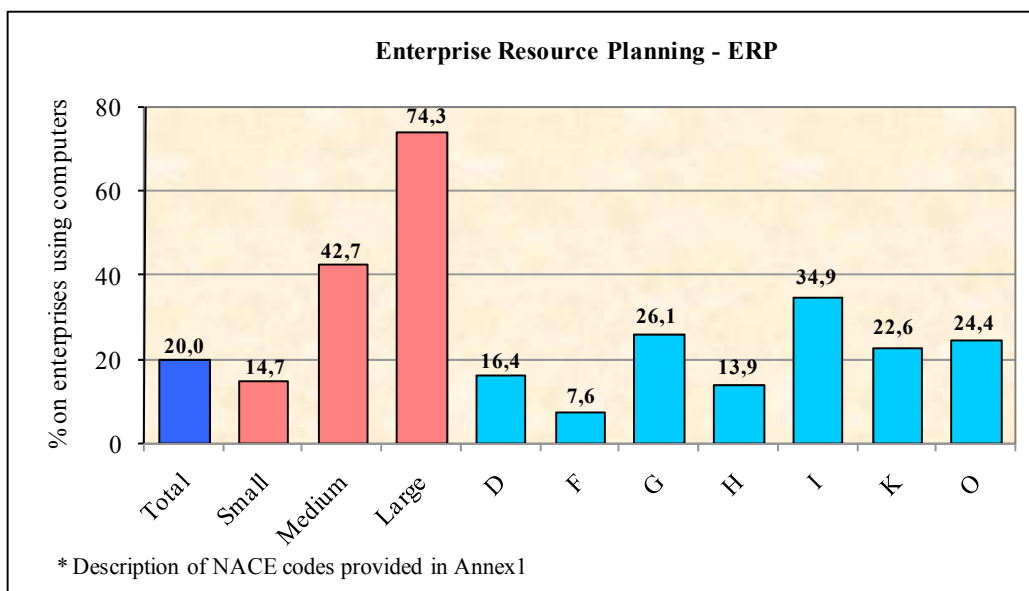


Most of the enterprises that were sharing information electronically on the Supply Chain Management were sharing information with their suppliers rather than with their customers. These information mostly concerned the progress of deliveries (66,8%) and inventory levels (60,5%).

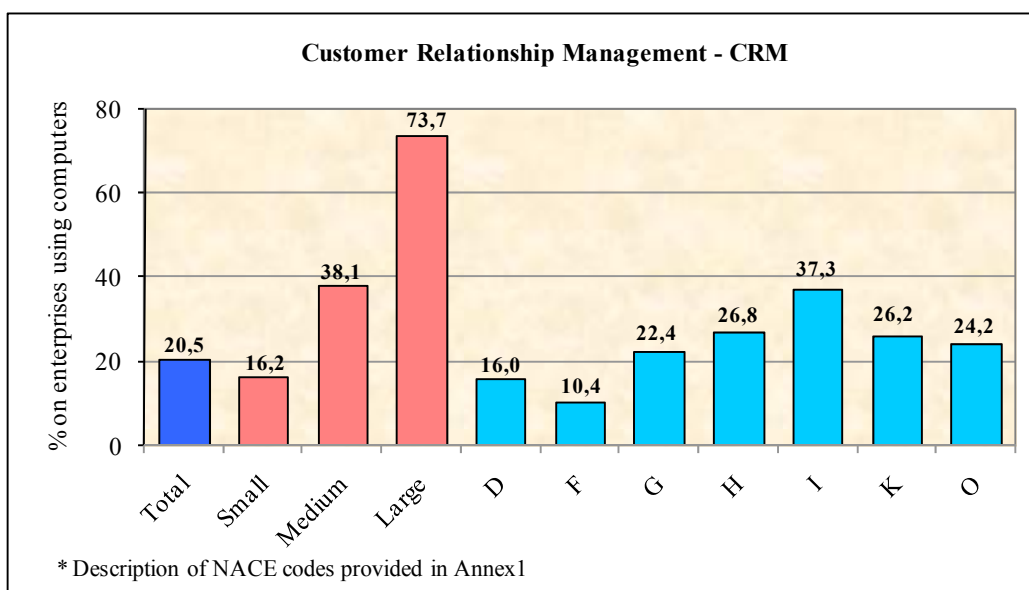


Automatic share of information within the enterprise

An Enterprise Resource Planning (ERP) software package is a set of applications that integrate information and processes across the several business functions of the enterprise. 20,0% of enterprises that used computers said that they had an ERP software package to share information on sales and purchases with other internal functional areas of the enterprise, during January 2008.

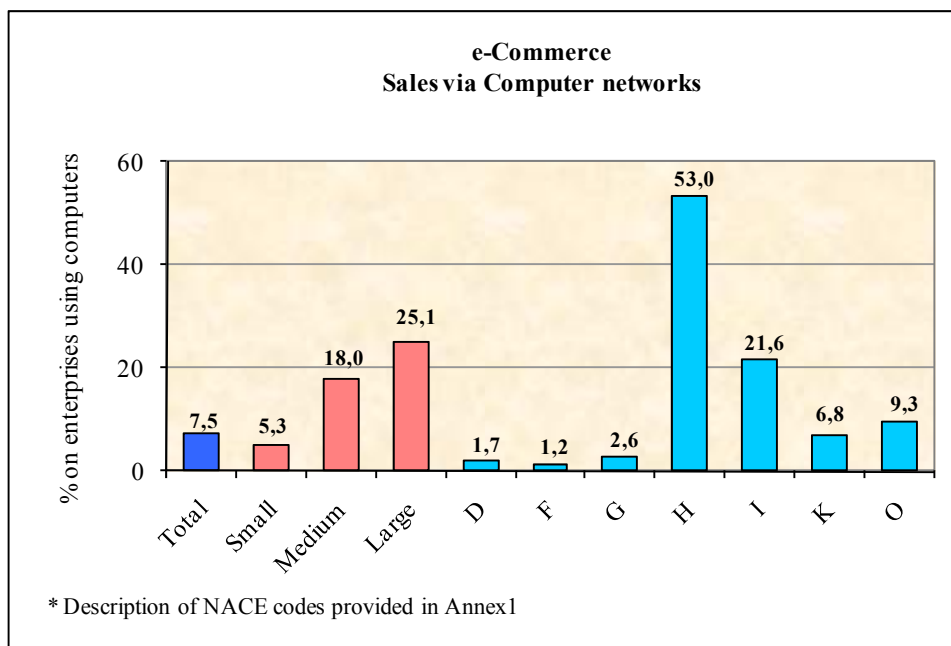


Among enterprises using computers 20,5% had a CRM (Customer Relationship Management) software application for managing information about clients, either to capture, store and make available to other business functions the information about clients, or to make analysis of the information about clients for marketing purposes. Transport, Storage and Communication, Hotels and Real Estate, Renting and Business Activities enterprises had the highest percentage of having a CRM (37,3%, 26,8% and 26,2% respectively). The CRM software application was not very common in Manufacturing and Construction enterprises (16,0% and 10,4% respectively).

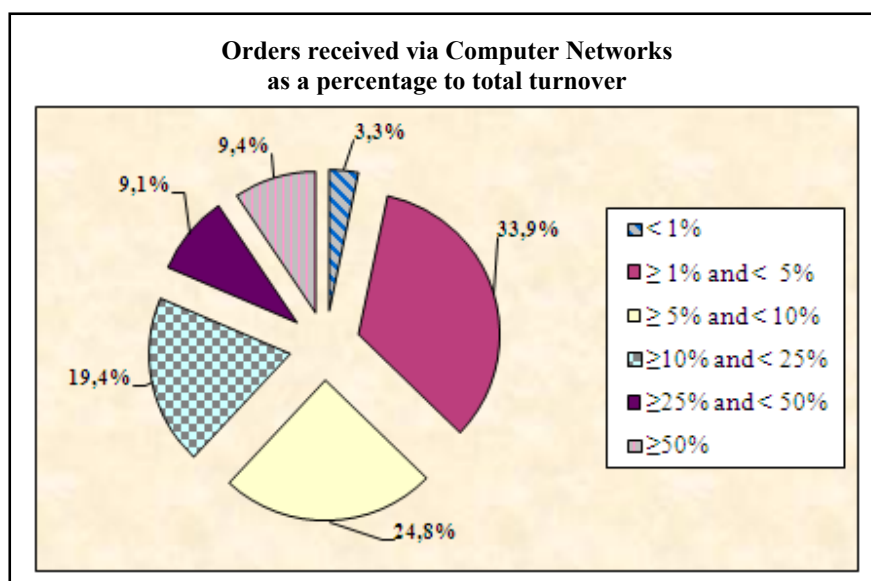


e-Commerce

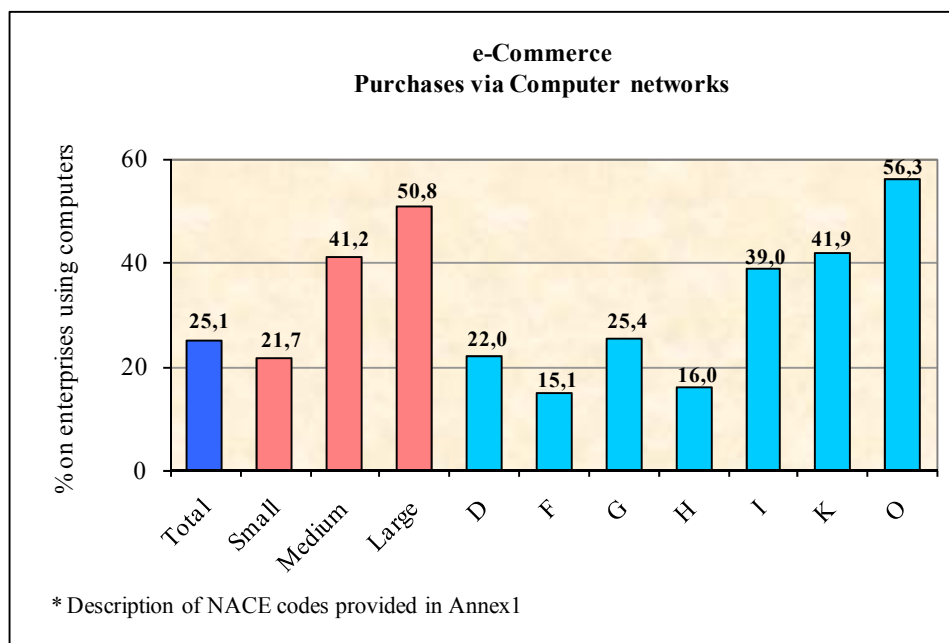
E-Commerce was not very popular among enterprises in Cyprus. Only 7,5% of enterprises using computers had received orders via computer networks (excluding manually typed e-mails), during 2007. Enterprises receiving online orders in Cyprus seemed to be mostly the ones that belong in NACE Rev1.1 category H (Hotels), with percentage 53,0% which was much higher than in any other economic activity. Second highest was the percentage of enterprises of NACE I (Transportation, Storage and Communication), which was 21,6%.



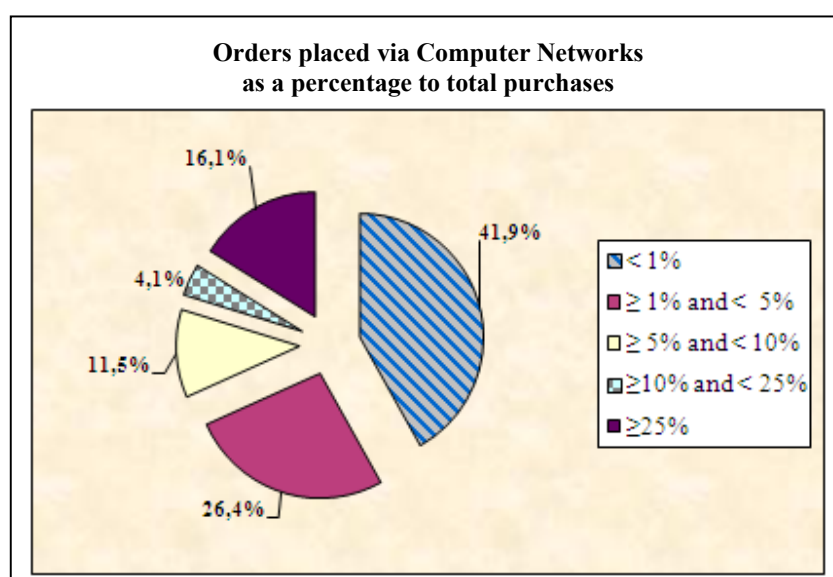
In relation to the total sales (in monetary terms, excluding VAT) sales via computer networks represented only a small percentage in many of the enterprises. Only in 9,4% of the enterprises that received electronic orders, the value of the turnover resulted from those orders represented more than 50% of their total turnover.



Only 25,1% of enterprises with 10 or more employees using computers made orders of products or services via computer networks during 2007. In large enterprises the percentage of ordering via computer networks was 50,8%. It is worth to mention that NACE group O (Recreational, Cultural and Sporting activities) had the highest percentage of enterprises making purchases via computer networks.



As with sales via computer networks, purchases via computer networks (in monetary terms, excluding VAT) represented only a small percentage in most of the enterprises. In the majority of enterprises that made electronic orders (68,3%) these orders represented less than 5% of the total value of orders of the enterprise. However, there were 16,1% of enterprises for which their online orders value was more than 25% of their total value of orders.



Annex

Description of nace codes included in the survey

NACE Rev1.1

D MANUFACTURING

- D15 MANUFACTURE OF FOOD PRODUCTS AND BEVERAGES
- D16 MANUFACTURE OF TOBACCO PRODUCTS
- D17 MANUFACTURE OF TEXTILES
- D18 MANUFACTURE OF WEARING APPAREL; DRESSING AND DYEING OF FUR
- D19 TANNING AND DRESSING OF LEATHER; MANUFACTURE OF LUGGAGE, HANDBAGS, SADDLERY, HARNESS AND FOOTWEAR
- D20 MANUFACTURE OF WOOD AND OF PRODUCTS OF WOOD AND CORK, EXCEPT FURNITURE; MANUFACTURE OF ARTICLES OF STRAW AND PLAITING MATERIALS
- D21 MANUFACTURE OF PULP, PAPER AND PAPER PRODUCTS
- D22 PUBLISHING, PRINTING AND REPRODUCTION OF RECORDED MEDIA
- D23 MANUFACTURE OF COKE, REFINED PETROLEUM PRODUCTS AND NUCLEAR FUEL
- D24 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS
- D25 MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS
- D26 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS
- D27 MANUFACTURE OF BASIC METALS
- D28 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT
- D29 MANUFACTURE OF MACHINERY AND EQUIPMENT N.E.C.
- D30 MANUFACTURE OF OFFICE MACHINERY AND COMPUTERS
- D31 MANUFACTURE OF ELECTRICAL MACHINERY AND APPARATUS N.E.C.
- D32 MANUFACTURE OF RADIO, TELEVISION AND COMMUNICATION EQUIPMENT AND APPARATUS
- D33 MANUFACTURE OF MEDICAL, PRECISION AND OPTICAL INSTRUMENTS, WATCHES AND CLOCKS
- D34 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS
- D35 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT
- D36 MANUFACTURE OF FURNITURE; MANUFACTURING N.E.C.
- D37 RECYCLING

F CONSTRUCTION

G WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS

- G50 SALE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES; RETAIL SALE OF AUTOMOTIVE FUEL
- G51 WHOLESALE AND COMMISSION TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES
- G52 RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES; REPAIR OF PERSONAL AND HOUSEHOLD GOODS

H HOTELS AND RESTAURANTS

H551 HOTELS

H552 CAMPING SITES AND OTHER PROVISION OF SHORT-STAY ACCOMMODATION

I TRANSPORT, STORAGE AND COMMUNICATION

I60 LAND TRANSPORT; TRANSPORT VIA PIPELINES

I61 WATER TRANSPORT

I62 AIR TRANSPORT

I63 SUPPORTING AND AUXILIARY TRANSPORT ACTIVITIES; ACTIVITIES OF TRAVEL AGENCIES

I64 POST AND TELECOMMUNICATIONS

K REAL ESTATE, RENTING AND BUSINESS ACTIVITIES

K70 REAL ESTATE ACTIVITIES

K71 RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS

K72 COMPUTER AND RELATED ACTIVITIES

K73 RESEARCH AND DEVELOPMENT

K74 OTHER BUSINESS ACTIVITIES

O OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES

O921 MOTION PICTURE AND VIDEO ACTIVITIES

O922 RADIO AND TELEVISION ACTIVITIES