

## Being a tax haven will have been a disaster for the peo...

Published: January 13, 2026, 8:28 am

---

The finance sector was Cyprus' number one income earner. But it was not its number one employer, by a long way. [Bill Mitchell found the employment data](#) from its Ministry of Finance, which was as follows:

*The most recent detailed labour force statistics available from Cyprus are the — [Labour Statistics 2011](#) — publication.*

The following Table shows the proportions of employment by main industry sector in relation to total employment (WRT is wholesale and retail trade).

As the [FT notes this morning](#), the impact on all other sectors of the banking crash has already begun. Having been a tax haven will prove to be a disaster for the people of Cyprus. With all other economic activity squeezed into the background by an over-expanded finance sector the ripple effect will be enormous.

Sometime soon small states are going to realise that being a tax haven and putting all eggs into one highly volatile market really does not pay.