



A Historical Background of Foreign Trade in Cyprus (1923-1938)

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Abstract: The island of Cyprus was leased to Britain in 1878 on the condition of supporting the Ottoman Empire against the Russian threat in a period when the Ottoman Empire weakened. As a result of the outbreak of World War I, Britain annexed Cyprus. Cyprus was granted Crown Colony status in 1925. During the war period between 1915 and 1922, Cyprus' foreign trade reached the highest figures in its history. The economic crises as a result of World War I, followed by the Great Depression of 1929, shook the world economy. The purpose of the study is to determine the changes in Cyprus foreign trade between 1923 and 1938 in Cyprus, which was a British colony, and its causes. In this context, the effects of the economic crises after World War I on foreign trade of Cyprus, the share of Britain, British colonies and other countries in foreign trade of Cyprus, the main commercial products of Cyprus and its status in international foreign trade will be tried to be determined. Shipping and finance issues regarding Gibraltar, Malta and Cyprus, which were in strategic military and commercial positions under British colonial rule will be compared. The results of the crisis management of the British colonial administration in the three countries, which were seen as British bases and important for the security of world trade and Mediterranean trade, will be revealed. In the study, the commercial data of Cyprus foreign trade for the period 1923-1938 will be organized and interpreted using statistical methods (tables and graphs). In the study, the commercial data of Cyprus foreign trade for the period 1923-1938 will be organized and interpreted using statistical methods (tables and graphs). As a result of the study, it was determined that the period of 1923-1938 in Cyprus was a fluctuating period of decreases and increases in foreign trade due to economic crises. Nevertheless, the policies by the UK prevented the effects of the crises to be deeper. After the most serious declines in the period of 1931-1933, recovery started after 1935. By 1938, exports had increased by 176% and imports by 110% compared to 1923. The increase in foreign trade was driven by the increase in the number of countries, the diversification of commercial products and price increases. Shipping and revenues in Cyprus, Malta and Gibraltar increased between 1923 and 1938. While half of the shipping was carried out by British ships in Malta and Gibraltar, the share was between 22% and 34% in Cyprus. The British military presence in Malta and Gibraltar contributes to the economy.

Keywords: Cyprus; Foreign; Trade; External; Export; Import; Re-export

JEL Classification: N14, N74, O52

1. Introduction

The Island of Cyprus is located in the northeast of the Eastern Mediterranean and the distance between Turkey and Cyprus is approximately 70 km. The distances to other countries are 100 km to Syria, 370 km to Egypt, 400 km to Rhodes and 800 km to the Greek coast. Cyprus is the third largest island in the Mediterranean after Sicily and Sardinia. Due to its geographical location and strategic importance, Cyprus has been an island where different states have struggled for dominance throughout history. In the historical process, Egypt, Hittites, Achaeans, Dorian, Phoenicians, Assyrians, Persians, Roman Empire, Arabs, Lusignans, Genoese, Venetian, Ottoman Empire and Britain dominated Cyprus (Darkot, 2001; Bozkurt, 2001).

The Ottoman Empire took control of Cyprus on August 4, 1571. After Syria and Egypt were included in the Ottoman territory, Turkish sovereignty was established in the Eastern Mediterranean. After the conquest, Cyprus became a Beylerbeylik under the rule of Ottoman Empire (Uzunçarşılı, 1988).

Important developments for world trade began to take place after the Industrial Revolution in the 19th century. Britain and other European countries pursued a policy of seeking cheap raw materials and finding new markets. As a result of technological developments, the introduction of steamships in maritime transportation accelerated, developed and increased the capacity of trade (Keyder, 1993). As world trade developed, Britain's share in international trade began to increase rapidly (Hobsbawm, 2013). One of the countries that Britain developed its imports and exports was the Ottoman Empire. The British Trade Agreement signed between Britain and the Ottoman Empire in Baltalimanı on August 16, 1838 increased trade between the two countries. While Britain's total foreign trade was 50 million pounds (£) in 1838, its foreign trade with the Ottoman Empire was £1.9 million and its share in the Ottoman foreign trade was 3.7%, Britain's trade was £135.9 million and its trade with the Ottoman Empire was £7.7 million, increasing its share to 5.6% in 1860 (Kütükoğlu, 2013).

In the second half of the 19th century, the opening of the Suez Canal in 1869, an important turning point for world maritime trade, led to a revival in the Eastern Mediterranean trade. The Suez Canal also increased the military and commercial importance of Cyprus (Armaoğlu, 2010). In early 1870, Britain dominated about one-third of the world's total trade (Güran, 2014). In 1884, the number of ships passing through the Suez Canal was 3,284 and the total amount of cargo was 8,319,967,358 tons, while the number of British ships was 2472 and the amount of cargo they carried was 6,312,398,578 tons. The number of ships using the Suez Canal and 75% of the cargo carried belonged to Britain (Twiss, 1885). Cyprus became strategically important for Britain, a large colonial empire, as it was located on the maritime trade with India, one of its most important colonies, and the colonies in the Far East. With the existence of the Suez Canal, Egypt also came into England's sphere of interest.

The Ottoman Empire lost the 1877-1878 Ottoman-Russian War and signed the Treaty of Ayastefanos on March 3, 1878. Assessing the situation after a heavy war defeat, Britain brought up a treaty guaranteeing the defense of Turkish territories against the Russians. As a result of the negotiations, the Cyprus Convention was signed between the Ottoman Empire and Britain on June 4, 1878 (Armaoğlu, 2010; Gürel, 1984). With this treaty, Cyprus, whose ownership would remain with the Ottoman Empire, was annually leased to Britain. Thus, the administration in Cyprus was transferred to Britain.

As a result of the Ottoman Empire's entry into World War I on the side of Germany, Britain's unilateral annexation decision became a new turning point for Cyprus (Sarinay, 2000). As a result of Britain's unilateral annexation of Cyprus, the administration of the island completely passed to the British. This development deeply affected the Cypriot economy. The decision to annex Cyprus by Britain was published in the extraordinary issue of The Cyprus Gazette dated November 5, 1914. Due to the outbreak of war between Britain and the Ottoman Empire, the Convention of 1878, its annexes and the treaty were declared null and void and Cyprus was annexed and incorporated into British territory (Europeana, 1915). The Lausanne Peace Treaty signed on July 24, 1923 at the end of World War I, included provisions regarding Cyprus. According to Article 20 of the treaty, Turkey accepted that it recognized the annexation of Cyprus to Britain, which was announced by the British Government on November 5, 1914. The Treaty of Lausanne was ratified by Britain on August 6, 1924. The British King George V signed the Letters Patent necessary to turn Cyprus into a Crown Colony. The Governor of Cyprus began to administer Cyprus as a British territory, just like the other British colonies. Cyprus became a British Crown colony on March 10, 1925 (Hill, 2016). By capturing Cyprus and Egypt during and after World War I, Britain gained the dominance to ensure the security of the Mediterranean and Far East trade (Özcelik, 2023).

The Suez Canal became the most strategically and commercially important location for the British Empire for its trade in India, the Far East and Australia after its opening in 1869. For this reason, the Canal was called the jugular vein of the British Empire (Ogen, 2008). In fact, the lion's share of trade, especially goods, within the British Empire passed through the Suez Canal. The unification of the Mediterranean and the Red Sea with the Suez Canal is described as a revolution in world trade. This led to changes in maritime trade routes, international trade, foreign and military policies. Figure 1 and Figure 2 show the effects of the Suez Canal on world trade and maritime trade routes. The canal shortened the existing Far East trade route by 5100 miles.

World trade was hit by economic crises in the period between the two major world wars (1923-1938). The effects of World War I and the Great Depression of 1929 caused deep economic shocks all over the world. The effects of the crisis also affected world trade, British trade, British colonial policies and the economies and foreign trade of the British colonies. The effects of the economic crisis reflected in foreign trade figures, particularly in Britain, America and European countries. Table 1, presents imports and domestic exports trade data of world 1924, 1930 and 1931. Britain's export growth, which began in 1923, continued to rise until 1929, although it decreased by the effect of the industrial war in 1926. In 1930, just after the Great Depression, Britain's exports fell by 18%. In order to protect the depreciation of the pound, Britain went off the gold standard in the fall of 1931. One of the most serious decisions it took against the crisis was to abandon free trade in 1932. Britain tried to expand international trade by signing trade agreements with various countries. The most important of them was the Anglo-American Trade Treaty. Countries started to follow policies that restricted imports and encouraged exports (Macrosty, 1940). According to Table 1, between 1929 and 1931, while Britain increased its share in imports in world trade from 18.3% in 1929 to 21.9% in 1931, it decreased its share in domestic exports from 13.2% in 1929 to 12.2% in 1931. While France increased its share in imports from 7.7% in 1929 to 9.3% in 1931, its share in

exports rose slightly from 7.3% in 1929 to 7.7% in 1931. In this period, Germany increased its share in imports and exports in world trade. The United States is the country whose share in imports and exports decreased the most. These countries compete in world trade. About half of world trade is dominated by these countries. World trade imports and exports continued to fall in 1929, 1930 and 1931.



Figure 1. Suez Canal and trade routes

Source: <https://www.britishempire.me.uk/openingofsuezcanal.html>

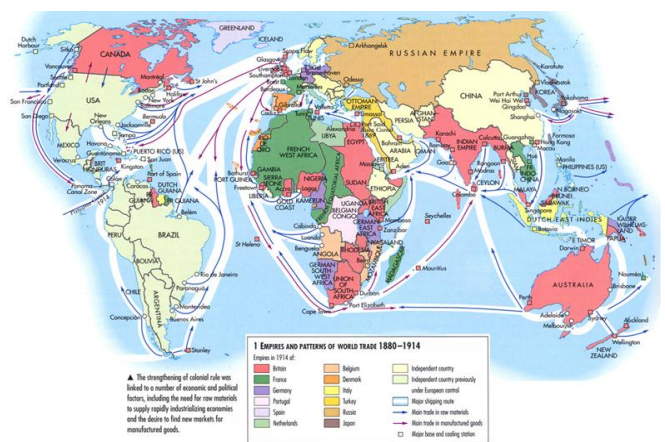


Figure 2. Empires and patterns of world trade (1880-1914)

Source: <https://commons.princeton.edu/mg/empires-and-patterns-of-world-trade-1880-1914/>

Table 1. World trade (1929-1931)

Country	Imports			Domestic Exports		
	1929	1930	1931	1929	1930	1931
United Kingdom	18.3 (15.4)	19.4	21.9	13.2 (10.9)	13.0	12.2
United States	14.9 (12.4)	12.7	11.8	19.3 (15.8)	17.7	15.3
Germany	10.8 (9.1)	10.3	9	12 (9.8)	13.4	14.7
France	7.7 (6.5)	8.6	9.3	7.3 (6)	7.8	7.7
Other Countries	48.3 (40.9)	49.0	48.0	48.2	48.1	50.1
All Countries	100 (84.3)	100	100	100	100	100
All Countries: £ Million	6.078	4.938	3.641	5.506	4.395	3.188

Source: Macrosty, 1932

The measures taken by the UK against economic crises had different effects on foreign trade. Table 2 presents

imports, exports and re-exports trade data of British Overseas Trade for 1924, 1930 and 1931. Compared to the 1924 figures, imports and exports to India decreased. Imports to the colonies decreased, while exports and re-exports from the colonies increased. In the Dominions, imports decreased while exports increased. British imports to the colonies decreased in 1931 compared to 1924, while exports from the colonies increased in 1931. The share of foreign countries in British foreign trade rose slightly, with the largest increases in imports and re-exports to Europe and Russia. The country where imports decreased the most was the USA. Overall, 70% of imports were to foreign countries and 30% to British colonies. In terms of exports, the colonies accounted for about 40% and other countries for 60%.

Table 2. British overseas trades (1924-1931)

Countries	Imports			Exports			Re-Exports		
	1924	1930	1931	1924	1930	1931			
Self-Governing Dominions	19.01	18.67	19.51	23.55	24.59	25.47	15.43	17.78	19.53
India	6.17	4.89	4.26	11.31	9.28	8.30	0.80	1.48	1.25
Colonies, Possessions, and Protectorates	5.03	5.56	4.96	6.81	9.64	10.07	2.66	4.32	4.38
Total: British Countries	30.21	29.12	28.73	41.67	43.51	43.84	18.89	23.58	25.16
Europe and Soviet Rusya	31.74	39.41	42.62	30.79	32.27	34.27	57.41	56.30	55.29
United States	18.88	14.70	12.08	6.74	5.03	4.40	17.56	12.93	12.51
Rest of America	11.22	10.39	10.58	8.53	9.72	7.73			
Africa	4.04	2.23	2.06	3.74	3.74	3.90			
Asia	3.83	3.96	3.61	8.52	5.70	5.83	6.14	7.19	7.04
Rest of America	11.22	10.39	10.58	8.53	9.72	7.73			
Polynesia, etc.	0.08	0.19	.032	0.01	0.03	0.03			
Total: Foreign Countries	69.79	70.88	71.27	58.33	56.49	56.16	81.11	76.42	74.84
Total: All Countries	1.277	1.044	862	801	571	389	140	87	64
£ Million									

Source: Macrosty, 1932

In the inter-war period, Britain, struggling to cope with the economic crises, experienced a period of less pressure from the Imperial colonial administration and the colonies were freed. The main objectives of British colonial policy were, in short, the provision of raw materials essential for industrial development, the expansion of raw material fields to finance the expenditures of the Colonial Empire (especially administrative and defense expenditures), finding new markets for the raw materials they produced, and improving living standards in the colonies. In 1929, the British Government enacted the Colonial Development Act covering its colonies, protectorates and mandated territories. The aim of this law was to support and develop agriculture and industry in these regions. Economic development in the colonies would support the development of trade or industry and enhance the development in the United Kingdom. As a result of the 1929 Act, new arrangements were made by the British government in the 1930s to encourage economic development in the colonies. A fund of £1 million was created to be used for colonial development. The Colonial Development Advisory Committee (C.D.A.C.) was established to administer this fund and development plans. These efforts had positive effects in some colonies in 1935. Budgetary expenditures allocated to the fund peaked in 1933, and after 1935, expenditures to the fund declined. The fields most supported by the Development Fund's expenditures in the period 1929-1939 were Internal transport and communications (30%), Public health 16, Water supply and water power (10%), Mineral resources (9%), Scientific research (7%), agricultural development (6%), etc. (Meredith, 1975). Between 1929 and March 1939, the Colonial Development Fund provided a total of £7,908,988 in aid, of which 3,082,073 were loans and 4,826,915 grants. The Fund also financed infrastructure works, especially in the field of transportation (ports, railways and highways) (T.C., 1943).

The purpose of the study is to examine the changes in Cyprus foreign trade between 1923 and 1938 as a British colony. In this context, the effects of the economic crisis after World War I and the Great Depression of 1929 on foreign trade of Cyprus (import, export, re-export, total trade) will be discussed, the countries of foreign trade will be determined, and whether European countries and other countries in search of raw materials and food in the crisis environment are involved in foreign trade, the share of Britain and its colonies in foreign trade and which colonies they were will be determined, the volume of foreign trade with the Far East and which countries they traded with, the products involved in foreign trade and whether there was a change will be determined, and a comparison of them in terms of Malta and Gibraltar's shipping and revenues will be made in this study.

The main data of the study will be the information on foreign trade in the colonial reports published annually by the Great Britain Colonial Office and the Cyprus Blue Book statistical yearbooks.

The methodology of the study is to organize and interpret the trade data of Cyprus foreign trade for the years 1923-1938 using statistical methods (tables and graphs). In the first part of the study, basic information on Cyprus foreign trade (imports, exports, total foreign trade) will be given and changes will be determined. Then, the ratio of foreign trade between Cyprus and the UK, British colonies and foreign countries to Cyprus foreign trade will be calculated as a percentage and the main countries of trade will be identified. In the second part, information on the classified products in foreign trade and the status of the main traded products in trade will be presented. In the interpretation of the statistical findings and results, the policies affecting Cyprus foreign trade and the effects of international developments on foreign trade will also be included. Shipping and finance information on Cyprus, Malta and Gibraltar will be compared in the last part of the study. The main statistical data of the study will be the statistical data for the years 1923, 1928, 1933, 1938 in order to determine the information on foreign trade for the 1923-1938 period and to determine the changes in five-year periods.

2. Literature Review

The world economy continued to grow after the 1850s until World War I, except for some sudden and short-term crises. Thanks to technological advances, especially after the Industrial Revolution of 1876, the world economy began to grow rapidly. With the effect of the Great Crisis between 1929 and 1936, world economic growth did not stop but slowed down (Hobsbawm, 2013). The treaties made by the states at the end of World War I deeply affected the economies of the defeated states (Armaoğlu, 1988). After World War I, prices fell in international markets. In 1921, the first post-war economic crisis began. Between 1922 and 1925, there was a period of revival in the world economy. In 1926-1927, a period of stagnation was observed for some countries, while the world economy generally experienced a rapid development (Tekeli & İlkin, 1997). Between 1929 and 1932, world trade decreased by 60% due to the negative effects of the Great Depression that began in late 1929. The policies implemented by states to protect their national markets and currencies against the negative effects of the world economy made economies closed inward (Flora, 1983). In this period, oil became the favorite energy source with the use of motorized vehicles in industry and transportation. Middle East oil reserves were discovered. Thus, the Middle East became the new field of power dominance in trade. While the 1929 Great Depression affected developed and industrialized countries more, its effects on developing countries were more limited (Fidan & Afşar, 2023).

Before the geographical discoveries, the Mediterranean was home to the most important sea routes for trade between Asia, Europe and Africa. Dominating the Mediterranean meant dominating trade. The importance of the Mediterranean for world trade increased even more with the opening of the Suez Canal. With the Strait of Gibraltar and the Suez Canal, the Far East was now closer for world trade. While the Mediterranean was an inland sea during the Ottoman Empire, it became the most important region for world maritime trade after 1869. The security of the Mediterranean and dominating this region was indispensable for trade. Since ancient times, Cyprus has been an important island where wars of dominance were fought in Mediterranean trade. The strategic importance of Cyprus increased even more after the opening of the Suez Canal due to its proximity to Egypt (Koç, 2022).

The Strait of Gibraltar is recognized as the key to Mediterranean trade. It is important for world trade as it is the entrance and exit gate to the Mediterranean and the shortest maritime route to the Far East through the Suez Canal (Koday et al., 2017). Gibraltar, which is closest to the Strait of Gibraltar, was strategically used as a military base by Britain for this reason. Gibraltar and the Maltese islands, which belonged to Britain before World War I, were important military bases administered by the governor. During World War I, Britain made its presence in Egypt and Cyprus permanent through unilateral annexation. Thus, it established dominance in Gibraltar, Malta and Cyprus, which were strategic points in ensuring the security of maritime trade in the Mediterranean Region (Killioğlu, 2023).

Following the transition to British rule, efforts were made to develop the Cyprus economy. The British administration carried out works such as the improvement of agricultural production, irrigation canals, road construction works, and the improvement of ports (Kaya, 2022).

Cyprus and Malta, two important islands in the Eastern Mediterranean as British colonies, underwent a different economic transformation than other countries during and after World War I. The British Royal Navy in Malta, a British colony, and Britain's military expenditures in World War I boosted its trade, but it declined after the war. Foreign trade increased in Cyprus during World War I. Thanks to Britain's balanced budget and non-interventionist policies, the effects of the crisis on the economies of Cyprus and Malta were limited (Apostolides, 2011). According to a ten-year study of Cyprus' foreign trade between 1881 and 1931, Britain and Egypt were the main countries in the period 1881-1931. According to 1931 and 1946 figures, the main countries were Britain, Germany and France (Kazamias & Panagiotou, 2016).

The lack of a comparative study on Cyprus foreign trade in the period 1923-1938 and Malta and Gibraltar, known as the British bases in the Mediterranean, had an effect on determining the subject and period of the study.

In the final part, Cyprus trade data will be compared with those of Malta and Gibraltar, which have the same strategic importance. The comparison will be made statistically for the five-year periods belonging to 1923, 1928, 1933 and 1938.

3. Methodology

As the method of the study, in order to determine the developments in Cyprus foreign trade in the period 1923-1938, commercial data for the years 1923, 1928, 1933, 1938 will be presented statistically by preparing tables and graphs and descriptive content analysis will be made. The data to be presented in this context are as follows: The general distribution of Cyprus foreign trade (imports, domestic produce exports, re-exports, total exports, total foreign trade), the share of Britain, British colonies and foreign countries in Cyprus foreign trade, the main countries of trade and their share in foreign trade, the status of classified commercial products in foreign trade and the main commercial products.

4. Cyprus Foreign Trade (1923-1938)

4.1 General Distribution of Cyprus Foreign Trade (1923-1938)

Following the transition to British rule, various changes occurred in the social, economic, administrative and cultural structure of Cyprus. Foreign trade started to develop. Britain's imperialist and expansionist policies, the presence of its colonies, its dominance in world maritime trade, and the importance it attached to the Far East trade through the Suez Canal made the island of Cyprus a strategic commercial location. Cyprus foreign trade started to rise starting from 1878. In 1878, exports amounted to £157,328, imports to £177.65 and total foreign trade to £334,979. In 1914-1915, exports totaled £550.23, imports totaled £569.216, and foreign trade totaled £1,119,455 in Cyprus, which became one of the British colonies after Britain's annexation decision with the outbreak of World War I. Compared to 1878, foreign trade increased by 234% in 1914-1915. Foreign trade continued to rise throughout the war. After the end of the war, total foreign trade increased to £1,872,822 in 1918-1919, £1,872,822 in 1920, £2,433,155 in 1921 and £2,294,324 in 1922. Between 1914 and 1922, imports were always higher than exports. During the period 1878-1922, imports and exports continued their upward trend (House of Common Parliamentary Papers, 1880) and in Cyprus Blue Book from 1887-1922.

Cyprus foreign trade fluctuated during the period 1923-1938 due to international political and economic developments, such as the economic problems following the end of World War I and the Great Depression of 1929. Imports decreased by £339,124 to £1,072,573 in 1923, compared to £1,411,69 in 1922, while exports increased by £22,522 to £893,733, compared to £871,211 in 1922. Imports decreased due to the excess imports in 1922, the decrease in the purchasing power of the people in 1923 and the existing stocks. The £22,522 increase in exports was due to the sudden demand for cereals. Exports were also affected by the purchase of livestock for shipment to Macedonia as a result of the population exchange under the Treaty of Lausanne and to areas of Greece where refugees from Anatolia had been resettled, and by good prices. Trade with Anatolia reopened. The impact of the war led to stagnation in local markets and a shortage of money (Great Britain Colonial Office, 1923).

Cyprus exports exceeded imports in 1924. This was the first time since 1912 that the balance of trade was in favor of the island. In 1911 and 1912 exports exceeded imports, in 1913 and 1914 they were approximately equalized and from 1914 onwards imports exceeded exports. In 1920 the surplus increased to £868,307, while in 1923 the surplus was £178,840. In 1924 the improvement in exports was due to an increase in mineral exports, big carob crop and prices, a major commodity, and a high demand for livestock (Great Britain Colonial Office, 1924). Imports increased by 16% to £1,840,442 in 1928 compared to £1,585,940 in 1927. The value of exports in 1928 was £1,435,767, down 6.9% from £1,542,870 in 1927. Britain and its colonies accounted for 44.06% of imports, while other countries accounted for 6% or less. These countries are France (6.97%), Greece (6.15%), Germany (6.15%), Italy (5.79%), etc. While the UK and its colonies in total accounted for 12.16%, Italy 14.42%, Egypt 15.77%, the share of other countries was below 10% in exports. The trade deficit decreased to £43,000 in 1927, but increased again to £404,600 in 1928. While imports continued to rise, indicating an increase in purchasing power, exports, which had reached a record high in 1927, fell by only 6.9 percent. This was due to a decrease in the production of some crops and insufficient stocks. Positive developments in the Cyprus economy included the increased tourist traffic, an increase in mineral production, and labor expenditures by companies whose capital was located off-island (Great Britain Colonial Office, 1927).

The fluctuations in Cyprus foreign trade (falls and rises) can be seen in Figure 3. During the Great Depression, which affected foreign trade, the value of imports in 1929 were £1,984,296, 7.2% higher than the previous year, while total value of exports was £1,635,742, and 13.9% higher than the previous year (Government of Cyprus, 1929). In 1930, the value of imports fell by 28.3% to £1,422,604 and total value of exports by 25.5% to £1,218,321 as compared to the previous year (Government of Cyprus, 1930).

The trade depression that shook the world in 1930 was also felt in Cyprus. Prior to the economic crisis, roads

had already been rebuilt in Cyprus and efforts to extend loans to farmers had already been put in place, so the effects were less than expected. The total expenditure funds resulting from the loans granted did not exceed £50,000 (Great Britain Colonial Office, 1930). In the Cypriot foreign trade in 1932, due to the effect of the economic depression and extreme droughts, the quantity and value of imports and exports decreased. The exceptions were carob, wine, raw cotton, beans, peas, cheese and shelled almonds. Imports in 1932 amounted to £1,347,288. This is a decrease of 4.7% compared to imports of £1,414,101 in 1931. This decrease was due to the fact that in 1931, due to the civil unrest in Cyprus, road and port works, both military and infrastructural supplies were imported (Great Britain Colonial Office, 1932).

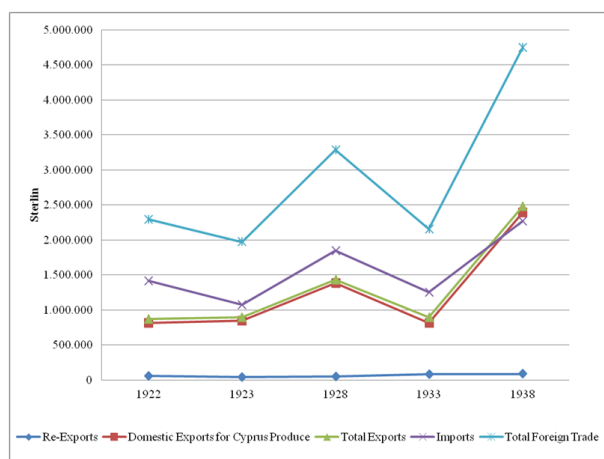


Figure 3. Cyprus foreign trade (1922-1938)
Source: Cyprus Blue Book 1923-1938

The world economic depression, the effects of the prolonged economic crisis, and local drought caused a further decline in Cypriot trade in 1933. Despite this, exports increased. The prices of commodities rose, as did their quantities and value. Imports amounted to £1,257,256 in 1933. The commodities with the largest price increases were bean oil, tobacco, mining machinery, motor oils and motor cars. In 1932 there was also an increase in the quantity of flour (wheat) imported and in the quantity of cotton goods. The main reasons for this were the prolonged drought, the abnormal cheapness of French and Italian flour, and competition from the Far East. The increase in the quantities of products was accompanied by depreciation in their value. Other products whose prices decreased as a result of the world economic depression were rice, timber, oil, gasoline and cement (Great Britain Colonial Office, 1933). Imports from Britain, Australia and India decreased. The increase in imports was also seen in cheap flour from Italy and France. The decrease in imports from Turkey was mainly due to agricultural products (Great Britain Colonial Office, 1933).

The values of imports for Cyprus were £1,419,162 in 1934, £1,481,941 in 1935, £1,485,716 in 1936, £2,219,429 in 1937 and £2,246,435 in 1938. The values of exports for Cyprus were £1,594,815 in 1936, £2,180,048 in 1937, and £2,478,256 in 1938, an increase of 13.68% (Great Britain Colonial Office, 1938).

The imports, exports of Cyprus products, re-exports of imported goods, total exports and total foreign trade figures for the years 1923, 1928, 1933, 1938 and their ratios in foreign trade are presented in Table 3. In order to evaluate 1923, 1922 was also added to the table. According to the foreign trade data analyzed in five-year periods since 1923, it is possible to make the following evaluations. The share of re-exports in foreign trade is generally very low. The lowest share of re-exports in foreign trade belongs to 1928 by 1.5% and the highest belongs 1933 by 3.8%. Total exports are largely composed of exports of Cyprus local products. Although imports are generally higher than exports, by 1938 exports exceed imports. The ratio of exports of Cyprus products in foreign trade ranged from a low of 37.7% in 1933 to a high of 50.3% in 1938. The ratio of total exports in foreign trade was lowest in 1933 with 41.6% and highest in 1938 with 52.2%. The ratio of imports to foreign trade was 58.3% in 1933 and the lowest in 1938 with 47.7% (Government of Cyprus, 1923; Government of Cyprus, 1924; Government of Cyprus, 1925; Government of Cyprus, 1926; Government of Cyprus, 1927; Government of Cyprus, 1928; Government of Cyprus, 1929; Government of Cyprus, 1930; Government of Cyprus, 1931; Government of Cyprus, 1932; Government of Cyprus, 1933; Government of Cyprus, 1934; Government of Cyprus, 1935; Government of Cyprus, 1936; Government of Cyprus, 1937; Government of Cyprus, 1938; Government of Cyprus, 1939).

According to Table 3, the changes in exports are as follows: the changes in exports are as follows: 2.3% increase in 1923 compared to 1922, 60.2% increase in 1928 compared to 1923, 37.3% decrease in 1933 compared to 1928, and 175.7% increase in 1938 compared to 1933. The changes in imports are as follows: 24% increase in 1923 compared to 1922, 71.7% increase in 1928 compared to 1923, 32% decrease in 1933 compared to 1928, and 80.3% increase in 1938 compared to 1933. According to our evaluation of the five-year periods, the most serious decrease

occurred in 1933 due to the effects of the world economic crisis. After 1935, following a recovery process, it reached its highest level in 1938. After the economic crisis caused by the consequences of World War I and the Great Crisis of 1929, Cyprus trade started to increase and the foreign trade balance improved in 1938.

Table 3. Cyprus foreign trade and its distribution (1923-1938)

	Value (Sterling)					Ratio in Foreign Trade %			
	1922	1923	1928	1933	1938	1923	1928	1933	1938
Re-Exports	63084	44853	50761	84030	88299	2.27	1.5	3.8	1.8
Domestic Exports for Cyprus Produce	812133	851202	1385215	814951	2390925	43.1	42.1	37.7	50.3
Total Exports	875217	896055	1435976	898981	2479224	45.4	43.6	41.6	52.2
Imports	1419107	1077395	1850338	1257368	2267204	54.5	56.3	58.3	47.7
Total Foreign Trade	2294324	1973450	3286314	2156349	4746428	100	100	100	100

Source: Cyprus Blue Book 1923-1938

4.2. Distribution of Countries for Cyprus Foreign Trade (1923-1938)

In the early years of British rule, foreign trade was largely dominated by the Ottoman Empire and Egypt. Shares of the Ottoman Empire and Britain in Cyprus foreign trade in 1878 are as follows: Britain 14% and Ottoman Empire 50% in imports, Britain 3% and Ottoman 25% in exports (House of Common Parliamentary Papers, 1880). Britain's share in imports increased from 3% in 1878 to 30% in 1922, and its share in exports increased from 14% in 1878 to 18.3% in 1922 (Government of Cyprus, 1923). Following the outbreak of World War I, Britain declared the British colonies, Egypt, Cyprus, America, America, and the territories belonging to the Ottoman Empire, excluding all territories occupied by the Allies, as enemies (Great Britain Colonial Office, 1914). All kinds of trade with enemy states were banned (Great Britain Colonial Office, 1915). Following this decision, Britain, British colonies, allies and neutral states took part in the foreign trade of Cyprus in Cyprus Blue Book for the year 1915-1919.

The British colonies with which foreign trade was conducted between 1923 and 1938 are Aden, Australia, British (East-South-West Africa) Africa, British East, West Indies, India, Canada, Gibraltar, Malta, Mauritius, Palestine, Sudan, New Zealand, other British Possessions. Foreign countries are as follows: Europe countries: Austria, Bulgaria, Czechoslovakia, France, Belgium, Germany, Greece, Holland, Hungary, Italy, Norway, Poland, Romania, Russia, Portugal, Spain, Sweden, Switzerland, Yugoslavia. Asia countries: Baluchistan, Castellorizo, Caucasus, China, Dutch Possessions, Dodecanese, Japan, Persia, Philippine Islands, Syria, Turkey. Africa countries: Abyssinia, Belgian Possessions, Egypt, French Possessions, Italian Possessions. America countries: Argentine, Brazil, Mexico, Peru, Venezuela, United States (Government of Cyprus, 1923; Government of Cyprus, 1924; Government of Cyprus, 1925; Government of Cyprus, 1926; Government of Cyprus, 1927; Government of Cyprus, 1928; Government of Cyprus, 1929; Government of Cyprus, 1930; Government of Cyprus, 1931; Government of Cyprus, 1932; Government of Cyprus, 1933; Government of Cyprus, 1934; Government of Cyprus, 1935; Government of Cyprus, 1936; Government of Cyprus, 1937; Government of Cyprus, 1938; Government of Cyprus, 1939).

Although Cyprus has a low commercial volume, it is on the routes of international maritime trade. The intercontinental distribution of the foreign countries with which it trades illustrates this fact. Although the number of countries is large, trade with some of them is so small that it can be considered symbolic. Nevertheless, its trade network expanded from Canada to Australia, from America to China, from Africa to Europe.

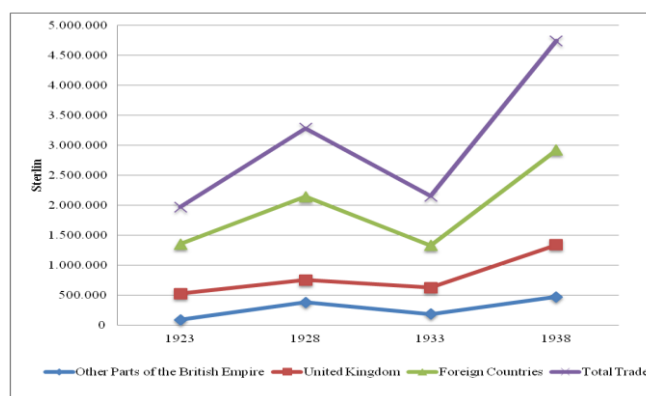


Figure 4. The UK and foreign countries in Cyprus foreign trade (1923-1938)

Source: Cyprus Blue Book 1923-1938

In Figure 4, the data on foreign trade of Cyprus for the period 1923-1938 for the years 1923, 1928, 1933, 1938 were classified in 3 groups as Britain, British colonies and foreign countries, and Table 4 and Graph 2 were prepared.

The share of imports from the UK in total foreign trade is 29.1% in 1923, 25.4% in 1928, 31.8% in 1933 and 32.9% in 1938. The UK increased its share in Cypriot imports in the years 1933-1938, which first decreased due to the impact of the crisis. The lowest share of foreign countries in imports belongs to 1928 by 55.7% and the highest belongs to 1923 by 63.5%. Imports were mainly conducted from foreign countries. The lowest share of imports from British colonies belongs to 1923 by 7.2% and the highest belongs to 1928 by 18.8%. In the period 1923-1938, 19-24% of exports of Cyprus products were conducted to the UK, while 61-77% of exports were conducted to foreign countries and 1.6-10.2% to British colonies. Re-exports were conducted to foreign countries by 80%-85% and to the UK by 6.1%-15.92%. When we look at the distribution in the total foreign trade of Cyprus in the same period, Britain was 22%-29%, British colonies 4-11%, foreign countries 61%-68%.

Data on the main countries of import and export and their status in foreign trade are presented in Table 5. In the period 1923-1938, the ratio of exports to the UK to total exports was between 19% and 25%, while the ratio of imports from the UK and the colonies to Cyprus imports was between 36% and 48%. Apart from these, the main export destinations were United Kingdom, other parts of the British Empire, Austria, Belgium, British India, Czechoslovakia, Egypt, France, Germany, Greece, Holland, Italy, Japan, Palestine, Romania, Spain, Switzerland, Turkey, USA, other countries. The top three exporting countries were Britain and its colonies, Egypt and Greece in 1923, Britain and its colonies, Egypt and Italy in 1928 and 1933, and Britain, Germany and France in 1938. The main importing countries were Britain and its colonies, Egypt, Italy in 1923, Britain and its colonies, France, Germany in 1928 and 1933, and Britain and its colonies, Austria, Greece in 1938 (Great Britain Colonial Office, 1923; Great Britain Colonial Office, 1924; Great Britain Colonial Office, 1925; Great Britain Colonial Office, 1926; Great Britain Colonial Office, 1927; Great Britain Colonial Office, 1928; Great Britain Colonial Office, 1929; Great Britain Colonial Office, 1930; Great Britain Colonial Office, 1931; Great Britain Colonial Office, 1932; Great Britain Colonial Office, 1933; Great Britain Colonial Office, 1934; Great Britain Colonial Office, 1935; Great Britain Colonial Office, 1936; Great Britain Colonial Office, 1937; Great Britain Colonial Office, 1938).

Table 4. British and foreign countries in Cyprus foreign trade (1923-1938)

	Value (Sterling/£)				Percentage (%)			
	1923	1928	1933	1938	1923	1928	1933	1938
Imports								
United Kingdom	314286	470997	400705	746916	29.1	25.4	31.8	32.9
Other Parts of British Empire	77949	348353	98372	362984	7.2	18.8	7.8	16
Foreign Countries	685160	1030988	758291	1157304	63.5	55.71	60.3	51
Total Imports	1077395	1850338	1257368	2267204				
Domestic Exports from Cyprus								
United Kingdom	205359	276926	222509	587321	24.1	19.9	27.3	24.5
Other Parts of British Empire	13482	33816	83431	107324	1.6	2.4	10.2	4.4
Foreign Countries	632361	1074473	505036	1691658	74.2	77.5	61.9	70.7
Total Domestic Exports	851202	1385215	814951	2390925				
Re-Exports								
United Kingdom	7145	6439	5127	7164	15.9	12.6	6.1	8.1
Other Parts of British Empire	3	1034	5901	6719	0.006	2	7.0	7.6
Foreign Countries	36380	43288	71794	74137	81.1	85.2	85.4	83.9
Total Re-Exports	44853	50761	84030	88299				
Total Exports								
United Kingdom	212504	283365	227636	594483	23.7	19.7	25.3	23.9
Other Parts of British Empire	14810	34850	89332	114043	1.6	2.4	9.9	4.5
Foreign Countries	668741	1117761	576830	1765795	74.6	77.8	64.1	71.2
Total Exports	896055	1435976	898981	2479224				
Total Foreign Trade								
United Kingdom	526790	754362	628341	1341399	26.6	22.9	29.1	28.2
Other Parts of British Empire	92759	383203	187704	477027	4.7	11.6	8.7	10.0
Foreign Countries	1353901	2148749	1355121	2923099	68.6	65.3	61.9	61.5
Total Foreign Trade	1973450	3286314	2156349	4746428				

Source: Cyprus Blue Book, 1923-1938

Table 5. Major countries in Cyprus imports and exports (1923-1938) percentage (%)

Countries	Exports (%)				Imports (%)			
	1923	1928	1933	1938	1923	1928	1933	1938
United Kingdom	23.8	19.73	25.59	24.56	-	-	-	-
Other Parts of the British Empire	1.7	2.43	9.9	4.49				
Total UK and Other Parts of the British Empire					36.6	44.06	39.69	48.48
Austria	-	-	-	-	1.9	1.03	1.16	6.24
Belgium	-	-	0.51	-	1.9	2.26	2	3.32
British India	-	-	-	-	-	-	-	5.4
Czechoslovakia	-	-	-	-	-	3.37	1.52	-
Egypt	27.6	15.77	14.92	6.4	12.7	4.18	5.09	2.14
France	8.4	11.1	4.84	6.95	5.2	6.97	6.56	2.4
Germany		6.52	10.07	36.4	7.7	6.15	5.97	6.3
Greece	10.1	9.57	4.45	-	5.3	6.48	5.23	4.06
Holland	-	-	4.74	6.13	1.2	1.33	1.09	-
Italy	9.7	14.42	14.13	1.4	9.2	5.79	9.09	2.78
Japan	-	-	-	-	-	-	5.14	2.03
Palestine	-	-	-	2.21	-	-	-	-
Romania	-	-	0.61	-	-	3.16	6.45	7.96
Spain	2.1	2.37	0.35	-	-	-	-	-
Switzerland	0.9	-	-	-	-	-	-	-
Turkey	1.5	0.83	0.07	-	2.3	1.39	1.83	-
United States in America (USA)	1.3	2.01	3.35	3.63	3.4	3.6	0.92	4.01
Other Countries	12.9	15.25	6.47	-	12.6	10.23	7.18	-
TOTAL	100	100	100	100	100	100	100	100

Source: Colonial Reports Cyprus, 1923-1938

4.3 Distribution of Products for Cyprus Foreign Trade (1923-1938)

Cyprus economy is based on agriculture and animal husbandry. There are also mining products. The Cyprus Asbestos Company is located near Troodos. The Cyprus Mines Corporation produced about 50,000 tons of cupriferous iron pyrites in 1923 and exported £60,000 worth of products. The Cyprus Sulphur and Copper Company has an iron and copper pyrite processing concession at Lymni in the Paphos area. It also signed a lease for the exploitation of magnesite deposits on the Akamas peninsula (Great Britain Colonial Office, 1923).

The amounts of Cyprus trade products classified by group and their share in foreign trade between 1923 and 1938 are given in Table 6.

Table 6. Products in Cyprus foreign trade (1923-1938)

Products Groups		Value (Sterlin)				Percentage (%)			
		1923	1928	1933	1938	1923	1928	1933	1938
Imports	Class 1	263080	537062	409492	478272	24.4	29	32.5	21.09
	Class 2	124496	232257	90722	226707	11.5	12.5	7.2	9.9
	Class 3	684221	1068902	756513	1539787	63.5	57.7	60.1	67.9
	Class 4	488	1490	5	612	0.04	0.08	0.02	0.02
	Total	1077395	1850338	1257368	2267204				
Domestic Produce Exported	Class 1	502845	631191	417419	717176	59.0	45.5	51.2	29.9
	Class 2	287729	691770	330182	1584320	33.8	49.9	40.5	66.2
	Class 3	27933	38078	30423	64554	3.2	2.4	3.73	2.6
	Class 4	32695	24176	36543	24875	3.8	1.7	4.4	1.0
	Total	851202	1385215	814951	2390925				
Re-Exports	Class 1	3826	1565	539	1953	8.5	3.08	0.6	2.2
	Class 2	5362	1398	1072	370	11.9	2.7	1.2	0.4
	Class 3	33343	46500	60010	84890	74.3	91.6	71.4	96.1
	Class 4	0	1089	0	0	0	2.1	0	0
	Total	44853	50761	84030	88299				

Source: Cyprus Blue Book 1923-1938

Principal articles imported into Cyprus, during 1919 to 1923:

Class I- Food, drink and tobacco: Animals living, beans and peas, beer, ale and all other malt liquors galls, biscuits and bread, butter, cheese, cocoa, chocolate, chicory, coffee, corn, barley, oats, vetches, wheat, bran, wheat, meal or flour, oil of olive, rice, spirits of all sorts, spirituous compounds, liqueurs, tea, tobacco unmanufactured (Tumbeki), Tumbeki or Persian Tobacco, cigar, cigarettes and snuff, wine, sparkling in bottle galls. The top five

products in this group are: Tobacco (Tumbeki), sugar, flour and coffee.

Class II- Raw materials and articles mainly unmanufactured: Coal, copper sheets, bottoms, bars and nails, drugs (not medicine), hides and skins, iron, pig, iron bars, oil of linseed oil, mineral, lubricating, petroleum, steel, timber, tin, bars and ingots, tin plates, zinc.

Class III- Articles wholly or mainly manufactured: Arms and ammunition (guns and pistols, blasting powder, dynamite, cartridges, caps and fireworks, gunpowder, shot), books, cotton manufactures, cotton yarn and thread, iron and steel manufactures, machinery, parts, soap, perfumed or toilet, stores government and military, woolen manufactures etc.

Class IV- Miscellaneous and unclassified articles: Animals, living (horses, monkeys), other articles (Government of Cyprus, 1923; Government of Cyprus, 1924; Government of Cyprus, 1925; Government of Cyprus, 1926; Government of Cyprus, 1927; Government of Cyprus, 1928, Government of Cyprus, 1929; Government of Cyprus, 1930; Government of Cyprus, 1931; Government of Cyprus, 1932; Government of Cyprus, 1933; Government of Cyprus, 1934; Government of Cyprus, 1935; Government of Cyprus, 1936; Government of Cyprus, 1937; Government of Cyprus, 1938; Government of Cyprus, 1939).

In Figure 5, in the period 1923-1938, Class III had a share between 57 and 67% in imports, while Class I had a share between 21% and 32%. As seen in Class 3, the lowest level of imports is in 1923. Imports increased in 1928 before decreasing again in 1933. The year with the highest value of imports is 1938.

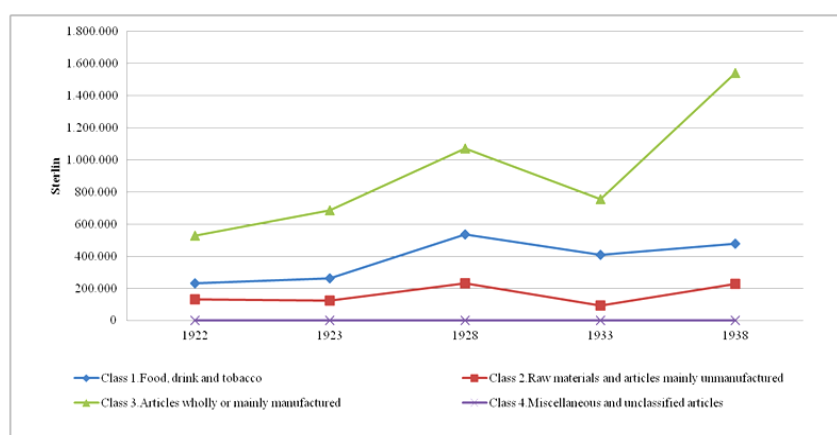


Figure 5. Classified product distribution of Cyprus Imports (1923-1938)
Source: Cyprus Blue Book 1923-1938.

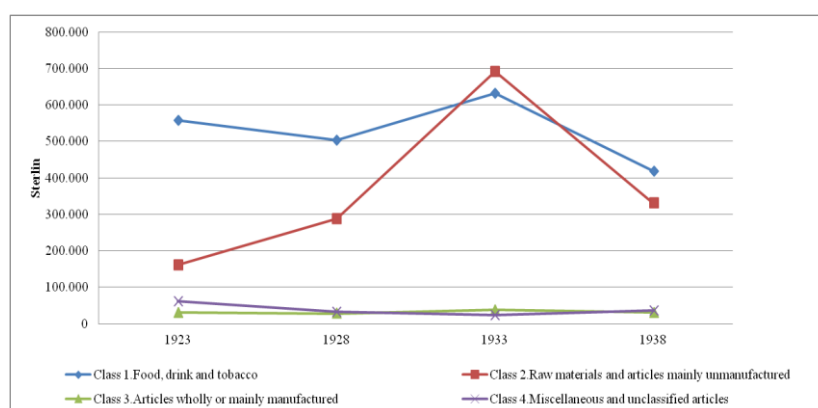


Figure 6. Classified product distribution of Cyprus local product exports (1923-1938)
Source: Cyprus Blue Book 1923-1938.

Principal articles of domestic produce exported from Cyprus, during 1919 to 1923:

Class I- Animals, living (oxen, sheep, swine, poultry, goats), carobs, cheese, barley, wheat, fruit (grapes, lemons and oranges, pomegranates, raisins, salt, spirit, vegetable (onions, potatoes), vinegar, wines (Command aria), tobacco unmanufactured.

Class II- Aniseed, asbestos, cotton, cotton seed, flax, hides and skins, linseed, magnesite, ore, pyrites, silk cocoons, sponges, terra umbra, terre verte, wool.

Class III- Cordage and twine, cotton manufactures, gypsum, leather (boots and shoes), etc.

Class IV- Animals, living (donkey, camels, horses, mules).

As seen in Figure 6, between 1923 and 1938, Class I accounted for 29%-59% and Class II accounted for 33%-66% in exports of Cyprus local products.

Re-exports are conducted in very low quantities in Cyprus foreign trade. Between 1923 and 1938, Class III accounted for 71-96% of Cyprus re-exports.

Principal articles re-exported from Cyprus, during the years 1919 to 1923:

Class I- Wheat, meal or flour, tobacco.

Class II- Brass and copper, coal, iron.

Class III- Cotton manufactures, leather, stores government and military.

Class IV- Silk-worm eggs.

Amounts and quantities of the principal export products from Cyprus as of 1933 are:

1- Pyrites 209.970 tons, £195.779.

2- Carobs, wholly 26.507 tons, £89.268, carobs ground 6.721 tons, £28.661.

4- Fruit (lemons, oranges, raisins), £96185.

5- Wine 1.128.094 gallon, £48.594.

6- Potatoes: 227.571 sacks, £ 46.978.

7- Asbestos: 4567 tons, £44.088.

8- Animals living: donkeys 1394, £4.491; mules 1643, £30.684; oxen 2.675, £26743 total value £61.918.

In the same year, carob, oranges, raw silk and wine were exported to the United Kingdom; potatoes, lemons, oranges and raw cotton were exported to Greece; pyrite, carob, oranges, raisins, pyrite and carob were exported to Germany; pyrite and carob were exported to the Netherlands; and asbestos and wool were exported to the United States. The countries and main products imported were wheat flour from British India and Australia, tobacco leaves from Greece, machinery from the USA, iron rods from Belgium, silk products from France, oil, gasoline and timber from Romania, mining machinery from Germany.

Amount of main export products and the main countries to which they are exported as of 1938 are:

1- Cupreous concentrates: £768.247 (Germany, and USA).

2- Cupreous pyrites: £488.593 (Holland, Germany, France, Romania, Italy, Belgium, USA).

3- Carobs: £293.051 (United Kingdom).

4- Citrus fruit: £100.874 (United Kingdom and Scandinavian countries).

5- Asbestos: £88.291 (USA, Denmark, United Kingdom and Sweden).

6- Wine: £1.596.790 (Egypt, United Kingdom, Malta and Sudan).

Other export products are potatoes, metallic residues, animals living and wool respectively. The main products exported to the United Kingdom are carobs and asbestos (Great Britain Colonial Office, 1933).

Raw materials in Cyprus exports consisted of raw materials needed by Europe. Industrializing European countries produced 58% of pig iron and 56% of steel. Europe produced 70% of the world's cotton spindles and 75% of the world's woolen spindles. These products produced in Europe were essential for the industrialization of other countries. The number of cotton spindles, which was more than 10 million in Europe, Brazil and China, India and Japan, the Far East countries, in 1913, reached 18 million in 1924. In the weaving industry, the number of looms in India and Japan reached 120 thousand in 1913 and 200 thousand in 1922. Europe needed raw materials to sustain its industrial sector and food for the population. The main products were tin, copper, timber, wheat, cotton, wool. Undeveloped countries needed technology and industrial products; however, Europe needed raw materials and food. 64% of world trade therefore passed through Europe before World War I (Litman, 1926). These are the reasons for the predominance of European countries in Cyprus exports. Cupreous concentrates, cupreous pyrites, asbestos, which Europe was looking for, were the products that were produced and exported in Cyprus during this period. Food products and live animals were also indispensable export products. Cyprus was also among the new markets for goods produced in Europe (Litman, 1926).

5. Cyprus, Malta, Gibraltar Shipping and Finance (1923-1938)

Cyprus, Malta and Gibraltar, three strategic countries under British colonial rule, despite their small size, were the silent protectorates of international maritime trade, especially British trade, with the presence of the British army.

Gibraltar is 4 or 5 miles from the Bay of Gibraltar. Gibraltar is a narrow peninsula running south from the southwest coast of Spain. Its length is 22 miles and its greatest width is 2 miles. It is a free port, an extension of trade between Britain and the Arab states in North Africa. The British navy has positions at three different points (north, detached and south). Gibraltar came under British rule in 1713 with the Treaty of Utrecht. British rule continued with the Treaty of Versailles in 1783. Gibraltar's main foreign trade products are spirits, beer, tobacco, and motor spirits. The island's revenues are derived from customs fees, license taxes and rental income from the buildings used by the British administration. The presence of the British army and navy has an important place in

its economy. After September 12, 1922, Gibraltar was governed by the Governor, who was also the garrison commander. It is of strategic importance, used by Britain as a military base to ensure the security of trade routes (Great Britain, 1930).

The island of Malta is located in the Mediterranean Sea. It is 58 miles from Sicily, 80 miles from Syracuse and 142 miles from Reggio. It is 180 miles from Africa. Malta is about 17 miles long and 9 miles wide. Although Malta is a small island, it is an important part of the maritime trade in the Mediterranean trade, especially Tunis, Algeria and Italy. British rule in Malta began in 1800. With the 1814 Treaty of Paris, it was included in the territory of the British Kingdom. Britain maintains a military base in Malta, which it sees as strategic for the security of Mediterranean trade and sea routes (Great Britain, 1932).

The island of Cyprus is better off than Malta and Gibraltar in terms of agriculture, farming, animal husbandry, minerals and foreign trade resources. However, the presence of the British army in Malta and Gibraltar also affected shipping. The amount of transportation in Cyprus, Malta and Gibraltar and the amount of cargo carried by the British ships are given in Figure 7. According to these figures, Table 7 shows the percentage of total tonnage and the amount of cargo carried by British ships compared to the previous period. The percentage of British ships in total tonnage is also calculated and given in the same table.

The total tonnage of shipments to Gibraltar was higher than to Malta and Cyprus in the period 1923-1938. The total tonnage of Gibraltar increased by 12.93% in 1928 compared to 1923, 67.06% in 1933 compared to 1928, and 35% in 1938 compared to 1933. The amount of cargo carried by British ships in Malta Island increased by 19% in 1928 compared to 1923, 35% in 1933 compared to 1928, and 24% in 1938 compared to 1933. While the share of British ships in total cargo was at its highest 60% in 1928, this rate decreased to 44.9% in 1938. The total amount of transported cargo increased by 154% in 1938 compared to 1923.

In 1928, the total amount of cargo in shipping on Malta Island decreased by 1.73% compared to 1923, while in 1933 it increased by 13.24%. It continued to increase by 16.57% in 1938 compared to 1933. The amount of cargo carried by British ships in Malta transportation increased by -0.85% in 1928 compared to 1923, by 19.92% in 1933 compared to 1928, and by 8.51% in 1938 compared to 1933. The total amount of cargo carried increased by 34% in 1938 compared to 1923.

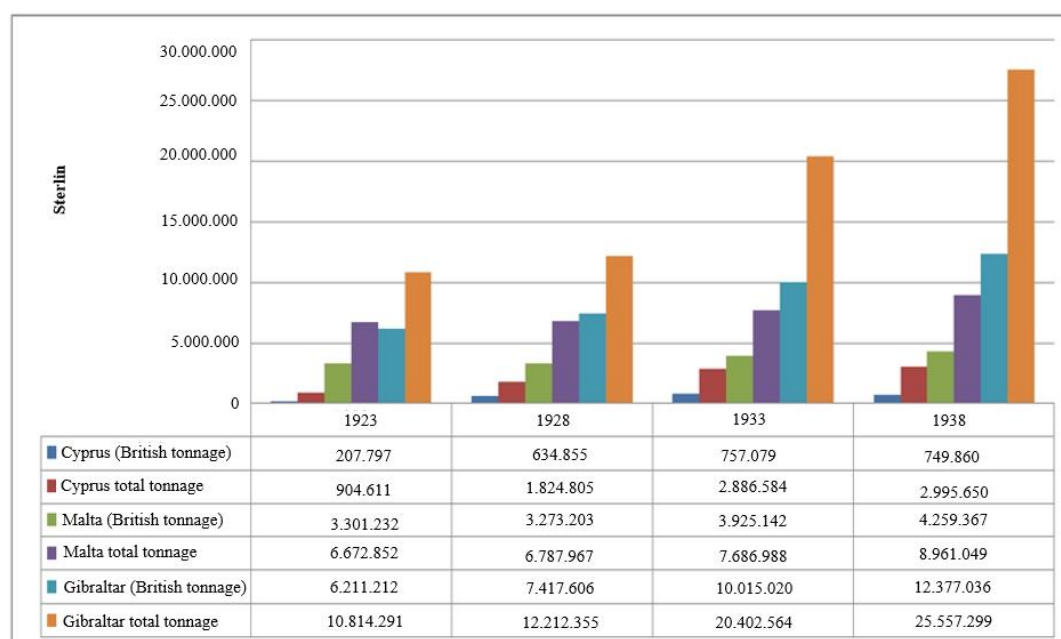


Figure 7. Total shipping and British shipping to Cyprus, Malta and Gibraltar (1923-1938)

Source: Colonial Office Lists, 1923-1940.

The total amount of cargo of the Island of Cyprus by shipping increased by 101.72% in 1928 compared to 1923, 58.19% in 1933 and 3.78% in 1938 compared to 1933. While the amount of cargo carried by British ships increased by 205.52% in 1928 compared to 1923, by 19.25% in 1933 compared to 1928, it decreased by -0.95% in 1938 compared to 1933. The total amount of cargo carried increased by 219% in 1938 compared to 1923.

As a result, half or more of the Gibraltar and Malta cargo was carried by British ships. The amount of cargo carried by British ships in the Cyprus cargo varied between 22% and 34% of the total cargo. The share of non-British countries in foreign trade of Cyprus was 65%-77%. Shipping increased in all three countries during the period 1923-1938. The only exception is Malta, where the amount of cargo carried by British ships in 1933 was

very low compared to 1928.

The financial situation of Cyprus, Malta and Gibraltar is given in Figure 8. When the revenues for the years 1923-1938 are analyzed in five-year periods, there was an increase in all three countries. Gibraltar had the lowest income and Malta the highest. Although Gibraltar received the highest amount of cargo in shipping, it had the lowest income. This can be explained by the British military presence. Revenues of Cyprus Island increased by 80% in 1938 compared to 1923. Revenues of Malta Island increased by 55.8% in 1938 compared to 1923. However, Gibraltar increased its income by 38% in 1938 compared to 1923.

Comparing the expenditure situation of the three countries in 1938 with 1923, Cyprus experienced an increase of 55.83%, Malta 83% and Gibraltar 19%. Cyprus revenues were higher than expenditures in 1928-1938. The income-expenditure situation in Malta and Gibraltar appears to be balanced despite small differences.

Table 7. Total shipping and British shipping to Cyprus, Malta and Gibraltar (1923-1938)

	Shipping Rate of Change Compared to Previous Year %					
	Cyprus		Malta		Gibraltar	
	British Tonage %	Total Tonage %	British Tonage %	Total Tonage %	British Tonage %	Total Tonage %
1922-1923	-2.86	-4.71	16.91	19.62	-11	-7.64
1923-1928	205.52	101.72	-0.85	1.73	19	12.93
1928-1933	19.25	58.19	19.92	13.24	35	67.06
1933-1938	-0.95	3.78	8.51	16.57	24	35

	Shipping British and Other Countries (percentage %)					
	Cyprus		Malta		Gibraltar	
	British Tonage %	Other Tonage %	British Tonage %	Other Tonage %	British Tonage %	Other Tonage %
1923	22.97	77.03	49.47	50.53	57.43	42.57
1928	34.79	65.21	48.22	51.78	60.73	39.27
1933	26.22	73.78	51.06	48.94	49.08	50.09
1938	25.03	74.97	47.53	52.47	44.91	55.09

Source: Colonial Office Lists, 1923-1940.

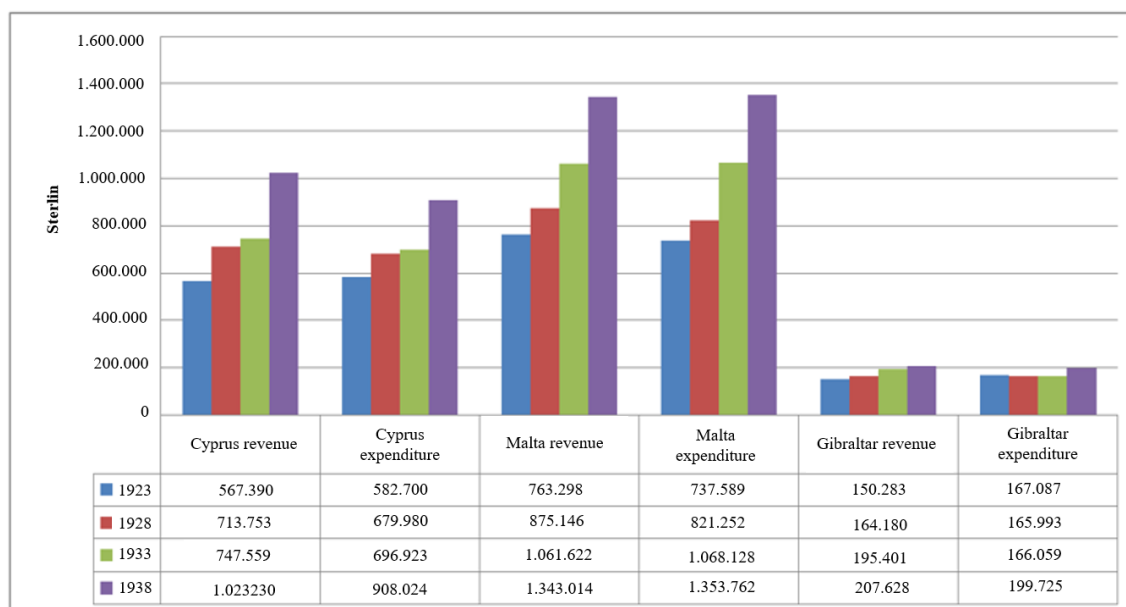


Figure 8. Income and expenditure situation of Cyprus, Malta and Gibraltar (1923-1938)

Source: Colonial Office Lists, 1923-1940.

6. Conclusions

After the transition from Ottoman rule to British rule, the volume of Cyprus foreign trade increased between 1878 and 1914. As a result of the Ottoman Empire's support for Germany in World War I, Britain unilaterally annexed the island of Cyprus. Following the annexation, trade with enemy states, including the Ottoman Empire,

was cut off. While foreign trade did not decline despite the war, it reached the highest figures of the period 1878-1914. During the war period, the share of imports was higher than exports. Britain, British colonies and allied states dominated trade. Neutral countries were also allowed to trade in Cyprus. Therefore, the number of trading countries increased during the war period. With the Treaty of Lausanne signed in 1923, the annexation decision of Cyprus by Britain was officially recognized. In 1925, Cyprus became a Crown Colony and came under British colonial rule. In 1923, exports decreased by 2% and imports by 24% as compared to 1922. In 1924, exports continued to increase by 42% and imports by 15%. This increase was driven by the demand for food and livestock from Greece. The decreases in exports in 1925 and 1926 as compared to the previous year were 5% and 8%. In 1927, the increase was 35% as compared to the previous year. In 1928, exports decreased by 4%. In 1929, exports increased by 14% and imports by 7%. In late 1929, the negative impact of the Great Depression began to affect foreign trade after 1930. In 1930, exports decreased by 26% and imports by 28% compared to the previous year. In 1931, the decrease was 34% in exports and 22% in imports. After a partial recovery in 1932, exports and imports fell by 5% and 43% respectively in 1933. After 1934, a recovery began. In 1936, the increase in exports was 34%. While the increase in imports was 49% in 1927, exports rose by 37%. By 1938, the upward trend continued, despite at a slower pace. In 1938, exports increased by 14% and imports by 2%. By 1938, exports increased by 176% and imports by 110% as compared to 1923. The increase in foreign trade was driven by the increase in the number of countries, the diversity of commercial products and price increases. Local and global developments affecting foreign trade can be summarized as follows: The decline in the purchasing power of the people, rising prices, stagnation in the markets, decline in crops as a result of drought, competition in some products in international markets, decrease in imports from England, Australia and India, sudden demands, abundant and productive agricultural products without drought affected foreign trade positively or negatively. The foreign trade balance became more balanced in 1938.

In the period 1923-1938, exports rate to the UK were between 19% and 25%, exports rate to British colonies were between 1.6 and 9.9%, exports rate to foreign countries were 64% and 77% and imports rate from the UK were between 25% and 32%, imports rate from British colonies were 7% and 18%, and imports rate from foreign countries were between 51% and 63%. Apart from the UK, the main export destinations in 1923 were Egypt and Greece. In 1928 and 1933, England and its colonies, Egypt and Italy were in the top three. In 1938, England, Germany and France were at the forefront of foreign trade. The main importing countries were England and its colonies, Egypt and Italy in 1923; England and its colonies, France and Germany in 1928 and 1933; and England and its colonies, Austria and Greece in 1938. The share of other countries in imports is below 10%. As the number of countries engaged in foreign trade increased, the number of products also increased accordingly. Main exported products were pyrites, carobs, fruit (lemons, oranges, raisins), wine, asbestos, potatoes, cheese, animals living (donkeys, mules, oxen), cupreous concentrates, cupreous pyrites, zinc ore, chromium ore, iron drums. Terra umbra, etc. Main imported products were coffee, wheat, wheat flour, tobacco (Tumbeki), asphalt and bitumen, petroleum, timber, etc.

As a conclusion, while Cyprus foreign trade followed a course of ups and downs despite the economic crises in the period 1923-1938, its geography expanded to America, Africa, Australia, Europe and Asia. The number of countries of foreign trade increased rapidly. As a result of the policies pursued under the British colonial administration, Cyprus foreign trade reached new markets for imports, exports and re-exports. By 1938, Cyprus foreign trade was integrated into international trade.

The policy of European countries to meet the raw material and food needs of their industries and to find new markets for their own products also had an impact on foreign trade of Cyprus. The minerals of Cyprus increased production and these raw materials constituted the most important part of exports. Malta and Gibraltar, the other two British colonies in the Mediterranean, which were geopolitically and strategically located in the same region as Cyprus, increased their maritime transportation between 1923 and 1938 despite the economic crisis. The revenues of the three countries also increased. In financial terms, Cyprus increased its revenues the most. From 1928 onwards, the island's revenues exceeded its expenditures. Gibraltar was the country with the highest level of shipping but the lowest income. It is possible to say that the shipments were military rather than commercial. Between 40% and 60% of the shipments were made by British ships. Malta is a country whose shipments increased with the British military presence. Half of Malta's shipments were also made by British ships. In these two countries, it can be said that military shipments were carried out more than commercial shipments. The share of British ships in Cyprus shipping varied between 1/3 and 1/4. Approximately 70% of the shipping was carried out by foreign ships. Countries from almost all continents took part in trade. Therefore, it can be concluded that the Cyprus Island was more commercially integrated into the international shipping. About 30% of foreign trade of Britain was carried out with its colonies. Policies were created to support the colonies to improve the British economy. Although Cyprus received little in the way of credit and support, it increased its foreign trade in the face of the economic crisis.

Data Availability

The data used to support the research findings are available from the corresponding author upon request.

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Conflicts of Interest

The authors declare no conflict of interest.

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