

The main point of this work is to give to the readers a compact overview of the economic impact of the Turkish invasion which took place in 1974 on the economic development of Cyprus since then till the present time. Within the frame of our analysis there will be taken into account the division of Cyprus due to occupation into Greek and Turkish part and the economic impact will be examined in both parts separately. The stress will be laid on studying the development of macroeconomic variable GDP and his components in both economies. Special attention is going to be paid to the difference in the economic development between Greek and Turkish part of the island and to the difficult way of Cyprus to the European Union which lead in the accession of the Greek part only.