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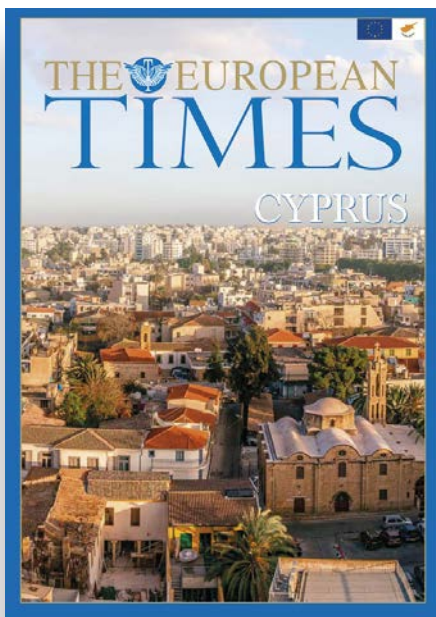
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A Growing International Business Centre

Cyprus is the third largest and third most populous island in the Mediterranean, counting a population of little over 1.2 million inhabitants. Located south of Turkey, west of Syria and Lebanon, northwest of Israel, north of Egypt, and southeast of Greece, Cyprus is a major tourist destination in the Mediterranean, as well as one of the most attractive investment destinations.

With an advanced high-income economy and a very high Human Development Index, Cyprus is stable, modern, democratic and forward-looking society which has made significant progress in recent decades, especially after joining the European Union on 1 May 2004 and the eurozone on 1 January 2008. The country is a member of the Commonwealth since 1961 and was a founding member of the Non-Aligned Movement.

Cyprus, officially the Republic of Cyprus, has de jure sovereignty over the entire island, including its territorial waters and exclusive economic zone, with the exception of the Sovereign Base Areas of Akrotiri and Dhekelia, which remain under British control according to the London and Zurich Agreements. However, Cyprus is de facto partitioned into two main parts: the area under the effective control of the Cypriot Government, located in the south and west, and comprising about 59% of the island's area; and the north, administered by the self-declared Turkish Republic of Northern Cyprus, covering about 36% of the island's area. Another nearly 4% of the island's area is covered by the UN buffer zone. The division of the island occurred in 1974, when Turkey invaded Cyprus, an occupation viewed as illegal under international law and the

UN Charter. The international community considers the northern part of the island as territory of the Republic of Cyprus occupied by Turkish forces. The Turkish invasion, the ensuing occupation and the declaration of independence by the TRNC have been condemned by United Nations resolutions, which are reaffirmed by the Security Council every year. Successive rounds of UN-sponsored talks between the Greek and Turkish Cypriot communities to resolve the Cyprus problem and reunite the country have been so far fruitless, but reunification talks resumed on 15 May 2015 and the Government of Cyprus remains committed to the Secretary-General's mission of good offices and to a sustained process that will facilitate a comprehensive settlement.

Remarkable economic performance of the economy

The Cyprus open, free-market, service-based economy has performed remarkably well in the last several decades, weathering significant external shocks and taking advantage of a number of different opportunities. The economy of Cyprus is classified by the World Bank as a high-income economy and was included by the International Monetary Fund in its list of advanced economies in 2001. Cyprus promotes its geographical location as a 'bridge' between the East and the West, complemented with its educated English-speaking population, moderate local costs, good airline connections, and great quality of life. A key driving force has been the openness and the responsiveness to international markets and a successful partnership between the private and public sectors. The



Government continually invests in infrastructure essential for growth, and the private sector exploits opportunities and global markets, such as those of the Arab World, Eastern Europe and Russia. Economic policies have been overall appropriate, providing a supportive framework of exchange rate and financial stability and expansionary fiscal policy, all these resulting in reasonable price stability, strong employment growth and rising living standards. In order to strengthen the competitiveness of the economy, the Government implements a series of development measures focused on encouraging employment, attracting foreign investment, support tourism, encouraging land development and green growth, facilitating the financing of SME's and stimulating investment.

Highest economic growth in 10 years

In 2017, Cyprus recorded its best growth in a decade, mainly due to the record tourist arrivals and a resurgence in construction. The island's GDP expanded by 4% in 2017, up from 3% registered in 2016. In the last three months of 2017, Cyprus notched up its 12th consecutive quarter in positive growth with GDP rising 1.1%, recording positive growth rates in manufacturing, trade, hotels and restaurants, and construction. The European Commission said predicts a slight ease of the economic growth for 2018 and 2019, to 3.2% and 2.8% respectively.

In 2015, Cyprus exited a three-year recession that was triggered by a banking crisis and since then is of the fastest growing economies in Europe.

A reputable international services hub

Capitalizing on its strategic location, Cyprus has developed through the years into a reputable international services hub especially in the banking and shipping activities. Since Cyprus's accession to the European Union, its role as a business bridge between Europe, Asia and Africa has been further enhanced.

In addition to its strategic location, Cyprus has a number of comparative advantages, including EU membership, market-oriented economy, macroeconomic stability and performance, highly educated, qualified and multilingual workforce, simple doing-business administrative procedures, low set up and operating costs, favourable tax regime, well developed socio-economic infrastructure, broad range and international quality of financial and business services, well developed banking sector, an active Stock Exchange and robust Securities and Exchange Commission, advanced transport and telecommunications network, high quality of life, a stable political and legal system, etc.





Strong Government Focused on Growth and Stability

The Republic of Cyprus is a unitary presidential representative republic, whereby the President is both the Chief of State and the Head of Government. The country's Constitution was ratified on 16 August 1960, and most recent amendments were made in 2016. The country proclaimed its independence on 16 August 1960. The national holiday is Independence Day, celebrated on 1 October.

Government organization

Executive branch

Cyprus's Chief of State and the Head of Government is the President, currently Nicos Anastasiades (since 28 February 2013). The President appoints the Council of Ministers.

Legislative branch

Cyprus's legislative branch is a unicameral House of Representatives or Vouli Antiprosopon with 80 seats, out of which 56 are assigned to Greek Cypriots and 24 to Turkish Cypriots, but only those assigned to Greek Cypriots are filled. MPs are directly elected by both proportional representation and preferential vote for five-year terms.

Judicial branch

Cyprus is a mixed legal system of English common law and civil law with European law supremacy. At the international level, Cyprus accepts compulsory ICJ jurisdiction with reservations and accepts ICtJ jurisdiction. The highest courts in the country are the Supreme Court of Cyprus, which consists of 13 judges including the Court President, which are appointed by the President upon the recommendation of the existing Supreme Court judges and can serve until age 68. Subordinate courts include district courts; Assize Courts; Administrative Court; specialized courts for issues relating to family, industrial disputes, military, and rent control, district and family courts.

Elections

Cyprus has universal suffrage and all citizens age 18 or older may vote. The President is directly elected by absolute majority popular vote in two rounds if needed for a five-year term. The Council of Ministers are appointed by the President.

Administrative System

The territory of the Republic of Cyprus is divided in six districts; Famagusta (Amochostos), Kyrenia, Larnaca, Limassol (Lemesos), Nicosia (Lefkosia), and Paphos.

Government

The members of the Council of Ministers are appointed by the President.

Nicos Anastasiades
President

Nicos Christodoulides
Minister of Foreign Affairs

Harris Georgiades
Ministry of Finance

Constantinos Petrides
Ministry of Interior

Savvas Angelides
Ministry of Defence

Costas Hambiaouris
Ministry of Education and Culture

Vasiliki Anastasiadou
Ministry of Transport, Communications and Works

Giorgos Lakkotrypīs
Ministry of Energy, Commerce,
Industry and Tourism

Costas Kadis
Ministry of Agriculture, Natural
Resources and Environment

Zeta Emilianidou
Ministry of Labour and Social Insurance

Ionas Nicolaou
Ministry of Justice and Public Order

Constantinos Ioannou
Minister of Health

Natasa Pilides
Junior Minister for Shipping

Prodromos Prodromou
Government Spokesperson

Klelia Vasiliou
Deputy Government Spokesperson

Vasilis Palmas
Undersecretary to the President

Petros Demetriou
Head of the President's Office



An Economy which is Exceeding Expectations

Harris Georgiades, Minister of Finance



With a predicted stable GDP growth of 2.5% until 2019, Cyprus continues being one of the fastest developing European economies. Harris Georgiades has been at the helm of the Ministry of Finance in the crucial years during which the country managed to overcome the consequences of the economic and financial crisis.

European Times: What are the major achievements done during your mandate?

Harris Georgiades: Four years ago, we were facing an unprecedented economic and financial crisis. The pace of our recovery has been tremendous. We worked closely with the International Monetary Fund and the European institutions in a focused and ambitious manner, and now we have an entirely different situation. We have restored the growth prospects of our economy. Cyprus now enjoys one of the highest growth rates amongst the European countries, close to 3% of the GDP. We are implementing a growth-friendly economic policy, which includes many incentives for new business and investments, a very stable and attractive tax regime, as well as support for entrepreneurship across the sectors.

European Times: Cyprus exceeded all expectations in exiting recession in 2015 just two years after the crisis. The Eurogroup hailed the country as a success story in meeting targets a year earlier than expected. Which steps did you take to achieve this? How did you improve the quality of the banking and financial services?

Harris Georgiades: The successful recovery and successful exit from the support program were to a larger extent a result of the improvement in the outlook for Cyprus. The growth of the economy, the gradual reduction in unemployment, the restoration of the soundness of the banking sector and the materialisation of the number of investments were mutually reinforcing processes which have enabled the recovery and continue to create business and investment opportunities. The growth potential in Cyprus

is very significant, and the country has strong competitive advantages in a number of sectors. Tourism, for example, has been a huge success, becoming a vital industry.

Regarding banking and financial services, we made changes in the regulatory framework, supervision is now conducted essentially by the European Central Bank, and corporate governance was significantly enhanced. A series of other steps were taken through a joined effort of the government, the supervisors and the banks themselves, enabling the restoration of the confidence towards our banking sector. Now we have a smaller, but a much healthier banking sector which can finance the needs of the economy from a much more credible and sustainable basis. Cyprus has confirmed that it offers a unique hub of expertise, local know-how and very well trained workforce. Our modern and efficient legal and supervisory framework have enabled the banking and finance services to remain stable, to retain their potential and be one of the fundamental pillars of the Cypriot economy.

European Times: There appears to be some controversy concerning the privatisation of the telecommunications company CYTA. You have further recommended privatising the state lottery and the Cyprus stock exchange. What would these measures mean regarding investment opportunities?

Harris Georgiades: We are ready to utilise all available tools which will further encourage the influx of investments, bring in know-how, expertise and improve the competitiveness and productivity of our economy. We have a program which includes privatisation, concessions and licensing. Through this program, we are licensing what is going to be the largest integrated casino resort in Europe, a project which will commence during 2017. We have seen the privatisation of the largest port, that of Limassol and

we want to continue along the same path to include the second sea port of Larnaca, by the end of this year.

We have some attractive government owned real-estate including an excellent estate in the mountainous resorts of Troodos which we want to licence out to investors, and likewise with the state lottery. Finally, we also see the scope for a strategic investor in joining the government in the ownership and management of CYTA, and despite the hesitations on behalf of the parliament we hope that we shall find a way forward.

European Times: Cyprus has hosted for the first time an Annual General Meeting of the European Bank for Reconstruction and Development (EBRD). How did this event promote Cyprus as an investment hub?

Harris Georgiades: It was a major event for Cyprus, gathering around 2.000 people, decision makers and government officials, but also private sector representatives, bankers, investors, and businesspeople. This major annual event was also an opportunity which we used to emphasise the close ties we have with the EBRD, as one of the largest international financial institutions.

European Times: What is your personal message?

Harris Georgiades: My personal message would relate to our experience that implementing a growth-friendly economic policy, paired with private sector support and encouragement is delivering results. That is what we have been doing in Cyprus over the last few years, and this is what we should continue doing in the future. Cyprus is a credible and reliable member of the European Union, an excellent and safe destination to do business, which investors should seriously explore.





A Thriving Business Hub with Numerous Opportunities for Investment

Cyprus has long established itself as a thriving business hub, with a vast array of investment opportunities in key growth sectors of the economy. Strategically located in the Eastern Mediterranean, nestled on the crossroads between three continents, Cyprus' impressive economic performance has been accompanied by wide-sweeping reforms and investments targeting the modernization of its logistics infrastructure. With unemployment decreasing by 6% over the last three years and GDP growth rising to 4% in the fourth quarter of 2017, Cyprus is among the most stable countries in the region and among the preferred destinations for international investors. Overall, GDP grew by 3.9% in 2017 as strong private consumption and solid export growth, including services exports from tourism, boosted the economy. Growth forecasted remain robust over 2018 and 2019, and unemployment is expected to be further reduced from 11% to 9.3% by 2019.

Cyprus ranks among the top ten countries in the European Union on key financial indicators. In the third quarter of 2017, Cyprus had the largest year-on-year drop in government debt to GDP ratio of 7.4% in the EU, and growth is expected to remain strong in 2018 and 2019 coupled with a strong labour market and modest inflation. The economy

of Cyprus has outperformed the government's budgetary targets, and government debt is likely to fall below 100% of GDP in 2019. Data for the third quarter of 2017 show a 3.9% increase in GDP and 3.5% increase in employment compared to the same period in 2016.

Cyprus is a modern, cosmopolitan, transparent business centre which offers opportunities for investment across a wide range of sectors. The laws and regulations, systems and infrastructures, are all continuously enhanced and Cyprus is committed to offering a high-quality service in a duly regulated environment in order to ensure the best possible experience for investors and business people worldwide. Furthermore, an English-based system of education, reliable and affordable health services, booming tourism industry as well macroeconomic stability boosts Cyprus' credentials as a desirable investment destination. The small, high-educated country supports unique clusters of expertise and service capability to support key growth sectors of the European economy. Cyprus, which is famous for its warm, hospitable and welcoming people, has transformed itself into one of the most attractive FDI destinations in the region.



Access to the markets of three continents

Cyprus is geographically located between three continents, Africa, Europe, and Asia, which strengthens its position as a major Eastern Mediterranean trading post as well as a renowned international business and services centre. Its strategic location as ideal investment gateway allows Cyprus to act as a point of exchange between these three continents, therefore, offering businesses easier access to new markets. This positioning also makes the island an active transshipment centre that facilitates the shipment of goods into and out of the European Union, effectively qualifying it as a robust and modernized business hub with easy access to a market of 500 million EU citizens, as well as the markets of Turkey, the Middle East and North Africa.

Beneficial tax systems

Cyprus offers an efficient, transparent and attractive tax structure which fully adheres to EU, OECD, and International regulations. The country's tax resident companies benefit from its extensive double taxation treaties with over 43 countries worldwide, with new tax agreements underway.

Profits of Cyprus tax resident companies are taxed at a flat rate of 12.5%, which is the lowest corporate income tax rate in EU. Foreign sourced dividends are generally exempt from tax when received by Cypriot tax resident companies. Furthermore, disposals of shares and other qualifying securities (such as corporate bonds) are exempt from tax provided the disposed company does not hold any immovable property in Cyprus. Generally, no withholding taxes on payments from the island. Profits of foreign Permanent Establishments (PE) are exempt from taxation, under easily met conditions. In addition, there are also low individual income-tax rates.

Efficient legal, banking and shipping services

Cyprus has a large number of highly educated and skilled certified public accountants and registered advocates ready to offer their services, many of them offering multi-lingual services, including legal services, accounting, man-

agement consultancy, and financial advisory. There are more than 700 registered accounting firms including all major global firms, as well as more than 2.700 registered lawyers and 160 law firms.

Additionally, Cyprus has a well-organized banking system which takes care of the diverse needs of individuals and companies, offering services such as asset management, syndicated loans, retail banking, custodian services, private banking, and investment banking. Furthermore, there is a wide range of serviced offices & co-working spaces, and modern and affordable office space is available in all major cities. Cyprus has some of the lowest office rental rates in Europe, and business support services are also highly affordable.

Cyprus is also an internationally acclaimed shipping centre. It has more than 140 shipping related firms. It also has one of the largest shipping registries in the European Union. Additionally, the country is the biggest third-party ship management centre in the EU. Cyprus' shipping success guarantees an efficient flow of goods for those businesses which rely on import and export.

Advanced Infrastructure

Cyprus has invested heavily in telecommunications, shipping and road and air transport. It is home to sophisticated roads with multiple lanes which allow for faster and efficient movement between points. These roads complement their two world class international airports, one in Larnaca and the other in Paphos which see approximately 10 million visitors come to the island. These airports also play a pivotal role in linking Cyprus with numerous global destinations. It also has two deep sea ports located in Larnaca and Limassol. Limassol is a popular pause point for international cruise liners. It also handles freight cargo, and it utilizes advanced logistic solutions which reduce costs and increases efficiency.

The country is considered a telecommunications centre because it has satellite and submarine fibre optic cables which connect it to the rest of Europe, Asia, and the Middle East. This Eastern Mediterranean island also has fast internet connectivity.

Limassol Port





Promoting the Thriving Business Hub of the Eastern Mediterranean

Founded a decade ago, the Cyprus Investment Promotion Agency (CIPA) is focusing its work on three key pillars: the promotion of the country's potentials abroad; facilitation and support to potential and existing investors; and development of favourable, business-friendly legislation. Natasa Pilides, former Director General of CIPA, discusses the Agency's role as a vital link between the Government, the domestic private sector and foreign investors.

Natasa Pilides
former Director General of CIPA



European Times: Could you please elaborate on the three pillars of CIPA's work?

Natasa Pilides: CIPA's first pillar is the promotion of Cyprus abroad and enhancing the country's image in front of the international audience. This also includes finding potential investors and getting them interested to explore our investment potential. The second pillar is facilitation and support; it encompasses helping both potential and existing investors. Existing investors are equally important to us; we help them in solving investment issues and we try to be the first point of contact they would come to regarding any plans of expansion or changing of their activities. The third pillar is looking at the legislative framework and finding ways to improve it. CIPA's aim is to improve the business environment, as well as to introduce incentives for specific sectors which could make those sectors more competitive.

European Times: Cyprus has built a reputation as a business hub of regional and global importance. Why should investors choose Cyprus?

Natasa Pilides: There are many important reasons why investors choose Cyprus. To begin with, we have high-quality professional services, as our economy has been service based over the last decades. When businesses move their offices here or set up a regional base, they are confident that they will find qualified, multilingual employees, as Cyprus has the highest level of tertiary education graduates in the EU. We are a part of the European Union, and its vast market can supplement investors' needs in all sectors and specialisation areas. Our island is small but cosmopolitan, with an attractive tax regime which applies both to individuals and companies. The emerging investment funds



invest Cyprus

sector allows investments through these funds, choosing from a variety of exciting industries such as shipping, tourism or start-ups and technology. In addition to the advantages that apply to all companies and individuals, we also have incentive programmes specifically targeting start-ups and intellectual property.

Everyone here realises that foreign investments are a big part of the country's success, which is why everyone understands the importance of catering to investors' needs. People are eager to offer their services to investors and work in their companies, since many investors have earned a reputation of outstanding employers.

European Times: What are the key incentives offered to investors in Cyprus? What attracts the growing international community of investors to the country?

Natasa Pilides: There are several important advantages, such as the ease of doing business, an advanced legal system based on English common law, a straightforward and attractive tax system. Other important incentives include the relatively low operational costs needed to run a company in Cyprus and high availability of qualified, English-speaking professionals. Furthermore, when employees move into the country, if they are high earners, 50% of their income can be exempt from income tax for a maximum of ten years. We have an excellent tax regime applying to non-domiciles – they do not pay tax on their dividends and their interest. Regarding the socio-economic situation in the country, the education system is very strong and we have several excellent universities which offer everything from medical degrees to high quality IT degrees. Cyprus also offers high quality of life and stunning natural beauty; you can travel from the mountains to the sea on the same day. I would say that we offer the best of both worlds – people can have a quality family life, they can enjoy the infrastructure, the efficiency of government and private sector services and benefit from a prosperous business as well.

European Times: Which are the major investment projects currently in development on the island?

Natasa Pilides: Several major projects exist, such as the integrated casino resort, the Ayia Napa Marina on the east side of the island, and several other marinas in the works, one in Paphos, and one in Paralimni. The Limassol port was recently commercialised with a view to developing it into a central port for the region, while the Larnaca port is also in the process of being privatised. We have numerous projects which include existing businesses which decide to move part of their activities to Cyprus and establish regional headquarters here because of our strategic position in the eastern Mediterranean. Cyprus is a stable base with an advanced business environment and various activities the energy sector and the shipping sector, so companies are choosing to base their regional activities with offices in Cyprus. Their decisions are also influenced by other international developments, such as the “Brexit”, since companies based in Great Britain may no longer have the same access to the EU, so they want to have a base here in addition to their headquarters in the UK. Additionally, Cyprus is the strategic bridge between the European Union and the Middle-East, offering access to the Middle East and Asia for those seeking to penetrate these markets.

European Times: What is your personal message for the European Times audience?

Natasa Pilides: The number of companies investing in Cyprus is constantly growing, due both to companies seeking access into the EU, as well as European companies wanting access to Asia and the Middle East. Invest Cyprus stands at the disposal to all potential investors and we would be pleased to provide information regarding specific opportunities which Cyprus has to offer and jointly analyse the investment climate in detail. I would like to encourage all interested parties to contact CIPA through the website, by telephone and especially to visit Cyprus in person.



Leading Voice of the Cypriot Banking Sector

Strengthening its role as the representative of the Cypriot banking system over the years, the Association of Cyprus Banks became the leading voice of the banking sector in the country. Pointing out that the Association of Cyprus Banks is envisioned as “a platform for analysing industry issues and defining common strategies”, Director General Dr. Michael Kammas discusses goals, challenges and competitive advantages.

Dr. Michael Kammas
Director General of the Association of Cyprus Banks



European Times: Could you please elaborate on ACB's modus operandi?

Dr. Michael Kammas: Established in 1969, the Association of Cyprus Banks is the liaison body between the Cypriot banking community and all relevant decision-makers who impact banking, legal and regulatory developments. We present the banking industry views when legislative and other governmental policies on banking and financial issues are determined. ACB has 12 full members and one associate member, which hold €63 billion in assets and account for over 93% of the total deposits in the country. Our Association is a member of the European Banking Federation, through which we have access to relevant developments at the EU level. Our role is to study, discuss and monitor changes and international best practices, and assist in implementing those changes and transferring the knowledge to Cyprus.

European Times: What are the Association's major goals and challenges?

Dr. Michael Kammas: The Association of Cyprus Banks is firmly dedicated to bringing the best knowledge and practices to our members and promoting their interests with governmental bodies, the House of Representa-

tives, various Ministries, the media and most importantly the Central Bank of Cyprus. The Association also reviews national banking legislation and government decisions, evaluates the impact of their implementation, establishes common positions on behalf of its members, and cooperates with authorities to improve the institutional framework and establish financial and banking activities in line with EU rules and practices.

We live in a world that is changing rapidly and we must remain competitive, which is why the Association of Cyprus Banks encourages banks to achieve growth, and supports competition and digital innovation for the benefit of both banks and customers. Challenges include adjusting to new stricter supervisory and regulatory rules and meeting the need for new viable loans, which we try to fulfil through prudent lending. I can say that we managed to make a swift recovery in a relatively short period following the economic crisis of 2013. People's confidence in the banking system is returning and the economy is growing.

European Times: What are Cyprus's competitive advantages?

Dr. Michael Kammas: Our island offers many competitive advantages to those interested in working in or through Cyprus. Located at the crossroads of three continents, one of Cyprus's main competitive advantages is its strategic location. Many people refer to Cyprus as EU's eastern frontier. In addition, Cyprus offers highly educated multi-lingual workforce, excellent transportation and telecommunication systems, and one of the largest shipping centres in the world. Furthermore, we are now witnessing a huge potential in the energy sector.

European Times: What is the personal message?

Dr. Michael Kammas: The Cyprus banking sector achieved a swift recovery following the economic crisis of 2013. This helped the economy to regain stability and return to growth much sooner than the international lenders originally anticipated. The banking sector is focused on continuously supporting the Cypriot economy through new lending, especially to viable enterprises in traditional sectors as well as promising new ventures that generate new prospects for Cyprus.



Commission Dedicated to Promoting the Cypriot Securities Market

The Cyprus Security and Exchange Commission (CySEC) is the independent public supervisory authority of the securities market and one of the three authorities that regulate the financial sector in Cyprus. CySEC is responsible for the overall supervision of the securities market and the supervision of the transactions in transferable securities carried out in and outside Cyprus when it comes to transactions of entities supervised by CySEC. Pointing out that CySEC's mission is "to exercise effective supervision to ensure investor protection through the regulatory compliance of the entities under our supervision, as well as the healthy development of the financial industry", Chairwoman Demetra Kalogerou discusses CySEC's position, authorization, vision and challenges.

Demetra Kalogerou, Chairwoman of CySEC



European Times: What are CySEC's main responsibilities?

Demetra Kalogerou: Our supervisory remit has widened substantially to include new groups of firms and products, including collective investment schemes, fund managers, and administrative service providers. Currently CySEC regulates 616 entities, including 223 investment firms licensed under the MiFID regime, and soon the MiFID II regime. Many Cypriot investment firms are part of 'FinTech', a financial technology ecosystem that enhanced economic growth and employment and transforms Cyprus into one of Europe's cornerstones for financial services and financial technology innovation. We offer a highly sophisticated pool of financial and professional services which, combined with the competitive framework, put Cyprus among the top choices for foreign investors outside the EU who wish to gain access to the region's deep capital markets. CySEC plays an important role in making the Cyprus securities market more attractive for foreign investors, especially through establishing a fair and lawful

jurisdiction for doing business and maintaining high standards of investor protection and investor confidence.

European Times: What are the Commission's challenges?

Demetra Kalogerou: All regulatory bodies in Europe and abroad face similar challenges. The first challenge is the implementation of MiFID II/MIFIR, which will radically change the financial sector. The second challenge is the implementation of the 4th EU AML Directive, which is widely considered to be the most sweeping AML legislation in Europe in several years and aims to increase transparency and strengthen EU anti-money laundering toolbox. The third challenge is financial technology and innovation, such as crowdfunding, blockchain and the cryptocurrencies. In 2016, FinTech emerged as a significant market force which challenged the financial services industry and its regulatory structure.

European Times: What is your personal message?

Demetra Kalogerou: By fostering trust, responsibility, innovation and education, CySEC's vision is to promote the Cyprus securities market as one of the safest and most reliable destinations for investments. CySEC remains focused on establishing good corporate governance and culture of ethics in supervised entities, which will reflect the core principles of integrity, transparency and accountability. Furthermore, we are committed to sustaining Cyprus's position among Europe's cornerstones for financial services and financial technology innovation and implementation. FinTech is fundamentally transforming the global finance industry, ensuring that more diverse financial products and services reach more diverse locations and sectors. Whilst the global financial industry is faced with many challenges and increased turmoil, financial technology can bring back the entrepreneurial dynamics and have a substantial contribution towards higher economic growth.



Promoting Cyprus as an International Business Centre

Established in 1961, the Institute of Certified Public Accountants of Cyprus is a private organisational entity for the professional accountants, with over 4.000 members and 4.000 student and graduates. Following major restructurings after the 1974 Turkish invasion and the 2013 financial collapse, ICPAC has grown in strength and importance, becoming the only recognised by the state body that can regulate and supervise the accountancy profession in Cyprus. Marios Skandalis, President of ICPAC, discusses the Institute's aims, strategies, and international cooperation.

Marios Skandalis, President of ICPAC



European Times: What is ICPAC's main aim?

Marios Skandalis: Our main aim is to provide an organizational framework to all professional accountants in Cyprus, train and educate our members, to regulate the profession and ensure adherence to the code of ethics. Our priority is to promote the interest of all our members. We are tasked with issuing practicing certificates for individuals who are working with Insolvency, ASP and Auditing and all firms for General Accounting, Auditing and ASP. ICPAC is dedicated to servicing its members, the accountancy profession, the economy and in general the public interest. We have been the right hand of the Government regarding the regulation the companies and successfully exiting the crisis and heading towards an era of growth and prosperity.

European Times: How did ICPAC handle the financial crisis and what is your strategy?

Marios Skandalis: Following the financial crisis, ICPAC successfully completed the AML Action Plan within the

scope of the Adjustment program in 2015. Between 2012-2015, we underwent more than 20 evaluations, assessments and other encounters with the TROIKA, OECD, IMF, the European Commission, MONEYVAL as well as international rating agencies. To battle money laundering and restore the credibility and good reputation of our country, we also established many affiliations with international organizations that specialize on compliance matters.

Our strategy plan for 2017-2020 envisages the strengthening of the organizational structure, efficiency, role, reputation and credibility of the institute as well as the Cypriot accountancy profession, both locally and internationally. We are aiming to boost the island's economy and its position as a credible international business centre. Furthermore, ICPAC is very well connected locally and internationally. We are members of the European, the Mediterranean and the International Federation of Accountants. Locally we cooperate with Ministries, the Parliament, CIPA and CIFA, the Auditor General, the Tax department, CySEC, and various other associations and universities.

European Times: What are the main advantages of Cyprus as an international business centre?

Marios Skandalis: Aiming to become a superb international business centre, Cyprus has changed significantly over the past years. Our country operates under common law legal regime, has a favourable and easy to apply tax system, good infrastructure, highly skilled human capital, stability and security as well as pleasant conditions and adaptability to changes. ICPAC and the accountancy profession are substantially involved in the promotion of Cyprus, attracting business and investors, providing various quality services to international clients, supporting the Government, being massively involved in the Double Tax Treaties negotiations, and working closely with all productive stakeholders and sectors of the public sector.

Bright Future for Cyprus's Legal Sector

Established in 1960, the Cyprus Bar Association is the professional body of lawyers which currently counts about 4.000 members subdivided into regional associations for each of the six districts in the country. Highlighting the Association's aim to provide the best possible service and support to its members, President Doros Ioannides points out that the legal services area in Cyprus is the second biggest contributor to GDP after tourism.

Doros Ioannides, President of the Cyprus Bar Association



European Times: What are the main responsibilities and goals of the Cyprus BAR Association?

Doros Ioannides: By law, the Association is tasked with regulating and controlling the legal sector in the country. We are responsible for registering new lawyers and handling the examination process they undertake in courses approved by the Council, which is also the one to approve the degree of the new entrant. At the same time, we have disciplinary control over legal firms and we have the right to penalize unlawful processes and even ban legal licenses. The Association reviews and approves new companies entering the local market, both Cypriot and foreign, and it is our task to make sure they follow anti-money laundering rules and regulations.

European Times: What are the main advantages which attract foreign investors to Cyprus?

Doros Ioannides: Cyprus is a service-based economy mostly due to its low and stable corporate tax, which attracts numerous foreign entities to operate or be based on the island. Our corporate tax rate remains constant and stable, unlike other competitor countries which keep changing their laws to adjust to the economic environment. This has kept the foreign companies in the local economy after the infamous bail-in of 2013; instead of seeing fewer, we have witnessed an increase in the number of new foreign companies registered.

European Times: How would you describe the status of the legal profession in the country, as well as the entire legal system in general?

Doros Ioannides: We are witnessing a surge in the registration of new lawyers mainly as a result of the establishment of law schools; this brings the already high competition in the profession to even higher levels. Currently steps are being made towards transforming the judiciary system into an e-justice, which will enable functioning of the entire legal system and framework electronically, thus simplifying and making things faster.

The future of the legal profession is bright both for practicing and corporate lawyers, as well as for legal consultants. Cypriot and foreigners alike trusts the legal system in the country, as we never had corruption scandals of judges. Furthermore, the high quality of judges and lawyers is complemented by our efforts towards establishing the e-justice system, which will make Cyprus one of the top countries on global level in terms of legal services.

Concerning EU's plans to establish harmonised standards for company taxation in all member countries, we are working together with the government and other countries with low taxes towards maintaining low corporate tax rates, since this is the main strength of our economy for attracting foreign investors.



BUSSINESS & INVESTMENT OPPORTUNITIES

AMG MYLONAS
& ASSOCIATES, LLC
LAW FIRM

A Different Kind of Law Firm Personalised Legal Services for Doing Business in Cyprus

Established in 2013 with the vision to offer its clients customised legal services by a boutique law firm, AMG Mylonas & Associates LLC primarily deals with Business and Corporate law, as well as Commercial law, International Tax law, Maritime law, Commercial Litigation, Trusts & Asset protection.

Andreas Mylonas
Managing Director of AMG Mylonas & Associates LLC



It is an independent, dynamic, entrepreneurial law firm based in Limassol, Cyprus. “We are more than just a traditional law firm, we think differently, we are innovative, problem solvers but most of all we are great listeners”, Managing Director Andreas Mylonas says. “What differentiates us from other firms is that: we provide personalised services for high-end clients; lawyers are exclusively the ones who are dealing with customer’s requests; and we deliver the services in a short time, under tight deadlines”, he points out.

AMG Mylonas & Associates LLC has been highly rated by the world’s leading legal directories, such as the Legal 500, and has received numerous awards, including ‘Renewable Energy Sector Law firm of the Year 2017 in Cyprus’, awarded by CorporateINTL; ‘Corporate law firm of the year in Cyprus’, awarded by ACQ5; ‘Best Boutique Business Law Firm of the Year in Cyprus’, awarded by the European Excellence Awards, etc. Furthermore, Managing Director Andreas Mylonas has also been distinguished internationally, receiving the award ‘Tax Lawyer of the Year in Cyprus’, awarded by the Finance Monthly Tax Awards.

Explaining the company’s involvement in the sector of renewable energy, which goes back to 2013 when the first tenders on large solar parks took place in Cyprus, the Managing Director emphasises the company’s competence to assist anyone who is looking to invest in the high potential of Cyprus’ renewable energy sector.

As a stable and neutral country, coupled with an EU and OECD approved tax system and one of the lowest corporate tax rates (12,5%) in Europe, Cyprus has become one of the most attractive international business centres in the region. Cyprus is a cost-effective jurisdiction with solid legal regulatory providing safety and Tax breaks for HNWIs”, the Managing Director highlights.

“Cyprus’s profile as a financial services centre attracts foreign investment and is becoming a regional base for international corporation’s headquarters. Cyprus’ comparative advantages are gaining in strength, especially with the global changes in regulation and the increasing demand from companies to create business substance”, Andreas Mylonas explains, adding that Cyprus has one of the most modern and favourable trust regimes in Europe and with an updated legal framework, the Cyprus International Trust has become an instrument of choice for wealth protection and tax planning. “Cyprus is also attracting wealthy individuals wishing to relocate to the island and take advantage of favourable EU Citizenship by investment”, he says.

“I believe that our sector will keep growing in the right direction. All of the law firms have a duty to treat their clients professionally and honestly, propelling the country’s goal of becoming an international business hub”, Andreas Mylonas concludes.

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BUSSINESS & INVESTMENT OPPORTUNITIES



ATLASPANTOU

Eighty Years of World-Class Construction



With origins dating back to 1937, AtlasPantou is one of the largest and most established groups in Cyprus with construction at its core. With over 1.000 completed projects, their portfolio includes building and civil engineering works, real estate development, electromechanical engineering works, hard and soft facilities management, stage and studio engineering.

These activities are carried out by a web of subsidiary and related companies that have attained significant expertise: AtlasPantou Construction Ltd specialises in building and civil engineering construction in Cyprus while its associated company Albandary AtlasCat, undertakes building contracts in Qatar. Telmen Group consists of Telmen Ltd, an electrical and mechanical engineering contractor, Telmen Integrated Services Ltd, a security services provider and Integrated Airworks Ltd, a manufacturer of air-conditioning and other type of ducts. AtlasPantou Properties Ltd is a real estate developer operating in Cyprus, Greece and Romania. Asber Removals Ltd is in the field of asbestos surveying, removal and disposal while Multistage International Ltd based in UK, has expertise in stage and studio engineering. I.F.M. Ltd deals with integrated facilities management and A.M.A. Charalambous Ltd is in agricultural, construction and mining machinery. M.E.L. Ltd is the owner and operator of quarries of aggregates and rocks whereas AtlasPantou Creations is one of the largest joinery workshops in Cyprus.

The Founder of AtlasPantou Group, Tonis Toumazis, emphasises Group's pledge to "establish lasting relationships with customers, shareholders and employees by exceeding their expectations and gaining their trust."

AtlasPantou Group has a dynamic presence in building and civil engineering construction and specialised services for several decades with a workforce of over 500 people and an annual turnover of around €100 million.

AtlasPantou Co Ltd holds a "Class A" certificate for Building and Civil Engineering Works. In recognition of its commitment to quality, Health and Safety and the protection of the environment, the company has been awarded multiple awards such as the Lloyds Register Quality Assurance

(LRQA), the internationally recognized quality management standard ISO 9001:2008, the occupational Health and Safety management standard OHSAS 18001:2007 and the environmental management standard CYS EN ISO 14001:2004, making it one of the most decorated construction companies in Cyprus.

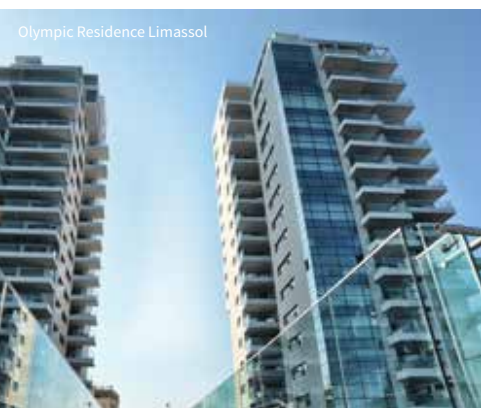
AtlasPantou Co Ltd boasts an extensive portfolio of successfully completed projects with budgets ranging from a few thousand to several million of euros. Some of these are: "My Mall" in Limassol, "Columbia Harbour Village" in Pissouri, the on-going maintenance contract with the British Sovereign Bases, "Aldiana Zypern" in Zygi, Dhekelia Power Station, Christaki Kranou road in Limassol, the Ministry of Foreign Affairs building in Nicosia, SEK Headquarters in Nicosia, the new Famagusta General Hospital in Paralimni, the Olympic Residence high rise buildings in Limassol as well as the installation of over 300 km of sewer lines and pumping stations in Nicosia, Limassol, Larnaca, Paphos, Ayia Napa and Paralimni.

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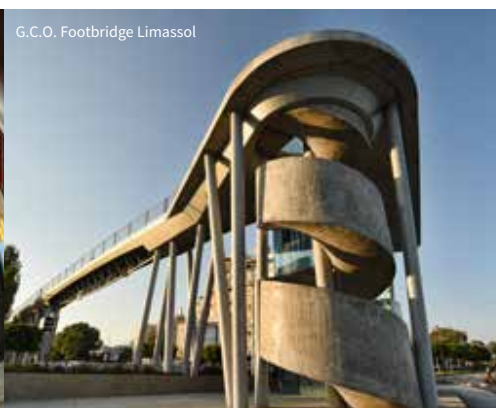
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Olympic Residence Limassol



MyMall Limassol



G.C.O. Footbridge Limassol

Leading the Path towards a Greener, Bluer and Resource-Efficient Economy

The strategy of the Ministry of Agriculture, Rural Development and Environment of Cyprus is dedicated to achieving a greener, bluer and resource-efficient economy, as well as a more competitive and sustainable agriculture and fisheries, contributing to the stimulation of the economy with the creation of new employment opportunities and growth in rural and coastal areas, while ensuring the quality of life and the protection of the environment. Highlighting investment opportunities, former Minister Nicos Kouyialis discusses endeavours and developments.

European Times: What are some of the recent developments in the agriculture sector?

Nicos Kouyialis: The Ministry's main priority is assisting farmers and thus securing the consistency of the agricultural production. Through the rural development program, Cyprus has invested more than €200 million of European funds in order to stimulate the inclusion of young people in the agriculture sector, which will bring new ideas, knowledge and modern technology.

Considering the quality of the wines produced in Cyprus, such as the unique Commandaria, one of the main priorities is the development of the wine sector. Furthermore, as our second main export product, our priority is to register the Halloumi cheese as a PDO in order to secure the market and encourage the development of SMEs in the field. The Halloumi business has shown an outstanding growth of 20% in the past year. Other important export goods are the organic carobs, the early grown potatoes, taro and other aromatic plants.

European Times: In recent years, Cyprus has been highlighted for its positive role when it comes to renewable energy sources. Could you please elaborate on the projects in this sector?

Nicos Kouyialis: In the renewable energy sector, Cyprus is working on the implementation of two 50MW solar thermal plants. These projects, co-financed by the European Union,

will increase the penetration of electricity from renewable energy sources. Other important projects include the pipeline which will transfer water from the distillation plant of Vassilikos to Nicosia; the pipeline connecting the Dhekelia distillation plant to the free Famagusta Area, as well as the distillation and waste management plant in Paphos, investments in total worth of over €90 million. Furthermore, one of the country's priorities is to exploit the state-owned land in Troodos.

European Times: What are the expected results of the renewable energy projects?

Nicos Kouyialis: In terms of electric grid, Cyprus is isolated from the rest of the continent, making the penetration of renewable energy sources very challenging. This requires a gradual process which will provide a power-cable connection with Israel and Greece and open unlimited possibilities of electricity generation through renewable energy sources, making Cyprus a green island. With more than 325 sunny days a year, the renewable energy in Cyprus is mainly generated through photo voltage plants, making the solar thermal sector the most prosperous and investment efficient.

European Times: What is the Ministry undertaking to solve the challenges of the global climate change?

Nicos Kouyialis: The climate change significantly affects the South-East Mediterranean, causing long

Nicos Kouyialis, former Minister of Agriculture, Rural Development and Environment



drought periods, high temperatures and lack of water, which influences the environment and indirectly – the country's economy. In this context, the Ministry undertook immediate activities to mitigate these affects, noting considerable progress in the past three years. The country is cooperating with Israel, Greece and Egypt in order to develop a common plan, considering that this is a global challenge.

European Times: What is the Ministry's strategy for the future project developments?

Nicos Kouyialis: The stability of the country's economy is the key factor to attract domestic and foreign investments. The potential investors show interest in the development of the Geroskipou area, an investment of over €5 billion and in the Polis Chrysochous area, the renowned Limni Project. In this context, the Ministry undertakes all necessary activities and applies strict rules for the licence issuance, ensuring complete environmental protection.

European Times: Which sectors should be targeted by foreign investors?

Nicos Kouyialis: As a European Country with a stable and solid economy, Cyprus is one of the best places for vaca-

tioning, for living and for investments. The aqua culture sector and fisheries sector are very prosperous and there is extensive interest for investments in sea parks and sea reefs. Being the country with the highest number of blue flags, we have the best quality of sea water, which is why Cyprus is among the top destinations for vacation in Europe. Further sectors of interest include the renewable energy sector, the wine industry, the Halloumi production, as well as the meat and dairy industry.

European Times: Why should foreign investors target Cyprus?

Nicos Kouyialis: Cyprus provides great investment conditions, stable economy and support by the governmental institutions. In addition, our culture and openness invites everybody to come to Cyprus and taste our food and wines. Considering the close link between our gastronomy and the tourism, the country is actively working on providing trade mark for every national product and enhancing the touristic brand. The country offers picturesque nature and sumptuous gastronomic experiences, for the discerning tastes of our visitors, which creates many investment opportunities and provides sustainable growth in the tourism sector.

Promoting Cyprus as a Regional Hub of High-quality Services and State-of-the-art Infrastructure

The Ministry of Transport, Communications and Works of Cyprus is responsible for the development of the structure and the implementation of policies that provide continuous improvements in the land, air and maritime transport, simultaneously providing development of the country's communication sector. Marios Demetriades, former Minister of Transport, Communications and Works of Cyprus, discusses the developments that lead the country towards becoming the Regional Transport and Communications hub.

Marios Demetriades
former Minister of Transport, Communications and Works



transport, the communications sector through the Department of Electronic Communications, the postal services, space and digital strategy and the works sector which covers the execution of public works.

In this context, the Ministry aims to ensure sustainable aviation and improved air connectivity with Europe and other third countries, establish modern and safe road network, and develop Cyprus into international shipping centre. The goals also include provision of modern and high-quality services and exploitation of the wealth and resources of the country through highly-transparent procedures.

European Times: What is the international position of the Cypriot maritime transport?

Marios Demetriades: The merchant shipping and the ports are strategic sectors in Cyprus. Considering merchant shipping, Cyprus is the largest ship management centre in Europe and one of the largest in the world offering services to almost 5% of the world's fleet. In addition, Cyprus has the eleventh largest registry in the World and the third largest in Europe.

Cyprus foresees new developments with the evolution of the hydrocarbon industry, which will attract foreign companies interested in shipping services. In addition, the Cypriot ports are supporting the activities in the Zohr and Leviathan fields situated in the region.

European Times: What are the Ministry's main goals?

Marios Demetriades: The Ministry covers a wide range of activities including the road, shipping and aviation

European Times: What is the Ministry undertaking to promote shipping sector?

Marios Demetriades: The Ministry is very active in



Cruiseliners at Limassol Port

promoting the maritime sector internationally by organizing a number of specific trips and specialized events such as the Maritime Cyprus Conference, held every two years. The Ministry promoted new methods of attracting investments in the sector, through the employment of business development agents and improvement of the international offices. The Government is establishing a deputy ministry of shipping which along with the restructuring of the Maritime Administration, is expected to significantly upgrade the country's maritime sector. The country has also provided horizontal tax incentives for domiciled and non-domiciled individuals registered in Cyprus, something which can also assist the development of the shipping sector.

European Times: What are some of the recent developments in the maritime/ports sector?

Marios Demetriades: I am sure that you are aware about the commercialization of the Limassol Port. As from end of January 2017 the port is run by three international groups which are expected to provide employment of local personnel, bring international contacts and develop the network, ensuring increase of the port efficiency and of the country's revenues.

The Ministry is currently working on the privatization of the Larnaca Port and Marina, a project that involves construction of infrastructure of over €200 million. This is a multipurpose project, mainly focused on the leisure industry. Considering the previous transparent and efficient privatization process, the privatization of Larnaca Port attracted three international consortiums, including the China Communications Construction, one of the largest state-owned companies in China, DP World – a company which has already invested in Cyprus and an Israeli Consortium.

European Times: Cyprus notes a significant increase in the air transport. Please elaborate on the “open-sky strategy” the Ministry has adopted recently?

Marios Demetriades: Cyprus has registered an enormous increase in the airport traffic of 40% in the last four years,

due to a number of measures implemented after 2013. One of the main ones has been the successful open-sky policy which has significantly improved connectivity with many countries outside the EU.

The second one has to do with incentives provided from both the government and the Airports operator as well as the Cyprus Tourism Organization. This has also contributed to the start of operations in Cyprus from six, three licensed companies Cyprus Airways, Cobalt and Tus Airways. Additionally, three others have established a local base utilizing their EU license Ryanair, Blue Air and Aegean. In total, there are over 40 airlines companies that operate in Cyprus, which provides increase of competition, price reductions and new routes for the local and international travellers.

European Times: What are the main activities to promote the Cypriot telecommunications sector?

Marios Demetriades: Cyprus is moving towards its vision to become a regional centre for services, which requires advanced telecommunications infrastructure, state-of-the-art technologies, 4G connectivity and fibre-optics. The Ministry has been promoting actively the above in cooperation with the private companies operating in Cyprus. For example, the Ministry recently provided additional spectrum to the market that will help significantly improve services.

Another area that the Ministry been promoting actively is that of space by signing an agreement with the European Space Agency joining the stage just before becoming a full member.

European Times: Why should foreign investors target Cyprus?

Marios Demetriades: Cyprus is a country with advanced infrastructure and a lot of potential due to its geographical position. Placed among three continents, the country can easily develop into a regional hub, with a potential to serve the whole area of the Eastern Mediterranean.

Extensive Steps for Strong Strategic Development

The Ministry of Energy, Commerce, Industry and Tourism of Cyprus plays a key role in the formulation and implementation of policies on matters penetrating to trade, industry, tourism and energy, directly influencing the developments of the Cypriot economy as a whole. Minister Yiorgos Lakkotrypis discusses the recent discoveries in the oil and gas sector, highlighting the development opportunities of Cyprus as a service-oriented country.

Yiorgos Lakkotrypis
Minister of Energy, Commerce, Industry and Tourism



European Times: What is the main role of the Ministry?

Yiorgos Lakkotrypis: The Ministry of Energy, Commerce, Industry and Tourism is responsible for the definition of a long-term strategy on some of the most important sectors, which play a key role in shaping the country's economy. As part of the energy sector, the Ministry defines the policies of the oil and gas sector, the renewable energy sector and the domestic electricity market. It also includes the Register of Companies and supervises the work of the state-owned enterprises, including the Cyprus Tourism Organization, the Cyprus Electricity Authority and the Cyprus Hydrocarbons company.

European Times: What is the Ministry's long-term strategy for the energy sector?

Yiorgos Lakkotrypis: Considering the recent discoveries in the oil and gas sector, the Ministry developed a strategy based on two pillars – further explorations to identify the type of hydrocarbon resources present in the Cyprus EEZ and the exploitation of the already proven existence of reserves in the Aphrodite field. In this context, the Ministry has licensed some of the major companies working in the field, such as ENI, Total, Exxon Mobil and Qatar Petroleum, to continue the country's drilling hydrocarbon explorations. The exploration is triggered by the discovery of hydrocarbon reserves in the Egyptian Zohr field and will provide extensive data on the morphology of the sea bed of Cyprus.

Considering the second pillar, the country is prioritizing the exploitation and monetization of the Aphrodite field,



focusing on connecting Cyprus and Egypt with subsea pipeline for liquefaction and provision of distribution channels primarily to the European market. The Ministry is also working on the East-Med pipeline – a project of common interest for the EU, which has already been approved for study funding, and is planning to develop an onshore LNG terminal.

European Times: What are some of the activities the Ministry is undertaking to develop the renewable energy sector?

Yiorgos Lakkotrypīs: The country is producing renewable energy mainly from wind and solar resources, significantly moving forward to accomplish the 2020 strategic targets. The country's strategy is to develop a so-called "distributed electricity generation", promoting solar rooftops connected with a smart grid which would enable households, neighbourhoods and cities to exchange electricity.

European Times: What are some of the recent developments in the tourism sector?

Yiorgos Lakkotrypīs: The country obtains constant growth in both revenues and arrivals in the tourism sector, noting a record number of 3.2 million arrivals in 2016, and over 3.4 million arrivals in 2017. Considering the maturity of the sector and the future development expectations, the Ministry is working on 10-year strategy plan, which will define the tourism model that the country will follow, specifying the target market and the tourism experience that the country will provide. This long-term strategy will solve the country's challenges in the sector, changing the course from quantity to quality tourism.

In order to create sustainable growth in tourism, the Ministry is also promoting a number of infrastructure projects. In this context, the latest resort project includes

construction of marinas, golf courses and the first and largest integrated casino resort in Europe, an investment of €500 million. The resort will also offer 6.000 sq m of convention centre and spa spread on 4.000 sq m.

European Times: Which are the country's leading industrial sectors?

Yiorgos Lakkotrypīs: The highly developed pharmaceutical industry is the leading in the country's export, followed by the export of agricultural and local products. Considering the importance of the industry sector for the creation of the country's GDP, the Ministry undertakes activities to accelerate the international growth, promoting the perspective of a service and knowledge-based economy. In order to prevent the country from brain drain, the Government promotes structural funds for the development of SMEs and entrepreneurship, in order to keep the highly specialized youth in the country.

European Times: What are the focal points in the promotion of Cyprus' export and foreign investments?

Yiorgos Lakkotrypīs: In 2016, the country noted domestic exports of goods in value of €1 billion and the export of services reached €8 billion. There is significant potential in the production of hydrocarbons and the domestic manufacturing, but the country's long-term vision focuses on the creation of a knowledge-based economy centred on oil and gas, where the country can export technical, financial and legal services as well.

The country has worked diligently and with the support of the European partners, managed to tackle its challenges. In this context, there is a specific long-term strategy for different sectors and the country offers many investment opportunities in tourism, shipping, oil and gas and the services sector.

Cutting-Edge Health Care is Opening New Possibilities for the Cypriot Economy

THE EUROPEAN TIMES

Cyprus has earned a superb reputation in terms of the level and standard of services offered by its health sector. Dr. George Pamboridis, former Minister of Health, is proud of the adequate infrastructure, investments and the quality of the human capital achieved during his mandate. The Ministry's ambitious reform plans raised the health care system to an entirely new level, bringing benefits both to the stakeholders and the economy.

Dr. George Pamboridis, former Minister of Health



European Times: What were the main developments in the health sector over the last years and which is the largest challenge ahead?

Dr. George Pamboridis: Cyprus has been trying to introduce a universal coverage system and we are currently designing a new national health system which will evolve around the patient. We have finalised the architectural structure of the reforms which has already been presented to the interested parties and stakeholders and, following a period of serious public deliberations, we are now proceeding with their implementation.

The biggest challenge is the existence of two distinct markets within the health sector: the private and the public hospitals. Even though these two markets address the needs of the same population, they operate in a segregated manner, as if divided by a wall. The uniqueness of the new system we are designing is the fact that it seeks to engage the services of both the public and the private sector, giving patients the opportunity to choose the healthcare professional who will provide the service and the insurance branch of the Government which will need to cover the full cost of the service. In other words, Cyprus is creating a unified market in which foreign investment could be invited to play a role. However, there is a necessity to prepare the people working in the public hospitals for a private sector environment, and train them on how to apply the principles of accounting, invoicing and budgeting within this system.



European Times: What are the plans regarding the development of e-Health services, pharmaceuticals and medical tourism? Do they have the potential to attract investors?

Dr. George Pamboridis: E-Health has already been implemented in other European countries. After observing the developments in countries such as Estonia, where excellent results have been achieved, Cyprus has been working intensely on introducing it in our country as well. We need to digitalize all the medical records of our population and provide for the digitalization of all medical records from this point onwards. These processes will create potential investment opportunities in Cyprus, since there is a deficiency in terms of necessary expertise at the moment.

Pharmaceuticals, especially the generic medicines, are doing very well. The Ministry will introduce a dedicated regulator for pharmaceuticals, and it is dedicated to enhancing the collaboration between medical schools and public and private hospitals. A positive factor for a small sized country like Cyprus is the fact that, through the cross-border directive of the EU, we can take advantage of the experience and the expertise existing in other EU jurisdictions similar to ours.

The Ministry is trying to associate the fields of education, research and development with the pharmaceutical industry and introduce new methods and elements in this equation. One of the possible new developments could include the introduction of legislation that would allow the cultivation and use of cannabis for medicinal purposes. I believe such a bill would attract foreign investors interested in engaging in the cultivation of the plants, as well as companies working on research and development in this area.

Regarding medical tourism, Cyprus is changing the legal framework to make it easier for experts and professionals to come in the country, as well as people not holding a visa, but are in need of medical treatment. Apart from the standard medical services, we have a number of other medical tourism opportunities in auxiliary fields such as the rehabilitation field. With its mild climate and good conditions, Cyprus can offer an excellent alternative to existing rehabilitation centres in other European countries and countries in the region. We already have the proper personnel, so if we have the appropriate infrastructural investments, we could offer significantly better rehabilitation services at a much lower cost when compared to many other countries. I would urge people looking for investment opportunities in Cyprus to truly consider the rehabilitation field.

European Times: Medical research and innovation have developed tremendously in recent years, and medical schools have boosted the economy of Cyprus. Does the country have initiatives to promote future growth in this sector?

Dr. George Pamboridis: One of the principal comparative advantages of Cyprus is its geographical location and its British legacy. The use of the English language is extensive, and our universities are geared to cater not only to the local population but to be globally competitive. Given the fact that we have modelled our systems on the British standards, we could act as a middle ground between the UK and countries like Iran, Iraq, Jordan and the Gulf region countries, but also Northern African countries. Furthermore, the high standards of the health service industry offer opportunities for training and expertise of professionals. The Ministry could provide training for nurses or other health professionals from the region, who could come to Cyprus and get the best out of both worlds.



Tourism: An Engine of Growth with Outstanding Potential

Famous for its sun-soaked beaches, compelling culture and landscapes, archaeological sites and charming rustic villages, Cyprus is among the best vacation destinations in the world.

The tourism market is one of the largest economic sectors in Cyprus and has experienced substantial growth over the last decade, with tourists reaching record 3.65 million in 2017, a 14.6% increase compared to 2016. The largest number of tourists came from the UK, 1,253,839, an 8.3% increase compared to 2016. Tourism has proved to be the most resilient of Cyprus' commercial sectors, generating 12% of the country's GDP, with studies showing that the sector has the potential to contribute up to 30% of GDP by 2030. A new tourism strategy aims to double visitor arrivals, triple tourist revenue and attract €20 billion in new investment to Cyprus by 2030.

Honoured with numerous prestigious international awards, the industry is experiencing a boom and foreign direct investment into the sector is at an all-time high, with ambitious luxury marina and hotel developments in all coastal towns, as well as plans to build the island's first and only integrated casino resort. In addition to traditional tourism, there is a substantial development in other niche areas, such as rural, health and wellbeing, nautical, religious, conference, sports and wedding tourism.

Five main tourist sites

Cyprus has five main tourist districts, Nicosia, Famagusta, Paphos, Limassol, and Larnaca. Each district offers a wide range of tourist products, attracting different types of tourists.

Nicosia is the capital of Cyprus and the main commercial and business centre, with a world famous archaeological museum, the Venetian walls, and Laiki Yitonia which is a labyrinth of traditional streets. The Famagusta region consists of Ayia Napa, the south east coast of Cyprus and Protaras, the coastal area of Paralimni, and has a wider range of beaches than other cities. Ayia Napa in particular is a reputable party town and prime site for nightlife. Paphos is a popular coastal town in the southwest of Cyprus. Visitors can enjoy spectacular scenery and some of Cyprus' finest beaches. Limassol is the second largest city in Cyprus and is situated on the southern coast of the island. It has developed significantly in recent years, emerging as a business hub as well as a party town with reputable beach bars, Carnival and Wine Festivals.

Limassol has the largest port in Cyprus, while the marinas assists in attracting high wealth tourists. Larnaca is the third largest city in Cyprus and is known for its palm tree seafront. It is home to the country's primary airport, a seaport and a marina.

Number of visitors continues to rise

The upward trend in the number of arrivals continues in 2018. The number of tourist arrivals rose 21% year-on-year in January 2017. The record 62.611 visitors represent another all-time high for a January. The increase in arrivals was mainly on a 15% annual rise of tourists from the UK, Cyprus's largest market of incoming tourism, to 17.404. Arrivals from Greece rose 35% to 11.436, from Israel 57% to 8.240, and from Germany 10% to 2.431, offsetting a 21% decrease in arrivals from Russia, Cyprus's second largest market.

A premium holiday destination

Cyprus' new strategy envisages redefining the island as a premium holiday destination, capable of attracting tourists with greater spending powers, which will be achieved through comprehensive upgrading and refinement of the existing tourism facilities and infrastructure. With plans to attract €20 billion in private investment over

the next 14 years, it is expected that this type of investment would be matched by a corresponding increase of around 15% in state funding of the industry, which would be used to provide a richer holiday experience, and one that emphasises culture, indigenous heritage and natural environmental features – all underpinned by a high-quality hospitality industry. While Cyprus is certainly not turning its back on the traditional 'sun and sea' model, it is definitely moving to reposition itself in the holiday market to provide a more enriched, diversified and ultimately more sustainable product.

Best beaches in Europe

When it comes to natural attractions, Cyprus is renowned for its pristine beaches and ideal weather of 340 days of sunshine. The country's famous beaches have been crowned as the 'Cleanest Bathing Waters in Europe,' with a consistent 100% score year after year and awarded with 59 Blue Flags achieving three records, including the most Blue Flags per capita in the world, the most dense concentration of Blue Flag beaches, and the most Blue Flag beaches per coastline. The EU's annual bathing water report recently listed Cyprus as having the greatest number of 'excellent' beaches for swimming amongst all the 28 member states. According to the report, around 99.1% of bathing water sites in Cyprus have 'excellent water quality'.



Sea Caves
© Alfortokunst Dreamstime.com



Furthermore, every coastal town on the island has or is currently developing its own marina – a strategic part of bolstering year-round tourism. Following the success of Limassol Marina, a new luxury marina project has broken ground in Ayia Napa and plans for marinas both in Paphos and Larnaca are also underway. The Ayia Napa development will feature two residential high-rises, beach front villas and world-class yacht facilities for up to 600 vessels. The €220 million project will bring a taste of Dubai's skyline to the eastern shores of Cyprus and is certain to boost both tourism and property sales. The development of Larnaca's marina is still in a nascent stage, with foreign investment being sought, but there should be a ready market for the facility once completed. For the past seven years, Larnaca has hosted the annual Cyprus-Israel regatta, where yachts compete in a series of races off the Cyprus coast, culminating in an exhilarating race from Larnaca to Tel Aviv, about 25 sailing hours away. The number of Israeli boats mooring at Larnaca has increased in recent years, and the town is keen to further develop its potential as a key holiday destination for Israelis. Maritime tourism is expected to receive a further boost from the new architecturally innovative passenger terminal in Limassol, which will significantly enhance the town's credibility as a destination for cruise ships in the Mediterranean.

Popular sports tourism destination

Cyprus is a popular winter practice venue for international sports groups and athletes, a field with considerable growth potential. Diving tourism is another area where growth is confidently predicted. Over 50.000 divers visit

the island each year, many attracted by the opportunity to explore one of the top five dive sites in the world, the Swedish cargo vessel Zenobia, which sank off the coast of Larnaca in 1980. Golf tourism is also expanding rapidly, with four 18-hole international standard courses and plans to construct an additional seven to establish the island as a year-round destination for golfers.

Medical and wellness tourism on the rise

Medical tourism is experiencing unprecedented growth, due to Cyprus' world-class reputation for high-quality private healthcare in a technologically advanced environment. Cosmetic surgery, diagnostic tests and fertility treatment top the list as the most popular procedures for medical tourists. Health and wellbeing holidays are also on the rise, with the recent creation of several exclusive spa hotels, as well as a number of large-scale projects open for investment in the fields of rehabilitation and other wellness services.

Paphos – the European capital of culture for 2017

Paphos, a popular coastal town in the southwest of Cyprus, along with the Danish city of Aarhus, was selected as Europe's capital of culture for 2017. Witnessing a boom in the number of tourists, Paphos offers spectacular scenery and some of Cyprus' finest beaches. Furthermore, there are ancient historical sites, some classified as world heritage sites by UNESCO, as well as an attractive harbour, offering a diversity of experiences.

Promoting the Development of Cyprus' Hotelier Sector

Established in 1930, the Cyprus Hotel Association is the hoteliers national trade union, focusing on providing protection and promotion of the interests of the hoteliers, support of the Cyprus's tourism development and upgrade of the hotel establishments. Zacharias Ioannides, Director General, discusses the significant growth of the country's tourism sector.

Zacharias Ioannides
Director General of the Cyprus Hotel Association



European Times: What are some of the recent developments in Cyprus' tourism sector?

Zacharias Ioannides: The tourism sector plays a crucial role in Cyprus' economy, considering its influence on the GDP. The country noted significant growth on arrivals, of 20% in 2016 compared to the previous year, reaching a record 3.2 million tourists and revenues of over €2.4 billion, and there was also a significant growth of visitors in 2017. The hotels are constantly renovating and adding additional rooms in order to satisfy the increased demand, noting 90% capacity usage in the summer season.

The Association is actively working to solve the problem of the season tourism, aiming to extend the summer season for nine months. In this context, the numbers show 30% increase in the winter season capacity usage, providing more hotels to operate through the whole year, which is highly beneficial for the overall employment on the island. After the crisis, the country became more affordable, highly attractive and competitive tourist destination on the Mediterranean. This together with our advanced touristic product, the quality services and the safety and stability of the island, make Cyprus a top destination in the region.

European Times: What is the country undertaking to develop the business tourism?

Zacharias Ioannides: Cyprus' geographical location and status make the country an important hub for business travellers and international conferences. In addition, the country has provided the construction and development of the largest Casino Resort in Europe, featuring enormous conference room and business facilities, suitable for large business events and venues.

The Government implemented the Open Skies Policy as another important aspect, allowing the country to become a bridge for the business world, especially from Europe, Middle East and Africa. The recent investments in luxury marinas, the oil and gas explorations and the strengthening of the banking sector, have attracted renowned luxury hotel brands for high-end and business visitors.

European Times: Which are some of the most developed touristic regions in Cyprus?

Zacharias Ioannides: Famagusta and Pafos are the most attractive leisure tourism destinations. Larnaka also notes a significant growth considering the recently announced construction of two Radisson Blue hotels. Another famous leisure destination, Limassol is transforming into business hub, together with Nicosia.



Luxury Hotel Offering World-class Comfort and Sumptuous Holiday Experience

Perfectly located amidst the tropical gardens, the indigo sea and the sandy coast of Limassol, Amathus Beach Hotel is a synonym for world class luxury and premium comfort, offering a thriving combination of the finest modern style accommodations and state-of-the-art facilities, along with a unique ambience and exceptional personalized service. Andreas Georgiou, General Manager, points out, “What differentiate us from the other hotels is our excellent location, the huge outdoor areas and the quality of service that the ratio of two employees for one room provides, as well as the fact that we are the only member of “The Leading Hotels of the World” in Limassol.”

Overlooking the Mediterranean Sea, this five-star hotel offers a fabulous selection of 239 luxury rooms, as well as sumptuous dining experiences and abundance of recreational activities in the five restaurants, three bars, landscaped gardens, spacious hi-tech gym, luxury spa centre, two outdoor pools, a large indoor pool, nine private pools and children kindergarten and playgrounds. The elegant and fully equipped conference halls and meeting rooms guarantee superb organization of corporate events.

Amathus Beach Hotel accommodates business and leisure travellers mainly from the UK, Russia, the Middle East, Central Europe, Greece and Cyprus. Amathus features also extraordinary facilities for families, without compromising the tranquillity that adults and business travellers appreciate. The hotel’s ultimate service is confirmed by numerous awards, including a gold medal from the European Hospitality Awards and another one from the European Hotels Managers Association. Amathus is constantly ranked on top of the list on Trip Advisor, Booking.com and other well-known travel sites. It is these rare, extraordinary high standards of comfort, facilities, amenities and services that have made the Amathus Beach Hotel a legend, famous far beyond the shores of Cyprus and the reason that it belongs to the exclusive organization “The Leading Hotels of the World”. Being a legendary leader makes all the difference.

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Nature, Beauty and Style for All Seasons



The prestigious Four Seasons Hotel lies on a sandy beach east of Limassol, midway between the airports of Larnaca and Pafos, only a few minutes’ drive from Limassol’s centre, old town and the new Marina. This luxury five-star resort offers something for everyone, combining impeccable facilities with world class hospitality and friendly yet discreet service.

Independently owned and operated by Muskita Hotels Ltd, under the Chairmanship of Christos Mouskis, the hotel offers 300 rooms in more than 15 categories. A full range of services includes concierge, exclusive boutiques, 24-hour room service and a flexible range of meeting facilities and conference halls. Gastronomical highlights from cuisines of all corners of the world await in the hotels award winning restaurants and bars. The large swimming pools and spa centre, the children’s amenities, and the myriad of sports facilities cater to every client’s need. The St. George’s Chapel in the hotel’s premises offers a unique setting for wedding ceremonies, as well as private moments of prayer and peaceful contemplation.

“Our guests come primarily from the UK and Russia, but also from over 90 other countries throughout the world; 60% of our esteemed visitors are leisure customers, and 40% business travellers, both sectors have very high levels of repeat clients who keep returning to enjoy our friendly service and uniquely personalised care”, Executive Director Nick Aristou says, adding that a number of brand new and exclusive residences have recently been added to the hotels high-end range of accommodation. “We are continually improving our offer and maintaining our reputation as the finest hotel on the island”, he concludes.

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A Boutique Business Hotel in the Heart of Nicosia



The independently owned and operated Semeli Hotel is centrally located within Nicosia's business district, only a few minutes away from the city centre and major commercial areas. Opened in 2011, this business hotel offers elegant and luxurious atmosphere, combining excellent facilities with first class hospitality and service. The hotel features 62 rooms, including eight executive suites. Its Demetra Restaurant is the ideal dining option for an elegant business lunch or romantic dinners, in a warm and impossible to imitate ambiance, with a selective menu and superb service, while its Dionysos Bar is ideal for early afternoon meetings, trendy get-togethers and post-dinner drinks.

The hotel's four main conference halls, which are fully equipped and adaptable to offer ultimate flexibility for any event from 10 to 350 attendees, are in high demand. As 70% of the guests are business customers, they are provided with a full range of audio-visual facilities ready to meet the needs of the smallest meeting to a multifunctional conference, festive banquets or hi-impact product launching seminars.

Nicolas Nicolaou, General Manager, emphasises that the hotel has seen an increase in the number of stays of 30% in 2017, and 2018 is already in demand. "Our location brings a strong competitive advantage, since it is in the heart of Nicosia's business centre and easily accessible. We have a young and enthusiastic team which is trained with the skills needed for our niche services" says Nicolas Nicolaou, concluding that their "visitors experience the best value for money accommodation during their stay in the capital".

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Business Hotel in the Cultural and Commercial Heart of Nicosia



Established in 2009, the Royiatiko Hotel delights with its warmth and personalized service in a relaxing and luxurious environment. Conveniently situated in the cultural and commercial centre of Nicosia, near to the city's museums and art galleries, and the country's banks, embassies and government offices, the hotel has been constantly on the forefront of the Cyprus' business accommodation. Yiota Georgiou, General Manager, points out, "The hotel is a little oasis within the city walls and on walking distance of the main city centre facilities. Our guests enjoy the superb quality accommodation and experience our friendly and efficient service".

Royiatiko Hotel offers 33 comfortable rooms, fully furnished in a luxurious, contemporary design and equipped with air conditioning, safety deposit box, tea-and-coffee making facilities, TV and free Wi-Fi Internet, hairdryer and mini fridge. The hotel features vast number of facilities, including conference room, outdoor swimming pool, fully-equipped gym, bar/café, 24 hours reception service and free parking for guests.

Yiota Georgiou explains, "We mainly target business visitors, since Nicosia is considered the business centre of the island, and usually the leisure tourists tend to go to the coastal areas. Our visitors come from different countries in the world, but mainly from the UK and Greece. We cooperate with companies and organizations like the United Nations". Considering the upward trend of Cyprus' tourism sector, Royiatiko Hotel plans further expansion by building another floor.

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www.royiatikohotel.com.cy



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