

The Economy of Cyprus - a bright future



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Strategic location



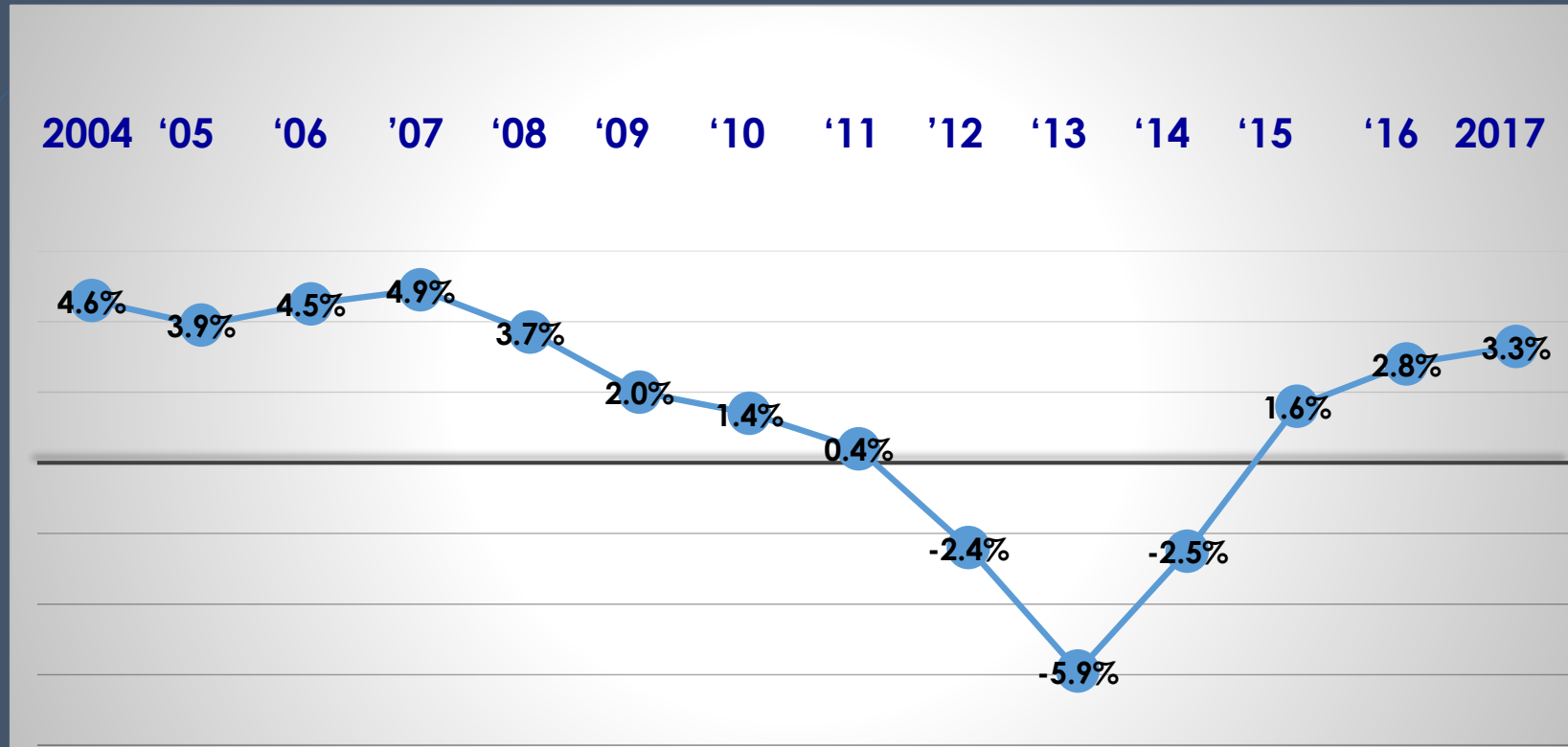
- EU and Eurozone
- Attractive Tax System
- Professional Services
- Human Talent
- Quality of Life
- Regional Headquartering



The Macros

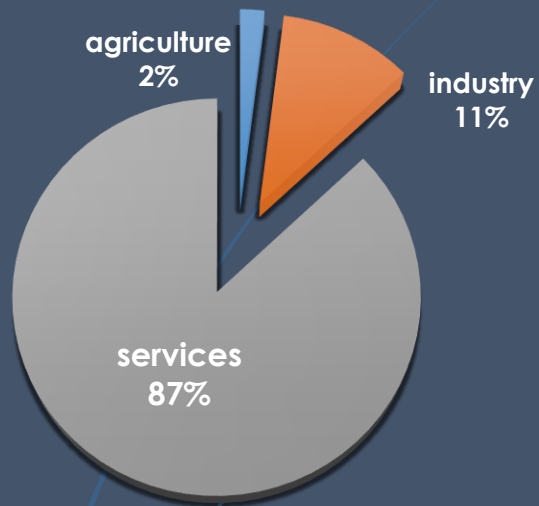
- ▶ Europe's success story - fastest recovery with strong growth prospects
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Outperforming all forecasts

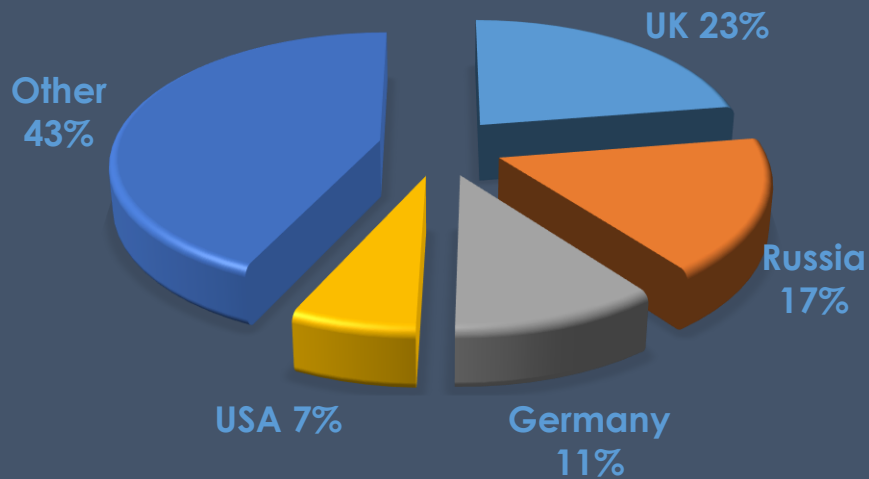


- Adjustment Program
- Recapitalized banks
- Successive ratings upgrades
- 9.1% increase in FDI (2016)
- Falling unemployment
- Low inflation

Economy's Structure



Exporting services to



GDP by Economic Activity

Agriculture, forestry and fishing	2%
Mining and quarrying	0%
Manufacturing	5%
Electricity, gas, steam and air conditioning supply	2%
Water supply; sewerage, waste management and remediation activities	1%
Construction	4%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11%
Transportation and storage	7%
Accommodation and food service activities	7%
Information and communication	5%
Financial and insurance activities	12%
Real estate activities	10%
Professional, scientific and technical activities	8%
Administrative and support service activities	2%
Public administration and defence; compulsory social security	9%
Education	7%
Human health and social work activities	4%
Arts, entertainment and recreation	2%
Other service activities	2%
Activities of households as employers	1%

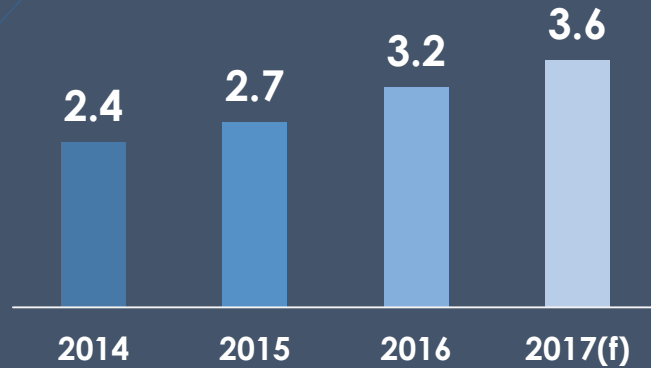


The Tourism Sector

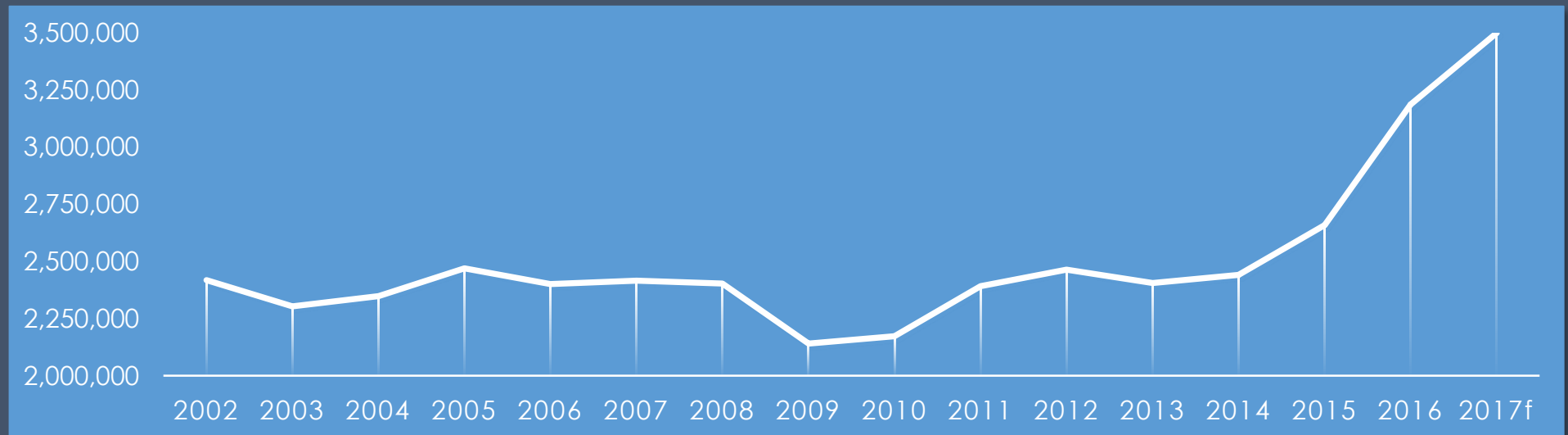
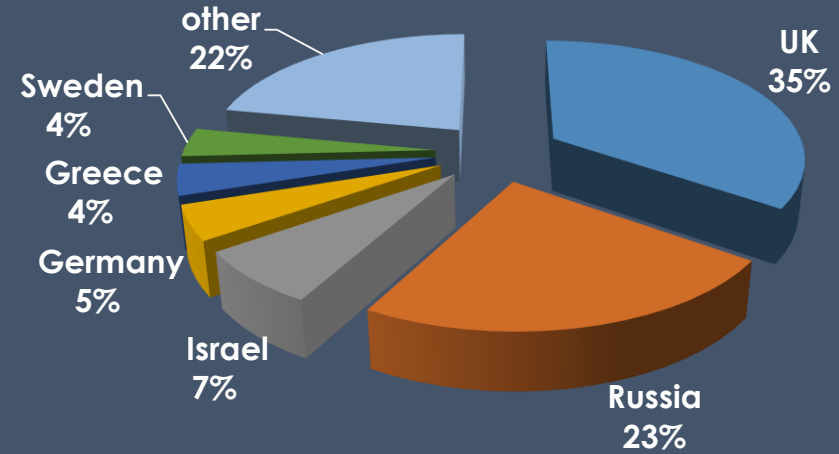
- ▶ Substantial performance in both arrivals and revenue
- 

Remarkable performance

arrivals in mm



main markets



Combat Seasonality (1)

Infrastructure Projects

CASINO RESORT

- world-class Integrated Casino Resort
- unique in Europe and the region
- blend of attractions including large MICE facilities

GOLF COURSE

- 14 licenses, 4 already in operation

LUXURIOUS MARINAS

- Limassol Marina - completed
- Ayia Napa Marina - under construction
- Paralimni Marina – agreement
- Paphos Marina - tender in progress
- Larnaca Marina – in progress

OTHER

- theme parks, health and wellness sports, agro tourism projects

Combat Seasonality (2)

Diversification - special interest tourism

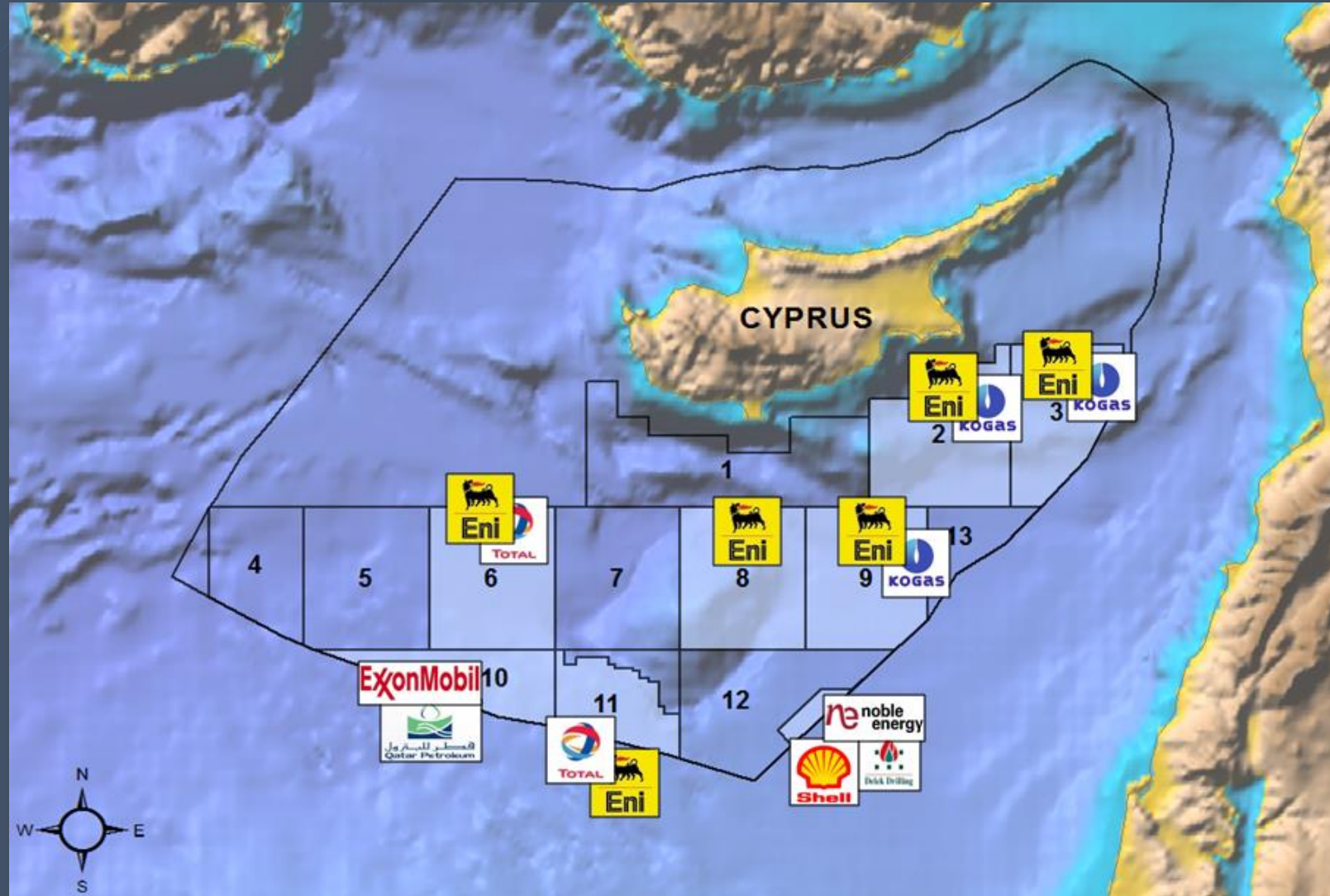
- conference
- sports (training, cycling, golf, diving)
- weddings and honeymoon trips
- religious and cultural
- spa & wellness
- rural and hiking
- yachting
- gastronomy



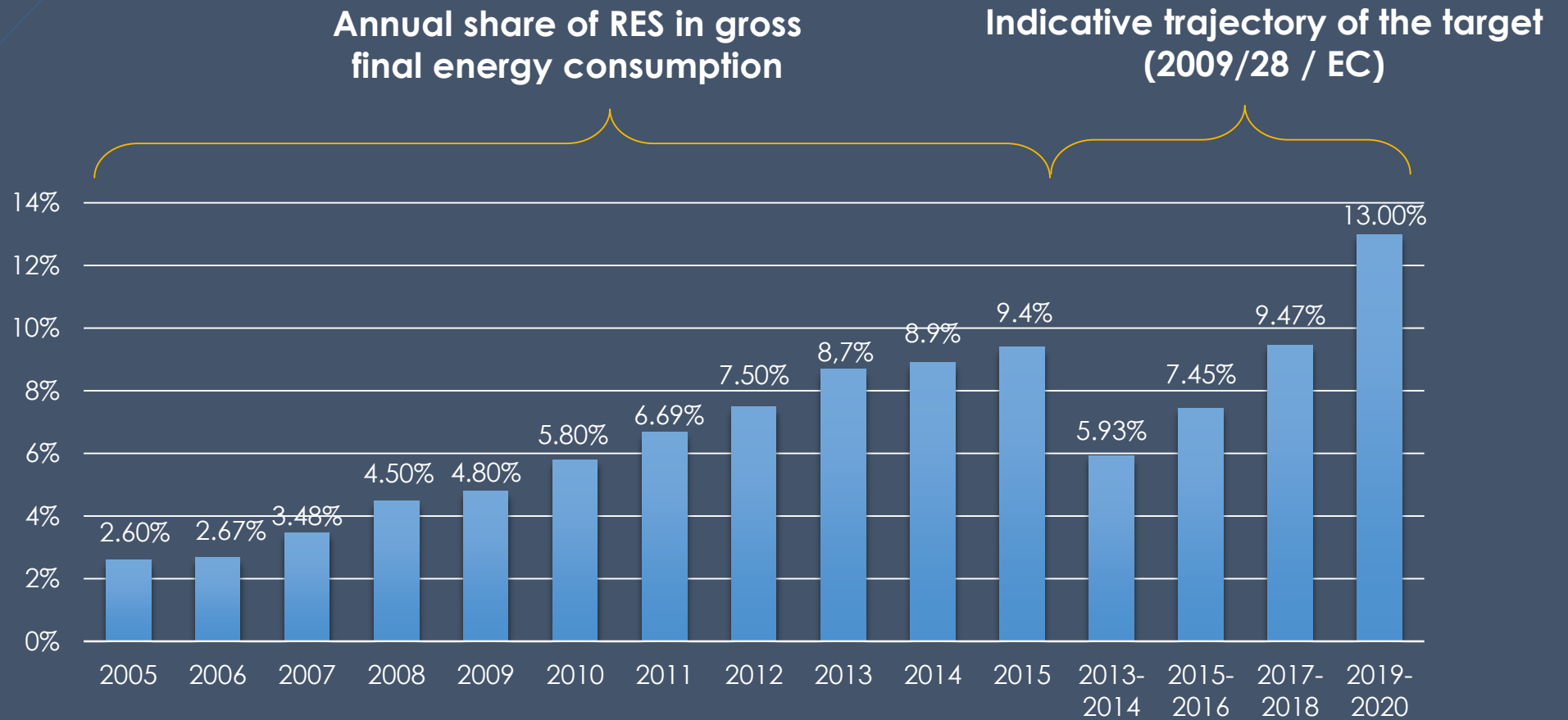
The Energy Sector

- ▶ The discovery of significant oil & gas reserves offshore Cyprus provides a unique opportunity to become an energy centre in the Eastern Mediterranean

Oil & Gas Activities



Renewable Energy Sources



- 13% contribution of renewable energy in gross final energy consumption by 2020
- 10% contribution of RES in gross final energy consumption in road transport by 2020

Opportunities in Energy Sector

Electricity – RES – Energy Efficiency

- New Power Plans (Conventional and RES)
- Suppliers
- RES aggregators
- Storage facilities
- Smart meters/grids
- ESCOs
- Autonomous Charging stations for EVs utilizing RES

Opportunities in Energy Sector (2)

Natural Gas

- ▶ **DEFA will announce 2 tenders (1st half of 2018):**
 - LNG Supply**
 - Strategic Investor for the necessary infrastructure**
 - ▶ Floating LNG Import, Storage and Regasification Unit
 - ▶ mooring / or jetty
 - ▶ pipeline connecting ReGas Unit with Vasilikos receiving point
 - ▶ onshore buffer
- ▶ **National Grid**
 - ▶ Phase 1 – electricity producing stations
 - ▶ Phase 2 – industries
 - ▶ Phase 3 – households ??



Innovation & Entrepreneurship

Ranked 2nd amongst the countries in Europe for tertiary education per capita, Cyprus not only offers access to local and European talent, but also access to Europe and MENA regional markets of 900 million people

Entrepreneurship Action Plan

- First time – adopted overall policy framework
- In cooperation with the private sector
- Main objective → develop a comprehensive entrepreneurial ecosystem
- 5 Priority areas
 - Create an entrepreneurial culture
 - Create a favorable business environment
 - Entrepreneurial Innovation
 - Facilitate Access to finance
 - Facilitate Access to Markets

Main incentives to support Startups

Tax Incentives

- ▶ Income tax relief of up to 50% of taxable income for natural persons investing in qualifying innovative SMEs

"Cyprus Startup Visa" program

- ▶ Applies to third countries entrepreneurs
- ▶ Residence for 1 yr and If successful permanent residence

"Advice for small business" Facility

- ▶ Operated by EBRD
- ▶ Mentoring services to SMEs

Improved regulatory framework - eGov

- ▶ Reengineered the procedures for setting up a business

Direct Financing

- ▶ EU Structural Funds 2014-2020 - €150 mln

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Thank you