



A place to invest. A way to thrive.





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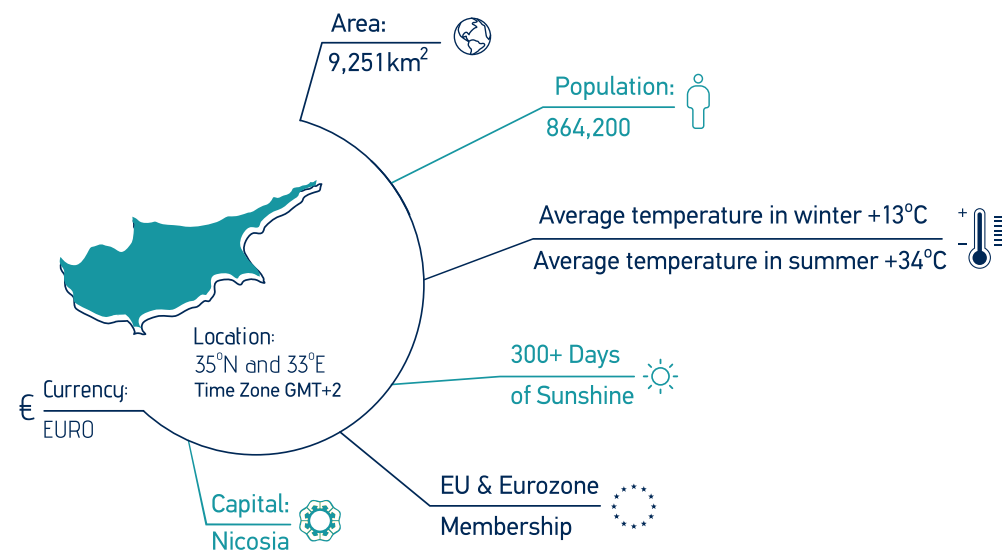
## About Cyprus

When looking at Cyprus, one realises there is much more to this island than a mere “sun and sea” destination. Strategically located at the crux of Europe, Africa and Asia, with full access to the world’s largest single market and member of the EU since 2004, Cyprus has been, throughout history, a popular destination not only to visit and live, but also to do business.

The island is a modern, cosmopolitan and transparent business centre committed to offering a high quality, duly regulated service and unique value proposition that ensures the best possible experience for investors and business people worldwide.

In a vibrant, multicultural society, featuring unique natural beauty and advanced infrastructure, a pro-business environment and a thriving international presence and activity, Cyprus has what it takes to be the investor’s next strategic choice and the individual’s preferred travel destination.

### Cyprus at a glance

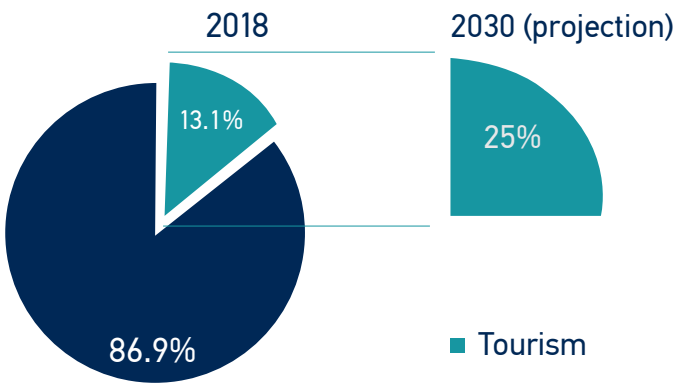




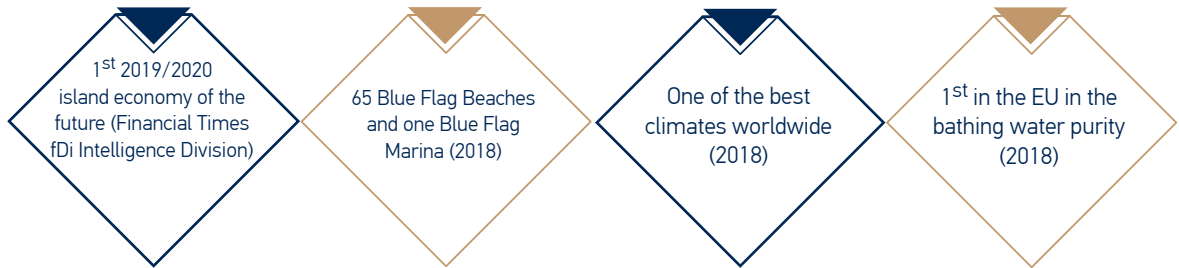
# The Cyprus tourism industry: trends and opportunities

Built around unique and diverse experiences, the Cyprus' tourism sector has been a long-standing contributor to the country's economy, which is in itself experiencing healthy growth, outperforming forecasts and maintaining a solid outlook. Income from tourism accounts for around 15% of the country's GDP, while according to latest estimates, the sector could contribute around 25% of the country's economy by 2030.

Tourism contribution to GDP



Through a clearly-defined Vision and Strategy to launch the full rebranding of Cyprus and establish the island as a quality, all-year round destination, tourism can strengthen its place and be one of the top economic performers by 2030, not only through direct revenues, but also through the major multiplier effect it has on the local economy. The vision of the new Cyprus Tourism Strategy is to develop Cyprus tourism in a sustainable way, which positively impacts our economy, society and the environment, while tourism arrivals are expected to reach around 5m by 2030, 40% of whom to arrive in the period November - April. The Tourism strategy also aims at diversifying into other local and cultural experiences while attracting multi-million investment into large-scale infrastructure projects.

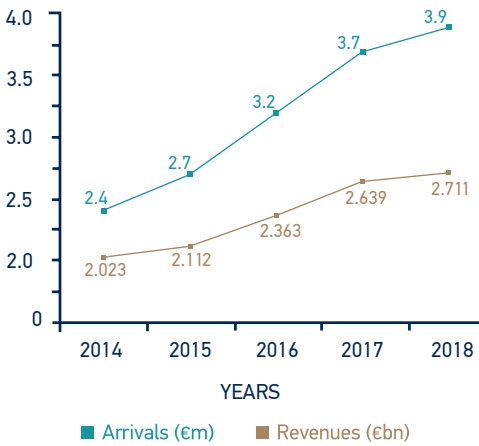


Efforts are focusing on:

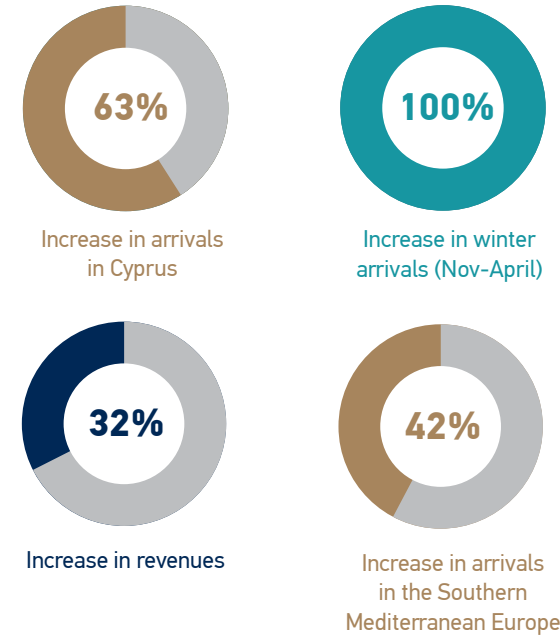
- Enhancing air capacity and flight connectivity throughout the year
- Expanding the country's market base
- Diversifying, enriching and improving the quality of the touristic product and therefore, investment opportunities into thematic areas, such as luxury and lifestyle tourism, nautical tourism, cultural tourism, sports, conference, health and wellness, and agro-tourism
- Improving the competitiveness of the destination, thus attracting further tourism-related foreign investment in multi-million infrastructure projects
- Establishing Cyprus as a digitally smart destination

The Growth - The opportunity

Breaking records in both arrivals and revenues, steadily increasing winter numbers, and striking millions of investment into tourism-related infrastructure and hospitality projects, all show Cyprus is stepping up its game, bringing about tangible results.



Substantial Growth over the last five years



Infrastructure boost

The tourism and hospitality industry has seen significant investment, with luxury marinas in all coastal cities, golf courses, leisure & theme parks, high-end resorts being developed across the island.

The Ayia Napa Marina with an estimated investment of €220 million, is currently under construction and expected to be fully completed in 2021, while a number of multiple multi-million developments are in the planning stage including the Paralimni, Paphos and Larnaca Marinas, expected to exceed €1 billion in total investments. As a marker of success, the decision by the Hong Kong-based Melco International Resorts and Entertainment to choose Cyprus for expanding its brand name outside Asia for the first time, investing more than €600 million for Europe's largest integrated casino resort, the City of Dreams Mediterranean, which is expected to attract an additional 300,000 inbound tourists annually.

Existing hotel infrastructure has also attracted foreign capital in acquisitions, expansions and renovations, increasing overall bed capacity to effectively respond to increasing demand.

Recent and upcoming developments

Casino resort

- / World-class integrated casino resort, unique in Europe
- / 4 satellite casinos

Luxurious marinas

- / 4 projects underway
- / 1 project completed
- / Mixed-use developments
- / Around 4,000 berths in total

Golf courses

- / 2 projects in the pipeline
- / Government golf policy for another 8

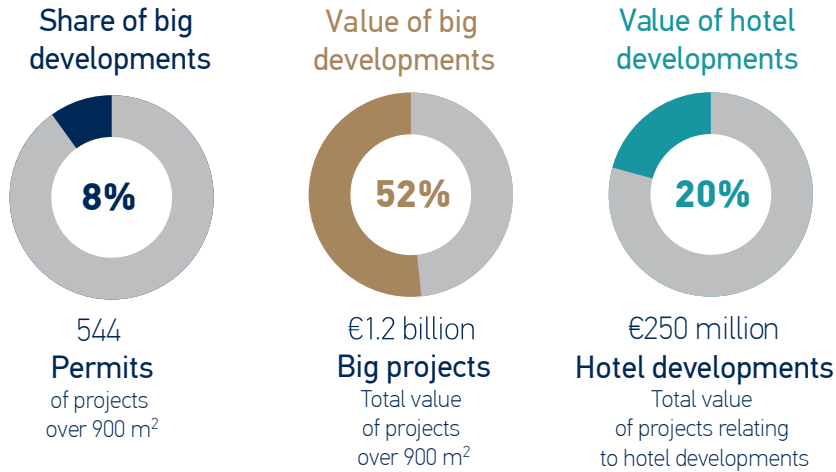
Other

- / Luxurious resort hotels
- / Health, wellness & rehabilitation projects
- / MICE facilities
- / Sports facilities
- / Leisure & theme parks

Tourism-related construction activity is also highly indicative of the shift towards large scale, high value developments, further strengthening the already strong hospitality industry.

Hotels represented the 12% of the total value of building permits issued in 2018 and 20% of the big projects.

Infrastructure supply and development





## Invest in Cyprus

### A rich and diversified tourism product

- Established tourist destination
- Millennia of art & culture
- Blend of attractions & diverse experiences
- Strategic location
- Continuously opening up new air routes
- Strong local hospitality ecosystem
- Sound Legal System
- Horizontal & sector specific incentives

### An attractive investment climate

- Incentivisation measures for the construction of new hotels and renovation of existing ones
- Flexible, and transparent administrative regulations
- Framework for mixed-use developments and condo hotels
- Streamlined investment procedures
- Vision & Strategy for a quality all-year round destination

### An investor-friendly tax regime

Attractive personal tax regime

A low corporate tax rate at 12.5%

Notional Deduction  
Interest up to 80% of the taxable profit

Network of 65 Double Tax Treaties

Dividend income tax exemption

No immovable property tax

### Key facts

**+7.8%**

In the number of tourist arrivals, for the year 2018 (3,938,625)

**+1%**

In the number of tourist arrivals, for the year 2019 (3,976,777)



**16 new hotels**

With 4,774 beds are expected to commence operations in 2020 and 2021



**+122%**

In new hotel permits (m<sup>2</sup>) between 2017 and 2018



Accommodation supply

90 thousand beds  
6% increase from 2018



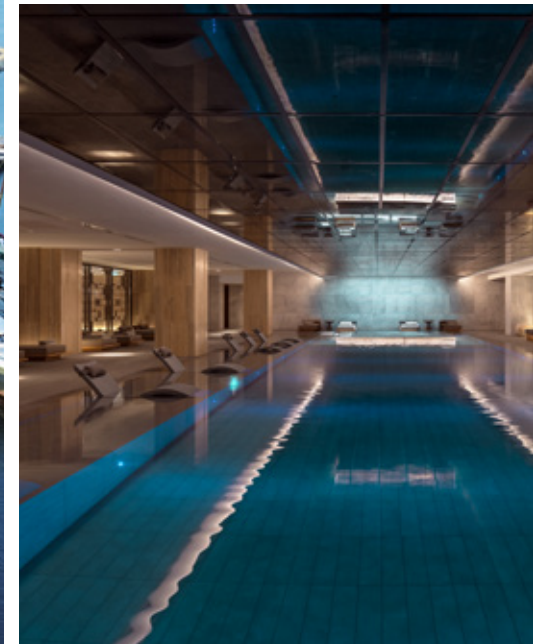
Development financing

Hospitality assets are the top priority for financing, by local banks



Cypriot hotels vs direct competition

4<sup>th</sup> Highest net bed occupancy rate  
3<sup>rd</sup> Highest ADR





## What we can do for you

TourInvest Cyprus, is an initiative of Invest Cyprus and the Deputy Ministry of Tourism. It operates within Invest Cyprus, as a dedicated and specialized Unit promoting investment opportunities within the local tourism and hospitality industry.

The TourInvest Cyprus Unit acts as the first point of contact to international investors and is actively involved in the facilitation of the investment process, in close cooperation with the Deputy Ministry of Tourism.

Our specialized team of experts is at your disposal to offer all kinds of information and support to realizing your next investment project, but also to work towards shaping an even friendlier business environment, truly welcoming to foreign investment.

### We offer hands-on support on:

Exploring and identifying investment opportunities

Getting acquainted with the market and business matters of interest

Establishing contact with the public and private sector

Setting up a business / materializing an investment in Cyprus

Assisting with administrative procedures (location, construction, licensing, recruitment etc.)







REPUBLIC OF CYPRUS  
DEPUTY MINISTRY OF TOURISM

## About Invest Cyprus

Invest Cyprus (Cyprus Investment Promotion Agency) is the investment promotion agency of the Government of Cyprus dedicated to attract and facilitate foreign direct investment into the country.

In close collaboration with all governmental authorities and public institutions, as well as the private sector, **Invest Cyprus** is the country's lead agent in establishing Cyprus as a world-class investment destination.

Invest Cyprus' mandate is to raise awareness of Cyprus as a location for FDI across the globe, providing certainty around all aspects of operating a business in Cyprus and supporting potential investors in developing their business case for investment into the country.

**Disclaimer:** The information available in this guide intends to provide a general introduction to the business environment in Cyprus, and every reasonable effort is being made to ensure its accuracy and timely amendment. In no circumstances shall the Cyprus Investment Promotion Agency (Invest Cyprus) be legally bound as a result of any information contained in this guide. Updated information can be found at all times on the website of Cyprus Investment Promotion Agency, at [www.investcyprus.org.cy](http://www.investcyprus.org.cy)

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