



Invest  
Cyprus

Cyprus Investment Promotion Agency (CIPA)

## *Investing in Cyprus*

*Sofia, 23<sup>rd</sup> February 2016*

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Chairman, CIPA*

A blue arrow with a silver shaft is shown hitting the bullseye of a target. The target is blue with a white bullseye and is set against a dark blue background. The arrow is positioned diagonally from the top left towards the center of the target.

# Cyprus Investment Promotion Agency (CIPA)

**Promote** Cyprus as an attractive international investment and business centre in key priority economic sectors

Provide **investor facilitation** and support to new and existing investors

**Advocate reforms** in order to improve the regulatory and business environment and infrastructure

*EU Member (2004) and Eurozone (2008)*

*Location: 35° N and 33° E*

*Area: 9,251 km<sup>2</sup>*

*Population: 1,100,000*

*Time Zone: GMT+2*

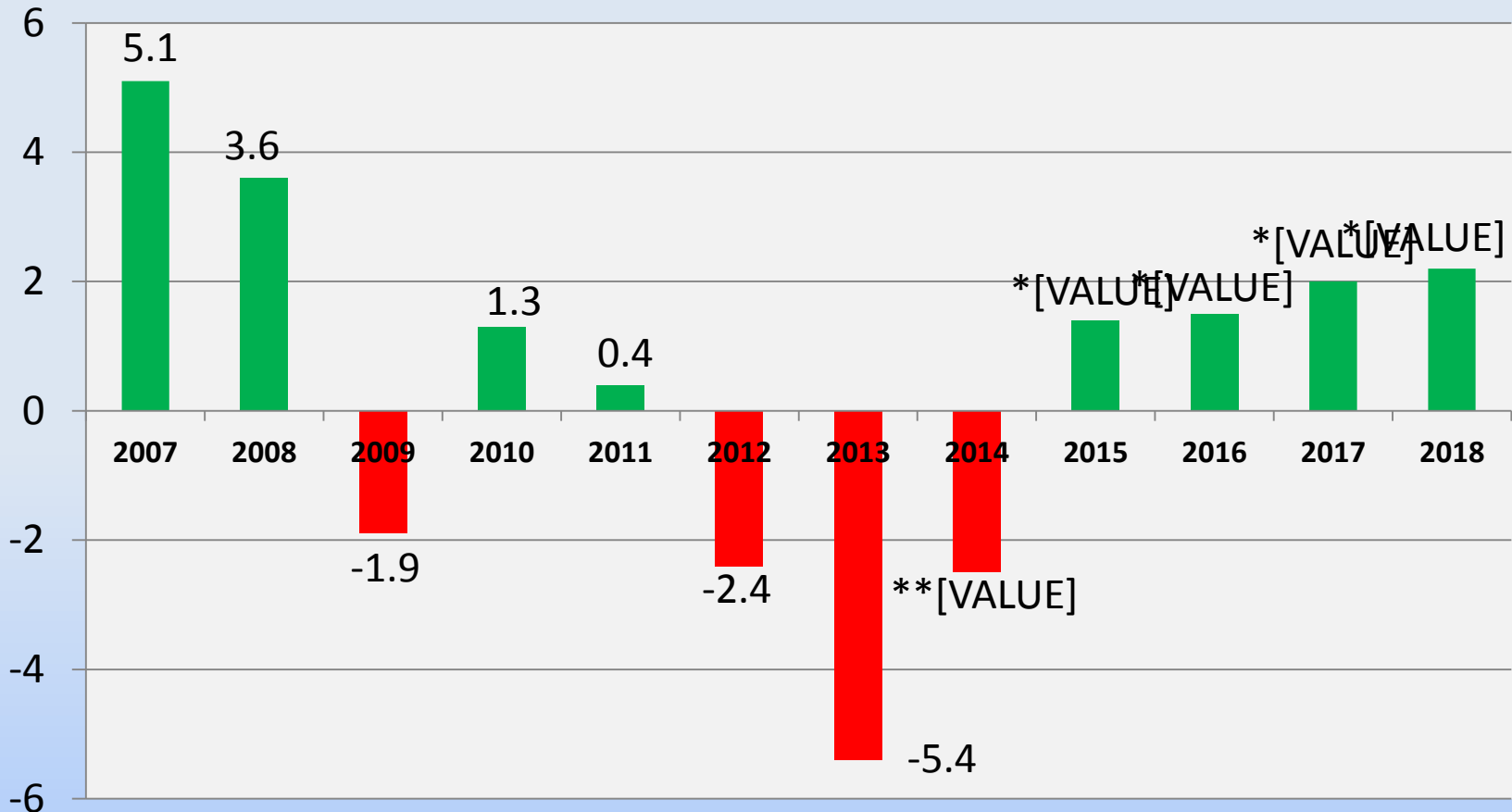
*Currency: Euro*

*Capital: Nicosia*

*Political System: Presidential Democratic Republic*



# GDP Growth (% change)



Source: Ministry of Finance, update as of 10/02/2016

\*\* 2014 Estimate

\* 2015-2018 projected forecast

# Cyprus 10- Year Government Bond Yield

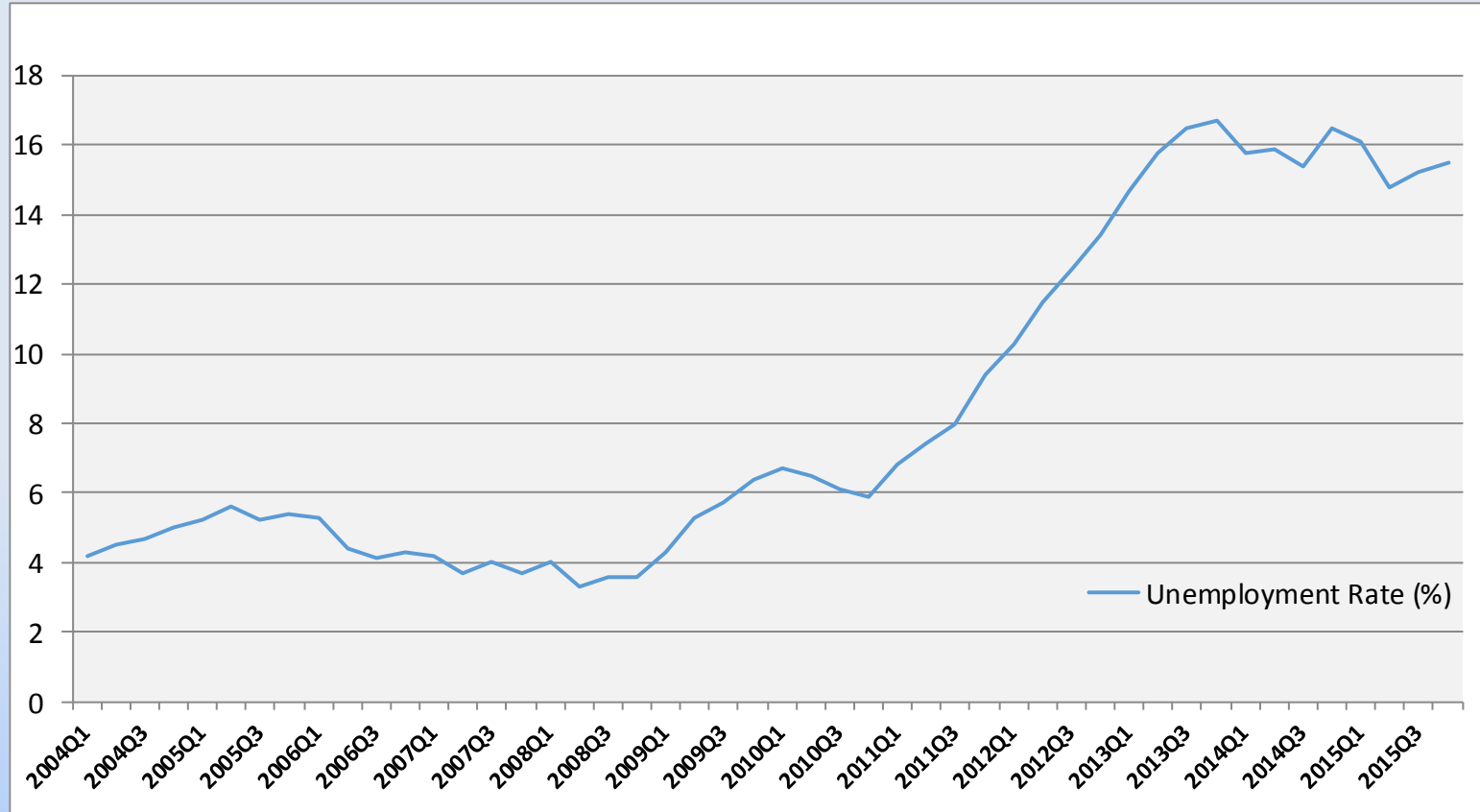


Source: Ministry of Finance; updated: 22/01/2016

## Cyprus: Recovery Facts

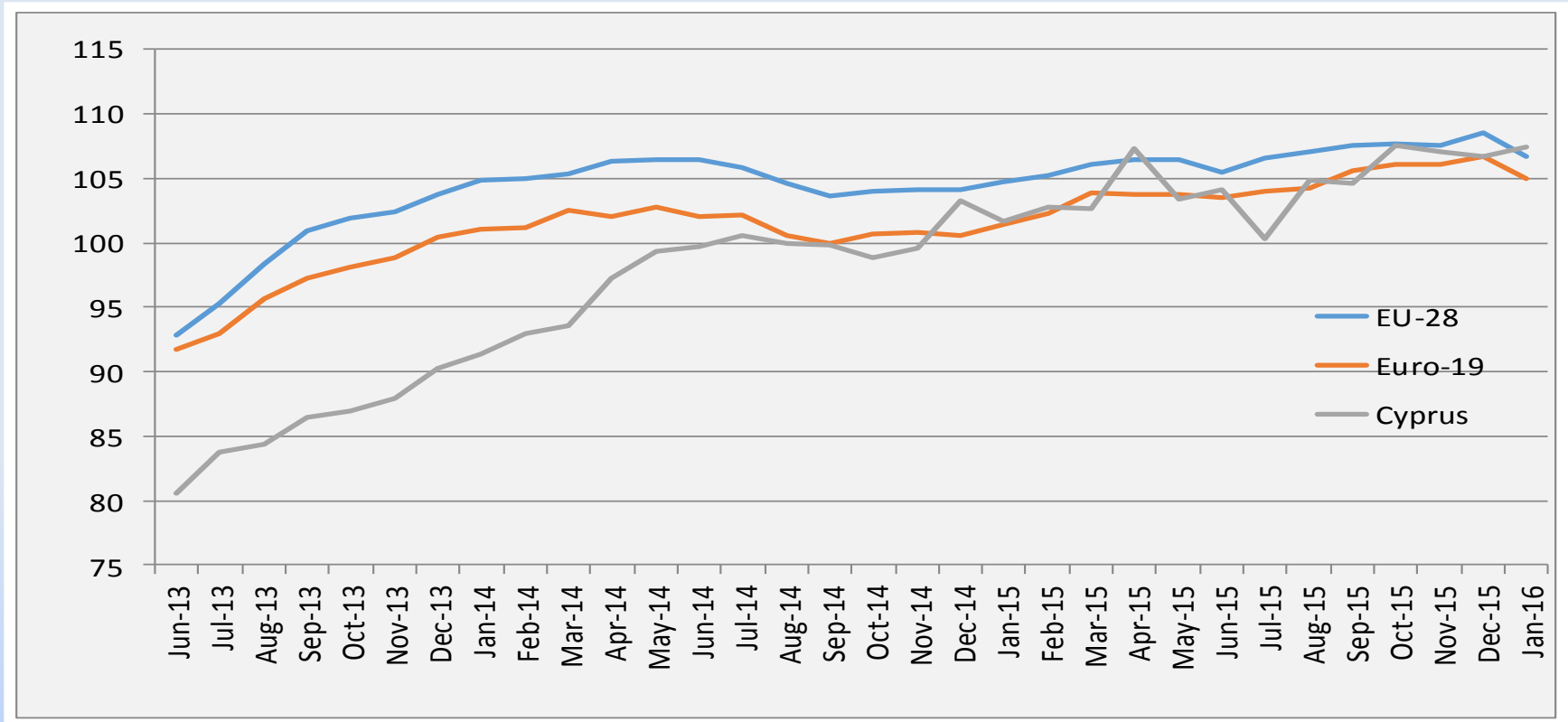
- Return to growth in **1Q 2015 (0.2%)** and **2Q 2015 (1.2%)**
- Nine assessments by Troika confirmed that the program is **“on track”**
- Cyprus returned to international financial markets in record time
- Banks have been recapitalized through foreign investors and EBRD
- International credit rating agencies revised the Cyprus economy’s outlook from stable to positive
- As of April 2015 all domestic capital controls have been lifted
- Banking sector highly strengthened and better credit conditions
- Cyprus to participate in ECB Quantitative Easing (QE) programme

# Quarterly Unemployment (2004-2015)



Source: Eurostat (update: 22/01/2016)

# Economic Sentiment Indicator (ESI)



Source: Eurostat update: 10/02/2016



## Cyprus: FDI Examples

- The Banking sector has received one of the biggest ever foreign investment
- Tourism sector has witnessed a number of investments in the hotel industry
- New 600 berth Marina Project will be funded through foreign investor
- The Funds under management in Cyprus have more than doubled in the last three years
- Renewable energy is looking to welcome FDI in at least 2 important projects that qualified in the (NER 300) by EU Commission
- Hydrocarbon has attracted global leaders such Noble Energy, Eni, Total, Kogas, Schlumberger and Halliburton

# Cyprus: Legal System

- Based on the English Common Law Principles
  - Transparent
- Fully harmonized with international standards
- Application of EU Directives



# Cyprus: **Attractive Tax System**

## Exempt from tax:

Dividend income  
Profits from overseas permanent establishments  
Profits from the sale of securities

## No withholding tax on:

Dividends  
Interest  
Royalties paid from Cyprus

- Intellectual Property (IP) tax regime
- Double Tax Treaties with 59 countries

## Cyprus: Human Talent

- Highest tertiary education percentage within the EU
- International business experience
  - Highly qualified
- Specialized service offering
  - Multilingual workforce



## Cyprus: Quality of Life

Quality of air & sea – Ranked 1<sup>st</sup> in cleanest waters in the EU

Safety – Ranked 1<sup>st</sup> in safest small states and 5<sup>th</sup> Globally – *ValuePenguin 2015*

Excellent educational institutions

Multicultural

Millennia of culture, history and art

Hospitality

Fabulous weather

Gastronomy

# Cyprus: Focus Sectors

Shipping

Professional Services

Banking & Financial Services

Investment Funds

Tourism

Real Estate

Research, Development & Innovation

ICT

Energy – Hydrocarbons & RES



## Cyprus: Health & Wellness Tourism

- Extended network of high standard medical facilities
- Internationally educated and experienced physicians
  - Well-recognized tourism destination
    - Mild Mediterranean climate
      - Rehabilitation Centers
      - Luxury Resorts & Spas
      - Medical Centers



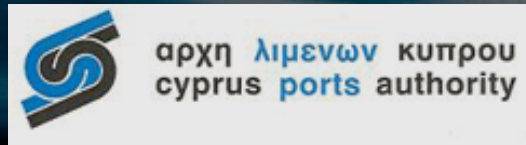
# International Shipping Center

- The **ONLY EU** approved tonnage tax regime with benefits for ship-owning, ship-management and crew management
  - **Largest** Ship Management Centre in EU
  - **2nd** largest Ship Management Centre globally
  - **3rd** largest merchant fleet in EU
  - **10th** largest fleet worldwide
- ▶ More than 1,022 registered vessels with 21 million gross tonnage are registered under the Cyprus flag
  - ▶ More than 140 ship owning and ship management related companies are operating from Cyprus



# Cyprus: Privatization of State owned Enterprises

- Ports Authority
- Telecommunications Authority





Timing  
is everything.

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# Thank You!

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