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Cooperation Opportunities in the Field of Tourism

Presentation by:

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It is indeed a great pleasure that I have the opportunity today to address this gathering on behalf of the Cyprus Tourism Organisation. Our countries have long enjoyed excellent relations and Bulgaria was chosen by many Cypriots, including myself, for their University Studies, while many Bulgarian citizens work in Cyprus contributing to its economic development.

Cyprus and Bulgaria historic relations are based on common shared values and our bilateral relations have further developed following Bulgaria's accession in the EU in 2007.

Both countries are, as demonstrated by the organisation of this Forum, determined to further enhance their economic relations and mutually beneficial cooperation.

Tourism is an area which offers itself for such cooperation not only in the field of investment but also for joint ventures in attracting tourism from third countries to both our countries.

Tourism is the only commercial sector on the island to see continuous growth and contributes around 11% of GDP. 2015 was a record year, registering 9% increase in arrivals and indications are that 2016 will further build on this growth. In 2016 we are aiming at solidifying the results of 2015 and improve performance during the shoulder and winter months.

We are confident that by consolidating Cyprus's core attractions and diversifying and developing niche areas in response to changing consumer demand Cyprus' tourism will continue its growth path.

Our efforts concentrate towards taking advantage of the island's mild winter climate and developing the island as a year round destination particularly for niche markets.

In 2015 total tourist arrivals reached 2.659.400 registering an 8.9% increase compared to 2014. Respectively, during the January – September 2015 period, revenue from tourism recorded an increase of 3,2% compared to the respective period of 2014, accounting to €1.7 billion. Cyprus attracted increasing numbers of visitors from Germany, Israel, Austria, France, the Netherlands, the Middle East and UK.

Arrivals from Russia, a traditionally strong country for Cyprus, fell by 18% compared to 2014, mainly due the devaluation of the ruble, which was well below the market's average decrease.

Despite the small numbers Bulgaria was also one of the markets that registered an impressive increase of 41.8% in arrivals. Meanwhile there was also an increase, of 6.2%, in residents of Cyprus visiting Bulgaria

The pursued open skies policy expanded the air accessibility of Cyprus offering opportunities to extend both the number of originating destinations and airline companies. The route Larnaca-Sofia is served by two air carriers and the relatively short flying time (less than 2 hours) offers the opportunity to develop two center holidays especially for niche products.

The mild climate offers considerable opportunity for growth as a shoulder and winter destinations, particularly for niche markets such as Agrotourism, health and wellbeing, religion, conference and sports tourism. The CTO encourages external investment and opportunities exist for investor wishing to target high quality niche-tourists seeking special interest holidays.

What follows is a short description of some of the island's tourism products and sectors offering investment and cooperation opportunities.

Sports Tourism

The island has a reputation as a popular winter practice venue for international sports groups and athletes, offering a field of considerable potential and a ground for cooperation. Apart from Cypriot teams training in Bulgaria during the summer months and Bulgarians teams training in Cyprus in winter, there are opportunities of investing in infrastructure as well as in cooperating to attract more sports teams to both countries.

Over the years many well-known Bulgarian coaches have trained Cypriot football teams further fostering relations between the two countries.

Diving is another area where growth is predicted. About 50.000 divers visit Cyprus per year and the Zenobia wreck is one of the top ten popular dive sites in the world.

Golf tourism is also expanding rapidly. There are four 18 hole golf courses with plans for additional ones in the future.

Health and Spa tourism

Other developing areas include health wellbeing holidays with the recent creation of exclusive spa resorts. Medical tourism experiences also growth due to Cyprus' reputation for high quality medical services. We have an excellent reputation for essential post-operative care. The Mediterranean climate with its dry summer and mild winter is ideal for recuperating both for the patient but also for the people accompanying them. This area is also fertile for cooperation where Bulgarian expertise in spa management can be used for joint ventures

Rural-Cultural/Religious Tourism

Cyprus is predominantly a sun and sea destination and comes at the top of EU rankings for clean waters for swimming as it has been awarded 57 blue flags. Also on the rise is cultural and religious tourism as well as Agrotourism. Opportunities exist in:

- Exchange of expertise in the organisation of events and festivals
- Taking into consideration the rich and common heritage of the two countries, joint promotion of cultural and religious tourism (orthodox) to third countries and also between our two countries.
- Agrotourism and gastronomy are important for both countries. In this area we have already participated with Bulgaria in the European program of Escape which promotes tours for seniors in the low season in the areas of gastronomy/culture and rural tourism.

Cooperation through EU funded programs

The "Balkan-Mediterranean 2014-2020" is a new cooperation programme, deriving from the strong will of the "Balkan-Mediterranean" participating countries to promote cooperation in the area. The programme brings together five (5) countries, three (3) EU member states (Bulgaria, Cyprus and Greece) and two (2) candidate countries, Albania and the former Yugoslav Republic of Macedonia.

It is the first time ever that the European cooperation addresses the Balkan Peninsula and the Eastern Mediterranean Sea together, in a joint effort across maritime and terrestrial borders, to contribute to the "EU 2020" strategy, for smart, sustainable and inclusive growth.

The Cyprus Tourism Organisation believes this Programme provides a structured tool to strengthen cooperation in the tourism sector, which is of significant economic importance in the participating countries.

We are confided that we can open new avenues of cooperation in the field of tourism as outlined above, which will benefit the economies of both countries. Thank you for your hospitality and we look forward to see you in Cyprus next time.