

# Spotlight on Cyprus



Photo: cybarco.com/project

The Oval, an iconic building in Limassol, was designed by internationally acclaimed architects Atkins and developed by Cybarco. It is the tallest commercial building in Cyprus.

## Exploring Cyprus's Economic Growth and Potential

**Why Cyprus is becoming a regional hub for professional services, finance, shipping, tourism, innovation, research and development, and other industries**

Cyprus is making strides towards becoming one of the European Union's top niche hubs for tech, finance, and other industries. The nation's economic growth has been bolstered by its location in the eastern Mediterranean Sea, its robust legal system, its educated and qualified workforce, and countless other factors.



**Christodoulos Angastiniotis**  
President  
Cyprus Chamber of  
Commerce and Industry

While Cyprus is well-known in the corporate world for its transparent and beneficial tax regime, the Cyprus Chamber of Commerce and Industry President, Christodoulos Angastiniotis, said the country has much more to offer, "We are continuously trying to improve our attractiveness as an investment destination, and recently established a business facilitation unit for investors in Cyprus. This helps ensure the process gets done faster in an organized manner. Our competitive advantages include being at the crossroads of three continents, Europe, Africa, and Asia. We are an English-speaking nation. Our schools are excellent, and families who relocate here are impressed by the high caliber offering and superb quality of life. Cyprus has low crime levels, 340 days of sunshine, centuries of art and culture, and a unique Mediterranean gastronomy. We also have a very good legal system aligned with English common law."

Cyprus's location makes it easy for local workers to access nearby countries like Israel and Egypt. That accessibility is supported by exceptional infrastructure, such as a sophisticated network of roads, a pair of multi-purpose deep sea ports in the cities of Limassol and Larnaca, and two international airports in Larnaca and Paphos. On average, the two major airports in Cyprus handle a combined ten million visitors annually.

In addition, the nation offers an unrivaled level of security thanks to factors such as its status as an EU member, and is regarded as one of

the safest countries in the world. While the legal system in Cyprus is not known for being fast-paced, it remains highly stable thanks to its common-law basis, and ongoing work to digitize this system will soon make it faster than ever. Thanks to these benefits, Cyprus is now one of the top destinations in the EU for financial services, shipping, technology, and venture capital.

### A Closer Look at Promising Developments

Energy is one of Cyprus's most promising sectors, and a pair of projects currently in the works could soon make the nation a prominent energy exporter. The EastMed pipeline is designed to allow Cyprus to share its oil and gas with other European countries. The project has hit some snags, including US concerns related to its cost. However, Cyprus-based legal experts believe the pipeline could help Europe reduce its reliance on Russian energy in response to the crisis in Ukraine. At the same time, efforts for the construction of a subsea electricity cable, which will be the first electricity link between Cyprus and the European grid, will soon end Cyprus's energy isolation while allowing for the long-term possibility for the exportation of electricity via a new interconnector.

The nation has also become a regional leader in the telecommunications field. Cyprus-based telecommunication provider CYTA is constructing a submarine fiber-optic cable network, making the digital connections between Cyprus and its neighbors stronger than ever before. The network - which directly connects Cyprus with Egypt, Greece, Italy, Israel, Lebanon, and Syria - is a vital link between the Middle East and Europe and a crucial part of the global Internet. Furthermore, it provides the stable high-bandwidth connectivity that major corporations rely on in the digital age, allowing Cyprus to be a true participant in the international economy.

Another key element of Cyprus's continued economic development is "Vision 2035," which is the nation's long-term strategy for sustainable

growth over the coming decade. Officially introduced in 2021, Vision 2035 focuses on bringing the economy of Cyprus into the 21st century while minimizing the ecological impact of these changes. The strategy marks the first time Cyprus has used central planning since 1974.

### Strengthening Relations with the USA

The Republic of Cyprus is working to strengthen its economic ties with the United States and other Western countries. The USA's involvement with the Cypriot economy has increased over the past five years and could continue to go up thanks to these ongoing efforts. It is not hard to see why Judith Garber, US Ambassador to Cyprus, said the link between these nations "has never been stronger" in terms of trade and security.

One of Cyprus's primary economic goals is encouraging multinational corporations to do more business in the island nation. Outreach efforts have focused on the country's low tax rate for companies and the numerous higher education institutions in Cyprus.

The nation's government has recently implemented a new strategy as part of its ongoing efforts to increase foreign investment and bring new talent into Cyprus. As part of this strategy, Cyprus has created multiple incentives related to taxes, residency, and employment. Currently, Cyprus's efforts in this space focus on research and development, pharmaceuticals, shipping, and technology, among other industries.



**Constantinos Petrides**  
Minister of Finance  
Republic of Cyprus

Cyprus's Minister of Finance, Constantinos Petrides, said this work has already begun to pay off, "For the first time, we are now seeing large-scale American business investments in Cyprus. This is thanks to the government's decisiveness to implement the right policies and safeguard our business-friendly environment. We have also corrected the faults within the banking sector, consolidated, modern-

ized, and recapitalized the sector, and now hold excess liquidity beyond supervisory levels."

Minister Petrides continued, "Cyprus has all of the right ingredients for a holistic and business-friendly ecosystem. We have a favorable tax regime, are an attractive destination due to our legal system within the EU, and are a bridge between the Middle East, Asia, Africa, and Europe. We are second to none with regards to our professional services and highly skilled labor force. This wholesome combination makes Cyprus attractive for foreign direct investment."

He continued to discuss relations with the USA, "Bilateral relations between Cyprus and the USA have never been better. The cooperation right now is at a historical high. We have shared priorities in economic, energy, and political issues. We are working to create a robust state and increase the competitiveness of the economy. We have implemented an Action Plan for Attracting Companies to Operate and Expand Activities in Cyprus. The new incentives will help promote Cyprus as an international business center and attractive destination for investment."

### Encouraging Foreign Direct Investment

Of course, these are not the only areas where foreign direct investment is welcome in Cyprus. Economic sectors where new investment possibilities have been created include regional headquartering, information technology, education, investment funds, film production, and energy. The latter industry is particularly attractive thanks to the discovery of hydrocarbon deposits within Cyprus's Exclusive Economic Zone, which has motivated investments from several multinational companies over the past few years.

Thanks to the government's foreign investment-related efforts, along with other progressive measures tied to growth and reform, Cyprus has not merely survived, but has thrived in recent years. The nation's economy has been able to recover faster than anyone expected, and it continues to receive upgrades from credit rating agencies like Standard & Poor's, Moody's, and Fitch. Going forward, plans are in place to continue developing Cyprus's leading economic sectors. As Cyprus builds on years of success and sets a course for its next decade of growth, the island nation remains one of the EU's most noteworthy success stories - and will maintain this status for the foreseeable future. ■

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# An Emerging Regional Telecommunications and Connectivity Hub

Cyta plays a vital role in the nation's digital transformation



Cyprus is currently working to modernize and strengthen its economy. One entity set to play a pivotal role in making these plans a reality is Cyta, the nation's largest telecommunications provider, which has been active on the island since 1961. Today, CEO Andreas Neocleous says, "Cyta is instrumental in implementing the technological ambitions of Cyprus across the region. We have always been the market leader in telecommunications and digital services. Following more than 20 years of intense competition, Cyta remains the number one company in the local market, with a market share above 50 percent for almost all of the services we offer, which is not something you see in many countries. Furthermore, our mobile network was recently named 'Europe's Fastest Mobile Network' by Ookla®, while our 5G network offers 100% population coverage, making Cyprus the first EU member-state to achieve this."



**Andreas Neocleous**  
CEO  
Cyta

At the moment, Cyta is accelerating the upgrade of broadband network, fused with fiber, interconnecting submarine state-of-the-art cables that span the island it calls home and beyond. These cables support the transmission of information within national borders, but this is far from their only function. They also serve as the bedrock for ultra-fast interconnectivity between Cyprus and neighboring countries such as Egypt, Greece, Italy, Israel, Lebanon, and Syria. As such, the network of Cyta provides the backbone for online communica-

tion between Europe and the Middle East, while playing a vital role in the flow of digital information worldwide. Therefore, the extensive on-land fiber network meets the high bandwidth utilization needs, making it easy for high-tech companies to establish operations in the country.

## Transforming Cyprus into a Digital Hub

Neocleous noted, "The geographical position of our island creates some connectivity-specific challenges. Hence, we are on a constant hunt for new, innovative solutions to navigate these challenges and provide unique solutions that deal effectively with the productivity and everyday needs of our clients."

He added, "It is essential to keep the country and our clients connected with the outside world. Submarine cables are a great solution, though they entail complicated deployment and significant investment. However, despite all the difficulties, in the last 30 years or so, we have managed to turn Cyprus into one of the most technologically advanced countries in Europe, in terms of connectivity infrastructure. This has encouraged several international businesses and large-scale multinational corporations to set up base on our island."

As of 2022, Cyta has direct connectivity with Greece, France, Italy, Israel, Lebanon, Syria, and Egypt, among others. Neocleous said that the international connectivity of Cyprus is more extensive and reliable than most submarine cable-based networks used elsewhere in the world. As an example, he cited recent connectivity problems in Tonga after a volcanic eruption took place in January 2022. He said, "Because the single submarine cable that connects Tonga with

the rest of the world was damaged in the explosion, Tonga was not reachable for weeks until that submarine cable was repaired. Currently, 13 such submarine cables connect Cyprus with the rest of the world. This indicates the importance of our investment in infrastructure and in the quality of technology we have at our disposal."

## Cyprus's Vision for the Future

Cyta's efforts coincide with "Vision 2035," the strategy of Cyprus for sustainable growth in the next decade. Vision 2035 has been a guiding plan for the nation over the last 50 years and focuses heavily on green and technologically advanced economic growth.

With regards to the current state of the economy, Neocleous noted, "COVID-19 has been a catalyst for many instrumental transformations in Cyprus. It may have laid substantial obstacles in our route for a while, but we are already emerging stronger from it. Today, the national economy is more resilient, more productive, more efficient and thanks to the digital boom demanded by COVID-19, more competitive than ever before. It helped us realize the importance of always being future-ready and most importantly, of being agile and adaptive to continuous change."

## The Challenges Cyprus Faces

The success of Vision 2035 ultimately depends on the level of participation and commitment demonstrated by businesses, Neocleous said. He went on to mention that the ecosystem in Cyprus has reached a point of maturity. As a result, existing local financing sources will not be enough to accomplish the goals without the involvement of multinational companies.

Neocleous added, "Following gov-

ernmental incentives to promote economic recovery, there has been an increased interest among both local and international investors and fund managers to scale-up their investments in the economy."

Neocleous also spoke about other challenges faced by Cyta and Cyprus as a whole. One of the most significant changes he advocated for is the case for enhanced agility to overcome the burdens of red tape for businesses in Cyprus, "We have to be fast - not just faster than before, but faster than our competitors."

Neocleous encouraged dismantling the bureaucracy that mires the decision-making processes, and continued, "We need faster decision-making, with more executives in key positions and metrics to ensure high performance. This approach is arguably higher risk but can deliver significantly higher returns."

He added that the government's initiatives for restructuring public administration have been beneficial but need to be boosted in order for the country to become more competitive in the international economy, "We need to further accelerate the digitization of public administration in particular, and of the country in general. This cannot be done with local talent alone. It demands new partnership models with advanced technology companies from abroad that already have the know-how required for this leap."

## What's Next for Cyta and Cyprus

Fulfilling the goals of Vision 2035 is currently the primary focus of Cyta. Neocleous said, "We are going to advance the digitization process of the country with all the means we have. Our next target is to build a new state-of-the-art green datacenter to host local and international companies in a secure and sustainable environment. At the same time, we want to further improve the customer experience we offer by creating emotional connections with our customers, encouraging their loyalty and in turn, their business."

Neocleous is positive that Cyprus will succeed in strengthening its existing business relationship with the USA. While the value of services provided by Cyprus to America has already surpassed USD 1.2 billion, he felt there is more to be done. He stated, "There is a lot of room for improvement in terms of Cyprus gaining more technological knowledge from American companies. That could boost the competitiveness of businesses not just locally, but in the global market as well. There is great potential for technological improvement in the education sector, especially in publicly funded early education, as well as in healthcare. US companies have certainly a lot to contribute and their assistance could be of great value in establishing Cyprus as a regional health services center."

On the other hand, he admitted that Cyprus could do more to strengthen its economic partnership with the USA. "It goes without saying that the USA has a sizable influence in our region. What has always been a challenge for us, is highlighting the reasons why the USA should consider Cyprus as an investment destination, rather than just a sunny resort in the Mediterranean," he added. The business and public sector reforms already underway should draw the notice of multinational companies and other potential investors. ■

# An Ideal Location for Headquartering, High-Tech Operations, Investment Funds, and Filming

Aspen Trust Group: global financial architects providing a stepping stone into Europe and the Middle East

Deceptively small and seemingly insubstantial, Cyprus is slowly rising to become a global player in the film industry, high-tech sector, regional headquartering, and hub for IP holdings and investment funds. Being at the nexus of three continents, Europe, Asia and Africa, it offers the strategic advantage of proximity to wildly diverse markets, as well as being a stepping stone into the EU. Indeed, it has perfected the delicate balance of meeting stringent international standards, while still maintaining a business-friendly attitude with huge incentives to promote growth.



**Marina Zevedeou**  
Co-Founder and CEO  
Aspen Trust Group

One of the leading pioneers of the corporate services industry in Cyprus is the Aspen Trust Group. Specializing in international structuring and tax management solutions for corporations and high-net-worth individuals, it is a leading expert in headquartering, family office services, IP registration, financial technology start-ups,

funds licensing and set up, banking and tax compliance. It provides financial optimization structuring tools to businesses, enhancing the boundaries of international trade and investment in a transparent, trustworthy, and proactive way. Marina Zevedeou, Co-Founder and CEO of the Group, stated, "With over 22 years in business, Aspen Trust Group is a strong, evolving, and connected business growth partner. We deliver international corporate structuring and management solutions through a tailored range of professional services from international transaction structuring to business set-up in Cyprus and abroad. Our multidisciplinary services cover corporate, financial, and legal solutions. We add value to our clients' businesses, and we are part of their success stories. Our clients are from all corners of the world. We have been servicing American clients in Cyprus for a long time, and they continue to be amazed to discover the benefits that Cyprus provides across a wide range of sectors."

The Group specializes in services relating to financial technology start-ups. The Cyprus IP Box allows an 80% deduction of qualifying revenue

earned from the use of intangible assets, taxing the remainder at the corporate tax rate of 12.5%, enabling Cyprus-resident companies to have an effective tax rate of 2.5%. Zevedeou added, "Cyprus is constantly evolving, making it easier to do business. The new Fast-Track Business Activation mechanism speeds up company relocation, as bureaucracy and delays in company registration, work-visas and relocation permits are avoided."

Aspen Trust Group also offers services in the newly developed film industry by assisting film producers to navigate through and apply for the government's attractive incentives. Specifically, the Cyprus Filming Scheme allows production companies to select between a cash rebate of up to 40%, tax breaks on equipment and infrastructure investments, and VAT refunds on eligible spending. Zevedeou highlighted that, "These incentives are simply there to shed light on the unrealized potential of Cyprus as a filming destination. This is a huge opportunity for the USA. Cyprus has close proximity to diverse cultures across Europe, Africa, and Asia and offers a perfect blend of traditional and modern settings. Diverse natural

landscapes, ranging from mountains to waterfalls to beaches, predictable sunny weather, and short internal distances make Cyprus simply perfect for filming."

Digital nomads are also progressively discovering Cyprus's business-friendly regulatory environment and its ability to provide them with a balanced quality of life. From Cyprus's modern cities to quaint little villages, digital nomads have the nation's varied landscapes at their fingertips, along with business efficiency and a high standard of living.

While navigating red tape in government schemes may appear overwhelming, having a reputable local professional service provider can make all the difference. Zevedeou, who is a passionate advocate of Cyprus-American relations, emphasized, "America's unparalleled success lies in its ability to recognize opportunity and I feel American investors would remiss these if they ignore the huge advantages Cyprus has to offer. Working with American clients for more than 20 years has given me not only the opportunity to understand their high expectations but also the expertise needed to meet and exceed them."

Zevedeou was clear, whether for regional headquartering, high-tech corporations, investment funds, or as a filming destination, Cyprus should undoubtedly be at the top of investors lists. She stated, "Recognize Cyprus for the opportunity it is. You will be pleasantly surprised." ■

# A Stable Business Location in the Eastern Mediterranean

**Deloitte Cyprus CEO discusses the nation's economic present and future**

While investors benefit from Cyprus's tax incentives, Deloitte Cyprus CEO Pieris Markou conveyed they are not the main reason Cyprus is on the business world's radar. He noted that the country has much more to offer, including its highly stable legal framework based on English common law, status as a member of the European Union, and multilingual workforce.



**Pieris Markou**  
CEO  
Deloitte Cyprus

Over the years, both left- and right-leaning governments in Cyprus have supported international investments and introduced new, investor-friendly legislation. Along with all of this, Markou said Cyprus boasts a uniquely attractive location. "From here it is easy to fly to Egypt, Israel, Middle East and many other locations in the region. But at the same time, people can benefit from the safety and stability Cyprus offers. The strategic location of Cyprus at the crossroads of three continents makes it ideal for regional headquartering, and allows for employees to easily travel while their families enjoy the nation's high quality of life."

With these perks in mind, Markou told potential investors to "dare to try Cyprus – they will never regret it."

## A Look at Cyprus's Future

Markou believes Cyprus's current success could be just the tip of the iceberg for the island nation. He added that attracting more multinationals to the country is critical, "Technology companies are continuously setting up in Cyprus, and at Deloitte Cyprus, we have been dealing with a lot of interest in entities moving their headquarters here. However, as a nation we need to make sure we have sufficient accommodation and schooling available for multinationals expanding operations in the country and relocating."

Furthermore, a growing number of arbitration disputes have been handled in Cyprus recently. As a result, the country has started building a reputation for these cases, and could eventually become a regional arbitration hub.

One major initiative meant to boost the Cypriot economy is the Vision 2035 strategy. According to Markou, the strategy is sufficiently ambitious, and he remains cautiously optimistic about its implementation. He stated, "The question is if we can make the changes it calls for, including those related to the environment and digitalization. On paper, it looks good; in practice, we are hoping that things will go through. But we are seeing the government moving in the right direction."

**"Technology companies are continuously setting up in Cyprus"**

## What Deloitte Cyprus Has to Offer

As one of Cyprus's most prominent professional services firms, Deloitte Cyprus provides a bevy of services to clients at home and abroad. These include financial advising, tax-related services, consulting, audit and assurance, among others. Markou said the company has decades of experience in the professional services niche, "Deloitte has been active in the field since our company was founded in 1958. We were one of the first professional services firms to operate on the island after Cyprus declared independence in 1960. What is pleasing to see is that we still have some clients who have been around since the firm was founded – they have been with us for more than 60 years."

Since it is part of the larger Deloitte network, Deloitte Cyprus offers customers the same experience they would get and would expect from any of the Firm's other offices around the globe. ■

# Legal Areas of Importance in Cyprus's Future as an International Business Center

**Ioannides Demetriou LLC chairman weighs in**

For many years Cyprus has established itself as an international business center from where foreign investors are conducting their business. The adoption of common law has been a major determinant to its success.



**Pambos Ioannides**  
Chairman  
Ioannides Demetriou LLC

Corporate and commercial law, with its flexibility and extensive case law, have facilitated a variety of large international deals where the Cyprus-based law firm Ioannides Demetriou LLC has acted as legal advisors. Examples include cross-border mergers of credit institutions and insurance companies; takeovers of malls, hotels, universities, telecommunication and other businesses; joint ventures between oil and gas companies; construction and land development; general trading companies; as well as Cyprus's largest privatization projects with the participation of foreign investors.

Cyprus's taxation law has always proved attractive to businesspeople as its many versatile characteristics offer multiple opportunities for an investor-friendly structure through which international business can be conducted.

The areas of corporate, commercial, and taxation law have provided stability and predictability for foreign investors over the years, and have been important factors contributing to the popularity of Cyprus as an international business center.

The importance of dispute resolution through arbitration in bilateral and multilateral treaties and cross-border disputes cannot be overlooked, and Cyprus's role in this area is emerging. Although London, Singapore, Hong Kong, Paris, and Geneva are at the top of the list for arbitration hubs, Cyprus's role within the field of international arbitration is steadily increasing. Typically, international arbitration can resolve disputes more rapidly

than traditional court litigation, making it a popular choice for companies and nations to avoid the courtroom. Though Cyprus is a relative newcomer to the arbitration game, it has some unique advantages making it highly competitive in specific niches. Both its geographical location at the crossroads of Asia, Middle East and Europe and its strong legal regulatory frameworks and membership in the EU make it an ideal international center in cases where New York or London would be too far away to handle the needs of a multicultural group of businesspeople.

Foreign business leaders rely on a solid legal structure when pursuing an amicable compromise. Cyprus is a party to the New York Convention, meaning bilateral recognition of arbitral awards issued in other signatories to the New York Convention. Furthermore, Cyprus's Commercial Arbitration Law is based on the original United Nations Commission on International Trade Model Law and has no significant difference to it.

Pambos Ioannides, chairman of Ioannides Demetriou, weighed in on the possibility of Cyprus enhancing its role as an international business center as well as becoming a regional arbitration hub, "There are experienced professionals involved with international business in Cyprus, and I believe we can enhance our role as a regional business hub. On the international arbitration field, increasingly more international arbitration professionals are operating in Cyprus. We aim for the field to continue to grow in the years ahead as more international business leaders learn of the benefits of arbitration in Cyprus. Our firm has assembled an enviable team of professionals which covers all important legal areas and can assist foreign investors with local expertise."

Though the COVID-19 pandemic and other setbacks have recently affected Cyprus's economy, Mr. Ioannides remains confident in the nation's future.

"We have had growth over the past few years. Perhaps it would have been larger otherwise, but we are still in good shape," he said. ■

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# How Cyprus Became a Major Shipping Hub

Unique location, tonnage tax system are among critical factors powering the nation's maritime sector



The Republic of Cyprus is home to many major industries, but one of the nation's most prominent trades is the maritime and shipping sector. Cyprus is regarded as one of the most dependable and competitive shipping centers in the world. Overcoming the odds, the nation has effectively developed a diverse and powerful maritime services sector that provides a distinct set of competitive advantages in terms of quality service, registration fees, and taxes. According to high-ranking players in the field, Cyprus has no intention of resting on its laurels. Instead, plans are in place to build on decades of success by introducing several crucial upgrades in the near future.

Each year, Cyprus's shipping industry adds more than USD one billion to the island nation's economy. That figure is equivalent to seven percent of Cyprus's GDP, a considerably higher percentage than those seen in other countries involved in shipping and related businesses. The merchant fleet flying the Cypriot flag is the third-largest in Europe and the eleventh largest globally. In addition, Cyprus is the single biggest center for ship management in the European Union and one of the top three providers of these services worldwide. Over 250 Cyprus-based enterprises handle more than 20% of the world's third-party management fleet, providing world-class shipping-related services. Cyprus continues to manage one of the largest merchant fleets in the world as the ships circumvent the world's oceans.

## The Factors Behind Cyprus's Maritime Boom

Cyprus's continued success in the maritime and shipping sector is no coincidence. One significant factor powering the nation's shipping industry is its prime location. It serves as the southeastern border of the EU and sits near the Suez Canal at the crossroads of three continents.

That said, Cyprus would not be able to maintain a booming shipping industry for decades on end by relying on its location alone. Instead, another element that has helped Cyprus build a reputation as a hotspot for maritime operations is its famously robust regulatory framework. That has created a sense of stability that investors have found appealing, especially since the island is close to the Middle East.

Other factors contributing to the strength of Cyprus's maritime and shipping sector include the minimal operating costs, multilingual workforce, and tonnage tax regime available to businesses operating there. The Cyprus Tonnage Tax was implemented

with EU approval and has been incredibly helpful for shipping firms active in Cyprus. In 2012, about 96 companies were enrolled in the Tonnage Tax system; by 2021, this number had jumped to 280 businesses.



**Vassilios Demetriades**  
Deputy Minister of  
Shipping  
Republic of Cyprus

## What the Future Holds for Shipping in Cyprus

Thanks to these actions and others, Cyprus has maintained its status as a maritime world leader in recent years. However, Cyprus's Deputy Minister of Shipping, Vassilios Demetriades said work must be done to keep the sector competitive and resilient over the long term.

Minister Demetriades stated, "To do that, we have recently established a long-term strategy for Cyprus's shipping industry under the name 'SEA Change 2030.' The word 'SEA' is an acronym - 'S' stands for 'sustainability', 'E' stands for 'extrovert' and 'A' stands for 'adaptability.' The reason why 'extrovert' was chosen instead of 'efficiency' is that the shipping sector tends to be quite introverted and conservative. We want to become more extroverted in how we work with the local and global shipping community, how we promote Cyprus's shipping industry, and how we respond to feedback regarding our operations."

"SEA Change 2030" includes 35 concrete actions for Cyprus's maritime and shipping sector, all of which are based on these three strategic pillars. Demetriades considers it essential for Cyprus to promote a collaborative and extroverted approach to developing the sector through systematic collection of industry intelligence, and consultation with all stakeholders, which he emphasized has led to the current strategy. Cyprus is steadfast in its determination to adapt to global trends and an ever-changing maritime environment. And above all, Demetriades reaffirmed his country's dedication to fostering sustainable practices and ensuring policies support the long-term vision.



**Antonis Stylianou**  
President  
Cyprus Ports Authority

## Recent Improvements and Challenges

The United States is among Cyprus's most important economic partners across all industries - including

shipping. The connection between the two nations goes well beyond basic trade. President of the Cyprus Ports Authority, Dr. Antonis Stylianou said the United States has recently invested USD five million into a Cypriot maritime training center.

Stylianou stated, "As part of their general strategy in the Mediterranean region, the United States has established an important facility in Cyprus which we call CYCLOPS - the Cyprus Center for Land, Open-seas, and Port Security. This was a huge investment for a nation of our size, and it has created major improvements in how we handle training for port management, port security, and so on."

In cooperation with the EU's Blue Growth and climate change strategies, Cyprus is also working to make its shipping industry as sustainable as possible. A critical step towards this goal was the establishment of Cyprus's Shipping Deputy Ministry in 2018, which led to several measures intended to make the nation's maritime industry more eco-friendly. In 2021, Cyprus introduced green tax incentives to incentivize the shipping industry to promote environmentally sustainable approaches in their operations. Cyprus is recognized by international entities, and enjoys a status as a "white-listed" state according to the Paris and Tokyo Memorandum of Understanding on Port State Control in the European and the Asia-Pacific region, and appeared on the Quality 21 list issued by the US Coast Guard, representing adherence with inspection, certification, safety, and pollution prevention policies.

Stylianou also spoke about the shipping industry's connection to Cyprus's growth as an energy exporter.

He stated, "Cyprus is becoming an energy hub thanks to the exploration of resources such as hydrocarbons in the Exclusive Economic Zone of Cyprus. As a result, our ports have seen significant activity related to energy exports. Additionally, Cyprus Ports Authority and our partners have been involved in supporting operations to neighboring countries such as Israel and Egypt in their own exploration activities related to hydrocarbons. The two largest ports in Cyprus, located in Limassol and Larnaca, have been commercialized while remaining under the supervision and regulation of the Cyprus Ports Authority. We also operate, supervise, and regulate the main industrial ports on the island along with other small and medium-sized ports. With all that in mind, we believe the Cyprus Ports Authority plays an important role in supporting the developments taking place in relation to our maritime industry."

Of course, Cyprus's maritime and shipping sector has recently faced some difficulties. Like nearly every other industry, shipping in Cyprus was affected by the COVID-19 pandemic. The ongoing Russian-Ukrainian crisis has further disrupted the regional economy.

While the Cyprus Ports Authority has been taking common-sense steps to deal with COVID-19, it has also used this situation as an opportunity to digitize its operations. In the future, these efforts could encourage future investments in the nation's shipping industry. Recently, Cyprus has welcomed vessels affected by the war in Ukraine while strengthening its ties to the United States and other Western nations. ■

## ServPRO: A Boutique Professional Services Firm in Nicosia Offering World Class Practical Solutions to the Corporate World

Q&A: Petros Theodotou, Founder and CEO, ServPRO Accountants & Consultants



**Petros Theodotou**  
Founder and CEO  
ServPRO

## How do you assess Cyprus's business ecosystem?

Cyprus's small economic size has been an asset for the nation. We remain flexible, and policymakers have enough room to take swift action when necessary to ensure the economy can adapt to an ever-changing and complex global ecosystem. This has allowed the Cypriot economy to quickly adapt and improve the quality of our overall business environment.

Combined with this flexibility, another one of Cyprus's strengths has been the national strategy to attract high-tech companies to establish global or regional headquarters and generally to establish or relocate their businesses to Cyprus. We have already seen numerous multinational ICT firms establish regional headquarters in Cyprus and expect many more in the coming years. A significant advantage attracting firms to Cyprus for regional headquartering is the ease of receiving residency permits, which extends well beyond American firms establishing operations. In addition, with the introduction of the Digital Nomad Visa, even self-employed, freelance professionals, and single employees of foreign companies can effortlessly receive residency in Cyprus for them-

selves and their entire family while working remotely.

We have also seen large scale multinationals investing in Cyprus such as Exxon Mobil's recent expansion of offshore energy exploration in Cyprus's EEZ or NCR maintaining their regional headquarters in Nicosia since 1985. We hope many other American businesses and multinational corporations realize the true potential and abundance of benefits Cyprus offers as a destination for business establishment, relocation, and investment.

## How is ServPRO advising overseas clients?

The firm has swiftly gained momentum, and we are now a one-stop-shop for professional services. In Cyprus, ServPRO has a well-established team of accountants, auditors, advocates, and consultants, and has for over ten years been providing in-depth practical solutions to worldwide clientele across a diverse spectrum of sectors. We pride ourselves on delivering outstanding service, and our team has a proven track record of providing practical solutions. We advise corporate and individual clients through a solution-driven and detail-oriented approach, all while exhibiting professionalism, ethics, and a strong commercial acumen. We have always aimed for ServPRO to serve as a single point of contact for entities eyeing opportunities in Cyprus and the EMEA region. ■



# City of Dreams Mediterranean: Transforming Cypriot Tourism

Soon to be Europe's largest integrated resort, the world-class development is elevating the island's offering as an all-season destination



Located in Limassol, City of Dreams Mediterranean encompasses a fourteen-story luxury hotel tower, a gaming area the size of a football field, world-class restaurants, retail, spa and fitness facilities, a 200-seat outdoor amphitheater, a family adventure park, and a state-of-the-art expo center ideal for business events

The Republic of Cyprus is well-known for being an attractive tourism destination, welcoming at least four million visitors each year. The island nation enjoys average temperatures of around 55 degrees Fahrenheit in winter and 93 degrees Fahrenheit in summer, not to mention 300-plus days of sunshine each year. Visitors also value the combination of pristine beaches, stunning mountain terrain, vibrant culture, unique world heritage sites, and a balanced quality of life - all contributing to Cyprus's strong reputation as a holiday destination. A newcomer to the island's offerings is City of Dreams Mediterranean, an integrated resort that is set to reshape the tourism industry in Cyprus.

City of Dreams Mediterranean is developed by Melco Resorts & Entertainment ("Melco"), which owns and operates multiple premier integrated resort facilities in Asia. Melco has a knack for transforming the regions it invests in and has big ambitions for Cyprus. It aims to make City of Dreams Mediterranean one of the best entertainment experiences in the Mediterranean region. In fact, it will become the largest integrated destination resort in all of Europe.



**Grant Johnson**  
Property General Manager  
City of Dreams  
Mediterranean

Grant Johnson, Property General Manager of City of Dreams Mediterranean, stated, "Cyprus is a hidden jewel. It receives more sunshine than anywhere else in Europe, and its blue flag beaches and 'sun and sea' reputation allows for an excellent base to further grow and develop."

Melco strategically selected Cyprus as its first venture in the EU. Johnson sees huge potential in complementing the current national facilities and hopes to position Cyprus as a leading regional tourism destination.

Johnson added, "We are combining electrifying entertainment, award-winning dining, designer-brand shopping, contemporary gaming, and exceptional accommodations. It will encompass a fourteen-story, luxury hotel with over 500 guest rooms and suites, and over 100,000 square feet of space for meetings, incentives, conferences, and exhibitions (MICE). It will be a landmark for the entire region. It is expected to attract an additional 300,000 tourists to Cyprus annually when global travel resumes to pre-COVID-19 levels, and will help the country combat seasonal tourism lulls, making Cyprus a year-round destination."

He added, "In Cyprus, the non-gaming side will be predominant, and will be different from our other properties in Asia. In Cyprus, we focused on becoming a leisure destination first, with entertainment, MICE, and luxury hospitality at the epicenter. City of Dreams Mediterranean will have the largest MICE facilities on the island and will be a must-see destination not only for Cyprus, but in and of itself. As the offerings continue to improve, Cyprus will attract new markets and visitors. We see huge opportunities in attracting new visitors from Europe, Northern Africa, and the Middle East including the Gulf Cooperation Council, and even Israel which is only a 40 minute flight away."

Cyprus has a clear strategy on what it wants to achieve, and Cypriots are seeking international partners that align with that vision. Johnson noted, "We are one of the largest private foreign direct investors in Cyprus, and our experience has been nothing but positive. In Cyprus, American business leaders will find a highly educated workforce, a regulated EU legal framework, and a government that is pro-foreign investment."

In between enjoying the incredible amenities at City of Dreams Mediterranean, visitors can also enjoy soaking up sun on the beach, wine tasting

at local vineyards, and tour the three UNESCO World Heritage sites on the island, including the ancient architecture in the city of Paphos, the painted churches in the Troodos region, and the neolithic settlement of Choirokoitia. Travelers can venture further along the historic Heartland of Legends route, offering visitors an opportunity to familiarize themselves with local traditions while roaming across the island's untouched landscapes.

Savvas Perdios, Cyprus's Deputy Minister for Tourism explained his strategic vision for the future of tourism and its role as a regional hub. He stated, "Cyprus has historically been an attractive location to visit for tourism and business, contributing close to 20% of the country's GDP. While the sector remains a central pillar of economic development, as the economy shifts, so do our priorities. Vision 2035's goal for tourism is to surpass pre-pandemic levels, diversify our offerings, attract a wider variety of visitors, and exceed five million arrivals per year, which can equate to USD three billion in local spending."

However, one of the drawbacks of being a well-established sun and sea destination is the seasonality of incoming visitors. A loss of opportunity occurs during the low season, and combined with a global pandemic

such as COVID-19 or erratic regional conflicts, the benefits of being a well-diversified year-round destination cannot be overemphasized.

Minister Perdios added, "We hope destinations like the Heartland of Legends route and City of Dreams Mediterranean will be part of the solution to battle seasonality. We are now embracing tourism in a more holistic way. We are revamping our tourism industry with large infrastructure including the integrated resort, two large marinas, golf courses, and other special interest products. Another great example of an ongoing infrastructure development project is the 3,000 km Heartland of Legends route, showcasing the authenticity of the nation via a series of genuine local experiences. It passes exclusively through the rural mountains and is curated by people who live in Cyprus. Visitors can make wine, jam or hal-loumi in Cypriots' homes and even learn to weave in local handicraft workshops."

Minister Perdios also highlighted, "Cyprus is perfectly placed to cater to MICE tourism, and in particular, boutique events. The opening later this year of the USD 600 million City of Dreams Mediterranean integrated resort will further boost the tourism potential of Cyprus." ■



## Supernova Consulting: Innovative Technology Solutions – Local Presence with Global Reach

**Q&A: Kyriacos D. Stylianides, Managing Director, Supernova Consulting**

SAP's first gold partner in Cyprus, Supernova Consulting, is celebrating its 20th anniversary. As a global consulting, technology, and outsourcing organization with clients in over 30 countries, Supernova Consulting builds and delivers business and technology solutions. By advising businesses on how to implement globally competitive and innovative technological solutions, they help businesses improve efficiency, achieving their most essential objectives and accelerating their businesses' growth.



**Kyriacos D. Stylianides**  
Managing Director  
Supernova Consulting

**How do you assess the resilience of the Cypriot economy?**

Overall, the Cypriot economy has proven to be more resilient than we all expected, and this has been driven mainly by the three economic pillars

of real estate, services, and tourism. However, we also see a growing number of private investments in key industries, specifically in technology, fintech, energy, transport, education, and healthcare.

These industries are increasingly implementing globally proven solutions to boost efficiency, and the way forward has been to digitize. Companies moving to the cloud are leveraging international expertise, recognizing digital transformation as an underlying driver of the efficiency for all these sectors.

**Why is the digital cluster in Cyprus expanding?**

Cyprus is a regional hub not by coincidence. There is a united vision in Cyprus to foster economic development and a desire to strengthen the overall business ecosystem. The government and local businesses share this mission. We want Cyprus to be one of the top countries in the world to do business, work, and live.

During conversations with local partners, they often cite three reasons why they chose Cyprus. One is the favorable tax system and world-class business services. Second is the high quality of life. Thirdly, Cyprus is an exciting hub where everyone wants to be, especially in financial services, fintech and ICT.

We have a low-tax and affordable business environment that is attracting exciting next-generation industries. With the increase in demand, connectivity is also improving and becoming more reliable, helping to further attract entities to join Cyprus's growing digital hub. Cyprus is making great strides in digital transformation. At Supernova, we focus on providing those digital technologies.

**What inspired you to start Supernova Consulting?**

Supernova was founded in 2003, intending to help local Cypriot SMEs transform digitally. The aim was to boost their growth and make them more successful by advising them on how to implement innovative digital solutions. While the initial focus was Cyprus, now two-thirds of our clients are international companies that have a presence in the region. We now serve clients in over 30 countries. Our highly skilled personnel take a holistic approach to solving our clients' challenges. We help clients embrace the digital agenda, enabling them to unlock their full potential, flourish, and grow. ■



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# Inside Cyprus's Booming Academia

Why the region is experiencing unprecedented growth as a research and development hub

The Republic of Cyprus may be one of the smallest countries in the European Union, but it has managed to excel in countless industries. Human capital is one of the most important pillars attracting foreign investors and making a country competitive. One of the nation's most prominent fields is its research and development sector, thanks to its highly educated workforce. Today, scientists in Cyprus are working on projects ranging from medical research to efforts to solve the world's most pressing problems.



**Prodomos Prodomou**  
Minister of Education,  
Culture, Sport and Youth  
Republic of Cyprus

Cyprus Minister of Education, Culture, Sport, and Youth, Prodomos Prodomou, stated, "Cyprus has one of the most highly educated workforces in Europe. Our strategic goal, and challenge, is to establish Cyprus as a regional international center for higher education. In this regard, our relations with the USA are of crucial importance. Although a small country, Cyprus has remarkable higher education institutions, which are characterized by quality and excellence, and we believe they are an ideal destination for both Cypriots and international students. For instance, the American University of Beirut recently decided to establish its second campus in the western part of Cyprus. This is a direct result of the efforts to make Cyprus a regional hub for educational research. Cypriot universities have competitive research programs that continue to succeed in attracting international funding. The public universities attract research resources and develop research programs amounting to approximately EUR 300 million, which for our size is impressive. We aim to attract even more investments."

## How Did Cyprus Become an R&D Hotspot?

Cyprus has not always been one of the EU's most prominent hubs for research and development. While it has long been known for its quali-

fied researchers and scientists, the nation was once behind the curve regarding pan-European research. A significant step towards changing this situation occurred in 2020, when Cyprus established the Deputy Ministry of Research, Innovation, and Digital Policy.

Cyprus Deputy Minister of Research, Innovation, and Digital Policy, Kyriacos Kokkinos, stated, "In Europe and in Cyprus, our research excellence is indisputable. The quality of producing new knowledge on artificial intelligence, life sciences, bio-genetics, and other fields is excellent. In Cyprus, we are working to encourage the startup ecosystem to be more successful, and we have collaborations with MIT and other entities in the USA. We have a business accelerator called Cyprus Seeds which helps to fiscally facilitate Cypriot startups."



He continued, "Cyprus is the home base of many fin-tech, high-tech, and bioscience companies that operate locally and have a global presence. Agro-tech is another up-and-coming sector that is rapidly expanding. The region has a scarcity of water, and the increased demand for agricultural products requires people to become more environmentally friendly and create more efficient irrigation systems. Cyprus is attractive for the development of new products and solutions and can be a test bed for new solutions to reach markets. We have partnerships with Boston University, NYU, MIT, and others to create an academic ecosystem for research, development, and testing."

The Cypriot government has poured unprecedented funding into the research sector in the past few years. That, combined with Cyprus's highly educated workforce, supercharged the nation's R&D efforts. Cyprus experienced the second-

highest level of innovation-related growth across the entire EU in 2020. It currently ranks fifth among EU member states in terms of research-related progress.

## Spotlight on the University of Cyprus

A prominent academic institution in Cyprus is the University of Cyprus, which was established in 1989. While the school has just 7,000 students, it has mirrored the trajectory of its home country by becoming a respected player in the European research field despite its small size.

Professor Tasos Christofides, the rector of the University of Cyprus, said his university's success is tied to its ability to work within a clearly identified niche. He stated, "To compete with other universities, we have to excel in something specific. We cannot invest in becoming a huge university catering to all disciplines, so we concentrate on particular disciplines and excel at specific things. We decided to invest in research because, while a small country with limited resources and capacity, Cyprus can excel and showcase impactful outcomes. In our case, we realize how innovation, technology, and entrepreneurship can positively transform society and the world. The university believes that investment in research is an investment for the future, for proposing and shaping the future to be exact. That is why we have put a heavy emphasis on establishing Research Centers of Excellence, which the European Union is currently funding."

Cyprus ranks first in Europe for funding the creation of Research Centers of Excellence. It has also been one of the largest recipients of projects from Horizon 2020. Right now, Cyprus is home to six Research Centers of Excellence. Two of these centers are operated by the University of Cyprus and the university is also a partner in a third center. The university provides matching funds for the centers, which are ultimately intended to become self-sustaining research facilities.

The University of Cyprus has established close links with local industries, including the pharmaceutical industry, and North American research institutions. As part of the latter initiative, the university has established an agreement between its medical school and McGill University in Montreal, and an engineering student exchange program with Texas A&M University in College Station, Texas. Another medical agreement with Baltimore's Johns Hopkins University is currently under consideration.

## Dealing with Today's Problems

In addition to the aforementioned drivers of Cyprus's research-related progress, the nation also dealt with the COVID-19 pandemic. Cyprus acted quickly to respond to this crisis, thanks largely to the innovations pioneered by its R&D sector. In turn, the pandemic gave the industry a chance to react to new challenges and grow as a result.



**Professor Tasos Christofides**  
Rector  
University of Cyprus

Professor Christofides said the University of Cyprus played a pivotal role in Cyprus's efforts to deal with the COVID-19 pandemic. He stated, "The University of Cyprus followed an interdisciplinary approach to help the country manage the pandemic. One example of the University's contribution is the development of the software used in our local government's COVID-19 response and tracking. Our researchers assisted the government in handling the pandemic by developing that software and providing expert opinions related to COVID-19 including forecasting and prediction reports, something we are very proud of. Along with that, we had people working on other issues related to the pandemic offering their expertise."

Researchers in Cyprus have also been hard at work finding ways to fight climate change worldwide. With EU funding through the Horizon 2020 initiative, the Cyprus Institute has continued its efforts to track atmospheric pollution as a climate change indicator. As part of these efforts, the institution has opened a Center of Excellence known as the Eastern Mediterranean and Middle East Climate and Atmosphere Research Center. Professor Costas Papanicolas, President of the Cyprus Institute, added, "The education and research system in Cyprus is halfway between the American system and the continental European system. It has a lot of features that you do not find in continental Europe, but are reminiscent of the US system, making it familiar to American visitors. We hope to encourage more American collaborations in not only the fields of climate and atmospheric research, but across a wide array of areas."

Cyprus as a hub for R&D and higher education is expected to flourish in coming years and will continue to strive to create solutions for today's global problems. ■

## The Cyprus Institute: A Key Player in Cypriot Research

Since 2007, researchers from The Cyprus Institute have made breakthroughs in science, technology and innovation



Aspect of Cyl's solar thermal pilot plan for the co-generation of electricity and desalinated water

Scientific research in Cyprus has grown by leaps and bounds over the past decade, thanks in large part to the nation's research institutions and universities. One of Cyprus's most respected research and educational institutions is the Cyprus Institute (Cyl), a world-class, non-profit, non-governmental research and educational institution with a strong scientific and technological orientation.

At Cyl, researchers from different countries pursue solutions for issues that affect Cyprus, the region, and the world, and explore topics such as renewable energies and water resources, climate change and environmental monitoring, computational sciences and artificial intelligence, archaeology and art characterization.

Recognizing the unique geopolitical position of Cyprus as the southern and eastern-most state of the European Union, Cyl constitutes a gateway between the European Union and the Eastern Mediterranean - Middle East (EMME) and plays an important role in transforming Cyprus into a knowledge-based economy.

### A Look Inside Cyl

Operating under the aegis of the Cyprus Research and Educational Foundation (CREF), the Cyprus Institute was designed by "a world-class committee to be a research and educational center of excellence, in anticipation of Cyprus joining the European Union in 2004. Planning efforts actually began years

before Cyl opened its doors, in November 2007," according to Professor Costas Papanicolas, President of the Cyprus Institute.

Today, Cyl comprises four specialized multidisciplinary research centers developed in partnership with leading international institutions in their respective thematic areas.

- The Energy, Environment and Water Research Center founded in partnership with the Massachusetts Institute of Technology (MIT)
- The Science and Technology in Archaeology and Culture Research Center founded in partnership with the Centre de recherche et de restauration des musées de France (C2RMF)
- The Computation-based Science and Technology Research Center founded in partnership with the University of Illinois at Urbana-Champaign and its National Center for Supercomputing Applications (NCSA)
- The Climate and Atmospheric Research Center was founded in partnership with the Max Planck Institute for Atmospheric Sciences, The University of Helsinki and the French Alternative Energies and Atomic Energy Commission (CEA)



**Prof. Costas Papanicolas**  
President  
The Cyprus Institute

Cyl researchers have produced countless innovations over the years. One development Prof. Papanicolas is particularly proud of is related to the joint production of electricity and desalinated water through the use of concentrated solar energy at the PROTEAS solar research facility, the largest facility of its kind on the island. "For the last ten years, we have been pursuing small-scale, distributed, production of electricity and desalinated water based on renewable energy. For this area in particular, climate change is becoming more and more critical, and desalination from renewable sources could be a solution for the region. A major

American company in the desalinization sector has joined our efforts in this field, and they have already installed multimillion-dollar equipment in our facility to demonstrate their novel forward osmosis technology."

## What Makes Cyprus a Research Hub?

Papanicolas said that a critical factor in the success of Cyl is its recognition of the unique role Cyprus serves as an essential point of connection between the EMME region and the rest of the world. "This is the huge, distinguishing advantage of the Cyprus Institute. It was designed from the viewpoint that Cyprus is not just a small island in the eastern Mediterranean - it is a gateway of high-tech knowledge for the entire Middle East," he stated.

Over the years, Cyl has benefited from its home country's unique advantages. Cyprus's robust technical education system, favorable regime in regard to intellectual property management, wide usage of English, and educational system similar to that of the USA have made it an ideal location for all kinds of work - including research. And while Cyprus only recently became known for its scientific community, this sector has been able to make up for lost time. For the past seven years, Cyprus has consistently attracted the most research funding in Europe on a per-capita basis.

"The first university in Cyprus is about 25 years old. Our research and development ecosystem got off to a slow start, but things have evolved rapidly in the last ten years. Cyprus is now becoming an education hub with three state universities, three research centers, and seven private universities. While the R&D field in Cyprus is not yet mature, overall, we are on the right track."

Yet, Cyprus would not be a significant research hub today without the industrious individuals working there. "Technology and knowledge are great, but they are powered by people. With that in mind, we need to allow scientists, doctorate students, entrepreneurs, and others to move back and forth between nations freely. We have 26 nationalities at our institute, and more than 50 percent of our research staff is non-Cypriot. That is a source of wealth which is difficult to measure, but without it, it would be impossible to achieve our aims," Prof. Papanicolas said. ■

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# University of Cyprus: Dare to Choose Your Future!



Based in Nicosia, the University of Cyprus (UCY) is a modern, diverse, and evolving student-centered institution established only three decades ago. Aspiring to function as a beacon of scientific thought, diversity, inclusiveness, equity, and creativity, UCY envisions its future as a leading institution in the greater Euro-Mediterranean area.

Established in 1989, UCY has 8 faculties, 22 departments, 820 faculty and staff, and 6,882 students. It has 29 undergraduate and 102 master and Ph.D. level programs on offer. It is a multilingual establishment offering courses for learning in 8 languages, and a specialized School of Modern Greek - teaching the Greek language to non-native speakers. The university

also offers a Center for Entrepreneurship, Aula Cervantes, and Confucius Institute. UCY is a world-class university and is highly ranked globally.

#### International Outlook

UCY has a global network and actively contributes to European and international scientific developments. Its international outlook ranked it num-

ber 99 in the "Young University Rankings under 50 years old" category of the Times Higher Education World University Rankings 2022. It fosters strategic cooperation with top international institutions through the signing of Bilateral Agreements of Cooperation, is an active member in over 65 international university networks and associations, and takes part in the Erasmus+ program.

#### "An international track record of attracting funding and competitive grants"

#### Excellence in Research

UCY is considered the leading university and the most active research institution in Cyprus. It has 2 centers of excellence, 16 research centers and 113 research laboratories. The Cypriot institution has an international track record of attracting funding and competitive grants. In 2021, it received EUR 27 million in research funding from external sources, and within Europe's Horizon 2020, UCY ranks first in Cyprus with 154 research projects, bringing the total funding to over EUR 75.4 million. Overall, 750 of its young scientists are using external research funds and currently participating in 373 projects. Furthermore, UCY was awarded the HR Excellence in Research Award by the European Commission and follows the 2010: Charter and Code (C&C) for researchers.

#### Young University for the Future

UCY participates in the university alliance of Young Universities for the Future of Europe (YUFE), which is a major strategic partnership established between ten young research-intensive European universities. It aims to bring radical change in European higher education by establishing itself as the leading model of a young, student-centered, non-elitist, open and inclusive European University.

#### Why Study at the University of Cyprus?

UCY is an EU university with internationally recognized degrees, state-of-the-art infrastructure, high-caliber academics, and competitive tuition fees and scholarships. The university combines excellence in teaching and research with innovative educational programs. Its alumni declare high graduate employability (nearly 83% on a full-time basis) and excellent career prospects. UCY opens doors for further education or research opportunities in world-class universities and research centers. ■

## Inside Cyprus's Real Estate Industry

### Real estate remains one of Cyprus's most successful sectors despite the effects of COVID-19, policy changes

Cyprus's economy is booming right now, and a variety of different industries are on the rise in the island nation. Meanwhile, the country's warm weather and welcoming population have made it attractive to digital nomads, entrepreneurs, businesses seeking company headquarters, and foreigners looking to purchase a second home. As a result, global interest in commercial and residential real estate in Cyprus has been heating up over the past decade. This sector was responsible for 17 percent of the nation's gross value added (GVA) in 2020.



**Chris Michael**  
CEO and Founder  
Chris Michael  
Property Group

While the current real estate boom began in 2014, real estate was a hot market in Cyprus long before that point. Chris Michael, CEO and founder of the Chris Michael Property Group, an investment manager specializing in structuring and managing real estate in Cyprus, has been working with private equity investments for decades. He said, "We have been offering the best advice on where to purchase homes and investment properties in Cyprus since 1982. Over the past 40 years, I remember steady growth in Cyprus's economy, especially in tourism and real estate. There are obvious reasons behind this growth, including our sunny climate, English-speaking population, improving infrastructure, beneficial tax system, and high level of security. In addition to these factors, our country's location in the Mediterranean Sea has been important. Especially since we entered the European Union, we have seen a massive increase in foreign investors looking to purchase real estate here."

#### How are geopolitics and global events affecting real estate in Cyprus?

As a safe and stable nation within the EU, Cyprus attracts companies within

the greater region looking to shift part of their operations to the island. This is particularly prevalent with ongoing security concerns in the Middle East, the Ukraine-Russia war, the Lebanese liquidity crisis, and other complicated regional geopolitical events.

In addition, in 2019, Cyprus's annual property sales were higher than they had been in any year since 2008. However, the COVID-19 pandemic temporarily slowed the pace of economic growth in this sector. A total of 14,000 property transactions were recorded in Cyprus in 2020 - a 19-percent drop compared to 2019.

Along with the pandemic, 2020 marked the end of the Cyprus Investment Program. That initiative was based on property sales and allowed foreigners to attain citizenship status in Cyprus. While it remains hard to say how long it will take the nation's real estate market to recover fully, early signs are encouraging, and the pace of incoming FDI is ramping up. As of October 2021, property sales in Cyprus to Europe-based clients were 68 percent higher than they were at the same time in 2020. Domestic property sales have also been doing well, particularly at the lower end of the market. Furthermore, the average number of employees being relocated to Cyprus has sharply increased and is forecasted to continue to grow.

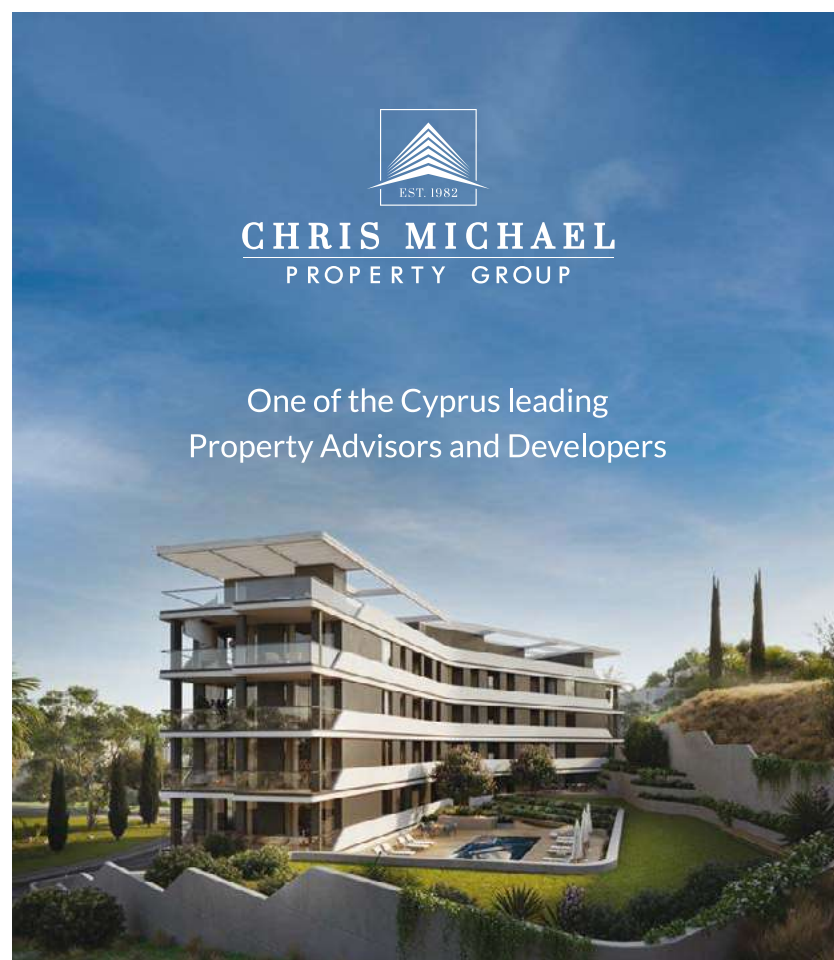
#### The future of Cyprus real estate development

The real estate market in Cyprus has overcome significant challenges in the early 2020s, but is set to emerge from these issues as a more resilient industry than ever before. With an affordable domestic market, significant opportunities exist for the construction of homes targeted for first-time buyers and the conversion of existing units into attractive investment properties. Meanwhile, the easing of pandemic-related restrictions could help motivate foreigners who were previously interested in buying properties in Cyprus but opted to hold off while COVID-19 was at its worst.

The demand for offices in prime locations across Cyprus, high-quality investment properties, and well-planned property developments are also on the rise. Chris Michael Property Group has managed the property portfolios of investors on the island for decades, offering a full range of services. Chris Michael noted, "Property investments on the island of Cyprus have offered stable returns for years and outperformed expectations. We see potential to develop in-demand properties in traditional segments and in many niches. For example, the recent stream of incoming foreign companies has increased demand at local schools, as employees are relocating with their families. In turn, this has created ongoing discussions not just on how to house more and more families, but how

to develop commercial school properties and meet all their other needs. At Chris Michael Property Group, we advise the buyer on the legal and financial aspects of property ownership in Cyprus. We have historically guided foreign clients in developing real estate properties from inception, and we can also manage properties after sale, offering clients rental income. We have done this for decades, and with our experience, we are confident we can advise American investors seeking regional opportunities."

Although residential properties are a prominent aspect of Cyprus's real estate market, the nation's commercial real estate industry is also strong. Cyprus currently has limited office space, and the demand for these properties is going up. As countless industries in the nation continue to grow, domestic businesses may seek to expand their operations. Meanwhile, multinationals planning to set up shop in Cyprus will need to buy or rent properties of their own. ■



# How Cyprus is Adapting to Instability at Home and Abroad

Cyprus's justice system reforms, anti-corruption measures could encourage future investment from Western companies



As Western investment in Cyprus grows, several USA-based businesses, law firms, individuals, and funds have chosen Cypriot law firms to represent their interests in this part of the world. Dr. Nicolas Kyriakides, a partner with Harris Kyriakides, a leading law firm established in 1976 in Cyprus, noted the country has advantages helping it attract international business, including its location, EU membership, and skilled workforce.



**Nicolas Kyriakides**  
Partner  
Harris Kyriakides

## Changes at Home

Nicolas Kyriakides spoke about the ongoing reforms to the Cypriot justice system, and how these reforms may further attract inward investment. He stated, "The justice system is currently under major reform, and there will be many changes, new procedures, and rules implemented. Our e-Justice system came into effect recently to simplify the process of filings and finding case-related information, and there is a

strategy in place to reduce delays and increase the speed of adjudication. The justice system has been problematic in the past few years, as the average time for adjudication of a case is seven to eight years. Along with that, corruption in Cyprus has been quite high - but there is light at the end of the tunnel."

In addition to these reforms, three major anti-corruption bills have passed recently in Cyprus. When they go into effect next year, these bills will establish an independent anti-corruption authority, protect whistleblowers, and regulate lobbying.

Kyriakides mentioned, "On February 17, 2022 the House of Representatives of Cyprus voted in favor of a long overdue bill regulating lobbying which will bring people one step closer to policymaking. In 2023, when the bill will come into effect, transparent lobbying will become the means by which social groups and socially responsible businesses will be able to communicate and influence decision-making actors in a more structured and transparent way. Zenox Public Affairs is a public affairs and government relations startup. It is the first

Cypriot company to openly state that it is engaging in lobbying. Its goal is transparent, regulated, and evidence-based lobbying."

Those changes and others will likely be discussed at the Cyprus Forum, the largest independent policymaking conference in Cyprus. Organized by Oxygono in association with the Delphi Economic Forum, the Cyprus Forum seeks to be a catalyst for effective reforms in Cyprus and beyond while bridging the current gap between policymakers and businesses, academic institutions, and civilians. The forum is held each fall at the Nicosia Municipal Theater, with related events spanning other venues. The 2022 conference will take place on September 29-30 and will welcome EU commissioners, MEPs, and other high-profile speakers from Cyprus and beyond.

## Changes Abroad

Cyprus is proactively adapting to complex global geopolitical shifts and responding to an ever-changing array of international issues. Previously, the nation relied heavily on investment from Russian companies and tourism.

These income sources have been affected by the Russia-Ukraine war and the COVID-19 pandemic. Kyriakides said Cyprus has plans in place to adapt to these changes, "The government knows Russian investment will slow and diminish as a percentage over time in Cyprus. We have to look to the West, invest in new technologies, and pro-actively encourage companies to come to Cyprus. Our corporate tax rate and wide variety of higher education institutions, as well as our efforts to become a more transparent and well-regulated nation should play an important role in attracting new businesses to the area."

Furthermore, Kyriakides said he hopes shifts in the political and economic climate will eventually strengthen the ties between the United States and Cyprus. He added, "Business investments from the USA have slowly been increasing over the past five years, and our political relationship has improved lately. But considering recent developments, I think there is more room for American tech companies and other businesses to come to the area and thrive." ■

## Cyprus Gets Ready for its Next Act

According to Managing Partner of local legal firm, the nation has what it takes to become an economic powerhouse



**Gregoris Leontiou**  
Managing Partner  
G. Leontiou LLC

Between the COVID-19 pandemic, a banking crisis, and the war between Russia and Ukraine, Cyprus has dealt with some notable challenges in the past few years. However, managing partner of G. Leontiou LLC, Gregoris Leontiou said the island nation is still

highly capable of competing on an international level.

"Historically, Cyprus has always been a hub - a safe place to handle operations in the Middle East and Europe, being at the crossroads of three continents. Our position is unique thanks to our EU membership, common-law basis, and high-caliber professionals," he said.

G. Leontiou LLC is a Cyprus-based law firm specializing in commercial, civil, and administrative law. The firm

has also participated in international litigation/arbitration in multiple Western jurisdictions, including England and the USA.

As a professional in the field, Leontiou said Cyprus's legal system is one of its biggest strengths. On the other hand, this system has also had trouble keeping up with technological advancements. However, the issue is on the verge of being solved, and the solution coincidentally is tied to another major problem.

"Our system was rather archaic; for many years, it was not computerized or accessible electronically. But now things are changing rapidly with digitalization, which I think is one of the unexpected benefits of COVID-19," stated Leontiou.

Though the country he calls home still has quite a bit of work to do, Leontiou remained optimistic about Cyprus's future place in the global economy.

He stated, "There is a great deal of room for Cyprus to promote its importance as a commercial hub. Our nation has the potential to become an economic springboard for the area, which would allow us to publicize the advantages of doing business in Cyprus and investing in Cyprus." ■

## International Ties: The Key to Cyprus's Economic Future

Phoebus, Christos Clerides & Associates Co-Founder discusses current issues, future growth

Since 1950, Cyprus-based legal firm Phoebus, Christos Clerides & Associates has advocated for increased economic, social, and political ties between Cyprus and the USA. The firm works closely with legal firms based in New York and has a great deal of experience helping American companies and investors do business in Cyprus and across the region.

In a recent interview, Dr. Christos Clerides - the co-founder of the firm and head of the Law Department at Frederick University, Cyprus - spoke about the challenges and opportunities Cyprus faces today.



**Christos Clerides**  
Co-Founder  
Phoebus, Christos  
Clerides & Associates

### What are your thoughts on Cyprus's economy at present?

We have had several recent setbacks, starting with the banking crisis. Then, we saw the Cyprus Popular Bank collapse before the Bank of Cyprus took over its assets. We quickly recovered from that crisis, but Cyprus's economy has also been affected by the COVID-19 pandemic. Additionally, we are now dealing with

the Russia-Ukraine crisis, which will undoubtedly impact our economy.

Even though we've had to face these challenges and others over the past decade, Cyprus's economic system has proven resilient and capable of dealing with extreme situations. That sends an encouraging message that we can weather these storms and return to normality and prosperity before long.

### How can Cyprus protect its economy and ensure future growth?

I believe Cyprus should put itself back on the international map. Certain fields in our economy are crucial to achieving that goal, and one of them is energy. The drilling and exportation of oil and gas have been important to American companies, and the Cyprus government should focus on developing these capabilities.

The EastMed pipeline could eventually bring our oil and gas to the European market. While the US government has expressed concerns about the cost of this venture, Europe's dependency on Russian oil and gas could change in the wake of the Russian-Ukrainian crisis. As a result, this project still has a good chance of being completed. Along the same lines, our electricity cable link project is well underway.

Cyprus is also set to excel in the area of intellectual property (IP). Cyprus has a very favorable regime for companies that decide to handle their administration of IP matters here, with minimal taxation on profits. There is strong potential for American companies to utilize Cyprus as the center for their IP, including trademarks, copyrights, franchise agreements, and patents.

### What advice would you give to American investors interested in doing business with Cyprus?

They should strongly consider Cyprus as their business center of choice and look into moving some of their activities to the island. Along with the opportunities I spoke about previously, there are quite a few appealing prospects in other sectors of our economy. I would particularly like to see greater cooperation between service providers in the USA and Cy-

prus in fields such as accounting, law, finance, and insurance.

### How do you position your firm in terms of attracting potential international clients?

We've had many inquiries in the past few years, particularly involving Russian and Ukrainian businesses. Many of these businesses have set up operations in Cyprus, controlling substantial investments in their home countries tied to energy, mining and other sectors.

We want to bring in a larger number of clients from the United States, and we would like to see American businesses opt to use Cyprus as a business center. There is room for professionals to associate with their contemporaries in Cyprus and build valuable experience. Our firm is also interested in working with people and organizations from the USA on matters related to environmental legislation and business policies. ■

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