



## Why invest in Cyprus

[www.investcyprus.org.cy](http://www.investcyprus.org.cy)



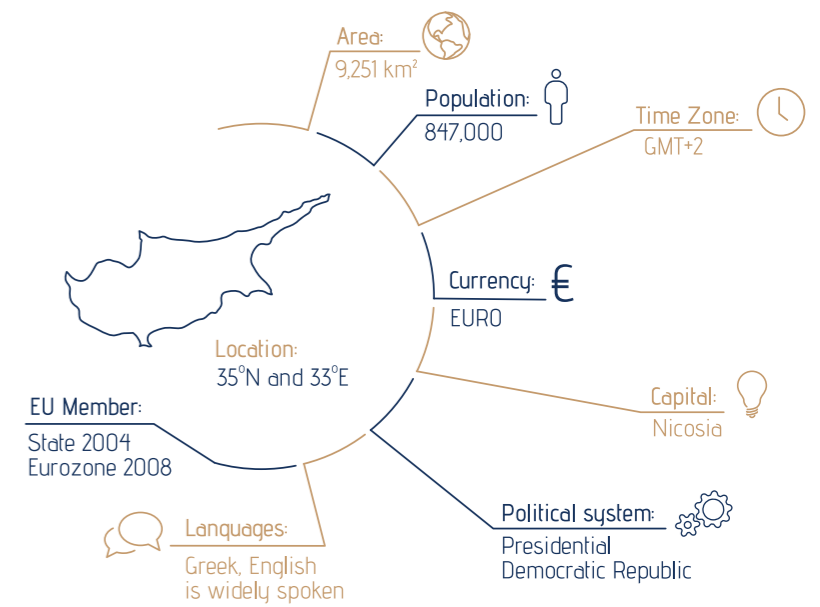
## Country Overview

Cyprus is the third largest island in the Mediterranean Sea, located at the Eastern end of Europe, at the crux of the busy shipping and air routes linking three (3) continents, Europe, Africa and Asia. The island, through its rich and fascinating history, going back more than 10,000 years, has developed from a Stone Age settlement to a modern and thriving European Union state, offering international investors and domestic businesses confidence to invest, grow and prosper. This small but dynamic country has long established a strong reputation as a “centre of excellence” for international business activities, retaining unique clusters of expertise and service capability to support key growth sectors of the economy.

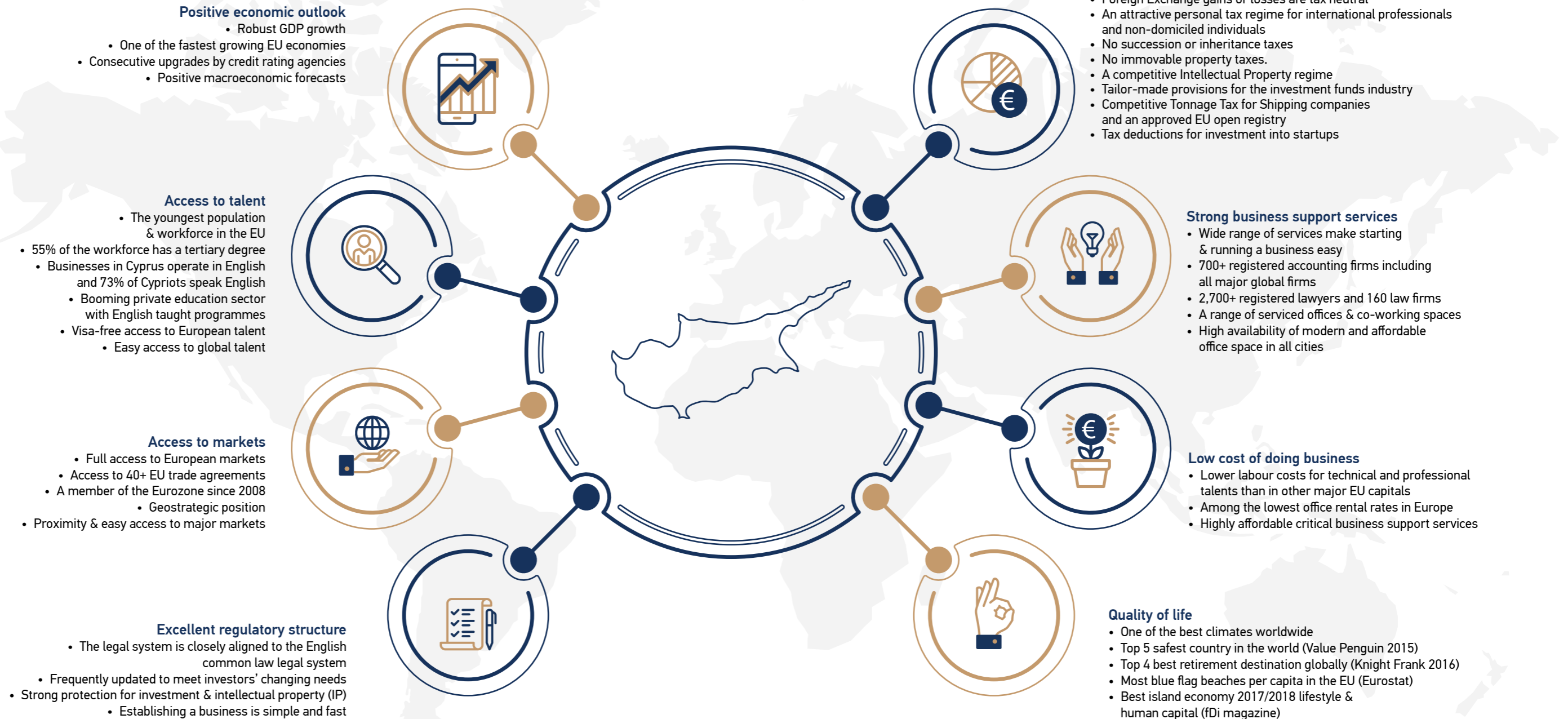
Cyprus is a modern, cosmopolitan and transparent business centre offering opportunities for investment across a wide range of sectors. Capitalising on its competitive advantages, continuously improving the business climate, increasing competitiveness and ensuring a stable and robust economic environment, Cyprus aims at further diversifying its economy by driving new sectors with high potential, such as energy, startups and innovation and investment funds, while enhancing its edge in areas in which it has traditionally excelled.

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In Cyprus, laws and regulations systems and infrastructures are all continuously enhanced to ensure we remain one step ahead. Cyprus is committed to offering a high quality, duly regulated service and unique value proposition that ensures the best possible experience for investors and businesspeople worldwide. In a business-friendly environment, with a highly skilled and multilingual workforce, where doing business is simple, fast and efficient and life is of the highest quality, international businesses find the ideal environment to invest, prosper and grow.



## Top Reasons to Invest in Cyprus



## Growth Sectors

Cyprus offers exciting potential in both traditional and emerging economic sectors, continuously innovating and enriching its product portfolio. Traditional sectors, such as shipping, tourism, real estate and financial services, have been the key driving forces of the island's economy for years, while new sectors such as energy, investment funds, startups, education and filming offer untapped opportunities for investment.



### Tourism

Tourism is one of Cyprus' most resilient and strong economic sectors with a significant contribution to the country's GDP. Apart from its natural beauty, excellent weather and breath-taking sceneries, Cyprus strives to enhance its competitiveness as a premium touristic destination, diving into niche areas, upgrading its offering and developing new experiences. Strategic large-scale projects, such as luxury resorts, marinas in all major seafront cities and the new integrated casino resort are expected to further stimulate this booming industry.

- Record-breaking years in tourist arrivals
- Infrastructure revolution
- Numerous prestigious awards
- One of the best climates worldwide
- Most Blue Flags per capita in the EU
- Bathing water quality ranked "excellent"

### Real Estate

Acquiring property in Cyprus, either as an investment or as a second home, has always been a popular choice among foreign investors. A combination of high quality of life, year-round sunshine and natural beauty, ease of doing business and investment incentives offer investors an attractive experience in terms of both living and doing business. Being a historically key pillar of the Cyprus economy, the real estate and construction sectors have experienced remarkable growth in the past years, manifested in increased demand and activity levels, prestigious large-scale projects, incentives and an influx of foreign investment.

- Increase in sale contracts and building permits
- Increase in properties sold to international investors
- Attractive Incentives - "Cyprus Investment Programme"
- Hotels' renovations/acquisitions
- Booming construction activity
- Landmark residential and commercial projects



### Shipping

Cyprus is a world-class international maritime cluster, offering efficient and high-quality services in a vast spectrum of activities. Capitalising on its strategic location offering attractive legislative and operational shipping infrastructure, a solid and efficient tax framework and an excellent communications network, Cyprus has successfully built a diversified and robust maritime industry, which offers a unique set of competitive advantages. Cyprus is considered as one of the most reliable and competitive shipping centres in the world in terms of services, registration fees and taxes.

- One of the largest maritime clusters worldwide
- Competitive EU-approved Tonnage Tax system
- European "Open Registry"
- 3rd largest merchant fleet in the EU and among the largest merchant fleets worldwide
- Advanced maritime infrastructure
- Autonomous Shipping Deputy Ministry to the President

### Financial Services and Investment Funds

A consolidated, recapitalised and modernised banking sector ensuring efficiency, security and transparency has attracted significant amounts of FDI in the past years. Cyprus is also fast becoming one of the top emerging investment fund centres in Europe, offering unique access to high-growth markets. Determined to stay at the forefront of industry developments and continuously upgrading its legislative and regulatory regime, Cyprus has developed into a key regional domicile for setting up investment funds and establishing asset management companies for pan-European reach.

- Flexible structures: UCITS and AIFs
- Passporting to any EU member state
- Low set-up and operation costs
- High quality business support services
- Tax benefits for investors and fund managers
- Transparency and investor protection

### Energy

The discovery of hydrocarbons in Cyprus' EEZ has created new exciting prospects for the island to become an energy hub in the Eastern Mediterranean. Developments have attracted worldwide interest and significant investment from leading energy giants as well as renowned international providers operating in the oil and gas auxiliary services sector. Cyprus is also fast developing into a regional fuel hub, operating a sophisticated oil storage terminal in Vasilikos, the first terminal of its kind in the Eastern Mediterranean, connecting Europe and the Black Sea with markets in the Middle East and Asia.

- World-class natural gas discoveries
- E&P contracts granted to ExxonMobil, Shell, Total, ENI, Noble Energy, Delek, KOGAS and Qatar Petroleum
- Regional cooperation and synergies for gas exploitation and export
- Multi-billion infrastructure projects: EASTMED Pipeline and EusoAsia Interconnector
- Ideal regional base for serving Eastern Mediterranean region A rising fuel hub
- New opportunities in the renewable energy utilisation

### ICT, Startups and Innovation

Creating value through ideas and nurturing Cyprus' entrepreneurial spirit are amongst the country's top priorities. Innovative research, a rapidly growing startup ecosystem, a highly educated and experienced human talent and a range of incentives render Cyprus a perfect choice to start and scale companies. Applied research is encouraged through EU or national funding and an attractive Intellectual Property (IP) box, while research centres are established in all major cities. Many successful tech companies have already either relocated or expanded in Cyprus, using the country as a base and gateway to and from the EU.

- Strong ICT and innovation ecosystem
- Vast pool of quality intellectual capital
- Tax incentives for investment into innovative companies and startups
- Low costs of launching and running a business
- Startup Visa for third country nationals
- Strong protection for IP



### Education

Cyprus is a world-class educational and research centre of excellence with high quality academic institutions, offering a large variety of advanced and fully accredited undergraduate and postgraduate programmes, at affordable costs. With a booming industry comprising 3 public and 5 private universities and more than 40 public and private higher education institutions enjoying international academic and scientific recognition, the island attracts thousands of international students every year. Research is widely promoted within academic institutions, with Cyprus holding the highest absorption rate of EU research grants.

- High quality institutions and distinguished academics
- Multidisciplinary offering of English-taught programmes
- Close cooperation with universities from the UK/Germany and the US
- State support and EU funding opportunities
- Advanced research and state-of-the-art infrastructure
- Multicultural environment and a large international community

### Filming

Cyprus is a natural filming studio in itself. Deep blue seas and sandy beaches, captivating forests and breath-taking mountains, diversified cultural sites and enchanting locations all form Cyprus' uniqueness as an ideal filming location. The sun shines almost every single day. Apart from natural advantages, Cyprus also offers important incentives encouraging film production. In specific, production companies that opt to film in Cyprus will be able to choose between cash rebate or tax credit and can also benefit from tax discounts on investments made on equipment and infrastructure, and VAT returns on expenditure in scope.

- Tax incentives
- 300+ days of sunshine
- Large variety of captivating sceneries
- Harmonious blend of centuries of art and culture
- Short internal distances
- Short distances from major neighbouring countries





## About Invest Cyprus

Businesses and individuals considering investment into Cyprus have a partner on the ground at all stages of the investment cycle. **Invest Cyprus** is the government's dedicated partner responsible for attracting and facilitating Foreign Direct Investment (FDI) in key economic sectors.

Being the lead agent in establishing Cyprus as a world-class investment destination, **Invest Cyprus** proactively promotes the enhancement of the country's competitive environment, advocating reform and maximising FDI, for the economic and social benefit of Cyprus. In close collaboration with all government authorities, public institutions and the private sector, **Invest Cyprus** is the investor's first point of contact.

**Invest Cyprus** is a member of the World Association of Investment Promotion Agencies (WAIPA) and the Mediterranean Investment Network, ANIMA.

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