

How can Cyprus enhance its investment attractiveness now to build a sustainable future?

EY Attractiveness Survey - Cyprus 2020



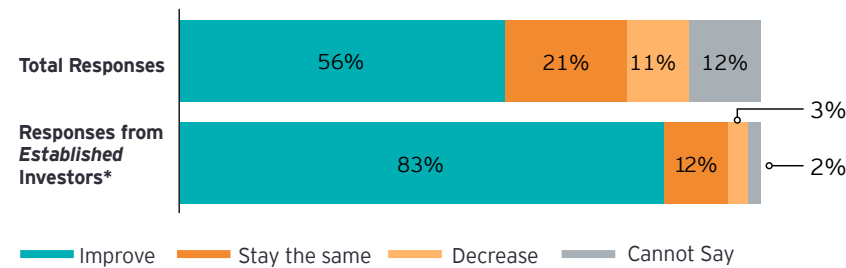
The better the question. The better the answer. The better the world works.



We are proud to present the first Attractiveness survey for Cyprus, which is part of EY's broader Foreign Direct Investment (FDI) Attractiveness program. In challenging times like these, the importance of FDI for local economies becomes even higher and governments are seeking ways to attract and facilitate such investments. In this context, we have developed this infographic document, which aims to capture the key findings identified from the EY Cyprus Attractiveness Survey 2020.

Investors appear largely undeterred by COVID-19. Despite the pandemic Cyprus remains an attractive investment destination, especially for established investors who already have a presence in Cyprus.

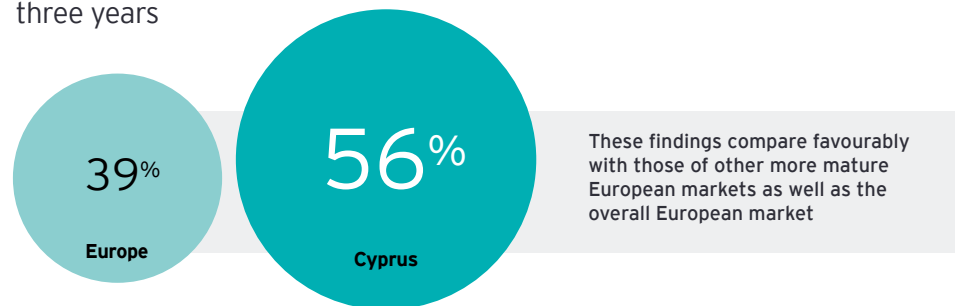
→ When asked to give their opinion on how Cyprus's FDI attractiveness will evolve over the next three years/ after the COVID-19 pandemic has passed, participants responded:



83% ↑
of established investors expect an improvement

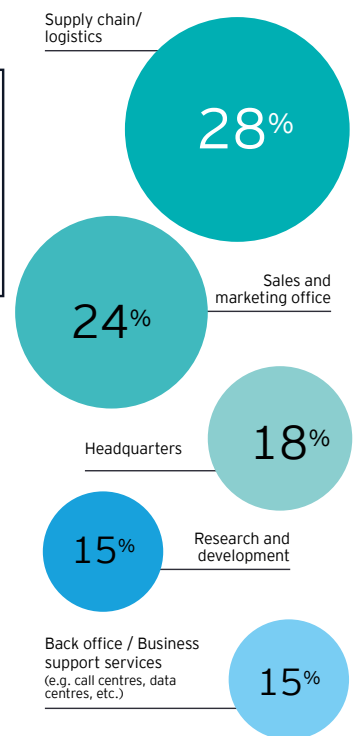
* Established investors refer to investors with a presence in Cyprus; either through setting up their own operations or by means of an acquisition.

→ Percentage of those expecting attractiveness to improve over the next three years



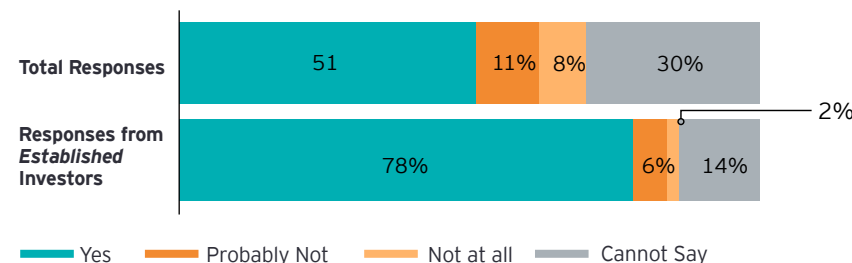
Key type of investment activities participants are considering for Cyprus:

→ Type of investment project



A country attractiveness policy that appears effective to familiar investors

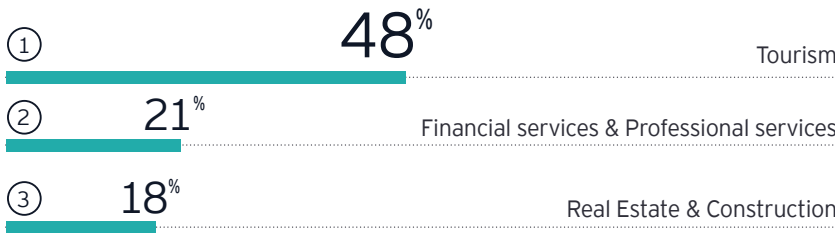
→ Participants were also asked whether they consider that Cyprus currently implements an attractiveness policy that appeals to international investors. Once again, established investors were overwhelmingly positive (78%)





A disproportionate reliance on a few sectors

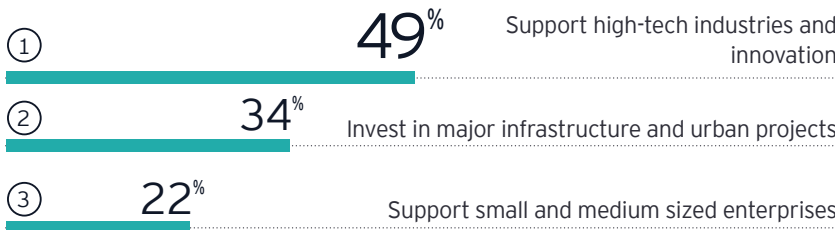
→ Investors view a high reliance of the country on a small number of sectors, especially tourism. When asked to identify the business sectors that will be driving growth in the coming years tourism was referred by almost half of the participants.



Areas for improvement

→ The survey further recorded participants' views on areas where Cyprus should concentrate its efforts in order to strengthen its investment attractiveness.

Key areas that Cyprus should concentrate on, to maintain its competitive position as an investment destination, reported by participants are:



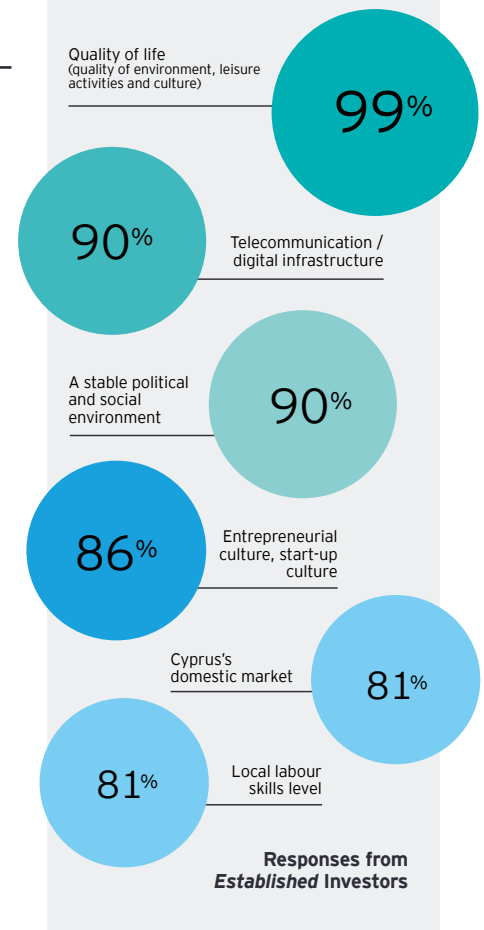
9 conclusions from the EY Cyprus Attractiveness Survey:

- 1 **Lack of awareness in relation to Cyprus's investment attractiveness**, as evident by the huge divergence between the perceptions of established and non-established investors.
- 2 **Dependence on a small number of sectors** (in particular tourism, real estate and financial and professional services).
- 3 Lags behind its European counterparts on the **adoption of digital technologies and innovation**.
- 4 Continuous **development/investment in infrastructure and urban projects** can encourage further FDI.
- 5 Gearing for **sustainable development** and transition to a circular economy has proved challenging for Cyprus but does appeal to investors.
- 6 **Continuous development of human capital/local workforce** is needed, with technical skills of the future.
- 7 **Enhancement of SMEs ecosystem and support to start-ups** should be high on the agenda.
- 8 **Bureaucracy** combined with delays in **Legal proceedings** are identified as an area to improve.
- 9 Fortification of the **banking system** and an active **stock exchange** can further support FDI.

Assessing the country's strengths and weaknesses in terms of investment attractiveness

→ Participants were also asked to assess Cyprus's investment attractiveness on the basis of a number of key criteria.

Several assets differentiate Cyprus from global competition



Detailed information and analysis of the findings of the first EY Attractiveness Survey for Cyprus, as well as the respective conclusions and recommendations can be found in the [full report](#)