

KEYNOTE SPEECH BY HIS
THE PRESIDENT OF THE REPUBLIC MR. NICOS ANASTASIADES
CAPITAL LINK «INVEST IN CYPRUS» FORUM

New York, March 22, 2017

Dear Mr. Hadjiyiannis,

Dear Mr. Cohen,

Ladies and Gentlemen,

Dear Friends,

It is truly a great pleasure and a privilege to address such a distinguished audience which holds a strong interest to exploring the business opportunities that Cyprus has to offer, but which is also ready to work for the strengthening of the economic, commercial and investment ties between our countries.

From the outset, I would like to express my appreciation to Capital Link, the Cyprus Union of Shipowners, the Cyprus Investment Promotion Agency and the Cyprus-US Chamber of Commerce for organizing this important event.

And, of course, I would like to thank each and every one of you, for your presence and participation. A presence which aptly demonstrates that our business communities enjoy a solid and mutually beneficial economic partnership. A partnership which has a promising and prosperous future.

It is well-known that the diplomatic relationship which the US and Cyprus enjoy at a bilateral, regional and multilateral level is at an excellent level. Nonetheless, I

strongly feel that we should all aspire to further strengthen our partnership through expanding and enhancing our co-operation in key economic fields, such as banking and finance, shipping and transportation, energy and tourism.

It is for this exact reason that today I am accompanied by the Minister of Finance, the Minister of Energy, Commerce, Industry and Tourism, the Minister of Transport, Communication and Works and the Government Spokesman, as well as by a strong business delegation.

Our aim is to exchange ideas and establish contacts and channels which will enable us to achieve a substantial and strategic upgrade of our economic, investment and business partnership.

Ladies and gentlemen,

During the morning sessions of this Forum you have heard about the impressive recovery of the Cyprus economy.

The deep recession and the severe financial crisis are fortunately behind us. Cyprus is now one of the fastest growing economies of the EU, currently just short of 3% of the GDP.

You have been informed that our banking sector has undergone an ambitious restructuring and now stands at a much healthier footing. At this point, I would like to highlight the significance of the presence of foreign investors in our banking sector, including notable investor presence from the US, which we welcome and support.

The above-mentioned positive economic developments are evidently demonstrated by the successive upgrades of the sovereign rating by international agencies of our economy and our investment potential, the last one

only taking place last week, which have placed Cyprus, for the time-being, just one notch below investment grade.

Taking into account that even before I assumed office our economy was 12 notches below investment grade and at a junk rating, I can proudly declare, without, of course, neglecting the need to stay clear on our path, that we are on our way towards the full re-establishment of confidence towards Cyprus by the international investor community.

this achievement should be attributed to the Government and the relevant Minister of Finance for the prudent macro-economic management, the political parties' constructive support which defied political expediencies, and, above all, to the people of Cyprus for their sacrifices, hard work and faith that better days were to come.

Distinguished Friends,

You have had the chance to explore the comparative and, yet unfulfilled by the US, advantages that our economy has to offer, and particularly the significant potential in sectors like Tourism, Shipping and Logistics, Business and Financial services.

You have been also discussing the prospects of new sectors on which Cyprus is set to play an important role, including the development of the Funds Industry, the Energy industry and relevant auxiliary services.

From my side, what I feel I should emphasize is the strong commitment of my Government to continue working so that Cyprus remains firmly on a path of sustainable growth and to facilitating investment and economic opportunities.

To this end, we have undertaken a series of relevant measures, such as: providing corporate tax incentives; reducing the time framework for issuing planning permissions; broadening the range of permitted land development for large projects, including golf courses; increasing building coefficients; and facilitating joint tourist developments such as condo hotels.

We recognise the importance of maintaining sound public finances. We are committed to maintaining a stable and competitive tax regime. We shall continue to invest in our human capital, supporting higher education and research. And we shall continue to stand by the local and foreign business community.

In this regard, we fully acknowledge the need to remain focused on the necessary structural reforms.

A significant number of them have already been completed, whilst at the same time we are at deliberations with the House of Representatives and social partners towards adopting further reforms that will enable Cyprus to enhance even further its position as a business friendly economic and investment destination.

We are also in the final stages of strengthening the legal framework for the investment funds sector, which is expected to enrich the financial services industry in Cyprus and the growth of the economy.

Ladies and Gentlemen,

Following my election in office, one of the main goals of our foreign policy has been to achieve a qualitative upgrade of our relations with the United States.

To this end, I am pleased to assess that our partnership has evolved into one of strategic depth, particularly when dealing with issues of regional and global concern.

Our relations have notably progressed via our joint commitment, among others, in the fight against asymmetric threats, such as terrorism, illegal drugs, proliferation of weapons of mass destruction and development of nuclear weapons.

In this respect, I avail myself of this opportunity to express my Government's and personal eagerness to work closely with the new US administration in order to explore new areas of beneficial cooperation; as well as deepen and enhance our existing partnership for the mutual benefit of our two countries and peoples.

Towards this goal we are vigorously working on building more tangible economic and investment relations.

A bilateral US–Cyprus dialogue is in progress in order to address a range of issues of economic co-operation, particularly as regards US investments in Cyprus. During the last few years we have seen significant US investments in Cyprus and our aim is to facilitate even more of them.

Our desire and wish is to encourage and support investment and commercial exchanges in both directions, taking into account the fact that Cyprus, despite its small size, is a major center of international business but also a base from which inroads into regional markets can be achieved.

The unique combination of EU membership, the Anglo-Saxon legal framework, the beneficial tax regime and the highly-skilled workforce contribute to Cyprus' establishment as an attractive investment destination; offering significant opportunities and easy access not only to European markets but also to those of North Africa, the Near and Middle East, the Gulf region and Asia.

To this end, being fully aware of the strict regulatory framework of the United States and the need for transparency and accountability in all investment and business transactions, I am pleased to note that recently our two countries have signed the intergovernmental Foreign Account Tax Compliance Act (FACTA).

As such, American entrepreneurs can rest assured that the Republic of Cyprus provides investment security and protection, in full compliance with European and international standards.

At the same time, I believe that initiating discussions to conclude additional bilateral agreements in fields such as air services, maritime and tourism, will significantly contribute to the further strengthening of our institutional framework of co-operation.

Distinguished Friends,

There is one area which warrants a special reference, and this is energy. We warmly welcome and express our appreciation for the presence and involvement of American companies – Noble and now the energy giant Exxon-Mobil – in Cyprus' exclusive economic zone, working in partnership with our Government for the exploitation of hydrocarbon reserves.

This not only marks a new era for our bilateral relations, but it is also a tangible sign of confidence in the role of Cyprus as a reliable regional actor who has adopted a stabilizing role in an otherwise volatile region.

Our vision is to transform the Eastern Mediterranean to an energy hub that would contribute to the region's stability, through, among others, the diversification of energy sources and routes.

Cooperation in this field can be the guiding-doctrine for the resolution of the region's political problems, contributing to conditions of peace and security.

Ladies and Gentlemen,

Today, we can all rightfully feel confident and proud because we have achieved the strengthening of Cyprus' geostrategic role, not only on energy-related matters.

A role which we were able to assume due to the fact that we can pride ourselves as being widely acknowledged not to be guided by hidden agendas, but by a clear-cut honest foreign policy which does not limit itself to rhetoric but materializes intentions to real actions.

A foreign policy which is cultivated through exploring synergies, optimizing resources development and establishing interstate bilateral and regional cooperation with all our neighbours with whom we share a perceptive affinity as regards the vision of a stable, peaceful and prosperous Eastern Mediterranean.

On a bilateral level I have paid to or received visits by almost all Heads of Governments of our neighbouring countries, such as Israel, Palestine, Egypt, Jordan, Bahrain, Qatar, United Arab Emirates, Kuwait, with a visit soon to take place to Lebanon.

Such visits did not only lead to the institutional strengthening of our traditional historic bonds through the signing of important bilateral agreements, but to a strategic re-orientation of our partnerships.

For example, the countries of Jordan, Bahrain and Saudi Arabia for the very first time and after over 50 years since the establishment of the Republic of Cyprus have inaugurated diplomatic missions to the Republic of Cyprus.

At a regional level we have been pioneers in establishing trilateral regional co-operation mechanisms between Cyprus - Egypt - Greece and between Cyprus - Greece - Israel, aiming to further develop both our countries' economic, energy,

maritime, tourism ties and our overall diplomatic co-ordination on common challenges.

At the same time, tripartite dialogues have already been initiated between Nicosia – Beirut - Athens and Nicosia – Amman – Athens and soon meetings at the level of Heads of Governments are expected to take place.

Distinguished Friends,

As regards the efforts to reaching a settlement on the Cyprus Problem, as you are well-aware we are at a critical juncture in the negotiating process.

Despite the difficulties we are facing, I wish to convey in the strongest manner that the Greek Cypriot side and I personally remain wholly dedicated to continue working tirelessly and with determination towards reaching a functional, viable and lasting settlement; to the benefit of all Cypriots.

Thus said, allow me just to stress that resolving the Cyprus Problem would amplify even more our role in the region and would positively reinforce our ability to contribute in a positive and reliable manner to the collective efforts of addressing the multiple challenges of our region.

In this respect, taking the opportunity of the presence of Mr Jonathan Cohen, I have no doubt that the United States - recognizing the benefits that a settlement on the Cyprus Problem would deliver not only for Cyprus but also for the region and the international community– will continue exercising its influence towards Turkey to deliver concretely on its verbal commitment to positively contribute to the negotiating process.

Ladies and Gentlemen,

The business community of the United States can rest assured that Cyprus will remain a reliable partner and will retain its position as a significant international business hub and investment destination.

I am also confident that you will all find the opportunity, during the various meetings and panel discussions which are taking place today, to exchange ideas and to create contacts which will enable you to act as the main drivers of the effort for further deepening and enhancing our economic and commercial relations.

I assure you that my Government stands ready to offer all the help and assistance deemed necessary and will facilitate every business and investment initiative involving the US.

Thank you for your attention and I wish every success in your deliberations and a successful conclusion of the Forum.