

CIPA at the forefront of Cyprus' recovery from crisis



TOTAL foreign investment in Cyprus increased by a record 9.1 per cent in 2016 while the assets of Cyprus-based investment funds increased by 83 per cent, the outgoing president of the Cyprus Investment Promotion Agency (CIPA), Christodoulos Angastiniotis told the organisation's AGM on Wednesday evening.

"An important indication of the success of CIPA is the ranking of our country as the second most rapidly developing nation brand for 2017, after Iceland, according to the internationally renowned agency Brand Finance," said Angastiniotis.

"Even though this is a recent development, it is indicative of the success of a long-term effort to highlight Cyprus as a centre of business excellence."

In 2016 GDP growth hit 3 per cent while the economy was upgraded by ratings agencies. Increased investor interest in all productive sectors of the economy, such as the casino resort, marinas in Ayia Napa and Limassol, developments along the coasts and the privatisation of Limassol port all contributed to the improved performance of the economy, AGM participants were told.

President Nicos Anastasiades, whose speech focused on the impressive recovery of the economy since the 2013 meltdown, praised the vital role played by CIPA and the Cyprus Investment Fund Agency (CIFA) in promoting structural changes.

“With the contribution of CIPA and CIFA we managed to speed up and to capitalise the prospects for development,” he said.

Foreign investments today were in excess of €7.5 billion. Attracting foreign investment was one of the priorities set by his government, which introduced a range of incentives, he said. The number of investment fund companies being registered was annually increasing at a rate of 18 per cent.

The objective was to “set up a new subsector within our financial services, by making Cyprus an alternative fund management jurisdiction within the EU,” said Angelos Gregoriades, the president of CIFA, addressing the AGM. “The robustness of the sector is reflected in the continued registration of new companies and funds and investment vehicle,” he said.

“The country has been brought on par with other top fund hubs and now we are seeing increasing interest from investors and fund service providers looking for EU regulated jurisdictions.”

He added that an ambitious additional reform of the legal framework regarding investment funds including provisions for the introduction of registered funds, partnerships with legal personality and the introduction of a ‘mini manager’ concept for managing assets up to a certain threshold were on the horizon.

Five bills covering the legal framework are awaiting House approval which is unlikely before the end of this year.

A bill to establish an under ministry for development, which would speed up procedures for foreign investment, has also stalled at the legislature, after political parties put off its discussion until after January’s presidential election.

Angastiniotis appealed to politicians to put aside political rivalries and approve the bills, which were essential for economic growth and

strengthening the competitiveness of the economy. "The speediest possible approval of the bills would contribute to overcoming bureaucracy and the improving the business environment," he said.

Anastasiades also stressed the urgency of approving the bills, saying, "the investments' sector must be considered by all of us above any political bickering."

Angastiniotis steps down as president of CIPA after a successful six years, in which foreign investment increased dramatically, as he was elected president of Keve (Cyprus Chamber Commerce and Industry). At the end of his speech he recalled the faith shown in CIPA by Anastasiades when the economy was in meltdown.

Addressing the president, he said: "I will never forget our meeting, under difficult conditions in April 2013, when everything was falling apart, when Cyprus' picture was at its nadir, when despite the countless problems you had to deal with you met us in your office. We mustered all of the courage and nerve we had to ask for additional funding for the agency so we could counter the negative picture of Cyprus abroad. The faith you showed us was, for us, historic and fills us with a sense of responsibility and obligation."

Source: [CyprusMail Online](#)