

REPUBLIC OF CYPRUS ANNUAL TOURISM REPORT FOR THE YEAR 2008

1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986¹ establishing a consultation and cooperation procedure in the field of tourism foresees that “each Member State shall send the Commission, once a year, a report on the most significant measures it has taken and, as far as possible, on measures it is considering taking in the provision of services for tourists which could have consequences for travellers from the other Member States”.

With the publication of the “Agenda for a sustainable and competitive European tourism”, the Commission announced that “in order to strengthen the collaboration with and among Member States, their current annual reporting through the Tourism Advisory Committee (TAC) will be used to facilitate the exchange and the dissemination of information about how their policies and actions safeguard the sustainability of tourism”.

This Communication was welcomed by the Competitiveness Council conclusions (22nd-23rd November 2007) and by the Presidency Conclusions of the Brussels European Council of 14th December 2007.

The main aims for the reporting process are:

- to be able to monitor the level of implementation of the “Agenda for a sustainable and competitive European tourism” by Member States;
- to facilitate the exchange of experiences among member States with regard to how they tackle issues which are important for the competitiveness and sustainability of European tourism.

2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

2.1 Please identify the National Bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including key areas of responsibility, and their relationship to other national bodies. (maximum of 1.000 characters)

The Ministry of Commerce, Industry and Tourism (MCIT) is the central government body responsible for tourism at the highest level and its mission is the development of the Cyprus economy through

¹ Official Journal L 384, 31/12/1986 P. 0052 – 0053.

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continuous support of various sectors amongst which is the tourism sector. The mission is pursued through the formulation of the appropriate legal and administrative framework, which fully complies with the requirements of the EU and the adoption of policies and targets which create the proper business environment for Cypriot Businesses in their effort to take advantage of the opportunities that arise in the market. Tourism administrative and policy issues are dealt with by the Ministry which has a secretariat especially for these matters.

The Executive body for the development of tourism in Cyprus is the Cyprus Tourism Organisation (CTO) which has a semi-governmental status. CTO was established and operates according to the provisions of the Cyprus Tourism Organisation Law 1969-2005 and related Regulations on Structure and Terms of employment, administration and finance.

According to the provisions of the aforementioned Act as well as of the Appointment of Public Entities Act (Appointment of Boards of Directors) 149/1988, CTO is administered by a nine member Board of Directors directly appointed by the Council of Ministers. The Minister of Commerce, Industry and Tourism participates in the meetings of the Board of Directors through his/her representative who is a ministerial officer. According to the issues discussed, the minister sometimes decides to chair the meetings of the Board of Directors.

The mission of the Organisation is to organise and promote tourism in the Republic of Cyprus by using all possibilities and resources available. It is structured in the Director General's Office and four departments, with the following responsibilities:

(a) The Strategy department: Surveys, research and studies, tourist development planning and coordination, artistic and cultural events support, planning and execution of projects of tourist infrastructure and especially special interest tourist products, consideration of hotel and tourist accommodation plans, study of hotel architectural plans, agrotourism, EU tourism policy and other affairs, designing tourism programme and managing funded projects especially from EU Structural Funds, coordination of tourism issues as part of EU policies e.g the Lisbon strategy.

(b) The Marketing department: Implementation of an integrated communication strategy, advertising, above and below the line marketing activities including advertising campaigns, public relations, hospitality, publications, international tourism agreements, tourist guides school, international organisation, organisation and supervision of tourist information offices, production of films and other means of promotion, organisation of seminars and conferences, participation in tourist exhibitions.

(c) The Quality Assurance Department : Preparation and implementation of legislation regarding hotels & other tourist accommodations, restaurants and recreational centres, tourist and travel agencies and tourist guides, inspection of tourist enterprises, licensing for the operation of tourist enterprises, consideration of applications for the construction of new hotel units, restaurants and

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recreation centres.

(d) The Administration, Accounts/Financial Services and Registry department has a supportive and horizontal role and handles issues of: General administration, quality management models including the successful implementation of EFQM model for Management Excellence, Human resource development, and operation of a training and development centre which offers in-house training on several subjects for CTO staff, liaising with the CTO Legal Advisor for any matter that may need legal support and advice, the secretariat of the Board of Directors, the Tenders and Personnel Committee, Computerisation and Information Technology including the setting up and operation of paperless registry system, collective agreements, accounts, procurement procedure, budgeting, etc.

Moreover, according to the existing legislation governing hotels and tourist accommodation establishments as well as the respective legislation for Catering and Entertainment Establishments, two committees, namely the Hotels Committee and the Catering Establishments Committee, have been set up by appointment of the Minister of Commerce, Industry and Tourism. Both Committees are chaired by the chairman of CTO Board of Directors and their members include representatives of relevant public sector services such as the ministry of Communications and Works, the Town Planning and Housing department, the Ministry of health, as well as representatives of the associations and federations of hotel and catering establishments' owners and operators. The Committees examine matters relating to initial classification of new units – hotel and catering - , reclassification of existing ones, approval of plans and applications for the establishment of accommodation units in traditional houses, extensions/renovations, improvements of existing hotel and catering units and related matters.

By nature tourism is a multifaceted sector and development area. Therefore implementation of tourism activities, projects, actions etc, requires coordination with and contribution from a number of national public sector bodies through mechanisms of the type of Committees at various decision levels (technical, organisational, ministerial etc) regular or ad hoc meetings etc. Concrete examples of such mechanisms are the aforementioned Hotel and Catering and Entertainment establishments Committees. Moreover, most of the issues that CTO is responsible for, demand liaising with other national administrations. For example, the formulation of CTO annual budget (ministry of Finance), the administration of co-funded projects (Managing authority, Paying authority etc), the approval of hotel plans (Town, Planning and housing dpt), education in tourism (ministry for Education and Culture) and so on. Also, the Action and Implementation Plan of the Tourism Strategy 2003-2010 requires close contact with national and other authorities in charge of implementing and monitoring the progress of the issues under their responsibility

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2.2 Please, describe what organisations/agencies are used to deliver services at the national and regional level and the services that they deliver. (maximum 800 characters)

CTO, apart of the Head Office which is based in Nicosia, operates forty one offices overseas, local and regional offices and the Larnaka Marina. Specifically: The operation of the Larnaka Marina is under the responsibility of the Strategic department. Six (6) Inspectors' offices monitor the standards and services offered by the hotel and catering establishments and operate under the responsibility of the Quality and Assurance department whereas under the Marketing department fall (a) the 22 Overseas Regional Offices which promote Cyprus as a tourist destinations through marketing activities such as exhibitions, public relations, road shows, organisation of thematic events targeted to the distribution channels and others etc, and (b) the 13 Regional and Local offices which operate as tourist information offices for the provision of information to tourists.

Stakeholders that is local authorities, hoteliers, restaurateurs, regional chambers of commerce, and others, from each of the regions of Lefkosia, Lemesos, Larnaka, Pafos, Ammochostos and the Mountain Resorts, have been encouraged by CTO and have joined forces to form Regional Tourism Development and Promotion non profit making bodies. They are responsible for the drafting, promotion and implementation and monitoring of regional tourism strategies under the directions of the National Tourism Strategy of 2003-2010 and the tourism strategies to follow. They are being supported, administratively and financially, by CTO, until they exploit other mechanisms and sources of funding.

2.3 Please, describe which other bodies and organisations are involved at the national level and the process for involving them. (maximum 800 characters)

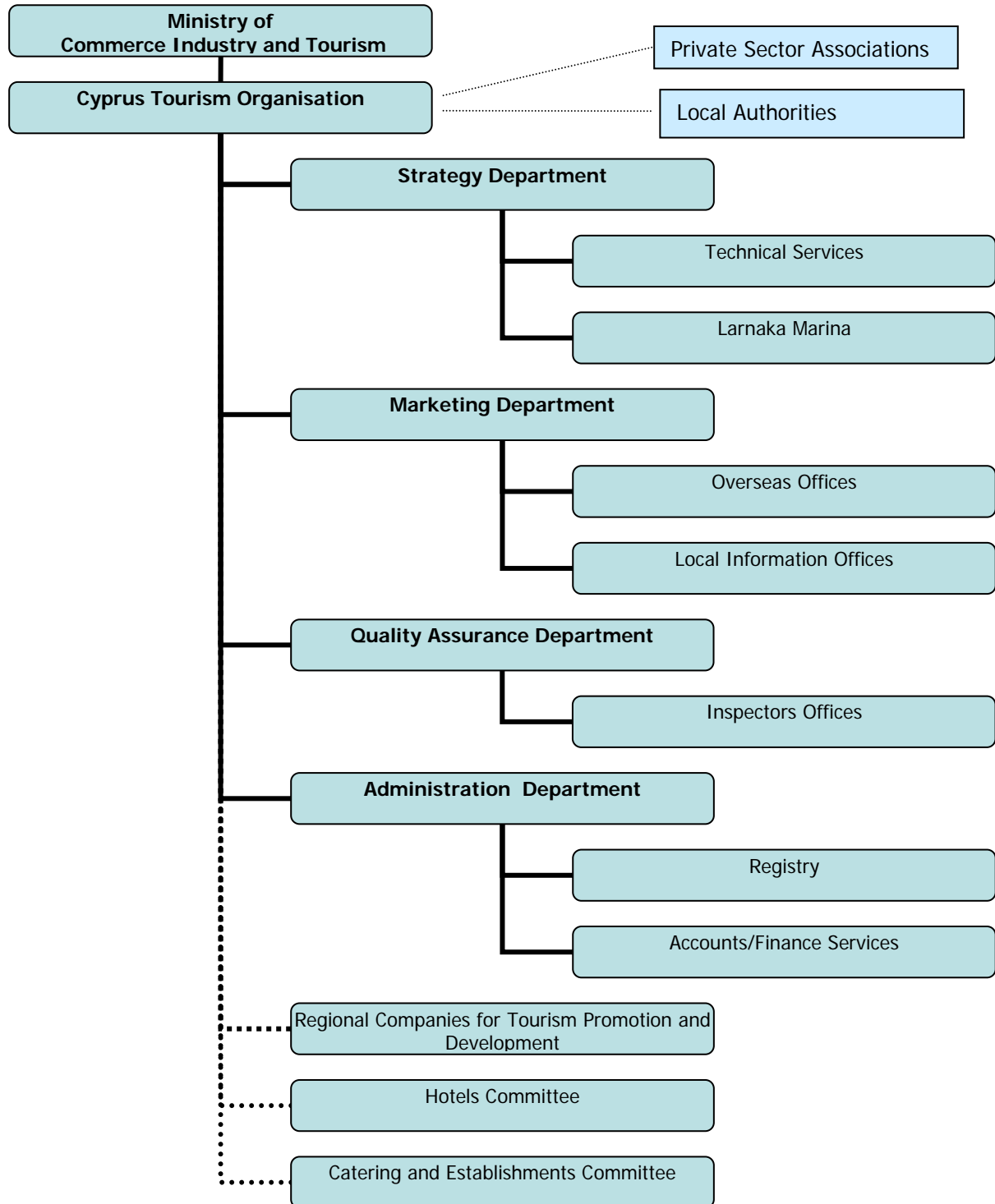
The Private tourism sector is mainly organised through associations which voice their views, opinions and demands and are the contact/link to national authorities. Exchange of ideas and opinions on various issues are being achieved through regular and ad hoc, if necessary, meetings, between CTO and the boards/representatives of these associations/agencies, a few of which are: The Cyprus Hoteliers Association, Association of Cyprus Tourist enterprises, the Hotel Managers association, the Tourist Guides association, the Restaurant Owners, the Agrotourism company, Cyprus Health Services Promotion Board, Special Interest Tourism association, Conference, Incentives, Meetings Association and so on. Same is the approach for the dialogue with the Trade Unions, local authorities, NGOs etc.

Moreover CTO takes the initiative and organises Public consultation meetings both for strategic issues as well as for more specific issues such as changes in the legislative framework affecting tourism businesses, new product development, incentive schemes for the tourism industry etc.

2.4 Please provide a diagram/organogram of the organisational structure for tourism identifying the

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relationship between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information regarding the direct and indirect links between other departments, stakeholder organisations and unions. Information about mechanisms of decision making process participation from outsider organisations, e.g. forums, advisory committees is also requested. (maximum of 2.000 characters)



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2.5 Please provide information about financial data, including spend on tourism as a percentage of overall government spend, the level of national funding support for tourism marketing, the amount of EU funding support made available for tourism and data concerning the support to SMEs and Destinations. (500 characters)

Being the executive body for tourism, CTO was through the national budget with about €74mIn. Spent on tourism, reflected by CTO budget, and in particular on tourism marketing, product development, training and quality assurance and related administrative expenses has reached, for year 2008, €83mIn. The main source of funding was the national budget which represents 88% of CTO budget.

The 2008 EU funded projects, with a budget of €4mIn, which have been (with the exception of one project of a budget of €50 000) projects co-funded by the European Regional Development fund under the Programming periods 2004-2006 and 2007-2013. 71% of these €4mIn, represents the budget which was directly allocated for the support of tourism businesses (SME's and large enterprises) for investing in sustainable tourism enrichment and upgraded tourist products. The support is given through a specially designed financial incentive scheme which runs under the programming period 2007-2013 and targets at the refreshment, modernization and innovation in the tourist offer.

The rest relates mostly to CTO investments (i.e. public investments), into tourism enrichment projects which have been developed by CTO, aiming at attracting special interest tourism market segments, as well as offering various experiences and opportunities to traditional segments. All projects have been developed in Objective 2 areas of the EU structural funds, which during the programming period of 2004-2006 had all been areas of rural character in need of economic and social restructuring. CTO projects have been implemented mostly through public procurement calls. In this way EU support has been indirectly rolled down to private businesses. The overall budget for all aforementioned projects was of course much higher since they all have a development cycle which exceeds the one year span.

In addition, EU funded tourism related projects with particular importance to the development of agrotourism and rural tourism, was run by the Town, Planning and Housing department of the Ministry of the Interior (another public sector service) in cooperation with CTO. More specifically an Incentive scheme which supported SME's to invest in the development of agrotourism establishments and related enrichment projects, encouraging fixed and non-fixed assets investments in mild forms of rural tourism activities with particular emphasis and priority given to investments whereby traditional buildings were to be improved and used for economic purposes. The total grant, for the years 2004-2008, reached €10mIn for investments of the level of €21mIn. Out of the 70 businesses which benefited from the scheme, 65 were new ones. A new scheme with the same targets and orientation commenced in 2008 and runs under the programming period 2007-2013 with an overall budget of €15mIn.

SME's have been supported by purely national funds, as well. In 2008, CTO with a budget of €0.5million, through three separate financial incentive schemes, continued to support (a) investments

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for the development, upgrading of sports facilities for the attraction of sports tourism, (b) catering outlets for the upgrading of sanitary facilities of catering outlets and (c) hotel and catering establishments for the application of quality, environmental, hygiene and other standards.

Destinations, and in particular Destinations at a regional level are being supported financially and technically by CTO through subsidisation of activities mostly in the areas of marketing and promotion, organisation of thematic cultural and/or sports events, but also through the administrative support to run and implement their regional tourism strategies.

3. POLICIES AND STRATEGIES

3.1 Is there a current National Strategy for tourism? Yes No

If yes, please, provide information in bullet point format about the key aims, objectives and priorities of the strategy highlighting those that are designed to address sustainability issues in economic, environmental and social terms in particular those related in the six aims included in the Agenda. In preparing the tourism strategy, explain how consideration has been given to the 9 principles set out in the Agenda (para2.3 p5) and given in the appendix. (maximum 1.000 characters)

The Strategy for sustainable tourism development with the main axis being the respect and enhancement of the environment and culture, although drafted well before the Agenda, is in compliance with the general directions and the nine principles

The first strategic Plan was drafted in 2000 with a ten year horizon. In 2003 it was revised taking into consideration new developments, opportunities and trends in the international tourism environment. Following the monitoring and evaluation of the revised plan, a further amendment of the plan was considered necessary in 2007, in which the planned actions were re-prioritized and the quantitative targets were re-set.

The vision of the strategy is: "Cyprus, a qualitative tourist destination that will satisfy the visitor with various interests and quests and ensure the continuous improvement of the quality of life of the locals." The achievement of this vision is being accomplished through a strategy whose central point of reference is Sustainability, with emphasis on the pillars of Economy, Environment and Culture/Society. More specifically, through the implementation of the Strategic Plan, we strive towards:

- optimal usage of our environmental resources which constitute a key element in tourism development;
- respecting the socio-cultural authenticity of the host communities aiming at the conservation of their built and living cultural heritage and
- ensuring viable, long-term economic operations providing socio-economic benefits to all stakeholders.

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The success of the directions set by the three pillars is monitored through five quantitative targets focussing on increasing tourists' expenditure, reducing the seasonality problem, increasing the number of arrivals, increasing the length of stay and increasing repeat tourism.

With regards to the nine principles the Strategic Plan took into consideration, both at the preparation stage and at its implementation process the nine sustainability principles. More specifically, the Strategic Plan provided for a holistic and integrated approach catering for society (host communities and destinations) and the environment and for long term planning incorporating sustainable actions involving all stakeholders at all stages. Both the planning and the implementation of the strategy takes into consideration recent and accurate scientific (both qualitative and quantitative) information which enables the continuous monitoring of the progress made.

The "precautionary principle", the principle of "user and polluter pays" as well as carrying capacity limits has not as such been tackled. Consideration will be taken at the stage of the formulation of the new strategic plan beyond 2010.

3.2 Who was the initiator and who is responsible for its implementation? (maximum 200 characters)

Cyprus Tourism Organisation has been the initiator for the formulation of a Strategy in Tourism, a need which arose from the international tourism environment changes in the 90's.

The Plan is being co-ordinated at a first level by Cyprus Tourism Organisation, who through meetings with all bodies and services involved, drafts and submits to the specially appointed Ministerial Committee relevant progress reports. The Reports are then submitted to the Council of Ministers. The Strategic Plan has been supplemented by a thorough Implementation Plan, which lays down according to policy areas of responsibility, the actions for which CTO, the Ministries and their respective Services, (eg. Ministry of Agriculture, Natural Resources and Environment, Ministry of Labour and Social Insurance, Ministry of Communications and Works etc) must take. Moreover the Implementation Plan lays out the actions which Local Authorities and the Private sector, are expected to take.

3.3 How is the strategy monitored and how often? (maximum 500 characters)

The Strategy for Tourism Development Plan, the Implementation Plan as well as the monitoring mechanism have been approved through a series of decisions taken by the Council of Ministers. Regarding the monitoring mechanism the Council of Ministers with its Decision no. 59.218 of 7.1.2004 decided:

To set up a Ministerial Committee chaired by the Minister of Commerce, Industry and consisting of the Minister of the Interior, the Minister of Communications and Works, the Minister of Education and Culture, the Minister of Finance and the Minister for Agriculture, Natural Resources and Environment. The Committee has the obligation to report to the Council on the progress made on the implementation of the Plan as well as on any problems that might arise, every four months. With the

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same Decision the Council decided that each of the involved Ministries is to appoint a coordinator, who will have the responsibility of monitoring and coordinating the actions undertaken by the respective Ministry according to the Implementation Plan.

Regular meetings of CTO with the Ministries involved in the implementation of the Strategy for Tourism Development are being held, in order to monitor the progress made and to discuss ways of expediting actions in areas of importance. Additionally, the CTO Board of Directors monitors on a regular basis the progress made in actions to be undertaken by the Organisation, within the framework of the implementation of the Strategy for Tourism Development. Pursuant the aforementioned Council Decision, CTO in cooperation with all the Ministries involved, drafts at various intervals, reports on the progress made on the implementation of the strategy.

3.4 What tourism specific legislation exists? (maximum 500 characters)

Tourism in Cyprus has evolved into one of the most important socioeconomic activities and the undisputed most important industry for the country's economy. The legal framework that coacts the operation of the tourism establishments and services aims to safeguard the value and quality of these services. All the relevant laws and regulations have been congregated in order to enable easy access to the legal information to everyone that is involved or interested in the tourism industry.

CTO legislation, which governs the hotel and tourist accommodation establishments, catering establishments, travel agencies etc include: The Hotels and Tourist Establishments Laws 1969 to 2000, The Hotels and Tourist Establishments (General) Regulations 1985 to 2002, The Tourism and Travel Offices and Tourist Guides Laws 1995-2004, The Tourist Occupations and Associations Regulations 1980 and 1992, The Catering and Entertainment Establishments Laws 1985 to 2000. A new legislative framework for the rationalization of the classification of catering establishments has been prepared and the draft law is under study. Similar work was carried out for the Hotel establishments.

In addition a set of qualitative criteria concerning the accommodation sector was approved by the CTO Board of Directors and has been implemented since 2008.

4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline specific initiatives and policies that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges of the Agenda and which fall within the six main aims of the Agenda itself.

1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.

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- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.
- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

4.1 Please set out, briefly, the steps which have been or will be taken, if any, to address the 7 key challenges for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

4.1.1 Reducing the seasonality of demand. (maximum 200 characters)

- Development and operation of special interest tourist products (e.g. sports, cultural, religious, medical and well-being tourism) attracting visitors with specific interests beyond the Sun and Sea segment who travel during the shoulder and winter seasons.
- Promotional and marketing activities aiming at attracting segments of non-seasonality affected age groups e.g seniors and young couples.
- Winter tourism package 2008-2010: the actions included promotional activities abroad and involved the contribution of the local authorities and industry.
- CTO organisation and financial support of local authorities and entrepreneurs for the organisation of cultural and sports events.
- Drafting of an Air Route Development Support Scheme for the encouraging and financial supporting of the opening of new, and enhancement of existing, air routes, and giving bonus to year-long services.
- Encouraging the domestic tourism (eg. off season special prices, offering special packages)

4.1.2 Addressing the impact of tourism transport. (maximum 200 characters)

- Development of infrastructure for environmentally friendly forms of transport e.g. cycle trails within the destinations.
- Enhancement & improvement of the public transport system between urban centres & airports.

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4.1.3 Improving the quality of tourism jobs. (maximum 200 characters)

- Opportunities for training and improvement of knowledge and skills: general or tailor-made courses, seminars and workshops are offered to employees and employers in the tourism and ancillary sectors of the economy. These are monitored and subsidised by the Human Resource Development Authority (semi-governmental organisation). Such programmes can be organised by private trainers.
- Continuous exchange of views which result in regular revisions of the collateral agreements between the employers and the employees' trade unions concerning the jobs' specifications, working conditions, salary agreements etc.
- Development of voluntary job specifications standards (including provisions for initial qualifications, skills, career path, salary schemes, job description, etc) by the Human Resource Development Authority for waiters and receptionists.

4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change. (maximum 200 characters)

The scale (coefficient of coverage, building coefficients etc), location and type of development (industrial, tourism, commercial and housing) is being regulated through regularly revised policy and local plans (at destination level) which are designed and agreed upon through public participation. According to the provision of the relevant, Town and Country planning law, the plans are being revised on a five year basis. The proceedings for the revision of the plans of the period 2003 -2008 will commence in 2009. Responsibility for the preparation of the plans rests in hands of the Minister of the Interior. Moreover, development in the rural areas is being regulated by a Statement of Policy.

In an effort to provide opportunities for alternative sources of income for the rural community, financial support through the European Regional Development , was given to private sector investments in the development of agrotourism establishments and to public interventions for the development of thematic and special interest tourist products in the rural and mountain areas during the period 2004-2008. These activities are in line with recent trends and market demand for specialized holidays and environmentally friendly activities. During the same period a rural Marketing Plan, which was also cofunded by the European Regional Development Fund was run by CTO to support and promote the aforementioned product development activities.

4.1.5 Minimising resource use and the production of waste. (maximum 200 characters)

Initiatives both from the government sector and the private enterprises have been taken towards this end:

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- Waste water tertiary treatment operates in all tourist areas of the island.
- Tourist businesses and in particular hotel establishments, have applied water saving devices to save water in the context of the severe water shortage problem that faced the island particularly in 2008.
- Green Dot Cyprus has been appointed and has the responsibility for the collection of recycling of packaging materials including a number of tourist areas such as Limassol and Larnaka as well as Nicosia which mostly attracts day visitors.
- Incentive schemes for the implementation of environmental standards (ISO 14001 and the Green Key) in the accommodation and the catering sectors have been successfully employed by the Cyprus Tourism Organisation. By 2008 businesses have benefited.
- Voluntary Environmental Management tools such as Environmental management system and eco – label standards are being supported through incentive and other actions. The EMAS standard is being supported through a specially designed financial scheme.

4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 200 characters)

Natural Environment and Culture constitute the two axis of the Tourism Strategic Plan around which tourism development and special interest products evolve.

Cyprus Tourism Organisation has invested in the development of environmentally and culturally friendly tourist products such as Routes of a religious, cultural and historic character a few of which are the Wine Routes, Religious Routes, Aphrodite Route etc. Nature trails such as E4, Cycling routes etc. Three of these projects, namely, the Wines Routes, The Troodos Cycling route and the Religious Routes were completed in 2008 and have been cofunded by 50% by the European Regional Development Fund during the Programming Period of 2004-2006.

Local communities are being supported for projects promoting their tangible and intangible cultural and natural heritage.

In an effort to promote and sustain the rich cultural and natural heritage of the island, CTO organises and financially supports Cultural and local thematic (historic, nature, local and so on) events and festivals which enhance and enrich the overall tourist experience. Integrated promotion of these values is carried out through the Rural Marketing Plan which was mentioned above (par. 4.1.4)

4.1.7 Making holidays available to all. (maximum 200 characters)

Summer Holidays of low income families are being subsidised on an annual basis through a specific for the purpose scheme of a budget of 2miln euro.

Legislation on Hotel and Tourist Establishments and Catering outlets provides for a number of obligatory actions and facilities that should be provided to facilitate access and stay of people with disabilities and special needs.

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4.2 As key challenges may change over time, please identify any other areas that are becoming a new challenge. (maximum 600 characters)

4.3 Please identify and describe a specific initiative, which is related to the 7 key challenges, that is innovative/ successful and which would be of interest to or of help to other Member States. (maximum 2.000 characters)

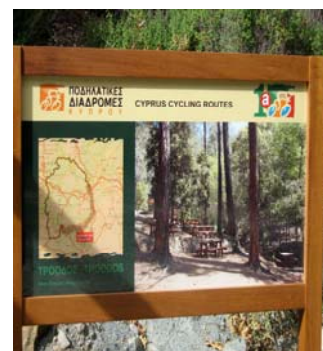
In 2008 the Cyprus Tourism Organisation completed, with the support of the EU through cofunding by 50% from the European Regional Development Fund for the Programming period 2004-2006, completed the Troodos cycling route: A circular route around the national Troodos Forest totalling 57 km.

Cycling tourism and more specifically cycling routes form one of the main new tourist products which will allow for further development of the island's tourist activity. They are compatible and in full compliance with the directions of the Strategy for tourism development 2003-2010, under which the natural environment constitutes one of the two axes which should be taken into consideration when choosing and planning the special interest products to be developed. Cycling routes feature high up on this list since they are soft, environmentally friendly and sustainable products and activities of an off peak season pattern of visitation. At the same time cycling tourism is a market segment which exhibits a strong growing trends at international and local level. The search for alternative forms of holidays, policies – at a European, national and local level- for enhancing the use of bicycle as a solution to improving air quality especially in the urban centres, the general trend for reduction of environmental pollution and improvement of the environment, the social necessity to improve quality of life and so on, have been the main reasons for this development.

The Troodos route constitutes the first phase of the implementation of a bigger comprehensive plan for a cycling network, namely the Cyprus Cycle Network which is comprised of a system of local networks-routes which are inter-connected and complementary to each other. The Network and the specific Troodos routes, were designed in 2005 as an outcome of a specific study regarding the design and organisation of a cycling route network in the Objective 2 Rural areas.



The Troodos routes network is divided in three subsections: Psilo Dentro (Platres) – Karvounas (16,2km), Karvounas-Prodromos (22,7km) and Prodromos-PsiloDentro (Platres), (18, 2 km). It includes paved roads on which a blue line has been drawn to mark the route without however being an exclusive circulation lane, and also unpaved paths. Wooden benches in view points and bicycle stands have been placed, as well as information boards and directional signs to direct and guide cyclists on how to move on the route.



The route was completed in 2008 and is being used by both foreign and local cyclists. The development of a second route has being initiated. It is the Limassol – Platres route which will link the outskirts of Limassol which is a tourist coastal city, with the Troodos cycling routes.

5. MECHANISMS FOR IMPLEMENTATION

Three mechanisms for implementing the Agenda were identified in the "Agenda": sustainable destinations, sustainable businesses and responsible tourists.

5.1 Sustainable destinations: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 600 characters)

Following a initiative CTO, in 2008 six (6) Regional Companies for Tourism Promotion and Development (RCTPD) were established. The companies have the responsibility of promotion and development of their region based on Regional Tourism Strategic Plans which have been carried in cooperation with CTO. The Regional Strategic Plans are in line with the National Strategic tourism Plan and as such they address separately the issues of product development, marketing and quality assurance.

The Board of Directors of the RCTPD is chaired by the Regional Chamber of Commerce and Industry and its members are the local authorities (municipalities and communities), representatives of the regional private sector associations e.g. hoteliers, catering outlets, local action groups (the Leader groups) and CTO. In 2008, the companies were mostly active in marketing activities.

Basic tourism indicators including satisfaction indicators are collected and analysed on a regional level which enables better monitoring of the progress of the regional actions.

Tourism actions such as the organisation of cultural events, local scale infrastructure development supporting the tourist industry etc are being carried out by the local authorities through their annual budgets.

5.2 Sustainable businesses: What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 600 characters)

A series of policy measures, programmes and approaches are being used to support businesses in tourism, ancillary and other related sectors. CTO runs three different incentive schemes for supporting tourism businesses, and in particular for the following:

- Sustainable investments in the enrichment and upgrading of the tourist product. The scheme aims at supporting private investment initiatives, based on the orientations of the 2003-2010 Strategic Plan for Tourism, through the provision for financial incentives designed for (a) enriching and diversifying the tourism product with the development of special interest products, and (b) the comprehensive upgrading and modernization of existing tourism accommodation. The first call of the scheme was launched in December 2008. The scheme is eligible for cofunding through the European Regional Development Plan for the programming period 2007-2013.

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- Improvement of the sanitary areas of Catering outlets. A programme of a total investment €1,8mIn, which has been running since 2007 and through which 255 establishments were subsidized.
- Adoption and Implementation of ISO9000, ISO14001, OHSAS18001 & HACCP by hotel and tourist establishments and in catering outlets which supports businesses to obtain these certifications.

Vocational training in hotel professions is provided by both public and private educational institutions. The Ministry of Education and culture operates hotel training department in the Technical Schools which run in all the regions of the country and offer basic training for cooks and waiters. The Ministry of Labour and Social Insurance operates the Cyprus Higher Institute which offers hotel management course with specialisation in various skills. Private hotel schools and colleges also offer courses of study in hotel occupations and in the field of hotel and tourism management. Additionally the Cyprus Tourism Organisation offers either on its own or in cooperation of other institutions or even subsidises, a series of specialised courses aiming to improve the professional skills of employees in the tourist industry and not only. The seminars have been designed for employees of hotel and catering businesses, for water sports businesses, taxi drivers, local authorities' employees and other people involved in the tourism industry. Members of regional police forces have attended lectures in tourism problems and the role of the police form.

Moreover, business support, especially the SME's and support of entrepreneurship, is one of the priority axis of the strategy of the Ministry of Commerce and Industry. The Ministry runs with the support of Structural funds three (3) Incentive schemes, namely for young entrepreneurs, women entrepreneurs and for the industrial sector.

5.3 Responsible tourists: What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns, promotion of certification schemes)? (maximum 600 characters)

A series of visits and lectures have been given by member of Cyprus Tourism Organisation, to students of a number of primary and secondary schools. Through these lectures and presentations the students had the chance to listen, ask questions and learn about tourism, tourism sustainability, the environment and culture and other related issues. Further cleaning campaigns have also been organised or initiatives taken from a number of schools all around the country for such campaigns have been supported by CTO

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6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators². These are mainly related to the aim of 'economic prosperity'.

Please, identify indicators that are being used or developed which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (other indicators from the TSG report, visitors/ residents satisfaction, etc.). (maximum 500 characters)

A number of indicators are currently estimated both on the demand and the supply-side of tourism. Estimation of these indicators is based on data collected on visitor arrivals (both same-day visitors and overnight tourists), tourist expenditure, tourist satisfaction, accommodation capacity, arrivals and overnight stays in accommodation establishments, capacity utilization rates etc whereas additional indices based on this information are calculated with respect to seasonality, the potential pressure on local communities and the environment to name a few. Depending on the indicator, the estimation is done on a monthly, quarterly or annual basis and is further analyzed by variables of interest. So for example, tourist expenditure is available by the tourist's country of usual residence, by location of stay within Cyprus, by the type of accommodation used at a more analytical level than the data etc.

An indicator which is not submitted to Eurostat is the pressure on local communities brought about by visitors is being monitored on a regional level by the ratio of number of tourists to local population.

A tourist satisfaction survey is carried out, through which data concerning satisfaction on various tourist products and services is being collected on a yearly basis.

7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

Actions related to the World Economic Crisis

(a) Increasing the Budget of the Cyprus Tourism Organisation: Boosting the campaign for the promotion of the Cyprus Tourism product. The measure is planned to be implemented during the course of 2009. At this stage the measure is not planned to be repeated in 2010.

(b) To improve the position of Cyprus's tourism product.

Support of Social Tourism through increasing the available budget provided to low income families for subsidising vacations at local destinations during the summer period of 2009. An extension until the 12.06.2009 was given to the applications of eligible parties.

Application of the reduced VAT rate on hotel accommodation of 5% instead of 8% for the period 1.5.2009 -30.04.2010.

Reduction of landing fees at airports levied on airline companies for the period 1.4.2009-31.12.2009.

Cancellation of overnight stay fees levied by local authorities on hoteliers for the period 1.5.2009-31.12.2009, and,

The establishment of a Crisis Committee, under the chairmanship of the Ministry of Commerce, Industry and Tourism, which meets at ad hoc and regular intervals, and studies progress, results, performance and any current issues in order to mitigate the impacts of the world economic crisis.

² These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them at the European level.

APPENDIX

Principles of sustainable tourism:

- **Taking a holistic and integrated approach**

All the various impacts of tourism should be taken into account in its planning and development. Furthermore, tourism should be well balanced and integrated with a whole range of activities that affect society and the environment.

- **Planning for the long term**

Sustainable development is about taking care of the needs of future generations as well as our own. Long term planning requires the ability to sustain actions over time.

- **Achieving an appropriate pace and rhythm of development**

The level, pace and shape of development should reflect and respect the character, resources and needs of host communities and destinations.

- **Involving all stakeholders**

A sustainable approach requires widespread and committed participation in decision making and practical implementation by all those implicated in the outcome.

- **Using best available knowledge**

Policies and actions should be informed by the latest and best knowledge available. Information on tourism trends and impacts, and skills and experience, should be shared across Europe.

- **Minimising and managing risk – the precautionary principle**

Where there is uncertainty about outcomes, there should be full evaluation and preventative action should be taken to avoid damage to the environment or society.

- **Reflecting impacts in costs – user and polluter pays**

Prices should reflect the real costs to society of consumption and production activities. This has implications not simply for pollution but for charging for the use of facilities that have significant management costs attached to them.

- **Setting and respecting limits, where appropriate**

The carrying capacity of individual sites and wider areas should be recognised, with a readiness and ability to limit, where and when appropriate, the amount of tourism development and volume of tourist flows.

- **Undertaking continuous monitoring**

Sustainability is all about understanding impacts and being alert to them all the time, so that the necessary changes and improvements can be made.