



ANNUAL REPORT 2005

CYPRUS TOURISM ORGANISATION

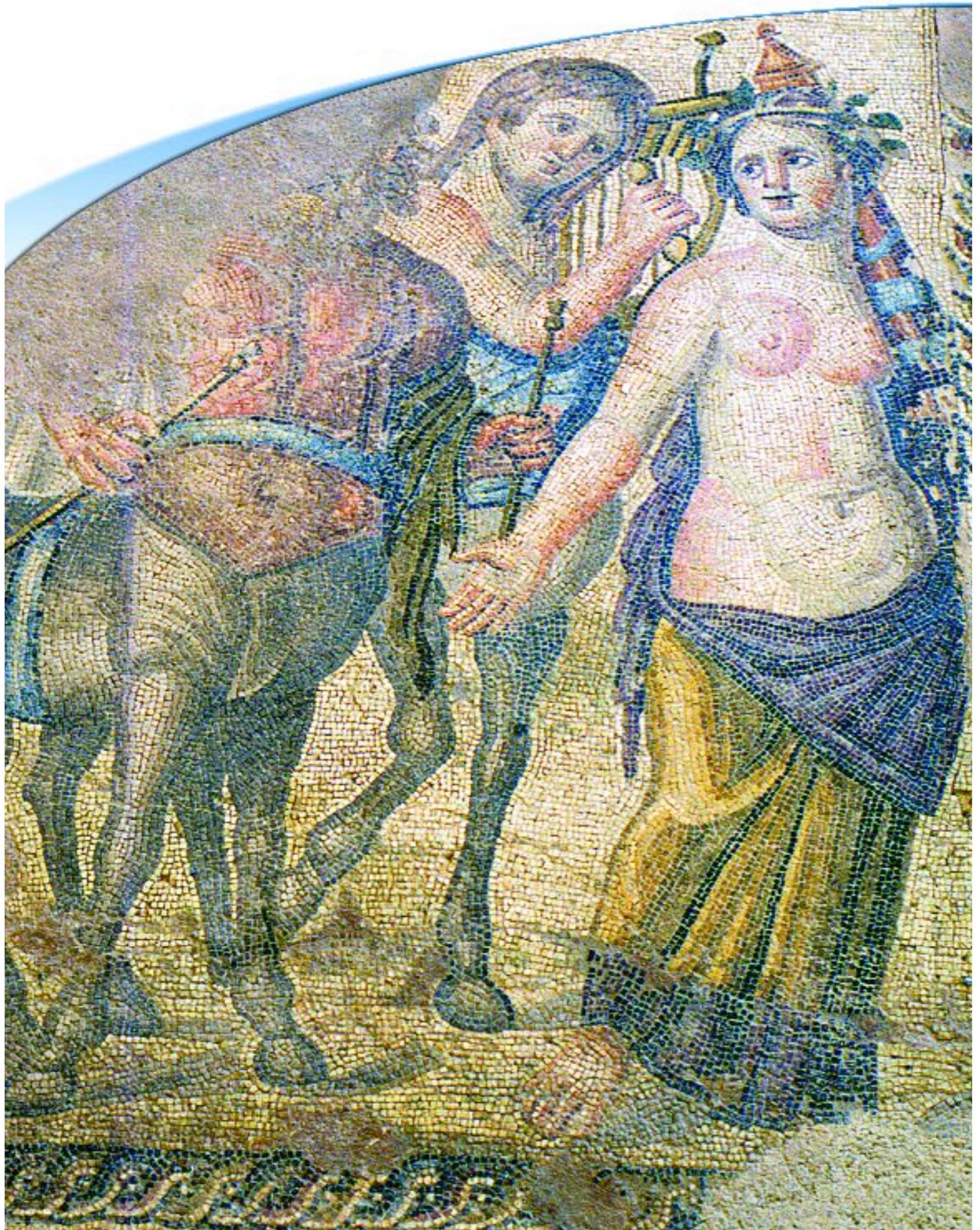




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CHAIRMAN'S MESSAGE

Tourism is the most important and dynamic contributor to the Cyprus economy. Its sustainable development creates the conditions for the growth and prosperity of our country and society.

The Cyprus Tourism Organisation's Strategic Plan for Tourism, now in its third year of implementation, has already yielded positive results for the island's tourist industry. We at CTO, are committed to maintaining this momentum. Our priority is to bring the full implementation of the Strategic Plan to a successful conclusion, in order to safeguard the future course of tourism in our country.

In spite of the crisis in the international tourist market, Cyprus tourism has succeeded in showing a reversal of the negative trends, in both its tourist arrivals and income. 2005 was the third best year in respect of the number of tourist visitors, which reached a figure of 2.5 million arrivals. More importantly, the successive reductions in tourist revenue that have prevailed over the past three years have been reversed and Cyprus has succeeded in increasing tourist revenue by 2.5%.

The contribution of tourism to the national product is particularly great and is expected become even greater. Suffice to say, in 2020, tourist arrivals could double their present number.

Through the Strategic Plan for Tourism, our vision is to transform the island into a quality tourist destination by satisfying the various interests and expectations of the visitor and simultaneously securing a sustainable improvement in the quality of life for the local people. Cyprus can benefit from the fast growing world tourism industry and our aim is to ensure



that by 2010, its position is high on the world tourism destination rankings.

The ongoing close cooperation between the CTO, the Ministry of Commerce, Industry and Tourism, other ministries and services, local authorities and the private sector, all contribute towards the success of our common cause. We all accept that the travel experience is a comprehensive one and that all the services comprising the tourist product have an important role to play in creating visitor satisfaction in terms of

quality accommodation, entertainment, the range of available infrastructure, etc.

Tourism stems from an innate need within each of us to be in other places, to escape from daily routine and to search for ourselves through contact with other people. Well aware of this need, the CTO aims, through the development and promotion of the Cyprus product, to offer today's discerning tourists the diversity they are seeking.

We at CTO do not approach tourism on a short term basis but rather as a long-term prospect with a long-term strategy, because this is the only way to establish the island as a powerful player on the international tourist map. The key to success is collective effort and a new, businesslike approach by all stakeholders. The successful implementation of the Strategic Plan is a task that involves everyone; the CTO, the public sector, the private sector and the local authorities. All have their role to play and a share of responsibility. I am confident that if we set the target parameters together, it is possible to achieve them.

On a practical note, during the year under review (2005):

The CTO attached great importance to the establishment of major tourism infrastructure projects, in order to help enrich the image of our tourist product. Such projects include golf courses, marinas, conference facilities and thematic parks.

- On the basis of the new policy for encouraging investments in golf courses, 27 applications have been submitted, which are currently under consideration.
- A three-year action plan for the promotion and development of sports tourism has been worked out. Amongst other actions for the development of this sector, the plan provides

for the creation of new sports infrastructure projects, which will be subsidised by £12m.

- In the past two years the CTO has completed or is working on over 30 research and study projects, the results of which will contribute towards the formulation of various special support policies. These will also offer guidance to businessmen and other agents on taking investment and business decisions aligned with the Tourism Strategy.
- Important action plans have been drafted and are being implemented for the development of religious tourism, conference tourism, cultural tourism, agro-tourism, health tourism and other special interest types of tourism activities.
- CTO activities and services have been upgraded in all markets. In the advertising and tourist promotion sectors we have adopted a new creative advertising approach, which aims to reposition Cyprus in the main markets. We have intensified our cooperation with the international media, broadened cooperation with public relations companies in major markets and, through an international competition, have adopted a new innovative image for the CTO's presence in tourism exhibitions.
- Regarding quality, the criteria governing the classification and categorisation of accommodation establishments has been completed and agreed upon. Also, after two years of work, the new, modern and simplified legal framework, both for hotels and leisure outlets, is in the process of being finalised and will be presented to the Council of Ministers in the summer of 2006. Following consultations with the private sector, the CTO's proposals introducing incentives



for the withdrawal of hotel beds not compatible with the Strategic Plan, have been announced.

- The implementation of regional strategies has begun and each region has been positioned, through an appropriate communications strategy, to promote its comparative advantages.
- The operation of the Tourist Academy is very significant for the CTO. The Academy is operated under CTO auspices, and aided by consultative bodies in which the Authority for the Development of Human Resources and other competent authorities participate. Already, seminars for the training of taxi drivers have been held, and a new training seminar for foreign personnel is under preparation.
- Responding to market developments, the CTO is implementing a comprehensive action programme aimed at highlighting, in a multifaceted way, the uniqueness of our cultural identity. Cultural routes are embodied in the Implementation Scheme of the Strategic Plan as priority projects. These are designed to enhance the attractiveness of cultural interest sites. The 'Kyprida Aphrodite Route' is the first thematic Cultural Tourism project to be implemented by the Organisation. The CTO has also proceeded with the establishment of a 'Wine Route', which will not only support a popular tourist activity, but also ensure the sustainable and viable development of the Cyprus countryside.
- The CTO is undergoing modernisation and restructuring in order to face up to the gigantic task of implementing its new Tourism Strategy Plan. The new structure of the Organisation has been announced and, once implemented,

this will transform the CTO into a flexible, effective and modern entity, focused on the priorities of tourism strategy.

The CTO has vision and a strategy that all of us have the will to implement. What we are all aiming at is to enrich and upgrade our tourist product and the services it provides. In so doing, we are confident we will succeed in repositioning Cyprus on the tourist map.

The President of the Republic Mr. Tassos Papadopoulos is a keen supporter of this entire effort and I sincerely thank him for his personal interest. I also extend my gratitude to the former Minister of Commerce and Tourism, Mr. Giorgos Lillikas, for his unreserved and continuous support. My thanks and appreciation also go to the Council of Ministers in its entirety, the House of Representatives and all the House Committees, the Auditor General and the Accountant General of the Republic, as well as to all the associates of the Organisation in the Public and Private sector and the local authorities.

In addition, I also extend my sincere thanks to my colleagues on the Board of Directors for their significant contribution and impeccable cooperation, to the Directors of Tourism, as well as to all personnel of the Organisation for the dedication they show in achieving our aims. Their combined effort and enthusiastic commitment is a prerequisite for our success.

In closing, I would like to offer my personal assurance that the Cyprus Tourism Organisation will continue to function incessantly and impartially in order to reposition Cyprus on the international tourist map.



SET-UP AND STRUCTURE OF SERVICES OF THE CYPRUS TOURISM ORGANISATION

The Cyprus Tourism Organisation (CTO) was established and operates according to the provisions of the Cyprus Tourism Organisation Law of 1969 - 1999 and the related Regulations on Structure and Terms of Employment and Administration and Finance.

The Organisation's objective, according to the Law, is to organise and promote Tourism within the Republic by using all possibilities and resources available.

BOARD OF DIRECTORS

According to the provisions of the above mentioned Act and the Appointment of Public Entities Act (Appointment of Boards of Directors) 149/1988, the CTO is administered by a nine-member Board of Directors as follows:

CHAIRMAN:	Mr. Photis Photiou ACCOUNTANT-AUDITOR FROM LARNAKA
VICE-CHAIRMAN:	Mr. Alecos Oroundiotis LAWYER FROM LEMESOS
MEMBERS:	Mr. Nicos Aristeides ECONOMIST BUSINESSMAN FROM LEMESOS
	Mr. Loizos Kartoudes BUSINESSMAN FROM LEMESOS
	Mr. Costas Kolakides CIVIL ENGINEER FROM LEMESOS
	Mr. Yiannis Kouis SENIOR LECTURER FROM LEMESOS
	Mrs Cleopatra Mylona - Michaelidou BANKER - ECONOMIST FROM PAFOS
	Mr. Leonidas Vryonides ECONOMIST FROM PAFOS
	Mr. Kendeas Zambirines ECONOMIST FROM PAFOS

DIRECTOR GENERAL

Due to the retirement of CTO's Director General Mrs. Phryne Michael, the four Directors of Tourism, Mrs. Phoebe Katsouris, Mr. Michael Metaxas, Mrs. Annita Demetriades and Mr. Lefkos Phylaktides, carried out the duties of Director General on a monthly, rotation basis, during 2005.

LEGAL ADVISOR

Mr. Christos Triantafyllides continued during 2005 to offer his services as the Organisation's Legal Advisor.

AUDITORS

During 2005, the General Auditor of the Republic of Cyprus continued to exercise the duties of the CTO's Auditor that were assigned to her by the Council of Ministers.

STRUCTURE OF THE CYPRUS TOURISM ORGANISATION

The Organisation consists of the Director-General's Office and four Departments: the Administration, Accounts and Registry Department, the Tourist Organisation (Planning) Department, the Promotion Department and the Tourist Services Department. The Organisation's offices and departments operate as follows:

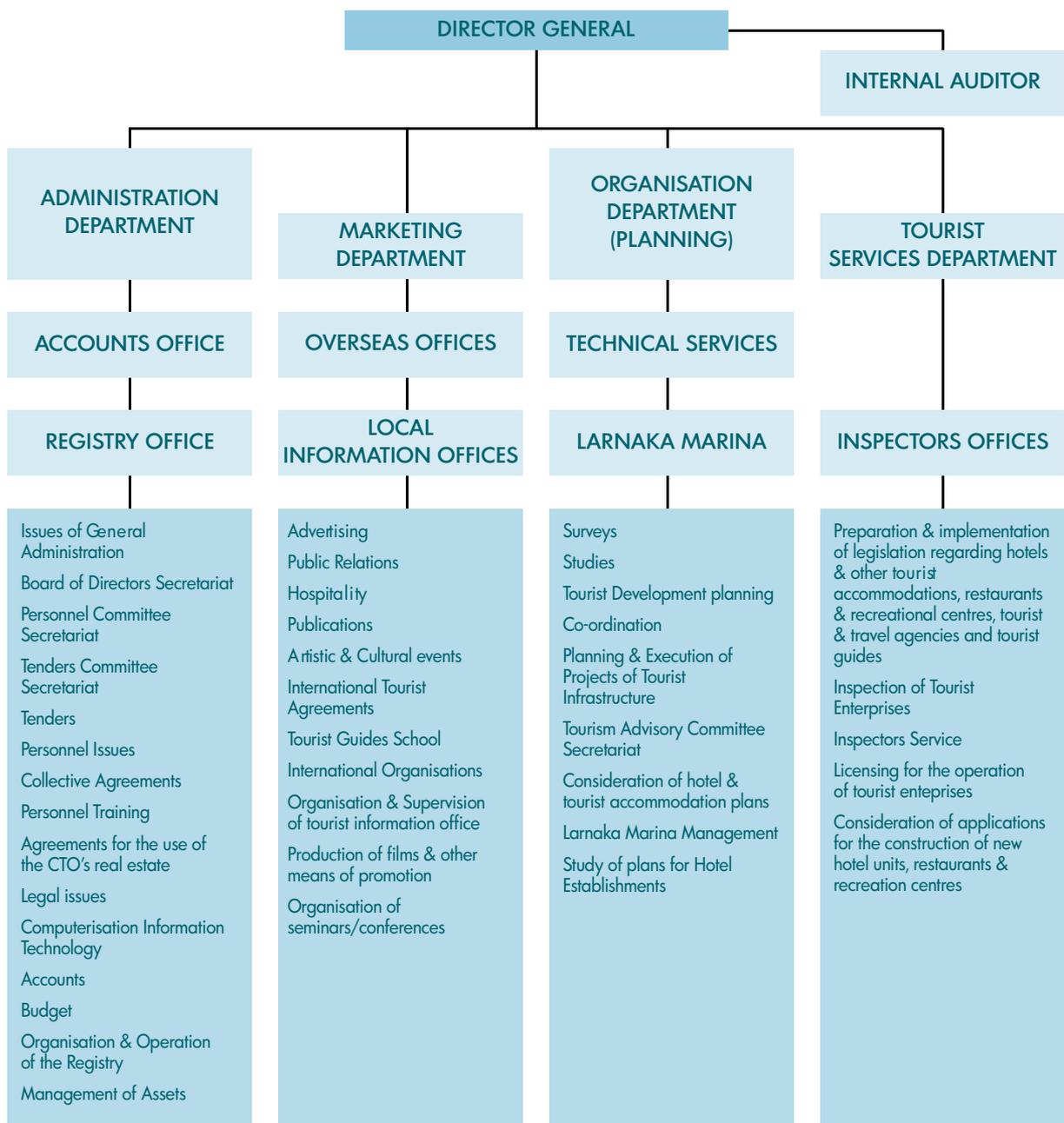
- The Head Offices are based in Lefkosia. Directors of Tourism are, Mrs Phoebe Katsouris, Head of the Organisation's Planning Department, Mr. Michael Metaxas, Head of the Promotion Department, Mrs. Annita Demetriadou, Head of the Administration, Accounts and Registry Department, and Mr. Lefkos Phylaktides, Head of the Tourist Services Department.



CYPRUS TOURISM ORGANISATION BOARD OF DIRECTORS STRUCTURE

TABLE 1

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CYPRUS TOURISM ORGANISATION STAFF POSTS

AS AT 31.12.2005

TABLE 2
REGIONAL SERVICES

	HEAD OFFICE	LOCAL	OVERSEAS	TOTAL
DIRECTOR GENERAL'S OFFICE				
CLERK	2			2
INTERNAL AUDIT	4			4
ADMINISTRATION DEPARTMENT				
ADMINISTRATION	17			17
REGISTRY	32			32
ACCOUNTING	34			34
PLANNING DEPARTMENT				
PLANNING	16			16
TECHNICAL SERVICES	10			10
LARNAKA MARINA		14		14
PROMOTION DEPARTMENT				
	34	31	88	153
TOURIST SERVICES DEPARTMENT				
	19	31		50
TOTAL	168	76	88	332

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- The Local Regional Services consist of:
 - (a) Thirteen tourist information offices operating in: Lefkosia, Lemesos, Larnaka, Agia Napa, Pafos, Kato Pafos, Larnaka Airport, Pafos Airport, Lemesos Port, Germasogeia, Platres, Polis Chrysochous and Protaras.
 - (b) Six Inspectors' offices operating in: Lefkosia, Lemesos, Larnaka, Pafos, Agia Napa, and Polis.
 - (c) The Larnaka Marina.
- The Overseas Regional Services consist of 17 offices: London, Frankfurt, Paris, Stockholm, Athens, Milan, Zurich, Brussels, Amsterdam, Vienna, New York, Moscow, Tel Aviv, Budapest, Prague, Warsaw and Helsinki.

PERSONNEL

On December 31st 2005, the CTO personnel members (permanent, temporary, on contract, and local staff in countries hosting CTO offices) were 332. Of these, 168 were employed at the Head Offices, 76 at the Local Regional Offices and 88 at the Overseas Regional Offices. Table 2 allocates CTO personnel, as at 31.12.2005.



BOARD OF DIRECTORS' MEETINGS

In 2005, the Board of Directors held 44 meetings and decided on a number of tourist policy related issues. The Board of Directors also approved the 2006 Budget of the Organisation, the 2004 Final Accounts, the overseas advertising campaign and other promotional programmes abroad.

Also, the Board considered and made decisions upon the following issues:

The CTO's advertising campaign in the various tourist markets, the Strategic Plan for Tourism, the award of tenders for the securing of services and equipment, the manufacturing or printing of various pamphlets, the classification of hotel enterprises, Agreements/Permits for the use of Tourist Beaches and Pavilions, the New Structure/Re-organisation of the CTO, the operation of Restaurants and Recreational centres, and the Collective Agreement.

NEW STRUCTURE OF THE ORGANISATION

Together with consultants, PricewaterhouseCoopers, a sub-committee consisting of members of the Board and the Directors of Tourism undertook the task, and completed the study for the New Structure of the Organisation, by March 2005, following which, the implementation of the study through different projects commenced.

The Personnel Committee, and the Tenders Committee, to which the Council had transferred its corresponding responsibilities for the better and faster implementation of CTO matters, held 20 and 41 meetings respectively, during which they discussed and took decisions upon issues falling within their competence.



TRAINING & EDUCATION OF PERSONNEL - TRAINING & DEVELOPMENT CENTRE

Within the framework of the CTO's policy for training and education of its personnel in 2005, a number of participations took place in various training and educational programmes/seminars held in Cyprus and/or abroad.

These programmes included the following: European Union, Implementation of Quality Systems, EFQM, Improving Management Performance, Labour Relations, Information Technology, Internet, Communication and Promotion of the Tourist Product, Evaluation and Development of Human Resources, Tourist Guides related topics, ISO 9000 Management in Hotels, Quality Services, the Dale Carnegie Course, Principles & Techniques of Food Hygiene (HACCP), Programmes conducted by the World Tourism Organisation, Crisis Management, Sales Techniques, ISO 9000 Certification, Cyprus Cuisine, Life Balance Skills, Health and Safety Regulations, etc.

In 2005, the Training & Development Centre was established and operated within the premises of the Organisation. In-house training on several subjects as well as the training of tourism professionals have been taking place within the Centre as from 2005. The CTO is organising school visits to its Training Centre during which officers present the situation and importance of tourism in Cyprus.



ΟΔΟΣ ΙΠΠΟΚΡΑΤΟΥΣ
ΗΠΙΡΟCΡΑΤΕS STR.



FINANCIAL POSITION OF THE CYPRUS TOURISM ORGANISATION

The total income has increased by 5% due to the increase of income from the 3% CTO charge on hotel bills (£1.486.835) and restaurant bills (£607.974).

The state subsidy is expected to increase significantly from 2006 and onwards, because the levy of 3% on hotel and restaurant bills has been abolished since 01/01/2006. The income lost will be compensated by increased state subsidy.

The total expenditure has increased by 11% due to the increase of promotion and publicity expenses (£2.549.016) and the increase in product development and organisation expenses (£516.423).

The debts have increased (£641.753) mainly due to the increase of debts relating to the levy of 3% and licence fees.

The cash at bank and in hand (including bank overdrafts) has increased by 68% (£3.807.639) due to the receipt of a part (£2 m.) of the state subsidy in December 2005, which had not been spent by the end of the year. These funds were approved, via the Amendment Budget (N.41(ii)/2005), in order to finance additional advertising expenditure. In addition, a part of the approved funds/state subsidy, which was received during the year for the purpose of advertising expenditure, was not spent by the end of the year.

The current installments/portion of the long-term loan related to a euro denominated loan was settled in 2005.

Credit has increased (£4.320.541) mainly due to the increase of credit relating to advertising.



**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

TABLE 3

	2005 £	2004 £
INCOME		
State Subsidy	14,000,000	14,500,000
Levy on Hotel bills	11,208,583	9,721,748
Levy on Restaurant bills	7,896,890	7,288,916
Licence Fees	356,553	372,304
Operation of Tourist Pavilions and other CTO establishments	635,260	637,528
Other Income	1,097,557	957,459
	35,194,843	33,477,955
EXPENDITURE		
Salaries	5,698,480	5,405,978
Compensation, Fees and other Benefits	808,617	756,518
Administrative Expenses	804,077	780,758
Promotion and Publicity	25,504,799	22,955,783
Organisation and Development of Tourist Product	1,627,547	1,111,124
Training and Education	81,346	73,291
Operation of Larnaka Marina	129,525	131,016
Sundry Expenses	256,869	249,815
Depreciation and Loss on Disposal of Fixed Assets	262,554	283,860
	35,173,814	31,748,143
SURPLUS FOR THE YEAR	21,029	1,729,812

The amounts shown above are only indicative and have not been audited by the external auditors of the Organisation.

**BALANCE SHEET
AS AT 31ST DECEMBER 2005**

TABLE 4

	2005 £	2004 £
ASSETS		
Non-Current Assets		
Fixed Assets	2,672,726	2,743,318
Total Non-Current Assets	2,672,726	2,743,318
Current Assets		
Debtors	5,801,651	5,159,898
Prepayments	364,009	384,770
Cash at bank in hand	9,919,003	6,202,928
Total Current Assets	16,084,663	11,747,596
TOTAL ASSETS	18,757,389	14,490,914
EQUITY & LIABILITIES		
Equity		
Capital	2,672,726	2,743,318
Reserves - Income and Expenditure account	2,765,702	2,372,494
Total Equity	5,438,428	5,115,812
Current Liabilities		
Current installments on long-term loan	–	452,482
Creditors	12,522,549	8,202,008
Receipts in advance	265,219	97,855
Bank Overdraft	531,193	622,757
Total Current Liabilities	13,318,961	9,375,102
TOTAL EQUITY & LIABILITIES	18,757,389	14,490,914



DEVELOPMENTS IN THE INTERNATIONAL TOURISM MARKET

According to preliminary data and estimates of the World Tourism Organisation, the international tourist flow in 2005 was increased by 5,5% as compared to 2004, reaching 808 million tourist arrivals as against 766 million in 2004.

Tourist traffic in Europe grew by 4,3% in 2005 to reach 443,9 million tourist arrivals, as compared to 425,6 million in 2004. As far as the Southern/Mediterranean European region is concerned, tourist arrivals recorded a 6,2% increase.



It is worth noting that an increase in tourist arrivals in 2005 was recorded in all regions of the world. The greatest rate of increase was observed in Africa (10,1%), while healthy increase rates were also recorded in Asia and the Pacific Countries (7,4%), the Middle East (6,9%) and the Americas (5,8%). As far as market share is concerned, Europe held on to its dominant position in the global tourist market although it has experienced a marginal decrease in market share (54,9% in 2005 versus 55,6% in 2004), as arrivals in Europe grew at a rate slower than the global average. Asia and the Pacific countries and the American Continent rank second and third with 19,3% and 16,5% respectively, maintaining almost the same market share as in 2004.

MAJOR DEVELOPMENTS IN CYPRUS

According to the data of the Statistical Service of the Republic of Cyprus, tourist arrivals in 2005 recorded an increase of 5,2% as against 2004 (2.349.012 in 2004, 2.470.063 in 2005). Almost all months of 2005 displayed an increase in arrivals over the respective 2004 months, with the greatest increase being recorded in March (22,5%) and with a long string of consistently improved performance covering the period from May to August (increase rates ranging from 7-10%). However, the year ended with decreases in arrivals appearing in November and December (8% and 4% respectively).

As far as arrivals from specific markets are concerned, the U.K. market performed better in 2005 than in 2004, showing an increase of 4,4%. However, the market share of U.K. was marginally reduced from 56,7% in 2004 to 56,3% in 2005.

Other markets that performed better in 2005 than in 2004 were the German market (182.682 arrivals, i.e. an increase of about 13%), the Russian market (an increase of 16% to reach 97.595 arrivals), the French market (arrivals grew by 13% to 52.777), the Austrian (29%) and the Irish markets (17%). Healthy rates of increase in arrivals were also recorded in the

INTERNATIONAL TOURIST ARRIVALS 2004-2005 (in millions)

TABLE 5

	2004	2005*	%CHANGE 2004-2005
World	766.0	808.0	5.48%
Europe	425.6	443.9	4.25%
Asia and the Pacific	145.4	156.2	7.43%
Americas	125.8	133.1	5.80%
Africa	33.3	36.7	10.21%
Middle East	35.9	38.4	6.96%

*Preliminary estimates and forecasting of UNWTO



Swedish, Belgian, Israeli and the U.S. markets, as well as in other ones with a smaller contribution to the total number of tourist arrivals, such as Canada and South Africa. At the other end of the spectrum, decreases were observed in the arrivals from Greece (2,5%), from all the Scandinavian countries except Sweden (ranging from 2-7%), as well as from the Netherlands, the Czech Republic and Poland.

According to the results of the Tourist Expenditure Survey 2005, the per person expenditure of tourists in Cyprus in 2005 was reduced by 2,6% in nominal terms in comparison to 2004 (from CYP418,09 to CYP407,14) and the average length of stay by 2,4% (from 10,68 days to 10,43 days), while the per day expenditure remained at the same levels as in 2004 (about CYP39,00).

TOURISM INDICATORS IN 2005

TOURIST ARRIVALS

Arrivals of long-stay visitors (tourists) increased by 5,2% in 2005 to 2.470.063 as against 2.349.012 in 2004.

SEASONAL PATTERN OF TOURISM

The distribution of tourist arrivals over the four quarters of 2005 was as follows: January-March 10,9% (the respective percentage for 2004 was 10,4%), April-June 30,4% (30,6% in 2004), July-September 39,6% (39,0% in 2004) and October-December 19,1% (20,0% in 2004).

ARRIVALS OF EXCURSIONISTS

Arrivals of excursionists in 2005 totaled 186.640, recording an increase of 45,2% in comparison to the corresponding 2004 figure (128.532).

An increase was recorded in the arrivals of all types of excursionists in 2005. More specifically, the arrivals of the excursionists who participated in cruises rose by 47,3% (from 119.203 in 2004 to 175.630 in 2005), the arrivals of same-day tourists by 11,5% (from 7.672 in 2004 to 8.555 in 2005) and the number of transit visitors by 48,2% (from 1.657 in 2004 to 2.455 in 2005).

Excursionists participating in cruises came mainly from Israel (47% of the participants), Italy (13%), Germany (12%) and France (11%).

INCOME FROM TOURISM

Gross receipts from tourism in 2005 were estimated at CYP1.014 million, displaying an increase of 2,6% over the 2004 receipts (CYP988 million).

According to preliminary data, revenue from tourism was estimated to have accounted for about 13% of the country's Gross Domestic Product for 2005, as compared to 13,7% for 2004.

DEVELOPMENTS IN THE SUPPLY OF HOTEL BEDS

In 2005, a total of 957 new beds joined the existing stock, as compared to 2.420 beds in 2004. Two new star hotels came into operation with a total capacity of 916 beds, while another existing 3 star hotel increased its capacity by 41 beds.

The total hotel bed supply in licensed accommodation units fell from 96.535 beds that were in operation on 31.12.2004 to 95.648 on 31.12.2005. Of all the hotel beds that had been in operation at the end of 2005, 53.432

belonged to 242 star hotels, 22.991 to 254 hotel apartments of all classes, 6.698 to 22 tourist villages A' and B' class, and the remaining 12.527 to tourist villas, tourist apartments, furnished apartments, traditional houses, hotels without star, guest houses and camping sites.

As far as the construction of new units is concerned, at the end of 2005, 2 new star hotels with a total capacity of 354 beds, one complex of tourist villas with 54 beds and 2 traditional houses with 10 beds were being built. Moreover, an existing 5 star hotel was extending its capacity by 112 beds.

GUEST NIGHTS IN TOURIST ACCOMMODATION ESTABLISHMENTS

Guest nights in all accommodation categories in 2005 were increased by 2,3% as compared to 2004, to reach a total of 15.058.319 as against 14.717.269 in 2004. Guestnights recorded an increase in Larnaka and Agia Napa, a decrease

in the Mountain Resorts, Lemesos and Lefkosia, and a marginal decrease in Pafos. Guestnights remained at exactly the same levels as 2004 in Paralimni.

As far as guestnights of foreign tourists in all categories of licensed accommodation establishments in 2005 are concerned, these grew by 2,7% as compared to the corresponding figure of 2004 (13.636.517 in 2004 and 14.006.282 in 2005).

The guestnights of Cyprus residents in all categories of licensed accommodation establishments in 2005 displayed an decrease of 2,7% in comparison to 2004 (from 1.080.752 in 2004 to 1.052.037 in 2005).

ARRIVALS AT TOURIST ACCOMMODATION ESTABLISHMENTS

Arrivals at licensed accommodation establishments in all categories in 2005 were increased by 1,5% as compared to

5-1 STAR HOTEL CAPACITY 2004-2005

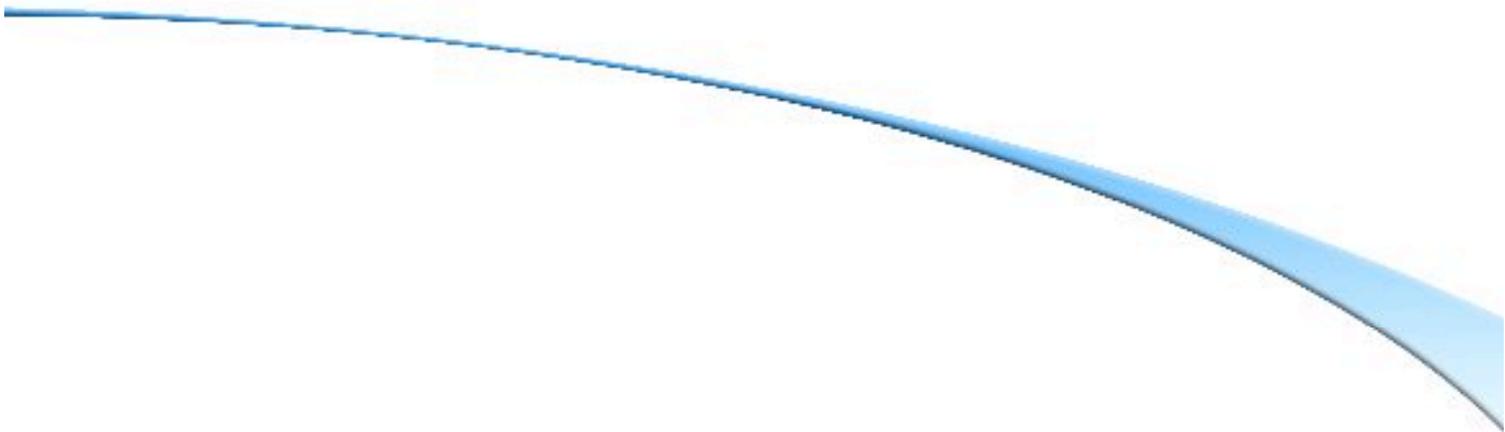
TABLE 6

	5*	4*	3*	2*	1*	TOTAL
2004	9,443	21,197	17,087	4,431	1,060	53,218
2005	10,463	21,057	16,465	4,387	1,060	53,432

BED CAPACITY IN HOTEL APARTMENTS & OTHER ACCOMMODATION 2004-2005 TABLE 7

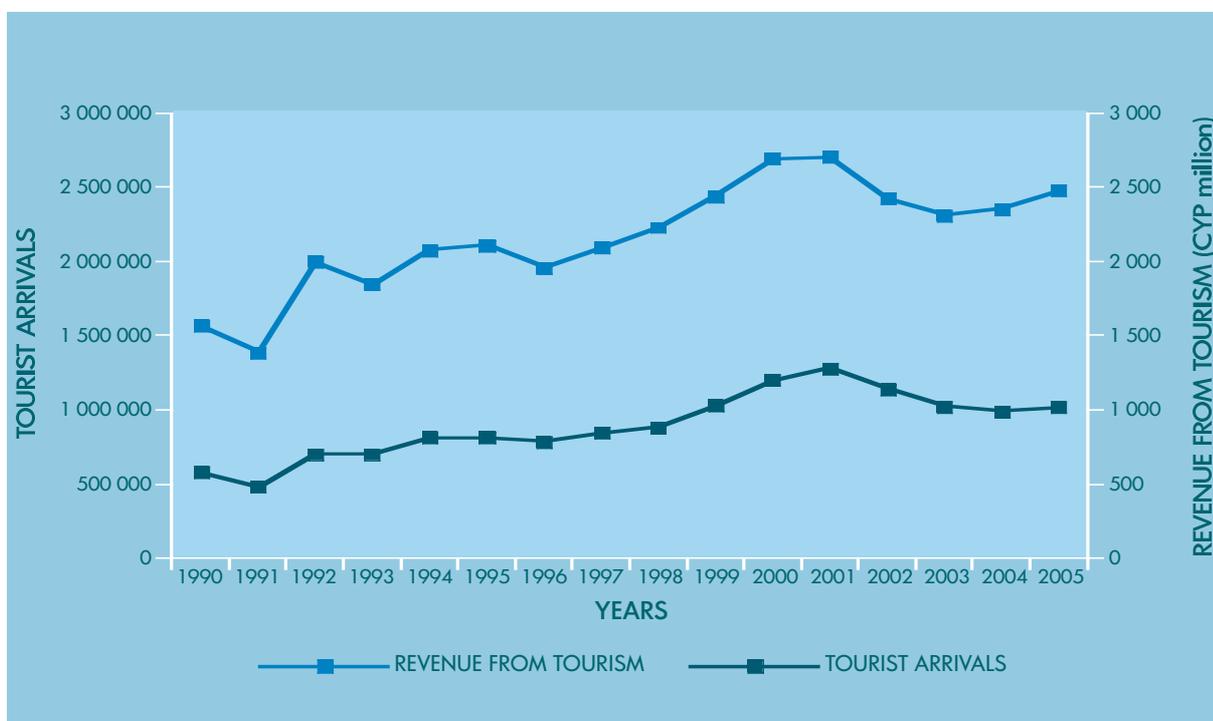
	DELUXE	HOTEL APARTMENTS			TOURIST VILLAGES	TRADITIONAL HOUSES	OTHER*	TOTAL
		A CLASS	B CLASS	C CLASS				
2004	234	9,895	11,134	2,050	6,926	724	12,354	43,317
2005	234	9,887	11,048	1,822	6,698	755	11,772	42,216

*Tourist apartments, furnished apartments, tourist villas, hotels without star, guest houses and camping sites.



TOURIST ARRIVALS & REVENUE FROM TOURISM

DIAGRAM 1



2004, to reach a total of 2.218.786 as against 2.186.842 in 2004. An increase in the number of arrivals was recorded in Larnaka, Agia Napa and Pafos, while varying rates of decrease were recorded elsewhere.

Arrivals of foreign tourists in all categories of licensed accommodation establishments were increased by 1,6% in comparison to 2004 (1.734.586 in 2004 and 1.762.658 in 2005).

On the other hand, arrivals of Cypriot residents in all categories of licensed accommodation establishments displayed an increase of 0,8% (from 452.256 in 2004 to 456.128 in 2005).

AVERAGE NET BED OCCUPANCY RATES

The average net bed occupancy rate in tourist accommodation establishments is obtained by dividing the number of guest nights (as declared by the manager of every tourist accommodation unit) by the bed capacity of each unit, multiplied by the actual number of its days of operation during the year in question.

The average net bed occupancy in all tourist accommodation establishments in 2005 rose by about 4 percentage points as compared to 2004 (55,48% in 2004 and 59,53% in 2005).

As far as star hotels are concerned, their average net bed occupancy rate in 2005 rose to 58,52% from 54,11% in 2004, thereby recording an increase of 4,4 percentage units.



IMPLEMENTATION OF TOURISM STRATEGY 2003-2010

GENERAL – PUBLIC SECTOR

The Council of Ministers with its Decision no. 59.218 of 7.1.2004, set up the mechanisms to monitor the Implementation Plan of the Tourist Development Strategy 2003-2010. More precisely, it has decided the following:

(i) To set up a Ministerial Committee chaired by the Minister of Commerce, Industry and Tourism 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 of Agriculture, Natural Resources and Environment. The Committee has the obligation to report to the Council every four months on the progress made on the implementation of the Plan as well as on any problems that might arise.

(ii) The appointment of coordinators for each of the involved Ministries, who will take on the responsibility of monitoring and coordinating the actions undertaken by each Ministry according to the Implementation Plan.

Pursuant to the above Decision, the CTO assumed responsibility to co-ordinate the preparation of the Progress Reports on the actions undertaken by all the Sectors – the Public Sector, the Private Sector, the Local Authorities and the CTO. The first Progress Report, which covered the period from November 2003 – May 2005, provided a detailed analysis of the developments concerning the implementation of the Strategy, examined the delays observed and made recommendations towards the adjustment of various programmes and the introduction of new measures and mechanisms. This Report was discussed at the Council of Ministers in two of its sessions in July and August, and pursuant to the decisions taken in those sessions, the Organisation

drafted and submitted to the Council an additional memorandum containing its remarks on the reports prepared by the five Ministries.

Regular meetings of the Organisation with the Ministries involved in the implementation of the Strategy are being held, in order to monitor the progress made and to discuss ways of expediting actions in significant areas, such as matters of public order and large infrastructure projects.

The Board of Directors of the Organisation monitors, on a quarterly basis, the progress made in actions to be undertaken by the CTO, within the framework of the implementation of the Strategy.

PRIVATE SECTOR – TOURISM CONSULTATIVE COMMITTEE

The Tourism Consultative Committee was established in accordance with the provisions of the Cyprus Tourism Organisation Law. Almost all of the private sector stakeholders are represented in this Committee at a very high level, under the chairmanship of the Minister of Commerce, Industry and Tourism.

The Committee functions as a think tank for tourism, and as such it deals only with general tourist policy matters and advises the CTO Board of Directors accordingly.

As of 2004 the Committee has assumed a new role, which involves the coordination of the activities of the private sector towards the implementation of the Tourism Strategy and the monitoring of progress made in that area.

Within the framework of its new role, the Committee met twice with the CTO Board of Directors in 2005. In these meetings, the members of the Committee were briefed on the progress made in various projects and programmes pursued within the framework of the Tourism Strategy. Regarding the



implementation of the Tourism Strategy by the private sector, the decisions taken concern the education and the mobilisation of the private sector towards the implementation of the Strategy and the systemisation of the monitoring of its relevant activities.

The involvement of the private sector in the implementation of the Strategy is also discussed in regular meetings between the CTO Board of Directors and the Cyprus Hoteliers Association, the Association of Cyprus Tourist Enterprises and the Association of the Cyprus Travel Agents (three such meetings were held in 2005) and in the meetings of the CTO and the Regional Tourism Bodies.

LOCAL AUTHORITIES

Following the relevant request, most Municipalities submitted to the Organisation the five-year programmes containing the specific actions they will be undertaking towards the implementation of the Strategy. The Organisation evaluated these plans and monitors progress made towards their implementation through regular meetings with the Municipalities. In December 2005 the Organisation held a series of one-to-one meetings with the Municipalities for purposes of reviewing the progress achieved in 2005, reviewing and revisiting the programmes of action, and discussing the problems arising from their implementation.

REGIONAL STRATEGIES

The Organisation affords to the Regional Tourism Bodies both financial and technical support towards the preparation of the Regional Tourism Strategies and the respective Action Plans. Most of these studies were completed in 2005 and special emphasis was given to the systemisation of their implementation, which involves actions such as the investigation and determination of the legal status and structure of the Regional

Tourism Bodies. The institution of the Regional Tourism Bodies functioned in a satisfactory manner and following a decision by the CTO Board of Directors, the Organisation granted each financial aid of CYP5.000 to cover direct operational expenses and the salary of an officer who will be dealing exclusively with the implementation of the Regional Tourism Strategy. The CTO Board of Directors also decided to subsidise the marketing activities of the Regional Tourism Bodies, as these will result from the respective Action Plans at a 75% rate, with a total annual maximum subsidy of CYP100.000 for the first three to five years of their operation and a gradual reduction of the subsidy in subsequent years. As far as the legal framework governing the establishment and operation of the Regional Tourism Bodies is concerned, the Organisation has prepared the relevant proposal, which will be submitted to the Council of Ministers for approval in early 2006.

CTO ACTIVITIES TOWARDS IMPLEMENTATION OF THE STRATEGY

I. STUDIES - RESEARCH

Within the framework of the increased emphasis the Organisation places on research and development activities, the execution of the following studies/research projects has been promoted in 2005:

1. Joint Research Cooperation Between CTO and ERC

The Organisation has entered into a research cooperation agreement with the Economic Research Centre of the University of Cyprus. The agreement will have an initial duration of three years, with the possibility of further renewal.

In the second year of the research cooperation (June 2005 - June 2006) the following research topics will be



- Continuation of the survey for the satisfaction of tourists and the evaluation of the Cyprus tourist product.
- Study on the behaviour of the expenditure of tourists, tracing and analysis of any trends observed for the period 1999-2004.
- Study for the Competitiveness of the Cyprus Tourist Product.
- Creation of a Documentation Centre and a databank of various tourism statistics.

Further information about the above research activities is provided in other areas of the Annual Report.

2. Tourist Expenditure Survey

The tourist expenditure survey is conducted on an annual basis by the Statistical Service of the Republic of Cyprus, and its main purpose is to obtain information on the expenditure of tourists in Cyprus. Such information is collected through personal interviews that take place at the points of departure of tourists from the country.

During the course of the Survey in 2005, 29.478 interviews were conducted at both Larnaka and Pafos International Airports, covering a total of 63.060 tourists from the main source markets for Cyprus tourism.

3. Research Programme for the Creation of a Databank and the Preparation of Statistical Timeseries

Within the framework of the joint research programme of CTO and the ERC, a documentation centre with relevant tourism bibliography and a databank containing timeseries on tourism statistics and data are being developed.

4. Research Programme for the Introduction of a Tourism Satellite Accounts System

The Organisation collaborates with the Statistical Service of the Republic of Cyprus for the introduction of a Tourism Satellite Accounts System (TSA), which will allow for a more precise estimation of the contribution of the tourist sector to the economy. Since this initiative is eligible for E.U. funding, the relevant application was prepared and submitted to the European Commission. An outside expert was commissioned to assist in the preparation of the application, which drew on the findings of a study on the definition of the requirements for the introduction of the TSA system as conducted within the framework of the CTO-ERC joint research programme. The application is being evaluated by the European Commission, and a decision is expected to be reached early in 2006.

5. Survey for the Satisfaction of Tourists and the Evaluation of the Cyprus Tourist Product

The Survey is conducted on a continuous basis by a private market research firm. It is divided in four phases (each phase corresponding to a quarter of the year) and its results are issued on a quarterly basis. Within its framework, personal interviews with tourists upon their departure from Cyprus are conducted, so as to gather feedback on the satisfaction derived from their experience with the Cyprus tourist product. The data gathered will be used to develop a Satisfaction Barometer which will allow for the monitoring of the success of the effort to meet the goal of the quality upgrade of the tourist product.

A total of 4.941 interviews were conducted in 2005, covering a total sample of 10.385 persons. Tables containing the results of the survey as well as brief reports for every phase have been prepared, while a full report containing the unified

results of the whole year is being drafted. The results of 2005 will be presented to the stakeholders of tourism in a conference which will be held in January 2006.

6. Survey Among the Visitors to the CTO Information Offices to Determine Their Degree of Satisfaction from the Services Rendered

The above survey is conducted on a continuous basis, via the completion of questionnaires by the visitors of the CTO Information Offices. The data collected is processed in-house, and the results are presented in tables prepared by the Organisation.

The execution of the following studies was completed during 2005:

7. Study on the Social Impact of Tourism.

8. Study to Determine the Strategy/Programme of CTO Towards the Exploitation of e-Marketing.

9. Study for the Review of the Institutional Framework Governing the Classification of Hotels and Other Tourist Establishments (Introduction of Qualitative Criteria).

10. Study for the Introduction of Incentives for the Upgrade and/or the Withdrawal of Lower-Category Hotel Beds from the Bed Supply.

11. Study for the Introduction of Incentive Schemes for the Upgrade of Catering Establishments.

12. Study for the Development of Theme Parks in Cyprus.

13. Study for the Impact on the Tourist Industry from the Encouragement of Non-Cyprus Residents to Acquire Immovable Property (Second Home) in Cyprus.

For the following studies, the selection of the researchers/consultants was made (via an invitation to tenders process, where applicable) and the execution of the studies commenced in 2005. The studies will be completed in 2006.

14. Study for the Social Impact from the Potential Creation of Casinos in Cyprus.

15. Study for the Economic Impact on the Tourist Sector and the Wider Economy from the Possible Creation of Casinos in Cyprus.

16. Study for the Development of 'Wellbeing and Pampering' Special Products.

17. Study for the Development of Cooperation Mechanisms (e.g. Between the Private and/or the Public Sectors and/or the Local Authorities) Towards the Exploitation of European Programmes and the Management of New Composite Tourist Products.

18. Survey for Taking Stock of the Current Conference Tourism Product / Conference Facilities in Cyprus.

19. Indicators of Sustainability in Tourism

The CTO Working Group continues its work towards the development of a system of indicators that will be monitoring the sustainability in tourism development. An initial estimation



of a significant number of indicators (economic, social and environmental) has been carried out in 2005, and work will continue in 2006.

20. Study – Manual in Relation to the Obligations of CTO as Final Beneficiary for Measures and Actions to be Co-funded by the E.U. Structural Funds.

21. Preparation of a Study - Proposal in Relation to the Marketing, Promotion and Organisation of Rural Tourism.

Studies for the Execution of Actions of the EU Structural Funds:

22. Rendering Services Towards the Design and Development of a Wine Route in Cyprus.

23. Rendering of Consultant Services and Study for the Design and Development of a Cycling Route Network.

24. Study for the Design and Development of a Religious Route in the Target 2 Area of the Cyprus Countryside.

Also, in 2005 tenders were invited by private sector consultants and researchers and/or the preparation for the execution of the following studies, which are expected to commence in 2006, was done:

25. Compilation of Statistical Data and Market Research for Conference Tourism.

26. Competition for the Design of Stands for Tourist Exhibitions Abroad.

27. Study-Survey for Sports Tourism.

28. Survey/Compilation of Statistical Data for Sports Tourism (Priority Sports).

29. Study for the Development of an Evaluation System for Sports Events.

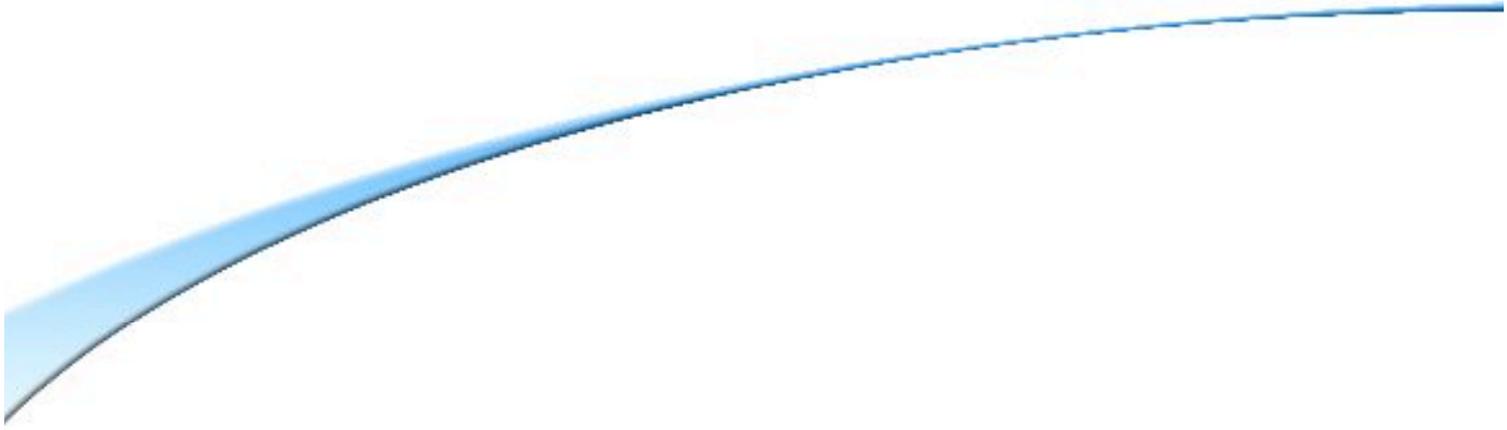
30. Invitation to Tenders for the Procurement of Services for Project Management Concerning the Implementation of Actions Resulting from the E.U. Structural Funds:

- (a) Implementation of the Cultural Route on Wine.
- (b) Implementation of the Cultural Route on the Religious Tradition.
- (c) Development, Organisation and Management of a Cycling Routes Network.
- (d) Marketing, Promotion and Organisation of Rural Tourism.

31. Procurement of Consultant Services for the Design of Measures and Proposals for the New Programming Period of the E.U. Structural Funds 2007-2013.

32. Procurement of Consultant Services for the Location and Exploitation of European (Competitive) Programmes Related to Tourism.

33. Procurement of Consultant Services for the Internet Application of a Geographical Information System (GIS) which is Being Co-funded by the E.U. Structural Funds.



34. Survey for the Attraction of Investments Compatible with the Strategy for Tourism Development 2003-2010.

35. Study for the Establishment of a Convention Bureau in Cyprus.

36. Development/Implementation/Maintenance and Support of an Internet Portal for CTO.

37. Regional Strategy Studies and Action Plans

In addition to the above the CTO finances 90% of the cost of the Regional Tourism Strategy Studies, and coordinates and monitors their preparation. The Regional Tourist Boards, following a tenders competition, have commissioned private sector consultants to execute the studies. The studies for Lefkosia and Ammohostos were completed in 2005, whereas the studies for Larnaka, Lemesos and Pafos are expected to be completed in 2006. Tenders were also invited for the study of the Mountain Resorts Region, which is expected to be commissioned and executed in 2006.

II. INFRASTRUCTURE

1. FINANCIAL SUPPORT AFFORDED TOWARDS THE EXECUTION & IMPLEMENTATION OF STUDIES ON EMBELLISHING THE ENVIRONMENT IN MUNICIPALITIES & COMMUNITIES

The Organisation continued to provide financial support to projects aiming at the embellishment of public spaces, the promotion of cultural heritage elements, the creation of event venues, coastal pedestrian ways, public sanitation facilities,

special products.

Within this framework, total financial support amounting to CYP65.000 was provided to eight Local Authorities for the execution of such projects.

2. BUILT ENVIRONMENT IN THE TOURIST AREAS

Towards the improvement of the built environment, two meetings were held in 2005 between the CTO and the stakeholders involved, in order to examine ways to overcome the obstacles that hinder the achievement of progress in this field.

The Organisation and the Ministry of Interior agreed upon the organisation of regional meetings in 2006, where all involved stakeholders will be brainstorming to locate the obstacles encountered in the efforts to implement the relevant legislation, and find ways to implement studies conducted for the remedy of problems concerning the aesthetic image of the tourist areas.

3. CLEANLINESS

In order to achieve progress in the issue of cleanliness, a framework for a Plan of Action was drafted. This Plan of Action calls for the establishment of a coordinating body as well as the preparation of a Strategic Plan which will revolve around the following four points:

- Improvement and modernisation of the ways and methods of cleanliness and recycling, in order to render them more intensive and effective.
- Awareness and mobilisation of the citizens.
- Development of environmental awareness in schools.
- Follow-up on the actions undertaken.

The Organisation and the Ministry of Interior have decided that two meetings about cleanliness are to be held

every year, involving the participation of all stakeholders. The first meeting will be taking place before the beginning of the summer period, and the other after its end, so as to review the execution of the planned activities.

In addition to the above, the Organisation has prepared a report on cleanliness for 2006, which includes the initiatives the CTO will undertake in the fields of education and the coordination of the stakeholders towards a more effective handling of the whole problem.

In 2005, the Organisation provided financial support to a number of bodies to assist with the cleaning of polluted areas, the execution of educational campaigns and the undertaking of actions preventing pollution. The CTO has also given awards to organisations, associations and local authorities that have undertaken such activities.

4. EDUCATION & DEVELOPMENT OF AWARENESS

The Organisation participates in the Strategic Planning for Environmental Education Centered Around the Sustainable Development, which was drafted by the Paedagogical Institute.

Additionally, in 2005 the CTO has inaugurated a systematic effort to educate elementary school students on matters of tourism, environmental and touristic consciousness. Within this framework, brief presentations to students are being organised, either at the Educational Centre of CTO or at their schools.

5. BLUE FLAG PROGRAMME

In 2005, "Blue Flags" were awarded to more than 3,000 beaches and marinas in 33 countries in Europe, Africa, North America and the Caribbean. In Cyprus, "Blue Flags" were awarded to a total of 39 organised beaches in 12 municipalities and communities.

III. SPECIAL INTEREST PRODUCTS

1. AGROTOURISM

(i) Opportunities for E.U. Funding

Within the framework of the E.U. Community Policy for Regional Development, Cyprus has developed and is implementing the following measures and actions for Rural



Tourism:

- the Regional Development Plan 2004 –2006 for the Objective 2 area, and
- the Rural Development Plan 2004 – 2006

The Plans are co-financed by EU Structural Funds. CTO is a member of the respective Monitoring Committees for the two plans. The Regional Development Plan and its Single Programming Document, include:

(a) a Grant Scheme for investments and business support for Rural Tourism small and medium size enterprises (SME's) - e.g. rural tourist accommodation, taverns, traditional coffee shops, traditional workshops and ancillary activities which enrich the rural tourism product.

The First Invitation for Applications within the framework of the Plan was announced in 2005. A total of 58 applications from 25 communities were submitted. 44 applications were approved, with a total investment cost of CYP7,7 million, and the financial aid granted amounted to CYP2,8 million.

(b) Public-led tourism infrastructure projects, implemented by CTO, which contribute towards the development of an integrated rural tourism product:

- Thematic Routes [Wine route and Byzantine Cyprus]
- Cycling Routes
- Organisation and Promotion of Rural Tourism

(ii) Study for the Measurement of the Carrying Capacity and the Evaluation of the Potential for Integrated Tourism Development in the Objective 2 Rural Area.

This pioneering Study, which was required by the European Commission in order to contribute towards the achievement and implementation of the Community objectives for Regional Development and maximisation of the benefits of the measures and actions of the Cyprus Regional Development Plan for the Objective 2 rural area, was completed in 2005. The CTO organised a presentation of its results to the stakeholders of the rural areas, and its results were made available to bodies from

the private and public sectors.

(iii) Agrotourist Beds

On 31.12.2005, 84 traditional accommodation units with a total capacity of 667 beds were in operation in 37 different villages.

(iv) Promotion of Agrotourism

The Organisation participated in a series of initiatives for the promotion of the Cyprus Agrotourism Program such as TV and Radio programs, article contributions to various media as well as presentations in rural tourism events and seminars. Such seminars include the "Sustainable Development in Tourism: Eco and Agrotourism in the Mediterranean Region" organised by the U.K. Presidency of the E.U. in collaboration with the British High Commission and the British Council, the "European Social Forum" and the "Forest Recreation and Nature Tourism" seminar.

(v) Embellishment Works

The Organisation subsidised embellishment works and signage in various villages.

(vi) Cyprus Agrotourism Company

The Cyprus Agrotourism Company, which was established following a CTO initiative, continued the operation of its office, and upgraded its central reservations system and website (www.agrotourism.com.cy) which enables online bookings (the bookings actually doubled in 2005). The Company also grew in terms of membership, as new members joined in.

As far as promotional activities are concerned, the Cyprus Agrotourism Company participated in the tourist fair World Travel Market 2005 in London and the Cyprus Agricultural Fair.

It also became a member of the Regional Body for the Tourist Development and Promotion of the Mountain Resorts, and was appointed as a member of its Executive Committee.

2. GOLF COURSES

The Organisation played an active role in the drafting of the New Policy for the Development of Golf Courses which was approved by the Council of Ministers in February, and was



posted in the Cyprus Government Gazette in May.

The CTO provides information to potential investors on the New Policy, which calls for the development of up to 14 golf courses in total. Within the framework of the New Policy, 28 Declarations of Interest concerning investment in golf courses in all the areas of Cyprus were submitted.

An Action Plan for Golf Tourism was prepared, which covers aspects of strategy, SWOT analysis, the role of CTO, markets, international competition, trends and prospects, partners, development goals and actions, product organisation, networking, education, organisation of golf events and

marketing and promotional activities.

The development of a stand-alone golf course on government land in Agia Napa is being pursued. The Forestry Department prepared the contract for the lease of the government land to the local joint venture of private and public sector entities "Agia Napa Forest Golf Ltd", which was approved by the Council of Ministers and forwarded to "Agia Napa Forest Golf Ltd".

The cooperation of the CTO, the Cyprus Golf Federation and the existing golf course owners/operators continued in 2005. The promotional publication 'Golf in Cyprus' was published.

The Organisation participated in various international seminars on golf and secured the hosting of the 2006 Golf Business Forum in Cyprus.

3. APHRODITE CULTURAL ROUTE

In 2005, the French version of the route pamphlet was produced, and its translation into the German language was completed. The general pamphlet of the route was reprinted in the Greek and English languages.

The Cyprus Tour Guides Association accepted the relevant suggestion made by the CTO, and their annual 'Get to Know Cyprus Week' for 2005 adopted the Aphrodite Route as its central theme, in order to promote the route to domestic tourism.

The Municipal Museum of Agia Napa 'Thalassa', which is a part of the Aphrodite Cultural Route, was inaugurated in 2005.

The book 'Kypris, the Aphrodite of Cyprus – Ancient Sources and Archaeological Evidence', written by Dr. Jacqueline Karageorghis, which is based on research on Kypris, the Aphrodite of Cyprus, was published.

4. CULTURAL & ARTISTIC EVENTS

The preservation, enhancement and promotion of the island's tradition and history as well as the active and continuous support of the cultural expression of contemporary Cypriots are fundamental preconditions for the successful repositioning of Cyprus on the international tourist map. Aiming at the development of the appropriate tourist product, the CTO promotes and subsidises the organisation of artistic, cultural and other events related to the Cypriot tradition and culture. Additionally, the CTO intends that these events be held throughout the year and cover all areas of Cyprus. In 2005 the CTO organised the following four cycles of events:

- Musical Sundays (October – April)
- Summer Nights in Polis Chrysochous
- Cultural Winter (in co-operation with the Agia Napa and Paralimni Municipalities)
- Cyprus A Treat for the Soul (in Pafos)

The CTO also provided financial support towards the organisation of concerts by internationally famous artists such as Placido Domingo, Diana Ross, Emma Shaplin, Bonnie Tyler, Christina Branco and the SAS Band, and exhibitions such as 'The Earth from Above', 'Crusades: Myths and Realities' and 'Theotokos – Madonna'. At the same time, the Organisation also subsidised a great number of cultural and artistic events organised by local authorities, non-profit organisations and festival organisers such as the opera *La Traviata* (performed by the Polish National Opera), the ballet 'Zorba' (performed by the National Ballet of the Opera of Hungary) and the Scala di Milano ballet.

5. NATURE TOURISM

The development of the European E4 Trail was completed, and the new promotional publication 'European E4 Trail and Other Nature Trails' was produced in Greek and English. The inauguration ceremony of the E4 was held in November, under the auspices of the Minister of Commerce, Industry and Tourism and in the presence of representatives from the European Ramblers Association (ERA). This event was advertised in the website of the association.

The CTO continued its cooperation with the Forestry Department and, as a result, six new thematic nature trails were created through CTO funding.

An Action Plan for the Special Interest Product 'Nature Tourism' was drafted.

The CTO participated in the Annual General Meeting of the European Ramblers Association (ERA), which was held in September in the Netherlands.

6. SPORTS TOURISM

In 2005 the CTO continued to implement the actions included in the Action Plan for the Development of Sports Tourism. In this framework the CTO evaluated and approved applications for the subsidisation of the development of sporting facilities. The CTO also provided financial support towards the organisation of important international sports events within the limits of the existing CTO support schemes in operation.

The Organisation also provided financial support to a great number of soccer teams that visited Cyprus during the winter for training.

The Ministry of Culture and Education is expected to submit a proposal to the Council of Ministers for the approval of the budget concerning the upgrade of existing sports facilities that

can be used for sports tourism purposes.

Four promotional films for sports tourism were produced; a general one and three for specific priority sports.

The terms of reference governing the invitation to tenders for the collection of statistical data for the priority sports included in the Action Plan have been drafted. This study will begin in 2006 and last for 12 months.

The Organisation participates as a partner in the European Programme Valetourism within the framework of the Leonardo Da Vinci Programme. Valetourism concerns the development of modern professional skills in sports tourism and leisure.

7. CYCLING TOURISM

As part of the CTO's policy for the creation of a national cycling route network in Cyprus, private sector consultants have conducted a study on the design and organisation of a cycling route network within the Objective 2 area of Cyprus, which was co-financed by the Cyprus Tourism Organisation and the EU Structural Funds. The final report of the study will be delivered in January 2006, and the first phase of the implementation of the network is expected to begin around the end of the first half of 2006.

The CTO's efforts to develop cycling tourism in Cyprus were featured in a cover page article of the magazine of the European Cycling Network Eurovelo, of which Cyprus is a member.

Within the framework of its efforts in promoting and establishing Cyprus as a cycling destination, the CTO has cooperated with the Cyprus Cycling Federation in the organisation of the first world championship event mountain biking marathon in Germasogeia. The event was featured on

Eurosport, in two 25-minute pre-recorded programmes.

Preparations for the hosting of a 2006 international cross-country mountain bike race in Germasogeia with the cooperation of the Cyprus Cycling Federation are under way.

The CTO cycling team 'Bikin' Cyprus' has continued to participate in cycling competitions all over the world in 2005, taking part in more than 30 international events, thereby promoting Cyprus as an ideal biking and tourist destination.

8. MEDICAL TOURISM

As the CTO recognised the great potential of medical tourism, it was decided in 2005 that this be included in the Strategy for



Tourism 2003-2010. Deliberations with doctors interested in investing in this area and with the competent Ministries were held. These aimed at the appropriate organisation of this sector and possibly the introduction of an incentive scheme to encourage investments in health care that will be relevant to tourism, as well.

The CTO provided technical and financial assistance to the Cyprus Chamber of Commerce and Industry, which organised a seminar on Medical Tourism in December.

Planned activities for 2006 include the production of promotional material and the participation in trade fairs

9. WELLBEING & PAMPERING TOURISM

An Action Plan for Wellbeing and Pampering Tourism was drafted, which includes proposals for the organisation and promotion of the product. This Action Plan will be finalised when the relevant study will be completed and its results be taken into account.

10. CONFERENCE & INCENTIVE TOURISM

The in-house Working Group for Conference Tourism collected data on the main target markets, and made on-site visits to obtain an informed image of the product. Also, two studies are being programmed, one aiming at the collection of statistical data and the conduct of market research on Conference Tourism and the other at taking stock of the existing product and facilities in Cyprus.

In addition to the above, the CTO provided guidance and financial support to the organisers of big conferences.

11. THEME PARKS

The study on the development of theme parks, which was conducted by private sector consultants in order to direct and encourage private sector investors to invest in the development of theme parks, was completed in 2005. The study identifies the most appropriate and viable types of theme parks, their location and themes, by taking into account the existing mix of tourists and the targeted markets and segments, as well as the best practices on a global scale.

The CTO disseminates the results of the study and plans to hold a conference early in 2006 to present its findings.

12. INCENTIVE SCHEME FOR INVESTMENT IN ANCILLARY PROJECTS

A new incentive scheme directed at tourism SME's was drafted. This scheme aims at encouraging the development of projects in the following two categories of ancillary tourist projects:

- (a) Large scale Ancillary Projects 'Tourism Attractors' and
- (b) Special Interest Projects.

The priorities, selectable investment projects, budget and size of grants were defined in accordance with the relevant regulations. Evaluation criteria and deliberations were carried out with the Office of the Commissioner for State Aid Control to establish the compatibility of the scheme with the relevant E.U. regulations on Public Grants.

The Scheme was approved by the CTO Board of Directors, and was submitted to the Ministries of Finance and Commerce, Industry and Tourism for the approval of the necessary funds, before its subsequent submission to the Office of the Commissioner for State Aid Control for final approval and posting in the Cyprus Government Gazette.



EUROPEAN UNION

EUROPEAN TOURISM FORUM

Cyprus was appointed to organise the European Tourism Forum 2006, in cooperation with the European Commission and the Finnish Presidency of the E.U. The Forum is a platform for discussing developments in tourism in Europe and the world, the exchange of technological know-how and good practice and the establishment of cooperation and networking between the stakeholders of European tourism from the private, the public and the wider public sector. The CTO is a member of the Steering Committee for the organisation of the Forum, and has participated in its first meeting in December 2005. In the same month, the CTO participated in the workings of the Tourism Advisory Committee of the E.U.

PROGRAMMING PERIOD 2004-2006

E.U. STRUCTURAL FUNDS – CO-FUNDED ACTIONS 2004-2006

1. Monitoring Committees – European Policies in Tourism

As a member of the Monitoring Committee of the Programme Complement for Objective 2 and the Monitoring Committee of the Agricultural Development Plan for the programming period 2004-2006, the CTO has participated in the meetings of the Committees and, within their framework, it follows up on the implementation of the particular measures and actions.

2. E.U. Co-funded Programmes

Within the framework of its obligations as a Final Beneficiary which have been undertaken for the Programming Period 2004-2006, the Organisation has submitted to the Intermediate Body in September and December 2005 its proposals for the co-funding of three projects from the European Regional Development Fund (ERDF). The projects' total budget amounts to CYP2,4 mil. and concerns:

- the design and development of a cycling route network,
- the design and development of a cultural route on wine
- the promotion of events and publications on Religious Tourism, and
- the organisation and promotion of rural tourism.



All actions will materialise in Objective 2 rural areas, as specified in the Programming Documents.

As part of the CTO efforts to organise the undertaking and successful completion of the above obligations, a private sector consultant has been commissioned to prepare an Operations Manual for the co-funded projects. The implementation of the appropriate system, procedure and organisation of the relevant service is already under way.

3. Community Initiatives of Cross-border Cooperation - INTERREG

The Organisation has participated as a partner in the submission of five proposals within the framework of the community initiative Interreg III B-Archimed, under the Measure 3.2 which concerns the Sustainable Tourism Development in cooperation with partners from Greece and Italy. These proposals concern the areas of nautical tourism and marine

parcs, wellbeing and pampering, conference tourism, cycling tourism, certification systems for Mediterranean destinations and religious tourism in conjunction to agrotourism.

The Organisation has also participated as a partner in the submission of three proposals within the framework of the community initiative Interreg III Greece – Cyprus under the Measure 3.3.2 which concerns the area of Promotion of Cultural and Tourist Resources. The proposals concern Monastery routes, networks for cooperation and exchange of know-how in the field of innovative actions aimed at the promotion of the cultural identity of the Greek and Cypriot area and the promotion of cultural tourism, and folk dances and traditional cuisine as means of promotion of the cultural heritage of Crete and Cyprus.

4. Lisbon Strategy

The Organisation, within the framework of the National Programme of Action for the Lisbon Strategy 2005-2008, processed and submitted the measures and actions of the tourist sector which will be implemented and will contribute to the achievement of the goals of the above Strategy.

5. New Programming Period 2007-2013

The Organisation has begun the processing of Measures and Actions to be promoted for the tourist sector during the New Programming Period 2007-2013. Within this framework, the Measures and Actions with analytical recommendations for every axis of the National Strategic Plan were submitted to the Planning Bureau. The actions and projects of the sector, which at first sight seem suitable to be promoted for co-funding on the basis of the directives of the Cohesion Policy of the E.U., have been pointed out.

The proposals of the Organisation are based on the Tourism Strategy 2003-2010 and the National Programme for the Lisbon Strategy, so that all programmes and strategies are in complete synergy. Additionally, contacts in Brussels were made with officials of the Tourism Unit and the Directorate of Regions, while deliberations took place with all involved stakeholders from the public, wider public and private sectors during the preparation of the Documents.

6. Cyprus European Bureau in Brussels

The CTO has decided to participate as a partner in the European Bureau of Cyprus in Brussels, which is to be founded after a University of Cyprus initiative. The Bureau will be based in Lefkosia as a Foundation according to the Law and will be maintaining a branch in Brussels, which will be charged with obtaining information and exploiting Projects and Programmes of the European Union. Under its property as partner, the CTO can be participating as a member at the Board of Directors of the Office, having the right to elect and be elected as member of the Executive Secretariat. The Office is expected to start operating early in 2006, as soon as its setup process is completed.



7. European Programmes

Leonardo Da Vinci Programme: 'Green Investments in Tourism Industry'

The CTO, within its role as a project partner, participated in the work for the completion of the European program 'Green Investments in Tourism' which is co-ordinated by RAI Consultants Services Ltd. Within the framework of the project, a website has been developed (www.tourism-e-learning.net & www.green-investments-in-tourism-industry.net), and a brochure and four training modules were produced, which will also offer the possibility for distance-learning through the e-learning method.

The Organisation prepared the Final Progress Report and the Financial Report which was submitted to the E.U., fully absorbed the amount of €9.000 to which it was entitled as a partner, and contributed to the dissemination of the results of the Programme.

Programme COST ACTION 33: 'Forest Recreation & Nature Tourism'

The Organisation participates as a partner with the Forestry Department to the European Programme 'Forest Recreation and Nature Tourism' – 'FORREC', and within 2005 it has carried out the following:

- Participation in the workings of the Coordinating Committee of the partners,
- Presentation of the programme for nature tourism in Cyprus and its promotion via the website of the Programme and
- Participation in the Mediterranean Countries working group for the preparation of 'Country Reports' and other deliverables.

Medina – Daedalus

The CTO participates as a partner in the implementation of the Medina and Daedalus projects, which have been approved by the European Commission within the framework of the Eumedis initiative. These projects, wherein European and Mediterranean countries participate, concern the creation of internet portals as a means for promoting cultural tourism.

The Organisation participated in the workings of the Technical Committee which dealt with the methodology, technical specifications and ways of promoting the project. Also, data and information from Cyprus was collected and analysed, in order for this to be included in the local internet portals.

Participation in other European Programmes

- Interstate Meeting for the LEADER+ Programme 'Rural Tourism and Local Products'
- European Conference LIFE-NATURE 'Protection and Management of the areas of the Network NATURE 2000'.

REGULATION & SUPERVISION OF TOURIST ENTERPRISES

The Cyprus Tourism Organisation implements the provisions of the relevant laws governing the setting up and operation of tourist enterprises and tourist occupations, such as:

- Hotels and other tourist accommodation establishments
- Travel Agencies
- Catering and entertainment establishments
- Tourist guides



CLASSIFICATION OF HOTEL UNITS & APPROVAL OF PLANS

According to the existing legislation governing hotels and tourist accommodation establishments, the architectural plans of new hotel units to be built, as well as extensions and classification of existing ones, must secure prior approval from the Hotels Committee.

The composition of the Hotels Committee in 2005, according to a relevant decision by the Minister of Commerce, Industry and Tourism, was as follows:

Chairman of the Committee: Mr Ph. Photiou, CTO Chairman

Committee members:

- CTO Acting Director General
- Mr. L. Phylaktides, CTO Director of Tourism
- Mr. M. Papageorgiou, representative of the Ministry of Communications and Works
- Mr. Chr. Christou, representative of the Ministry of Health
- Mrs. E. Avraamidou, representative of the Town Planning and Housing Department
- Mrs. N. Paschalidou, representative of the Ministry of Commerce, Industry and Tourism
- Mr. M. Christofinis, representative of the Cyprus Civil Engineers and Architects Association

- Mr. Chr. Kitazos and Mr. A. Tsokkos, representatives of the Cyprus Hotels Association
- Mr. A. Vavlitis, representative of the Cyprus Association of Tourist Enterprises and
- Mr. A. Christodoulides, representative of the Cyprus Hotel Managers Association.

During 2005 the Committee held six meetings and examined matters relating to the initial classification of new hotel units, reclassification of existing units, revocation of operating licences, approval of plans and applications for the establishment of accommodation units within traditional houses, extensions or renovations/improvements of existing hotels and hotel apartments and revision of the classification of existing hotel units. The Committee suggestions, as far as the classification or revocation of operating licences are concerned, are forwarded to the CTO Board of Directors for consideration.

HOTEL RATES & HOTEL GUIDE

According to the provisions of the relevant legislation, hotel rates were set by hoteliers for the period between 16.3.2005 and 15.3.2006 and constitute the maximum rates that can be charged during this period. Prices include all charges and taxes. The 2005 edition of the Hotel Guide includes all hotel and tourist establishments in operation in the government controlled areas and provides information on each establishment and the rates charged. All hotel units located in the Turkish occupied areas belonging to Greek Cypriots are listed in the Guide in the form of an Appendix. The 2005 Hotel Guide also includes information on travel agencies and car rental firms. It was printed in 60.000 copies.



TRAVEL AGENCIES

As shown in Table 8, at the end of 2005, 449 licensed Travel Agencies were in operation with 139 branch offices in comparison to 444 Agencies and 153 branch offices in 2004.

TOURIST GUIDES

During 2005, 266 licences were issued to professional tourist guides, as provided by the relevant legislation, compared to 264 in 2004.

Table 9 shows the breakdown of tourist guide licences by district on 31.12.2005.

CATERING & ENTERTAINMENT ESTABLISHMENTS

In accordance with the provisions of the relevant Law, the Catering and Entertainment Establishments Committee held one meeting in 2005 and examined issues related to the approval of plans, the classification or reclassification of Catering and Entertainment Establishments, the revocation of operating licences and other matters relating to the operation of these establishments.

TRAVEL AGENCIES 2004-2005

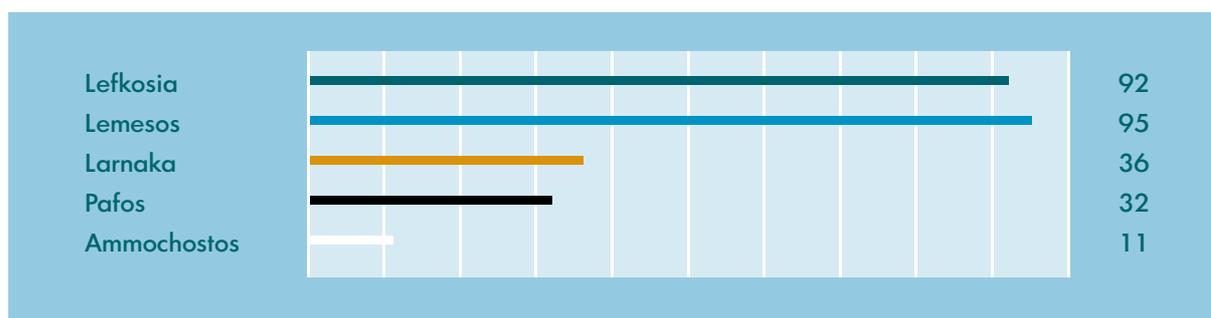
TABLE 8

AREA	HEAD OFFICES		BRANCH OFFICES	
	2004	2005	2004	2005
Lefkosia	133	136	12	10
Lemesos	160	158	49	47
Larnaka	56	57	26	25
Pafos	65	70	29	28
Ammochostos	30	28	37	29
Total	444	449	153	139

NOTE: The above agencies employed approximately 2000 persons.

LICENCED TOURIST GUIDES BY DISTRICT

TABLE 9



The composition of the Committee in 2005 according to a relevant decision by the Minister of Commerce, Industry and Tourism was as follows:

Chairman of the Committee: Mr. Ph. Photiou, CTO Chairman

Committee members:

- CTO Acting Director General
- Mr. L. Phylaktides, CTO Director of Tourism;
- Ms. Xenia Georgiadou, representative of the Ministry of Commerce, Industry and Tourism
- Mr. Chr. Christou, representative of the Ministry of Health
- Mrs. St. Rousi, representative of the Ministry of Interior
- Mr. A. Aristidou, representative of the Cyprus Catering and Entertainment Establishments Owners Association
- Mr. N. Thrasylvoulou, representative of the Federation of the Cyprus Catering and Entertainment Establishments Owners Association
- Mr. A. Germanos, representative of the Union of Cyprus Municipalities

- Mr. D. Michael, representative of the Union of Cyprus Communities and the Lefkosia, Lemesos, Larnaka, Pafos and Ammochostos District Officers.

On 31st December 2005, 3.195 Catering and Entertainment Establishments of various categories were in operation, compared to 3.241 on 31st December 2004. At the end of 2005, 532 catering and entertainment establishments were in operation within hotel units compared to 547 on December 31st 2004.

Table 10 shows the Catering and Entertainment Establishments in operation on 31st December 2004 and 2005 respectively, broken down by district.

Table 11 shows the Catering and Entertainment Establishments by category and by district operating on 31st December 2005. The table does not include establishments operating within hotel units.

OPERATING ESTABLISHMENTS

TABLE 10

DISTRICT	OPERATING ESTABLISHMENTS AS AT 31.12.2004		OPERATING ESTABLISHMENTS AS AT 31.12.2005	
	Independent	Establishments within Hotel Units	Independent	Establishments within Hotel Units
Lefkosia	667	35	667	35
Lemesos	921	108	907	101
Larnaka	508	72	494	64
Pafos	623	112	626	111
Ammochostos	522	220	501	221
Total	3241	547	3195	532

HOTEL TRAINING

Vocational training in hotel professions is provided by both public and private educational institutions.

The Ministry of Education and Culture operates hotel training departments in the Technical Schools of Lefkosia, Lemesos, Pafos, Polis Chrysochous, Larnaka and Paralimni, providing basic training for cooks and waiters.

The Cyprus Higher Hotel Institute, which operates under the auspices of the Ministry of Labour and Social Insurance, offers hotel management courses with specialisations in the fields of Rooms and Food and Beverage. It also continues to provide training in the fields of Reception, Housekeeping, Confectionery and Cooking.

During 2005 several private hotel schools and colleges offered courses of study in hotel occupations and also in the field of hotel and tourism management.

In addition to professional training offered by public and private academic institutions, the Human Resource Development

Authority of Cyprus offered a series of specialised courses, the aim of which was to improve the professional skills of those employed in the tourist industry.

EMPLOYMENT IN THE HOTEL INDUSTRY

According to a CTO survey, during the summer of 2005, about 25.000 people of various specialisations were employed in the hotel industry and about 15.800 people were employed in Catering and Entertainment Establishments.

CTO INSPECTORS

The Organisation employs 41 inspectors who regularly inspect all the tourist enterprises falling within the jurisdiction of the Organisation. Specifically, in the course of these inspections, they examine the standards of cleanliness and hygiene, the overall performance of establishments, the implementation of approved prices and the compliance of entrepreneurs with the provisions of relevant Laws and Regulations.

CATERING & ENTERTAINMENT ESTABLISHMENTS BY CATEGORY (31.12.2005) TABLE 11

CATEGORY	LEFKOSIA	LEMESOS	AMMOCHOSTOS	LARNAKA	PAFOS	TOTAL
Restaurant, Tavern	431	615	331	303	428	2108
Cafeteria, Pizza House	41	46	32	24	35	178
Snack Bar, Pub, Pool	150	174	117	127	126	694
Discotheque	16	15	14	16	8	69
Cabaret	16	27	5	18	14	80
Night-Club	13	30	2	6	15	66
Total	667	907	501	494	626	3195





PROMOTION OF THE CYPRUS TOURIST PRODUCT

2005 has been the second consecutive year to record an increase in tourist arrivals. It is apparent that the combined 3-year efforts of the Organisation, its partners both in Cyprus and abroad, as well as the continuous governmental support, brought about the much sought-after outcome of reversing the significant decreases recorded in 2002 and 2003.

What is particularly encouraging, is the fact that the increase in tourist arrivals from our main priority source-markets continued in 2005. Specifically, the aforementioned priority source-markets that recorded an increase are the United Kingdom (+4,43%), Germany (+13,07%), Sweden (+4,95%) and France (+12,79%). After the introduction of entry visas to Cyprus for Russian citizens and two consecutive years of recorded decrease in tourist arrivals, the Russian market in 2005 registered an increase of 16,44%.

Moreover, the Organisation has succeeded, through its co-operation with tour operators in Germany and Austria, to realise, during the period March - May 2005, holiday trips to Cyprus for more than 35.000 third-age tourists.

A further positive and significant development in 2005 was the increase - for the first time since 2001 - of the gross receipts from tourism by 2,4%, amounting to a sum of CYP1.005.7 m, compared to CYP982.3 m in 2004.

The aforementioned positive developments do not decelerate the Organisation's efforts. On the contrary, in sight of the harsh competition which Cyprus faces within the international global tourism industry, the CTO will continue to intensify its efforts towards the implementation of its Strategic Plan for Tourism, so as to achieve its target of repositioning Cyprus on the world tourist map, by focusing on reinforcing our competitiveness and on upgrading the quality of the tourist product on offer.

PROMOTIONAL ACTIVITIES

Within the framework of the revised Strategic Plan for Tourism 2003-2010, the Organisation began the systematic implementation of its Marketing Strategy by executing an integral communication and action programme based on the systematic promotion of a single and unique image of Cyprus.

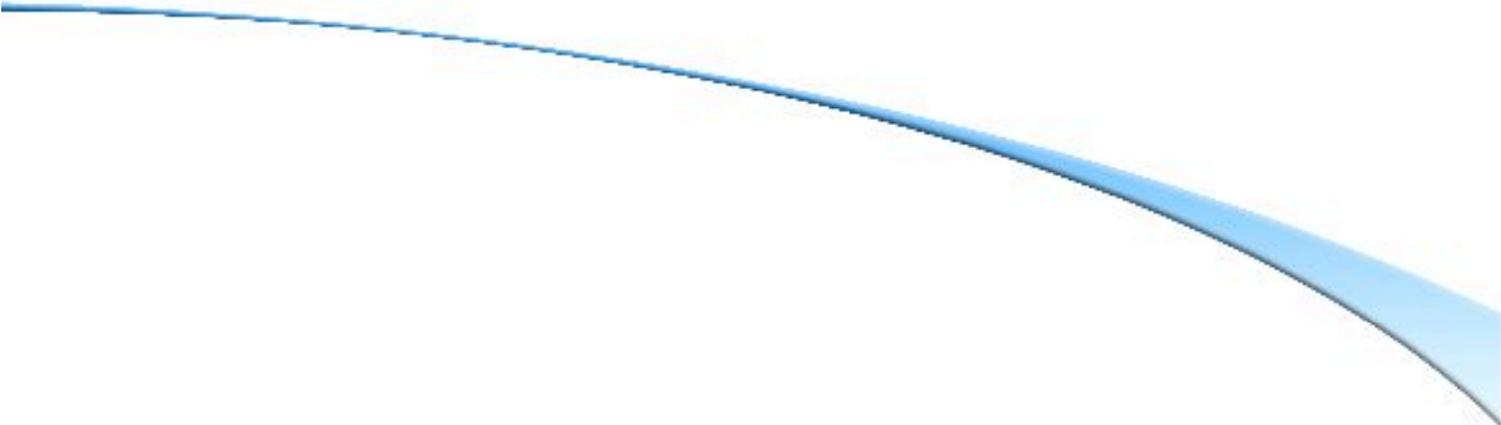
This communication strategy comprises a wide spectrum of activities that directly promote the Cyprus tourist product. They include generic advertising campaigns, organisation of promotional activities, the hosting, in Cyprus, of tourist professionals, journalists and other personalities and participation in tourist fairs.

As indicated by the findings of a specialized study, high emphasis was placed on the promotion of Special Interests Tourism, mainly Sports Tourism, Religious Tourism, Walking/Hiking and Third Age Tourism, as well as the Conferences and Incentives segment.

The appropriate printed, audio-visual and electronic promotional tools, including the Organisation's website, which has been constantly upgraded, back the Organisation's activities.

The Organisation also places high importance on the development and maintenance of excellent relations with tourism professionals and the media both in all tourism source-countries and in Cyprus.





ADVERTISING

During 2005, the Organisation proceeded with advertising campaigns in 23 countries. The target of these campaigns was to revive consumer interest and encourage bookings for Cyprus and to reposition it as a tourist destination to the best possible effect.

The advertising campaigns included TV, Press and Outdoor advertising. In support of the advertising campaigns in the local markets CTO scheduled a parallel campaign through the following international television networks; CNN International, Euronews and Eurosport. This parallel campaign was of particular importance for markets for which limited or no advertising funds were available.

During 2005 the Organisation continued using the creative concept with the slogan "Cyprus, the island for all seasons". However, CTO's contract with the advertising agency expired and tenders were invited for the selection of a new advertising agency.

Also, during 2005, the Organisation carried out an advertising campaign in Cyprus in order to promote domestic tourism.

During the same year, the media planning for the 2006 advertising campaigns in 23 countries was completed. Decisions were made pertaining to the strategies and targets of the campaign, the markets where the campaign will be launched, the funds allocation and the choice of media mix to be used in each case. The general and technical terms were prepared, tenders were invited for the media planning and media buying in 23 countries and at the final stage, tenders were evaluated and awarded. All competition procedures and documents were adjusted to comply with the relevant E.U. directives.

Parallel to the mainstream advertising campaigns, a series of ad hoc advertisements were carried out, mainly in order to support special features on Cyprus. The Organisation cooperated with foreign tour operators for the advertising and promotion of Cyprus.

TOURIST PROMOTION & PUBLIC RELATIONS

Within the framework of the Annual Action Plan, which is a significant planning and controlling tool for the Organisation's activities in the promotional and public relations sector, the Organisation has in 2005 continued to exercise every effort for the better projection of the Cyprus tourist product in all tourism source-markets. CTO organised a great spectrum of promotional activities, such as Cyprus nights/weeks, presentations or seminars (workshops), roadshows in a number of cities/towns, special promotional events targeting consumers, information days for consumers visiting tourist agencies, presentations on tourist related themes to specialized groups etc.

Furthermore, the CTO Offices abroad took part in promotional events organised by tour operators, other tourist professionals or related bodies/organisations.

In 2005 special emphasis was placed upon the promotion of Special Interests as well as the Conferences and Incentives segments, by organising presentations and meetings with specialized tourist agencies and groups abroad, as well as educational trips to Cyprus for tour operators.

At the same time, the Organisation intensified its cooperation with its appointed Public Relations firms in the main tourism source-markets, and the staff of the CTO Offices abroad was further strengthened by appointing new specialized personnel.

UNITED KINGDOM & IRELAND

Despite the fact that Cyprus continued to be a relatively expensive destination, arrivals from the United Kingdom showed a 4% increase. A relatively higher increase was shown in the case of Ireland (19%), mainly due to the qualifying for the World Cup Championship football match which took place in Cyprus between the national teams of Cyprus and Ireland.

During 2005, the Organisation intensified its television and press advertising campaigns as well as its outdoor advertising campaign in train stations. There has also been a number of educational trips during which TV crews and journalists became familiar with the Cyprus tourist product, resulting in the publication of numerous favourable articles and advertorials, and the airing of TV programs relating to Cyprus.

Progress has been achieved in the area of promoting special interest tourism segments, such as golf, as a result of a special CTO educational trip for members of the International Association of Golf Tour Operators (IAGTO). The Organisation's close cooperation with the British Olympic Committee, resulted in the publication of a number of favourable articles presenting Cyprus as the ideal destination for training sports teams, especially during the winter season. In 2005, Cyprus also welcomed the first English Premier League football teams for their winter training.

The Organisation intensified its efforts for the promotion of the Conferences and Incentives tourism segment by participating in specialized fairs and by organizing educational trips to Cyprus for professional congress organizers.

In order to further project Cyprus' uniqueness a close contact was maintained with British tour operators and tourist agents. CTO paid particular attention in hosting tourist agents in Cyprus in cooperation with the local authorities of the main tourist areas (i.e. Agia Napa, Protaras, Larnaka, Lemesos and Pafos), aiming to highlight the quality of our tourist product and the new developments concerning the island's tourist infrastructure.

Sales calls were also intensified to tourist agents in England, Wales and Scotland.

In Ireland, a more systematic approach to tour operators and tourist agents was performed, especially in rural areas, through personal contacts and promotional events. Special interests and especially golf tourism were also successfully promoted.

GERMANY

The increase of tourist arrivals from Germany continued in 2005 reaching 13,07% in comparison to 2004, placing Cyprus among those tourist destinations with the highest percentages of increase in outgoing travelling for the year 2005.

The cooperation of the CTO Office in Frankfurt with the appointed Public Relations Agency continued throughout 2005 and the joint efforts resulted in the organisation of educational trips to Cyprus for television crews and journalists which yielded many wide exposure television programs and positive articles in the German media. Press conferences were also organised in various German cities and monthly information bulletins were sent to the most significant media in Germany.



In 2005 the Organisation continued its advertising campaign in the German press and its outdoor advertising campaign in central train stations of main urban centres.

In order to promote the Cyprus tourist product a number of presentations (roadshows) in various German cities and educational trips to Cyprus were organised for the employees of German travel agencies and tour operators.

Golf tournaments were organised in various German cities aimed at projecting golfing in Cyprus and both CTO Offices participated in special events for the promotion of special interest tourism, such as cycling and hiking.

For the promotion of Conferences and Incentives, the Organisation participated in the specialized IMEX fair in Frankfurt. CTO also organised an event with the participation of German and Cypriot companies specializing in this field.

Aiming to inform the general public, "information days" took place in main train stations all over Germany.

Moreover, the Frankfurt CTO Office cooperated closely with travel agencies and tour operators for promotional purposes and participated in events during which catalogues of German tour operators offering packages to Cyprus were presented.

The intense efforts to further promote Cyprus in the German market were supported by regular visits and sales calls to travel agencies and tour operators.

NORDIC COUNTRIES

During 2005, the CTO Offices in Stockholm and Helsinki kept a close contact with travel trade professionals and organised a large number of events both for trade professionals and for the general public in all Nordic Countries.

Sales visits were carried out in all Nordic countries and the CTO Office in Stockholm participated in catalogue presentations and other public relations events held by tour operators addressed to the employees of travel agencies.

Emphasis was placed upon promotional events for the general public to promote the sun and sea segment, as well as the special interest tourism. CTO participated in various golf tournaments in Sweden and Finland. In order to promote sports tourism and football training in particular, CTO organised two promotional events, one in Stockholm and one in Oslo, targeting trainers and other decision-makers of football clubs.

Educational trips to Cyprus were organised for tour operators, travel agents and journalists. The Organisation also participated in all major tourist fairs in Sweden, Norway, Denmark, Finland, Estonia, Latvia and Lithuania.

Particular actions were also taken when tour operators in Baltic countries showed increasing interest in including Cyprus in their programs. The Organisation intensified its promotional efforts in the area and organised, with the participation of Cypriot tourism professionals, an educational seminar in Latvia for tourism trade executives and journalists.

GREECE

The CTO Office in Athens carried out a number of roadshows in Athens and the main urban areas of the country, addressing tourist agencies, journalists, schoolmasters, clerics and representatives of various bodies and organisations.

The Sales officers who performed sales calls to travel agencies in Attica, Peloponnesos, Crete, Thessaloniki and Larissa on a frequent basis, also carried out intensified activities in order to project the qualitative potential of Cyprus as a tourist destination.

The CTO Office in Athens organised educational trips to Cyprus for journalists, tour operators, representatives of companies and clerics. Systematic contacts were also kept with company executives, clerics, school principals and student boards, as well as with representatives of the subsidized holiday scheme for social tourism in an attempt to promote conferences and incentives, religious, social and student tourism.

The liberalization of flights between Cyprus and Greece contributed to the strengthening of the cooperation between the Organisation and the airline companies Cyprus Airways, Aegean Airlines, Olympic Airways and Helios Airways, which in turn led to an increase in the travel agent's interest for selling the Cyprus tourist package.

The CTO Office in Athens further developed its close contacts with the media achieving the publication of a great number of favourable articles and advertorials in the daily and weekly press as well as the production and airing of special radio and television programs dedicated to Cyprus.

On the occasion of the opening of the new CTO office in Thessaloniki, a mega event was organised during which Cyprus was presented to 150 guests (travel agents, journalists, business people and local authorities and associations of North Greece).

RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES

The CTO Office in Moscow kept systematic contact with executives of the tourism industry in order to promote the Cyprus tourist product, placing special emphasis upon finding ways to support tour operators. The Moscow office organized seminars in all major cities such as Moscow, Kiev, Minsk and St. Petersburg, as well as other rural cities.

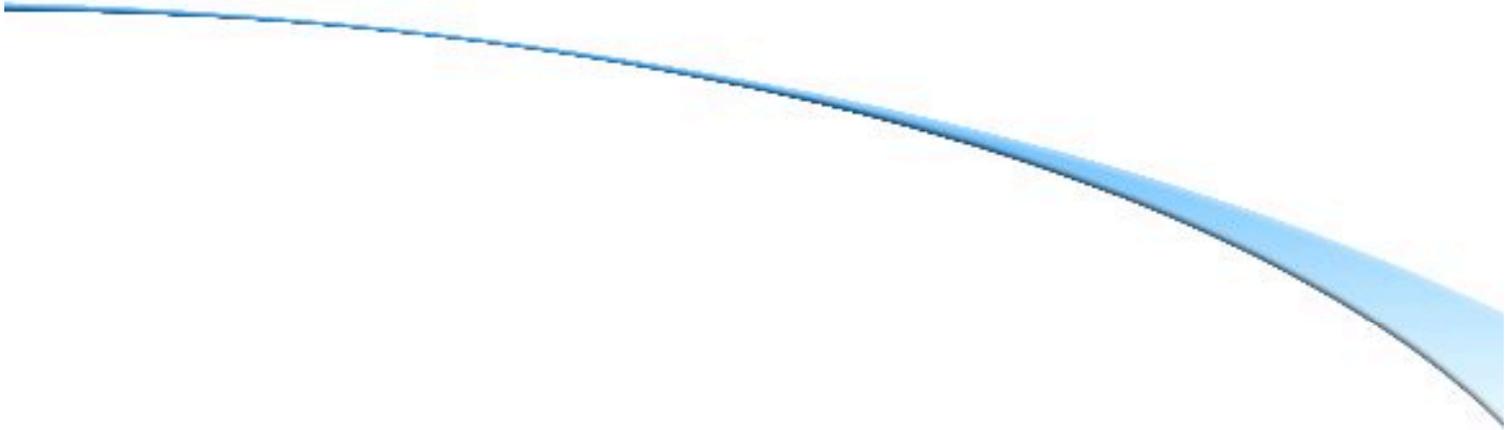
Sales calls were carried out in a large number of travel agencies in the Russian rural areas and other Commonwealth towns in order to disseminate information on the diversity of the Cyprus tourist product.

Particular emphasis was given to those tourism segments that show developing prospects, such as conferences and sports tourism, and promotional events were held for tour operators and travel agents.

The promotional activities were further strengthened by a continuous and systematic contact with the Russian and CIS media through the publication of newsletters that were forwarded on a regular basis. This resulted in the publication of various articles on Cyprus both in the trade as well as the consumer press in Russia. Similar monthly bulletins were also sent to local tour operators in Russia and the CIS.

FRANCE

Tourist arrivals from France were affected to a large extent by the tragic Helios Airways accident, as well as other similar accidents that cost the lives of many French people. As a result, Helios Airways and all other charter flights were cancelled in the middle of the summer season.



The CTO Office in Paris, in cooperation with tour operators and large travel agency networks, organised 12 presentations on Cyprus in Paris, Lyon, Strasbourg, Toulouse, Bordeaux, Le Havre and other cities. Cyprus was the honoured country at events, which took place at the airports of Limoge and Poitiers and at the Strasbourg tourist fair. Receptions were held during the TOP RESA and MIT fairs, as well as during the Strasbourg exhibition on the occasion of the introduction of a new flight to Cyprus, to which the travel trade professionals were invited. The "Nuit d' Aphrodite" event was organised, for the third consecutive year, with the participation of more than 600 tourist agents and journalists.

The Office, among other educational trips, organised the "Trésors d' Aphrodite" contest with the participation of 60 travel agents and provided hospitality for a group of travel agents specializing in conferences and incentives and hosted their conference.

Hospitality was also provided to a group of ten French journalists, who enjoyed a themed trip to Cyprus, in order to promote rural tourism and in particular the nature trails of Cyprus. Journalists with a keen interest in golf and Conferences and Incentives were also invited and had the chance to get to know the Cyprus tourist product.

In relation to cultural events, the CTO Office in Paris conducted to the organisation of two art exhibitions in Tours and Béziers featuring the work of Mr. Delord on the life of the French painter Cassas in Cyprus. CTO was one of the main sponsors for the production of a film on the life of French poet, Rimbaud, which was shown in Paris.

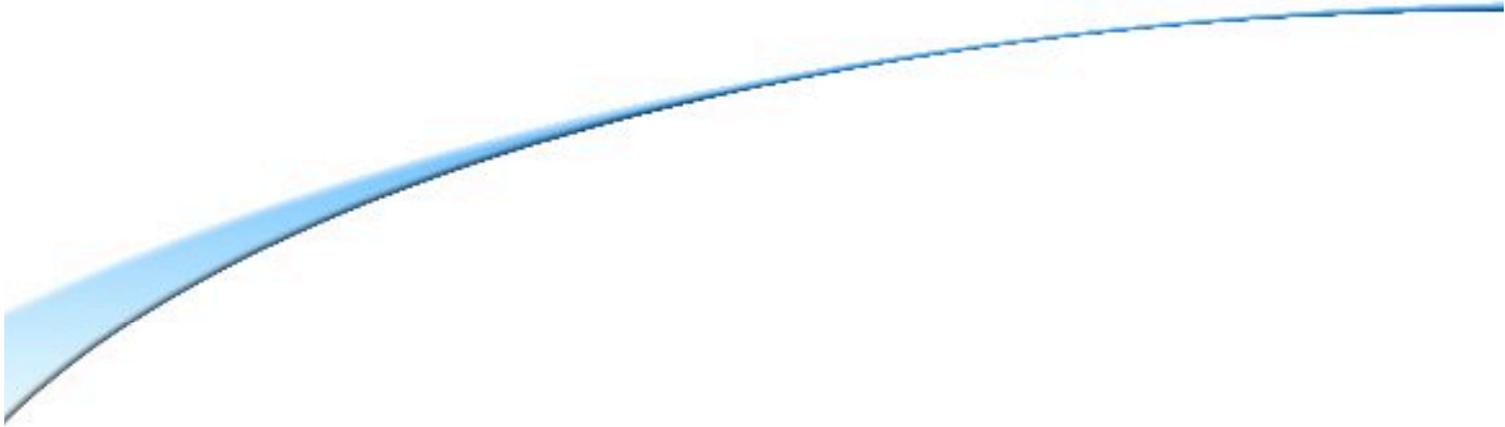
ARAB COUNTRIES

The primary 2005 aims of the newly established Office in Dubai have been to initially assess the Arab market and to evaluate the potentials of the Cyprus tourist product within that market. First ascertainments indicated that Cyprus was a relatively new tourist destination for the countries of the Arab Gulf, due to the fact that the Organisation hadn't, until recently, actively promoted Cyprus in the area, despite previous efforts by Cyprus Airways, Cypriot hoteliers and tour operators. Cyprus is now being promoted as the shortest-haul European destination for families or foreigners residing in the area. The various terrorist attacks and the political instability in the area have led consumers to regard safety as a priority factor in choosing a holiday destination. Cyprus has to date been considered as a safe destination, a fact that contributes significantly to the Organisations' efforts towards increasing the popularity of the Cyprus tourist product.

During 2005, the Organisation participated in tourist fairs in Lebanon, Egypt and Syria and implemented an outdoor advertising campaign in cooperation with Cyprus Airways in Beirut.

In the Arab Gulf countries, the Organisation also participated in tourist fairs and carried out sales calls to travel trade professionals in the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain and Oman. Presentations were held in Dubai and various events were, in cooperation with a major Tour Operator, carried out during a campaign for the promotion of Cyprus as "the tourist destination of the month".

In 2005, the office also organised a number of educational trips, during which travel agents from the UAE and Bahrain, as well as journalists from Saudi Arabia, were hosted in Cyprus.



In general, within the first year of operating the CTO Office in Dubai, Cyprus is becoming established as a tourist destination in the Arab market and the Arab Gulf countries in particular.

Our office has also produced an Arab-language promotional leaflet and has set up a website with news bulletins on Cyprus (www.cyprusme.com).

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SWITZERLAND

The promotional activities of the CTO Office in Zurich were geared towards the projection of special forms of tourism, particularly golf, biking and hiking, as well as the winter training of football teams in Cyprus.

Moreover, Cyprus participated in the Omega European Masters Golf Tournament, which is the third largest golf tournament in Europe. The Organisation also participated in two specialized biking fairs, namely the mountain bike race 'Swiss Power Cup' and the road bike 'Alpen Challenge Race'. Sales visits and educational trips were also organised for specialized travel agencies, tour operators, clubs, associations, groups and teams.

The CTO Office in Zurich, which cooperated closely with travel agents and tour operators, launched "information days" for the general public and presented - in collaboration with the Geneva Art and History Museum - a lecture on the archaeological treasures of Cyprus.

The Zurich office kept in regular contact with the local media representatives and organised educational and press visits to Cyprus. These resulted in the publication of a great number of favourable articles in the Swiss press, particularly referring to special interest tourism. A TV crew visited Cyprus and filmed a 50-minute special travel documentary on Cyprus, which was aired on SF1, the largest Swiss TV Channel.



To further increase the familiarisation of the Swiss travel agency employees with the Cyprus tourist product, roadshows were organised in various Swiss towns with the participation of professionals from Cyprus.

More than 400 sales calls were carried out in all Swiss cantons. The Sales officers also visited specialized agencies and companies in an attempt to further promote the conferences and incentives segment.

ISRAEL

In 2005, the CTO Office in Tel Aviv concentrated its efforts on the promotion of the Cyprus tourist product amongst both the general public as well as travel trade executives. By hosting tour operators and specialized congress organizers in Cyprus, the Organisation promoted in particular the Conferences and Incentives tourism.



Charter flights from Tel Aviv to Larnaka and Pafos continued for the second consecutive year and contributed to the increase of tourist arrivals from Israel. An increase was also noted in the arrivals of excursionists who participated in cruises from Israel.

The Office participated in the tourist fair IMTM and organised a number of presentations for the travel trade professionals. It also took part in TV and Radio shows promoting Cyprus, focusing on special interests and the high quality level of services on offer.

AUSTRIA

The CTO Office in Vienna organised - for the first time - a workshop in Cyprus for 50 travel agents from all over Austria. This was aimed at familiarizing the agents with the Cyprus tourist product.

The CTO Office also cooperated closely with travel agents and tour operators in organising presentations on Cyprus in Vienna, Salzburg and Innsbruck.

Particular emphasis was given to maintaining a systematic contact with tourism professionals and to the dissemination of information to travel agencies on the diverse holiday activities offered in Cyprus, particularly in relation to the special interests segment.

In order to promote golf tourism, the CTO Office in Vienna organized the 3rd Golf Trophy for managerial executives of the tourist industry. Aimed at promoting gastronomy, spa & wellness and the Aphrodite Cultural Route, educational trips for journalists were also successfully organised.

NETHERLANDS

The promotional activities of the CTO Office in Amsterdam in 2005, were geared towards the further strengthening of the existing relationship with the Dutch tour operators, as well as to a more direct approach in communicating with the consumer so as to achieve the middle-term goal of forming a positive image for the Cyprus tourist product. Following the CTO's encouragement and support, the number of Dutch tour operators that will be offering the Cyprus tourist package in 2006 has grown.

Aimed at promoting special interest, and especially sports and conferences & incentives tourism, the CTO Office in Amsterdam organized educational theme trips to Cyprus with the participation of travel agents. In addition, a systematic contact with travel agents was maintained. Sales calls were carried out and the agents' familiarisation with the Cyprus tourist product was further enhanced through the organisation of 8 roadshows, in collaboration with Cyprus Airways, in various Dutch cities. Two more mega events were carried out in Amsterdam and The Hague.

The CTO Office in Amsterdam in cooperation with tour operators implemented radio and press advertising campaigns, aimed at repositioning Cyprus in the Dutch tourist market.

Furthermore, CTO Amsterdam participated, for the first time, in new specialized fairs aimed at promoting sports tourism, third age and cultural tourism to the general public.

BELGIUM & LUXEMBOURG

The CTO Office in Brussels organised promotional events for the travel trade professionals in the major cities of Belgium and Luxembourg, targeting the projection of the Cyprus tourist product and particularly the special interest groups, such as the golf, biking and third age tourism segments.

The Cyprus tourist product was promoted in Brussels, Antwerp and Charleroi through roadshows and “Cyprus nights” held for travel agents, who specialize in incentive tourism. The CTO Office also participated in events organised by tour operators that feature Cyprus in their programs.

The CTO Office in Brussels participated in 4 tourist fairs addressed to the consumers and in 3 special interest exhibitions (biking, hiking and conferences).

A wide exposure of Cyprus was yielded through positive articles in the local press, following the educational visits to Cyprus of journalists from Belgium and Luxembourg, as well as through the filming in Cyprus of the TV show ‘Escapade’ and the TV series ‘Familie’.

Sales calls to travel agencies and tour operators were made, to attain the maximum promotion of Cyprus.

Finally, a “Cyprus day” was organised at the European Parliament during which the Cyprus tourism product was presented to the EU personnel.

USA/CANADA

The CTO Office in New York participated in all major fairs and conferences in the USA and Canada, during which Cyprus was promoted as a special interests destination, particularly for the tourism segments of history/archaeology, gastronomy, soft adventure (hiking, biking), conferences and religious tourism. Additionally, the office participated in the event “Europe in NYC”, organised by the European Travel Commission.

Throughout 2005, the Organisation invited and hosted in Cyprus, a group of members of the Travel Journalists Guild, as well as other journalists. Moreover, a TV crew from Entertainment Television visited Cyprus and filmed the TV show ‘Wild On’ (Taradise), which was aired 6-7 times in August 2005.



The Office hosted the Director of the Olympic Windsurfing Class RS:X and the ISAF Windsurfing Committee in Cyprus. Cyprus has been subsequently assigned with the organisation of the relevant 2007 international competition.

For the promotion of Conferences and Incentives, the New York Office organised an educational visit for the members of the CIMPA association and participated in the ITME Fair. The Office also organised a presentation for travel agents and journalists at the ‘Cyprus House’, during which guests were introduced to the gastronomy of Cyprus.

ITALY

During 2005, The CTO Office in Milan organized 8 educational seminars, with the participation of 320 tourist agents and tour operators, in various Italian cities. During these seminars a general presentation of Cyprus was conducted with particular emphasis on the presentation of special interest tourism.



Tourist agents, journalists and members of the “GIST” association (journalists who write exclusively for tourist magazines), were invited on educational trips to Cyprus. Moreover, the office arranged for an LA7 TV Crew to visit Cyprus and film a special feature on the island, to be aired during spring 2006.

CTO Milan participated in tourist fairs and presentations for tour operators. It also organised an event to promote golf at the Golf Club ‘Le Rovedine’ and arranged for the chairmen of various professional associations whose members are frequent golfers, to visit Cyprus and be informed of the local golf facilities

To promote Learning Tourism (English language courses in particular), the CTO Milan organised, in cooperation with specialized tour operators, 3 educational visits of Italian schools’ English language teachers, to familiarize them with Cyprus and the possibilities it offers in this specific area. Additionally, CTO Milan took the initiative to organise a special seminar in Cyprus for various Italian educational institutes.

HUNGARY – CZECH REPUBLIC

During 2005, the CTO Offices in Prague and Budapest performed a number of sales calls to travel agencies in order to disseminate information on the multi-dimensional tourist product of Cyprus.

Furthermore, a series of promotional seminars on Cyprus were organised for tourist partners in the cities of Prague, Bratislava and Budapest. The CTO Offices participated in the presentations of catalogues of tour operators that feature Cyprus and arranged educational trips to Cyprus for journalists, travel agents and tour operators.

The Offices of Prague and Budapest undertook a series of activities, which resulted in broadcasting of promotional programs on Cyprus on television and radio stations. The Offices also provided hospitality arrangements in Cyprus for journalists. These resulted in the publication of positive articles about Cyprus in the Czech, Hungarian and Slovakian national press.

POLAND

The CTO Office in Warsaw concentrated its’ activities on the promotion of the multi-dimensionality of the Cyprus tourist product and in particular on the promotion of special interest products, by means of a number of activities such as the organisation of educational trips and seminars and participation in major tourist fairs.

The Office also took part in a number of events, organised by tour operators that feature Cyprus in their programs. Within the framework of these events, presentations of Cyprus were held.

Aimed at marketing sports tourism a series of activities were carried out by the Office. These included the organisation of a seminar directed exclusively to Polish tour operators specialising in this tourism segment. Other events were also organised in various cities in cooperation with associations from Cyprus.

HOSPITALITY

Hospitality is defined as a marketing tool that is extremely useful for the repositioning and targeting of specific market segments, especially through the publicity offered by the guest journalists and the dissemination of knowledge acquired by the tourism professionals to their clientele regarding the Cyprus tourist product. Hosting journalists from various countries where advertising funds are limited and/or non-existent bears great significance since it contributes to the overall promotion of Cyprus. Moreover, hospitality is defined as one of the most value-effective actions, as it presupposes the participation and cooperation with all tourism partners (CTO, airlines, travel agents and tour operators, hotel and restaurant establishments).

During 2005, the Organisation continued its activities in the area of hospitality by inviting and hosting journalists, tourist agents and tour operators. The Organisation invited and hosted, through its own offices abroad or directly a total of 2,447 individuals, marking a decrease of 5% compared to 2004 (2004: 2,583 individuals). In particular, during 2005, the Organisation offered hospitality to 876 tourist agents and tour operators, 346 journalists, 195 members of TV crews, 47 conference organisers, 956 contest winners and other important personalities.

In addition, the Organisation provided facilities to 3,131 individuals, mainly tourist agents and tour operators, guests of the Cyprus tourism industry, marking a decrease compared to 2004 (2004: 3,865 individuals).

PARTICIPATION IN INTERNATIONAL TOURISM EXHIBITIONS

The participation in tourist fairs is another complimentary marketing tool that offers the possibility to contact directly tourism professionals and consumers in order to inform them on a destination. The Organisation also participates in specialised tourist fairs targeting the specific market segments that are highlighted in its Strategic Plan.

During 2005 the review of CTO's policy for participation in tourist exhibitions as well as the continuous upgrading of its pavilions continued. The design, decoration and effective use of technology at its stands as well as the promotional activities and competitions organised during the fairs reflected Cyprus repositioning as a destination that offers wide variety and value, and facilitated the effective presentation of the Cyprus tourist product.

During 2005 the Organisation took part in 120 International Tourist Fairs, including specialised fairs for the promotion of special interest tourism. Furthermore, in order to promote domestic tourism and enhance awareness of the Cyprus tourist product amongst Cypriot consumers, and in particular of the special interest segment, the Organisation participated in two fairs organised in Cyprus, namely the "30th International (State) Fair" and the tourist fair "Travel 2005" organised by the Association of Cypriot Travel Agents (ACTA).



SPECIAL INTEREST - CONFERENCES & INCENTIVES TOURISM

Within the framework of the tourism strategy to reposition Cyprus as a sustainable destination offering visitors a variety of products beyond those of the sun and sea, a "Special Interest - Conferences and Incentives Tourism" division was set up, aimed at the implementation of a well designed and targeted policy through a complete marketing plan and a coordinated communication strategy.

PROMOTION OF THE SPECIAL INTEREST - CONFERENCES & INCENTIVES TOURISM SEGMENTS

● Sports Tourism

During 2005, the CTO implemented a plan to encourage more football teams to choose Cyprus as their winter training destination.

As far as cycling is concerned, the CTO drafted a plan for the promotion and advertising of this activity, placing special emphasis on the German market, which appears to be the most promising one.

Furthermore, the CTO contacted personalities of high caliber in the cycling community. These contacts will undoubtedly assist the Organisation in its efforts to support the hosting of races in Cyprus and will strengthen the island's reputation as an attractive cycling destination.

The Organisation has also promoted Cyprus as a location for diving, marathon races and triathlon games.

The CTO together with the Cyprus Windsurfing Association succeeded in gaining the approval of the International Windsurfing Federation for organising the 'X' Europeans race in Cyprus in 2007.

Finally, the Organisation has embarked on a procedure to select associates in Germany, the UK and the Scandinavian countries for the implementation of the pilot "Sport, Fun and Cyprus Sun" plan, which will be enforced within 2006.

● Cruise Tourism

As a result of a new CTO initiative, a strategy-defining and implementing Committee for the promotion of cruises from/to Cyprus and of Cyprus as a stop-over cruise destination was formed, with the participation of all responsible bodies, stakeholders and relevant associations. The Committee shall handle all product development and marketing issues related to the said subject.

The Organisation also performed a relevant study, which indicates the amelioration of improving port facilities, the reduction of the relevant taxes, and the need for undertaking urgent safety measures to prevent possible accidents in areas used by tourists arriving/departing from the Lemesos port.

The CTO also revised its relevant promotional print material in an attempt to upgrade and improve all available leaflets and guides.

● Weddings and Honeymoons

The Weddings and Honeymoons segment is mainly promoted in the English, Irish, Russian and Israeli markets.

The Organisation gathered the existing information and provided CTO Offices abroad with all the relevant data of services on offer in relation to weddings and honeymoons in Cyprus, including contact details of religious denominations and civil authorities as well as hotels catering for the special needs of couples and their guests.

The CTO is currently in the process of gathering information on all available services offered by specialized tourist agencies and wedding planners in Cyprus.

The CTO is also involved in efforts to resolve issues which have arisen recently, regarding the locations where civil weddings should be allowed to take place.

During 2005, the CTO Offices Abroad (UK, Ireland and Russia) presented this specific product to tourist agents. The CTO also investigates the possibility of promoting this segment in other markets by participating in fairs, advertising, hosting tourist agencies and other significant personalities.

- **Learning Tourism**

The 'Learning Tourism' (English language courses in particular), was the subject of a seminar organised by CTO. Representatives of private educational institutes attended the seminar and received valuable information on the prospects of this particular segment.

Tour operators, teachers and organised groups from Italy were also invited and hosted by the CTO, and became aware of the possibilities of 'learning tourism' in Cyprus.

The Organisation investigated the possibility of promoting learning tourism in other countries, such as Poland and Austria, by participating in Fairs, advertising and organising more educational trips.

RURAL TOURISM

A specialized study was performed for assessing the possibilities of developing rural tourism and for drawing up a Marketing Plan which contained all actions necessary to promote Rural Tourism. This Marketing Plan is to be co-funded by the European Regional Development Fund (ERDF).

During 2005, the Organisation began procedures for the selection of partners for the implementation of the Marketing plan during 2006 and 2007.

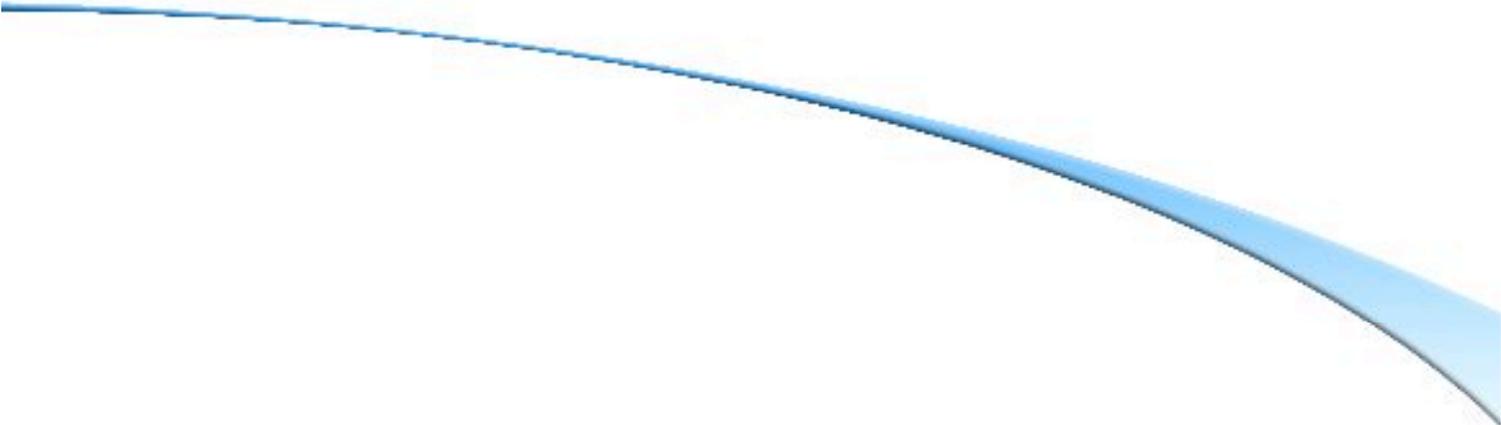
CONFERENCES & INCENTIVES

During 2005, the Organisation intensified its promotional efforts in this particular segment.

Amongst other actions, it advertised in specialized print media in the UK, Germany, Greece, Italy, France and Poland, hosted journalists, business executives and tourist agents specializing in conferences and incentives, and organised a number of workshops. Additionally, the Organisation participated in specialized fairs and upgraded its presence at the international IMEX and EIBTM Fairs.

In 2005, the Organisation began the creation of a buyers databank whilst also drawing up procedures for, firstly, the gathering of statistical data (to begin within 2006) regarding this specific product and, secondly, the drawing up of a policy for supporting associations of a non-profitable nature when competing with other destinations for the organisation of conferences in Cyprus.

The Organisation also hosted a seminar to present its efforts towards this cause to sports federations.



PUBLICATIONS & FILMS

During 2005 the Organisation maintained and enriched its wide spectrum of printed publications, highlighting aspects and attractions of the Cyprus tourist product. Alongside reprints of on-going editions to maintain stocks, the Organisation introduced new publications such as the "General brochure" in Greek, German, French, Dutch, Russian, Swedish and Italian, the "Conferences & Incentives" brochure in Greek, German, French and Italian, the "E4 European Nature Trail and Other Cyprus Trails" publication in Greek and English and the "CYPRUS: 10 000 years of History & Civilisation" publication in Greek. There were also productions of wall and desk calendars, as well as new language versions of on-going publications.

In the moving image production area, the Organisation produced 1 long and 3 short films promoting Sport Tourism, as well as new language adaptations of on-going productions such as "The Magic of Cyprus" and "CYPRUS: 10 000 years of History & Civilization".

INTERNET

The Organisation's website, currently available in seven languages, can be found at the electronic address www.visitcyprus.org.cy. This site offers complete information on the Cyprus tourist product and it includes the Cyprus Hotel Guide, lists of foreign tour operators that include Cyprus in their programmes, a list of local travel agencies, information on sightseeing, maps, a calendar featuring the main events taking place in Cyprus and a wealth of other useful information. During 2005, over a million people visited the Organisation's website.

An operational online Trade Section offers information on the Organisation and its activities and can be found at the electronic address www.visitcyprus.biz, whilst the new Portal will be introduced within 2006.

PROMOTION THROUGH INFORMATION OFFICES

The Organisation has been upgrading the image of various Information Offices and the quality of services on offer. Seven Information Offices have already been renovated (Lemesos, Lemesos Port, Kato Pafos, Protaras, Polis Chrysochous, Pafos and Larnaka).

During 2005, a total of 337.928 people visited the thirteen Information Offices operated by CTO in Cyprus. Specifically, the three Information Offices operating at the points of entry to Cyprus (Larnaka and Pafos International Airports and Lemesos Port) recorded 146.651 visitors, while the remaining 191.277 visited the CTO Offices located in Laiki Geitonia - Lefkosia, Larnaka, Agia Napa, Protaras, Lemesos, Germasogeia, Platres, Pafos, Kato Pafos and Polis Chrysochous.

The Information Desk located in the main offices replied to 3.836 e-mails (2,305 received through the information e-mail address: cytour@cto.org.cy and 1.531 received through the Organisation's website).



LARNAKA MARINA

In 2005 the Marina operated as in previous years under conditions of acute lack of free berthing space. The demand for berth spaces both by Cypriot and foreign yacht owners has been very strong. At the end of 2005 a total of 402 vessels were at the Marina. 275 of these vessels (68%) were of Cypriot ownership and 127 (32%) of foreign ownership. 575 arrivals and 549 departures of vessels were recorded in 2005 as against 561 arrivals and 562 departures in 2004. 26% of the vessels using the Marina at 31.12.2005 were between 0 and 9 metres long, 51% between 10 and 14 metres long, 18% between 15 and 20 metres long and 5% over 20 metres long. The ownership of vessels (Cypriot and foreign), their distribution according to length and arrivals and departures that were recorded in 2005 are displayed graphically in the diagrams 2-7.

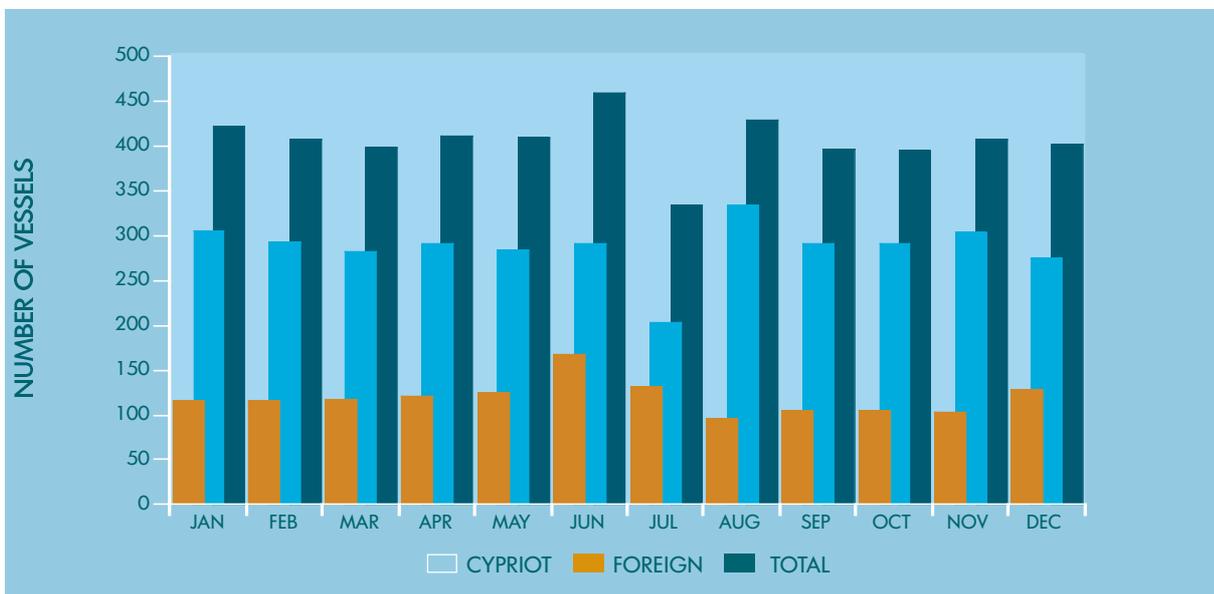
The main services rendered at the Marina are the following:

- Facilities for the safe mooring of vessels and their connection to electricity as well as water supply.
- Lifting/launching and repair/maintenance of vessels by private companies.
- A fire-extinguishing network with separate fire extinguishing terminals connected to a central system of pressurised water.
- Towage and rescue service.
- Provision of naval information through a VHF marine radio.
- Collection and removal of garbage, used engine oils, toxic wastes and other vessel materials.



OWNERSHIP OF VESSELS IN THE MARINA IN 2005

DIAGRAM 2



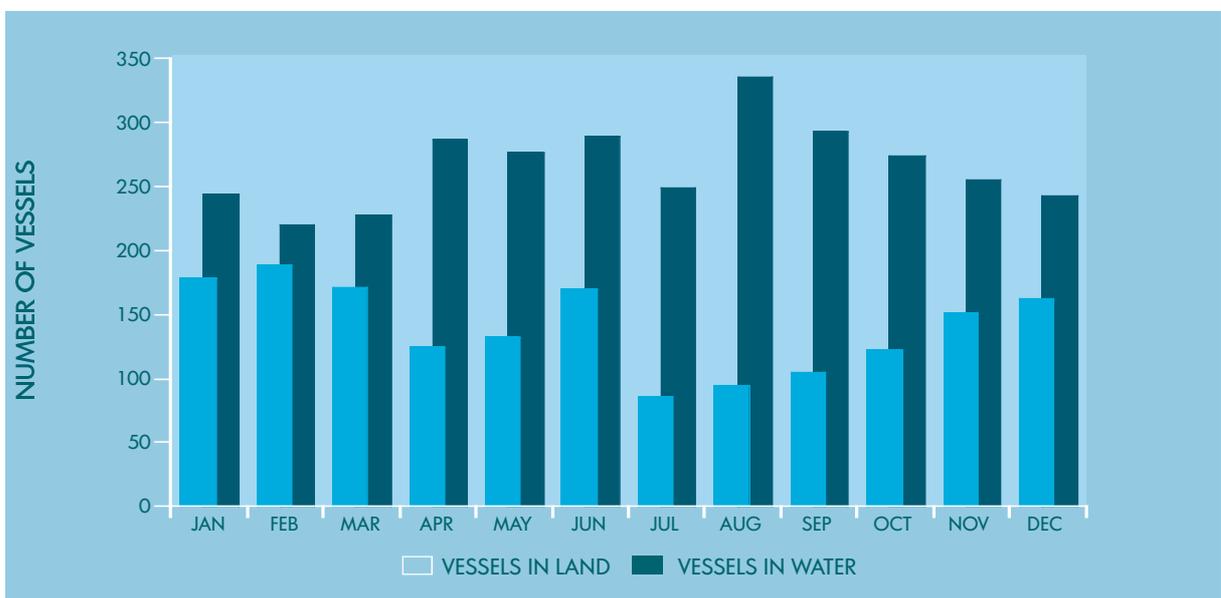
ARRIVALS & DEPARTURES OF VESSELS IN 2005

DIAGRAM 3



VESSELS IN MARINA 2005

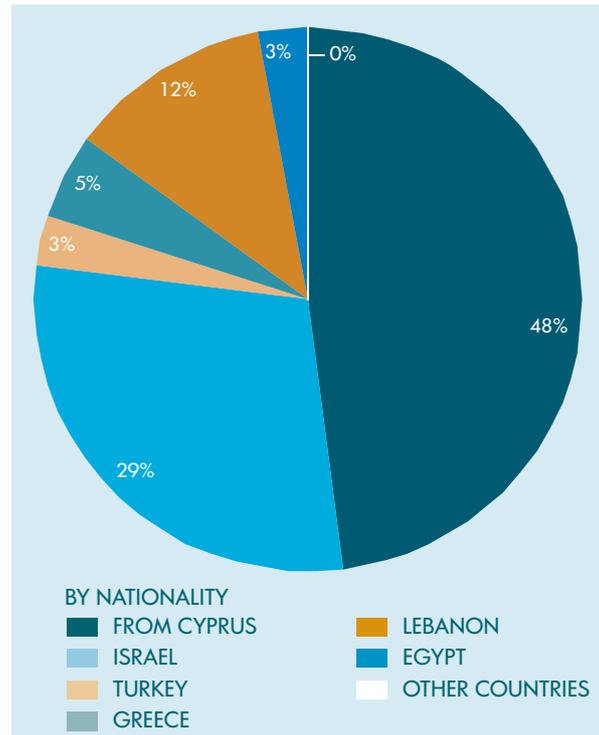
DIAGRAM 4



- Provision of weather information and broadcasting of severe weather warning bulletins in collaboration with the Meteorological Service.
- Provision of general information regarding the Marina and Cyprus in general.
- Direct telephone connection to almost every part of the world.
- Connection to the Internet and provision of e-mail services, postal and fax service.
- Common areas building offering amenities such as toilets, showers, laundry machines and mini-storage facilities.

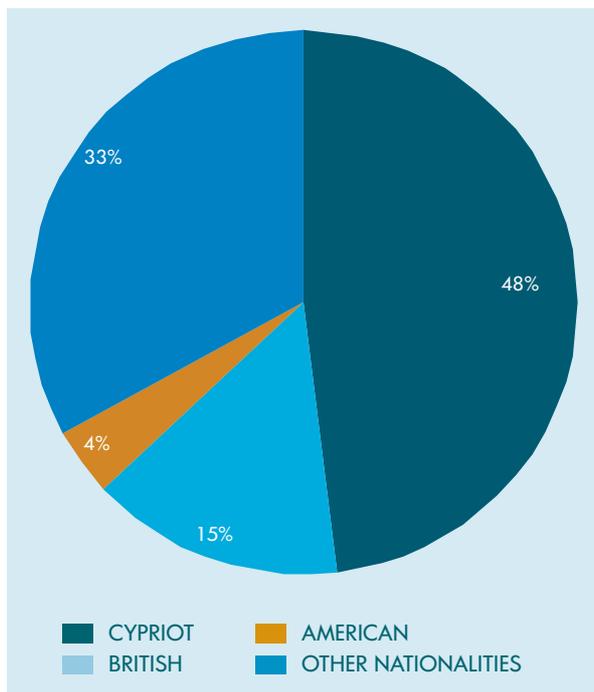
ARRIVALS OF VESSELS

DIAGRAM 6



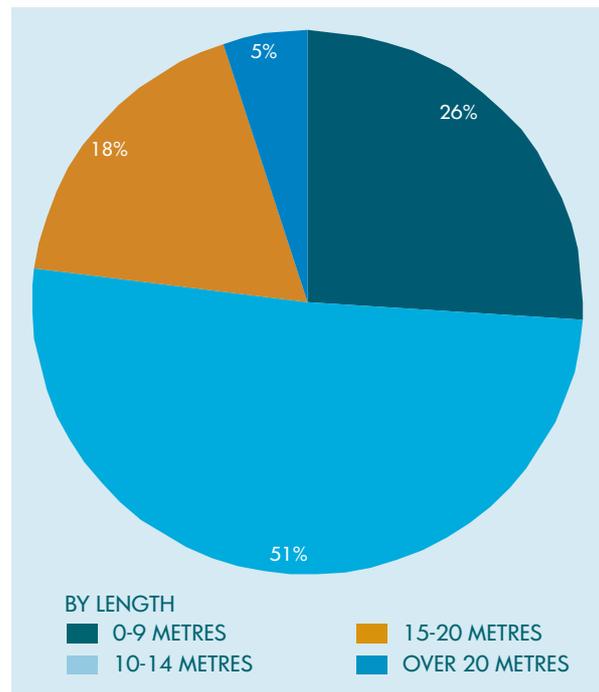
NATIONALITY OF VESSELS

DIAGRAM 5



CATEGORY OF VESSELS

DIAGRAM 7





PRODUCTION
CYPRUS TOURISM ORGANISATION

DESIGN
ACTION GLOBAL COMMUNICATIONS

PHOTOGRAPHY
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