

## National Tourism Strategy 2030 – Foreword

Tourism has always been the heartbeat of Cyprus' economy, contributing (directly and indirectly) close to 20% of GDP. No wonder then, that defining a National Tourism Strategy 2030 was classed as our Deputy Ministry's foremost priority. The strategy, presented in its entirety within an expansive and strictly confidential document, was developed through discussions with several hundreds of tourism stakeholders, to which we are thankful for the support:

- Government ministries
- Members of Parliament
- Political parties
- Local authorities
- Airport operators (HERMES)
- Port operators (DP World Limassol)
- Marina operators
- Cyprus Chamber of Commerce and Industry
- Employers and Industrialists Federation
- Regional Tourism Promotion Boards
- Professional associations (e.g. CHA, ACTE, ACTA, OSIKA, PASIKA, InvestCyprus, and many more)
- Labour unions
- Airline companies
- Overseas tour operators
- Overseas travel agents

The basis of our National Tourism Strategy 2030 document was formed through an extensive study by THR Innovative Tourism Advisors (a Spanish consulting company) completed in 2017. The Deputy Ministry then updated some of its data, and provided additional information based on in-house research and know-how.

From the very beginning, it was clear that the vision of our National Tourism Strategy 2030 should be to *'develop Cyprus' tourism in a sustainable way, which positively impacts our economy, our society and the environment'*. This vision has become, and will certainly remain, our guiding principle at the Deputy Ministry of Tourism, and we are absolutely adamant that our role here goes beyond simply increasing the number of tourist arrivals to the country. Instead, our role is also to develop the destination as a whole, and to manage tourism in a sustainable way, so that future travelers, and above all future residents, can enjoy our island too. We have been blessed with a beautiful country, a fantastic climate, and an enviable way of life, so our most important aim should be to preserve them all for future generations, through a holistic approach to tourism.

Over the next decade, we expect tourism overnights to grow by around 32%, reaching 48 million (in terms of arrivals, this means growth of 31% to around 5 million). On one hand, this is an opportunity, because there are a lot of areas in Cyprus which don't yet benefit sufficiently from the socioeconomic boost that tourism offers. These places can therefore be beneficiaries of upcoming tourism development. On the other hand, such growth could also be a worry, if not managed correctly, because some areas are becoming busy and natural resources are being stretched to their limits. In places like these, focusing on quality rather than quantity, will be of utmost importance going forward. As a destination, therefore, we should aim to combat seasonality and regionality by dispersing visitors to various areas, to various places of interest, at various times of the day, at various months in the year.

If we are successful in doing this, by 2030 tourism could provide an added value of around 1.5 billion Euros per year to the Cypriot economy. This represents an increase of 53% compared to a contribution of 2.9 billion Euros in 2018. In terms of visitor spending per overnight, by 2030 we could approach an average of 90 Euros per person, an increase of 16% compared to 2018, when the average was 75 Euros per person. Around 40% of overnights could eventually be between November and April, up from 22% in 2018; as for

overnights in mountain and rural areas, these could increase, by 2030, to around 400'000 a year, from 100'000 in 2018.

The strategic focus of our vision is to establish Cyprus as: a) a year-round destination b) a quality destination c) a digitally smart destination d) a place where all residents can benefit from tourism. Some examples of initiatives that we aspire to undertake are:

#### **Establishing Cyprus as a year-round destination**

- rebranding Cyprus internationally, as a destination which offers more than sun and sea
- improving airline connectivity to the island, to diversify our source nationalities and markets

#### **Establishing Cyprus as a quality destination**

- supporting investments in special-interest products
- improving our price competitiveness and value for money e.g. by modernizing legislation related to services like restaurants, taxis, rental vehicles, theme parks etc.

#### **Establishing Cyprus as a digitally smart destination**

- benchmarking our tourism services versus competing destinations, by leveraging data from online reputation management platforms
- encouraging repeat visits to the destination e.g. through a loyalty scheme which rewards payments at a variety of attractions and transport mobility services

#### **Establishing Cyprus as a place where all residents can benefit from tourism**

- spreading tourism revenue across all regions of Cyprus e.g. by promoting the authenticity of our rural and mountainous areas
- spreading tourism wealth to other sectors of the economy e.g. by linking authentic gastronomy with agriculture

Such examples, and hundreds more, feature in our detailed action plan for the next decade, which has been divided into specific time frames i.e. short term (2020-2022), medium term (2023-2025) and long term (2026-2030). The action plan has been approved by Parliament, pending an environmental impact assessment to evaluate the «hidden cost» of tourism to the island; it requires collaboration between all aforementioned tourism stakeholders, under the coordinating eye of our Deputy Ministry. Our performance will be measured by a series of key performance indicators (KPIs), many of which will be related to sustainable tourism development goals. If successful, our actions could eventually establish Cyprus as one of the 30 most competitive countries in world tourism (we currently lie 44<sup>th</sup>, according to the recent Travel & Tourism Competitiveness Report, which was published in May '19 by the World Economic Forum).

Amidst all of these qualitative and quantitative measures, we should not forget the most important concern of our time: climate change. Beyond a shadow of a doubt, climate change matters, as we can judge from the recent European Green Deal announcement, and shutting our eyes to it is not an option. Flying and cruising are increasingly being criticized for their contribution to global CO2 emissions, and for an island like Cyprus, which is only reachable by air and sea, that reads like a disaster. More than ever before, travelers want to feel that, despite emitting CO2 during their travels, they are at least visiting a destination which is environmentally conscious. As tourism stakeholders, therefore, we must all take more action to transform Cyprus into one of the most sustainable tourism destinations in our region.

To conclude, it's obvious that the future is finally here. It's challenging, yet exciting, and we are all on this ride together. Let's make the best out of it, and let's be proud to be on it, because together we can work wonders for the country we all love so much.