Famagusta Chamber of Commerce

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Regional Tourism Strategy & Action Plans

for the

Free Famagusta Area

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EXECUTIVE SUMMARY

THE REGION'S TOURISM PERFORMANCE

Tourism to Cyprus

2,349,000 visitors came to Cyprus in 2004, an increase of almost 2% on the previous year, or 46,000 additional visitors, a recovery following two years of decline (-4.8% in 2003, -10.3% 2002). Despite this increase in tourist arrivals, the number of bednights shows little change, due to a shortening of length of stay.

The growth was achieved in the shoulder months of March, April, May, September and October while arrivals during the two busiest months of the year, July and August, showed a marked 3.8% and 6% decline respectively (a total of 30,000 fewer tourists) compared to 2003.

Since 1989, direct employment in the tourist industry increased by 198%, from 14,420 in 1989 to 42,955 in 2002.

Tourism Performance in the Free Famagusta Area

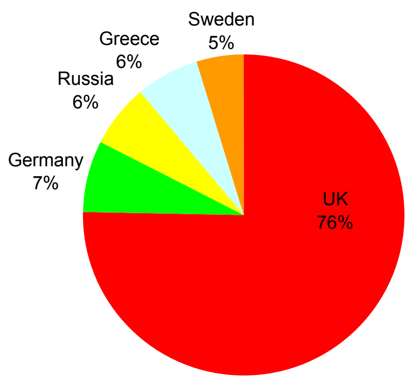
In 2004, the area attracted almost one in three of all visitors to Cyprus (Paralimni 16%, Ayia Napa 16%) compared with 34.5% in 2003. Almost 800,000 overseas visitors spent a holiday in the region, spending CYP£340m and accounting for 8.6m bednights, the average length of stay in Ayia Napa being 10.6 nights and 11.07 nights in Paralimni.

The primary motivations for visiting the area are sun, beach and nightlife. The area has the shortest season of all resorts in Cyprus, with many businesses closed in winter months. Recently, Ayia Napa has received high profile bad press, particularly in Britain and Scandinavia, focusing on the behaviour of young visitors during summer.

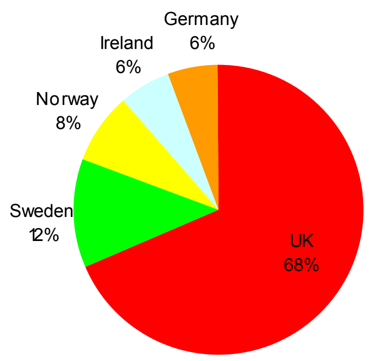
More than half the visitors to the area come from Britain, 20% are Scandinavians, while the area is also popular with the Irish and Swiss holidaymakers.

Top 5 Source Markets

Cyprus



Free Famagusta Area



Source: CTO Data

Tourism to the area is almost totally dependent on tour operators, pointing to the vulnerability of the destination due to changes in resorts offered and/or charters to Larnaca. The area is predominantly a summer season destination – more than 85% of visitors to the area arrive during the period May through September.

The average expenditure per visitor is estimated at £424.5 CYP in Ayia Napa and £422.7 CYP in Paralimni, marginally below the overall average for all visitors to Cyprus (£440.7 CYP). Visitors to Pafos and Limassol would appear to spend more per visit at £454 CYP and £468 CYP respectively. Expenditure per person has risen from £385.05 CYP in 1995 to £423.61 CYP in 2003.

The average daily expenditure of visitors in Ayia Napa at £43.97CYP, while in Paralimni it is £39.90CYP. The overall average for the island is a daily spend of £42.11 CYP.

THE REGION'S INFRASTRUCTURE & TOURISM APPEALS

The Free Famagusta district offers many attractions to visitors, including beaches, nightlife, sightseeing, historical sites, Byzantine churches, and nature-based activities – not dissimilar to the tourism offerings and characteristics in the rest of Cyprus. Ayia Napa is perhaps the best-known tourist destination in Cyprus, with a distinct brand image (not always for the best reasons) that the island as a whole currently lacks.

The tourism infrastructure is generally of a high standard, with an excellent network of major and minor roads. Public utilities are more than adequate, with the possible exceptions of water supply and waste management (including sewage and solid waste collection, treatment and disposal) which is probably the least satisfactory aspect of the district's infrastructure. Although the main beaches are reputed to be swept daily there is evidence of litter, cigarette ends, used condoms, etc. on the more popular beaches.

Much of the tourist demand is price-driven, particularly among Germans and Scandinavians, although attempts are being made to upgrade the quality of accommodation to raise average achieved room rate.

Visitor Accommodation, Services and Activities

The quality and mix of visitor accommodation, more than any other factor, determines the character of the various tourist centres. A distinct dichotomy exists in terms of stage of product life cycle, quality of stock, clientele and consequently 'image', between the resorts of Ayia Napa and Pafos. Overall, visitor accommodation in the region is more in the middle to lower quality classification rather than top grades.

At 31st March 2004, the Free Famagusta district had a total of 38,340 beds in tourist accommodation establishments. This represented 40% of the Cyprus total. The district had a higher share (63%) of total beds in hotel apartments and tourist apartments (46.5%) and a lower percentage (32%) of hotel beds.

In addition, there were a total of 537 beds in projects under construction at 30.06.2004. Notwithstanding the moratorium on new development, some 224 additional beds were under construction in Protaras.

In addition to bars and restaurants, clubs, shopping, and tourist information services, the area offers a range of visitor activities and reasons to visit, including:

Water Activities and Sports:

- Beach recreation and swimming
- Scuba diving and snorkelling
- Boating (motor and sail boat)
- Wind surfing
- Water/jet skiing
- Sport or game fishing
- Deep sea fishing
- Angling
- Sea Cruises
- A marina is proposed

Land based activities

- Walking, Cycling and Touring
- Horse Riding
- Tennis and Other Racquet Sports
- Clay Pigeon Shooting
- Adventure Sports (Bungee Jumping, Skycoaster, simulated parachuting, paintball shooting
- Waterworld Waterpark
- Ocean Aquarium
- Golf

Heritage and Cultural Attractions

- Architectural attractions
- Cultural attractions

Other Reasons to Visit

- Sports training
- Weddings and honeymoons
- Meetings and Conferences

Tourism Organisation

Having in place appropriate and functioning organisational structures for tourism is essential for the effective development and management of the sector. At present, this function is mainly entrusted to the Cyprus Tourism Organisation (CTO) with local tourist information offices in Ayia Napa and Protaras. However, because tourism is by its nature a multi-sectoral activity cutting across many different bodies, co-ordination among the various government agencies involved, and between the public and private sectors, is a critical component of organisation and management.

The main Private Sector Organisations are:

- Cyprus Hotel Association (CHA), which is the largest national trade association in the tourism sector representing the hotel and lodging industry. CHA has a number of District Committees; and
- Association of Cyprus Tourist Enterprises (ACTE) which composed mainly of up-market 5*, 4* and 3* hotel establishments, deluxe or A class hotel apartments, and deluxe or A class tourist villages) and other high standard tourism-related enterprises, organisations or associations.

The Famagusta Chamber of Commerce and Industry currently acts as the effective co-ordinator for tourism interests in the area.

TOURISM ISSUES – AN ASSESSMENT

Context

The contextual environment within which the development of a tourism strategy for the Free Famagusta Area is taking place is governed by a range of important factors:

- CTO's Tourism Development Strategy & Implementation Plan 2003-2010;
- The current performance of business within the tourism sector;
- EU Accession;
- Post Annan Plan consequences;
- Costs and competitiveness;
- The environment; and
- The regulatory environment.

The strengths, weaknesses, opportunities and threats of the Free Famagusta Area are as follows:

Strengths	**Weaknesses**
▪ Beaches ▪ Name recognition (Ayia Napa) ▪ Nightlife ▪ Range of accommodation ▪ Coastline & Trails ▪ Recreational attractions / 'Things to do' (in season) ▪ Strong travel trade distribution ▪ Churches and monasteries	▪ Image & Unfavourable publicity (Ayia Napa) ▪ Seasonality of demand and availability of 'things to do' ▪ Over supply of inferior accommodation (mainly Ayia Napa) ▪ Price driven demand ▪ Tour operator dominance ▪ Poor planning controls leading to 'tacky' built environment ▪ Larnaca Airport Infrastructure ▪ Local transportation
Opportunities	**Threats**
▪ Creation & promotion of regional identity ▪ Product re-positioning ▪ Attract new market segments, incl. independent travellers ▪ Withdrawal of inferior accommodation ▪ Improved built environment ▪ New regional public-private partnerships ▪ Development of winter products and services, incl. hinterland ▪ Return of Varosha area	▪ Competition ▪ Continuing negative publicity (Ayia Napa) ▪ Withdrawal of some tour operators ▪ Failure to attract investment ▪ Lack of progress on public–private partnerships at regional level ▪ Continued environmental degradation, including poor planning.

The main issues that are impacting on the tourism sector in the Free Famagusta district.

- Lack of a Brand Image
- Marketing of the Area
- Visitor Satisfaction/Value for Money
- Tour Operator Dominance
- Accommodation Quality
- All-Inclusives
- Seasonality
- Lack of things to do in winter
- Marina facilities
- Aesthetic and Built Environment
- Second Homes
- Travel Facilitation
- The limited attractions of the hinterland
- Service Quality
- Famagusta Returned Area
- Pafos as a Competitor

The future performance and development of the tourism industry in the Free Famagusta district will be determined by a number of key factors, including:

- The market perception of the appeals and motivators to visit, together with the range and quality of tourism product;
- The tour operators' response to the expanded product options;
- Developments in access transport;
- The regulatory framework;
- The investment climate for tourism; and
- The organisational or institutional arrangements for the management of tourism in the district.

Among the specific issues that need to be taken into consideration in the formulation of a regional tourism development strategy are how best to:

- Enhance the area's market position and competitiveness;
- Increase spend per visitor (how to enter and / or grow high spend markets rather than increase numbers, especially in "honey pot" locations);
- Encourage visitor length of stay;
- Develop business to extend the season;
- Ensure that tourism development is consistent with environmental, social and cultural as well as economic aspirations of the resident and business communities.
- Identify product improvement, widening and deepening opportunities;
- Achieve critical mass or clusters and introduce new compatible "attractors" which will provide a "reason to visit,"
- Secure capital to finance product enhancement and new development;
- Secure recognition of needs of various groups; and
- Secure agreement on a clear "vision" to which all stakeholders will subscribe and work towards achieving.

THE CHANGING WORLD ENVIRONMENT OF TOURISM

International Travel Patterns

Following the plethora of problems that affected global tourism and travel – economic uncertainty, SARS, and the war in Iraq – the tourist recovery that began during the second half of 2003 seems here to stay worldwide. Global tourism is increasing rapidly, with a record 760 million international trips made worldwide in 2004, generating approximately €518 billion in tourism receipts[1]. International travel and tourism is an important global economic activity, contributing a direct impact of 3.8% to international Gross Domestic Product (GDP), and sustaining almost 74 million jobs or 2.8% of world employment.[2]

While international outbound markets are buoyant with reasonably strong growth, if Cyprus is to achieve average or above average growth it will need to reverse the trend of declining market share in the face of new competition.

While the international travel environment appear to be positive, it is an established fact that the international tourism sector is particularly cyclical due mainly to the global economic climate and is also vulnerable to exposure to world shocks such as the effects of Chernobyl (1986), Gulf War (1991), September 11th (2001), and the Iraqi War (2003).

Changing Environment for Tourism

The tourist industry now operates in a fast changing environment. Some of the leading trends and challenges that can be identified include:

- Changing Consumer Behaviour
  - An increase in holiday destinations, with the competitive set for Cyprus never so broad;
  - Consumers are taking more holidays but length of stay is decreasing;
  - Late booking and impulse buying is increasing, driven by the Internet, low fare airlines offering cheaper fares to the consumer, and looser working arrangements particularly in Europe.
- Changes in Organisation of Travel

  Greater customisation of travel arrangements is expected, however, IPK indicates that inclusive bookings (packages) will still be important and a growth sector.
- Internet and Other Technologies

  Strong growth in Internet purchased holiday options will continue as 3G technologies brings the Internet to new platforms. Internet usage has grown considerably, and new technology developments will favour and enable growth. Interactive digital television, mobile telephony and GPRS technologies will greatly support m-commerce for travel.

[1] World Tourism Organisation (WTO)
[2] World Travel and Tourism Council (WTTC)

A STRATEGIC RESPONSE TO CHALLENGES & OPPORTUNITIES

National Tourism Strategy for Cyprus

CTO's Tourism Development Strategy & Implementation Plan 2003 - 2010 clearly sets out a vision and targets for tourism to Cyprus. The strategic direction for tourism to the Free Famagusta Area must be integrated into and complement the national tourism strategy. The key elements of the desired positioning of Cyprus as a holiday destination include '*quality*'; '*a range of satisfying activities'*; and '*the opportunity for the visitor to discover new exciting experiences'*.

Core Values/USPs

Based on research positioning core values for the regions are:

- quality of beaches, accommodation and services;
- range of 'things to do and see' for each season;
- welcoming friendly environment; and
- a non-mass tourism ambience.

Destination Vision for the Future

The Challenges

1. ***The image and perception of the area*** in the primary source markets, due to the publicity associated with Ayia Napa during the peak summer months;
2. The ***seasonality*** issue, most businesses close during the winter period due to lack of demand;
3. The quality of some ***older guest accommodation*** and the overall ***environmental management***;
4. Market issues including the ***very high dependence on tour operators*** and charters (which do not operate into Larnaca in the winter);
5. ***Increasing competition*** from within Cyprus, particularly Pafos, and the newer Mediterranean resorts in other countries.
6. ***Barriers to commerce*** and a culture of bureaucracy prevail in the tourism industry in Cyprus.

The Opportunities offering Strategic Advantage

1. With the passing of the 'clubbing capital' phase, an opportunity exists to ***reposition Ayia Napa and the surrounding area*** in the marketplace to regain market share and penetrate new market segments;
2. The ***potential for winter business*** is one which the industry are committed to exploiting and redressing the bias in recent years of directing winter traffic by means of incentives to Pafos airport and hinterland.
3. Reflecting market trends an opportunity exists to attract visitors on a year-round basis and to improve the competitiveness of the area by means of ***expanding the range of 'attractors'*** and ***improving the service quality and value***.
4. With a shift towards more independent travellers, liberalisation of air transportation, the internet offers the possibility of ***more direct marketing*** and lowers dependence on tour operators.
5. While tourism to the area is concentrated on Ayia Napa and Protaras, there is a strong view that the surrounding hinterland offers the potential to establish the ***Free Famagusta Area as a holistic tourism destination*** exposing the natural, historical and cultural attractions of the area to visitors staying at the resorts.

Guiding Principles and Targets for Tourism Strategy in the Region

The key principles proposed as underlying national tourism policy, which should also guide the regional strategy, are: s*ustainability; value rather than volume; focused investment; selective and targeted marketing; and, profitability.*

The Free Famagusta area must remain price competitive in the face of competition. This is best delivered by value-added elements and year-round pricing inducements to tour operators. With successful repositioning, product enhancement and a gradual shift to more direct distribution channels, the price point should improve, removing some pressure on price competition and refocusing on value.

Key Image and Appeals Repositioning Attributes

Best Beaches Plus

From:		***To:***
Loud, tacky resort	→	Safe and pleasant environment/ambience
Mixed and seasonal	→	Year-round quality destination
Limited activities	→	Range of activities/things to do for all ages and all seasons

The strategy should be one that initially focuses on those segments of existing demand that are consistent with the goals of repositioning the area and improving the yield. Segmentation is at the heart of destination marketing.

Target Consumer Segments					
	Holiday Needs	*Personal Attributes*	*Profile*	*Free Famagusta offering*	*Typical Products*
'Family and Loved Ones'	Holiday with Family VFR Family designations	People-centric, family first, familiarity	Families with children Extended families Empty nesters	Familiar welcome; Fun with nature; Lots to do; Relaxing and romantic.	Sun and sea plus; VFR; Villas/apartments; Hotel; Holiday villages; Weddings/Honeymoons; Pampering.
'Outdoor Actives'	Play sport, actively engage with nature	Adventure seekers, health conscious, independent thinkers	Young singles Urban couples Empty nesters	Golf; Walking, Cycling, Spectacular coastal trails Sailing/boating	Activity holidays; Yachting; Soft Adventure; Diving; Team sports; and Athletic tourism
'Social Adventurers'	Discovery Meeting new people Nightlife	Risk takers Party-goers Ambitious Youthful	Young singles and couples	Vibrant living culture; Events for the young at heart; Party atmosphere	Fun resort; Beach and water sports; Entertainment
'Nature and Culture Seekers'	Scenery, culture. History and nature	Well informed and travelled, socially concerned.	Discerning, 30-50's. Empty nesters	Historical sites, Myths, Dramatic coastlines, Festivals/Events.	Based touring; Exploration; Well being; Heritage lectures, etc.

Priority Geographical Source Markets

In the short to medium term it is recommended that the Free Famagusta area concentrate the bulk of its marketing focus on the following source markets:

- **Britain:** based on current importance, awareness/familiarity, access and distribution networks. However, it will be necessary to dissuade certain segments i.e. teenage 'fun' segment.
- **Scandinavia (mainly Sweden and Norway):** based on established awareness, demand and distribution in the marketplace.
- **Germany:** potential to build on current demand with broadening of potential into new segments.
- **Ireland:** a growth market where Cyprus and the Free Famagusta area is well positioned, although perceived as expensive, offering potential to expand year-round into new segments.
- **Greece:** with improving access the area could contest segments of this market for short breaks, villa ownership, meetings and affinity groups, particularly outside the peak summer season.
- **Domestic market:** the home market of Cypriots and foreign residents represents a relatively untapped potential with increasing affluence of the resident population. The domestic market has the potential to contribute to profitability of tourism enterprises in the area, especially in the shoulder and off-season periods, as well as a market for seasonal or holiday home ownership.

Reaching the Customer

Communicating the appeals and attractions of the Free Famagusta area to potential markets will have to be integrated with the overall marketing strategy being pursued by CTO and the industry in respect of the island of Cyprus. However, under the Cyprus umbrella marketing campaigns the area will need to develop a well-targeted promotional communications programme. The key elements of the proposed communications or promotional programme for the Free Famagusta area will include:

Consumer Marketing

A range of communications tools and activities can assist in re-positioning the destination, including:

Publicity/PR:

Perhaps the most effective tool in repositioning the destination in the marketplace. Features on TV and in colour magazines are potentially powerful in projecting images of the destination.

- *Consumer Promotions*: Attendance at holiday fairs and exhibitions, and joint promotions with consumer goods and services outlets provide a cost efficient way to reach the potential market.
- *Advertising:* Advertising will only play a role in highly selective market segments, where the available resources will be capable of reaching the necessary threshold level of awareness. Consumer advertising will only be possible in conjunction with trade or industry partners or as a sub-segment of CTO national advertising campaigns.
- *Brochures*: A priority should be the production of an integrated brochure featuring the entire area and replacing the multitude of printed materials currently on offer. The style, images, tone and content of the new material should convey the range of appeals that the area offers.

The Internet

The marketing programme for the area will focus on website; linkages; online brochure & information; sales facility; and data base e-marketing.

Travel Trade Activity

- Promotion to tour operators,
- Virtual Travel Outlets.

Industry led, market driven research

The proposed re-positioning strategy will require specific research and ongoing monitoring at least during the early years of the implementation.

An industry-led committee is proposed to interface with CTO to ensure that the required information can be made available in a cost effective and timely fashion.

A Strategic Approach to Product Development

Expanding and Upgrading the Visitor Product

The Free Famagusta area, within the context of the strategy for the country, based on the target segments that have been identified as viable prospects needs to address these issues:

I. Upgrade/refurbish/enhance existing tourism plant which can serve future market demand

II. Expand the range of hard and soft products to cater for niche markets and/or deliver a more satisfying ‘sea and sun plus’ experience

III. Remove obsolete product that no longer meets international standards.

Guest Accommodation

Demand for hotel accommodation will grow, with demand for upscale properties growing fastest.

Guest Accommodation: Outlook for Growth

Category	Outlook	Comments
Hotels **Hotel Apartments/Timeshare**	High growth	Growth likely to especially benefit upper scale properties 5*, 4* and well appointed 3*.
Tourist/Holiday Villages	High growth	Prospects good for complexes with good standards and high levels of amenities on site.
Villas	Moderate to high growth	Foundation for committed market, appealing to affluent middle to older age groups.
Holiday Apartments/Hostels	Low to negative growth	An ageing market militates against this category as does increasing comfort and value expectations. Expect continual decline.
Home Stays (B&Bs, Gites, Traditional Buildings)	Low growth	High appeal to limited specialist segments.

Special Interest Products and Amenities

A key to the re-positioning of the Free Famagusta area in the marketplace will be the provision of a range of activities and facilities which will act both as 'attractors' or motivators to entice visitors, while also broadening the experience and satisfaction of general 'sea and sun plus' visitors.

Special Interest Products

	Priority Rating for FFA	Rationale/Comments
CULTURE AND HERITAGE		
Museums	High	Re-positioning; seasonality; specific market niches
Cultural/Thematic Routes	High-Medium	Re-positioning; spatial spread beyond coastal resorts; market niches
Events/Festivals	High	Image/awareness; seasonality; motivators
ACTIVITIES/SPORTS		
Golf	High	Broaden market and expenditure opportunities
Cycling Trails	High	Activity/special interest niches
Marine Sports Centres	High	Activity/core product complement
Team Sports & Training		
Football	Medium	Special interest markets; seasonality
Athletics	Medium	Special interest markets; seasonality
Bowls	Medium	Broaden market appeal and seasonality ex UK
FACILITIES/ATTRACTIONS		
Entertainments	High	Experience fulfilment; expenditure; seasonality
Meetings/Conferences	Medium	Niche markets; seasonality
Marina	High	Activity segments and broaden experiences
Coastal cruises	High	'Things to do'; core product complement
Casino	Medium	Enhance evening product range and broaden market appeal
NATURE-BASED ATTRACTIONS		
Natural History Trials	Medium	Specialist niche markets
National Park	High	Environmental 'fit'
Marine Park	High	Environmental 'fit'

The Environment

As the core appeals of the area are nature based, mainly marine, the conservation and protection of the natural resources is key to the sustainability of appeal and quality of life for residents and quality of experience for visitors. The area needs to adopt a rigorous approach to implementing a range of measures to protect and enhance the environmental quality of the area. National policy guidelines and best international practices need to be adopted in relation to a range of issues, but principally:

- Planning regulations, in particular, land use policies, urban sprawl, coastline ecosystems;
- Zoning planning;
- Visual and noise pollution control;
- Traffic management;
- Sewerage treatment;
- Solid waste management;

- Sustainable energy policies; and
- Protection of biodiversity.

It is recommended that the Free Famagusta area – local authorities and the private sector – adopt certain internationally recognised guidelines and standards for responsible tourism, for instance continuing the Blue Flag programme for beaches; adopting 'Green Globe 21' or equivalent standards for accommodations; and using boat and hotel benchmarking criteria and standards.

Such an initiative would contribute to the stated policy goal of improving the overall quality of the tourism product in the area. Besides, linking up with existing international mechanisms gives credibility to quality claims and to claims that impacts are properly managed, and helps in the marketing of the area.

Infrastructure

The provision and maintenance of an adequate public infrastructure, the principal elements for which specific plans will be required include: utilities (water, sewage, electricity etc); road infrastructure; parking, visitor lay-bys, signposting etc.; telecoms; public transportation; waste management; and marine piers, slips etc.

Product Innovation

Success for the area will come from presenting a clearly differentiated product appeal and experience is differentiated from other resort areas in Cyprus and further afield. The strategy should include specific actions to foster research and product innovation, together with benchmarking audits against best practice in other destinations.

Delivering Quality and Value

Two overriding strategies are commonly used to create competitive advantage in most tourism regions: cost leadership and quality differentiation. The option of the strategic approach to achieving competitiveness through quality differentiation tactics is open to the Free Famagusta area.

In order to deliver on such a strategy two principal programmes must be consistently pursued:

a. promoting best practice in management and staff development;
b. setting high operational and service delivery standards.

People in Tourism

A concerted effort is required so that the industry in the area working together with the CTO, education institutions and other interested stakeholders, including students, and with the support of the national educational and vocational training agencies to develop an improved programme to cater to the needs of businesses, employees and potential employees.

Value for Money

A key objective of the strategy to reposition the Free Famagusta area will be the enhancement of the competitiveness of the value for money offer to the visitor. Concrete measures need to be adopted by all within the industry to improve competitiveness.

Organising for Success

Organisational arrangements will influence the successful implementation of the strategy. Two groups are proposed, as follows:

Tourism Strategy Implementation Group

The implementation of the proposed strategy for the area will require a new organisational arrangement for facilitation and co-ordination, and monitoring of progress. Responsibilities will rest with a range of public sector bodies, with the private sector being encouraged and facilitated to make the necessary capital and operating investments.

Free Famagusta Area Marketing Task Force

A Marketing Task Force is proposed, engaging CTO and representatives of all the key tourism sectors to prepare, co-ordinate and monitor a specific 3-year marketing programme, harnessing both public and private sector budgets.

Strategic Options and Key Consequences/Results

Strategic Options	Key Consequences / Results
Do Nothing' – 'Continue as is'	A continued 'drift', with further loss of market share;
	Increasing vulnerability of the region to changing market conditions, competition, and dependence on tour operators;
	A continued decline in demand and occupancy, resulting in declining yields, profitability and an increase in business failures;
	The Area would remain a seasonal destination;
	Little or no new investment and a further marked decline in quality of accommodation and the built environment;
	Uncontrolled villa developments;
	No spread of tourism beyond established resorts.
'Gradual Transformation'	A broadening of market appeal over time with new product and service initiatives.
	Gradual delivery of an improved quality and value experience.
	Creation of new 'reasons to visit'
	Little overall impact on visitor expenditure and season extension in the short to medium term.
	Continued dependence on resorts' image and appeals and continued high reliance on tour operators.
'Bold Re-Invention'	Significant increase in investment in plant and products – creating new 'reasons to visit'
	A repositioning of the destination in the short to medium term.
	Increasing the price point and visitor expenditure, while delivering a year-round visitor experience.
	Improvement of the built environment and linkages with the hinterland.
	A positive contribution to the expansion of potential for Cyprus and the creation of a distinct competitive advantage for the area.

Impact of Strategic Options

	'As is'/ 'do nothing'	'Gradual transformation'	'Bold transformation'
Broaden market appeal	≅	↑	⬆
Reasons to visit	↓	↑	⬆
Expenditure	↓	≅	🡑
Seasonality	≅	↑	🡑
Tour operators	⬇	≅	🡑
Environment	↓	↑	🡑
Accommodation	↓	🡑	⬆
Regional spread	↓	↑	🡑

↑	Low positive impact	↓	General negative impact
🡑	Medium positive impact	🡓	Medium negative impact
⬆	High positive impact	⬇	High negative impact
≅	Neutral – no impact		

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1. INTRODUCTION

1.1 Background

This Regional Tourism Strategy and Action Plans are presented by TTC - Tourism and Transport Consult International, in conjunction with Egnatia Financial Services (Cyprus) Ltd. The study, representing a contract to provide technical assistance and consulting services to the Famagusta Chamber of Commerce and Industry, is presented in 2 Reports:

- A Tourism Strategy Plan; and
- Action Plans

1.2 Objective

The Regional Tourism Strategy is intended to provide the framework for a comprehensive tourism strategy, including a prioritisation of objectives and activities for the development of the tourism industry within the Free Famagusta Region of Cyprus.

Specifically, the Regional Tourism Strategic Plan addresses a number of issues, including:

- a review and evaluation of the region's tourism resources;
- a review and analysis of existing performance data;
- an analysis of the trends in the tourism industry and identification of potential growth areas; and
- an overview of economic, social, cultural, environmental, regulatory and organisational issues.

[Terms of Reference are attached as Appendix 1.]

1.3 Methodology

The methodology employed in the preparation of this Regional Strategic Plan has included:

- collection, review and detailed analysis of data and published reports;
- site familiarisation visits;
- product audits;
- consultations and interviews with a wide cross-section of public and private sector stakeholders;
- consultative workshops, held in Ayia Napa in October 2004, September and November 2005;
- collection of business data from hotels and other tourism operators;
- reference to external regional and worldwide organisations and data sources;
- review of strategic options; and
- preparation of strategic recommendations based on consultants' experience.

[A List of Consultations is attached as Appendix 2.]

Original research undertaken has included:

- Survey of selected stakeholders in the accommodation, restaurant, pub and retail sectors in Ayia Napa and Paralimni/Protaras;

  [Survey questionnaire is attached as Appendix 3.]

- Survey of selected market-based Tour Operators in European source markets (17 respondents);

  [Summary results attached as Appendix 4.]

- A review of the market positioning of the Region as portrayed in guide books, together with recent media publicity on tourism to the area in the UK media;

  [Summary analysis attached as Appendix 5.]; and

- In-depth interviews with selected incoming tour operators in Cyprus.

The project was guided by a Project Steering Committee, under the Chairmanship of Mr. Andreas Matis, President, Famagusta Chamber of Commerce and Industry.

The project was undertaken during the period late 2004 to late 2005, by a multi-disciplinary team of consultants drawn from TTC and its associate firm Egnatia Financial Services (Cyprus).

The consultants wish to acknowledge the support and encouragement of the Project Steering Committee, the assistance received from the Cyprus Tourism Organisation (CTO), and, most especially, the inputs made by individuals and organisations who willingly gave of their time, information and experience.

1.4 Report Content and Layout

The report is presented in two parts:

Part 1: Tourism – A Review and Assessment

Chapter 2: Presents an overview of tourism performance to the Region in the context of tourism to Cyprus. The overview includes an analysis of the level, value, origin and other characteristics of tourism demand, together with an assessment of the economic benefits, and visitor satisfaction levels.

Chapter 3: Reviews the tourist appeals and infrastructure, which the Region offers, including the state of infrastructure, physical and environmental resources, while identifying shortcomings, areas of concern and opportunity.

Chapter 4: Critically assesses the demand and supply side issues facing tourism in the Region - identifying product ‘gaps’; the constraints and critical issues that require specific strategic responses.

Part 2: Tourism – Potential and Way Forward

Chapter 5:	Examines the likely outlook for tourism internationally, including forecast growth levels and trends, changing customer needs and behaviour, emerging travel industry trends and the competitive environment.
Chapter 6:	Presents two strategies for consideration in the context of the National Tourism Strategy and the challenges and opportunities facing the Free Famagusta Area, while outlining the principles, which should guide the strategy, and providing an assessment of the projected impact of each strategy.
Appendices	By way of elaboration and further explanation, the appendices attached contain a number of documents of record together with data linked to the key subject matter of the report.

2. THE REGION'S TOURISM PERFORMANCE – AN OVERVIEW

2.1 Tourism to Cyprus

Tourism to Cyprus in 2004 showed a recovery from a decline since 2001. A total of 2,349,000 visitors came to Cyprus in 2004, an increase of almost 2% on the previous year, or 46,000 additional visitors. The performance in 2004 represented a recovery from a 4.8% decline in 2003, following a 10.3% decrease in visitor arrivals in 2002.

While tourist arrivals in 2004 show an increase, the number of bednights is estimated to have shown little change due to a shortening of length of stay.

It would appear that the growth was achieved in the shoulder months of March, April, May, September and October while arrivals during the two busiest months of the year, July and August, showed a marked 3.8% and 6% decline respectively (a total of 30,000 fewer tourists) compared to 2003.

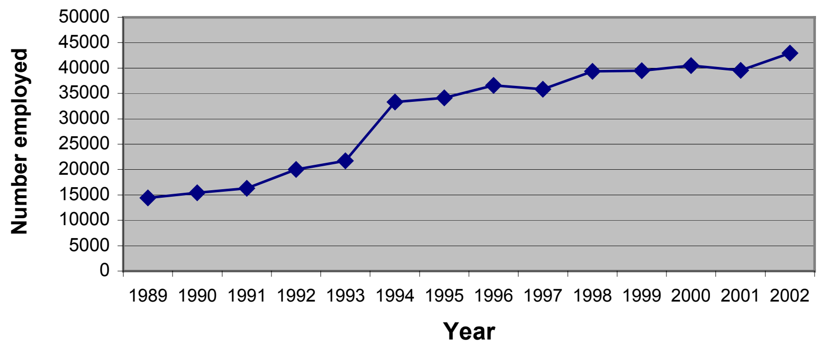
Table 201: Visitor Arrivals by Month

	2004 vs 2003
January	-5.08%
February	-2.91%
March	+22.17%
April	+12.57%
May	+13.01%
June	+1.03%
July	-3.82%
August	-5.98%
September	+5.62%
October	+2.6%
November	-7.9%
December	-6.2%

Source: CTO and Egnatia

Direct employment in the tourist industry has increased by 198% in the last fifteen years, from 14,420 in 1989 to 42,955 in 2002. These figures comprise employment in tourist accommodation establishments, restaurants, travel agencies and tourist guides.

Fig. 2.1: Direct employment in the Cyprus Tourism Industry



2.2 Tourism Performance in the Free Famagusta Area

2.2.1 Overview

In 2004, the area attracted almost one in three of all visitors to Cyprus, with Paralimni and Ayia Napa each catering to 16% of all arrivals on the island. The area's share of visitors in 2003 had been 34.5%

It is estimated that close to 800,000 overseas visitors spent a holiday in the region, spending an estimated CYP £340 million.

These visitors account for 8.6 million bednights with the average length of stay in Ayia Napa being 10.6 nights and 11.07 nights in Paralimni.

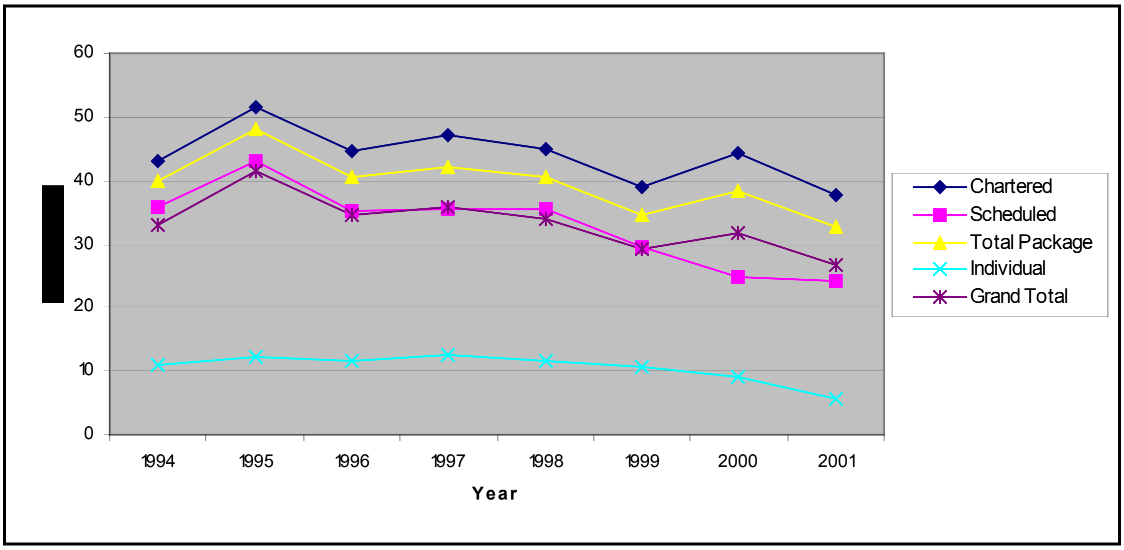
The primary motivations for visiting the resorts in the area are sun, beach and nightlife. Tourism to the area is almost totally dependent on tour operators selling package holidays to Ayia Napa and Protaras.

The area has the shortest season of all resorts in Cyprus, with many businesses closed over the winter months.

In recent years Ayia Napa has been the subject of high profile bad press, particularly in Britain and Scandinavia, focusing on the behaviour of the young visitors during the peak summer months.

Famagusta's share of visitors to Cyprus showed an initial rise in the mid-90s, followed by a steady decline until an upturn around 2000. Historically the area has been more dependent on charters and package tourists than other areas in Cyprus.

Fig 2.2: Free Famagusta Area's Share of Visitors



Source: CTO Data

2.2.2 Origin

More than half the visitors to the area come from Britain, with at least one in every three British visitors to Cyprus staying in Ayia Napa and/or Protaras.

The area is the most popular destination in Cyprus for Scandinavians, who currently account for upwards of 20% of visitors to the area.

The area is also especially popular with the Irish and Swiss.

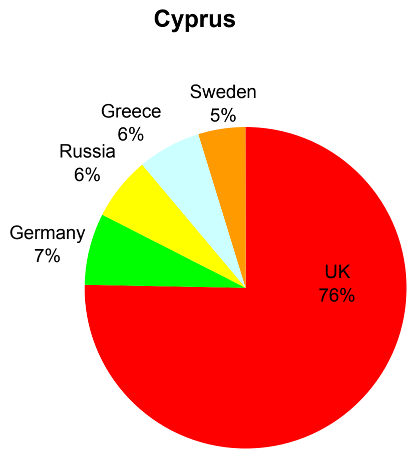
The impact of tour operators is evident over time and points to the vulnerability of the destination due to changes in resorts offered and/or the operation of charters to Larnaca. In recent years this has been most evident in the case of the Hungarian market.

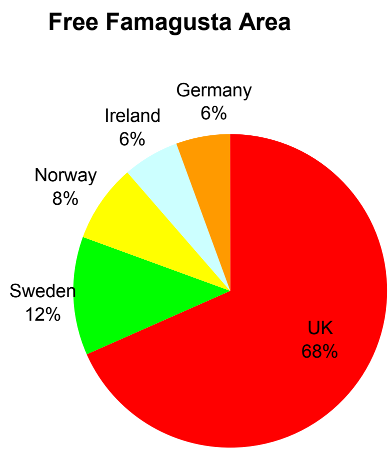
Table 202: Origin of Visitors to Region

	Ayia Napa	Paralimni	Free Famagusta Area	Share
UK	142,921	297,156	440,077	55.3%
Sweden	43,852	33,503	77,356	9.7%
Ireland	28,085	9,241	37,326	4.7%
Norway	27,569	24,315	51,884	6.5%
Germany	25,935	10,567	35,502	4.5%
Switzerland	22,099	6,664	28,763	3.6%
Austria	7,042	2,162	9,204	1.2%
Other	80,920	34,431	116,350	14.6%
Total	378,423	418,039	796,462	100%

Source: CTO Data

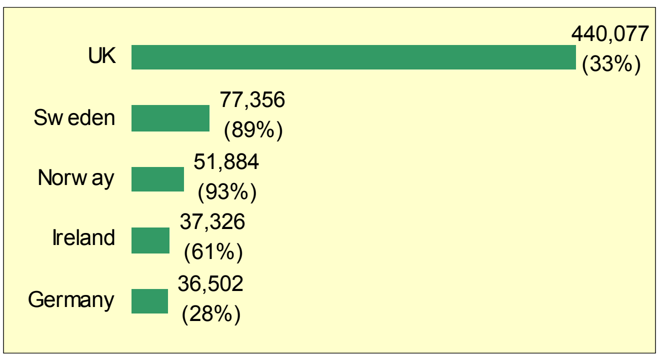
Fig. 2.3: Top 5 Source Markets





Source: CTO Data

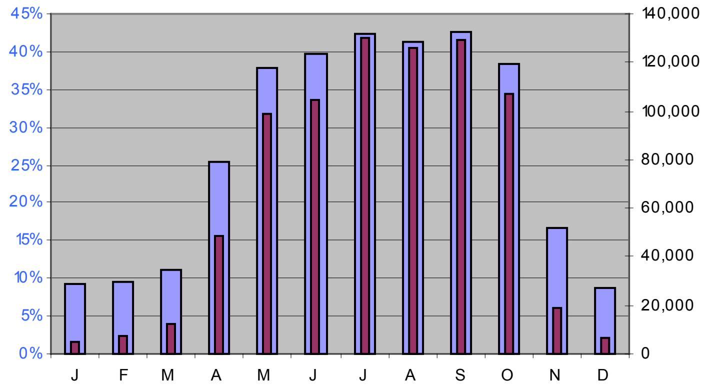
Fig 2.4: Famagusta Market Share



2.2.3 Seasonal Distribution of Demand

A key characteristic of tourism demand to the area is that it is predominantly a summer season destination. More than 85% of visitors to the area arrive during the period May through September. Of the 800,000 visitors per year the area caters for at least 100,000 per month during the May to October period, with about 50,000 arrivals in April. During the remaining five months November to March, the total number of arrivals does not exceed 50,000. While the area attracts at least 40% of visitors to Cyprus during the months of May to October, its visitors share during the other months falls on average to below 10%.

Fig. 2.5 Visitors by month (2004)



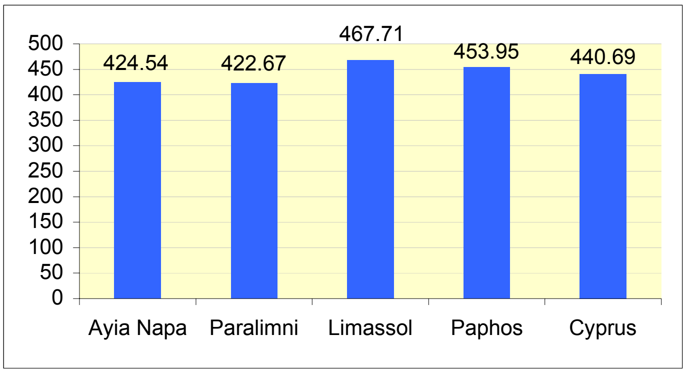
*2.2.4 Expendit****ure***

The average expenditure per visitor is estimated at £424.5 CYP in Ayia Napa and £422.7 CYP in Paralimni.

This estimated level of expenditure is marginally below the overall average for all visitors to Cyprus (£440.7 CYP).

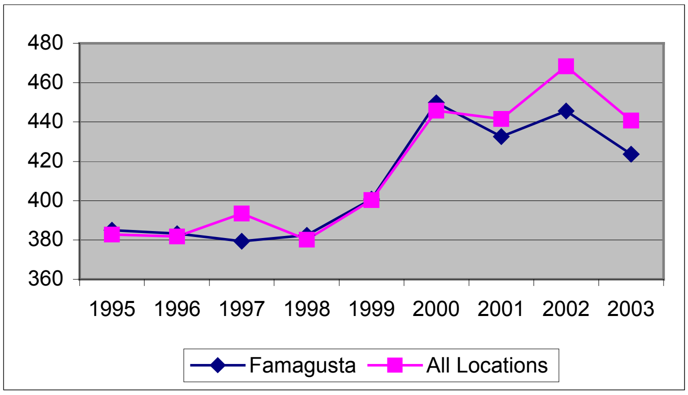
Visitors to Pafos and Limassol would appear to spend more per visit at £454 CYP and £468 CYP respectively.

Fig. 2.6: Expenditure per Person per Visit (CYP)



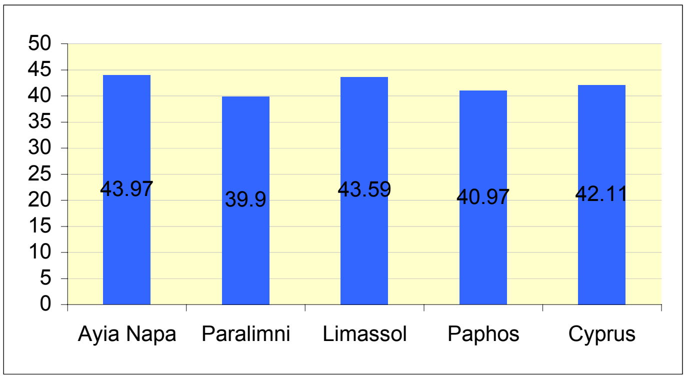
Expenditure per person has risen from £385.05 CYP in 1995 to £423.61 CYP in 2003. This hit a peak in 2000 but then tapered off in 2001, followed by a short increase then decline. It has, as a rule, followed the trend across all locations in Cyprus.

Fig. 2.7: Average Expenditure Per Person (CYP)



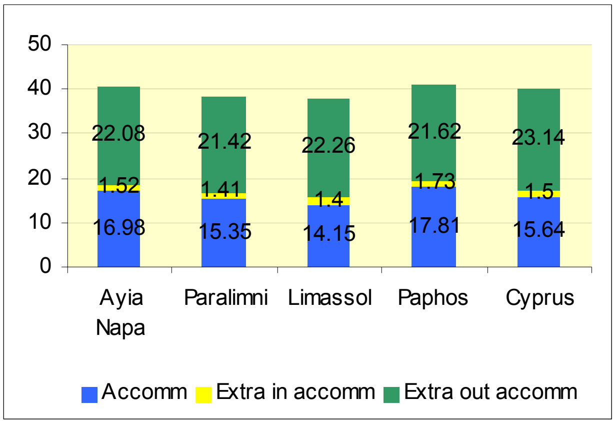
The average daily expenditure of visitors is highest in Ayia Napa at £43.97 CYP. In contrast the corresponding spend for visitors to Paralimni is £39.90 CYP. The overall average for the island is a daily spend of £42.11 CYP.

Fig. 2.8: Average Daily Expenditure (CYP)



Of the total daily expenditure in Ayia Napa, an estimated 46% is spent on accommodation including extras, with the balance (£22.08 CYP) spent outside of the accommodation. Only in Limassol is there a higher daily spend outside accommodation.

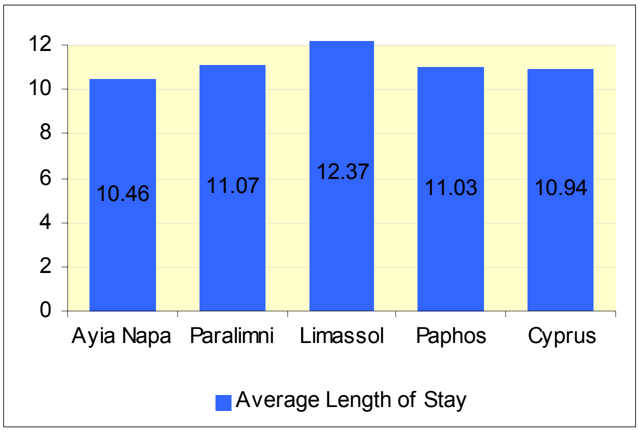
Fig. 2.9: Composition of Daily Expenditure (CYP)



2.2.5 Average Length of Stay

The average length of stay in Paralimni is the second highest of all resorts on the island at 11.07 nights, only exceeded by Limassol at 12.73 nights, and above the average of 10.94 for the island. The average stay in Ayia Napa is shorter than in other resorts at 10.46 nights.

Fig, 2.10: Average Length of Stay



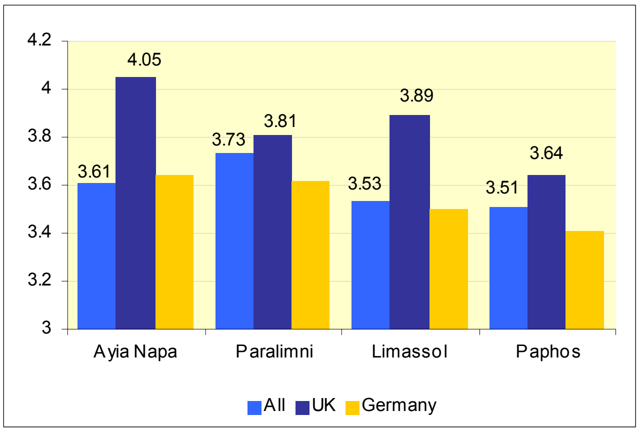
2.2.6 Value for Money Rating (2000)

Ayia Napa and Paralimni were rated better in terms of value for money than other resorts on the island.

British and German visitors were more satisfied with the value they received in Ayia Napa, compared to their compatriots visiting other resorts.

Paralimni received a better overall rating based on the aggregate of visitors to the resort.

Fig. 2.11: Value for Money Rating



3. THE REGION'S INFRASTRUCTURE & TOURISM APPEALS

3.1 Overview

The Free Famagusta district offers many attractions to visitors, including beaches, nightlife, sightseeing, historical sites, Byzantine churches, and nature-based activities. The various attractions are not dissimilar to the tourism offerings and characteristics in the rest of Cyprus, which is understandable in such a small geographic area, although the rest of Cyprus may currently have the edge in terms of range of products, things to do and see, air and sea access, and landscape variety, while the district has the edge in terms of quality of beaches and (for some only) the nightlife. In addition, Ayia Napa is perhaps the best-known tourist destination in Cyprus, with a distinct brand image (not always for the best reasons) that the island as a whole currently lacks.

The tourism infrastructure is generally of a high standard. There is an excellent network of major and minor roads serving the district, which greatly facilitates travel by car, scooter or bicycle. Public utilities are more than adequate, with the possible exceptions of water supply which visitors are encouraged to use sparingly, and arrangements for waste management (including sewage and solid waste collection, treatment and disposal) which is probably the least satisfactory aspect of the district's infrastructure. Although the main beaches are reputed to be swept daily there is evidence of accumulated litter and cigarette ends, used condoms, etc. on some of the more popular beaches.

The population of the Famagusta region has increased greatly in the last forty years, rising from 15,155 in 1960 to 37,738 in 2001. The Statistical Service of Cyprus estimates that the population will increase to 49,444 by 2014.

Following the events of 1974, the former sleepy villages of Ayia Napa and Protaras developed rapidly to absorb much of the foreign and local tourism that had previously provided significant revenues to Famagusta. Scandinavian and other European visitors were quick to recognise the district's many attractions: long stretches of sandy beach, cool clear seas, areas of unspoilt natural beauty, and the traditional Cypriot hospitality. Many thousands of visitors still come to the area for the same reasons, but by the early 1990s Ayia Napa's reputation a 'must' for 18-30 partygoers had overtaken its reputation for peaceful family holidays, and spread worldwide. This reputation as a clubbing destination probably reached its peak around 2000-2001 after a number of widely reported unsavoury incidents and the emergence of new clubbing destinations such as Ibiza and Faliaraki in Rhodes. Since then, the proximity of Cyprus to the continuing conflicts in the Middle East, coupled with a deterioration in the quality of the tourism product, has had a negative impact on tourism in the district. Increasing costs compared with other sun destinations such as Spain and Turkey have also had adverse effects.

The main attractions are sun, sea and sand and (for some) the still exciting nightlife of Ayia Napa. This is the image of the area most often highlighted in guidebooks. Although Ayia Napa is the place that has gained international fame and at times notoriety, other parts of the region are no less attractive and interesting, including Protaras, best known as a family resort and its golden beaches and the surrounding villages of the *Kokkinochoria* with their churches, museums and glimpses of rural lifestyles. The district also caters for those who are interested in culture, history, archaeology, sports, scuba diving, walking or cycling, and the traditional Cypriot lifestyle. Dining out in local restaurants and tavernas also add to the holiday experience.

British visitors are also attracted to the district because of the fact that English is so widely spoken and the fact that many British military personnel and their families have served in the nearby Sovereign Base at Dhekelia.

Much of the demand is price-driven, particularly among German and Scandinavian visitors, although attempts are being made to upgrade the quality of the accommodation offer and thereby raise average achieved room rates.

Table 301: Things to do and see

	Cyprus	Free Famagusta District
Beaches	Yes	Yes
Water Sports	Yes	Yes
Scuba Diving	Yes	Yes
Water Parks	Yes	Yes
Historical Sites	Yes	Yes
Churches	Yes	Yes
Museums	Yes	Yes
National Parks	Yes	Yes
Hiking	Yes	Yes
Bird watching	Yes	Yes
Golf	Yes	No
Marina	Yes	No
Cruising (deep sea)	Yes	No
Boat Trips	Yes	Yes
Nightlife/clubbing	Yes	Yes

There follows a more in-depth review of the area's tourist product, including its main tourist attractions and services. Much of this information is derived from Discover - the excellent guide to Ayia Napa, Paralimni, Protaras & the district about to be published by the Famagusta Chamber of Commerce & Industry - as well as from other guide books and media reports, supplemented by the Consultants' own findings from their extensive tour of the district.

3.2 Natural Attractions

3.2.1 Beaches

The eastern coast of Cyprus offers a wide range of beautiful beaches that can offer spectacular surroundings in which to swim and enjoy a wide variety of water-based activities. Starting from the westernmost part of the district and continuing around the coast right up to edge of the enclosed area, the following are the main beaches:

- Ayia Thekla (a small beach located some 6km. west of Ayia Napa).
- Macronissos Beach (a quiet well-protected beach with white sand, perfect for small children as there are no underlying currents and the water is very shallow).
- Nissi Beach (the most popular beach in the district partly due to its size and also the range of amenities offered here: water sports, bars, restaurants, DJs, etc. Nearby, a small island can be reached by swimming or, during low tide, by walking along the sand bar.

- Sandy Bay (a small, sheltered beach lying about 400m away from Nissi Beach, with water sports and more limited catering facilities)
- Kyro Nero or Harbour Beach (stretching for about a kilometre east of the harbour, this beach has slightly coarser, yellow sand and also offers water sports and catering facilities, including the large number of bars and restaurants in the adjacent town centre)
- Green Bay (considerably smaller than those in the surrounding area, this beach offers privacy and seclusion and a limited range of catering facilities).
- Cape Greco (not really a beach since there is no sand, only rocks, but many boats stop here for a swimming break in the cooler, crystal clear waters).
- Konnos Beach (situated down a flight of steps between Cape Greco and Protaras, the sand here is golden and the water pristine, making it perfect for children. A wide range of water sports and more up-market catering facilities are available).
- Fig Tree Bay (one of the most beautiful beaches in the area comprising a long stretch of fine, powdery-white sand which edges into a shallow sea, perfect for families, particularly those with small children) a full range of facilities is available, including water sports and, just a step away across the main road, many shops, restaurants and bars).
- Pernera Beach (a smaller beach to the north of with yellow sand and a few rocks which was previously the site of the old harbour of Paralimni which is only a few kilometres away).
- Kapparis Beach (the northernmost beach in the Free Famagusta area, this beach has golden sand and clear turquoise waters similar to those off Cape Greco, though much shallower).
- Sirena Bay (an unusual but attractive beach, with a very thin stretch of clean sand that follows the cove around, but, following changes to the road network, now somewhat difficult to find).

In addition, there are many, smaller out-of-the-way beaches and coves for the visitor who chooses to travel off the beaten track, including (going north from Pernera) Louma, Mouzoura, Ayia Triada and Skoutari beaches.

3.2.2 Protected Areas

While described - perhaps a little generously - in one guidebook as “one of the loveliest parts of Cyprus”, the district has some spectacular scenery particularly along the coast, while the red earth of the interior has a certain quiet appeal.

Cape Greco has been declared a national forest park, and a reserve area of around 110 hectares has been cordoned off to ensure that the flora and fauna of the region are protected. A favourite place for collecting snails and limpets, Cape Greco is also a popular place to hike and to discover the indigenous flora of the district (best seen in early spring or late autumn), to admire the magnificent sea cliffs and the caves that are cut away into the ten-metre sea. There are ruins of a temple and other archaeological remains. Unfortunately, the tip of the peninsula is covered by satellite equipment which most guidebooks say belongs Radio Monte Carlo, and is a relaying station to the Middle East

3.2.3 Nature Trails

The district offers a variety of nature trails and other walks for visitors and local residents alike, including a number in the Cape Greco area which provide connections to the 250-km long distance *Aphrodite Cultural Route* which provided the opportunity to trace the journey of the 'Great Goddess' through layers of history and culture, linking archaeological sites, museums and nature sites.

3.2.4 Flora and Fauna

Due to the predominantly dry summer months, when most visitors come, the flora of the district is not an obvious attraction. However, in springtime the fields are carpeted with a variety of spring flowers some of which are unique to area (including varieties of shrub, thistle and herb, some of which bloom in the autumn months). The fauna - particularly the bird life - can also be of interest. Lake Paralimni and the Achna reservoir attract a wide variety of bird life, including herons, cuckoos, larks, thrushes, blackcap, red-backed shrike and mallard, which provide good opportunities for bird watching. The shooting (and subsequent cooking) of lark and other songbirds now appears to have been controlled.

3.3 Resorts, Towns and Villages of the Area

The villages of the Famagusta district are also known as the *Kokkinochoria,* meaning 'red earth' a direct reference to the dark, rich red soil of the area. The mineral-rich soil provides excellent conditions for agricultural production, particularly of potatoes (which are mostly exported) and a variety of other vegetables, including *kolokasi* (a kind of root vegetable) which is unique to the area. The district is also known for its numerous and beautiful churches, dating back in some cases to the 12^{th} century, many with original icons and artwork. Most of these churches remain closed, rarely with information on where the key may be found or a notice (in English) explaining opening hours and/or days.

All the villages are very close together, often connected by a more or less continuous 'urban sprawl' and, apart from Ayia Napa, Paralimni and Protaras, most have managed to maintain their traditional roles, but, having undergone considerable expansion post-1974, there is a sameness about the modern buildings that have largely replaced the traditional architecture. There is also a number of Struggles for Independence monuments and memorials, which are of particular interest for domestic tourists.

The main cultural attractions are summarised below.

- **Ayia Napa**

  Although overshadowed by the bars and restaurants, Ayia Napa also boasts a number of historic sites and attractions, including:

  - The Monastery of Ayia Napa (dating back to Venetian times);
  - The five chapels of the town: St. Barbara; St. George; St. Epiphany; St. Mavri and St. Paraskevi (where services are only held on the feast days of their patron saints);
  - The Tornaritis Pierides Municipal Museum of Marine Life (founded in 1992) which includes fish fossils dating back 225 million years, photographs of marine life and as well as a reconstruction of the seabed during the time of the dinosaurs;

- *Thalassa*, the Municipal Museum of the Sea dedicated to the enhancement, promotion and preservation of the marine heritage of Cyprus in general and Ayia Napa in particular.
- The Macronissos historical site (approximately 4-5 km west of Ayia Napa) with 20 different tombs from the Neolithic era;
- The small chapel at Ayia Thekla whose foundations date back to 6 AD (and the nearby rock caves which were first used as tombs and later as places of worship); and
- A new municipal Museum (which is not yet opened).

Avgorou

Avgorou offers the visitor a mixture of agricultural, historical and cultural attractions. For such a small village, it has an abundance of 15th and 16th century churches, many of which are less interesting than the icons contained within. These include:

- The Church of Ayios Georgius (St. George) located in the centre of the village;
- The 16th century Church of St. George 'Teratsiotis' (of the carob trees), located to the west of the village;
- The Monastery of Ayios Kendeas built on a small hill in the north of the village;
- The Church of Saints Peter and Paul, worth visiting for its icons, located in the centre of the village.

Another place of interest, but still relatively unknown and not particularly well promoted (no details of opening hours, signposts that omit the road distance, etc.) since its opening two years ago, is the Ethnographic Museum of Avgorou/Peirides Foundation which contains in a typical Cypriot house, an extensive collection of folk art including jewellery, woodcarvings, silverware, ceramics, metalwork, costumes, embroideries, laces and hand-woven textiles. Other places of interest include Mavris Famagusta Ostrich Farm, the scenic area of Achna Dam, the ruins of Evagora's Baths and several monuments including Monument for Heroes and Independence Monument.

Dasaki

This village is located close to the Achna Dam, but otherwise has little to attract the visitor.

Dherynia

Due to its location next to the 'Attila Line', for the past 30 years Dherynia has been the site of several viewing points (mostly on the top of restaurants) used by persons wishing to take a closer look at the empty and rapidly deteriorating 'ghost town' of Famagusta (Varosha area). In the past year, the numbers of visitors has dropped significantly due in part to the relaxation of regulations that hitherto impeded travel between the two parts of the divided island, and also to the opening of the new Cultural Centre. Other attractions include:

- The Cultural Centre devoted a history of the Turkish invasion in 1974 and its aftermath (with viewing area) plus other non-permanent exhibitions (including, at the time of the Consultants' visit, a fascinating account of the story of Cyprus Railways);
- The well-preserved 15th century Church of the Virgin (Panayia);

- The Church of St. George;
- The Folk Art Museum, where, in addition to its folk art display, civil marriage ceremonies are held up to three times daily.

Frenaros

Known as the centre of the *Kokkinochoria* and for its potato growing, Frenaros contains a number of traditional houses with their stone buildings, large open yards, and arched entrances – some with ox-carts from the 11th century left outside. It is also hosts the local watermelon festival. However, it is the churches of Frenaros that most people go to see. These include:

- The 12th century medieval Church of the Archangel Michael, restored in 1883;
- The Byzantine Church of Ayios Andronikus built during the 12th century;
- The 15th century Church of Ayia Marina;
- Ayios Iraklidios and Ayios Anastasios;
- The noticeably elongated Church of the Virgin of Asprovouniotissa, with its faded frescoes.

Liopetri

Situated southwest of Paralimni. Liopetri is mostly known for its tradition of basket making during the summer and autumn months. It also has several churches worth visiting, especially:

- The comparatively modern (16th century) Church of the Virgin of Mercy (Panayia Eleousa), with several noticeable frescoes; and
- The Byzantine Church of Ayios Andronikos.

The village also contains a number of monuments in honour of those who gave their lives in the Struggle for Independence.

Liopetri River (Potamos Liopetriou), situated a few kilometres away, is a charming fishing harbour where local fishermen tend to their nets and a number of taverns serve the catch of the day, fresh off the boats. Nearby is said to stand a ruined Venetian watchtower, but this is not easy to find.

Paralimni

Situated next to the eponymous lake (albeit one that dries up during the summer), Paralimni (population about 3,500) has been the de facto capital of the Famagusta district since the invasion in 1974, when it was made the temporary administrative centre. Although not much affected by tourism, there are three churches worth visiting:

- The modern Church of St. George;
- Next to the former is a considerably older church bearing the same name;
- The Church of the Virgin (Panayia).

On another level, Paralimni is also the district's main shopping hub, with an extensive selection of shops that the smaller villages cannot sustain. Paralimni offers several festivals throughout the year including an ethnic song festival.

- **Protaras**

Although best known for its golden sandy beaches (including the internationally-renowned Fig Tree Bay) and associated water sports, Protaras is also known for the now nearly 1,500 windmills that dot its landscape, particularly in the Pernera region, where there is also a small fishing shelter and a small beach. Other attractions include:

- The tiny Byzantine Church of the Prophet Elias;
- Ayii Sarandi or Church of the Forty Martyrs;
- The Ascot Pottery Centre;
- The Ocean Aquarium (see section 3.4 (vii) above);
- The evening show entitled 'Magic Dancing Waters'.

- **Sotira**

Like other villages in the district, Sotira also has an impressive collection of churches as well as a number of well-known country tavernas. On the outskirts of the village on the Liopetri road are three sites:

- The 12th century Byzantine Church of St. George;
- The nearby Church of Panayia Chortakiotissa, also dating back to the 12th century;
- A short distance away, the remains of the ruined12th century Church of St. Theodore (Ayios Theodoros), where only the narthex is still standing.

Although indicated by a sign stating "Ecclesiastical Monuments", these sites are located on the fringe of a military base where no photographs are permitted and the visitor is conscious of being closely watched by the rather stern armed sentries. In the centre of the village is the whitewashed Church of the Transfiguration, and housed in the little chapel next to it there is a small museum displaying a collection icons and treasures from the 15th-17th centuries, taken for safekeeping from the churches mentioned above.

A short walk leads to the 15th century church of Ayios Mamas, inside which some frescoes are still visible.

- **Vrysoulles**

Situated very close to the British Sovereign Base Area at Ayios Nicolaos, Vrysoulles contains a large refugee housing estate and, apart from the 13th century Byzantine Church of St. George, has little to detain the visitor. Most buildings are new - including the Church of Ayios Demetrios – and many residents work in the tourism sector in Ayia Napa or Protaras.

Inventory of Tourism Assets

As part of the strategy planning exercise all Municipal and Community authorities within the region have been requested to provide an inventory of natural, cultural/historical and recreational attractions and facilities. Responses received provide information classified by existing attractions/facilities and potential attractions that require development. The data collected is presented in detail in Appendix 6.

Development Plans in the Famagusta Region

There are two types of Development plans published for the Free Famagusta Area. The Local Plans which contained detailed policies, land-use and density plans for specific areas and the Statement of Policy for Rural Areas which is a more general plan with general policies applicable to almost all the rural areas of Cyprus and specific plot ratio (building density) plans for each community (Local Authority) covered by the Plan. In the Famagusta Region the published statutory plans are: the Local Plans of Dherynia (published in June 1999) and of Ayia Napa (published in September 2004), and the Statement of Policy for Rural areas for the rest of the Famagusta Region. The Local Plan of Dherynia has gone through the objection period and is finalised. It's revision is due very soon. The Objections against the Ayia Napa Plan are being examined at the moment and this plan is expected to be finalised within a year. These Development Plans contain among other things, policies and zoning maps that affect tourism.

Detailed analysis and comments on existing Development Plans are included as Appendix 7.

3.4 Guest Accommodation & Services

3.4.1 Visitor Accommodation

The guest accommodation in the region, 21,600 beds in Ayia Napa and a further 17,245 beds in Paralimni, accounts for 45% of the total stock in Cyprus.

In total, the Free Famagusta Region has 17,500 hotel beds, almost 14,600 hotel apartments, and just under 2,600 beds in tourist villages and 3,800 beds in other categories.

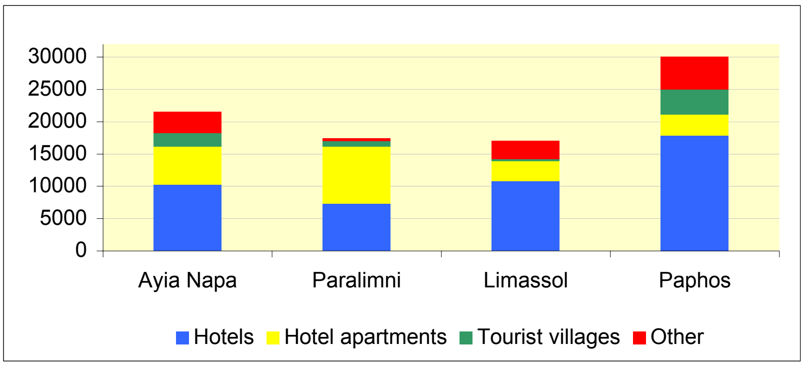
Table 302 Visitor Accommodation Supply (Beds)

	1988		1997		2004		Capacity
	Beds	Hotel share	Beds	Hotel share	Beds	Hotel share	’04 v ‘88
Ayia Napa	11,785	37%	18,682	47%	21,723	47%	+84%
Paralimni	4,696	38%	15,002	39%	17,085	43%	+264%
Larnaca	8,038	45%	9,314	49%	8,901	60%	+11%
Limassol	11,907	52%	16,776	64%	17,242	63%	+45%
Pafos	7,617	52%	20,113	42%	27,954	59%	+267%
Nicosia	2,539	84%	2,422	85%	2,033	94%	-20%
Hill resorts	1,876	64%	2,059	82%	2,031	86%	+8%
Total	**48,458**	**48%**	**84,368**	**54%**	**96,966**	**55%**	**+100%**

Source: CTO

Pafos and Paralimni have been the fastest expanding resorts on the island over the past 16 years, with just under 28,000 beds available in Pafos, compared to almost 39,000 beds in the Free Famagusta Region (Ayia Napa and Paralimni).

Fig 3.1: Accommodation



Source: CTO

The quality and mix of visitor accommodation, more than any other factor, determines the character of the various tourist centres. A distinct dichotomy is emerging in terms of stage of product life cycle, quality of stock, clientele and consequently 'image', as for example between the resorts of Ayia Napa and Pafos.

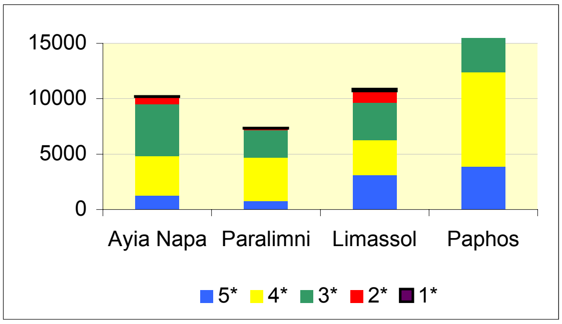
Ayia Napa : While the resort offers an almost equal balance of accommodation between hotel and other categories, the latter are substantially in older properties, particularly in the hotel apartment and tourist apartment categories. Almost two-thirds of the hotel stock is also at least 20 years old.

Paralimni : A new accommodation centre, where good quality hotel apartments dominate.

Overall the visitor accommodation in the region is more in the middle to lower quality classification rather than top grades.

Hotels

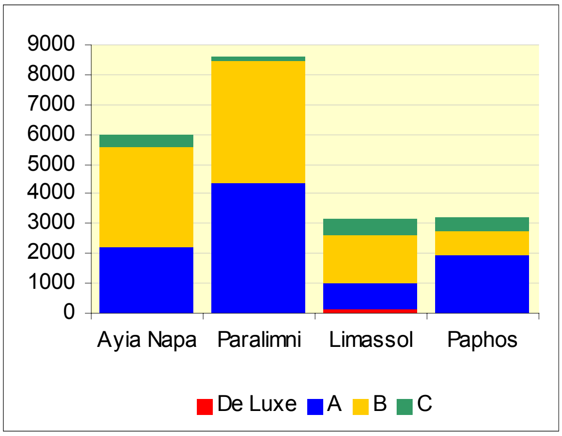
Fig 3.2: Hotel Beds x Grade



The hotel bed stock on offer in the region is almost equally divided between 4*/5* and 3* and lower. Less than 2,000 new beds are in the 5* category. The hotel stock in Paralimni is relatively higher grade than in Ayia Napa (with almost 2 out of every three beds being able 3*, almost 800 5* beds and 3,900 4* beds). In Ayia Napa less than one in two hotel beds is above 3* quality. In contrast 70% of the hotel stock is either 4* or 5*.

Hotel Apartments

Fig 3.3: Hotel Apartment Beds x Grade



Over 70% of the stock of hotel apartments are located in the region – 15,000 beds out of a total 21,000. The quality of the stock is almost equally divided between grade A and grade B and C combined, in favour of the latter, reflecting the age of the product in the region.

Tourist Villages

Table 303: Tourist Villages

	Units	Beds
Ayia Napa	115	2,134
Paralimni	105	694
Free Famagusta Area	220	2,828
Limassol	92	192
Pafos	110	3,130
Total	**428**	**6,150**

The region offers 2,900 beds in tourist villages, 40% of this category of accommodation. Pafos provides just under 3,900 beds and must represent serious competition for Ayia Napa and Paralimni in this category.

Table 304: Tourist Villas

	Units	Beds
Ayia Napa	1	132
Paralimni	1	66
Pafos	125	1,024
Total	127	1,222

The most recent form of guest accommodation has been in tourist villas. This product is currently almost exclusively located in Pafos – currently 125 units offering over 1,200 new beds, In contrast, the region has only one such development, located in Ayia Napa providing 132 beds.

At 31st March 2004, the Free Famagusta district had a total of 38,340 beds in tourist accommodation establishments. This represented 40% of the Cyprus total. The district had a higher share (63%) of total beds in hotel apartments and tourist apartments (46.5%) and a somewhat lower percentage (32%) of hotel beds.

In addition, there were a total of 537 beds in projects under construction at 30.06.2004, of which 161 beds were in extensions to existing properties and 376 beds in new properties). Notwithstanding the current moratorium on new development, some 224 additional beds were under construction in Protaras

Table 305: Units and Beds in Operation at 31.03.2004

Category	Ayia Napa		Paralimni		Total Beds		
	Units	Beds	Units	Beds	District	Cyprus	District as % of Cyprus
Hotels							
5*	3	1,258	2	788	2,046	9,443	21.7%
4*	10	3,537	12	3,848	7,385	20,839	35.4%
3*	23	4,666	12	2,483	7,149	17,283	41.4%
2*	6	647	1	145	792	4,305	18.4%
1*	1	45	1	34	79	1,110	7.1%
Sub-total	**43**	**10,153**	**28**	**7,298**	**17,451**	**52,980**	**32.9%**
Hotel Apartments							
De Luxe	-	-	-	-	-	114	-
A Class	11	2,266	29	4,375	6,641	9,775	67.9%
B Class	47	3,266	43	4,090	7,356	11,508	63.9%
C Class	7	406	3	154	560	1,826	30.7%
Sub-total	**65**	**5,938**	**75**	**8,619**	**14,557**	**23,223**	**62.7%**
Tourist Villages							
A Class	6	1,862	2	694	2,556	5,878	43.5%
B Class	-	-	-	-	-	56	-
Sub-total	6	**1,862**	**2**	**694**	**2,556**	**5,934**	**43.1%**
Total: Hotels, Apartments & Villages	**114**	**17,953**	**105**	**16,611**	**34,564**	**82,137**	**42.1%**
Other Categories							
Tourist Villas	-	-	-	-	-	1,024	-
Traditional Buildings	-	-	-	-	-	670	-
Tourist Apartments	95	3,344	12	386	3,730	8,030	46.5%
Furnished Apartments	1	22	1	4	26	280	9.3%
Unclassified Hotels	-	-	1	20	20	275	7.3%
Guest Houses	-	-	-	-	-	157	-
Camping sites	-	-	-	-	-	2,808	-
	96	3,366	14	410	3,776	13,244	28.5%
Grand Total: All Categories	**210**	**21,319**	**119**	**17,021**	**38,340**	**95,381**	**40.2%**

Source: CTO

Private Villas

Villa development is proceeding at a rapid pace. Some provide tourist accommodation although this strictly is not permitted, but new regulations will ensure that this is brought under government control as regards registration, licensing, taxation, standards, etc. However, it will be difficult to prevent more villas being built, as this is largely a matter for the individual landowners.

In the period January to August 2004, a total of 284 building permits were granted in the Ammochostos (Famagusta) district compared with 926 in Larnaka, 1,440 in Lemesos and 1,069 in Pafos.

There are an estimated 6,451-second homes in the district, of which the vast majority (6,000) are located in the Paralimni area, followed by Sotira (351) and Ayia Napa (100).

3.4.2 Catering

The district abounds in a large number and wide variety of restaurants and pubs. In and around Ayia Napa and Protaras, due to the tourist population, there are restaurants serving just about every type of cuisine imaginable not to mention all the major fast food outlets, plus an unimaginable assortment of cafes, bars, pubs and other drinking establishments. Along the coast there are many fish restaurants and tavernas, while in the villages of the *Kokkinochoria* there are a number of excellent local tavernas.

3.4.3 Clubs

Although perhaps no longer the partying capital of the world, Ayia Napa is still home to a large number of clubs many of which, each new season, are re-named, re-vamped and re-invented. Only a few remain open outside the main summer season.

3.4.4 Shopping

The district is not really known for its shopping. Due to the high number of tourists in the area, the majority of shops sell items such as souvenirs, beachwear, sunglasses, summer clothes, cigarettes, toiletries and telephone cards.

3.4.5 Tourist Information Services

CTO Tourist Information Offices are to be found in Ayia Napa and Protaras but appear (according to the notice on the door when there is one, to offer restricted winter hours, being closed every afternoon (except Thursday) and on Saturdays and Sundays and interestingly, on enquiring at the TIO at Larnaka Airport on what were the attractions of the Ayia Napa area, the consultant was advised to visit other parts of Cyprus as this area offered little of interest. This may be a reflection of the Consultant's age and perceived interests.

3.5 Visitor Activities

3.5.1 Water Sports

With its extensive coastline, numerous beaches and coves, relatively calm waters with steady winds in some areas, the district's shore and marine environment offers excellent opportunities for water-based tourism activities.

The major types of available water-based activities are:

- Beach recreation and swimming
- Scuba diving and snorkelling
- Boating (motor and sail boat)
- Wind surfing
- Water/jet skiing
- Sport or game fishing

Scuba Diving and Snorkelling

The clarity of the water along the coast is such that the abundant marine life can be fully appreciated when snorkelling or scuba diving. There are currently 13 dive sites along the coast of Ayia Napa, Cape Greco and Protaras that are suitable for all divers, plus another two, which require that divers are experienced. These range in depth from 7m to 40m.

Deep Sea Fishing

Regular deep-sea fishing trips depart from Ayia Napa harbour, providing a rewarding experience in peak season due to increased numbers of tuna in the sea. Other fish that can be caught - aside from tuna - include sea bream, grouper, amber jack, and sea perch. No licence is required provided that spear guns with or without an aqualung are not used.

There is a picturesque fishing harbour (with two fish restaurants) at Liopetri river (Potamus Liopetriu) and a fishing shelter at Xylophagou.

Angling

The Achna reservoir, 25km northeast of Larnaka, is the only one in the district and is stocked with 17 different types of fish. In order to fish here, a licence is required from the District Office of the Department of Fisheries and Marine Research, located in Paralimni. The dam is also a popular picnic site particularly with local residents.

Sea Cruises

There are several boat trips operating from Ayia Napa and Protaras, most of which offer the same itinerary including views of the ghost town of Famagusta, the Sea Caves of Cape Greco and Konnos Bay. A surface submarine offers the chance to see marine life underwater. A less welcome recent development has been the marketing of what are known as ‘orgy cruises’ offering a wild party atmosphere for clubbers.

Other Water Sports

A variety of other water sports are also available, including jet skis, parasailing, windsurfing, etc.

Marina (proposed)

At present, the district has no marina facilities for private yachts and other marine craft although it does have a number of harbours and shelters (see above) for fishing boats and other small craft. There is a proposal to develop a marina to the west of Ayia Napa at Ayia Thekla for the benefit of both local and foreign boat owners.

3.5.2 Land-based Activities

Walking, Cycling and Touring

The district has a number of well-defined walking trails, particularly in the Cape Greco area and along the coast (see section 3.2.2 above).

From November to March, the local CTO office in Ayia Napa provides two guided walks on Mondays and Fridays, including a ride in a renovated traditional bus.

Three scenic cycling trails in the Cape Greco area are available for cyclists. In addition, there are a number of longer routes devised by the Cypriot Cycling Federation (CCF).

In addition, a number of touring routes of 2-3 hours duration (including stops) for motorists or scooter users are listed in the *Discover* guidebook, highlighting *Sea Views*, *Churches*, and *Artwork and Creativity*, respectively.

Horse Riding

For riding enthusiasts there is a horse-riding club at Cape Greco that can provide a mount and kit for a few hours’ ride on marked trails around the area. Galloping or riding along the beaches is not permitted. There are another riding stables near Dhekelia.

Tennis and Other Racquet Sports

Many hotels offer facilities for tennis and other racquet sports.

Clay Pigeon Shooting

Visitors are welcome at the Famagusta District Shooting Club, located on the outskirts of Paralimni. Shooting of live birds is understood to be prohibited throughout Cyprus.

Adventure Sports

Ayia Napa offers the opportunity to partake in a number of sporting activities that are not available anywhere else on the island, including:

- Bungee Jumping (situated on Nissi Beach)
- Skycoaster (a swing ride for up to three people at speeds of up to 70 miles per hour)
- Simulated Parachuting (the same that is used in special forces training)
- Paintball Shooting (adjacent to the parachuting simulator)

Waterworld Waterpark

One of the first water parks in Cyprus offering a wide range of slides and other activities for children and adults. Located at Ayia Thekla.

Ocean Aquarium

This aquarium is divided into three sections – the fish, the outdoor area (with crocodiles) and the penguin house. Located in Protaras.

Golf

Currently, the district has no functioning golf course (apart from a rather inferior one within the Sovereign Base Area that is not open to the public). However, a site for a full 18-hole course has been identified a short distance to the north of Ayia Napa but a feasibility study has yet to be undertaken. Part of the site appears to be on Forest Land.

3.5.3 Heritage and Cultural Attractions

Architectural Attractions

While Cyprus as a whole has a rich architectural heritage, including Greek temples, Roman amphitheatres, Byzantine churches, Lusignan/Venetian buildings, Ottoman mosques, the vernacular architecture of the people and a variety of styles dating from the colonial period, the Free Famagusta district offers comparatively little of architectural interest apart for the village churches. Because of the rapid and intensive development that took place in the aftermath of the Turkish invasion, much of the village architecture is modern in appearance. Moreover, in Ayia Napa and to a lesser extent Protaras, the aesthetic environment leaves a lot to be desired and can best be described as ‘tacky’.

Cultural Attractions

There are many aspects of the district's culture, which, if adequately promoted, can be interesting attractions for visitors. These include

- Traditional life styles, customs, ceremonies, festivals, dress, dance, music, crafts, economic activities and architectural styles).
- Handicrafts: while there are several shops in Ayia Napa and Protaras - but very few if any in the villages - specialising in crafts, both the design and marketing of locally produced crafts could be further developed with items offering more appeal to tourists; and
- Traditional Greek Cypriot cuisine.

Some aspects of this cultural heritage are on display in the Ethnographic Museum of Avgorou and the Folk Art Museum in Dherynia. In addition, the Cultural Services division of the Municipality of Ayia Napa, in co-operation with CTO, have organised a cultural programme under the title Cultural Winter that will cover the period between November 2004 and March 2005 with the aim of demonstrating the customs and traditions the cultural heritage of the area, while the *Farm House* in the Monastery Square provides an insight into the lifestyle of the typical peasant farmer.

3.5.4 Other Reasons to Visit

Other types of attractions that are important for attracting both international and domestic tourists include

Sports Training

Ayia Napa is also the location for sports tourism, where several facilities have been built in recent years to attract Scandinavian soccer teams during the summer.

Ayia Napa is one of the few tourist destinations in Cyprus offering facilities for the training of football teams, mainly from northern Europe, during the mild winter months from November through to March who are able to utilise the sixteen fully equipped playing fields with changing rooms and other modern facilities. All sports grounds in Ayia Napa are the property of Ayia Napa Municipality. Currently, these facilities appear to suffer from under-utilisation.

Weddings and Honeymoons

Ayia Napa Municipality has a special department for arranging and carrying out weddings. Civil ceremonies take place in either the Ayia Napa Town Hall, at the gardens (Amphitheatre) of the Ayia Napa Town Hall or at a specifically designated hotel room for the civil ceremony, with the short service conducted by the mayor or one of the municipal members.

Civil wedding ceremonies may also be arranged through the municipalities of Paralimni and Dherynia.

Meeting and Conference Facilities

Apart from a number of relatively small meeting rooms at some of the larger hotels, the district lacks facilities for larger meetings and conferences.

3.6 Tourism Organisation

3.6.1 Tourism Organisation

Having in place appropriate and functioning organisational structures for tourism is essential for the effective development and management of the sector. At present, this function is mainly entrusted to the Cyprus Tourism Organisation (COT) which has local tourist information offices in Ayia Napa and Protaras. However, because tourism is by its nature a multi-sectoral activity cutting across many different bodies, co-ordination among the various government agencies involved, and between the public and private sectors, is a critical component of organisation and management.

The main Private Sector Organisations are

- Cyprus Hotel Association (CHA), which is the largest national trade association in the tourism sector representing the hotel and lodging industry. CHA has a number of District Committees; and
- Association of Cyprus Tourist Enterprises (ACTE) which composed mainly of up-market 5*, 4* and 3* hotel establishments, deluxe or A class hotel apartments, and deluxe or A class tourist villages) and other high standard tourism-related enterprises, organisations or associations.

3.6.2 Tourism Co-ordination Council

The Famagusta Chamber of Commerce and Industry currently acts as the effective co-ordinator for tourism interests in the area.

3.6.3 Tourism Training

Apart from the in-house training provided by hotels and other establishments, the district has no facilities for tourism training. An increasing number and proportion of hotel workers are recruited from abroad (particularly from central and Eastern Europe) often coming in at entry level where wage rates are lower. This can have a deleterious impact on standards of service and the objective of developing a more up-market type of tourism product.

4. TOURISM ISSUES – AN ASSESSMENT

4.1 Contextual Issues Impacting Industry in Cyprus

The contextual environment within which the development of a tourism strategy for the Free Famagusta Area is taking place is governed by four important factors:

- CTO's Tourism Development Strategy & Implementation Plan 2003-2010;
- The current performance of business within the tourism sector;
- EU Accession;
- Post Annan Plan consequences;
- Costs and competitiveness;
- The environment; and
- The regulatory environment.

4.1.1 Tourism Development Strategy for Cyprus to 2010

The terms of reference for this assignment clearly state that the regional or area strategy *"must be in line with the philosophy and should not deviate from the orientation of the Tourism Strategic Plan for Cyprus … must complement and service the re-positioning and strategic targets for Cyprus."* The strategy for the area is one of a number of regional strategies that are intended to complement CTO's Tourism Development Strategy and Implementation Plan for the period up to 2010. The national tourism strategy, which is designed to maximise the socio-economic benefits of tourism in a highly competitive environment, sets out a clear vision for tourism to Cyprus:

"a quality tourist destination offering a range of satisfying activities and opportunities to discover exciting new experiences to the visitors while securing a steady rate of improvement in the quality of life for the local population."

The strategic plan sets out quantified targets to be achieved through product diversification and improvement so as to re-position the destination to appeal to a wider market and attract higher spending tourists for a range of leisure activities.

The CTO's Tourism Development Strategy and Implementation Plan 2003-2010 (November 2003) recognises that *"the tourist product of Cyprus is encumbered by accumulated problems and weaknesses such as the single dimension of its growth and standardisation, the multiple stresses on the environment as well as on cultural identity, incidents of deviant behaviour, high operational costs, seasonality, dependence on certain tour operators, poor infrastructure and facilities – and other issues." The Vision for the future sees Cyprus as a "quality tourist destination offering a vast range of satisfying activities and opportunities to discover exciting new experiences to the visitor while securing a steady rate of improvement in the quality of life for the local population."*

The key numerical target of the strategic plan is to maximise the income from tourism in real terms through a balanced growth of the two constituent parameters – arrivals and spending. A figure of 3.5 million tourist arrivals by 2010 is considered as the maximum in order not to undermine the sustainability of the destination. Other targets include: raising the average length of stay to 11.6 days; tackling seasonality by lowering arrivals in the July-September peak season from 40% to 33% of total; and increasing the rate of repeat visitation (which is said to be falling because frequent visitors are running out of things to do and places to see).

Enhancing the competitiveness of Cyprus is regarded as a key prerequisite for the achievement of these goals.

The various market segments being targeted by CTO include:

- Sun and Sea Plus
- Culture
- Conference and Incentive Tourism
- Nature
- Walking/Hiking
- Sports Tourism (especially during the winter months)
- Cycling
- Marine Sports and Yachting
- Large Scale Events
- Weddings and Honeymoons
- Sea Cruises

With the exception of Sea Cruises (deep sea) and, to a certain extent, Conference and Incentive Tourism, each of the target market segments can be promoted in respect of the Free Famagusta district.

4.1.2 Current Tourism and Business Performance

While a large part of the explanation for the decline in visitor arrivals to Cyprus since 2001 has been attributed to external factors, especially the unsettled geopolitical situation following the events of September 11, the war in Iraq and recent repeated acts of terrorism (which may have impacted disproportionately on Cyprus because of its perceived proximity to world trouble spots), there are more fundamental causes underlying Cyprus' loss of market share and the declining profitability of businesses in the tourism sector. There would appear to be a growing dissatisfaction with the existing tourist product and the rather limited range of attractions and excursion possibilities, combined with the perception that Cyprus no longer offers good value for money compared with an ever-expanding list of competitors.

The traditional resorts of Cyprus are clearly facing a number of challenges in a changed market environment. The industry is already suffering from the wrong mix of business, high costs and decreasing yields, resulting in less than adequate profitability to allow for upgrading and reinvestment in new plant.

The industry appears to be constrained by a rigid labour environment and a regulatory regime in respect of tourism enterprises that may be hindering innovation. The industry is of the view that incentives are needed for upgrading together with a more pro-active approach to product innovation. Furthermore, progress on the implementation of CTO's strategy is perceived as being slow.

Market diversification and a lessening of the high dependency on mass-market tour operators are viewed as urgent priorities. New market segments being targeted include yachting, health and wellness, culture and special interest tourism. Furthermore, in order for the destination to effectively re-position itself, there is a need to improve the infrastructure (e.g. pavements, lighting, signage, welcome and street cleaning) and to address the issue of adequate management and skills training.

4.1.3 EU Accession

Cyprus's entry in the European Union is bringing about significant change in the country's economy. The opportunities offered through membership of the EU are impacting all areas of the economic and social life on the island due to access to a wider market for capital, goods, services and labour.

The principal impacts of EU membership from a tourism perspective will over time include:

- *Liberalisation of intra-EU air services* - opening up the market to competition. The immediate impact of liberalisation of air services has been most apparent in increased competition on higher density routes to Athens and London resulting in lower fares.
- *Loss of Duty Free Sales* – has been a significant financial blow to the airports and to the airlines and a disincentive to some segments of the market;
- *Abolition of EU Import Duties and Increase in Local Excise Duties - is* having an inflationary impact on prices;
- *Free Market for Labour* – allowing the inflow of labour from low wage member states countries;
- *Free Market for Investment* - theoretically boosting inward FDI in tourism, however, high input costs and exchange rate may militate against this;
- *EU Directives* – a range of measures including the opening of trades and professions to non-locals; health & safety; working hours; environmental protection; competition law; professional codes etc; and
- *Destination Awareness* - Membership of the EU could be expected to give a limited boost to tourism simply by the publicity and better knowledge of Cyprus that will be gleaned by the rest of the EU population.

EU membership also provides access to the European Regional Development Fund (ERDF) and the European Social Fund (ESF) funding under the Objective 2 programme, will help upgrade infrastructure and the skills base respectively, with the potential to benefit businesses through funding of specific programmes aimed at enhancing competitiveness.

However, not all the impacts will, at least in the short term, be positive from a tourism industry perspective and may expose some protectionist practices and/or adversely affect the perceived price competitiveness of the product.

4.1.4 Tourism after the Annan Plan

The immediate reaction of the market included negative media publicity for the Greek Cypriot community coupled with an increasing concern in the minds of consumers as to the stability of the situation in Cyprus following the outcome of the Referendum. However there is little evidence that this has impacted on Cyprus tourism.

Whatever the short-term market reaction to EU entry, the impact of the rejection of the settlement proposals on the political, economic and community relations within the island, together with the reaction of the international community to the outcome will all combine to shape a different environment within which tourism will operate. It is conceivable that the tourism industry will face an even more challenging future. It would appear that the some form of international 'recognition' will be accorded to the Northern territory. The EU has already opened the market for certain exports and committed financial support for the economic development of the Turkish occupied area. In addition, there is an expectation that the embargo on direct air services from countries other that Turkey may be lifted, thereby permitting direct market access for tourism and increasing the competitive pressures on resorts in the Republic. However, at the time of writing (November 2004), EU commitment to assist the Turkish Cypriots have not yet materialised, especially as regards the lifting of trade and air access restrictions and the delivery of economic aid.

Should there be renewed progress towards re-unification, the CTO intention to reposition Cyprus on the tourist map by promoting the main advantage it has over its competitors (namely the great diversity of the multi-faceted experience it offers in a relatively small geographic area) can only be enhanced through the opening up of the whole island to tourists, irrespective of where they are staying. This would be particularly important for increasing the incidence of repeat visitation. There is some evidence that this is already happening with the easing of border crossing formalities and the development by major EU tour operators of tours to destinations in Northern Cyprus.

In the event of a political settlement, renewed moves towards re-unification, the Famagusta area has the potential to become the focus of the island's tourism in the event of the return of Varosha. Such a development would provide the most exciting opportunity for the area to create a 21st century holiday resort and to establish itself as the island's primary resort destination.

4.1.5 Costs and Competitiveness

Taxation

The 3% hotel tax, which was removed originally at Gulf War 1 and later at Gulf War 2, is now going to be subsumed into VAT on accommodation and restaurant charges which will rise from 5% to 8%. This will further increase hotel operating costs and, contribute to further erosion of the island's competitive position. VAT on alcoholic drinks will remain at 15%.

Municipalities charge 40-50 cents per night bed tax but, like most other municipalities, Ayia Napa does not charge this in winter as an incentive.

Labour Costs

Trade Unions play a significant role in the economy of Cyprus. Their influence on wage rates and working conditions in the tourism industry is considerable and probably greater than in many other EU countries. Hoteliers point out that this had led to uncompetitive high wage rates and restrictive practices that are making Cyprus tourism uncompetitive in price. As a result, many businesses have welcomed the opportunity that EU membership affords to recruit EU labour at more competitive wage rates. On the other hand, the trade unions believe firmly in a unified labour and social system for the island and the need to have a 'level playing field' for all workers. A major concern is that an inflow of 'cheap' labour from other parts of the EU could damage the service quality and overall level of visitor satisfaction.

4.1.6 The Environment

The NATURA 2000 scheme includes the following two areas in the Famagusta Region (see attached maps):

1. The National Park of Cape Greco
2. The marine area of the Nissia area

These areas are protected from development and the Government will prepare management schemes for each area. Such schemes will be prepared for all the Natura Sites in Cyprus.

The other environmental features that need protection are:

- The river of Liopetri
- The Forest of Ayia Napa
- The Forests of Fanos and Ayioi Saranta and Panayia in Paralimni
- The Paralimni Lake
- The Ahna Dam

The above areas are protected by the Development Plans because most of them belong to the Department of Forests which has a very strict environmental agenda.

The National Park of Cape Greco is a big asset for the area. The Department of Forests has already started implementing a network of natural trails and pedestrian routes that link the park with the other forests in the area and the coast of the area. A more detailed management scheme is needed for the whole area.

Physical Planning

There is widespread agreement that physical planning regulations need to be more rigorously enforced in order to safeguard the environment from unsightly or otherwise inappropriate developments that could have an adverse impact on the quality of the tourism product.

The physical planning system in Cyprus is highly centralised. The promotion and control of development in all areas in Cyprus, including urban centres and rural areas, is pursued through the implementation of published Development Plans. The Minister of the Interior is designated by law as the competent Planning Authority for the preparation of Local Plans, and Area Schemes. Subsequently, the Minister has delegated some of his powers to the Planning Board. So far, Local Plans have been approved for Lefkosia, Larnaka, Lemesos, Pafos, Polis Chrysochous, Dherynia and Athienou. In addition, a more detailed Area Scheme has been developed for the Central Lemesos area. The Department of Town Planning and Housing provides technical assistance and expertise especially for smaller communities. There is said to be a strong political influence on some planning decisions.

The *Statement of Policy for the Countryside* is a legally binding document in the form of an adapted regional plan for the control of development and the protection of the environment in villages and rural areas. It covers the entire territory of the State, excluding the areas where Local Plans or Area Schemes exist, the British Sovereign Bases and the occupied part of Cyprus.

There is need to ensure that planning regulations are standardised lest one area allows types of development that are not compatible with the attainment of this objective.

Building Controls

New regulations will control road signage and lay down new building height and plot ratio restrictions on new tourism development.

Villa Development

All over Cyprus, villa development is proceeding at a rapid pace. Some provide tourist accommodation but new regulations are needed to ensure that this is brought under government control as regards registration, licensing, taxation, standards, etc. However, it may be difficult to prevent more villas being built, as this is largely a matter for the individual landowners.

The Immovable Property Acquisition (Alien) Law of 2003 liberalises acquisition of real estate by EU natural and legal persons, other than in secondary residences for which a transitional period of five years was granted, during which approval of the Council of Ministers is necessary. This law will come into effect upon accession. It has some implications for purchasers of villas and other secondary residences.

Proper planning regulations, including zonal land use plans, building specifications and amenity development, will be necessary to ensure orderly and appropriate development of villas or holiday homes. More stringent conditions and specifications may be required to ensure sustainable developments. Developers should be required to meet strict conditions in regard to location, density, scale, quality, landscaping, and amenity or other recreational facilities.

Blue Flag beaches

The CTO has taken the initiative to introduce the Blue Flag campaign to Cyprus, which has improved the perception and quality of the island’s beaches.

4.1.7 Regulation of Tourism Enterprises

The business of tourism is extensively regulated by the CTO and covers most aspects of tourism in the district. Regulations principally govern the licensing and operations of hotels and other accommodation; restaurants; and travel agents. The purpose of regulation is to ensure that minimum standards of provision are met so that consumers have a satisfying holiday experience. Allied to minimum standards is the issue of classification and grading of accommodation. This is something that must be up to date and meet international standards and expectations. CTO outlines in its Development Strategy the need to review the institutional framework for classification, quality criteria and new types (e.g. luxury boutique hotels) of accommodation that do not fit easily into existing classification categories. A study is nearing completion and negotiations with hotelkeepers are ongoing.

There are some restrictions in the existing planning regulations that prohibit or render difficult changes of use from hotel to residential apartments (because of parking and other considerations), which could hinder the desired removal of certain types of property from the tourist accommodation inventory.

4.2 Issues Specific to the Free Famagusta District

4.2.1 Tourist Appeals and Motivations – Competing or Complementary?

As part of this study, TTC conducted a survey of a sample of tour operators and tour organisers in the following source markets: United Kingdom (10), the Netherlands (9); Germany (4) and Scandinavia (3). The survey was carried out by telephone and was based on a set of 14 questions designed to solicit information on and assess the following:

- Prospects for travel to Ayia Napa and Protaras
- Rating of appeal and competitiveness of Ayia Napa and Protaras as holiday destinations.
- Identification and rating of factors impacting on the performance of Ayia Napa and Protaras.
- Identification of prospects for market expansion and supports required.
- Identification of perception/marketing problems and means to address/rectify these.

All of those surveyed sell Cyprus, with the bulk of the business sold by the respondents going to Pafos (22), Protaras (21), Lemesos (20), Ayia Napa (19) and Larnaka (19). The primary reasons offered by those tour operators who do not offer Ayia Napa are that it is too limited as a winter destination and that it does not suit their clientele. For Protaras the dominant reason is that operators did not consider Protaras to be high-scale enough to meet the needs of their clientele.

Based on the responses to the tour operator survey and the review of travel guides, Ayia Napa's key strengths as a resort are its beaches (cited as the key attraction by 19 out of 26 tour operators), its nightlife and the quality of its accommodation. For Protaras, the beaches are also main tourist draw. Tour operators also stated that Protaras is successful in attracting holidaymakers because of its broad family appeal and because it is comparatively peaceful and quiet.

As already mentioned, there are great similarities between the tourism offerings and characteristics in the Free Famagusta district and in the rest of Cyprus (which is understandable in such a small geographic area), although the rest of Cyprus may currently have the edge in terms of range of products, things to do and see, air and sea access, and landscape variety, while the district has the edge in terms of quality of beaches and (for some only) the nightlife. In addition, Ayia Napa is perhaps the best-known single tourist destination in Cyprus, with a distinct brand image (not always for the best reasons) that the island as a whole currently lacks.

From a marketing perspective, the downside of this broad similarity is that, if adjacent geographic areas are similar in scenery, heritage, customs, culture and cuisine, then from a visitor's perspective they may remain undifferentiated.

Table 401: Ayia Napa & Protaras as rated by Tour Operators

Resort	Top 'Attractors'	Top Negatives
Ayia Napa	▪ Beaches ▪ 'Party atmosphere'/nightlife ▪ Range of accommodation	▪ Poor image/reputation ▪ Dominance of young people (peak season) ▪ Infrastructure deficit/poor planning
Protaras	▪ Beaches ▪ Peaceful/family appeal ▪ Quality of accommodation	▪ Expense/value for money ▪ Poor planning/infrastructure ▪ Limited range of evening 'things to do'

The principal consensus recommendations by tour operators of how best to maximise the opportunities, by building on existing strengths and addressing weaknesses included:

"Improve planning and infrastructure"

"Improve image of resort (Ayia Napa)"

"Improve marketing"

"Improve service quality, cost structure and value for money"

Improve range of facilities, amenities, excursions, 'things to do'"

Other suggestions included:

-develop facilities, attractions to extend the season, including golf

-develop more 'high end' accommodation

-protect against over-development and becoming too touristy (Protaras)

-encourage more year-round tourism through property ownership

To further illustrate these broad conclusions, a selection of favourable and unfavourable comments on the tourist appeal of the district taken from travel guides is presented in Table 402.

Table 402: Selection of Comments from Travel Guides

Area	Favourable	Unfavourable
Ayia Napa	Known only for one thing – clubbing [*Time Out*] Established reputation as the Mediterranean's second hottest destination after Ibiza [*Rough Guide*] Hot 'n' spicy summer-only resort that exists purely and simply to provide fired-up youths with beaches, bars, night clubs and shops [*AA Spiral Guide*] Lovely place to come to out of season, but horribly crowded in summer [*Berlitz Cyprus*]	The downside of this is testosterone-fuelled brawls among holidaying lager louts [*Rough Guide*] The island's largest and tackiest collection of bars and night-spots [*Berlitz Cyprus*] Unbridled development …….an example of what to avoid [*Globetrotter*] As in the nature of this type of 'fame', Ayia Napa's moment in the sun likely won't last for ever [*AA Explorer*] Between November and the beginning of May, it becomes a virtual ghost town [*Time Out*]
Protaras	One of the loveliest parts of Cyprus with glorious beaches [*Time Out*] More family-orientated than the boisterous resort of Ayia Napa [*Time Out*] Popular with families and small children, whose primary assets are sand, sunshine and a sea that is pleasantly warm in summer [*AA Explorer*]	A development disaster of some 30 wall-to-wall hotels and self-catering facilities packed out from mid-May onwards with relatively well-behaved Scandinavian (and a few British) families [*Rough Guide*] Most restaurants and bars offer unimaginative meals served by uninspired non-Cypriot waiting staff [*Lonely Planet*]
The Kokkinochoria	Ayia Napa is a convenient base for a number of pleasant half-day or one-day trips around the east of Cyprus [*Lonely Planet*] Prising yourself away from the golden beaches, reveals a different world of wind-powered wells, rich red soil, quaint little churches and a few stony trails waiting to be explored [*Cyprus Car Tours & Walks*]	It is not to see Byzantine churches that people go to Ayia Napa [*AA Explorer*] While the main villages offer little to the tourist per se other than a glimpse of rural Cyprus or the occasional excellent taverna, they are great to go around on a scooter [*Lonely Planet*]

There follows a more in-depth examination of some of the main issues that are impacting on the tourism sector in the Free Famagusta district.

4.2.2 Lack of a Brand Image

The district lacks a single name or differentiated brand image which can be used for marketing purposes. In some respects, this reflects a deliberate decision on the part of CTO to promote a create a clear and distinct image for Cyprus as a whole focusing on its uniqueness as a destination offering *great diversity in a small geographical space* rather than on the promotion of regionally-differentiated brands. The thinking seems to be that, unlike larger destinations such as Spain and Italy, the island is not big enough to follow the regional route. This is not to say that CTO is against the concept of regional marketing and indeed already has a well-defined regional tourism strategy which envisages the creation of local co-ordinating councils, strategic studies supported by CTO and the preparation of agreed marketing plans. Currently, regional marketing efforts are co-financed by CTO but mechanisms to do so are not robust or in place yet. On the other hand, CTO appear to be keen that regional marketing and promotion is consistent with, and supplemental to, the overall brand image.

At present, Ayia Napa is probably the best-known tourist destination in Cyprus – not always for the best of reasons – and may be better known in some markets than Cyprus as a whole. Some would argue that there is nothing wrong with this, and that, if the Ayia Napa brand is strong, why change it. Others, more interested in promoting a different, more up-market image for the Free Famagusta district, argue in favour of creating a new brand image. This presupposes agreement on what that image should be and how it should be conveyed to the market resort.

At present, the district as a whole lacks a recognisable brand name – as the Chamber's own tourist guide itself implicitly acknowledges in so far as its title refers not to a single name for the district but to *Ayia Napa, Paralimni, Protaras & the district.* There appears to be broad agreement that the *Free Famagusta district* or *Southeast Cyprus* or even the *Kokkinochoria* are far from catchy marketing names. What is needed is something that more accurately conveys to the target markets the main attractions of the district – something along the lines, perhaps, of the *Gold* or *Golden Coast* or an exotic historic name such as C*yprus' Levantine Coast.*

4.2.3 Marketing of the Area

The marketing of the area in recent years has been directed by a Joint Committee comprised of the Hotel Association, the municipalities of Ayia Napa and Paralimni, with support from and integration with CTO's marketing programmes. The overall marketing budget is modest at approximately 50,000. However, there is significantly supplemented by the marketing investment of individual properties and the municipalities.

The marketing mix includes the traditional elements of:

-attendance at exhibitions and trade shows (up to 25 p.a.)

-participation in CTO Road Shows in markets

-education trips for travel trade

-press visits to the area.

Specific promotions for the area in 2004 have included joint events for the travel trade, co-funded with and organised by CTO.

Collateral promotional materials – brochures, DVDs, videos etc – are produced by each of the two municipalities.

The Hotel Association are in the process of redeveloping a website promoting the area and its accommodation bank. The site is well linked to CTO and municipality sites, together with providing reservation links to member properties with an online booking facility. An important component of the site redevelopment will be the provision of a new booking engine providing access to all member hotels in the area – this facility may be expanded to include non-member properties and other service providers.

Assuming consensus can be reached on what should be the district's brand image and how it should be promoted, a major challenge will be ensuring sufficient funds for tourism marketing and promotion and an effective implementation arrangement. The recent formation of the Joint Committee/Co-ordinating Council there may be an opportunity to draw up and implement agreed regional marketing initiatives in conjunction with CTO. This would mean disparate interest groups coming together to work for the good of the district which experience in other countries has shown to be difficult to achieve especially when it comes to the making of financial contributions. One possibility is that part of the tax receipts raised from the district's tourism industry could be allocated by CTO for mutually agreed regional marketing activities, with additional contributions from the municipal bednight tax revenues and from the industry.

4.2.4 Visitor Satisfaction/Value for Money

Tour operators were almost equally divided in their rating of Ayia Napa's overall destination appeal, between 'good' and 'fair'. Ayia Napa rated higher in terms of the quality of the overall tourist experience, the quality of guest accommodation, its nightlife and service quality, but half of the respondents (particularly the German and Scandinavian respondents) rated it as only 'fair' or 'poor' in relation to value for money. Protaras also rated highly in terms of the quality of the overall tourist experience but, again, half of the respondents did not rate the resort highly in terms of overall value for money.

Despite the mixed reviews on the relative strengths and weaknesses of the destinations appeals and tourism infrastructure, it would appear that tour operators are largely satisfied that the quality and value for money delivered to their clients is between 'fair' and 'good'. Undoubtedly, this rating refers to the current client profile of visitors coming from tour operators. It would appear that tour operators rate the experience provided in Ayia Napa to the young partying segment as 'good' to 'excellent' based on the nightlife and value for money.

Table 403: Tour Operator Rating of Experience

	Ayia Napa Score	**Protaras** Score
Value for money	3.25	3.4
Service quality	3.75	3.9
Overall quality of tourist experience	3.6	3.9

Source: Tour Operators Survey
Key 5 = excellent; 4 = good; 3 = fair; 2 = poor; 1 = very poor

In relation to opportunities for Ayia Napa, respondents repeatedly referred to the need to improve overall planning and infrastructure development standards. A large number also highlighted the need for the resort to improve its image and also to provide better value for money. Likewise, when asked for suggestions on ways in which Protaras could be improved as a tourist resort, the key complaints were that it is relatively expensive and that more attention needs to be paid to better development and infrastructure planning.

4.2.5 Tour Operator Dominance

More than in any other part of Cyprus, the tourism industry in the Free Famagusta district is dominated by foreign tour operators who supply possibly as much as 90% of the total clientele, especially during the peak summer season.

Unplanned over-expansion of the accommodation sector and the recent weakening of demand, resulting in over-supply of accommodation compared to the demand, has led to a downward pressure for lower contract rates from foreign tour operators; little or no surplus for re-investment in improvement, and a deterioration in some parts of the accommodation product. This is said to be exacerbated by the lack of affordable finance for upgrading accommodation and other facilities, increased taxation and the increased price of local supplies.

Efforts to extend the season (see below) are constrained by the fact that there are few tour operator charter flights to Larnaka outside the summer months.

4.2.6 Accommodation Quality

The district contains a higher proportion of lower quality tourist accommodation than Cyprus as a whole, with a total of 7,900 beds in B or C Class hotel apartments and a further 3,700 beds in unclassified tourist apartments. There is broad agreement that a high proportion of these units are no longer suited to the needs of today’s more discerning customer and, indeed, are positively harmful to the attempts that are being made to promote Cyprus as a more upmarket tourist destination. According to CTO, some 10,000 tourism apartments in Cyprus need to be withdrawn from the market and, of these, 4,000 to 5,000 are in the Free Famagusta district.

CTO has already commissioned consultants to recommend on how best to achieve this necessary ‘cull’ of sub-standard accommodation. Options include replacement, renewal or change of use, but there are real difficulties about change of use as planning requirements for residential use are often more stringent than for tourism (e.g. the parking for tourist use is one space per two apartments and for residential one for one). Incentives to be offered will centre on planning gain and concessions, but the current spending freeze may limit the availability of Government funding.

CTO has commissioned another study to examine the incorporation of improved quality standards into hotel and restaurant grading.

4.2.7 All-Inclusives

There is a growing move by hoteliers within the district towards the conversion of existing properties, or the construction of new resorts, to conform to the all- inclusive model. For example, it is understood that approximately 35% of the beds in the Tsokkos Group of Hotels are now offered as part of an all-inclusive package vacations where virtually everything (from airport transfers, baggage handling, government taxes, room, all meals, snacks, drinks and cigarettes, to the use of all facilities, equipment and certified instructors, nightly entertainment, etc.) is included in a pre-paid price. This proportion is expected to grow, partly because the market likes it and partly because hotels like it.

The attraction of the all-inclusive concept lies in its value-for-money appeal to consumers and the simplification of procedures and control that it offers management. Travel agents also like to sell all-inclusives as they earn commissions on the whole package. There is nothing wrong with the concept of the all-inclusive per se as it merely adds another type of vacation and adds diversity to a destination and possibly opens up new markets. The main criticisms of the all-inclusive concept have been directed at the “enclave” type of tourism it engenders (more suited to the Caribbean where the concept is most highly developed largely because of security concerns); the lower potential for spending and linkages outside the hotel; and the oftentimes poor quality of food (all-day buffets) that is available. Some CTO officials feel that, if widely adopted – especially by 4* and 5* hotels – the all-inclusive product could further cheapen the image of the district as the quality of the product, especially food and service standards, would inevitably deteriorate.

However, this type of product would not be suitable for all properties, as a minimum size of around 150 rooms appears to be best suited for such an operation.

4.2.8 Seasonality

Cyprus is currently being promoted by CTO as *the island for all seasons*. However, the Free Famagusta district (which does not feature prominently in this campaign) has the shortest season on the island – with many of the facilities closing for between three and five months of the year. The survey of tour operators revealed that Ayia Napa is sold as a year round destination by just over half of those tour operators (10) which sell the resort. The rest (9) sell it solely as a summer location. Protaras is sold almost exclusively as a summer only destination and was described by some respondents as “effectively closed in winter”. Ayia Napa was considered to be “too limited” to serve as a winter destination. A number of the tour operators suggested that the two resorts take steps to extend the length of the holiday season by developing facilities such as golf courses which are not entirely weather dependent.

However, a single golf course (however good) is unlikely to be a *primary* reason for visiting the district out of season, but it could be an important *secondary* reason or add-on to the overall holiday experience and a significant drawing force for long stay visitors. More serious golfers would want to play a number of courses during their visit and the existing courses at Pafos may be a little too far away. Also, to be financially viable, any investment in a golf facility would need to incorporate a real estate development opportunity. A stand-alone municipal course is unlikely to be successful, even assuming the development finance were available.

Efforts to extend the season will depend on (a) development of more things to do in the winter months and (b) improvements in air access during that period.

4.2.9 Lack of things to do in winter

Notwithstanding efforts by Ayia Napa Municipality to promote such activities as cultural tourism and sports training during the winter months, both the consulted guide books and the surveyed tour operators are practically unanimous in their conclusion that there is little or nothing to attract visitors to the district during the 'off-season'. Yet, as the Consultants themselves experienced during their visits to Cyprus in early March and late October, this can be a delightful time to visit the district, when the resorts are less crowded and the weather is usually benign (especially for persons accustomed to the harsh northern winters). Even sea bathing (not necessarily accompanied by resting on the beaches) is pleasant in all but the coldest months. The main deterrent is the lack of things to do. Most tourist facilities are closed and there is no nearby golf course.

4.2.10 Marina facilities

Marine sports and yachting are now being targeted as a product by CTO. Bareboat and skippered charter are available from Cyprus but are still relatively small scale. Larnaka Marina caters for 450 boats but it advises booking a berth a year in advance! Smaller marinas and/or fishing harbours are located at Lemesos and Ayia Napa, while plans exist for another marina at Pafos. The future management of the marinas seems to have caused some controversy.

4.2.11 Aesthetic and Built Environment

The word most frequently used by outside observers to categorise the aesthetic and built environment in Ayia Napa and, to a lesser extent, Protaras is 'tacky'. When asked for suggestions on ways in which Ayia Napa and Protaras could be improved as tourist resorts, the tour operator respondents repeatedly referred to the need to improve overall planning and infrastructure development standards.

There is a high degree of awareness among stakeholders within the district of the need for a policy of transition from the current over-supply of bars and restaurants to an environment that will attract higher spending tourists, interested in longer stays and a more diverse range of activities. A number of steps have already been taken in this direction. For example, it is understood that the FCCI has already focused attention on the aesthetic development of the environment and is working closely with local agencies, including local municipality and PASIXE, to ensure that there is adequate co-ordination in the provision of tourist facilities and services, and that Ayia Napa Municipality has commissioned a study (now underway) for the improvement in the built environment, including signs/buildings/colours. In addition, the Ayia Napa Plan has a pilot scheme for removing inappropriate pub frontages and club decorations (some of which struck the Consultants as totally bizarre).

4.2.12 Second Homes

As evidenced in the extensive development of second homes and holiday villas along the coast (especially in that part located in the Sotira district), there is every likelihood that, just as in other parts of Cyprus – South and North - the Free Famagusta district will suffer from the spread of this type of development without the benefit of proper planning, open space provision, building controls. The present situation where responsibility for planning approval is divided between central and municipal authorities, and for building permission between municipal authorities and local councils, has been described as 'total anarchy'. This cannot fail to blight the coastline and other chosen areas, just as the failure to impose planning and building controls in Ayia Napa and Protaras has resulted in what one guide book has described as " the largest and tackiest collection of bars and restaurants on the island".

There is the added question of whether or not these second homes will be able - officially or unofficially - to provide accommodation for visitors, and how this will be regulated.

4.2.13 Travel Facilitation

Travel facilitation refers to immigration and customs requirements and services at the points of entry and departure to and from Cyprus. At present, the great majority of visitors to the Free Famagusta district enter and leave Cyprus via Larnaka airport which, in a recent poll of *Daily Telegraph* readers, was voted to be the '*world's worst airport'.* While polls of this nature should not be taken too seriously (given the size and nature of the sample), the results do point to some major concerns regarding the level of customer service provided at this airport. Areas of concern include the small number of baggage carousels, the lack of immigration desks, the high cost of taxi transfers and absence of bus services completely.

Within the district, to CTO tourist information offices seem to have very restricted opening hours, particularly outside the peak season.

4.2.14 The limited attractions of the hinterland

Notwithstanding the listing of attractions in Section 3.5, the villages of the rural hinterland (the *Kokkinochoria*) have limited appeal for most categories of tourists and cannot at present be regarded as a significant part of the district's tourism product. At best (as illustrated in the excerpts from the travel guides), they provide an opportunity for a number of mildly interesting half-day or one-day trips as a change from the coast. The villages are mostly modern in appearance and lack the traditional or vernacular architecture of, for example, the Troodos, while the attractive, red earth countryside is very often blighted by ugly ribbon development and assorted abandoned machinery. The churches, which are invariably locked (with no indication of opening hours or where to get the key) are of minor interest to the non-specialist. Having said that more could be done to promote tourism in the *Kokkinochoria* including greater publicity for its many excellent tavernas; improved access by bus; improved signage; increased variety of excursions; and the development, perhaps, of one or more '*must see*' attractions, such as, for example, an open-air folk museum or folk village.

4.2.15 Service Quality

Apart from the in-house training provided by hotels and other establishments, the district has no facilities for tourism training. In an attempt to circumvent to uncompetitive high wage rates and restrictive union practices that are making Cyprus tourism uncompetitive in price, an increasing number and proportion of hotel workers are recruited from abroad (particularly from central and Eastern Europe) often coming in at entry level where wage rates are lower. This can have a deleterious impact on standards of service and the objective of developing a more up-market type of tourism product. A continuing or increased inflow of ‘cheap’ labour from other parts of the EU could damage the product and traditional Cypriot welcome. While there is no evidence to suggest that this is an issue that is either more or less applicable in the Free Famagusta district, it may be noted that (referring to Protaras) one travel writer opined that “*most restaurants and bars offer unimaginative meals served by uninspired non-Cypriot waiting staff*”.

There is also the point that, with more foreign workers being employed in the tourism sector, visitors will increasingly be more likely to encounter nationals of Russia, Poland and other countries instead of Cypriots. This could not only affect the attainment of levels of service required in order to qualify as a quality destination, but would also provide the visitor with less opportunity to experience the hospitality and *philoxenia* which some regard as the heart of the Cyprus tourist appeal.

4.2.16 Famagusta Returned Area

Were steps towards re-unification to resume, the major impact on the district from a tourism perspective would be the reconstruction and re-birth of the Varosha suburb of Famagusta which, before the events of 1974 was (together with Kyrenia) the main tourism area in Cyprus, adjoining some of the island’s best resort beaches. In 1974, Varosha had 71 tourist accommodation units with a total of 7,684 beds. A further 30 units (with 2,547 beds) were under construction. Most owners have remained members of the Famagusta Chamber of Commerce and Industry, which represents their interests.

In terms of potential product supply, the return of the Varosha, with the re-emergence of Famagusta, in the medium to longer term, as a major resort destination on the island, could radically and positively change the image and appeal of the present Free Famagusta district as well as altering the spatial distribution of visitors on the island of Cyprus as a whole.

All this would take time. A CTO report has concluded that, “even if top priority is given to the [above] actions and the required funding was to be raised, the area would not be able to operate before 4-5 years, given that the whole area and not just part should be rendered operational”.

4.3 S.W.O.T Analysis

Table 404: SWOT Analysis

Strengths	Weaknesses
▪ Beaches ▪ Name recognition (Ayia Napa) ▪ Nightlife ▪ Range of accommodation ▪ Coastline & Trails ▪ Recreational attractions / 'Things to do' (in season) ▪ Strong travel trade distribution ▪ Churches and monasteries	▪ Image & Unfavourable publicity (Ayia Napa) ▪ Seasonality of demand and availability of 'things to do' ▪ Over supply of inferior accommodation (mainly Ayia Napa) ▪ Price driven demand ▪ Tour operator dominance ▪ Poor planning controls leading to 'tacky' built environment ▪ Larnaca Airport Infrastructure ▪ Local transportation

Opportunities	Threats
▪ Creation & promotion of regional identity ▪ Product re-positioning ▪ Attract new market segments, incl. independent travellers ▪ Withdrawal of inferior accommodation ▪ Improved built environment ▪ New regional public-private partnerships ▪ Development of winter products and services, incl. hinterland ▪ Return of Varosha area	▪ Competition ▪ Continuing negative publicity (Ayia Napa) ▪ Withdrawal of some tour operators ▪ Failure to attract investment ▪ Lack of progress on public–private partnerships at regional level ▪ Continued environmental degradation, including poor planning.

4.4 Range of Issues to be Addressed

From the foregoing discussion, it is clear that the future performance and development of the tourism industry in the Free Famagusta district will be determined by a number of key factors, including:

- The market perception of the appeals and motivators to visit, together with the range and quality of tourism product;
- The tour operators' response to the expanded product options;
- Developments in access transport;
- The regulatory framework;
- The investment climate for tourism; and
- The organisational or institutional arrangements for the management of tourism in the district.

Among the specific issues that need to be taken into consideration in the formulation of a regional tourism development strategy are how best to:

- Enhance the area's market position and competitiveness;
- Increase spend per visitor (how to enter and / or grow high spend markets rather than increase numbers, especially in "honey pot" locations);
- Encourage visitor length of stay;
- Develop business to extend the season; and
- Ensure that tourism development is consistent with environmental, social and cultural as well as economic aspirations of the resident and business communities.
- Identify product improvement, widening and deepening opportunities;
- Achieve critical mass or clusters and introduce new compatible "attractors" which will provide a "reason to visit,"
- Secure capital to finance product enhancement and new development;
- Secure recognition of needs of various groups; and
- Secure agreement on a clear "vision" to which all stakeholders will subscribe and work towards achieving.

5. THE CHANGING WORLD ENVIRONMENT OF TOURISM

5.1 International Travel Patterns

As 2004 progresses, it is becoming clearer that the tourist recovery that began during the second half of 2003 seems here to stay worldwide. While the plethora of problems that hammered outbound activity last year (economic uncertainty, SARS, and the war in Iraq) virtually guaranteed that annual comparisons for 2004 versus 2003 would be positive, virtually all reports now suggest continued improvement in global tourism activity.

Global tourism is increasing rapidly with worldwide arrivals rising 12% to around 526 million in the first eight months of 2004, compared with the same period of last year.

The World Travel Market Global Report 2004-05 revealed that all regions of the world benefited from the trend, with the Asia Pacific region recording the most impressive growth.

Outbound tourism from Europe presents a more mixed picture. Based on the first eight months of 2004, the number of outbound trips for the year is set to rise by 4% from the 2003 figure of 338 million. Overnight stays are expected to drop 4% to 3.3 billion while spending per trip is expected to fall 1% from €917 per person. Total spending for 2004 is forecast to rise 2% from last year's €310 billion.

Short-haul travel from Europe for 2004 will grow three per cent, while long-haul trips will rise by 12%. This contrasted with 2003, when short-haul grew at the expense of long-haul as people preferred to travel closer to home and for shorter stays, perhaps due to increased fear of terrorism.

From Europe, the number of holidays taken in 2004 is expected to rise 10% from the 1993 figure of 230 million; business travel will fall 1% from 48 million and the "visiting friends and relatives" market will fall 10% from 60 million last year, when the VFR market was very strong.

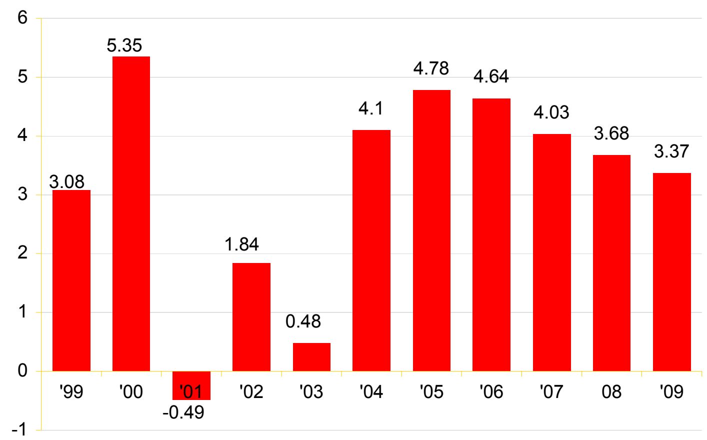
The strongest outbound growth markets in Europe were Spain and Russia, both up 10%. Benelux, Italy and Sweden all enjoyed growth between 5-10%, while France, UK and Germany were up 2-5%. Trips from Switzerland and Austria both fell.

The most popular European destinations to visit were the new EU and future EU members, such as Turkey, Bulgaria, Croatia, the Baltic States, Slovakia and Poland.

Outlook for the Future

Latest forecasts suggest that demand for international travel to and within Europe will grow at a rate of between 3.3% and 4.8% over the next five years. These forecasts were framed more recently than WTO estimates and indicate a stronger growth level than previously.

Fig 5.1: Growth in Arrivals % Change



Source: Global Insight, 2004

The World Travel Organisation has predicted growth of approximately 3% per annum for travel to and within Europe up to 2020.

Table 501: Average Annual Growth in International Tourist Travel

	2000-2010	**2010-2020**
Europe	3.0	3.1

Source: World Tourism Organisation

The backdrop to this increasing demand for travel is steady economic growth, which is the principal driver of travel demand. The OECD predicts real GDP growth of 2.9 to 3.3% per annum 2004-2006 which is a marked improvement on the early 2000's. Performance from the US and the Euro zone is strong but forecasts from Germany and France is expected to be weaker. On the currency front the Euro currency is expected to remain strong against the US dollar.

The sources of demand for international travel are forecast to vary by regions of the world. Mintel[1] predicts the strongest source markets for growth in travel will include Eastern Europe albeit from low bases, where average increases in demand for outbound travel is expected to be between 5% and 6% annually over the nest ten years. Growth in demand from Northern and Western European markets is forecast at closer to 3% per annum.

[1] International Tourism Forecasts to 2015

Table 502: Annual Growth Rates, Outbound Travel %

	2005	2010	2015
C.E. Europe	5.6	5.6	6.3
S Europe/Med	4.1	4.1	4.6
N/W Europe	3.3	2.8	3.3

Source: Mintel, International Tourism Forecasts to 2015

Demand for travel to destinations within Europe from the UK – Cyprus' most important source market – is forecast at 3% per annum. Demand for outbound travel from the Netherlands and Italy are expected to be more buoyant that the German and French markets. While the trend is for long-haul travel from European markets to grow faster than short-haul, there is still significant growth in intra-regional travel.

Table 503: Annual Growth in Outbound Travel from Cyprus' Current Source Markets (%)

	2005-2010	2010-2015		2005-2010	2010-2015
UK	3.4	3.0	Italy	4.9	4.9
* Intra-regional	3.0	3.0	* Intra-regional	4.9	4.9
* Long Haul	4.9	3.0	* Long Haul	4.9	4.9
Germany	3.7	2.9	Netherlands	4.0	3.5
* Intra-regional	3.3	2.9	* Intra-regional	3.6	3.1
* Long Haul	5.3	2.7	* Long Haul	7.0	6.2
France	2.9	2.9	Spain	2.5	2.7
* Intra-regional	2.5	2.8	* Intra-regional	2.3	2.4
* Long Haul	3.6	3.6	* Long Haul	4.7	4.6

Source: Mintel Forecasts

Conclusion

While international outbound markets are buoyant with reasonably strong growth, if Cyprus is to achieve average or above average growth it will need to reverse the trend of declining market share in the face of new competition.

While the international travel environment appear to be positive, it is an established fact that the international tourism sector is particularly cyclical due mainly to the global economic climate and is also vulnerable to exposure to world shocks such as the effects of Chernobyl (1986), Gulf War (1991), September 11th (2001), and the Iraqi War (2003).

5.2 Demographic Changes

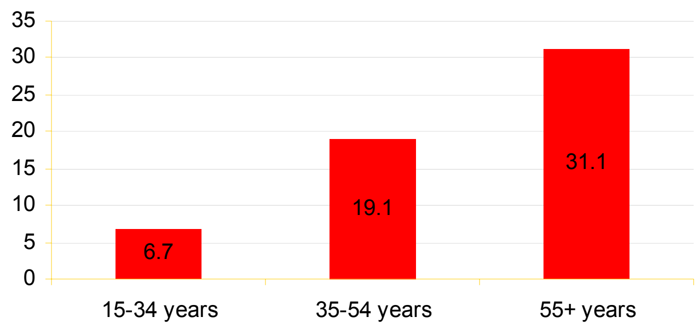
5.2.1 Strong growth in the over 55's stimulating travel demand

The population of the major countries in the Western world will still grow up to 2012, albeit at a slow rate and thus there is ageing of the population.[2] While population growth amongst Cyprus' source markets is strongest for the US, France, Netherlands and Spain, the most significant population shift across Europe will be in the 55+ years sector.

These population changes will change the profile of outbound travel. The outbound holiday market from the major markets (US, Germany, UK, France, Italy, Spain, Netherlands, Sweden, Belgium, Canada) will grow by 57 million, predominantly from older age groups and 55+ years especially.

There are concerns that western economies are poorly equipped to handle an ageing population with an increasing proportion of population dependent on pensions and under provision of the private pensions. Those that have provided for their old age will be able to fund their new "time rich" state and many of those who have not provided as well can supplement their incomes with cashing in a portion of their asset (trading down homes). On balance this group will travel more than other age groups.

Fig 5.2: Additional Holiday Volume 2020 (Millions)



Source: IPK Generational Study, 2004

United Kingdom, Germany, France and the US will have the strongest growth in absolute numbers of outbound holidaymakers. Again the 55+ years market is the most dynamic growth sector for outbound travel accounting for 55% of holiday growth.

Table 504: Growth in Outbound Travel 2002-2020 (millions)

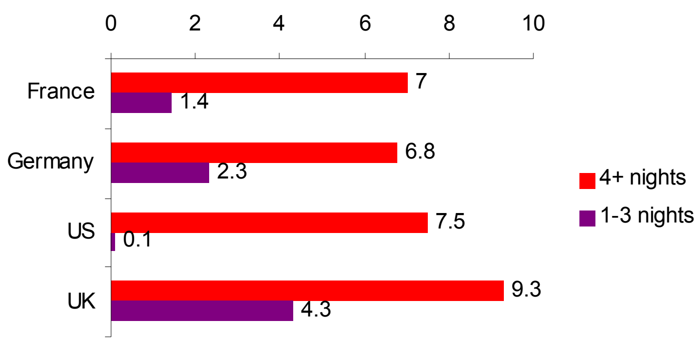
	15-34 years	35-54 years	55+ years	Total
United Kingdom	2.9	5.7	4.9	13.5
Germany	-1.5	1.7	8.9	9.1
France	1.1	3.0	4.1	8.2
Netherlands	0.1	0.2	2.9	3.2
Sweden	0.5	0.7	0.6	1.8
% of Growth	9%	32%	59%	100%

Source: IPK Generational Study, 2004

[2] IPK Generational Study 2004

The positive upside to older age travel is that tourists are not as restricted for time spent on holidays. For those who have provided for their retirement or are winding down they have more time as they are not as "time poor" as younger age groups. In the immediate short term – the trend towards shorter trip taking will continue but will be reversed with growth in medium length stays.

Fig 5.3: Volume Change in Holidays 2020 (millions)



Source: IPK

Conclusions

In the long-term holiday, holidays 4+ nights will be the most dynamic growing holiday market. This is not to say there will be resurgence in the two-week holidays.

5.3 Changing Consumer Behaviour

The travel and tourism environment has changed radically in recent years and it is expected that the international geo-political and macro-environment will continue to evolve unpredictably over the coming years. Some of the leading trends and challenges that can be identified at this point include:

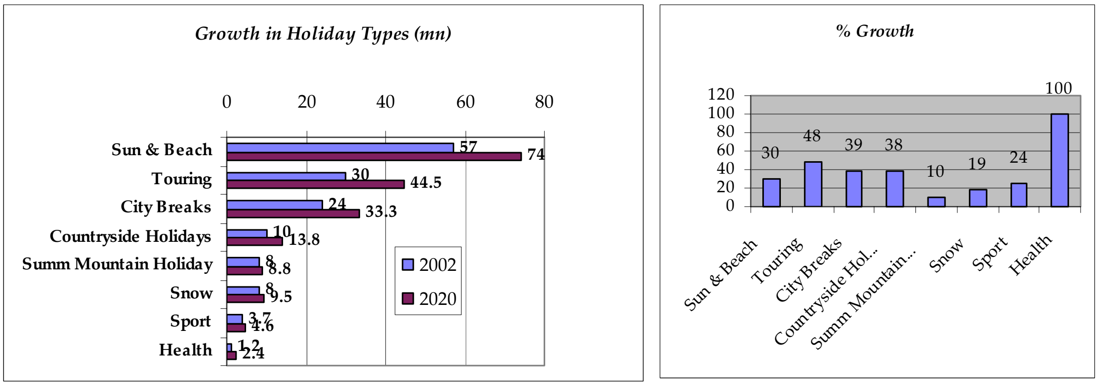
- Consumers are considering more and more new holiday destinations particularly to long haul destinations. The implication for Cyprus is that the competitive set has never been so broad.
- Consumers are taking more holidays, even though they do not necessarily have more time off or more money than in the past. This is resulting in consumers taking a greater number of shorter holidays.
- Consumers are booking their holiday later than ever before and impulse buying is increasing. This is due to range of factors such as:
    - The Internet has enabled consumers to book and plan their own holiday more efficiently, cheaper and quicker than ever before.
    - Consumers are now waiting for the bargains and special offers to become come available – many of which are only available closer to departure date.
    - There has been an increase in the number of low fare airlines offering cheaper fares to the consumer.
    - Consumers have looser working arrangements than ever before, particularly in Europe.

5.4 Changing Nature of Travel Demand

Demand for Sun & Beach holidays still very much alive

Sun/beach holidays are amongst the segments of demand by Europeans, which are expected to see strongest volume growth. Sun holidays will still remain and grow in popularity, as Europeans seek warmer climates. The use of 2nd homes is set to continue to grow strongly, but demand for other types of holidays will also be strong. It is forecast that by 2020 an extra 17 million sun holidays will be taken each year by European. Other types of holidays expected to show strong growth include touring holidays, city breaks, health and sporting holidays, although the latter will remain minority interests. The projections are linked to changing consumer preferences rather than an ageing profile of holiday-takers.

Fig. 5.4: Growth in Holiday Types



Source: IPK Generational Study, 2004

Projected growth in demand by product in selected European markets, shows that 14.5 more sun and beach holidays are forecast to be taken in 2020, compared to 2002, by the combined residents of Britain, France, Germany and the Netherlands.

Table 505: Growth in European Outbound Demand 2002-2020 (mn)

	Sun & Beach	Touring	City Breaks	Country Breaks	Sporting
UK	6.0	2.3	5.4	2.6	na
France	2.1	3.5	0.8	0.2	0.1
Germany	4.7	1.4	1.3	0.6	0.7
Netherlands	1.0	0.8	0.2	0.0	0.0
Total	14.5	13.8	7.8	3.6	0.8

Source: IPK Generational Study, 2004

The anticipated volume growth in sun & beach holidays is of particular relevance to Cyprus – an additional 6 million ex UK, and almost an extra 5 million ex Germany. However, the range of consumer options is increasing with the growing popularity of long-haul destinations (including the Caribbean, USA, and Indian Ocean resort destinations) and the continued emergence of new resorts around the Mediterranean.

International tourism research literature talks of the emergence of 'well-being' tourism. In the 1980's/1990's the development of green tourism and spas were hot products. Research into consumer behaviours suggests the need for "down time". Holidays, which incorporate 'health/spa' treatments or which in a broad sense improve consumers sense of well being, are a growth sector for a broad swathe of international consumers. The IPK research indicates an extra 1.2 million "health" holidays but this is part of a broader trend of seeking down time/relaxation and well-being.

5.5 Changes in Organisation of Travel

Greater customisation of travel arrangements is expected, as the population becomes more experienced travellers with a greater desire for personalised arrangements and flexibility.

The demise of the package holiday is much heralded. However, the situation is not quite as clear-cut. There are two trends that need to be separated. The first is that holiday choices/content are changing and where/how they are sold is migrating from traditional tour operator/travel agent routes to a wider diversity of channels of which Internet transactions are experiencing the most growth.

Holiday Choices

Recent trends such as the growth of low airfare carriers and greater use of the Internet have facilitated a greater deal of customisation and unique 'packages'. However, some of the big retail names are responding with their own low cost airlines and travel sites e.g., MyTravel and Thomas Cook. The travel trade is responding with greater modulisation.

Older aged travellers who will drive growth, while more adventurous than their predecessors, will still display traits of wanting 'safe' travel. They will book in advance and want more elements of their holiday pre-planned than younger visitors.

IPK indicates that inclusive bookings (packages) will still be important and a growth sector.

Table 506: Travel Arrangements (millions)

	Trade		Direct	
	Inclusive	Other Trade	Non-Trade	No-prebooking
Germany	5.9	-0.4	4.1	-0.4
UK	5.0	1.2	4.9	2.4
France	1.8	1.7	3.3	1.9
Italy	3.5	0.4	1.6	0.3
Netherlands	1.7	0.2	1.7	-0.2
Spain	0.6	1.8	2.2	0.5
Belgium	0.0	0.9	0.6	-0.4
Sweden	0.4	-0.1	0.8	0.5

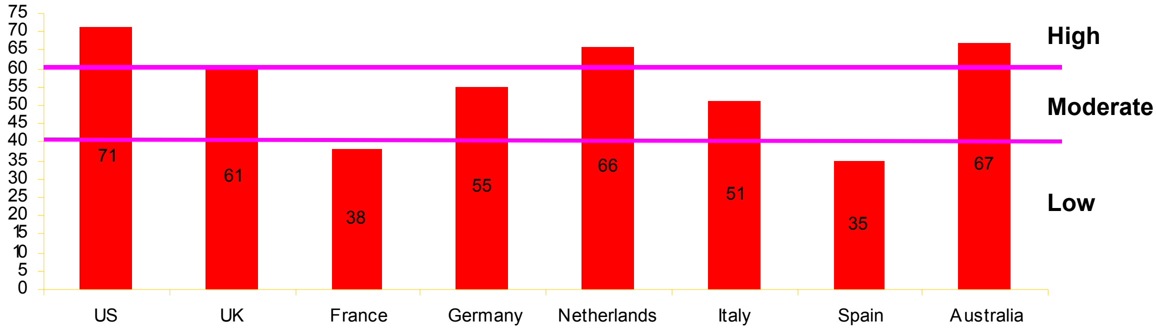
Source: IPK

Whatever happens, the nature of travel arrangements from a mass market of rigid packages is changing to stripped down versions - fly/drive plus other elements of visit - to meet consumers' requirements of flexible departure days/duration and need to fulfil ever-higher expectations.

5.6 Internet and Other Technologies

Strong growth in Internet purchased holiday options will continue as 3G technologies brings the Internet to new platforms. Internet usage has grown considerably.

Fig 5.5: Internet Usage (%) 2004



Source: E-Marketer, June 2004

While growth in access to the Internet will slow, with familiarity there will be strong growth in the use of the Internet for on-line shopping. Travel shopping on the Internet has emerged as an important channel. If we consider that 10% of leisure travel[3] was booked over the Internet in the UK in 2004, we are still at the early stages of seeing the full potential of Internet travel buying over the Internet. IMRG predicts that 30% of leisure travel in the UK will be booked over the Internet by 2009.

Britons are more likely to use the Internet to book travel than the French or Germans.

According to the European Travel Monitor, which conducted 150,000 interviews in the top ten European countries, some 53% of Britons are likely to book on the Internet, compared with 33% in France and 28% in Germany.

Although Germans are least likely to book online, they are the most frequent bookers of accommodation online, compared with France and the UK. Meanwhile, the French are more likely to book complete package tours on the Internet than German or Britons.

Overall, 45% of pre-booked trips by Europeans went through travel agents, 30% went through the Internet and 25% by other channels.

Of the 30% who used the Internet, 40% booked airline tickets, 35% accommodation and 25% other travel add-ons.

Throughout Europe, online bookings increased by 39% in the first eight months of 2004.

Although the ageing profile of travellers mitigates against growth in Internet usage as older people have lower propensity for web usage – today's 43 year old is 2012's 55 year old who will have a lot of travel experience behind them. These experienced travellers are seeking out new experiences and know what

[3] IMRG, Interactive Media Retail Group, July 2004

suits them. They will have a longer time horizon and will be motivated by good offers as they can be more flexible on departure times.

New technology developments will favour and enable growth. .Access to broadband is slowly being rolled out within Europe. This will improve speeds/feeds and make it quicker for consumers to search the Internet.

The development of interactive digital television (iDTV) has particular application to travel offering multi-media presentations, while 3G technologies on mobile telephony and GPRS technologies will greatly support m-commerce for travel.

6. A STRATEGIC RESPONSE TO CHALLENGES & OPPORTUNITIES

6.1 National Tourism Strategy for Cyprus

CTO's Tourism Development Strategy & Implementation Plan 2003 - 2010 clearly sets out a vision and targets for tourism to Cyprus. The strategic direction for tourism to the Free Famagusta Area must be integrated into and complement the national tourism strategy. The key elements of the desired positioning of Cyprus as a holiday destination include '*quality*'; '*a range of satisfying activities'*; and '*the opportunity for the visitor to discover new exciting experiences'*.

The aim of the national strategy is to deliver '*a steady rate of improvement in the quality of life for the local population*' by increasing visitor spending, increasing arrivals, prolonging the length of stay and securing a longer tourist season.

The strategy strives to reposition Cyprus within the tourism market by expanding and upgrading the product range and quality; focusing on defined priority markets and segments; delivering better quality and added value to become more competitive.

6.2 The Challenges and Opportunities – A New Vision

The Challenges

The consensus amongst stakeholders in the area and the external travel trade is that the Free Famagusta Area faces a number of well defined and documented challenges: These are principally:

1. ***The image and perception of the area*** in the primary source markets, due to the publicity associated with Ayia Napa during the peak summer months;
2. The ***seasonality*** issue, whereby most businesses close during the winter period due to lack of demand;
3. The quality of some of the ***older guest accommodation*** and the overall ***environmental management***;
4. Market issues including the ***very high dependence on tour operators*** and charters (which do not operate into Larnaca in the winter);
5. ***Increasing competition*** from within Cyprus, particularly Pafos, and the newer Mediterranean resorts in other countries.
6. The ***barriers to commerce*** and a culture of bureaucracy which prevails within the tourism industry in Cyprus.

The Opportunities offering Strategic Advantage

While the agreement on the range and relative importance of opportunities for improving tourism to the Free Famagusta Area is not as definitive as in the case of the challenges, a number of common and frequently identified opportunities emerged. These included:

1. With the passing of the 'clubbing capital' phase, an opportunity exists to reposition Ayia Napa and the surrounding area in the marketplace in order to regain market share and to penetrate new market segments;
2. The potential for winter business is one which the industry are committed to, and can best be realised by, securing more access to Larnaca Airport, especially charters from the UK in the winter season.
3. Reflecting market trends an opportunity exists to attract visitors on a year-round basis and to improve the competitiveness of the area by means of expanding the range of 'attractors' and improving the service quality and value.
4. With the shift towards more independent travellers and the liberalisation of the air transportation, the internet offers the possibility of more direct marketing and a lowering the dependence on tours operators.
5. While tourism to the area is concentrated on Ayia Napa and Protaras, there is a strong view that the surrounding hinterland offers the potential to establish the Free Famagusta Area as a holistic tourism destination exposing the natural, historical and cultural attractions of the area to visitors staying at the resorts.

Core values/USPs

Based on research positioning CNC values for the regions are:

- quality of beaches, accommodation and services;
- range of 'things to do and see' for each season;
- welcoming, friendly environment; and
- a non-mass tourism ambience.

Destination Vision for the Future

Free Famagusta Region, repositioned in the marketplace as a top destination in Cyprus, offering popular year-round, value for money resorts and natural hinterland holiday experience to a number of key market segments.

6.3 Guiding Principles and Targets for Tourism Strategy in the Region

The key principles proposed as underlying national tourism policy, which should also guide the regional strategy, are: s*ustainability; value rather than volume; focused investment; selective and targeted marketing; and, profitability.*

- **Sustainability:**

The first principle is to rebuild a sustainable tourism sector, which will yield economic, social and environmental benefits within the region. In policy terms it is imperative to ensure that developments which adversely impact the environment, which are short-term, high volume, and opportunistic in nature are avoided. The type of tourism envisaged is one that will provide improved recreation / leisure facilities, enhanced living, working and learning environments and expanded career opportunities for residents of the region.

Tourism is a longer-term investment sector with the future critically dependent on how the natural, man-made and human assets are managed. Exploitation of assets for short-term gain in many destinations has been achieved often at the cost of long term potential.

- **Value rather than volume:**

As experience demonstrates in Ayia Napa, a policy of pursuing volume growth irrespective of consequence on the fragile nature based resource and the socio-cultural aspects of the destination is clearly unacceptable.

The region needs to address the current situation whereby developments should maximise value while minimising volume related negative impacts. The type of tourism can best be characterised as 'higher value, lower volume'.

- **Focusing of Investment:**

If the area is to reposition itself, product and service development should focus more sharply on product 'gaps' aimed at identified markets, by the use of highly selective investment strategies. Product and service initiatives should also seek to differentiate and/or deliver a competitive advantage over other parts of the island.

The primary requirement for successful tourism development will continue to be a stable environment that can permit profitable investment. Government intervention in attracting new investment should include both tax-based incentives for commercial projects and public sector investment in infrastructure and non-commercial 'attractors'.

- **Selective and Targeted Marketing:**

In an increasing competitive market environment, success is more dependent on identifying the best prospects and choosing the most efficient means of projecting the appeals and interfacing with the customers. The region, as a destination within a destination, will need to be highly selective in targeting those source market opportunities in which it can effectively compete.

- **Profitability**

Profitability must be the foundation upon which tourism can develop and expand. Existing and new businesses need to derive an adequate profit to ensure continued investment. Traditionally, most businesses within tourism have been relatively small and low profit earners. Profitability of businesses within the region can be improved by more intense utilisation, longer season, increased efficiencies and maintenance of prices.

TARGET : Maximise Tourism Earnings

- Increase expenditure per visitor: by providing activities that encourage the visitor to spend more money to increase the yield from each visitor.
- Extend the length of stay of visitors as an important means of extracting more revenue from tourists.
- Increase the number of visitors, within the carrying capacity limits, leading to growth in tourism revenue.
- Extend the season by developing innovative mechanisms, such as staging events resulting in significant improvement in revenue generation and profitability within the tourism sector.
- Secure more repeat visits by seeking to ensure that hard-won visitors have a good experience and are well disposed to make a return visit.

6.4 A New Market Positioning

6.4.1 Image and Appeals

The primary strategic action is to reposition the destination in the minds of prospective visitors.

The Free Famagusta area needs to create a coherent image which conveys a number of key ‘reasons to visit’ which are both consistent with the overall appeals of Cyprus as a holiday destination but also which give a competitive edge to the area. A key challenge will be the creation of a coherent market identity for the Free Famagusta area.

Against the potentially contradictory background image and appeals of Ayia Napa and Protaras the new image for the area will need to encapsulate a number of key ‘values’ or appeals. These will include:

- ‘best beaches’
- a broad range of activities, things to do for all seasons
- safe, pleasant and mid to upscale ambience
- welcome hospitality and attentive service

The core competitive advantage positioning should be one which broadens the market appeal to a wider psycho-demographic grouping.

Key Image and Appeals Repositioning Attributes		
	Best Beaches Plus	
From:		***To:***
Loud, tacky resort	→	Safe and pleasant environment/ambience
Mixed and seasonal	→	Year-round quality destination
Limited activities	→	Range of activities/things to do for all ages and all seasons

6.4.2 The Competition

The Free Famagusta area will compete in a broader spectrum of resort destinations both within Cyprus and other countries. The broad holiday proposition of 'Sun and Sea Places' is one offered by a host competing destinations within the Mediterranean area and further afield.

As Cyprus is a high cost destination it cannot compete on the basis of price alone, but must rather deliver at least as good, if not better value for money experience than the competition.

The Free Famagusta area, currently heavily dependent on tour operators, must at least in the short term continue to remain price competitive in the face of competition. This is perhaps best delivered in the short to medium term by value-added elements and year-round pricing inducements to tour operators. In the medium to longer term, with successful repositioning, product enhancement and a gradual shift to more direct distribution channels, the price point should improve, removing some pressure on price competition and refocusing on value.

The competitor destination set for the Free Famagusta area includes both:

- Sun resort destinations which compete with Cyprus, e.g. Turkey, Greece and other Mediterranean destinations together with new long haul destinations; and
- Other resort areas in Cyprus e.g. Paphos, Larnaca and Limassol.

6.4.3 Contestable Market Segments

The strategy should be one that initially focuses on those segments of existing demand that are consistent with the goals of repositioning the area and improving the yield. As the repositioning progresses and as upgraded and new products come on stream there will be opportunities to exploit new market segments.

Segmentation is at the heart of destination marketing. As a tool it critically identifies homogeneous groups of people in terms of their needs, wants, attitudes and behaviour and subsequently promotes relevant products/services to meet their needs.

Market segmentation approaches in tourism are typically based on multiple variables and may include one or a number of the following:

- Behavioural
- Demographic

- Psychographic/interests/motivations/opinions
- Purpose of trip
- Channel of distribution
- Geographic

Market segments should be:

- Measurable – not mass-market but identified niches
- Accessible or easy to reach
- Represent competitive advantage or growth opportunities

Within the context of the key market segments being targeted by Cyprus, the following segmentation for the Free Famagusta area would represent a good strategic fit.

Table 601: Target Consumer Segments

Target Consumer Segments					
	Holiday Needs	***Personal Attributes***	***Profile***	***Free Famagusta offering***	***Typical Products***
'Family and Loved Ones'	Holiday with Family VFR Family designations	People-centric, family first, familiarity	Families with children Extended families Empty nesters	Familiar welcome; Fun with nature; Lots to do; Relaxing and romantic.	Sun and sea plus; VFR; Villas/apartments; Hotel; Holiday villages; Weddings/Honeymoons; Pampering.
'Outdoor Actives'	Play sport, actively engage with nature	Adventure seekers, health conscious, independent thinkers	Young singles Urban couples Empty nesters	Golf; Walking, Cycling, Spectacular coastal trails Sailing/boating	Activity holidays; Yachting; Soft Adventure; Diving; Team sports; and Athletic tourism
'Social Adventurers'	Discovery Meeting new people Nightlife	Risk takers Party-goers Ambitious Youthful	Young singles and couples	Vibrant living culture; Events for the young at heart; Party atmosphere	Fun resort; Beach and water sports; Entertainment
'Nature and Culture Seekers'	Scenery, culture. History and nature	Well informed and travelled, socially concerned.	Discerning, 30-50's. Empty nesters	Historical sites, Myths, Dramatic coastlines, Festivals/Events.	Based touring; Exploration; Well being; Heritage lectures, etc.

The CTO Tourism Development Strategy and Implementation Plan 2003-2010 identified the following target segments:

- Sun and Sea plus;
- Culture;
- Conference and Incentive Tourism;
- Nature;
- Walking/Hiking;
- Sports Tourism;
- Cycling;
- Marine Sports and Yachting;
- Large Scale Events;
- Weddings and Honeymoon; and
- Sea cruises.

These client groups were identified as best serving the measurable targets of the strategy including expenditure, average length of stay, product fit and environmental, social, cultural and financial impacts. Other potential market segments might include medical tourism and wellness and pampering tourism.

The table below show the target consumer segments shown previously cross referenced with the activity based segments identified by the CTO above. This shows which groups of tourist are likely to undertake different types of tourism activities.

Fig. 6.1: Target Consumer Segments vs Activity Based Segments

	'Family and loved ones'	'Outdoor actives'	'Social Adventurers'	'Nature & Culture Seekers'	Discretionary Business
Sun & Sea Plus	✓		✓		
Culture	✓		✓	✓	
Conference					✓
Incentive					✓
Nature	✓	✓		✓	
Walking/Hiking		✓		✓	
Sports Tourism		✓			
Cycling		✓			
Marine Sports & Yachting		✓	✓		
Large Scale Events	✓		✓		
Weddings & Honeymoon	✓				
Sea Cruises	✓				
Bowls	✓	✓			
Casinos	✓		✓		✓

Another way of segmenting tourist types is one initially forwarded by Plog. This asserts that tourists can be broadly found across a continuum between 'allocentric' and 'psychocentric'. Allocentrics are deemed to be adventurous, independent and active while psychocentrics are more conservative, passive and prefer to travel in a 'tourist bubble'. Most tourists can be classed as 'midcentrics' in that their behaviour will be somewhere between the two extremes.

Fig. 6.2: Allocentric vs Psychocentric Behaviour

Allocentric	**Psychocentric**
Likely to use internet to book	Likely to use travel agent
Prefer to book hotel, flights separately	More likely to book package holiday/all-inclusive
Will immerse themselves in local culture and explore	Will use organised tours, may not leave pool/seaside
Will try local cuisine	Will stay close to hotel
Above average income level	Below average income level
High 'cultural capital'	Low 'cultural capital'
Seek 'the other'	Seek comfort and the familiar
Relish the unexpected	Prefer scheduled itineraries
High activity level	Low activity level
Will travel further afield to 'new' undiscovered destinations	Will stay nearer to home and visit well established tourist destinations

Allocentric ◄——— Midcentric ———► Psychocentric

Culture — Nature — Cycling, walking, hiking — Sea cruises — Sun & Sea

The above can be useful in terms of assessing the product fit and consequently marketing to each segment.

The table below shows the segments as identified by the CTO against 'measurable targets'. Using behavioural patterns as above enables likely effects/impacts to be broadly measured.

Fig. 6.3: Market Segments vs Measurable Targets

<table>
<tr><th rowspan="2"></th><th rowspan="2">Exp. per capita</th><th rowspan="2">Tourist arrivals</th><th rowspan="2">Avg. length stay</th><th rowspan="2">Repeat tourism</th><th rowspan="2">Product fit</th><th colspan="3">Impact</th><th rowspan="2">Add on possibilities</th></tr>
<tr><th>Env'l</th><th>Cultural</th><th>Social</th></tr>
<tr><td>Sun & Sea Plus</td><td>L/M</td><td>H</td><td>H</td><td>H</td><td>H</td><td></td><td>-</td><td>-</td><td>Good</td></tr>
<tr><td colspan="10">Daily expenditure low if all-inclusive package tourist. Mass tourist arrivals. Average length of stay in weeks rather than days. Package holidays taken by personality types who prefer familiarity – more likely to return, less likely to leave 'comfort' of resort. Good product fit. Negative cultural impact (demonstration effect), possibility of negative social and environmental impacts. Good potential for add-ons but will tour operators benefit more?</td></tr>
<tr><td>Culture</td><td>H</td><td>M</td><td>M</td><td>L</td><td>M</td><td>+</td><td>+</td><td>+</td><td>Good</td></tr>
<tr><td colspan="10">Expenditure more likely to be in area rather than with tour operator – more likely to have been booked independently probably via the internet. Average length of stay dependent on whether touring/short break. Less negative impacts. 'Culture vultures' less likely to return as would more likely want to seek somewhere new for their next break. Possibility of being put off by negative images of mass tourism?</td></tr>
<tr><td>Conference</td><td>H</td><td>L</td><td>S/M</td><td>L</td><td>M</td><td>=</td><td>=</td><td>=</td><td>Good</td></tr>
<tr><td>Incentive</td><td>H</td><td>L</td><td>M</td><td>L</td><td>H</td><td>=</td><td>=</td><td>=</td><td></td></tr>
<tr><td colspan="10">Likely higher spend by discretionary business tourists. Length of stay and repeat potential dictated by business. Likely to be more allocentric AB's, however may just want a break poolside. Good add on possibilities for business tourists outside of conference hours.</td></tr>
<tr><td>Nature</td><td>M</td><td>L</td><td>H</td><td>H</td><td>H</td><td>+</td><td>+</td><td>+</td><td>Good</td></tr>
<tr><td>Walking/hiking</td><td>M/H</td><td>L</td><td>H</td><td>H</td><td>H</td><td>+</td><td>+</td><td>+</td><td>Good</td></tr>
<tr><td>Sports tourism</td><td>M</td><td>L</td><td>H</td><td>H</td><td>H</td><td>+</td><td>+</td><td>+</td><td>Good</td></tr>
<tr><td>Cycling</td><td>M</td><td>L</td><td>H</td><td>H</td><td>H</td><td>+</td><td>+</td><td>+</td><td>Good</td></tr>
<tr><td colspan="10">Possibly undertaken by 'eco-tourists' – more aware of impacts of tourism. More likely to spend more in community, also use independent accommodation. High repeat potential if product good quality. Positive environmental impact if managed properly. Positive social benefits for community if developed successfully.</td></tr>
<tr><td>Marine sports/ yachting</td><td>H</td><td>L</td><td>H</td><td>H</td><td>H</td><td>=</td><td>=</td><td>+</td><td></td></tr>
<tr><td>Large scale events</td><td>M/H</td><td>H</td><td>M</td><td>L</td><td>M</td><td>-</td><td>=</td><td>-</td><td></td></tr>
<tr><td>Weddings/ honeymoon</td><td>H</td><td>L</td><td>H</td><td>L</td><td>H</td><td>=</td><td>=</td><td>=</td><td></td></tr>
</table>

Key: H = High M = Medium L = Low '+' = Positive impact '–' = Negative impact '=' = No/minimal impact

6.4.4 Priority Geographical Source Markets

Source markets that offer the best opportunity for attracting visitors to the Free Famagusta area have been identified by applying a number of criteria. Those criteria include: current demand levels and awareness/familiarity; ease and competitiveness of access; distribution and communication networks; product fit and viable target segments.

In the short to medium term it is recommended that the Free Famagusta area concentrate the bulk of its marketing focus on the following source markets:

- Britain;
- Scandinavia;
- Germany;
- Ireland;
- Greece; and
- Domestic Market.

- **Britain:** based on current importance, awareness/familiarity, access and distribution networks. However, it will be necessary to dissuade certain segments of the market i.e. teenage 'fun' segment.

	'Family & Loved Ones'	*'Outdoor Actives'*	*'Social Adventurers'*	*'Nature & Culture Seekers'*
Social class	ABC_1 C2	ABC_1	C_1 & C_2	AB
Education	Mixed	Second & Third level	Basic +	Third level
Age	25/30+	25-55	18-55	Older 45+
Residency	Urban/metropolitan	Urban (London & SE)	Metropolitan (major cities)	Urban (London & SE)
Family/children	Married with children	Couples or small groups	Single/couples	Empty nesters, couples or small groups

- **Scandinavia (mainly Sweden and Norway):** based on established awareness, demand and distribution in the marketplace.

	'Family & Loved Ones'	*'Outdoor Actives'*	*'Social Adventurers'*	*'Nature & Culture Seekers'*
Social class	ABC_1	BC_1 & C_2	BC_1 & C_2	B & C_1
Education	Mixed	Mixed	Basic+	Third level
Age	30+	25+	18+	35+
Residency	Metro/urban	Urban	Metro/urban	Urban
Family/children	Married with children	Singles/Teams/Small Groups	Singles/couples	Couples

- **Germany:** potential to build on current demand with broadening of potential into new segments.

	'Family & Loved Ones'	*'Outdoor Actives'*	*'Nature & Culture Seekers'*
Social class	ABC_1	ABC_1	ABC_1
Education	2^{nd} and 3^{rd} level	2^{nd} and 3^{rd} level	3^{rd} level
Age	30+	25+	45+
Residency	Major metro area	Major metro area	Major metro area
Family/children	Couples and children	Couples and married without children	Couples and small groups

- **Ireland:** a growth market where Cyprus and the Free Famagusta area is well positioned, although perceived as expensive, offering potential to expand year-round into new segments.

	'Family & Loved Ones'	*'Outdoor Actives'*	*'Nature & Culture Seekers'*
Social class	ABC_1	ABC_1	AB
Education	2^{nd} and 3^{rd} level	2^{nd} and 3^{rd} level	3^{rd} level
Age	30+	25+	45+
Residency	Greater Dublin	Metro/urban	Greater Dublin

- **Greece:** with improving access the area could contest segments of this market for short breaks, villa ownership, meetings and affinity groups, particularly outside of the peak summer season.

- **Domestic market:** the home market of Cypriots and foreign residents represents a relatively untapped potential with increasing affluence of the resident population. The domestic market has the potential to contribute to profitability of tourism enterprises in the area, especially in the shoulder and off-season periods, as well as a market for seasonal or holiday home ownership.

6.4.5 Reaching the Customer

Communicating the appeals and attraction of the Free Famagusta area to potential markets will have to be integrated with the overall marketing strategy being pursued by CTO and the industry in respect of the island of Cyprus. However, under the Cyprus umbrella marketing campaigns the area will need to develop a well-targeted promotional communications programme. The key elements of the proposed communications or promotional programme for the Free Famagusta area will include:

- Consumer marketing;
- The Internet; and
- Travel Trade Activity.

Consumer Marketing

The challenge facing the area is to create an awareness of the appeals and attractions of the area to the identified target markets. This will include convincing the potential visitor of the repositioning of the destination, especially Ayia Napa, and to do so in a fashion that is consistent with and maximises the complementarities of the area with the image of Cyprus as positioned by the CTO.

A range of communications tools and activities can assist in the re-positioning of the destination. These will include:

- *Publicity/PR*: Perhaps the most effective tool in repositioning the destination in the marketplace will be a dynamic publicity campaign in key source markets. The objective will be to reach through selected media the target market segments with appropriate images and messages from independent commentators. Features on TV and in colour magazines are potentially powerful in projecting images of the destination. A comprehensive programme of press releases; media briefings and press visits to the area will be a critical component of communicating with the consumer. Travel guide books, including virtual outlets, will form a particular focus for information dissemination.

- *Consumer Promotions*: Attendance at holiday fairs and exhibitions, together with well-planned joint promotions with consumer goods and services outlets can provide a highly cost efficient platform to reach the potential market.
- *Advertising:* Based on the cost and the degree of clutter in the marketplace, advertising will only play a role in highly selective market segments, where the available resources will be capable of reaching the necessary threshold level of awareness. It is likely that consumer advertising will only be possible in conjunction with trade or industry partners or as a sub-segment of CTO national advertising campaigns.
- *Brochures*: A priority should be the production of an integrated brochure featuring the entire area and replacing the multitude of printed materials currently on offer. The style, images, tone and content of the new promotional material should convey to the target audience the range of appeals that the area offers.

The Internet

Recognising the increasing use of the internet and the professionalism and investment by competitor destinations, a special focus will have to be on the maximisation of the use of the internet as both an information and sales channel.

The use of the internet by savvy consumers is growing and is likely to be highest amongst some of the identified discerning segments which the Free Famagusta area aims to attract. Internet usage is also very high in the principal target markets that the area aims to attract – the UK, Scandinavia and Germany.

The internet will play a key role in achieving the goal of diversifying the channels of distribution in order to capture more independent travellers, especially the potential niche markets.

The marketing programme for the area will therefore focus on:

- *Website:* A state of the art website for the area, which will not only communicate the appeals and attractions but also act as a portal for all businesses and services catering to the tourist market within the area.
- *Linkages:* The area website should be integrated with the CTO site and also be positioned as a link from other appropriate high usage sites. e.g. airlines; online guide books; etc.
- *Online brochure & information:* The web site should include a facility for interaction and the servicing of enquiries – including downloadable online brochure; brochure and other information request servicing; etc.
- *Sales facility*: The website should also include the ability to make online reservations and purchases of other services. This can be accomplished by the provision of a branded booking engine or by means of referral to industry partners who already provide this service.
- *Data base eMarketing*: The technology also should be harnessed to facilitate high quality and well targeted communications to various segments of an evolving data base of past clients, enquirers, and other identified prospects.

Travel Trade Activity

The marketing programme for the Free Famagusta area will need to recognise the changing distribution methods within the travel industry, the decline of the traditional role of the travel trade in the planning and packaging of sea and sun holidays, and the emergence of virtual travel companies and the evolution of dynamic packing.

- *Promotion to Tour Operators*: The range of activities including attendance at trade fairs, purchasing and educational visits, etc. will continue to play a part in the marketing of the area, with a particular focus on niche players and the broadening of the product offering through selected traditional distributors.
- *Virtual Travel Outlets:* Five online travel distributors now control up to an estimated 80% of the travel sold online within Europe. It is essential that the area's products are featured on these sites and the industry within the area maximise the immediacy and power of these new trade outlets.

6.4.6 Industry led, market driven research

While CTO carries out surveys and market studies tracking consumer perceptions, visitor patterns and behaviour, there is still a need to get to know the potential customer better and to understand better the motivations and behaviour of visitors to the Free Famagusta area.

In addition, better supply-side understanding is needed on the investment and business operating models of those engaged in servicing the tourism sector in the area, together with more in depth data to enable more thorough assessment of public and private sector investment opportunities. Better information will assist decision-making and monitoring of effectiveness of product and marketing investments.

The proposed re-positioning strategy will require specific research and ongoing monitoring at least during the early years of the implementation.

An industry-led committee is proposed to interface with CTO to ensure that the required information can be made available in a cost effective and timely fashion. Information will be required under three headings:

- Market positioning, including monitoring of the area's awareness and customer perceptions, especially important during the early years of re-positioning;
- Tourism performance, yielding accurate information on key indicators such as visitor expenditure, volumes, profiles and behaviour patterns within the area (versus the rest of the country);
- Area 'Buy-in' – business engagement in the implementation of strategy; extent of partnerships, rate of new product and product improvements; and business performance and confidence.

6.5 A Strategic Approach to Product Development

6.5.1 Expanding and Upgrading the Visitor Product

The foundation of CTO's product development strategy for Cyprus is to continue to offer an enhanced 'sea and sun plus' experience, complemented by the development of a range of niche product offerings to meet the needs of identified market segments.

The Free Famagusta area, within the context of the strategy for the country, based on the target segments that have been identified as viable prospects needs to address these issues:

I. Upgrade/refurbish/enhance existing tourism plant which can serve future market demand

II. Expand the range of hard and soft products to cater for niche markets and/or deliver a more satisfying 'sea and sun plus' experience

III. Remove obsolete product that no longer meets international standards.

6.5.2 Guest Accommodation

Research indicates that demand for hotel accommodation will grow, with demand for upscale properties growing fastest. The growth will be driven by increasing affluence and the ageing profile of clients. While little formal research exists on the demand for self-catering style accommodation, either owned or rented, the trends indicate that such accommodation will continue to expand. It is likely that higher expectations will drive standards higher and market profiles will continue to demand an ever wider range of facilities and amenities.

Fig. 6.4: Guest Accommodation: Outlook for Growth

Category	*Outlook*	*Comments*
Hotels **Hotel Apartments/Timeshare**	High growth	Growth likely to especially benefit upper scale properties 5*, 4* and well appointed 3*.
Tourist/Holiday Villages	High growth	Prospects good for complexes with good standards and high levels of amenities on site.
Villas	Moderate to high growth	Foundation for committed market, appealing to affluent middle to older age groups.
Holiday Apartments/Hostels	Low to negative growth	An ageing market militates against this category as does increasing comfort and value expectations. Expect continual decline.
Home Stays (B&Bs, Gites, Traditional Buildings)	Low growth	High appeal to limited specialist segments.

The economics of optimising land use values and return on capital investment, the investment financing and operating model emerging for resort accommodation is one of an integrated resort combining holiday homes/villas, with apartments, time share and hotel rooms with a shared range of facilities and amenities. Many such resorts are managed or 'flagged' by an international brand name.

6.5.3 Special Interest Products and Amenities

A key to the re-positioning of the Free Famagusta area in the marketplace will be the provision of a range of activities and facilities which will act both as 'attractors' or motivators to entice visitors, while also broadening the experience and satisfaction of general 'sea and sun plus' visitors.

The indicative list of special interest products for the Free Famagusta area has been developed within the context of the CTO strategy while assessed by a number of criteria specific to the goal of repositioning the area. The critical criteria included market demand (existing and potential) and the ability of the product to contribute to image enhancement; visitor satisfaction; expenditure and/or length of stay; and seasonality.

Fig. 6.5: Special Interest Products

	Priority Rating for FFA	Rationale/Comments
CULTURE AND HERITAGE		
Museums	High	Re-positioning; seasonality; specific market niches
Cultural/Thematic Routes	High-Medium	Re-positioning; spatial spread beyond coastal resorts; market niches
Events/Festivals	High	Image/awareness; seasonality; motivators
ACTIVITIES/SPORTS		
Golf	High	Broaden market and expenditure opportunities
Cycling Trails	High	Activity/special interest niches
Marine Sports Centres	High	Activity/core product complement
Team Sports & Training		
Football	Medium	Special interest markets; seasonality
Athletics	Medium	Special interest markets; seasonality
Bowls	Medium	Broaden market appeal and seasonality ex UK
FACILITIES/ATTRACTIONS		
Entertainments	High	Experience fulfilment; expenditure; seasonality
Meetings/Conferences	Medium	Niche markets; seasonality
Marina	High	Activity segments and broaden experiences
Coastal cruises	High	'Things to do'; core product complement
Casino	Medium	Enhance evening product range & broaden market appeal
NATURE-BASED ATTRACTIONS		
Natural History Trials	Medium	Specialist niche markets
National Park	High	Environmental 'fit'
Marine Park	High	Environmental 'fit'

Many of the above 'products' fulfil a dual role of broadening the 'plus' of a beach holiday while enabling the Free Famagusta area to effectively compete in new and expanding niche market segments.

The development of new product and enhancement of existing product will require an effective public/private sector partnership engaging national government agencies, local authorities and the business community.

The achievement of the goal of product expansion and enhancement will also require an environment that is conducive to investment. The re-positioning strategy could be facilitated by a number of unique pilot schemes.

6.5.4 The Environment

As the core appeals of the area are nature based, mainly marine, the conservation and protection of the natural resources are key to the sustainability of appeal and quality of life for residents and quality of experience for visitors.

In parallel with the Tourism Development Strategy for Cyprus, the area needs to adopt a rigorous approach to implementing a range of measures to protect and enhance the environmental quality of the area. Specifically, there is a need to address a number of issues that are inconsistent with good environmental standards and/or are not compatible with the repositioning goal and the objective of delivering an improved and broadened visitor experience focused on the marine, land-based and cultural heritage of the area.

In order to protect and sustain a quality environment for residents and tourists national policy guidelines and best international practices need to be adopted in relation to a range of issues, but principally:

- Planning regulations, with particular reference to land use policies; urban sprawl; coastline ecosystems;
- Zoning planning;
- Visual and noise pollution control;
- Traffic management;
- Sewerage treatment;
- Solid waste management;
- Sustainable energy policies; and
- Protection of biodiversity.

It is recommended that the Free Famagusta area – local authorities and the private sector adopt certain internationally recognised guidelines and standards for responsible tourism, for instance by:

- Continuing with the Blue Flag programme for beaches.
- Adopting 'Green Globe 21' or equivalent standards for accommodations.
- using boat and hotel benchmarking criteria and standards.

Such an initiative would contribute to the stated policy goal of improving the overall quality of the tourism product in the area. Besides, linking up with existing international mechanisms gives credibility to quality claims and to claims that impacts are properly managed, and helps in the marketing of the area.

6.5.5 Infrastructure

The realisation of the tourism potential will depend on the provision and maintenance of an adequate public infrastructure. The principal elements for which specific plans will be required include:

- Utilities (water, sewage, electricity etc)
- Road infrastructure, parking, visitor lay-bys, signposting etc
- Telecoms
- Public transportation
- Waste management
- Marine piers, slips etc.

The public sector – national and local governments – has the lead responsibilities in planning and regulating the provision of an adequate infrastructure. The delivery and management of infrastructure, however, is increasingly becoming a public private sector partnership.

6.5.6 Product Innovation

Increasingly, as the market moves towards greater segmentation and competition becomes more intense, destinations and product providers are investing resources on product and service research and product innovation in order to maintain a competitive edge.

Success for the area will come from presenting a clearly differentiated product appeal and experience is differentiated from other resort areas in Cyprus and further afield.

The strategy should include specific actions to foster research and product innovation, together with benchmarking audits against best practice in other destinations.

6.6 Delivering Quality and Value

Two overriding strategies are commonly used to create competitive advantage in most tourism regions: cost leadership and quality differentiation. Cost leadership involves providing products and services to consumers at a price and value that are unattainable by competitors. Without significant restructuring, Cyprus's current economic environment creates few opportunities to realise many competitive advantages through cost leadership. However, the option of the strategic approach to achieving competitiveness through quality differentiation tactics is open to the Free Famagusta area.

This approach would entail creating unique service delivery standards and service quality that are especially appealing to key travel markets, and being increasing sought after. Effective service quality differentiation strategies have to be based on a strong appreciation of target market needs and priorities, matching these needs with appropriate service levels and delivering them at a price that the consumer regards as good value for money.

In order to deliver on such a strategy two principal programmes must be consistently pursued:

a. promoting best practice in management and staff development;
b. setting high operational and service delivery standards.

People in Tourism

A concerted effort is required so that the industry in the area working together with the CTO, education institutions and other interested stakeholders, including students, and with the support of the national educational and vocational training agencies to develop an improved programme to cater to the needs of businesses, employees and potential employees.

While the primary responsibility for recruitment, induction, training and development and staff retention lies with the industry itself. There is considerable scope for development in this area, and for industry representation groups to stimulate initiatives that would achieve greater effectiveness and success, through management networks, joint initiatives and programmes and stronger linkages with training and education institutions.

Strong links between the tourism industry and the providers in the tourism training and education sector should be maintained and continuously developed on a regional and local basis, so that there is a flexible and responsive delivery of education and training programmes that meet the needs of industry.

The industry, supported by CTO and other bodies in the training and education sector, should come together to develop and provide specialist training and education courses designed to fully integrate non-nationals into the industry.

High-profile training programmes should be initiated, focussing on building customer loyalty as a key future priority - research shows that word of mouth is a key influence in deciding on a holiday destination.

Value for Money

A key objective of the strategy to reposition the Free Famagusta area will be the enhancement of the competitiveness of the value for money offer to the visitor.

To achieve this objective concrete measures need to be adopted by all within the industry to improve competitiveness through

- improvements at operational level in general management and human resource practices;
- more effective and efficient use of information technology;
- more innovative pricing initiatives; and
- the implementation of cost reduction programmes.

Network groups, and the industry representation associations, can play an important role in such initiatives.

6.7 Organising for Success

6.7.1 Tourism Strategy Implementation Group

Experience elsewhere indicates that the more successful tourism strategies and resulting performances are those based on an effective partnership between the public and private sectors while engaging community interests in a destination.

The implementation of the proposed strategy for the area will require a new organisational arrangement for facilitation and co-ordination, and monitoring of progress.

Responsibilities, to be defined in the detailed implementation programme, will rest with a range of public sector bodies, with the private sector being encouraged and facilitated to make the necessary capital and operating investments.

A task-specific entity would be the preferred mechanism rather than establishing a permanent institutional structure. A Tourism Strategy Implementation Group is proposed – comprised of key public sector agencies, the local authorities, with representation of the business community including tourism sectoral organisations and pertinent community or special interest groups. The Implementation Group would have an oversight role to facilitate and co-ordinate implementation. The services of the group, which would meet regularly, could be provided by the secondment of personnel from the public sector.

6.7.2 Free Famagusta Area Marketing Task Force

A Marketing Task Force is proposed, engaging CTO and representatives of all the key tourism sectors to prepare, co-ordinate and monitor a specific 3-year marketing programme, harnessing both public and private sector budgets.

6.8 Strategic Options Summary

6.8.1 'Do Nothing' – 'Continue as is' Strategy

A strategy of allowing tourism to continue 'as is' - continuing to depend on the strategies of overseas tour operators without any intervention in regard to its product development and service delivery - is clearly not a viable option if the challenges and opportunities are to be addressed.

The likely consequences of a 'do nothing approach' would include:

- A continued 'drift', with further loss of market share;
- Increasing vulnerability of the region to changing market conditions, competition, and dependence on tour operators;
- A continued decline in demand and occupancy, resulting in declining yields, profitability and an increase in business failures;
- The Area would remain a seasonal destination;
- Little or no new investment and a further marked decline in quality of accommodation and the built environment;
- Uncontrolled villa developments;
- No spread of tourism beyond established resorts.

6.8.2 Viable Strategy Options

Based on the objectives of achieving growth in economic activity and business profitability while minimising the adverse environmental and social impacts two strategic options are presented for consideration:

- **A 'Gradual Transformation' Strategy**

or

- **A 'Bold Re-Invention' Strategy.**

The strategic approach is based on delivering on the objective of ensuring sustainable tourism growth to the area through:

- Repositioning of the destination, by expanding 'reasons to visit'; broadening the market appeal; delivering a more satisfying and value for money experience; and lessen dependency on tour operators;
- Increasing average daily expenditure by improving the quality of accommodation; and providing more opportunities for discretionary spending;
- Lengthening the season and improving the business and employment opportunities; and
- Broadening the impact of tourism beyond the established resorts into the hinterland.

6.8.3 'Gradual Transformation' Strategy

This strategy is aimed at meeting the objectives of repositioning the destination by addressing the fundamental issues facing Ayia Napa, Protaras and the surrounding area.

The key elements of the strategy would include

Destination Product Initiatives:

- Removing sub-standard accommodations;
- Improving the built environment, including the implementation of the Ayia Napa Town Plan;
- Creating new visitor facilities, for example golf course, marina, etc.;
- Spreading tourism throughout the area, by mechanisms such as themed routes; walks; 'hop-on hop-off' transportation; etc.
- Upgrading the facilities for sports tourism;
- Attracting investment into the accommodation sector;
- Improving service quality;
- Developing and upgrading public infrastructure and facilities; and
- Developing and upgrading visitor information and interpretative services and opening up new attractions in the hinterland.

Market Initiatives:

- Improving the image and perception of the area through a strategic communications campaign;
- Developing season extension programmes;
- Developing new channels of communication and sales, based on the internet;
- Focusing on 'best prospect' source markets and segments;
- Maximising the potential of selected tour operators; and
- Repositioning the price point in key market segments.

This strategy could over time deliver on the objectives for the area. The positive aspects of the strategy include the fact that it would be relatively low risk and less threatening to other resorts in Cyprus. However, the risks would include the danger that the image and reality would not deliver a perceptible change to convince the market – thereby failing to attract investment and to deliver incremental demand.

6.8.4 'Bold Re-Invention' Strategy

In view of the seriousness of the decline in image, demand and business performance, a more radical strategy might be considered, aimed at effecting a perceptible change in the destination and at the same time creating a new resort destination which could contribute significantly to reversing the island's decline as a tourist destination. The strategy proposed aims to address the challenges facing the Free Famagusta Area by re-inventing the product and its market positioning through a series of initiatives, which include the 'fast-tracking' of the programme, described as 'Gradual Transformation' but more importantly sees the area as a pilot for several new product innovations.

The strategy, because of the scale of change and time frame of the transformation, would uniquely enable the area to create a new branded image building on its primary beach appeal while adding important new dimensions that would create a range of new attractors and motivations to visit.

Product Initiatives

- Removal of sub-standard accommodations within 3 years, based on new incentive scheme (Pilot);
- A task force to implement the Ayia Napa and Paralimni Area Plans;
- Product diversification – golf and marina;
- New Product – casino (Pilot);
- Area tourism circuits – transportation; interpretation and presentation; Village Challenge scheme and 'Tidy Village' competitions, etc. (Pilot);
- A new technology based Visitor Information system;
- Investment incentives: programme to attract investment into selected product categories e.g. through fiscal incentives, etc. (Pilot);
- Development of branded destination resorts, e.g. Spa/Wellness; Eco-friendly; etc.

- Expansion of range of guest accommodation, e.g. 'All-Inclusives'; Timeshare; and managed villa/condominium developments (Pilot);
- Development of Festivals & Events for the international market.

Market Initiatives

- Re-branding of the area, e.g. 'Golden Coast' to encompass Ayia Napa. Protaras and the surrounding areas;
- A public-private sector marketing consortium for targeted trade and consumer promotion and web based sales;
- Creative marketing of accommodation to new market segments, e.g. long-stay winter tourism; educational programmes; themed holidays; sports tuition, etc.
- A programme of marketing supports for industry.

The outcome of the above strategy would be a significant repositioning of the area and a high novelty and new market segment appeal. It provides a unique controlled environment for the piloting of programmes to the benefit of the entire island and would thereby have a high appeal to investors. The implementation of the strategy would result in a sizeable shift in product and service supply and quality, while simultaneously meeting changing market needs and establishing new market segments and new channels of communication and distribution.

Fig. 6.6: Strategic Options and Key Consequences/Results

Strategic Options	Key Consequences / Results
'Gradual Transformation'	A broadening of market appeal over time with new product and service initiatives.
	Gradual delivery of an improved quality and value experience.
	Creation of new 'reasons to visit'
	Little overall impact on visitor expenditure and season extension in the short to medium term.
	Continued dependence on resorts' image and appeals and continued high reliance on tour operators.
'Bold Re-Invention'	Significant increase in investment in plant and products – creating new 'reasons to visit'
	A repositioning of the destination in the short to medium term.
	Increasing the price point and visitor expenditure, while delivering a year-round visitor experience.
	Improvement of the built environment and linkages with the hinterland.
	A positive contribution to the expansion of potential for Cyprus and the creation of a distinct competitive advantage for the area.

Fig. 6.7: Impact of Strategic Options

	'As is'/ 'do nothing'	*'Gradual transformation'*	*'Bold transformation'*
Broaden market appeal	≅	↑	⬆
Reasons to visit	↓	↑	⬆
Expenditure	↓	≅	🡑
Seasonality	≅	↑	🡑
Tour operators	⬇	≅	🡑
Environment	↓	↑	🡑
Accommodation	↓	🡑	⬆
Regional spread	↓	↑	🡑

↑	Low positive impact	↓	General negative impact
🡑	Medium positive impact	🡓	Medium negative impact
⬆	High positive impact	⬇	High negative impact
≅	Neutral – no impact		

List of Appendices

Appendix 1: Terms of Reference

Letter from the CTO to the Famagusta Chamber dated 27 April 2004

Dear Mr Hadjivarnavas

RE: STUDY ON REGIONAL TOURISM STRATEGY AND PREPARATION OF ACTION PLANS FOR THE FAMAGUSTA REGION

Further to your discussion with Mrs Katsouri with respect to the questions raised by the various tenders as regards the Technical Terms of Reference for conducting a Study on the regional Tourism Strategy and preparation of Action Plans for the Famagusta Region , please note:

A) Geographic area to be covered by the Study

The Study should cover the Free Famagusta region both sea side (I think they mean Ayia Napa and Protaras) and also inner country (potato producing villages etc I think). Als it will be useful to examine (a) the consequences of a possible settlement of the Cyprus issue and the return of the Famagustas town to the greek Cypriots and (b) the continuation of the existing status quo and as is changing post Anna.

B) Reports

The reports to be submitted are the following four:

Report 1: Draft of Strategy study

Report 2: Final Straegy report

Report 3: Draft of Action Plans for Marketing, Product and Quality / Value Added

Report 4: Final Reports of Action Plans for Marketing, Product and Quality / Value Added

C) Contents of Study

With respect to the assessment of current situation (situation analysis), the consultant should study all those factors (trends, developments) that will enable the Consultant to prepare a full and details SWOT study and thus be in apposition to recommend the Strategy to be adopted for the region. Typically in a market analysis, the following are considered:

- analysis of market
- analysis of competition
- review of product offering including its HR review
- generally the trends / developments expect to impact the destination (political, economic, technology, natural-structural-cultural/sociopolitical factors and environment)

D) MARKET STUDIES AND OTHER AVAILABLE INFO

All tendering Consultants can have access to all the studies commissioned by the CTO in all key source markets as well as to other useful information and statistics.

Tendering consultants should apply to:

Information center

19 Limassol Avenue

6th floor 2112 Nicosia

Tel: 22 691238 / 22691144

Fax: 22 331644

e-mail: infocenter@cto.org.cy

The eleven studies wre performed in 1998 in the markets of : UK, Germany, Russia, Switzerland, Norway, Sweden, Denmark, Finland, Greece, Holland, and Austria.

Two more studies for the German and French markets are in their final stages of being prepared.

E) MARKET SEGMENTATION

The Consultants are asked to set the market segmanetaion criteria based on the criteria used in the CTP Strategic Plan. Copies of the Strategic Plan which contains all the criteria are available for review at the Ino Center or can be bought for CYP 5.

F) STRATEGIC PLAN UNTIL 2010

The STRATEGIC PLAN 2000-2010 covers 76 pages and has been issued in English and Greek.

The report on Strategic Tourist Development and the Implementation Plan 2003-2010 covers 61 pages and has been issued in English and Greek.

G) COMMUNICATIONS AND COMMERCE

The STRATEGIC PLAN 2000-2010 covers an analysis of communications and commerce which may be of use to the Consultants in submission of their tenders.

The areas of attraction of the Famagusta region (both by the sea side as well as the inner country) should be located by the consultants in their ‘stocktaking’ / ‘recording’ of the product which the consultant is being asked to do in his study. The Consultant should set out their suggestionfor the process of how this ‘stocktaking’ / ‘recording’ should be carried out (by them) and for which they are expected to work with local bodies / agencies and out of which there will be a possibility to develop the routes / road network for the development of the region / inner country.

H) CTO AVAILABLE INFORMATION

- STRATEGIC PLAN 2000-2010 and report on Strategic Tourist Development and the Implementation Plan 2003-2010
- CTO Positioning Studies for all regions – in Greek
- Market Studies in English approx 500 pages each
- Statistical info (arrivals/beds/spent/bars and restaurants etc)
- Study on the preparation of the Strategic Plan 1998-1999 – in English 200 pages
- Study on conference and Incentive Travel 2003, in English 200 pages
- Study on Clubbing, in English 72 pages
- Studies on Agrotourism in Greek, 50 pages
- Study on Athletic / Sports Tourism, in Greek 50 pages
- CTO Incentive Schemes (product enrichment projects, traditional cuisine etc) – in Greek

Please also correct a number of errors in your documents which should be corrected and advised to tenderers.

Kind regards

Appendix 2: List of Consultations

Gender	FIRST NAME	LAST NAME	POSITION
Mr	K.	Hadjiliasis	Association of restaurant and bars owners (Ayia Napa)
Mr	P.	Assias	Association of restaurant and bars owners (Paralimni)
Mr	Panayiotis	Macedonas	Ayia Napa Municipality
Mr	P	Georgiou	Ayia Napa Municipality
Mr	Andreas	Matsis	Chairman of Famagusta Chamber
Mr	G.	Tsappis	Council for the improvement of Dasaki Achnas village
Mr	A.	Koutounas	Council for the improvement of Frenaros village
Mr	G.	Takkas	Council for the improvement of Sotera village
Ms	Evi	Soteriou	CTO
Ms	Chr.	Koni	CTO
Mr	Meletis	Apostolides	CTO - Architect
Ms	Elena	Papadopoulou	CTO - Marketing Department
Mr	A.	Siapanis	Derinia Municipality
Mr	Iacovos	Hadjivarnavas	Director General of Famagusta Chamber
Mr	Stavros	Fattas	Egnatia Financial Services
Mr	X.	Hadjierakleous	ETEK
Mr	Xenakis	Hadjirakleous	ETEK
Mr	Christos	Asprou	LTU Group
Mr	Nikos	Vlittis	Paralimni Mayor
Mr	Mavrikios	Mavroudes	Paralimni Municipality
Mr	Antonis	Paschalis	Pasyxe + Aqua Sol
Mr	Costakis	Vouris	Pasyxide

Mr	E.	Evangelou	PEO Trade Union
Mr	K.	Zachariou	PEO Trade Union
Mr	Renos	Solomides	President of STEK
Mr	M.	Kalafatis	SEK Trade Union
Mr	K.	Kiriakou	SEK Trade Union
Mr	George	Michaelides	Senior General Manager Marketing - Louis Cruise Lines + Famagusta Chamber
Mr	Costas	Kyriakou	Shoppers Association (Ayia Napa)
Mr	Tasos	Postatlis	Shoppers Association (Paralimni)
Mr	Petros	Assias	SIKA - Association of restaurant owners - Paralimni
Mr	Phedias	Karis	STEK
Ms	Nana	Asmeni	STEK - Administrative Officer (Association of Cyprus Tourist Enterprises)
Mr	Hellada	Charalambous	Cultural Centre of Occupied Ammochostos
Ms	Babara	Pericleous	Agia Napa Municipality
Mr	Christos	Petsides	Senior Officer of AOTA
Mr	Thassos	Katsourides	AOTA
Mr	Ricos P.	Iassonides	President Non IATA of AOTA/ Managing Director of the Concentive Travel Art
Mr	Photis	Photiou	Chairman of Cyprus Tourism Organisation

Marketing

Mr	George	Michaelides	Senior General Manager Marketing - Louis Cruise Lines + Famagusta Chamber
Mr	P	Georgiou	Ayia Napa Municipality
Ms	Elena	Papadopoulou	CTO - Marketing Department
Ms	Nana	Asmeni	Administrative Officer - Association of Cyprus Tourist Enterprises ACTE (STEK)
Mr	Christos	Asprou	LTU Group

Mr	Costakis	Vouris	Pasyxide
Mr	Stavros	Fattas	Egnatia Financial Services
Mr	Lakis	Avraamides	Cyprus Hotel Managers Association - PASYDIXE

Infrastructure and Enviroment

Mr	Iacovos	Hadjivarnavas	Director General of Famagusta Chamber
Mr	Phidias	Karis	STEK
Mr	Meletis	Apostolides	CTO - Architect
Mr	Petros	Assias	SIKA - Association of restaurant owners - Paralimni
Mr	Xenakis	Hadjirakleous	ETEK
Mr	Tasos	Postatlis	Shoppers Association (Paralimni)
Mr	Costas	Kyriakou	Shoppers Association (Ayia Napa)
Mr	Antonis	Paschalis	Aqua Sol + Pasyxe

Product Development

Mr	Andreas	Matsis	Chairman of Famagusta Chamber
Ms	Evi	Soteriou	CTO
Mr	Renos	Solomides	President of STEK
Mr	Panayiotis	Macedonas	Ayia Napa Municipality
Mr	Mavrikios	Mavroudes	Paralimni Municipality
Mr	Takis	Kythreotis	Paralimni Municipality
Mr	Michalis	Kkallis	Manager of Ta Ev Oikw

Appendix 3: Stakeholders Questionnaire

BACKGROUND INFORMATION

(a) Type of business

Accommodation		**Restaurant**		**Retail**	
Hotel	1	Fine dining	6	Tourist shop	12
Hotel apartments	2	Cafe	7	Grocery	13
Tourist village	3	Taverna	8	Supermarket	14
Tourist apartments	4	Fast food (seated)	9	Other	15
Other	5	Take- away food	10	Other	16
		Other	11	Other	17

If ‘Other’ please specify____

(b) Location of business

Ayia Napa	1
Protaras	2
Other	3

INTRODUCTION

Please help us to improve tourism in Famagusta over the coming years.

All information will be treated in the strictest confidence.

(c) How many staff do you employ?

Permanent		Seasonal		Total	

(d) What is your position in the business?

Owner of business	1

Owner/Manager	2
Manager	3
Other (Specify…………………………………...)	4

2a. What factors, if any, do you consider as limiting tourism growth in the Free Famagusta area?
DO NOT PROMPT

2b. To what extent is it possible to change these factors? The scale of possibility is not possible, limited possibility, moderate possibility, strong possibility, very strong possibility.

ASK FIRST FOR ANSWERS GIVEN, THEN READ OUT OTHERS

			Q2b: POSSIBLE TO CHANGE				
		Q2a	**Not possible**	**Limited possibility**	**Moderate possibility**	**Strong possibility**	**Very Strong possibility**
a)	Range and quality of accommodation	1	1	2	3	4	5
b)	Range of visitor activities	2	1	2	3	4	5
c)	Bureaucracy / 'Red tape'	3	1	2	3	4	5
d)	Service quality	4	1	2	3	4	5
e)	Image and awareness of destination	5	1	2	3	4	5
f)	Seasonality / winter closure	6	1	2	3	4	5
g)	Quality of built environment	7	1	2	3	4	5
h)	Other (specify)	8					
			1	2	3	4	5
			1	2	3	4	5
			1	2	3	4	5

3a. In your opinion, what is the most distinctive asset of the Free Famagusta area that would provide the key to **changing the image** of the area? Any other assets?

3b. What asset of the Free Famagusta area has the best potential to **attract different visitors** to the area? Any other assets?

3c. What asset of the Free Famagusta area holds the key to **improving seasonality** in the area? Any other assets?

	3a. Changing the image	**3b. Attract different visitors**	**3c. Improving seasonality**
Most distinctive asset or asset with best potential:			
Other asset:			
Other asset:			

4. How much influence, if any, do you think each of the following factors will have on capital investment in the tourism sector in future? The scale of influence is none, limited, moderate, strong and very strong.

	INFLUENCE				
READ OUT	**None**	**Limited**	**Moderate**	**Strong**	**Very Strong**
a) Political situation in Cyprus	1	2	3	4	5
b) Economic conditions in Cyprus	1	2	3	4	5
c) Interest rates	1	2	3	4	5
d) Availability of capital	1	2	3	4	5
e) Level of tourism demand	1	2	3	4	5
f) Government policies	1	2	3	4	5
g) Availability of tax concessions	1	2	3	4	5
h) Availability of other investment incentives	1	2	3	4	5
i) Other (specify)	1	2	3	4	5

6. What new projects/products would you propose for the Free Famagusta Area - indicating the markets that they would satisfy?

New Products/ Projects	Customers/ Markets

5. In your opinion, what are the 3 top challenges facing the tourist industry in Ayia Napa and Paralimini?

DO NOT PROMPT

		First answer	Second answer	Third answer
a)	Image / perceptions	1	1	1
b)	Built environment	2	2	2
c)	Potential market development	3	3	3
d)	Investment in tourism	4	4	4
e)	Seasonality	5	5	5
f)	Quality of accommodation	6	6	6
g)	Other (specify)	7	7	7

THANK YOU for taking the time to complete this survey.

Appendix 4: Tour Operator Survey

Overview

Objective: assess the marketing position of Agia Napa and Protaras, resorts in the Free Famagusta region of Cyprus, as holiday destinations amongst tour operators in key source markets.

Methodology: survey a sample of tour operators and tour organisers in the following source markets:

United Kingdom_______10
Scandinavia__________3*
Germany____________4
The Netherlands______9

Questionnaire: the survey was carried out by telephone and was based on a set of 14 questions designed to solicit information on and assess the following:

- Prospects for travel to Agia Napa and Protaras
- Rating of appeal and competitiveness of Agia Napa and Protatas as holiday destinations.
- Identification and rating of factors impacting on Agia Napa's and Protaras' performance.
- Identification of prospects for market expansion and supports required.
- Identification of perception/marketing problems and means to address/rectify these.

Summary of amalgamated survey results

- All of those surveyed sell Cyprus
- The bulk of the business sold by the respondents goes to Pafos (22), Protaras (21), Limmassol (20), Agia Napa (19) and Larnaka (19).
- Half of those surveyed expect their business to Cyprus to increase over the next two years (13) with 10 tour operators not anticipating any significant change in the overall numbers of holidays sold to Cyprus over this time.
- Agia Napa is sold as a year round destination by just over half of those tour operators (10) which sell the resort. The rest (9) sell it solely as a summer location.
- Protaras is sold almost exclusively as a summer only destination (17:4).
- The majority of operators selling Agia Napa expect business to increase over the coming two years. Ten as against eight who expect it to remain stagnant or even decrease.
- Regarding business to Protaras over the next two years there is roughly an even split between those who expect business to increase and those who anticipate that business will remain unchanged or decrease.
- The primary reasons offered by those tour operators who do not offer Agia Napa are that it is too limited as a winter destination and that it does not suit their clientele. For Protaras the dominant reason is that operators did not consider Protaras to be high-scale enough to meet the needs of their clientele.
- Among those offering responses Agia Napa rated highly in terms of its overall destination appeal and in terms of the quality of the overall tourist experience. A number of respondents ranked the resort as only poor to fair in relation to value for money.
- Protaras also rated highly in terms of overall destination appeal and quality of overall tourist experience but again a significant number of respondents do not rate the resort highly in terms of overall value for money.
- A large majority of those asked to name Agia Napa's key strengths as a resort cited its beaches (19). Large numbers also cite nightlife and the quality of accommodation as key draws of Agia Napa.
- In relation to opportunities for Agia Napa, respondents repeatedly referred to the need to improve overall planning and infrastructure development standards. A large number also highlighted the need for the resort to improve its image and also to provide better value for money.

- Like Agia Napa, Protaras' key tourist draw is its beaches (14). Tour operators also stated that Protaras is successful in attracting holidaymakers because of its broad family appeal and because it is peaceful & quiet.
- When asked for suggestions on ways in which Protaras could be improved as a tourist resort, the key complaints were that it is relatively expensive and that more attention needs to be paid to better development and infrastructure planning.
- A number of the operators suggested that the two resorts take steps to extend the length of the holiday season there, by developing facilities such as golf courses which are not entirely weather dependent.

Amalgamated responses (see Appendix II for break down by source market):

1. (a) Do you currently feature holidays in Cyprus?

All respondents sell Cyprus

(b) If "Yes", which products/areas do you sell?

Larnaka	**19**	□%	Nissy Beach	**2**	□%
Limassol	**20**	□%	Argaka	**1**	□%
Pafos	**22**	□%	Mountains (Troodos)	**7**	□%
Agia Napa	**19**	□%	Omodhos	**1**	□%
Protaras	**21**	□%	St. Georges	**1**	□%
Latchi	**13**	□%	Pervolia	**1**	□%
Polis	**12**	□%	Episkopi	**1**	□%
Pissouri	**5**	□%	Nicosia	**1**	□%
Coral Bay	**4**	□%	Other	**-**	□%

2. Has the number of holidays to Cyprus sold by your company over the past two years?:

Increased:	***DNS%:*** 2	***1-5%:*** 3	***5-10%:*** 1	***10%+:*** 6
Decreased:	***DNS%:*** 2	***1-5%:*** 2	***5-10%:*** 0	***10%+:*** 6

Remained unchanged: 3
No response: 1

3. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 3	***1-5%:*** 5	***5-10%:*** 1	***10%+:*** 4
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remain unchanged: 10
No response: 2

Please indicate reasons: No response: 24
High cost structure: 1
More low cost flights available: 1

If tour operator sells Agia Napa and/or Protaras, continue with qu. 4-14 of the survey excluding qu. 9.

If tour operator does not sell Agia Napa and/or Protoras, skip to qu. 9 of survey and continue to end.

4. What types of holiday does your company sell?
Agia Napa:

Duration:	2 wks: 3	1 wk: 8	Mix: 8	No response: 7
Time of year:	Yr round: 10	Summer only: 9		No response: 7

Protaras:

Duration:	2 wks: 4	1 wk: 3	Mix: 11	No response: 8
Time of year:	Yr round: 4	Summer only: 17		No response: 5

5. **Has the number of holidays to Agia Napa sold by your company over the past two years?:**

Increased:	***DNS%:*** 4	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1
Decreased:	***DNS%:*** 1	***1-5%:*** 2	***5-10%:*** 0	***10%+:*** 4

Remained unchanged: 5
No response: 9

6. **Do you expect passenger numbers over the next two years to?:**

Increase:	***DNS%:*** 3	***1-5%:*** 6	***5-10%:*** 0	***10%+:*** 1
Decrease:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1

Remain unchanged: 6
No response: 8

Please indicate reasons: No response: 25
High cost structure: 1

7. **Has the number of holidays to Protaras sold by your company over the past two years?:**

Increased:	***DNS%:*** 4	***1-5%:*** 3	***5-10%:*** 1	***10%+:*** 3
Decreased:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 2

Remained unchanged: 7
No response: 5

8. **Do you expect passenger numbers over the next two years to?:**

Increase:	***DNS%:*** 2	***1-5%:*** 6	***5-10%:*** 1	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remain unchanged: 9
No response: 7

Please indicate reasons: No response: 24
High cost structure: 2

9. **If tour operator does not sell Agia Napa and/or Protaras – Why not?**

Agia Napa

Too limited as a winter destination	2
Area does not suit clientele	2
Poor image	1
Not enough luxury accommodation	1
Too touristy	1
Area not high scale enough for clientele	1
Satisfied with current situation	1

Protaras

Area not high scale enough for clientele	3
Does not suit clientele	1
Too touristy	1
Satisfied with current situation	1

10. How would you rate the following destinations in respect of each of the following:

No response overall: 4

Agia Napa	*Excellent*	*Good*	*Fair*	*Poor*	*Very Poor*	**No response**
Destination appeal	**0**	**10**	**11**	**0**	**0**	**0**
Customer awareness	**2**	**6**	**7**	**7**	**0**	**0**
Quality of overall tourist experience	**0**	**14**	**7**	**1**	**0**	**0**
Quality of guest accommodations	**2**	**13**	**5**	**0**	**0**	**2**
Nightlife	**9**	**10**	**2**	**0**	**0**	**1**
Service quality	**2**	**12**	**5**	**1**	**0**	**2**
Value for money	**0**	**10**	**5**	**5**	**0**	**2**

No response overall: 5

Protaras	*Excellent*	*Good*	*Fair*	*Poor*	*Very Poor*	**No response**
Destination appeal	**5**	**10**	**6**	**0**	**0**	**0**
Customer awareness	**3**	**8**	**5**	**2**	**1**	**0**
Quality of overall tourist experience	**4**	**12**	**5**	**0**	**0**	**0**
Quality of guest accommodations	**4**	**12**	**4**	**0**	**0**	**1**
Nightlife	**1**	**10**	**7**	**1**	**0**	**1**
Service quality	**5**	**9**	**6**	**0**	**0**	**1**
Value for money	**1**	**9**	**6**	**3**	**0**	**2**

11. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

Beaches	19
Party atmosphere/nightlife	12
Quality of accommodation	6
Range of facilities/activities	5
Quality of service	2
Climate	2
Nice people	1
Well functioning resort	1
Family friendly	1
No response	2

How can these be maximised?
What other opportunities exist (if any)?

Improve cost structure & value for money	5
Improve image of resort	5
Improve infrastructure & planning	4
Improve service quality	4
Improve marketing of Cyprus	3
Develop more facilities for families	3
Increase variety of excursions	2
Develop promenade area	1
Develop more high-end accommodation	1
Develop facilities (e.g. golf course) to extend season	1
Improve friendliness	1
Increase cultural activities	1
Improve quality of self catering accommodation	1
No suggestions	4

12. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Poor reputation/image	6
Young people dominate the high season	6
Poor development, infrastructure & planning	4
Relatively expensive	3
Effectively closes in winter	2
Limited appeal	2
Poor cost structure & value for money	1
Everything but the beaches	1
Not enough high end accommodation	1
Surrounding environment is a bit dull	1
Poor standard of accommodation	1
Accommodation is very standard/boring (not traditional Cypriot)	1
Prefer west of island	1
Service can be poor	1
No response	3

How can these be addressed?

Improve infrastructure & planning	2
Improve cost structure & value for money	2
Invest more in the resort	1
Cut down on the number of clubs etc.	1
Devise a more effective marketing plan	1

13. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

Beaches	14
Peaceful & quiet	4
Family appeal	4
Quality of accommodation	4
Broad appeal	2
Range of bars/shops/restaurants etc.	2
Nice location	2
Climate	1
Nice people	1
Range of facilities/activities	1
Nice resort overall	1
Nice pedestrianised area	1
Quality of service	1
No response	4

How can these be maximised?
What other opportunities exist (if any)?

Improve infrastructure & planning	3
Improve marketing of Cyprus & Protaras	3
Improve cost structure & value for money	2
Improve service quality	1
Improve range of facilities	1
Develop facilities (e.g. golf course) to extend season	1
Develop more facilities for families	1
No suggestions	8

14. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Relatively expensive	4
Poor development, infrastructure & planning	3
Need to increase range of evening activities/entertainment	3
A little bit touristy/over developed	3
Effectively closed in winter	2
Poor cost structure & value for money	2
A bit too spread out	2
No settled Cypriot population	1
Could improve shopping facilities	1
Service can be poor	1
No response	1

How can these be addressed?

Improve infrastructure & planning	3
Improve the marketing of Cyprus & Protaras in the NL	1
Develop a year round settled population	1
Create better facilities for pedestrians	1
Focus on improving the quality of service	1
Improve value for money	1
Improve the variety of excursions	1
No suggestions	4

Appendix I: Survey Format

1. (a) Do you currently feature holidays in Cyprus?

Yes (Continue) ☐ No (Thank you & close) ☐

(b) If "Yes", which products/areas do you sell?

Larnaka	☐1	☐%	Agia Napa	☐4	☐%
Limassol	☐2	☐%	Protaras	☐5	☐%
Pafos	☐3	☐%	Other	☐6	☐%

2. Has the number of holidays to Cyprus sold by your company over the past two years?:

	1-5%	*5-10%*	*10%+*
Increased	☐	☐	☐
Decreased	☐	☐	☐
Remained unchanged ☐			

3. Do you expect passenger numbers over the next two years to?:

	1-5%	*5-10%*	*10%+*
Increase	☐	☐	☐
Decrease	☐	☐	☐
Remain unchanged ☐			

Please indicate reasons:

If tour operator sells Agia Napa and/or Protaras, continue with questions 4-14 of the survey excluding question 9.

If tour operator does not sell Agia Napa and/or Protoras, skip to question 9 of the survey and continue to end.

4. What types of holiday does your company sell?

Agia Napa:

Duration	Two weeks ☐%	One week ☐%
Time of year	Year round ☐%	Summer only ☐%

Protaras:

Duration	Two weeks ☐%	One week ☐%
Time of year	Year round ☐%	Summer only ☐%

5. Has the number of holidays to Agia Napa sold by your company over the past two years?:

	1-5%	*5-10%*	*10%+*
Increased	☐	☐	☐
Decreased	☐	☐	☐
Remained unchanged ☐			

6. Do you expect passenger numbers over the next two years to?:

	1-5%	*5-10%*	*10%+*
Increase	☐	☐	☐
Decrease	☐	☐	☐
Remain unchanged ☐			

Please indicate reasons:

7. Has the number of holidays to Protaras sold by your company over the past two years?:

	1-5%	*5-10%*	*10%+*
Increased	☐	☐	☐
Decreased	☐	☐	☐
Remained unchanged ☐			

8. Do you expect passenger numbers over the next two years to?:

	1-5%	*5-10%*	*10%+*
Increase	☐	☐	☐
Decrease	☐	☐	☐
Remain unchanged ☐			

Please indicate reasons:

9. If tour operator does not sell Agia Napa and/or Protaras – Why not?
   Agia Napa:

(a) ____________________
(b) ____________________
(c) ____________________
(d) ____________________

   Protaras:

(a) ____________________
(b) ____________________
(c) ____________________
(d) ____________________

10. How would you rate the following destinations in respect of each of the following:

Agia Napa	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***
Destination appeal	☐	☐	☐	☐	☐
Customer awareness	☐	☐	☐	☐	☐
Quality of overall tourist experience	☐	☐	☐	☐	☐
Quality of guest accommodations	☐	☐	☐	☐	☐
Nightlife	☐	☐	☐	☐	☐
Service quality	☐	☐	☐	☐	☐
Value for money	☐	☐	☐	☐	☐

Protaras	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***
Destination appeal	☐	☐	☐	☐	☐
Customer awareness	☐	☐	☐	☐	☐
Quality of overall tourist experience	☐	☐	☐	☐	☐
Quality of guest accommodations	☐	☐	☐	☐	☐
Nightlife	☐	☐	☐	☐	☐
Service quality	☐	☐	☐	☐	☐
Value for money	☐	☐	☐	☐	☐

11. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

(a)
(b)
(c)
(d)

How can these be maximised?
What other opportunities exist (if any)?

12. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

(a)
(b)
(c)
(d)

How can these be addressed?

13. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

(a)
(b)
(c)
(d)

How can these be maximised?

What other opportunities exist (if any)?

14. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

(a)
(b)
(c)
(d)

How can these be addressed?

Appendix II: Responses by each source market

Summary of survey results broken down by region:

The United Kingdom (10 operators)

- UK business in Cyprus is largely centred on the resorts of Pafos (10), Limassol (8), Protaras (8), Latchi (7) and Agia Napa (6).
- Four out of the nine operators offering responses expect their business to Cyprus to increase over the course of the next two years. One of these puts this increase down to the increased availability of cheap flights to Cyprus. The remainder consider that business will remain largely stagnant. In relation to business to Agia Napa and Protaras there is an even split for both resorts between those who feel their business will increase and those who feel it will remain unchanged.
- Tour operators in the UK rate Agia Napa very highly in terms of the quality of the overall tourist experience and nightlife. It also rates highly in terms of the quality of accommodations and service overall. The resort does not rate as well in relation to customer awareness and the appeal of the resort as a whole.
- Protaras rated highly in terms of service, overall destination appeal and quality of overall tourist experience. However, a number of respondents (4) ranked Protaras as only being fair in relation to nightlife/evening entertainment.
- Beaches and nightlife are considered to be the key attractions of Agia Napa but a number of respondents feel that significant work needs to be done to improve the image of the resort.
- Beaches are again the key attraction in Protaras, along with family appeal and the quality of accommodation in the resort. Regarding opportunities to improve the resort, a number of operators complained that it is effectively closed for the winter and that it does not really have any real Cypriot character, as it is almost exclusively a summer resort.

Scandinavia (3 operators)

- Scandinavian tour operators concentrate almost exclusively on Protaras (3), Agia Napa (3) and Laranaka (3).
- Two of the operators have experienced significant decreases (10%+) in their business to Cyprus with the remaining operator having an increase of 1-5% over the past two years.
- Regarding the next two years one operator expects business to increase by 1-5% and another expects business to remain largely stable. However, the final operator anticipates a fall off in business of over 10%.
- For Agia Napa two of the three operators expect passenger numbers to fall over the next two years, while the remaining operator expects business to remain largely stable.
- Concerning Protaras one operator expects business to increase by 1-5% over the next two years; one expects business to keep on an even keel; and the final operator expects a decrease in business of in excess of 10%.
- Agia Napa rates highly in terms of customer awareness but it ranked only poor to fair in terms of value for money and two of the three operators only rank the resort as fair in relation to its overall destination appeal.
- Protaras rated well in terms of its destination appeal, customer awareness, the quality of overall tourist experience, nightlife and service quality. Like Agia Napa, Protaras did not fare as well in terms of value for money with two of the three operators rating it as poor or fair.
- Beaches and climate are regarded as the main attractions of Agia Napa but all respondents referred to a need to improve value for money in the resort. Respondents also highlighted the need to improve planning and infrastructure development standards in the resort.
- The beaches and climate are also considered to be the key draws for tourists visiting Protaras. Again respondents flagged poor value for money and poor infrastructure and development standards as the main issues which need to be addressed in the resort.

Germany (4 operators)

- German tour operators concentrate primarily on Protaras (4), Larnaka (4), Agia Napa (3), Pafos (3) and Limassol (3).
- Over half the respondents have experienced fall-offs in their business to Cyprus over the past two years.
- However, this trend is expected to reverse over the coming two years with three of the four operators who responded predicting increases.
- Agia Napa rated well in terms of nightlife and service quality but fared less well in relation to the quality of the overall tourist experience with over half of those offering responses rating it as poor in this respect.
- Protaras rated well in terms of its destination appeal, customer awareness, the quality of overall tourist experience, the quality of accommodation and service quality. However, the resort did not rank highly in terms of value for money with all those responding rating it poor or fair.
- Beaches and the nightlife are felt to be the main attractions of Agia Napa. Concerns were raised in relation to the need to improve the standards of service and of accommodation in the resort.
- Beaches are also considered to be a key attraction for tourists visiting Protaras. Improving the quality of service and value for money were the main suggestions for how to improve the resort in the future.

The Netherlands

- Dutch operators primarily sell the following destinations: Pafos (9), Limassol (8), Larnaka (7), Agia Napa (7), Protaras (6), Latchi (6) and Polis (6).
- The majority of respondents (6 of 9) have experienced increases in traffic to Cyprus over the past two years and a slightly smaller majority (5 of 9) expect this trend to continue over the coming two years. A further three operators anticipate that business will remain largely unchanged over this period.
- Agia Napa rated highly in terms of nightlife and the quality of its accommodation. Agia Napa also rated quite well in relation to service quality, the quality of overall tourist experience, destination appeal and value for money. It did not rate as well in relation to customer awareness.
- Protaras rated well in terms of the quality of accommodation and the quality of the overall tourist experience. Service and value for money were the main points upon which Protaras did not rank particularly well.
- Beaches, nightlife and the quality of accommodation are considered to be the key draws for tourists coming to Agia Napa. A third of respondents feel that Cyprus as a whole needs to marketed better in the Netherlands.
- A main complaint about the resort of Agia Napa is that it is dominated by young people during the high season. Concerns were also raised in relation to improving value for money and the quality of planning and infrastructure development.
- Beaches and peace & quiet are the key attractions for Protaras.are also considered to be a key attraction for tourists visiting Protaras. Like Agia Napa, improving the quality of service and value for money were the main suggestions for how to improve the resort in the future.

United Kingdom: 10 tour operators

1. (a) Do you currently feature holidays in Cyprus?

All respondents sell Cyprus

(b) If “Yes”, which products/areas do you sell?

Larnaka	**5**	□%	Nissy Beach	**2**	□%
Limassol	**8**	□%	Argaka	**1**	□%
Pafos	**10**	□%	Mountains (Troodos)	**2**	□%
Agia Napa	**6**	□%	Omodhos	**1**	□%
Protaras	**8**	□%	St. Georges	**1**	□%
Latchi	**7**	□%	Pervolia	**1**	□%
Polis	**5**	□%	Episkopi	**1**	□%
Pissouri	**5**	□%	Nicosia	**1**	□%
Coral Bay	**4**	□%	Other		□%

2. Has the number of holidays to Cyprus sold by your company over the past two years?:

Increased:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 2
Decreased:	***DNS%:*** 1	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 2

Remained unchanged: 2
No response: 1

3. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 2	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remained unchanged: 5
No response: 1

Please indicate reasons: No response: 9
Increased number of low cost flights available: 1

If tour operator sells Agia Napa and/or Protaras, continue with qu. 4-14 of the survey excluding qu. 9.
If tour operator does not sell Agia Napa and/or Protoras, skip to qu. 9 of survey and continue to end.

4. What types of holiday does your company sell?

Agia Napa:

Duration: 2 weeks (majority): 1 1 week (majority): 3 Mix: 2 No response: 4
Time of year: Year round: 3 Summer only: 3 No response: 4

Protaras:

Duration: 2 weeks (majority): 3 1 week (majority): 0 Mix: 4 No response: 3
Time of year: Year round: 1 Summer only: 7 No response: 2

5. Has the number of holidays to Agia Napa sold by your company over the past two years?:

Increased:	***DNS%:*** 1	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1
Decreased:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 1 No response: 4

6. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 3
No response: 4

Please indicate reasons: No response: 10

7. Has the number of holidays to Protaras sold by your company over the past two years?:

Increased:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 1	***10%+:*** 2
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remained unchanged: 3
No response: 2

8. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 1	***1-5%:*** 2	***5-10%:*** 1	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 4
No response: 2

Please indicate reasons: No response: 10

9. If tour operator does not sell Agia Napa and/or Protaras – Why not?

Agia Napa

Area does not suit clientele	1
Poor image	1
Not enough luxury accommodation	1
Too limited as a winter destination	1

Protaras

Does not suit clientele	1

10. How would you rate the following destinations in respect of each of the following:

No response overall:1

Agia Napa	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	**No response**
Destination appeal	**0**	**5**	**4**	**0**	**0**	**0**
Customer awareness	**2**	**1**	**4**	**2**	**0**	**0**
Quality of overall tourist experience	**0**	**8**	**1**	**0**	**0**	**0**
Quality of guest accommodations	**1**	**6**	**0**	**0**	**0**	**2**
Nightlife	**5**	**3**	**0**	**0**	**0**	**1**
Service quality	**1**	**6**	**0**	**0**	**0**	**2**
Value for money	**0**	**5**	**2**	**0**	**0**	**2**

No response overall: 1

Protaras	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	**No response**
Destination appeal	**5**	**3**	**1**	**0**	**0**	**0**
Customer awareness	**3**	**4**	**2**	**0**	**0**	**0**
Quality of overall tourist experience	**4**	**4**	**1**	**0**	**0**	**0**
Quality of guest accommodations	**3**	**4**	**1**	**0**	**0**	**1**
Nightlife	**0**	**5**	**4**	**0**	**0**	**0**
Service quality	**3**	**5**	**0**	**0**	**0**	**1**
Value for money	**1**	**6**	**1**	**0**	**0**	**1**

11. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

Beaches	6
Party atmosphere/nightlife	6
Quality of accommodation	3
Range of facilities/activities	2
Quality of service	1
Family friendly	1

How can these be maximised?
What other opportunities exist (if any)?

Improve image of resort	5
Develop more facilities for families	3
Develop promenade area	1
Develop more high-end accommodation	1
No suggestions	1

12. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Poor reputation/image	4
Relatively expensive vis a vis competition (Turkey)	2
Effectively closes in winter	2
Limited appeal	2
Poor development, infrastructure & planning	1
No response	1

How can these be addressed?

Cut down on the number of clubs etc.	1

13. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

Beaches	6
Family appeal	2
Quality of accommodation	2
Nice location	1
Range of bars/shops/restaurants etc.	1
Nice resort overall	1
Nice pedestrianised area	1
Broad appeal	1
Peaceful & quiet	1
Quality of service	1

How can these be maximised?
What other opportunities exist (if any)?

Improve marketing of Protaras	1
Improve infrastructure & planning	1
Develop more facilities for families	1
No suggestions	2

14. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Need to increase range of evening activities/entertainment	2
Relatively expensive	2
Effectively closes in winter	2
Poor development, infrastructure & planning	1
A bit too spread out	1
No settled Cypriot population	1
No response	1

How can these be addressed?

Improve infrastructure & planning	1
Develop a year round settled population	1

Scandinavia: 3 tour operators

1. **(a) Do you currently feature holidays in Cyprus?**

All respondents sell Cyprus

(b) If "Yes", which products/areas do you sell?

Larnaka	**3**	□%	Nissy Beach	**0**	□%
Limassol	**1**	□%	Argaka	**0**	□%
Pafos	**0**	□%	Mountains (Troodos)	**0**	□%
Agia Napa	**3**	□%	Omodhos	**0**	□%
Protaras	**3**	□%	St. Georges	**0**	□%
Latchi	**0**	□%	Pervolia	**0**	□%
Polis	**1**	□%	Episkopi	**0**	□%
Pissouri	**0**	□%	Nicosia	**0**	□%
Coral Bay	**0**	□%	Other		□%

2. **Has the number of holidays to Cyprus sold by your company over the past two years?:**

Increased:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 2

Remained unchanged: 0
No response: 0

3. **Do you expect passenger numbers over the next two years to?:**

Increase:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 1
No response: 0

Please indicate reasons: No response: 2
High cost structure: 1

If tour operator sells Agia Napa and/or Protaras, continue with qu. 4-14 of the survey excluding qu. 9.
If tour operator does not sell Agia Napa and/or Protoras, skip to qu. 9 of survey and continue to end.

4. **What types of holiday does your company sell?**
Agia Napa:
Duration: 2 weeks (majority): 0 1 week (majority): 0 Mix: 3 No response: 0
Time of year: Year round: 2 Summer only: 1 No response: 0

Protaras:
Duration: 2 weeks (majority): 0 1 week (majority): 0 Mix: 3 No response: 0
Time of year: Year round: 0 Summer only: 3 No response: 0

5. **Has the number of holidays to Agia Napa sold by your company over the past two years?:**

Increased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 2

Remained unchanged: 1
No response: 0

6. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1

Remain unchanged: 1
No response: 0

Please indicate reasons: No response: 2
High cost structure: 1

7. Has the number of holidays to Protaras sold by your company over the past two years?:

Increased:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 1
No response: 0

8. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remain unchanged: 1
No response: 0

Please indicate reasons: No response: 2
High cost structure: 1

9. If tour operator does not sell Agia Napa and/or Protaras – Why not?
Agia Napa
No response 3

Protaras
No response 3

10. How would you rate the following destinations in respect of each of the following:

No response overall: 0

Agia Napa	*Excellent*	*Good*	*Fair*	*Poor*	*Very Poor*	**No response**
Destination appeal	**0**	**1**	**2**	**0**	**0**	**0**
Customer awareness	**0**	**3**	**0**	**0**	**0**	**0**
Quality of overall tourist experience	**0**	**1**	**1**	**1**	**0**	**0**
Quality of guest accommodations	**1**	**0**	**2***	**0**	**0**	**0**
Nightlife	**1**	**1**	**1**	**0**	**0**	**0**
Service quality	**0**	**1**	**1**	**1**	**0**	**0**
Value for money	**0**	**0**	**1**	**2**	**0**	**0**

* Quality of accommodation is very mixed

No response overall: 0

Protaras	*Excellent*	*Good*	*Fair*	*Poor*	*Very Poor*	**No response**
Destination appeal	**0**	**2**	**1**	**0**	**0**	**0**
Customer awareness	**0**	**2**	**1**	**0**	**0**	**0**
Quality of overall tourist experience	**0**	**2**	**1**	**0**	**0**	**0**

Quality of guest accommodations	**1**	**1**	**1***	**0**	**0**	**0**
Nightlife	**0**	**2**	**1**	**0**	**0**	**0**
Service quality	**0**	**2**	**1**	**0**	**0**	**0**
Value for money	**0**	**1**	**1**	**1**	**0**	**0**

* Quality of accommodation is very mixed

11. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

Beaches	3
Climate	2
Nice people	1
Range of facilities/activities	1
Well functioning resort	1

How can these be maximised?
What other opportunities exist (if any)?

Improve cost structure & value for money	3
Improve infrastructure & planning	2
Improve service quality	1
Develop facilities (e.g. golf course) to extend season	1

12. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Poor development, infrastructure & planning	1
Poor cost structure & value for money	1
Young people dominate the high season	1
Everything but the beaches	1

How can these be addressed?

Improve infrastructure & planning	2
Improve cost structure & value for money	2

13. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

Beaches	2
Climate	1
Nice people	1
Family appeal	1
Range of facilities/activities	1
Peaceful & quiet	1

How can these be maximised?
What other opportunities exist (if any)?

Improve cost structure & value for money	2
Improve infrastructure & planning	1
Develop facilities (etc. golf course) to extend season	1

14. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Poor development, infrastructure & planning	2
Poor cost structure & value for money	2
A little bit touristy/over developed	2

How can these be addressed?

Improve infrastructure & planning	1
Create better facilities for pedestrians	1

Germany: 4 tour operators

1. (a) Do you currently feature holidays in Cyprus?

All respondents sell Cyprus

(b) If "Yes", which products/areas do you sell?

Larnaka	**4**	□%	Nissy Beach	**0**	□%
Limassol	**3**	□%	Argaka	**0**	□%
Pafos	**3**	□%	Mountains (Troodos)	**2**	□%
Agia Napa	**3**	□%	Omodhos	**0**	□%
Protaras	**4**	□%	St. Georges	**0**	□%
Latchi	**0**	□%	Pervolia	**0**	□%
Polis	**0**	□%	Episkopi	**0**	□%
Pissouri	**0**	□%	Nicosia	**2**	□%
Coral Bay	**0**	□%	Other	**0**	□%

2. Has the number of holidays to Cyprus sold by your company over the past two years?:

Increased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1
Decreased:	***DNS%:*** 2	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 0
No response: 0

3. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 0	***1-5%:*** 2	***5-10%:*** 0	***10%+:*** 1
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 1
No response: 0

Please indicate reasons: No response: 4

If tour operator sells Agia Napa and/or Protaras, continue with qu. 4-14 of the survey excluding qu. 9.

If tour operator does not sell Agia Napa and/or Protoras, skip to qu. 9 of survey and continue to end.

4. What types of holiday does your company sell?

Agia Napa:

Duration: 2 weeks (majority): 1 1 week (majority): 1 Mix: 1 No response: 1
Time of year: Year round: 2 Summer only: 1 No response: 1

Protaras:

Duration: 2 weeks (majority): 1 1 week (majority): 0 Mix: 1 No response: 2
Time of year: Year round: 2 Summer only: 2 No response: 0

5. Has the number of holidays to Agia Napa sold by your company over the past two years?:

Increased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1

Remained unchanged1
No response: 1

6. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 0	***1-5%:*** 2	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 1
No response: 1

Please indicate reasons: No response: 4

7. Has the number of holidays to Protaras sold by your company over the past two years?:

Increased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1
Decreased:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 1
No response: 0

8. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 0	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 2
No response: 1

Please indicate reasons: No response: 3
Too expensive: 1

9. If tour operator does not sell Agia Napa and/or Protaras – Why not?

Agia Napa

Limited to beach holidays 1

Protaras

10. How would you rate the following destinations in respect of each of the following:

No response overall: 1

Agia Napa	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	**No response**
Destination appeal	**0**	**1**	**2**	**0**	**0**	**0**
Customer awareness	**0**	**1**	**1**	**1**	**0**	**0**
Quality of overall tourist experience	**0**	**1**	**2**	**0**	**0**	**0**
Quality of guest accommodations	**0**	**2**	**1**	**0**	**0**	**0**
Nightlife	**1**	**2**	**0**	**0**	**0**	**0**
Service quality	**1**	**1**	**1**	**0**	**0**	**0**
Value for money	**0**	**1**	**1**	**1**	**0**	**0**

No response overall: 0

Protaras	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	**No response**
Destination appeal	**0**	**2**	**2**	**0**	**0**	**0**
Customer awareness	**0**	**2**	**2**	**0**	**0**	**0**
Quality of overall tourist experience	**0**	**2**	**2**	**0**	**0**	**0**
Quality of guest accommodations	**0**	**2**	**2**	**0**	**0**	**0**
Nightlife	**1**	**0**	**2**	**0**	**0**	**1**
Service quality	**2**	**0**	**2**	**0**	**0**	**0**
Value for money	**0**	**0**	**2**	**1**	**0**	**1**

12. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

Beaches	3
Party atmosphere/nightlife	2
Range of facilities/activities	1

How can these be maximised?
What other opportunities exist (if any)?

Improve service quality	1
Improve friendliness	1
Increase cultural activities	1
No suggestions	2

13. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Poor standard of accommodation	1
Accommodation is very standard/boring (not Cypriot)	1
Relatively expensive	1
Prefer west of island	1
Service can be poor	1

How can these be addressed?

Invest more in the resort	1

14. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

Beaches	3
Family friendly	1
Broad appeal	1
No response	1

How can these be maximised?
What other opportunities exist (if any)?

No suggestions	4

15. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Service can be poor	1
Can be relatively expensive	1

How can these be addressed?

Improve infrastructure & planning	1
Focus on improving the quality of service	1
Improve value for money	1

The Netherlands: 9 tour operators

1. (a) **Do you currently feature holidays in Cyprus?**

All respondents sell Cyprus

(b) If "Yes", which products/areas do you sell? (a) All respondents sell Cyprus

Larnaka	**7**	□%	Nissy Beach	**0**	□%
Limassol	**8**	□%	Argaka	**0**	□%
Pafos	**9**	□%	Mountains (Troodos)	**3**	□%
Agia Napa	**7**	□%	Omodhos	**0**	□%
Protaras	**6**	□%	St. Georges	**0**	□%
Latchi	**6**	□%	Pervolia	**0**	□%
Polis	**6**	□%	Episkopi	**0**	□%
Pissouri	**0**	□%	Nicosia	**1**	□%
Coral Bay	**0**	□%	Other	**0**	□%

2. **Has the number of holidays to Cyprus sold by your company over the past two years?:**

Increased:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 1	***10%+:*** 3
Decreased:	***DNS%:*** 1	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 1

Remained unchanged: 1
No response: 0

3. **Do you expect passenger numbers over the next two years to?:**

Increase:	***DNS%:*** 1	***1-5%:*** 1	***5-10%:*** 1	***10%+:*** 2
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 3
No response: 1

Please indicate reasons: No response: 9

If tour operator sells Agia Napa and/or Protaras, continue with qu. 4-14 of the survey excluding qu. 9.
If tour operator does not sell Agia Napa and/or Protoras, skip to qu. 9 of survey and continue to end.

4. **What types of holiday does your company sell?**
Agia Napa:
Duration: 2 weeks (majority): 1 1 week (majority): 4 Mix: 2 No response: 2
Time of year: Year round: 3 Summer only: 4 No response: 2

Protaras:
Duration: 2 weeks (majority): 0 1 week (majority): 3 Mix: 3 No response: 3
Time of year: Year round: 1 Summer only: 5 No response: 3

5. **Has the number of holidays to Agia Napa sold by your company over the past two years?:**

Increased:	***DNS%:*** 3	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remained unchanged: 2
No response: 4

6. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 2	***1-5%:*** 3	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 1
No response: 3

Please indicate reasons: No response: 9

7. Has the number of holidays to Protaras sold by your company over the past two years?:

Increased:	***DNS%:*** 3	***1-5%:*** 1	***5-10%:*** 0	***10%+:*** 0
Decreased:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remained unchanged: 2
No response: 3

8. Do you expect passenger numbers over the next two years to?:

Increase:	***DNS%:*** 1	***1-5%:*** 2	***5-10%:*** 0	***10%+:*** 0
Decrease:	***DNS%:*** 0	***1-5%:*** 0	***5-10%:*** 0	***10%+:*** 0

Remain unchanged: 2
No response: 4

Please indicate reasons: No response: 9

9. If tour operator does not sell Agia Napa and/or Protaras – Why not?

Agia Napa

Too touristy	1
Area not high scale enough for clientele	1
Area does not suit clientele	1
Satisfied with current situation	1

Protaras

Too touristy	1
Area not high scale enough for clientele	3
Satisfied with current situation	1

10. How would you rate the following destinations in respect of each of the following:

No response overall: 2

Agia Napa	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	***No response***
Destination appeal	**0**	**4**	**3**	**0**	**0**	**0**
Customer awareness	**0**	**1**	**2**	**4**	**0**	**0**
Quality of overall tourist experience	**0**	**4**	**3**	**0**	**0**	**0**
Quality of guest accommodations	**0**	**5**	**2**	**0**	**0**	**0**
Nightlife	**2**	**4**	**1**	**0**	**0**	**0**
Service quality	**0**	**4**	**3**	**0**	**0**	**0**
Value for money	**0**	**4**	**1**	**2**	**0**	**0**

No response overall: 4

Protaras	***Excellent***	***Good***	***Fair***	***Poor***	***Very Poor***	***No response***
Destination appeal	**0**	**3**	**2**	**0**	**0**	**0**
Customer awareness	**0**	**0**	**2**	**2**	**1**	**0**
Quality of overall tourist experience	**0**	**4**	**1**	**0**	**0**	**0**
Quality of guest accommodations	**0**	**5**	**0**	**0**	**0**	**0**
Nightlife	**0**	**3**	**1**	**1**	**0**	**0**
Service quality	**0**	**2**	**3**	**0**	**0**	**0**
Value for money	**0**	**2**	**2**	**1**	**0**	**0**

11. In your opinion, what are Agia Napa's key strengths as a tourist destination/best assets to attract more tourists?

Beaches	7
Party atmosphere/nightlife	4
Quality of accommodation	3
Quality of service	1
Range of facilities/activities	1
No response	2

How can these be maximised?
What other opportunities exist (if any)?

Improve marketing of Cyprus in the NL	3
Increase variety of excursions	2
Improve infrastructure & planning	2
Improve cost structure & value for money	2
Improve service quality	2
Improve quality of self catering accommodation	1
No suggestions	1

12. In your opinion, what are Agia Napa's key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Young people dominate in the high season	3
Poor development, infrastructure & planning	2
Poor reputation/image	2
Not enough high end accommodation	1
Surrounding environment is a bit dull	1
No response	2

How can these be addressed?
Devise a more effective marketing plan

13. In your opinion, what are Protaras' key strengths as a tourist destination/best assets to attract more tourists?

Beaches	3
Peaceful & quiet	2
Quality of accommodation	2
Nice location	1
Range of bars/shops/restaurants etc.	1
No response	3

How can these be maximised?
What other opportunities exist (if any)?

Improve marketing of Cyprus & Protaras in the NL	2
Improve infrastructure & planning	1
Improve service quality	1
Improve range of facilities	1
No suggestions	2

14. In your opinion, what are Protaras' key weaknesses as a tourist destination/the major negatives which need to be addressed if more tourists are to be attracted?

Need to increase range of evening activities/entertainment	1
A bit too spread out	1
A bit touristy/over developed	1
Relatively expensive	1
Could improve shopping facilities	1

How can these be addressed?

Improve the variety of excursions	1
Improve the marketing of Cyprus & Protaras in the NL	1
No suggestions	4

Appendix III: Tour Operators Surveyed

The United Kingdom

Cosmos & Archers Direct Holidays

Cresta Holidays

Delta Low

Erna Low

Mastersun

Olympic Holidays & Odyssey Worldwide

Panorama & Manos Holidays

Seligo

Sun Collection - Bridge Travel

Thomson & Skytours Holidays

Scandinavia

My Travel Nordic	Ving Norway
	Ving Sweden
	Ving Denmark
	Always Sweden
	Saga Norway
	Tjaereborg Denmark
	Tjaereborg Finland
	Spies Denmark
TUI Nordic	Fritidsresor Sweden
	Star Tours Norway
	Star Tours Denmark
	Finnmatkat Finland

Apollo Resor Sweden

Germany

Attika Reisen

Domizile Reisen

Gebeco Reisen

TUI

The Netherlands

Hotelplan

Illios Reisen

Paradise Reisen

Polyplan

OAD Reisen

Senior Vakantie Plad

Sky International Tours

Thomas Cook

Xenofon Travel

Appendix 5: Guide Books and Media Coverage

Media Coverage

Agia Napa

BBC: Rowland Rivron for BBC Holiday visited Agia Napa

http://www.bbc.co.uk/holiday/destinations/cyprus_agia_napa/

Channel Four: Agia Napa – Fantasy Island (1999)

http://www.channel4.com/life/microsites/B/britains_favourite_holiday/page2.html

ITV: Holiday Airport Cyprus

Daily Mail Resort Guide: (Suzanne King)

http://www.dailymail.co.uk/pages/dmstandard/frame.html?in_bottom=http:%2F%2Fwww.thisistravel.co.uk&in_page_id=1766

The Guardian and Observer:

Make yourself at home, September 26 2004

Greece is the word, July 25 2004

Take off - without the plane, June 27 2004

Greek police investigate 'sex party' cruise, June 27 2004

'Spiked drinks' on orgy cruise, June 25 2004

Britons caught on camera as shots of cruise ship orgy shock Cyprus, June 24 2004

Cyprus, May 02 2004

Club 18-30 axes pub crawls, April 10 2004

Rhodes by any other name, December 07 2003

Families who lose out in half-term break, September 13 2003

Beyond the binge, August 30 2003

UK police to advise on rowdy isles, August 27 2003

London turf wars mar Cyprus party spirit, July 19 2003

The beat goes on, January 25 2003

So near, yet so spa, January 19 2003

Be prepared, August 14 2002

My blue heaven, August 11 2002

When a thong is all wrong, July 14 2002

Greek police arrest British tourists, June 29 2002

Erotic Emma: drunk and at risk, June 22 2002

Let there be light, October 13 2001

Ayia Napa's got nothing on this, September 09 2001

Best offers, July 28 2001

Rock without the Rolls, July 28 2001

Party animals, July 08 2001

Ayia Napa outlaws huge pub crawls, June 24 2001

You've come a long way, baby, June 02 2001

Club class,June 02 2001

Mighty Aphrodite, February 10 2001

From dusk till dawn, November 04 2000

Independent:

One Hour from: Paphos, 28 September 2003

As good as it gets, 2 February 2003

Cyprus the view beyond the Green Line, 11 March 2001

Holiday Makers shun Turkey in favour of its more reliable neighbours, 28 October 2000

Telegraph:

The Sophie Butler Report: Adult Only Holidays, 4 June 2004.

The Sophie Butler Report: Holiday Vows, 26 January 2004

Protaras:

BBC: Suzi Perry for BBC Holiday

http://www.bbc.co.uk/holiday/destinations/cyprus_protaras/

ITV: Wish You Were Here

Good for families. (Agia Napa was not mentioned as a separate destination unlike Ibiza in the drop-down)

http://www.wishyouwerehere.com/destinations/dest_0019.html

Daily Mail Resort Guide:

http://www.dailymail.co.uk/pages/dmstandard/frame.html?in_bottom=http:%2F%2Fwww.thisistravel.co.uk&in_page_id=1766

The Guardian and Observer:

10 easy lessons for half term fun, October 10 2004

Best offers, May 01 2004

Where next?, September 13 2003

Half-term holiday measures, July 20 2003

Best offers, June 29 2002

Independent:

The Independent Parent: Do tour companies cater for single-parent families?, 10 April 2004

Blue Skies Ahead, Independent Money: Property, 10 March 2004

House Hunter: 'We want a bargain in Cyprus', 10 September 2003

Hot Spot: Cyprus, Independent Money: Property, 31 May 2002

12 Best Med holidays, In Travel: Europe, 1 October 2002

Famagusta Tourism Development Project: Review of Travel Guides

Cyprus Car Tours and Walks (Geoff Daniel) Sunflower: London, 2004

Agia Napa

Notes that it is a popular destination with excellent sandy beaches. Great opportunities for walkers around the region. No mention of clubbing etc. The monastery is definitely a plus.

> *Ayia Napa is one of the island's most popular tourist centres. This walk takes in sandy beaches, quiet coves, a radar topped headland and an attractively sited church (p.115).*

> *This walk (Agia Napa to Profitis Ilias) explores the gentle agricultural hills behind Agia Napa and Protaras. Prise yourself away from golden beaches and you'll find that some modest exertion reveals a different world … of wind-powered wells, rich red soil producing a harvest of vegetables, quaint little churches, and a few stony tracks waiting to be explored (p.119).*

There is good coastal walking, plus splendid beaches, around Agia Napa/Protaras area … (Splendid for picnicking and walking)(p.42).

Protaras

Nice area that has only been developed of late. Good walk around the region that takes about 4 hours and is 14km: Agia Napa – Cape Greco – Protaras.

> *An excellent beach and ancillary development which mushroomed in the early 1980s.*

Key place of interest

Church of Profitis Illias – *"not to be missed!"*

Berlitz Cyprus, London, 2004

N.B. This guide is not aimed at the usual package holidaymaker. Intended for those making trips around the island.

Agia Napa

States that Agia Napa is located right out at the coast and thus it is better to stay for a night or two than a more central location such as Nicosia, Limassol, or Larnaka. The beaches are a key focal point of the region. The guide is critical of the type of development that has occurred here since 1974. The monastery and the Marine Life Museum are two attractions worth visiting. Above all the guide clearly does not favour this destination. There is good watersports on offer.

> *Change is most pronounced in the square in the square around the venerable Monastery of Agia Napa (Our Lady of the Forest). Today, aside from one ancient sycamore said to be 600 years old, the only forest is that of concrete pillars and neon signs which mark the island's largest and tackiest concentration of bars and nightspots (p.56).*
>
> *Still, if you visit during the day (when most of Agia Napa's party animals are either asleep or at the beach), the square is completely quiet and the monastery is peace personified (p.56).*
>
> *Growth is largely a result of its splendid beaches of fine golden sand, a rarity in Cyprus (p.57).*
>
> ***Nissi Beach** – "picture-postcard sandy strip" … "It's a lovely place to come out of season, but in midsummer it becomes horribly crowded. To compound the mayhem, there's also bungee-jumping here" (p.57).*
>
> ***N.B. "**For many people over 35, taking a vacation in Agia Napa would be an extreme sport" (p.84).*
>
> *Scores of live-music bars and some 15 nightclubs that cater to a wild Anglo-Scandinavian 18-30 crowd (p.91).*

Recommended

Agia Napa Festival (September) (p.93).

Protaras

Just a beach resort with watersports that is relatively new.

> The lovely sandy beaches of Fig Tree Bay around which the characterless resort of Protaras has sprung up. There are no signs to the beaches, but just look for the big hotels. All water sports are practiced here (p.58).

Globetrotter, Cyprus (Paul Harcourt Davis), New Holland: London, 2000

States that there is plenty on offer, especially for families. Draws attention to the fact that Cypriots may resent what has developed here. It is not a place for R&R. It is only at Easter that the town reclaimed by Cypriots.

> *Agia Napa is full of hotels, tourist shops, restaurants and cafes. With guaranteed sunshine, beaches and watersports of every description, there is plenty to offer families with children. There is no doubt that package tourism has brought prosperity but many middle-class Cypriots will talk about the mistake of allowing unbridled development in Agia Napa – the name means 'pleasant grove' – and cite it as an example of what to avoid. Others, scratching a living, would like a share of just that kind of action in their village, claiming the inalienable right to be allowed to make a fast buck too (p.88).*

> *Should be avoided by those seeking peace and quiet (in high season) (p.88).*

> *Agia Napa is tailor-made for those in northern Europe who work hard all year and want to play hard for two weeks (p.89).*

> *Agia Napa reverts to being a Greek village at Easter (p.89).*

Protaras

Rapid development. Concludes that it is not a place to come if one is not on a package deal.

> *The speed with which the town has grown is scarcely credible, and the strip of wall-to-wall hotels makes it difficult for non-residents to find the beach (p.91).*

Globetrotter, The Best of Cyprus (Paul Harcourt Davis), New Holland: London, 2002

Agia Napa

As above

> *With guaranteed sunshine, tourists and locals can visit the beaches and take part in water sports of every description (p.18).*

Protaras

Elaborates on the above-mentioned description. However, Cape Greko is a wonderful place to discover and enjoy if one is staying at either resort.

> *Only a few years ago, Protaras was just Fig Tree Bay – a long stretch of sand, gently sloping to a crystal-clear sea, named after the fig tree at the café claimed to have been brought to the east in the 17th century. The calm water and long run along the coast make it a favourable venue for water-skiers while an offshore island affords some escape for swimmers from the beaches which can get crowded in summer (p.18).*

> *Those who enjoy snorkelling or swimming off a rocky coast will find Cape Greko attractive when the sea is calm (p.18).*

> *For some fresh air, drive to the southeastern tip of the area, Cape Greko. Here, the stunning coastal scenery of towering cliffs and se caves is enhanced by the fragrance of pine and juniper (p.83).*

Nelles Guide, Cyprus, Nelles Verlag Gmb H.: Munich, 1999

Agia Napa

Its range of entertainment on offer makes up for the lack of sights in Agia Napa. The Monastery is not to be missed. Mainly for younger people. However, there is a spectacular drive that can be undertaken heading out from the town.

> *Agia Napa does not have many sights to speak of, but offers a number of activities to compensate for this. There is, for example, an aquatic centre with a giant water slide, a "dolphinarium," the country-fair-like Luna Park, and even a place for bungee jumping. Anyone interested in sea shells can check out the small Malacology Museum in the Town Hall.*

Key place of interest

The Monastery – *"The only building of historical interest in the town."*

Protaras

Nothing except the statement that "Fig Tree Bay is the most famous" of the collectives located here.

Cyprus, Travellers Series (Thomas Cook), Peterborough, 2003.

Agia Napa

In keeping with the general consensus, this guide mourns the changes that have occurred in Ayia Napa over the years. It is crowded and noisy. It is possible to enjoy oneself though through walks that are suggested. It raises the interesting point that perhaps Thomas Cook does not sell many holidays to the region and those that they do sell, if any, are likely to be taken up by younger revellers.

> *The southeast of the island, around Agia Napa, has grown into one of the major tourist resorts, catering especially for young people. It has lost much of its Cypriot character, and the profusion of clubs, pubs, and theme parks may not appeal to everyone. There are certainly some of the best sandy beaches in this area, but unfortunately they have now become very crowded (p.17).*

> *Apart from the Monastery, everything is new and the streets are lined with gift shops all selling the same goods; Cypriot traders certainly believe in competition (p.54).*

> *Beaches and seaside resorts offer limitless opportunities for watersports (p.59).*

Details a walk that explores part of the area of Agia Napa but also the more peaceful region along the coast.

> *Start in Seferis Square to the Monastery to the Harbour then along the coast past the rich red soil of the agricultural region then around the headland leading to Sandy Bay and then back into town along. Leoforos Nissi (p.54).*

Protaras

Protaras is up and coming and is more suited to family-oriented holidays with calm waters, though it is busy. Excellent water skiing is available.

> *Protaras "is now running it (Agia Napa) close" as the "centre of the holiday industry in the southeast" (p.54).*

> The beach is ideal for swimming; the sand shelves gently into the clear blue sea. A little way out is a small rocky island. Because the waters generally stay calm the area is attractive to waterskiers. The runs down the coast are quite splendid. All the above attractions make Protaras a fairly busy place (p.60).

Insight Compact Guide Cyprus, London, 2000.

Agia Napa:

Mourns the changes that have taken place. Principally for revellers. Clearly dislikes the place, though it is possible to keep the children entertained here. Again true enjoyment involves leaving the town and walking to Cape Gkreko.

> *Once a peaceful fishing village, Agia Napa promises sun and fun and is almost totally dependent on tourism …But nobody comes to Agia Napa for peace and quiet. Fine yellow sand, windsurfing and boat hire, riding and diving make it an ideal resort for watersports enthusiasts, while in Nissi Bay three pelicans keep the children entertained. The bars in Seferis Square are popular meeting places in the evening and the discotheques stay open until dawn (p.37).*

> ***Cape Gkreko:** can be reached in "just under two hours but sections of the path cross rough terrain."*

Protaras

Nothing much barring the obvious statement that it has grown up in the last few years but cannot be easily walked to from Agia Napa.

> *There is no proper footpath along the east coast to Protaras and Pernera either. These last two beach resorts, which have grown up during the last few years, are close to the small town of Paralimni (p.37).*

The AA Spiral Guide, Cyprus, Windsor, 2003.

Overview

Agia Napa, Protaras and Pernea together form a major resort strip devoted purely to summer tourism. You come face to face with the effects of partition in this area – Famagusta's abandoned and crumbling resort Varosha can be see through binoculars and even 'toured' by boat, from a discreet distance. There's nature, too, on rocky Cape Gkreko Peninsula (p.56).

Agia Napa:

Really a place for partying. Author clearly dislikes the area. Plenty for kids (WaterWorld, EMW Go Karts, and La Luna Fun Fair).

> *Cyprus's hot 'n' spicy, summer-only resort exists purely and simply to provide fired-up youthful spirits with beaches, bars, nightclubs and shops – and does so with total commitment, if not much style (p.73).*
>
> *Became South Cyprus's holiday par excellence as the local tourist industry responded to the loss of its best resorts and finest beaches to the 1974 Turkish invasion (p.73).*
>
> ***Monastery**: "Looks forlorn in the midst of the brash resort's glitter" (p.73).*
>
> *Although overshadowed by a fleet of tour boats, glass-bottom boats, 'orgy' boats and private yachts, the harbour still has elements of local colour in the fishing boats that line its quays. Beside the harbour looking out of place is tiny Agios Georgios chapel (p. 73-4).*

Protaras

Does not really add to what was in the overview. Although alludes to being a good place to bring children in reference to Konnos Beach.

> ***Konnos Beach**: "The white sand beach is not big, but it shelves into the clear blue water, making it an extensive zone of safe bathing for children" (p.80).*

The AA Essential Guide, Cyprus, Windsor, 2004.

Agia Napa

Opinion that it is noisy. It is not really a place for those looking for peace and quiet. The Monastery is a major place of solace in the face of the surrounding din. Nissi beach is a good place for families, mainly due to the sand bar. There are plenty of distractions for children such as the Marine Life Museum, Luna Park, Skycoasters and WaterWorld. Suggests a drive, not a walk, around the Cape, which is not unusual considering it's an AA guide.

> Agia Napa is a major tourist resort but the centre of the village retains some charm by virtue of its monastery and its well-watered gardens, which present a welcome haven from the bustle outside (p.35).
>
> ***Nissi Beach:*** *The presence of a sand bar makes it possible to wade to the island, an adventure that appeals especially to children. Those going to the island should, however, bear in mind that it is made up of rough and spiky rocks and suitably footwear is necessary (p.40).*

Protaras

States that it is a resort that has discos, which possibly puts it into the same category as Agia Napa. However, a more detailed coverage of the same resort reveals that Protaras lacks discos and thus suggests that the author of this AA guide perhaps can't tell the difference between bars that play music and night clubs, or more likely he dislikes such resorts in the first place.

> *Protaras is a 'fully fledged resort full of hotels, restaurants and the ubiquitous discos. The beach is sandy and there are very good watersports facilities. The offshore rocky islet offers the chance of some small degree of seclusion although you have to be a fairly strong swimmer to reach it (p.41).*

AA Explorer Cyprus, Windsor, 2004.

Agia Napa

In keeping with the above-discussed AA guide, Agia Napa again emerges in an unfavourable light. The author notes that it has been highly successful in its development since the Turkish invasion. The invasion has added, however, an unusual tourist attraction – a boat trip to view the deserted Varosha. It is possible that the author was familiar with this area prior to what it has become today but it is more likely that he dislikes the whole sun-and-fun scene and his descriptions if the like are possibly taken to the extreme, such as inferring the region has become drug ridden, even though the Time Out Guide has stated that Agia Napa and Cyprus as a whole has been able to remain relatively drug-free (and in terms of clubbing etc. who are we more likely to believe?). The author (George McDonald) concludes that the town wont remain as popular and it is possible to detect his wish that it would be sooner rather than later.

> *What Agia Napa lacks in cool sophistication – and it lacks it a lot – it more than makes up for in its single-minded commitment to being a successful holiday resort, with all that implies in terms of cafes, shops, nightclubs, and the like (p.80).*

> *It is not to see Byzantine monasteries that people go to Agia Napa. The formerly deserted shoreline in and around the town has become Cyprus' holiday playground par excellence, as the tourist industry reacted to the loss of some of its best resorts after the 1974 invasion (p.80).*

> *It's rise – This has brought in its tow something of a wild party atmosphere, not to mention a surge in drunkenness, pill-popping, and unruly behaviour, that does not sit too well with the families that were formerly the resort's bread and butter. It has, however, brought good business for the "orgy boats" that now float beside the tour boats and glass bottom boats in the harbour. As the nature of this kind of "fame," Agia Napa's moment in the sun likely wont last forever (p.80).*

TIP: Unusual attraction – Boat trip to view Varosha (p.81).

Protaras

This is a family resort and provides all that it implies. Good for Watersports.

> A no-nonsense beach resort that's popular with families with small children, whose primary assets are sand, sunshine, and a sea that is pleasantly warm in summer. Watersports are the main concern of those beachgoers who can be persuaded to raise themselves up from the sand. The nearby resort of Pernera adds up to more of the same; the two are connected by the fine sandy beach of Fig Tree Bay, which is packed wall to wall with sunbathers at peak times (p.93).

Insight Guides Cyprus, London, 2004

Agia Napa:

Unusual coverage of the town. It deals primarily with the invasion and the aftermath. It is the best place to witness first hand the effects of the division of the island. Very much geared to the military enthusiast (most likely from the US as it's a Discovery Channel publication). States the drive to Cpae Gkreko is beautiful but covered by military communications equipment when most other guides state the satellite equipment belongs to Radio Monte Carlo, and is a relaying station to the Middle East. However, the author cannot escape mentioning the clubbing scene but adds the fact that it is seasonal and thus it is possible to enjoy the region with a level of sedateness. However, if you are merely looking for a beach holiday etc. than one should try somewhere else. The author also mentions the illegal cruelty to migratory birds that still occurs due to the financial benefits outweighing the laws that have been consistently introduced.

> *There is hardly anywhere better than the surrounds of Agia Napa to appreciate the division of Cyprus (p.182).*

> *Such sedate attractions can't, however, disguise the fact that Agia Napa has become one of the hottest party and rave scenes in the Mediterranean, where the music and action doesn't stop from April to October (p.182).*

> *Going east from Agia Napa, but still within cycling or even walking range, is the scenic cape Gkreko, a great place for snorkelling and scuba-diving. Unfortunately the cape's tip is occupied by military satellite communications gear (p.183).*

> *Cruel and somewhat illegal trade in pickled migratory birds still occurs (p.183).*

> ***TIP:** The Agia Napa area offers beach holidays with every possible amenity, but if you're looking for isolated bays, traditional villages and authentic cuisine, you should probably head somewhere else (p.183).*

Protaras

Not mentioned.

The Motivate Illustrated Guide to Cyprus, (Klaus Gallas), London, 1999

Agia Napa

Sun resort that is noisy in summer. Can be reached by sea or land. Monastery is not to be missed. Suggests the drive around Cape Greco.

> *Agia Napa has fewer than 2,000 inhabitants but nearly ten times as many hotel beds for sun-hungry tourists! (p.129).*

> *Monastery still "an oasis of tranquillity" (p.129).*

South coast drive takes in 'unspoilt' countryside around Cape Greco.

Protaras

Fully-fledged resort with good swimming and there are restaurants along the beach. Coverage is mainly for those on a driving holiday or coming from Agia Napa.

> Area around Protaras is *"built up"* but Fig Tree Bay is *"nevertheless a beautiful spot for a swim and has both car parks and restaurants"* (p.130).

N.B. ***There are three extremely detailed travel guides, which provide the most accurate description of Agia Napa and Protaras. I have left their descriptions to stand on their own. All three guides present a warts-and-all description.***

<u>The Rough Guide to Cyprus, 2002.</u>

Agia Napa

> *In his book Journey into Cyprus, Colin Thubron describes cooking a fish, in the summer of 1972, on the empty beach below the then-fishing village of Ayia Napa (Agia Napa), and later being awoken by sandflies. Were he today to find an unpoliced stretch of sand, he would be lucky to sleep at all over the din of nearby clubs. Any local identity has been utterly swept aside since Thubron's visit with Agia Napa press-ganged into service as one of the South's largest package resorts, replacing the lost paradises around Famagusta. The beach is still obvious enough, a crescent swathe extending east hundreds of metres from the fishing harbour, but packed out in summer: half a million tourists check into Agia Napa during a good year.*
>
> *Strictly speaking, you don't really need a guidebook to find your way about here – all is pretty self-explanatory – but rather a fat wallet, a large liver capacity and boundless stamina for physical and/or nocturnal exploits. Agia Napa exists primarily* as a package destination for rowdy Scandinavians *and, of late, a nearly equal number of Brits, not many of them over the age of 30. By the day the place seems eerily quiet, since most of the transient population sleeps until noon, then soaks up some sun on the beach before a long evening nap. Most people next emerge at around 11pm for a light supper before partying until dawn, lending Agia Napa its now well-established reputation as the Med's second hottest clubbing destination, after Ibiza.*
>
> *The downside of this – which dismays the serious music fans, DJs and UK radio stations which periodically organize events here – are testosterone-fuelled brawls amongst holidaying larger-louts, their numbers sometimes augmented by British servicemen from both Dhekelia and the UN contingent, attracted by the resort's reputation. Following their involvement in various incidents, including the 1994 rape-murder of a Danish tour courier and the unprovoked blinding of a hapless British civilian in 1998, squaddies are usually banned from the score-and-more of local bars, clubs and discos. The "civilians", many of them from south London, have not been slow to pick up the slack, with a fatal stabbing after an all-night Radio 1 event in July 2000.*
>
> *The town council and police take a similarly dim view of drugs, though they are not nearly as abundant as on Ibiza. As across the rest of the island, a "zero tolerance" policy is in force, undercover agents abound, and being caught with even a single spliff or a few Ecstasy tablets will definitely earn you a few months in the slammer. In just the first six weeks of the 2001 season, 44 Brits were arrested for drug offences, and several imprisoned for long stretches.*

With the ravers' original brain-numbing drug of choice – alcohol – so readily available around the clock, it's foolish to risk imprisonment for anything stronger.

Around Platia Seferi and the pedestrian zone above, nominal centre of the old village, anything not related to nightlife is likely to be a clothes shop or an overpriced eatery: striking out in virtually any direction, you can pick up a copy of various English newspapers, or tank up on Woodpecker cider and beans on toast. Aside from the monastery, don't expect to find any other manifestations of high culture at Agia Napa; in lieu of museum admission charges, you can find out the answer to the question "How Sexy Are You?" by inserting C£0.20 at various pavement skin-galvanometric devices (pp 98-9).

… in high season it's hopelessly crowded as the four or five hotels here (Nissi Beach), a discreet distance behind, disgorge their occupants onto the few hundred metres of sand, or into the handful of snack kiosks above the tidemark (p.100).

If you're staying here, it's 99 percent certain that you've come on a package (p.101).

'Nightlife, drinking and maybe eating as an afterthought': Since Channel 4's "Fantasy Island" series, tracing the rising popularity of UK garage music in Agia Napa during the 1999 season, the number of visitors interested in more than drinking all night and passing out face down in the sand come dawn has increased dramatically. To meet this demand, local nightlife has continued its restless quest for ever-greater diversity and quality. Nevertheless, attempts to transform Cyprus into a floating palace of hedonism to rival her Mediterranean cousin Ibiza have foundered, thankfully, on the understandable reluctance of the Cypriot authorities to let the drug trade flourish on the island (p.101).

Don't expect much Cypriot character or value for money when eating out, which for many patrons is merely a secondary consideration (p.102).

Protaras

A developmental disaster of some thirty wall-to-wall hotels and self-catering facilities, packed out from mid-May onwards with relatively well-behaved Scandinavian (and a few British) families (p.104).

… it's quite easy to drive right past Protaras resort without ever seeing the sea. Once you do figure it out, you'll find that big shoreline lawns and swimming pools, substantial enough to accommodate the crowds, supplement the lack of sands – conveying a clear message that, unless you are actually staying at one of the behemoths or using their manifold recreational facilities (water-skiing, paragliding and so on), you're not exactly welcome here. At least the sea, if you do manage to reach it, is as clear and warm as you'd hope for (p.104).

It's difficult to imagine a setting less appropriate for non-package visitors, but Nicosians apparently come here in some force at weekends, and (unlike Agia Napa) much of the resort stays "open" in winter (p.104).

Time Out, Visitors' Guide, Cyprus, 2004/2005

N.B.

2-page advertisement for WaterWorld

2-page advertisement for Protaras/Paralimni by Paralimni Municipality

Agia Napa

> *If you want to be in with the in-crowd, you'll probably want to head for Ayia Napa in the south eastern corner of Cyprus which has become a world famous clubbing destination, giving Ibiza a run for its money.* ***Everybody*** *has heard of Ayia Napa (even if some ignoramuses think it's an island….) but not long ago, it was a sleepy fishing village with little to offer apart from glorious sandy beaches. Oh, how things change. However it is still possible to spend your holiday in Ayia Napa, without getting embroiled in the club scene – so if your clubbing days are over, don't be put off. And if you are a clubber but too much of a good thing is doing your head in, take a trip to the Troodos mountains where you can swap R 'n' B for a bit of R 'n' R. (p.39).*
>
> *Over the past few years, Ayia Napa has topped of the list of the world's 'in' destinations as THE place to be, surpassing even Ibiza for club culture. It has everything you could want from a holiday, especially if you're young, with beautiful white sandy beaches, lots and lots of sandy sunshine, at least 20 top nightclubs all within a one-mile radius and over 100 bars to choose from. Food is (relatively) cheap and the variety is huge. What's more, unlike other similar club and youth-orientated destinations, Ayia Napa (and Cyprus in general) have managed to remain relatively drugs-free.*
>
> *The present-day resort may not be everybody's cup of tea, but if lying in the sun and then partying until dawn is your thing, Ayia Napa is heaven (p.39).*

Key places of interest

Ascott Pottery (Protaras Road)

Ayia Mavri Church (Agia Napa)

Monastery (Agia Napa)

Kikiriko Fun Park (Nissi Avenue)

Macronissos Tombs (Agia Napa)

Magic Dancing Waters (Protaras)

Top 5 beaches (p.42)

Konnos Beach (Protaras): *"excellent water sports facilities, and expert instruction from Mike."*

Fig Tree Bay (Protaras): "*If you don't like crowds, avoid this beach on Saturdays and Sundays during the summer"*

Green Bay (Protaras): no watersports

Nissi Beach (Agia Napa): *can get "rougher on windy days near the rocks at the far end" and "avoid it if you're looking for some peace and quiet."*

Makronissos Beach (Agia Napa): *"No underlying currents, shallow water, perfect for children. One restaurant only."*

Agia Napa in winter

> *Between November and the beginning of May, it becomes a virtual ghost town. If you find yourself booked into Agia Napa in February, you've probably been conned by an unscrupulous travel agent (p.45).*

> *Agia Napa is known for one thing – clubbing. Go down to the Square and take your pick of the venues. It's also the only place in Cyprus where you can try adventure activities like bungee jumping. Not a place for the faint hearted (p.46)*

> *Ayia Napa only comes alive in summer so its shops are very tourist orientated. If you really want to see what the Cypriots buy, take a day trip to Nicosia where the shopping is on a par with that in any small European city. Here you'll find a little more that souvenirs and essentials (p.53).*

Protaras

Just 13 km away from the hustle and bustle of Agia Napa is Protaras, blessed with white sands and calm, warm, turquoise waters. It is the 'tourist area of Paralimni and one of the loveliest parts of Cyprus. With a deserving reputation for its windmills, which bring a quaint, nostalgic and tranquil beauty to the landscape, and its glorious beaches, it is a more family-orientated place than the boisterous resort of Agia Napa and tends to be favoured by the older age group. Nightlife is busy but not as wild and chaotic as that of Agia Napa. Indeed, everything is on a smaller scale than in Agia Napa, except the service. The McDonalds at Protaras has a 'ride thru' service which works the same way as the more usual 'drive thru'…but with mopeds instead of cars.

Fig Tree Bay is the most famous area; Spectacular views from Church of the Prophet Elias; Deserted cave chapel of Ayii Saranta near the Green Bay hotel.

Lonely Planet, Cyprus, London, 2003

Agia Napa

From its humble beginnings as a small, insignificant fishing village, Agia Napa now shoulders the mantle of Cyprus' prime sun-and-fun tourist resort (p.151).

Agia Napa is not everyone's cup of tea and 90% of people visiting here are overseas tourists on packages, intent on specific and limited pleasures – drinking, eating and sunning themselves. That said, it is unquestionably popular. Restaurants, hotels and bars are still sprouting up like mushrooms in a dark cave, and the unfiltered growth of the town has hardly abated in recent years.

The beach, while crowded, is good and the nightlife never stops. If you are under 30 years of age, you may never want to think twice about coming here for a holiday. If you turn up in the high season (from mid-July to mid-August), accommodation will be hard to find. While hoteliers are most used to package tour visitors, most places will cater for individuals if room is available. If you are not staying here, at least visit the place once to see what all the fuss is about (p. 151-2).

Agia Napa is strung out, rather like washing to dry, from east to west along the shoreline (p.152).

What Agia Napa lacks in culture it sure makes up for in sheer exhilarating, gut-wrenching thrills and spills (Adrenalin Park) (p.152).

Incongruously sited next to the pub and club scene of the adjoining Square. Best visited in the early morning after the revellers have gone to bed, the monastery is an oasis of calm amid the crass commercialism of Agia Napa's entertainment scene (p.153).

Once all the throngs of sun revellers have moved on, Agia Napa's beach is predictably good. However, the beach is usually crowded and strewn from end to end with umbrellas and beach loungers, but everyone seems to be able to find a spot for themselves somewhere (p.153).

Without guidance, eating in Agia Napa can be a bit of a hit-and-miss affair (p.154).

If you have come to Agia Napa, you are probably here to drink – and this is the place to do it. Bars and music rock on until around 2am, then its time to hit the clubs. The central are within 200m of the Square is a riotous confusion of noise, karaoke, disco beats and clinking glasses. There are almost 20 bars and 15 clubs to choose from and nightlife never stops (p.155).

Agia Napa is a convenient base for a number of pleasant half-day or one-day trips around the east of Cyprus (e.g. Sovereign Bases, Attilla Line, other beaches) (p.155).

Protaras

Protaras and Pernera are two separate communities but are in effect now linked by the ever-growing strip of hotels and restaurants that connect this long snaking coastal resort. Protaras-Pernera is a slightly watered-down version of Agia Napa, and more geared to couples and families. It is another beach resort area, but is more spread out, has a better range of beaches and tends to give visitors more breathing space. That said, Protaras-Pernera is geared almost exclusively to the resort crowd with sprawling hotels, lawns and swimming pools. While day visitors are welcome, they may feel a little left out. There seem to be enough restaurants and bars to compensate, though finding one that is beyond simply adequate can take some doing – most offer unimaginative meals served by uninspired, non-Cypriot waiting staff (p.159).

Little happens here outside of the tourist season (p.159).

There are some top-class beaches along this strip. While they do not compare to the postcard-pretty beaches of Greece, they are the best the Republic has to offer (p.159).

Most (hotels) are resolutely geared to package visitors and the choice is enormous, with over 90 places on offer (p.160).

Bars and pubs abound, though you'll need to go to Agia Napa for the club scene (p.160).

Appendix 6: Inventory of Tourism Assets

Inventory of Tourist Assets

Cultural/historic assets

	Paralimni			Avgorou			Liopetri			Sotera			Ayia Napa			Dasaki Achnas			Derinia Village			Frenaros		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Archaeological sites	✓		✓							✓			✓	✓	✓									
Early settlements													✓	✓										
Ruins				✓																				
Birthplace/home /burial place of famous person				✓			✓												✓					
Churches	✓	✓		✓	✓	✓	✓	✓	✓	✓			✓			✓	✓	✓	✓			✓		
Historic buildings																			✓					
Historic monuments				✓			✓	✓	✓													✓		
War memorial																✓								
Museum				✓						✓			✓						✓					
Art galleries																			✓					
Craft shops																✓								
Ethnic celebrations, exhibits	✓									✓			✓	✓	✓	✓		✓						
Native folklore	✓	✓								✓			✓	✓	✓									
Staged cultural events/festivals	✓	✓								✓			✓	✓	✓				✓					

A: Present in the area	B: Current tourist attraction	C: Requires development

Inventory of Tourist Assets

Recreational activities

	Paralimni			Avgorou			Liopetri			Sotera			Ayia Napa			Dasaki Achnas			Derinia Village			Frenaros		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Amusement parks	✓	✓											✓		✓									
Archery																								
Biking/cycle paths	✓	✓								✓			✓		✓									
Bird watching																✓	✓	✓						
Boating	✓	✓											✓	✓	✓									
Bungee jumping													✓	✓										
Hiking													✓		✓									
Horse riding																								
Local speciality foods										✓						✓			✓					
Sailing																								
Scuba diving	✓	✓											✓	✓	✓									
Shopping	✓	✓											✓	✓					✓					
Swimming													✓											
Tennis													✓						✓					
Water skiing	✓	✓								✓			✓											
Water park	✓	✓											✓	✓										
Windsurfing													✓											
Wine tasting/tours																								
Sporting/ recreational events										✓			✓	✓	✓	✓								
Others	✓	✓																						

A: Present in the area	B: Current tourist attraction	C: Requires development

Inventory of Tourist Assets

Natural or scenic appeals

	Paralimni			**Avgorou**			**Liopetri**			**Sotera**			**Ayia Napa**			**Dasaki Achnas**			**Derinia Village**			**Frenaros**		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Beaches	✓	✓					✓	✓	✓	✓			✓	✓	✓									
Caves	✓	✓											✓	✓	✓									
Cliffs													✓	✓										
Rivers & lakes	✓												✓											
Forests	✓	✓								✓			✓											
Nature trails	✓	✓											✓	✓	✓									
Orchards	✓	✓		✓		✓				✓			✓		✓				✓					
Picnic areas	✓	✓											✓	✓	✓	✓		✓						
Scenic viewing areas	✓	✓		✓	✓	✓							✓		✓	✓		✓	✓					
Wildlife habitat													✓											
Wildlife sanctuary													✓			✓	✓	✓						
Celebrations of natural events/places	✓	✓											✓	✓	✓	✓		✓						

A: Present in the area	B: Current tourist attraction	C: Requires development

Appendix 7: Planning Input

PP-001-12-05

FREE FAMAGUSTA TOURISM ACTION PLAN

1. Existing Development Plans in the Famagusta Region

The Town and Country Planning Law of Cyprus sets the legal framework for the preparation and publishing of development plans for urban and rural areas in Cyprus. Such plans define the planning development framework for the areas for which they are prepared, in the form of policies for various development sectors, land use zones and plot ratio (building density) zones. These Plans, once published, are statutory plans and all development follows the policies, rules and regulations of these plans. Once published there is an eight month objection period after which the plans are finalised. The plans are revised every five years.

There are two types of Development plans published for the Free Famagusta Area. The Local Plans which contain detailed policies, land-use and density plans for specific areas and the Statement of Policy for Rural Areas which is a more general plan with general policies applicable to almost all the rural areas of Cyprus and specific plot ratio (building density) plans for each community (Local Authority) covered by the Plan. In the Famagusta Region the published statutory plans are: the Local Plans of Dherynia (published in June 1999) and of Ayia Napa (published in September 2004), and the Statement of Policy for Rural areas for the rest of the Famagusta Region. The Local Plan of Dherynia has gone through the objection period and is finalised. Its revision is due very soon. The Objections against the Ayia Napa Plan are being examined at the moment and this plan is expected to be finalised within a year. These Development Plans contain among other things, policies and zoning maps that affect tourism.

1.1 Tourist Policies of the Ayia Napa Local Plan

The Local Plan of Ayia Napa is enforced in the district area of the Ayia Napa Municipality. Tourism development in Ayia Napa is allowed in the following areas:

i. **The Tourist Zones in the central and western areas.** The Zones are shown as zones T1γ, T2β and T3δ3 in the Zone Map (Plan 3) of the Local Plan. Permitted development :

   a) Central Zone T1γ: Hotels with a plot ratio of 0.50:1 and number of floors: 3, Tourist villages and tourist villas with a plot ratio of 0.45:1 and number of floors: 2 and residential second homes with a plot ratio of 0.20:1 and number of floors:2.

   b) Central Zone: T2β: Hotels with a plot ratio of 0.40:1 and number of floors: 3, Tourist villages and tourist villas with a plot ratio of 0.35:1 and number of floors: 2 and residential second homes with a plot ratio of 0.20:1 and number of floors : 2.

c) Western Zone: T3δ3: Tourist villages and tourist villas with a plot ratio of 0.25:1 and number of floors: 2 and residential second homes with a plot ratio of 0.20:1 and number of floors : 2.

In the central Zones T1γ and T2β only **existing** tourist development is allowed to buy a plot ratio of 0.05:1 from the central area of Ayia Napa for expansion purposes. In the western zone T3δ3 both existing and new tourist development is allowed to buy a plot ratio of 0.05:1 from the central area of Ayia Napa. The minimum size of the second home allowed in Zones T1γ and T3δ3 is 100 m2 and in zone T2β the following standards are applied for minimum second home houses:

- Studio/one bedroom unit : 55m2
- Two bedroom house: 80 m2
- Three bedroom house: 100 m2

ii. **The eastern tourist zones of T5 (E3) and T6 (E1) where a special tourist policy is applied.** These Zones are shown in the Zone Map (Plan 3) of the Local Plan. Permitted development :

a) Eastern Zone: T5 (E3): Tourist villages and tourist villas with a plot ratio of 0.20:1 and number of floors:2. A special restrictive policy is applied for residential second homes which will be briefly explained in the next paragraphs.

b) Eastern Zone: T6(E1): Tourist villages and tourist villas with a plot ratio of 0.15:1 and number of floors:2, Mixed use destination resorts with a plot ratio of 0.15:1 and number of floors :2 A special restrictive policy is applied for residential second homes which will be briefly explained in the next paragraphs.

In the above eastern zones T5 (E3) and T6 (E1), tourist development is allowed to buy a plot ratio of 0.05:1 from the central area of Ayia Napa.

Special second home policy in the eastern tourist zones T5 (E3) and T6 (E1) which are characterised by a very beautiful and environmentally sensitive terrain:

- The maximum plot size for residential (second home) development is 15.000 m2.
- The number of housing units varies according to plot size: for plots up to 2.500 m2, three housing units, for plots with size 2.500-7.500 m2, four housing units and for plots with a size more than 7.500 m2 (up to 15.000m2), five housing units. The plot ratio for this second home use is 0.25:1, the number of floors is 2 and the minimum size of the housing units is 150 m2 and the maximum size is 250 m2.

iii. In the central area of Ayia Napa: Tourist development in this area is **<u>only</u>** allowed in the cases of replacement of **existing** tourist development. In such cases the withdrawal policy of the Local Plan will be applied. (This policy will be explained in the next paragraphs of this report.)

iv. In the mixed residential, office and services zone (ΚΓΥ) which is to the west of the central area. Tourist development in this area is only allowed in cases of **improvement/extension of existing tourist developments** under the following conditions:

- Alterations done for the improvement of legally existing tourist development of the category of organised hotel apartments and tourist villas A or B class and of the category of 3* and 4* hotels.
- The plot ratio of the development should not be more than 0,25:1 and the number of floors, 2.
- The new resulting development should be able to be included in the A category of organised hotel apartments and tourist villas and of 4* or 5* hotels.
- The alterations could involve the merging of existing developments .

The Local Plan of Ayia Napa also allows the development of shops and restaurants in specified zones near the tourist zones (Zones Τε).

The plan allows the development of integrated leisure facilities (theme parks, athletic centres, museums, aquariums etc) under certain conditions. If these facilities are situated in a tourist zone then the minimum plot size is 5.00m2. The only other area where these facilities are allowed is a special zone created in the western part of the local Plan Area and north of the Marina area. In these cases, the minimum plot size for a theme park is 50.000m2 and the plot ratio is 0.15:1 and the minimum plot size foe an athletic centre is 15.000 m2 and the plot ratio is 010:1.

1.2 The Tourist development withdrawal policy of the Local Plan of Ayia Napa

The Local Plan of Ayia Napa has introduced an innovative measure for giving incentives to low grade tourist developments in the central area to withdraw or substitute the development with an acceptable form of development. This unfortunately is only a theoretical exercise because the application of this measure needs the preparation and publication of special legal regulations that have to be approved by the House of Parliament. Meanwhile, the Cyprus Tourism Organisation (CTO) is at the moment trying to draft a low grade tourist development withdrawal scheme that could be applied for the whole of Cyprus. ***I personally do not agree with such general measures because I think they should be area specific. Their main principles could be applied for the whole of Cyprus but more detailed measures should be tailored made for the specific physical and planning characteristics of each area.***

The general principles of the withdrawal scheme of Ayia Napa are the following:

- Partial withdrawal of the development: In the cases of existing mixed or all tourist development, the owner may withdraw the development which is usually built with a plot ratio of 0,90:1 and built any other development allowed in the centre (residential and commercial), except **new** tourism development, which is not allowed in the centre. The new development will be built with a plot ratio of 0,60:1.The owner can sell the remaining plot ratio of

0,30:1 to owners of land in the areas specified as 'Receiving' areas. Single developments in such areas can only buy an extra plot ratio of 0,05:1.

- Complete withdrawal of development: The owner of a low grade tourist development in the centre may choose to demolish the development and leave the land empty without redevelopment. In this case the owner may sell all the plot ratio of 0,90:1 to the owners of land in the receiving areas. The plot in the centre in this case will loose all its development rights.

- Replacement of existing low grade tourist development: In such cases the owner may replace the tourist development with a higher grade permitted development such as city hotels with a plot ratio of 0,60:1. The owner may sell the remaining plot ratio of 0,30:1 as in the cases of partial or complete withdrawal.

- Upgrading of development: Tourist development in the centre of Ayia Napa of the categories of organised hotel apartments and tourist villas class A or B or 3* and 4* hotels can be upgraded to the next grade provided they have available plot ratio. The maximum additional plot ratio allowed is 0,10:1.

Comments on the Ayia Napa withdrawal scheme. I think that the general idea of the withdrawal system of the Local Plan of Ayia Napa is good. It is though rather complicated and not bold enough. My personal opinion is that new city hotels should be a permitted use in the centre of Ayia Napa and the market forces will guide the development. There should also be measures of what will happen with the private plots which will sell all their plot ratio and will have no more development rights. There is a danger that they will become derelict and neglected areas. The scheme cannot be enforced anyway due to the lack of the necessary legal tools. (Regulations for the scheme and CTO regulations defining the 'city hotel')

The general low grade tourist development withdrawal scheme of CTO.

CTO is trying to draft a general withdrawal scheme to cover the whole of Cyprus with more generous incentives than the Ayia Napa scheme. CTO wants to increase the percentage of the plot ratio that can be bought by developments in the receiving areas but the Town Planning Department disagrees because this will immediately increase the supply of tourism development rapidly, something which is not desirable. Perhaps a compromise would be to increase the plot ratio that can be bought by a development form 5% of the Ayia Napa Scheme to 10%. (I agree with the Town Planning Department that the plot ratio that can be bought should be within reasonable limits-more than Ayia Napa but not as much as CTO wants which is 33% (?) I think)

The other major difference between CTO and the Town Planning Department is that the change of use that CTO wants to allow to low grade tourist development without specifying that the new use should comply with the planning regulations of the area in question. I think that the change of use is a good incentive but it should be coupled with some planning parameters to avoid impacts on the quality of amenities of the area in question.

I also think that certain parameters of any withdrawal scheme should be area specific.

1.3 The tourist policy of the Dherynia Local Plan

The coastal area of Dherynia is now under occupation and the tourist policies in the Dherynia area are limited to small family tourist units in the development areas of Dherynia shown in brown and blue colours in the attached plan of Dherynia. The plot ratios of such developments is 0,60:1 for hotels, 0,40:1 for hotel apartments and for the rest of the categories of tourist development the plot ratio will be 0,30:1. The maximum number of floors for all the development will be 2. I think that hotel apartments is not a desirable use and they should not be allowed in Dherynia(??).

The reunification of Cyprus and the opening of Famagusta will have dramatic effects on the tourist development of the Famagusta Region. Famagusta town will expand southwards and will become one big urban area with Dherynia and Paralimni. Therefore any planning suggestions for the region should also account for this scenario. As I understand, the scenario of the reunification of Cyprus is not within the scope of this study.

The Local Plan of Dherynia also allows the development of theme parks and at big leisure/sport facilities in areas outside the development boundary (yellow areas in the attached Dherynia Plan), provided they have a minimum plot size of 10.000 m2.

1.4 The Statement of Policy for Rural Areas.

This is a general Development Plan which covers the whole of the remaining Famagusta Region including the area of the Paralimni Municipality. Each district area has its own plot ratio zones which are shown in the attached plans. The only areas which have coastal zones are the areas of Paralimni, Sotira and Liopetri . The tourist zones of these areas which are also shown in the attached plans are the following:

- *In Paralimni there are basically two tourist zones in the coastal area:*

  Zone A in Protaras: *Tourist Development*-Plot ratio, 0,70:1, Coverage: 0,20:1, Number of floors 5, Height 63 feet.

  Residential Development: Plot Ratio 0,30:1, Coverage: 0,20:1, Number of floors:2

  Zone B in the rest of the area: *Tourist Development*-Plot Ratio 0,57:1, Coverage : 0,17:1, Number of floors:5, Height 63 feet.

  Residential Development-Plot Ratio: 0,40:1 Coverage : 0,20:1 Number of floors: 2

Comment: The tourist zones of Paralimni have higher densities than the rest of the Region because they are old pre-1990 Zones. There is a moratorium on tourist development in the area at the moment, so the zones are basically inactive as far as future tourism development is concerned. The general understanding was that the moratorium would be lifted with the publication of the Paralimni Local Plan. This may take two years or more and now there is talk of lifting the moratorium provided the densities of the zones are lowered.

My opinion is that there should be an immediate action to lower the plot ratios of the existing coastal zones in Paralimni because the permitted residential development has very high plot ratios (0,30:1 and 0,40:1 compared with 0,20:1 of the rest of Cyprus), and everybody can see the result of this on the ground. If new proper coastal land zones are enforced, with lower densities, then there can be some control on both the tourist development since the CTO regulations will be also enforced and the housing development which will at least be implemented with lower densities.

My opinion is that Paralimni should have three new Tourist Zones:

1. The Protaras zone with a plot ratio of 0,50:1 for tourist development and 0,20:1 for housing development.-Similar to zone T1γ of the Local Plan of Ayia Napa.

2. The northern Zone towards Famagusta (Kappari) with a plot ratio of 0,40:1 for tourist development and 0,20:1 for housing development.-Similar to zone T2β of the Local Plan of Ayia Napa.

3. The southern zone towards 'Konnos' (the Nisia area) with a plot ratio of 0,25:1 for tourist villages and tourist villas (no hotels to be built) and 0,20:1 for housing development.- Similar to zone T3δ3 of the Local Plan of Ayia Napa.

I am afraid that the above suggestions may be ineffective because most of the area has already been built and there is a number of pending planning permits for housing development to be implemented. We must discuss this.

- *The Sotira coastal zones are the following:*

Zone T2α: Plot ratios for hotels is 0,45:1 and for Tourist villages and tourist villas is 0,40:1. Residential development plot ratio is 0,20:1. Minimum housing unit size: 100 m2

Zone T2β: Plot ratios for hotels is 0,40:1 and for Tourist villages and tourist villas is 0,35:1. Residential development plot ratio is 0,20:1

Zone T2ε: Plot ratios for hotels is 0,45:1 and for Tourist villages and tourist villas is 0,40:1. Residential development plot ratio is 0,30:1. In this Zone

tourist facilities are also allowed with a plot ratio of 0,30:1.
Minimum housing unit size: 100 m2

The Sotira coastal zone has been rather badly overdeveloped with residential development. A suggestion would be to ban residential development in large plots (more than 15.000 m2?). This suggestion was put forward in the objection of the Local Authority against the zones.

- *The Liopetri coastal Zones are the following:*

Zone T3β: Plot ratios for hotels is 0,30:1 and for Tourist villages and tourist villas is 0,25:1. Residential development plot ratio is 0,20:1

Zone T3ε: Plot ratios for hotels is 0,40:1 and for Tourist villages and tourist villas is 0,35:1. Residential development plot ratio is 0,30:1. In this Zone tourist facilities are also allowed with a plot ratio of 0,30:1.

Liopetri also has coastal protection zones (Zones Z1 and Z3) which cover the Liopetri river.

General tourist policies of the Statement of Policy for the rural areas.

- Residential development sizes (except for two Zones in Sotira as mentioned above), are 55m2 for one bedroom houses, 80 m2 for two bedroom houses and to 100 m2 for three bedroom houses.
- The CTO regulations concerning plot size, etc apply in these areas.
- In the centres of the villages of Frenaros, Sotira, Liopetri and Avgorou, small family hotels, hotel apartments, tourist villages and tourist villas can be built.
- Listed buildings in villages can change their use to tourist use.
- In the areas that are outside the boundary of the coastal zone as shown in the attached Cyprus map, special integrated tourist development with an emphasis on leisure facilities is allowed with a general plot ratio of 0,10:1 and with various conditions.
- Commercial development and restaurants/bars is restricted on major roads leading to the village or in special tourist zones allocated for this purpose (Zones Tε).
- Golf courses, theme parks, athletic centres. Water parks etc are allowed in tourist zones provided they have a minimum plot size of 5.000 m2 and in rural areas outside development boubdaries provided they have a minimum plot size of 10.000 m2.

There is a lot of irrigated good agricultural land in the Famagusta region as shown in the attached Cyprus map, where other development apart from agricultural development is discouraged.

1.5 Planning Regulations affecting change of use of tourist development.

The policy on the change of use in the development plans is the following:

1. ‘*Change of use of any building is allowed provided that:*

a) *The new use is allowed by the specific planning zone and the development plan policies as far as plot ratios and parking standards are concerned. Irrespective of the above, in the cases that the new use is more desirable than the existing use, the Planning Authority may allow the change of use, even with the increased plot ratio of the* ***existing*** *use but without any new extensions that may further increase the plot ratio.*

b) *The new use is within the development plan policies and regulations concerning coverage ratio, number of floors and the distance of the building from boundaries. If there is a contradiction with these regulations , then the Planning Authority will examine whether the new use is more desirable and may allow the new use provided the amenities and the future development prospects of the area are not affected.*

2. *In the cases where both the existing and the new use contradict the provisions of the Development Plan, then the Planning Authority mat allow the new use provided it is more desirable that the existing one, provided the amenities and the future development prospects of the area are not affected.*

The above policies are favourable for the change of use of tourist development mainly in towns and especially town centres where plot ratios are higher and where there is a wider variety of permitted uses. In tourist areas commercial development is not always allowed, housing development is usually allowed with lower plot ratios. These difficulties may be overcome by the Planning Authority if the new use is judged to be more desirable. The biggest problem is the parking standards where the Planning Authority has no discretion power and usually the housing and commercial uses have higher parking standards than the tourist development. The Planning Authority should be given some discretion in this case as well provided proper traffic impact studies are conducted.

2. Proposed Infrastructure and other improvement schemes.

2.1 Pedestrian Routes along the cost

The Ayia Napa Municipality has completed a paved coastal pedestrian route (with natural stones) of about 1 m width. The pedestrian route has not been constructed along the sandy beaches and in the western part of Ayia Napa where the marina will be built.

For the Paralimni Municipality, there is a design ready for a pedestrian route between 'Nausika' and Pernera. This design is an interesting plan and contains various material such as stone, wood and concrete. The design caters for a wooden pedestrian route along sandy beaches. A very small part has been implemented (between Capo Bay and Silver Sands) but it needs improvement because it is an old construction. The plan is to complete the whole pedestrian route up to the Grecian Park in the Konnos area. The Municipality is ready to start the construction of the pedestrian route by asking tenders from contractors.

Both the Paralimni and the Ayia Napa pedestrian routes will be mainly financed by the Government.

2.2 Schemes included in the budget of the Department of Town Planning and Housing

- There is always an annual provision for the construction of pedestrian routes perpendicular to the coastline, linking tourist areas with the beaches and beach facilities. Each Local Authority should prepare the designs and support the scheme in order to get approval.
- Improvement of the Ayia Napa-Paralimni-Dherynia Road.
- Improvement of the road leading to Famagusta in Dherynia.

2.3 Streetscapes-(This is the field of Mr. Stratis)

The Ayia Napa Municipality is preparing a pilot study with an architect for improving the shop fronts in Ayias Mavris and in Arch. Makarios Av. Leading to the harbour.

A lot of such work is also needed for the Nissi Avenue in Ayia Napa and for all the coastal roads in Paralimni except Protaras were a successful general improvement and face lifting scheme has been implemented.

2.4 Action Plans

The Action Plan given by the Ayia Napa and Dherynia municipalities to CTO is realistic and desirable.

The Local Plan of Ayia Napa contains a number of practical measures and interventions for the improvement of the aesthetic image of the centre of Ayia Napa.(This is the field of Mr. S. Stratis

2.5 Athletic tourism

Paralimni municipality is trying to organise facilities to host the international beach volley competition for the year 2006.

There are plans for building a closed athletic centre in Paralimni for basket ball, volley ball, hand ball etc.

The Cyprus Athletic Organisation has plans for an Olympic size swimming pool in the Famagusta Region. Their main concern is whether the winning community will have the ability to manage, run and maintain the facility.

3. Environment Issues.

The NATURA 2000 scheme has includes the following two areas in the Famagusta Region (see attached maps):

1. The National Park of Cape Greco
2. The marine area of the Nissia area.

These areas are `protected from development and the Government will prepare management schemes for each area. Such schemes will be prepared for all the Natura Sites in Cyprus.

The other environmental features that need protection are:

- The river of Liopetri
- The Forest of Ayia Napa
- The Forests of Fanos and Ayioi Saranta and Panayia in Paralimni.
- The Paralimni Lake
- The Ahna Dam

The above areas are protected by the Development Plans because most of them belong to the Department of Forests which has a very strict environmental agenda.

The National Park of Cape Greco is a big asset for the area. The Department of Forest has already started implementing a network of natural trails and pedestrian routes that link the park with the other forests in the area and the coast of the area. A more detailed management scheme is needed for the whole area.

Anna Caramondani *OCTOBER 2005*