

## **Executive Summary**

The Tourism Strategy of 2011–2015 (henceforth referred to as “Strategy”) provides a coherent and comprehensive presentation of the development of the tourism sector and the positioning of Cyprus on the International tourism scene.

The study comprises of eleven themed areas, presented below. Some of the themes constitute a comprehensive approach of the issue they focus on, whereas others are linked with and are dependent on others at a horizontal level. These themes were selected and developed so as to optimise the attainment of the aims or objectives of the Strategy as regards to: a) an increase in total direct and indirect tourism receipts; b) an increase in arrivals, c) dealing with the phenomenon of seasonality and subsequently the alleviation of the negative results it creates; d) improving the viability of tourism enterprises and e) upgrading the overall tourism experience offered by Cyprus by providing an enhanced tourist product with significant value added.

The set aims and objectives are to be achieved within the framework of a sustainable development which respects the natural and human environment whilst at the same time, maximises the benefits to the national economy and society and protects the environment. As with regards to the local communities, economic growth and increased overall commercial and social activity are expected to have a positive impact on the quality of life of the indigenous population and on all aspects of their social and cultural activities.

**Based on these, the Strategy incorporates proposals which aim at:**

- Expanding and improving the operating period and occupancy rates of licensed hotels and tourist accommodation establishments.
- Improving the competitiveness of the tourist industry of Cyprus in comparison to competing destinations.
- Upgrading the appearance of the built environment in the tourist areas, particularly as regards crucial aspects such as cleanliness and the enhancement and improvement of the environment.
- Promoting professionalism among tourist service providers through the continuous upgrading of the knowledge, skills and abilities of the people working in the tourism industry.
- Cultivating and promoting awareness of the importance of tourism and hospitality among the Cypriot population.

Section one presents the strategy as with regards the development of the Cyprus Tourism Product and covers five main sectors of the tourist product, namely ‘accommodation’, ‘catering establishments’, ‘the organisation of travel and sightseeing tours’, ‘marine tourism’ and ‘special interest tourism’. The latter includes conference and incentives tourism, sport tourism, cycling, golf, weddings and honeymoon trips, hiking, religious and cultural tourism, health tourism (medical and wellness), rural tourism, training and

educational tourism (learning), cruising, gastronomic and wine tourism. This section identifies the problems and shortcomings the five sectors face and takes into consideration the needs of the market and proposes ways to improve upon them.

Section two examines issues of tourist development relative to the political and economic environment of the European Union. More specifically, within the framework of the programming period of 2014 and after, the CTO will decide and rank its priorities based on the guidelines and objectives of the relevant European policies. It will then hold consultations with the responsible authorities so as to include them in the various programmes of 2014 and after. At the same time, the CTO will continue to monitor co-financing opportunities for tourism projects. It will also intensify its efforts to draw European funds and boost the information mechanisms and tools of its tourist partners and associates and will support them in formulating viable development proposals. Finally, the Organisation will intensify its actions and efforts in networking and the exchange of knowhow and good practices with Member and non-Member States, through co-financed European programmes.

Actions aiming at prolonging the tourist season are presented in the third section of the 2011-2015 Strategy. The ultimate objective of the proposed actions is to establish Cyprus as an all year round tourist destination, thus aiming at the longest possible operating period for hotels, catering and other tourist businesses and by extension, improving their viability as well as curbing the problem of unemployment in tourist areas by extending the employment of staff throughout the year. Also highlighted is the need to boost social tourism, develop internal tourism and third age tourism and improve accessibility. Actions to extend the tourist season rely on the comparative advantages of the weather of Cyprus which is excellent in comparison to competing Mediterranean destinations as regards the winter climate, as well as the fact that Cyprus has the basic product to support the market and with comparatively quick and easy changes can adapt this product to satisfy visitors' needs. It is noted, that the actions are horizontal interventions in sectors where responsibility rests with a number of public bodies (Ministries, Public Law Organisations) the private sector (private companies, professional associations) and Local Authorities, while a number of departments at the CTO are also involved.

Section four examines the role of the Regional Tourism Development and Promotion Boards. These represent the regions of Lefkosia, Lemesos, Larnaka, Pafos, Ammochostos and Troodos and were set up by the CTO within the framework of PPP (Public-Private Partnerships). Proposals cover ways to improve cooperation and ensure the active participation of local/regional public, private stakeholders in tourism so that the Boards can acquire the capacity to tackle regional problems and resolve them with flexibility. The Companies constitute primarily the horizontal aspect of intervention in the Tourism Strategy 2011-2015. It is proposed that their actions are extended horizontally in significant programmes of the Strategy such as in marketing, the environment (cleanliness,

appearance at street level), extending the tourist period, coastal development (the beaches) etc.

Section five turns to those employed in the tourism sector, as well as to every citizen of Cyprus, as the most decisive factor in shaping a positive appraisal of the country's tourist product. Actions are proposed on the aspect of the Human Resource Development with the aim of achieving progress and improvement in the tourist services offered such as in the behaviour of tourism sector employees, as well as every Cypriot who comes into contact with a foreign visitor. This is a horizontal intervention in a sector where responsibilities also lie with other bodies both from the public and private sectors.

Section six focuses on the need to promote Investment Initiatives with the aim of upgrading the tourist product, taking into consideration the demands of the targeted tourist markets of Cyprus. The presentation of investment initiatives is divided into two parts: large scale investments and the provision of incentives by the CTO. In the strategy, the sector of investment incentives revolves around the need to attract new investments (by offering incentives to create new projects) as well as the need to offer incentives to support the existing tourist industry and to promote work to maintain, improve, upgrade and renovate the existing tourism infrastructure.

Section seven focuses on Environmental issues within the framework of the model of sustainable tourism development, with regards to the natural and the built environment (street level). The Strategy identifies the role these two have on the issue of the competitiveness of a destination as well as the disadvantages and problems of the Cyprus environment. Based on this premise, the section presents the actions that must be undertaken by the responsible bodies in order to protect the environment. As with regards to the built environment, attention is drawn to the special responsibility of the local authorities as the basic lever, whilst the six Regional Tourism Development and Promotion Boards are designated to implement these specific activities, primarily because of their composition. As regards the natural environment, the intervention is horizontal, with the Ministry of Agriculture, Natural Resources and Environment seen as having a key role to play.

Presented in the section eight is a comprehensive plan to create and operate a "Tourism Observatory" within the CTO, which will gradually take over the issue of carrying out studies in the tourism sector. The Tourism Observatory will stem from the transformation of the existing Unit of Research and Studies, and will deal with the objective, substantiated, and up to date collection and analysis of data and tourist information, in line with the needs of the CTO and of the tourism industry of Cyprus. The work of the Observatory (e.g. studies, research, analysis etc) will be conveyed to the Organisation's partners and associates.

Section nine aims at the strategic goal to create large development projects which will contribute to improving the image of Cyprus as a tourist destination. These projects are seen as making a significant contribution to viable tourism development, particularly taking into consideration that such projects will positively contribute to the competitiveness of the sector and to the economy of Cyprus at large. In the stage of development, such projects do not come under the CTO's responsibility or jurisdiction. It is noted that the Organisation not only welcomes private efforts to engage in such ventures but through the knowhow it possesses can, and aspires to serve as a catalyst in efforts to develop and promote such projects for the benefit of tourism.

Section ten covers an analytical Marketing Tourism Plan which includes substantiated targeting of specific segments of the tourist market, the development of viable marketing targets and the use of implementable strategies. Special emphasis is given to comparative analysis and evaluation of the target markets through the use of objective criteria. Also presented is the communications strategy as a coherent promotion and communication plan which includes advertising, public relations, sales promotion, publicity, hospitality and participation in exhibitions. More particularly, advertising will centre on the pillars of creative design, purchase of space/time in the advertising media (media buying), and the evaluation of advertising actions. Serious consideration is given to the issue of the destination's accessibility and a strategy is developed to improve accessibility because it constitutes a basic factor in the development of tourism flow. Finally, the further use of the Internet is promoted so as to tap the business opportunities created by the new electronic environment in order to establish a comprehensive e-Business context.

The last section sets out the factors which are crucial to the success of this strategy through the development and implementation of an effective monitoring mechanism which sets out to monitor and appraise the implementation results, at all stages. It is evident that the implementation of the 2011-2015 Strategy will bring multiple benefits to Cyprus, both directly to the tourism sector but also indirectly to the wider economic and social development of the Island. Therefore, the optimum and most viable implementation of the Strategy requires the creation of a suitable implementation mechanism. Given that this is a CTO strategy, provision is made for a monitoring group to be set up within the Organisation made up of senior managers under the guidance, coordination and supervision of the Board of Directors of the Organisation. In addition, the implementation mechanism provides for a project manager for each action and clearly sets out the roles and responsibilities of the involved parties with the aim of ensuring that each party takes up their share of responsibility so that the combined efforts to achieve the objectives, strategic directions and planned actions of the Strategy are achieved.