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CYPRUS TOURISM: CHALLENGES AND PROSPECTS

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Tourism needs better management

Strategy, culture and procedures at the CTO must change

To be in a position to say how tourism can become more competitive so as to attract more tourists, different strategies are needed for short term and long term objectives.

The biggest problem for Cyprus tourism is the winter period (January-March, October-December). Some suggestions short term to increase tourist arrivals immediately during this period are:

(a) Agreement with more airlines to offer direct flights to Cyprus. One year ago (2012-2013) Air Berlin from Germany, Thomas Cook and Thomson from the United Kingdom had flights to Cyprus during the winter months. Now, all these companies have transferred their flights to other competing destinations. The government must offer subsidies to airline companies and tour operators in an attempt to bring them back to Cyprus.

(b) To continue the 'open skies' policy, that is to stop protect-

ing Cyprus Airways. Any protection leads to a monopolistic economy, which as a consequence allows Cyprus Airways to charge high prices, and therefore affect demand.

(c) The whole marketing approach for the winter period must change. So far, the whole effort was to promote Cyprus as a 'sun and sea' destination, while for the winter period Cyprus must be promoted as a golf destination. (Cyprus today has four excellent golf courses). In addition, although some thought was given in the past to approaching 'specialised' tourism related to cycling, football teams, tennis etc, unfortunately efforts were never carried out. This kind of effort must resume as part of a comprehensive plan.

(d) Over the past two years, Cyprus has lost a large market share to cheaper destinations (Turkey, Egypt, even Greece). The government must support the hotel industry so that it can offer competitive prices. This can be achieved allowing it



Medium- and long-term plans

(a) Incentives must be given so that hotels in Cyprus can be renovated and upgraded (this is already taking place in Greece).

(b) The tourist product of Cyprus must be improved and upgraded, promoting and encouraging the creation of large development projects such as golf courses, marinas, theme parks and casinos. This could take the form of tax incentives, additional building rights etc.

(c) To improve the services offered in the tourism sector (subsidies for educational programmes for personnel, incentives to hire local staff etc).

(d) To open up new markets. The CTO focuses mainly on the British market, and recently Russia. More emphasis must be given to other markets such as Germany, Holland, France and to a lesser extent eastern Europe.

(e) The CTO must be revamped. The organisation today is more of a political entity rather than an entity with a business orientation. The CTO's strategy, culture and procedures must change so that they can become more effective.



to charge lower VAT, for example 5% rather than 9% on food and drink and/or allowing it to buy cheaper electricity. At the same time, the government

must make sure that all these savings are passed on to the final client.

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