George Campanellas – Director General, Invest Cyprus (Cyprus Investment Promotion Agency)



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George Campanellas provides an overview of Invest Cyprus' strategy for attracting foreign investment into Cyprus. He touches on sourcing interest from a wide range of sectors and highlights what makes Cyprus such an exciting and advantageous investment destination.

What are your top priorities as director general of Invest Cyprus?

Our organization has a threefold mandate; firstly, we promote the country as an attractive investment destination abroad. Secondly, we provide tailored facilitation and support to existing or potential investors, and as such, we are the first point of contact for international investors, providing all kinds of information and assistance, where necessary, as projects move on. Thirdly, our role expands to advocating for those necessary reforms that ensure the continuous improvement of the business environment of the country and the enhancement of its competitiveness.

Our strategy provides for continuous updating to ensure that we are as dynamic as possible. And indeed, it is the responsibility of our organization to introduce niche sectors and work hard for their development into key drivers of economic growth. The development of the investment funds sector is our organization's recent success story, as we managed to triple assets under management during the period 2014-2018.

Diversifying our economy from traditional industries such as tourism and shipping, and enriching our portfolio are key elements in attracting FDI. Within this sphere, we have recently put innovation and start-ups high in our priorities.

What examples would you give within healthcare and the life sciences of these strategies in action?

There is a fantastic start-up that began at the Neurology Institute. The project leader is, in fact, an ex-minister of health, and they have developed an extremely niche idea and received significant funding so far. NIPD Genetics is an innovative biotechnology company active in the field of designing, developing, and manufacturing non-invasive genetic tests. It leverages its proprietary genetic and bioinformatic analysis methods to develop novel tests and technologies for prediction, diagnosis and prevention of genetic disorders. Through its laboratories provide non-invasive prenatal testing services internationally.

What other strengths does Cyprus put across?

What I would like to highlight is the regional element of Cyprus. We are the easternmost border to the European Union, in close proximity to the Middle East and North African countries, all easily accessible through Cyprus. Being the only EU country in the region and having excellent relationships with these countries, Cyprus is ideally located to play a central role in the regional economic activities. Strong professional services of all kinds complete the mix, along with an attractive tax regime and a robust legal framework.

Pharmaceuticals are one of the key export industries in Cyprus, at EUR 426 million last year. What is your strategy for pharmaceuticals in Cyprus?

Innovation is one of our top priorities and that includes pharmaceuticals. Another of our critical tasks is to attract big companies to headquarter in Cyprus, whether regional or international. For Northern European countries that wish to serve the 80 million-strong markets of Egypt, Lebanon and Jordan, the logical choice is Cyprus: safety, proximity, good schools, sunshine, and European infrastructure which serves the entire middle eastern market within an hour’s flight. This idea permeates industries from healthcare to technology. Within Cyprus, two successful local

pharmaceutical companies have developed, Medochemie and Remedica, with the latter having been recently acquired by the South African Ascendis Health.

Why does Cyprus have the key assets to welcome innovation?

Most importantly, human resources on the island are exceptional. We have an excellent talent pool with one of the highest percentages in the European Union for tertiary education attainment. 80 to 90 percent of Cypriots have studied and worked abroad. Historically, the island has been an international business center, and we have operated an open market structure for decades.

Moreover, we offer visa-free access to European talent, and through the start-up visa program offered to third-country nationals we provide access to an even broader pool of human talent. Additionally, the costs of doing business here are low; from the average hourly wage, to costs from social security contribution to rent. Concerning taxation, not only do we have an attractive proposition for companies and shareholders, but also for employees, especially those that domicile in Cyprus. At the same time an attractive IP regime is currently in place offering 80 percent tax relief for intellectual property. Most importantly, Cyprus follows the English common law, which adds credibility and certainty to the system, harnessing a strong sense of legality.

Which niches are the most interesting for Cyprus?

We could capitalize further on our natural characteristics, notably our geography and our climate. These two elements assist in developing health tourism, and within this, specific treatments in Cyprus. We could be a destination for dermatological treatments and, as Cyprus has one of the best climates worldwide and a high quality of life, could also be an ideal rehabilitation destination. The fact that through the decades we have developed a strong hospitality sector, which is not fully utilized during the winter period, creates various opportunities for taking advantage of the excellent weather conditions the island offers during the period from December to March.

How do you differentiate Cyprus from neighboring countries?

The combination of the legal system and the physical traits, the tax ease, the cost of doing business, the cost of living, the quality of life, the top private schools, access to private healthcare, and great direct connectivity all contribute to making Cyprus the most attractive destination.

Receiving roughly four million tourists a year speaks for itself. Finally, English is widely spoken in Cyprus, and we have a pro-business system in place, ready to serve the needs of any investor.

What would you like Cyprus to be synonymous with?

I am positive that Cyprus has put in place all those characteristics to be a destination of choice for international and regional headquartering especially in the areas of pharmaceuticals and healthcare. Investors can grow their businesses and employees can enjoy excellent working conditions and quality of life.

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