

President's speech
23rd Annual General Meeting CIBA
2nd December 2016 – Amathus Hotel, Limassol

Your Excellency – President of Cyprus
Mr. Nicos Anastasiades
Good evening Sir!

Excellences Ambassadors
Ministers / Member of Parliament

Distinguished Guests,

Dear Members and Friends,

Good Evening. I would like to extend a very warm
welcome to you on behalf my Executive Committee
on the occasion of the 23rd Annual General Meeting
of the Cyprus International Business Association.

It is indeed an honour to have with us His Excellency the President to address our AGM. We all know how busy he is, especially these days, with such a strenuous agenda with regard to the negotiations towards a solution of the Cyprus problem.

Dear Mr. President,
your stamina, your patience and your fighting spirit especially during the recent weeks away from Cyprus and in a “cold environment”, in all respects, has inspired us all. Today’s announcement that the negotiations will continue means you will have a very busy Christmas indeed. We wish you all the very best in your difficult task.

But, please allow me to comment on the advantages of a possible solution of the Cyprus

problem later on in my speech, as I believe it will have a profound and positive impact on our sector in particular and the Cyprus economy, in general. I'd like to firstly comment on certain issues as a follow-up from last year's AGM.

The Banking Sector

The Banks have been very active in dealing with NPL's, which still remain a major problem for the normalization of banking business, as we know it. Although quite a number of NPL's have been dealt with, still the percentage is relatively high by European and International standards.

The Government is encouraging and supporting the process of restructuring through incentives, by not taxing Capital and other Gains in a debt to asset

swap settlement, and various other tax and duty exceptions. This has supported the restructuring process in a big way.

However, the legal framework in my opinion has to be revisited, because practical application of the law has resulted in cases where the Government gets no tax, the borrower does not get the residual value for his asset over and above his debt and the bank unintentionally gets the benefit of excess value. There are solutions to the problem and of course as always we are at the Government's disposal for any support we can give.

Banks' balance sheets are improving but profits can only be derived from new business and good old fashioned banking operations. We still

have to see this happening on a large scale, and of course it is evident that this is the way forward for economic recovery, which will lead to an even further reduction in unemployment levels.

Bank of Cyprus move to be listed on the London stock market is a positive step towards restoring confidence and recovering some value for the depositors who suffered a haircut.

The rating agencies have continued to upgrade Cyprus and the announcement of major foreign investment projects has helped in restoring our image as an attractive destination for foreign investment.

We are very pleased to have with us tonight His

Excellency the High Commissioner of India, who on behalf of the Indian Government has signed together with Mr. Charis Georgiades our Finance Minister, the long awaited Double Tax treaty between Cyprus and India. We express our sincere thanks to the negotiating teams for a great result and I am certain that this will contribute in the enhancement of the business relationship between our two countries.

It seems that the flow of events continues in a positive way.

Our economy finally free of any programs, is moving forward and continues to show positive growth. We have our first Troika free Government budget in Parliament. Our warmest congratulations to the Minister of Finance for an excellent job. We

still have a few very important issues in process, which will determine our economic future and stability.

It is very important that the privatisation program, although complex and difficult will eventually materialise, and the crucial issue of implementing a new national health insurance system will determine whether we finally succeed in stabilising our economy.

The International business community has once again played a very important role in supporting the process of recovery, especially after the events of 2013. Their support and major contribution to GDP, both as a tax payer and as an employer, justifies their expectation to receive attention in dealing with

everyday problems and deserve a good business environment and quicker process.

We at CIBA like everybody, have always been complaining about the process. The legal framework is in place, taxation and other incentives are in place, double tax treaties are in place and increasing in number, business environment is of the highest quality. But we get stuck in the process. Bureaucracy, the monster that delays, frustrates and makes business life very difficult, seems impossible to deal with.

We salute the Government's decision, through new legislation that is in Parliament at present for the modernisation and upgrading of the civil service, a

major and difficult project, under the leadership of Mr. Constantinos Petrides. It is a tough and demanding task, but we believe that through hard work, cooperation and compromise, it is attainable.

We support this process and again we are at the Government's disposal for any ideas, assistance and support, to make this a reality. We expect to see major improvements in the process. We must learn from our competitors and must apply modern tools and techniques to support the process.

Electronic Government is increasing but there is still a long way to go. We hope to be able to see results soon and I promise I will stop complaining.

There are of course positive steps taken in various areas for example the Registrar of Companies. We

had the pleasure of having as a guest speaker amongst others in one of our members meetings Mr.Spyros Kokkinos, who demonstrated to our Members the new electronic environment the Registrar has implemented, giving access to remote online filing of documents and other processes. In addition we had a session where personnel of the Registrar in an educational seminar presented to personnel of our members the practical application of these processes.

This interaction of Government and private sector especially as regards foreign investors and International business, helps to create a good

opportunity to demonstrate in practical terms, that the Government of Cyprus believes, supports and values the contribution of International Business.

We have a good product, as I said before but we need to put the final touches to make it even better and improve the timing of delivery of the final product.

We need to continue to show positive attitude towards International business people and their families and to show them that we want them to be here with us.

We appreciate their support and assistance in this

effort to maintain and enhance our good reputation
as an International Financial Centre and an
International Investment destination.

We believe we are in a better shape than last
year, and we can look ahead for better times.

Dear Mr. President,

Excellences,

Dear Members,

Ladies and Gentlemen,

Our association is not political and we do not get

involved in politics.

I would like however on behalf of our association to comment on the issue of the Cyprus problem and the recent positive developments in the Intercommunal talks between our President and Mr. Akinci, aiming towards a lasting solution to the Cyprus problem.

We would like to extend to you Mr. President all our support and good wishes for your efforts to reach an agreement.

Apart from dealing with political and social issues

That have been outstanding since 1974, the economic gains from a possible solution will indeed be very beneficial.

The rebuilding of Famagusta, the speeding up of the process for the exploration of our oil & gas reserves without any interference, the lifting of the embargo of the Cyprus flag vessels just to mention a few of the possible consequences of a desired solution, will make a positive contribution to the recovery of our economy and will help facilitate further economic growth.

In our 2014 AGM our theme was “We are back in business”. I think this year we can adopt the theme “We are here to stay but we can do better”.

For sure, a lot has happened during this year which confirms that this was true. There is a lot still to be done but I believe that we can use our strengths

strategically, not only to solve our problems

but to create the basis for a better Cyprus for our children. I have no doubt Mr. President that you will do your utmost so we can expect to see better days, for Cyprus and its people.

In concluding my speech.

I want to thank all our guests and specially the His Excellency the President of Cyprus, the Ambassadors, the members of Parliament and all of you ladies and gentlemen for being here with us tonight.

A special thanks to CIPA for the continued cooperation on mutual matters regarding Foreign Investment in Cyprus.

A very special thanks to CSC for their very close working relationship and support at all times.

A warm thanks to my Executive Committee and the general manager for their input and support throughout the year.

I especially thank our members for their continuous loyalty and support to our Association. And of course our sponsor for tonight, Ernst & Young!

Thank you PWC for providing the audit of our accounts and thank you to all our sponsors throughout the year for supporting our members meetings.

Special note of thanks to IMH for their continues support and close collaboration.