

Annual Report

2002



CYPRUS TOURISM ORGANISATION



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CTO SET-UP AND

STRUCTURE OF SERVICES

CTO was established and operates according to the provisions of the Cyprus Tourism Organisation Law of 1969 - 1999 and the related Regulations on Structure and Terms of Employment and Administration and Finance.

The Organisation's objective according to the Law is to organise and promote Tourism within the Republic by using all possibilities and resources available.

BOARD OF DIRECTORS

According to the provisions of the above mentioned Act and the Appointment of Public Entities Act (Appointment of Boards of Directors) 149/1988, the CTO is administered by a nine-member Board of Directors:

Until December 2002, the members of the Board of Directors, as appointed by the Council of Ministers, were as follows:

- CHAIRMAN :** Mr. Chrysis Prentzas,
Businessman, from Larnaka.
- VICE-CHAIRMAN:** Dr. Alexis Saveriades, Higher
School Educator, from Lefkosia.
- MEMBERS :** Mr. Adamos Varnavas, Chairman
of ACTA (Association of Cyprus
Travel Agents), from Lemesos.
Mr. Avgerinos Nikitas, Chairman
of the Cyprus Hoteliers Association,
from Lemesos.
Mr. Polydefkis Economou,
Businessman, from Deryneia.
Mr. Petros Pierides, Hotelier,
from Lemesos.
Mr. Marios Perikos, Businessman
from Lemesos
Mr. Photis Photiou, Accountant-
Auditor, from Larnaka.
Mrs Eleni Chrysanthou-Demetriou,
Business Management Consultant,
from Pafos.

DIRECTOR-GENERAL

Mrs Phryne Michael is the Director-General of the CTO and according to the provisions of the Cyprus Tourism Organisation Law she is the Chief Executive Officer of the Organisation.

LEGAL ADVISOR

Mr. Michalakis and Mr. Christos Triantafyllides continued during 2002 to offer their services as the Organisation's Legal Advisors.

AUDITORS

The General Auditor of the Republic of Cyprus continued to exercise during 2002 as well the duties of the CTO's Auditor that were assigned to her by the Council of Ministers.

STRUCTURE OF THE CTO

The Organisation consists of the Director-General's Office and four Departments: the Administration Department, the Tourist Organisation (Planning) Department, the Promotion Department and the Tourist Services Department. The Organisation's offices and departments offer their services as follows:

1. The Head Offices are based in Lefkosia. Directors of Tourism were, Mrs Phoebe Katsouris, Head of the Planning Department, Mr. Michael Metaxas, Head of the Promotion Department, Mrs Annita Demetriadou, Head of the Administration Department, Accounts and Registry, and Mr Lefkos Phylaktides Head of the Tourist Services Departments.
2. The Local Regional Services consist of:
(a) The tourist information offices operating in: Lefkosia, Lemesos, Larnaka, Agia Napa, Pafos, Larnaka Airport, Pafos Airport, Lemesos Port, Germasogeia, Platres, Polis Chrysochous and Protaras.



(b) The Inspectors' offices operating in: Lefkosia, Lemesos, Larnaka, Pafos, Agia Napa, and Polis.

(c) The Larnaka Marina.

3. The Overseas Regional Services, which consist of the following 17 tourist offices: London, Frankfurt, Paris, Stockholm, Athens, Milan, Zurich, Brussels, Amsterdam, Vienna, New York, Moscow, Tel Aviv, Budapest, Prague, Warsaw and Tokyo.

PERSONNEL

On December 31st 2002, the CTO personnel members (permanent, temporary, on contract, and local staff in countries hosting CTO offices) were 296. 152 of these were employed at the Head Offices, 74 at the Local Regional Services and 70 at the Overseas Regional Services. Table 2 of the Report presents the personnel number as at 31.12.2002.

MEETINGS OF THE BOARD OF DIRECTORS

In 2002 the Board of Directors held 41 meetings and decided on a number of tourist policy related issues. The Board of Directors also approved the 2003 Budget of the Organisation, the 2001 Final Accounts, the overseas advertising campaign and other promotional programmes abroad.

Also the Board considered and made decisions upon the following issues:

The CTO's advertising campaign in the various tourist markets, a Strategic Plan for Tourism, the acceptance of tenders for the securing of services and equipment, the manufacturing or printing of various pamphlets, the classification of hotel enterprises, Agreements/Permits for the use of Tourist Beaches and Pavilions, the New Structure/Re-organisation of the CTO, the operation of Restaurants and Recreational centres, and the collective agreement.

The Personnel Committee, and the Tender's and Finance Committee, to which the Council had transferred its corresponding responsibilities for the better and faster implementation of the CTO's matters, held 17 and 31 meetings respectively during which they discussed and took decisions upon issues falling within their competence.

TRAINING AND EDUCATION OF THE PERSONNEL

Within the framework of the CTO's policy for training and education of its personnel in 2002, 240 employees participated in various training and educational programmes/Seminars in Cyprus and/or abroad.

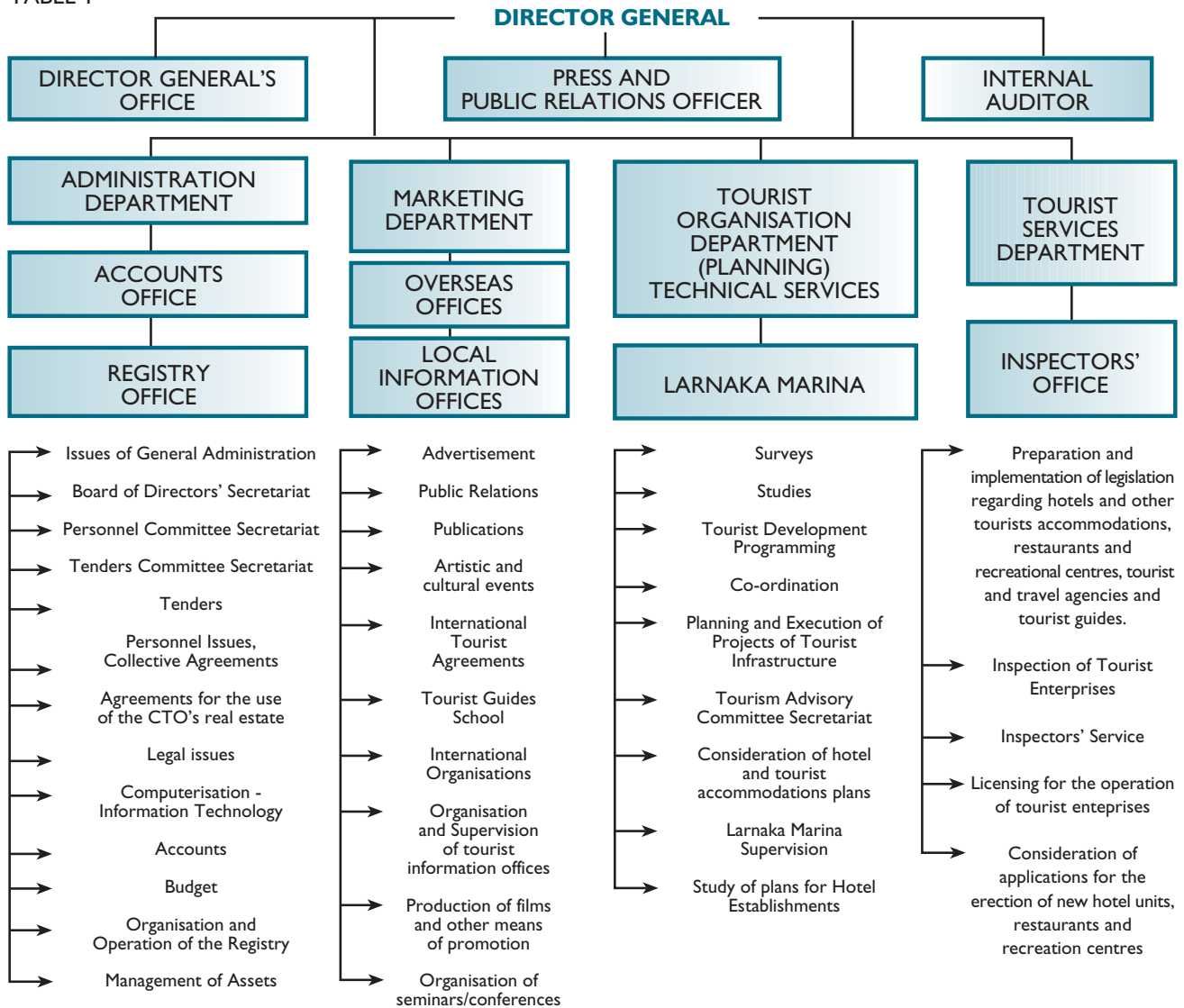
These programmes included, amongst others, the following: European Union, Implementation of total quality systems, Improving Management Performance, Labour Relations, Information Technology, Internet, Communication and Promotion of the Tourist Product, Evaluation and Development of Human Resources, Tourist Guides related topics, ISO 9000 Management in Hotels, Quality Services, the Dale Carnegie Course, Principles & Techniques of Food Hygiene (HACCP), and in Programmes conducted by the World Tourism Organisation.



STRUCTURE OF CYPRUS TOURISM ORGANISATION SERVICES

BOARD OF DIRECTORS

TABLE I





CYPRUS TOURISM ORGANISATION STAFF POSTS

as at 31.12.2002

TABLE 2

	REGIONAL SERVICES			TOTAL
	HEAD OFFICE	LOCAL	OVERSEAS	
GENERAL MANAGEMENT				
Director General	1			1
Tourist Officer	1			1
Press and Public Relations Officer	1			1
Clerk	3			3
Internal Audit	3			3
ADMINISTRATION DEPARTMENT				
Registry	34			34
Accounting	34			34
PLANNING DEPARTMENT				
Technical Services	8			8
Larnaka Marina		14		14
PROMOTION DEPARTMENT				
	27	27	70	124
TOURIST SERVICES DEPARTMENT				
	17	33		50
TOTAL	152	74	70	296

Notes: 1. Posts which were vacant on 31st December are not included.
2. Persons employed on part-time basis are not included.



FINANCIAL SITUATION OF THE CYPRUS TOURISM ORGANISATION

Income and Expenditure Account for the year ended 31st December 2002

TABLE 3

	£	2001
INCOME		
State Grants	12.950.575	3.000.000
Levy on Hotel bills	10.066.651	11.205.223
Levy on Restaurant bills	6.168.901	5.904.320
Licence Fees	380.370	380.967
Operation of Tourist Pavilions and other CTO establishments	663.005	666.360
Other Income	867.195	920.056
	<u>31.096.697</u>	<u>22.076.926</u>
EXPENDITURE		
Salaries	4.670.517	4.388.661
Compensations, Fees and Other Employee Benefits	570.578	535.868
General Administrative Expenses	538.994	465.327
Promotion and Publicity	17.591.747	13.858.394
Organisation and Development of Tourism	483.921	554.603
Tourist Training and Education	22.730	46.971
Larnaka Marina	109.449	108.723
Other Expenses	453.536	610.053
Depreciation and Loss on Disposal of Fixed Assets	379.206	408.971
	<u>24.820.678</u>	<u>20.977.571</u>
Surplus for the year	<u>6.276.019</u>	<u>1.099.355</u>

The above financial statements are indicative and have not been audited by the external auditors of the Organisation.



Balance Sheet as at 31st December 2002

TABLE 4

	£	2001
FIXED ASSETS	<u>2.935.542</u>	<u>3.067.744</u>
CURRENT ASSETS		
Various Debtors	4.218.559	3.835.638
Prepayments	371.389	531.429
Bank and Cash Balances	<u>5.622.480</u>	<u>6.472.821</u>
	<u>10.212.428</u>	<u>10.839.888</u>
Less: CURRENT LIABILITIES		
Various Creditors	4.056.518	4.274.219
Money Received in Advance	236.961	227.878
Loans and Advances	<u>455.620</u>	<u>6.959.770</u>
	<u>4.749.099</u>	<u>11.461.867</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>5.463.329</u>	<u>(621.979)</u>
	<u>8.398.871</u>	<u>2.445.765</u>

REPRESENTED BY:

Capital Account and Reserves	7.487.629	1.078.903
Long Term Loans and Advances	<u>911.242</u>	<u>1.366.862</u>
	<u>8.398.871</u>	<u>2.445.765</u>

The above financial statements are indicative and have not been audited by the external auditors of the Organisation.



DEVELOPMENTS IN THE INTERNATIONAL TOURISM MARKET

According to preliminary data and estimates of the World Tourism Organisation, the international tourist flow in 2002 grew by 3,1% in comparison to 2001, to reach 714,6 mil. tourist arrivals as against 692,6 mil. in 2001.

Tourist traffic in Europe grew by 2,4% in 2002 and amounted to 411 mil. tourist arrivals, as compared to 401,4 mil. in 2001. Europe held on to its dominant position in the global tourist market, as it maintained a similar market share as in 2001 (57,5%).

Increased tourist arrivals in 2002 were also recorded in Asia and the Pacific countries (+7,9% over 2001), in Africa (+3,6%) and the Middle East (+10,6%). As far as the Americas are concerned, arrivals displayed a marginal decrease over 2001 (-0,7%). Based on the above results, Asia and the Pacific countries captured a global market share of 18,3%, and they now rank second behind Europe on a global scale.

2001 arrivals, somewhat mitigating the losses recorded between January-September 2002 (-13% for the whole period).

As far as specific markets are concerned, the overall decrease in arrivals mirrored the behaviour of the U.K. market, which recorded a decrease of 10% in arrivals over 2001. Hence, the share of the U.K. market remained constant, at about 55%.

The only markets that displayed an increase in arrivals over 2001 were the Czech Republic, Ireland, Israel and Greece, while all other markets registered reduced levels of arrivals.

The results of the Tourist Expenditure Survey 2002 show that, tourists in Cyprus recorded an average daily expenditure of CYP42,11 in 2002, an average length of stay in Cyprus of 11,12 days, and hence an average expenditure per tourist of CYP468,24.

INTERNATIONAL TOURIST ARRIVALS
2001-2002 TABLE 5

	ARRIVALS (IN MILLION)		
	2001	2002	2001-2002
World	692,9	692,7	+3,1%
Europe	401,4	400,3	+2,4%
Asia and the Pacific	121,0	28,2	+7,9%
America	121,0	120,8	-0,7%
Africa	27,7	115,1	+3,6%
Middle East	21,8	24,1	+10,6%

MAJOR DEVELOPMENTS IN CYPRUS

According to the data of the Statistical Service of the Republic of Cyprus, tourist arrivals in 2002 recorded a decrease of 10,33% as against 2001 (2.418.233 in 2002, 2.696.732 in 2001). However, in spite of this negative result, the period from October-December 2002 allows for a more optimistic outlook for 2003, since all three months displayed a modest increase over the respective

DEVELOPMENTS IN THE TOURIST INDUSTRY IN 2002

TOURIST ARRIVALS

Arrivals of long-stay visitors (tourists) decreased by 10,33% in 2002 to 2.418.233 as against 2.696.732 in 2001.

SEASONAL PATTERN OF TOURISM

A total of 453.791 tourist arrivals were registered during the winter months (January-March and November-December), accounting to 18,76% of the total arrivals for 2002. On the other hand, the percentage of arrivals during the two peak summer months (July and August) fell from 27,6% in 2001 to 26% in 2002.



TOURIST ARRIVALS ON CHARTERED FLIGHTS

In 2002, 1.520.930 tourists used chartered flights to Cyprus, as compared to 1.691.254 in 2001, thus recording a decrease of 10%. These tourists came mainly from the United Kingdom, Germany, Russia, Switzerland, Ireland and the Scandinavian countries.

ARRIVALS OF EXCURSIONISTS

Arrivals of excursionists in 2002 totaled 77.024, recording a decrease of 46,5% in comparison to the corresponding 2001 figure (143.922). All types of excursionist arrivals displayed a decrease in 2002 as compared to 2001. Same-day tourist arrivals dropped by 31,3% (from 19.043 in 2001 to 13.081 in 2002), while arrivals of both transit visitors and excursionists participating in cruises were reduced by 71,9% (from 18.480 in 2001 to 5.196 in 2002) and 44,8% (from 106.399 in 2001 to 58.747 in 2002), respectively.

Excursionists participating in cruises came mostly from Israel, the United States, Germany and Italy.

INCOME FROM TOURISM

Gross receipts from tourism in 2002 were estimated at CYP1.136 million, recording a decrease of 11,04% over the 2001 receipts (CYP1.277 million).

Revenue from tourism was estimated to account for 42,9% of the foreign exchange earnings from the export of goods and services (the respective ratio for 2001 was 46,8%).





DEVELOPMENTS IN THE INTERNATIONAL TOURISM MARKET

DEVELOPMENTS IN THE SUPPLY OF HOTEL BEDS

In 2002, a total of 2.539 new beds joined the existing stock, as compared to 3.341 beds in 2001. These new additions increased the supply of hotel beds across various types of accommodation, as follows:

Five new hotels started operation in 2002, with a total capacity of 1.385 beds. Of the remaining 1.154 beds, 150 belonged to one new hotel apartment A class unit, 976 corresponded to 4 new tourist villages, and 28 to 3 new traditional houses.

The total hotel bed supply in licensed accommodation units rose from 89.056 beds that were in operation on 31.12.2001 (or 92.176 beds, if 3.120 beds in camping sites should be taken into account), to 94.466 on 31.12.2002.

Of all the hotel beds that had been in operation at the end of 2002, 52.410 belonged to 241 star hotels, 23.537 to 273 hotel apartments of all classes, 4.958 to 17 tourist villages, and the remaining 13.561 to tourist villas, tourist apartments, furnished apartments, traditional houses, hotels without star, guest houses and camping sites. As far as the construction of new units is concerned, at the end of 2002 five new star hotels with a total capacity of 1.245 beds, two hotel apartments A class with 424 beds, two tourist villages with 760 beds and two traditional houses with 10 beds were under construction. Moreover, the following new beds that constituted extensions to existing accommodation units were also under construction at the same time: 97 beds in two existing star hotels, 64 beds in one hotel apartments unit B class and 72 beds in a tourist village B class.

TOURIST ARRIVALS 1990-2002 (IN MILLIONS)

(ARRIVALS MIL.)

DIAGRAM I

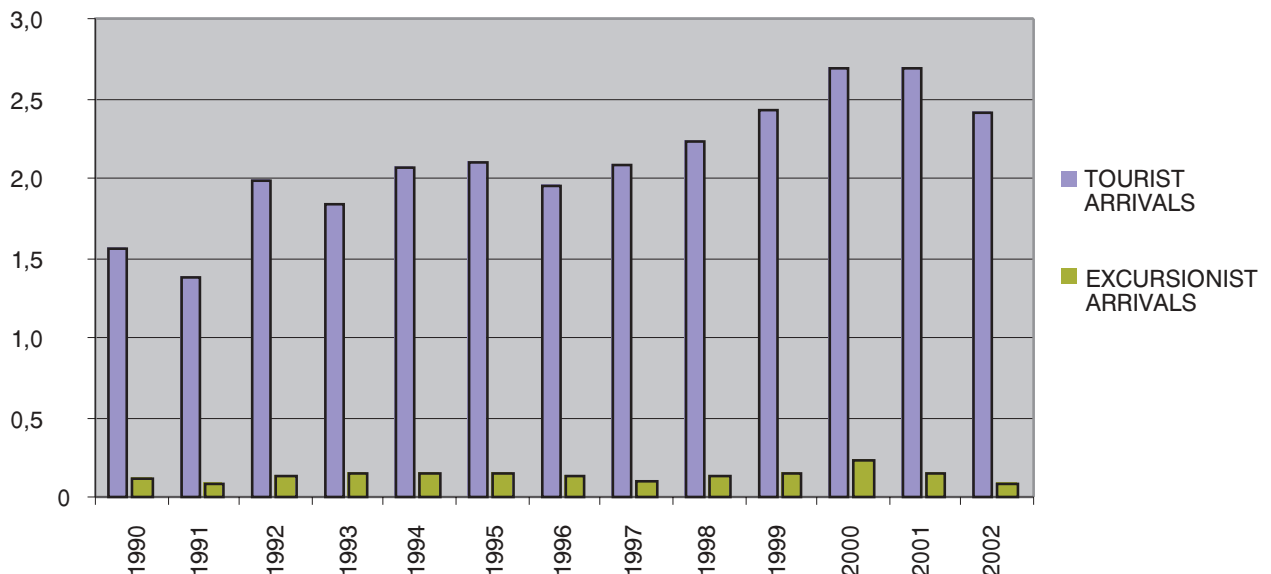




TABLE 6

5-1 STAR HOTEL BED CAPACITY 2001-2002						
	5*	4*	3*	2*	1*	TOTAL
2001	8871	19244	17344	4153	1320	50932
2002	9429	19781	17519	4407	1274	52410

TABLE 7

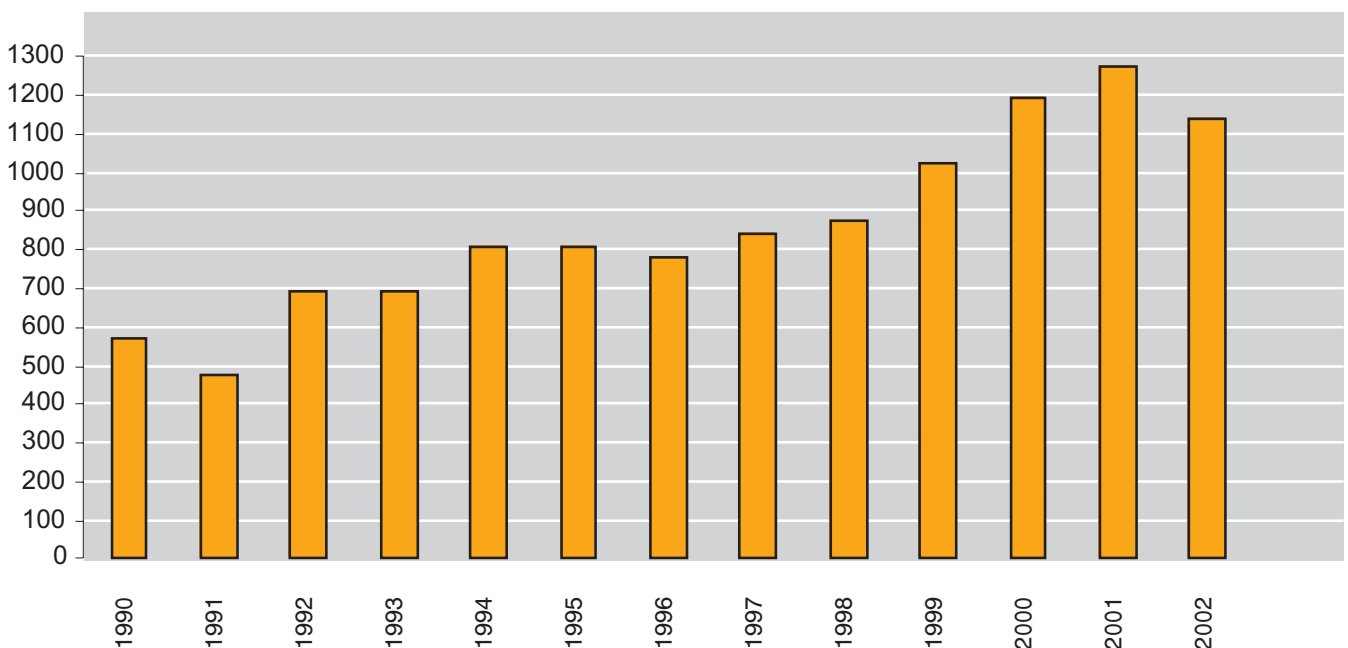
BED CAPACITY IN HOTEL AND OTHER ACCOMMODATION 2001-2002								
	DELUXE	HOTEL APARTMENTS A CLASS	B CLASS	C CLASS	TOURIST VILLAGES	TRADITIONAL HOUSES	OTHER*	TOTAL
2001	114	9467	11814	2332	3978	569	13022	41244
2002	114	9595	11738	2090	4958	625	12936	42056

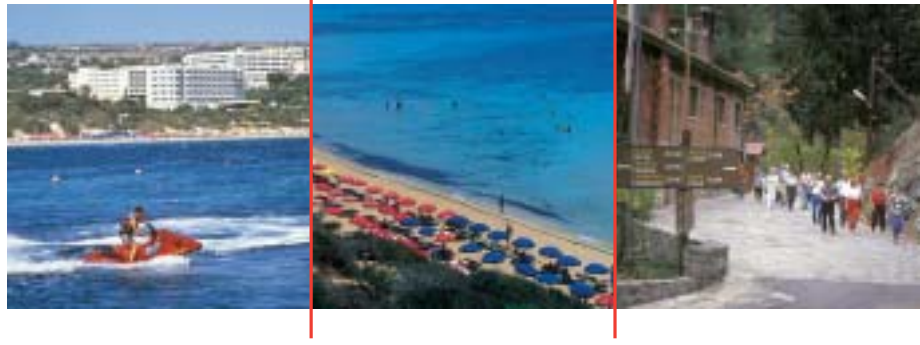
* Tourist Apartments, Furnished Apartments, Tourist Villas, Hotels without Star, Guesthouses and Camping Sites.

INCOME FROM TOURISM 1990-2002 (£CY MIL.)

DIAGRAM 2

(£CYP MIL.)





TOURISM CONSULTATIVE COMMITTEE

The Tourism Consultative Committee was established in accordance with the provisions of the Cyprus Tourism Organisation Law, as a consultative body to the CTO Board of Directors on general tourist policy issues. The following tourism stakeholders are represented in the Committee, which is chaired by the Director General of the CTO:

- the Cyprus Airways Group
- Helios Airways
- the Cyprus Hoteliers Association
- the Association of Cyprus Tourist Enterprises
- the Pancyprian Association of Hotel Managers
- HCIMA Cyprus
- the Association of Cyprus Travel Agents
- the Association of Greek-Cypriot Travel Agents in the U.K.
- the SEK Federation of Hotel Employees
- the PEO Union of Hotel and Restaurant Employees
- the DEOK Union of Hotel and Tourism Employees

In 2002 the Committee met a total of five times, and dealt, among others, with the following issues:

- Development of winter tourism.
- Competitiveness of the Cypriot tourist product.
- Inflated prices in the tourist resorts.
- The practice of subletting various departments of tourist accommodation units.
- Employment of aliens as Animators and Public Relations Officers in tourist accommodation units.

Also, on the 20.12.2002, the Directors of the CTO Offices overseas met with the Committee in order to brief its members on the latest developments and future prospects of their respective markets.





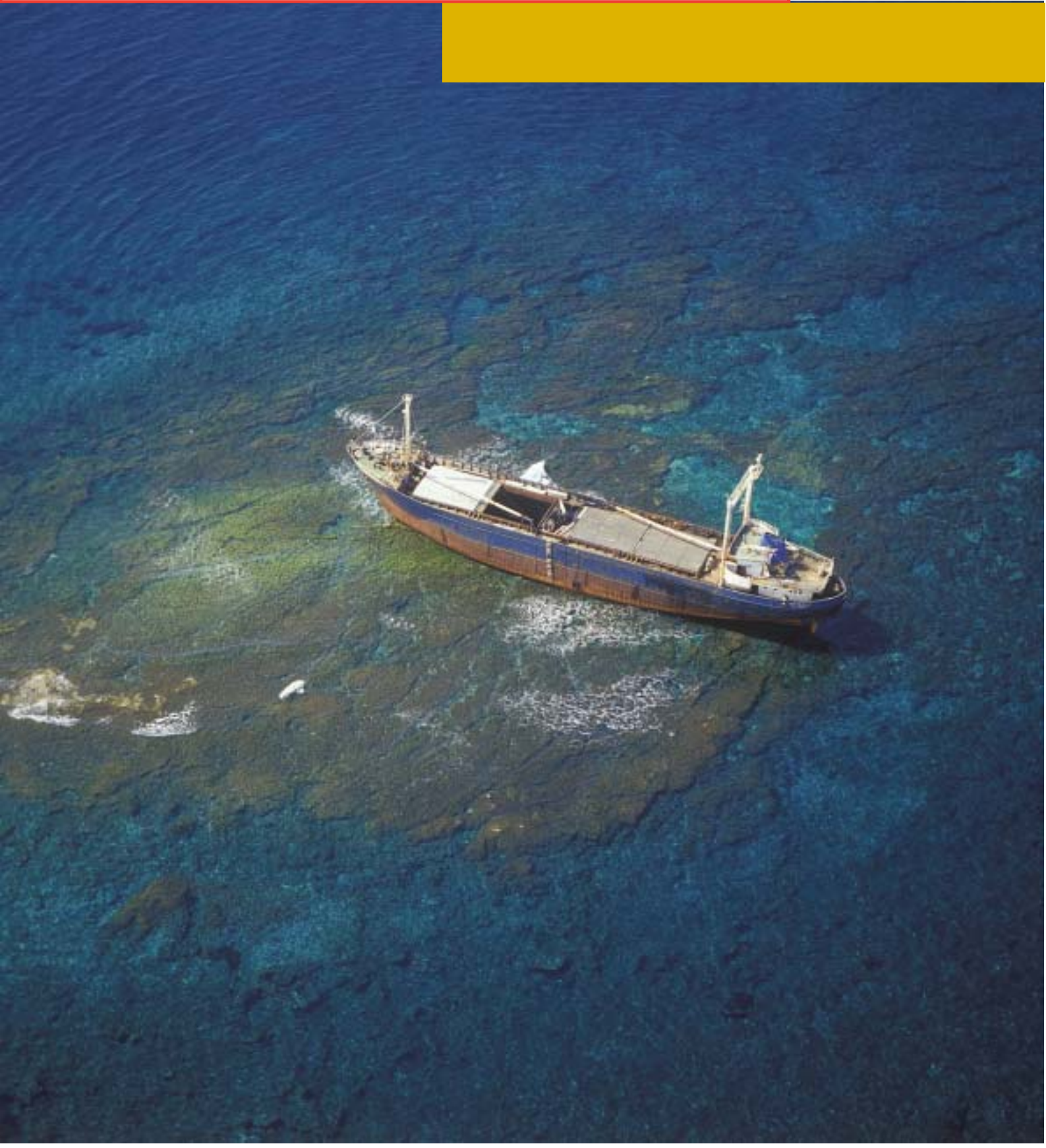
TOURIST EXPENDITURE SURVEY



The tourist expenditure survey is conducted on an annual basis, and its main purpose is to obtain information on the expenditure of tourists in Cyprus. Such information is collected through personal interviews which take place at the points of departure of tourists from the country. As in previous years, during the first three months of 2002, the survey was conducted by the Organisation. However, as of 1.4.2002, the obligation for conducting the survey was undertaken by the Statistical Service of the Republic of Cyprus, within the framework of the harmonisation process with the Acquis Communautaire. For the period that the survey was conducted by the Organisation, the same procedures were followed concerning the tasks associated with the survey as in the past few years, i.e. the interviews, the editing of the questionnaires, and the preparation of the results reports were assigned to a private market research firm, while the codification of the questionnaires was done in-house at the C.T.O.

From 1.4.2002 onwards, all of the above tasks were taken over by the Statistical Service.

During the course of the Survey in 2002, 31.470 interviews were conducted at both Larnaka and Pafos International Airports, covering a total of 66.288 tourists from the main source markets for Cyprus tourism.





RESEARCH, STUDIES, PROGRAMMES

STRATEGIC PLAN FOR TOURISM

The Ministerial Committee which was set up by the Council of Ministers in January 2001 in order to supervise the implementation of the Strategic Plan, delegated to the Organisation the task of finalising the measures that would be proposed to the Cabinet for the achievement of specific objectives and targets of the Plan. After a series of discussions with five Ministries, namely the Ministry of the Interior, the Ministry of Education and Culture, the Ministry of Agriculture, Natural Resources and the Environment and the Ministry of Communications and Works, CTO prepared a set of measures that each Ministry agreed on implementing and proceeded with an evaluation of the adequacy of these measures from the point of view of meeting the strategic targets and time framework. This evaluation report with CTO's suggestions and recommendations, have been submitted to the Cabinet for further decisions.

REGIONAL STRATEGY

The strategic positioning of Lemesos as a tourist destination was agreed during a broad meeting organised in April with the participation of local associations and authorities. As agreed in this meeting CTO prepared the framework action plan for marketing as well as for developing the tourist product of the region. Implementation will be jointly undertaken through several technical committees to be set up by Lemesos Chamber of Commerce and Industry.

NATIONAL STRATEGIC PLAN / SINGLE PROGRAMMING DOCUMENT FOR REGIONAL DEVELOPMENT

The Organisation has prepared the plan for the tourism sector for the years 2004 - 2006. This constitutes CTO's contribution to the nation-wide task, co-ordinated by the Planning Bureau, for development planning and usage of structural funds which emanates from Cyprus's EU accession. Moreover, the measures and projects which may be eligible for E.U. funding have been prepared in detail and submitted to the Planning Bureau.

TOURISM RESEARCH

University of Cyprus Study for the Competitiveness of the Cyprus Tourist Product

The above study, which was undertaken by the Economic Research Centre of the University of Cyprus and examined the topics of productivity in the hotels and restaurants sector and the competitiveness of the tourist package of Cyprus, was completed.

University of Nottingham Study for the Price Sensitivity and the Effects of Tourism on Other Sectors of the Cypriot Economy

The Organisation participates - along with National Tourism Organisations from Spain and Malta - in this comparative study conducted by the University of Nottingham. The study will compare the demand elasticity for the tourist product of the participating countries with respect to the price of the product, the level of income at the respective source markets and other relevant factors. Most importantly it will examine the interrelationships between the tourist sector and other sectors in the economies under examination. In 2002, the draft report for the first part of the study, which deals with the demand elasticity issues, was submitted to the Organisation and evaluated by the competent Steering Committee.

AGROTOURISM

Financial Incentives Scheme

Financial incentives were provided to beneficiaries within the framework of the Agrotourism Programme, for the eleventh consecutive year.

Accommodation Units - Beds

On 31st of December 2002, 65 traditional accommodation units were in operation in 30 villages, with a total capacity of 540 beds.

Embellishment Works

The Organisation subsidised embellishment works in various villages. In addition, work has commenced for the design of information maps on wooden panels/shelters in villages. Such information points were constructed in 10 villages.



CYPRUS AGROTOURISM COMPANY

The Cyprus Agrotourism Company, which was established through a CTO initiative, intensified its activities in the sphere of promotion and publicity for the benefit of its members. The Company's website and central reservations systems were set up, thus enabling on-line bookings. These can be accessed from the electronic address <http://www.agrotourism.com.cy>

GOLF COURSES

In addition to the two existing golf courses (Tsada Golf and Secret Valley Golf), a third one, the Aphrodite Golf near the area of Petra tou Romiou, has started operation. The First Cyprus Amateur Golf Open Tournament was organised by the Cyprus Golf Federation.





EUROPEAN UNION

CO-OPERATION PROGRAMMES FUNDED BY THE EUROPEAN UNION

Leonardo da Vinci Programme: “Cultural Heritage Tourism Network”, “CHTN”

The Leonardo project "Cultural Heritage Tourism Network", which was promoted and coordinated by CTO, has been evaluated by the European Commission as one of the most successfully executed projects and as a result it has been included:

- (a) in the Commission's database of “Leonardo da Vinci Good Practices” – <http://leonardo.cec.eu.int/bp/> as well as
- (b) in the Commission's Tourism Brochure “Leonardo da Vinci, series: Good Practices, Tourism”, which includes the ten most successful Leonardo projects. The Brochure also features on www.europa.eu.int/comm/education/leonardo/valorisation_en.html.

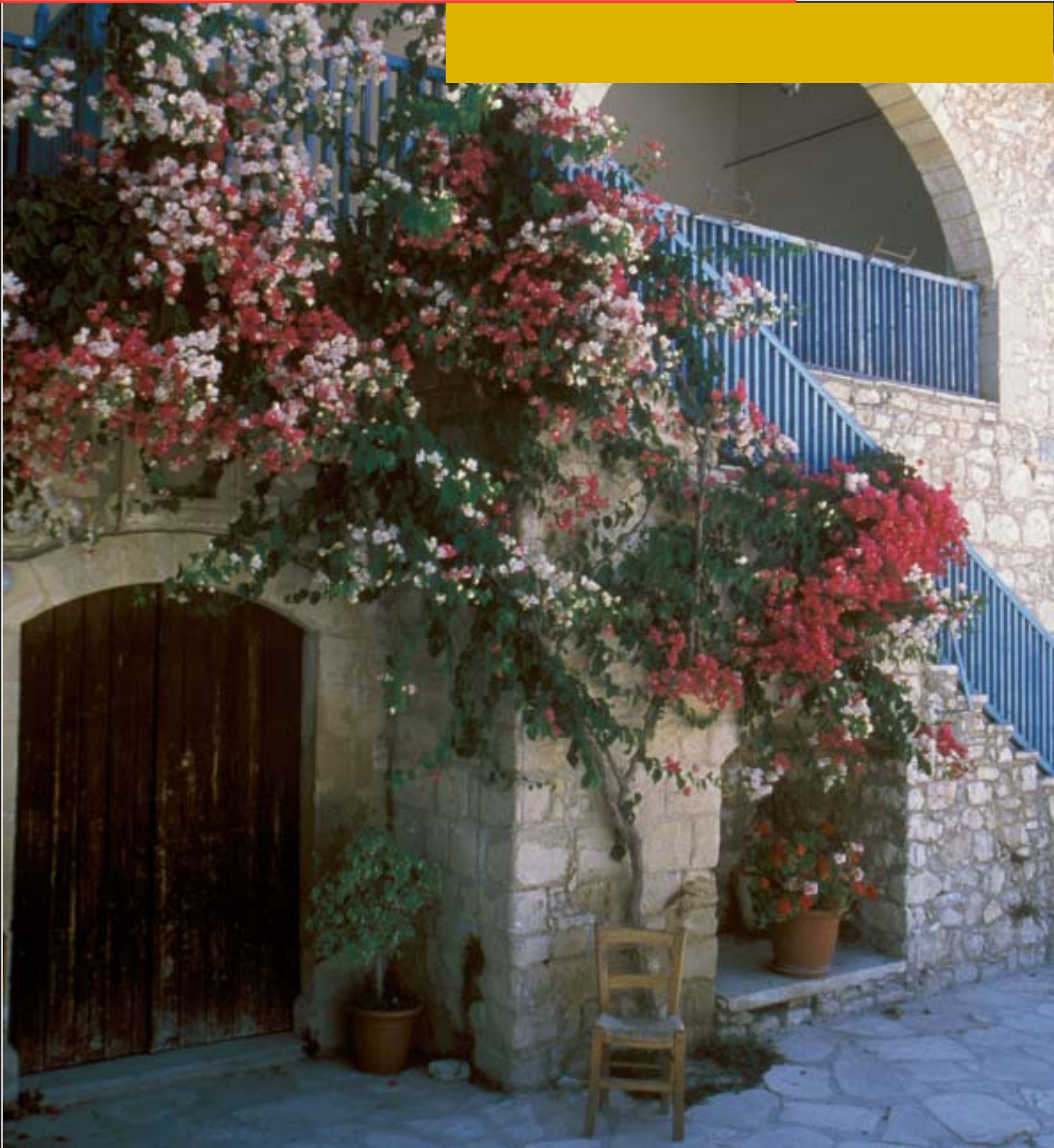
For the second consecutive year, CTO has made use of the “CHTN” project's results by including the educational modules developed thereby, in its annual training programme. More specifically, it organised two training seminars on the topics: (a) Organisation of Cultural Events and (b) Traditional Gastronomy.

BLUE FLAG PROGRAMME

In 2002, "Blue Flags" were awarded to more than 2.800 beaches and marinas in 23 European countries. “Blue Flags” were awarded to 35 organised beaches in Cyprus:

- Paralimni (1): Protaras Beach
- Agia Napa (11): Kermia, Landa, Nissi, Nissi Bay, Makronisos, Agia Thekla, Vathia Gonia, Glyko Nero, Katsarka, Ammos tou Kambouri and Pantahou
- Larnaka (2): Finikoudes, Makenzy
- Pentakomo (1): CTO Kalymnos Beach
- Pyrgos (1): Panagies/Aoratoi
- Agios Tychonas (7): Santa Barbara, Loures, Vouppa, Armonia, Kastella, Aphrodite and Onisillos
- Pissouri (1): Pissouri Beach
- Geroskipou (1): CTO Municipal Beach
- Pafos (6): Pachyammos, Vrysoudia A & B, Alykes, Municipal Beach and Pharos
- Pegeia (2): Municipal Beach, Laourou
- Polis Chrysochous (2): Municipal Beach, CTO Dasoudi Beach







TOURISM INFRASTRUCTURE, IMPROVEMENT/UPGRADING OF THE TOURIST PRODUCT

LEGISLATION - HARMONISATION WITH THE ACQUIS COMMUNAUTAIRE

The Organisation promoted, according to the agreed procedures and deadlines, amendments to the following legislation which concern harmonisation with the Acquis Communautaire:

- The Law for the Registration of Non Licensed Establishments of 2002
 - The Law for Hotel and Tourist Establishments
 - Tourist Offices, Travel Agents and Tourist Guides Law
- The first two amended laws were approved by the House of Representatives while the third one was submitted to the House of Representatives on 5.12.2002. The Cyprus Tourism Organisation participated as an observer at the meeting of the Tourism Advisory Committee of the European Union in Brussels, together with other accessing countries.

GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

The Cyprus Tourism Organisation participated in preparatory meetings at the Planning Bureau as regards the bilateral meetings with countries which requested liberalization in the trade of services in the tourism sector.

EUROPEAN LONG DISTANCE TRAIL E4

The first phase of the project covering 90 km in the Troodos region was completed. Following a tender invitation procedure, the task of producing signs for the sign-posting of the first part of the project was assigned to and completed by a private subcontractor. Part of the route in Pafos was also sign-posted as a pilot project. At the 33rd General Assembly meeting of the European Ramblers Association, Cyprus Tourism Organisation was enrolled as a full member of the Association, which coordinates the European Long Distance Trails Project. The Organisation subsidised the Forestry Department for the opening of new parts of the trail in Machairas forest and in the Lefkosia District.

A representative of the Greek Ramblers Association visited Cyprus in order to assess the progress of the project and to provide technical advice.

APHRODITE CULTURAL ROUTE

The design of the informational signs to be posted in the route was completed. Following invitation and evaluation of tenders, CTO assigned the production of signs to the successful tenderer. The logo of the route, as well as the layout of the information panels, were designed and agreed upon. Both the Greek and English texts to be used on the panels in the information points as well as the draft of the text for the leaflet of Larnaka and free Ammochostos (Famagusta) Area were completed. New photographic material for the needs of the route was prepared.

NATURE TRAILS DEVELOPMENT PROJECT

The Cyprus Tourism Organisation financed the construction and sign-posting of a thematic trail connecting three medieval bridges in the Pafos region and of another trail at Cape Gkreko which will form part of Aphrodite Cultural Route.

SPORTS TOURISM

In April, the Cyprus Tourism Organisation in collaboration with the Cyprus Sports Organisation and the Cyprus Olympic Committee organised a seminar regarding the future prospects and challenges for the development of sports tourism in Cyprus.

The Cyprus Sports Organisation and its associates (LTV Sports LTD) have prepared a guide for sports facilities in Cyprus, in collaboration with the CTO. This guide is a useful tool for the promotion of Cyprus as a sports tourism destination.

Two new financial incentive schemes have been prepared by CTO, concerning the creation or upgrade of sports infrastructure in Cyprus.



CYCLING TOURISM

The CTO has completed the construction and installation of shaded stands with informative maps for cycling routes in the areas of Akamas, Polis Chrysohous and Troodos.

Furthermore, the CTO has placed cycling stands near cycle roads in Agia Napa, Lefkosia and Geroskipou.

In order to further develop and promote cycle tourism, the Cyprus Tourism Organisation is also examining the possibility for Cyprus to join the Eurovelo project. Eurovelo is developing a European network of cycle routes throughout Europe.

TRAINING/EDUCATIONAL PROGRAMMES /SEMINARS

During 2002 CTO has organised and implemented 10 educational programmes/seminars as follows: 4 for Life-guards and Sea Sports, 2 on Cultural Tourism and Organisation of Events, 2 on Cycling Tourism, and 2 on the Experience of Traditional Gastronomy for the Agrotourism House and Taverna owners in the Villages.

The above programmes were attended with a lot of interest by more than 250 participants in total, and were highly appreciated.

The programmes were presented and facilitated by local and foreign/international trainers. The co-operation between CTO and the Department of Agricultural Economy of the Ministry of Agriculture, Natural Resources and Environment in training the inhabitants of rural areas continued in 2002. The Department of Agricultural Economy included in its educational programmes topics related to Agrotourism.





REGULATION AND SUPERVISION OF TOURIST ENTERPRISES

The Cyprus Tourism Organisation implements the provisions of the relevant laws governing the setting up and operation of tourist enterprises and tourist occupations such as:

- Hotels and other tourist accommodation establishments
- Travel Agencies
- Catering and entertainment establishments
- Tourist guides

CLASSIFICATION OF HOTEL UNITS AND APPROVAL OF PLANS

According to the existing legislation governing hotels and tourist accommodation establishments, the architectural plans of new hotel units to be built, as well as extensions and classification of existing ones must be first approved by the Hotels Committee.

The composition of the Hotels Committee in 2002 according to a relevant decision by the Minister of Commerce, Industry and Tourism was as follows:

Chairman of the Committee was CTO Chairman Mr Chr. Prentzas. The Members of the Committee were: Mrs Phryne Michael, CTO Director General, Mr L. Phylaktides, CTO Director of Tourism, Mr M. Papageorgiou, representative of the Ministry of Communications and Works, Mr G. Stergides, representative of the Ministry of Health, Mrs E. Avraamidou, representative of the Town Planning and Housing Department, Mrs I. Karayianni, representative of the Ministry of Commerce, Industry and Tourism, Mr M. Christofinis, representative of the Cyprus Civil Engineers and Architects Association, Mr A. Nikitas and Mr A. Tsokkos, representatives of the Cyprus Hotels Association, Mr A. Vavlitis, representative of the Cyprus Association of Tourist Enterprises and Mr M. Evangelides, representative of the Cyprus Hotel Managers Association.

During 2002 the Committee held seven meetings and examined matters relating to the initial classification of new hotel units, reclassification of existing units, revocation of operating licences, approval of plans and applications for the establishment of accommodation units within traditional houses, extensions or renovations/improvements of existing hotels and hotel apartments and revision of the classification of existing hotel units. The Committee's suggestions as far as the classification or revocation of operating licences are concerned are forwarded to the Board of Directors for consideration.

HOTEL RATES AND HOTEL GUIDE

According to the provisions of the relevant legislation hotel rates were set by hoteliers for the period between 16.3.2002 and 15.3.2003 and constitute the maximum rates that can be charged during this period. Prices include all charges and taxes. The 2002 edition of the Hotel Guide includes all hotel and tourist establishments in operation in the government controlled areas and provides information on each establishment and the rates charged. All hotel units located in the Turkish occupied areas belonging to Greek Cypriots are listed in the Guide in the form of an Appendix. The 2002 Hotel Guide also includes information on travel agencies and car rental firms. It was printed in 80.000 copies.

TRAVEL AGENCIES

As shown in Table 8, at the end of 2002, 457 licensed Travel Agencies were in operation with 187 branch offices in comparison to 451 Agencies and 195 branch offices in 2001.

TOURIST GUIDES

During 2002, 278 licences were issued to professional tourist guides, as provided by the relevant legislation, compared to 276 in 2001.

Table 9 shows the breakdown of tourist guide licences by district on 31.12.2002.



TRAVEL AGENCIES 2001-2002

TABLE 8

AREA	HEAD OFFICES		BRANCH OFFICES	
	2001	2002	2001	2002
Lefkosia	145	147	21	20
Lemesos	160	162	64	63
Larnaka	58	59	33	29
Pafos	59	59	33	31
Ammochostos	29	30	44	44
Total	451	457	195	187

NOTE: The above agencies employed approximately 2000 persons.

CATERING AND ENTERTAINMENT ESTABLISHMENTS

In accordance with the provisions of the relevant law the Catering and Entertainment Establishments Committee held two meetings in 2002 and examined issues related to the approval of plans, the classification or reclassification of Catering and Entertainment Establishments, the revocation of operating licences and other matters relating to the operation of these establishments.

The composition of the Committee in 2002 according to a relevant decision by the Minister of Commerce, Industry and Tourism was as follows:

Chairman of the Committee was CTO Chairman Mr Chr. Prentzas. The Members of the Committee were: Mrs Phr. Michael, CTO Director General, Mrs E. Tsinikola, representative of the Ministry of Commerce, Industry and Tourism, Mr S. Anthousis, representative of the Ministry of Health, Mrs St. Rousi, representative of the Ministry of the Interior, Mr H. Heracleous, representative of the Cyprus Hoteliers Association, Mr A. Aristidou, representative of the Cyprus Catering and Entertainment Establishments Owners Association, Mr A. Germanos, representative of the Association of Cyprus Municipalities, Mr P. Damianos, representative of the Union of Cyprus

Communities and the Lefkosia, Lemesos, Larnaka, Pafos and Ammochostos District Officers. On 31st December 2002, 3,243 Catering and Entertainment Establishments of various categories were in operation, compared to 3,176 on 31st December 2001. At the end of 2002, 565 catering and entertainment establishments were in operation within hotel units compared to 551 on December 31st 2001. Table 10 shows the Catering and Entertainment Establishments in operation on 31st December 2001 and 2002 respectively, broken down by district.

Table 11 shows the Catering and Entertainment Establishments by category and by district operating on 31st December 2002. The table does not include establishments operating within hotel units.

HOTEL TRAINING

Vocational training in hotel professions is provided by both public and private educational institutions.

The Ministry of Education and Culture operates hotel training departments in the Technical Schools of Lefkosia, Lemesos, Pafos, Polis Chrysochous, Larnaka and Paralimni, providing basic training for cooks and waiters.

LICENSED TOURIST GUIDES BY DISTRICT (31.12.2002)

TABLE 9

LEFKOSIA		97
LEMESOS		94
LARNAKA		38
PAFOS		35
AMMOCHOSTOS		14



The Cyprus Higher Hotel Institute, which operates under the auspices of the Ministry of Labour and Social Insurance, offers hotel management courses with specialisations in the fields of Rooms, Food and Beverage. It also continues to provide training in the fields of Reception, Housekeeping, Confectionery and Cooking.

During 2002 several private hotel schools and colleges offered courses of study in the hotel occupations and also in the field of hotel and tourism management.

In addition to the professional training offered by public and private academic institutions, the Human Resource Development Authority of Cyprus offered a series of specialised courses, the aim of which was to improve the professional skills of those employed in the tourist industry.

EMPLOYMENT IN THE HOTEL INDUSTRY

According to a CTO survey, during the summer of 2002, about 24.700 people of various specialisations were employed in the hotel industry and about 16.000 people were employed in the Catering and Entertainment Establishments.

CTO INSPECTORS

The Organisation employs 41 inspectors who regularly inspect all the tourist enterprises falling within the jurisdiction of the Organisation. Specifically in the course of these inspections they examine the standards of cleanliness and hygiene, the overall performance of the establishments, the implementation of the approved prices and the compliance of the entrepreneurs with the provisions of the relevant Laws and Regulations.

CATERING AND ENTERTAINMENT ESTABLISHMENTS BY DISTRICT

TABLE 10

District	OPERATING ESTABLISHMENTS AS AT 31.12.2001		OPERATING ESTABLISHMENTS AS AT 31.12.2002	
	Independent	Establishments within Hotel Units	Independent	Establishments within Hotel Units
Lefkosia	626	31	651	31
Lemesos	910	118	933	117
Larnaka	503	75	509	81
Ammochostos	527	220	544	226
Pafos	610	107	606	110
Total	3176	551	3243	565

CATERING AND ENTERTAINMENT ESTABLISHMENTS BY CATEGORY (31.12.2002)

TABLE 11

Category	Lefkosia	Lemesos	Ammochostos	Larnaka	Pafos	Total
Restaurant, Tavern	437	633	359	328	410	2167
Cafeteria, Pizza House	40	48	31	22	28	169
Snack Bar, Pub, Bar	133	181	127	124	131	696
Discotheque	12	15	20	13	6	66
Cabaret	16	27	5	14	15	77
Night-Club	13	29	2	8	16	68
Total	651	933	544	509	606	3243





PROMOTION OF THE CYPRUS TOURIST PRODUCT

Within the framework of the Marketing Strategy for the realization of the Organisation's strategic goals for tourism until the year 2010, specific marketing targets have been determined. These can be summarised as follows:

- Creation of a clear, distinctive image and identity as well as the repositioning of Cyprus in the international tourism market.
- Balanced development of markets and of their segments.
- Attraction of more effective clientele from the sun and sea segment and development of other segments.
- Improvement of the Cyprus tourist product distribution through the tour operators and development of individual tourism, through the internet and the new CTO website: www.visitcyprus.org.cy.

During 2002, the Organisation continued to concentrate its efforts for the attainment of the above mentioned targets, by gradually implementing its marketing strategy. The promotional activities of CTO offices abroad, were mainly geared towards the attraction of special interest tourism market segments. In addition, CTO made every effort to better plan and improve its promotional activities. For this purpose, the Organisation continued and expanded its cooperation with public relations firms and professional journalists. As a result, the publicity given to Cyprus by the media was improved and increased.

A lot of the Organisation's efforts were geared towards the increase of off-season tourist traffic, in particular during the winter months. During the winter period 2001/02 a special incentive scheme for the development of winter tourism was implemented. The scheme included the provision of financial aid to foreign tour operators.

PROMOTIONAL ACTIVITIES

The Organisation is implementing an integral communication strategy for the promotion of the Cyprus tourist product based on the systematic promotion of a single and unique image of Cyprus. CTO's Communication Strategy includes a series of activities that directly promote the Cyprus tourist product, such as advertising campaigns, organisation of promotional activities, hosting in Cyprus tourist professionals, journalists and other personalities and participation in tourist fairs. The Organisation considers of particular importance the development and the maintenance of excellent relations with the tourist professionals and the media in the source-countries. The Organisation aims that all its activities are supported by the appropriate publications, audiovisual and electronic promotional tools. In addition, the Organisation is indirectly promoting the Cyprus tourist product by supporting the activities of tour operators, tourist professionals and other parties. The CTO promotional activities are geared towards the consumer, the travel trade and organised groups dealing within the special interest market segments that the Organisation targets.

Advertising

The CTO continued to invest a significant part of its budget in advertising in a number of tourism source-markets. A major criterion for the distribution of the budget among the different markets is their order of priority as determined in the Strategic Plan up to 2010. In April 2002, the cooperation of CTO with its advertising agency for the past two years ended. The Organisation commenced procedures for the selection of a new advertising partner.



During 2002, the Organisation continued to use the single advertising message “A whole world on a single island”, that corresponds and supports the target of repositioning Cyprus in the international tourism market. Within the framework of CTO’s goal for a balanced development of markets and their segments, the Organisation carried out advertising campaigns in the priority markets, while at the same time it continued to reinforce its advertising efforts in the rest of the markets and especially the new emerging markets of Eastern Europe. In the main tourist

markets of the United Kingdom, Germany, the Nordic Countries and Russia the CTO advertising campaigns included television advertising. In the rest of the tourist generating markets, the advertising campaigns were restricted to important consumer and trade publications and in some cases to outdoor advertising. Table 12 summarises the markets where Summer and/or Winter Advertising Campaigns were carried out during 2002.

ADVERTISING CAMPAIGNS TABLE 12

Market	Summer Advertising Campaign 2002	Winter Advertising Campaign 2002
United Kingdom	✓	✓
Germany	✓	✓
Russia	✓	✓
Greece	✓	✓
USA	✓	
Switzerland	✓	✓
Netherlands	✓	✓
Austria	✓	✓
Sweden	✓	✓
Belgium	✓	✓
Israel	✓	✓
Poland	✓	✓
Ireland	✓	✓
France	✓	✓
Finland	✓	✓
Norway	✓	✓
Italy	✓	✓
Arab Countries	✓	✓
Denmark	✓	✓
Belarus	✓	
Ukraine	✓	
Czech Republic	✓	
Hungary	✓	

Furthermore, in most markets, the Organisation supported the advertising efforts of tour operators.



Tourist Promotion and Public Relations

The Organisation exercised every effort for the better programming and enhancement of its promotional and public relations activities. For this purpose, the staffing of CTO offices abroad was strengthened with specialized personnel and in the main tourist markets the Organisation appointed public relations firms. All promotional activities undertaken by the CTO offices abroad are included in the Annual Action Plan which is a significant planning and controlling tool for the Organisation's activities in the promotional sector. A wide spectrum of promotional activities were organised by the CTO offices abroad, including Cyprus weeks, presentations or seminars (workshops) on Cyprus, roadshows, special promotional activities on Cyprus for the public, e.t.c. Parallel to their own activities, CTO offices abroad participated in promotional activities organised by tour operators, other tourist professionals e.t.c.

United Kingdom / Ireland

In 2002 the Organisation continued its cooperation with its public relations firm, which effectively helped in the organisation of educational trips for television crews and journalists to Cyprus. The result of this cooperation was the publication of many favourable articles on Cyprus in the press, addressing the interests of the targeted market segments.

CTO London gave particular emphasis to the promotion of conference and incentive tourism and for this purpose it organised promotional events during the specialized exhibitions of CONFEX and M&IT. In addition, CTO organised familiarization trips to Cyprus for conference organisers.

The CTO also supported the organisation of the conference of the Chartered Institute of Journalists that

was held in Cyprus. Ninety important journalists from the United Kingdom attended the conference. CTO London organised a series of presentations (roadshows) to travel agents in seven different cities of the U.K. with the participation of Cypriot tourist professionals. The aim of the presentations was to present the possibilities Cyprus offers as a winter destination. Another important event organised by CTO was a presentation on special interest tourism opportunities offered in Cyprus. The presentation was attended by professionals specialising in this field.

During the year, CTO London increased the number of visits to productive travel agents in order to inform them about the different aspects of the Cyprus tourist product and opportunities it offers to visitors for quality holidays. As far as Ireland is concerned, during 2002 CTO organised a series of presentations for tourist agents in the main cities of Ireland.

Germany

During the year, CTO Frankfurt organised a number of promotional events for the travel trade and the consumers in different cities in Germany. In addition, CTO Frankfurt participated in the presentations of the catalogues of tour operators to the employees of different travel agencies. A series of presentations (roadshows) for travel agents were also organised in the main cities of Germany. In cooperation with its public relations agency, CTO Frankfurt organised press conferences in a number of German cities and monthly information bulletins were sent to the most significant media in Germany. In addition, CTO Frankfurt cooperated directly with several journalists for the publication of articles and the production of television and radio programmes on Cyprus.



Switzerland

The CTO Office in Zurich organised a large number of promotional events both for the travel trade professionals and for the public. Such events were: seminars and presentations for the travel agents, organisation of competitions and information days on Cyprus organised in cooperation with travel agencies. Among the events it is important to single out a two-day seminar for travel agencies. The purpose of the seminar was to inform the agencies of the multi-dimensionality of the Cyprus tourist product and the opportunities it offers to the tourist. Emphasis was also given to the organisation of presentations and other events for the promotion of special interest tourism and in particular of the opportunities Cyprus offers for cycling and hiking as well as for golf. These events covered both the French and the German speaking parts (Cantons) of Switzerland.

CTO Zurich also participated in the presentation of the catalogues of the most important tour operators.

Austria

Among the many events organised by CTO Office in Vienna, it is important to mention the organisation of a series of presentations for the tourist agents in the main cities of Austria with the participation of Cypriot professionals. In addition, CTO Vienna closely cooperated with travel agents and tour operators in organising information days for the public for the promotion of the Cyprus tourist product in the most important cities of Austria. It also participated in the presentations of the catalogues of the Austrian tour operators that feature Cyprus in their programmes.

Emphasis was given to the maintenance of systematic contact with the tourist professionals and to the dissemination of information to travel agency employees about the different possibilities for holidays in Cyprus. For this purpose, the assistant sales officer of the Vienna

Office visited, during the year, more than 100 travel agencies. At the same time CTO Vienna successfully implemented an incentive scheme for travel agency employees in order to encourage sales for holidays in Cyprus.

The Office has successfully cooperated with television and radio crews for the production and promotion of programmes on Cyprus, as well as with journalists through educational trips to Cyprus.

On the occasion of the 15 years of operation of the CTO Vienna Office a special event was organised, in which journalists and other professionals of the tourism industry of Austria were invited.

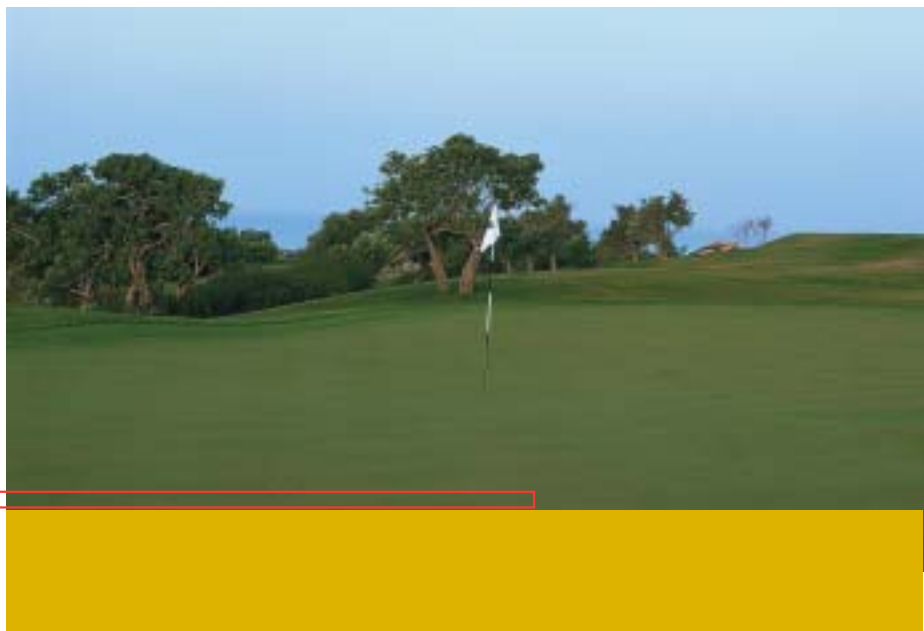
CTO Vienna was also responsible to cooperate with the CTO employees in Hungary and the Czech Republic and oversee the promotional activities in these markets as well as in Slovakia.

Greece

The CTO office in Athens organised presentations on Cyprus to travel agents, journalists, representatives of associations and other parties. Sales visits were intensified and office staff visited several tourist agencies in Athens, Peloponissos, Crete, Salonica and Larissa in order to inform them about the possibilities that Cyprus offers as a tourist destination.

Special emphasis was given to the organisation of educational trips to Cyprus and the maintenance of systematic contacts with company executives, representatives of the Church, principals of Lyceums and associations, in order to promote conference and special interest tourism, religious tourism, and "student" tourism, respectively.

The Athens Office also maintained close contacts with the media in Greece. The result of this was the publication of articles and special features in the press, as well as radio and television programmes.



The Netherlands

The CTO office in Amsterdam focused its promotional activities on familiarizing the Dutch tourist trade with the Cyprus tourist product. For this purpose, it organised promotional seminars on Cyprus in the Netherlands as well as educational trips to Cyprus. Also, in order to exchange information and discuss ways to jointly promote the Cyprus tourist product, the office maintained continuous contact with the tour operators that included Cyprus in their programmes while at the same time, CTO Amsterdam visited many travel agencies.

During 2002 CTO Amsterdam fully exploited the electronic database of the office by mailing tourist information material to 2.200 travel agencies in the Netherlands.

Belgium and Luxemburg

During 2002 the CTO office in Brussels organised seminars and presentations on Cyprus for travel agents. At the same time, the office in cooperation with tour operators organised presentations on Cyprus for travel agencies in important cities of Belgium and Luxemburg. Finally, the Office participated in a number of events organised by the tour operators, which feature Cyprus in their programmes.

CTO Brussels organised a Cyprus Festival in Brussels, during which presentations of Cyprus took place for travel agents and journalists.

During the summer period, CTO Brussels officers visited travel agencies in Belgium.

Italy

During 2002 the CTO office in Milan gave special emphasis to the regular information and education of the travel agency employees of the many and different aspects of the Cyprus tourist product. Specifically, the office organised special educational seminars for travel agencies in nine major cities. After the seminars, the same travel agents had the chance to visit Cyprus by participating in educational visits. CTO Milan also participated in professional workshops for travel agents organised by other parties, other professional workshops for travel agents and in presentations that were organised by tour operators.

Furthermore, CTO Milan in cooperation with a journalist mailed bulletins and made contacts with the Media in order to inform them about the Cyprus tourist product.

France

The CTO office in Paris focused its activities on meetings with the main French tour operators in order to include Cyprus in their programmes, as well as to further expand them. Regular contacts were made with journalists and the organisation participated at the Annual Meeting of the French Journalists Association.



Nordic Countries

The CTO office in Stockholm gave emphasis on the development of good relations with the travel industry. For this reason the office made systematic contacts with tour operators and travel agents in all Scandinavian countries. The office organised a presentation on Cyprus in Helsinki Finland, for travel agents. The Organisation also participated in promotional activities in cooperation with tour operators.

Poland

Among other promotional activities, the CTO office in Warsaw organised a series of presentations (roadshows) in 3 cities with the participation of Cypriot professionals. 460 travel agents, tour operators and tourism professionals attended the presentations. A number of contacts were made with tour operators and journalists in order to inform them and promote the Cyprus tourist product. A great success was the organisation of a Cypriot Night / presentation that took place in cooperation with tour operators and with the participation of 1.200 travel agents.

Russia and the Commonwealth of Independent States

The CTO office in Moscow concentrated all its promotional efforts on informing the tourist professionals about the Cyprus tourist product. CTO Moscow organised presentations on Cyprus as well as other promotional activities in many cities of Russia and the CIS. At the same time CTO Moscow supported other similar efforts made

by Russian tour operators.

Furthermore, CTO Moscow visited a large number of travel agents in Moscow and in other cities of Russia like St. Petersburg and Novosibirsk in order to promote the Cyprus tourist product. Within the scope of promoting the special interest tourism segment CTO Moscow organised in Moscow and Kiev seminars on the subject of sports in Cyprus. Eighty travel agents and tour operators attended the seminars. These efforts were complemented by the regular dispatch of monthly newsletters to Russian tour operators via e-mail.

Hungary – Czech Republic – Slovakia

The CTO offices in Budapest and Prague made a number of visits to travel agents in order to promote Cyprus as a tourist destination and organised presentations on Cyprus in cooperation with tour operators.

Arab Countries

The Organisation participated at the main tourist exhibitions of Lebanon, Egypt and Dubai. It also participated at the presentation of the programme of “*Emirates Holidays*” in Dubai, in which Cyprus is included. Furthermore, CTO in cooperation with Cyprus Airways organised a Cypriot Night in Jordan.

During the year CTO participated in educational seminars for travel agents in three major cities of Saudi Arabia and organised educational visits for tour operators and journalists in Cyprus.



USA / Canada

The CTO office in New York participated in the European Travel Commission (ETC) workshops in five cities in Canada. Cyprus was presented to around 1.000 travel agents. The office also participated in a series of presentations in twenty major cities of the USA that were attended by approximately 3.000 travel agents. In general, the purpose of almost all activities undertaken by CTO New York was to inform and further educate the consumers and tourist professionals on the Cyprus tourist product and particularly to promote Cyprus as a destination for cultural tourism.

Israel

The CTO office in Tel Aviv made a number of visits to the major tour operators and important travel agents of Israel in order to promote the special interest tourism segment. In 2002, CTO Tel Aviv cooperated with radio stations, television channels and newspapers aiming to the better promotion of the Cyprus tourist product and with specialized tour operators for the promotion of musical events and festivals that take place in Cyprus.

Development of Cruise Tourism

The Organisation recognising the importance of cruise tourism has undertaken a series of actions in order to

promote cruises from and to Cyprus. A series of publications, which promote Cyprus as the cruise centre of Eastern Mediterranean have been printed and a special poster was prepared to be used in tourist fairs. The Organisation also participated in the specialized fair "Seatrade 2002" in Italy.

Hospitality

Inviting and hosting journalists, travel agents, tour operators and other important persons is considered one of the most effective promotional tools. Hospitality as a marketing tool is extremely useful and can support the repositioning and the targeting of specific segments especially through the publicity offered by the guest journalists and the dissemination of the knowledge acquired by the tourism professionals to their clientele. Hosting journalists from countries where advertisement is limited and/or non-existent bears great significance because it contributes to the overall promotion of Cyprus. Moreover, hospitality is one of the most value effective actions as it presupposes the participation and cooperation of all tourism partners (airlines, CTO, hotel owners, travel agents, restaurant owners, etc.) 2002 was a year of intensive activity in this area. Particularly after the events of September 11th increased budget was allocated to the invitation and hosting of journalists and for the organisation of educational trips for travel agents.



During 2002, the Organisation invited either through its own offices abroad or directly 1.753 persons, marking an increase of 15% in comparison to the previous year (1.490 persons). In fact CTO offered hospitality to: 645 travel agents and tour operators, 517 journalists, 187 members of television crews, 182 conference and special tourism organisers and 222 other personalities. In addition CTO offered facilities to other 5.030 persons, mainly travel agents and tour operators who were invited by Cypriot travel agencies, marking an increase of 28,33% in comparison to 2001 (3.605 persons).

Participation in International Travel Fairs

Participation in tourist exhibitions is another complimentary tool that offers the possibility to contact directly tourism professionals and the public and to inform them on the destination. Furthermore, through the participation in specialized tourist exhibitions CTO aims at selected market segments. The Organisation participates in tourist exhibitions in all priority markets as well as in some emerging ones. During 2002, the review of CTO's policy for participation in tourist exhibitions as well as the gradual upgrading of the Organisation's stands continued. The design and decoration of the stand reflect the Cyprus positioning as a destination that offers great variety and value. CTO took part in 124 International Travel Fairs, including specialized fairs for the promotion of special interest tourism. Also, in order to promote domestic tourism, CTO participated in two fairs in Cyprus, the "27th International (State) Fair" and the Tourist Fair "Travel 2002" organised by the Association of Cypriot Travel Agent (ACTA).

Publications and films

During 2002, the production of additional audiovisual promotional tools continued in order to cover the needs of special interest tourism. In fact, the film on Hiking was adapted in two new languages, Greek and German. In 2002 the Organisation produced a 13 and 5 minute

version of the film documentary about the ten Byzantine Churches which are included in the UNESCO World Heritage List, under the title "By the Hand Barsky - 1735" in Greek and English. The sixty-minute documentary was co-sponsored by CTO. At the same time a new promotional film on Cyprus entitled "Magic Cyprus" started to be produced, as well as a new one on cruises. The scenario of a new specialized film was also completed on the subject of Cultural Tourism.

During the same year, CTO produced a CD-ROM for the promotion of special tourism and bought new slides in order to enrich its databank. It also reprinted all its current editions in different languages in order to cover the demand in printed material.

Internet

In 2002 the Organisation's new upgraded website: www.visitcyprus.org.cy was developed in three more languages German, French and Russian, in addition to English and Greek. The website offers complete information on the Cyprus tourist product. It includes the Cyprus Hotel Guide, list of foreign tour operators that include Cyprus in their programmes, list of local travel agencies, information on sightseeing, maps, calendar featuring the main events that take place in Cyprus and a wealth of other useful information. More than 200.000 persons visited CTO's website during 2002.

Cultural and Artistic Events

The preservation, enhancement and promotion of the island's tradition and history as well as the active support of the cultural expression of contemporary Cypriots are basic preconditions for the successful repositioning of Cyprus on the tourist map. Aiming at the creation of a suitable tourist product, CTO promotes and supports the organisation of artistic, cultural and other events related to Cypriot tradition and life. Events of this type are held throughout the year and cover all areas of Cyprus in order to contribute to the development of winter tourism.



In 2002 the CTO organised seven cycles of cultural events in different areas that covered almost the entire year. The event cycles were:

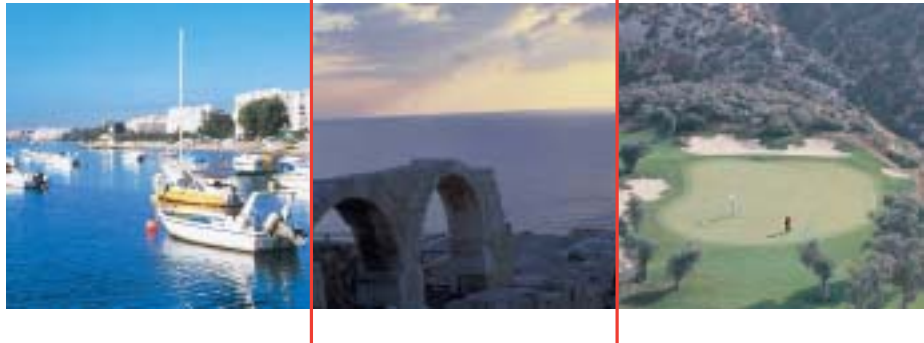
- Musical Sundays I & II
- Rhythms of Light – At the Ancient Odeon of Pafos, the Cultural Center of occupied Ammochostos (Famagusta), the Hatzigeorgakis Kornesios House and the Ancient Kourion Theatre
- Summer Nights in Polis
- Cultural Winter in cooperation with the Agia Napa and Paralimni Municipalities
- Christmas and Easter concerts
- Traditional Fair “A treat for the soul”
- Moonlight Concerts

During the year, the Organisation subsidised cultural and artistic events organised by local authorities, non-profit organisations and festival organisers. CTO also subsidised significant cultural events such as “Great Ballets of the World”, “Ballets of the 20th century”, “Cyprien Katsaris”, “Harlem Gospel Singers”, etc.

Information Offices

In May 2002 the CTO operated its twelfth Tourist Information Office in Protaras. A total number of 352.577 persons visited all twelve CTO Information Offices. In fact, the visitors at the points of entry to Cyprus (Larnaka and Pafos airports and Lemesos port) reached 132.131, while the rest 220.446 visited the Offices in Larnaka, Laiki Geitonia – Lefkosia, Lemesos, Platres, Germasogeia, Pafos, Polis Chrysochous, Agia Napa and Protaras.





LARNAKA MARINA

According to the decree issued by the Council of Ministers that was published in the official Gazette No. 1364 dated 15.7.77, CTO is responsible for the management, exploitation and operation of Larnaka Marina. In 2002 the Marina operated as in previous years under conditions of acute lack of free berthing space. The demand of berth spaces both by Cypriot and foreign yacht owners has been intense. Out of the total number of vessels that were at the Marina at the end of 2002, 266 (63%) were of Cypriot ownership and 155 (37%) of foreign. 593 arrivals and 543 departures were recorded during 2002 in comparison to 633 arrivals and 643 departures in 2001. 35% of the vessels using the Marina on 31.12.2002 were between 0 and 9 metres long, 50% were between 10 and 14 metres long, 11% were between 15 and 20 metres long and 4% over 20 metres long. The nationality and the length over all (LOA) of vessels at the Marina, the number of vessels and the arrivals and departures are presented in Diagrams 3-8. The basic services offered at the Marina were the following:

- Facilities for the safe mooring of vessels and their connection to electricity as well as water supply.
- Lifting/launching and repair/maintenance of vessels by independent companies.
- A fire-extinguishing network with separate fire extinguishing terminals connected to a central system of pressurised water.
- Towage and rescue service.
- Provision of naval information through a VHF marine radio.
- Collection and removal of garbage, used engine oils, toxic wastes and other vessel materials.
- Provision of weather information and broadcasting of warning weather bulletins in collaboration with the Meteorological Service.
- Provision of general information regarding the Marina and Cyprus in general.
- Direct telephone connection to almost every part of the world.
- Connection to the Internet and provision of e-mail services, postal and fax service.
- Public & Customer amenities building with toilets, showers, cloth washing machines and mini-storage facilities





DIAGRAM 3
VESSELS BY NATIONALITY
(31.12.2002)

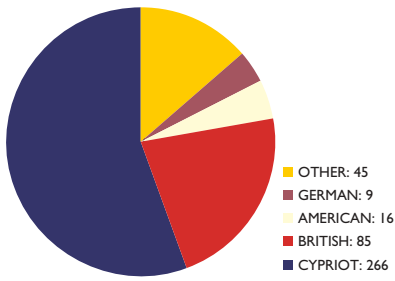


DIAGRAM 4
VESSELS BY LENGTH
(31.12.2002)

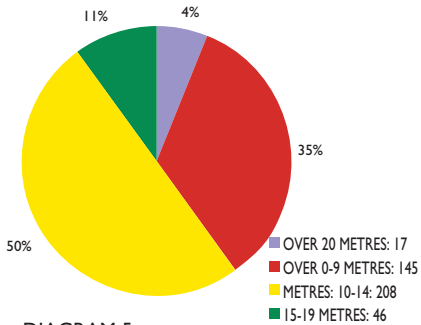
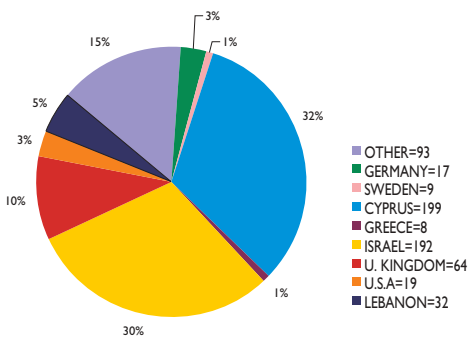
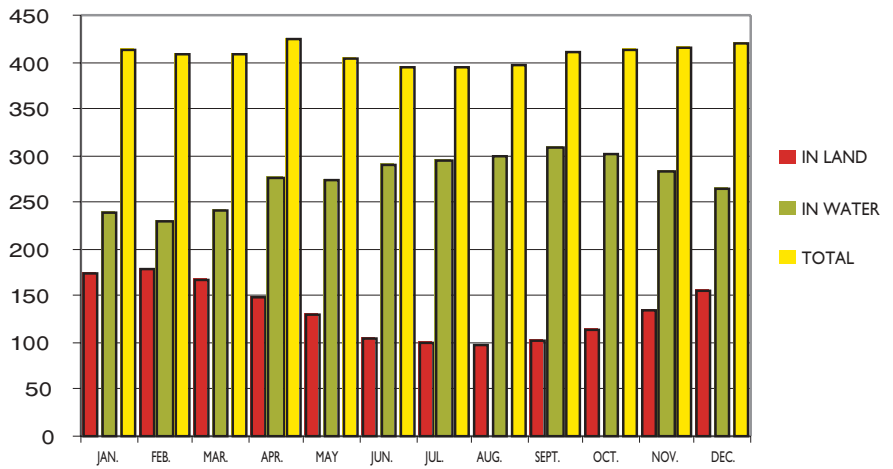


DIAGRAM 5
ARRIVALS BY NATIONALITY
(31.12.2002)



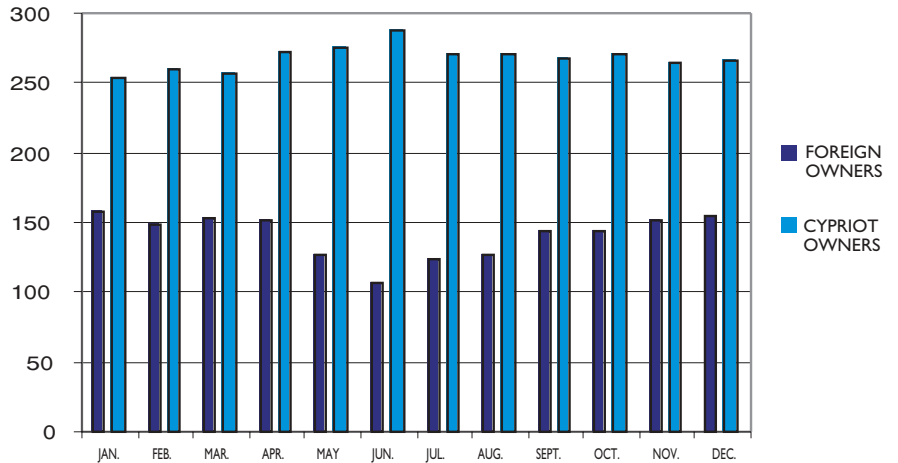
VESSELS IN MARINA, 2002

DIAGRAM 6



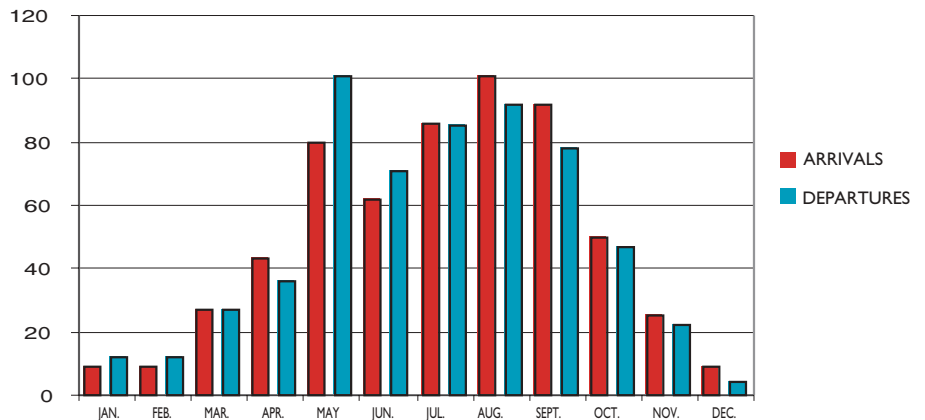
VESSELS OWNERSHIP IN MARINA 2002

DIAGRAM 7



ARRIVALS AND DEPARTURES 2002

DIAGRAM 8





PRODUCTION:
CYPRUS TOURISM ORGANISATION

DESIGN:
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