

**ADDRESS BY
MR NICOS ANASTASIADIS,
PRESIDENT OF THE REPUBLIC OF
CYPRUS**

Opening Address by the President of the Republic of Cyprus

Mr. Nicos Anastasiades

**26th Annual Meeting of the Board of Governors of the European
Bank for Reconstruction and Development (EBRD)**

and of the Business Forum

May 10th, 2017

Mr. President,

**Governors of the European Bank for Reconstruction and
Development,**

Honourable Ministers, Members of Parliament,

Distinguished Guests,

Ladies and Gentlemen, Dear Friends,

**It is with great pleasure that I welcome you to Cyprus, on the
occasion of the 26th Annual Meeting of the Board of Governors
of the European Bank for Reconstruction and Development
(EBRD) and of the Business Forum.**

**The organisation of the Annual Meeting is a great honour for our
country, as this is the first time that Cyprus is hosting the**

Annual Meeting of an international financial institution of such standing; this fills us with great pride, but also with a sense of responsibility for its successful conclusion.

Moreover, it affirms the very close cooperation and the intense activity that has developed in the past few years between the Bank (EBRD) and Cyprus, and it comes to prove, in the most concrete manner, the support the Bank has provided towards the economic growth of Cyprus.

Distinguished Guests,

The hosting of the 26th Annual Meeting of the Bank (EBRD) in Cyprus is part of the wider context of the Bank's activities in our country, with the operation of its dedicated office since May 2014, for the purposes of financing development projects for the period 2014-2020.

It is with great satisfaction that I note that the Bank (EBRD) has made significant progress since the commencement of its activities in Cyprus. The Bank, through its expertise and the financial tools it possesses, as well as through its investments in key sectors of our economy, has made a significant contribution towards the recovery and reform of our economy.

It is worth mentioning that, up until today, the Bank has invested approximately EUR 220 million in the private sector of Cyprus, in areas that it has deemed as being strategic priorities, such as the funding of commerce, infrastructure, transport and renewable energy sources.

By way of indication, I would like to mention that, aiming at the strengthening of our banking system, the Bank (EBRD) participates in the share capital of the two largest private banks. Furthermore, in the context of the application of the Trade Facilitation Programme, the Bank has enhanced its support to Cypriot exporters and importers by offering them facility limits via commercial banks.

Of utmost importance is the Bank's support to the maritime sector, as is the funding of the energy sector, for the construction and operation of five photovoltaic parks.

Ladies and Gentlemen,

Opening up the chapter of the economy of Cyprus, it is important to note that, following the unprecedented period of recession and the subsequent return to growth in 2015, the economy of

Cyprus continued its positive course in 2016, with an even higher rate of growth, set at around 2.8%, thus proving the economy's robust recovery and its definite exit from recession.

In the past few years, Cyprus has an absolutely balanced national budget, whereas our banking system, which was badly shaken during the period of the economic crisis, has been remediated to a significant degree.

Overall, the efficiency of the Cypriot economy, which was better than anticipated, is reflected in the Credit Rating Agencies' upgrades, which underline the successful restructuring of the economy and the rapid correction of macroeconomic imbalances, as well as its impressive efficiency and endurance.

The prospects of the economy of Cyprus in the medium term are expected to continue improving. As a result, the enhanced macroeconomic environment is expected to lead to the further attraction of foreign investments, which are considered the key drivers of every economy.

Related to this, a sector that merits special mention is that of energy: with the announcement of the 3rd licensing round, we

attracted some of the largest companies in the sector that have enormous experience, expertise and financial capacity.

Our cooperation with the countries in the region and with the energy giants forms part of our vision for the transformation of the Eastern Mediterranean region into an energy hub that will contribute to the stability of the region through, among other ways, the diversification of energy sources and routes.

Cooperation in this sector may become the guiding doctrine for the resolution of political problems within the region, thus contributing to conditions of cooperation, consultation, peace and security.

Within this framework, I am optimistic that, through the Annual Meeting, further steps shall be taken by the Bank in the Eastern Mediterranean, as well as steps for the strengthening of the important and stabilising regional role that Cyprus can play for the resolution of the problems and challenges that are present in our immediate neighbourhood.

Ladies and Gentlemen,

Seizing this opportunity, I wish to express my appreciation to the Bank for all its support in the current negotiation proceedings, in view of achieving an efficient and sustainable solution to the Cyprus Problem, whilst noting, at the same time, the primordial role that the funding of infrastructure and development projects may play in a reunified Cyprus.

In this respect, I would like to stress the necessity of reaching an economically sustainable solution, so as to avoid events such as those that occurred in the recent past, which could, potentially, put the implementation of the solution at risk.

In this context, we have officially requested the provision of technical assistance by the International Monetary Fund and the World Bank, especially regarding the banking sector of the occupied territories of Cyprus; the assessment, as accurately as possible, of the cost pertaining to the property issue (resettlement, compensations, etc.); and the finding of possible sources for funding the various aspects of the solution sought.

I am hopeful that, as soon as possible, it will be feasible that the Turkish-Cypriot side will grant International Financial Institutions access to both its banking system in order to conduct the

required “stress tests”, but also to the data pertaining to the property issue.

On my part, I wish to express the hope that, following the two-month suspension and the recent resumption of negotiations, we shall focus on having a constructive discourse: without certain conditions and with constructive proposals, we shall be able to come to a solution that will be governed by the principles and values of the E.U., with full respect towards the Community-acquis and always taking into account the well-understood interests of the Cypriot people.

In this respect, I would like to, once again, reiterate my determination to work towards the achievement of a solution that will truly reunify the Republic of Cyprus but, most importantly, a solution that will protect all citizens, both Greek-Cypriot and Turkish-Cypriot; one that will create a modern state that will be fully compatible with its capacity as a member of the E.U., but which will also establish and create the prospects of peaceful coexistence amongst all the residents of the island.

Dear Friends,

I would also like to take this opportunity to congratulate the President, the Board of Governors and the staff of the Bank for its excellent financial and operational results, but also for its accomplishments over the past year.

We believe that the Bank's operational results for 2016 are exceptional and we are pleased by the fact that it has increased its total profits to EUR 1 billion, representing an increase of 25%, confirming, once again, its continuing financial health and its steady efficiency, at the same time achieving the goals and priorities set in its business plan by financing 378 projects, with grants amounting to EUR 9.4 billion in the countries where it is active, thus giving a significant boost to the real economy where these funds are channelled to.

As members of this Bank, we ought to protect and strengthen it in every possible way, in order to be in the position to continue to respond to the particular needs of the countries where it is active.

Ladies and Gentlemen,

I would like to thank, once again, the Bank (EBRD), and personally its President and all the executives of the Bank, for the invaluable and diverse support they have given to the economy of Cyprus during the past years; the Bank's Steering Group for the loyal cooperation in organising this event; as well as the Steering Group of the Ministry of Finance and the other contributing Services and Departments, representatives of whom are here with us, for all their support and assistance.

Our goal, but also our obligation, is to fully utilise all the available development instruments, such as those provided by the Bank (EBRD), and I am optimistic, as well as certain, that this intense activity on the part of the Bank (EBRD) in Cyprus will continue in the coming years.

We look forward to hearing, with great interest, what will be said by the eminent speakers, as well as to the exchange of knowledge, ideas and experience amongst all the participants. I hope that the events of our two-day Conference will be productive and beneficial for all participants, and I wish everyone a very pleasant stay in Cyprus.

Thank you.

