

INDIA AND CYPRUS: PROSPECTS AND OPPORTUNITIES

Cyprus and India have traditionally enjoyed excellent relations. These are premised on deep friendship, mutual respect and close cooperation, particularly in the context of international organisations. Over the decades, the relationship has grown stronger, including in the economic and trade arena, while prospects of strengthening bilateral ties are more than promising in the years to come. To achieve this, however, a more focused approach on priority areas is required, increasingly encapsulating the prerequisites of modern diplomacy, notably economic diplomacy.

Modern twist to the relationship

India and Cyprus are keen on promoting and upgrading their bilateral relations, increasingly focusing on economic, scientific, technical and tourist cooperation, including people-to-people contacts. Within the EU, Cyprus is a good friend and keen supporter of India. It contributes actively toward the further enhancement of India-EU relations, within the framework of their Strategic Partnership. In this context, Cyprus recognizes and greatly appreciates India's contribution to global economic as well as political affairs. India plays a prominent and stabilizing role in South Asia, in particular.

Over the years, bilateral relations have been maintained and strengthened through a series of high level visits. A state visit by President Anastasiades is likely to take place in the first half of 2017. In addition, numerous Ministerial as well as Parliamentary-level visits have taken place, including the signing of bilateral agreements and Memoranda of Understanding, most notably the Revised Agreement on Avoidance of Double Taxation signed just recently. The Indian Minister of Trade and Commerce paid a visit to Cyprus at the end of November 2016, while the Minister of Energy, Commerce, Industry and Tourism of the Republic of Cyprus will be attending the Gas Ministerial Forum in New Delhi on 5-7 Dec 2016 where he will have bilateral meetings on issues of mutual interest, most notably in the energy sector.

Economic and trade cooperation

The Cyprus-India Joint Committee on Economic, Scientific, Technical and Industrial Cooperation, established within the framework of the Indo-Cyprus Agreement for Economic, Scientific, Technical and Industrial Cooperation (signed on 13 April 1989 and modified on 6 October 2006), is the instrument for regular exchanges between the two countries. Thus far, eight Sessions of the said Joint Committee have been held in Nicosia and New Delhi. The 8th Session was held through Digital Video Conference on 8 June 2016.

However, economic and commercial relations are not proportionate to the excellent level of political relations; thus a serious thrust forward is necessary accounting for,

inter alia: (a) the emergence of India on the global economic scene and its achievements in such fields as information technology, pharmaceuticals and biotechnology, (b) Cyprus being a major international business centre, and (c) the interest shown by numerous Indian companies (public/private) in investing and setting-up their business in Cyprus. In addition, Indian business enterprises can take advantage of Cyprus' strategic location, including the highly developed infrastructure and communications network and the favourable FDI and taxation regimes. Moreover, Cyprus' membership to the European Union opens up new opportunities and offers an ideal investment framework combined with modern and efficient legal, accounting, financial and insurance services.

The liberal foreign investment regime in Cyprus is facilitated by simplified administrative procedures, while bureaucratic intervention has been reduced and no limitations apply in most sectors of the economy concerning the minimum level of investment and the overseas participation percentage. Consequently, overseas companies have the opportunity of investing and establishing business in Cyprus on equal terms with local investors. Virtually no distinction is made between overseas and Cypriot companies.

Tourism cooperation

Tourism between Cyprus and India can expand exponentially. Through the agreement on tourism cooperation, signed in 1996, the tourism organizations of both countries can promote initiatives to increase the flow of visitors, respectively, including special interest and conference tourism, by undertaking travel promotion activities more vigorously.

In brief, the Forum provides a great opportunity for high level interaction between officials and business representatives alike, enabling a mutually beneficial and mutually reinforcing cooperation between India and Europe. Cyprus is privileged to have been the Partner Country and looks forward to new and promising prospects and opportunities for cooperation in the years to come.