

AUSTRIA IST ÜBERALL.



THE MARKET POTENTIAL OF CYPRUS

BUSINESS OPPORTUNITIES FOR AUSTRIAN COMPANIES

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FORUM BUSINESS OPPORTUNITIES IN CYPRUS

Vienna, 05.06.2019

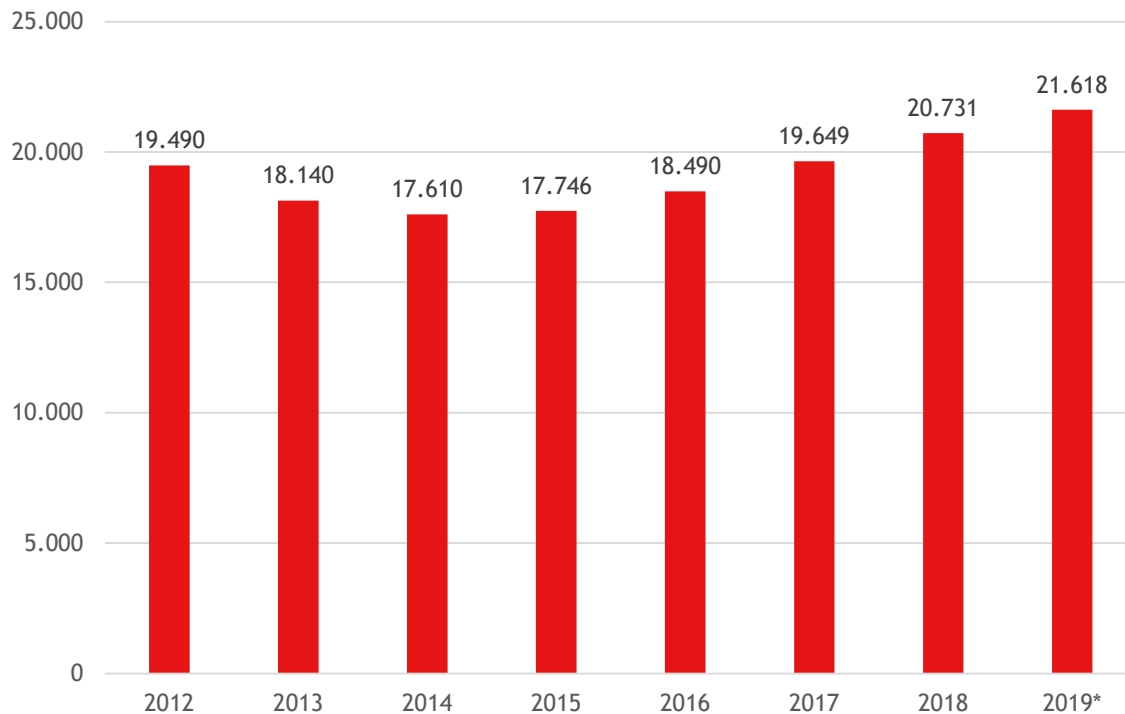
ECONOMIC OVERVIEW

- Impressive turnaround since 2015
- GDP growth 2018: +3,9 %
- Recovery on a broad basis: Construction, tourism, private consumption
- Approx. 4 million tourists in 2018 (+7,8 %) - all-time record!
- April 2019: +4,8 % - highest volume ever recorded
- Contribution of Tourism to GDP at 13 %
- 3 Imbalances: Public Debt, Private Debt, NPLs
- Austrian exports of goods 2018 +9 %

ECONOMIC PERFORMANCE

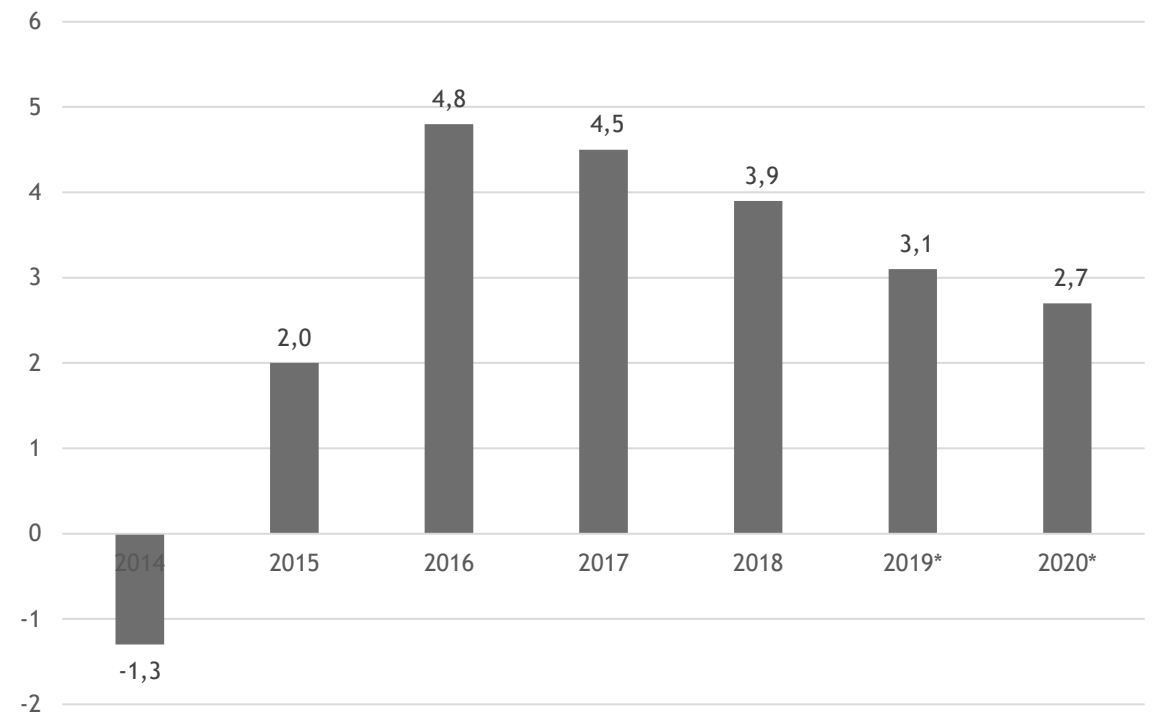
GDP at current prices and exchange rates¹

(in mil. EUR)



Real GDP Growth¹

(in mil. EUR)



* Forecasts

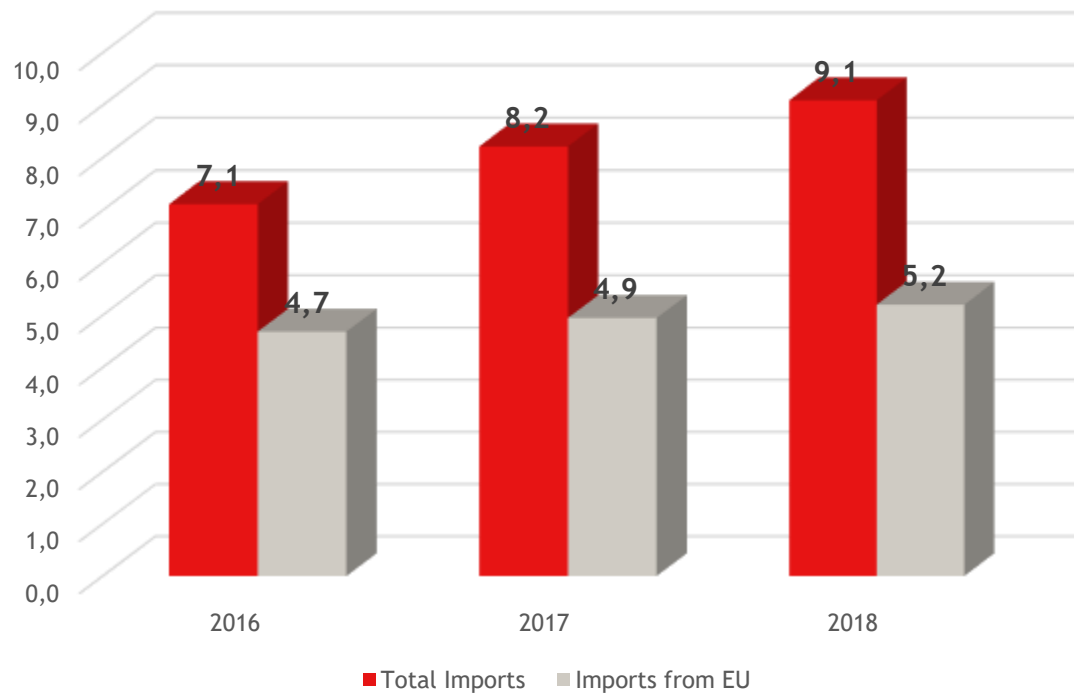
Source: EU-Commission, OECD

Update: May 2019
¹ according to ESA 2010

DEVELOPMENT OF FOREIGN TRADE

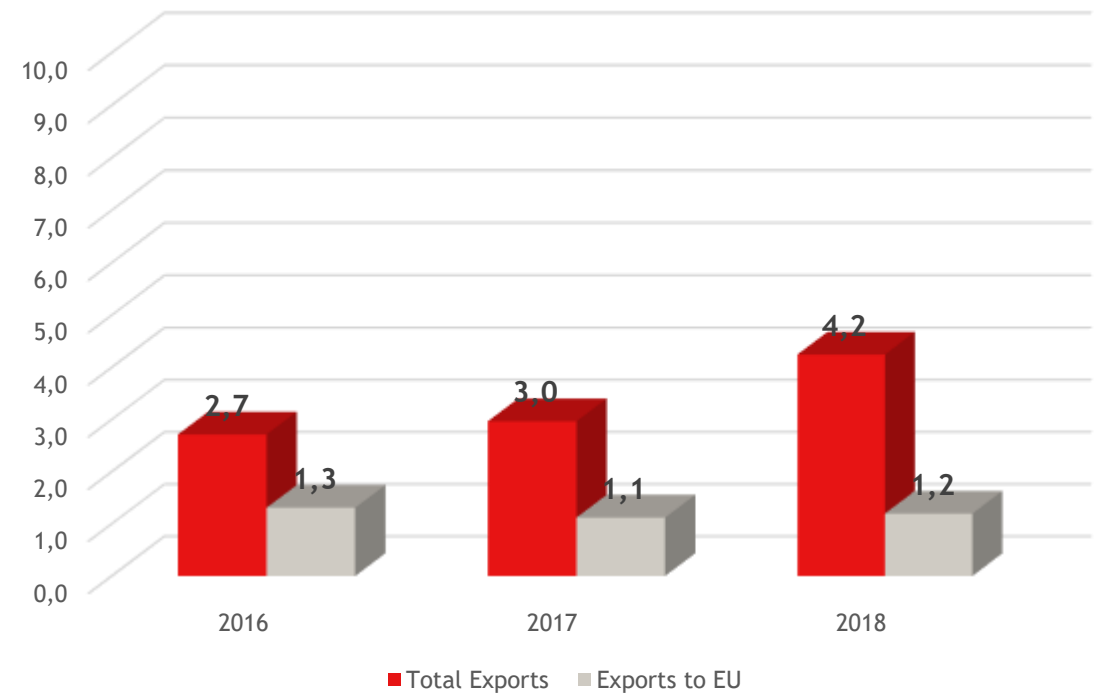
Imports of goods

Unit: in bn. EUR



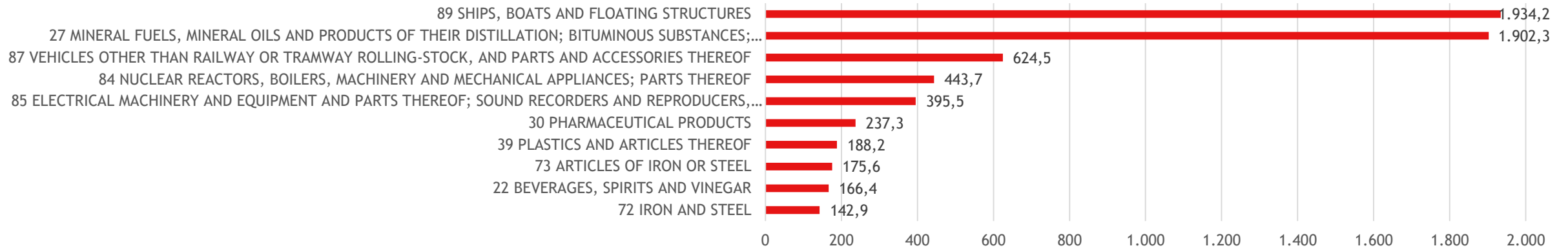
Exports of goods

Unit: in bn. EUR

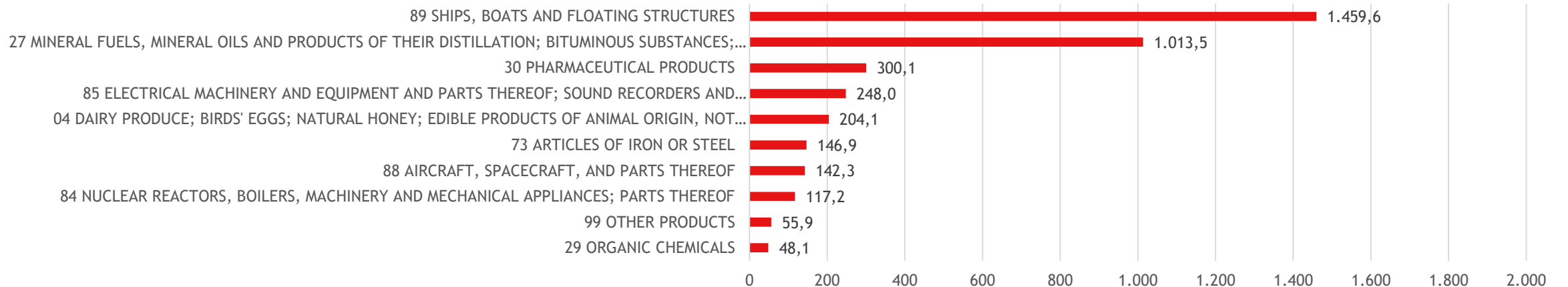


TOP HS/CN POSITIONS

Imports of goods →



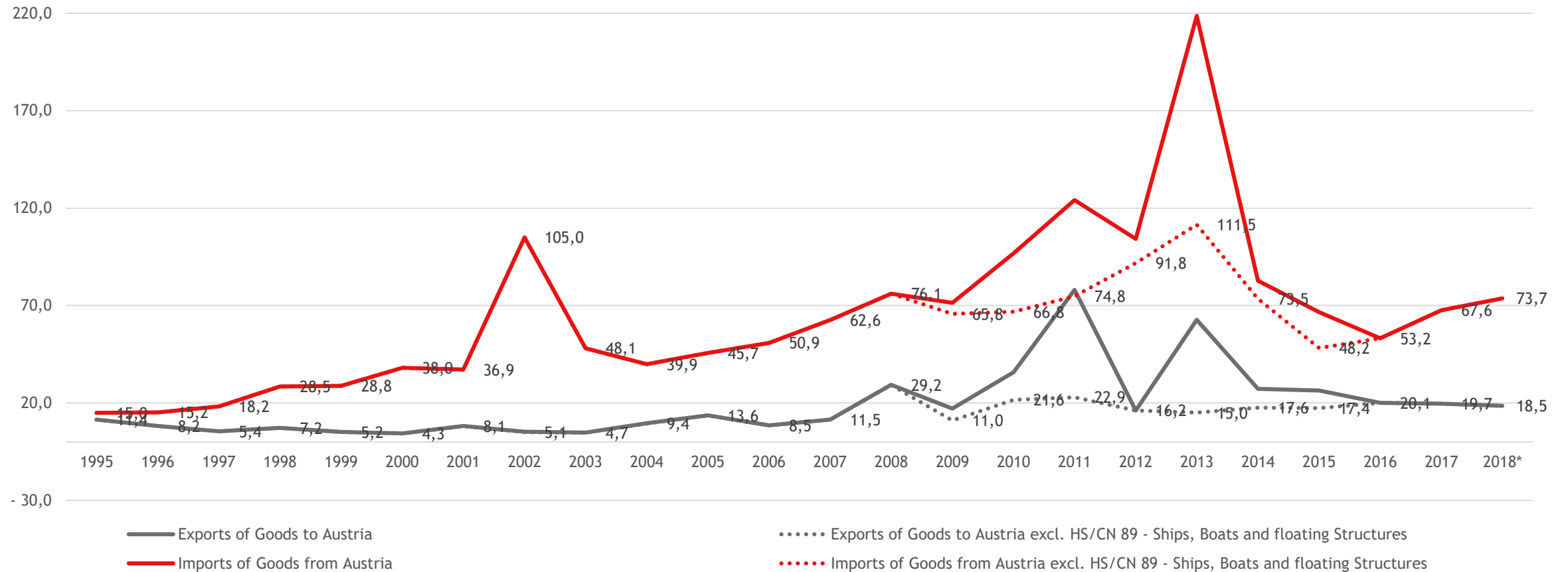
Exports of goods →



Unit: in mil. EUR

Source: Eurostat, 2018

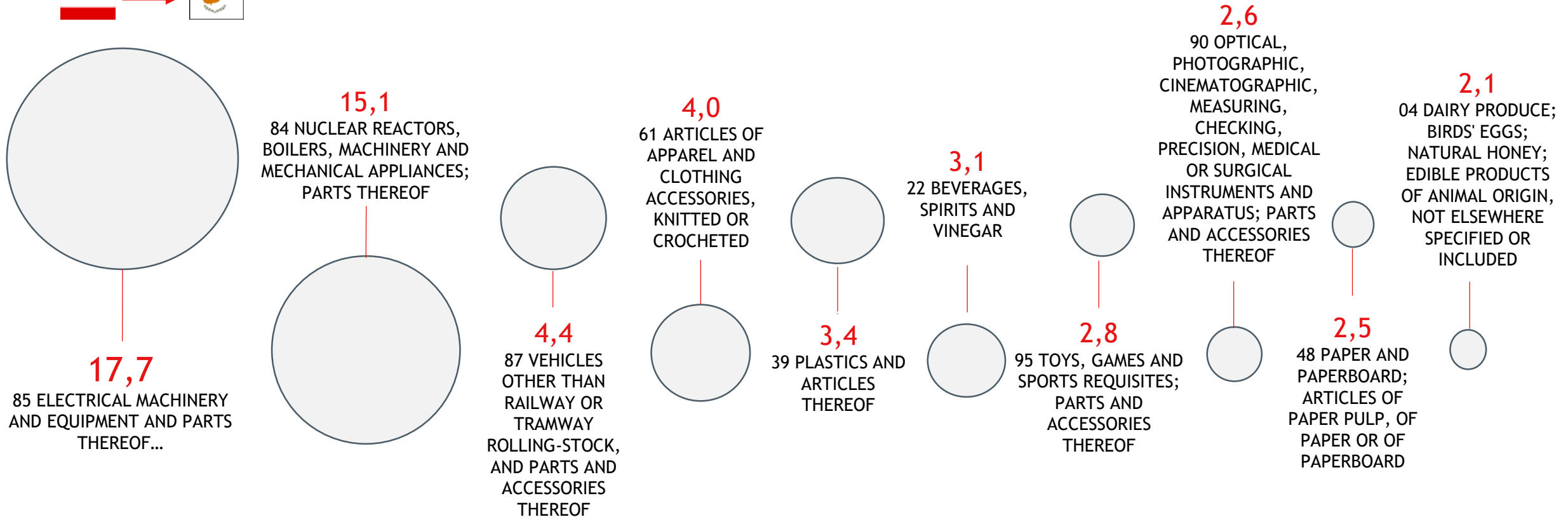
BILATERAL TRADE OF GOODS WITH AUSTRIA



Unit: in mil. EUR

Source: Foreign Trade Statistic, Statistik Austria; *preliminary values

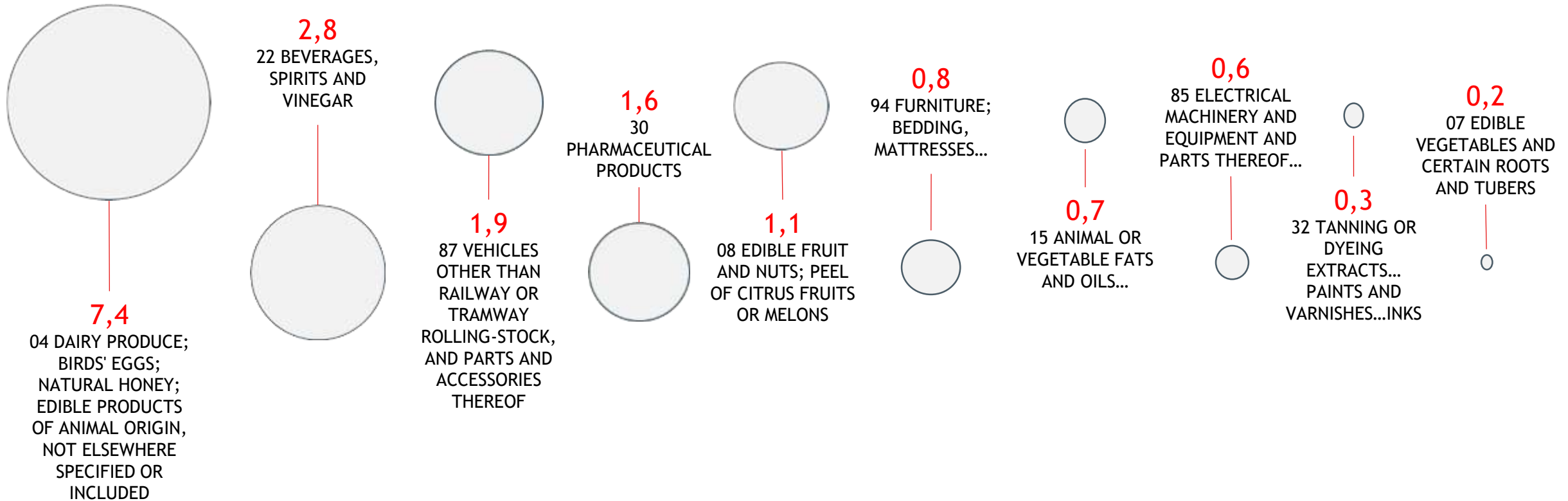
TOP IMPORT POSITIONS FROM AUSTRIA



Unit: in mil. EUR

Source: Foreign Trade Statistic, Statistik Austria, 2018

TOP EXPORT POSITIONS TO AUSTRIA

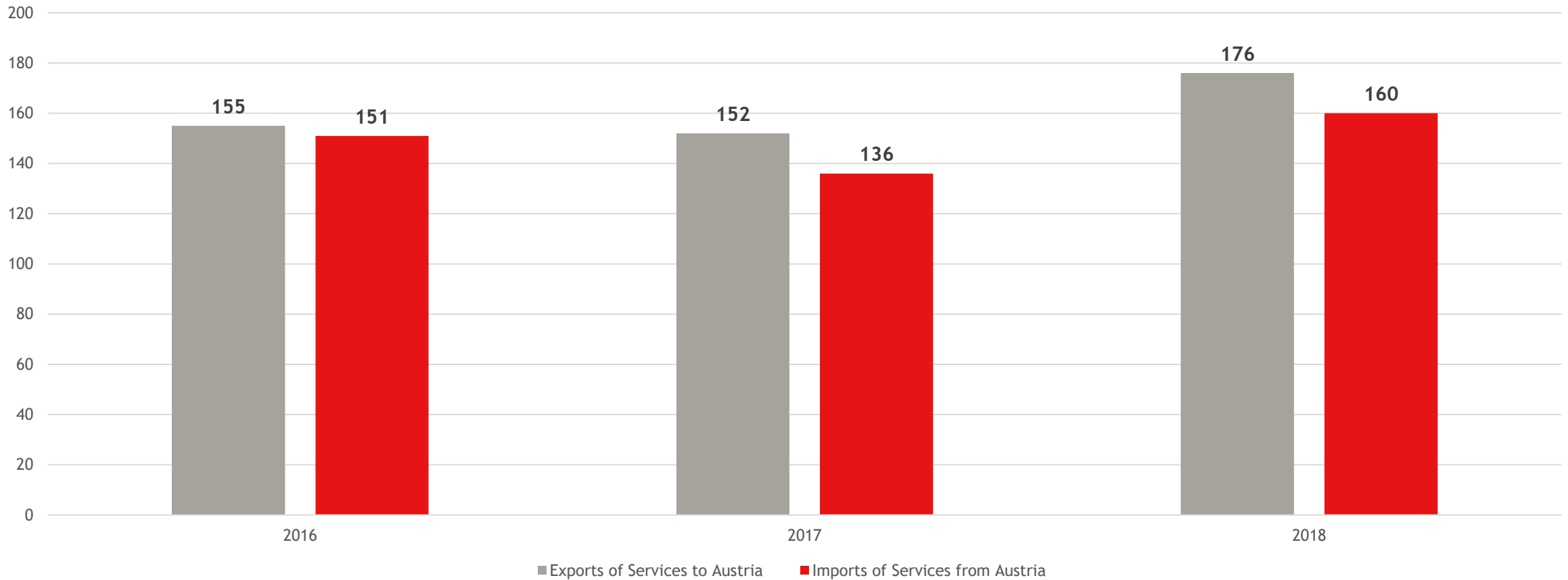


Unit: in mil. EUR

Source: Foreign Trade Statistic, Statistik Austria, 2018

The market potential of Cyprus

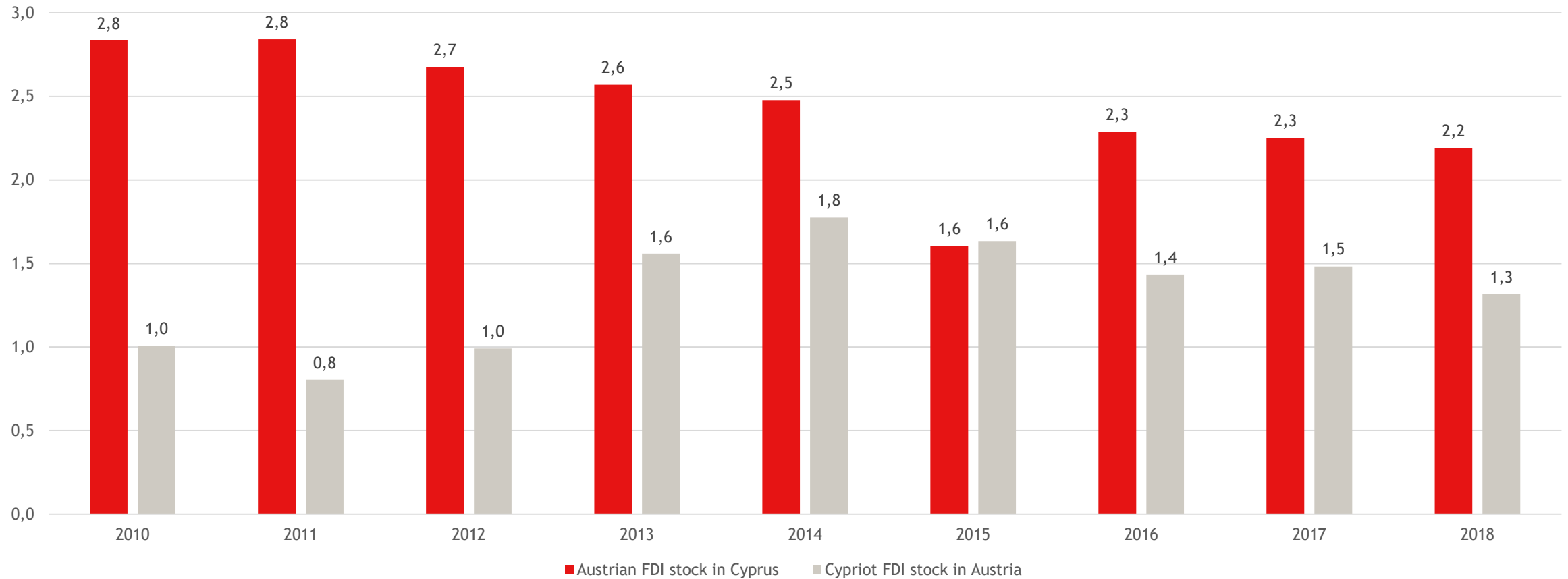
BILATERAL TRADE OF SERVICES WITH AUSTRIA



Unit: in mil. EUR
Source: ÖNB

The market potential of Cyprus

BILATERAL DIRECT INVESTMENTS



Unit: in bn. EUR
Source: ÖNB

BUSINESS OPPORTUNITIES FOR AUSTRIAN COMPANIES

- Tourism & Leisure infrastructure and supplies
- Business services
- Energy hub: Oil & Gas exploration and transport
- Construction, renovation of residential, administration and office buildings (e.g. new parliament)
- Road construction, redevelopment, improvements
- Railway infrastructure (tramline in Nicosia?)
- Renewable energy sources
- Environmental technology (waste/water treatment)
- Franchise concepts (retail)
- Smart/EcoCity projects
- Medical tourism facilities
- Recruitment of human capital in STEM
- Never give up: Cyprus United?!



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GAME CHANGER GAS DISCOVERY?

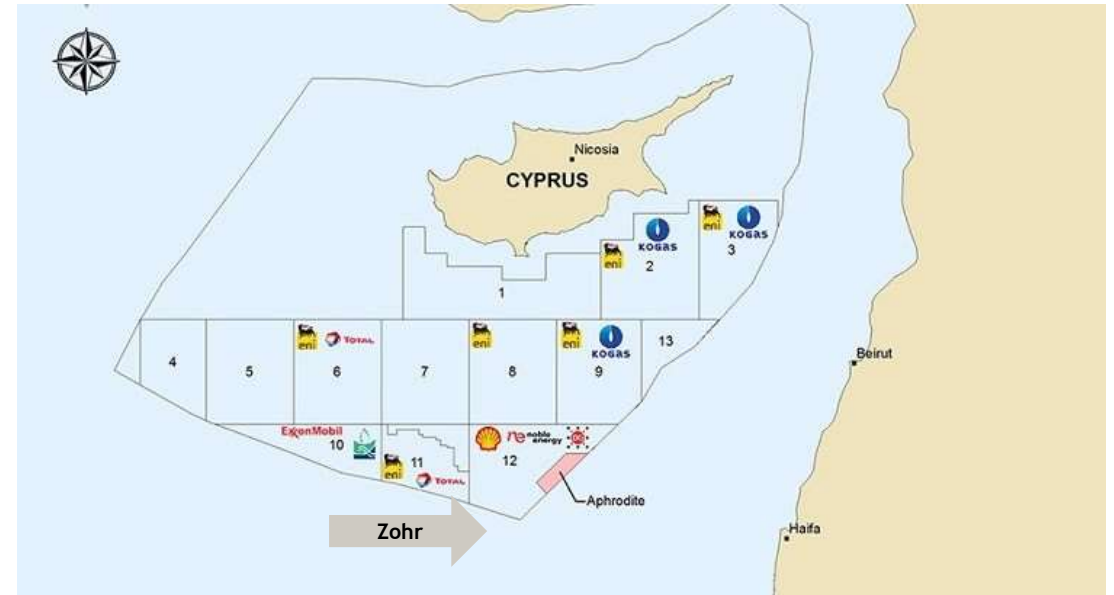
- Up to 227 billion cubic meters
- Expected worth at 30-40 billion euros
- Drilling by ExxonMobil in Block 10 of the EEZ
- Turkey immediately filed claims



ENERGY HUB CYPRUS

Offshore Gas Discoveries

- 2011 - Discovery of Aphrodite gasfield
 - by Noble Energy, Royal Dutch Shell and Delek Drilling
 - Estimated reserves: 3.6 to 6 tcf
 - Production expected to begin 2024/25
- 2015 - Discovery of Zohr gasfield
 - Off the shore of Egypt by ENI
 - Largest gas discovery ever made in the Mediterranean with reserves of 30 tcf
- December 2017 - Beginning of production at Zohr
 - Helped Egypt to recover its self-sufficiency
 - New phase of exploration in Egypt's offshore waters leading to further discoveries
 - Egypt now produces a record 6.3 billion cubic feet of gas a day - up by more than 30 percent since 2016
 - making it one of the biggest producers in North Africa and the Middle East
- February 2019 - ExxonMobil announcement
 - Substantial gas discovery in offshore Cyprus Block 10
 - Double the country's estimated offshore resources



© 2017, CYPRUS HYDROCARBONS COMPANY

SUBSEA PIPELINE BETWEEN CYPRUS AND EGYPT vs VASILIKOS LNG TERMINAL

- in September 2018 Cairo and Nicosia signed an agreement to build a direct subsea pipeline
 - for the export of gas from the Aphrodite gas field to LNG plants in Edku or Damietta in Egypt
 - and its re-export to various markets
 - the only two large-scale gas export terminals in the eastern Mediterranean
 - Capacity of 19bn cubic meters a year
 - Part owned by Royal Dutch Shell and Eni
 - Estimated cost: \$800m - €1bn
 - Approval by Cypriot parliament in April 2019
- Alternative: Cypriot LNG Vasilikos project with an estimated total cost of €500 million
 - in 2016 following the completion of a feasibility study the government of Cyprus decided to proceed with the development of a LNG terminal in Vasilikos Bay, near Limassol
 - in October 2018 the government launched a tender calling for the construction of the facility by November 30, 2020
 - Capacity: 1.3 mtpa, 0.19 bcf/d (import)/5.0 mtpa, 0.72 bcf/d (export)
 - the European Commission is supporting the project with funding of €101 million
- Eastern Mediterranean Gas Forum
 - Recently formed by Egypt, Cyprus, Greece, Israel, Italy, Jordan and the Palestinian Authority
 - in an effort to create a regional gas market, cut infrastructure costs and offer competitive prices
 - bringing together underused and scalable export infrastructure with several promising fields is the key to unlocking untapped regional potential

THE EASTMED PIPELINE: FROM THE EASTERN MEDITERRANEAN TO EUROPE

- Length: 1,900 km
- Depth: 3000 meters
- will begin in the natural gas fields off the coast of Israel
- continue via Cyprus and Crete to the Peloponnesian peninsula
- on mainland Greece the pipeline will meet the planned “Poseidon” pipeline (300 km) which will end in Oradea, Italy
- Capacity: 10 billion cubic meters (BCM) per year to the EU
 - 10-15% of the EU’s projected natural gas needs
 - Capacity could double
- Estimated cost: >€6bn
- US Geological Survey has projected that enough gas will eventually be found in the eastern Mediterranean to meet regional and European power demand for decades



The East-Med pipeline (IGI Poseidon)

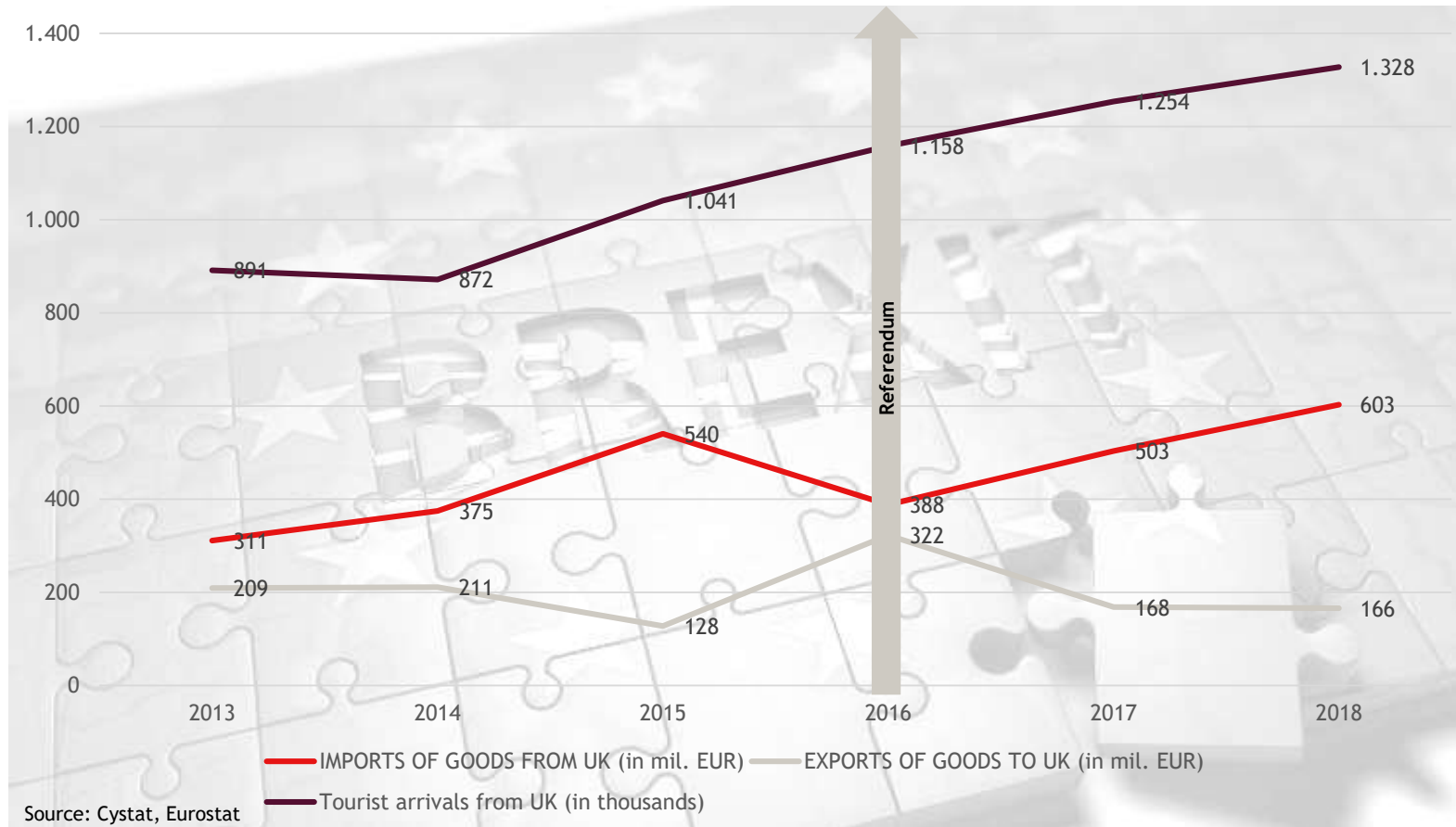
EUROAFRICA POWER INTERCONNECTOR

- Signed in May 2019
- between Cyprus based firm EuroAfrica and Egypt
- an estimated 2 billion euro deal
- 300 km subsea electricity cable
- 1st power interconnector between Africa and EU
- Implementation: 36 months from start of construction
- Capacity: 1,000MW
- can be upgraded to 2,000MW at a later stage



The screenshot shows a news article from the WKO (Wirtschaftskammer Österreich) website. The article is titled "EuroAfrica: Unterwasserkabel soll ägyptisches Stromnetz mit Europa verbinden" and is dated 27.05.2019. The article text describes a 2-billion-euro deal between a Cypriot firm and Egypt for a 300 km subsea electricity cable. A contact box on the right side of the article provides information for the AußenwirtschaftsCenter Athen, including the address (Vasilissa Sofias 8, 106 74 Athen), phone number (+30 210 98 43 711), and email (athena@wko.at). There is a button labeled "Detaillierte Kontaktseite".

BREXIT EFFECT?



The market potential of Cyprus

NEXT EVENT IN CYPRUS - BUSINESS MISSION ON TOURISM

14. - 16.10.2019

The screenshot shows the WKO (Wirtschaftskammer Österreich) website interface. At the top, there is a navigation bar with the WKO logo, a dropdown menu for 'Österreich', and links for 'Kontakt' and 'mehr WKO'. Below this is a secondary navigation bar with 'Meine Branche', 'Themen', 'Veranstaltungen' (highlighted), and 'Die Wirtschaftskammer'. A search bar with the placeholder 'Suchbegriff ...' is also present. The main content area features a breadcrumb trail: 'Veranstaltungen > Liefermöglichkeiten an die zyprische Tourismusindustrie'. The event announcement is displayed with a calendar icon for October 14th (Montag). The title is 'Vorankündigung - Liefermöglichkeiten an die zyprische Tourismusindustrie' and the subtitle is 'B2B Gespräche nach Ihrem exakten Anforderungsprofil'. Below the title are social media sharing icons for Facebook, Twitter, LinkedIn, and email. The event details are listed in a table-like format: 'Datum: 14.10.2019 - 16.10.2019', 'Veranstalter: AUSSENWIRTSCHAFT AUSTRIA', 'Beginn: 10:00', 'Ende: 19:00', 'Veranstaltungstyp: Wirtschaftsmission', and 'Anmeldung bis: 09.07.2019'.

www.wko.at/service/Veranstaltung/Zypern/WiMi/Tourismus

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Thank you for your attention!

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