

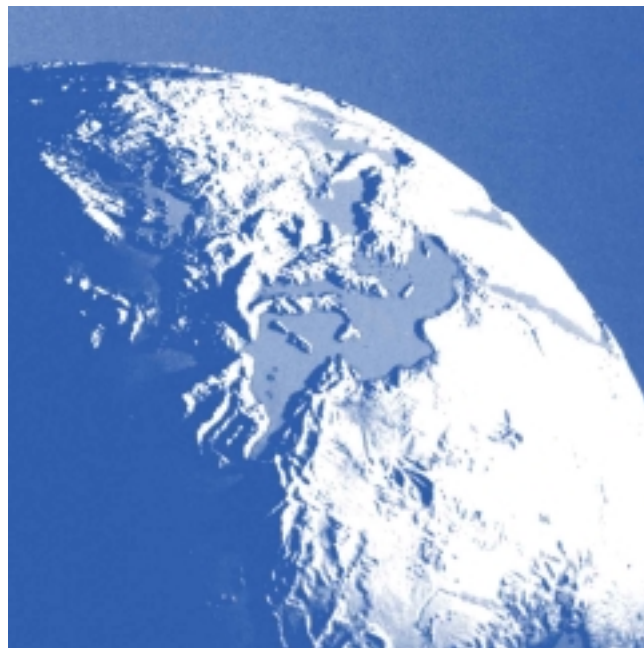


« *Livre blanc* »
Tourisme et développement durable en Méditerranée

« *White paper* »
Tourism and sustainable development in the Mediterranean region

Réunion d'experts / Experts' Meeting

Sophia Antipolis, 25-26/02/2002



chypre

cyprus

Plan Bleu
Centre d'activités régionales

Blue Plan
Regional Activity Centre

UNEP-planbleu

**TOURISM AND SUSTAINABLE DEVELOPMENT IN THE
MEDITERRANEAN REGION**

THE CASE OF CYPRUS

February, 2002

CHAPTER 1

MAKING TOURISM A FORCE FOR ECONOMIC DEVELOPMENT IN THE MEDITERRANEAN REGION

1.1. INTRODUCTION

Tourism in Cyprus has started to play a significant role in Cyprus since the island's independence in 1960. By 1970, lot of promising aspects for the further development of the country as a tourist destination were identified, such as the strategic location of the island, its natural beauty, its long history over 9000 years, its hospitality and last but not least the quality of its tourist facilities.

Tourist inflows in the country grew significantly until the summer of 1974, when Turkey invaded Cyprus capturing 37% of the Republic's territory. All economic activity paused for a time while the tourist sector suffered a tremendous loss as the two highly developed regions of Famagusta and Kyreneia were occupied by the invaders. However, this situation was reversed, as after 1977, when a spectacular growth of tourism began. This miraculous growth has been going on for more than 20 years.

As a result of the invasion, the development of tourism in Cyprus can be studied in the two distinct periods, before and after the invasion as described in the paragraphs that follow.

1.2 FLOWS OF INTERNATIONAL TOURISM IN CYPRUS

1.2.1 Pre invasion period 1960- 1973

The government of Cyprus, at the early years of its independence, realised the importance of tourism in the economic development of the newly formed Republic and therefore placed a priority on the development and expansion of the sector. By 1970, Cyprus became a quality destination, particularly the sea resorts of Kyreneia and Famagusta. The majority of the tourists belonged to the more sophisticated classes and were of mature age.

The annual average growth rate of tourist arrivals during 1960-1973 was 20% compared to 8% which was the corresponding rate of growth of the international tourism. The annual rate of growth in foreign exchange earnings from tourism in this period was 22% compared to 12% of the earnings of the international tourism.

In 1969, a vital step was taken by the government of Cyprus to establish the Cyprus Tourism Organisation (CTO) a statutory body responsible for the promotion and development of the island's tourist industry.

1.2.2 Post invasion period

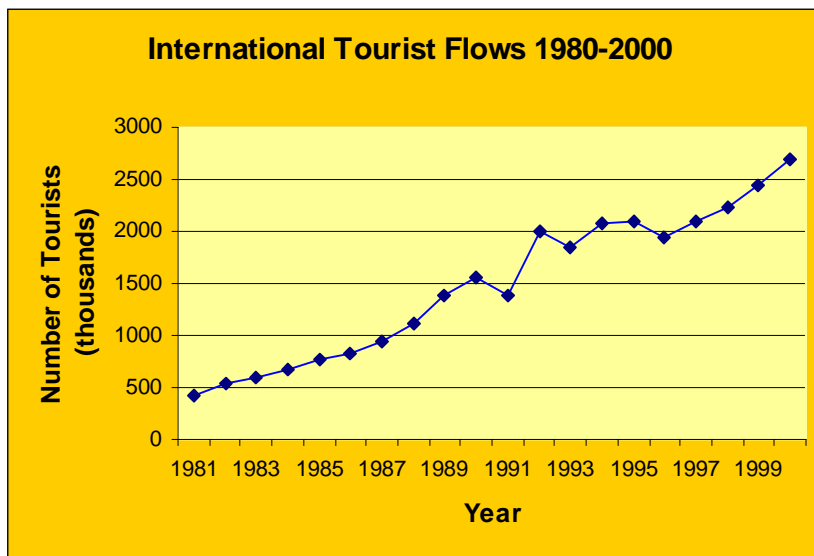
The occupation of the northern part of Cyprus had as a result the loss of 13,000 beds constituting 71,1% of the total bed capacity at the time, plus 5,000 beds under construction and about 40% of the island's catering and entertainment outlets.

The tourist sector was not given top priority in the years 1975 and 1976 because the government had to solve more urgent problems created by the Turkish invasion such as the housing of the 200,000 refugees and the reconstruction of the ruined economy.

After 1976, tourism was once again regarded as a high priority economic sector in the government development plans. Efforts for the restructuring of the tourist industry begun. In 1975, the number of available hotel beds was 5,700 whilst the number of visitors was only 47,000. But from then on begins a spectacular growth that, with small interruptions, has been going on since today.

From 1981 until 2000, tourist inflows in the country increased from 425,000 to 2,500,000, showing an increase of 600% total and an average annual increase of 11,5%. In Diagram 1, tourist inflows for the period 1981- 2000 are shown schematically.

Diagram 1: International Tourist Inflows for the Year Period 1981-2000



From Diagram 1, it can be observed that throughout the year period 1981-2000 the all increasing course of tourist inflows in the country, was partially disrupted in the year 1991 due to the Gulf War. Some declining trends were observed also for the years 1993 and 1996.

1.2.3 Tourist Inflows by Country of Origin

Diagram 2 shows the origin of tourist coming to Cyprus for the year period 1994-2000. It can be observed that a significant number of tourists come from the United

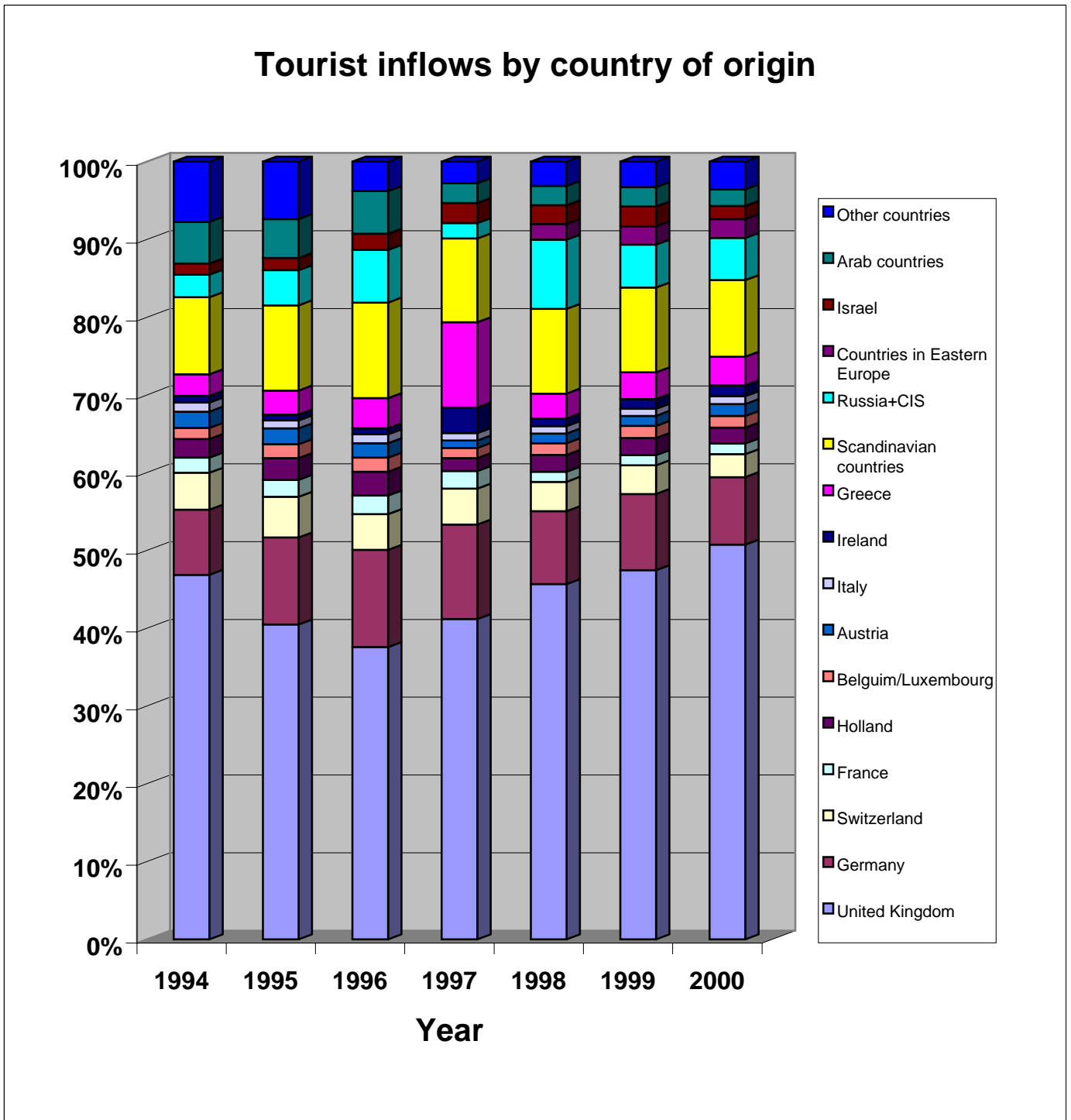
Kingdom which in the year 2000 constituted around 50% of total inflows. Other important countries of origin include Germany and the Scandinavian countries which constitute around 10% of the total inflows respectively.

Britain is Cyprus' most important tourism market, estimated at CYP438 million, equivalent to CYP420 for each of the 1.018.000 visitors in 1998. Throughout the 1990's real term revenue by an average compound of 2,5% per annum, while numbers increased at almost double the rate. This implies that the Cyprus' share of outbound holiday travel has slipped.

Germans generated an estimated CYP 74 million from 206.000 visitors, at an average expenditure of CYP 360 per visit in 1998. German visitors to Cyprus have been the least peaked, with 10-12% arriving in the winter period. Germans use hotels more than other nationalities and stay an average of 12.2 days.

The Nordic countries (Denmark, Norway, Sweden and Finland) account for an estimated CYP67 million in revenue in 1997, from 250.000 visitors at an average expenditure of CYP267 per visit. Nordic visitors to Cyprus are generally younger, arrive during the summer months and favour self-catering accommodation, with Ayia Napa the preferred location. Excluding Norwegians, they are on average low spenders.

Diagram 2: Tourist Inflows by Country of Origin



Source: Cyprus Tourism Organisation, 2002.

The market from Russia and CIS states to Cyprus has been the fastest growing of all sources of visitor traffic with a five-fold increase in the period 1992-1999. Tourism earnings from this market are estimated at CYP91 million for 1998, generated under 200.000, spending an average of CYP 458 per visit. Russian tourists favour hotel accommodation and tend to concentrate in Lemesos and Larnaca. The market from Russia and CIS is likely to be volatile due to the economic and political conditions.

In 1998, 83.500 Swiss visited Cyprus and spent 39 million, representing an average per visit expenditure of CYP 469. Swiss visitors tend to concentrate in Ayia Napa and Paralimni, with over 85% using hotels. They are above average spenders.

1.2.4 Major Problems

As aforementioned, Cyprus has not been experiencing the miraculous growth rates of the past, showing signs of maturation of the tourism market. Competition has significantly intensified in the international tourism market at competitive prices. Tour operators put pressure on tourist destinations for further decrease of offered prices. Leisure tourists tend to travel more often, for shorter periods with bargain prices. They seek higher quality in service and environment. They travel to new, more distant destinations with more varied activities.

Traditional competitors in the area are Greece and the Greek Islands, Turkey, Malta, Spain and Egypt, have a clear position in the tourist market and they invest systematically in its reinforcement and upgrading. Spain, which is considered a leader-country in the field invests substantially in the upgrading of its image from a sun and sea destination to a country with a clear and distinctive profile that offers a variety of products beyond the sun and the sea. Furthermore, Malta, invest lately in a new positioning strategy and reformulation of its communication policy.

Additionally countries that were traditionally considered long-distance, such as Cuba-Caribbean, Cancun-Mexico, now become particularly competitive and they invest in a clear positioning of their product.

Apart from the surrounding competitive environment of tourism in the Mediterranean, there are internal weaknesses and problems in Cyprus, that have accumulated over the years, such as the one-dimensional development and standardisation of the tourist product, the exhaustion of the natural environment and of the cultural identity, the increase of antisocial behaviour, the high operational costs, seasonality, dependence upon certain tour operators, inadequacy of infrastructure and transportation means.

Another important cause of fluctuations in the tourist industry is the problem of security. Security is an essential prerequisite for both short and long term flourishing of tourism. Cyprus has been experiencing tourist fluctuations in years of international crises such as in 1991 due to the Gulf War. This year, 2002, there is fear of decreased tourist inflows due to the terrorist attacks of September 11th.

In Cyprus though, security problems are not only external but also internal, since almost 40% of the island is occupied. Although in the last 25 years the situation has been considerably stable and superficially peaceful, tourism inflows in the country could be very much negatively affected by a potential crisis.

1.2.5 Solutions

Cyprus, should adapt to the new challenges in the international tourism environment and therefore to change its route in the 21st century in order to survive and continue to be an established tourist destination. For the new bases to be formed a Strategic Plan for Tourism was prepared by the Cyprus Tourism Organisation.

The major priority of the Strategic Plan, is the repositioning of Cyprus in the tourist map, differentiating from the image of the sun and tourist destination. The new product should be based on the rich history and culture of the island, the natural environment, the good climate, the friendly people and the various activities in the island.

Concerning the matter of security, affected by both external and internal factors, there are limited actions which could be taken at a tourist destination to reverse the situation or stay unaffected by a crisis. One issue which could be tackled though, is the way publicity for a crisis (either significant or non-significant) is spread internationally, especially in the countries which are the main markets for a tourist destination. There are always those who could benefit from a misleading presentation of a situation, since in that way tourism inflows could turn to another destination. Therefore tourist destinations in such occasions must always be prepared to revert untrue projection through aggressive marketing campaigns and control over mass media.

1.3 DOMESTIC TOURISM

Data concerning overnight stays of domestic tourists are rather limited when compared with other information collected by Cyprus Tourism Organisation and the Statistical Service. The latest data which could be found are for the year 1998. Total overnight stays of tourists both in hotels and other accommodation establishments were 198,670 constituting a mere 1.3 % of the total overnight stays.

Table 1: Overnight stays in 5-1 star hotels of domestic tourists for the year 1998

Area	5*	4*	3*	2*	1*	Total
Lefkosia	6439	5035	1763	1253	3041	17531
Larnaca	3006	7120	1704	4913	69	16812
Lemesos	20228	25898	24079	10732	120	81057
Pafos	20564	65473	53593	20943	10583	171156
Ammochostos	8244	38451	16980	4744	6	68425
Hill Resorts		10883	50164	13826	9146	84019
All Areas	58481	152860	148283	56411	22965	439000

Source: Cyprus Tourism Organisation, 1998

Table 2: Overnight stays in tourist villages A´, B´ and Luxury Class Hotel Ap. by Area.

Area	A´ Class	B´ Class	Luxury Apts	Tourist Villages	Total
Lefkosia	499				499
Larnaca	206	4475			4681
Lemesos		5018	530		5548
Pafos	4061	11704		1962	17727
Ammochostos	18766	23446		1622	43834
Hill Resorts		434			434
All Areas	23532	45077	530	3584	72723

Source: Cyprus Tourism Organisation, 1998

Table 3: Overnight stays in other licensed accommodation establishments by area and by type of establishment.

Area	Hotel Apts C´ Class	Tourist Apts	Tourist Villa	Traditional Houses	Hotels w/out *	Guest Houses	Camp	Total
Lefkosia	68			62	86	226		380
Larnaca	264	14061		12			11606	25993
Lemesos	777	10525		821	532	1264	691	13801
Pafos	10582	13794	1125			38	5387	31927
Ammochostos	1144	5452		514				6596
Hill Resorts					1511	1325		3350
All Areas	12835	44012	1125	1409	2129	2853	17684	82047

Source: Cyprus Tourism Organisation, 2002

In Table 4 the over night stays of Cypriots is shown for the time period 1985-1998 (Tourism, Migration and Travel Statistics 2000, Statistical Service). It can be observed that in the 13 year period there has been a significant increase of Cypriots visiting tourist resorts, especially in hotels. The first preference of Cypriots is the area of Pafos, followed by the other coastal areas of Ammochostos, and Limassol. It is important to know that a greater percentage of tourists visit the hill resorts as compared with the international tourists.

Although the above data could show that domestic tourism is rather inactive in the country, there are some factors which should be taken into consideration and could reverse this image. First and most importantly the small size of the island enables people to travel in the countryside and the sea for one-day trips. Additionally, a significant number of people have country and seaside houses in that way being almost impossible to keep data on the overnight stays.

It is also important to note that due to the small size of the island and the good state of the economy of the country Cypriots have increased significantly their traveling abroad. Therefore, the expansion of domestic tourism in the country, in the case of Cyprus, might not be a good indicator to be taken into consideration for foreseeing facilities and necessary infrastructure for the tourist sector.

Diagram 3: Number of travels of Cypriots for the years 1975-2000

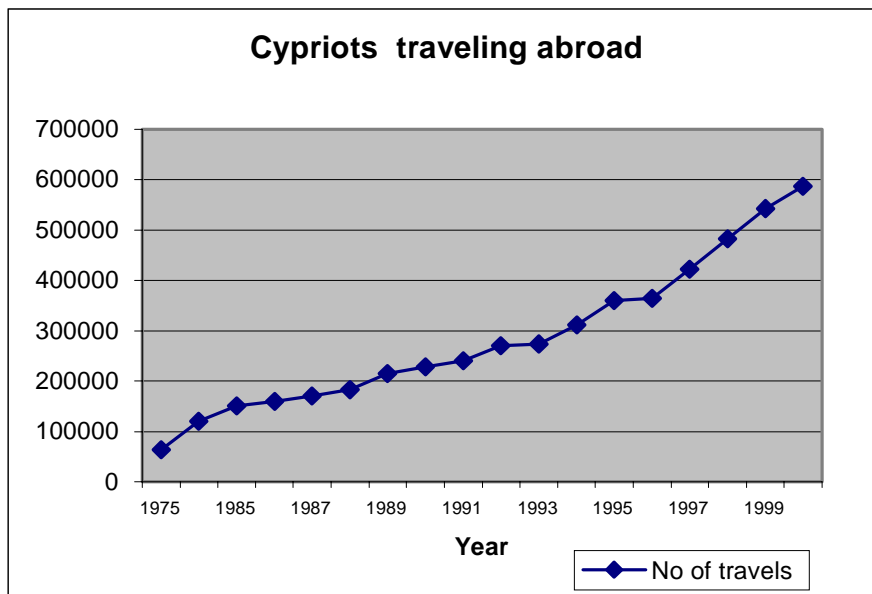


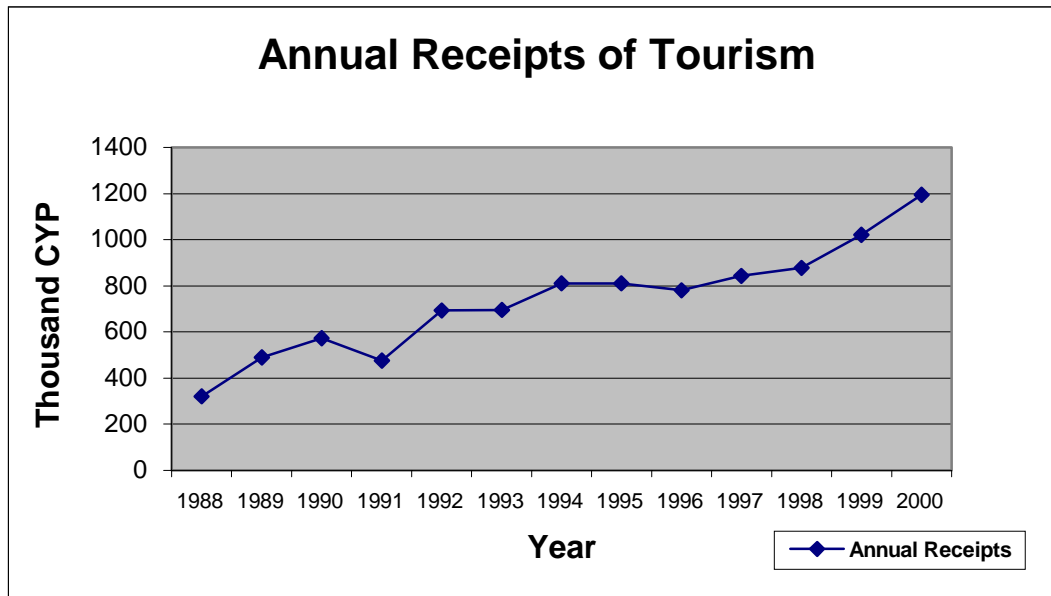
Table 4: Overnight stays of Cypriots in tourist accommodation for the year period 1985-1998

Year/Acc.	Total	Nicosia	Limassol	Larnaca	Ammochostos	Pafos	Hill Resorts
1985: Total	240.640	14.691	38.341	31.010	48.959	52.325	55.314
Hotels	158.949	5.713	26.743	23.175	24.952	38.815	39.551
T.Apt	45.771	108	5.048	7.835	24.007	8.602	171
Others	35.920	8.870	6.550	0	0	4.908	15.592
1990: Total	177.637	5.266	13.003	9.632	60.401	43.119	46.216
Hotels	125.654	3.193	9.560	6.991	38.997	27.439	39.474
T.Apt	40.477	118	1.503	2.641	21.404	14.763	48
Others	11.506	1.955	1.940	0	0	917	6.694
1994: Total	366.446	15.683	49.030	23.715	62.987	145.000	70.031
Hotels	300.409	15.026	40.335	22.809	36.762	121.059	64.418
T.Apt	55.737	54	5.578	906	26.226	22.974	0
Others	10.300	603	3.117	0	0	967	5.613
1995: Total	355.314	17.957	39.112	17.091	70.141	131.892	79.121
Hotels	286.274	17.230	33.356	13.640	39.448	108.688	73.912
T.Apt	60.508	146	3.026	3.451	30.693	22.686	506
Others	8.532	581	2.730	0	0	518	4.703
1996: Total	487.503	16.676	61.152	25.245	127.384	165.952	91.094
Hotels	362.113	16.426	50.390	15.818	60.722	131.009	87.748
T.Apt	119.353	147	8.285	9.427	66.662	34.553	279
Others	6.037	103	2.477	0	0	390	3.067
1997: Total	529.518	23.701	80.573	32.623	125.164	186.389	81.068
Hotels	384.940	23.212	64.984	13.516	56.674	148.723	77.831
T.Apt	139.870	331	13.933	19.107	68.490	37.635	374
Others	4.708	158	1.656	0	0	31	2.863
1998: Total	574.677	18.410	99.703	35.818	118.855	214.602	87.289
Hotels	439.000	17.531	81.057	16.812	68.425	171.156	84.019
T.Apt	130.695	567	16.850	19.006	50.430	43.408	434
Others	4.982	312	1.796	0	0	38	2.836

1.4 INTERNATIONAL TOURISM RECEIPTS

The growth of international tourist receipts are shown schematically in Diagram 4. The data show that there has been a growth from 320 million CYP in 1988 to 1.194 million CYP in 2000.

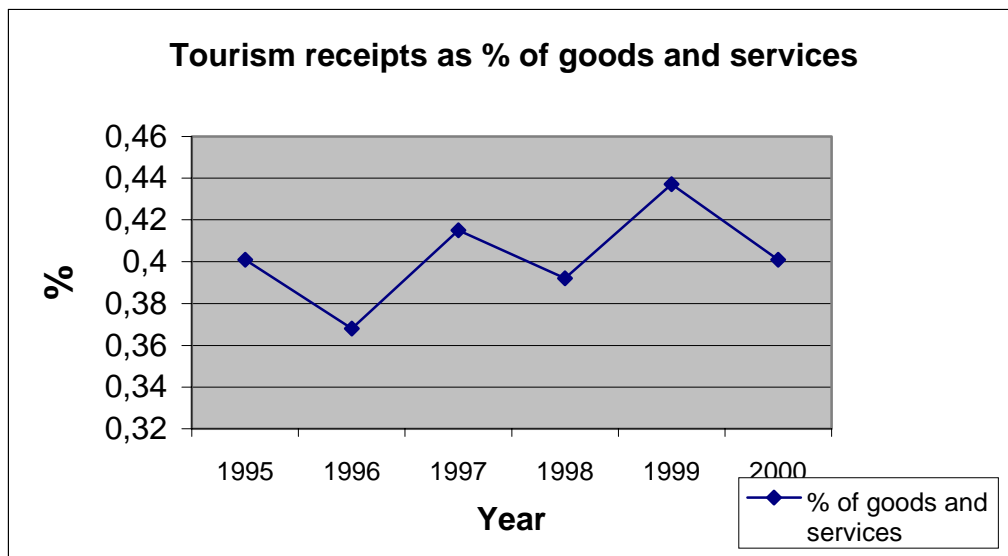
Diagram 4: Tourism Receipts



Although a growth of tourism receipts throughout the years have been observed, the percentage of tourism receipts in the GDP has shown declining trends. In 1988, the percentage share was at 9% while at 1993 it reached 8,8%.

The percentage share of tourism flows in the goods and services has been fluctuating between 37% and 44% in the year period 1995-2000, showing declining trends in the year 2000, reaching 40%.

Diagram 5: Tourism Receipts as % of goods and services



Source: Cyprus Tourism Organisation, 2002

The average length of stay in the year period of 1995-2000 has been fluctuating from 11 days in 1996 to 11,6 in 2000, while in the 5 year period the average length of stay has practically remained at the same levels.

TABLE 5: Average Length of Stay

Year	Number of days
1995	11,5
1996	11
1997	11,5
1998	11,3
1999	11,3
2000	11,6

Source: Cyprus Tourism in Cyprus(years 1995-2000), CTO

The average expenditure in the year period 1997-2000 has increased by 13% in total as shown in Table 6

TABLE 6: Average per person expenditure for the year period 1995-2000

Country	Expend. 1995 (CYP)	Expend. 1996 (CYP)	Expend. 1997 (CYP)	Expend. 1998 (CYP)	Expend. 1999 (CYP)	Expend. 2000 (CYP)
U.K.	374.90	377.76	423.12	422.36	499.37	496.10
Germany	421.70	389.26	347.19	358.42	373.93	400.77
Switzerland	471.90	463.56	366.59	460.13	456.54	539.96
Russia+CIS	438.10	499.58	521.09	457.02	457.02	529.53
Greece	293.80	320.99	319.62	239.92	281.61	290.69
Holland	370.70	345.22	343.97	352.08	370.99	420.53
Austria	424.20	433.03	376.68	411.72	401.08	439.08
France	387.40	362.49	366.59	393.19	381.34	463.07
Israel	223.00	225.67	206.28	238.14	230.24	276.56
Belgium/ Lux	420.90	361.98	371.04	386.93	399.18	436.19
Italy	345.40	371.03	366.08	358.20	391.82	444.43
Ireland	407.70	499.10	556.48	502.00	599.85	600.43
Nordic coun			296.38	265.27	316.59	321.38
Arab count	383.50	382.16	515.59	360.71	360.71	427.32
All count	382.70	381.71	393.52	380.10	400.26	445.67

Source: Cyprus Tourism Organisation, Tourism in Cyprus for 1995-2000

According to the Tourism Strategy prepared by CTO, there has been a decline in real term expenditure, both per visit and per day. While volume growth has outperformed value growth, market share has slipped, particularly in some of the primary source markets. Additionally Cyprus has opportunistically benefited from significant growth in volumes from high spending visitors from Russia, CIS and Eastern European countries.

1.4.1 Major Problems

Tourism has been playing an important role in the economy of the country taking into account its contribution to the GDP of the country. It is important to note however, that the dependence of the economy on tourism has somewhat decreased.

It is admitted widely that over dependence of the economy on tourism causes worry due to the sensitivities of the sector to international economic and political changes. This characteristic of tourism is widespread and could be felt in 1991 due to the Gulf War and even this year, due to the terrorist attacks of September 11th. These external factors which have such a great influence on the sector, cannot be foreseen or dealt with effectively. Additionally, Cyprus, due to its proximity to the Middle East could experience lower tourist arrivals due to the problems of the area, while other Mediterranean countries located more westwards could stay unaffected.

Unstable political situations do not constitute the only cause for the sensitivity of the sector. There are other factors should be taken into account and these could be faces effectively in case of problems.

As aforementioned, in part 1.2 of the study, Cyprus could be characterised as a sun and beach destination, offering no other attractions to the visitor. With the change of preferences of the visitors during the years who seeks a wider range of activities and interests in a place, a need for a change of course was identified. This is something that the country must be able to foresee and change in order to continue to attract

tourists. Additionally, visitor concerns tend to center on environmental issues and the disappointing delivery of heritage/cultural expectations.

Concerning quality of tourist accommodation in Cyprus, it has been observed that high category hotels and apartment are of good quality, better than other destinations in the area. There is however, lack of investment in product upgrade and maintenance because of lack of profitability. This could be a threat for undermining Cyprus' relative competitiveness and quality when compared with other competitors.

1.3.2 Solutions

As aforementioned, there are not some many actions which could be taken in order to reverse adverse international political situations. There are things to do, however when it comes to finding solutions to internal problems such as the monolithic character of a tourist product.

In the case of Cyprus, problems have been identified with the tourist products offered, and an effort to revert the situations has been initiated. The Cyprus Tourism Organisation has formulated a Tourism Strategy for the year period 2000-2010 where a change of course of the tourism industry is proposed, emphasizing mainly on the further differentiation of the product, focusing on culture, nature and quality.

Concerning quality, there is a need for setting quality standards and levels for both tourist and related services. Tourism contains a broad spectrum of products and services. For all these, standards must be set and agreed upon by all concerned including suppliers, consumers.

Quality Assurance mechanisms which could utilised for the successful implementation of standards include:

- The legal and statutory framework
- Quality accreditation systems
- Codes of professional conduct
- Awards.

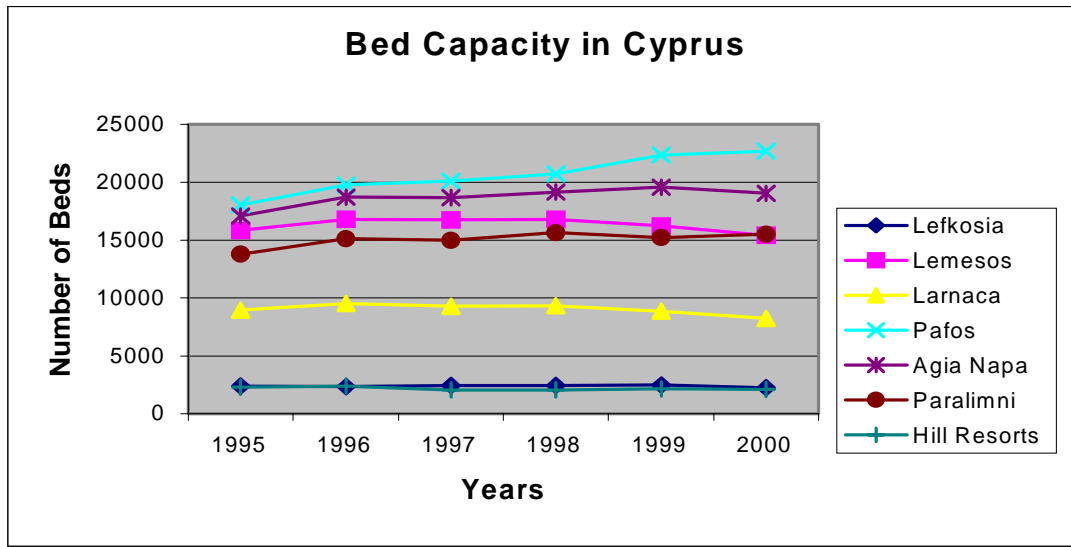
The measuring of quality levels and customer satisfaction is an integral part of quality systems. Tourist Cyprus must invest at all levels with a view to the collection, processing, dissemination and utilisation of measurable information regarding the degree to which the quality standards set and agreed have been achieved.

In order to achieve total quality all citizens must acknowledge the importance of quality and adopt a "quality culture". This must be cultivated in the tourist industry and concerned agencies as well as the public. Both the public and the private sector should undertake initiatives in this area. At a first stage the leaders of each sector must cultivate quality awareness so that the required commitment will be assured. This goal will be pursued through training and educational programmes, advertising campaigns and information as well as through the experience of the extended implementaion of quality systems.

1. 5. ACCOMMODATION CAPACITY

During the period 1980-2000 there has been a five-fold increase in the bed capacity of the island reaching 85.303 in the year 2000. Looking though, at the annual change of growth of bed capacity (Diagram 6) it can be observed that there has been a decreasing trend.

Diagram 6: Bed Capacity in Cyprus for the years 1995-2000



Source: Cyprus Tourism Organisation, 2002

Investments in tourist establishments have shown a decreasing trend throughout the years, due to the decreased profitability of the tourist establishments and to the restrictive policy concerning the construction of new ones.

From Table 7 above it can be observed that the almost 60% of the total bed capacity of the island is hotel beds, followed by tourist apartment beds. It is important to mention that all the data presented in this section are for licensed accommodation

Table 7: Accommodation by type and place for the year 2000

Resort	Total Number of Beds	Hotels 5-1 star	Hotel Apts	Tourist Villages	Tourist Villas	Tourist Apts	Furnished Apts	Hotels w/out Star and guest houses	Traditional Buildings
Lefkosia	2237	2069	130				16		22
Lemesos	15427	10618	3330			1234	94	112	39
Larnaca	8222	4592	2452			846	154		178
Pafos	22722	14905	3070	1148	434	2800	98	55	212
Agia Napa	19067	9251	6176	378		3238	24		
Paralimni	15507	6438	7965	694		386	4	20	
Hill Resorts	2121	1870						187	64
Total	85303	49743	23123	2220	434	8504	390	374	515

Source:CTO,2002

1.5.1 Major Problems

The spectacular expansion of the bed capacity on the one hand was essential for the expansion of the sector as a whole but on the other, it had a heavy price on nature, the basic primary material of tourism.

The rapid and without plan expansion which occurred in the 1980's has had a negative impact particularly on the beaches of the island. The concentrated construction of hotels and other tourist resorts led to change of the landscape of the area and caused changes in beach morphology. The overcrowding of beaches caused their rapid deterioration and the creation of waste.

Additionally, the character of the seaside areas changed completely, since there were no guidelines to create a homogeneous local character through the new constructions.

Although, during the period 1989-1999 the policy on expansion of bed capacity was quite restrictive, focusing more on the upgrading of quality rather than the increase of quantity, there has been a redirection in the newly formulated strategy where quantity and quality are compromised.

According to the Tourism Strategy 3.512.000 tourist inflows will be pursued for the year 2010. It seems that current inflows of tourism in the country are not considered satisfactory. Several questions which come to one's mind are related to the negative effects of tourism which are already experienced at a great extent and on the way these will be mitigated.

1.5.2 Solutions

Bearing in mind that the plans are for an expansion of tourist inflows in the country, to restrict the expansion of accommodation not be very difficult to achieve. This leaves limited flexibility and increases the pressure for allowing new constructions to take place.

New tourist developments are subject to the law on Assessment of Environmental Impacts of Certain Projects 57(I) of 2001, therefore there is a way of controlling the construction of tourist development in fragile and environmentally sensitive areas. There is the problem however, that tourist zones in the seaside areas are set with high construction indices, therefore not giving flexibility to the Environmental Authorities to control effectively the volume and proximity of tourist constructions. Therefore it is necessary to conduct Strategic Environmental Assessment, concerning the definition of town planning zones in the tourist resort areas.

Additionally, the Cypriot government has ratified several conventions and agreements on the protection of sites with specific characteristics, and has defined the areas of the NATURA 2000 network. This, will facilitate the work of the decision makers on permitting and controlling new developments on those areas.

A problem though, remains unsolved; the environmental impacts of the already constructed tourism projects. There must be found a way to mitigate the impacts not

on the beaches but on the whole areas and the establishments themselves. This will require the establishment of environmental management systems on the level of the existing tourist resorts, but also on a municipal and regional level.

The establishment of environmental management systems with the application of the ISO 14001 standard has already been implemented in some hotels and other tourist accommodation places. The situation is different at the municipality level, as there are limited efforts made by the local authorities themselves.

CHAPTER 2

TO MAKE TOURISM A SOCIAL AND HUMAN DEVELOPING FORCE

2.1. DISTRIBUTION OF TOURIST FLOWS IN THE MEDITERRANEAN

The table shown below demonstrates that although tourist receipts have almost quadrupled, receipts per bed have only doubled. This implies that there has occurred an increase in the number of tourist inflows in the country rather than an increase in quality offered.

Table 8: International tourism receipts per bed.

Year	Tourism Receipts Million CYP	Number of Beds	Receipts/Bed
1988	320.7	48458	6618,1
1989	490.0	54857	8932,3
1990	573.0	59271	9667,4
1991	476.0	63564	7488,5
1992	694.0	69759	9948,5
1993	696.0	73657	9449,2
1994	810.0	76117	10641,5
1995	810.0	78427	10328,1
1996	780.0	84549	9225,4
1997	843.0	84368	9991,9
1998	878.0	86151	10191,4
1999	1022.0	84173	12141,6
2000	1194.0	85303	13997,2

Source: Cyprus Tourism Organisation, 2002

2.1.1 Major Problems

Looking deeply at the consequences of what is shown in the table above, in combination with what was mentioned in previous sections of the study the following weaknesses of the tourism product offered have been identified:

- ❑ Lack of identity
- ❑ Poor presentation of island's remarkable historical and cultural wealth.
- ❑ Limited opportunities for activities
- ❑ Inadequate protection and promotion of the natural environment
- ❑ Non-rational use of resources-natural and human
- ❑ Inadequate infrastructure-general, inland transport, information etc.
- ❑ Complicated classification system of tourist accommodation (too many categories/unclear vision)
- ❑ Standardised and imitative hotel product (me-too-approach)

Due to the nature of the tourist industry in general and the competitive area of tourist Mediterranean, actions of change should occur both in a fast and comprehensive way.

2.1.2 Solutions

Some of the actions for the redirection of the tourist product of Cyprus should focus on increasing its added value. In order to meet the goal of increased revenues, the approach of the tourist sector must change. From a policy of short term pricing negotiations with tour operators there must be developed a long-term strategic goal of steadily increasing the sector's effectiveness as a whole. The implementation of a stable and consistent pricing policy should be pursued based on the provision of value added at competitive prices. At the same time, businesses serving the needs of local and foreign visitors must make conscious efforts to develop their human resources. They also need to implement organisation and operation methods and systems that will ensure greater effectiveness, speedy response to changes and new trends, while at the same time offering quality services.

The three main areas of action for achieving greater value added for the tourist product of the country are quality, human resource development and prices.

Although the area of the Mediterranean is very competitive tourist wise, there are some ways which could promote cooperation between the various countries. One area which could be developed further involves the area of cruises where neighbouring countries could promote this type of attraction to the visitors.

From Cyprus, there are organised cruises mainly to Israel and Egypt which are offered as part of the package deals of tourists. According to the Tourism, Migration and Travel Statistics (Statistical Service, 2000) in the year 2000 135.143 tourists have taken a cruise, corresponding to 5% of the total international tourist flows in Cyprus for that year. In Table 9 the number of tourists taking cruises during the time period 1985-2000 are shown.

Table 9: Excursionists participating in cruises for the year period 1985-2000

Year	Number of excursionists
1985	57.960
1990	29.215
1992	25.871
1993	40.046
1994	46.901
1995	38.598
1996	40.064
1997	54.646
1998	75.332
1999	76.618
2000	135.143

Source: Tourism, Migration and Travel Statistics, 2000 (Statistical Service)

It can be observed from the table above, that there has been an increase of almost 100% from the year 1999 to the year 2000. The cooperation of the Cyprus with the two countries can be reinforced taken into account the safety is guaranteed.

2.2. IMPACT ON SOCIETY

As aforementioned in previous sections of this study tourism in Cyprus was developed very rapidly and in certain seaside areas. Some of these areas, like Ayia Napa in the eastern part of the island were practically villages before the expansion. Ayia Napa has only 1000 inhabitants during the off-peak tourist season, while in the peak months the area hosts 16,5 % of the total number of tourists visiting the country, translating into 450,000 people.

Due to the nature of tourism, and the presence of foreign visitors within the country, the social impact of the activity differs from any other sector. A lot of criticism has been raised against the fast growth of tourism, because it has generated forces with very adverse effects on society.

Data on the subject mainly originate from a study conducted in 1988 on the Social Impact of Tourism in Cyprus through which four communities were selected in areas where there has been intense tourist activity. In these areas they carried out a survey on a stratified sample of about 3-4% of the local population.

The results of the survey showed that people in general believed tourism have had a positive effect, because of generation of employment and incomes. Some people believed that tourism has other beneficial effects since it brought local people in contact with other cultures, it enhanced awareness of their own traditions and historical and archeological heritage.

But the survey also showed that many people expressed reservations and identified issues like congestion, noise pollution, destruction of beaches and natural environment, heavy stress on the local population during peak periods of tourism, erosion of family life and the undermining of social cohesion of the small community. Many people also complained about alienation, criminality and hooliganism. It would be more interesting to have had the survey of the whole society. But what the limited survey found was significant because it showed people welcoming tourism for its economic benefits and downgrading the adverse effects.

Another survey was carried out (Saveriades, 2000) for the tourist resorts of Agia Napa, Protaras and Paralimni to investigate the attitudes and perceptions of the indigenous population towards tourism.

According to Saveriades there is consensus in all areas that the role of tourism is very important in the generation of income. This is frequently manifested in phrases commonly used by locals during conversations: "tourism brings money", "tourism results in considerable foreign exchange earnings", "tourism is our living". At the same time tourism is held responsible for changes in customs and social practices, increases in the cost of living and land values, and for the spreading of diseases like AIDS.

A similar picture is also true for the role of tourism in the generation of employment opportunities.

Regarding the role of tourism in the promotion of Cypriot culture, in Ayia Napa only 12 per cent consider tourism as extremely important, compared to 30 per cent and 49 per cent in Protaras and Paralimni respectively. The less crowded by tourists an area is, the greater the view that tourism is a great benefactor in the revitalisation of traditional arts and crafts. For example a significant number of housewives in Paralimni have taken up embroidery as a part-time job to satisfy the increasing demands by tourists. On the other hand, in the tourist area of Ayia Napa, locals are more aware of the fact that changes have occurred in the meaning of arts and crafts in order to satisfy the increasing demand for souvenirs.

The majority of the respondents in all areas, agree that the role of tourism has been significant in the improvement of services and facilities. This is probably demonstrated by the infrastructural developments which have occurred during the past decade. Road improvements, irrigation projects, desalination plant and other fresh water supply projects, are widely considered as improvements which although designed to improve the tourist product, have also greatly benefited the local population.

Land values have doubled and in some cases tripled over the past decade. The result is that purchasing a plot of land for residential purposes, has become well beyond the reach of the average family.

Similarly, there is a general belief in all areas that tourism has caused changes in customs and practices and has facilitated the spreading of diseases like AIDS. In the mind of the population, the emergence of AIDS during the last decade has been primarily associated with tourism, which in turn is considered responsible for loosening moral conduct and encouraging sexual freedom.

The study has shown that there are no negative feeling towards tourists or in fact that local residents wish to see a reduction in the level of tourism.

2.3. JOBS

The growth of the tourism sector had a profound effect on the level, structure and composition of the labor force. The dominance of tourism and services in the generation of output was accompanied by a very rapid and impressive increase in employment.

Table 10: Employment in the tourism sector

Year	Number of people employed
1981	5200
1982	6300
1983	6900
1984	7700
1985	8600
1986	9550
1987	10850
1988	11400
1989	14420
1990	15415
1991	16300
1992	20000
1993	21700
1994	33300
1995	34100
1996	36570
1997	35800
1998	39374
1999	39500
2000	40500

The spectacular growth in the direct employment of the sector of restaurants and hotels was more than double the average of the whole economy for the at 10.2% every year for the period 1975 – 1992. There is an even more interesting aspect in that between 1975 and 1992 for every 10 new jobs created 1,7 was in tourism. If we take the period between 1980 and 1992 then the direct share of tourism to the creation of jobs was 2.4 for every 10 jobs in the economy.

Given this very high demand for labour one can observe a number of very important consequences taking place in the Cypriot labour market. The first one was that very quickly after the invasion the conditions of mass employment were turned into a full employment situation, and since 1977 unemployment oscillated around 3% for over 16 years.

As a result, the economy experienced very severe shortages of labour, with the consequence of this situation acting as an incentive for the very large increase of participation of women .It is observed that between 1976 and 1987 the rate of female

participation rose from 29% to 47% and it is believed that it has risen even more since then.

The second consequence was that wages rose very fast. Between 1975 and 1993 the nominal level of wages rose by an average yearly rate of over 13% translated to almost 7% real rate of growth of wages.

The third consequence was on the importation of labour. In 1977 there were about 15.000 Cypriots temporarily working abroad mostly in the Arab countries in the Middle East. Since then their numbers have gradually fell to less than 4.000. In the meantime the reverse situation was observed regarding foreign labour. In 1980, it was estimated that foreign workers numbered about 1500 a number which in 1991 rose to about 8000 and in 1993 it is estimated to have exceeded 12000 as the Government adopted a new policy to allow foreign labour enter the country to meet the shortages in the sectors of tourism, construction and manufacturing. These developments, also brought about the change in migration, as many Cypriots who emigrated in the past chose to return partly of course because of the success of tourism.

As aforementioned in previous sections of the study an effort is initiated to redirect the product of Cyprus towards an increased added value product, and human resource development is one of the areas which actions should be taken. Concerning the supply and demand there is a need for definition of the staffing needs of the tourist industry by field or region. A satisfactory supply of human resources must be secured through the following ways:

- ❑ Encouragement of young people to follow a career in tourism.
- ❑ Encouragement of unemployed and underemployed workers to seek jobs in tourism.
- ❑ Encouragement of students to work in the tourist industry during peak periods.
- ❑ Facilitation of movement of workers from one area to another.
- ❑ Exploration of ways to improve working conditions for workers and qualified executives in the tourist industry, career development and prevention of personnel drop out.

Attention should be given to the following:

- ❑ Introduction of new training programmes at all job levels based on needs identified in the system.
- ❑ Creation of specialised programmes for managers.
- ❑ Coordination of the various bodies, granting motivations for organising or attending training programmes. Professional associations, trade unions and competent government authorities and services will have an important role to play.
- ❑ Training/instruction of employees and employees in new areas of tourist activities.

Additionally special training programmes should be set up for professional groups which contribute to the tourist experience, such as taxi and bus drivers, car and motorcycle rental firms, owners and managers of sea sports, in order to enhance levels of professionalism and to improve communication skills.

2.4. FAIR DISTRIBUTION OF TOURISM REVENUE

The tourist sector significantly influences the overall growth of the economy, through the linkages it has with other sectors of the economy particularly agriculture, manufacturing, construction, banking and transport. According to the 1990 results of the Social Account Matrix, prepared by the Planning Bureau, the primary impact of tourist consumption expenditure on the economy measured in terms of value added created by the direct purchases of goods and services by tourists from the various sectors of the economy was estimated at about 14% of the GDP. The total impact of this process including secondary expenditure effect by the sectors themselves was estimated at about 19% of GDP in 1990. There are no further data on indirect impacts of tourism for the years after 1990. These data are important in order to get an overall view of the impact of the tourism.

More specifically, foreign tourist consumption expenditure accounted for about 74% of the value added of the sector of restaurants and hotels, 50% of transport, 26% of finance and insurance, 20% of agriculture, 12% of manufacturing and for a considerable share of the value added of the other sectors.

Apart from contributing to economic growth directly, tourism has become the single largest foreign exchange earner, creating a sizeable surplus on the invisible balance and thus indirectly contributing to economic growth by providing the funds necessary to narrow the financing gap of the economy and thus facilitating investment in other sectors.

Apart from the direct and indirect contribution of tourism to the economy one should also look at the amount of money that comes or stays in the country as a part of the total amount of money spent by the visitor. Cyprus depends largely on tour operators, who put pressure for further decrease of offered prices. This decrease in price will eventually have an effect on quality, since the tourist product offered by hotel accommodation owners will be within restrained budget. Their profits are lowered eventually and the margin for future investments in upgrading their product is very much narrowed.

According to the Tourism Strategy, as a result of the lack of variety and identity of its tourist product, Cyprus has been competing mainly on the basis of price. Despite the fact that Cyprus appears expensive compared to other tourist destinations, the price of the tourist product should not be lowered. A reduced price tourist package would lead to an increase in the number of tourists, to replace the loss of earnings resulting from the lowered price but at the same time it would increase costs for the destination. Consequently no benefit would result from such a policy, on the contrary it would lead to downgrading of tourism and a reinforcement of the negative socio-economic and environmental effects.

In order to set the prices on a new basis the following must be met:

- ❑ The monitoring of developments and competitors with regard to fixing of prices.
- ❑ The strengthening of Cyprus' negotiating ability
- ❑ The increase of added value/quality on the level of both tourist enterprises and the destination.

- Better utilisation of investments and resources with a subsequent increase of productivity on the enterprise and destination level.
- The lifting of restrictions and encourage of competition.

Independence from tour operators is impossible since it is foreseen that the largest percentage of tourists will continue to travel via a tour operator. The cooperation with tour operators must change in such a way as to serve the targets of the new differentiated product that Cyprus want to offer. The upgrading of Cyprus in the brochures must be upgraded with the inclusion of specialised programmes. Emphasis should also be given to small tour operators as well as to tour operators who are specialised in Cyprus.

The dependence on tour operators could be decreased somewhat by promoting the tourist product of Cyprus in other ways. According to the Strategy for Tourism for the year period 2000-2010, the audiovisual and electronic means of promotion become more significant in the promotion of the tourist product. Promotional tools which could be used include the following:

- Internet: Internet offers a great opportunity for advertising the tourist product. The presence of tourist Cyprus in the network should contribute to the repositioning of the tourist Cyprus and to serve the targeting of the selected segments.
- Supply of tourist information: Apart from the traditional information means, new technology offers extended possibilities for supplying information through electronic information machines, call centres, hotlines etc.

CHAPTER 3

MAKING TOURISM A FORCE FOR PROTECTING AND ENHANCING NATURAL AND CULTURAL HERITAGE

3.1 WORKING FOR A BETTER DISTRIBUTION OF TOURIST FLOWS TO MEDITERRANEAN COASTAL REGIONS

As it can be observed from the table shown below and from the statistics on accommodation establishments tourists tend to concentrate more on the coastal areas of Paralimni, Agia Napa., Lemesos and Pafos.

Table 11: % Distribution by Location of Stay for the time period 1997-2000

Year	Paralimni	Agia Napa	Larnaca	Lemesos	Pafos	Lefkosia	Hill Resorts
1997	14,81	20,99	9,96	21,77	23,59	1,67	2,00
1998	12,58	21,23	12,33	20,85	23,10	2,31	3,55
1999	11,37	17,80	12,29	20,91	25,97	3,09	4,60
2000	15,10	16,46	9,62	19,21	29,68	2,45	0,2

Source: Cyprus Tourism Organisation (Tourism in Cyprus for the Years 1997-2000)

The phenomenon of the concentration of tourists on the coastal regions comes at no surprise if it's taken into consideration that Cyprus until now has been mainly a sun and beach destination.

The situation has put a tremendous pressure both on the physical and the human environment of the areas. Environmental impacts from tourist activities have been causing worry due to the extent development which has been taking place in the last 20 years. First and most importantly the morphology of the coastline has been altered in such a way to promote sea erosion and loss of marine habitats (loss of *posidonia oceanica* beds). Secondly, the beaches are overcrowded with tourists, a situation which leads to increased solid waste creation and eventually to beach pollution problems. Third the unorganised way of the tourist development of the coastal areas have created problems of visual intrusion and aesthetics since no respect to local environmental characteristics was paid.

Social impacts from this type of tourist development have already been mentioned in previous sections. It is emphasised once more that stress of congestion and noise was observed.

Although today there is more control of tourist development the planning of the tourist zones in the coastal areas is rather encouraging towards more construction rather than its hindering. Laws to establish the environmental impact assessment of strategic plans must enter into force in order to examine thoroughly the master plan of townplanning zones before examining projects. In that way prevention of this situation could be achieved more effectively.

On the other hand, as it is also observed from the distribution of tourists in the country, the hill resorts for the time being are attracting very few tourists. This phenomenon could be mitigated through the promotion programme of agrotourism in the country, initiated by the CTO. Additionally, the repositioning of the Cyprus product as a cultural destination could also alleviate the pressure on the coast.

3.2 FIGHTING THE SEASONAL ASPECT TO IMPROVE TOURIST FLOW

Seasonality, as in most of the areas in the Mediterranean countries is a very intense phenomenon. Table 12 shows the distribution of tourist overnight stays in hotels for the year 1998.

.The distribution of arrivals within the year for the years 1999-2001 are as follows:

Table 13: Distribution of arrivals per trimester for the years 1991-2001

Year	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
1999	10,6	30,0	39,9	19,4
2000	10,7	30,6	39,0	19,7
2001	10,6	32,8	39,8	16,8

Source: CTO, 2002

As it is widely known the intense phenomenon of seasonality is accompanied by a series of negative effects:

- ❑ The creation of an infrastructure which remains inactive for a significant period of the year, in that way creating "ghost" cities and overcrowded cities at the same place at a single year period.
- ❑ Inefficient use of human and economic resources, since there is a high demand for the peak season and no demand for the rest of the year.
- ❑ Inefficient use of natural resources such as energy and water, since these are utilised intensively for a certain time of the year and subutilised for the rest of the time. The systems designed to provide these essential resources are designed to meet the peak demand and not the average. In that way there is a need to create expensive systems to satisfy the high demand of the peak.
- ❑ The high number of tourist inflows for a certain period create problems of overcrowding with the consequent increase in traffic, noise and congestion in general.
- ❑ Negative effects on the use of the land and coast due to the need of increased construction to meet the needs for the peak season. Additionally the beaches are overused with the high density of people in the summer.

One of the targets set in the Tourism Strategy Plan is the smoothing of seasonality with the target of reaching 33% instead of 40% which is the percentage of tourist influx during the months of July-September.

According to the Tourism Strategy Plan this could be achieved through the redefinition of the tourist product of Cyprus, as not only another sun and beach destination, but also as one which could take advantage of the cultural and nature characteristics of the island.

The development of winter tourism will result in better exploitation of current investments and limitation of the need for new investments and the subsequent decrease of the negative impacts caused by the intense seasonality phenomenon.

The Cyprus Tourism Organisation has launched an incentives scheme for tour operators for the development of winter traffic. The scheme was for the winter season 2001 -2002 and covered tourist arrivals between the period 15 November and 31st march. It provides for a financial contribution to Tour Operators and is as follows:

- An amount of 7 CYP for every tourist the Tour Operator will bring to Cyprus during the period 15 November 2001 and 31March 2002.
- An amount of 12 CYP for each additional tourist the Tour Operator will bring to Cyprus during the above period, in relation to the average number of tourists transported to Cyprus in the corresponding period of the winter seasons 1999-200 and 2000-2001.

Eligible Tour Operators must feature Cyprus as a winter destination in their brochures for the winter season 2001-2002, or feature Cyprus in a year round catalogue which runs until 31st March 2002.

Table 12: Overnight Stays in 5-1 star hotels by month and by area

Month	Nicosia	Larnaca	Lemesos	Pafos	Ammoch	Hill Res	All Areas
Jan.	13073	21244	96908	135052	39952	7250	313479
Feb.	12522	24973	105704	170069	42072	4523	359863
Mar.	19794	40034	149422	214270	67456	7976	498952
Apr.	17748	49158	167084	246415	160287	11406	652098
May	21152	65172	197641	315637	315676	12521	927799
June	15325	78752	216487	324015	354038	9492	998109
Jan.-Jun	99614	279333	933246	1405458	979481	53168	3750300
July	16429	103404	223594	357104	410567	20231	1131329
Aug	16326	140109	317267	440715	479019	41198	1434634
Sept	21330	81348	219045	349459	381830	14467	1067479
Oct	19584	72911	198444	325208	327159	10589	953895
Nov	18040	37246	142062	253707	98756	5860	555671
Dec.	13311	23394	102864	162269	25630	9121	336589
Jul-Dec	105020	458412	1203276	1888462	1722961	101466	5479597
TOTAL	204634	737745	2136522	3293920	2702442	154634	9229897

Source: CTO, 2002

3.3 TO PROMOTE A MORE CREATIVE ENHANCEMENT OF CULTURAL AND NATURAL ASSETS

3.3.1 To promote a more creative enhancement of cultural assets.

As has been repeatedly mentioned several times in this report, the tourism product offered in Cyprus until now was mainly the sun and the beach. In order for the destination to become distinctive, the history and culture of the island could be utilised. Investing in culture, will reinforce and promote Cyprus' identity which the visitor will recognise and respect.

Cyprus carries a rich history and culture of more than 10.000 years. Due to its strategic location, between three continents it has attracted several conquerors influencing not only the course of history of the island but also the entire spectrum of language, gastronomy, tradition, manners and customs and arts.

In the Tourism Strategy, the main parameters for promoting culture include:

- History and archeology
- Religious tradition
- Folk tradition – customs and traditions
- Local cuisine and local products
- Contemporary art
- Artistic and cultural events

The steps to achieve the targets include:

- Serious investment in cultural issues and expedition of programmes and projects still at the planning stage.
- The statutory framework governing the protection and operation of museums and other attractions needs to be implemented
- Formulation of strategic choices of the sector and individual policies and development plans based on the protection and promotion of the island's cultural heritage.
- Cultivation of the appropriate attitude regarding the value of culture and its way relationship with tourism and adoption of appropriate practices and mechanisms.

The areas of action are proposed to be the following:

- Archeological Sites and Monuments: Substantial interventions are needed. These will ensure that our archeological sites, religious and other monuments and places of interest, as well as monuments of folk history acquire a living presence and become part of the experience of all visitors. The specific framework includes appropriate investment so that these points of interest become accessible. Additionally an effective framework for their protection, preservation, and promotions should be created and reinforced.
- Events: The promotion of several events should also be promoted. The aim should be to broaden the range of events, to enhance and improve quality events, to organise specialised thematic events.

- Traditional Folk Art: There is an enormous reserve of traditional artisans, craftsmen, artists and creative men and women in general who would like their work to be utilised more fully in the field of tourism from which resources can be drawn.
- Museums: There has been an increase in the last few years in the initiatives of cultural foundations, local authorities and other bodies to create modern specialised museums. Several steps need to be taken in order to enhance such an effort such as the establishment of the appropriate statutory framework governing the way museums are organised, the modernisation and restoration of buildings, the adoption of flexible hours for visits, the granting of motivations by the state for the establishment of specialised museums projecting important aspects of the island's cultural heritage, the use of technologically advanced means of presentation of the exhibits.
- Traditional Cuisine: Food is an integral part of the tourist experience and can be a comparative advantage and element of uniqueness. Several actions are needed such as the finding and recording of traditional recipes, dissemination of specialised cuisine through training and education programmes, setting guidelines regarding the suitable layout and décor of restaurants offering traditional dishes.

3.3.2 To promote a more creative enhancement of cultural assets.

Cyprus is an island with superb natural beauty and a remarkable variety of landscape and scenery. Its rugged coastline between the rocky shores, promontories and sandy bays with extensive plains, rolling hills and forest-clad mountains, scattered with picturesque villages cover the island area.

The north coastal plain, covered with olive and carob trees, is backed by the steep and narrow Pentadaktylos mountain range of limestone, rising at a height of 3.300 feet above sea level. In the south, the extensive mountain massif of Troodos, covered with pine, dwarf oak, cypress and cedar, culminates in the peak of Mount Olympus, 6.400 feet above sea level. Between the two ranges is the fertile plain of Mesaoria.

The flora constitute an outstanding biological and aesthetic natural heritage. With its approximately 1.900 species and subspecies of flowering plants, of which 140 are endemic, Cyprus is an extremely interesting place for nature lovers and has all the attributes, which make it a real botanists' paradise.

Cyprus is used by millions of birds as a stepping-stone during their migration from Europe to Africa and back again, something that has been observed since Homeric times. Out of the sea creatures, dolphins, turtles and seals are strictly protected. Nevertheless, due to the rapid development of the coastal zone of the island, the Green Turtle (*Chelonia mydas*) and the Loggerhead Turtle (*Caretta caretta*), breed regularly on the beaches of the Akamas Peninsula on the northwest part of the island.

The rapid development of tourism was promoted within a weak and incomplete framework for the protection and monitoring of environmental conditions. In order to promote environmental protection the following must be pursued:

- ❑ Completion and up-dating of the existing statutory and legal framework
- ❑ The sector's strategic choices and the various development plans should be based on the protection, improvement and promotion of the environment.
- ❑ Cultivation and adoption of environmental awareness.

Ecotourism or agrotourism as it is widely used here in Cyprus could be another area of tourist development in a milder way, which could enhance the protection of the environment.

Concerning the development of agrotourism, its development has occurred in more slow and organised way, therefore leaving time for locals to adjust in a better and somewhat healthier way. The government, the local authorities and the various migrants' associations regarded the program of agrotourism which was initiated by the authorities themselves as one of series of measures and incentive schemes that would contribute towards the revitalization of the countryside and reversal of the urbanization trend which had been accentuated in Cyprus.

The programme has some success in making people who live in the cities visit and renovate houses in their village and in that way contribute to the revitalisation of the country side. For foreign visitors to stay in such places it was necessary to promote these areas internationally. The role of CTO in this effort is vital, since the survival and welfare of the people entering in such a scheme depends largely on the attraction of the appropriate type of visitors showing respect to the countryside and the culture. Additionally, the locals need help in order to promote their tourist product abroad, otherwise their investments will be turned non profitable and similar future efforts will be stopped.

3.4. CONTROLLING THE IMPACT OF TOURIST-RELATED TRANSPORT ON THE ENVIRONMENT.

There is no data on the greenhouse gas emissions caused by tourism activities. Through a study conducted by the National Observatory of Athens on the Strategy for Limiting Greenhouse Gas Emissions the following was estimated for the civil aviation.

Table 14: CO₂ emissions for civil aviation for the year period 1994-1998

Year	Total National Emissions of CO ₂ (t)	Civil Aviation Emission of CO ₂ (t)
1998	6387.15	799.79
1997	5993.47	774.64
1996	5866.03	786.21
1995	5575.65	820.33
1994	5575.95	748.34

Source: National Observatory of Athens, 2001.

Although tourism consists only a part of the emissions shown in the table above it can be observed that the contribution of aviation to the greenhouse gas emissions has been pretty stable in the year period 19894-1998.

Airports

Owing to its geographical position, access to Cyprus is best effected by air. The airport is the first and last thing that visitors experience in the country and it contributes greatly to the creation of a good or bad impression of the destination.

The existing airports of Larnaca and Pafos must be enlarged and upgraded in order to better serve the needs of the tourist flows which are targeted in the strategy. The aims are to:

- Cover the numbers of both passenger and airline traffic
- Provide high level services to both passengers and airlines

Road Networks

In Cyprus, one can generally comment that there is access by road to almost the whole island (the non-occupied areas). The inter-city network is gradually completed. The road network that connects the tourist areas with the interior, villages, sights etc needs improving. The development of products such as themed and composite routes, agrotourism, cycling and hiking requires the establishment of an appropriate road network and special road signs.

Cycling routes

Local and regional plans include provision for the gradual establishment of an extensive network of bicycle routes and pedestrian streets to assist movement within and between the resorts.

3.5 LIMITING THE DENATURING OF THE COASTAL SPACE, RESTORING THE NATURAL HERITAGE.

As it has been commented in previous sections of this study, the large number of tourist inflows in the island, the intense phenomenon of seasonality with the high concentration of tourists in the summer months, the excessive tourist development in the coastal areas have caused serious and permanent environmental impacts.

First and most importantly, an important part of the coasts have been urbanised through the constructions of extended size. This has an effect on the morphology of the coast, the marine environment through works for the “enhancement” of beaches. Additionally due to the over crowdedness phenomenon, there is proliferation of solid waste. Species such as the monk seal, green turtle and caretta caretta have become scarce.

Cyprus is an island with poor water resources. The seasonality phenomenon and the large number of tourist inflows have caused a significant additional drinking water need during the summer months. To resolve the problem the government has proceeded with the construction of desalination plants, an expensive way of drinking water production.

The development of water sports in the great extent is occurring in the island has created problems of sea pollution but also problems of noise.

Due to the way development occurred, in a rapid and unorganised manner, the result turned out to be over construction with no planning and no respect to the local character. Hotels are of great size, build one next to the other, obstructing in a lot of cases the view of the sea. This phenomenon as explained by the policy makers and the responsible authorities was due to the fact the Cyprus need to boost from tourism after the war for economic reasons. However, it can be observed that the same pattern of development has occurred in the whole island in the period of 20 years, in all the coastal areas, without identifying improvements or efforts to protect the environment and avoid the mistakes already made. Even, until today the touristic zones set by the authorities involves a high construction index, resulting once more in dense development adjacent to the coasts.

Although there have been efforts to revitalize other areas of the country to attract tourism, such the already launched programme of agrotourism the scale of the coastal development still remains unchanged. Agrotourism is a programme which involves fewer people and attracts specific, smaller groups of tourists.

Concerning the efforts of eco-tourism which has a lot of similarities with agrotourism, they are at small scale due to the same nature of eco-tourism. Therefore policy makers should not account on such efforts to alleviate the pressure from the tourist coastal areas.

Some significant environmental impacts which have been caused by this type of development are permanent and non-reversible. In the already developed destinations which are basically all the main coastal areas of the non-occupied areas, over development can only be reversed if buildings are demolished This has not been included in any tourism policy published and there are definitely no such plans.

There are still though other measures to take which could improve the existing situation. These include the following:

- ❑ Change in the town planning zones of tourist areas by lowering the construction index and by limiting the areas where tourist accommodation can be constructed.
- ❑ Conduction of Environmental Impact Assessment (EIA) of the master plans of tourist development.
- ❑ Stricter rules for the new accommodations, through the conduction of EIA studies and close surveillance of construction.
- ❑ Strict protection of the areas which are protected through international treaties and conventions such as the Ramsar Convention and the Natura 2000 network.
- ❑ Efforts to protect environmentally sensitive areas such as the Akamas Peninsula should be intensified in order to protect the flora and fauna of the land area but also to protect the sea environment, since the area is one of the last main birthing places for the turtle species *Chelonia mydas* and *Caretta caretta*.
- ❑ Promote the establishments environmental management systems and Eco-labeling both for individual tourist organizations but also for local authorities.

4.6 IMPLEMENTING THE ENVIRONMENTAL MANAGEMENT OF ACCOMMODATIONS, FACILITIES AND TOURIST RESORTS

Sustainable development arises in the heads, flows in political programmes and finds its realisation at concrete places: IN REGIONS, IN COMMUNITIES, IN BUSINESSES.

Operational environmental management is therefore always a component of sustainable regional development because companies do not exist only virtually but part of a region or municipality. A company employs employees from the nearer and more distant surroundings through raw materials, products, emissions, flows of traffic etc.

Tourism depends on an intact nature and land developed and cultivated by humans through the work of earlier generations. A hotel in a damaged landscape does not have good chances for survival, whereas the hotel in an intact landscape can flourish.

Hotels, in the latest five years have started to realise the importance of environmental issues. Their motive was initially and still is at a great extent the marketing of the product they offer. These has also been increased pressure from tour operators for the implementation of environmental management schemes.

The benefits for an organisation from the implementation of environmental management systems are numerous:

- ❑ Reduction of operational costs as a result of increased efficiency of the natural resource use such as energy and water. Efficient energy use can be achieved in many non expensive ways without compromising the quality of the services offered. Concerning water, the benefits go beyond the operational costs saved, since in Cyprus it is a scarce resource.
- ❑ Marketing advantage of the organisation, especially concerning the tour operators' choices and the individual tourist's choice.
- ❑ Improvement of the company's relationship at local as well as international level. An organisation which has as its main operations the provision of tourist services has close relationships both locally with the authorities and the people it employs but also internationally with the visitors from several countries. Therefore the establishment of an environmental management system could enhance these relationships.
- ❑ Enhancement of the relationships with personnel. The establishment of an environmental management system provides a way of attracting, keeping and giving incentives to the personnel of the organisation. Any company wishing to employ and keep highly qualified personnel must promote feeling of pride and loyalty. Care for the environment is increasingly linked, especially among young people, with a dynamic and progressive management with long-term goals and prospects. By showing their concern for environmental issues, enterprises respond to public expectations and, at the same time, provide incentives to their own

personnel. In this way, they can be successful in attracting the best human resources available while avoiding high turnovers.

- ❑ Competitive advantage in financing and insurance. Nowadays, before granting a loan, more and more banks assess the company's environmental performance. They want to know the extent of the company's liability risk and its ability to respond to it. This is why companies that will adopt high environmental standards in their operations will be in a more advantageous position in terms of financing and insurance, compared to competitors who have not made any efforts towards this direction.

The Cyprus Tourism Organisation have initiated an incentives scheme for the establishment of ISO 14001 in the hotel industry by financing part of the expenses if a company wishes to establish ISO 9000 and ISO 14001 together, while if a company establishes only the ISO 9000 there is no financing.

Other efforts which took place in the country in the last two years include the conduction of a LIFE programme focussing on the development and establishment of Environmental Management Systems in Cyprus. The study included the a pilot project where in some industries an effort was made to inform and develop at least at the initial phases an environmental management system. Two of those industries included a 4 star hotel and a tourist village.

As mentioned at the beginning of this section environmental management is not only a matter which should concern individual organisations but also greater groups such as local authorities. For the tourist industry this could play a very important role in the development of place a resort and environmentally friendly destination since there is a two way close relationship between the local authorities and hotels. A hotel is only an organisation offering a certain range of services to the visitor. The visitor though interacts greatly with his/her surroundings formulating an image of the destination where in a lot of cases the impressions of the hotel and the surroundings are inseperable.

In Cyprus, efforts to promote environmental management are still at a very early stage of development. This is one of the reasons that in many coastal areas there are conflicts between accommodation owners and the local authorities since there are complaints about increased noise, traffic, visual pollution etc. Indeed there are still quite a lot to be done to improve the situation in the coastal areas especially during the peak months.

There are numerous benefits for a local authority to promote environmental management :

- ❑ First and most importantly the outcome will be a significant improvement in the environmental conditions of the place.
- ❑ Ensurance of the maintenance of the local character of the area.
- ❑ Amelioration of the local authorities' relationships with the hoteliers, the inhabitants of the area and the consequently the tourists.

- The local authority will not only be a controller but will become a partner in the efforts for increased welfare in the area.
- The image of the area as a destination will be upgraded as a whole, and not only partially i.e. for the sun and the beach, or the good quality of the hotels.

Highlighting the benefits is not adequate to promote environmental management. Efforts should be directed both the awareness of the interested parties but also at the building up of the necessary infrastructure to support such efforts. There are still several laws related to environmental issues which are not yet enforced. The law on EMAS and the necessary institutional infrastructure along are not yet in place. Therefore this does not facilitate the rapid promotion of implementation programmes and the necessary infrastructure.

For example there are not any wide scale recycling schemes in the country. The respective laws on waste are still at the latest stages of being approved by the Parliament, therefore the driving force to enforce recycling programmes is still not in place. On the other hand, organisations which implement environmental management systems do not have the opportunity to promote recycling since there is still no interest for its collection.

Additionally, the local authorities need further encouragement as well as financial and technical support to get involved in such efforts. For this to be achieved there needs to be greater communication between local authorities and involved authorities. The government has a very important role to play both as a supporter through incentives but also as a catalyst to mobilise other involved groups.

There has also been discussion about the promotion of Eco Label both at the company and the locality level, however there are no decisions taken yet of how things will proceed. The regulation of Eco-Label will be transposed in the legislation upon accession of Cyprus to the EU.

BIBLIOGRAPHY

1. Cyprus Tourism Organisation, Annual Report, 1998
2. Cyprus Tourism Organisation, Annual Report, 1999
3. Cyprus Tourism Organisation, Annual Report, 2000
4. Cyprus Tourism Organisation, Code of Conduct for Tourism and the Environment
5. Cyprus Tourism Organisation, The Cyprus Agrotourism
6. Cyprus Tourism Organisation, The Development of Winter Tourism in Cyprus 1995
7. Cyprus Tourism Organisation, Incentives scheme for winter tourism 2001/2002
8. Cyprus Tourism Organisation, Social Impacts of Tourism in Cyprus, December 1988
9. Cyprus Tourism Organisation, Tourism in Cyprus 1995
10. Cyprus Tourism Organisation, Tourism in Cyprus 1996
11. Cyprus Tourism Organisation, Tourism in Cyprus 1997
12. Cyprus Tourism Organisation, Tourism in Cyprus 1998
13. Cyprus Tourism Organisation, Tourism in Cyprus 1999
14. Cyprus Tourism Organisation, Tourism in Cyprus 2000
15. Cyprus Tourism Organisation, Tourism Strategy 2000-2010
16. National Observatory of Athens, Strategic Plan for the limiting of greenhouse gases in Cyprus, June 2001.
17. Matsis S., Impact of Tourism on the Cypriot Economy
18. Saveriades A., Establishing the social tourism capacity for the tourist resorts of the coast of the Republic of Cyprus, *Tourism Management* 21 (2000) 147-156
19. Statistical Service, Tourism Migration and Travel Statistics, 2000.