



Cyprus strengthens diplomatic ties with India

On 29th December 2022, the Minister of Foreign Affairs of India, His Excellency, Dr S. Jaishankar was on a two-day mission to Cyprus. Bilateral relations between both countries have been traditionally very close and friendly. In fact, the year 2022 marked the 60 years of diplomatic relations between India and Cyprus.

During his visit, the Indian Foreign Affairs Minister met the Minister of Foreign Affairs of Cyprus, Mr Ioannis Kasoulides and President of the House of Representatives, Mrs Annita Demetriou. The Indian Minister also had the opportunity to address the business and investment community of Cyprus in an event in Limassol where he met the Cypriot Deputy Minister of Shipping, Mr Vassilios Demetriades.

Three important agreements were signed between the two countries upon the visit of the Indian Foreign Affairs Minister in Cyprus relating to (a) Defence and security cooperation, (b) Declaration of intent for Migration and Mobility Agreement to be put in place and (c) International Solar Alliance

in line with the Paris Agreement on climate change. Moreover, a range of areas were discussed between the Ministers of the two sides where Cyprus and India are working increasingly closely and have the scope to further develop the existing economic and diplomatic links. More specifically, the seven areas that were identified and agreed that Cyprus and India should work forward are as follows; Finance, Shipping, Tourism, Knowledge Economy, Mobility flows, Third country projects and Collaboration in the Mediterranean region.

The High Commission of India in Nicosia, Cyprus also organised a cocktail reception to welcome the Indian Minister in Cyprus where the latter had the opportunity to interact with the Indian diaspora based here in Cyprus. The reception was graced by a few Indian cultural shows performed by the Indian community living in Cyprus. It is worth noting that the Indian community in Cyprus comprises of around 8,000 professionals in shipping, IT, Fintech, students, farmhands and domestic workers.



Cyprus - India bilateral relations from an Investment's perspective

Cyprus is among the top 10 investors in India with cumulative investments of USD 12 Billion during April 2000 - September 2022. These investments as foreign direct investment equity inflows were in sectors including services, computer and software, auto manufacture, manufacturing industries, real estate, cargo handling, construction, shipping and pharmaceuticals.

Cyprus is classified in Funds as Foreign Portfolio Investors ("FPIs") eligible for Category I licence. Cyprus is one of the three countries, outside Financial Action Task Force countries, to obtain such an approval from the Central Government of India. This classification offers facilitation of investment funds from Cyprus for investors and asset managers in the Indian markets. In December 2021, Invest India and Invest Cyprus signed a Memorandum of Understanding which aims at strengthening bilateral efforts for increasing mutual investment activities and support business cooperation between India & Cypriot companies.

Cyprus can act as a keystone for attracting, managing, structuring and channelling trade and investment flows into Europe and India while offering a conducive and efficient set-up to foreign entities. Towards these ends, it can capitalise on the country's intrinsic strengths linked to its business climate, investment-grade status and compliance with international norms and standards, regulatory framework, political and social stability, investment protection conventions, flight connectivity, infrastructure set-up and highly skilled workforce.

Concluding Note

The recent visit of the Indian Foreign Affairs Minister to Cyprus sent a positive signal of the strong relationship shared by the two countries, clearly demonstrating the willingness for further collaboration and development of economic and political links between the two countries at the highest level. There is huge optimism amidst all stakeholders that these initiatives would be a success injecting new impetus into the Cyprus-India relations, which is expected to ultimately enhance business collaboration and boost trade for sustainable growth between the two countries.



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