



**Chief Scientist  
for  
Research, Innovation  
and Technology**

# **INNOVATE AND ELEVATE: THE BRIDGE SHAPING THE DIGITAL ECONOMY.**

**Demetris Skourides**

Chief Scientist for Research, Innovation and Technology of the Republic of Cyprus.  
Chairman of the National AI Taskforce.

**Investopia Global - Mediterranean.**

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# INNOVATE AND ELEVATE: THE BRIDGE SHAPING THE DIGITAL ECONOMY.



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# Futureproofing Cyprus



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## High-speed Fiber Connectivity

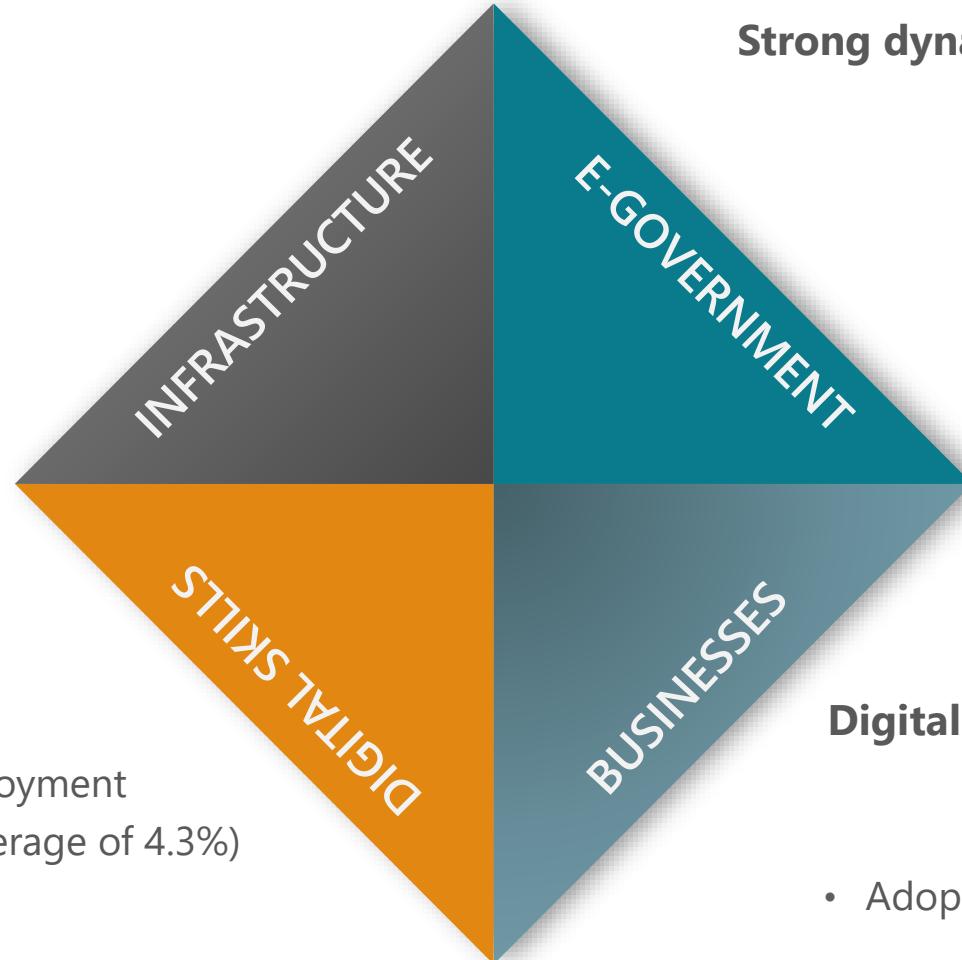
- 100% coverage by 2025

## 5G Connectivity

- 100% coverage since 2022

## ICT Specialists

- 5.4% of Cypriot population in employment
- 17.4% annual growth (above EU average of 4.3%)



## Strong dynamic in digitalization of public services

- for citizens at 74.0, with annual growth rate 16.3%)
- for businesses at 86.1

## Digital ecosystems and innovative enterprises

- SMEs basic digital intensity at 67,3%
- Adoption rate of advanced technologies at 58%
  - → higher than EU average (54.6%)

# Cyprus Performance at a Glance



Ranked no.10 in  
European Innovation  
Scoreboard



Ranked 4<sup>th</sup> in  
Emerging Europe, 11<sup>th</sup>  
Globally Greenfield  
FDI Performance index  
2023



Ranked no 27 on  
Global Innovation  
Index



78% increase in  
Startups since 2024



No 2 in Gaming  
Globally



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Ernst & Young Report on global  
Foreign Direct Investment (FDI) trends:  
**Cyprus ranks as the 2nd country  
globally in terms of per capita FDI**



Cyprus climbed  
**2 positions in the 2024 IMD  
World Competitiveness Yearbook,**  
due to increased FDI



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# Economy & Performance at a Glance

€29,180 GDP per capita 2024	€31.34 billion GDP in 2023
2.3% inflation rate 2024	4.9% unemployment rate 2024
2.0% Government deficit / surplus 2023	73.6% Government gross debt 2023



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Moody's **A3**

Fitch Ratings **A-**

**S&P Global** **A-**

**MORNINGSTAR®** **A(low)**

**SCOPE** **A-**





# CYPRUS TECH SECTOR

**6.2%**

GROWTH OF ICT SECTOR (2023-2024) ALIGNING WITH OVERALL ECONOMY GROWTH OF 6.4%  
SOURCE: KPMG REPORT



**16%**

DIRECT CONTRIBUTION TO GVA IN 2024

SOURCE: KPMG REPORT



**1st in EU27**

CYPRUS EXPERIENCED A 347% GROWTH IN GVA ICT, FROM 2014 TO 2023

SOURCE: KPMG REPORT



**12%**

GROWTH ICT EMPLOYMENT IN CYPRUS BETWEEN 2015-2024  
SOURCE: KPMG REPORT



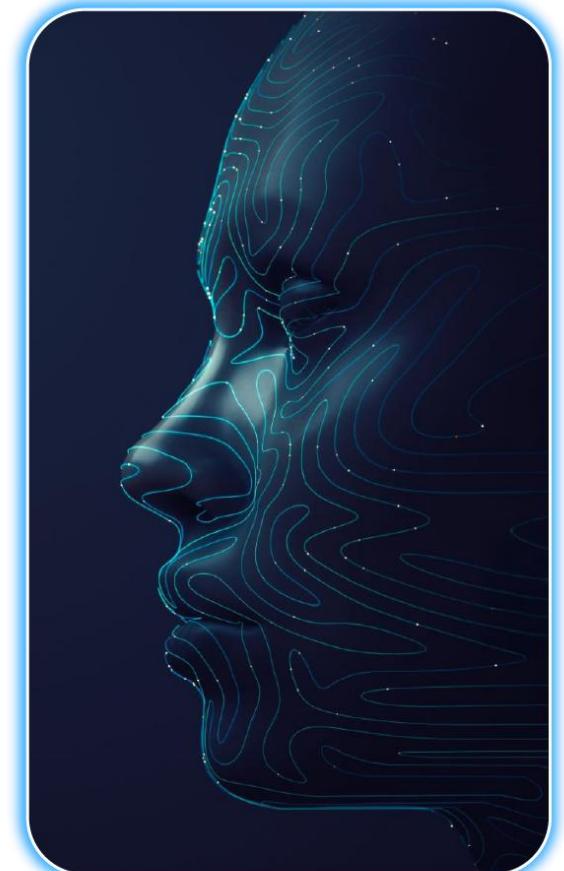
**2nd in EU27**

ON ICT CONTRIBUTION TO GVA CY €29,7 BILLION VS EU AV €3,4 BILLION

SOURCE: KPMG REPORT

**129%**

INCREASE IN OVERALL FDI IN CYPRUS IN 2023, WITH THE TECH SECTOR LEADING THE WAY  
SOURCE: DEP MINISTRY OF INNOVATION



# Cyprus Innovation Ecosystem



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A regional hub for technology & innovation

500+  
Startups & Scaleups

140+  
Tech Cos

€352.5M + €40M  
VC money + Grants

20+  
Universities, CoEs & Research Institutes

4.000+  
Entrepreneurs

60+  
VC investors

invested in CY startups &  
scaleups in the past 5 years

15+  
Incubators & Accelerators



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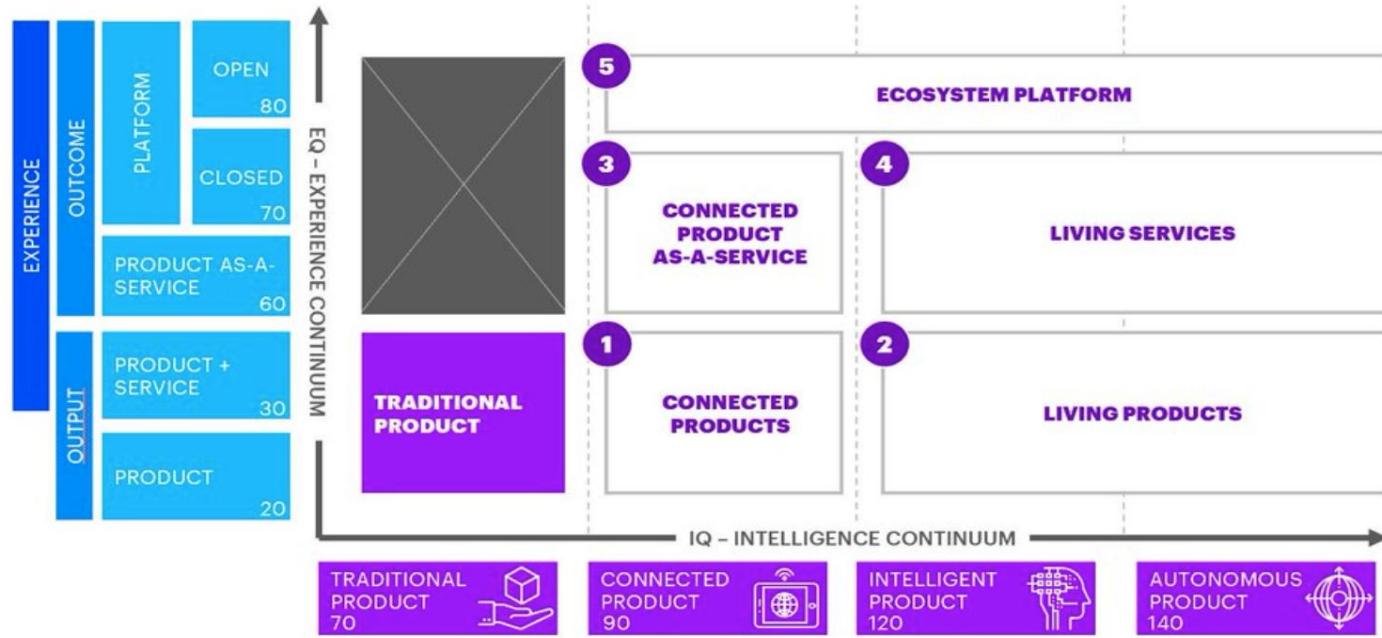
# Innovate & Elevate



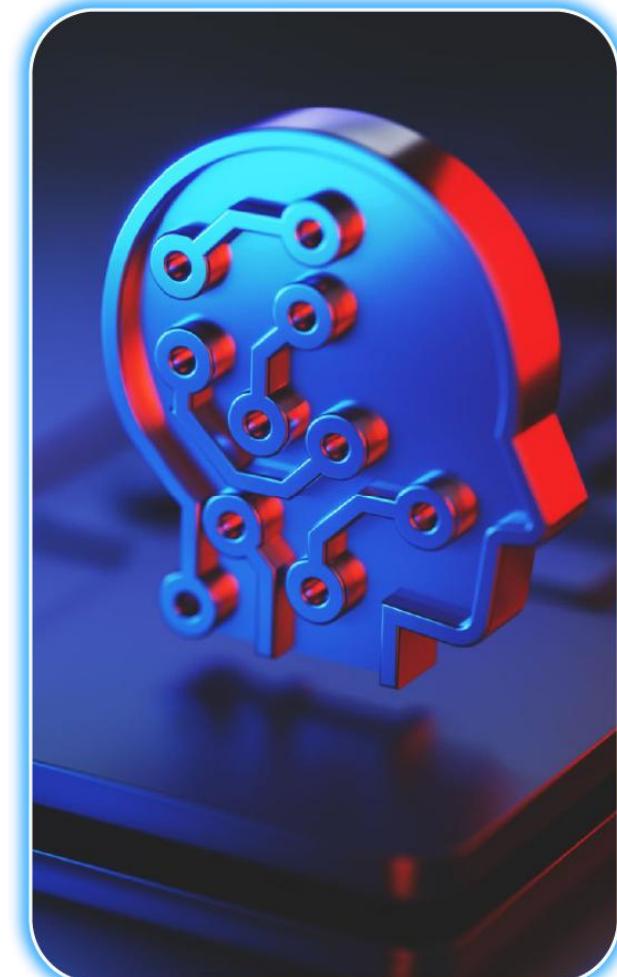
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## THE PRODUCT REINVENTION GRID

**Experience Quotient (EQ)**  
measures the degree of sophistication achieved in terms of services levels



**Intelligence Quotient (IQ)** measures product's degree of technical sophistication



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**Cloud 1<sup>st</sup>, Mobile 1<sup>st</sup>, AI 1<sup>st</sup> Policies - Goal**

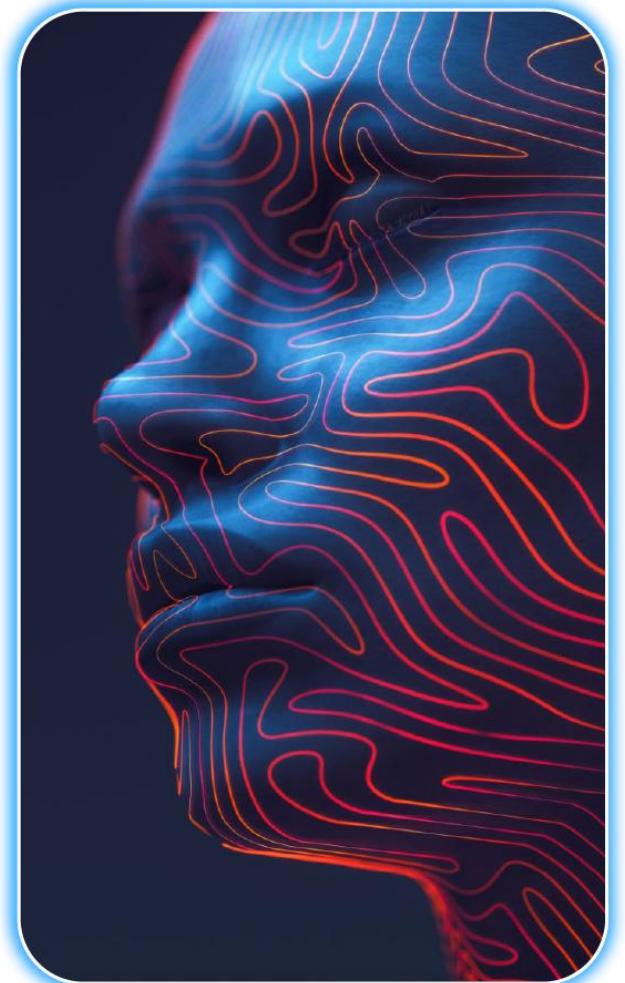
R&I

Data

Infrastructure

Talent

GTM Support



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February 2025

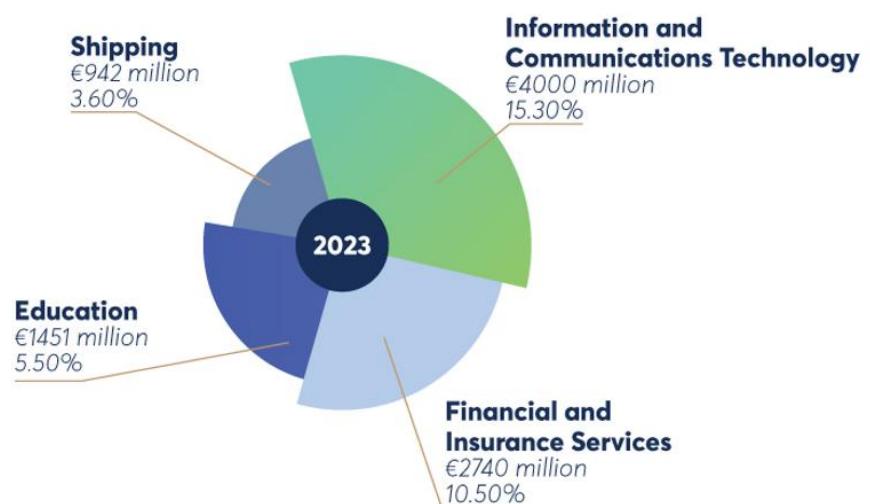
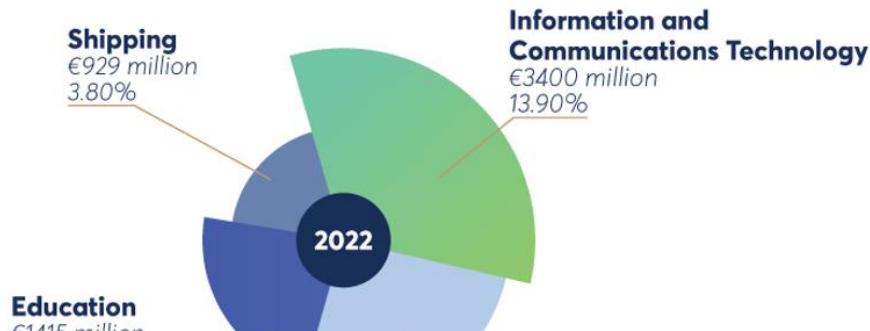


October 2024

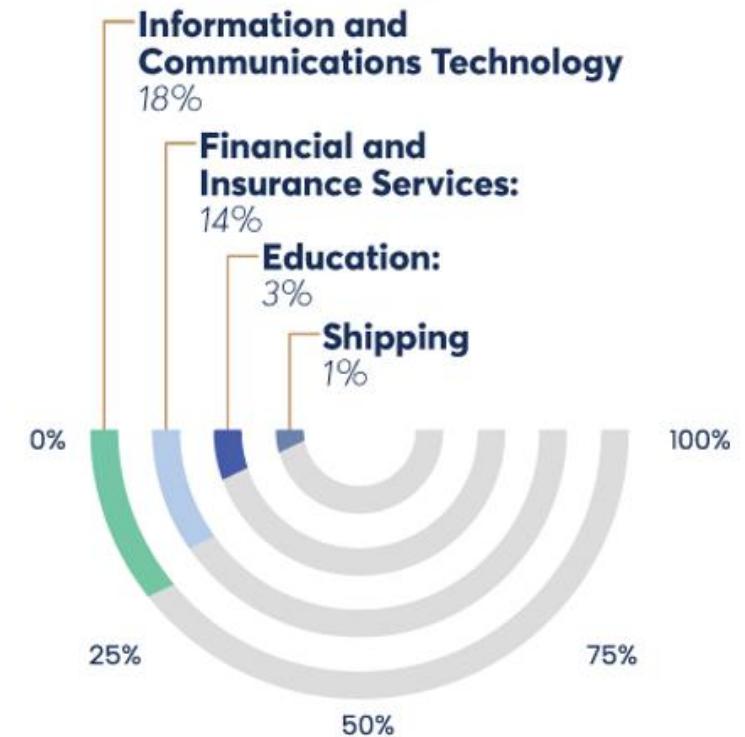
# Growing Diversification of the Economy



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## Percentage Change

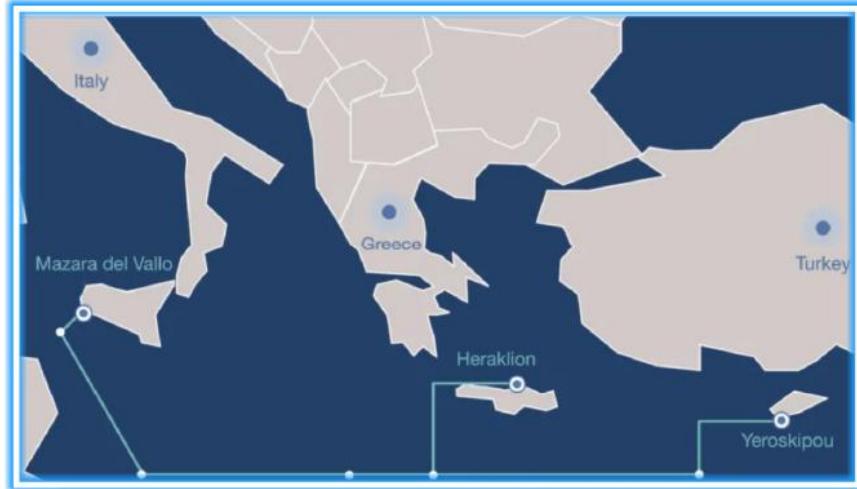


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# Futureproofing Cyprus: 2035 Vision



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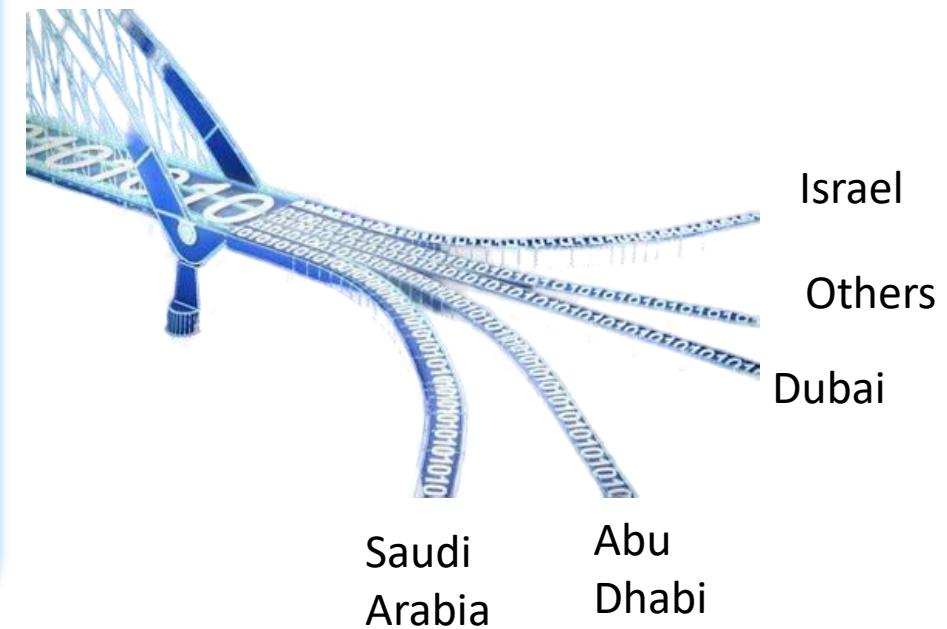
Gateway Hub



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AI AND DATA  
SOVEREIGNTY



# Futureproofing Cyprus: 2035 Vision



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## KOIOS

Monitoring, Control, Security &  
Management of Critical Infrastructures

## CYENS

Visual Sciences,  
Human Factors & Design,  
Communications and Artificial Intelligence

## CMMI

Marine technology, marine sciences,  
marine social sciences



## PHAETHON

Intelligent, efficient and sustainable energy  
solutions

## BIOBANK

Biobanking & Biomedical Research,  
Genetic Diseases, Molecular Medicine

## ERATOSTHENES

Earth Observation, space technology and  
Geospatial Information

## EMME-CARE

Climate & Environmental Research with a  
regional focus



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# Why Cyprus



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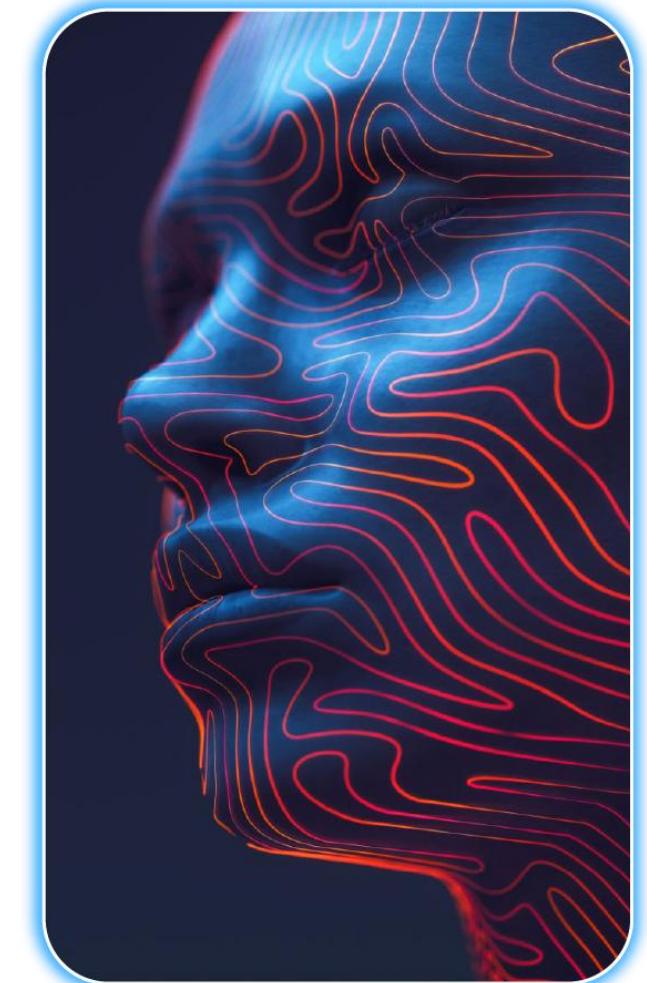
## CORPORATE TAX

- 01 12.5% corporate tax rate
- 02 Favorable IP Regime as low as 2.5% effective tax rate
- 03 50% tax exemption for investment in certified innovative companies
- 04 Increased deduction on R&D expenditures (120% of the actual eligible R&D expenses)

**New non-domiciled employees**  
Tax exemption of 50% to apply for min. income of €55,000/year  
□□ period 17 years

Tax-free band of €19,500 for all tax residents

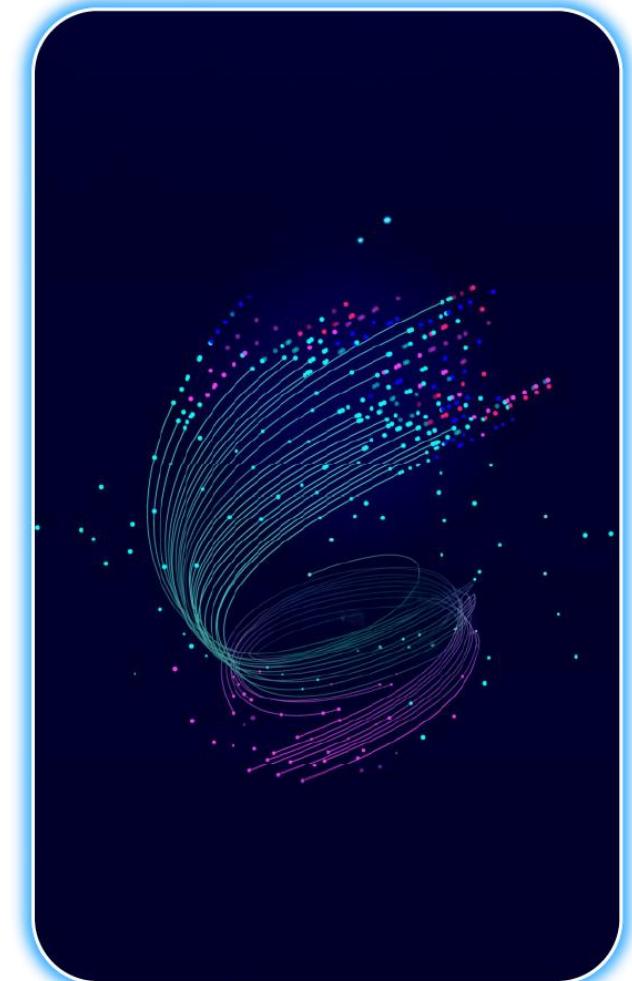
## INCOME TAX



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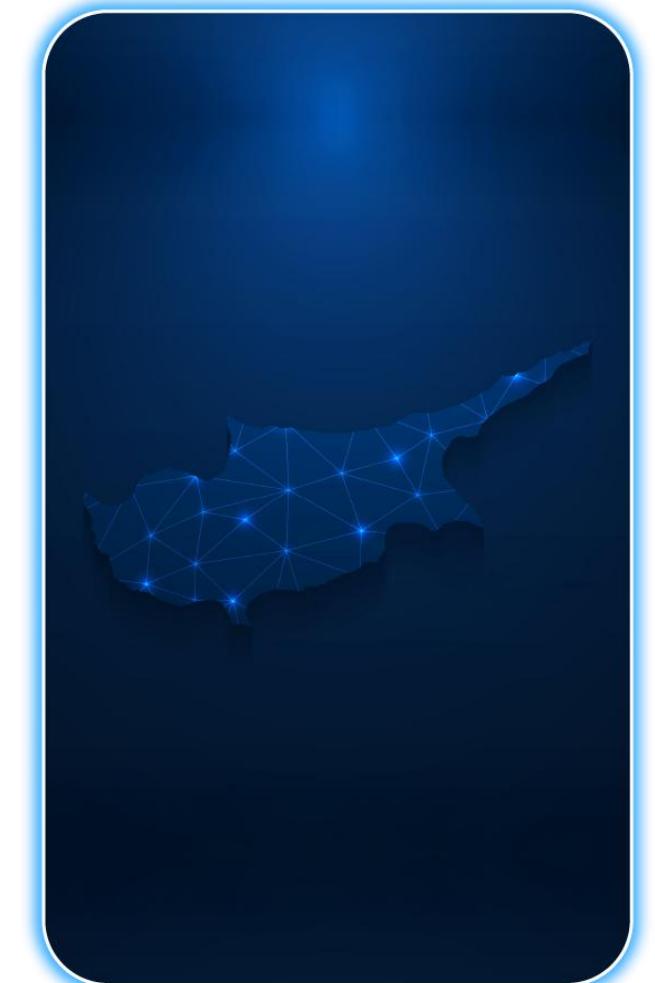
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