

**Dear Deputy Minister of Tourism,**

**Distinguished Guests from abroad,**

**Dear President of the Cyprus Hotel Association,**

**And Dear Delegates,**

**As the newest member of the Cyprus Hotel Association, it is an honor and privilege to be invited to address a host of fellow and like-minded Hospitality professionals here today, on the occasion of the 41<sup>st</sup> Annual Cyprus Hotel Association Conference.**

**Today I will talk about Melco's vision in taking Cyprus Tourism to a new/elevated dimension.**

## WHERE WE WERE

Lawrence Ho, the Chairman and CEO of Melco, is the youngest and most dynamic gaming magnate of the Macau gaming & entertainment resorts market. It is his vision to go global and introduce Melco Integrated Casino Resorts to Europe.

**In making his vision a reality, to take the decision to make a significant investment, a great deal of research was undertaken back in 2015:**

- to identify a country which has an ideal location that is in relative proximity to existing markets and one that is within reach of more lucrative markets,**
- to identify a country that already has a strong base of tourism and one in which we can bring added value to that hitherto was not developed as an opportunity for ICR's,**

- **to identify countries with a stable political environment,**
- **to identify a country which has a robust legislative and regulatory framework,**
- **to identify a jurisdiction where business is conducted transparently, (AML, KYC, GDPR, etc.),**

- **and finally, to determine, where there is a government that is supportive of the tourist industry as a whole, one that is supportive of an investment of this kind and indeed one that has the political will and desire to make it happen.**

**The Republic of Cyprus ticked all the boxes to the extent that Melco and its consortium entered into and won the tender to build and develop an Integrated Casino Resort, the largest of its kind in Europe.**

**In winning this tender, Melco and the Consortium, has committed to a 550 million investment for the construction and development of specific facilities, as well as, to several strategic goals:**

**Facilities such as:**

- **a five star, 500 room Hotel**
- **Conference Center & MICE facilities**
- **Spa**

- **a temporary casino in Limassol and 4 small satellite casinos in Nicosia, Larnaca, Agia Napa and Paphos.**
- **Within the Integrated Casino Resort, a Casino comprising no less than 100 tables games and 1,000 electronic games.**

**and Strategic goals such as:**

- **300,000 more tourists per year**
- **Reduce seasonality and build off season visitation**



- **create employment and career opportunities (construction will require circa 4,000 jobs and operations in excess of 2,000 direct employment)**
- **that the project boosts economic growth and increases GDP**
- **that we operate in accordance to and in compliance with all national and EU legislative and regulatory requirements**
- **that our project will eliminate illegal gaming**

## WHERE WE ARE

**As you are all probably aware, we have constructed and opened, in June last year, a Temporary Casino in Limassol, (the eventual home of the City of Dreams, Mediterranean), as part of our licensing obligations, as well as opening satellites in Nicosia and Larnaca in December. Agia Napa and Paphos will follow this year, hopefully in July and December subject to approvals from the Regulatory authority.**

**It can be said here that Melco and the Consortium have already made significant inroads to meet some of the goals previously stated:**

**For example:**

**As of January 2019 we now have 866 direct employees.**

**Taxes paid to the state: approximately 11 million Euros in gaming and corporate taxes, license fees, employee license fees, social security, VAT, & PAYE.**

**Our contribution to the economy being approximately 59 million: in direct payroll, construction and operating expenses we have injected 58.**

**Approximately 70 million euros in total thus far.**

## THE COMPETITIVE LANDSCAPE

**As an Integrated Resort, we do not see ourselves as a threat to local existing Hotel and Hospitality industry in the Republic of Cyprus, but, rather, as previously mentioned the ICR will enhance the tourist offering in Cyprus and add value to the industry and the support industry as a whole especially when considering that we have purposefully under roomed the hotel versus the size and scope of our future MICE facilities and the world class Entertainment and conferencing possibilities they represent .**

**Other than our strategic goals of attracting foreign guests as a result of Cyprus's proximity and from further afield, we (the industry as a whole) will also have opportunity to benefit from international guests who are currently patronising the North.**

**At this point, I thought it is worth sharing with you the competitive landscape of the Occupied Territories of the North:**

**There are:**

- **30 Casino/Hotels (some of which can be considered as Integrated resorts)**
- **Comprising 7822 rooms**
- **76 Restaurants**
- **7066 Slot Machines**
- **646 Gaming Tables**

**What does this mean in terms of financial impact?**

**Whilst the size of the market in terms of visitation and revenue is unclear, it is, clear that 30 Casinos & Hotels cannot be sustained without considerable revenues from all facilities especially when it is known that nearly 8,000 Hotel rooms are supporting casino operations. In comparison, our sole ICR will only have 500 which easily suggests that there are far more investment opportunities for the Hotel and Hospitality Industry in the Republic of Cyprus.**



**I personally do not believe that it will be Melco's investment alone that takes Cyprus Tourism to a New/Elevated dimension but rather, that in making it happen, we may be a catalyst to excite and attract the expected growth in tourism and subsequently stimulate local and foreign investors alike to inject capital into the Tourism sector and its infrastructure: into Hotels, enhanced facilities, entertainment, promotions, expos & exhibitions, events, festivals and at the same time develop and implement hospitality training and education for the labour force.**

**In closing; with ourselves (and in saying ourselves, I refer to the members of the Cyprus Hotel Association and all of us here today) and the Government working together, we will be part of new era to elevate Tourism into The Republic of Cyprus and put it on the must see destination World Map.**

