



NATURAL CAPITAL

Cyprus possesses valuable assets that even the Troika cannot subject to a haircut *By Dr. Artemis Yiordamli*



We've all been so shocked and busy lamenting the loss of our bank deposits that it has gone almost unnoticed that these weren't our only capital assets.

Dr. Vassos Karageorghis, the grand old man of Cypriot archaeology who is still active in his 84th year, was the first to point out in a lecture given within weeks of that fateful weekend in March 2013, that Cyprus is the repository of a *cultural* capital acquired over 9,000 years. No one can take that away from us.

Apart from our cultural assets, Cyprus also possesses a natural capital of even longer pedigree. Formed millions of years ago by the movement of the tectonic plates as Europe, Asia and Africa drew apart, the island has geological formations, fauna and flora (collectively known as biodiversity) that belong to all three continents, but are not usually found together. When Cyprus joined the EU, we brought with us a natural wealth which includes at least 150 known endemic species – plants, mammals, insects and birds found only in Cyprus and nowhere else on the planet.

“So what?” a businessman might say. Well, in the new era of corporate social responsibility, someone who thinks only of the bottom line, rather than collateral benefits, is distinctly ‘uncool’. But even for that cynical executive, the opportunities offered by Cypriot biodiversity can translate directly into cash: a very good reason, therefore, to preserve the wealth of Cypriot nature.

Biodiversity includes all living things on the planet, e.g. man, animals, birds and bees, fish and plants, as well as the surroundings in which they exist: their habitat. We may think of ‘natural surroundings’ but we should remember that many birds and small animals choose to nest or live under eaves or in dry-stone walls. So, in a general sense, our surroundings (geology and land cover including human constructions) form our landscapes and each landscape supports different forms of life. It is up to us to sustain them.

Apologies for the above short detour into ecology: it is a necessary prerequisite to understanding the business opportunities offered by our natural capital. No prizes for guessing that tourism is a prime beneficiary of natural heritage. The ‘new age’


tourist often chooses his/her holiday via an Internet search, piecing together the desired elements: travel, accommodation, things to do or to avoid. This person is likely to consult a travel website to read what other visitors have said about a destination and this is where Cyprus shoots itself in the foot. The Internet provides abundant references to the Cypriots' cruelty to animals, irresponsible shooting and illegal bird trapping. Prospective travellers are urged to boycott Cyprus until it improves its record. Such negative publicity masks the good bits, e.g. that Cyprus has unique geological formations, or that the Akrotiri Wetland is among the most important in the East Mediterranean, with over 300 species of visiting birds.

Now Europe's and the IMF's powerful men and women have decreed that we should forget about being a banking and financial services centre and concentrate on tourism instead. So we had better pay attention to our tourism product.

Everyone realises that the era of sun, sea and sand (and sex) is over but which way do we go now? Many options apart from agro-tourism are open to entrepreneurs with imagination. Unfortunately, young Cypriots' imaginations seem too often limited to the opening of bars and cafes, yet there is a vast range of special-interest tourism to develop. From geological hikes to star-gazing, there are numerous activities which can be offered from existing hotels: we don't need to keep building more agro-tourism villas. If the comparatively small island of San Miguel in the Azores can operate a well-frequented observatory for gazing at the Perseids, why can't we? Our night skies are just as clear of photo-pollution and our constellations just as interesting.

And for those who are not attracted by ‘special interests’, what about ‘special products’? Not just local wines, which we do well, but where are the acres of Cypriot lavender or rosemary, which we could be growing? Why haven't we developed cosmetics from grape seed and other by-products of wine-making? Chios, a one-product island growing mastic (the substance from which natural chewing gum is derived), now markets a series of attractively-packaged products based on mastic ranging from toothpaste to coffee.

This is where foreign investors can be useful with new ideas, expertise and, of



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course, fresh capital. Can they look at our flora – even humble plants that we take for granted – and think of new uses? One young Cypriot is already doing just that: Demetris Papacostas, 30, from Peristerona. His family's product, Tziverti honey, has just been declared the best honey *in the world* at the 2013 World Beekeeping Awards in Kiev. Tziverti was selected from 112 competitors from 25 countries. He makes three points that should be noted by other entrepreneurs:

- Cyprus is too small to compete in the mass market, but it has such a wealth of natural capital that it can provide fine, high quality, high-value products for niche markets.
- Our warm climate produces a rich variety of wild flowers and other blooms that can form the basis of such products.
- Research and attention to detail give you the edge.

His points apply not only to honey: think of herbal teas, cosmetics, soaps, liqueurs, spreads (like olive paté), all appropriately and attractively packaged. Cypriot dermatologists import expensive, orange-based skin care treatments from France. Why don't we make such products here? The island's climate is ideal for rose growing but we need to move on from the traditional and inefficient boiling of their petals to make rose essences: vacuum machines do the job far more effectively. Then we need trials and research to support effective marketing. Cypriot natural products probably contain many excellent properties that contribute to human well-being but we if don't know it ourselves, we can't tell the world about it.

Our natural capital is out there, awaiting those with knowledge and imagination. Let's utilize it but always keep in mind that, if that capital is over-exploited rather than used sustainably, we ourselves – not the Troika – will be responsible for depriving future generations of it. **G**