Can we relax on our strengths and ignore our weaknesses?

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On September 9, 2009, Mr. Sotiris Sotiriou published an article in the Financial Mirror in response to my article in the same newspaper on June 24. In his article, Mr. Sotiriou wrongly interpreted the intentions of my article.

There was no attempt in my article to interpret the International Narcotics Control Strategy Report (INCSR) findings since no personal comments or opinion were expressed. The contents of the article were direct extracts from the INCSR report (publicly available document).

I agree with Mr. Sotiriou that there are a lot of positive reports about Cyprus as a transparent, credible and law-abiding International Business Centre and that Cyprus has developed and implemented a potent, effective and internationally recognised legislative and institutional framework to successfully fight money laundering and illicit financial activities. Some positive reports were mentioned in his article and there are a lot more, such as my article published in the Financial Mirror on October 15, 2008, ***"Cyprus Climbs 8 places in Corruption Perception Index".*** That article had pointed out that Cyprus was one of the countries that improved most from 2007 to 2008 in the CPI rank, a Transparency International tool indicating the degree of public sector corruption as perceived by business people and country analysts.

However, despite the positive reports about Cyprus, the concern of anyone who interested to improve even more the status of Cyprus as an International Business Centre should be, in my opinion, to identify the weaknesses/negative reports, etc., and to point them out in an attempt to alert the relevant authorities. I believe the authorities did a lot in the last few years and were in the right direction to take further actions to remedy/eliminate the problems.

I don't believe ii is correct to relax and celebrate because of positive reports, ignoring the negative ones, and criticise anyone who identifies them. If we relax and do not identify our weaknesses, whether a company or a government, then we cannot remedy them and we cannot improve. The private sector and governments should adopt a continuous improvement strategy and this can be achieved by monitoring, identifying and eliminating weaknesses.

Recently, the Minister of Finance announced 20 measures to fight tax evasion. Many professionals (accountants, lawyers, etc.) might disagree with some of those measures. If one of these professionals published an article identifying the 4-5 measures that might negatively affect the Cyprus economy, should we interpret this as an attempt to portray a negative picture of the Ministry of Finance or should we adopt a more constructive approach and interpret these as attempts to alert the Ministry to the negative affects such measures could have so as to reconsider them?

Recently, economies have been ranked by the World Bank on their ease of doing business. Even though Cyprus was ranked 40th out of 183 countries, in some indicators Cyprus' ranking was very low. For example, in Dealing with Construction Permits Cyprus was 77th, for Employing Workers it was 93th, for Protecting Investors 93rd and for Enforcing Contracts 107th. Relevant authorities' concern should be to identify and improve these low ranking indicators in order to achieve further improvement of the Cyprus business environment and not just relax because Cyprus' total ranking (40) was high.

Companies and the government alike need to identify their weaknesses, and not just relax on their strengths, because without identification of weaknesses no actions can be taken to remedy them. Nowadays that everything is changing so fast "we have to run to stay in the same position".

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