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1. Cyprus Problem

The month of December began with Turkish Prime Minister, Ahmet Davutoglu, arriving in the north where he met with Turkish Cypriot leader Mustafa Akinci. Speaking at a joint press conference, Davutoglu stated that “Turkey is ready to support a viable, just and peaceful solution, just like it did with the Annan plan in 2004”. Moreover, he declared that Turkey’s “aim is for this solution to present a good example of coexistence based on bizonality and political equality, based on two constituent states and the creation of a new Republic.” Akinci referred to the summit held between Turkey and the EU in late November and said that it he was pleased to see progress in Turkey-EU relations and pointed out that the solution of the Cyprus problem would help the development of relations between Turkey and the EU, remove the tension in the Eastern Mediterranean and enable cooperation for the energy corridor to reach Europe via Turkey.

Meanwhile, a photo taken at the Brussels EU-Turkey Summit in late November depicting Davutoglu and President Nicos Anastasiades with European Commission President, Jean Claude Juncker, circulated in the media. The Turkish government was quick to point out that this did not imply any recognition of the Republic of Cyprus or Anastasiades as its president.

With the inclusion of the intensified series of talks initiated in November, President Nicos Anastasiades and Turkish Cypriot leader

Mustafa Akinci held meetings on December 4, 15 and 20. The sensitive issue of property was discussed during the meeting on December 4 which came just a day after the visit of US Secretary of State John Kerry and two days after that of Russian Foreign Minister Sergei Lavrov.

On the Cyprus problem Kerry stated that a settlement was “within reach” and that it had been a priority for him and US President Obama. Furthermore, “a united Cyprus can stand as a beacon for peace in a troubled region of the world,” Kerry said. Anastasiades and Kerry discussed the issue of guarantees and security. The US agrees with the Greek Cypriot government, that no military guarantees are needed for a member state of the EU. The economic aspects of a settlement were also briefly discussed. In relation to this the International Monetary Fund (IMF) spokesman, Gerry Rice, confirmed on the same day that technical assistance would be provided for the economic aspect of a post settlement situation in Cyprus.

As regards Russia’s position on the Cyprus issue, Lavrov stated that a solution should be sought through a voluntary agreement of both sides, adding that in the past outside mediation had not brought a solution. According to the Russian Foreign Minister, the UN Security Council should have a role in the final results of a settlement. While Kerry crossed to the north and met with both leaders separately, Lavrov refused to meet Akinci in the north. An invitation by Lavrov to meet Akinci in the buffer zone was declined by the Turkish Cypriot leader.

The Chinese Foreign Minister Wang Yi also visited Cyprus on December 21. On the Cyprus problem Wang stated that: “China follows developments of the negotiations on the Cyprus problem and supports Cyprus’ efforts in safeguarding its sovereignty and territorial integrity”. Anastasiades and Wang Yi also discussed the role that the UN Security Council might assume in the event of a settlement of the Cyprus problem both in terms of facilitating the agreement and its implementation. The arrival of Wang Yi concluded a series of official visits by diplomats of the five permanent members of the UN Security Council in less than a month, including those of the British FM Philip Hammond mid-November and French President Francois Hollande who stopped by on December 5. The Cyprus problem and regional issues were discussed between Anastasiades and Hollande during a short meeting held at the Larnaca airport.

Speaking to Greek TV channel ERT in Athens on December 9, Anastasiades commented on the notion of a Cyprus solution occurring by March: “There is a possibility of finding solutions but there are still many details... there are obstacles regarding territorial adjustments, the property issue and the withdrawal of Turkish troops. There is still distance to cover and what is said about March is overly optimistic”, Anastasiades stressed. The statement was made after Anastasiades caused a stir among Greek Cypriot parties during a National Council meeting when he referred to a possible postponement of the

parliamentary elections in case there was a Cyprus solution.

Speaking during his end of the year press conference at the United Nations (UN) Headquarters, the UN Secretary General Ban Ki moon said “I am encouraged by progress in the negotiations on Cyprus. A solution to decades of division is within reach”.

Turkey’s EU Minister and Chief Negotiator Volkan Bozkir met with the Cypriot EU Commissioner for Humanitarian Aid and Crisis Management, Christos Stylianides. Following the meeting, Bozkir said “the Cyprus problem is at a point where it is closest to the solution in the 50-year history, and hopefully [the two leaders] will be able to reach a point to present a constitution to the referendum in spring.”

The European Commission announced on December 11, the approval of €32 million from the EU budget for its new financial assistance programme for the Turkish Cypriot Community.

During a meeting held in Ankara on December 9, UN SG Special Adviser, Espen Barth Eide and Turkish Prime Minister, Ahmet Davutoglu discussed security and guarantees related to Cyprus as well as regional developments. Meanwhile, following a meeting with Anastasiades on December 15, Eide stated that a multi-lateral conference including the three guarantor powers (Great Britain, Greece and Turkey) and the Turkish and Greek Cypriot communities was on the cards but the timing would depend on

the progress on other fronts of the talks. According to the Cyprus News Agency, Eide plans to informally bring the two sides together with the guarantor powers during the World Economic Forum in Davos scheduled for January 20. The government, however, denied having been invited to participate in such a venue pertaining to the issue of guarantees. Similarly, the Turkish Cypriot presidential spokesperson Baris Burcu said that there was no preparation for an informal multilateral conference in Davos as alleged in the Greek Cypriot press.

On December 20, the leaders jointly visited the anthropological lab of the Committee on Missing Persons in Nicosia where they recorded a message with a plea towards all Cypriots to provide information on missing persons and possible burial sites. The appeal is expected to be broadcast on TV island-wide. During the leaders meeting that followed, the last for 2015, Akinci and Anastasiades discussed the property issue and reviewed the negotiations so far since their resumption in May 2015. In a UN statement issued after the meeting, both leaders were satisfied with the progress that had been achieved to date. The next leaders meetings are scheduled for January 7, 14 and 29.

On the occasion of Christmas and New Year, Anastasiades and Akinci gave a joint televised holiday message for peace and reunification in both Greek and Turkish. "I wish the new year will allow us, Turkish Cypriots and Greek Cypriots, to live once again peacefully in our reunited motherland," Anastasiades said in Turkish while

Akinci said "I wish the new year will bring lasting peace, serenity and prosperity to all Cypriots," in Greek. A behind the scenes video of the shoot released by Omada Kypros (Team Cyprus), a Greek Cypriot think tank which aims to contribute to the peace process, went viral in social media. Available at: <https://www.facebook.com/omadakypros/videos/720362128065135/?pnref=story>

On December 29, Akinci gave a live televised interview in which he estimated that the total compensation for properties in the north could reach \$25-30 billion. Moreover the Turkish Cypriot leader argued that a proposed solution is not likely to be approved by Turkish Cypriots unless it included Turkish guarantees and secured that Turkish Cypriots maintained a majority of population and property ownership in their constituent state. Akinci's statements sparked a harsh reaction by the Greek Cypriot parties including the Greens, the Citizens Alliance as well as the President of the Cypriot parliament Yiannakis Omirou and Archbishop Chrysostomos. In order to avoid a confrontational approach, the government expressed via its spokesman Nicos Christodoulides that only a solution that fully respects basic EU freedoms and human rights could bring a successful outcome to the Cyprus negotiations.

On December 15, a DISY delegation visited the UBP. The leaders of the two parties told the press that they had decided to establish a joint committee to exchange ideas on issues, which are of interest to both Turkish and Greek

Cypriot communities and to produce common ideas. On December 18, a CTP-BG delegation paid a visit to the Democratic Rally (DISY). After the meeting, the leaders of the two parties, Mehmet Ali Talat and Averof Neophytou, announced their decision to establish a new joint committee to work towards bringing together the parties on the two sides and the people in general. Earlier in the month, the leaders and representatives of political parties from both sides of the divide came together as part of routine meetings hosted by the Slovak Embassy in Cyprus. December meeting, which was hosted by DISY, was held under the title "A better Cyprus, a United Cyprus".

The CYweCAN Initiative, which was established by the youth organizations of CTP and TDP from the north and DISY (NEDISY) from the south as well as few other civil society organizations, to support peace, cooperation, solidarity and the negotiation process, and to share the will of the youth to live in a united Cyprus in peace, held its first meeting at the buffer zone.

The Turkish Contractors Association (TMB) and the Cyprus Turkish Building Contractors Association (KTIMB) signed a cooperation protocol to make use of the possible economic potential across the island after the settlement of the Cyprus problem. Commenting on the agreement, TMB's chairman Mithat Yenigun stated that there is a potential for investment worth €100 billion. A similar agreement was signed between the KTIMB and the Federation of

Associations of Building Contractors Cyprus (OSEOK) in 2014.

Around 60 Greek Cypriot teachers crossed over to visit Turkish Cypriot schools conveying messages of peace, friendship and cooperation. Speaking at the activity, Cyprus Turkish Teachers' Trade Union (KTOS) Secretary General Sener Elcil said that teachers from both communities in Cyprus had been playing an important role in the solution of the Cyprus problem and in building peace. Elcil added that it was important to intensify cooperation between the two communities, concluding "we as teachers need to tear down the walls in the people's minds ... Today is an important event and a good start."

On December 23, a group of Turkish Cypriots visited the Hala Sultan Tekke in Larnaca to celebrate the birth of Prophet Muhammad. The visit was conducted thanks to the agreement between the two religious leaders, which was facilitated by the Office of the Religious Track of the Cyprus Peace Process under the Auspices of the Embassy of Sweden. Within this framework, visits to the Hala Sultan Tekke are conducted three times a year. As part of the same deal, the Greek Cypriots organized mass to be held in various churches in the north of the island.

2. Hydrocarbons

On December 3, the cabinet approved the extension of Total's exploration license in offshore Block 11 for another two years. The company, which was released from its original two-well drilling commitment across the two adjacent blocks 10 and 11, maintained exploration rights in Block 11, which lies only 6 km from Egypt's Zohr gas field. Furthermore, Total agreed to continue to evaluate 3D seismic data in a bid to locate a possible target. Following the acquisition of new geological data, the company is said to have identified a new target and is expected to commence drilling by next summer or early autumn 2016. According to daily Phileleftheros, Total also requested to have the rights for Block 10 returned.

Meanwhile, on December 3, the Egyptian government ordered its oil and gas arms to halt talks on importing Israeli natural gas after an international arbitration court ordered Egypt to pay a fine of almost \$1.73 billion to Israel. The fine was imposed after arbitration between East Mediterranean Gas Co., Israel Electric Corp. and companies supplying Egyptian gas through a Sinai pipeline, which was repeatedly sabotaged. According to energy minister Giorgos Lakkotrypis, Cairo's decision to freeze talks on the import of gas from Israel will not impact Cyprus.

Addressing the 4th Energy Symposium in Nicosia, President Anastasiades stated that 2016 will be a decisive year for energy as decisions will involve the way of how gas reserves in Block 12

would be exploited as well as the finalisation of energy designs with Egypt and Israel.

The Natural Gas Public Company (DEFA) extended the validity of a tender for the import of natural gas for electricity generation. The tender validity period, which expired on December 18, was pushed back to February 12, 2016. This was the ninth consecutive extension since the call for tender was issued in January 2014. The DEFA tender calls for the supply of between 0.7 and 0.95 billion cubic metres of natural gas annually to the Cypriot market through two delivery routes. One route will begin supplying gas in early 2016 and the other no later than the second half of 2017.

Cypriot Energy Minister, Giorgos Lakkotrypis and his Jordanian counterpart, Ibrahim Saif announced on December 22, the activation of technical committees to discuss the details of possible cooperation in the gas sector. Collaboration between Cyprus and Jordan may involve transfer of Cypriot gas to Egypt and from there to Jordan. The Ministers studied two options, looking at either via pipeline or by LNG.

Lastly, the cabinet approved on December 28, a request by the ENI-KOGAS consortium to extend its exploration activities by two more years until February 2018. The exploration licence was renewed for offshore blocks 2, 3 and 9. Lakkotrypis confirmed that, under the extension, ENI-KOGAS would be carrying out more drillings expected somewhere around mid-2017. According to Lakkotrypis "a large ENI

team is currently working on the geologic model for blocks 2, 3 and 9". The energy minister was most likely referring to a new model employed by ENI, which tracks carbonate reservoirs rather than sand reservoir. The same model was applied in the summer by ENI when it discovered the Zohr prospect in Egyptian waters the largest gas find ever made in the Mediterranean.

3. Greek Cypriots

Economic Developments

After two days of debate in parliament, the plenum on December 17 passed the 2016 state budget. The 2016 budget, the last while the economic adjustment programme is in force, was passed with the votes of ruling DISY, the European Party (EVROKO) and the opposition party DIKO. Main opposition AKEL, EDEK, the Greens, the Citizens Alliance and independent MP Zacharias Koulias voted against. The budget provides for €5.941bn in revenues, corresponding to 33% of GDP, and expenditures of €6.636bn. In 2016, the state will spend €576m on servicing its debt. Operational expenditures are budgeted at €1.057bn, compared to €1.019bn for 2015.

On December 4, credit rating service DBRS upgraded its long-term rating for Cyprus from B (low) to B. The upgrade reflects DBRS' view that strong fiscal performance and signs of economic

stabilization helped ease near-term concerns regarding the fallout from the financial crisis. Nonetheless, the report stated that "Cyprus' B rating underscores the depth of Cyprus' challenges and continued need for external support. Cyprus remains vulnerable due to high levels of debt, relatively high real interest rates and reliance on external demand to fuel growth". In a similar vein, on December 8, Moody's rating agency upgraded by two notches Cyprus's sovereign rating to B1 with stable outlook and changed the banking's outlook to stable from negative.

On December 17 the finance ministry issued a decree for the recapitalisation of the Co-operative Central Bank (CCB), which provides for its gradual privatisation with the goal of listing the CCB on the Cyprus stock exchange in 2017. The decree is the executive act that follows parliament's approval of a €175m capital injection into the CCB earlier in the month. The government will gradually recover the money through a special quarterly tax on deposits in Cypriot banks. Proceeds from the tax will go into the bank recapitalisation fund. Under the decree, by December 31, 2016, the CCB must take all the necessary actions and secure the required approvals so that it can list its shares on the stock exchange in June 2017.

On December 20, Bank of Cyprus announced that it reached a restructuring agreement with Tsokkos Hotels Public LTD, a hotel operator. Tsokkos is included in Bank of Cyprus' "top 30" list borrowers with loans in arrears, totalling

more than €5bn. Tsokkos outstanding loans amount about €172m.

On December 28, the government forwarded to the Troika¹ its draft proposal regarding the legal unbundling of the Electricity Authority of Cyprus (EAC). A final decision for the efficient and effective splitting up of the state power company is a “prior action” for the release of the next tranche of Cyprus’ bailout programme. The government’s proposal calls for breaking up the EAC into two separate organisations, a distribution monopoly and a power-producing entity that will compete in the liberalised electricity market.

On December 29, the Central Bank announced via a statement on its website that Cypriot banks were behind their third quarter restructuring targets. In particular, Cypriot Banks managed to propose solutions for less than 6.3% of their loans with 90 days in arrears instead of the 9.4% target in the third quarter. Still, lenders were comparably more successful in concluding restructurings of their non-performing loans as their success rate was 6.5% compared to a target of below 7.5%. As of September 30, overall non-performing loans in the Cypriot banking system reached €27.3bn while loans with more than 90 days in arrears stood at €22.1bn out of €57.2bn in total lending, according to the latest available data. The

¹ The Troika is comprised by the International Monetary Fund (IMF), the European Commission (EC) and the European Central Bank (ECB).

Troika considers tackling non-performing loans a priority for the Cypriot economy and requirement for returning to sustainable growth.

Domestic Developments

Following a meeting on December 11, EDEK leader Marinos Sizopoulos and the leader of the newly found Solidarity movement, Eleni Theocharous, voiced their shared goal of preventing a "bad solution" to the Cyprus problem. Theocharous has engaged in dialogue with opposition parties including DIKO and EDEK after leaving ruling DISY in November.

Labour Relations and Trade Unions

The failure of the negotiations between the banking sector trade union ETYK and the management of the Cooperative Central Bank (CCB) led to a 24 hour strike in the beginning of December and another 48 hour strike in the middle of the month. ETYK represents only the CCB employees as the employees in the cooperative bank branches are represented by PEO and SEK, which have a separate sectorial collective agreement. ETYK and the management of the CCB were not able to agree to a renewal of the collective agreement because of the ongoing legal dispute concerning the freezing of the wage raises and COLA for the period 2014-2015. Although ETYK does not demand that these be given now, it does request from the management of CCB to accept a clause in the collective agreement stipulating that it would

be bound by the forthcoming court decision concerning these issues, something that the CCB objects to. ETYK has been criticized by PEO and SEK for engaging in a power demonstration effort and has been attacked bitterly from KEBE (the Chamber of Commerce) the government and DISY. Currently, there is an mediation process under the auspices of the Ministry of Labour.

The Minister of Labour stated that the programmes of the Ministry dealing with youth unemployment are based on the attempt to decrease the cost of employing young persons in order to create a more “flexible employment”. Furthermore, the Ministry is offering customized employment consulting services to the unemployed and promotes “mobility”, encouraging young unemployed persons to seek jobs abroad as this experience will make them more attractive in the labour market upon their return to Cyprus.

The Supreme Court declared that the recent law concerning the operation time of retail trade shops is unconstitutional because it constitutes an encroachment of the legislative power on the functions of the executive power. The government used this decision to bring back its original bill for unlimited operation time in retail trade shops, but this was rejected once more by the parliamentary majority which accuses the government of intransigence and a monolithic urge to satisfy big businesses at the expense of small businesses and workers and insists that a compromise agreement can and

must be reached by for example instituting two seasons with different operation times. The dispute is now at a climax as the big retail trade corporations have decided through their Association that they will disobey the current legal order and operate under the “unlimited operation time” mode even after this expires on the 3rd of January 2016. The government will take the issue to the Supreme Court again expecting that in this way the parliamentary majority will be forced to approve its bill for unlimited operation time.

SEK declared that it is time that the workers start gaining back what they have lost during the crisis. According to SEK, employers in the construction sector have understood this and have consented to legislative regulation of some aspects of the collective agreement and this example should be followed by the hoteliers, who head the only sector that has actually benefited from the crisis.

PEO and SEK hotel sector unions met with the Minister of Labour complaining about the delay in the processing of their members’ unemployment benefit. They have also complained about the intransigent stance of the hoteliers in the context of their negotiations for the renewal of the collective agreement in which they are demanding 2% wage increases.

Employees in both the public and private sectors continue to experience inequities because of the increased employment insecurity they face as a result of the economic crisis according

to the Report of the Ombudsman Office. There is prevalent super-exploitation but employees are afraid to demand their rights while the number of complaints filed has dropped enormously in the last years. This is a phenomenon observed in other crisis stricken countries as well according to the Ombudsman.

There are 7,000 fewer employees in the broader public sector today compared to 2012 according to the Cyprus Statistical Service. The total number stands now at 63, 041.

The farmer unions EKA (affiliated to AKEL), PEK (affiliated to DIKO) and New Agrarian (affiliated to EDEK) mobilized with their tractors in a march to the Presidential Palace, the Ministry of Finance and the Parliament and on December 17, demanding the immediate disbursement of the state subsidy. The other two farmer unions affiliated to the ruling parties DISY and EVROKO respectively, abstained from the mobilization, as they were satisfied with the government's assurance that this will take place within January.

There was a half hour work stoppage by the hourly paid employees in the public sector on December 18, protesting about their low remuneration rate during the public holidays when they are forced to work.

The high school teachers' union OELMEK decided during its congress to begin a continuous struggle to gain back all that has been lost in the context of the Memorandum of Understanding with the Troika. This will include both

legal as well as strike action. Moreover, OELMEK rejects the on-going plans for the reform of the public sector since the linking of future wage raises to GDP growth annuls trade unionism.

The Council of Ministers approved the privatization plans of the Cyprus Telecommunications Authority (ATIK) overriding the objections of all the trade unions, which staged a protest outside the Presidential Palace. The trade unions had meetings with all the parliamentary parties except DISY before the bill will go to parliament. DIKO's stance is currently ambivalent and is expected to determine whether the privatization process will proceed or not. ATIK unions are expected to be protesting outside the parliament during the discussion of the bill and are authorizing their leaderships to decide strike actions if and when they consider it necessary.

Foreign Policy

In December, Cyprus received a number of high-level diplomats starting from Russian Foreign Minister Sergey Lavrov on December 2. The Cyprus problem, expansion of economic relations, Russia-EU relations, the Syrian Crisis, regional developments and granting humanitarian facilities to Russia for the evacuation of Russian citizens from neighbouring war zones were among the issues discussed between Lavrov, his Cypriot Counterpart, Ioannis Kasoulides and President Anastasiades. Lavrov's visit was followed by the visit of US Secretary of State John Kerry on December 3. Bilateral issues

along with the Cyprus problem and regional developments were high on the agenda. On December 5, French President Francois Hollande stopped off in Cyprus on his way to visit the Charles de Gaulle aircraft carrier off the Syrian coast. The Cyprus problem and regional issues were discussed between Anastasiades and Hollande during a short meeting held at the Larnaca airport. On December 20, as part of a two day visit, Chinese Foreign Minister Wang Yi arrived in Cyprus where he met with his Cypriot counterpart Ioannis Kasoulides and President Anastasiades. Bilateral relations, the expansion of cooperation in areas of shipping, management of ports, infrastructure, hydrocarbons, tourism and agriculture were among the issues discussed.

On December 9, a Tripartite meeting between Cypriot President Nicos Anastasiades, Greek Prime Minister Alexis Tsipras and Egyptian President Abdel Fatah Al-Sisi, took place in Athens. The leaders signed the 'Athens Declaration' and agreed to create a permanent mechanism for cooperation, the Joint Committee of Cooperation, which will develop, formulate and promote practical projects of trilateral interest. With regards to hydrocarbons, the declaration stipulates that these should act as a catalyst for wider cooperation contributing to prosperity and stability in the region. In an indirect reference to Turkey, the declaration stated that it is not directed against anyone and that the objective of using hydrocarbons as a catalyst for peace "would be better served through the adherence by the countries of the region to well

established principles of international law", meaning the UN Law of the Sea Convention, to which Turkey is not a signatory. The leaders also addressed the migrant crisis, the fight against terrorism and the Islamic state and other regional issues.

4. Turkish Cypriots

Economic Developments

The Turkish Cypriot parliament approved by a majority vote the 2016 budget worth 4,16 billion TL (€1,28 billion).

According to the Minister of Finance Birikim Ozgur (CTP-BG) the new economic protocol for the 2016-2018 period, which is yet to be signed with Ankara, will contribute to the reduction of the budget deficit. Ozgur said that 24.4% of the revenue envisaged in the 2016 budget would come from Turkey in the form of credit and aid.

According to the annual report released by the Ministry of Interior and Labour, 47,798 work permits were granted to foreigners during the period 1 January-30 September 2015. Furthermore, 2,197 new businesses were registered while 608 closed down in the same period. The report also notes that 19,547 foreigners applied to purchase property and 16,927 of them eventually did so in the last six years.

The European Commission approved the new financial assistance programme for the Turkish

Cypriot community, worth €32 million from the EU budget. This is the continuation of the Aid Programme promoting the economic development of the Turkish Cypriot community, improving contacts between the two communities and bringing the Turkish Cypriots closer to the EU. The 2015 programme will focus on the following priorities:

- Protecting the environment, especially with the closure of polluting dumpsites;
- Strengthening the dairy sector to prepare for the EU market;
- Preparing the Turkish Cypriot community for the application of the EU body of laws after a settlement;
- Facilitating businesses' access to credit;
- Supporting civil society organizations to increase civic engagement and foster co-operation between the two communities;

Since 2006, the EU has invested €400 million under the Aid Programme for the Turkish Cypriot community to support local small businesses, develop or improve key infrastructures, support student mobility and prepare the Turkish Cypriot community for the implementation of the EU body of laws in the perspective of the reunification of Cyprus.

According to a written statement issued by the Ministry of Agriculture, Natural Resources and Food, as of January 1, the northern part of Cyprus will start using euro diesel fuel instead

of diesel in order to comply with the standards of other EU countries and Turkey's as well.

Domestic Developments

Disagreement over the structure of the new water utility company, which will be responsible for the distribution and operation of the water transferred from Turkey as well as existing water resources, escalated in December and turned into a crisis. While Ankara and the junior coalition partner UBP are in favour of having a private operator from Turkey, the senior coalition partner CTP-BG's party assembly overwhelmingly rejected the agreement drafted as a result of inter-governmental negotiations, which envisaged privatization. The CTP-BG party assembly seems determined not to cede the operation of water to a private monopoly. The crisis led to the delay of the signing of the economic protocol, which essentially sets the conditions the Turkish Cypriot side needs to comply with to receive financial aid from Turkey. Consequently, Ankara did not release the funds that would be used to pay the 13th salaries (bonus paid at the end of the year) of the public employees and pensioners.

The leader of the United Cyprus Party (BKP) Izzet Izcan called on the government to clarify the allegations that Davutoglu during his recent visit had asked the Turkish Cypriot government to grant TRNC citizenship to 26,500 Turkish nationals living in Cyprus. If true, he added, this only meant that Ankara was trying to sabotage

the negotiation process. The exact number of TRNC citizens has always been a contested issue but it is particularly important at this stage because reportedly the Greek Cypriot side agreed that in the aftermath of the solution all TRNC citizens would become citizens of the United Cyprus provided that the current figure is around 220,000. In November, the Turkish Cypriot parliament had passed a new citizenship law making it more difficult to gain TRNC citizenship.

The Party Assembly of the junior coalition partner National Unity Party (UBP) unanimously elected Dursun Oguz, a Famagusta deputy, as the new General Secretary of the party.

The Social Democratic Party (TDP) held its 5th Ordinary Congress on 20 December. The incumbent leader Cemal Ozyigit got re-elected by receiving 487 of the 762 votes cast defeating his rival Mustafa Emiroglulari who received 272 votes. Addressing the congress, Ozyigit underlined the importance of working harder for a settlement on the island and added that his party would continue to support all steps taken towards achieving a bi-communal, bi-zonal settlement on the basis of political equality, single sovereignty, citizenship and international identity. Following the congress, at its first meeting, the new Party Assembly elected Asim Idris as the General Secretary of the party. In the meantime, the party leadership announced that TDP has become a consultative member of the Socialist International. The TDP's membership has been approved unanimously at the meeting

of the Socialist International Council held in Luanda, Angola on 27-28 November.

Former negotiator and presidential candidate Kudret Ozersay said that his preparations to form a new political party had been completed and the formation of the new party would be announced in the first week of January. Ozersay who had garnered 21% of the votes cast as an independent candidate in the first round of the presidential election held in April 2015, announced his intention to set up a new party in September.

UBP Nicosia deputy Ersin Tatar argued that the statements of the Greek Cypriot leader Anastasiades regarding "the return of Morphou and many other settlements in the TRNC" are making the citizens distressed and damaging the economic and social life. Tatar called upon Akinci not to remain silent against the Greek Cypriot leader and to defend the rights of the Turkish Cypriots. In his statement, Tatar added that the attitude of the Greek Cypriot side on the issues of the territory, property, security and guarantees, four freedoms, governance, power-sharing and the EU were unacceptable.

The Secretary General of the Democratic Party (DP) Hasan Tacooy said that if the reports in the Greek Cypriot press following the Greek Cypriot National Council meeting were correct, the Turkish Cypriot people was being taken on a risky adventure which would have serious consequences. Drawing attention to the point that

the Greek Cypriot leader Anastasiades had told the Greek Cypriot National Council that an agreement with the Turkish Cypriot side would be in line with EU norms, permanent derogations would not be made and that the four fundamental freedoms would be implemented, Tacyo asked, "What does this mean? Does it mean we are abandoning our right to have a clear majority in the north regarding population and ownership of property, for having our own institutions and holding our own elections?"

Labour Relations and Trade Unions

On December 8, the Trade Union Platform, which is made up of several public sector trade unions held a general strike and a mass protest in front of the parliament. The platform demanded from the government to find solutions to the workers' problems and the negative economic and social conditions that prevail in the northern part of Cyprus.

Foreign Policy

Akinci received the Foreign Minister of Luxembourg, Jean Asselborn, whose country held the presidency of the Council of the EU in latter part of 2015.

5. FES Cyprus Events



January 2016

--- no events ---



February 2016

--- no events ---



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