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1. Cyprus Problem

The month of January was marked by a spat which broke out between the Turkish and Greek Cypriot sides over the type of settlement being sought. The disagreement came just days before UN Secretary-General's envoy, Jane Hall Lute's visit to the island, which is expected to take place in early February.

As part of his visit to the TRNC¹ on January 25, Turkish Foreign Minister, Mevlut Cavusoglu held meetings with Turkish Cypriot leader, Mustafa Akinci and Turkish Cypriot party leaders. Cavusoglu stated that his visit aimed to coordinate Turkey's and northern Cyprus' course of action as regards the Cyprus problem. He reiterated Turkey's position that settlement negotiations should not be open ended and stressed Turkey's opposition to the Republic of Cyprus' hydrocarbon exploration programme. During a joint press conference Akinci and Cavusoglu stated that Greek Cypriot leader, Nicos Anastasiades referred to a two-state solution on mul-

multiple occasions. Akinci mentioned a particular meeting held in Crans Montana between Anastasiades and Cavusoglu where Anastasiades stated that the Greek Cypriot community is not ready to share power with the Turkish Cypriots and that the two-state solution must be placed on the agenda. The Turkish Cypriot leader called on Anastasiades to meet informally to clarify his alleged comments. Cavusoglu's meeting came following a public disagreement between Akinci and TRNC Foreign Minister, Kudret Ozersay, over what type of solution the Turkish Cypriot side ought to pursue. Many observers believe that Cavusoglu's visit intended to reprimand Akinci for his insistence on a bizonal, bicomunal federation as he stated opposition to discuss other types of solution in opposition to Ankara and many Turkish Cypriot parties.

In response to the comments made by Akinci and Cavusoglu, Anastasiades replied that Akinci misremembered and called on the Turkish side to clearly state its position with regard to a Cyprus solution.

The UN Secretary-General's envoy Jane Hall Lute, is expected in Cyprus in early February in order to help formulate the terms of reference for the resumption of negotiations. She is expected to hold separate meetings with Anastasiades and Akinci.

On January 30, the Security Council unanimously extended UNFICYP's mandate in Cyprus for another six months until July 31. With regards to UNFICYP's mandate the US govern-

¹ The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. While for Turkey and the Turkish Cypriots, Mustafa Akinci serves as President of the TRNC, the international community considers him the communal leader of the Turkish Cypriots. As the government of the Republic of Cyprus remains internationally recognised as the government of the whole of the island, the entire island is now considered to be a member of the European Union. However, the *acquis communautaire* is suspended in northern Cyprus pending a political settlement to the Cyprus problem (see Protocol no. 10 of the Accession Treaty).

ment warned that the UN peacekeeping force in Cyprus cannot be part of a landscape that lacks a path toward a political solution. This warning is not the first indication that the US seriously considers the withdrawal of the UN peacekeeping forces from the island in the near future. Meanwhile the Turkish government stressed that the resolution did not make a realistic contribution to the efforts towards the settlement of the Cyprus problem and was not compatible with previous reports by the UN Secretary-General. Nevertheless, Antonio Guterres reaffirmed the importance of UNFICYP to peacekeeping in Cyprus, in his report that circulated to the UN Security Council on January 11, but highlighted several areas of concern as far as the implementation of confidence-building measures.

Akinci came together with AKEL Secretary General Andros Kyprianou and Political Bureau member Tomas Tsielepis at a social meeting at Presidential Spokesperson Baris Burcu's home in Nicosia.

The Greek Cypriot main opposition party AKEL announced their candidates for the European Parliament elections to be held in May and have included Turkish Cypriot academic Niyazi Kizilyurek on their ballot. Kizilyurek is a professor at the department of Turkish Studies at the University of Cyprus in the south. Kizilyurek's candidacy sparked a debate in the TRNC parliament. While the opposition National Unity Party and the Rebirth Party both expressed their strong disapproval, the Republican Turkish

Party (CTP), People's Party (HP) and Social Democratic Party (TDP) stated that their position on the matter was that the Turkish Cypriot people could only be represented by people who they elect.

The Turkish Cypriot Ministry of Foreign Affairs expressed anger over the "Greek Cypriot administration's" decision to prevent foreign nationals planning to spend their holiday in the TRNC from entering through Larnaca airport in the south. The statement came after a group of 30 Israeli tourists intending to spend their holidays in the north were held at Larnaca airport, questioned and subsequently deported. The statement added that the Greek Cypriot administration had carried out similar actions in the past preventing a Russian tourist who wanted to holiday in the north, a professor from the University of Cairo who came to deliver a lecture at a university and a group of Serbian children who were to attend the Children's Day celebrations. *"It seems that the unfortunate incident experienced by the Israeli tourists was not an isolated incident but the continuation of a policy. We would like to take this opportunity to warn the Greek Cypriot administration that we shall take necessary measures in response should it continue such practices"*, the statement read.

Turkish Cypriot daily Havadis reported on January 8 that during the first eleven months of 2018 there were 9.438.369 crossings between the north and south. According to the figures, during the above mentioned period, there were

4.049.172 crossings from the south to the north and 4.718.307 crossing from the north to the south. The number of the Greek Cypriots who crossed over to the TRNC during the first 11 months of 2018 reached 1.630.561. In comparison with the same period of 2017, which was 991.164. Also, the number of TRNC citizens crossing over to the Republic of Cyprus during the same period of 2018 has reached 1.616.233 out of which 1.610.949 returned back.

According to the Turkish Cypriot member of the Committee of the Missing Persons in Cyprus (CMP) Gulden Plumer Kucuk, in the past three years the CMP had found the remains of 160 missing persons in the north of the island and the remains of 4 missing persons in the south of the island". She added that in 2018 CMP recovered the remains of 11 missing persons. In the past 12 years 246 out of 492 missing Turkish Cypriots and 681 out of 1510 missing Greek Cypriots have been found.

40 members of the Bi-communal Teachers' Platform visited a primary school and a high school in the northern part of the island. The platform's Greek Cypriot spokesperson Maria Mourada said that the efforts by the teachers had been continuing for years and added, "*Together, educators can do wonders for our country*". The Secretary General of the Cyprus Turkish Primary School Teachers Union Sener Elcil said that teachers had a central role in the efforts to eradicate prejudice, hate and enmity, while the head of the Cyprus Turkish Secondary Teachers Union Selma Eylem for her part called

on officials to take action to reunify the island. Every year during the Christmas break the platform visits schools in the north and during the February break they visit schools in South of the island.

Around 400 Greek Cypriots celebrated Epiphany at the Saint Georgios Church in Famagusta. Another celebration was held in Agia Trias (Sipahi) in Karpas.

Akinci's Special Advisor for Diplomacy and EU Matters Erhan Ercin, who had held this post since 2015, stepped down to be involved in international projects and academia.

2. Hydrocarbons

On January 9, drilling activities on behalf of EXXONMOBIL and QATAR PETROLEUM in the Delphine target of Cyprus' offshore block 10 were completed. Energy Minister, George Lakkotrypīs, stated that no announcements will be made until after the end of the drilling in Glafkos- 1 the second location the energy consortium has chosen to explore, also in block 10.

The cabinet on January 31, approved a bill governing an inter-state agreement with Egypt for the construction of a subsea natural gas pipeline crossing through the exclusive economic zones of the two nations.

The Natural Gas Public Company (DEFA) extended the deadline for the submission of bids

for infrastructures relating to the import of liquefied natural gas for electricity production. DEFA, decided to push back the tenders submission date from January 19 to March 29.

3. Greek Cypriots

Economic Developments

According to Eurostat the unemployment rate in Cyprus decreased to 8.8 % in December 2018, compared with 8.9% in November 2018 and 10.3% in December 2017. In December 2018, 39.000 individuals were unemployed compared with 40.000 in November 2018 and 44.000 in December 2017.

On January 25, the Council of the European Development Bank approved a loan of €40m to Cyprus. The loan aims to finance two water supply projects to meet the needs of Nicosia and areas of Famagusta.

According to data released by the Central Bank of Cyprus, total Non-performing exposures (NPEs)² dropped from €16.6bn in end-June to €11bn marking the lowest level since the 2013

² Non-Performing Exposures (NPE's) are defined as exposures that are 90 days past-due or unlikely to be repaid in full without collateral realization (irrespective of any past-due amount or of the number of days past-due). A Non-Performing Loan (NPL) is a loan considered to be in default or close to default after being due for 90 days. The two terms are generally used interchangeably, but technically NPLs sit within NPEs which is a broader definition.

financial crisis. From the beginning of 2018 NPEs have dropped by €10bn

Domestic Developments

Cyprus hosted the 5th MED-7 Summit in Nicosia. The summit of Mediterranean leaders from seven countries focused on the great challenges the EU is faced with today, including the migration crisis, Brexit, energy security, the next multi-annual fiscal framework, developments in the euro area and climate change.

Main opposition party AKEL presented the six candidates who will be on its ballot for the May 2019 European Parliament elections. The six candidates are: Larnaca MP Giorgos Georgiou, doctor Athos Georgiou, Turkish Cypriot academic Niyazi Kızılyürek, MEP Assistant Giorgos Koukoumas, political advisor at the European United Left/Nordic Green Left (GUE/NGL) Marina Nicolaou and incumbent MEP Neoklis Sylikiotis.

Socialist's EDEK also presented their candidates including: member of EDEK's central committee, Diomedes Diomedous, director of the Cyprus Research Centre, Christos Iacovou, Journalist Natasa Ioannou, EDEL Paphos MP Elias Myriantous, businesswoman Thea Nicolaou and current EDEK MEP Demetris Papadakis.

The island's first tourism minister Savvas Perdios was sworn in on January 2.

The European Commission warned on January 23, that programmes of EU states including

Cyprus to sell passports and visas to wealthy foreigners could help organised crime groups infiltrating the bloc thus raising the risk of money laundering, corruption and tax evasion. It highlighted shortfalls in the Cypriot and Maltese schemes which do not sufficiently check the origins of wealth of individuals and do not allow their easy identification.

Labour Relations and Trade Unions

On January 8, the boards of trade union boards of hotel workers employees at of PEO (the trade union affiliated to AKEL) and SEK (the trade union oriented to the centre right of the political spectrum) had a joint assembly. and discussions addressed the submission of demands in relation to the renewal of the collective agreement for the hotel employees. The agreement expired on 31 December. The demands for the renewal of the collective agreement include, but are not limited to, the restoration of all rights granted to hotel workers employees in 2013 through the special collective agreement made back then. They also demand the granting of salary increases for all hotel employees, and the introduction of: salary scales, a Welfare Fund and 13th salary in the regulations of employment service of hotel employees.

On January 15, a joint meeting was held between PEO and the Turkish Cypriot Teachers Association (KTOEOS), as part of the communication and joint action between the two organizations. The two organizations highlighted that workers in both communities face the conse-

quences of the crisis of an elite system of unequal power distribution and the capitalist system and the attacks on disavowals labor rights. They agreed that there is a need to intensify solidarity actions between the two communities focusing on common struggles.

On January 20, the strike of indefinite duration of the workers of the Paphos Transport Organization (OSYPA) came to an end. The Ministry of Transport arranged the payments for the month of December and ensured the payroll of workers until February 10th, when the warrant given by OSYPA expires. The agreement was reached through a meeting on January 19 at the Ministry of Transport. On January 10, two schools in Paphos organized a two-hour protest with the support of the Paphos Federation of Parents Associations of High Schools and on January 16, students of three high schools abstained from their classes. These school were mostly affected by the OSYPA strike. Though the Parents Associations supported the right to strike and the demands of OSYPA workers employees as they stated in their respective announcements, they also made clear how a strike created dysfunction in schools, as in some cases more than 50% of students were unable to attend classes.

Following the decision of the general assemblies of the workers in the construction sector, on January 22, the trade union board boards of trade unions of construction of construction workers of PEO, SEK and DEOK (the trade union affiliated to EDEK), following the decision of the general assemblies of the workers in the con-

struction sector, announced a 24-hour Pan-cyprian warrant strike on January 22. The strike will be held on February 13, and throughout that day gatherings will take place in the district buildings of the respective trade unions.

On January 30, the trade unions of dock workers employees, PEO and SEK sent a letter for resumption for the dialogue in order to resolve the workers dispute at Limassol port and respective violations of their Collective Agreement. On January 15, it was agreed that there would be a withdrawal of the decision to refer the case to an Arbitration Court and also the withdrawal of the planned strike measures of the trade unions, in order for an immediate resumption of dialogue. The letter was addressed to the Association of Cyprus Shipping Agents and the companies Eurogate Container Terminal Limassol and DP WORLD LIMASSOL. It was also shared with the Minister of Labor, Welfare and Social Insurance, the Minister of Transport, Communications and Works and the chairperson of the Limassol Council of Dock-Work.

4. Turkish Cypriots

Economic Developments

According to the State Planning Organization the inflation rate in the last month of 2018 was -1.49% while the overall rate for the year was 29.96%. However, inflation in food and non-alcoholic beverage prices surpassed the overall

inflation rate and reached 40.4%.

According to the Risk Center of the Central Bank, between December 2017 and November 2018, non-performing credit card debt has risen by 76.5%.

According to the data from TUIK (Turkish Statistical Institute), the annual trade volume between TRNC and Turkey, reached US\$ 1.2 billion by the end of November 2018; up from US\$1.05 billion in November 2017. Turkish Cypriot exports increased from US\$62.8 million to 65.1 million while imports increased from US\$ 986.8 million to 1.14 billion.

Relations with Turkey

The Minister of Economy and Energy Ozdil Nami pointed out that the government's priority was to achieve interconnectivity between Turkey and the north of Cyprus and focus on solar energy. Nami stated that they conveyed their strong desire to the Turkish authorities about importing electricity from Turkey via cable and added that the ball was now in Turkey's court. Elsewhere, Nami said that solar energy would provide up to 17% of the country's energy needs by the end of this year and that experts from the World Bank would be in the island to discuss the possible EU funding for infrastructure with the aim of eventually boosting solar energy's share of supply to 30-35%.

A protocol between TRNC and Turkey has been signed for the mutual recognition of driving licenses. The protocol was signed between the

Minister of Public Works and Communication Tolga Atakan and the Turkish Minister of Interior Suleyman Soyulu in Ankara.

Domestic Developments

An investigation has been completed into claims of corruption against former Prime Minister and UBP leader Huseyin Ozgurgun, who now faces being stripped of his legal immunity to face prosecution. The Attorney General's Office has filed a case against Ozgurgun regarding alleged false asset declaration and two dossiers of information on the issue have now been passed to police. A parliamentary decision on lifting Ozgurgun's immunity from prosecution is expected soon in light of the new findings, potentially leaving him open to the same legal process as any other individual.

The ruling coalition partner People's Party (HP) held its first ordinary congress, where the Deputy Prime Minister and Minister of Foreign Affairs Kudret Ozersay got unopposed re-elected as chairperson. Addressing the congress, Ozersay said, *"we may not see everything eye to eye with Turkey but we do not support antagonistic policies against Turkey or any other country, which have been on the rise recently"*. Furthermore, Ozersay said, *"as the HP we have stated that we have no problem with a federal partnership but we have also been stating that the time has come to discuss other partnership models. This does not mean that a federation is a bad thing but it's obvious that the Greek Cypriots do not want to share power or wealth with*

us. Since the trust for a federal partnership doesn't exist we could have a partnership on the basis of cooperation. The electricity we sold to south Cyprus via the Turkish Cypriot Chamber of Commerce in 2011 is a good example of what could be done".

The leader of the main opposition National Unity Party (UBP) Ersin Tatar said that the time has come for the TRNC Parliament to adopt a new resolution on the Cyprus problem. The UBP leader called on President Mustafa Akinci to stop calling all the shots and to brief parliament on what has been happening. Tatar also argued that the time had come for Akinci, who was well aware of the Greek Cypriot leader, Nicos Anastasiades's views, to inform the United Nations that alternative options such as a two-state solution or confederation should also be brought to the table.

Two reports prepared by the Chamber of the Union of Cyprus Turkish Engineers and Architects regarding last month's flood disaster were presented to the public at a press conference attended by Prime Minister Tufan Erhurman. The reports stated that there was an engineering fault on the Ciklos bend in newly repaved Nicosia-Kyrenia highway where 4 young people lost their lives after being swept into a ravine by floodwaters. They also stated that culverts and drainage systems on the main road linking Kyrenia and Lapta/Lapithos built to prevent flooding were inadequate. Commenting on the reports, the Minister of Public Works and Communication Tolga Atakan said that the

segment of the Nicosia-Kyrenia road was constructed by a Turkish company financed by the Turkish Department of Road Works, and that that work on the road had started shortly after he had assumed office. *“The engineer responsible for the construction project has been contacted and an investigation is currently underway,”* Atakan added.

Conscientious objector Halil Karapasaoglu won an appeal against a 20-day sentence for refusing to pay a 2.000TL fine for failing to do one-day annual “refresher” military training and was freed from prison after the penalty was reduced to three days. The military court reduced the sentence imposed earlier in January because an amendment bill to the Military Law to allow for conscientious objection to military service was currently under discussion in the parliament.

According to the report of Turkish Cypriot weekly Cyprus Today, twenty-one Syrian refugees – some on the verge of suffocation – were found hidden in two truck trailers that arrived in Famagusta port. After undergoing three hours of treatment refugees were sent back to the southern Turkish port of Mersin the same afternoon aboard the freighter that had brought them to Famagusta.

Cyprus Today also reported the results of a recent survey conducted by the Centre on Migration, Identity, and Rights Studies (CMIRS). The survey, which was conducted between October and December, showed that people in the TRNC are ‘unhappy’, ‘angry’ and ‘pessimistic’. Another

finding of the survey was that many respondents lost their trust in the government, parliament and political parties. The rate of those who said that they would not vote was the highest of all the surveys over the past 3 years, jumping to 41.5% from 29.2% last September. President Akinci is still the most trusted politician according to the survey.

Foreign Policy

Deputy Prime Minister and Foreign Minister Kudret Ozersay visited New York to hold contacts with the United Nations officials. The visit took place during a week when intensive consultations were made on the extension of mandate of the UNFICYP. Evaluating his meetings to BRT, Ozersay said *“the mandate and reason of presence of the UNFICYP which was sent to the island in 1964 needs to be reviewed as a result of permanent changes in the conditions.”* Ozersay also visited Washington DC where he met with several high-level officials from the US Administration and the Congress.

Labour Relations and Trade Unions

The new gross minimum wage has been set as 3.150 TL. The lowest net salary as of February 1st will be 2.740 TL (€460). Speaking after the meeting of the Minimum Wage Determination Committee (which is made up of five representatives from the labour unions, five representatives from the employers’, and five representatives from the government) the Minister of Labour and Social Security, Zeki Celer, said *“this is*

the point we can reach for now when we push our limits.” The previous net minimum wage had been set as 2,279 TL in August 2018, which at the time corresponded to €307.

The Labour Department statistics showed that 2018 was the worst year (since records have started in 2009) in terms of workplace safety with 10 people killed in accidents. Seven of the victims died on construction sites, which are officially by far the country’s least safe places to work.

5. FES Cyprus Events

February

Tuesday, 26th February 2019, 6 pm

FES
workshop

Expert Workshop on Corruption Perception in the north

Merit Hotel, Bedrettin Demirel Cad.,
Nicosia, Cyprus

Not open to the Public



March

--- no events ---



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