

## THE STORMY WATERS OF CYPRUS

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Turkey sent a second drilling ship into disputed waters off the coast of the Republic of Cyprus to search for natural gas and oil, a move that risk to turn the bilateral dispute into a regional and international conflict.

Relations between the Greek and Turkish Cypriot communities have festered since 1963, when a power-sharing agreement crumbled amid violence. Cyprus was split in 1974 after a Turkish invasion triggered by a brief Greek-inspired coup.

Turkey doesn't recognize the Republic of Cyprus as a sovereign state with its exclusively Greek Cypriot administration and does not have diplomatic relations with the Republic of Cyprus and the international community doesn't recognize the breakaway Turkish Republic of Northern Cyprus (TRNC). Countless peacemaking endeavors have failed and the offshore gas wealth has increasingly complicated peace negotiations.

Cyprus first discovered offshore gas reserves in 2011, which led to other discoveries. The discovery of huge gas reserves in the Mediterranean has fueled a race to tap underwater resources and triggered an escalating dispute between Turkey and the Republic of Cyprus. Cyprus has divided its exclusive economic zone off its southern coast into 13 blocks, or areas. Turkey, which doesn't recognize Cyprus as a state, says parts of three blocks off the island's west coast fall within its own continental shelf. Turkish Cypriots claim most of seven blocks in the east.<sup>1</sup>

Turkey and Greek Cypriot government have overlapping claims of jurisdiction for offshore oil and gas research in the eastern Mediterranean.<sup>2</sup> Turkey says any natural resources around the island also belong to Turkish Cypriots.<sup>3</sup>

### **The Turkish drilling**

Turkey launched its first drillship "Fatih", escorted by several navy ships, in October 2018 to drill off the coast of Cyprus. Turkish President Recep Tayyip Erdogan said Turkish fighter jets were also ready to protect Fatih. In May 2019, the Fatih, has started searching for gas and oil in the waters located some 40 nautical miles off the western Paphos city of Cyprus.

Turkish media, on June 16, 2019, cited Foreign Minister Mevlut Cavusoglu, during a trip to northern Cyprus, as saying a Turkish ship had started drilling in areas for which northern Cypriot authorities had issued a permit.<sup>4</sup>

On June 20, 2019, Turkey launched a second drilling ship which will conduct natural gas operations off the northeast coast of Cyprus for three months. Turkish Energy Minister, Fatih Donmez, said at the launch of the vessel, Yavuz, from the port of Dilovasi, it would operate in a borehole near Cyprus' Karpas peninsula, and reach a depth of 3,300 meters.<sup>5</sup>

### **The Turkish position**

Turkey claims that its actions abide by international law and certain areas in Cyprus's offshore maritime zone (EEZ), fall under the jurisdiction of Turkey or of Turkish Cypriots.<sup>6</sup>

The Turkish military exercise "Blue Homeland 2019" took place in March 2019, during the increase of tensions in the Aegean and the eastern Mediterranean and amid Ankara's plans to send a second drilling vessel to areas around the divided island of Cyprus.<sup>7</sup> The Exercise has been described by Turkish media as a "war rehearsal" which aims to send a clear message to Greece, Cyprus, Egypt Israel, and whoever else disputes Ankara's declared interests in the Eastern Mediterranean.<sup>8</sup>

Turkey has criticized the leaders of southern European Union nations (France, Italy, Greece, Portugal, Spain and Malta) for urging the EU to consider taking action against Turkey over its bid to drill for gas in waters where Cyprus has exclusive economic rights. The Turkish Foreign Ministry said that EU cannot be a "neutral and trusted actor" to resolve divided Cyprus. Turkey called on EU states to acknowledge Turkish Cypriots' equal rights over the island's resources. It added that Turkey was determined to protect those rights.<sup>9</sup>

Turkish Energy Minister, Fatih Donmez, said on June 20, 2019, that unilateral agreements made between Cyprus and the regional countries that attempted to "steal" the rights of Turkey and Turkish Cypriots had "no legal validity".

"Turkey will continue its operations in its own continental shelf and in areas where the Turkish Republic of Northern Cyprus has licensed Turkiye Petrolleri without stopping," Donmez said, referring to Turkey's main oil exploration company.

"We are warning actors from outside the region that are forming cooperation with Cyprus: Do not chase illusions that will yield no results," he said.<sup>10</sup>

### **Turkish Republic of Northern Cyprus (TRNC)**

Breakaway north Cyprus, which is supported by Turkey, said any offshore wealth also belongs to them, as partners in the establishment of the Republic of Cyprus in 1960.<sup>11</sup>

### **The position of the Republic of Cyprus**

Cyprus' president, Nicos Anastasiades, called Turkey's bid to drill for natural gas in waters off the island a "second invasion" and a violation of international law.<sup>12</sup> Cyprus' foreign ministry said Turkey's bid to drill for natural gas in waters where Cyprus has exclusive

economic rights is a “flagrant violation” of its sovereignty under international law. The bid shows Turkey’s “real intentions” of undermining efforts to restart talks aimed at reunifying the ethnically divided country.<sup>13</sup>

Cyprus’ government has issued international arrest warrants against the Turkish ship’s crew and foreign company officials assisting in the drilling.<sup>14</sup>

Cypriot President, Nicos Anastasiades, expressed on June 18, 2019 his confidence that the European Union would adopt a tougher stance against Turkey. “I’m optimistic ... that the European Union will deliver stronger messages from what they have until today, and that is our objective,” Anastasiades told reporters in Nicosia.

Cyprus threatened to block the EU membership bids of North Macedonia and Albania unless Brussels toughens its line toward Turkey over offshore drilling in the eastern Mediterranean.

The Cypriot government says any potential gas proceeds will be shared equitably with Turkish Cypriots after a reunification deal is agreed upon and has created a fund into which all such revenues will flow.

### **The Greek position**

Greece is a close ally of the government in Nicosia and also has its own decades-old disputes with neighboring Turkey on issues relating to airspace in the Aegean Sea, and mineral rights in the same region.<sup>15</sup>

Cyprus is a member of the EU, as is Greece and Greece’s Prime Minister Alexis Tsipras called for “a clear message” from the EU, accusing Turkey of breaking international law and “violating European sovereignty.”

On June 16, 2019, the Greek Prime Minister, Alexis Tsipras, said Greece and Cyprus will push their EU partners to penalize Turkey, including the possible option of sanctions, if Ankara is verified to have started drilling for gas west of Cyprus.<sup>16</sup>

Greek Prime Minister said on June 18, 2019, the European Council should “unreservedly condemn Turkey’s illegal actions.”

"The Prime Minister stressed that the European Council should examine specific measures against those involved in these illegal activities, if Turkey insists on violating international law," a statement from Tsipras's office said.<sup>17</sup>

Greek premier, used a phone call with European Council President Donald Tusk to demand the EU step up its response after Ankara defied calls for the drilling to stop.

### **The position of Egypt**

In 2014, Egypt, Cyprus, and Greece signed maritime border demarcation agreement between Egypt and Cyprus and between Egypt and Greece. Turkish Foreign Minister Mevlut Cavusoglu said in January 2018, that the maritime border demarcation agreement between Egypt and Cyprus was invalid and the agreement violates Turkey’s continental shelf.

In an official statement, Egypt foreign ministry spokesman Ahmed Abu Zeid Egypt warned on February 7, 2018, against any attempts to infringe or disparage its sovereign rights in the eastern Mediterranean's Exclusive Economic Zone (EEZ), following statements by Turkish Foreign Minister Mevlut Cavusoglu .<sup>18</sup>

Relations between Turkey and Egypt have been strained since the 2013 ouster of Egypt's Islamist president Mohamed Morsi, a close ally of Erdogan's AKP government. Erdogan has repeatedly slammed Morsi's removal as a "coup." Cairo has accused Ankara of "interference" in its domestic affairs and of supporting Islamist militants who carry out terrorist attacks in Egypt.<sup>19</sup>

The ousted president Morsi died of a heart attack on June 17, 2019, after he collapsed during a court session in his trial for espionage. The Turkish president claimed that Morsi "did not die, he was murdered," and threatened to raise the issue during the G-20 Summit in Japan later this month.

Egypt's foreign ministry has strongly condemned Turkish President Recep Tayyip Erdogan's blatant interference in Egypt's affairs. In a statement released by the foreign ministry Minister Shoukry expressed "deep denunciation of the recurrent irresponsible statements by the Turkish president, which do not even rise to the level of meriting a serious response," adding that Egypt is "ready to confront any threats, even these hollow ones."<sup>20</sup>

### **The EU position**

The EU in May 2019, urged Turkey to show restraint and respect the sovereign rights of Cyprus over the energy dispute, while the United States also asked Ankara to reconsider.

EU Foreign Minister Federica Mogherini expressed the bloc's "grave concern" over Turkey's intention to drill inside Cyprus' exclusive economic zone. Mogherini said the EU urgently calls on Turkey to show restraint, respect Cyprus' sovereign rights and refrain from any illegal action to which the bloc "will respond appropriately in full solidarity" with Cyprus.<sup>21</sup>

European affairs ministers from the 28 states discussed Turkey at a meeting in Luxembourg on June 18, 2019. The European Union warned Turkey for its "illegal drilling activities" off Cyprus and warned of possible retaliation over the controversial gas exploration bid. The Ministers tasked the European Commission, the bloc's executive, with preparing "appropriate measures" to hit back at Turkey – which could ultimately include sanctions against companies and individuals involved in the drilling.<sup>22</sup>

The ministers said in their formal conclusions from the meeting that: "The Council expresses serious concerns over Turkey's current illegal drilling activities in the Eastern Mediterranean and deplores that Turkey has not yet responded to the European Union's repeated calls to cease such activities. The EU will closely monitor developments and stands ready to respond appropriately and in full solidarity with Cyprus. The Council invites the Commission and the European External Action Service to submit options for appropriate measures without delay."<sup>23</sup>

Turkey has its own leverage over the European Union. Turkey is the gatekeeper to stemming the movement of migrants into the European Union, following an agreement with Brussels in 2016. Turkish leaders can retaliate in using the deal to put pressure on the bloc.<sup>24</sup>

### **The U.S. position**

State Department spokesperson ,Morgan Ortagus, said on June 16, 2019, that: “The United States is deeply concerned by Turkey’s announced intentions to begin offshore drilling operations in an area claimed by the Republic of Cyprus as its Exclusive Economic Zone”.

“This step is highly provocative and risks raising tensions in the region. We urge Turkish authorities to halt these operations and encourage all parties to act with restraint,” the statement said.<sup>25</sup>

Washington and Ankara are already at loggerheads over Turkey's procurement of Russia's S-400 missiles. If the missiles are delivered as scheduled in July 2019, Turkey is facing a series of punishing military and financial sanctions. U.S.-based Nobel Oil is one of the companies searching for hydrocarbons in Cypriot waters.

### **Summary**

The role of gas is growing in the global economy and Cyprus’ EEZ attracts huge interest of energy companies due to its significant gas deposits. Turkey and the internationally recognized Cypriot government have overlapping claims of jurisdiction over areas around Cyprus.

Turkey launched two drilling ships which conduct natural gas operations off the coast of Cyprus adding to tensions between Ankara and its Middle Eastern neighbors and Western allies. Cyprus and Greece say the vessels are encroaching into Cyprus's exclusive economic zone (EEZ). Turkey says the area is on its continental shelf.<sup>26</sup>

Turkey’s objective is to share with the Republic of Cyprus the latter’s huge hydrocarbons deposits and to control regional energy routes. President Recep Tayyip Erdogan is furious that Turkey has been excluded from the new Cairo-based East Mediterranean Gas Forum to cooperate on energy projects.

Turkey views maintaining its presence as a regional player, with a role on the energy chessboard, as being of vital importance and it seeks a role not as an extra but as a real player that can gain the greatest possible benefits.

Turkey is highly isolated in the region due to its sour relations with nearly all the countries in the eastern Mediterranean (Greece, Cyprus, Egypt, Israel). The growing standoff between Turkey and Cyprus over exploiting energy resources in the eastern Mediterranean risks to turn the bilateral dispute into a regional and international conflict.

Egypt and Ankara have entered into public disputes over gas drilling in the Mediterranean, especially since Egypt and Cyprus have a gas-sharing agreement. Egypt and Cyprus are bound by the 2014 deal to determine how to share discovered gas deposits and determine

their respective areas.<sup>27</sup> Turkey will face a confrontation with Egypt if it does not respect Cairo's rights for gas exploration won in a deal with Cyprus.

The United States and European Union have expressed deep concern, over Turkey's plans for offshore drilling operations in an area claimed by Cyprus as its exclusive economic zone. It is not clear what action the EU might take against Turkey but there are several potential options:<sup>28</sup>

- The first step should be - to warn Turkey to end its gas drilling in disputed waters or face action from the bloc.
- The EU may increase tariffs on some goods such as textile and agricultural products it imports from Turkey.
- The EU may partly or totally suspend the Customs Union Agreement, which already allows tariff-free trade with the EU for industrial goods but not services or agriculture.
- The EU could formally suspend Turkey's status as an official candidate to become a member of the European Union, although talks have been frozen for over a year.
- Third option could be to impose sanctions on companies and individuals in Turkey.

Any escalation between Turkey and the United States could put more pressure on relations already strained on several fronts, including the purchase of Russian S - 400 missile defense and military operations in Syria.<sup>29</sup> The dispute over energy rights threatens to further isolate Ankara, which is already facing a major crisis with Washington.

Recent developments off Cyprus are causing regional tension and the East Mediterranean countries are flexing their muscles. Turkey would continue drilling depending on its own military power, but would not attempt to stop the Greek Cypriots' drilling activity either. While the tension in the eastern Mediterranean is likely to persist, an armed confrontation between Turkey and Cyprus and its allies is unlikely.

#### **Notes:**

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<sup>1</sup> Lfteris Pitarakis and Mehmet Guzzel, Turkey launches new gas drillship amid tensions with Cyprus, AP, June 21, 2019.

<sup>2</sup> US deeply concerned by Turkey's intent to drill off Cyprus, Al Arabiya, May 6, 2019.

<sup>3</sup> Cyprus Optimistic EU to Deliver Tougher Stance against Turkey in Offshore Gas Spat, Asharq Al Awsat, June 18, 2019.

<sup>4</sup> US deeply concerned by Turkey's intent to drill off Cyprus, Al Arabiya, May 6, 2019.

<sup>5</sup> Turkey sends second ship to drill near Cyprus, EU warns of action, Al Arabiya, June 21, 2019.

<sup>6</sup> Turkey sends second ship to drill near Cyprus, EU warns of action, Al Arabiya, June 21, 2019.

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- <sup>7</sup> Turkey Launches the largest naval exercise in the history of the country: more than 100 ships In three seas, Maritime Herald, March 1, 2019.
- <sup>8</sup> Turkish “Blue Motherland – Mavi Vatan” exercise raises tension in Aegean and S.E. Mediterranean , South East Med Energy and Defense, March 1, 2019.
- <sup>9</sup> Turkey slams southern EU nations on drilling bid off Cyprus, Al Arabiya, June 15, 2019.
- <sup>10</sup> Turkey sends second ship to drill near Cyprus, EU warns of action, Al Arabiya, June 21, 2019.
- <sup>11</sup> US deeply concerned by Turkey’s intent to drill off Cyprus, Al Arabiya, May 6, 2019.
- <sup>12</sup> Cyprus: Turkey’s drilling bid off island ‘second invasion’, Al Arabiya, May 7, 2019.
- <sup>13</sup> Cyprus: Turkey’s drilling bid violates international law, Al Arabiya, My 4, 2019.
- <sup>14</sup> Turkey slams southern EU nations on drilling bid off Cyprus, Al Arabiya, June 15, 2019.
- <sup>15</sup> Cyprus Optimistic EU to Deliver Tougher Stance against Turkey in Offshore Gas Spat, Asharq Al Awsat, June 18, 2019.
- <sup>16</sup> Ibid.
- <sup>17</sup> Ibid.
- <sup>18</sup> Turkish rejection of 2003 Egypt-Cyprus border demarcation is 'unacceptable': Egyptian FM, Ahram Online, February 7, 2018.
- <sup>19</sup> Ibid.
- <sup>20</sup> Egypt's Foreign Ministry condemns Erdogan's 'unsubstantiated' and 'irresponsible' comments on Morsi's death, Ahram Online, June 20, 2019.
- <sup>21</sup> Cyprus: Turkey’s drilling bid violates international law, Al Arabiya, My 4, 2019.
- <sup>22</sup> EU warns Turkey over ‘illegal’ drilling off Cyprus, Al Arabiya, June 18, 2019.
- <sup>23</sup> Ibid.
- <sup>24</sup> Dorian Jones, Erdogan Dismisses Athens' EU Sanctions Threat over Cyprus, VOA, June 17, 2019.
- <sup>25</sup> US deeply concerned by Turkey’s intent to drill off Cyprus, Al Arabiya, May 6, 2019.
- <sup>26</sup> Cyprus Optimistic EU to Deliver Tougher Stance against Turkey in Offshore Gas Spat, Asharq Al Awsat, June 18, 2019.
- <sup>27</sup> Mohamed Nabil Helmy and Saeed Abdelrazek, Mediterranean Gas Fields Boost Tension among Four Nations, Asharq Al Awsat, February 14, 2018.

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<sup>28</sup> Turkey sends second ship to drill near Cyprus, EU warns of action, Al Arabiya, June 21, 2019.

<sup>29</sup> US deeply concerned by Turkey's intent to drill off Cyprus, Al Arabiya, May 6, 2019.