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## **FES NEWS**

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## 1. Cyprus Problem

During the month of March, Greek Cypriot and Turkish Cypriot negotiators, Andreas Mavroyiannis and Kudret Özersay embarked on regular meetings as part of the screening phase of the ongoing Cyprus peace talks. This followed the resumption of talks after the agreement on a joint declaration on February 11. In addition to this, the two negotiators held a series of separate meetings with UN officials in New York to discuss the next steps in the peace talks.

Divergence seems to appear between the two sides on the give-and-take part of the process. In particular, the Greek Cypriots insist that the give-and-take stage of the process is not close to the Turkish Cypriots' claim that conditions are met for the process to begin immediately. Meanwhile, the Greek Cypriot negotiating team prepared a document, comparing the positions of the Turkish Cypriot side with the parameters of the joint declaration in order to identify positions, which are either compatible or in conflict with the joint text. The document was submitted by President Nicos Anastasiades to Turkish Cypriot leader Derviş Eroğlu during their meeting on March 31. It will also be forwarded to UN Secretary-General Ban Ki Moon and the permanent members of the UN Security Council on April 2.

On March 21, the European Council expressed its support for a comprehensive solution of the Cyprus Problem within the UN framework which is in accordance with relevant UN Security Council Resolutions and in line with the EU founding principles. Further to this, on March 27, the European Commission President, Jose Manuel Barroso, chaired in Brussels a meeting of the Cyprus Steering Group to assess the situation after the resumption of the peace talks. The group discussed how the Commission could enhance its support to the negotiation

process and how the Turkish Cypriot Community could be familiarized with the EU Acquis, that would have to be implemented in light of a final settlement.

## 2. Hydrocarbons

During March, Noble Energy reiterated its resolve to monetising Cypriot gas and denied reports of discussing the option of piping natural gas to Turkey from its Block 12 prospect. These reports were published by the Turkish Cypriot daily Havadis, quoting Matthew Bryza, a former US diplomat, currently member of TURCAS Oil. He allegedly stated that Noble is in discussions with his company and with the Turkish Zorlu Group about a pipeline project for exporting Israeli and Cypriot natural gas to Europe.

Along similar lines, energy minister Giorgos Lakkotrypis also reaffirmed the government's commitment to constructing a liquefied natural gas (LNG) terminal and ruled out the potential of a pipeline to Turkey as long as the Cyprus problem was not resolved. Lakkotrypis also stated that the government would await the outcome of offshore drilling during this year and the next, before deciding on a potential new licensing round. According to Lakkotrypis, ENI-KOGAS is planning to proceed with its first exploratory drill in the summer of 2014. Noble is also expected to conduct prospecting in Block 12 in the last quarter of 2014, while Total is to start drilling in mid 2015. When DIKO left the coalition government, energy minister Lakkotrypis and the other three DIKO ministers did not follow the call of party leader Nicos Papadopoulos to resign from their posts. Instead, the energy minister stayed on and suspended his party membership, whereas the other three ministers were replaced and given other posts.

March also witnessed a reshuffle of the boards of the Cyprus Hydrocarbons Company (CHC-former KRETYK) and the Natural Gas Public Company (DEFA). The CHC now comprises a board of non-executive directors. The new chairman is Toula Onoufriou, an academic with a strong background in the energy field. Other appointees to the CHC board are Mike Efthymiou, a former chief engineer for Shell, Constantinos Lykourgos, a senior counsel at the attorney-general's office, George Georgiades, a chartered accountant and a consultant to GE Petrol, Constantinos Nicolaou, a former consultant for Energean Oil & Gas, Lena Mylona, employed since 2006 with JP KENNY/BP in Angola and Theodoros Tsakiris, assistant professor for Geopolitics of Hydrocarbons at the University of Nicosia. At DEFA, Eleni Vasiliadou retained her post as head of the entity, as has board director Michalis Andreou. The newcomers to the DEFA board are: Andreas Pouliskas, formerly with the EAC, Tasos Kounoudis, Symeon Kasianidis Giorgos Pamboridis and Adam Lomas. DEFA, the sole importer and distributor on gas in Cyprus, extended the timetable for the submission of proposals for interim gas supplies until April 2014.

On March 10, Greece launched an international tender for a study on the feasibility of a proposed 'Eastern Mediterranean Pipeline'. The East Med is supposed to carry 8 billion cubic meters of Israeli and Cypriot gas to Europe via Crete, aiming to reduce the dependence on Russian supplies. For Cyprus, the pipeline is one of three so-called 'Projects of Common Interest'

(PCI), involving the island. The other two projects with the European Commission's approval include the construction of the LNG terminal and a subsea electricity cable linking Israel, Cyprus and Greece. The pipeline project was assessed by ENI last year as unfeasible because of the high costs estimated at €20 billion as well as geological reasons related to the waters depth.

Meanwhile, Israel is considering selling 25% of its rights in its Leviathan gas field to Australia's Woodside Petroleum. A partnership with Woodside is seen as favouring a so-called floating LNG plant (FLNG) to export Israeli gas. This would diminish the prospects of Israel pooling its gas with Cyprus via an onshore LNG.

After the collapse of the Lebanese government in March 2013, the newly sworn-in government is expected to get under way legislation for offshore oil and gas exploration in the Levant Basin, including the demarcation of its borders. If it is to explore its reserves, Lebanon will have to coordinate its moves with Egypt, Cyprus and Israel. In the case of Israel, this might prove very difficult, as both states are still in a state of war and have an unresolved dispute over the borders of their respective Exclusive Economic Zones.

The Cyprus Energy Regulator Authority (CERA) announced its decision to make a temporary 8% reduction in electricity prices permanent.

### 3. Greek Cypriots

#### **Economic Developments**

The month of March began among great uncertainty after Parliament had rejected a controversial bill on privatizations end of February. This rebuff put the island's international assistance programme in jeopardy. Approval of the bill was necessary for the release of a bailout tranche worth of €236 million.

Eventually, common sense prevailed on March 4, when Parliament approved a re-submitted version of the bill with a 30-26 vote. Ruling DISY, DIKO, EVROKO's Demetris Syllouris and independent Zacharias Koulias voted in favour while AKEL, EDEK the Greens, and the Citizen's Alliance deputy Nicos Koutsou voted against the legislation. The main organizations slated for privatisation are Cyprus Telecommunications Authority (Cyta), the Cyprus Ports Authority (EAC) and the Cyprus Electricity Authority (EAC). Cyprus must raise 1.4 billion through privatizations between 2016-2018.

Meanwhile, another controversial bill, this time empowering the Inland Revenue Department to seize personal property - including banks deposits - to settle unpaid dues to the government without a court decision, was submitted to the House. The bill, which caused a storm of protests, was submitted in accordance with the requirements of the Memorandum of Under-

standing (MoU) following the troika's<sup>1</sup> review in February.

On another front, the Cyta pension fund managing committee and the EAC pension fund managing committee decided during the month to renew a €100 million loan they each granted to the government to avoid an imminent default at the end of 2012 for another three months.

On March 10, Panicos Demetriades unexpectedly resigned from his post as Central Bank (CBC) Governor, citing personal and family reasons. His resignation was accepted by President Nicos Anastasiades who had openly accused Demetriades of mishandling the island's bailout programme and who had been pressing for Demetriades' departure for months. Demetriades was appointed in May 2012 for a five-year term by the previous government of Demetris Chirtofias. He will work out his notice until April 10 when he will be replaced by Auditor General Chrystalla Georghadji.

According to data released by the CBC, non performing loans (NPLs) in the islands banking sector rose to €27.6 billion in January compared to €26.9 billion in December. In particular, NPLs in commercial banks reached €21.2 billion and €6.4 billion in co-operatives.

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<sup>1</sup> The troika is comprised by the International Monetary Fund, the European Commission and the European Central Bank.

Moodys rating agency upgraded Cyprus' credit worthiness from negative to positive citing the islands stronger than expected fiscal and economic performances in 2013 and the authorities' track record of meeting conditions under the troika funding programme. The rating agency also changed its outlook from negative to positive for Bank of Cyprus (BoC), from negative to positive for Hellenic Bank (HB) and from negative to stable for the Russian Commercial Bank Ltd (RCB). At the same time Fitch Ratings also upgraded the viability ratings of BoC and HB from 'cc' and 'ccc' respectively from 'f'.

Furthermore, according to data revealed by the ECB for the month of February, private sector deposits in Cypriot banks fell by 1.4 % to € 34.4 billion but still reflected broad stabilization after 18 months of falls starting in May 2012, where they peaked at €50.5 billion.

In a decree issued by the Finance ministry on March 28, Cyprus abolished the maximum daily cash withdrawal limit of €300 along with restrictions on breaking fixed-interest time deposits, a year after capital restrictions were imposed in order to avert a bank-run following the crucial Eurogroup bail-in decisions of March 16 and 25. Individuals are also allowed to transfer up to €50.000 in funds per month without supporting documentation, and businesses up to €200.000. On the same day the IMF approved the disbursement of the next tranche of financial assistance to Cyprus of around €83.3 million. The disbursement brings total disbursement

under the arrangement to €332.2 million of the IMF arrangement's total €1 billion.

According to Eurostat, the rate of unemployment in February rose from 14.7% to 16.7% or 74.000 one of the highest annual increases in the European Union.

### **Domestic Developments**

The Cypriot minister of defence, Tasos Mitsopoulos, passed away on March 22. Mitsopoulos was a member of DISY and had only recently been appointed to his post as a result of a ministerial reshuffle after DIKO left the coalition government. He was to continue the restructuring of the National Guard, a task he had taken from his predecessor Fotis Fotiou. At the time of writing, no new minister was appointed.

The far-right party ELAM disrupted an event on the Cyprus problem which took place in Limassol on March 26. The event was attended by the former Turkish Cypriot leader, Mehmet Ali Talat, and the American ambassador, John Koenig. A group of about 70 ELAM members entered the venue and hurled a flare inside. During the incident, a Turkish Cypriot photographer was injured. Even though police managed to arrest three of the assailants and the event continued, chief of police, Michalis Papagerogiou was dismissed. It appears that he did not follow a tip-off he had received. As a consequence, there was not sufficient police present

at the event. The three arrested suspects were released from custody as, according to the Limassol district court, the police's arguments were 'unclear and vague'. In the north, the Turkish Cypriot leader Dervish Eroglu described the lack of police force as 'thought provoking'. But Kibris columnist Hasan Hasturer pointed also out that both Turkish and Greek Cypriots present at the event condemned the incident univocally. The decision of President Anastasiades to sack the chief of police was criticised by AKEL and EDEK, who pointed out that it was the responsibility of the justice minister Ioanas Nicolaou who had not taken seriously previous evidence of ELAM training camps in the Troodos area and had even negated the existence of 'organised right-wing factions'. ELAM has close connections with the Greek far right-wing organisation Golden Dawn.

In March, the remarks of Archbishop Chrysostomos against LGBT sparked wide criticism. He demanded that the Church 'must be unequivocal in condemning homosexuality'. A recent opinion poll, however, showed that 53.3% of the Greek Cypriot citizens would be supporting civil partnership legislation. Currently, the government is working towards enacting a civil partnership bill to be submitted to parliament in April.

### **Foreign Policy**

Cyprus was among 100 countries that voted in favour of a UN General Assembly (UNGA) resolution on March 27, affirming the body's

commitment to Ukraine's sovereignty, political independence, unity and territorial integrity within its international recognized borders.

The Cypriot vote, a rare expression of criticism towards Russia, adheres to the EU declaration and EU Council conclusions of March 20 in relation to the Ukrainian Crisis. Nevertheless, Nicosia's stance came into contrast with the Cypriot parliament, which had adopted a resolution requesting from the government to refrain from taking any actions that might disrupt Cyprus' relations with the Russian Federation. In this context, the Russian request from last November to use an airfield near Paphos needs to be kept in mind, as this, together with the extension of a Russian loan of 2.5 billion Euros due to the financial crisis has put Cyprus in a precarious position with regards to Russia and highlights the thin rope the Cypriot government has to walk. This was highlighted when the Russian ambassador to Cyprus pointed out that Moscow 'was not happy about Cyprus' alignment with other EU member-states on sanctions', he further stated that should the EU continue with its current sanctions policy 'our businessmen would pull out capital and repatriate their activities.' Russia is traditionally seen as an important ally of the Greek Cypriots in the UN Security Council, protecting Greek Cypriot interests within the body, while the Greek Cypriots are seen by some observers as protecting Russian interests within the EU in return.

Those politicians who expressed their concerns about a deterioration of Russo-Cypriot relations

were accused by critics of leaving aside those principles of international law they usually evoke in the context of the Cyprus problem. Furthermore, they point out that the idea of Russian support was a myth that stems from the times of the Cold War and that Russia by no means wanted to jeopardise its good relations with Turkey with a trade worth 35 billion US Dollars in 2013. The building of a nuclear power station in Turkey by Russia is also said to be in the pipes.

At the moment, it appears, however, that the sanctions imposed so far have not had a major impact on the Cyprus economy. Currently, there are around 40.000 Russians living in Cyprus, who have not been affected by the sanctions. Tourism could suffer, however, if the EU decides to introduce visas for Russian citizens as part of stepping up sanctions. In 2013, Russian tourists were second in numbers after UK citizens to visit Cyprus. Before the Ukrainian crisis became more virulent, the Cyprus Tourism Organisation expected an increase of 25% of Russian tourists for 2014.

## 4. Turkish Cypriots

### January

During the month of January, the Turkish Cypriot leaders, President Derviş Eroğlu and Prime Minister Özkan Yorgancıoğlu paid official visits to Ankara separately. During his one-day

visit on January 16, Mr Eroğlu met with the President Abdullah Gül, the Prime Minister, Recep Tayyip Erdoğan and the Speaker of the Turkish Grand National Assembly, Cemil Çiçek. According to media reports, Mr Eroğlu exchanged views with the Turkish officials on the latest developments on the Cyprus problem as well as the economic problems of the 'TRNC'<sup>2</sup>.

Towards the end of month, on his first official visit to Ankara as Prime Minister, Özkan Yorgancıoğlu met with Recep Tayyip Erdoğan and Cemil Çiçek. The Turkish Cypriot Minister of Foreign Affairs, Özdil Nami, the Turkish Deputy Prime Minister responsible for Cypriot Affairs, Beşir Atalay and Turkey's ambassador to Nicosia, Halil İbrahim Akça, attended the meeting between the two prime ministers, where views were exchanged on the Cyprus problem and the 'TRNC' economy.

The Democratic Party-National Forces' (DP-UG) Party Assembly decided to hold the party's ordinary congress on February 2. The DP-UG Secre-

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<sup>2</sup> The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. While for Turkey and the Turkish Cypriots, Derviş Eroğlu 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).

tary General Bengü Şonya announced that he would challenge Serdar Denktaş for the party's leadership in the congress.

A delegation from the Turkish Cypriot parliament carried out contacts at the European Parliament (EP) in Strasbourg. The resumption of the Cyprus negotiations, the representation of the Turkish Cypriots at the EP with the observer status and the expectations of Turkish Cypriots from the EU were the main issues on the agenda. The delegation consisted of Armağan Candan (CTP-BG), Ersan Saner (UBP) and Hasan Taçoş (DP-UG).

An opinion poll conducted by KADEM found that Mehmet Ali Talat is ahead of Derviş Eroğlu and Mustafa Akıncı in a potential 2015 presidential race. 42.9% of those polled said they would vote for Mr Talat while support for Mr Eroğlu and Mr Akıncı stood at 40% and 17% respectively.

According to the same poll, the economic situation has worsened in the 'TRNC' in the last five years. 61% of the respondents stated that their average monthly household income declined compared to five years ago. 27.1% said that their income has not changed while 11.9% reported an improvement. Respondents identified rising prices, difficulty to pay their debts, and electricity price hikes as the three most important problems in the last six months. The poll was conducted with a sample of 654 persons.

The devaluation of the Turkish Lira against for-

eign currencies, which had started following the corruption allegations against the Turkish Prime Minister, continued in January. The chairman of the Turkish Cypriot Chamber of Commerce, Günay Çerkez, and the chairman of the Turkish Cypriot Chamber of Industry, Ali Çıralı, noted that the Turkish Lira lost 30% of its value against foreign currencies and urged the government to take measures.

Muharrem Yılmaz, the chairman of the influential Turkish business organization, the Turkish Industry and Business Association (TÜSİAD), visited the 'TRNC' with a delegation. During the visit, a joint statement was issued, urging the sides involved to start negotiations for reaching a peaceful solution to the Cyprus problem. Along with TÜSİAD, the statement was signed by the Hellenic Federation of Enterprises (SEV), the Cyprus Employers and Industrialists Federation (OEB) as well as the Turkish Cypriot Businessmen Association (İŞAD). The four institutions identified the rising international interest in the Eastern Mediterranean as an opportunity for a resolution, which could boost a high-level economic cooperation including all involved parties.

Meanwhile, the Turkish Cypriot parliament voted to decriminalise homosexuality, repealing a law inherited from the British colonial rule. The new legislation strengthens the protection of LGBT people by banning hate speech against LGBT people and discrimination on the basis of sexual orientation and gender identity in the provision of public services. As part of the revi-



sion of the penal code, capital punishment has been also abolished.

### **February**

The month of February commenced with a high-level visit from Turkey. Three cabinet ministers, Deputy Prime-Minister and the Minister Responsible for Cyprus Affairs, Beşir Atalay, the Minister of Forestry and Water, Veysel Eroğlu as well as the Minister of Energy and Natural Resources, Taner Yıldız, held a series of meetings in the 'TRNC'. They also attended the foundation laying ceremony of projects, which are part of the undersea water pipeline project that will link the island to Turkey. The pipeline is planned to carry 75 million cubic meters of water from Alaköprü Dam in Turkey to Cyprus. Half of the supply will be used as drinking water, while the rest will be used for irrigation. It was earlier announced that land from 25 villages would be expropriated for the construction of the distribution network station and the pipelines. Mr Atalay stated that the project would be completed by September this year at the latest.

During the month of February, the Democratic Party-National Forces (DP-UG) re-elected Serdar Denктаş as party leader. The party held its ninth ordinary congress on February 2. Incumbent Denктаş was challenged by Party Secretary Bengü Şonya and two other lesser-known candidates. Of 1859 votes cast, 1147 went to Mr

Denктаş. Mr Şonya secured 204 votes, while Fuat Ciner Türköz and Abdurrahman Ömeroğlu received 21 and 20 votes respectively. Following the congress, Hasan Taçoy, a Nicosia MP and a member of the National Forces (UG) wing of the party, became the new party secretary after running unopposed.

Following the joint declaration, Derviş Eroğlu appointed Kudret Özersay as his negotiator as of February 8. Mr Özersay had left this post in June 2012 on the grounds that he did not want to be part of a development that was going nowhere. Mr Özersay said this time there were a lot of signs that it would be a serious process.

It was also announced that Mr Eroğlu's former special representative, Osman Ertuğ, would continue carrying out his duties as the Turkish Cypriot leader's spokesperson and special advisor of diplomatic affairs.

Before accepting the joint declaration, Mr Eroğlu briefed the Turkish Cypriot political parties represented in the parliament about the content of the text sent to him by the United Nations. All four political parties expressed their support to the resumption of the negotiation process.

The representatives of major interest groups including the chamber of commerce, chamber of artisans, and unions of primary school teachers and civil servants endorsed the resumption of the negotiations and pledged their support to the process.

The former Turkish Cypriot leader, Mehmet Ali Talat, made statements regarding the new process and pointed out the exclusion of arbitration as the worst element of the joint declaration.

Hannes Swoboda, the President of the Progressive Alliance of Socialists and Democrats in the European Parliament, visited Prime Minister and CTP-BG leader Özkan Yorgancıoğlu, and the Foreign Minister Özdil Nami separately to discuss the latest developments regarding the Cyprus problem and the relations between the EU and the Turkish Cypriot community.

Turkish Cypriot political parties represented in the parliament issued a joint statement as a response to the legislation passed by the RoC parliament earlier, which will allow Turkish Cypriots to vote in the European Parliament elections in May. It was said in the statement that the Greek Cypriot 'arrangement was unacceptable' and that 'this would not reflect the Turkish Cypriots' political will'. Reportedly, the UBP did not sign the joint statement due to a delay, but in principle they agreed with the text.

The speaker of the parliament, Sibel Siber, participated in the ninth Parliamentary Union Conference of the Organization of Islamic Cooperation, which was held in Tehran.

In the meantime, earlier speculations that the coalition government could fail in the near term continued also in February. The main reason behind these speculations were the meetings held between the junior coalition partner DP-UG and the main opposition UBP with a view to

exploring a possible collaboration in the upcoming local elections. The CTP-BG officials publicly expressed their uneasiness.

Murat Kanatlı, a member of the Board of Directors of the New Cyprus Party (YKP) was sentenced to 10 days in prison for objecting to participate in the annual compulsory military exercises on the basis of his ideological conscientious objection.

According to data provided by the Turkish Cypriot Chamber of Commerce, the total trade sales from the north to the south since the Green Line Regulation came into force in 2004 reached 70,874,828 Euro. Due to electricity sales, which lasted seven months between July 2011 and March 2012, and amounted to 28,851,000 Euro the annual trade figures in 2011 and 2012 were 29,407,435 and 8,944,202 Euro respectively. The figure declined to 3,937,317 Euro in 2013, the lowest since 2007.

### **March**

The month of March was dominated by media reports about the collaboration of two right-wing political parties, UBP and DP-UG in the local elections, which will be held on June 29. After weeks of talks, they announced that they decided to have common candidates for 16 municipalities including Nicosia, Kyrenia and Famagusta. In the remaining 12 municipalities, the parties will field their own candidates. Yet, the two parties' decision to nominate Hasan Sertoğlu, the chairman of the Turkish Cypriot

Football Association (KTFF) as their candidate for Nicosia attracted strong criticism from the nationalist circles, who insisted that Mr Sertoğlu should withdraw his signature from the provisional agreement signed between the KTFF and the Cyprus Football Association if he is to run as the joint candidate.

Moreover, the DP-UG chairman Serdar Denktaş stated that it was possible to further the electoral alliance and that the two parties could unite to form a new party in the future. He also stated that should he decide to run, they would support Mr Eroğlu in the 2015 presidential election. In a similar vein, the UBP leader Hüseyin Özgürgün said that the alliance could form the basis for unification with the DP-UG under a new name, and pledged his party's support for Mr Eroğlu in the next year's presidential race.

Though it had identified the negotiations between its coalition partner DP-UG and the main opposition UBP "not acceptable" and repeatedly expressed its uneasiness, eventually the central executive council of the CTP-UG, which convened to discuss the future of the government, decided to stay in the coalition. In the meantime, the CTP-BG party assembly expressed its uneasiness over the role played by Derviş Eroğlu in the forging of the alliance and some DP-UG MP's statements about the Cyprus problem as well as the slow pace of the reforms envisaged in the coalition protocol caused by the foot-dragging of the DP-UG side. There were other reports in the media alleging the involvement of Mr Eroğlu in the process

culminating with the agreement between the two parties.

A similar attempt to forge an electoral alliance between the CTP-BG and TDP did not bear fruit. As a result, the TDP turned its attention to a possible alliance with the smaller parties and civil society organizations on the left. The TDP and United Cyprus Party (BKP) agreed to collaborate.

Regarding the disruption by ELAM of the event in Limassol where he was a speaker, Mr Talat said that the perpetrators were only 'a very small minority' and that it would be wrong to make any generalization. He also welcomed the condemnation of the incident by the President Anastasiades and the Archbishop.

The decisions of the National Educational Council, an advisory body, stirred controversy. Among other things, the council, which convenes every five-years, decided to abolish the "student oath" (pledge of allegiance); to remove compulsory religion classes from the curriculum; to close the Hala Sultan theological high school; and to introduce compulsory Greek classes to the curriculum. Mustafa Arabacıoğlu, the minister of education, who allegedly walked out in protest during the last session of the council, later said that he would disregard the decisions regarding the oath and the theological school but expressed positive views about introducing – elective – Greek classes. He also reminded that the decisions were not binding.

The Turkish Cypriot Foreign Minister Özdil Nami visited Washington DC and New York, where he met with authorities of the US Department of State, members of US Congress and attended the activities of think tank organizations and gave interview to various media organizations. Mr Nami highlighted his contact with the authorities of the National Security Council at the White House as “an extremely important development”.

On a different note, regarding the ongoing negotiations, Mr Nami said that he found the number of meetings insufficient and added that it was not enough for the leaders to meet once a month.

The CTP-BG MP Mehmet Çağlar attended the Council of Europe Parliamentary Assembly (PACE) meeting in Paris. According to media reports, at the meeting, Mr Çağlar pointed out the importance of not squandering the positive atmosphere created by the joint statement, and called on PACE to provide support for Turkish Cypriots and Greek Cypriots to create a United Federal Cyprus.

The CTP-BG secretary general Kutlay Erk and Kyrenia MP Fazilet Özdenefe, attended the congress of Party of European Socialists in Rome.

The Turkish Cypriot Chamber of Commerce (TCCC) held its 51st general assembly on March 22. A delegation of nine from the Cyprus Chamber of Commerce and Industry (KEVE) including the chairman was among the participants in the

opening ceremony. Fikri Toros has been elected the new chairman of the chamber.

In his speech at the TCCC's assembly, the Deputy Prime Minister Serdar Denktaş pointed out the weakness of the Turkish Cypriot economy and called on the EU to push aside the recognition issue and start the accession process with the Turkish Cypriots as a confidence building measure. He also said that he believed that most probably an agreement would be signed because of the pressure coming from external actors.

According to the data provided by the Turkish Cypriot Chamber of Industry, the Turkish Cypriot exports in 2012 and 2013 were worth USD 116,227,168 and 120,681,239 respectively. Citrus and dairy products accounted for more than half of the exports in 2013. In 2013, the ‘TRNC’ imported goods worth USD 999,600,000 from Turkey alone. According to the chairman of the chamber, Ali Çıralı, export-import ratio is only 6%.

The Minister of Education Mustafa Arabacıoğlu announced that currently some sixty thousand students are enrolled at the universities in the ‘TRNC’. Thirty-five thousands of these students are from Turkey while fifteen thousand come from over hundred different countries.

## 5. FES Cyprus Events

### April

**Thursday 24. April 2014, 3.00 to 8.30 pm**

PRIO / FES

Conference

**Crisis Politics in Southern Europe: Challenges to Democratic Governance**

UNESCO Amphitheatre, University of Nicosia  
Open to the public

### May

**Friday 9. May 2014, 5.00 - 7.15 pm**

FES

Conference

**Cultural Diplomacy and Narratives of Conflict in the Middle East**

University of Nicosia  
Open to the public



**Friday 9. May 2014, 9.45 am – 5.30 pm**

Australian Embassy Turkey / Australian High Commission / FES

Workshop

**Istanbul Roundtable – May 2014**

Istanbul Policy Center

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