



## EDITOR'S NOTE

An EU member state in the Eastern Mediterranean, at the crossroads of Europe, Asia and Africa; this is Cyprus in a nutshell.

The monthly FES Cyprus Newsletter gives you a current overview of the domestic political situation and the external affairs of an island, which is far more than a divided country. Have a pleasant read!

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119  
APRIL 22

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## FES CYPRUS NEWSLETTER

**PODCASTS in MAY:**  
*No podcasts in May*



**PODCASTS in JUNE:**  
*No podcasts in June*

**PUBLICATIONS in MAY:**  
*No publications in May*



**PUBLICATIONS in JUNE:**  
*No publications in June*

**EVENTS in MAY:**

*Embassy of Sweden, Friedrich-Ebert-Stiftung Cyprus  
and the Centre for Sustainable Peace and  
Democratic Development (SeeD)*

**“Equality Makes Sense” Panel Discussion  
How to Improve Gender  
Equality in Cyprus**  
Tuesday, May<sup>10<sup>th</sup></sup> 2022  
05:00 PM - 07:00 PM (EEST)  
Home For Cooperation  
(Ledra Palace Buffer Zone, Nicosia)  
**RSVP by May<sup>9<sup>th</sup></sup> 2022**  
**E-mail: [info@seedsofpeace.eu](mailto:info@seedsofpeace.eu)**



**EVENTS in JUNE:**

**Grab a Cypriot Coffee: The Cypriot Response to the  
War in Ukraine with Harry Tzimtras,  
Director, PRIO Cyprus Center**  
Monday, June<sup>9<sup>th</sup></sup> 2022  
10:00 AM - 10:30 AM (EEST)  
Online Event  
Link will be provided on  
**FESCyprus.org, our Facebook page**  
**or send an E-mail to:**  
**[Office.Cyprus@fes.de](mailto:Office.Cyprus@fes.de)**

*Friedrich-Ebert-Stiftung Cyprus, Cyprus Center for Eu-  
ropean and International Affairs and the Department of  
Politics and Governance of the University of Nicosia*

**Seminar:**  
**Perspectives on the War in Ukraine  
and the Day After**  
Thursday, May<sup>26<sup>th</sup></sup> 2022  
10:30 AM - 12:00 PM (EEST)  
UNESCO Amphitheatre  
Europa Building  
University of Nicosia  
**RSVP by May<sup>25<sup>th</sup></sup> 2022**  
**Phone: 22841600**  
**E-mail: [cceia\(at\)unic.ac.cy](mailto:cceia(at)unic.ac.cy)**

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## CYPRUS PROBLEM

The month of April began with US Under Secretary of State for Political Affairs, Victoria Nuland, visiting Cyprus as part of a tour in the region which also included Turkey. On April 7, Nuland held separate meetings with President Nicos Anastasiades and Turkish Cypriot<sup>1</sup> leader, Ersin Tatar. Commenting on the Cyprus problem, Nuland stated that the US supports the proposed confidence building measures (CBMs), put forward by the Greek Cypriot leadership in February 2022, based on the argument that these would boost the economies in both the south and north of the island. Most importantly though, Nuland made comments in various press interviews which hinted at energy cooperation between the south and the north without a settlement of the Cyprus issue. Meanwhile during his meeting with the US official, Tatar stressed once again that the sovereign equality and international status of the north must be accepted to facilitate the resumption of official negotiations. As for the CBMs put forward by the Greek Cypriot side, Tatar said that dialogue is always welcomed but stressed that proposals which would extend the sovereignty of the south to the north cannot be accepted. Tatar also said that he had told Nuland that interconnecting both sides of the island with the electricity grid in Europe via Turkey would solve the energy problems of both north and south. "This would be a great CBM," he added.

On April 12, Miroslav Jenca, the UN Assistant Secretary-General for Europe, central Asia and Americas at the UN Department of Political Affairs, held separate meetings with Anastasiades and Tatar. The appointment of a UN envoy who would contribute to the creation of a positive climate and lead to a new round of negotiations within a specific time

<sup>1</sup>The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. While for Turkey and the Turkish Cypriots, Ersin Tatar 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

schedule, was among the matters discussed.

On April 13, Anastasiades and Tatar attended an event hosted by UNFICYP at Nicosia Airport, under the aegis of the Special Representative and Head of the United Nations Peacekeeping Force in Cyprus, Colin Stewart. The event marked the official launch of an action plan on ways to ensure women's full, equal and meaningful participation in the process and an eventual settlement in Cyprus. Following the event Anastasiades told reporters that Tatar declined his invitation to set up a meeting to discuss his ideas for CBMs.

On April 15, Andreas Mavroyiannis submitted his resignation as Greek Cypriot negotiator of the Cyprus problem, citing absence of any developments on the negotiations front. He will officially step down as chief negotiator on May 15. The government announced on April 18 that his replacement will be Menelaos Menelaou, a foreign ministry official. In the past, Menelaou has served as a member of the negotiating team in Cyprus negotiations, in stints during the administrations of Tassos Papadopoulos and Demetris Christofias. Mavroyiannis has served as chief negotiator since September 2013.

On April 18, the Russian embassy in Nicosia issued an announcement stating that Russia has "no intention" of recognizing other authorities other than the Republic of Cyprus. The announcement added, however, that Russia is "exploring the possibilities" of providing assistance to thousands of Russian nationals living in the territories over which the government of the Republic of Cyprus does not exercise "effective control". Assistance according to the announcement might include consular services, but also humanitarian, cultural and educational support. The announcement came amidst reports in local and

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).





Greek media about the alleged establishment of a Russian consular delegation in the north.

On April 20, Anastasiades stated that he wants to see a new initiative for Cyprus from the EU, the US and the UN and presented the Ukrainian crisis as an opportunity creating conditions for resolving outstanding problems. According to Anastasiades such conditions would be:

- for Turkey to delimit its EEZ with the Republic of Cyprus;
- a Cyprus solution provided that it would result in a functioning federal state, free of guarantors and “consequently a dependence on the influences of third countries”;
- a solution which would be based on UN and EU principles and values, for the benefit of both Greek and Turkish Cypriots.

The Permanent Representative of Cyprus to the United Nations, Andreas Hadjichrysanthou sent a letter to the Secretary-General, Antonio Guterres, denouncing Turkish violations of the national airspace and sea of Cyprus. Hadjichrysanthou reportedly referred to recorded violations of Cyprus’ national airspace, the infringements of international air traffic regulations in Cyprus’ flight information region, the violations of the territorial waters of Cyprus and the illegal use of closed ports and airports in Cyprus, by the air and naval forces of Turkey, during the months of September, October, November and December 2021.

During a press briefing at UN Headquarters on April 26, the Deputy Spokesperson for the UN Secretary-General, Farhan Haq stated that the UN continues to work with the parties trying to find a resolution of the situation in Cyprus. The Deputy Spokesperson was replying to a question regarding the UNSG’s upcoming visit with Turkish President Recep Tayyip Erdogan.

Turkish Cypriot businesses are appealing to Tatar and Anastasiades for new checkpoints in the Fama-

gusta gate area, describing the crossings at Agios Dometios and Ledra Street as inadequate. According to Turkish-Cypriot newspaper Diyalog, since the complete lifting of the pandemic measures, there has been a serious increase in crossings and there is excessive crowding at Ayios Dometios and Ledra Street. The Turkish Cypriot newspaper reported that Turkish Cypriot businesses were focusing on the need to develop relations between the two communities to reach a solution in Cyprus.

Turkish Cypriot newspaper Kibris reported on the setting up of a bi-communal group for halloumi which quoted the Undersecretary of Ministry of Agriculture in the north, Emirali Deveci, saying there had been progress in effort to set up the halloumi committee consisting of five Greek Cypriots and five Turkish Cypriots. The establishment of a bi-communal group for halloumi would pave the way for the effective implementation of the EU *acquis communautaire* in all of Cyprus.

On April 27, a bicomunal protest against the Akkuyu nuclear plant in Turkey was held in the buffer zone. Protesters gathered in Nicosia between the two checkpoints at the Home for Cooperation café to voice their opposition to the power plant, which is just opposite Cyprus’ northern coast. Major construction of the plant, significantly aided by Russia, began in 2018 while the first unit is expected to be operational in 2023. Another three units are due for 2025. Concerns range from the potential impacts of earthquakes on the plant to how the nuclear waste will be handled and the wider impact of nuclear energy expansion in the region.

On April 28, the 10 winning pairs of the 2022 Stelios Bi-Communal Awards for Business Cooperation were announced, by Sir Stelios Haji-loannou, with each participant taking a €10k cash prize. Participation in the Bicomunal Entrepreneurship Awards exceeded expectations, with 58 pairings of Greek Cypriots and Turkish Cypriots submitting business proposals. The aim of the awards is to encourage cooperation between Greek Cypriots and Turkish

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Cypriot businessmen, with the goal of establishing lasting peace on the island. The bi-communal annual awards were introduced in 2009.

## HYDROCARBONS

Speaking to reporters after her meeting with President Anastasiades, US Under Secretary of State for Political Affairs Victoria Nuland stated that the proposed East Med project was too expensive, not economically viable and would take too long to build. She instead underlined the need for speedy alternatives to the region's dependence on Russian energy sources.

A proposal by Energean at the latest tripartite meeting of the energy ministers of Israel, Greece and Cyprus, held on April 11, has revived the idea of LNG exports from Cyprus. Mathios Rigas, Energean's CEO, proposed to export natural gas from the company's gas-fields in Israel to Cyprus for liquefaction using a floating liquefied natural gas vessel (FLNG) at Vasilikos which would export to Europe. The three energy ministers reportedly expressed their support for the project, with Cypriot Energy Minister, Natasia Pilidou subsequently confirming that she considers this to be a positive development. According to energy expert Charles Ellinas, the project has all the ingredients required to make it bankable: access to natural gas, access to liquefaction facilities and an off-taker to market and trade the LNG. Commercially the project would still be viable even if gas prices come down to pre-energy-crisis levels. In addition, given that the gas comes from Energean's reserves in Israel, it is free of regional geopolitics. Considering global energy developments as a result of the energy crisis and the war in Ukraine, Ellinas advises that this is the right time for Israel, Cyprus, and Greece to seize the opportunity and sanction this project as soon as possible, moving away from talk into action. During the month, Turkish Foreign Minister, Mevlut Cavusoglu, repeated a demand that the island's natural gas reserves be split equitably with the Turkish

Cypriots. Cavusoglu also called on the European Union to intervene so that Cypriot natural gas goes to Europe through Turkey. On April 14, Anastasiades responded to Cavusoglu's remarks stressing that Turkey firstly needs to recognize the Republic of Cyprus or accept the Greek Cypriot proposal to have a dialogue to delineate the demarcation lines for the Exclusive Economic Zones ("EEZ") of the Republic and of Turkey, or to go to arbitration.

On April 15, Lebanese Foreign Minister, Abdallah Bou Habib, was on an official visit to the island where he met his Cypriot counterpart, Ioannis Kasoulidis. Among other, Bou Habib stated that Cyprus and Lebanon are ready to cooperate and exploit under-sea gas fields between the two countries. Although a deal on offshore rights has not yet been ratified, Bou Habib noted that Lebanon was ready to close such a deal.

On April 21, a meeting was held between representatives of US based company Chevron and the Ministry of Energy. The representatives of the US based company showed interest in the commercial exploitation of the Aphrodite gas field. They reportedly presented the following options:

- the creation of a pipeline in the direction of Egypt so that Cypriot gas ends up to the Egyptian coast, where there already are two terminals in Idku and Damietta.
- the creation of a pipeline from the Israeli EEZ, where it will join the Aphrodite block, and from there it be transported to Egypt.

The natural gas in the Aphrodite block has a total quantity of about 4.5 tcf but it has remained untapped for more than a decade, primarily due the unresolved dispute with Turkey and the Turkish Cypriots over the issue but also due to the fluctuations of energy prices in international markets and the reluctance shown by the relevant companies regarding its commercial exploitation.

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## GREEK CYPRIOTS

### Economic Developments

On April 19, speaking on the sidelines of a conference in Limassol titled *Europe in Crisis: Dynamics and Implications for the Cyprus Economy*, Finance Minister Constantinos Petrides stated that the government does not intend to raise taxes, but will rather pursue a policy of stimulating growth and attracting new investment in response to the coming economic slump.

According to data released by the Cyprus Statistical Service (Cystat), Cyprus' quarterly tourist arrivals exceeded the performance of both the respective quarter of 2021 and 2020. In particular, tourist arrivals in March 2022 amounted to 128,840. Arrivals for the first quarter of the year reached 244,705 compared to 17,747 in the corresponding period of 2021. It should be noted that March 2022 was negatively impacted by the imposition of an EU-wide flight ban on Russian aircraft, as a result of the Russian invasion of Ukraine.

According to data released by the Cyprus Statistical Service, inflation jumped to 7.1% in March 2022, the highest level in 26 years, on an annual basis. Inflation in January 2022 had increased at a rate of 5.4% and in February 2022 at a rate of 6.6%.

According to data from Cypriot retail market research company RetailZoom, Cypriot consumers have reacted to the increased inflationary pressures of recent months by reducing the volume of their purchases at supermarkets and becoming more careful about what products they buy. The data show that in March 2022, compared to March 2021, the number of visits to supermarkets decreased by 14.9%. Moreover, total spending was down by 13.7% and the total number of baskets that passed through the checkout counters was 18.3% lower. At the same time, the weighted average basket value increased by 5.6% to €42.4 in March 2022 from

<sup>2</sup>The government no longer publishes daily Coronavirus cases or deaths. Instead, it publishes figures on cases and

€40.2 in March 2021. The economic sentiment survey for the month of April shows that consumers will continue to be hesitant. Also, expectations of price increases over the next 12 months remain at very high levels, suggesting continued upward pressure on consumer goods prices. The data compiled by RetailZoom is drawn from the majority of supermarkets in Cyprus and provides a representative picture of market trends and the impact of inflationary pressures on consumer behavior.

The revision of GDP figures at current prices for 2021, brought Cyprus' GDP to an all-time high of €23.43bn during the previous year. Moreover, during this time, the Cypriot economy recorded a record growth of 8.4%, with GDP having exceeded 2019 levels. The revision is based on public finance and balance of payments data and affects GDP in previous years. The recession in 2020 amounted to 6%, while in 2019, Cyprus achieved growth of 6.5%, slightly lower than the growth of 6.8% recorded in 2018.

On April 21, Hellenic Bank posted its financial results for the previous year, showing a loss of €11.7m for 2021. This primarily reflects impairment losses related to the completion of Project Starlight, the bank's sale of a non-performing exposures portfolio, with a value of €0.7bn.

According to the Cyprus Statistical Service, unemployment fell by 58% in March 2022, compared to the same month last year. The report stated there were 13,815 registered unemployed people in March 2022, 19,115 less than in March 2021.

### Domestic Developments

In April, the Covid 19-cases increased from 430,726 to 474,105 cases<sup>2</sup>. The number of deaths attributed to the virus rose from 935 to 1,015. While the number of cases remains high, a significant improvement in epidemiological indices was noted allowing the government to proceed with further relaxations

deaths on a weekly basis. These figures represent the latest published figures of the month, up until April 27.

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which included lifting the SafePass requirement for outdoor venues and the abolishment of the restriction on the maximum number of people at house gatherings.

On April 7, Ukrainian President Volodymyr Zelenskiy addressed the Cypriot parliament. Zelenskiy's failure to mention Turkey's invasion of 1974 casted a shadow over his address and was met with disappointment by the majority of the Greek Cypriot political realm. AKEL opted last minute not to attend the special House session.

On April 26, outgoing Greek Cypriot negotiator Andreas Mavroyiannis confirmed his interest in running for the 2023 presidential elections. He has been linked to main opposition AKEL, who are still searching for a personality to sponsor. AKEL said it would take its final decision for the presidential elections during a party congress to be held in June. Earlier in the month a DIKO-AKEL split was announced after two and a half months of talks failed to yield the desired results for a common candidate who would be acceptable to both parties. On April 29, Physics professor and former rector of the University of Cyprus, Constantinos Christofides, announced he will run for president in the upcoming 2023 elections, backed by New Wave - The Other Cyprus.

During the month of April, the cabinet revoked eight Cypriot passports from Russians identified within the latest round of EU sanctions against Moscow.

#### Labour Relations and Trade Unions

ETYK (Union of Bank Employees Cyprus) launched a multifaceted attack on the occasion of recent statements by the CEO of Hellenic Bank, during the presentation of the Bank's financial results for the year 2021. The CEO spoke of forthcoming redundancies as a result of high labor costs. He said that in a first stage there may will be a reduction in the number of staff by 300 - 350 people. In a circular issued to its members, ETYK criticizes the bank's Board of Directors for not complying with their contractual and legal obligations and probes the Ministry of Labor

to "stand up to the circumstances, to stop supporting Hellenic Bank and to proceed with the process of criminal proceedings". Despite the many months of mediation efforts of the Department of Labor Relations of the Ministry, the impasse regarding the renewal of the collective agreement has not been removed so far, nor have the labor disputes concerning major labor issues between the employer side and ETYK been bridged. The union accused Hellenic Bank for violating the Labor Relations Code, by not implementing the decisions of the Ministry of Labor, "thus devaluing its staff and especially the institution of the Ministry of Labor".

On April 11, in the context of the 59th congress of PASYDY (Pancyprian Confederation of Public Servants), the union set the pension, the new evaluation system and the promotions of thousands of permanent employees as the most important trade union issues of the period. Regarding the pension, they stated that an agreement with the Ministry of Finance for its resolution had been reached. They also mentioned that "the relevant bill will soon be before the Parliament for a vote". Regarding the new evaluation system, which is being implemented in the context of the proposed reform, they stated that this will lead to the development of staff, as well as to the maximum possible assurance of meritocracy in promotions. On the issue of lack of promotion for thousands of full-time employees, the Union added that "it is unacceptable to have colleagues with 10, 15 and 20 years of service without any prospect of advancement". The general secretary of PASYDY requested the launch of actions by the state, with regards to the same issue. Responding to the report, the President of the Republic, Nikos Anastasiades, noted that the problem lies in the fact that the procedures provided during the specific recruitments were not followed based on the Law on Public Service when they were recruited ". As a result, he said, "any legislative act could turn the indefinite into permanent to carry the risk of unconstitutionality, as has been the case in the past with some exceptional recruitment of special categories."







During the meeting of the Workers' Advisory Board on April 19, the introduction of the minimum wage at the end of May was officially set as a milestone. Partners are preparing to update and specify their positions, before the discussion on the finalization of the framework continues. The need to ensure that the national minimum wage takes into account specific parameters in determining the amount and operating framework of the adjustment mechanism is emphasized by the trade union leaders, stressing that the national minimum wage regulation framework should not conflict with the collective contracts, where they apply.

### TURKISH CYPRIOTS

#### Economic Developments

According to the Statistical Institute, the consumer price index was 88.8% higher in April 2022 compared to April 2021. The consumer prices had risen by 5.07% in April 2022 alone.

Turkish Cypriots have ranked the economy as their most important problem, followed by inflation and the cost of living, according to the latest Eurobarometer poll. The poll found that 75% of Turkish Cypriots have the perception that "things are heading in the wrong direction" – 30 percentage points above the European Union average; of the Turkish Cypriots surveyed, 94% expressed a belief that the Covid-19 pandemic will continue to have "very serious economic consequences" on the community. As regards democracy, only 40% of respondents stated that they were satisfied with how democracy is functioning in north Cyprus – a rate 16 percentage points below the European Union average.

The European Union has pledged a total of €4.2 million for a scheme that aims to 'create jobs, support business growth, and contribute to economic stability' in the northern part of the island. The money has been allocated as part of the second phase of the 'Creating and Safeguarding Employment Scheme',

and implemented by the Northern Ireland Cooperation Oversees (NI-CO) as part of its 'Innovative Entrepreneurship Project'. The funding is expected to create as many as 240 'high-value' jobs in small- and medium-sized businesses. A total of 86 beneficiaries will receive up to €60,000 each to employ people and buy new equipment, while expert support will be provided in order to assist them in growing their businesses.

The Turkish Cypriot government has unveiled a support scheme for employers worth around 25 million TL (€1.58 million) a month. Under the scheme, the government will cover 65% of employers' social security contributions, for certain sectors. The support will be in place for payments covering March to August 2022, with the possibility of it being extended. The Minister of Labour and Social Security, Hasan Tacoy said that the support could be considered as a "continuation" of the help provided to businesses during the pandemic and that the scheme will be funded through the "Employment Support Fund".

The government took over the debt of the Cyprus Turkish Electricity Authority (Kib-Tek) to Aksa Energy Generation Company, the Turkish company which operates a power plant in Trikomo. The debt is 1.046 billion TL (€66.35 million). It was stated that electricity prices were not increased in order to prevent the public from being victimized due to the pandemic conditions and economic bottlenecks, and that Kib-Tek, which has been selling electricity below cost prices, has a serious debt burden and the financial structure of the institution has deteriorated. The takeover of the debt was aimed to ensure the security of supply in energy.

The Ministry of Finance managed to borrow only 26 million TL in a tender where it sought to borrow 150 million TL.

#### Relations with Turkey

On April 14, the Turkish Vice President Fuat Oktay and the Turkish Cypriot Prime Minister Faiz Sucuoglu signed the 2022 Economic and Financial





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Cooperation Protocol in Ankara. Under the agreement – the full details of which have yet to be made public – Turkey has allocated 4.25 billion TL (€269.6 million) (3.2 billion TL in grants and 1.05 billion TL in loans) for the TRNC in 2022. 2.16 billion TL of the grants will be used for infrastructure and “real economy” projects, and 940 million TL for defense spending. Speaking at a joint news conference following the ceremony, Oktay said that the infrastructure projects will include “the construction of a new presidential complex, a 500-bed public hospital in Nicosia, a fully equipped 100-bed military hospital in Kyrenia, water distribution projects for Morphou and the Mesaoria region, new roads, two mobile power stations as well as other rural infrastructural projects”. Oktay also said that the protocol had been prepared under four main headings: “public administration and public finance policies”, “economic and financial policies”, “social policies”, and “defense, security and justice”. Oktay also said: “Our expectation from the TRNC government is to implement structural and sustainable policies that are far removed from populist approaches.” For his part, Sucuoglu said that money will begin to circulate within the TRNC economy in a matter of months once the necessary work is completed.

Upon his return to the island Sucuoglu said that they had also reached a consensus that reforms must be introduced in order to increase public revenues and decrease public expenditures.

Turkish Cypriot newspaper publisher and editor Sener Levent has been sentenced to one year in jail for offending Turkish President Tayyip Erdogan in a cartoon printed in 2017, it emerged on April 26. The sentence was announced by Levent himself on social media, who wrote “the criminal case filed against me in Ankara has been concluded and I was informed of the court’s decision this morning”. He proceeded to say that he was sentenced to one year in jail for insulting the Turkish president in cartoon published in December 2017 in his newspaper Avrupa. The cartoon depicted an ancient Greek statue urinating

on Erdogan’s head. For the same case, Levent was tried and acquitted by a Turkish Cypriot court back in 2019.

### Domestic Developments

A new political crisis shook the northern part of the island in April. On April 19, the National Unity Party (UBP)-Democratic Party (DP)-Rebirth Party (YDP) coalition government resigned. Earlier in the day, Sucuoglu tried to sack Sunat Atun, his Minister of Finance, but the President Ersin Tatar delayed the proposed reshuffle of the cabinet. In the afternoon, Sucuoglu revisited Tatar, this time handing in the government’s resignation which was accepted the following day. It turned out that this was only a maneuver to push Tatar to accept the dismissal of Atun - a few days later, noting that he was surprised by President Tatar’s decision to accept the government’s resignation, Sucuoglu said, “I did not expect it”. Sucuoglu’s three-party coalition which had been approved by Tatar on February 21, and had received a vote of confidence in parliament on March 3, lasted for only 59 days; the shortest in the Turkish Cypriot history. In this short period, another cabinet reshuffle had taken place on March 9 indicating that things were not going well.

In the background of the resignation, at least on the face of it, there were disagreements between the Prime Minister Sucuoglu and his Finance Minister Atun (who is also a UBP member) over price hikes. In early March, the government decided to heavily increase the price of electricity. After receiving first electricity bills after the hike, in early April, household consumers as well as producers started to protest. Facing strong backlash, the Prime Minister backtracked and announced that the government would subsidize electricity prices. Atun, who is also responsible for Kib-Tek, however, stated that the government would need to find an additional monthly resource of 180 million TL (€11 million) to be able to carry out the promised subsidy. Atun added that his ministry will “make every effort to find

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this resource for the first month” but that the Treasury’s borrowing ability has become “extremely limited” and the TRNC’s budget deficit has reached the “highest rate in history”. Sucuoglu later said that the electricity tariff reductions, he had announced earlier would only be applied to bills issued for March. Another point of contention between the Prime Minister and the Minister of Finance was the hikes on the duties on alcoholic drinks, which led to widespread discontent among the restaurant and entertainment sectors. Sucuoglu stated that after discussions with importers, the restaurant sector and small businesses, the government concluded that it was “necessary” to decrease the extent of the hike. Sucuoglu told reporters that the TRNC is suffering from the effects of the economic crisis, the pandemic and the Russia-Ukraine war and added that it is virtuous to correct a mistake if some of the measures taken by the government have caused distress to the public. Reportedly, Atun did not agree and Ankara stood behind Atun, and that’s why Tatar “could not” approve the sacking of Atun by Sucuoglu. The saga took a different turn in the following week when the junior coalition partners (DP and YDP) which had signed a new coalition protocol with UBP, decided to withdraw from the government a day before the vote of confidence in the parliament citing Sucuoglu’s refusal to sign an Action Plan prepared by the DP and YDP. This was widely interpreted as something which happened due to Ankara’s interference. In April, the number of Covid-19 cases increased from 85,461 to 93,263 while the number of deaths attributed to the virus increased from 220 to 235.

#### Labour Relations and Trade Unions

On April 1, one of the biggest protests of the recent history took place in Nicosia. Public services ground to a halt across the country as trade unions across the political spectrum staged a one-day general strike and protest march against rising prices, stagnant wages and the “impoverishment” of the general population. The strike was organised by a long list of trade unions representing a wide range of pro-

fessions, including civil servants, teachers, health-care workers and municipality staff. A number of opposition political parties and non-governmental organisations also joined the protest, including the Republican Turkish Party (CTP), the People’s Party (HP) and parties not represented in the parliament. Thousands marched towards the Prime Minister’s Office, where police took extensive security measures. They carried an array of banners and placards bearing messages such as “No to price hikes”, “No to extinction”, “No to impoverishment”, “Turkish lira = poverty”, “Labour is cheap for you, life is expensive for us”, “Wealth tax for the ultra-rich” and “Government resign”. The left-leaning Cyprus Turkish Civil Servants Trade Union (KTAMS) leader, Guven Bengihan, president of the right-leaning Hur-Is federation, Ahmet Serdaroglu and the left-leaning Turk-Sen federation leader Arslan Bicakli addressed the crowd. As the demonstration began to wind down for many of the thousands of demonstrators, a group of young activists decided to keep the protest going, staging a sit-in protest in front of the gates of the building. The first people to take part in the sit-in were members of the youth organisations of the Social Democratic Party (TDP) and the Republican Turkish Party (CTP) and, they have secured the support of young activists from a multitude of different political parties and action groups.

On April 12, the electricity of all of the government offices was cut off as part of a protest conducted by the Cyprus Turkish Electricity Authority Workers’ Union (EI-Sen). The EI-Sen leader Kubilay Ozkircac said that his union is open to meeting with the government, but expressed his firm opposition to the prospect of the privatisation of Kib-Tek, claiming that Kib-Tek is being forced to sell electricity at prices below cost, in order to drive it into bankruptcy and thereafter make the case for privatisation.

On April 12, Turk-Sen chairman, Arslan Bicakli, said that as part of a scheme his union developed in collaboration with the SEK federation (in the south), more than 500 Turkish Cypriots have been placed in jobs in the south. Bicakli stated that almost all placements have been in the tourism sector.

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### IMPRINT

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