



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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155
July and August

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HEADLINES

Second informal enlarged five party summit on the Cyprus problem took place in New York on July 16 and 17: The UNSG announces third enlarged five party summit before the end of year and a meeting with the Cypriot leaders in New York in September.

Cyprus announces discovery of natural gas at the Pegasus-1 site in Block 10. Confirmatory drilling pending amid thoughts to scrap LNG project.

The Cyprus Energy Regulatory Authority green lights provisional €25m payment to Admie for the Great Sea Interconnector. Concerns raised by Finance Minister Makis Keravnos.

Rural Limassol wildfire, the largest in the island's history, claims the lives of an elderly couple and burns around 124 square km of land.

Before the upcoming Turkish Cypriot presidential election on October 19, an unpublished poll shows Tufan Erhürman of the main opposition CTP leading over the incumbent Ersin Tatar.





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PODCASTS in AUGUST:
No podcasts in August



PODCASTS in SEPTEMBER:
No podcasts in September

PUBLICATIONS in AUGUST:
No publications in August



PUBLICATIONS in SEPTEMBER:
No publications in September

EVENTS in AUGUST:
No events planned in August



EVENTS in SEPTEMBER:
No events planned in September

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CYPRUS PROBLEM & INTERCOMMUNAL RELATIONS

The informal, enlarged five party summit on the Cyprus problem, a follow up to the one held in March 2025 in Geneva, took place in New York on July 16 and 17. Upon completion of the enlarged meeting, the United Nations Secretary General (UNSG), António Guterres, announced:

- A trilateral meeting between himself and the respective Greek Cypriot and Turkish Cypriot leaders, Nikos Christodoulides and Ersin Tatar, during the week of the 80th session of the UN General Assembly commencing on September 8 in New York;
- A further enlarged meeting in the style of the previous ones, involving the Greek Cypriot and Turkish Cypriot sides, the UN and the three guarantor powers (Greece, Turkey and the United Kingdom), before the end of the year. The next enlarged meeting is expected to take place after the Turkish Cypriot leadership election in October 2025.

Guterres also stated that the leaders had a common understanding on the creation of a consultative body for civil society engagement, the exchange of cultural artefacts, an initiative on air quality monitoring, and addressing microplastic pollution. Guterres noted that progress has been achieved on four of the six initiatives agreed in the March enlarged meeting, including the creation of a new bicomunal technical committee on youth, initiatives to be taken on the environment, the restoration of cemeteries, and agreements on demining work. The UNSG stressed,

¹The 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

however, that no progress was achieved on the two major initiatives agreed upon in March, notably, the opening of four new crossing points between the island's two sides and the creation of a solar farm in the buffer zone. During the enlarged meeting, the Greek Cypriot side suggested opening a new crossing point in Nicosia's old town on Lidinis Street, which the Turkish Cypriot side reportedly rejected on the grounds that it was unnecessary.

On July 14, Colin Stewart, the UN Special Representative and Head of the UN Peacekeeping Force in Cyprus (UNFICYP), briefed the Security Council on the Cyprus problem for the last time as he was due to retire in August 2025 after having served in the post for four years. Stewart is likely to be succeeded by Senegalese diplomat Khassim Diagne, who is currently serving as the UN's Acting Resident and Humanitarian Coordinator in Mali. Diagne's appointment has been pending the consent from all parties concerned. The Greek and Turkish Cypriots have reportedly already given their consent.

On July 19, five Greek Cypriots were arrested on suspicion of espionage and remain under custody in the TRNC.¹ The Greek Cypriots were brought before a military court on accusations that one of them had entered the north illegally, and that the other four had aided and abetted that alleged illegal entry. The Greek Cypriots had entered the north in the same car through the Strovilia crossing point and allegedly handed over four identity cards for inspection. Christodoulides' government condemned the incident and described it as an abduction. Socialists EDEK, far right ELAM, as well as Famagusta district

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).

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governor Yiannis Karousos, called for the crossing points to be closed, which Christodoulides categorically rejected. Meanwhile, former Turkish Cypriot leader Mustafa Akinci condemned the incident and described the arrest as a tit-for-tat situation in response to arrests made by the Republic of Cyprus of individuals who were accused of developing Greek Cypriot-owned property in the north. Christodoulides raised the issue during his final meeting with Stewart on August 4. UNFICYP has provided humanitarian assistance to the detained Greek Cypriots.

July 20 marked the 51st anniversary of the 1974 Turkish invasion, which resulted in the occupation of the island's northern third, following a military coup engineered by the Greek military junta that toppled the government of the Republic on July 15. Events and memorials were held in the south while in the north a military parade took place in the presence of Turkish President Recep Tayyip Erdoğan, in celebration of what Turkey and the Turkish Cypriot side officially consider a peace operation. During his visit to the north Erdoğan reiterated his support for a two-state solution. August 14 marked the 51st anniversary of the second phase of the Turkish invasion of the island in which Turkish troops advanced from the island's north to seize 37% of the island.

United Nations Envoy María Angela Holguín Cuéllar is expected to visit the island during the first week of September to hold separate meetings with Christodoulides and Tatar.

The north received electricity from the south following an explosion at a transformer centre near Morphou/Güzelyurt on August 8, which caused power cuts and blackouts. Transmission system operator spokesperson, Chara Kousiappa, stated that the energy was provided to the north within the framework of agreed-upon confidence-building measures.

HYDROCARBONS

On July 7, the government announced the discovery of a 350-metre column of natural gas at the Pegasus-1 site in Block 10 of Cyprus' Exclusive Economic Zone (EEZ). Energy Minister George Papanastasiou described the discovery as encouraging. According to Papanastasiou, plans for confirmatory drilling on the Pegasus field are pending and there will be no immediate exploitation of the field.

Design flaws and structural issues, including in relation to unsafe materials, could force a rethink of the LNG terminal at Vasiliko, taking the project back to square one or even scrapping it altogether. The latest claims came after television channel Omega reported on design and materials issues with the project, including serious technical issues, which make it impossible to continue the work at this time. Omega's report prompted Papanastasiou to state on August 23 that the government is engaged in damage limitation from the troubled LNG project. The project has to date cost taxpayers approximately €320m.

GREEK CYPRIOTS

Gender Developments

On July 4, Gender Equality Commissioner Josie Christodoulou responded to a ruling by the European Court of Human Rights (ECtHR), which found that Cyprus had breached Articles 3, 8, and 14 of the European Convention on Human Rights. The ECtHR found on July 3 that the criminal investigation into a rape complaint against DISY politician Andreas Ttaouxis had been seriously flawed, criticising the authorities' treatment of the victim. The state was ordered to pay the victim €20k in damages and €15.4k for legal costs, totaling €35.4k. Christodoulou announced initiatives to train legal professionals to dismantle unconscious bias, including sessions at the Cyprus judicial training school.

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Economic Developments in Times of Green Transition

On July 31, the Cyprus Energy Regulatory Authority (Cera) gave a provisional green light for Cyprus to pay €25m for the year 2025 to Admie, Greece's independent power transmission operator and the project promoter for the Great Sea Interconnector, for the planned subsea electricity cable linking the island to Greece. The payment will be contingent on the Admie securing the owner's licence and the operating license for the proposed interconnector. The amount is part of a €125m total that Cyprus agreed to pay to Admie between 2025 and 2029. Meanwhile on August 1, Cypriot Finance Minister Makis Keravnos noted that two separate studies conducted by two serious and reliable organisations indicated that the project is not sustainable, and that Turkey's presence in the region had limited the progress made on the project so far. Keravnos stated that the project is essentially frozen and that Cera's decision to finance the project raises concerns. Greek Foreign Minister Giorgos Gerapetritis promised on August 25 that the project will go ahead.

According to research conducted by the Finance Ministry, in collaboration with the University of Cyprus' Economics Research Centre (CypERC), the cost of transitioning to a net-zero emissions economy in Cyprus depends heavily on the chosen policy mix, particularly regarding how carbon tax revenues are used. The results have been incorporated into Cyprus' preliminary annual fiscal plan for 2025 and its medium-term plan for the 2025–2028 period.

Cyprus has ranked bottom among EU member states in the latest Sustainable Development Report (SDR), released by the Sustainable Development Solutions Network (SDSN). The island placed 56th globally out of 167 countries, with a score of 73.8, up slightly from 72.9 in 2024. Among the most pressing challenges are excessive nitrogen use in agriculture, low representation of women in parliament, high water consumption through imports, a limited share of

renewable energy in the energy mix, weak e-waste recycling and significant CO2 emissions.

Domestic Developments

On July 23, Cyprus experienced the largest wildfire in its history, centred in the Limassol district, which tragically claimed the lives of an elderly couple. The fire began in the village of Malia and spread to at least 10 nearby villages, burning around 124 km² of land. An evacuation operation was carried out by the Fire Service in collaboration with civil defence forces. The fire was contained with international aid from Jordan, Egypt, Spain, Israel, and the British Bases. The TRNC also expressed readiness to send equipment and personnel, but the government claimed that sufficient ground forces were already deployed and rejected the offer.

EDEK MP Andreas Apostolou announced his resignation from his parliamentary seat on August 24, claiming he was barred from holding a position in the party's leadership. The party later rejected his claims as inaccurate. His resignation leaves EDEK with just two out of four initially elected MPs: former party leader Marinos Sizopoulos and Elias Myrianthous. The third MP, Kostis Efstathiou, left the party after disagreements on EDEK's support of current President Nikos Christodoulides.

Future of Work, Labour Relations & Trade Unions

On July 1, trade unions held a meeting with the Minister of Labour and Social Insurance to discuss the issue of the Cost of Living Allowance (COLA). Following the meeting, all parties agreed to extend the moratorium on public statements in order to keep the dialogue prospects alive.

On July 2, municipal workers in Polemidia went on a 24-hour strike protesting violations of their collective agreement and delays in implementing decisions from the Ministry of Labour's mediation service. The strike was decided during a general as-

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sembly with participation from the Democratic Labour Federation of Cyprus (DEOK), Cyprus Workers' Confederation (SEK), and Pancyprian Federation of Labour (PEO) trade unions. Their demands included permanent employment for temporary staff after 12 months of service, retroactive pay adjustments, clarification on provident funds, proper salary scale placements, and filling a supervisor position. Trade union representatives warned that if the municipality did not respond, they would escalate to a 48-hour strike on 7 July.

On July 7, truck drivers began a 24-hour strike aiming to pressure authorities over issues related to tachograph use. According to POVEK (Cyprus Confederation of Professional Craftsmen and Shopkeepers), protests took place at the ports of Limassol and Larnaca, quarries, and the cement factory. The trade union highlights that the main issue is the legally mandated driving times, which are now unachievable due to worsening traffic conditions. They argue that the restricted driving hours imposed by tachographs, combined with the operating hours of port contractors, make it difficult for drivers to work efficiently, further burdening their schedules. Their demands include changes to legislation on truck height and length, exemption from mandatory side underrun protection bars on certain trailers, and broader reforms.

On July 18, trade unions SEK and PEO announced strike actions in the hotel sector, protesting violations of the sectoral collective agreement signed on December 5, 2024. They accuse some employers of refusing to implement the agreement despite extensive consultations and interventions by the Ministry of Labour and Social Insurance. Key violations include disregard for the Cost-of-Living Allowance (COLA) and breaches in foreign worker employment criteria. The trade unions criticise employers for showing disrespect toward social dialogue and institutions, especially during a period of high profitabil-

ity in the industry. They warn that if the agreement is not enforced immediately, workers will proceed with strikes in the coming days. The General Secretary of Hotel and Recreation Center Workers Union of PEO (SYXKA), stated that around 8,000 hotel employees are expected to take to the streets starting next week and that the duration of the strike action will be decided in the coming days. Later in the same week, trade unions decided to postpone their planned strike stating that this pause allows time to assess efforts by the Ministry of Labour to de-escalate tensions, particularly by encouraging hotel owners to comply with the collective agreements.

On July 30, 120 employees of Larnaca Public Transport began a 48-hour strike. Trade unions stated that the strike follows a confirmed violation of the collective agreement, specifically regarding the agreed 38-hour workweek. The unions emphasised they will defend the agreement by all legal means and asked for public understanding. The general assembly of Larnaca bus workers has decided to continue their strike indefinitely, protesting violations of the collective agreement by their employer. On August 9, trade unions and Larnaca Public Transport reached an agreement and ended the strike.

The Ministry of Labour and Social Insurance has taken on a mediating role between the banks and the bank employees' union ETYK after negotiations to renew the collective agreement for all banking sector employees collapsed. The agreement expired at the end of 2022 and, despite lengthy discussions, no resolution was reached due to what ETYK claims was a withdrawal by the banks from previously agreed terms. Initial meetings have already taken place between ministry officials and representatives from both sides, and a high-level effort is expected in September to restore relations and reach an agreement. Key points include ETYK's demands for a four-day workweek, full restoration of salaries that were cut in the 2013 banking crisis, and annual

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salary increases. Banks have chosen not to respond publicly to ETYK's accusations, preferring to focus on the mediation process. They argue that negotiating a unified agreement is complex due to individual contracts and recent mergers. They also reject the four-day workweek as a red line and advocate for performance-based promotions and salary increases. Despite prolonged talks, both sides remain firm, and the mediation process is now seen as the only path forward.

On August 26, the Cypriot government launched the Minds in Cyprus initiative to attract skilled professionals from the diaspora back to Cyprus, aiming to reverse brain drain and boost the country's global competitiveness. President Nicos Christodoulides introduced the programme, along with enhanced tax incentives and a digital platform to connect employers with job seekers. Key changes include increasing the income tax exemption to 25% (up to €25,000 annually), reducing the required years abroad to seven, and allowing more flexible employment conditions.

On August 29, a lengthy meeting at the Ministry of Labour regarding the Cost of Living Allowance (COLA) ended in deadlock, with employers and unions remaining firm in their positions. Despite long discussions, no agreement was reached, and strike action is now a possibility. The main disagreement centres on the percentage of COLA to be paid. Trade unions demand full restoration to 100%, with room for gradual implementation, while employers reject this, citing previous transitional agreements. The government proposed linking COLA to economic growth, setting a payment percentage, and defining clear terms for its application.

According to Eurostat, Cyprus ranks second in the EU for the percentage of workers who worked more than 49 hours per week in 2024. Around 10% of Cypriot workers exceeded this threshold, just behind Greece at 12.4%. The EU average was 6.6%,

showing a gradual decline from previous years. Self-employed individuals were the most affected, with 27.5% working excessive hours, compared to just 3.4% of salaried employees. The highest rates were seen among agricultural workers and managers.

Between January 2023 and August 2024, Cyprus granted a total of 48,212 temporary residence permits to foreign workers and their family members, according to data submitted to Parliament by the Minister of Interior. These permits include 20,997 for employees in companies of foreign interest, 25,053 for family reunification and 2,162 for dependent visitors (such as parents, partners, and children). The majority of recipients were from Russia (33,517), followed by Ukraine (3,504), Belarus (2,713), Israel (1,957), India (1,230), Lebanon (1,193), and smaller numbers from Kazakhstan, the UK, the USA, and China.

According to the second cycle of Cyprus's National Graduate Tracking Survey, nearly two-thirds of employed graduates face some form of skills mismatch. While graduates reported high overall satisfaction with their education, especially in fields like Education, Business Administration, Law, and Information and Communications Technology, they noted limited opportunities for internships or work placements. This lack of practical experience weakens the connection between academic learning and the job market. Satisfaction with work experience opportunities was notably lower compared to other aspects like course content and teaching quality.

A new Eurofound report reveals that suicide has become the leading cause of death among young people in Europe, accounting for nearly 19% of deaths in the 15–29 age group in 2021, surpassing traffic accidents. Suicide rates are rising, especially among young women and elderly men. According to the study, socioeconomic factors, disability, and dis-

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crimination increase vulnerability, while the cost-of-living crisis has intensified mental health struggles. Notably, despite formal access to mental healthcare, many face barriers due to stigma, lack of services, and affordability, especially for psychotherapy.

TURKISH CYPRIOTS

Gender Developments

According to a news article published by the Turkish Cypriot daily Yenidüzen, on August 27, based on figures from the 2024 judicial proceedings report of the Turkish Cypriot courts, a total of 1,104 marriages and 1,047 divorces took place in North Cyprus in 2024. Divorce cases dropped by 8.8% compared to 2023. Of the divorces, 732 were consensual, while 288 were filed on the grounds of “fundamental breakdown of marriage”, and 27 couples divorced after living separately for at least two years. Most divorces occurred among couples who had been married for 16 years or longer. In terms of children, 315 divorced couples had one child, 386 had no children, while the rest had two or more. Of the 1,104 marriages that took place in 2024, Nicosia recorded the most (415), followed by Famagusta (262), Kyrenia (228), İskele/Trikomo (108), Güzelyurt/Morphou (66), and Lefke/Lefka (25).

Economic Developments in Times of Green Transition

On August 8, a major power outage struck North Cyprus after a transformer explosion at the Güneşköy/Nikitas Transformer Center early in the morning. The blast disabled several power stations, plunging much of the region into darkness. Electricity was gradually restored following safety checks and isolation of the damaged units, but some parts of the Turkish Cypriot grid remained without power for half a day. The Cyprus Turkish Chamber of Commerce (KTTO) warned that the blackout highlighted structural weaknesses in the grid and threatened to

further damage the already fragile economy. Meanwhile, Ahmet Tuğcu, president of El-Sen (the Cyprus Turkish Electricity Authority Employees Union), argued that the situation would have been worse without the 30 megawatts of electricity requested and received from the Greek Cypriot grid.

According to the Statistical Institute, North Cyprus had monthly inflation rates of 3.17% in July and 3.35% in August, with annual inflation at 35.42% and year-to-date inflation through August at 25.59%.

On August 5, Turkish low-cost carrier AJet announced a special round-trip fare of British Pounds 250 (approximately €290) for flights between London Stansted and Ercan/Tymbou Airport via a connection at a Turkish airport. This offer is part of the “Cyprus Island” campaign, aimed at promoting Turkish Cypriot tourism. The announcement was made at a launch event in London, attended by Turkish Cypriot Prime Minister Ünal Üstel and Tourism Minister Fikri Ataoğlu. Üstel stated that the discounted fare would strengthen connections between London and North Cyprus via Turkish airports. On August 19, Republican Turkish Party (CTP) Member of Parliament Devrim Barçın criticised the Ministry of Finance for borrowing an additional 3.126 billion Turkish Liras (approximately €62.1 million) to meet payroll obligations. He highlighted that this debt included US \$20 million (about €17.07 million), €25 million, and British £20 million (around €23.05 million). Barçın criticised what he termed the government’s mismanagement, suggesting that the country was being driven into deeper financial instability.

Relations with Turkey

On July 20, Turkish President Recep Tayyip Erdoğan visited the northern part of Cyprus to mark the 51st anniversary of Turkey’s 1974 military intervention. His visit included an official groundbreaking ceremony for the construction of a new fully equipped public hospital in Nicosia, funded by Turkey, as well

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as the official opening of the Turkish-financed ring road in north Nicosia. Erdoğan and Turkish Cypriot officials paid tribute at the Atatürk Monument in central Nicosia before launching celebrations of what Turkish Cypriot authorities call “Peace and Freedom Day.” Turkey’s Defence Ministry declared in a statement, “We will never leave our Turkish Cypriot brothers and sisters alone”, while Turkish Vice President Cevdet Yılmaz reiterated support for a two-state solution, calling Turkish Cypriots “equal co-owners of the island” and vowing to fight against what he called the “inhumane isolation” of Turkish Cypriots.

On August 20, Republican Turkish Party (CTP) Secretary-General Erkut Şahali stated that Tufan Erhürman is “not an unknown” to Turkey, emphasising that Ankara should have no concerns about him. He expressed confidence that Erhürman would win the presidential election in the first round. Şahali also affirmed that Turkey would respect the will of the Turkish Cypriot people and maintain relations based on mutual benefit, recalling previous periods of co-operation between CTP and Turkey at both the presidential and governmental levels.

On August 22, Yılmaz emphasized Turkey’s support for a two-state solution to the Cyprus problem as he arrived at Ercan/Tymbou Airport. He declared Turkey’s commitment to the peace and prosperity of the Turkish Cypriot people, prioritising the TRNC’s development and ending its isolation. Yılmaz noted ongoing projects under the 2025 Economic and Financial Cooperation Agreement and urged international recognition of the Turkish Cypriots’ sovereign equality, assuring continued backing for President Tatar’s two-state proposal.

According to a press release issued by YÖDAK (Higher Education Planning, Supervision, Accreditation and Coordination Council) on August 26, university placements in Turkish Cypriot universities through

Turkey’s YKS (Higher Education Institutions Exam) fell by 4.87% compared to the previous year, with 11,587 students placed in 2025 versus 12,180 in 2024, despite overall capacity rising to 17,017 seats. European University of Lefke (EUL) enrolled the highest number of new students with 2,537 placements, followed by Near East University (NEU) with 2,493 and Eastern Mediterranean University (EMU) with 2,271. While EMU led in bachelor’s programme enrollments, EUL performed best in associate degree programmes and achieved the highest overall placement rate at 81.39%. YKS placements in Turkish Cypriot universities are for students from Turkey, whereas Turkish Cypriot and international students can apply directly to the universities.

Domestic Developments

The Turkish Cypriot leader Ersin Tatar concluded a four-day official visit to Azerbaijan and returned on July 5 after participating in the 17th Economic Cooperation Organization (ECO) Summit in Khankendi. During the visit, Tatar expressed gratitude for Azerbaijan’s support, arguing that the trip enhanced the TRNC’s international recognition.

On July 23, Tufan Erhürman, leader of the Republican Turkish Party (CTP) and presidential candidate, outlined his intention to enhance the role of the TRNC presidency in international affairs. During a meeting with the Turkish Cypriot Chamber of Tradesmen and Craftsmen (KTEZO), he expressed criticism of incumbent Ersin Tatar’s foreign policy, stating that it has impeded progress and has not delivered results, including on matters such as the opening of new crossing points between the north and the south.

Although there are no publicly available electoral polls for the Turkish Cypriot presidential election at the time of writing this newsletter, the Detay Kıbrıs news website reported on July 30 that Erhürman is leading with 57% compared to Tatar’s 43%. Accord-

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ing to the report, Tatar is only ahead in the İskele/Trikomo district, while Erhürman leads in the other four districts: Nicosia, Kyrenia, Güzelyurt/Morphou, and Lefke/Lefka. The report also noted that Tatar is furious with the UBP (National Unity Party) leadership, who, he believes, are not fully supporting him.

In an interview with Haber Kıbrıs news website, published on July 29, Minister of Public Works and Transport Erhan Arikli announced the launch of a new era in traffic enforcement in the northern part of Cyprus with the introduction of 150 AI-supported camera systems donated by Turkey. Of these, 130 cameras have been installed at fixed locations, while 20 are mounted on police vehicles, enabling both stationary and mobile monitoring. The system will automatically detect and record traffic violations, such as smoking while driving, using a mobile phone, speeding, and dangerous driving, with high-resolution video footage serving as evidence. A major innovation is that fines will now be delivered directly to drivers via SMS, reducing police workload and ensuring faster notification. Minister Arikli emphasized that the initiative aims to improve road safety and reduce traffic accidents by increasing compliance with traffic rules, underlining that protecting lives is the top priority.

On July 31, Interior Minister Dursun Oğuz participated in the first-ever mobile migration inspection in Gaziveren/Kazivera, organised by the Migration Management Center. Conducted early in the morning at local construction sites, the inspection aimed to prevent unauthorised residence and irregular migration. The new mobile inspection system, equipped with advanced technology—including internet access, fingerprint scanners, computers, printers, cameras, and photo equipment—will enable authorities to monitor migration more efficiently across the country. Officials have described the initiative as a significant step in combating unregistered residence and unauthorised migration in the north.

On August 21, Sadık Gardiyanoglu was dismissed as Minister of Labour and Social Security and replaced by Oğuzhan Hasipoğlu, Secretary-General of the National Unity Party (UBP). The change comes amid internal disputes within the ministry and ongoing Financial Police investigations into Gardiyanoglu and Undersecretary Tahir Serhat over corruption allegations related to foreign workers' work permits.

Turkish Cypriot media reported that, starting August 25, Turkish Cypriots struggled to cross to southern Cyprus, with entry permitted only to Republic of Cyprus ID holders, while TRNC document holders faced refusal or delays. The Greek Cypriot authorities clarified that the situation was due to an upgrade of their border control system in preparation for Cyprus's Schengen Zone accession, stressing that Turkish Cypriot documents must be checked manually during the transition and that there has otherwise been no change in the rules applied.

The Supreme Electoral Council announced on August 25 the official timetable and regulations for the presidential election scheduled for October 19. Parties must finalise candidates by September 9, submit applications by September 12. The final candidate list will be confirmed on September 21, followed by a draw on September 22 to determine ballot and broadcast order. The incumbent President Ersin Tatar and the main opposition leader Tufan Erhürman of the Republican Turkish Party (CTP) are seen as the leading contenders in the upcoming presidential election. Tatar is backed by the ruling coalition, comprising the National Unity Party (UBP), the Rebirth Party (YDP), and the Democratic Party (DP). Erhürman, meanwhile, is supported both by his own CTP and the Communal Democracy Party (TDP), which maintains close ties with the former Turkish Cypriot leader Mustafa Akıncı. On August 26, Arif Salih Kırdag announced his independent candidacy. He had previously received 306 votes in 2005, 521 in 2010, and 282 in 2020. As noted in FES Newsletter

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No. 154, academic Mehmet Hasgüler also declared his independent candidacy in June. However, both Hasgüler and Kırdag are widely regarded as marginal candidates with little prospect of attracting significant popular support.

On August 25, the Turkish Cypriot administration decided to withdraw several controversial decisions made just before the electoral ban came into effect, which bars the government from some actions regarded as electoral bribes, such as public employment or awarding public work contracts ahead of an upcoming election. The controversy arose over the awarding of "T permits" (i.e., taxi licenses), notary office licenses, and public employment appointments, which drew public criticism as attempts by the government to gain support for President Tatar. However, President Tatar called on the Council of Ministers to reconsider these decisions, emphasising the importance of social harmony, and Prime Minister Ünal Üstel supported the call. The contested measures were subsequently suspended, with Minister of Public Works and Transport Erhan Arıklı announcing that the T permits were officially put on hold, while the other issues are reported to be postponed until after the elections.

On August 28, Serdar Denктаş, the son of late Turkish Cypriot leader Rauf Denктаş, announced his return to politics. One of the founders of the Democratic Party (DP) and its long-time leader, Denктаş resigned from the party in 2019 and retired from politics the following year. He stated that his new political party, the TAM (Social Justice and Struggle) Party, will be officially inaugurated on September 3.

Future of Work, Labour Relations & Trade Unions

On July 23, the Ministry of Labour and Social Security announced a suspension of preliminary work permit applications for Bangladeshi nationals starting July 28 to balance the labour market. Temporary

rules now restrict Turkmen nationals to domestic service roles, and allow experienced foreign workers in agriculture, livestock, or construction to change employers only within their sector. The ministry stated these measures aim to regulate the labour market and address sectoral imbalances.

On July 28, the Turkish Cypriot authorities announced an increase in the minimum wage. The new net minimum wage is 44,546 Turkish Liras per month (equivalent to €934) as of July 28, with a gross amount of 51,202 Turkish Liras (€1,074 Euros) as of July 28. This follows a previous increase in January 2025, when the net minimum wage was set at 37,818 Turkish Liras (equivalent to €1,013 Euros) as of January 31, representing a cumulative rise of approximately 17.8% in Turkish Lira terms, while in Euro terms it corresponds to a 7.8% decrease.

On July 31, the Council of Ministers issued two major decrees affecting labour and social security policies. The first decree permits employers to deduct up to 40% from foreign workers' salaries when accommodation and food are provided by the employer. The second decree abolishes medication contribution fees formerly paid by retirees, with the intention of improving healthcare accessibility and reducing pharmaceutical expenses. While the decree eliminating retiree medication fees was welcomed by many, the provision allowing deductions from foreign workers' pay has met considerable criticism. Erman Yaylalı, member of the Central Executive Committee of the Communal Democracy Party (TDP), voiced strong objections to the foreign workers salary decree, describing it as contrary to human rights, constitutional principles, and International Labour Organization conventions. He also asserted that permitting wages as much as 40% below the minimum for foreign workers may exacerbate youth unemployment and foster a demand for low-cost foreign labour at the expense of local employees. Similarly, Aral Moral, spokesperson for Peo-

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ple's Party (HP), expressed concern that inadequate oversight of the decree could result in abuses, such as substituting local minimum-wage workers for less expensive foreign labour.





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SHORT BIOGRAPHIES OF AUTHORS

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Yiannis Charalambous has been a Research Assistant for FES Cyprus contributing to the writing of the monthly FES Cyprus Newsletter since July 2012. Yiannis obtained a Bachelor's degree in Turkish Studies from the National Kapodistrian University of Athens and an MA in International Relations and European Studies from the University of Nicosia. The subject of his dissertation focused on evaluating the catalyst effect in resolving the Cyprus problem, by comparing the factors of EU membership and the discovery of hydrocarbons. Yiannis speaks Greek, English and Turkish.

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Hubert Faustmann is a Professor of History and Political Science at the University of Nicosia. Additionally, he is the director of the Friedrich-Ebert-Stiftung Cyprus. He is an expert on British colonial Cyprus and post-independence Cypriot history and politics. His research also focuses on Hydrocarbon politics in the Eastern Mediterranean as well as the relationship between state and society with a focus on Political Culture, Clientelism and Political Patronage.

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Stavros Stavrou holds a Bachelor's degree in History from the Aristotle University of Thessaloniki, a Master's degree in International Relations from the University of Warwick and a Master's in Industrial and Employment Relations from International Training Centre of the ILO in collaboration with University of Turin. His research focuses on the employment relations of migrants and refugees, trade unions, and social inequalities.

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Dr. Özker Kocadal is an Assistant Professor of International Relations at Cyprus International University. He earned his Ph.D. in Politics from the University of Exeter, where his research explored the role of kin-states in peacemaking, focusing on Bosnia, Cyprus, and Northern Ireland. His expertise lies in intra- and interstate conflict, international peacemaking and peacebuilding, and the complex geopolitical relationships among Cyprus, Turkey, and the United States. Dr. Kocadal has published widely in peer-reviewed journals and edited volumes, contributing to academic debates on power-sharing, peace processes, and international relations. In addition to his scholarly work, he is an active commentator on global affairs and a contributor to opinion platforms.





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Layout:
Stadtformat Einig & Kazmierczak GbR

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