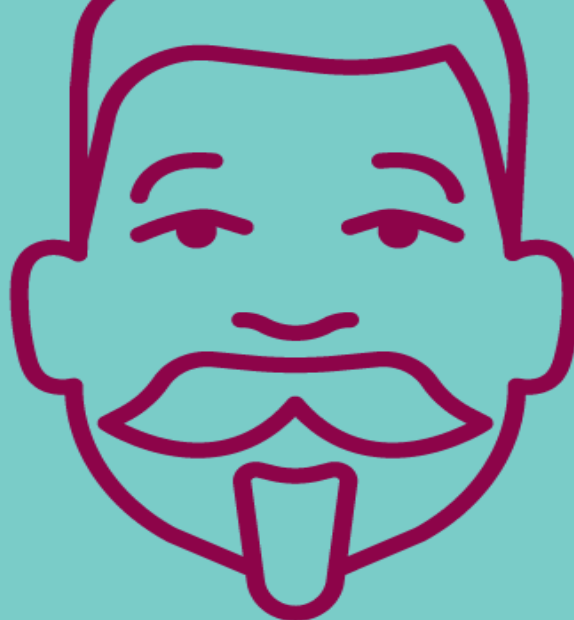




July and August 2026

# FES Cyprus Newsletter No. 161

## Headlines

- Guterres makes first UN Secretary General visit to Cyprus in 16 years; he said an enlarged meeting requires adequate preparation and urged leaders to advance confidence-building measures.
- Eni and TotalEnergies announced final investment decision to develop the Kronos gas field in Block 6 of the Cypriot EEZ.
- French infrastructure investor Meridiam became the majority shareholder in the Great Sea Interconnector project.
- Christodoulides replaced four ministers in partial cabinet reshuffle bolstering DIKO's presence.
- Turkish Cypriot government proposed having simultaneous parliamentary and local elections on 6 December amid debate over electoral reform.
- On August 30, a passenger ferry carrying 267 people capsized while travelling from Kyrenia to Taşucu in Turkey, killing at least 14 people, while another 14 remain missing.

## Editors 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!*

## Contents

### Cyprus Problem and Intercommunal Relations

#### Hydrocarbons

#### Greek Cypriots

Gender Developments

Economic Developments in Times of Green Transition

Domestic Developments

Future of Work, Labour Relations and Trade Unions

#### Turkish Cypriots

Gender Developments

Economic Developments in Times of Green Transition

Relations with Turkey

Domestic Developments

Future of Work, Labour Relations & Trade Unions

### Events in May and June, Podcasts and Publications

## Cyprus Problem and Intercommunal Relations

Between July and August 2026, diplomatic efforts concerning the Cyprus problem intensified, culminating in the first visit of an acting United Nations Secretary General (UNSG) to the island since 2010.

Following a round of talks with the Cypriot leaders in June 2026, the UNSG's Personal Envoy María Ángela Holguín travelled to Ankara and Brussels in July to determine whether sufficient political conditions existed to move towards a new enlarged meeting and eventually resume substantive negotiations. On July 22, Holguín met in Brussels with European Commission President Ursula von der Leyen and Raffaele Fitto who was appointed European Commission Special Representative on July 13. On July 26, Holguín was received by Turkish Minister of Foreign Affairs Hakan Fidan.

UNSG António Guterres visited Cyprus from July 27 to July 29, holding separate meetings with Turkish Cypriot leader Tufan Erhürman and Greek Cypriot leader Nicos Christodoulides before a joint trilateral meeting on July 29. Following the conclusion of the trilateral meeting, Guterres announced that he decided to convene another enlarged meeting, taking into account convergences and once adequate progress in terms of confidence building measures, methodology and substance had been achieved. The UNSG stated that the UN will work in consultation with the two sides and the three guarantors, Turkey, the UK and Greece, to create the conditions for a successful enlarged meeting. Guterres also urged both leaders to intensify efforts to define and implement confidence-building measures that could improve daily life for all Cypriots, with new crossing points remaining a key potential measure. During his visit the UNSG met with the co-chairs of the bicomunal Technical Committees and civil-society representatives, and he visited the Committee on Missing Persons.

While Guterres called for adequate progress, Holguín went further in an August 9 interview with Turkey's Anka news agency, describing the implementation of confidence-building measures as an "indispensable condition" for the next enlarged meeting and a test of whether practical cooperation could underpin a future political settlement. Meanwhile, Director of the Presidential Press Office Victor Papa-dopoulos had previously taken a narrower position, maintaining that confidence-building measures assisted the climate but were not themselves a prerequisite. Holguín further explained that the UN was working towards a transparent framework with defined parameters, substance and method, rather than drafting another comprehensive settlement plan. She said the sides had shown willingness to discuss governance, property, territory, security, guarantees and the EU's role, and that the UN was compiling a document recording earlier convergences. She warned that reopening every convergence line by line would discard accumulated progress, while also acknowledging that con-

vergences were not legally binding because "nothing is agreed until everything is agreed".

On August 26, Erhürman and Christodoulides met for the first time following Guterres' visit to review the way forward. Discussions covered confidence-building measures, methodology and prior convergences. The two leaders agreed to meet once a week, or more frequently if necessary, and to announce the members of the Steering Committee of the Civil Society Consultative Body. The Greek Cypriot side reportedly supported a UN proposal for simultaneously opening crossing points at Mia Milia/Haspolat and Athienou/Kiracıkoy while maintaining that confidence-building measures could not replace comprehensive negotiations. No explicit breakthrough on crossing points has been announced with the sides remaining deadlocked over whether to separate the four-location package, which was agreed in 2025. On this matter, the Greek Cypriot side has proposed dropping Louroujina/Akincılar and opening crossings near Athienou/Kiracıkoy, Mia Milia/Haspolat and Aglandjia/Eglence, while the Turkish Cypriot side refused to entertain any discussions which did not include all four locations.

On August 27, Government Spokesman Konstantinos Letymbiotis, announced that the next meeting between the leaders will take place on September 2. He also announced the members representing the Greek Cypriot side on the Steering Committee of the Civil Society Advisory Body: Pantelis Poiitis, Alexandros Lordos, Amalia Avraam, Sofia Papamichalopoulos and Marios Michaelides. The Turkish Cypriot members who will serve on the committee are: İpek Borman, Erol Kaymak, Meltem Onurkan-Samani, Arif Osum, Candoğan Özkan. The committee will discuss issues concerning everyday life.

In August 2026, two planned events in the north were either cancelled or effectively derailed following complaints and diplomatic interventions by the Republic of Cyprus. On August 27, Barcelona Football Club cancelled a planned two-week youth football camp at Near East University in the north, scheduled for September 2026. On August 20, EXIT, a Serbian festival company announced that it was withdrawing from the planned Nexus festival near Kyrenia castle in the north.

July 20 marked the 52nd 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 celebration of what Turkey and the Turkish Cypriot side officially consider to be a peace operation. August 14 marked the 52nd 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.

## Hydrocarbons

On July 10, a memorandum of understanding was signed by Turkey and the TRNC,<sup>1</sup> which foresees the construction of a natural gas pipeline between Turkey and the north. The pipeline will stretch from the town of Anamur, which sits on Turkey's Mediterranean coast in the Mersin province, to the Tekneçik power station, located just outside Kyrenia. Turkish Energy Minister Alparslan Bayraktar said two parallel pipelines would initially supply gas for electricity generation but could eventually transport Eastern Mediterranean gas towards Turkey and Europe. Turkish officials presented the project as an energy-security, cost-reduction and lower-emissions initiative for the north. The Republic of Cyprus, via a letter addressed to the UNSG, challenged the memorandum as legally void, arguing that the Turkish Cypriot administration could not conclude agreements affecting the Republic's territory, territorial sea, EEZ or continental shelf.

On July 22, NewMed Energy announced that all parties had signed the memorandum under which recoverable gas from the Aphrodite field in Block 12 would be sold to the Egyptian Natural Gas Holding Company, EGAS. The partners were also negotiating a binding gas-sales agreement and expected further work on a Host Government Agreement concerning offshore infrastructure linking the field to Egypt.

On July 28, Italy's ENI and France's TotalEnergies, each holding a 50% stake of Block 6 in the Cypriot EEZ, announced that they took the final investment decision to develop the Kronos gas field, marking Cyprus's entry into the commercial exploitation of its offshore gas reserves. The gas will be transported by subsea pipeline from Cypriot waters to Egypt, where it will be liquefied at the Damietta LNG terminal before being exported to Europe. Production start-up is planned for 2028 and is expected to reach approximately 500 million cubic feet per day, equivalent to about 2.8 million tonnes of LNG annually. The development of the Kronos field could enable future development of additional resources located in Block 6. It also reinforces the strategic importance of the Eastern Mediterranean as an energy hub and contributes to broader efforts to diversify energy supply sources and strengthen Europe's energy security.

On July 31, US multinational Shell agreed to sell BG Cyprus Ltd., which holds a 35% non-operated interest in Block 12 containing the Aphrodite gas field, to MOL Group, a Hun-

garian multinational, for up to \$720m. Shell had worked with the Republic of Cyprus and the joint venture partners to progress the Aphrodite project to this point, and selling to MOL Group would allow Shell to capture the value created. The remaining project partners will work towards a final investment decision. MOL Group will join the other operators Chevron (35%) and Israel's NewMed (30%).

## Greek Cypriots

### *Gender Developments*

On July 3, the Cabinet approved a bill on the "Gender Balance in Managerial Positions of Listed Companies and Related Measures Law of 2026", requiring more balanced representation of women and men in the senior decision-making bodies of listed companies, marking another step in Cyprus's efforts to align corporate governance with EU equality rules. Reportedly, listed companies would have to ensure that women hold at least 33% of management positions, using merit-based and transparent appointments. The proposal implements the EU framework that sets either a 40% target for non-executive directors or 33% for all directors.

On July 10, the Larnaca Chamber of Commerce and Industry (Evel) and Gender Equality Commissioner Josie Christodoulou discussed ways to strengthen women's participation in business and promote equal opportunities. The parties agreed that closer cooperation between the Commissioner's Office and business organisations could support initiatives to remove stereotypes and barriers to participation.

### *Economic Developments in Times of Green Transition*

On July 26, Energy Minister Michael Damianos stated that electricity storage batteries are expected to arrive in Cyprus in January 2027, with installations due to be completed before the summer. Damianos said contracts had already been signed with the supplier and the Transmission System Operator for the battery storage project. Once operational, the facilities will add 125 megawatts of energy storage capacity to the country's electricity system, allowing more renewable energy to be stored instead of being curtailed during periods of excess production.

On August 5, French infrastructure investor Meridiam signed an agreement to become majority shareholder in the Great Sea Interconnector (GSI) project, which is the planned electricity interconnection linking Cyprus to Greece, and eventually Israel. Under the agreement, Meridiam will acquire a 66% stake in the project, while Admie, Greece's electricity transmission system operator, will retain the remaining one-third. At the same time, Admie, GSI and French cable manufacturer Nexans signed an agreement aimed at accelerating work on the project, beginning with the completion of crucial seabed surveys. Damianos described Meridiam's entry as a vote of confidence in the

<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, Tufan Erhurman 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).

project's viability, but he stressed that the government's decision to participate would ultimately depend on the conclusions of the EIB's due diligence study. The study would clarify the project's final cost and determine how any increases beyond the current €1.9bn estimate would be financed. The study is expected to be completed before the end of the year. Meanwhile, Turkey has objected to the GSI, arguing that the Greece-Cyprus cable route crosses maritime zones it claims and requires its prior notice and permission, thus raising geopolitical concerns.

#### *Domestic Developments*

On July 14, Nikos Anastasiou stepped down as EDEK's leader, following the socialist's party failure to win any seats in the May 2026 parliamentary elections. He accepted responsibility for his inability to reunify the party and stated that internal divisions had continued rather than subsided. Morfakis Solomonides assumed acting leadership until elections are held.

On July 24, police filed a criminal case against journalist Makarios Drousiotis and the woman known publicly as 'Sandy', with both facing around 101 counts following an investigation into allegations that fabricated messages and false claims were used to accuse public figures of serious crimes. The counts reportedly relate to the alleged preparation and circulation of forged documents, publication of false news and harassment. Drousiotis accused the legal service of prosecuting him to undermine his role in the separate Mafia State affair, the long-running controversy and subsequent anti-corruption investigation triggered by his book *Mafia State*. Drousiotis has consistently rejected the police findings and accused investigators of predetermining the outcome of the inquiry. The case has drawn intense public scrutiny since Drousiotis published allegations in March 2026 claiming a cabal of judges, politicians and business figures had engaged in corruption, blackmail and the sexual abuse of a minor, apparently operating under the guise of a 'Rosicrucian Brotherhood'.

On August 4, President Christodoulides unveiled a partial cabinet reshuffle which saw four ministers replaced:

- Evanthia Tsolaki was appointed as the new transport minister, succeeding Alexis Vafeades.
- Christos Senekis took over as the new agriculture minister, replacing Maria Panayiotou.
- Tina Pavlou was named deputy minister of social welfare, succeeding Clea Hadjistefanou-Papaellina, who moved to the position of deputy minister of culture, succeeding Vassiliki Kassianidou.

The appointments have bolstered DIKO's presence within the cabinet, as the party now holds the transport and agriculture ministries in addition to the health and energy portfolios, already occupied by Neophytos Charalambides and Michalis Damianos. In addition, the President also announced changes to three commissioner posts:

- Elias Myrianthos was appointed as the new environment and animal welfare commissioner.
- Irini Poyatzi took the role of commissioner for the citizen.
- Panayiotis Palates was named as the new director of the president's office.

#### *Future of Work, Labour Relations and Trade Unions*

On July 2, the Ministry of Labour and Social Insurance announced the intensification of inspections of sports clubs and employment contracts to ensure compliance with Cyprus's National Minimum Wage Order. The Ministry reaffirmed that professional football players are covered by minimum wage legislation and indicated that targeted inspections, compliance checks, and enforcement measures, including sanctions for violations, will be implemented.

On July 6, the Cyprus Consumers Association called for increases in wages and social benefits for low and middle income households, citing rising inflation and the continued erosion of purchasing power. The Association noted that inflation reached 4.0% in June 2026, increasing pressure on household budgets, particularly for essential expenses such as food, energy, housing, and transport, and argued that wage growth has not kept pace with the rising cost of living.

On July 8, the European Commission initiated infringement proceedings against Cyprus concerning the transposition of EU labour legislation. Cyprus received a formal notice for failing to transpose Directive (EU) 2022/2041 on adequate minimum wages and a reasoned opinion regarding incomplete transposition of Directive (EU) 2023/2668 on the protection of workers from asbestos exposure. The Commission called on Cyprus to take the necessary compliance measures within two months, warning that continued non-compliance could result in referral to the Court of Justice of the European Union and potential financial penalties.

On July 14, representatives of Cyprus's construction sector called for greater access to third-country workers to address persistent labour shortages in the industry. Responding to trade union concerns regarding the use of subcontracted foreign labour, employers emphasised that all employment arrangements must comply with labour legislation and collective agreements. They also highlighted the need to streamline work permit procedures and strengthen legal pathways for recruiting workers from abroad to support ongoing construction activity.

On July 22, the Cyprus Workers' Confederation (SEK) called for a comprehensive review of Cyprus's policy on the employment of third-country nationals, arguing that stronger regulation is needed to prevent labour exploitation, ensure equal treatment, and safeguard fair competi-

tion in the labour market. SEK advocated for stricter assessment of labour market needs, greater enforcement of collective agreements, and enhanced oversight of employment practices involving third-country workers, while welcoming the recent strengthening of labour inspection mechanisms.

The Ministry of Labour and Social Insurance reported a continued decline in workplace accidents in Cyprus, with the national Accident Rate Index decreasing by 7.2% in 2025 compared to 2024 and by 55.3% since 2017. While the overall trend reflects sustained improvements in occupational safety and prevention measures, the construction and manufacturing sectors continued to record the highest incidence of workplace accidents, highlighting the need for ongoing targeted prevention and enforcement efforts, particularly regarding falls from height at construction sites.

According to Eurostat data, Cyprus continued to outperform the EU averages in labour market performance, with unemployment standing at 4.5% compared with 6.0% in the EU. However, data highlight the continued challenge of youth unemployment in Cyprus, despite the country's overall strong labour market performance. According to Eurostat, youth unemployment stood at 15.2% in June 2026 while the International Labour Organization (ILO) underscored the growing importance of skills development, life-long learning, and quality employment opportunities for young people amid labour market transformations driven by technological change and artificial intelligence.

On August 16, the Government of Cyprus launched a public consultation on the proposed Artificial Intelligence Law of 2026, which aims to establish the national legal and governance framework required for the implementation of the EU Artificial Intelligence Act (Regulation (EU) 2024/1689). The draft legislation sets out the national framework for AI governance, including the designation of competent authorities, market surveillance and enforcement mechanisms, compliance requirements, and the imposition of administrative sanctions. It also provides for the establishment of an AI Regulatory Sandbox to support responsible innovation and the testing of AI systems within a controlled regulatory environment. The consultation is open to businesses, organisations, stakeholders, and members of the public, who are invited to submit comments and recommendations on the proposed legislation. The public consultation will remain open until 16 September 2026.

On August 19, the Government presented a draft reform of the first pillar of the Social Insurance Pension System. It proposed a minimum monthly pension increase for existing pensioners receiving up to €600; enhanced pension credits for periods of childcare, informal caregiving, disability, studies; and a reduction of the actuarial penalty applied to retirement at age 63. The reform maintains the statutory retirement age at 65, allows continued contributions until age 67 for higher pension entitlements, and introduces governance changes, including the gradual repayment of

state borrowing from the Social Insurance Fund and the establishment of an independent mechanism for managing the Fund's reserves.

On August 24, employees of the Support Programmes of the Ministry of Education, Sport and Youth, represented by PASEY-PEO and OEKDY-SEK, resolved to hold a protest march on September 3 in response to delays in implementing legislation adopted earlier in the year regulating their employment status. The unions highlighted concerns regarding the absence of income for certain indefinite-term employees during the summer period, delays in addressing the employment status of workers with less than 30 months of service, and the lack of meaningful social dialogue on the organisation of the programmes.

A new European Central Bank (ECB) study shows that the use of artificial intelligence (AI) in the workplace has increased dramatically across the euro area, with the proportion of employees using AI rising from 26% in 2024 to 52% in 2026. According to the research, employees who use AI report saving a median of three hours per week, equivalent to approximately 7.7% of their working time. The greatest productivity gains are observed in coding, data analysis, task automation, and content creation, while more common uses such as research and text editing generate smaller time savings. The findings highlight the growing importance of digital skills and workforce upskilling.

## Turkish Cypriots

### *Gender Developments*

On July 12, the the Association of Women to Support Living (KAYAD) launched its "I Believe You" campaign to support survivors of sexual harassment, sexual assault and abuse. The campaign offers legal and psychosocial assistance and calls for police investigations to adopt child- and gender-sensitive approaches. It followed allegations of sexual abuse involving children in Lapta/Lapithos. After a British woman reported that her two daughters, aged 15 and 12, had allegedly been abused by her Turkish Cypriot partner, additional complaints were made against the same individual, prompting KAYAD to launch the campaign and renew calls for survivor-centred protection and access to justice.

On July 15, the Social Democratic Party (TDP) called for a more effective and comprehensive system to protect women and children from violence and abuse, including stronger implementation of the Domestic Violence Law, the expansion of Child Monitoring Centres, and the effective establishment of the Gender Equality Committee (TOCEK).

Concerns over gender-based and domestic violence intensified in August following a serious attack on August 3, when a 22-year-old woman was repeatedly stabbed inside a supermarket in Taşkinköy, a northern suburb of Nicosia.

According to police findings presented to the court, the suspect, a former partner, had followed her to the supermarket after their separation. The woman sustained multiple injuries and remained in critical condition. On August 6, the 31-year-old suspect appeared before the Nicosia District Court and was remanded for one day while the investigation continued. Later in the month, on August 22, a 52-year-old man was fatally stabbed at his home in Alayköy/Gerolakkos following an alleged argument with his 49-year-old wife, who was subsequently arrested on suspicion of intentional murder. Taken together, the two incidents drew further attention to the broader problem of domestic and intimate-partner violence and the need for more effective preventive and protective mechanisms.

The scale of the problem was highlighted by the daily *Yenidüzen* in an investigation published on August 7, which reported that 48 women had lost their lives as a result of violence in North Cyprus since 2001, with some cases still classified as suspicious deaths. The report also cited 7,424 applications related to violence against women recorded between 2018 and 2025: 7,109 applications to the Police Violence Intervention Unit from January 2019 to December 2025, and 315 applications to the ALO 183 helpline from January 2018 to December 2025.

#### *Economic Developments in Times of Green Transition*

On July 14, T&T Airport Management paid TL 393.3 million (approximately €5.6 million) to the Ministry of Finance as its turnover-share payment for the April–June period. Under the airport concession agreement, 56% of T&T’s turnover is transferred to the public treasury in quarterly instalments. The company said that rising passenger traffic and economic activity at Ercan/Tymbou Airport were increasing both its turnover and the state’s revenues.

Passenger arrivals to the north continued to increase in the first half of 2026, although the growth was driven predominantly by visitors from Turkey rather than international tourism markets. According to data from the Tourism Planning Department and the Police General Directorate, 1.42 million passengers arrived by air and sea between January and June, including 1.22 million Turkish and third-country nationals, representing a 6.68% increase compared with the same period in 2025. Arrivals by Turkish citizens exceeded one million for the first time in a six-month period, reaching 1.07 million, up approximately 9% year-on-year. By contrast, arrivals from other foreign countries fell by 7.74% to 146,096. The figures therefore pointed to continued growth in overall passenger traffic, but also to a growing dependence on the Turkish market.

On July 20, the Minister of Public Works and Transport, Erhan Arıklı, announced that a 5G test conducted as part of the transition process had produced successful results. The authorities set November 15 as the target date for the island-wide introduction of 5G, with the tests conducted in cooperation with Turkcell and Telsim (Vodafone), the two

mobile network operators. The rollout was presented as an important step toward upgrading the north’s telecommunications infrastructure and bringing it in line with contemporary technological standards.

On July 24, local media highlighted official labour-force data showing persistent challenges facing young people. According to the Statistical Institute’s Household Labour Force Survey for the third quarter of 2025, 11,756 of the 75,010 people aged 15–24 were neither in education nor employment, corresponding to 15.7% of the age group, or roughly one in six young people. The rate was slightly higher among young women (16.3%) than young men (15.2%). Although this represented a marginal improvement from 16.2% in the second quarter, it remained substantially above the 11% recorded in the first quarter, pointing to continued difficulties in young people’s transition from education into employment.

The Turkish Cypriot authorities continued to rely heavily on domestic borrowing to meet fiscal obligations and refinance maturing debt. On July 17, the Ministry of Finance raised TL 6.6 billion (€137.6 million) through a Treasury bill auction, alongside foreign-currency borrowing of USD 12.6 million (€10.8 million), EUR 3.35 million, and GBP 18.7 million (€21.7 million). The operation came as substantial government debt was approaching maturity. Borrowing continued in August, with the Ministry raising TL 3.765 billion (€83.0 million) on August 6, and, on August 27, a further TL 4.715 billion (€103.9 million), together with USD 7 million (€6.0 million), EUR 4.26 million, and GBP 1 million (€1.16 million). The August 27 operation therefore generated approximately TL 5.4 billion (€119.3 million) in total new borrowing, almost matching the approximately TL 5.2 billion in debt falling due the following day. By the end of August, domestic borrowing during the first eight months of 2026 had exceeded TL 54.3 billion (€1.2 billion), compared with approximately TL 33.9 billion (€750 million) raised through 39 auctions during the whole of 2025. The continued reliance on short-term domestic debt, particularly to refinance maturing liabilities, underscored the Turkish Cypriot authorities’ persistent dependence on domestic borrowing to manage fiscal financing pressures.

According to the Statistical Institute, consumer prices increased by 2.90% in July, bringing cumulative inflation since the beginning of the year to 20.34%, while annual inflation stood at 38.10%. The largest increases were recorded in education, restaurants and hotels, health, and household-related goods and services. Inflation accelerated further in August, with the Consumer Price Index (CPI) rising by 3.04% month-on-month. Cumulative inflation reached 24.01%, while annual inflation eased slightly to 37.70%. August recorded significant increases in alcoholic beverages and tobacco, transport, restaurants and hotels, education, and food and non-alcoholic beverages, while housing, water, electricity, gas and other fuels also continued to rise.

## *Relations with Turkey*

On July 10, Turkey and the Turkish Cypriot administration signed a memorandum of understanding to establish a 101-km natural gas pipeline linking Anamur in southern Turkey with the Teknecik power station near Kyrenia. The project, comprising two pipelines running largely under the Mediterranean, is initially intended to supply natural gas from Turkey for electricity generation, thereby reducing reliance on imported petroleum products and strengthening energy security. The system is also being designed for bidirectional operation, potentially allowing gas resources discovered in Cyprus or the wider region to be transported to Turkey and onward to Europe. Turkish Vice President Cevdet Yılmaz and Turkish Cypriot Prime Minister Ünal Üstel signed the agreement in Nicosia, with the project presented by Ankara as a further strategic step in deepening energy cooperation with the Turkish Cypriot administration.

On July 20, Turkish Vice President Cevdet Yılmaz represented President Recep Tayyip Erdoğan at ceremonies in the north marking the 52nd anniversary of Turkey's 1974 military intervention, after Erdoğan decided not to attend in person despite earlier indications that he would. Yılmaz reiterated Ankara's commitment to the Turkish Cypriot community and called for a Cyprus settlement based on the sovereign equality and equal international status of two states, rejecting any arrangement that would reduce Turkish Cypriots to minority status.

On July 31, Turkish Foreign Minister Hakan Fidan met with Turkish Cypriot Prime Minister Ünal Üstel in Ankara. The two sides reaffirmed their common position on the Cyprus issue, including support for a two-state solution and Turkish Cypriot sovereign equality, while also discussing economic, tourism, energy and investment issues.

On August 22, Turkish Land Forces Commander General Metin Tokel visited the north to conduct inspections at the Cyprus Turkish Forces Command and met with Foreign Minister Tahsin Ertuğruloğlu. Ertuğruloğlu described the presence of Turkish troops as vital to the Turkish Cypriot community.

## *Domestic Developments*

On July 8, the daily *Kıbrıs* reported that 9,229 people had applied under the Turkish Cypriot administration's immigration amnesty, of whom 5,952 applications had been approved and 387 rejected. Interior Minister Dursun Oğuz said the amnesty would expire on July 9 and would not be extended. The scheme, which entered into force on May 26, allowed eligible foreign nationals with irregular residence, work or visa status to regularise their status.

On July 10, Yeni Boğaziçi/Ayios Sergios Mayor Katip Demir was convicted of document forgery and sentenced to six months in prison. Demir was found to have forged a municipal council decision in 2017, becoming the first serv-

ing Turkish Cypriot mayor to receive a criminal conviction. He was elected as an independent in 2022 and was serving his third term as mayor.

According to the news website *Kıbrıs Postası*, reporting on a Centre for Migration, Identity and Rights Studies (CMIRS) survey conducted in June 2026 among 500 respondents, 65.09% of Turkish Cypriots wanted an agreement to resolve the Cyprus issue, while 75.94% considered a bizonal, bicommunal federation based on political equality acceptable, compared with 61.37% for a confederal model and 25.95% for a unitary state. The findings, reported on July 27, also showed strong concerns about the unresolved conflict, including increased isolation and restrictions (92.58%), its impact on economic development (91.98%), and renewed tensions (89.57%); 73.35% expressed concern about Turkey's growing influence in the north. A second part of the survey, reported by *Kıbrıs Postası* on July 29, found that 91.6% believed the country was heading in the wrong direction, with economic problems identified as the leading concern.

On July 30, the news website *Kıbrıs Gerçek* reported that 19 fatal traffic accidents had claimed 23 lives in the first seven months of 2026, compared with 24 accidents and 26 deaths during the same period in 2025. Eight of those killed were pedestrians, while March was the deadliest month, with six fatalities. The Police General Directorate attributed the decline partly to intensified traffic enforcement, while stressing that road safety remained a major concern.

On August 5, the Press Workers' Union (Basın-Sen) applied to the Constitutional Court for the annulment of Article 23B of the Criminal Procedure Law, arguing that it restricts press and freedom of expression by subjecting the publication of the names or photographs of suspects to criminal penalties, including imprisonment. Basın-Sen argued that the provision could discourage reporting on matters of public interest and create a climate of self-censorship. The Turkish Cypriot Journalists' Association and several trade unions and political parties supported the legal challenge.

Debate over the timing of the Turkish Cypriot parliamentary election intensified in August, as the government moved toward holding the general and local elections simultaneously on December 6, 2026. The main coalition partner, UBP (National Unity Party), endorsed the proposal despite initial reservations from its coalition partners, DP (Democratic Party) and YDP (Rebirth Party). The main opposition CTP (Republican Turkish Party) warned of the political and technical difficulties of holding the two elections on the same day. On August 10, Prime Minister and UBP leader Ünal Üstel announced that the government would seek to hold both elections on December 6. By late August, the Council of Ministers had formally approved the proposal for submission to Parliament. The debate also focused on the proposed abolition of the so-called mixed voting, which allows voters to select individual candidates from different

parties. CTP supports abolishing the system in principle but opposed changing the rules so close to the election, arguing that this should form part of a comprehensive electoral reform undertaken after the election.

On August 30, the passenger ferry Filo Jet, carrying 267 people, including eight crew members, capsized and sank shortly after departing Kyrenia for Taşucu in Turkey. As this newsletter was compiled, 14 people had been confirmed dead and 14 remained missing, while 239 people had been rescued. The vessel sank to a depth of approximately 554 metres, making search and recovery operations particularly challenging. Turkish and Turkish Cypriot authorities launched a large-scale search operation, supported by Turkish naval vessels and specialised equipment. The Turkish Cypriot Council of Ministers declared three days of national mourning, while an investigation was launched into the circumstances of the disaster. The captain and other crew members were detained as the investigation continued.

#### *Future of Work, Labour Relations & Trade Unions*

On July 10, the daily Yenidüzen reported that some companies were illegally deducting accommodation costs from the wages of foreign workers. Employers' Union President Metin Arhun acknowledged that some companies were making such deductions without a legal basis, while calling for a legal framework to regulate accommodation costs for third-country workers. The issue followed an earlier government-employer initiative to permit deductions of up to 40% from the wages of third-country workers, which had been rejected by the Constitutional Court.

On July 16, the Minimum Wage Determination Commission approved a 16.95% increase in the minimum wage, raising the monthly net wage from TL 52,738 (€937) to TL 61,677 (€1,096), while the gross wage rose to TL 70,893 (€1,260), effective from July 1. The decision was approved by the state and workers' representatives, while the employers' representatives voted against it. The increase reflected the 16.95% cost-of-living adjustment recorded during the first half of 2026. The decision was accompanied by measures aimed at reducing the impact of higher labour costs on employers, including increased social security premium support and a TL 35,000 (€622) monthly wage subsidy for employers hiring Turkish Cypriot nationals aged 16–35 entering the workforce for the first time.

## Events in July and August



Event: Closed Expert Workshop

Title: Beyond UNIFIL: What Future for UN Peacekeeping in the Middle East?

Location: Nicosia

Date: 29 September 2026

Event: Public Panel at the Cyprus Forum 2026

Title: What Future for UN Peacekeeping in the Eastern Mediterranean?

Location: The Landmark Nicosia, Aphrodite Room

Date: 30 September 2026, 10:00–10:45 AM

## Recent Publications



No Publications in July and August

## Recent Podcasts



No Podcasts in July and August

## Short Biographies of Authors

### *Yiannis Charalambous*

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.

### *Hubert Faustmann*

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.

### *Stavros Stavrou*

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.

### *Özker Kocadal*

Dr. Özker Kocadal is an Associate 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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