



## 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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PODCASTS in AUGUST:  
*No podcasts in August*



PODCASTS in SEPTEMBER:  
*No podcasts in September*

PUBLICATIONS in AUGUST:  
*Corina Dimitriou and Nicos Trimikliniotis*  
**The COVID-19 Pandemic and Fundamental  
Rights in Cyprus**  
2022 Briefing and Report



PUBLICATIONS in SEPTEMBER:  
*Susana Elisa Pavlou*  
**Covid and Gender**  
2022 Report

*Corina Dimitriou and Nicos Trimikliniotis*  
**Cyprus: Migration and Asylum in the Age of the  
COVID-19 Pandemic**  
2022 Briefing and Report

*Hubert Faustmann, Gianna Chatzigeorgiou  
and Sertac Sonan*  
**Cyprus: Trade Union Monitor**  
2022 Briefing

EVENTS in AUGUST:  
*No events in August*



EVENTS in SEPTEMBER:  
*No events in September*

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## CYPRUS PROBLEM

The month of July began with the Greek and Turkish Cypriot<sup>1</sup> leaders, Nicos Anastasiades and Ersin Tatar meeting separately with UN's Assistant Secretary-General for Europe, Asia, and the Americas, Miroslav Jenca who is undertaking a fact-finding mission to establish the necessary conditions for the resumption of talks.

During his meeting with Jenca, on July 1, Tatar handed over proposals for the "future cooperation of the two states" outlined under four pillars which envisioned: shared hydrocarbon exploration; an electricity interconnector to the EU via Turkey; joint solar energy projects; and shared use of water resources. On July 8, Tatar submitted two more proposals, one on demining and one on immigration. Tatar affirmed that the north should receive up to 30% of the €1bn in EU funds being made to the Republic of Cyprus on the grounds that the north has suffered under the long-standing embargo while the Greek Cypriot south of the island has flourished and developed.

July 20th marked the 48th anniversary of the 1974 Turkish invasion and subsequent military occupation of the northern third of the island. Turkey had intervened after a successful coup instigated by the Greek military junta against President Makarios on July 15. Events and memorials were held in the Republic of Cyprus in which the Greek Cypriots mourn the missing and the deceased. In the north, the Turkish military parade took place in the presence of Turkish Vice President Fuat Oktay, for the celebration of what is officially considered by Turkey and the Turkish Cypriot leadership as a peace operation.

<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

On July 18, the UN Security Council held closed consultations on the UN Peacekeeping Force (UNFICYP) in Cyprus. During the consultations, the members of the Security Council were briefed by the special representative of the UN Secretary-General in Cyprus and head of UNFICYP, Colin Stewart, on the situation and recent developments in Cyprus, ahead of the vote for the adoption of the resolution for the renewal of the peacekeeping force mandate. According to the Cyprus News Association (CNA), Stewart, during the presentation of the two reports, noted that the political process is disappointing because there is no development, nor are there any prospects on the horizon due to the electoral procedures ahead of the elections in Cyprus and Turkey in 2023. Stewart emphasized that there is a lack of trust between the two sides and an economic imbalance remains between the two sides of the island.

On July 20, Anastasiades dismissed the proposals prepared by Tatar, arguing that they were another attempt for a two-state solution. Anastasiades stated that he would be ready to discuss all the proposals, both those put forward by himself and those put forward by the Turkish Cypriot leader, provided that the dialogue is on the basis of the agreed framework for a solution and in keeping with UN resolutions for Cyprus including Security Council resolutions.

On July 28, the United Nations Security Council adopted a resolution extending the mandate of the peacekeeping force in Cyprus (UNFICYP) by another six months up to January 31 of 2023. The Security Council unanimously adopted Resolution 2646 (2022), condemning the July 20, 2021 announcement by Turkish and Turkish Cypriot leaders on the further reopening of a part of the fenced-off area

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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of Varosha, and “expresses deep regret regarding unilateral actions that run contrary to its previous resolutions and statements on Varosha and calls for the immediate reversal of this course of action and of all steps taken on Varosha since October 2020.” The resolution also noted “the lack of progress made towards restarting formal negotiations at this time and stressing that the status quo is unsustainable, that the situation on the ground is not static, and that the lack of an agreement furthers political tensions and deepens the estrangement of both communities, risking irreversible changes on the ground, and reducing the prospects of a settlement.” The report expressed its concerns on several issues, such as continuing tensions in the Eastern Mediterranean, violations of the military status quo along the ceasefire lines, encroachment by both sides into the buffer zone and risks associated, the challenges to the mission’s delineation of the buffer zone and the increase in unauthorised construction, which poses challenges to UNFICYP’s operations and mandated authority. Lastly, it reiterated the Secretary-General’s previous call to avoid escalatory steps, and called upon the leaders of the two Cypriot communities and all involved parties to refrain from any actions and rhetoric that might damage the settlement process and that could raise tensions on the island.

On July 30, TRNC Foreign Minister, Tahsin Ertugroglu, stated that measures will be taken in response to the renewal of the UN peacekeeping force in Cyprus and that approval of Turkish Cypriots must also be sought for the mandate’s renewal. The issue lies on the fact that every UN peacekeeping operation must sign a status of forces agreement with the host’s authority, which in this case is the Republic of Cyprus, and not the TRNC which is unrecognized by the international community. The response is viewed as a continuation of Tatar’s policy that the north must be recognised as a sovereign equal to the Republic of Cyprus.

During a news conference held in Istanbul on July 29, Turkish Foreign Minister, Mevlut Cavusoglu, accused Germany of losing impartiality in its role as mediator between Turkey, Greece and Cyprus, and disagreed with the decision by the UN Security Council to extend the mandate of the UN peacekeeping force in Cyprus as “unfair and unrealistic”. Cavusoglu criticized his German counterpart Annalena Baerbock for siding with Greece in a territorial dispute over several islands in the eastern Aegean. Baerbock stated that the disputed islands were Greek territory. Greece and Cyprus had accused Ankara of stoking tensions as Ankara prepared to dispatch a drill ship to the Mediterranean in August in search of natural gas.

A non-partisan group of Greek and Turkish Cypriots released a comprehensive proposal for a Cyprus settlement focusing on day-to-day issues for citizens. The proposal has been uploaded to the website ([eastmed-thinktank.com](http://eastmed-thinktank.com)) of their brain-trust called ‘The Eastern Mediterranean Think Tank’. The material is available in Greek, Turkish and English. The group comprises: Christos Panayiotides, a certified public accountant; Lakis Zavallis, lawyer and businessman; Androula Vassiliou, lawyer and former commissioner of the European Union; Takis Hadjidemetriou, former MP; Leontios Ierodiakonou, a former minister and MP; Serdar Atai, a specialist on project planning and project management; Charalambos Charalambous, economist; Esra Aygin, journalist; Olympia Syrimi-Stylianou, economist; Marios Bahas, senior legal counsel specialised in international banking; Panayiotis Zaphiropoulos, a certified public accountant; and Mine Yucel, a social scientist and director of a market research organisation. In brief, the group proposes a bizonal, bicomunal federation guaranteeing all the fundamental freedoms for citizens.

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## HYDROCARBONS

On July 21, Energy Minister Natasa Pilides met with President of Chevron Middle East, Africa, South America Exploration and Production Company, Clay Neff. The speeding up of development in the offshore Aphrodite gas field and a new well to be drilled in the first quarter of 2023, were announced following the meeting.

Speaking at the World Conference of Cyprus Diaspora on July 27, Pilides stated that drilling, being carried out in block six by Italy's ENI and France's TOTAL in the Cypriot EEZ, was progressing at a satisfactory pace and is expected to be completed within two to three weeks.

On July 25, Foreign Minister Ioannis Kasoulides met with ENI CEO, Claudio Descalzi in Rome where they discussed energy-related issues.

On July 28, Kasoulides met with his Greek counterpart Nikos Dendias in Nicosia who arrived in Cyprus as part of a two-day visit. Kasoulides and Dendias reportedly discussed ways to avert the creation of any tensions in their Exclusive Economic Zones (EEZ). Greece and Cyprus had accused Turkey of stoking tensions as Ankara announced that it will send its fourth drillship, the Abdulhamit Khan, into the Mediterranean in early August in search of gas. Relations between Athens and Ankara are strained over a raft of issues ranging from overflights to disputed waters and competing claims over offshore waters believed to contain large quantities of natural gas.

## GREEK CYPRIOTS

### Economic Developments

In its Financial Stability Report, the Central Bank of Cyprus (CBC) forecasts a slowdown in the economy for 2022. The CBC stressed that the current energy crisis and inflation have undone the rebound in the Cyprus economy registered last year, depleting households' disposable income and posing a threat to the stability of the financial system. GDP is expected to slow down to 2.7% in 2022, with inflation expected to reach 7%.

CNA reported, citing the French news agency AFP, that Cypriot tourism is recording significant gains during the 2022 tourist season, despite the ongoing pandemic and the effects of the Russian invasion of Ukraine. The report noted that the island's tourism industry was in recovery thanks to strong demand in alternative markets after the lifting of coronavirus restrictions. From January to June, Cyprus recorded 1.2 million visitors, almost five times more than last year. The total number of visitors reportedly remains 25% lower than in the same period of 2019 (i.e. pre-Covid), when 1.63 million tourists visited Cyprus in the first eight months. In the first half of this year, British tourists reportedly made up almost two-fifths of visitors, followed by Israelis, who made up 7% of arrivals, followed by Poland, Germany and Greece.

The Bank of Cyprus' voluntary retirement plan, which recently received approval for the departure of 550 people at a cost of approximately €99m, was described as credit positive in a report released by rating agency Moody's.

The European Commission announced that it received on July 28 the first payment request from Cyprus under the Recovery and Resilience Facility (RRF) for the disbursement of €85m in financial





support, adding that it will assess it and will send its preliminary assessment of milestones and targets fulfilment to the Council's Economic and Financial Committee. Payments under the RRF, are performance-based and contingent on Cyprus implementing the investments and reforms outlined in its recovery and resilience plan. This first payment request relates to 14 milestones and targets covering several investments and reforms in the areas of energy efficiency, electricity market, circular economy, anti-corruption and transparency, financial sector and public administration, digital skills and audit and controls.

On July 27 the CBC released a report which showed that the outstanding amount of deposits<sup>2</sup> in June reached €51.3bn. Moreover, the report showed that total loans amounted to €28.7bn. Meanwhile, total deposits in June 2022 recorded a net increase of €352.5m, compared with a net decrease of €166.9m in May 2022. In addition, the annual growth rate stood at 1.7%, compared with 1.9% in May 2022. Total loans in June 2022 recorded a net increase of €109.9m, compared with a net increase of €121m in May 2022. Finally, the annual growth rate stood at 2.9%, compared with 3.3% in May 2022.

On July 28, the Government announced that it would absorb a sizeable chunk of cost increases in energy to buffer anticipated rises of up to 25% in bills for households and businesses to the tune of €50m in the autumn. According to Finance Minister, Constantinos Petrides, the state would cover all additional costs to so-called vulnerable households, and introduce a staggered subsidy for other consumers by between 50% and 85% based on consumption. Vulnerable groups will be covered for the

<sup>2</sup>An outstanding deposit is that amount of cash recorded by the receiving entity, but which has not yet been recorded by its bank. All outstanding deposits are listed as reconciling items on the periodic bank reconciliation prepared by the receiving entity. These deposits are subtracted from the book balance of the receiving entity

full cost of new hikes, the Minister said. The scheme will cover the period September-December, applying to electricity consumption on EAC bills from July through to October.

#### Domestic Developments

In July, the Covid 19-cases increased from 515,596 to 562,911 cases<sup>3</sup>. The number of deaths attributed to the virus which rose from 1,075 to 1,115.

On July 28, AKEL MEP, Niyazi Kizilyurek, stated that he has raised to the European Commission Ankara's refusal to deny entry to Aysu Basri Akter, a Turkish Cypriot journalist. He said the journalist was being victimised for her political views and asked the commission to clarify what will be done to defend the rights of European citizens. In a separate announcement, the Union of Cyprus Journalists said it was backing protests by journalists living in the north.

The first televised debate between the main candidates for the February 2023 Presidential elections featuring Averof Neophytou, Andreas Mavroyiannis and Nicos Christodoulides, was broadcasted by CyBC on July 21. The debate was highlighted by two of the President's closest advisors on the Cyprus problem, Andreas Mavroyiannis, then Greek Cypriot negotiator and Nicos Christodoulides then government spokesman, turning on each other over events that occurred in Mont Pelerin and Crans Montana in 2017. Mavroyiannis more or less accused Christodoulides of negatively influencing the President into pulling out of the conference in Crans Montana. Christodoulides countered that Mavroyiannis was adopting the Turkish narrative as to how the events had played out, thus putting the blame on the Greek-Cypriot side for the final collapse

to arrive at the bank balance.

<sup>3</sup>The government no longer publishes daily Coronavirus cases or deaths. Instead, it publishes figures on cases and deaths on a weekly basis. These figures represent the latest published figures of the month, up until the last week of July.

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of the peace process in Crans Montana. A poll released earlier this month showed that Nicos Christodoulides leads the polls gathering 33.1%, followed by Andreas Mavroyiannis with 12.5%, and Averof Neophytou 11.9%. Achilleas Demetriades gathered 4.9%.

At an extraordinary party meeting on July 13, socialists EDEK voted by an overwhelming majority of 91% to back Nicos Christodoulides's independent candidacy. Christodoulides is also backed by opposition DIKO.

#### Labour Relations and Trade Unions

On July 5, a relapse seems to have occurred during the meeting of the social partners at the Presidential Palace regarding the need, outlined by the late Minister of Labor Zeta Emilianidou, for the establishment of a national minimum wage (NMW). The leaders of the three trade unions expressed their disappointment by the outcome of the meeting. They pointed out that OEB (Association of Employers and Industrialists) and KEBE (Cyprus Chamber of Commerce and Industry), submitted new positions for the first time which essentially setback the discussion of the issue to square one. The trade unions criticized the handling of the issue by the government and rejected the positions of the employers' organizations questioning what was already achieved in the last months in the Labor Consultative Body (ESS) under Zeta Emilianidou. The union also threatened with strikes, should the old NMW methodology not be applied. Until the end of July, the Ministry of Foreign Affairs held joint meetings with the leaders of the trade unions, as a continuation of its consultations in an attempt to create prospects for the establishment of an NMW which is a commitment of the President of the Republic. A timetable has been set for the completion of the consultations until the end of August.

On July 07, the Independent Union of Civil Servants of Cyprus (ASDYK) welcomed the decision of the Ministry of Finance to submit the bill on the Retirement Benefits Plan for Employees of the State Service and the Greater Public Sector to the Parliament. The bill also included Local Government Authorities. With the new law, a new, hybrid, pension plan is created. This is a plan that will pay its members benefits of a certain amount; those paid to members of the existing Government Pension Plan for service from 1 January 2013 onwards, but the financing method of the plan is based on the operating philosophy of the Provident Funds. A new Special Retirement Benefit Payment Fund will thus be created in which the funding rate will be accumulated so that future generations are not burdened. Its purpose is to correct a long-standing injustice against thousands of civil servants. At the same time, however, ASDYK expresses its displeasure because its Organization, like other Organizations of the state and the wider public sector, were excluded from participating in the social consultation at the Ministry of Finance and noted that the Organization became only aware of the pension bill when this was presented before the Parliament. ASDYK called on the Parliament not to proceed with the passing of the bill before the summer holidays, and to intervene with the Ministry of Finance so that there is a consultation on the pension with other trade unions, in order to ensure the widest possible consensus.

On July 08, SYXKA PEO (Hotel Employees Union) issued a statement, where it expressed its disappointment at the long delay observed in finding a solution for the implementation of the 2019-2022 Memorandum of Agreement in the Hotel Industry. They stated that "The attempt to gain time is a favorite method of hoteliers who bear the main responsibility of disorienting and weakening the employees, especially in this period when there is pressure and intensification of work since there is increased tourist traffic". The process is ongoing in the Mediation Ser-







vice of the Department of Labor Relations and the union calls on the Department of Labor Relations to speed up the effort to find a solution to implement what was agreed in the Collective Labor Agreement. Otherwise, they noted, they will proceed with declaring an impasse as provided for in the Industrial Relations Code. The requests of the Trade Unions include restoration of all benefits cut in 2013 due to the financial crisis.

On July 18, the administration of KEDIPES (Cyprus Asset Management Company) is asked to deal with the new claim of ETYK (Union of Bank Employees Cyprus) for a revision of the maximum amount of gratuity compensations from €180,000 to €200,000, despite the fact that the plan has expired since last March, after they had been given three consecutive extensions. The request by ETYK was made in the context of negotiations with the Board of Directors of KEDIPES for the renewal of the collective agreement that has already been concluded since last September. SEK and PEO agreed in September 2021 on a 4-year renewal of the collective agreement that had been pending since December 2019 and which was accompanied by the simultaneous announcement of a voluntary exit plan. ETYK did not participate in the joint negotiations between SEK, PEO and KEDIPES. The unions which negotiated with the management of KEDIPES for the renewal of the collective agreement, had warned that if redundancies followed, the response would be to take dynamic measures. Since then, neither the Ministry of Finance nor KEDIPES have made any redundancies

### TURKISH CYPRIOTS

#### Economic Developments

According to the Statistical Institute, the consumer price index was 116.56% higher in June 2022 compared to June 2021. The consumer prices had risen by 5.21% in June alone while the inflation rate in the first seven months of the year was 4.93%.

According to the TRNC Central Bank governor, Rifat Gunay, the asset size of the banking sector had reached 96 billion TL (€5.49 billion) and people prefer to stay away from TL: 80% of the deposits and 65% of credits are in foreign currency. Talking about the sector's net annual profit, Gunay said that while the figure "seems to be high," the banking sector "could not achieve the desired profitability when compared to the inflation rate". He also noted that the number of branches across the country fell from 232 in December 2019 to 222 in 2020 and to 215 at the end of 2021. There are 21 banks operating in the TRNC, 14 of which are privately owned, two that are publicly owned and five that are branches of Turkish banks.

The latest tourism statistics showed a strong recovery since the pandemic began. In the January-June period, the average occupancy rate of touristic facilities in the country rose to 33.2%. In the same period of 2021, this figure was only 10.3%. The total number of tourists staying at hotels and other touristic facilities in the first half of the year increased to 377,336 in 2022 from 22,788 in 2021.

#### Relations with Turkey

On July 25, another Turkish Cypriot, the former BRT (public broadcaster) director and journalist, Aysu Basri Akter, was treated as an inadmissible passenger in Turkey on the grounds of "national security" and sent back to Cyprus. Last summer, Basri Akter published a special dossier entitled "Democracy, Will, Intervention," in the daily Yeniduzen where she covered the relations between Turkey and TRNC. Since the summer of 2021, a number of Turkish Cypriot citizens, including the former Turkish Cypriot leader Mustafa Akinci's communications advisor Ali Bizden, researcher Ahmet Cavit An, journalist Ali Kismir, former MP Okan Dagli and Left Movement Secretary General Abdullah Korkmazhan have been denied entry to Turkey and sent back to Cyprus on the same grounds. In response to a question raised





by the opposition on why some Turkish Cypriots were banned from entering Turkey, in November 2021, the Turkish Foreign Minister Mevlut Cavusoglu had said: “Decisions about foreigners entering the country are within the sovereign powers of each state.” So far, no further official statement came from Turkish officials about the issue.

### Domestic Developments

On July 25, the Prime Minister Unal Ustel has announced that the management of the Electricity Authority (Kib-Tek) has been taken from the Ministry of Finance and put under the Prime Minister’s office. Ustel said that all necessary measures will be taken to ensure that Kib-Tek provides an uninterrupted energy in an efficient and accountable way. The following day Sunat Atun, the Finance Minister, tendered his resignation. Alisan San, the National Unity Party (UBP) Nicosia deputy, has been appointed as the new Minister of Finance.

Earlier in the month, after a week of frequent and long power cuts, on July 7, Ustel issued a statement where he said: “I trusted our Finance Minister, Sunat Atun, and the Kib-Tek administration he formed” but “it was necessary to take quick steps to solve the problem before our country suffered more”, and that “the issue of why Kib-Tek was put in such a helpless situation became my priority”. This was followed by the dismissal of the undersecretary and director of the Finance Ministry when the minister himself was in Saudi Arabia for the Hajj pilgrimage. Allegedly, Ustel wanted to go even further and sack Atun – a move that would be risky, given that a previous attempt to do so earlier this year cost the then Prime Minister Faiz Sucuoglu his position. According to the acting general manager of Kib-Tek, Kamil Darel, the power cuts, which provoked fury across the country were due to a fuel shortage at the Teknecik power plant. Further power cuts were avoided thanks to electricity supplied by the southern part of the island via the interconnection between the two grids.

According to the report of Cyprus Today based on an interview with People’s Party (HP) central executive board member and former Electricity Authority (Kib-Tek) board member, Yusuf Avcioglu, Kib-Tek has incurred losses of some US\$5.2 million due to non-tender fuel purchases in 2021. Avcioglu also said that “Some of the fuel oil purchased from TPIC [Turkish Petroleum International Company] without a tender during the period of Erhan Arikli’s time in office [as Economy and Energy Minister] was off-spec and caused some malfunctions in the generators. Referring to the Council of Ministers decrees allowing Kib-Tek to purchase fuel oil without going through the standard procurement processes, Avcioglu continued “Knowing full well when the [previous] Fuel Supply and Shipping Tender Contract [would expire] and when the fuel oil stock purchased would run out, the [new] tender was blatantly not done on time and then a so-called decree was created to sign a protocol with TPIC. However, TPIC had neither suitable fuel oil nor a suitable ship. Were those who signed the so-called protocol unaware of this situation? Is that possible? Of course not”.

On July 8, the Court of Appeal has upheld the prison sentence given to the director of public broadcaster (BRT), Meryem Ozkurt. Last month Nicosia District Court sentenced Ozkurt to 2 months in prison, for breaching the electoral law regarding broadcasts in the run-up to the 2020 presidential election, and for failing to adhere to warnings from the Higher Electoral Council to cease the broadcasts in question. Ozkurt’s lawyers appealed against the verdict, which they claimed was too harsh, while prosecutors had also objected to the sentence, saying it was too lenient.

On July 6, a court injunction has stopped the expulsion of Aysegul Baybars (Famagusta MP) and Jale Refik Rogers (Kyrenia MP) from the People’s Party (HP). The two MPs faced disciplinary action from the HP leadership for refusing to comply with the party

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assembly decision taken in May to quit their seats in Parliament in protest over the way the current coalition government was formed. Kudret Ozersay, the party leader quit his seat as Nicosia MP in late May. According to the US State Department's 2022 Trafficking in Persons Report, if TRNC "were to assign an official rank, it would be 'Tier 3', i.e. "countries whose governments do not fully meet the TVPA's (the Trafficking Victims Protection Act of 2000) minimum standards and are not making significant efforts to do so". The report said, among other things: "Traffickers exploit women from Central Asia, Eastern Europe, and Africa in sex trafficking in nightclubs licensed and regulated by Turkish Cypriot representatives. Men and women are exploited in forced labor in the industrial, construction, agriculture, domestic work, restaurant, and retail sectors. Traffickers control victims of forced labor through debt-based coercion, threats of deportation, restriction of movement, and inhumane living and working conditions. Labor trafficking victims originate from Eastern Europe, sub-Saharan Africa, Central Asia, and South and Southeast Asia. Migrants, especially those who cross into the area administered by Turkish Cypriots after their work permits in the Republic of Cyprus have expired, are vulnerable to labor trafficking". The Republic of Cyprus was placed in 'Tier 1' and Turkey in 'Tier 2'.

#### Labour Relations and Trade Unions

On July 22, the new salary bands for public and semi-public sector employees were published to reflect the 56.76% increase in the cost of living during the first six months of 2022. The lowest-paid workers in the public sector will receive a gross monthly salary of 13,074TL (€747), while undersecretaries, the most senior civil servants, will receive at least 49,628TL (€2,836).

On July 23, the government introduced a decree to cut salaries and pensions above 15,000 TL (€857) citing the pandemic, the war in Ukraine, depreciation of the Turkish Lira and budgetary constraints: A

10% deduction would be made from salaries above 15,000TL and 20% from salaries over 30 thousand TL. The deductions, which would start with July salaries and end with December salaries, were targeted to be repaid by the end of April 2023. The unions filed a lawsuit at the Constitutional Court, demanding the annulment of the decree, but before the Court took any action, the decree was withdrawn by the government. Prime Minister Ustel announced that the 'problem' requiring salary cuts in the public sector was resolved.

On July 7, the Minimum Wage Determination Commission chaired by the Minister of Labour and Social Security, set the net minimum wage at 8,600 TL (€491) despite the walking out of workers' representatives from the meeting in protest. Ahmet Serdaroglu, the leader of the Hur-Is federation, which represents employees in the Commission, said that while a cost-of-living increase of 56.76% was made in the salaries paid to members of parliament [and the rest of the public and semi-public sector employees], which are "among the highest salaries in our country", it is "unfair and unacceptable to increase the minimum wage, which is the lowest salary, by only 41.21%". The Cyprus Turkish Public Servants Union (Kamu-Sen) stated that the proposed new net minimum wage is "unacceptable" as it is "below the breadline," which they have calculated to be 9,046TL (€517). The union said that the amount should be "reassessed and raised above the breadline" during the objection process. A written statement from Kamu-Sen said: "The cost-of-living rate is not a pay rise, but is to protect purchasing power in the face of rising costs. Therefore, it is unacceptable that the 56.76% cost of living [increase] is not reflected in the minimum wage." Another union federation, Turk-Sen, demanded the new minimum wage to be 10,973TL (€627) and that a cost-of-living adjustment be applied every two months. The secretary general of Hur-Is, Ali Yeltekin, pointed out that the widening gap in public and private sector pay rates would push more private sector employees to ap-

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ply for jobs in the public sector, or seek work in the southern part of Cyprus, where average wages are higher. “Qualified personnel will go to the south, which is a problem for the private sector,” Yeltekin said. “The aim here is ... to bring and exploit workers from abroad. In other words, they [employers] want to make them work for more than 40 hours a week and pay wages whenever they want,” Yeltekin added. All three unions officially objected the new minimum wage.

On July 27, the Minimum Wage Determination Commission convened again to evaluate the objections. About half an hour after the meeting started, the workers’ side left the table after their objections were rejected and the minimum wage determined on 7 July was put to a vote. After they left the meeting, workers’ representative, Serdaroglu reiterated that cost of living allowance is not a pay rise, but a necessary element for people to live in dignity. Claiming that the Minister of Labour “defended the employers very well”, Serdaroglu said, “they left the minimum wage earners below the hunger line”.

In the first week of the month, Hur-Is federation organized a protest in front of the Prime Minister’s office claiming that the government had “not kept its promises” on improving the rights of workers who work for sub-contractors serving the state. Previously Prime Minister, Unal Ustel, had promised to address the problems of cleaners working in public schools, who claimed during a previous demonstration that they had not been paid for two months and that their social security contributions had not been paid for the last six months. Hur-Is secretary general said there are around 1,700 workers providing services in the public sector, who he said work for the minimum wage and have their pay cut on holidays and other days when they do not work.

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