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### **FES NEWS**

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## 1. Cyprus Problem

On March 11, the UN Secretary General's Special Envoy on Cyprus, Jane Hall Lute met with Turkish Foreign Minister, Mevlut Cavusoglu in Antalya. Following the meeting the Turkish Foreign Minister tweeted that *"all options are on the table for a permanent solution in Cyprus"* and that in any case *"political equality of the Turkish Cypriots is a must"*. This concluded Lute's round of contacts with the Guarantor Powers Great Britain, Greece and Turkey following her meetings with the Cypriot leaders in February in an attempt to draft the terms of reference for a new round of negotiations.

In a written statement on March 11, Turkish Cypriot spokesman Baris Burcu accused Greek Cypriot leader Nicos Anastasiades of engaging in shadow play with respect to the vital aspect of governance, in a bid to short-circuit the peace process. Burcu was alluding to Anastasiades' proposal for a 'decentralised' federation. The Turkish Cypriot spokesman stated that Anastasiades is seeking to overturn previous agreements on political equality by bringing to the table 'new ideas' without however specifying what these are.

On March 19, a friendly football game between Greek Cypriot Salamina FC and Turkish Cypriot Magusa Turk Gucu was organized in Pyla. Politicians, officials, athletes and fans from both communities attended the event which was co-organized by the Peace and Sport Organization and the Stelios Philanthropic Foundation. However, Turkish Cypriot leader Mustafa Akinci who

was also expected to attend, announced at the last moment that he would be unable to do so due to the information from UNFICYP that the game would be held at the Greek Cypriot-controlled part of the village and not within the buffer zone as he was initially told.

On March 21 Cavusoglu met with his Greek counterpart, Giorgos Katrougalos, in Antalya where they discussed the Cyprus problem, among other subjects. Cavusoglu and Katrougalos agreed to meet again on April 12 in Athens, during which the international aspect of the Cyprus problem will be discussed. They also agreed to discuss confidence-building measures (CBMs) and to have an informal exploratory meeting evaluating where the two sides stand on the Cyprus problem. As regards the system of guarantees the statements of the two ministers were in complete opposition. Katrougalos reiterated Greece's position of supporting the abolition of the anachronistic system of guarantees and the withdrawal of troops. Cavusoglu affirmed that the guarantees system is more necessary than ever considering the unilateral drilling activities of the Greek Cypriots. On the matter of energy Katrougalos noted that Greece defends the right of the Republic of Cyprus to manage the resources of its exclusive economic zone (EEZ) for the benefit of both communities. He recalled that the Cypriot parliament passed a law on the establishment of the Hydrocarbons Fund for managing proceeds from the exploitation of natural gas. Cavusoglu stressed that Turkey should not be excluded from the process, adding that any programme that does not involve Turkey does not apply. He also

referred to the rights of the Turkish Cypriots and stressed that these should be guaranteed.

Sevgul Uludag, a Turkish Cypriot journalist who has devoted her life to the issue of missing persons as well as peace and reconciliation in the island, has been nominated for Nobel Peace Prize.

On March 27, the Technical Committee on Cultural Heritage announced that it would undertake as pilot projects the rehabilitation of six cemeteries across the island, as part of confidence-building measures (CBM) between the Turkish Cypriot and Greek Cypriot communities. The cemeteries are located in the villages of Lefkonoiko / Geçitkale, Kofinou / Köfünye, Gypsou / Akova, Kalo Chorio/Vuda, Karavas/Alsancak, Mandria/Mandirga.

The 'Imagine Project', which is being carried out under the auspices of the Bi-communal Technical Committee on Education, launched the first of its study visits: 'Learning from Nicosia'. The committee's new initiative concerns island-wide study visits. In total, 52 pupils – 27 Greek Cypriots and 25 Turkish Cypriots – aged between 14 and 15 – had the opportunity to explore elements of the multicultural character of the city. The pilot phase will continue until the end of 2018-2019 school year and will include study visits to other cities. *"Study visits are designed in ways that provide students with opportunities to study cultural heritage and physical environments together all over Cyprus,"* an announcement said.

On March 29, the Greek Cypriot government announced that Andreas Mavroyiannis would assume duties as Cyprus' Permanent Representative to the UN in New York but would remain the Greek Cypriot negotiator. Mavroyiannis will succeed Kornelios Korneliou at the UN.

The Turkish Cypriot Foreign Minister<sup>1</sup> Kudret Ozersay welcomed the confidence building measures agreed by the two leaders last month and added that cooperation between the two sides should include the issues of hydrocarbons and the exchange of criminals.

## 2. Hydrocarbons

On March 1 the Greek Cypriot Parliament approved a bill establishing a national investment fund to manage future revenues from hydrocarbons. Parties eventually agreed to disconnect gas revenues from public debt following an amendment tabled by ruling DISY and main opposition AKEL. The amendment

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<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, Mustafa Akinci 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).

addresses public debt that will be serviced by fund resources only if it exceeds 80% of the GDP. The original bill had included provisions stipulating that under certain fiscal conditions, a portion of the fund would be channelled into government coffers, although the lion's share of proceeds would be held back for investments for future generations. The government considers the establishment of a legal framework for the establishment and operation of the fund prior to the exploitation of hydrocarbon deposits of particular importance as it will send a message both internally and abroad that it is approaching the issue of hydrocarbon management and revenue in a responsible manner. Such a development will also assist in presenting Cyprus as a credible investment destination.

During the sixth trilateral summit held in Jerusalem on March 20, the governments of Cyprus, the US, Israel and Greece agreed to increase regional cooperation, support energy independence and security, and to defend against external malign influence in the Eastern Mediterranean and the broader Middle East. The US Secretary of State, Mike Pompeo, who attended the summit, expressed the US's support for the trilateral mechanism. On the side-lines of the summit, President Anastasiades met separately with Israeli Prime Minister Benjamin Netanyahu and with Pompeo. Meanwhile, on March 7 Lebanon warned its Mediterranean neighbours through Foreign Minister Gebran Bassi that the EastMed pipeline must not be allowed to violate Lebanon's maritime borders. Bassi had

written to UN Secretary General Antonio Guterres and the Foreign Ministers of Cyprus, Greece and Italy to request that the pipeline does not infringe on Lebanon's rights within what it claims as its exclusive economic zone (EEZ). Lebanon has an unresolved maritime border dispute with Israel. Cyprus, Greece and Israel signed an interstate agreement on the EastMed pipeline during the fifth trilateral summit, in Beer Sheva last December.

According to Anadolu News, Greek Foreign Minister Giorgos Katrugalos stated on March 20 that Turkey cannot be excluded from energy-related issues in the Eastern Mediterranean area.

On March 27, Turkey's Energy Minister Fatih Donmez said that Turkey was about to obtain results from drilling activities carried out by the Fatih vessel in the Mediterranean Sea. *"Within one to two weeks, we will reach 5,500 meters of depth, so that we will have the information on whether or not there is natural gas in the area,"* he was quoted as saying.

### 3. Greek Cypriots

#### Economic Developments

On March 15 Finance Minister, Harris Georgiades, announced he would be stepping down at the end of the year but denied it was because of the damning findings of a probe into the collapse of the Cyprus Cooperative Bank. Georgiades described the findings as flawed.

According to Michalis Antoniou, the General Director of the Employers and Industrialists Federation (OEV) Cypriot businesses are adequately prepared for Brexit, even a no-deal Brexit. Regarding any and subsequent repercussions from Brexit that may affect the Cypriot economy, Antoniou noted that this would depend on the devaluation of the Sterling Pound, as well as the extent to which the British economy shrinks and for how long. Antoniou said that if there was a rise in unemployment in Britain and a reduction of household available income, then Cyprus' economy would be affected, despite the fact that most of the products exported from Cyprus will have zero tax for a while. Regarding tourism from Britain, Antoniou said efforts were being made to attract quality tourism from other countries, with emphasis at the moment on the German market.

In its report following a visit to Cyprus as part of its post-programme monitoring, the International Monetary Fund (IMF) noted on March 28 that Cyprus' economy has showed strong growth mainly supported by construction, tourism and professional services. According to the report, banks' balance sheets were being strengthened and Non-Performing Loans (NPL's) have declined sharply. The Fund expects Cyprus to maintain the capacity to repay its debt but warned however that this could change under certain circumstances, including court cases, a hard Brexit, and weaker growth in Europe. To avoid the risks, the IMF recommended facilitating deleveraging, reducing NPLs

and strengthening bank profitability through additional efforts to address troubled legacy assets. Cyprus must also strengthen structural reforms.

On March 28, Constantinos Herodotou was appointed governor of the Central Bank of Cyprus. Herodotou had been serving as an Executive Director and member of the supervisor's board since March 2017. He will replace Chrystalla Georghadji who is set to step down in April.

On March 29, the administrative court announced that payroll reductions imposed on civil servants as part of an austerity measures in 2012 are unconstitutional, a decision that could cost the state some €200m a year. The court found the freeze of incremental pay rises, a 3% contribution to pensions, and a reduction in civil servants' pay was in violation of article 23 regarding the protection of the right to property. The state has 42 days to appeal the decision.

On March 21 Fitch Ratings upgraded Hellenic Bank's Long-Term Issuer Default Rating to 'B+' from 'B'. In a statement, Fitch stated the upgrade follows the completion of the acquisition of certain good assets and liabilities of Cyprus Cooperative Bank and a €150m capital increase.

### **Domestic Developments**

According to Foreign Minister Nicos Christodoulides every government ministry is taking measures so that Cyprus can be prepared to tackle the impact of a disorderly Brexit. The

minister during a briefing of the House Foreign Affairs Committee informed MPs about Brexit in general, the preparations of Cyprus for the case of a disorderly Brexit, the status of the British bases and the rights of all Cypriots working or living within the bases in the case of a no-deal Brexit, and preparations at European level that cover all member states in the case of such a scenario.

On March 16, the Cyprus Animal Party presented their candidates for the EU Parliamentary elections that will take place in May. The party will field five candidates: Neophytos Neophytou, Avraam Themistokleous, Kyriacos Kyriacou, Michelle Metzidi and Angela Agathan-gelou.

### **Foreign Policy**

On March 26 Foreign Minister Nicos Christodoulides met in Washington with US Undersecretary of State for Political Affairs, David Hale. Bilateral relations between Cyprus and the US, developments in the Eastern Mediterranean region and the Cyprus Problem were discussed. Moreover, the two exchanged views on the lifting of the US arms embargo on Cyprus, the trilateral agreements which Cyprus and Greece have established with countries of the region and the need to arrange a meeting between the Cypriot President Nicos Anastasiades and US President, Donald Trump.

### **Labour Relations and Trade Unions**

#### **February**

On February 8, the employees of the Limassol Municipality expressed their disagreement with the decisions of the Municipal Council regarding the promotion of employees with a spontaneous strike. The Pancyprian Federation of Labour (PEO) stated that the strike took place because *"in the knowledge of the Limassol City Council, an employee who does not have the qualifications of the service plan was promoted."* Also, the trade union notes that at a previous meeting *"the Limassol City Council approved a personal compensation scale (i.e. he was not assigned in any of the existing scales) for that particular employee on the grounds that he was not entitled to advancement."* This contradictory position of the council is not unexplainable, according to PEO, which declares that this attitude of the Limassol City Council stems from eclecticism, the feeling of omnipotence and the indifference to the rules, the morals and the laws of specific Municipal Groups and the Mayor's tolerance or participation. The announcement also highlights a series of irregularities and problems faced by employees in the Limassol Municipality. PEO states that it cannot tolerate the existence and continuation of such practices and that its desire is a healthy working environment. The assembly of employees, held during working hours, unanimously decided to issue a 24-hour strike for the 12th of February. However, PEO responded to an invitation for a meeting by the

Mayor of Limassol and decided to suspend the strike. During the meeting, which was attended by the mayor and the Chairman of the Staff Committee and other officials, the issue of promotions and procedures was discussed, followed by an exchange of views on improvements to be implemented in the future. Each side maintained its position and the dispute remained unresolved. PEO intends to file a complaint to the Auditor-General and the Commissioner for Administration, calling them to investigate any irregularities that have been identified.

A deadline was given until the end of February by the employees of the Limassol Passenger Company (EMEL) to the management, to fulfil its obligation to fully reimburse the benefits that were cut off in 2014. Employees say they are determined to proceed to new dynamic mobilizations if until at the end of the month EMEL does not fulfil its contractual obligations, as it should have done since the beginning of last year. The trade unions of SEK and PEO emphasize that workers are not claiming increases but the benefits they are owed from the 1<sup>st</sup> January 2018, part of which had not been granted to them as a sign of their goodwill since 2014 due to the financial crisis. Furthermore, the issue of their 14th salary and compensation for overtime is pending. At the same time, they point out that the issue has not been settled despite the three strikes that took place in 2018, which also concerned the company's inability to pay the salary of the workers.

On 13th of February, thousands of workers in the construction industry were on a 24-hour pan-cyprian strike. The trade unions of Cyprus Workers Confederation (SEK), Pan-cyprian Federation of Labour (PEO) and Democratic Labour Federation of Cyprus (DEOK) have denounced the Federation of Building Contractors' Associations (OSEOK) for its rejection of the agreed collective agreement which had been achieved through dialogue. In particular, the trade unions argue that the workers' and employers' side had reached an agreement on the draft law of a new Pan-cyprian Collective Agreement. The agreement would constitute an industrial contract covering all workers in the construction industry. The trade unions had agreed with the contractors that the basic articles are: The pay of all categories of workers (skilled and unskilled workers), the Provident Fund, the paid holidays and the tip, which should have been mandatory for everyone. The contractors, even though agreeing in the first place, withdrew their agreement and did not accept the terms. For its part, the Federation of Cyprus Building Contractors' Associations (OSEOK) called on PEO, SEK and DEOK to cancel the announced strike and to continue the negotiation process under the auspices of the Ministry of Labour, Social Welfare and Social Security in order to reach agreement on the renewal of the collective agreement for the construction industry. Construction workers expressed their determination through their general meetings during strike to continue their fair fight until the leadership of OSEOK finally

puts into practice its written commitments. If there is no immediate solution to the dispute, the measures will be stepping up by the trade unions.

A team of International Labour Organization (ILO) experts will arrive in Cyprus around mid-March to make contacts on the issue for the establishment of a minimum wage in Cyprus. The Minister of Labour Zeta Emilianidou stated that *"the government has set a timetable for studying minimum wage in Cyprus and the report will be submitted around November"*. She affirmed the position of the government is the introduction of a minimum wage for full-time employees, when unemployment falls below 5% while it is currently at 8.1%. As she said, it is important to consider how the establishment of the minimum wage affects the Cyprus system, so that there will be no wider problems. The ILO will have meetings with social partners to see how they deal with the issue.

The creation of a new provident fund supervising authority from next year is planned at by the government. The launch of a dialogue between the social partners, on a draft bill prepared by a group of lawyers, will be announced soon. Representatives of the trade unions have expressed their discontent regarding the fact that they have not yet been informed about the content of the draft bill that is being promoted. The regulations promoted by the Ministry of Finance essentially concern the integration of supervisory provident and insurance companies, a joint and independent supervisory

authority within the public sector, on the model of the Cyprus Security and Exchange Commission.

On 28<sup>th</sup> of February, an agreement was signed between trade unions and employers' associations on the management of health insurance arrangements provided for in collective agreements with a view to implementing the General Healthcare System (GESY). The agreement was signed by PEO, SEK, DEOK, Employers' and Industrialists' Federation (OEB) and the Cyprus Chamber of Commerce and Industry (CCCI).

In the agreement it is stated that *"In order to ensure the continuous and uninterrupted provision of medical coverage to employees in view of the gradual implementation of the General Healthcare System (GESY), while aiming at avoiding unnecessary duplicate cover and double contributions for the same coverage provided under Collective Agreements and for the purposes of uniform management of the existing arrangements, the following shall be agreed:*

- 1. For the period from 1 March 2019 to 31 May 2019, enterprises and employees will continue to pay full contributions to existing corporate health insurance plans under the relevant collective agreements. These contributions will be made in parallel with the contributions made for GESY.*



2. For the period from 1/6/2019 until 31/5/2020 the contributions to the corporative Health Funds are reduced by half.

3. On 1/6/2020, with the full implementation of the GESY, the contributions of employees and employers to the Corporate Health Funds are terminated.

*It is understood that this arrangement, provided there is agreement between the parties, does not in any way prevent the introduction, implementation or maintenance of supplementary health insurance arrangements for health care services not provided through the GESY.*

4. In cases where Health Plans operating outside the collateralized Health Funds agreed upon in Collective Agreements operate, negotiations between the two parties will take place."

### **March**

Representatives of the major trade unions met the President of the Republic to discuss the outcome of the decision of the Council of Ministers on the Health Care Plans in public organizations and local authorities as well as the General Healthcare System (GESY). In a statement, representatives of the trade unions Cyprus Workers Confederation (SEK), Pancyprian Federation of Labour (PEO) and Pancyprian Federation of Independent Trade Unions (POAS) reported that steps have been made towards a dialogue with each organization separately. This is in line with the recent agreement between Trade Unions and Employers' Unions regarding

the Trade Unions' Healthcare Funds. It is worth mentioning that the decision of the Council of Ministers was not withdrawn in its entirety, as per the initial request of the Trade Unions. The decision aims to initially update existing healthcare plans and to gradually abolish them from the first of June 2020 when GESY will be fully implemented. Moreover, the decision aims at adjusting their budgets accordingly based on the above. The trade unions emphasize that they will not accept any unilateral intervention in matters concerning the employees, regulated by collective agreements. The Trade Unions call the public organizations to engage in dialogue in good faith in order to explore commonly accepted arrangements for the Health Care Funds before 1st of June 2019. Trade unions clarified that they will assess the outcome of the dialogue, while retaining the right to react if they observe any unilateral actions.

On the 18<sup>th</sup> of March, International Labour Organization (ILO) experts had their first meeting with representatives of the SEK, PEO and Democratic Labour Federation of Cyprus (DEOK), as well as with the employers' organizations Employers' and Industrialists' Federation (OEB) and the Cyprus Chamber of Commerce and Industry (CCCI). Their purpose is to provide technical assistance to the Ministry of Labour for the establishment of a minimum wage in Cyprus. Head of Unit, Rosalia Vazquez-Alvarez, said that the best practices currently in place on the issue in Europe will be examined. Moreover, a study will be submitted around

November, facilitating the government to decide before the end of the year.

The Pancyprian Urban Taxi Federation (POAT - POVEK) decided to suspend the pan-Cyprian two-hour sit-down strike that would take place in all cities on the 27<sup>th</sup> of March. The strike would be the first measure against the new way the Social Insurance Services (SIS) put in place regarding the process of objections for self-employed. Specifically, there is a minimum amount of money assigned as an income to each professional category by the Social Insurance Services and the self-employed normally have to pay their contributions based on this amount. However, the strike was suspended as a sign of goodwill, following a letter sent by the SIS, according to which: *“Social Insurance Services inform taxi drivers that if their actual income is lower than the weekly amount of insurable earnings in their category, they should come to the District Social Insurance Offices and apply for contributions on the actual income.”*

After a secret vote on the 21<sup>st</sup> of March, the members of Cyprus Union of Bank Employees (ETYK) authorized the Board of Directors to act in their name. This means that if the directors of Cyprus Asset Management Company (KEDIPES) and ALTAMIRA REAL ESTATE do not comply with their contractual obligations, ETYK will take all necessary measures, which may include a strike. Initially, ETYK announced a two-hour strike on the 20<sup>th</sup> of March, which it postponed after

discussions with the company's management and the possibility of an immediate settlement. After receiving the final statement of the company, the strike was held on the 29<sup>th</sup> of March. The Board of Directors proposal was not accepted by ETYK because: it abolishes the existing Health Funds (from 2020), it does not adopt all the ETYK-Cyprus Cooperative Bank (SKT) agreements, it omits some of the provisions of these agreements, and it only reimburses bus tickets for employees, while the contracts with ETYK provide for mileage compensation for out of a town and TAXI tariffs for intra-city travel while on duty. Furthermore, it completely ignores the company's obligation to give to staff an annual raise. Even worse, the proposal leaves the abolition of the annual raise for the future open (after 2020).

A protest was held on the March 27 on behalf of more than twenty educational and agricultural organizations outside the Presidential Palace. The protest was based on the findings of the exploratory commission on the collapse of co-operativism, as well as the process of alienation of its assets. The gathering began at the PASYDY headquarters and ended at the Presidential Palace. In a memorandum to President Anastasiadis and to the President of the Parliament Dimitris Syllouris, the protesters expressed their strong objection and outrage for the gradual collapse and dissolution of co-operativism, which has implications for the wider society. The organizations and agencies stated that they will be on constant alert in as-

sessing developments and they will undertake new and more dynamic initiatives.

The Union of Cypriot Pensioners (EKYSY) reports that, according to the decision of the Council of Ministers, over half of the low-paid pensioners are still not entitled to the Easter allowance. They also state that the income criterion for the Easter allowance is significantly reduced and is lower than the official poverty line. This means that while the poverty threshold for one person is an annual gross income of €10.324, the criterion for Easter allowance remains at €6.500 based on the decision of the Council of Ministers. For a two-person household, the poverty line is €15.486 per year and the income criterion for the Easter allowance is €11.000. EKYSY's demand is to restore all pensioners' rights to the point where they stood before the cuts that followed the financial crisis in the Republic of Cyprus in 2013, when the criteria were more inclusive, and more pensioners were eligible for the allowance. It is worth mentioning that from 60.000 beneficiaries in 2012 now the beneficiaries are 15.000.

The employees of the Limassol Passenger Company (EMEL) stated that they are ready for new strikes after the company's inability to pay 100% of their March salaries. On the 2<sup>nd</sup> of April a strike will begin. Additionally, in a written announcement of the trade unions SEK and PEO, they underline that *"on the 2<sup>nd</sup> of April they will organize a strike at the Transportation Organization of Nicosia District (OSEL) and*

*Larnaca buses 'Zenonas' due to the delayed payment of the payroll in March [...] as well as the delay in the payment of contributions to the Employee Benefit Fund of OSEL."* However, following a joint announcement by the trade unions, the strike measures were suspended due to an assurance given by the two companies that the March salary will be paid on April 2.

## 4. Turkish Cypriots

### Economic Developments

According to the statistics provided by the Ministry of Finance, in 2018, 92% of the Turkish Cypriot government expenditures were financed by local revenues. In 2009, the figure was only 61%. The figures show that financial dependence on Turkey has been declining. More than 90% of the total Turkish assistance (which was 446.7 million TL) was in grants and went to defense, infrastructure and real sector; whereas less than 10% was in credits and used to pay salaries and pensions.

The Union of Hoteliers (KITOB) and the Union of Travel Agents' Union (KITSAB) held a joint press conference. They asked the government to make the payment of 80 to 90 million TL due to operators. The government pays US\$25 per tourist "incentive" to promote the tourism sector yet funding for the scheme comes from Turkey (and in 2019 there has been no financial transfer from Turkey as no protocol has been

signed between the two governments). Representatives of the sector warned *“if the tourism sector collapses this would have a domino effect and all sectors would be affected,”* saying each tourist’s contribution to the TRNC economy was some \$800.

The data from the Ministry of Tourism showed that the occupancy rates of the tourist facilities in January 2019 have dropped to 29%, which is the lowest rate in the last three years.

According to the statistics provided by the Turkish Cypriot Chamber of Commerce, in 2018, the Green Line trade from the north to the south was worth €4.58 million; 4% lower than the figure in 2017. Plastic products (€1.48 million), fresh fish (€0.9 million) and construction materials (€0.78 million) were the top three items on the list.

The Turkish Cypriot exports in general also fell in 2018 by 4.5% to some US \$101 million. This was largely due to 18.3% decline in exports to Turkey, which stands as the biggest trading partner of the TRNC. Exports to Turkey, fell from US\$63.8 million in 2017 to 52.1 million in 2018, while exports to the other countries increased by 16.6%. Exports to the EU countries was only US\$10.4 million.

According to the TRNC Central Bank statistics, by the end of 2018 the amount of total bank deposits in North Cyprus was 26.4 billion TL, 59.9% (15.8 billion TL) of which was held in foreign currencies. At the end of 2017, this rate was at 54.6%.

### **Relations with Turkey**

Prime Minister Tufan Erhurman came together with the Turkish Vice-President Fuat Oktay and his delegation in Ankara to discuss the economic and financial cooperation protocol to be signed between the two sides. The last protocol, which covered the period of 2016-2018 has expired in December. Without the protocol, there is no financial transfer from Turkey. When faced with strong criticism from the opposition regarding the delay in the signing of the protocol, the Minister of Finance, Serdar Denktas said: *“You can ask Mr Erdogan about the reason for the delay, not us. He will answer you ... Turkey is both in a financial crisis and ongoing through local elections. If some circles blame us for not snatching money in this atmosphere, you should know that the government is not in the position of snatching money.”*

Turkish Cypriot Minister of Foreign Affairs, Kudret Ozersay met with Turkish Foreign Minister, Mevlut Cavusoglu in Antalya. The Greek Cypriot side’s recent defense and military agreements as well as the issue of hydrocarbons were discussed during the meeting. The two ministers also exchanged views before Cavusoglu’s meeting with the UNSG’s Temporary Special Consultant on the Cyprus issue Jane Holl Lute.

The newly elected Speaker of the Turkish Grand National Assembly, Mustafa Sentop paid a one-day official visit to the TRNC in line with a longstanding tradition of Turkish state officials

conducting their first trip abroad to the TRNC and Azerbaijan.

The Turkish Cypriot Minister of Agriculture and Natural Resources, Erkut Sahali, and the Minister of Public Works and Communications, Tolga Atakan visited Ankara.

The Cyprus Turkish Hoteliers Association, the Cyprus Turkish Tourism and Travel Agencies Association and the Turkish Travel Agencies Association signed a protocol aimed at broadening cooperation and bringing more tourists to the north from Turkey.

### **Domestic Developments**

A party assembly member of the senior coalition partner Republican Turkish Party (CTP), Bengul Garginsu, was arrested for *“membership in a terrorist organisation”* and *“possession of provocative and propaganda publications of a terrorist organisation”*. Few days later her daughter was also arrested for the same accusations. They were both released pending the outcome of the trial. According to Esra Aygin’s report in Cyprus Mail, though initially it was claimed that arrests were in connection with possession of a banned book and PKK propaganda, later their lawyer confirmed that *“the leading motivation for the police was a banner or graffiti,”* in support of a Kurdish lawmaker, Leyla Guven, which they allegedly inscribed during the march on International Women’s Day in Nicosia. Many Turkish Cypriots, including opinion leaders, politicians, journalists

and lawyers protested the detentions, questioning how possession of books could be linked to terrorism and expressing concern about basic rights and freedoms in the northern part of Cyprus.

President Akinci has pointed out that the exact population of the TRNC was not known: *“The official figure given to me by the Interior Ministry was 220,000 when I had first requested it [in 2015]. This was reported by the press at the time. The figure which I received a few weeks ago from the Interior Ministry was 343,000. The Interior Minister then announced that the number of TRNC citizens was 350,000. This means that the number of citizens has risen by 130,000 in the past three and a half years”*. Later in the month, the Interior Minister Baybars said that the current official population of the north is 374,299. She said that of this figure, 252,497 were TRNC citizens while the remaining 121,802 were legal residents with permits.

The leader of the Republican Turkish Party (CTP) and Prime Minister Tufan Erhurman announced that his party would nominate its own candidate for the presidential election, which will be held in April 2020.

According to the latest quarterly poll of the Centre for Migration, Identity and Rights Studies (CMIRS) with 31.9% president Akinci is ahead of a list of other potential presidential candidates: National Unity Party (UBP) leader Ersin Tatar (20.6%), Prime Minister Tufan Erhurman (16.4%), Foreign Minister Kudret

Ozersay (11.1%), Finance Minister Serdar Denktas (5.5%) and Rebirth Party (YDP) Erhan Arikli (4.9%).

According to the report of the Turkish Cypriot weekly, Cyprus Today, head of the Doctors' Union, Ozlem Gurkut, said: *"The public has no trust in the health services due to bad policies that continue to be implemented and that are resulting, among other things, in more violence against health workers". Our government is not planning a future for public health but rather has implemented what it calls economic precautions and reforms which make working as a state doctor unattractive.*" Gurkut also drew attention to the increasing number of faculties of medicine and dentistry – currently six and seven respectively– while the global recommendation was for one medical faculty per million of population. She warned that the glut of institutions providing training could lead to lower educational standards and posed the danger of creating a pool of unemployed doctors *"or a work force we cannot plan for"*.

The former Prime Minister and the leader of the National Unity Party (UBP) Irsen Kucuk passed away on March 10 at the American Medical Centre in south Nicosia where he had been receiving treatment for a while.

### **Foreign Policy**

Minister of Foreign Affairs, Kudret Ozersay attended the Organisation for Islamic Cooperation (OIC)'s Council of Foreign Ministers

meeting in Abu Dhabi. Ozersay also attended an emergency meeting of the OIC, which was held to discuss the terrorist attacks in New Zealand. The meeting was in Istanbul.

### **Labour Relations and Trade Unions**

According to the statistics provided by the Labour Department, one in five foreign employees in the TRNC do not have a work permit. Workers from Turkey make up some 77% of those who are not registered, according to the economy supplement of Turkish Cypriot daily Kibris.

Another construction worker lost his life this month due to lack of labour safety measures; the fourth worker to be killed in a workplace accident in the TRNC this year.

## 5. FES Cyprus Events

### April

**Wednesday, 3<sup>th</sup> April – Thursday, 4<sup>th</sup> April 2019**

FES  
conference

**Regional East Med Gas Meeting: Cyprus**

Chateau Status (in the UN Buffer-Zone)  
Nicosia, Cyprus

Not open to the Public



**Friday, 5<sup>th</sup> April – Sunday, 7<sup>th</sup> April 2019**

FES  
workshop

**Meeting of Journalists**

Home for Cooperation (in the UN Buffer-Zone)  
Nicosia, Cyprus

Not open to the public

### May

**Monday, 20<sup>th</sup> Mai 2019, tba**

FES  
Launch

**Launch of Corruption Perception in the north,  
2018 Report**

place tbc

Open to the Public



**Tuesday, 21<sup>th</sup> May, 6.30 p.m.**

Goethe Institut / FES  
Film screening with discussion

**Film: Once in a Lifetime**

Discussion: Europe in Movement. Movement in  
the Right Direction?

Goethe Institut (in the Buffer Zone)

Open to the Public

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