



Contents

1.	FES Cyprus Events	2
2.	Cyprus Problem.....	4
3.	Hydrocarbons.....	8
4.	Greek Cypriots	9
	Economic Developments	9
	Domestic Developments.....	10
5.	Turkish Cypriots	12
	Economic Developments	12
	Relations with Turkey	13
	Domestic Developments.....	14
	Labour Relations and Trade Unions.....	15

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1. FES Cyprus Events

October

Tuesday, 15th October 2019, 6.00 – 8.00 pm

Civil Society Advocates / FES

Presentation in Greek

Learn How to Prepare your own Financial Accounts – Obligation under the New Law for Associations & Foundations

Home for Cooperation, Nicosia, Cyprus

Open to the public



Friday, 25th – Sunday, 27th October 2019

IKME / BILBAN / FES
Workshop

Cypriot Citizen Assembly – a Decisive Necessity

Rodon Hotel, Agros, Cyprus

Not open to the public



October

Thursday, 31st October 2019, 9.00 am - 2.30 pm

PRIO / FES

Conference

(Re)Boardering the Nations: Citizenship, Politics and Social Inclusion in the "New" Eastern Mediterranean

Fulbright Center, next to Ledra Palace, Nicosia

Open to the public



November

Friday, 01st November 2019, 3.30 – 5.30 pm

Civil Society Advocates / FES

Presentation

Learn How to Prepare your own Financial Accounts – Obligation under the New Law for Associations & Foundations

UKCA Social Club, Chlorakas Ave., Paphos

Open to the public



**Friday, 01st November 2019,
10.00 am – 5.30 pm**

Cyprus-Institute University of Münster /
University of Nicosia / Agora Dialogue / FES

Conference

**Religion, Religious Spaces and Conflict:
Cyprus, Lebanon, Bosnia**

University of Nicosia,
UNESCO Amphitheater, Nicosia

Open to the public



**Wednesday, 13th November 2019,
6.00 – 8.00 pm**

Civil Society Advocates / FES

Presentation in Greek

**Learn How to Prepare your own Financial
Accounts – Obligation under the New Law for
Associations & Foundations**

Laona Foundation, Limassol

Open to the public



Wednesday, 13th November 2019, 7.30 pm

Goethe Institute / FES

Event

**The Fall of the Berlin Wall:
Living Stories from Eye Witnesses**

Home for Cooperation, Nicosia, Cyprus

Open to the public



Saturday, 16th – Sunday, 17th November 2019

Enorasis / FES / Interior Minister / Synergia-
Media

Workshop

**15th Friendship Weekend of the Enorasis Social
Cultural Clubs**

Forest Park Hotel, Platres Troodos

Not open to the public



2. Cyprus Problem

In September efforts intensified by UN envoy Jane Holl Lute to finalize the terms of reference ahead of the UN General Assembly that would pave the way for negotiations to resume.

While Lute was originally expected to hold separate meetings with the Turkish Cypriot and Greek Cypriot leaders, Mustafa Akinci and Nicos Anastasiades on September 1, six rounds of separate meetings and an informal joint reception were eventually held lasting until September 6. Despite Lute's shuttle diplomacy and back to back meetings, the leaders were unable to agree on the terms of reference with the issue of co-governance reportedly emerging as a sticking point between the two sides. The complication concerned certain issues linked to governance that the Turkish Cypriot side had wanted to include in the text of the terms of reference, something that the Greek Cypriot side does not consider as constructive. The two sides have so far agreed that the terms of reference will be based on the 2014 Joint Declaration, the six parameters of the Guterres framework as presented on June 30, 2017, and the convergences that led to the talks in Crans-Montana in 2017.

During a short visit to the north, Turkish Foreign Minister, Mevlut Cavusoglu, announced on September 9 the opening of a Turkish consulate in Famagusta. Speaking at a news conference, Cavusoglu stated that for negotiations to resume it must be first clarified what exactly will

be on the negotiating table. He also stressed that political equality must be guaranteed in advance of any negotiation and that the Greek Cypriots should accept Turkey's proposal for a joint committee to jointly manage hydrocarbons. Cavusoglu also visited the fenced off town of Varosha with TRNC¹ Foreign Minister, Kudret Ozersay. The Greek Cypriot government and Greek Cypriot political parties condemned the opening of a Turkish consulate in Famagusta (For more on this visit Relations with Turkey section). The bi-communal peace initiative, UniteCyprusNow criticized Cavusoglu's statements arguing that it damaged the prospect for the talks. It also found it unacceptable that the two leaders were unable to agree on the terms of reference.

Anastasiades and Greek Prime Minister Kyriakos Mitsotakis met in Athens on September 10 in order to set a common course in view of upcoming developments. Anastasiades briefed the Greek PM on the latest developments on the

¹ 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).

Cyprus problem and the deliberations that took place with Lute. They also discussed about Turkey's activities in the Cypriot Exclusive Economic Zone (EEZ).

During a press conference ahead of the 74th session of the UN General Assembly on September 18, the UN Secretary-General Antonio Guterres underlined the importance for the two sides in Cyprus to quickly reach an agreement on the terms of reference, in order to start settlement talks.

On the side-lines of the UN General Assembly Guterres and Cavusoglu met on September 20 with Cyprus being among the issues discussed. Guterres also met with Turkish President Recep Tayip Erdogan.

On September 25, Mitsotakis and Erdogan met on during the deliberations of the UN General Assembly. Greek-Turkish relations, migration flows and the Cyprus problem were among the issues discussed. Anastasiades reportedly asked Mitsotakis to convey to Erdogan that the Greek Cypriot side wants the talks to start from where they had left off in 2017 at Crans-Montana, an agreement on the terms of reference as per the understanding between the two leaders during their meeting in Nicosia in August 9, and that the solution will be based on a Bizonal Bicomunal Federation (BBF). Meanwhile video footage of Greek Cypriot Foreign Minister, Nicos Christodoulides, encountering Cavusoglu went viral on social media. Among others Christodoulides told Cavusoglu that the only

solution for Cyprus is a BBF, with Cavusoglu insisting that this remains unresolved.

On September 26, Anastasiades addressed the UN General Assembly by noting that Greek Cypriots would not negotiate under duress. He also took the opportunity to respond to criticism by Turkish President Erdogan who, from the same podium, accused Greek Cypriots of having ill-intentions including among others solving the Cyprus problem with zero guarantees and refusing to share political power as well as prosperity with the Turkish Cypriots. In response Anastasiades noted that the Greek Cypriots had accepted political equality as defined by the Secretary General and upheld by Security Council Resolutions and reached, as part of the negotiations, an agreement on the issue of natural resources, in line with the UN Convention of the Law of the Sea. He also referred to his proposal to deposit revenues accrued from the exploitation of hydrocarbons to an escrow account for the Turkish Cypriot community and asked if it was an ill-intention to aspire establishing an independent and sovereign state, free from the presence of occupation troops. During his speech Anastasiades referred to a few challenges caused by Turkey including gunboat diplomacy, blackmail tactics and attempts to force the Greek Cypriot side to negotiate under duress. He specifically made mention to Turkey's provocations in the Cypriot EEZ and threats against the Cypriot energy program, public statements and acts by Turkish officials to reopen the fenced off ghost-town of Varosha and the escalation of violations in the buffer zone.

Anastasiades lastly reiterated his support to UN efforts to resume negotiations from where they left off in Crans-Montana. He stressed that the aim was the evolution of the Republic of Cyprus into a BBF with political equality, as set out in the relevant Security Council Resolutions and the High-Level Agreements, with a single sovereignty, a single international legal personality and a single citizenship.

Anastasiades' speech was criticized in a written statement by Akinci who pointed out that both a rotating presidency and effective participation in decision-making processes were important principles of political equality which were recorded in past convergences and had since become UN parameters. *"It is a great contradiction on Mr Anastasiades' part to claim to be accepting the past convergences but at the same time rejecting these principles,"* Akinci stressed, urging the UN Secretary-General to take a stance to protect UN parameters. On the issue of the hydrocarbons, Akinci said that his proposal for the co-management of the island's natural resources was still on the table. *"The most rational and peaceful approach on this issue would be managing the resources jointly since the energy policies in the Eastern Mediterranean concern both the communities,"* Akinci said.

During their meeting on September 27, Anastasiades informed Guterres about the Greek Cypriot side's positions, and their readiness to agree on the terms of reference, which are based on the joint statement of February

11, 2014, the convergences that were achieved up to the conference on Cyprus in Crans-Montana in 2017, and the framework set out by Guterres himself on June 30, 2017. He also expressed his readiness to participate in a tripartite meeting without ruling out the possibility of a five-party meeting taking place.

On September 30, Guterres met with Akinci in New York. According to a statement issued by the Office of the Secretary General's Representative, the two exchanged views on the prospect for renewed talks on the Cyprus problem. The Turkish Cypriot leader avoided making any statements. Having met with both Cypriot leaders, Guterres is now expected to decide whether a tripartite meeting involving the two Cypriot leaders and himself, or a five-party meeting also including the guarantor powers should follow.

Speaking at a meeting of the Socialist International in New York, Akinci said that failure to reach a bizonal, bicomunal federal settlement based on the political equality of two constituent states would result in the permanent division of the island. Criticizing the Greek Cypriot leader's changing rhetoric since the collapse of the talks in Crans Montana, Akinci said, *"Anastasiades has been giving different messages to different people at different times. His views changed from a two-state solution to a confederation, from a loose federation to a decentralised federation and from there to a parliamentary system with a rotational prime ministry leading to confusion"*. Highlighting the

need for clarity, Akinci said that any new negotiation process could no longer be open-ended.

The bi-communal Technical Committee on Culture announced that an exchange of art works and audiovisual recordings took place in the United Nations Protected Area as part of a confidence building measure agreed by the two leaders on February 26. The Turkish Cypriot side returned 210 paintings by Greek Cypriot artists and the Greek Cypriot side handed over visual and audio recordings of Turkish Cypriot artists from their respective archives. Paintings and recordings will be prepared for an exhibition which will be open to public in due course, the Committee said. In a statement, Akinci expressed his happiness stating that the mutual exchange carried out in good faith was extremely important in terms of bringing the two communities closer.

The TRNC Foreign Ministry filed a request with the UN regarding a the picture of the founding President Rauf Denktas and a Turkish flag that was taken down and stolen by a 16-year-old Greek Cypriot boy, from a primary school in the village of Akdogan/Lysi, during a church service held at the village (the first service to be held in the church after 45 years). Both items were returned along with an apology letter from the boy's father. In the letter sent to Akinci, the teen's father expressed the family's *"deep sorrow for the consequences caused to all of us by the thoughtless acts of our 16-year-old son which we condemn unreservedly"*. Akinci welcomed the letter.

More than 600 Greek and Turkish Cypriots have applied for this year's Stelios Bi-Communal award. The awards will be given for the 11th consecutive year by Sir Stelios Haji-Ioannou to 50 bi-communal teams, consisting of 50 Greek Cypriots and 50 Turkish Cypriots who will win a prize of €10,000 each. The winners are expected to be announced on October 1. The aim of the awards is to strengthen socio-economic ties between the two communities in Cyprus, to encourage cooperation and trust between Greek Cypriots and Turkish Cypriots, thereby helping towards a lasting peace on the island.

In a press statement released at Ayios Dometios (Kermia/Metehan) crossing point, the Cyprus Turkish Business People Association (ISAD) said that congestion at the crossing point was hurting the TRNC economy. ISAD urged the government to turn the economic crisis into an opportunity by increasing the number of staff at the crossing points, improving the crossing point's technological infrastructure as well as opening new crossing points for vehicles. Lately, long queues form at the crossing point at certain hours of the day due to the recent increase in the number of Greek Cypriots crossing over to shop in the north due to the weakening of Turkish Lira against the Euro.

3. Hydrocarbons

On September 18, Cyprus signed agreements with France's TOTAL and Italy's ENI for exploration in block 7 of Cyprus' EEZ. The contracts were signed by Energy Minister Giorgos Lakkotrypis in Nicosia with representatives of the two companies in the presences of the ambassadors of France and Italy. In July the cabinet announced that the TOTAL-ENI consortium had been granted a licence for exploratory drillings in block 7. TOTAL was also granted a licence for blocks 2, 3, 8 and 9 where ENI is already a licensee. For the block 7 licence, the two companies have a share of 50% each. In addition, TOTAL will receive from ENI a share of 20% for blocks 2 and 9, and 30% for block 3, and 40% for block 8. With the new contracts, ENI remains the major stakeholder in 2, 3 and 9 with a 60% stake in block 2, a 50% stake in block 3 and a 60% in block 9. TOTAL now owns 20%, 30% and 20% respectively in the same blocks, while South Korean KOGAS continues to hold 20% in each block. Cyprus expects 9 exploratory and appraisal drillings to be carried out by the end of 2019 or beginning of 2020, and over the next 24 months.

The Turkish Foreign Ministry slammed the Greek Cypriot side for signing these agreements. *"We repeat our strong warning that the unilateral acts of Greek Cypriot Administration, which aim at usurping the rights of the Turkish Cypriots, do not contribute to peace and stability in the Eastern Mediterranean"* Hami Aksoy,

spokesman for the Turkish MFA, said in a statement. Aksoy said the Greek Cypriot side failed to understand Turkey's determination, despite the warnings: *"As repeatedly underlined and shared with the international community, a section of the so-called license area number 7 remains within the Turkish continental shelf, which has been registered with the UN,"* the Turkish official said. Aksoy went on to say that Turkey under no circumstances would allow any foreign country, company or vessel to conduct any unauthorized hydrocarbon exploration activities within its maritime jurisdiction areas, adding that his country would continue to take the *"necessary measures"* to protect its rights and interests.

According to the Cyprus' Gas Company (DEFA) the first stage of Cyprus' tendering process for the supply of liquefied natural gas (LNG) has seen considerable interest from the international markets. Until now, 25 suppliers, among the most dominant in the global LNG market, are seeking to supply gas and have submitted the prerequisites to qualify for the next stages of bidding and negotiation. DEFA launched an open call for Expression of Interest in June 2019.

On September 27 one of Turkey's two drill ships in the eastern Mediterranean, the Yavuz, completed its operations in Karpaz, off the north-eastern coast of Cyprus. The second ship, Fatih, is continuing operations west of Cyprus.

4. Greek Cypriots

Economic Developments

On September 26, Moody's rating agency stated that Thomas Cook's liquidation was credit negative for Bulgarian, Cypriot and Greek banks as tourism would be negatively affected. It added that the compulsory liquidation of Thomas Cook and the resultant decline in tourism revenue and investment in these three countries will weaken the credit standing of businesses that worked with the now failed company and relied on payments from it, such as hotels and related businesses. The collapse of Thomas Cook has predominately affected Paphos hoteliers as some were 80% reliant on the tour operator for the bookings. Thomas Cook was bringing in around 250,000 holidaymakers a year to Cyprus, most of them British with Paphos being the destination of choice. Overall, the Group accounted for 4.1% of annual passenger traffic at Cypriot airports. The firms collapse is estimated to cost Cyprus in the short to medium term around €200m in revenue as well as €50m in unpaid bills.

According to figures released by the Central Bank (CBC) on September 26, total deposits in the Cyprus' banking system reached their highest level in the past 11 months in August 2019, while loans remained at historically low levels, despite a net increase in August this year. Household loans declined by almost €6bn in August 2019 and loans to non-financial corporations by almost €5bn. Total deposits in August

2019 reached €48.5bn which is the highest level of deposits since September 2018.

In its staff concluding statement for 2019, the International Monetary Fund (IMF) stated that Cyprus has made significant progress in recovering from the financial crisis, but challenges remain in sustaining the relatively robust growth momentum, including the high stock of bad debts. It noted that opposition efforts to undo key reforms to the foreclosure framework are undermining the hard-won gains in restoring macro-financial stability. The IMF said policies should focus on reforms to secure financial stability and raise the growth potential of the economy and warned that Cyprus' non-performing loans ratio, despite its decline, remained among the highest in Europe.

On September 21, rating agency Moody's changed the outlook of the Cypriot economy to positive from stable, citing the reduction of the sovereign exposure to event risks stemming from the banking sector and the improving fiscal strength.

The Cabinet presented on September 18, the 2020 state budget. It provides for expenditure of €6.5bn compared with €6.2bn in 2019, and revenues of €9.9bn compared with €9.1bn in 2019.

The Land Development Corporation (KOAG) expects to generate some €3m in funds by the end of the year from the government's citizenship-by-investment scheme. Year to date, KOAG

has received €675,000 from nine passports issued under the scheme. Around 300 passports are expected to be issued in 2020, bringing an additional €22.5m into the organisation's coffers. The funds (€75,000 per passport) are diverted to KOAG only once an application for Cypriot citizenship is approved, and not upon being filed.

Domestic Developments

A new cross-party initiative known as the "Decision for Peace" was launched on September 4. During a press conference, members of the initiative said they aim to enrich the public debate with several findings formulated "*through extensive and constructive dialogue between active citizens, party executives and politicians who come from different backgrounds and maintain different political and ideological approaches*". The group, consisting of veteran politicians and academicians, said it wants to help promote the reunification of the island based on a BBF. The cross-party group includes former foreign minister and DISY MP, Ioannis Kasoulides and an AKEL MP and finance minister, Kikis Kazamias. It also includes former attorney-general Alecos Markides, who is also a former Cyprus-talks negotiator, and former Limassol mayor Andreas Christou.

Labour Relations and Trade Unions

A two-hour strike took place on September 16 by employees of the Cyprus Port Authority over demands related to their Health Fund. In particular, the trade unions demanded from the Port Authority that their Health Fund would continue to exist even after the full implementation of GESY (the General Healthcare System) in June 2020. Although they had announced a 24-hour strike for 26 September, they did not proceed to its implementation, since there was a written assurance from the Board of Directors of the Port Authority that their demands will be satisfied.

In a general assembly, the Board of Directors of the Cyprus Union of Bank Employees (ETYK) was authorized by the members to proceed whenever necessary to take all necessary measures, including strike, in case the JCC Payment Systems does not comply with its contractual obligations. During the assembly, the discussion focused on the violation of the existing agreements by the Management of JCC, namely, the non-allocation of the annual salary increase and the price index allowance from 1 January 2019. Under the Industrial Relations Code, no one has the right to apply, unilaterally and without new agreement, modifications of existing agreements. According to the ETYK, this was also confirmed by the Department of Labour Relations in a recent decision (20 September 2019) in response to the Company's intention to re-

duce its employer contribution to the Employee Provident Fund by 2.5%.

A one-hour strike was staged on September 25 by the Organization of Greek High School Teachers of Cyprus (OELMEK). Its members protested examinations on a four-month basis, on issues related to their retirement plan, non-staffing and the lack of air-conditioning in classrooms. On the issue of the four-month exams, OELMEK President Kostas Hadjisavvas stated: *"We are talking about timetables that cannot be applied. There are a number of gaps that the Ministry of Education must take action to correct"*. Regarding the issue of pensions, he noted: *"The Ministry of Finance leaves thousands of teachers and general government employees uninsured for eight whole years, without any retirement plan"*. This is to say that there is no retirement plan for those government employees who were appointed after 2011. Regarding the third issue about the adverse conditions in which teachers and students work in classrooms, he said: *"We have been asking for several years for air conditioners to be installed in classrooms. There is a constant negative reaction from the Ministry of Education, with the excuse that various diseases may be caused"*. The last issue concerns the timely staffing of schools: *"We have shortcomings to date. There are quite a few children out of the classrooms because there are no teachers, although planning for the next school year is in fact starting in February of the previous year"*. The main purpose of the protest was the initiation of dia-

logue on these issues between the Ministry of Education and OELMEK.

A letter was sent to the Board of Directors of Electricity Authority of Cyprus (EAC), by trade unions of its employees. According to the letter, issues related to the proper functioning of the EAC, agreed upon after a long dialogue with the previous Board, were not promoted for implementation by the existing Board. The trade unions refer to the issue of the income of the EAC Employees' Health Fund, noting that these incomes are an asset to employees. They label the board's action to adopt the guidelines of the Ministry of Finance which involved abolition of Health Funds within various organizations and which led to the appropriation of the Health Fund's money as *"unacceptable"*. The Health Fund of the EAC employees was created based on collective agreements. The incomes of the Fund are essentially employees' money, granted by them voluntarily to the Fund in place of salary raises. This means that the state never contributed financially to the Fund to date. At the same time, the employees demand the application of the provisions of the Collective Agreement with respect to the Fund and request that it does not interconnect with the General Healthcare System (GESY). They further indicate that the Board of Directors' failure to comply with the Court's judgments is unlawful and call for respect for these judgements. The letter also addresses issues related to the Dividend Policy Bill, anti-pollution systems / mobile units, gas and photovoltaic parks. Finally, the

trade unions state that they look forward to the scheduled meeting on October 2 with the Board of Directors.

On September 26, the president of the Cyprus Hotels Association (PASYXE), Haris Loizides, expressed the view that the renewal of the collective agreement on hotels should remain on the side-lines due to the crisis caused by the collapse of Thomas Cook. Labour Minister Zeta Emilianianidou, after long mediation negotiations, submitted a mediation proposal on September 2 to renew the collective agreement of the hotels which has been pending since December 2018. The trade unions have accepted the minister's proposal as opposed to the hoteliers who have not yet decided on this. Even before Thomas Cook's collapse, there were divergent views among hoteliers about the increase in labour costs that the acceptance of the mediation proposal could bring. Many hoteliers believe that this increase could reach 15%. Mr. Loizides intervention sparked a strong backlash from hotel workers' trade unions. They labelled this connection between the renewal of the collective agreements and the problems caused by the collapse of Thomas Cook as unfortunate. Mr. Loizides even likened the crisis caused by the collapse of Thomas Cook to the financial and banking crisis of 2013. The trade unions mentioned that the crisis of 2013 affected all sectors of the economy except tourism which witnesses several records of arrivals and revenue. They also noted that workers accepted wages and benefits cuts of about 28% from

2012. According to the Labor Minister's mediation proposal, salary increases of 5.5% are foreseen to be paid to staff on an annual basis over a four-year period. According to trade unions, Mr. Loizides should have welcomed their statements, based on which the labour side expressed its intention to face the problems of those hotel units which will indeed be shaken by the collapse of Thomas Cook with responsibility and understanding. Instead, they note, PASYXE circumvented agreed-upon arrangements. Finally, the trade unions implied that if this attitude from PASYXE is continued, dynamic measures will be considered.

5. Turkish Cypriots

Economic Developments

On 16 September, the European Commission adopted an Annual Action Programme for a total amount of €35.4 million for new projects. This funding was aimed at boosting the economic development of the Turkish Cypriot community with emphasis on the economic integration, improving contacts between the two communities and with the EU, and preparation for the *acquis communautaire*. The new set of projects seeks to “*improve infrastructure, support economic development, foster reconciliation, and bring Turkish Cypriots closer to the EU*”, said Vice-President Valdis Dombrovskis, responsible for the Euro and Social Dialogue. Assistance to the Turkish Cypriot community is

provided through the EU's Aid Programme and is managed by the Commission's Structural Reform Support Service. Between 2006 and 2019, €555 million has been allocated for projects under this programme.

According to the 2019 Second Quarterly Report published by the TRNC Central Bank, after reaching 30.8% in April 2019, the 12-month inflation rate has declined to 26.8% in May and 24.7% percent in June. According to the same source, while the number of arrivals through sea and airports went down by 3.1% compared to the second quarter of 2018 (from 440,525 to 426,663), arrivals through crossing points went up by 55% (from 781,682 to 1,211,512) in the second quarter of the year. The bulletin also reported that the government ran a budget deficit of 104 million TL this year compared to a surplus of 72.2 million last year.

Relations with Turkey

Turkish Foreign Minister, Mevlut Cavusoglu visited the TRNC. The visit came shortly after the UN Secretary General's special envoy Jane Holl Lute left Cyprus after a week of back to back meetings with both leaders. As part of his contacts, Cavusoglu was first received by Akinci; the meeting was followed by a round table discussion attended by the leaders of the political parties represented in the TRNC parliament. Cavusoglu also came together with the leader of the main opposition Republican Turkish Party

(CTP) Tufan Erhurman at the Turkish Embassy in Nicosia. Cavusoglu also held a public meeting at a beach in Trikomo/Iskele. Stating that Ankara would continue to provide the utmost support for strengthening the Turkish Cypriot economy, he said Turkey's financial contributions would continue to grow in line with the financial protocol signed between the two countries. He added "*as you know we brought water to the island and now we are working towards bringing electricity. President Recep Tayyip Erdogan conveyed our determination on this issue to the Prime Minister Ersin Tatar and Foreign Minister Kudret Ozersay during their recent visit to Ankara. The cost of electricity will be reduced this way.*" Cavusoglu also met with the Finance Minister Olgun Amcaoglu. According to a written statement from the ministry, the economic and financial cooperation protocol was discussed during the meeting, where Ozersay was also present.

The Turkish Cypriot Minister of Tourism, Unal Ustel who paid an official visit to Ankara met with the Turkish Vice-President Fuat Oktay on 12 September. A statement issued after the meeting said the two exchanged views on work to be carried out for the development of the tourism sector in TRNC.

The Turkish Minister of National Education, Ziya Selcuk, visited the TRNC where he met with the President, the Speaker of the Parliament and the Minister of Education. Selcuk paid a visit to the Hala Sultan Theology College. Speaking during the visit the Turkish Cypriot Minister of Edu-

cation, Nazim Cavusoglu said the purpose of their visit to the school was to further develop the cooperation that began in Ankara, to see schools first-hand and to meet with teachers and students. He informed the visiting Turkish Minister that the Hala Sultan College was the only college providing divinity lessons in the country. Noting that the school was one of the schools that had the largest student population in the country, Cavusoglu said that they were working together with the teachers to further develop the school.

The Turkish Cypriot Prime Minister Ersin Tatar visited Ankara where he came together with the Turkish Vice President Fuat Oktay at the Presidential complex. The Minister of Economy and Energy Hasan Tacoy, the Minister of Tourism Unal Ustel and MP Oguzhan Hasipoglu were also present during the meeting. Speaking after the meeting, Oktay said that they had particularly discussed economic issues. He also announced that much anticipated 653 million TL have been transferred to the TRNC as part of the economic protocol that was signed between the two countries and discussions regarding where the money was to be used had also been taken place. *“This is a new beginning. Just as Turkey has always supported the TRNC in every field we will continue our support with determination”* Oktay added.

Domestic Developments

A series of blasts rocked the eastern part of Kyrenia on 12 September in the early hours of the morning following an explosion at an ammunition depot in a military camp. A fire broke out after the initial explosion. Windows of the nearby Acapulco Hotel were shattered by the explosions, causing minor injury to several guests. There have been no casualties while only minor injuries have been reported. The area was cordoned off by the army and police. No further explanation was made regarding the cause of the explosion.

The potential prosecution of former Prime Minister and current Member of Parliament (UBP, Nicosia), Huseyin Ozgurgun, moved a step closer after the parliamentary committee formed to evaluate corruption allegations regarding him voted unanimously in favour of recommending his immunity be lifted. The committee was made up of seven deputies – three from the governing National Unity Party (UBP) and two each from the junior coalition partner People’s Party (HP) and the main opposition Republican Turkish Party (CTP).

The leader of the Democratic Party (DP) Serdar Denktas stepped down as the party leader. He said that his reason for stepping down was to allow other possible candidates to run freely in the party’s upcoming general assembly which will take place on November 30. *“I am considering running for president as an independent candidate when the time comes. But I have yet*

to decide whether or not to run,” Denktas added. DP Secretary General Afet Ozcafer will be the acting leader of the party until the congress.

The Secretary General of the National Unity Party (UBP), Ersan Saner, announced that his party would nominate the party’s presidential candidate in October. Presidential election will be held in April next year.

The new judicial year began on 16 September. Unlike previous years, instead of a ceremony a press conference was held to mark the beginning of the judicial year. The Chief Justice Narin Ferdi Sefik had announced earlier that the money earmarked for the ceremony would be used to meet the needs of the courts. Sefik said she decided to cancel this year’s ceremony because she would have *“just read out the same speech”* as last year, which referred to a number of issues which had yet to be dealt with. These included problems relating to the inadequacy of the buildings, shortage of personnel, the high number of court cases, and a lack of legal reforms.

Labour Relations and Trade Unions

Government averted a strike by signing a deal with electricity workers union El-Sen. El-Sen had previously cut off the power supply of the Ministry of Finance over unpaid bills, warning that other government departments would face the same fate. The union had also announced an industrial action to force the government into

purchasing four new electricity generators and paying off its debts. The “Memorandum of Understanding” signed by the Ministry of Energy and El-Sen, envisages the formation of a committee to *“determine the investment needs”* of the electricity authority Kib-Tek – and to ensure that they are put into effect once agreed.

Almost 50 children enrolled at a public school in Kyrenia had to be sent away at the start of the new academic year because the school had reached full capacity. The children who had been registered at the over-subscribed primary school were transferred to a private school with full costs met by the Ministry of Education. According to the report of the Turkish Cypriot weekly Cyprus Today, Sener Elcil, Secretary General of the Primary School Teachers’ Union (KTOS), blamed lack of *“population planning”* for the education problems. *“Since 1974 only two new schools – one primary and one secondary – have been built in Girne while the population of Girne has increased from 7,000 to 127,000,”* he said. He also said 56% of schoolchildren were from Turkey, while only 39% percent were from the TRNC.

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