



Speeches & Interviews

Public Lecture by the Minister of Foreign Affairs, Dr Erato Kozakou-Marcoullis, at the London School of Economics, Hellenic Observatory, "The Geostrategic Importance of Cyprus: Long Term Trends and Prospects" - 25/01/2012

Ladies and Gentlemen,

It is a great pleasure for me to be here this evening and I would like to thank wholeheartedly the London School of Economics and Political Sciences, which in its nearly 120 years of existence has advocated and worked "For the betterment of Society", reaching out with a global agenda and having achieved an outstanding reputation that has produced so far 16 Nobel Laureates. I would like to thank, in particular, Professor Kevin Featherstone of the Hellenic Observatory in the European Institute of the LSE, for this invitation and for the organization of today's event.

For me this is an opportunity to discuss with you a topic which, for more than a year now, has increasingly preoccupied the media in our part of the world - the Eastern Mediterranean - and has attracted the attention of many political analysts and academics. Clearly, developments in the last few months off the southern shores of Cyprus have also impacted elsewhere, drawing the attention of a much broader audience which has now come to include foreign governments, international conglomerates, Think Tanks and academics and of course, the international media.

This increased attention is understandable and natural given the fact that the strategically sensitive area of the Eastern Mediterranean has added to its centuries long geopolitical strategic importance an ingredient which has been the most central element, perhaps even the most contentious element of the modern era – the issue of energy resources.

From the outset, it should be acknowledged that there is great recognition in Cyprus, by the government, the parliament and the society at large, that the subject of energy is both promising, but at the same time perilous. We know that it can serve to rebuild, reunite, heal, and secure our country. We also know that it is a subject which holds great risks and must be managed carefully and with wisdom.

As such, it is important to state that the Republic of Cyprus is keen on moving forward in this area, but will do so vigilantly and responsibly, adhering to fundamental principles which will serve to guide our decisions. These principles are – in no particular order of importance because we consider them to be of equal importance – that our actions will be in line with international law; that we will proceed through agreement and collaboration with those of our neighbors willing to engage in a dialogue with us on the basis of equality, respect and good neighborly relations in accordance with the principles of international law; that we will act within the parameters set out by the European Union Acquis; and of course, within our obligations to the Union as a whole, and toward our citizens – all our citizens.

Ladies and Gentlemen,

The story of the recent developments in and around Cyprus is interlinked with its history and most importantly with its geostrategic importance throughout ancient and modern times. Since the early Neolithic times some 12,000 years ago, Cyprus has been probably one of the most contested islands in the entire Mediterranean Sea, not only because of its priceless strategic location, but also because it was one of the earliest locations where copper, a crucial ingredient in Bronze weaponry, was produced and traded in very large quantities. As a result, Cyprus became a wanted target for many invading powers throughout its tumultuous history. So, I believe it is important to mention in general some of the aspects of this historical "burden" if you will, of the island's strategic position, because they remain pertinent to this day.

The first thing one will notice when looking at a map of Cyprus and its environs is how small our country is, yet it is the third largest island in the Mediterranean Sea, after Sicily and Sardinia. The second is how close

we are to the European mainland, to Africa and to Asia. In fact, Cyprus lies 280 Km to the East of the small Greek Dodecanesian island of Kastellorizo, and 800 Km from mainland Greece, 75 Km to the South of Turkey, 105 Km and 108 Km to the West of Syria and Lebanon respectively, 200 Km to the North West of Israel and 380 Km to the North of Egypt. Anyone who remembers the history of these countries and the wider region of the Mediterranean will be able to connect the dots between empires, ancient and not, trade routes, north-south and east-west, and conclude that Cyprus was historically an indispensable asset, from a strategic point of view, for Great Powers, real or aspiring.

Assyrians, Egyptians and Persians conquered and ruled the island until it was liberated in 333 BC by Alexander the Great. Then came the Romans, Richard the Lion-Heart during the Third Crusade, the Knights Templar, the French Lusignans, the Venetians, the Ottomans. With the opening of the Suez Canal in 1869, Cyprus' strategic value became even greater. With this in mind, in 1878 Great Britain occupied and took over the administration of the island from the Ottomans, in 1914 when Turkey joined Germany's side in the First World War, the island was annexed by the British and in 1925 it was declared a British crown colony. Since then Cyprus remained important for safeguarding the British strategic interests in the Middle East region. In the words of British Prime Minister, Sir Anthony Eden, the British government's position in Cyprus was defined in 1956 in one word "Oil". And he explained: *"Our country's industrial life and that of Western Europe, depend today, and must depend for many years, on oil supplies from the Middle East. If ever our oil resources were imperilled, we should be compelled to defend them. The facilities we need in Cyprus are part of that. No Cyprus, no certain facilities to protect our supply of oil. No oil, unemployment and hunger in Britain. It is as simple as that"*. The two British bases, secured under the 1960 agreements by which the Republic of Cyprus was established and independence was granted, still provide Great Britain with these vital facilities, which have been upgraded, widened and strengthened, continuing to serve its strategic interests and to define Britain's Cyprus policy.

From a geostrategic point of view, while it is most commonplace to use the term "bridge" or "crossroads" to describe Cyprus and its position on the map, it would probably be more appropriate to describe Cyprus as sitting on the jugular vein of any empire worthy of mention. It therefore was critical to control Cyprus, or at least prevent others from controlling the island, if this critical life line was to be preserved.

But unlike some other critical strategic locations, such as the Bosphorus or the Straits of Hormuz, or even Gibraltar and Singapore, Cyprus, in spite of its small size, was also often seized and held for its natural resources. Cyprus was famous in antiquity for its copper resources. Cypriots first worked copper in the fourth millennium B.C., fashioning tools from native deposits of pure copper. Throughout the Bronze Age Cyprus was already well known for its rich mineral resources and the production and export of copper to neighboring countries of the Mediterranean. The recent discovery of the Ulu Burun shipwreck, which was carrying over ten tons of Cypriot copper ingots when it sank off the southwestern coast of Turkey in the late fourteenth century B.C., vividly demonstrates that Cyprus was a major producer of copper for international trade.

Also, when the Egyptian or Persian empires sought timber to build a fleet, Cypriot forests were ravaged; grains were paid as tribute, salt was traded, copper mined and minted; in modern times Cyprus was left so poor that a standard quip in the early part of the 20th century was that all we had to trade were carobs. Of course, clever traders made a mint in trading carob seeds to the manufacturers of film used in the cinema industry – long before the digital age. But though Cyprus may have, indirectly, had a hand in the development of the cinematic arts, antiquities on the island, representing our twelve millennia long accumulated and multifaceted cultural and artistic heritage, were pilfered by those who appreciated their value, but much was also sold as stone for construction, including for the building of the Suez Canal.

In short, two of the constants of the history of Cyprus have been that it was held by foreign powers for strategic and economic reasons.

What, then, has changed? Independence in 1960 was certainly a historic milestone, but this has been marred, since 1974, by the Turkish invasion and occupation of a significant portion of Cypriot territory. Another major change is that we joined the European Union in 2004 and the Eurozone in 2008, and managed to do so notwithstanding the effects of the Turkish occupation, the tremendous destruction on our economy and the unhealed wounds on our polity and our society. It has always been and remains an uphill and thorny path, poisoned by the persistent unnatural division of the island and its people, but we are hopeful that better days are to come with reunification, reconciliation and coexistence.

So, in terms of our political history, we have managed to move towards independence, though it has obviously not been complete, and we became part of one of the boldest and ambitious political

experiments, the European Union, which can best be described as work in progress. I intend to comment further on the EU, our Presidency, and our attitude in Cyprus on the Union, but at this point, suffice it to say that we view our accession and membership as a strategic development of the first magnitude.

The most recent development, as of last month in fact, is that we now know with certainty that off the Cypriot shores, at least within part of our southern Exclusive Economic Zone, Cyprus has rich hydrocarbon deposits. We believe this will have a historic impact on Cyprus. Historic in the sense that it is a "game changer" because it makes it potentially possible for Cyprus to undergo improvements that will affect all its citizens, work as a catalyst for reunification and, most importantly, move from a situation of occupation to one of coexistence and collaboration. Moreover, we believe that such developments will impact positively both on the European Union, particularly in terms of energy security, but also on the Middle East, with real prospects for increased economic cooperation, stability and development among all the countries of the rich in hydrocarbon Eastern Mediterranean region.

Ladies and Gentlemen,

Cyprus is now at a crossroads of its own with a number of important factors merging together. If this confluence, this convergence of interests is harnessed properly, the opportunities, for Cyprus, its partners and its neighbors can have enormously positive results.

The positive results of exploratory drilling showing rich hydrocarbon deposits in our Exclusive Economic Zone cannot be emphasized enough. The scale of the findings which resulted from the drilling of the U.S. firm, Noble Energy, is conservatively estimated at between 5-7 Tcf of natural gas. These are the results from a single plot and from an initial search.

Worthy of mention is the fact that the U.S. Geological Survey has estimated a mean of 1.7 billion barrels of recoverable oil and a mean of 122 Trillion cubic feet of recoverable gas in the Levant Basin Province, as well as 1.8 billion barrels of recoverable oil, 223 Trillion cubic feet of recoverable gas and 6 billion barrels of natural gas liquids in the Nile Delta Basin Province in the Eastern Mediterranean. In the words of USGS Energy Resources Program Coordinator Brenda Pierce "Taken together, the Nile Basin and Levant Basin assessments establish the Eastern Mediterranean region as having world-class potential for undiscovered natural gas resources".

From an economic point of view the significance of these first positive results are great. Based on these, Cyprus has approximately €100 billion worth of natural gas recoverable from this single plot, that can satisfy the electricity production needs of the country for 210 years. We are already drawing increased interest by major international energy companies who are considering their bid for the remaining 12 plots for the second round of licensing for exploratory drilling in other parts of the Cypriot Exclusive Economic Zone. This interest is expected to serve as a catalyst for financial investments in Cyprus.

With the increase in investments comes job creation which will not only affect Cyprus but will also involve directly the economies of our neighbors, but also many other EU citizens. Moreover, the investment that will be required, in infrastructure, maintenance, support services, financing and banking, all these suggest that the job creation will be long term. This would be a positive and stabilizing development for the region.

We expect, and certainly hope, that the momentum that will be created by the sort of investment in infrastructure and financial structures for the servicing of the energy industry, will serve as a catalyst toward greater cooperation among neighbors. The Eastern Mediterranean is a crowded and most tormented place and there is a structural interrelation, not only in the geological topography of the sea floor, but also in the sensitive balances which exist on the political level.

Already we have indications that it will be possible to move toward joint exploitation by neighboring countries of the area, along with the launching of joint projects, particularly in areas where the natural gas or petroleum fields fall across the line separating Exclusive Economic Zones. The Republic of Cyprus is actively promoting this sort of cooperation through Framework Agreements which we are currently negotiating with Israel and Egypt and soon with Lebanon concerning the Joint Development and Exploitation of Cross Median Line Hydrocarbons Reservoirs.

We strongly hold that not only for our immediate neighbors, but most certainly for our partners in the European Union, the presence of hydrocarbon resources in the Eastern Mediterranean will contribute toward greater energy security for Europe, which is increasingly short of sources of energy. As a member state of the EU we have a stake in its success and therefore, our aim is for the deposits of hydrocarbons in

our Exclusive Economic Zone, to benefit Europe, its economy, and by extension its international standing.

Europe is short on energy supplies and some estimates hold that by 2030 will be importing 90% of its energy sources. Even if the 2020 goals of the European Union on renewable sources of energy are fully met, and assuming nuclear power remains an option of last resort, the need for the relatively clean power of natural gas will remain high. We are hoping that the resources in the Eastern Mediterranean, with the cooperation between Cyprus, an EU member and its neighbors, will be able to contribute toward meeting Europe's needs.

Therefore, we look forward to cooperating closely with our European partners and linking them to our partners in our immediate neighborhood, and possibly beyond, in advancing towards greater energy security, and by extension, broader economic security and stability.

Ladies and Gentlemen,

The steps that Cyprus will have to take at this historical juncture, a moment that is both full of opportunities and challenges, will require momentous decisions and bold steps forward. These will potentially mark its course in history and reshape its strategic importance. Cyprus will have to engage all its neighbors and its friends, hopefully including also at some point in the future, once the island is reunited and occupation is terminated, its northern neighbor, Turkey, which still persists in refusing to have contacts of any kind with the Republic of Cyprus.

It is clear to us that Turkey, its attitude and behavior towards Cyprus, its role in the talks between the Greek and Turkish Cypriot communities, and its EU perspective are directly linked to developments in Cyprus.

We are greatly disappointed, to say the least, that Ankara is not choosing to grasp this opportunity to play a more constructive and cooperative role, but is rather continuing along its zero-sum analysis. During the past six months we were dismayed to witness yet again, the hostile and aggressive face of Turkey.

The start of exploratory drilling in the Cypriot EEZ, something which had been planned several years in advance and which was not a secret, sparked an angry verbal assault on the part of Turkish leaders, at the highest levels. I would like to reiterate what we have said many times since: the decisions and actions of the Republic of Cyprus to explore and exploit its natural resources within its Exclusive Economic Zone fall squarely within its sovereign rights as recognized by the UN Convention on the Law of the Sea, of which Cyprus is a state party and are therefore in full conformity with international law. These rights have been publicly acknowledged by all our partners in the EU, by all members of the UN Security Council, by the Commonwealth and a host of other international actors.

Then, came the blatant threats of violence and provocations which involved Turkish warships and aircraft, air and naval exercises in the sea south of Cyprus, and illegal seismic surveying and seabed mapping, carried out by ships on behalf of Turkey inside our Exclusive Economic Zone, in blatant violation of Cypriot sovereign rights.

But Turkey does not stop there. Its newfound confidence, based on real or imagined successes, its economic growth, and, I am sorry to say, the unbridled support it receives in some countries, has given rise to a neighborhood bully. A Turkey whose Foreign Minister promoted a policy of "zero problems" with its neighbors, is now asserting a policy of "only problems."

In the case of Cyprus and its Exclusive Economic Zone, Turkey is arguing, first that islands have no continental shelf or the right for an EEZ, (with this logic of course, neither Great Britain would have an EEZ), and then, that its actions are meant to safeguard the rights of Turkish Cypriots. That is a hoax: the reality is that Turkey cares less about Turkish Cypriot interests and a great deal more about its own strategic interests on the island. Its attitude and strategy toward Cyprus was to utilize real or imagined concerns of the Turkish Cypriots in order to safeguard its own interests in the Eastern Mediterranean. Its current behavior is yet another proof of the reality behind this long-term program.

Take for example, the claims that Turkey is making for an EEZ of its own that, in some areas on the map, **borders** on the EEZ of Egypt, as if Cyprus does not even exist. It would be no exaggeration to say that Turkey is not just violating international law; it is behaving in line with the rules of international relations which belong to another century, long before international law was put in place to guide relations between states.

When we decided to seek and work toward accession of Cyprus to the European Union in the late 1990s, our aim was to create conditions on the island which would be seen by the Turkish Cypriots as an expression of our genuine desire to reunify our country in a democratic, peaceful, prosperous state which respects and safeguards the rights of the individual. On the same basis, our support for Turkey's European aspirations was equally driven by the belief that a Turkey which is harmonized with European rules and norms, which respects human rights, is democratic and abides by international law in its conduct, a thus fully transformed Turkey, can only benefit Cyprus. We are, after all, destined to live in this very close geographical proximity from each other in perpetuity.

We are, therefore, deeply disappointed when we see Turkey failing to progress along its European path. We are disturbed to see Turkey foiling, stubbornly, its own accession process. The negotiation process is not progressing; in fact it has remained frozen, because Turkey is failing to meet its commitments to the European Union. It is failing because, like in international law, Turkey wants to dictate its own terms to the European Union. The statements by its leadership have left no question that they believe that Europe needs Turkey at any cost; that Europe without Turkey is a "miserable" Europe, as President Abdullah Gül recently said during his visit here in Britain.

We are hopeful, that Turkey which aspires to be recognized as a regional, if not a global leader, will rise to the occasion. We are hopeful that the Turkish leadership will put aside polemics, diatribes, threats, and adopt a more mild and statesmanlike tone and attitude. We believe that there is room for Turkey to cooperate with its neighbors, out of genuine desire toward common ground and mutual benefit. To do that, Turkey must meet its obligations vis a vis the European Union. It must meet its obligations in terms of international law.

Finally, let me conclude by saying a few words about the longstanding Cyprus problem which has produced so much suffering to the people of Cyprus as a whole. A Cyprus settlement for the reunification of Cyprus, its people, its economy and society, that have remained forcibly divided since the Turkish invasion of 1974 and the subsequent occupation of 37% of its territory, has eluded us for over 37 years. I shall not go into any detail on the exact form of such a settlement, except to reiterate the framework that has already been endorsed by the United Nations:

"A Cyprus settlement must be based on a state of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities, as defined in the relevant Security Council resolutions, in a bi-communal and bi-zonal federation and that such a settlement must exclude union in whole or in part with any other country or any form of partition or secession"

Certainly, this is a very general framework. There are many pieces that have to be put together and agreed upon in order to reach a workable comprehensive settlement. Such a settlement should encompass all legal and other instruments and other agreements required to arrive at a functioning federation, which would guarantee a secure, peaceful and prosperous environment for all the people of Cyprus, of all creeds, ethnic backgrounds and language groups.

What is needed is political will to engage in a productive and substantive negotiation that would identify the required elements on all core issues and put them together as part of a fair and viable federal solution.

Although a new effort has started already more than three years ago and more than 130 direct meetings have taken place so far between the two leaders, under the auspices of the Secretary General of the United Nations, we are still not near making any substantive progress on the most crucial issues of the executive powers in the governance chapter, as well as in the property, territory and citizenship chapters.

The main stumbling block has all along been the position maintained by the Turkish Cypriot side, fully supported by the Turkish Government, that the goal should not be a federation, in the form of one unbreakable federal state, with a single sovereignty, single international personality and single citizenship, as has been agreed and endorsed by the international community, but a confederal arrangement between two separate states with separate sovereignties. This position is still maintained by the Turkish side and it is manifested in the nature and content of the proposals submitted on a number of the core issues, with the full encouragement, support and indeed guidance of the entire leadership of the Turkish Republic, at both the political and the military levels.

Despite the difficulties and obstacles on the way, we continue to persist in our efforts to reunify our country,

our people, our economy, our institutions and our society in the form of a bizonal, bicomunal federation. We shall continue to spare no effort towards the direction of Cyprus' reunification, because we strongly hold that such a development would be a win-win situation for all parties concerned, primarily Cyprus and the Cypriots, Greek Cypriots and Turkish Cypriots, for Greece and Turkey, for the European Union and for the international community at large.

We are determined to make this vision, however difficult and elusive it seems right now, a reality. We owe its fulfillment to our children and to the future generations of Cypriots, but primarily we owe it to our country, which must survive as a single international personality, a peaceful, democratic and prosperous place for all its citizens, Greek, Turkish, Armenian, Maronite and Latin Cypriots alike and as an integral part of the European Union.

Especially, taking into account the developments from the hydrocarbon discoveries in Cyprus' EEZ, the prospects for prosperity for all Cypriots, once reunification is achieved, appear tremendous and should work as a catalyst in the direction of moving the ongoing intercommunal talks forward towards reaching an agreement.

We sincerely hope that Turkey, which could significantly benefit from a likely cooperation with a reunited Cyprus in all sectors, but primarily in the energy field, will grasp the message of peace, stability and prosperity inherent in this new development and rise to the required level of leadership, responsibility and wisdom. Even at a much broader scale, the whole area of the Eastern Mediterranean has the potential of developing into a success story, into a win-win situation for the benefit of peace, stability and prosperity of the countries of the region and their respective peoples.

Cyprus will be assuming the Presidency of the Council of the European Union on 1st July 2012. We do hope that Turkey which has been openly threatening the EU with the freezing of its relations with the Union during the Cypriot Presidency, will realize that this bullying, threatening and insulting behavior towards the EU, its member states and its institutions on the part of a candidate country, is not at all supportive, rather it could be detrimental, to its EU accession aspiration. If on the other hand Turkey chooses to change her attitude, implement her obligations and cooperate with the Union based on the rules of the game and her responsibilities as a candidate country, the door will remain open throughout our Presidency and beyond.

I find it pertinent to conclude with a quotation from another British Prime Minister, William Ewart Gladstone. "We look forward to the time when the Power of Love will replace the Love of Power. Then will our world know the blessings of peace". His wise words are as valid today in the 21st century, as they were valid in the 19th century.

(Last Update: 18/7/2012)