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THE 2020 TURKEY REPORT: NEGLECTED TOOL OF EUROPEANISATION

It is awkward and ironical that references to Turkey's goal of EU membership and candidacy status are quite scarce these days. EU officials point to Turkey's importance as a strategic partner and a neighbour and between the lines allude to its indispensability for Europe.

Assoc. Prof. Çiğdem NAS
IKV Secretary General

The European Commission published its regular report about Turkey on 6 October 2020 together with the 2020 enlargement strategy and reports for the other candidate and potential candidate countries. This is the 22nd report for Turkey, the first one written in 1998 as part of the European Strategy to prepare Turkey for membership in line with the Cardiff Council conclusions of the time. Going back to those days, the conclusions of the Cardiff European Council noted: "The European Council welcomes the Commission's confirmation that it will submit at the end of 1998 its first regular reports on each candidate's progress towards accession. In the case of Turkey, reports will be based on Article 28 of the Association Agreement and the conclusions of the Luxembourg European Council."

To refresh our memories, Article 28 of the Association Agreement stipulated the possibility of Turkey's membership to the then EEC: "As soon as the operation of this Agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community." Though the Cardiff European Council predated the declaration of Turkey's candidacy status at the Helsinki European Council of 1999, reference was made to Article 28 and also to the European Strategy for Turkey included in the conclusions of the Luxembourg European Council of 1997. It is awkward and ironical that references to Turkey's goal



of membership and candidacy status are quite scarce these days. EU officials and leaders point to Turkey's importance as a strategic partner and neighbouring country and between the lines allude to its indispensability for Europe.

The 2020 Turkey Report evaluates Turkey's performance regarding the Copenhagen criteria for EU membership including political and economic conditions and commitment to adopt the EU *acquis*. Hence, the report's existence per se can be seen as an indicator of Turkey's status as a candidate to join the EU. Yet the accession process is at a standstill, the latest chapter having been opened to negotiations nearly four and a half years ago. Despite the EP's calls to formally suspend the accession negotiations, the Council did not adopt such a decision except for the General Affairs Council conclusions of 26 June 2018 which noted that: "...Turkey has been

moving further away from the European Union. Turkey's accession negotiations have therefore effectively come to a standstill and no further chapters can be considered for opening or closing and no further work towards the modernisation of the EU-Turkey Customs Union is foreseen." Several factors and events negatively impacted on Turkey's EU accession process and rising tensions in Eastern Mediterranean and Turkey's relations with several Member States further complicated Turkey-EU relations. On 1 October this year, the European Council proposed a positive political Turkey-EU agenda which would be dependent on Turkey's ending its actions in the Eastern Mediterranean, actions which were characterised as "illegal" by the Council. The positive agenda did not include a revitalisation of accession negotiations but instead modernisation of the Customs Union, trade facilitation, people

to people contacts, high level dialogues and continuation of migration cooperation.

The Turkey Report was published days after the European Council's proposal for a positive agenda. Gone were the days when the publication of the Commission's reports made headlines in Turkey. Turkey Report of 2020 drew the attention of a couple of institutions specialised on Turkey-EU relations such as our IKV and a small group of experts and academics working in the field of EU studies and Turkey-EU relations. The report was critical of Turkey's backsliding in several issue areas and chapters of the EU *acquis*. In some instances the term "serious backsliding" was used by the Commission to denote the condition of democratic checks and balances, rule of law, independence of the judiciary, human rights, procedural rights, freedom of opinion, freedom of the media, civil society autonomy,

and independence of regulatory institutions.

Turkey's hosting of 3.6 million Syrian refugees and around 370,000 registered refugees from other countries was appreciated by the Commission while a more critical note was added regarding the opening of the Pazarkule border crossing with Greece for the passage of refugees and migrants, an incident which created a crisis situation in March of this year. In addition to the political rights, the report included serious problems in Turkish economy and the implementation of the Customs Union between Turkey and the EU. Turkey's quite assertive foreign policy moves in the recent period were also assessed in the report and criticised for infringement of international law and sovereign rights of Greece and the Greek Cypriot Administration. All in all, the Commission's report painted a quite critical picture of present day Turkey.

According to a poll conducted by IKV and the Economic Policy Research Foundation of Turkey (TEPAV) in 2019, 60% of Turkish citizens support Turkey's EU membership while only 23% believe that it is going to take place in the near future. Despite all the problems in the accession process, Turkish people continue to aspire to EU membership which they associate with democracy, freedom and welfare. It is up to both the EU and Turkey to commit themselves to fulfilling this aspiration. The EU should be able to do this by providing for a credible membership perspective and facilitating the accession process by lifting obstacles and unilateral vetoes blocking smooth progress. The Turkish government and decision-makers should restart a process of reforms in order to rekindle the EU perspective and align with EU norms and values which ultimately will serve the good of the Turkish people.



“THE TURKEY REPORT SHOULD SERVE THE WINDOW OF OPPORTUNITY CREATED AT THE EUROPEAN COUNCIL TO REVIVE TURKEY-EU RELATIONS”

IKV Chairman Ayhan Zeytinoğlu assessed the 22nd Turkey Report and the Enlargement Package adopted on 6 October 2020 by the European Commission. While emphasizing the report's significance for underscoring that Turkey's EU accession process was ongoing as well as Turkey's role as a key partner, IKV Chairman Zeytinoğlu stated that the recommendations, identified shortcomings and progress in the report should be carefully examined.

Stating that there is an unbalanced and unfair rhetoric concerning the Eastern Mediterranean and Turkish foreign policy, IKV Chairman Zeytinoğlu urged the EU to reconsider its approach towards Turkey. Indicating that Turkey was the most important link in the EU's enlargement strategy, Zeytinoğlu said that it was unacceptable that Turkey's rightful views regarding the resolution of the Cyprus question and the Aegean issues were disregarded by the EU. Stating that the European Commission should act as a facilitator and a mediator in this process, IKV Chairman Zeytinoğlu said the fact that Turkey's EU accession negotiations which had been ongoing for 15 years did not result in EU membership was not just Turkey's fault, but more the EU's fault. He made the following remarks concerning the report:

“The European Commission released its country reports for Turkey and other candidate and potential candidate countries. As known, these reports are documents that take a picture of the current situation as regards alignment with the Copenhagen political and economic criteria and the EU *acquis*, and present a to do list to be fulfilled until the next report. Given the fact that Turkey's status as a candidate country negotiating accession has become less pronounced by EU officials, Turkey's EU membership objective coming to the EU's agenda is important. We would expect the report to put forward proposals for the revitalisation of Turkey's accession process. Criticising Turkey in the areas of judiciary and fundamental rights, while the relevant chapters remain blocked due to the veto of the Greek Cypriot Administration erodes the EU's



credibility and undermines not only Turkey-EU relations, but also the enlargement process as a whole.”

IKV Chairman Zeytinoğlu stressed that according to the report, Turkey continued to advance in assuming the obligations of membership albeit in a limited number of areas. He stated that the report pointed to shortcomings in areas such as democracy, judiciary and fundamental rights. Indicating that report referred 26 times to the phrase “backsliding”, 38 times to “no progress”, 33 times to “some progress” and 8 times to “good progress”, Zeytinoğlu added that it also contained criticisms concerning economic performance and foreign policy issues. IKV Chairman Zeytinoğlu pointed out that especially in the post-COVID-19 period Turkey was of indispensable importance for the EU as a production hub and a trade partner. He highlighted the importance of the Customs Union modernisation process as a means to realise the full potential of the relationship.

Indicating that criticisms against Turkey's hydrocarbon exploration in Greek Cypriot Administration's unilaterally declared exclusive economic zone were unacceptable, IKV Chairman Zeytinoğlu said that the rights of the Turkish Cypriots were being ignored. Zeytinoğlu also stated that the criticisms regarding Turkish foreign policy towards Libya and Syria were based on an unrealistic and unfair approach.

Conveying his expectation that the EU would restore its relations with Turkey and open the door to cooperation with Turkey to ensure peace and stability in the region, IKV Chairman recalled the conclusions of the European Council meeting of 1-2 October 2020. He continued as follows:

“The European Council held on 1-2 October has been marked with a change in approach to Turkey; thus the importance of a relationship based on cooperation and mutual benefits with Turkey has been acknowledged. As a matter of fact, it was agreed to create a positive political agenda which will include the modernisation of the Customs Union, trade facilitation, increasing people to people contacts, high level dialogue mechanisms and continued cooperation on migration. However, in the Turkey Report, there are several areas where we see traces of an unconstructive and unilateral attitude. Such an attitude is evident in ignoring TRNC's rights in the Eastern Mediterranean and addressing the Eastern Mediterranean and Cyprus issues solely from the Greek Cypriot Administration's perspective, as well as not recognizing Turkey's efforts of stabilisation as a key EU partner in a region well characterised with high tensions. On the other hand, Turkey should take into consideration criticisms concerning rule of law, fundamental rights, democracy, and judicial independence.

One should emphasize that issues brought on the table under the positive agenda are processes which should have already been underway, but were interrupted for various reasons. The modernisation of the Customs Union and fulfilling the outstanding benchmarks for visa liberalisation are crucial not only for putting Turkey-EU relations back on track, but also for the welfare of Turkish citizens.”

Stating that the report published by the European Commission is no longer awaited with enthusiasm, the IKV Chairman stressed that this lack of enthusiasm had to do with the current stalemate in the relations. Zeytinoğlu continued as follows:

“It is known to everyone that the accession process has reached an impasse and no new chapters have been opened since 2016. In the 2020 Turkey Report, the areas which are highly criticised and are referred to as backsliding fall within the scope of Chapters 23 and 24. However, these chapters have been blocked by the Greek Cypriot Administration and therefore cannot be opened to negotiations. The EU could benefit from a sustained membership perspective highlighting its transformative power.”

Stating that the negative rhetoric and actions concerning Turkey-EU relations were not in the interest of either of the parties, the IKV Chairman underlined

the importance of cooperation to overcome current challenges as stressed in the report. Saying that both parties were going through extraordinary times due to the COVID-19 pandemic, which highlighted the importance of solidarity, Zeytinoğlu argued that this spirit of solidarity and cooperation should be reflected more in the relations, and said:

“While talking about a positive agenda, EU leaders should also revive communication channels between the parties. A political approach based on punishing Turkey causes backsliding also in current achievements. The absence of high-level meetings between the parties either in the form of Turkey-EU Summits or Association Council meetings seemingly serves to deepening the misunderstandings between the parties. However, strong diplomatic and business ties between Turkey and the EU are also key for overcoming the challenges regarding bilateral relations, regional issues, as well as unforeseen global threats.”

Stating that the report appreciates Turkey's generous efforts regarding the handling of the refugees since 2016, Zeytinoğlu argued that the refugee issue should also be considered in the context of the visa liberalisation process, and that the EU should not create new barriers for Turkey in the process.

IKV Chairman Zeytinoğlu concluded his remarks by saying that Turkey should return to its reform agenda, taking into account the criticisms mentioned by the European Commission, which will contribute to the quality of life of the citizens, and said:

“There are many issues in Turkey-EU relations that need to be overcome, but focusing on our common future is our shared historical responsibility. In the aftermath of the pandemic, rapid digitalisation or transition to a green economy reveals a new lifestyle by radically changing production and consumption patterns. Turkey will continue to be part of the EU tomorrow as it is today, and therefore should not give up its efforts to be part of the transformation in EU policies. Likewise, the EU while designing its future and policies should work in cooperation and dialogue with Turkey which is an EU candidate, and a prospective member country.”

İKİV AGENDA

TOBB RE-ELECTED TO EUROCHAMBRES BUDGET COMMITTEE

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) President M. Rifat Hisarcıkloğlu attended the General Assembly of the European Chambers of Commerce and Industry (EUROCHAMBRES) which was conducted online on 15 October 2020. TOBB President Hisarcıkloğlu's post as Deputy Chairman of EUROCHAMBRES was approved by the General Assembly for 2021. In addition, TOBB was re-elected to the EUROCHAMBRES Budget Committee in 2021.



İKİV CHAIRMAN ZEYTİNOĞLU CALLED FOR INCREASING INVESTMENTS IN THE TRNC



İKİV Chairman Ayhan Zeytinoğlu wished success to Ersin Tatar, who was elected as the new President of the Turkish Republic of Northern Cyprus (TRNC) winning 51.69% of the votes in the second round of the presidential race on 18 October 2020, and called for stepping up investments to the TRNC in the coming period. He made the following statement:

"We are fully confident that the newly elected President of TRNC Mr. Tatar, will defend the interests of the Turkish Cypriot people in the best possible way. In the coming period, as the Turkish business community, we will continue to stand by the TRNC and the Turkish Cypriot people. In addition to the strategic importance of the TRNC, its development as an investment base is of great importance. This will help TRNC become stronger in the international arena."

İKİV Chairman Zeytinoğlu indicated that the application of incentive tools equivalent to the ones applied in Regions 5 and 6 in Turkey would ensure the increase of investments in the TRNC, and said:

"TRNC is a country suitable for effective investments especially in agriculture sectors such as fresh

fruit and vegetable cultivation and greenhouse cultivation and services sectors such as education and tourism. To encourage investment in these areas, incentive mechanisms equivalent to the ones used in Region 5 and 6 in Turkey should be applied. Such an incentive system will create a win-win formula for both Turkey and the TRNC. TRNC's economic development will make it a more attractive destination in the Eastern Mediterranean. This will also strengthen the hand against the Greek Cypriot Administration of Southern Cyprus (GCASC) and make its negotiating position stronger. So far, the efforts within the framework of the UN have failed to yield results. We have seen that the party that does not want a solution is the GCASC. Also, the EU has ignored the TRNC. Neither the Direct Trade Regulation could be implemented nor could the issue concerning the registration of the Hellim/Halloumi cheese be resolved. It is time to shift gears in Cyprus. Providing incentives will be important for increasing the support of the business community to the TRNC and for realizing TRNC's economic potential."

İKİV Chairman Zeytinoğlu continued his remarks by touching upon the Cyprus question and Turkey-EU relations. Stating that the EU had made a historic mistake by admitting the GCASC as the representative of the entire island in 2004, he said the following:

"The Cyprus question is a critical issue for Turkey-EU relations. Following the Athens Agreement signed in 2003, GCASC acceded to the EU in 2004 representing the entire island. However, this membership was in breach of EU values. For, the Annan Plan which envisaged turning the island into a single entity was

rejected in the referendum held in the south of the island. This way, the administration that rejected the peace plan acceded to the EU on behalf of the island. Although the Turkish Cypriots accepted the plan, they were punished. This was also in breach of the principle of peaceful settlement of disputes foreseen in the Helsinki Presidency Conclusions. Once acceding to the EU, GCASC has used its position to undermine Turkey's EU accession negotiations. This negative stance has been still going on. It has become clearer that GCASC does not want a solution within the framework of the UN. They are against any solution that will give the Turkish Cypriot people an equal and fair status. In this context, reaching a solution that will protect the interests of the Turkish Cypriot people seems difficult. We believe that with Turkey's support, the newly elected President Tatar will defend the interests of the TRNC in the best possible way both in the initiatives before the UN and in the international fora. The EU, on the other hand, approaches the issue in a biased and unfair way and allows GCASC to block relations with a country of 80 million in this way. The EU has taken on an extremely wrong approach lending full support to Greek and Greek Cypriot claims without taking into consideration the position and arguments of Turkey which has been an associate member since 1964, a Customs Union partner since 1996, a candidate country since 1999 and a country negotiating accession since 2005 and by labelling Turkey as country acting 'illegally and in breach of international law'. This approach does not serve security and peace in the Eastern Mediterranean, nor does it serve the EU's long term interests. We invite the EU to adopt a far-sighted and fair approach."

TIMELINE OCTOBER 2020

EU leaders proposed to pursue a positive agenda with Turkey.	1	İKİV İstanbul EU Information Center held a webinar on multilingualism.
Foreign Minister Çavuşoğlu paid an official visit to Italy.	2	İKİV Chairman Zeytinoğlu issued a press statement regarding the European Council conclusions on Turkey.
	3	
	4	
NATO Secretary General Stoltenberg visited Turkey.	5	İKİV Chairman Zeytinoğlu issued a statement on European Commission's 2020 Turkey Report.
The European Commission adopted the 2020 Enlargement Package and an Economic Investment Plan for the Western Balkans.	6	
Foreign Minister Çavuşoğlu visited Slovakia to attend the 15 th annual Bratislava Global Security Forum.	7	İKİV Secretary General Nas participated in a program on "The EU Summit and Turkey".
	8	İKİV Secretary General Nas spoke at "Global Academy Talks III: Global Governance and International Cooperation".
	9	
	10	
Turkish Cypriots went to the polls for the 1 st round of presidential elections.	11	
	12	
Swedish Foreign Minister Linde paid a working visit to Turkey.	13	
	14	
EU leaders met in Brussels to discuss COVID-19, relations with the UK and Africa.	15	
	16	İKİV published the unofficial Turkish summary of European Commission's 2020 Turkey Report.
	17	
UBP candidate Ersin Tatar won the presidential election in the TRNC.	18	İKİV Chairman Zeytinoğlu called for stepping up investments to the TRNC, in a statement issued after the presidential elections in the country.
	19	
The European Commission took legal action against the Greek Cypriot and Maltese golden passport schemes.	20	İKİV Vice-Chair Prof. Kabaaloğlu delivered a speech at the closing meeting of the "Hear the CSOs" project.
	21	
The latest Eurobarometer survey revealed economy as EU citizens' top concern during the COVID-19 pandemic.	22	İKİV Secretary General Nas participated in the online event on "Fragile States and Natural Resources: East Mediterranean Energy Claims and the Migration Challenge".
	23	
	24	
Spanish government declared a national state of emergency due to increase in COVID-19 cases.	25	
	26	
	27	
	28	
	29	
Over 80 people were killed and 1000 injured after a 6.6 magnitude quake hit the coastal city of Izmir.	30	
	31	



CUSTOMS UNION MODERNISATION DISCUSSED AT ONLINE EVENT

The modernisation of the Customs Union was discussed on 21 October 2020 at the closing meeting of the "Hear the CSOs" project carried out by European Union and Global Research Association (ABKAD) in partnership with IKV. The opening speeches of the event were delivered by IKV Vice-Chairman Prof. Halûk Kabaaloğlu, ABKAD President Murat

Kavalalı and Ministry of Foreign Affairs Director General for Relations with the EU Ambassador Başak Türkoğlu. Prof. M. Tuğrul Arat from TOBB University presented the report on "Policy Recommendations on the Extension of Customs Union" at the event moderated by TEPAV Multilateral Trade Studies Centre Director Ambassador Bozkurt Aran.

IKV SECRETARY GENERAL NAS DISCUSSED TURKEY-EU RELATIONS IN VARIOUS WEBINARS



In October, IKV Secretary General Assoc. Prof. Çiğdem Nas spoke at various webinars and programs on key EU policies and Turkey-EU relations. Attending the panel entitled "Turkey and Europe 5.0" jointly organised by Medyascope and the Global Relations Forum (GRF) on 1 October 2020, IKV Secretary General Nas shared her views on the outcome of the Special European Council. On 7 October, IKV Secretary General Nas participated in the special episode of the "Pandemic and Society" program held jointly by IKV, Istanbul Policy Center (IPC) and TEPAV and assessed the outcome of the Special European Council as well as the European Commission's Turkey Report. Nas

spoke at the "Global Academy Talks III: Global Governance and International Cooperation" organised on 8 October by the International Relations Council and discussed the role and effectiveness of international organisations in fighting the COVID-19 pandemic. On the same day, she also took part in the 120th EU Certificate Program organised online by Ege University's International Relations Society and delivered a presentation on "EU's Priorities in the New Era and the European Green Deal". On 22 October, Nas spoke at the online event on "Fragile States and Natural Resources: East Mediterranean Energy Claims and the Migration Challenge" hosted by the Heinrich Böll Foundation.

IKV SECRETARY GENERAL NAS SPOKE AT THE PANEL ON THE EUROPEAN GREEN DEAL

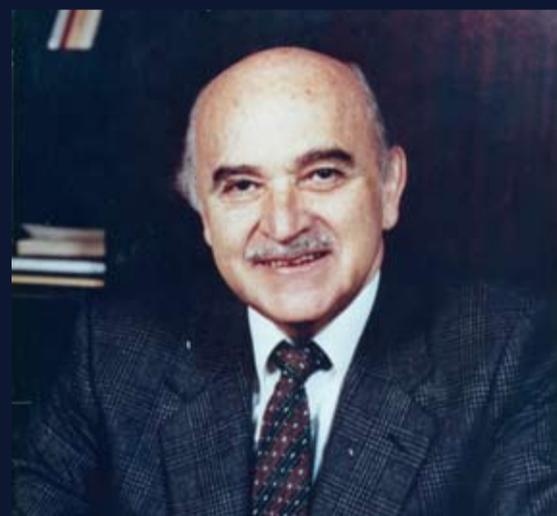


On 6 October 2020, IKV Secretary General Assoc. Prof. Çiğdem Nas spoke at the online panel entitled "Key Elements of the European Green Agreement (Green Deal): Expectations for Turkish Business" organised by TOBB. IKV Secretary General Nas delivered a detailed presentation on the objectives of the European Green Deal, projections for the coming period and the state of play for

the Turkish business community.

TOBB Real Sector R&D and Implementation Department Head Hasan Çağlayan Dündar, TOBB European Union and Foreign Relations Department Head Mustafa Bayburtlu and TOBB SME Research and Consulting Center Director Cahit Ceren also participated in the online panel which was followed by a Q-A session.

FORMER IKV CHAIRMAN JAK V. KAMHI PASSED AWAY



It is with profound sadness that we learned of the passing of former IKV Chairman Jak V. Kamhi on 7 October 2020 at the age of 95. Jak Kamhi had served as IKV Chairman between 1987 and 1992. Jak Kamhi had worked hard in service of increasing Turkey's industrial competitiveness and its alignment with the then European Community (EC) and had been engaged in lobbying activities with European leaders. Thanks to his meetings with then French President François Mitterrand and his close rapport with some members of French Foreign Ministry and

then Commissioner on the Mediterranean Policy Claude Cheysson as well as the then EC Commission Secretary-General Émile Noël, Jak Kamhi had ensured Turkey's admission to the European Round Table of Industrialists even though Turkey was not an EC member.

A doyen industrialist and a great visionary committed to improving the relations between the then EC and Turkey, Jak Kamhi will always be fondly remembered for his contributions to Turkey-EU relations. As IKV, we extend our deepest condolences to his grieving family.

THE EUROPEAN COMMISSION PRESENTED THE 2020 ENLARGEMENT PACKAGE

The European Commission adopted the 2020 Enlargement Package along with an Economic and Investment Plan for the Western Balkans.

On 6 October 2020, European Commissioner for Neighbourhood and Enlargement Olivér Várhelyi presented the long-awaited 2020 Enlargement Package consisting of the country reports for the Western Balkans and Turkey along with an Economic and Investment Plan for the Western Balkans. This year's enlargement package, which was delayed due to the COVID-19 pandemic, was highly anticipated as the first enlargement package to be adopted by the von der Leyen Commission and following the endorsement of the revised enlargement methodology.

According to the Enlargement Package, credible progress in the rule of law domain continued to remain a challenge in the Western Balkans during the reporting period while there was a visible slowdown in the fight against corruption. Meanwhile, insufficient commitment to judicial independence has come to identify the judicial system whereas freedom of expression and media pluralism saw the least progress. The Commission hailed the EU Council's green light for starting accession negotiations with Albania



and North Macedonia as a historic decision and reported that Albania made decisive progress in fulfilling the additional conditions set by the Council. Presenting the Enlargement Package, Commissioner Várhelyi shared his expectation that accession talks with the two Western Balkan countries could be formally opened before the end of Germany's EU Council Presidency.

Concerning Montenegro, which is seen as a frontrunner in

the accession talks having opened all of the 33 chapters and closed three, the Commission highlighted the need to work towards fulfilling the interim benchmarks for the rule of law chapters. Serbia received criticism over the absence of political opposition in its newly constituted parliament following the parliamentary elections held in June. As regards Bosnia and Herzegovina, the Commission underscored that more efforts were needed for

addressing the 14 key priorities identified in the Commission's Opinion concerning the country's EU membership application with only some positive steps taken. As to Kosovo, the Commission welcomed the lifting of 100% tariffs imposed on goods from Serbia and Bosnia which enabled the resumption of the EU-facilitated Belgrade-Pristina talks. However, the Commission noted that the country made limited progress on EU-related reforms.

On Turkey, while underscoring Turkey's role as a key EU partner and its generous efforts in hosting around 4 million refugees, the Commission pointed to shortcomings in the areas of democracy, rule of law, fundamental rights and judiciary and to divergences in Turkey's and EU's foreign policy priorities. It also noted that as indicated by the Council in 2018 and 2019, the negotiations were at an impasse with no new chapters being considered for opening or closing.

The Economic and Investment Plan for the Western Balkans presented alongside the Enlargement Package aims to support long-term recovery in the region and facilitate its economic convergence with the EU. In this context, the Commission proposed channelling 9 billion euros of pre-accession funding for investments in areas such as transport, energy, green and digital transition and human capital. Moreover, the plan aims to boost the region's investment capacity with the creation of a Western Balkans Guarantee Facility which would see investments to the region reaching 20 billion euros.

UBP CANDIDATE TATAR ELECTED 5TH TRNC PRESIDENT

Prime Minister and UBP candidate Ersin Tatar won the second round of the presidential elections in the TRNC.

Prime Minister and National Unity Party (UBP) candidate Ersin Tatar was elected the 5th President of the Turkish Republic of Northern Cyprus winning the second round of the presidential race held on 18 October 2020. According to unofficial results, UBP candidate Tatar received 51.69% of the votes cast while incumbent President and independent candidate Mustafa Akıncı obtained 48.31%. The voter turnout in the second round was 67.29%. The presidential election, which was initially scheduled to take place on 26 April 2020, was postponed to 11 October due to the COVID-19 outbreak. Since none of the 11 candidates competing in the first round managed to obtain an absolute majority of the votes, Tatar and Akıncı -the two candidates leading the polls with respectively



32.34% and 29.80% of the votes-proceeded to the second round.

The TRNC President traditionally plays a vital role in the UN-sponsored settlement talks by conducting the talks on behalf of the Turkish Cypriot community. The newly elected President Tatar is known for

his support for a two-state solution based on sovereign equality rather than a federal solution. Now that the presidential election process in the TRNC has been concluded, UN Secretary General António Guterres is expected to present an initiative to revitalize the reunification talks

which had collapsed in July 2017 in Crans Montana due to the intransigence of the Greek Cypriot side.

EU High Representative for Foreign Affairs and Security Policy Josep Borrell and Commissioner for Cohesion and Reforms Elisa

Ferreira highlighted the importance of constructive engagement for reaching a comprehensive settlement in the island, in a joint statement issued after the election. They expressed the EU's support for the resumption of UN-sponsored settlement talks and the EU's full commitment to a comprehensive settlement of the Cyprus question. Moreover, they voiced the EU's readiness to play an active role in supporting the talks. Indicating that a stable and secure environment in the Eastern Mediterranean and the development of cooperative and mutually beneficial relationships amongst all partners in the region was in the EU's strategic interest, they stressed that a solution to the Cyprus question would be to the benefit of the island and the EU in general.



TURKEY DISCOVERED 405 BCM WORTH OF GAS IN THE BLACK SEA

Turkey has added a further 85 billion cubic meters (bcm) to the size of reserves at its giant Sakarya gas field in the Black Sea. The announcement was made on 17 October 2020 by Turkish President Recep Tayyip Erdogan on a visit to the deep-water drill ship Fatih, which has been continuing its activities since 20 July. Turkey had announced the discovery of 320 bcm of natural gas in the Tuna-1 well located in the Sakarya gas field on 21 August, which was conducted by the Fatih drill ship. With the additional discovery, reserves have risen to 405 billion cubic meters in total.

A total gas discovery of 405 bcm will correspond to Turkey's natural gas needs for 10 years, whereas the previous discovery of 320 bcm was estimated to cover around seven years of its gas need. Turkey, which relies almost entirely on imports to meet its energy needs, has been searching for hydrocarbons in the Black Sea and the Mediterranean.

According to recent data, Turkey spent 41 billion dollars on energy imports in 2019. Officials have pointed out that the gas from the Tuna-1 well would be ready for public use in 2023.

IMF ESTIMATED THE GLOBAL ECONOMY TO CONTRACT BY 4.4% IN 2020



IMF released the World Economic Outlook report on 7 October 2020. According to the report, the global economy is forecast to contract by 4.4% in 2020 due to the effects of COVID-19. The global growth forecast in IMF's latest report reveals a less severe contraction than predicted in June. The reason for the improvement is the stronger than expected upward shift of the growth rate in the United States and Europe following the lift of lockdowns, as well as China's rapid return to growth. The global growth for 2021 is estimated to be 5.2% compared to 5.4% in the previous report. As foreseen in the title of the IMF report, "A Long and Difficult Ascent" is awaiting

the world economy and global recovery is expected to be long, uneven and highly uncertain. Global growth is projected to slow to around 3.5% between 2022 and 2025, leaving the growth of most economies below levels that were predicted before the pandemic. With a similar trend in growth, the world trade volume will also narrow by 10.4% in 2020 and recover by 8.4% in 2021.

Advanced economies are forecast to shrink by 5.8% in 2020 and grow by 3.9% in 2021. Emerging market and developing economies are estimated to contract by 3.3% in 2020 and rebound by 6% in 2021, according to the report. With a similar trend but sharper contraction, the Euro

Area economy will also shrink by 8.3% in 2020 and recover by 5.2% 2021. Only China is expected to expand in 2020 and grow by 1.9%. The country, which is regarded as the starting point of the pandemic, faced COVID-19 earlier than the rest of the world and was able to move out of lockdown rapidly due to strict containment measures. IMF's estimation for Turkey's economic growth is 5% for 2021 following a contraction of 5% in 2020.

Possible risks that could affect global recovery are taken into account. It is stated that if the recent surge in cases leading to re-institution of local lockdowns worsens and prospects for treatments and vaccines deteriorate, the toll on economic activity is seen to be severe, and likely to be amplified by severe financial market turmoil. Growing restrictions on trade and investment and rising geopolitical uncertainty could harm the recovery. On the other hand, it is expected that faster and more widespread availability of tests, treatments, vaccines, and additional policy stimulus is to significantly improve global outlook.

THE EUROPEAN COMMISSION LAUNCHED LEGAL ACTION AGAINST GREEK CYPRIOT AND MALTESE GOLDEN PASSPORT SCHEMES

On 19 October 2020, Commission Vice-President Maroš Šefčovič announced that the European Commission was to launch infringement procedures against Malta and the Greek Cypriot Administration over their controversial investor citizenship schemes also known as "golden passports". While the Greek Cypriot golden passport scheme dates back to 2013, the Maltese scheme has been introduced in 2014. It is estimated that the two countries have issued more than 6 thousand golden passports in total.

The golden passport schemes have come under the spotlight after an investigation by Al Jazeera revealed that dozens of people who had applied for Greek Cypriot golden passports were under criminal investigation or international sanctions, or serving prison sentences. Moreover, it was also revealed that two senior politicians, Greek Cypriot



Parliament Speaker Demetris Syllouris and AKEL MP Christakis Giovanis, were helping a rich Chinese businessman acquire

Greek Cypriot citizenship in spite of his criminal record. The two resigned from their posts after being exposed.

Similarly, in Malta, on 22 September former Prime Minister Joseph Muscat's chief of staff Keith Schembri was arrested

over allegations of money laundering of funds derived from the golden passport scheme. He was also implicated in the murder of investigative reporter Daphne Caruana Galizia who was investigating the corruption.

According to the 2018 Global Witness Report, Malta made 718 million euros solely from golden passport sales from 2012 to mid-2017, while the Greek Cypriot Administration made more than 7 billion euros between 2013 and 2020.

The European Commission asked the two Member States to abandon golden passport schemes by underlining that "the granting of EU citizenship for pre-determined payments or investments undermines the essence of EU citizenship". The Greek Cypriot and Maltese governments have two months to reply to the letters of formal notice issued by the Commission.

HIGH-LEVEL EXCHANGES

NATO SECRETARY GENERAL STOLTENBERG VISITED TURKEY



NATO Secretary General Jens Stoltenberg paid a visit to Turkey on 5 October 2020. In the context of the visit, NATO Secretary General Stoltenberg was received by President Recep Tayyip Erdoğan and held meetings with Foreign Minister Mevlüt Çavuşoğlu and Defence Minister Hulusi Akar. The security situation in the region, NATO's support for Turkey, and the establishment of a military de-confliction mechanism between Turkey and Greece were the main topics on the agenda of Stoltenberg's visit.

During his visit to Ankara, Secretary General Stoltenberg praised Turkey's contributions to NATO missions and its support to both Allies and other countries amidst the COVID-19 pandemic. Stoltenberg also underscored NATO's strong commitment

to Turkey's security and welcomed the establishment of a military de-confliction mechanism with Greece.

According to a written statement issued following the meeting, President Erdoğan highlighted Turkey's support for NATO initiatives aimed at decreasing the risk of accidents and incidents between Turkey and Greece in the Eastern Mediterranean, despite Greece's negative stance. Referring to Turkey's role in undertaking a great responsibility in the refugee crisis and the situation in Libya, President Erdoğan also reiterated Turkey's contribution to Europe's security and stability. The Nagorno-Karabakh conflict, the S-400 air defence system, and the fight against terrorism were among the topics addressed by the officials.

EUROPEAN COUNCIL CONCLUSIONS ON TURKEY REMINDED THE NEED FOR A POSITIVE AGENDA



On 15-16 October 2020, EU leaders gathered in Brussels to discuss Brexit negotiations, climate change, the latest developments concerning COVID-19 and relations with Africa. It marked the second meeting of the European Council in October, as a Special European Council meeting had convened on 1-2 October focusing on the situation in the Eastern Mediterranean, developments in Belarus as well as the Nagorno-Karabakh conflict and the poisoning of Alexei Navalny. At the Special European Council meeting, EU leaders had proposed launching a positive political agenda with Turkey with a specific emphasis on the modernisation of the Customs Union and trade facilitation, people to people contacts, continued cooperation on migration and high level dialogues.

During their gathering on 15-16 October, EU leaders discussed the ongoing efforts to tackle the negative effects of COVID-19 by tightening quarantine regulations and cross-border contact tracing, along with temporary restrictions on non-essential travel

into the EU. Moreover, the future partnership with the UK was at the heart of the discussions, as the transition period is set to end on 31 December 2020 and the parties have still not agreed on a deal. Regarding EU's objective of becoming climate-neutral by 2050, EU leaders agreed to reconsider a new emissions reduction target for 2030 in December.

EU leaders also held a discussion on relations with Turkey and adopted conclusions. Recalling the Council conclusions dated 1-2 October 2020, EU leaders emphasized the need for the easing of tensions in the Eastern Mediterranean. German Chancellor Angela Merkel expressed Germany's concerns over the tensions in the region and called for an improvement in Turkey-EU relations. However, despite the call for a constructive dialogue between the parties around a positive political agenda, the EU side continued to point at Turkey as the main reason for problems in the Eastern Mediterranean. Turkey has declared its readiness for dialogue, but has also underlined its legitimate sovereign rights in the region.

FOREIGN MINISTER ÇAVUŞOĞLU CAME TOGETHER WITH HIS EU COUNTERPARTS

Turkish Foreign Minister Mevlüt Çavuşoğlu came together with his counterparts from Slovakia, Italy, and Sweden in October. On 2 October 2020, Foreign Minister Mevlüt Çavuşoğlu paid a working visit to Italy upon the invitation of Italian Foreign Affairs and International Cooperation Minister Luigi Di Maio to discuss the preparations of the 3rd Turkey-Italy Intergovernmental Summit. Foreign Minister Çavuşoğlu announced during the joint press conference that the Joint Economic and Commercial Committee (JETCO) and the Business Forum would be held in the near future and that regional developments such as the situation in Libya and the Eastern Mediterranean, migration, and the Nagorno-Karabakh conflict were discussed at the meeting.

Foreign Minister Çavuşoğlu visited Bratislava on 7-8 October to participate in the 15th annual Bratislava Global Security Forum (GLOBSEC). Çavuşoğlu first inaugurated the Bratislava Turkish Military Cemetery and Monument with the Slovak Foreign and European Affairs Minister Ivan Korčok. Foreign Minister Çavuşoğlu discussed bilateral relations, the recent regional developments concerning the Eastern Mediterranean, Libya, and the Nagorno-Karabakh conflict with his Slovak, German, and Greek counterparts on



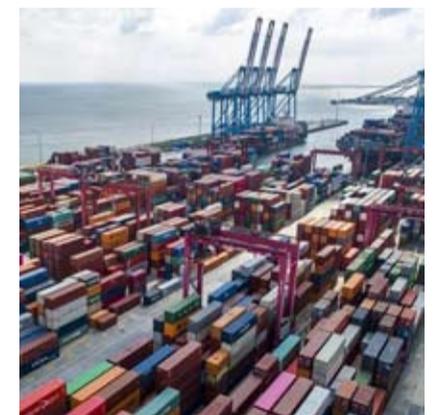
the sidelines of GLOBSEC.

On 13 October, Foreign Minister Çavuşoğlu came together with Swedish Foreign Minister Ann Linde in Ankara and addressed various issues including the Nagorno-Karabakh conflict, the situation in Syria, and bilateral relations. Speaking at the joint press conference, Çavuşoğlu stated that Turkey was willing to fulfil any criteria for EU membership, provided that the EU wanted to negotiate sincerely. Foreign Minister Çavuşoğlu also conveyed Turkey's expectation to Sweden for more concrete support in the fight against terrorism.

TURKEY LAUNCHED ANTI-DUMPING PROBE AMID SAUDI BOYCOTT OF TURKISH GOODS

Ankara has taken legal action against Saudi Arabia subsequent to allegations of sanctions on Turkish products. Within this scope, Turkish petrochemical plant, Petkim, applied to the Ministry of Trade and officials decided to start an investigation against illegal dumping of low-density polyethylene prices. Petkim is the subsidiary of the State Oil Company of the Azerbaijan Republic (SOCAR) which owns 51% of Petkim's shares. The grounds for the investigation against Saudi Arabia are the reductions in production, sales, sale price per unit, profit and utilisation rates during the last year in comparison with the previous ones. Although the investigation is expected to conclude within 18 months, prudent measures can be taken within 60 days if the applications of Saudi Arabia are found to cause damages on Petkim.

Saudi Arabia has recently initiated an unofficial boycott of Turkish products and firms. For instance, Saudi Arabia's biggest supermarket chain Al-Othaim Markets has announced that it is not going to sell Turkish products due to political tensions between the two countries. Subsequent to these events, on 10 October 2020 representatives of eight leading Turkish NGOs including TOBB, Turkish Industry and Business Association (TÜSİAD), Turkish Exporters' Assembly (TİM) and the Foreign Economic Relations Board (DEİK) issued a joint press statement urging



Saudi Arabia to end its boycott. Referring to the strong ties between the economies of Turkey and Saudi Arabia, representatives of the Turkish business community underlined the complaints made by companies having business links with Saudi Arabia. According to these complaints, both Turkish firms that sell final products to Saudi Arabia and Saudi firms importing goods from Turkey have been forced to stop their activities. Highlighting that initiatives to block trade between the two countries could have detrimental effects on the economies of both countries, the Turkish business community under the leadership of TOBB voiced their expectation that Saudi authorities take concrete action to resolve the issue.

RIGHTS AND OBLIGATIONS OF COASTAL STATES IN THE EASTERN MEDITERRANEAN SEA

Nele MATZ-LÜCK*

Sovereignty over Land and Water

Disputes over the extension of States' sovereignty over parts of the ocean are not a new issue. During the 16th century authors like Hugo Grotius and John Selden argued different positions, focussing either on the freedom of the seas (*mare liberum*) or dominance and control by regional powers (*mare clausum*). In general, claims from coastal States over parts of the ocean and seas follow the well-established maxim that "the land dominates the sea". This means that States rely upon their territorial sovereignty over the land and the existence of a coast to justify the extension of their sovereignty over parts of the sea off the coastline. This general approach applies to continental shores and islands alike.

When sovereignty over land features such as islands or rocks in the sea is disputed between States, the sovereignty and exclusive usage rights over adjacent waters remain unsettled as well. This is one of the main difficulties in the complex situation regarding e.g. the South China Sea. However, even if territorial sovereignty over the land of coasts and islands is undisputed, the extension of maritime zones and the location and direction of maritime boundaries have given rise to numerous disputes past and present around the globe. Some of these boundaries have eventually been settled by agreement between the parties, some have been subject to binding judicial decisions, others remain unresolved. In case of the latter, the legal uncertainty regarding the spatial extension of rights and obligations may evolve into a threat to peace and security if States claim jurisdiction over overlapping parts of the ocean.

Maritime Zones and Geological Criteria

A lack of agreement over a maritime boundary concerns either the sovereign territory of a State in case of undelimited territorial waters or exclusive usage rights over marine resources. Both scenarios have high national, political, strategic and



economic relevance. In accordance with the UN Convention on the Law of the Sea (LOS) coastal States have the right to extend their territorial sea, i.e. waters which belong to the territory of that State, up to 12 nautical miles (nm) (Art. 3 LOSC). Moreover, the Convention establishes two economically highly relevant zones, in which the coastal State enjoys exclusive rights over natural resources and other economic activities: the continental shelf of 200 nm¹ as a zone that grants exclusive rights over natural resources of the seabed and subsoil, e.g. oil and gas (Art. 76 et seq. LOSC), and the 200 nm Exclusive Economic Zone (EEZ) that grants sovereign rights over fisheries and other economic activities in these waters (Art. 55 et seq. LOSC). While these zones do not belong to the territory of the State, delimitation is necessary to clarify the spatial extent of usage rights. An EEZ needs to be formally declared by the coastal States whereas the continental shelf is attributed to the coastal State without such unilateral declaration. The definition of the continental shelf does not follow a strictly geological approach. Rather it combines geological criteria with the political decision to grant a zone of 200 nm to coastal States as their continental shelf, even if the geological shelf does not extend that far. According to the LOSC, islands can be the basis for the designation of an EEZ and continental shelf (Art. 121 para. 2 LOSC), notwithstanding that these islands may, in a geological sense, be placed on the continental shelf extending from the coast of another State.

The likelihood of maritime boundary disputes over zones under full territorial sovereignty increased significantly when States agreed to the maximum breadth of 12 nm for the territorial sea in LOSC. Before, many States only claimed 3 or 6 nm, leaving areas of high seas between States with opposite coasts in which the freedom of the high seas, e.g. regarding navigation and fisheries, applied. The extension of territorial waters up to 12 nm has since turned into a rule of customary international law. As a general rule, customary international law is binding upon all States. The establishment by the LOSC and the subsequent customary acceptance of a 200 nm EEZ and continental shelf for coastal States has likewise dramatically increased the need for delimitation of economically important maritime zones, particularly in smaller enclosed or semi-enclosed seas.

How to Settle Boundary Disputes

In effect, all opposite neighbouring States which are less than 400 nm apart need to agree upon a boundary of their relevant EEZs and continental shelves. The primary means to settle the delimitation of maritime zones between opposite or neighbouring States are negotiations and, eventually, the conclusion of a boundary treaty between those States whose maritime zones would otherwise overlap. International law knows a variety of diplomatic means – with or without a role for neutral third parties – to peacefully settle a conflict with the aim to either pave the way towards an agreement or by facilitating subsequent judicial dispute settlement. The LOSC dedicates part

XV to the settlement of disputes that can include maritime delimitation. The International Court of Justice (ICJ), arbitral tribunals and the International Tribunal for the Law of the Sea (ITLOS) have a long history of settling maritime delimitation cases and have established an elaborate jurisprudence on these matters.

The Situation in the Eastern Mediterranean

The situation between Greece and Turkey in the Eastern Mediterranean is characterized by several geographical particularities, strongly dissenting opinions on both sides and some open legal questions. Turkey's position in the Aegean Sea seems to be that the Greek islands close to the Turkish coasts cannot rely upon the entitlement to an EEZ and continental shelf of their own. Since Turkey is not a party to the LOSC, the treaty is not as such binding upon it. However, with the potential exception of the regime of deep seabed mining, the regulations in the LOSC are considered to be customary international law in addition to being treaty law. Hence, the rules that States can claim up to 12 nm as their territorial sea and an EEZ and continental shelf from the coasts as well as around islands, as enshrined in customary international law, would be applicable vis-à-vis Turkey and other non-members to the LOSC such as the US, Iran, Israel or Venezuela.

Even if this position was accepted, however, the law of the sea does not indicate precisely where a delimitation line must be drawn. Both States, as documented inter alia in boundary agreements with third States, have claimed a maximum extension of their maritime zones and created significant overlap. Waters are claimed by both Turkey and Greece leading to tensions and conflicts if activities, such as marine research, exploration and drilling are undertaken in these areas without consent.

The law of the sea gives a legal framework for maritime boundary delimitation without specifying the methods how to achieve the result. The reason for this alleged gap is that any solution must consider the individual case, the specific geographical situation but also historic title, political or economic factors

and other circumstances. Even if the drawing of a median line, as suggested for the territorial sea delimitation in Art. 15 LOSC, can serve as a starting point for delimitation questions, the weight of the negotiations and judicial decisions in delimitation cases is on the circumstances that call for an adjustment of a median line. Jurisprudence on delimitation of EEZs and continental shelves, in an effort to find an equitable solution in a specific case, has established a reliable three-step-procedure that allows for different factors to be taken into consideration and adjust the delimitation line. The length of the coastline as well as potentially distorting effects of islands are among the circumstances to be taken into account.

If the situation in the Eastern Mediterranean would be brought to judicial dispute settlement, chances are that, although the right of the Greek islands to claim an EEZ and continental shelf of their own will most likely be confirmed, the maximum claims that Greece has made with regard to the extension of these zones would be reduced in favour of the Turkish position. Pending a final boundary delimitation, at least in theory the joint development of resources could be an option. In the end, however, any approach to solve the tensions – either by binding agreement on the boundary, agreement of the joint development of resources or referral to a dispute settlement mechanism – depends upon the consent of both parties. The international community, i.e. single States, groups of States or organs of international organisations, must actively offer a forum for diplomatic talks and negotiations to pursue any of these options to reduce tensions and the risk of a military conflict in the Eastern Mediterranean.

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¹ The continental shelf can be extended beyond 200 nm in particular cases and after following a procedure, which is specified in the LOSC and involves the Commission on the Limits of the Continental Shelf.