

Turkey threatens the major prospects for Eastern Med gas supply

Written by Ariel Cohen

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As Europe seeks to diversify its sources of natural gas as an alternative to the politically sensitive Russian supply, a massive off-shore gas source in the Mediterranean is ready for exploration and drilling. There are game-changing stakes at play.

Unfortunately, the Turkish leadership has threatened to use force to stop this from happening.

Last October, Turkey sent the BARBAROS, its geophysics exploration ship, accompanied by naval vessels, into the Cypriot Exclusive Economic Zone waters. In November 2014, Turkish naval commander Admiral Bülent Bostanoğlu threatened the use of force against Greece, while speaking on board a Turkish naval corvette in Greek waters.

This is not the first time Turkey has caused such disruptions: In February 2014 the Turkish military declared that the Norwegian ship, M/V Princess, was conducting geological surveys in the southern part of Cypriot territorial waters. The Norwegian seismic exploration vessel was then chased out by a Turkish warship, the TCG Giresun F-491, which forced the Norwegian geophysics ship to leave the Turkish-controlled zone.

The Norwegian ship was operating on behalf of Cyprus in its search for oil and gas in the Eastern Mediterranean. However, Turkey does not recognize Cyprus as a sovereign country and is attempting to block Cypriot oil and gas exploration, claiming the share of Turkish Cypriots in any hydrocarbon wealth. Ankara absurdly claims that energy developments off-shore of Cyprus are undermining the peace negotiations.

Campaigning for the 2015 June elections, Turkish President Recep Tayyip Erdogan called for Moslems to “liberate” Jerusalem – and Spain. Ankara is signalling that instead of playing a win-win game, it would rather play a lose-lose one.

Until recently, the lack of natural resources effectively excluded Israel and Cyprus from being significant energy players. However, with the discovery of the Leviathan natural gas field off the coast of Israel, which boasts recoverable reserves of 17 trillion cubic feet of gas and 1.6 billion barrels of oil, and the Cypriot Aphrodite gas field, that boasts estimated reserves of 7 trillion cubic feet, things have changed.

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Development of the Leviathan and Aphrodite natural gas fields is a potential game-changer for the Eastern Mediterranean – and for Europe. These vast reserves are sufficient to supply Europe with 10 billion cubic meters (bcm) of natural gas a year, for 30 years. When added to the Caspian and Kurdish reserves, they may be able to alleviate Europe's dependence on Russian gas.

Off-shore gas in the Eastern Med could also become a catalyst for peace, as Egypt and Jordan are highly interested in importing gas from the region, while Gaza, Lebanon and Syria are likely to have additional reserves for production and export.

The EU has publicly recognized that in order to ensure energy security and reach its climate change goals, it must engage with its neighbors to establish a diverse range of energy sources and supply routes. The Eastern Mediterranean could play a vital role in reaching these goals by supplying a portion of the additional 100 bcm of natural gas a year that will be needed in Europe over the next 15 years.

The real question is how to get the gas out. If an East Med gas pipeline is built from the off-shore gas fields through Cyprus and via Turkey, then the Eastern Med may become a serious gas supplier for Europe.

The proposed East Med pipeline would bring gas from off-shore Israel and Cyprus to the EU through Greece or Turkey. So far though, Turkey is blocking a shorter and cheaper pipeline through occupied Northern Cyprus and Turkey proper, which would be the optimal solution.

Energy cooperation between Cyprus, Israel and Egypt is a crucial piece of the Eastern Med puzzle. Turkey has no business disrupting it. The two producing countries will require the creation of a gas pipeline to Europe or a liquefied natural gas terminal.

Israel and Cyprus are also conducting talks with Jordan and Egypt to purchase their gas. Israel inked deals with both Amman and Cairo – from the Tamar field owned by the Texas-based Noble Energy and the Delek Group of Israel, to Egypt's Dolphinus Group, and from the Leviathan field to the British Gas facilities in Egypt. Tel Aviv's stock market, buoyed by the expectation of a successful conclusion to these gas deals, jumped by over seven percent at the news of Netanyahu's victory in March.

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The offshore East Med development would bring strategic and economic benefits, including budget revenue, hosting international companies, and job creation, as well as developing much needed infrastructure and expertise.

Given Ankara's good will, Eastern Med gas projects may also be helpful in terms of resolving long lasting tensions between Cyprus and Turkey, and between Israel and the Palestinians. In addition, if the parties build a natural gas pipeline from the Israeli and Cypriot fields to Turkey, Ankara would receive massive gas transit tariffs. However, the win-win project will not be realized without President Erdogan's blessing, and such cooperation is unlikely without close engagement by the US and EU with Ankara.

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