# High stakes in gas standoff between Cyprus and Turkey

## The discovery of huge gas reserves in eastern Mediterranean stokes tensions

**NOCOSIA:** Longtime adversaries Cyprus and Turkey are locked in a tense "game of chicken" over the prospect of a multi-billion-dollar Mediterranean gas bonanza with neither side willing to capitulate, analysts say. Turkey vowed to escalate its activities in waters around the island after the European Union on Monday agreed measures to punish Ankara for pursuing "illegal" drilling in Cyprus's exclusive economic zone.

"This is a tit-for-tat game where nobody is ready to back down, with Turkey willing to go one step further," Hubert Faustmann, professor of history and political science at the University of Nicosia, told AFP. Turkey "will continue to drill, they may even decide to drill in blocks licensed by the Cypriot government... it's a game of chicken," he added.

The discovery of huge gas reserves in the eastern Mediterranean has stoked long-standing tensions between EU member Cyprus and Turkey. The island is divided between the internationally recognized Republic of Cyprus and a breakaway state set up after a Turkish invasion launched on July 20, 1974 in response to a coup sponsored by the military junta then ruling Greece.

Turkey, the only country to recognize the Turkish Republic of Northern Cyprus, has sent three ships to carry out drilling off the Cypriot coast despite EU condemnation and strong words from Washington.

In response EU foreign ministers agreed measures including cutting 145.8 million euros ($164 million) in pre-accession funds to Turkey allocated for 2020. Turkey, which does not recognize Cyprus as a sovereign or EU member state, says its actions abide by international law and that it is drilling inside its continental shelf.

### 'Turkey won't step down'

While negotiations to reunify the island remain on hold, Cyprus has moved to start gas and oil exploration by issuing licenses to international companies. That has angered Ankara which argues that such exploration deprives the Turkish Cypriot minority of benefiting from the island's natural wealth.

"Turkey won't step down and EU sanctions are mild, the sanctions are not painful, and Turkey knows there is no determination for a confrontation," said Faustmann. He argued that Cyprus needs to find more gas to make it commercially viable to extract. "Unless there's a big find, it might be a lot of noise over nothing, there isn't enough extractable gas at the moment."

Experts also argue that if the escalation continues it will be difficult for energy companies to explore off Cyprus due to the risk. "Interest in operations is there, however tensions with Turkey are not helping. If tensions subside then there will be a lot of interest because there is support from the markets and the EU too," said energy analyst Cyril Widdershoven, founder of the consultancy firm Verocy. Cyprus on Tuesday rejected as "unacceptable" a Turkish Cypriot proposal on energy revenue sharing to help de-escalate tensions. Nicosia argues that jointly managing the island's untapped energy resources can only be workable once an elusive peace settlement has been agreed, while assuring Turkish Cypriots will get their equal share.

### Challenging market

Atlantic Council senior associate Charles Ellinas said the rising tensions will make the waters choppier for energy companies when they resume drilling in blocks licensed by the Cyprus government, especially in areas disputed by Turkey. "Turkey will not back off unless the EU and the US apply serious sanctions that hurt its economy. But I do not see that happening... NATO, trade and refugees are important to them," he said. "Turkey will maintain aggression until Cyprus agrees to put hydrocarbons on the negotiating table."

The waters off Cyprus have attracted international giants such as ExxonMobil of the United States, France's Total and Italy's Eni. Sizeable natural gas deposits have been discovered in three areas but have yet to be extracted.


**ISTANBUL: In this file photo taken on June 20, 2019 Turkish police officers patrols next to the drilling ship 'Yavuz' scheduled to search for oil and gas off Cyprus, at the port of Dilovasi, outside Istanbul. — AFP**

Last month Cyprus said it expected to earn $9.3 billion over 18 years from exploiting a gas field in the Aphrodite block under a renegotiated contract with Royal Dutch Shell, US-based Noble and Israel's Delek. In February US energy giant ExxonMobil announced the discovery of a huge natural gas reserve off the island's coast which Cyprus hailed as one of the biggest worldwide in recent years.

Ellinas estimates Cyprus's discovered reserves so far are around 10 trillion cubic feet and "there is probably as much still to be discovered and possibly more." He estimates total gas revenue could be about $160 billion, which could generate profits of $30 billion over 20 years, but finding buyers may be tough in a competitive international market. "Cyprus's share could be $17 billion. But first, sales need to be secured, and there lies the challenge, in a market inexorably moving towards renewables and clean energy. The longer it takes the more difficult it becomes." —AFP

# UK car sector accelerates towards electric future

**LONDON:** Britain's auto industry, seeking to swerve Brexit obstacles, is accelerating toward electrification as consumers shun high-polluting diesels, driven by rapid advances in technology and greener government policy. Four famous car brands born in Britain but now foreign-owned-German-held Bentley and Mini, Indian-backed Jaguar Land Rover, and Chinese-controlled Lotus-have each this month outlined plans for purely electric models to sit alongside their petrol vehicles.

All-electric cars, which need to be charged from the mains, and hybrids, which combine electrics with petrol or gasoline engines, are gaining in popularity as more consumers turn away from the pollution-spewing internal combustion engine. "You need to be into electrification," Lotus Cars chief executive Phil Popham told AFP in an interview after unveiling the firm's first all-electric sports car Evija-pronounced "E-vi-ya"-which the company will start making next year.

Lotus, 51-percent owned by Chinese auto giant Geely, plans an initial sale of only 130 of the supercars, which will each cost about £1.7 million ($2.1 million, 1.8 million euros).

### 'Absolutely the future'

"Electrification is absolutely part of our future," said Popham. "In the not-too-distant future, all of our cars will offer electrification." Lotus' plant in Hethel, eastern England, will see a £100-million investment over the next five years as it ramps up its sports car range with financial firepower and technical knowhow from Geely, which bought its majority stake two years ago.

Etika Automotive of Malaysia holds the remaining 49 percent of Lotus. Popham said the removal of large components, like the internal combustion engine and gearbox, will see the so-called hypercar Evija have an electric motor on each wheel. It will reach 0-60 miles per hour in three seconds and have a top speed of 200 mph. Fully-charged however, it will be able to drive a distance of only 250 miles (400 kilometers). In the more affordable premium market, Jaguar Land Rover, owned by India's Tata Motors, is planning a range of electric vehicles at its central England factory-starting with the next-generation Jaguar XJ luxury saloon model. "The future of mobility is electric," said JLR chief executive Ralf Speth, whose company introduced its first electric vehicle I-PACE last year. Elsewhere, BMW-division Mini recently launched plans for its first all-electric Mini Cooper at its factory in Cowley, southern England.

"We'll be able to really react to demand from customers as we go forward because Mini electric (cars) go down exactly the same production line as the traditional combustion engine product," David George, director of Mini UK, told AFP on a visit to the facility.

In Europe as a whole, the number of electric car models, including hybrids, is set to triple by 2021, according to Brussels-based environmental lobby group Transport & Environment. A total 214 models will be available for purchase by 2021, up from 60 in late 2018, T&E said.

### 'Environmentally conscious'

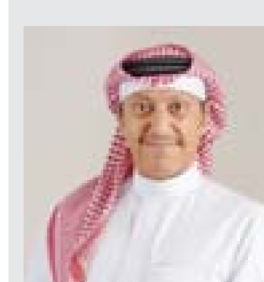
"There is a growing trend for consumers to be looking for more environmentally conscious and efficient products and technologies," Bentley chief executive Adrian Hallmark told AFP. He was speaking in July after the Volkswagen-owned luxury carmaker detailed its futuristic all-electric self-driving concept, the EXP 100 GT, at its facility in central England. When Nissan unveiled its first mass-market electric car hatchback Leaf nine years ago, the Japanese carmaker described it as a "game-changer" for Britain's biggest car plant in Sunderland, northeastern England.

Since then, more and more carmakers have sped up plans for more environmentally-friendly products-and also electrify their current offerings. However, Cardiff University economics professor and auto specialist Peter Wells lamented the fact that many automakers were merely replicating electric versions of pre-existing models-rather than optimizing how they deploy cutting-edge technology. "The mindset is that the industry should simply replicate the existing petrol/diesel product ranges, only in hybrid and electric," said Wells.

"In my view this strategy can still result in less than optimized vehicle designs," he noted. — AFP

**Lotus's new Evija sports car will be all-electric**

# Gulf Air reaffirms commitment to its workforce family



**Capt. Waleed Al-Alawi**

**Kresimir Kucko**

**MANAMA:** Gulf Air, the national carrier of the Kingdom of Bahrain, remains committed to invest in its Bahraini workforce and their career development by providing opportunities for Bahraini nationals to take over senior positions in the company. The airline also reiterates its plans on welcoming Bahraini aviation professionals and talents who work for the aviation industry in and around the region. Gulf Air is strategically growing since it has launched its new brand identity and commenced the fleet modernization program.

The airline launched its boutique business model concept in the beginning of 2019 and since then it saw positive results in a spectrum of extents of the business.

"We are proud that Gulf Air is strategically growing and with the adaptation of the recently launched boutique concept especially as we move towards reaching 70 years of expertise in the aviation industry - a wonderful milestone for the Kingdom of Bahrain." Added Mr Kresimir Kucko, Chief Executive Officer of Gulf Air "The airline is growing its fleet with new Boeing 787-9 Dreamliner and Airbus 320neo and 321neo aircraft as well as expanding the network to new places to connect the Kingdom with the world. With this growth, we will definitely need more pilots and more aviation professionals to manage the operations with a strong preference for our talented Bahrainis to take on these strategic roles. The pool of talent in Bahrain is phenomenal and we are extremely committed in ensuring that the future of the national carrier remains in the hands of its people."

"The Kingdom of Bahrain has been known for many years to be the source for national talents in the aviation industry. There are many success stories and examples of Bahraini leaders in aviation management and professional pilots working for our neighboring airlines and aviation organizations." Expressed Captain Waleed Abdulhameed Al-Alawi, Deputy Chief Executive Officer of Gulf Air "It is the perfect time to welcome them back to the national carrier and serving their Kingdom while being between their families in Bahrain. Gulf Air prides itself in continuing to retain generations of families within its organization and aspires to continue preserving its heritage by creating opportunities for the future."

Gulf Air is committed to invest in its Bahraini workforce and their career development and as such, it continues to provide opportunities for Bahraini nationals to take over senior positions in the company with 90% of employees that are based at the headquarters in Muharraq being Bahraini along with nearly 70 percent of its pilots. Earlier this year, Gulf Air welcomed back Mr. Rashid Abdulrahman Al-Gaoud to its headquarters to take on the role of Senior Manager Sales to in charge of the entire Europe and Asia Pacific regions, after serving as the country manager of the United Kingdom for almost six years. Also recently, the airline appointed Shams Al-Dosari as the first female Bahraini country manager and is currently representing the national carrier in Ethiopia and Mohamed Al-Hamar as the youngest Bahraini country manager to serve in the Asia Pacific region. Gulf Air is proud that it remains a leader in the Bahrainization program in the Kingdom as it provides the opportunity for local talents and experienced personnel to work in its various areas of the airline's business.

# Burgan Bank announces winners of Yawmi account draw

**Kuwait** : Burgan Bank announced yesterday the names of the daily draw winners of its Yawmi account draw, each taking home a cash-prize of KD 5,000.

**The lucky winners are:**

1. Nourah Ahmad Saad Al-Shammari
2. Ahmad Abdulkarim Ali Alibrahim
3. Mohmmed Talal Soluiman Al-Saeid
4. Yaqoob Abdulla Ramadan Aleidy
5. Mohammad Abdullah Azad

In addition to the daily draw, Burgan Bank also offers a quarterly draw with more chances to win higher rewards, offering the chance to one lucky customer to win KD 125,000 every three months. The Yawmi Account offers daily and quarterly draws, wherein the quarterly draw requires customers to maintain a minimum amount of KD 500 in their account for two months prior to the draw date. Additionally, every KD 10 in the account will entitle customers to one chance of winning. If the account balance is KD 500 and above, the account holder will be qualified for both the quarterly and daily draws.

Burgan Bank encourages everyone to open a Yawmi account and/or increase their deposit to maximize their chances of becoming a winner. The higher the level of the deposit, the higher the likelihood to win.

# Africa poses critical challenge for World Bank, IMF

**WASHINGTON:** Global heat maps of extreme poverty show Africa in deep red. And the problem will only accelerate as population on the continent grows in coming decades. "The problems are very real and are large," newly installed World Bank President David Malpass told AFP in an interview.

The International Monetary Fund and World Bank have had a mixed record in addressing the longstanding challenge of poverty on the continent since the institutions were founded 75 years ago. Now they must confront the need for massive investment in infrastructure and job creation in the coming years just to keep pace with the growing population on the continent-all while simultaneously managing the threat posed by climate change in a region perhaps least able to confront the costs.

Malpass has made that mission a priority. "I have put emphasis on having the bottom 40 percent of the population see more jobs, more cash income but also more of the inputs to a better living standard," Malpass said. "That might mean access to healthcare, to education. And that would be better environmental practices-all of that contributing to a more prosperous ... society."

In the most recent numbers available, World Bank data show extreme poverty fell worldwide to a new low of 10 percent in 2015. The number of extremely poor people-those who live on $1.90 a day or less-has fallen by more than one billion since 1990.

However, that number is on the rise in Sub-Saharan Africa, which was home more to than half of the world's extreme poor in 2015. And forecasts indicate that by 2030, nearly nine in 10 extremely poor people will live in Sub-Saharan Africa, while the continent is expected to add 1.3 billion people, more than half the world's population growth. Even with the IMF forecasting the region will see economic growth of 3.5 percent next year, it is not enough to create the 20 million jobs needed each year to absorb new entrants into the labor market.

When he first started in his position in April, Malpass immediately focused on the poverty mission, and his first trip was to Madagascar, Ethiopia and Mozambique. "There are still 700 million people in extreme poverty and that's 700 million too many," he said in April.

The former US Treasury official, who was an outspoken critic of the World Bank, stresses that the bank must be more effective in its work to alleviate poverty and improve living conditions. But while many African nations are saddled with high debt and the legacy of past mistakes, he insists that for the governments of the continent "good policies are a critical part of the path forward" so they can attract the private investment critical to fund projects and new businesses.

But the continent also has seen a resurgence of armed conflicts, which have affected one-third of the countries in recent years. The IMF has estimated that these conflicts could cut three percentage points off of GDP every year, while creating a flood of refugees: 18 million in 2017.

Masood Ahmed, who worked at the IMF and World Bank for nearly half their 75 years of existence, says the challenge is enormous, especially as climate change threatens to disrupt everything else.

"The world economy in the next 20 years will be twice as large as it is today. The infrastructure that we need to support that economy will need to double," he said. "And we have to do this in a way that results in net emissions going down by a third." Ahmed, who now leads the Center for Global Development, an anti-poverty research organization, worries the World Bank may be too narrowly focused on policies in individual countries, rather than leading the way in developing "global public goods" to shape the choices countries will make that impact climate and pandemics. But Malpass prefers to focus on country programs that tailor policies best suited for each situation, because the power to make changes that will have the most direct impact lies with the governments themselves. — AFP