

Who Wants to be a Billionaire?:
The Great Oil and National Gas Rush in the Mediterranean

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The Mediterranean lately resembles a combination of television game show and soap opera drama. While one would laugh it off as diplomatic bluster or militarist bombast but the truth is that we have military ships queued for something to go wrong. If history is any indicator, it eventually will. So far, the regional powers have engaged in panic diplomacy and continue to conduct unannounced naval and air exercises. There has been at least one incident where two ships didn't follow the maritime equivalent of social distancing and collided with one anotherⁱ.

At first glance, there is nothing new about the potential riches within the sea bed of the Mediterranean. When natural gas deposits were discovered off the Egyptian shore in 1970, the world's market for energy was completely different. It was only in the last decade that the natural gas reserves of the Mediterranean gathered momentum. Israel for one conducted active searches for deposits of gas and discovered offshore reservoirs in 1990. Later, more deposits were discovered in the 'Aphrodite' field near Cyprus and by 2015 an even larger giant deposit was discovered off Egypt.ⁱⁱ Over time, these discoveries prompted long, relentless and countless communiqués between the most experienced diplomats of Europe, South East Europe and North Africa.

Things began to get personal when a number of countries decided to direct their mutual animus against Turkey. Over time, Turkey's support for organizations intent on destabilizing a number of countries coalesced opposition against them in the most unique way. It came to a head on November 27, 2019 when Turkey signed an exclusive bilateral maritime boundaries agreement with the UN-backed Libyan government;ⁱⁱⁱ leaving all other interested parties out of the deal. Soon after the Turkish-Libyan deal, Egypt and Israel initiated the East Med Gas Forum in January 2020. Egypt, Cyprus, Greece, Israel, Italy, Jordan and the Palestinian Authority were signatories to an Eastern Mediterranean natural gas cooperation agreement. With Cairo serving as its headquarters, the intent was to transform the Eastern Mediterranean into a major energy hub.^{iv} Turkey was not invited to participate.

Let's first examine Egypt's issues with Turkey. For Egypt, the 2013 military coup that toppled President Morsi and the Muslim Brotherhood was also a rebuke against their Turkish patron. With both sides recalling their ambassadors, diplomatic relations only exist at the consular level. Today, Turkey's support of the UN-backed government in Libya is considered by Egypt to be an imminent national threat. To balance the scale, Egypt has been actively aiding General Haftar's forces. This brings Egypt on the same side as Saudi Arabia, Russia and France. In response to Turkey sending drones to Libya^v, Egypt sent 150 military personnel to Syria to aid Syrian forces^{vi}. Not to be outdone, Turkey authorized the deployment of troops to Libya.^{vii}

Turkey's longstanding feud with Israel is even older. Where the Turkish-Israeli relationship soured was back in 2010 when Israeli commandos stormed Turkish vessel Mavi Marmara. At the time there were numerous Hamas-organized Turkish flotillas to Gaza.^{viii} It is no surprise that three years later, Turkey accused Israel of aiding Egypt during the coup. For its part, Turkey was also not invited to Israel's 'Eastern Mediterranean Pipeline' agreement with Cyprus and Greece; the same month the East Med Gas Forum occurred in Cairo (January 2020). The importance of the Eastern Mediterranean Pipeline project was such that it was included in the EU's list of 'projects of common interests,'^{ix} meaning that plans to join pipelines to supply the diversified markets of Europe with natural gas was welcome news.

This brings us to Greece. Up to this point there was no urgency for Greece to join the 2003 Exclusive Economic Zone (EEZ) agreement between Cyprus and Egypt. This changed on August 7, 2020,^x when special sessions of both parliaments convened on short notice to ratify the agreements.^{xi} The UAE and Bahrain in particular welcomed the agreement between Egypt and Greece calling it "a victory for international law over the law of the jungle."^{xii} This begs the question over how all of this became categorized as a 'jungle.'

The 'jungle' they were referring to started when four countries asked Qatar to stop its relationships with Iran and Turkey, the latter of which maintained a military base there. Qatar flat out rejected this suggestion. To them it was a proposal not even worth contemplating. As a result, the intelligence heads of Egypt, UAE, Bahrain and Saudi Arabia met in Cairo for an extraordinary two-hour meeting.^{xiii} Given this unprecedented opportunity, Mossad resolved itself to assist unifying the Arabs to drive Turkey and Iran out of Syria. Mossad's chief Yossi Cohen met last year with his counterparts to discuss ways to counter Turkish regional influence. Cohen's position is that 'Iran is fragile, Turkey is the bigger threat.'^{xiv} To top its serious intentions as recent as September 9, 2020, Israel signed with Cyprus and Greece a tripartite military cooperation program for 2021.^{xv} The UAE went as far as to deploy 16 F-16s to Crete to support Greece amidst its rising tensions with Turkey.^{xvi}

The EU has now weighed in as well. EU foreign policy chief, Josep Borrell is pressing the EU members to lift the sanctions on blacklisted rebel leader Aguilah Saleh- the leader of rebel-held Eastern Libya's Parliament. According to Borrell, the EU has a chance to reassert its role in Libya to counter growing Turkish and Russian military involvement. So far Italy, France and Germany are backing up Borrell given the southern shore energy supplies^{xvii}

Not to be left out, U.S. Secretary of State Pompeo announced on September 1st that the U.S. will lift its 33-year arms sales embargo on Cyprus for one fiscal year^{xviii} Assistant Secretary of State Matthew Palmer said that U.S. hopes for Cyprus stepping up to fight against Russian money laundering would also include their limiting port access to Russian military vessels.^{xix} In the meantime, the Turkish side of Northern Cyprus is planning to offer its ports to Russian war ships in the event this happens. In exchange Russia would have to recognize Northern Cyprus to use its ports.^{xx}

It is against this backdrop that the UAE,^{xxi} Oman^{xxii} and Bahrain^{xxiii} have signal their intent to establish diplomatic relations with Israel

For its part, Russia clearly has a stake in the outcome. First, Foreign Minister Sergei Lavrov told Cyprus that Moscow was ready to help mediate in any talks with Turkey over energy explorations disputes in the east Mediterranean Sea.^{xxiv} This however is not in Russia's interest because Gazprom is already losing its Southeastern European market to both the Mediterranean's natural gas deposits and from Azerbaijan. Should the exploration of natural gas along the eastern shore of Cyprus be resolved, then all parties will actually become more independent from Russia. For example, Russia's export of gas to Turkey in 2019 fell by 36% compared to 2018. It also fell with Greece by 12.7% and Bulgaria by 17.4%. The real winner in the diversification of energy sources is the EU,^{xxv} in particular large-scale consumers such as France and Germany. Thus, the output of exploration in Cyprus will give Europe long-awaited stability and market freedom.

This however does not cut Russia out of the picture. Although Sergei Lavrov had not visited Syria in eight years, he visited Damascus in person on September 8, 2020. The official reason was to discuss Russian-Syrian economic cooperation. As expensive as the rebuilding of the hydroelectric plant would be for Russia, this was offset by signing away the maritime rights to explore and extract gas deposits along its shore.^{xxvi} By signing these agreements Russia became a de facto representative of Syria in the world's energy market; making them a major energy player in the Mediterranean.^{xxvii}

With the united effort of Egypt, Israel, Saudi Arabia, the UAE, and EU members, Greece, Cyprus, Italy, France and Germany, Turkey only has itself to blame for alienating literally everyone around them. With 40 tanks redeployed from the Syrian border to its Edirne border with Greece,^{xxviii} there are no real incentives for the U.S. and Russia to aid Turkey. As unintentional as Turkish policy has been to unify Europe, Africa, even Israel with the Arab Middle East and even beyond, the last thing it needs at this time is another spin of the game show wheel.

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