

# THE CONVERSATION

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## Five countries in the eastern Mediterranean are shaking up Europe's energy map

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A rig off the coast of Cyprus explores the region's gas potential. Shutterstock

Discoveries of natural gas reserves in the Mediterranean Sea around Egypt, Cyprus, Israel and Greece are shaking up Europe's energy politics. Traditionally, Russia has been Europe's main supplier of gas, giving it **significant influence over Europe**. But this influence is under threat from various gas discoveries in the eastern Mediterranean and a tussle is taking place to control the region's resources. Here are the key players:

### 1. Egypt

Egypt was an importer of natural gas as recently as 2016. But a massive discovery of gas in 2015, in the Zohr field off Egypt's coast by Italian energy firm Eni, could make Egypt the region's most important gas exporter and hub. Zohr is the Mediterranean's largest gas field and has since been developed, with production starting in January 2018.

At the same time, the Egyptian government is planning on launching 11 new gas projects and positioning itself as a regional hub for international gas trading and distribution. Meanwhile, the Egyptian army has **upgraded its arsenal and training programme**. Its all part of the government's plan to regain its strategic regional role that was lost due to the Arab Spring and the political crises that followed.

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## 2. Cyprus and Greece

Cyprus has been a bright spot for exploration, with a string of giant gas discoveries in recent years. These include ExxonMobil's Glaucus in 2019 and Eni's Calypso fields in 2018. There's also the more developed Aphrodite plot, which was discovered in 2011 and is projected to have a net revenue of US\$9.5 billion over 18 years from selling gas through Egypt's Idku terminal.

But Cyprus is a divided state. The Greek side, the Republic of Cyprus, is the only side that is internationally recognised and, as a result, has sovereignty over the island's territorial waters and exclusive economic zone, which is the neighbouring sea area that a country has rights to.

The northern, Turkish side, however, lays claim to gas in these waters and is getting support from the Turkish government in its efforts.

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***Read more: Cyprus: dangerous row over gas exploration dates back to British colonial meddling***

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## 3. Turkey

There have been no big gas discoveries made in Turkey's part of the eastern Mediterranean but it has sent ships into the coastal waters of Cyprus to drill for gas. Turkey says it will continue drilling for gas in these waters if the internationally recognised Greek Cypriot government does not accept a cooperation proposal put forward by Turkish Cypriots.

In response, Cyprus and Greece issued an arrest warrant for any Turkish drill ships obstructing their gas operations, and the two countries have called on the EU to punish Turkey for its actions.

Turkey's brinkmanship must be understood in the context of attempts by Egypt, Greece, Cyprus and Israel to create a regional energy architecture that will exclude Turkey from the eastern Mediterranean natural gas market. Agreements between Egypt and Cyprus would lead to the sale of gas from the eastern Mediterranean to Europe, bypassing Turkey and Russia's pipelines.



A Turkish drilling vessel headed to Cypriot waters with a military ship accompanying it. EPA-EFE/Erdem Sahin

#### 4. Israel

Israel is adding further weight to Egypt's potential as Europe's new gas hub. The discovery and development of gas fields off the coast of Israel in the last 20 years has resulted in an abundance of gas, which the country is trying to use to its geopolitical advantage.

Israel has also built a strong relationship with Greece and Cyprus. The three countries conduct joint military exercises and coordinate on security operations in the eastern Mediterranean.

They are also now collaborating to build a US\$7 billion gas pipeline from Israeli and Cypriot gas fields through the Greek island of Crete and into Italy, in order to feed other European countries. This plan will become even more profitable if more natural gas reserves are discovered through the ongoing gas exploration activities around Crete.

Gas has also opened the door to talks with Lebanon, a country Israel has historically been at loggerheads with. Officials from both sides have agreed to discuss their sea border in talks mediated by the US. Newly discovered Mediterranean gas fields can only be safely developed when there is no threat of war between the two sides.

So, clearly, Israel's offshore gas reserves are highly valuable to its economic and strategic concerns in the region. It has gone to great lengths to ensure its existing gas fields are secure as a result, and has also made agreements with Egypt and Jordan to sell surplus gas.

#### Russian fears

These developments are clearly worrying Russia. Russia, mainly through its oil and gas giant Gazprom, provides 37% of Europe's gas supplies and Europe's energy dependence has paid off for

Russia.

The very real risk of losing this influence could result in military conflict. Turkey recently completed the purchase of a Russian anti-aircraft system. This will create a significant power imbalance in the region and give Ankara an advantage in controlling the airspace, especially in disputed areas.

Greece fears that Turkey may deploy the system along its southern coast, near places where Turkish naval forces already escort vessels to explore gas deposits in the eastern Mediterranean. As a result, the Greek armed forces are on high alert. Greece, along with the Egypt-Cyprus-Israel bloc seem to have US and EU backing, with Turkey being warned not to complete its purchase of the S-400 system.

Whatever happens, it looks like Europe's energy map could look very different in a few years.

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