

Energy and Environment

News – Long-term conflict in the region could hit Cyprus energy – Cyprus Mail

Long-term conflict in the Middle East could delay projects for the development of natural gas fields, experts said on Tuesday as others postulated that in the three to four years important projects in Cyprus' exclusive economic zone (EEZ) would take their course no matter what. Speaking at the 11th Energy Symposium in Nicosia, energy expert and CEO of EC Natural Hydrocarbons Company Ltd Charles Ellinas said that recent developments in the region, if they continue, could have negative effects on the development of natural gas in the Eastern Mediterranean, while a long-term conflict could delay projects and final investment decisions. He added that the conflict could create doubts and concerns in the minds of investors that the geopolitical risk to develop in the area is too high. Commenting on the potential impasse in talks between Cyprus and Chevron for the Aphrodite field in Cyprus' EEZ, he said that the government is rightly seeking improvements to the development plan.

News – Greece plans first offshore wind farms to reduce fossil fuel dependence – Reuters

Greece on Tuesday moved toward building its first offshore wind farms, identifying areas for private development in a draft plan that the conservative government hopes will lessen the country's dependence on fossil fuels. The Mediterranean country, which is surrounded by sea and has strong, steady winds suitable for producing energy, generated more than 50% of its power from onshore wind, solar and hydro last year. The rest of its electricity was produced from greenhouse gas-emitting natural gas, coal and oil. Greece is aiming to build installed capacity of at least 2 gigawatts from offshore wind by 2030, representing one-tenth of its onshore capacity. The draft plan includes 25 eligible development areas in the Aegean, Ionian and Mediterranean seas that will become available in two time periods, some between 2025 and as late as 2032, and some later, said the Hellenic Hydrocarbons and Energy Resources Management Company (HEREMA), which is in charge of the programme. The zones cover a total area of 1,047 square miles (2,711 square km), with an estimated minimum capacity of 12.4 gigawatts. The majority of zones are suitable for floating technology, HEREMA said. "The development of these projects is a national priority not only because it will contribute decisively to our energy independence, but also because it enables us to export green energy in the future," Energy and Environment Minister Theodore Skylakakis said.

News – Libya expands its maritime borders – Middle East Monitor

Libya's "national unity" government, headed by Abdel Hamid Dbeibeh, established a new maritime zone, which analysts considered a page of a new chapter in the intense race over energy sources in the East Med basin, Asharq Al Awsat reports. According to the report, the demarcation of maritime borders constitutes a point of fundamental regional disagreement with Turkiye, on the one hand, and Greece, Cyprus, and Egypt, on the other. Signs of the disagreement appeared since the signing of a maritime border agreement between the Tripoli government and Turkiye in 2019. Observers believe this path will continue, especially after the unity government announced it would establish a maritime zone adjacent to its borders in the Mediterranean. The new Libyan decision expands the authority of maritime borders from 12 to 24 nautical miles. The Foreign Ministry of the Dbebeih government justified this by saying the region falls within Libya's sovereign rights over the area adjacent to its territorial waters and does not violate international law or infringe on the maritime borders of other countries. The head of the Land and Maritime Boundaries Committee at the Ministry of Foreign Affairs, Mohamed Al-Harari, asserted that the new law confirms Tunisia's eastern marine border. He explained that the map attached to the draft law supports his country's position against Egypt's decision (595) to define its western maritime borders in the Mediterranean Sea.

News – Libya's Eastern Govt Holds Conference on Reconstruction of Coastal City Destroyed by Floods – Asharq Al-Awsat

An international conference on reconstruction of one of Libya's coastal cities, decimated in a fatal flood in September, began Wednesday, one of Libya's rival governments announced. In the early hours of Sept. 11, two dilapidated dams in the mountains above the eastern city of Derna collapsed, sending



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floodwaters roaring down the Wadi Derna river and through the city center, sweeping away entire city blocks. Government officials and aid agencies have given estimated death tolls ranging from more than 4,000 to over 11,000. The two-day conference marks a tentative step toward the rebuilding of the city, with a total of 400 participants convening in Derna on Wednesday and in Benghazi on Thursday, Libya's eastern government said. Most of the attendees are representatives from international delegations or companies specializing in infrastructure development and housing, the government said in an online statement. The oil rich country has been divided between rival governments in its east and west for almost a decade, and has been mired in chaos since longtime ruler Moammar al-Gadhafi was ousted and later killed in a NATO-backed uprising in 2011. Following the fatal flood, both people inside and outside of Libya called for an international investigation, reflecting the deep public mistrust in state institutions. The two dams had not been maintained for decades despite repeated warnings that they were in need of repair. According to Libya's eastern government, the conference is divided into three focus areas: the environment, development and future planning. No representatives from Libya's western government, which is seated in the capital Tripoli, attended the conference, according to the rival administration.

News – Amid ongoing war, BP and Eni among firms awarded gas exploration licenses in Israel– The Times of Israel

Israel announced on Sunday that 12 licenses have been awarded to six companies, including British multinational oil and gas firm BP plc and Italian energy giant Eni, to explore and discover additional offshore natural gas fields. Energy Minister Israel Katz said that the investment commitment by large natural gas exploration companies during this period as Israel is at war with the Hamas terror group is a sign of confidence in Israel's resilience. The announcement comes after Israel decided to temporarily shut down the Tamar offshore natural gas field on October 9, two days after the Hamas massacre, which saw some 2,500 terrorists burst across the border into Israel from the Gaza Strip by land, air and sea, killing some 1,400 people and seizing some 230 hostages of all ages under the cover of a deluge of thousands of rockets fired at Israeli towns and cities. "The winning companies have committed to unprecedented investments in natural gas exploration over the coming three years, in the hope of discovering new natural gas reserves," said Katz. The discoveries would "strengthen Israel's energy security, international ties, lower the cost of living and provide energy support to accelerate the transition of the economy to renewable energies," Katz added.

News – Implications for global investors of the Israel-Hamas war – Lombard Odier

Future market impact of the tragic events in Israel and Gaza will largely depend on whether the conflict escalates, as well as any impact it has on global oil production. Looking beyond the conflict's horrific human toll, financial assets have not, so far, responded with alarm to events since 7 October, but the geopolitical volatility warrants close monitoring. The reaction in traditional haven assets, typically the first to jump in response to major geopolitical crises, has been varied. Ten-year US Treasury bond yields have risen marginally. The US dollar remains largely unchanged against a basket of currencies, slightly declining against the Swiss franc; the latter has risen to some extent against the euro. Gold showed a more meaningful rise of around 8% in USD. For financial markets, what happens next depends on whether the conflict escalates significantly and if major disruptions occur in the Middle East's supply of energy to the rest of the world. Our expectation is that the conflict will remain localised, but the risk of an escalation remains high and we continue to monitor the situation very closely.

News – War in the Middle East will keep hydrocarbon prices elevated – Economist Intelligence

Conflict in the Middle East has reintroduced a sizeable risk premium just when oil traders were having doubts about the sustainability of high oil prices. Oil prices for dated Brent Blend fell to nearly US\$80/barrel just before the outbreak of the Israel-Hamas war, but have since shot up to about US\$90/b. Before the early October sell-off, oil prices had increased by nearly 30% in July-September amid a tightening market. Global demand—aided by stockpiling in China—grew strongly, even as OPEC implemented further reductions in production quotas and Saudi Arabia extended voluntary cuts until end-2023.

Security Issues

News – Türkiye-Greece ties to advance on positive atmosphere – Daily Sabah

Türkiye and Greece Tuesday evening announced they will be building on a positive atmosphere that flourished since earlier this year in their bilateral relations. "The two sides agreed to build on the already existing positive atmosphere in order to identify areas of agreement and cooperation at the bilateral and international level," the two countries said in a joint statement released after consultations between their deputy foreign ministers in the Greek capital Athens. On the 5th round of talks on Monday between Turkish Deputy Foreign Minister Burak Akçapar and his Greek counterpart Konstantinos Frangogiannis on the Joint Action Plan in the context of the positive agenda, the statement said: "The two sides reaffirmed their common goal to deliver tangible results for the 5th Supreme Cooperation Council (SCC), to be held on Dec. 7 2023 in Thessaloniki (Greece), on issues related to the Positive Agenda, such as entrepreneurship, tourism, transport, energy, science." On Tuesday's political consultations between Akçapar and his Greek counterpart Alexandra Papadopoulou, the statement said: "They reviewed the preparation procedures for the upcoming Supreme Security Council in December, as well as existing channels of communication, including Confidence-Building Measures and exploratory/consultative talks." "In this context, both sides expressed their commitment to continue the dialogue, with a view to reaching a common understanding," it added, noting that regional and bilateral issues were also discussed during the meeting.

News – Bracing for a broader conflict: How the Israel-Hamas war could escalate – European Council on Foreign Relations

Amid the escalating war between Israel and Hamas in Gaza, the region is bracing itself for a broader conflict. It will take concerted diplomacy – and considerable luck – to prevent this. The war, which threatens a destructive confrontation between Israel and the Lebanese Hezbollah group – and, by extension, Iran – may prove decisive in shaping the future of the regional order. An escalation in the conflict would upturn a fragile period of regional calm which witnessed a détente between Saudi Arabia and Iran, and Israel's increasing normalisation with key Arab states. For now, regional players are keen to avoid a destabilising conflict which would threaten their own delicately balanced interests. Europeans should urgently join forces with them to support preventive diplomacy before it is too late.

News – Explaining Erdogan's 'New Turkey' – Financial Mirror

Perhaps no question concerning the Middle East and Europe today has been more loudly voiced than "What is Turkey doing?". And rightfully so, Turkey, once hailed by the international community as a role model in its region, has become an increasingly 'unpredictable' and 'unintelligible' actor in the last 10 years of Erdogan's rule. To exemplify, Turkey has been flexing its military muscle for another major attack against the US-backed Kurdish forces in Syria. It keeps Sweden at the gates of NATO while actively participating in several NATO missions and selling armed drones to Ukraine for use against the Russian invasion. It's been keeping the Turkish Straits shut to Russian military vessels while procuring S400 defence systems from Russia while intending to act as a peace broker in the Ukrainian conflict. President Erdogan would argue that nothing is surprising about any of that, for this is precisely what "new Turkey" is about. Geopolitically speaking, they say the new Turkey is both a staunch NATO ally and an independent regional player struggling against Western imperialism. Economically, it is a fully functional market economy that thinks outside the box against Western economic 'dogmas'. Politically, it is a liberal democracy, yet one with Turkish characteristics. For several critical commentators, however, Turkey is now a textbook case for nationalist authoritarianism, economic irrationality, and geopolitical aggressiveness.

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