



THE EUROPEAN GEOPOLITICAL FORUM

EGF Turkey Dossier

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Key Positions

- Terrorism-related acts of sabotage, linked to the outlawed Kurdish-separatist group, the PKK, took place on the Kirkuk-Ceyhan pipeline on 10 August, disrupting production
- The Moscow-backed South Stream gas pipeline has been losing support amongst influential stakeholders in the region (the Italian Energy company, ENI, has raised concerns that the project will not be commercially viable)
- Turkey appears to be slowly correcting its energy policy shortcomings of the past with Russia, and Ankara now seeks a more balanced energy partnership with Moscow
- Conciliatory gestures towards Turkey's Kurds by the present Ankara government appear to have done little to ease tensions in the country's south east, which is heavily populated by Kurdish minorities

Competing Gas Pipelines

Production was slowed on the Kirkuk-Ceyhan oil pipeline outside the village of Magara, in Sirnak province, on 10 August due to sabotage. The attack on the pipeline killed two maintenance workers and injured a third after burning oil stemming from a rupture in the line ignited their vehicles. Government spokesmen alleged that the outlawed PKK was to blame for the attack, as part of a growing campaign of unrest by the Kurdish-separatist group since its calling off of a year-long cease fire in June. The Kirkuk-Ceyhan line is estimated to transport nearly five hundred thousand barrels of oil a day to the Turkish Mediterranean from Iraq.



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The Moscow-backed South Stream gas pipeline has been losing support amongst influential stakeholders in the region, which has in turn been a boon for Turkish hopes of a better relationship with the EU through cooperation with its competing Nabucco line. Most telling of the change in attitudes from various regional stakeholders towards South Stream has been the recent position taken by the Italian energy company, ENI, which has raised concerns regarding Russia's ability to deliver on gas volumes required to make South Stream commercially viable. Moscow's evasiveness in providing evidence substantiating its grandiose claims on gas supplies for the coming decades has not gone over well with its Italian partner in the South Stream venture. ENI's concerns come against the backdrop of continued proclamations by the European Commission in Brussels stating that it does not view the line as a commercially viable project.

Furthermore, despite the notable improvement in relations between Russia and Ukraine in 2010, many energy stakeholders remain concerned about enduring transit risks for West-bound gas running through Ukraine to the EU. Under new President Viktor Yanukovych, Ukraine appears to have increased efforts to upgrade its infrastructure in order to enhance its gas transit capabilities, since it is clearly not in Ukraine's longer term strategic interest to see its value as a gas transit corridor reduced, nor to see major transit avoidance pipeline projects such as South Stream realised. This has spurred marked collaboration between Ukraine and Turkey, which has the most to gain from the EU-backed NABUCCO project and which could have the most to lose from South Stream. Turkey, in this sense, would miss out on becoming a major transit point (hub) for energy supplies to Europe, and Ukraine would find itself falling even further under Russian influence in a region where Moscow is already overwhelmingly dominant.

External Energy Policy

Ankara appears to be slowly correcting its energy policy shortcomings of the past with the regional energy hegemon, Russia. To many in Turkey, the 1997 Blue Stream agreement, which committed Turkey to importing Russian gas, appears to have been a poor decision that has seen the country pay higher prices than necessary for its natural gas consumption.



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With ninety eight percent of its gas supplies being imported, and ninety two percent of its oil, Turkey's present government now seeks a more balanced energy partnership with Russia, which supplies a disproportionately large share of Turkish energy imports (equating to more than two thirds of all energy imports). Russian state-backed gas holding, Gazprom, has long viewed Turkey, with its large and rapidly expanding economy, as a pivotal client due to the country's annual increases in gas consumption. Turkish firms, however, have likewise seen themselves as key players in the regional energy sector, which has caused some level of strain in ties between Ankara and Moscow.

For example, Turkey is one of the three main shareholders in the Baku-Tbilisi-Ceyhan (BTC) oil pipeline with British Petroleum and Azerbaijan's national (oil) champion, SOCAR. BTC was constructed with the intention of bypassing Russia and Moscow has chosen not to employ this route for shipping Russian oil supplies to the Mediterranean, instead opting to transport oil via shipping lanes through the Bosphorus, ignoring Ankara's claims that the Turkish Straits are already overly congested. Despite these trends, any scope for conflicting energy policy positions between Moscow and Ankara remains muted at present, which is in no small part due to Turkey and Russia's mutual reliance on one another in energy security terms. However, as the Turkish economy and Ankara's regional influence grows, so will the chance of friction between the two historic Black Sea powers.

The Iranian national oil company and Som Petrol of Turkey have signed a one billion euro deal on 23 July to construct a new pipeline that would provide Iranian energy supplies with an outlet to the Mediterranean, which would be completed in three years. Som Petrol is a small company in the energy market and its new arrangement with Iran has led to skepticism about the timing of the deal. The agreement comes just weeks after Turkey expressed its opposition to economic sanctions against Iran, leading many in the West to question the motives of the Turkish government. Turkish energy minister Taner Yildiz stated that the government in Ankara "did not have any interest" in Som Petrol, but that the government would approve of the agreement.



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Domestic Politics

The aforementioned attack on the Kirkuk-Ceyhan pipeline was the latest incident in a campaign of increasing violence between the PKK and the Turkish military forces (TSK) since the failure of the ceasefire in June 2010. The conciliatory gestures towards Turkey's Kurds by the government under Prime Minister Recep Tayyip Erdogan during the past year appear to have done little to ease tensions in the southeast portions of Turkey where a large Kurdish minority resides. The establishments of a Kurdish language television station and educational opportunities have been steps in the right direction towards peace and confidence building, but these measures have not yet proven to be sufficient. The PKK has said it will honor a cease-fire over the course of Ramadan, but it will respond with force if attacked by the TSK.

A historic mass held at the Sumela Monastery for Orthodox Christians from across the world was the first such ceremony to be held there since 1923, and passed with a strong statement by Erdogan condemning the gathering's critics. The prime minister stated, "We are determined to maintain our good ties with all nations. We have to do it. Christians visited Sümela Monastery and performed a religious service there. So what happened? What did we lose? On the contrary, we are winning." His response to ultranationalist criticism of the ceremony was a sharp rebuke of the historic stance of Turkish governments, and seems to further damage critics of Turkey's ruling AKP as Islamic fundamentalists in the guise of a political party. Over three thousand worshippers took part in the ceremony and Greek Prime Minister George Papandreou praised Turkey for the significance of the event.

Finally, the upcoming national elections scheduled for 12 September will result in a vote of confidence in the AKP leadership, with over twenty reform amendments being decided under a simple 'yes' or 'no' vote. The package of reforms has already passed parliament, but did not receive enough votes to avoid a referendum by the public. Though many of the changes are minor, the major point of contention is the proposed changes in the way individuals are appointed to the Supreme Board of Judges and Prosecutors. With the AKP still broadly popular due to its stabilizing effect on the government, and not least because of its position



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towards Israel in response to the past month's events concerning the Gaza flotilla raid, many pundits are projecting an overwhelming 'yes' vote by the Turkish electorate in September.

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