Russia vs Turkey

The Geopolitics of the South and
the Turk Stream Pipelines

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Introduction

In December 2014 the Russian President, Vladimir Putin, announced the cancellation of the South Stream pipeline, and its replacement by the Turk Stream pipeline. Before examining the geopolitical consequences of the cancellation of the South Stream and its replacement by the Turk Stream one needs to examine the geopolitical framework of the Russian-Turkish relations. This basically means to examine Russia’s and Turkey’s main geopolitical objectives, and to examine how the objectives of one country affect the objectives of the other.

Picture 1

Russia’s most important geopolitical objective is to maintain her dominant role in the European oil and natural gas markets. Russia is the largest exporter of natural gas in the world, and one of the largest exporters of oil. Approximately one third of Europe’s oil and natural gas imports come from Russia.

Turkey’s most important geopolitical objective is to ensure the country’s energy security, because Turkey is very poor in oil and natural gas reserves. In addition Turkey wants to become the absolute energy hub between the Middle East and Europe, in order to generate huge revenues in transit fees, and to be able to bargain for better prices with the rich in oil and natural gas countries, which will depend on Turkey for their sales. By doing that Turkey will also increase her geopolitical might, because Europe will increase her dependence on Turkey.

Which are the main threats for Russia and Turkey? Which are the main obstacles to their geopolitical objectives? For Russia the main danger is the construction of a pipeline network that will connect Europe with the Caspian Sea and the Middle East through Turkey. This pipeline network would send to Europe the natural gas and oil of Iran, Iraq, Turkmenistan, Qatar, Saudi
Arabia and Azerbaijan, which are all very rich countries in oil and natural gas. This would mean lower prices and lower market share for Russia’s oil and natural gas industry, which account for approximately 70% of the Russian government’s revenues.

Picture 2

For Turkey the main danger is the connection of Europe with the Middle East and the Caspian Sea with a pipeline network that will bypass Turkey as an energy hub. This would reduce Turkey’s ability to bargain vis a vis the rich in oil and natural gas countries, and it would also reduce Turkey’s geopolitical significance, because it would reduce Europe’s dependence on Turkey.

Picture 3
In the past there have been two main efforts to bypass Turkey as the absolute energy connection between Europe and the Middle East. The first one was the Iran-Iraq-Syria pipeline, see the red line on the above map, and the other was the East Med pipeline (Israel-Cyprus-Greece), see the yellow line on the above map. Turkey attacked both Israel and Syria. Turkey attacked Syria with the help of Saudi Arabia, Qatar and UAE, and Turkey attacked Israel with the help of Qatar and Iran. Turkey and Qatar support Hamas, the Muslim Brotherhood affiliate that runs Gaza, and Iran supports Hezbollah, the shite military organization that operates at the borders of Israel and Lebanon. For more information see “USA Russia & China in the Middle East: Alliances & Conflicts”.

The above represent the main geopolitical objectives of Russia and Turkey, and the main threats to their geopolitical objectives. What is very important is that Turkey is the main threat for Russia’s geopolitical objectives, and Russia is the main threat for Turkey’s main geopolitical objectives. It is mainly through Turkey that a competing to Russia pipeline network can be constructed, in order to send Iranian, Iraqi, Qatari, Azerbaigiani and Turkmen natural gas to Europe. At least that’s the best option, because the other options require the construction of long underwater pipeline networks, which are much harder to construct and they also cost a lot more.

Russia is behind the Iran-Iraq-Syria and the East Med pipelines. Gazprom agreed to construct and manage the Iran-Iraq-Syria pipeline, which would bypass Turkey (red line at the following map). An LNG plant would be built in Syria or Lebanon, which would liquefy the natural gas and send it to Europe or Africa with LNG carriers (ships). The pipeline would carry Iranian and Iraqi natural gas. In addition Russia agreed with Syria to exploit Syria’s off-shore natural gas fields in the Mediterranean Sea (purple circle at the following map).

Picture 4
Moreover Russia formed an alliance with Cyprus and Israel in the East Mediterranean Sea. Both Israel and Cyprus have found natural gas reserves in the Mediterranean Sea (see black and yellow circles on the above map). Cyprus and Israel would be very happy to sell their natural gas to Europe through the East Med Pipeline (Israel-Cyprus-Greece), or by liquefying their natural gas at an LNG plant, which would be built in Cyprus, and then ship it to Europe.

With the plans for the Iran-Iraq-Syria pipelines, and the alliance with Cyprus and Israel, Russia managed to become for Turkey what Turkey was for Russia i.e. a geopolitical headache. Russia managed to become a geopolitical headache at the south of Turkey, in the same way that Turkey was a geopolitical headache at the south of Russia. In the same way that Turkey bypasses Russia from the south, with the TANAP and TAP pipelines (purple lines), Russia can bypass Turkey from the south with the Iran-Iraq-Syria and the East Med pipelines (red and yellow lines).

Picture 5
It must be mentioned that the East Med pipeline is not completely controlled by Russia, as it would have been the case with the Iran-Iraq-Syria pipeline, but Russia’s alliance with Cyprus and Israel makes life for Turkey much harder.

The last factor that must be taken into account when examining the Russian-Turkish relations is the large trade in the energy sector between the two countries. Turkey is the second largest importer of Russian natural gas, with Germany being the largest, as you can see at the following table from the site of Gazprom.

Picture 6

Russian natural gas accounts for 56% of the Turkish imports, as you can see at the following pie chart of the Energy Information Administration.

Picture 7

The above 5 points are the main elements of the geopolitical framework that should be used in order to analyse the Russian-Turkish relations. The first one is the energy corridor Turkey-Europe i.e. (TANAP-TAP). The second one is the energy corridor Middle East-East Mediterranean Sea-Europe (Iran-Iraq-Syria and East Med Pipelines). The third one is Turkey’s energy dependence on Russia. The fourth one is that Turkey is Gazprom’s second largest customer. The fifth one is that most of Russia’s income comes from her oil and natural gas sales in the European markets.

http://www.eia.gov/countries/cab.cfm?fips=tu
The 21st Century Conflicts
Between Russia & Turkey

In this section I will describe in more detail the conflicts between Russia and Turkey. As you can see at the following map, both Russia and Turkey are of strategic importance for the energy security of Eastern European countries.

Picture 8

The countries of Western and Southern Europe have alternatives to the Russian natural gas and oil. They can import oil and natural gas from Algeria and Libya, through pipelines, but also with the use of ships from Saudi Arabia, Qatar, Iraq, Iran, Kuwait and the United Arab Emirates, which are among the largest producers and exporters of oil and natural gas in the world.

On the contrary it is very difficult for the countries of Eastern Europe to find alternatives to the Russian natural gas and oil. Therefore they have to pay higher prices and they are vulnerable to Putin’s political manipulations. Their main alternative is Norway, which has 2 trillion cubic meters of natural gas reserves, but Norway is facing a falling production due to overexploitation of her reserves and due to the aging of her gas fields. Their other alternatives are the UK, which already imports more natural gas than it exports, and has become a net importer, and the Netherlands, which have small reserves and also face a falling natural gas production.

For the natural gas production of the European Union see page 8 of the following table from an article of the American Congress, titled “Europe’s Energy Security: Options and Challenges to Natural Gas Supply Diversification”, August 2013. Figures are given in cubic feet, and they must be divided by 35 in order to be converted to cubic meters. As you can see it is only England and the Netherlands which have satisfactory production levels, but it is only the Netherlands which
produces more than it consumes, making the Netherlands the only net exporter of natural gas in the European Union.

The article was written in 2013, and it refers to 2012, and it gives the Dutch production at 65 billion cubic meters (2.257 billion cubic feet). However the Dutch production has fallen, as you can read at the following Reuters article, titled “Dutch to cut output from huge Groningen gas field”, January 2014. The reason for the fallen production is that the Dutch are wary about the earth tremors that are taking place near their largest gas field, Groningen, which is also the largest gas field of Western Europe.

1st Paragraph

The Netherlands will cut gas production at Groningen, the largest gas field in western Europe, by about a quarter over the next three years, the Economics Ministry said on Friday, bowing to public concerns over earth tremors in the area.
8\textsuperscript{th} Paragraph

The ministry said production would be cut in 2014 and 2015 to 42.5 bcm and in 2016 to 40 bcm, adding that it was technically possible to reduce Groningen's output to 30 bcm a year and still meet domestic demand.

\url{http://www.reuters.com/article/2014/01/17/netherlands-gas-idUSL5N0KR1C820140117}

At the 10\textsuperscript{th} page of the Congress article I just mentioned, you can see a table with the dependence of the individual countries of the European Union on Russian natural gas. There are 6 countries of the EU which import 100\% of their natural gas from Russia i.e. Estonia, Latvia, Lithuania, Sweden, Finland and Bulgaria. Please note that Lithuania recently built a floating LNG terminal in the Baltic Sea and now has a minor alternative.

Picture 10

\url{https://www.fas.org/sgp/crs/row/R42405.pdf}
Norway, which is not a member of the European Union, also faces a falling oil and natural gas production, due to the aging of her oil and natural gas fields, as you can read at the following International Resource Journal, titled “Norwegian Oil and Gas: Managing Decline of a Sunset Industry”.

1st, 2nd, 3rd Paragraphs

With Norwegian production now passed its peak, oil and gas output is expected to drop rapidly within relatively few years, combined with the absence of major discoveries over the last decade, this will present a considerable challenge for maintaining value creation and a sustainable level of activity on the Norwegian Continental Shelf.

The remaining resource potential is large but will this decline be adequately met by the commercialisation of many smaller finds in mature areas of exploration? Opportunities for future output growth rest primarily on large new discoveries but this is an unlikely prospect at best. In light of this reality how is the Norwegian oil industry seeking to manage its decline?

http://www.internationalresourcejournal.com/features/june_09_features/norwegian_oil_and_gas.html

At the following Financial Times article, titled “UK warned over dependence on Qatar gas”, January 2012, you can read about the problems that England is facing due to the falling production of natural gas in Norway, England and the Netherlands. You can also read that England has to find alternatives, either in Russia or Qatar, and England is currently over dependent on Qatar for natural gas. The article says that so much dependence on Qatar is very risky for England, because Qatar can find better prices in Asia, but also because Qatar would cut supplies if a war in the Persian Gulf was to break out.

1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th Paragraphs

Britain’s dependence on Qatari liquified natural gas has grown so stark that, last year, all but two cargoes of the product shipped into the UK came from the small Persian Gulf state.

The situation is about to get worse, analysts say, raising profound questions over UK energy security.

Not only is Iran threatening to cut off all Qatar’s LNG exports by blocking the critical Strait of Hormuz waterway, but even if that does not happen, the UK will be unable to rely so heavily on Qatar in the coming years.

Unlike other European nations, Britain has not guaranteed its LNG cargoes with long-term fixed contracts. Deutsche Bank calculates that only 24 per cent of the UK’s LNG coming from Qatar is secured under fixed contracts, meaning the rest can be diverted to the highest international bidder.

The Qatari gas the UK relies on has in part taken the place of more reliable gas from the UK’s own North Sea, whose production is quickly declining because of the age of the fields and dwindling investment.
In fact, Qatar’s supply to the UK grew 67 per cent from 2010 to 2011, according to the Department of Energy and Climate Change.

In contrast, the UK’s indigenous production has fallen at an average annual rate of 6.2 per cent since 2005.

Imports from Norway, Britain’s second-biggest foreign supplier after Qatar, fell 17 per cent from 2010 to 2011, and LNG from suppliers other than Qatar all but dried up amid increasing competition from rival customers, such as Argentina and South Korea.

I must say that England’s energy dependence on Qatar is one of the reasons that England supports the Hamas, the terrorist organization that runs Gaza and attacks Israel. Hamas is funded by Qatar, and therefore England has to support Hamas, at least partially, in her conflicts with Israel. Another factor that explains the English support to Hamas is the billions of dollars that the Qataris have invested in England. You can read about the Qatari investments in England at the following Guardian article, titled “How much of London is owned by Qatar’s royal family?”, December 2014

Britain is likely to face a tight winter for natural gas as it finds itself with few alternative sources of cheap natural gas, forcing it to rely heavily on Norwegian supplies, where production is already lower than normal.

The problem is that the Troll field, Norway’s largest natural gas field which produces 35 percent of the country’s natural gas output, has had to reduce its capacity for most of the year, and the field’s operator Statoil expects this lower production level to continue into next year.

Morten Eek, of Statoil, said that they “expect to see somewhat reduced capacity into the winter at the Troll field due to technical issues at Troll A.”

Britain has always been reliant on Norwegian imports, but this is set to increase as Russian gas is expected to go to continental Europe, and LNG imports from other countries will be sent to the Asian markets.

Should the Norwegian supplies fail to meet British demand, then more gas could be imported from Russia, but this will come at a high cost, as Russian prices are much higher than those offered by Norway. Russian gas would cost an estimated 74-78 pence per therm, compared with current UK prices of 65 pence.
Britain could also import LNG from places such as Qatar, but again, prices will be much higher as demand from Asia is high, and forces prices up. LNG would cost around $15.5 per million Btu, equivalent to 155 pence per therm.


Therefore it can be seen that there are many energy security issues in the European Union, and therefore both Russia and Turkey are of high strategic importance for the European energy security, but they are even more important when it comes to Central and Eastern Europe. Russia is very important because of her huge oil and natural gas reserves, and Turkey is very important because of her geographical location, which is the only way to connect the Middle East and the Caspian Sea to Europe with a pipeline network, in order to avoid the sea and reduce European dependence on Russia. When natural gas is sent in liquefied form (LNG) by ships it costs a lot more than natural gas supplied by pipeline networks.

The above situation increases the rivalry between Russia and Turkey, two countries which have been competing for regional hegemony during the last centuries, from the times of the Ottoman Empire and the Russian Empire. Today their rivalry manifests itself mostly in two regions. The first one is the region of Central Asia and the Caspian Sea. Russia and Turkey are competing for influence over Azerbaijan, Georgia, Armenia, Kazakhstan, Turkmenistan, and Uzbekistan, which are all ex-members of the Soviet Union, and they are all very important for what is called the Southern Energy Corridor, which is promoted by the EU, the US and Turkey. The Southern Energy Corridor means a lot more competition in Europe for the Russian oil and natural gas.

Turkmenistan is very rich in natural gas reserves, Kazakhstan is very rich in oil reserves, and Azerbaijan has some descent reserves of both oil and natural gas. Turkey wants to use the oil and natural gas of these countries, together with the reserves of Northern Iraq (Iraqi Kurdistan) and Iran, in order to supply the Southern Energy Corridor. Russia wants to prevent Turkey from sending this oil and natural gas to Europe. Turkey’s plans are supported by the EU and the US, and Russia’s plans are supported by many corrupt European politicians who are under Russian influence.
As you can see on the map, Azerbaijan is very important for the Southern Energy Corridor, and is backed by Turkey. In the past Azerbaijan had many military clashes with Armenia, which is a Russian satellite. The Southern Energy corridor is also the main cause of the military confrontations between Russia and Georgia. Azerbaijan and Georgia are two ex-members of the Soviet Union, and they both wish to join NATO. If the two countries were not afraid of Russian retaliations they would have already joined NATO. Azerbaijan is the first ex-member of the Soviet Union which dared to sell its natural gas to Europe without using Gazprom’s pipeline networks.

With red at the following map you can see the alliance between Turkey, Azerbaijan and Georgia, and with blue the alliance between Russia, Armenia and Iran. Russia and Turkey are also fighting diplomatic wars at the other side of the Caspian Sea, for the influence of the rich in natural gas Turkmenistan, and for the rich in oil Kazakhstan.

Picture 12
As you can see at the above map, due to geographical factors, Turkey cannot support Kazakhstan and Turkmenistan as much as she can support Georgia and Azerbaijan. Both Turkmenistan and Kazakhstan have a motive to cooperate with Turkey, in order to send their natural gas and oil to Europe, reducing their dependence on China, which is currently their main customer, but also reducing their dependence on Russia.

However they have to be very careful when hurting Russia’s economic interests, because in the past the Russian President Vladimir Putin has openly threatened them in numerous occasions. In the past Russia did not hesitate to attack Georgia, in order to increase her military presence in South Ossetia and Abhazia, which you can see at the following map. Therefore Turkmenistan and Kazakhstan cannot rule out the possibility of a Russian military intervention in their territories.

Picture 13

On top of their indirect clash in the Azerbaijani-Armenian wars, in the past Turkey has helped the Chechen separatists in Russia, and Russia has helped the Kurdish separatists in Eastern Turkey (see red regions in the following map).

Picture 14
The Southern Energy Corridor is the reason there is so much tension in the Caucasus area, which you can see at the following map.

On top of the Armenia-Azerbaijani wars and the Chechen-Kurdish issue, Russia and Turkey are fighting in Syria and Iraq. Russia and Iran are supporting the Syrian dictator Bashar al-Assad, and Turkey, Qatar, Saudi Arabia and the UAE are supporting the Syrian rebels. Assad, the Syrian dictator, did not agree to the construction of the Qatar-Turkey pipeline, which would have to pass through Syria, while he agreed to the Iran-Iraq-Syria pipeline, which would have been constructed and managed by Gazprom, and which would bypass Turkey. For more information see “USA, Russia & China in the Middle East: Alliances & Conflicts”.

For the Qatar-Turkey and the Iran-Iraq-Syria pipeline see the green and red lines at the following map. Both pipelines would be mainly supplied by the South Pars/North Fields, which is the largest natural gas field in the world. It is located in the Persian Gulf and it is jointly owned by Qatar and Iran.
Moreover Russia and Turkey are facing each other in Eastern Mediterranean Sea, with Russia standing next to Israel and Cyprus. Israel and Cyprus have found natural gas reserves in their waters. Leviathan and Tamar are the two largest Israeli gas fields, and Aphrodite is the largest Cypriot gas field (see following map).

Picture 17
For a very good article about the Israeli and Cypriot gas fields and the disputes between Israel, Cyprus and Turkey, with an exact map, see Foreign Affairs’ “Trouble in the Eastern Mediterranean Sea-The Coming Dash for Gas”, March 2013.


Syria, a very loyal supporter of Iran and Russia, also found off-shore natural gas fields, and gave Russia the exclusive right to exploit these gas fields, as you can read at the following Financial Times article, titled “Russia tightens links to Bashar al-Assad with Syria energy deal”, December 2013:

2nd and 3rd Paragraphs

The state-controlled Russian group Soyuzneftegaz and the Syrian regime this week signed a deal that allows for the exploration and drilling, development and production of oil and gas in a 2,190 sq km area off Syria’s coast, the first-such deal for the country.

It might be years before the deal is implemented, analysts said. But the concession, which is to span 25 years, further solidifies Moscow’s ties to Damascus ahead of a highly anticipated January conference in Switzerland in which the future of Syria may be negotiated.

7th Paragraphs
With much of Syria’s other oil reserves in the largely Sunni Muslim east and northeast of the country and currently under the control of rebel factions, the deal dangles the prospect of a potential source of revenue for President Bashar al-Assad’s Alawite co-religionists, which dominate the regime. It also gives Russia a stake in the scramble for Mediterranean energy reserves that already includes Israel, Lebanon, Turkey and Cyprus and other countries.

http://www.ft.com/intl/cms/s/0/9e8040e0-6e3f-11e3-8dff-00144feabdc0.html

For the agreement on the Iran-Iraq-Syria pipeline between Russia, Iran, Iraq and Syria you can read the following CNBC article, titled “How Vladimir Putin and Russia Hope to Win Big in Syria”, February 2013.

8th, 9th Paragraphs

“What Russia lost through the anti-Al-Assad alliance was the possibility to control the natural gas market across Europe and the means to shape events on the continent. In July 2011, Iran, Iraq, and Syria agreed to build a gas pipeline from the South Pars gas field in Iran to Lebanon and across the Mediterranean to Europe. The pipeline that would have been managed by Gazprom would have carried 110 million cubic meters of gas. About a quarter of the gas would be consumed by the transit countries, leaving seventy or so million cubic meters to be sold to Europe”.

Violence in Iraq and the Syrian civil war has ended any hope that the pipeline will be built, but not all hope is lost.

http://www.cnbc.com/id/100496808#

Israel also gave Gazprom the exclusive right to purchase the natural gas of Tamar, which is Israel’s second largest gas field, as you can read at the following article of Sputnik News, a state owned Russian news agency, titled “Gazprom Signs 20-Year LNG Purchase Deal with Israel, February 2013.

1st Paragraph

A subsidiary of Russian energy giant Gazprom has signed a 20-year deal with Levant LNG Marketing Corp. to exclusively purchase liquefied natural gas (LNG) from Israel’s Tamar offshore gas field in the Mediterranean, Gazprom said on Tuesday.

http://sputniknews.com/business/20130226/179690676.html

Moreover Russia and Cyprus are traditional allies, and Russia gave Cyprus a 3.5 billion dollar loan, which is a huge amount for the tiny Cypriot economy, guaranteeing Russia a major role in the Cypriot energy sector, as you can read at the following Commentator article, titled “Russia’s new Middle East energy game”.

6th and 7th Paragraphs

Discovered in 2009, the Tamar and Dalit offshore fields hold around nine trillion cubic feet (tcf) of gas. Due to come online in 2017, the Tamar LNG Project is expected to produce a cool three million metric tons of LNG annually. A multi-billion dollar floating LNG terminal is to be built
near Cyprus to handle the conversion to LNG. And that will also bring into play gas piped from
the island’s own Aphrodite field – another seven tcf.

That Moscow is in this for the long haul with its Israeli-Cypriot partners is plain enough. Moscow has already advanced a $3.5 billion loan and attempted to gain more leverage over Cyprus' economic and energy assets during the recent bitter negotiations in the banking crisis.

http://www.thecommentator.com/article/3048/russia_s_new_middle_east_energy_game

Therefore Russia became an important player in the natural gas sectors of Israel and Cyprus, two countries that have the potential of sending natural gas to Europe through Greece, bypassing Turkey. Please not that the Israeli natural gas is not completely controlled by Russia. It is an American energy company, namely Noble Energy, which is the main player in the Israeli gas fields.

Picture 18

I must also say a few more words about the relations between Russia and Israel. The radical Islamists that are supported by Turkey and Qatar are for Russia and Israel a common enemy, something which further strengthen the cooperation between the two countries. The two countries also have a motive to help the PKK, the Kurdish organization of Kurdish separatists in Turkey. See the following map.

Picture 19
Actually it is easier for Israel than Russia to support the Kurds of the PKK, because Russia has a very close cooperation with Turkey in the energy sector, while the diplomatic relations between Turkey and Israel have completely collapsed. And Israel does indeed support the PKK, as you can read at the following article of the Turkish newspaper Today’s Zaman, titled “Israeli Herons give intelligence to PKK, intelligence officers say”, January 2012. The Turks claim that the Israelis supplied the Kurds of Turkey with the Herons unmanned aerial vehicles, in order for the Kurds to spy on Turkey. I do not know if it is true but it definitely sounds possible.

1st and 2nd Paragraph

According to reports by Turkish intelligence agencies, Heron unmanned aerial vehicles (UAVs) operated by Israel that have been observed in Hatay and Adana provinces in recent months spied for the terrorist Kurdistan Worker's Party (PKK).

Turkish intelligence agencies prepared a report after the detection of two israeli herons in Hatay and Adana roughly two months ago, claiming that the Herons are collecting intelligence on Turkish military units in order to aid PKK operations in those regions.


Moreover, as you can read at the following Haaretz article, which is Israel’s oldest newspaper, titled “Netanyahu's office distances itself from Lieberman's planned measures against Turkey”, September 2011, Avidgor Lieberman, the ex Foreign Minister of Israel, said that Israel should support the PKK and Armenia in order to retaliate for Turkey’s support to Hamas in Gaza.
Lieberman is a Russian Jew, who served in the Soviet Army and he has excellent relations with Russian officials. Lieberman’s party formed a coalition government with Netanyahu’s party in the previous elections, and Lieberman was Israel Foreign Minister when he said that. Lieberman’s party is mainly supported by the Israelis of Russian origin, who compromise 20% of Israel’s Jewish population.

1st and 2nd Paragraphs

*Israeli Prime Minister Benjamin Netanyahu's office released on Friday a statement regarding Foreign Minister Avidgor Lieberman's "plan" to take retaliatory steps against Turkey.*

*According to a report in Yedioth Ahronoth, Lieberman assembled a team in charge of retaliating against Turkey. According to the report, the team recommended to Lieberman that Israel should cooperate with the terrorist organization PKK (Kurdistan Workers' Party) and even consider supplying it with weapons. Another suggestion was to offer assistance to the Armenians and file UN reports against Turkey for violating human rights of Turkey's minorities.*


I believe Lieberman’s statements were very strange, and I can only assume that he made them in order to increase his popularity in Russia, and his popularity among the Israelis of Russian origin. As you can read at the following Haaretz article, titled “After Turkey, PKK now also demanding apology from Israel”, September 2011, even the Prime Minister Netanyahu distanced himself from Lieberman, and even the PKK criticized Israel, and asked from Israel to apologize for its role in Ocalan’s arrest in 1999. Ocalan is the PKK leader and he is still held in a Turkish prison. In 1999, when Ocalan was arrested, Israel and Turkey were very close allies.

1st Paragraph

*The leader of the outlawed Kurdistan Workers’ Party has demanded that Israel apologize for its part in the capture of the PKK’s imprisoned leader Abdullah Öcalan in 1999 after a report that Israel was planning to use the PKK against Turkey, the Turkish newspaper Today's Zaman reported on Monday.*


It is very normal for Israel to help the PKK, in order to retaliate for Turkey’s support to Hamas, but it is not normal for the Israeli Foreign Minister to say that openly. The only explanation is that Lieberman said that because it was convenient for his personal agenda.

However even though Israel can help the PKK in order to retaliate for Turkey’s support to Hamas, Israel could not support the PKK to a point that would endanger the Southern Energy Corridor, because that would make Israel and enemy of the United States and the EU. And even though Israel follows a more independent foreign policy than it did in the past, its survival still depends on the US. It is true that the Americans badly need Turkey and Iran for the Southern Energy Corridor, and they have in Qatar their largest military bases in the Middle East. And it is true that Turkey, Iran and Qatar are Israel’s three most dangerous enemies.
But that does not mean that the US has stopped believing in Israel’s survival. If Israel falls, the Americans will have to cooperate only with the corrupt socialist and religious regimes of the Middle East. The Americans know very well that they will never find an ally like Israel in the Middle East if Israel falls. As you can read at the following New York Times article, titled “Sale of U.S. Arms Fuels the Wars of Arab States”, April 2015, the Israelis have survived all these years because the Americans made sure that they had a technological advantage in military terms in the region. The article also says that due to the improvement in the relations between the Israelis and the Arabs, since they all perceive Iran as a common enemy, the Americans can allow the Arabs to buy more technologically advanced weapons.

In the 11th paragraph the article says that the Arabs want to buy the F-35, which is the most advanced American aircraft, but the Americans are hesitating to sell it to them because they worry about Israel’s survival.

4th Paragraph

*The United States has long put restrictions on the types of weapons that American defense firms can sell to Arab nations, meant to ensure that Israel keeps a military advantage against its traditional adversaries in the region. But because Israel and the Arab states are now in a de facto alliance against Iran, the Obama administration has been far more willing to allow the sale of advanced weapons in the Persian Gulf, with few public objections from Israel.*

8th and 9th Paragraph

*Saudi Arabia spent more than $80 billion on weaponry last year — the most ever, and more than either France or Britain — and has become the world’s fourth-largest defense market, according to figures released last week by the Stockholm International Peace Research Institute, which tracks global military spending. The Emirates spent nearly $23 billion last year, more than three times what they spent in 2006.*

*Qatar, another gulf country with bulging coffers and a desire to assert its influence around the Middle East, is on a shopping spree. Last year, Qatar signed an $11 billion deal with the Pentagon to purchase Apache attack helicopters and Patriot and Javelin air-defense systems. Now the tiny nation is hoping to make a large purchase of Boeing F-15 fighters to replace its aging fleet of French Mirage jets. Qatari officials are expected to present the Obama administration with a wish list of advanced weapons before they come to Washington next month for meetings with other gulf nations.*

11th and 12th Paragraph

*American intelligence agencies believe that the proxy wars in the Middle East could last for years, which will make countries in the region even more eager for the F-35 fighter jet, considered to be the jewel of America’s future arsenal of weapons. The plane, the world’s most expensive weapons project, has stealth capabilities and has been marketed heavily to European and Asian allies. It has not yet been peddled to Arab allies because of concerns about preserving Israel’s military edge.*

*But with the balance of power in the Middle East in flux, several defense analysts said that could change. Russia is a major arms supplier to Iran, and a decision by President Vladimir V. Putin*
to sell an advanced air defense system to Iran could increase demand for the F-35, which is likely to have the ability to penetrate Russian-made defenses.

17th Paragraph

Congress enacted a law in 2008 requiring that arms sales allow Israel to maintain a “qualitative military edge” in the region. All sales to the Middle East are evaluated based on how they will affect Israeli military superiority. But the Obama administration has also viewed improving the militaries of select Arab nations — those that see Iran as a threat in the region — as critical to Israeli security.


At the following Business Insider article, titled “Biden says the US 'has Israel’s back' as he promises to deliver new F-35 fighter jets”, April 2015, you can read that the Americans are thinking about allowing the sale of F-35 to both the Israelis and the Arabs, in order for both of them to feel more secure about the American-Iranian rapprochement. But they are thinking about selling the F-35 first to the Israelis, and three years later to the Arabs, actually to United Arab Emirates, in order for the Israelis to still have an advantage over their Arab neighbors. Please note that the Americans do not want to sell it to Saudi Arabia, and they prefer to sell it to the United Arab Emirates instead.

1st Paragraph

Seeking to ease U.S.-Israeli tensions, Vice President Joe Biden on Thursday promised Israel delivery of top-flight fighter jets next year to maintain its military edge and vowed that any final nuclear deal with Iran would ensure Israel’s security.

3rd and 4th Paragraph

Biden won applause from a pro-Israel audience when he told them the United States would begin delivery of Lockheed Martin’s new F-35 jets to its ally next year, making Israel the only country in the Middle East to have the new stealth warplane.

But he was met with silence when he reaffirmed U.S. support for a two-state solution to the Israeli-Palestinian conflict, an allusion to White House objections to Netanyahu’s comments last month casting doubt on his commitment to a Palestinian state.


Therefore the significant improvement in the Russian-Israeli relations should not be seen as more important than it is, because it is only the Americans who can keep the Israelis alive, and because Iran is for Russia a much more important country than Israel. If Iran decides to sell its natural gas and oil to Europe it will significantly hurt Russia’s economic interests. Therefore the
Israelis and the Russians can cooperate very well against their common enemy, which is the Islamists who are backed by Turkey and Qatar, but there is a limit to this cooperation because the Israelis need the Americans and the Russians need the Iranians.

As you can see at the following Wikipedia table Israel has a GDP (total income) of 300 billion dollars, and Saudi Arabia, the United Arab Emirates, Turkey and Iran have a total GDP of 2.4 trillion dollars. And that is without taking into account many other Arab and Muslim countries of the region. Therefore it is impossible for Israel to survive if the Americans do not make sure that the Israelis have a military technological advantage over the Arabs, the Persians and the Turks.

“List of countries by GDP (nominal)”


At the following table you can see the largest arms producing companies. You can see that most of them are American companies.

Picture 21
I mentioned the Kurdish PKK which operates in Eastern Turkey. There are many people who mistakenly believe that the US could use the PKK against Turkey, because of the problems that arose in the American-Turkish relations over Syria. However, they are very wrong because this would destabilize the region and endanger the Southern Energy Corridor and it would be the greatest gift to the Russians. It is only the Russians and the Israelis who have a motive to support the PKK, but the Russians cannot overdo it, because they are working with Turkey in the energy sector, and the Israelis cannot overdo it either, because they need the Americans. Only if Turkey decided to block the Southern Energy Corridor the Americans would have a motive to help the PKK against the Turks. But the Turks are promoting the Southern Energy Corridor with all their might.

In Gaza, where Turkey is fighting a proxy war with Israel through the Islamists of Hamas, the Russians have to be somewhat neutral, because Iran, a Russian ally, is also supporting Hamas. Therefore, Russia is definitely not supporting the Islamists of Hamas in Gaza, but she cannot go against Hamas either, because this would interrupt her relations with Iran, as you can read at the following Moscow Times article, titled “Despite His Sympathy, Putin Is Unable to Support Israel Against Hamas”, July 2014.

You can read in the article that even though there are 1 million Israelis of Russian origin living in Israel, and even though Putin is the first Russian president who has not cultivated anti-Semitism in Russia, Russia cannot support Israel in its fight against Hamas, because for many years Iran has been supplying Hamas with arms. The article also mentions that Putin was the first Russian president to visit Israel, and that Russia does not consider Hamas to be a terrorist organization, as many other countries do, and that the leader of Hamas visited Russia in 2010.
More than 1 million Russian and Soviet immigrants live in Israel today, forming a powerful political lobby. Unlike many former Russian leaders, Putin has not exhibited any signs of anti-Semitism during his time in office. On the contrary, he was the first Russian head of state to visit the country, and has demonstrated strong interest in Israel's culture and its connections with Russia.

According to Satanovsky, Putin represents a new approach to the Jews.

"He is not a hostage to myths, and anti-Semitism does not interest him. He visited Auschwitz despite strong opposition from many political forces in Russia," he said.

However, leaders of Hamas, considered a terrorist organization by most Western states, visited Moscow in 2006 after a personal invitation from Putin. Putin did not meet with its leaders at the time, but President Dmitry Medvedev met with Hamas's political leader Khaled Mashal in Syria in 2010.

Mashal was scheduled to pay another visit to Moscow this summer, but the trip was postponed due to the armed conflict in Israel, according to Yelena Suponina, head of the Asia and Middle East Center at the Russian Institute of Strategic Studies.

According to Suponina, Russia has been trying hard to refrain from embracing one side of the conflict in order to boost its influence in world affairs, given that it has much less resources at its disposal than the U.S.

To straddle the interests of different powers, Putin also has to avoid upsetting Iran, analysts agreed.

Iran has been supplying Hamas with armaments and financial aid for years. Following the Monday cease-fire attempt, the Iranian-backed Hezbollah organization has already been sending more missiles to rearm Hamas in the Gaza strip, news website Wnd.com reported on Tuesday.

Russia has been opposing the imposition of U.S. sanctions against Iran over the country's nuclear program. Iran is also one of the key supporters of the Syrian President Bashar Assad, who is also backed by Putin.

However I must say that in 2010 both Qatar and Iran were trying to gain influence over Hamas, Iran by supplying arms and military support, and Qatar by supplying money. It was Qatar which finally gained most influence over Hamas, with Turkey supplying military support to Hamas. Hamas aligned itself with Turkey, Qatar in the Syrian war, and that interrupted relations between Iran and Hamas, without however totally alienating the two parties. After all it is both Qatar and Iran, together with Turkey, who want to attack Israel from the Gaza strip, and they therefore have a motive to cooperate in Gaza.
Also note that if Israel tries to send its natural gas to Europe through the East Med Pipeline, Russia would have a motive to align herself with Turkey, Qatar and Iran in Gaza, since the Israeli gas would also hurt Gazprom in Europe. It is true of course that the Israeli gas reserves are nothing compared to the Russian ones. However Russia could help Israel to sell its natural gas to Africa and Asia. Anyway, the general rule is that the Sunni Arab Islamists are a common enemy for Russia and Israel. Russia is also facing the threat of radical Islam in the countries of Central Asia but also from the Chechen separatists within Russia. Russia’s rivals in the oil and natural gas markets can use these radical Islamist groups against Russia.

I must also mention an article by the British Telegraph, titled “Iran ’is intensifying efforts to support Hamas in Gaza”, April 2015, which mentions that Iran is once again sending millions of dollars to Hamas, in order to help the organization rebuild the tunnels that the Israelis destroyed during the Gaza war of 2014. In the 3rd paragraph you can read that the two old allies, Iran and Hamas, are leaving behind the differences that arose between them during the war in Syria. That’s very bad news for Israel of course, because Iran controls Hezbollah, the terrorist Lebanese organization that attacks Israel from the north.

1st, 2nd, 3rd, 4th, 5th and 6th Paragraphs

*Iran has sent Hamas’s military wing tens of millions of dollars to help it rebuild the network of tunnels in Gaza destroyed by Israel’s invasion last summer, intelligence sources have told The Sunday Telegraph.*

*It is also funding new missile supplies to replenish stocks used to bombard residential neighbourhoods in Israel during the war, code-named Operation Protective Edge by Israel.*

*The renewed funding is a sign that the two old allies are putting behind them a rift caused by the conflict in Syria, where Shia Iran is backing President Bashar al-Assad against Hamas’s mainly Sunni allies.*

*Iran has sponsored Hamas’s military operations for years, despite the contradiction that Hamas is part of the worldwide, Sunni-supremacist Muslim Brotherhood, while Iran is Shia.*

*Hamas’s leader, Khaled Meshaal, who left Damascus for Qatar after falling out with the Assad regime, has often fought with Hamas’s military wing over the strength of the Iranian connection.*

*However, with the Sunni Arab world joining forces against Iran, led by Saudi Arabia and President Abdelfattah el-Sisi of Egypt, who are both hostile to Hamas, the Palestinian militant group has been left little option but to accept the Iranian largesse.*


The above is a summary about how Israel, Turkey and Russia interact in Gaza and the Middle East. Therefore, with her alliance with Syria, Iran, Cyprus and Israel against Turkey in the East Mediterranean Sea, Russia had agreed to construct and manage the Iran-Iraq-Syria pipeline, and she had also been involved in the off-shore natural gas fields of Syria, Israel and Cyprus (see following map).
The Iran-Iraq-Syria and East Med Pipelines not only bypass Turkey as the absolute energy hub between Europe and the Middle East, but they are also direct competition for the Baku-Ceyhan pipeline, which exits in the Mediterranean Sea at the Turkish port of Ceyhan, as you can see at the following map (purple line).
However it is not mainly for economic reasons that Russia decided to play a role in the Iran-Iraq-Syria and East Med pipelines. Russia has huge oil and natural gas reserves, and her main concern is how to promote her own reserves, and not how to promote the Iranian, Israeli and Cypriot ones. Russia wants to control the reserves of East Mediterranean in order to prevent others from taking control of them. A war in the region is not a bad scenario for Russia, because it will push oil and natural gas prices upwards, but it will also prevent the region from being connected to Europe. Therefore it is very important to remember that Russia is not there because she is interested in the natural gas of East Mediterranean Sea, since Russia has 48 trillion cubic meters of natural gas. Russia is there to prevent others from sending this natural gas to Europe.

Moreover by her involvement in the Iran-Iraq-Syria and the East Med pipelines Russia is making life for Turkey much harder, paying her back for promoting the Southern Energy Corridor, which hurts Russia’s interests in Europe. With her presence in the East Mediterranean Sea Russia is putting pressure on Turkey in order to choose the Russian natural gas over the Azerbaijani and Turkmen ones. Additionally if the pipelines of the East Mediterranean ever come to life, Russia will be a major player and will control prices. Russia could also use these networks to supply South European countries in case of a crisis in her relations with Ukraine and Turkey, as you can see at the following map.

Picture 24

As you can see on the above map, in order to supply Southern Europe, Russia needs either Ukraine or Turkey. Without these two countries the Russian natural gas cannot reach Southern Europe and the Balkans. The natural gas of Eastern Mediterranean could be an alternative for Russia in order to honour her contracts with Southern European countries (yellow line).
Moreover the Russian presence in East Mediterranean Sea is a threat for Turkey. That is if Turkey ever thinks about blocking the Russian natural gas. However the truth is that neither Turkey nor Russia want the natural gas of the East Mediterranean Sea to reach Europe, because it would bypass Turkey as an energy hub, and it would compete with the Russian natural gas and oil in Europe.

Finally, with her presence in the East Mediterranean Sea, Russia is putting pressure on Qatar, which is Russia’s most important rival in the natural gas markets. Russia is the largest exporter of natural gas in the world, and Qatar is the second largest. Actually if only liquefied natural gas (LNG) is taken into account, Qatar is the largest exporter in the world, because Russia mainly exports through pipelines. As you can see at the following map, Russia can use the natural gas of East Mediterranean Sea to reach South Asia, which is the market that Qatar is mainly selling at. If Qatar threatens Russia’s interests in Europe, Russia could retaliate by hurting Qatar’s interest in South Asia.

Picture 25

It is true of course that due to geographical factors, Qatar will always have an advantage over Russia in the markets of South Asia, in the same way that Russia will always have an advantage over Qatar in the European markets. However it is important to remember that Russia is not there for the natural gas of the region. Russia is there to prevent others from sending this gas to Europe, and maybe to send this gas to Africa and South Asia, since the Russian natural gas does not reach Africa and South Asia.

Russia and Turkey are also facing each other in Egypt and Libya. Qatar and Turkey backed the Muslim Brotherhood’s candidate in Egypt, Mohamed Morsi, who won the elections in 2012. With Morsi in power Egypt wouldn’t do anything to harm the Qatari and Turkish interests, because the Muslim Brotherhood is mainly funded and supported by Qatar and Turkey. But the Egyptian General al-Sisi, with the help of Saudi Arabia and United Arab Emirates, overturned Mohamed Morsi and came to power. With Sisi the Egyptian-Turkish relations collapsed, and the Egyptian-Russian relations flourished.

However Turkey and Qatar did not give up, and together with Sudan, they have formed an Islamist army in East Libya, which attacks Egypt and tries to overturn General Sisi. This army in
East Libya is also supported by Iran. Iran prefers the Muslim Brotherhood than General Sisi, because the Muslim Brotherhood is currently an enemy of Saudi Arabia, and Saudi Arabia is Iran’s main rival. Saudi Arabia and Iran are two of the richest countries in the world in terms of oil reserves. For Saudi Arabia and Iran also see “The 21st Century War for Iran’s Oil”.

Turkey and Qatar also attack Egypt from the Sinai Peninsula in East Egypt, because Qatar and Turkey control Hamas, which is the Muslim Brotherhood affiliate that runs Gaza (see the following map).

Picture 26

Picture 27
A final, but minor difference between Russia and Turkey is the issue of the Crimean Tatars. During the Ukraine crisis of 2014 Russia annexed the Crimean Peninsula. This affects the Crimean Tatars, who are populations of Turkic origin. There are over 200 thousands Tatars in Crimea, accounting for 12% of the Crimean population. However the Tatars are not that useful for Turkey, and therefore Turkey would not want to open a new front with Russia over the issue of the Tatars.

Turkey cannot seriously hope to gain control of the Crimean Peninsula because of the Tatars, or they cannot seriously hope to prevent Russia from selling natural gas to Europe by using the Tatars. Therefore for the moment the Tatars are more of an ace in Turkey’s sleeve than a major difference between Turkey and Russia. For Crimea see the following map.
However if at some point Turkey wishes to further isolate Russia from the international community, she could easily bring up the issue of the Crimean Tatars. At the following article of Hurriyet, a major Turkish newspaper, titled “Crimean Tatars and the Russian annexation of Crimea”, February 2015, you can read that the Crimean Tatars condemned Russia’s annexation of Crimea, and they are complaining that Turkey does not care for them as much as she cares for the Palestinians and the Syrians. The Tatars also expect Turkey to join the other Western countries on imposing economic sanctions on Russia, something that Turkey has not done so far.

2nd and 3rd Paragraphs

Shortly after the Euromaidan Revolution and former Ukrainian President Viktor Yanukovych’s ousting from power, Moscow organized a coup in Crimea on Feb. 27, 2014, installing a new local government in Simferopol and declaring a referendum on Crimea’s political future. The Crimean Tatar national assembly, the Qurultay, and its representative-executive body, the Meclis, categorically condemned the Russian annexation and boycotted the referendum.

Russian President Vladimir Putin promised rehabilitation for the Crimean Tatars, but they currently face risks to their security. Almost 20 Tatar men have been abducted or found dead since Crimea’s annexation.

7th, 8th, 9th and 10th Paragraphs

The Crimean crisis of 2014 created a foreign policy dilemma for Turkey, as Turkey grappled with balancing its NATO allegiance and loyalty to Crimean Tatar kin with its growing economic relations and strategic partnership with Russia. Thus, Turkey’s reaction to the Russian annexation of Crimea and support of the Crimean Tatars was subdued. Today, the Crimean Tatar diaspora, together with Turkish nationalists, protest that Turkey is paying less attention to the Crimean Tatars than to other human rights crises, such as those experienced by Palestinians and Syrians.
The Crimean Tatar diaspora demands that Turkey join the bandwagon of states that have applied economic sanctions to Russia. However, Turkey continues to engage with an increasingly isolated Russia, and hopes to use this leverage to demand improvements in the situation of the Crimean Tatars.

Because of interdependence between the two countries, Moscow is courting Ankara by making promises such as the “rehabilitation of the Crimean Tatars,” which seem inconsistent with other acts of the regime that are clearly detrimental to the Tatars’ well-being. Moreover, Russia would benefit from Turkish economic investments in Crimea. However, the Turkish-Russian rapprochement has limits. After all, although Turkish President Recep Tayyip Erdoğan tried, he could not prevent Crimean Tatar leader Mustafa Cemilev’s ban from Crimea. Sooner than we think, Turkey might need to downgrade its relations with Russia and conform to the EU policy of containing Russia.

While many realists bash the United States and the European Union for promoting democracy and enlarging NATO and the EU into the “sphere of influence” of Russia, the truth is that both the U.S. and EU neglected Ukraine and did not provide adequate financial and political resources for its transition to democracy. The U.S. and the EU have the responsibility to ensure the well-being of Ukraine and the Crimean Tatars. They cannot afford to forget Crimea.

The Crimean Tatars are right when they say that Turkey does not care for them as much as she cares for the Syrians and the Palestinians, because for Turkey Crimea is not as important as Gaza, Syria and Egypt. Another very good article about Turkey and the Crimean Tatars is the Canadian Broadcasting Corporation’s “Ukraine crisis: Why Turkey is silent as NATO operations ramp up” May 2014. In the article you can read that even though Turkey is a prominent NATO member, she has been quite on the issue of the Ukrainian crisis and the annexation of Crimea by Russia, because of the strong partnership between Russia and Turkey on the natural gas sector.

The violence prompted the ever-vigilant U.S. Secretary of State John Kerry to call the troops to arms, saying these events are a "wake-up call" to NATO allies — because the West believes Russia is fomenting the unrest and stirring up the rebels in Ukraine.

But one ally is curiously keeping its distance — Turkey, a NATO member state since 1952 and Russia's neighbour across the Black Sea with the potential to wield much influence with Moscow. In fact, Turkey recently agreed to increase its energy supply from Russia, while other countries are talking about scaling back.

To be fair, Turkey has echoed the prevailing Western sentiment, calling for a diplomatic solution to the crisis and for Ukraine's territorial integrity to be respected — but that was before the Crimean referendum, which directly impacted the Tatar minority (ethnically related to the Turks).
The indigenous Tatars, which make up 12 per cent of the population in Crimea, have a history of strained relations with ethnic Russians in the region. They were expelled from Crimea by Joseph Stalin after the Second World War and only began to return in the 1980s.

They fiercely opposed the annexation of Crimea, fearing a return of Russian rule. The Tatars boycotted the referendum, which ultimately resulted in the Crimean peninsula being parcelled off to Moscow.

Since then, Turkey has kept tight-lipped, largely due to domestic reasons, according to experts.

We’ve seen the Turkish government be very quiet on this because Russia’s a very important trade partner,” said Bessma Momani, an associate professor at the Balsillie School of International Affairs at the University of Waterloo in Ontario.

Russia is Turkey's main import source —about $26 billion worth in 2012, with natural gas alone accounting for about $12 billion of the total. Russia also supplies nearly 60 per cent of Turkey's energy demand. Last week, Turkey agreed to bring in more Russian gas through its Blue Stream pipeline, which enters via the Black Sea.


At the following Guardian article, titled “Crimea's independent Tatar TV news channel silenced by 'red tape’, April 2015, you can read that Russia closed down the only Tatar channel of Crimea, which is also the only Tatar channel in the world. It is well known that Putin does not like news agencies that criticize his regime.

http://www.theguardian.com/world/2015/apr/01/crimeas-independent-tatar-tv-news-channel-silenced-by-red-tape

The above are the main conflicts between Russia and Turkey. Russia is opposing the Southern Energy Corridor which is backed by Turkey, and Turkey is opposing the Iran-Iraq-Syria and the East Med pipelines which are backed by Russia. Therefore the Russian-Turkish confrontations can be split in two major categories. The first one has to do with the Southern Energy Corridor i.e. the conflict between Armenia and Azerbaijan, the conflict between Russia and Georgia, the Russian support for the Kurdish separatists and the Turkish support for the Chechen separatists,
and the diplomatic wars between Russia and Turkey for influence over Turkmenistan and Kazakhstan. The second one has to do with the natural gas of the Eastern Mediterranean Sea i.e. the conflicts in Syria, Iraq and Gaza in the Middle East, and the conflicts in Egypt and Libya in North Africa.

The above conflicts, together with the overlapping economic interests between Russia and Turkey, which I described in the introduction, are the geopolitical framework that must be used to examine the cancellation of the South Stream, and its replacement by the Turk Stream pipeline. However before examining the South and the Turk Stream pipelines, I would like to mention some very interesting articles for what I have said so far.

1) At the following Stratfor article, titled “Armenia and Azerbaijan Feel the Effects of the Ukraine Standoff”, January 2015, you can read that Russia has a very strong military presence in the Caucasus region. According to Stratfor, after defeating Georgia, Russia increased her military presence in the regions of South Ossetia and Abkhazia, and countered Georgia’s ambitions of joining NATO. Moreover with her alliance with Armenia, Russia forced Azerbaijan to follow a more balanced approach towards Russia and the West. The article also says that due to Azerbaijan’s increasing geostrategic importance, Azerbaijan managed to establish strong ties with Turkey, the US and the European Union, and is now a lot more confident than it used to be.

2nd Paragraph

Prior to the conflict in Ukraine, Russia was in a very strong position in the Caucasus region, which includes Armenia, Azerbaijan and Georgia. Russia’s defeat of Georgia in the August 2008 war countered Tbilisi’s efforts to join NATO, and Moscow expanded its military presence in the breakaway territories of Abkhazia and South Ossetia. Armenia, a longtime ally of Russia and the site of the Russian 102nd Military Base in Gyumri, had strengthened ties with Moscow in the security and economic spheres. Azerbaijan maintained a more independent and diversified foreign policy position because of its sizable energy resources and strategic location on the Caspian Sea. However, Russia’s military presence in the region and its alliance with Armenia effectively kept Baku in check, particularly since Russia is Armenia’s security guarantor in its ongoing conflict with Azerbaijan over the breakaway territory of Nagorno-Karabakh, which Azerbaijan lost in its 1988-1994 war with Armenia.

5th and 7th Paragraph

Azerbaijan’s new importance has increased its leverage over Russia, a development that could explain the shift in the Nagorno-Karabakh theater in the past year. Violence in the region has escalated since the Ukraine crisis broke out, including a sharp spike in cross-border casualties in August 2014 and the downing of an Armenian helicopter by Azerbaijani forces in November. This appears to be a product of a renewed assertiveness by Azerbaijan, which may no longer feel as threatened by an Armenian — and, by extension, Russian — reprisal as it once did. This could also explain why Armenia has so far been subdued and cautious in responding to acts such as the helicopter downing; Yerevan knows that Russia’s focus is still very concentrated on the Ukrainian theater.

That said, the uptick in violence does not mean that a return to full-scale military conflict between Azerbaijan and Armenia is looming. Russia still retains its military presence in
Armenia, and Azerbaijan knows it cannot win a direct military confrontation with Russia, even considering Moscow's current political and economic constraints. Instead, Baku has been testing the waters with a more limited engagement along the line of contact and with diplomatic maneuvering with key players like the European Union, the United States and Turkey. This strategy demonstrates Azerbaijan's leverage to all parties involved and shows its ability to avoid making a commitment to any single country in what is still a very dynamic environment.

https://www.stratfor.com/analysis/armenia-and-azerbaijan-feel-effects-ukraine-standoff

2) At the following Bloomberg article, titled “Ukraine Clash Shows Azeris Who’s Boss as Russia Ties Bind”, November 2014, you can read that the Russian intervention in Ukraine, which is the largest diamond of the former Soviet Union, sent the other former Soviet members a clear message about who is the boss. The article means that the US and the EU did not support Ukraine as much as one would have expected.

3rd and 4th Paragraphs

The nation, which provides the only westward route for central Asian oil bypassing Russia, has grown alarmed that Ukraine was left to fend for itself as President Vladimir Putin had his way in Europe’s biggest crisis since the Iron Curtain fell 25 years ago. That was a “very bad” signal, according to Elnur Soltanov, head of the Caspian Center for Energy and Environment, a research group focused on foreign policy in Baku.

“It told everybody who is the real boss in the region, who is the real hegemon,” he said. “Ukraine is the biggest jewel among the post-Soviet states and if Russia comes in broad daylight and occupies Ukraine and the Western world shows this limited reaction -- it tells us that if something goes wrong with Russia, we shouldn’t trust anybody to come and save us.


3) At the following Reuters article, titled “Turkmenistan inks deal with Turkey to supply gas to TANAP pipeline”, November 2014, you can read that Turkey wants TANAP to carry 16 billion cubic meters of natural gas per year, at the first stage, this number to increase to 23 billion by 2023, and finally to 31 billion by 2026.

1st and 2nd Paragraph

Turkmenistan has signed an outline deal with Turkey to supply gas to a new pipeline that could help Europe reduce its dependence on Russian gas imports.

The two countries struck a so-called framework agreement on Friday for Turkmenistan, which is keen to diversify exports of its gas to world markets, to supply gas to the proposed Trans-Anatolian natural gas pipeline project (TANAP).

4th, 5th, 6th, 7th, 8th, 9th and 10th Paragraph

Erdogan and his Turkmen counterpart Kurbanguly Berdymukhamedov oversaw the signing of the agreement between Turkmen state gas company Turkmengas and private Turkish firm Atagas for the purchase and sale of Turkmen gas for TANAP.
The two sides did not disclose the terms of the agreement.

TANAP envisages carrying 16 billion cubic metres (bcm) of gas a year from Azerbaijan's Shah Deniz II field in the Caspian Sea, one of the world's largest gas fields, which is being developed by a BP-led consortium. TANAP's capacity is set to rise to 23 bcm by 2023 and to 31 bcm by 2026.

TANAP will be built from the Turkish-Georgian border to Turkey's frontier with Bulgaria and Greece. Its construction is expected to be completed by the end of 2018 in order to start deliveries of gas from Shah Deniz II in 2019. The preliminary cost of the pipeline has been estimated at $20 billion.

Turkmenistan, a Central Asian nation of 5.5 million, holds the world's fourth-largest reserves of natural gas. Since independence in 1991 the reclusive desert nation has sought to break its reliance on gas exports to former imperial master Russia.

Beijing supplanted Moscow as the main importer of the fuel after a China-bound pipeline was launched in 2009. Next-door Iran buys small volumes of Turkmen gas.

Watching with unease Turkmenistan's plans to sell its gas to Europe, Russia has voiced concerns that a would-be gas pipeline to be laid in the shallow Caspian could harm the fragile ecology of the sea. (Reporting by Marat Gurt; Writing by Dmitry Solovyov; Editing by Mark Potter)

http://www.reuters.com/article/2014/11/07/turkmenistan-turkey-tanap-idUSL6N0SX2QK20141107

The article also mentions Russia’s objections on the construction of the Trans-Caspian pipeline, which can connect Turkmenistan and Azerbaijan through the Caspian Sea. However if Azerbaijan, Iran and Turkmenistan were to agree, the Turkmen natural gas could reach TANAP through Iran, as you can see at the following map.

Picture 30

It is very difficult to say whether all these countries can work together. These countries have many differences, and many conflicting economic interests, but they also need each other
because currently none of them have production levels that can satisfy Europe, in order to provide an alternative to Gazprom.

Azerbaijan’s natural gas reserves are less than 2 trillion cubic meters. Turkmenistan has 10 trillion cubic meters of natural gas reserves, and satisfactory levels of production, but it sends most of its production to China. The Iraqi Kurdistan has another 3 trillion cubic meters of natural gas, but in the near future it will not be able to send to Turkey more than 10 billion cubic meters of natural gas per year. Finally Iran, which is the second richest country in natural gas reserves in the world, has very low levels of production, because its natural gas industry is underdeveloped due to many years of economic sanctions imposed on Iran by the West. Actually sometimes Iran has to import natural gas to cover the Iranian internal demand. In the oil industry Iran does much better.

4) It is also important to say that there is some confusion about the exact level of Azerbaijan’s natural gas reserves. They are somewhere between 1.25 and 2.50 trillion cubic meters. It is claimed that some of Azerbaijan’s natural gas reserves are not recoverable. According to the Azerbaijani government the country holds 2.6 trillion cubic meters of natural gas, as you can read at the following Azernews article, titled “Reserves allow Azerbaijan's gas industry to develop for over 100 years”, September 2013.

2nd Paragraph

*The Industry and Energy Ministry announced that currently the country's proven gas reserves are at the level of 2.6 trillion cubic meters, while the oil reserves amount to 2 billion tons.*


Azerbaijan’s reserves are very important because Azerbaijan is a NATO friendly country that is already cooperating with Turkey, and therefore it is the first supplier of the Southern Energy Corridor. However it is clear that the Azerbaijani natural gas is not a satisfactory alternative to the 48 trillion cubic meters of Russian natural gas. And that’s true even if the government of Azerbaijan is right, and if Azerbaijan indeed holds 2.6 trillion cubic meters of natural gas.

5) At the 1st, 2nd and 3rd paragraphs of the following Reuters article, titled “Turkey, Iraqi Kurdistan clinch major energy pipeline deals”, November 2013, you can read that Turkey has signed multibillion dollar agreements with the Iraqi Kurds, for the construction of oil and natural gas pipelines, which will export the oil and natural gas of Iraqi Kurdistan to Turkey and Europe.


Picture 31
6) At the following Hurriyet article, titled “Turkey, Iraqi Kurdistan agree on 50-year energy accord”, June 2014, you can read that Turkey and the Iraqi Kurds have signed a 50 year agreement for cooperation in the oil sector.

1st, 2nd, 3rd, 4th, 5th Paragraphs

Turkey and the Kurdistan Regional Government (KRG) have signed a 50-year deal to export Kurdish oil, the prime minister of the administration has announced amid the ongoing spat between Baghdad and Arbil.

“We have signed an energy deal with Turkey that comprises of 50 years and can be extendable if necessary,” Nechirvan Barzani said June 4 during a speech at the Kurdish Parliament in Arbil.

Relations between Arbil and Baghdad have been strained by disputes over the sale of northern Iraqi oil through Turkey.

The central government insists it has the sole right to export Iraqi crude and says contracts between Kurdish authorities and foreign energy firms without its expressed consent are illegal, statements Arbil rejects.

Hussein al-Shahristani, Iraq’s deputy prime minister for energy affairs, has threatened legal action against firms that purchase what he called “smuggled oil,” which Turkey started to export through its territory last week. Turkish Energy Minister Taner Yildiz dismissed claims that Ankara was trying to illegally profit from the exports.


7) At the following Reuters article, titled “Turkmenistan inks deal with Turkey to supply gas to TANAP pipeline”, November 2014, you can read about the agreement between Turkey and
Turkmenistan, according to which Turkmenistan will supply TANAP with some given quantities of natural gas for the next years.

2nd Paragraph

“The two countries struck a so-called framework agreement on Friday for Turkmenistan, which is keen to diversify exports of its gas to world markets, to supply gas to the proposed Trans-Anatolian natural gas pipeline project (TANAP).

5th Paragraph

Erdogan and his Turkmen counterpart Kurbanguly Berdymukhamedov oversaw the signing of the agreement between Turkmen state gas company Turkmengas and private Turkish firm Atagas for the purchase and sale of Turkmen gas for TANAP”

7th, 8th, 9th and 10th Paragraph

“TANAP envisages carrying 16 billion cubic metres (bcm) of gas a year from Azerbaijan's Shah Deniz II field in the Caspian Sea, one of the world's largest gas fields, which is being developed by a BP-led consortium. TANAP's capacity is set to rise to 23 bcm by 2023 and to 31 bcm by 2026.

However, to join the pipeline Turkmenistan will have to lay another pipeline across the Caspian Sea.

Asked how Turkmenistan could join the TANAP project, Atagas head Osman Saim Dinc told Reuters: "We are working on all alternative routes." He did not elaborate.

TANAP will be built from the Turkish-Georgian border to Turkey's frontier with Bulgaria and Greece. Its construction is expected to be completed by the end of 2018 in order to start deliveries of gas from Shah Deniz II in 2019. The preliminary cost of the pipeline has been estimated at $20 billion”

11th, 12th and 13th Paragraphs

“Turkmenistan, a Central Asian nation of 5.5 million, holds the world's fourth-largest reserves of natural gas. Since independence in 1991 the reclusive desert nation has sought to break its reliance on gas exports to former imperial master Russia.

Beijing supplanted Moscow as the main importer of the fuel after a China-bound pipeline was launched in 2009. Next-door Iran buys small volumes of Turkmen gas.

Watching with unease Turkmenistan's plans to sell its gas to Europe, Russia has voiced concerns that a would-be gas pipeline to be laid in the shallow Caspian could harm the fragile ecology of the sea. (Reporting by Marat Gurt; Writing by Dmitry Solovyov; Editing by Mark Potter)”

http://www.reuters.com/article/2014/11/07/turkmenistan-turkey-tanap-idUSL6N0SX2QK20141107
8) At the following Financial Times article, titled “Azerbaijan and Turkey ties bolstered by energy and political solidarity”, September 2014, you can read about the very good relations between Turkey and Azerbaijan, due to their cooperation in the oil and natural gas sectors.

http://www.ft.com/intl/cms/s/0/b11e1bec-10fa-11e4-b116-00144feabdc0.html

9) At the following article of the Turkish newspaper Today’s Zaman, titled “Turkey, Georgia to keep good relations under Margvelashvili presidency”, October 2013, you can read about the very good relations between Turkey and Georgia. According to the article the Baku-Tbilisi-Ceyhan (BTC) and the Baku-Tbilisi-Erzurum (BTE) pipelines are only two of the many economic partnerships between the two countries. The article also mentions Georgia’s strategic importance for Turkey, because Georgia can isolate Armenia, which is backed by Russia and Iran (see following map).


Picture 32

10) At the following CNN article, titled “2008 Georgia Russia Conflict Fast Facts”, March 2014, you can read about the last war between Russia and Georgia in 2008.


11) At the following Natural Gas Europe article, titled “In Search of New Partners: Putin’s Turkish Stream for Turkey”, February 2015, you can read that Turkey and Russia have been fighting for regional dominance for the last 500 years, but after 1984 the relations between the two countries improved because of their cooperation in the natural gas sector. However after the collapse of the Soviet Union the relations of the two countries deteriorated because Turkey was supporting the Chechen separatists in Russia, and Russia was supporting the Kurdish separatists in Eastern Turkey, but also because of their differences over Cyprus and Syria.
The article also says about the plan for the construction of the Blue Stream 2, which would transfer Russian natural gas to the Middle East and Africa through Turkey and Israel. This plan was abandoned after the collapse of the Turkish-Israeli relations. According to the article, despite the close cooperation between Russia and Turkey on the energy sector, the issue of the Nabucco and TANAP pipelines came up, which offered Turkey the opportunity to become an independent energy hub.


12) At the following Natural Gas article, titled “Southern Gas Corridor: The Dilemma of Azerbaijan Energy Policy”, February 2015, you can read that the shareholders of TANAP are SOCAR (68%), the state owned company of Azerbaijan, BOTAS (15%), a Turkish state owned company, TPAO (5%), another Turkish state owned company, and BP (12%), the British multinational. These are the shareholders of the TANAP project at the beginning of 2015. SOCAR is willing to sell some more shares and therefore the shares held by SOCAR might change in the future. I guess what SOCAR wants is to keep 51% of the shares.

5th, 6th and 7th Paragraphs

Turkey is more interested in natural gas of Iran and Turkmenistan for the TANAP project. Thus, the formation of cooperation with these countries in the energy field will help Turkey's gas import diversification policy. Therefore, the dispatch of Iranian gas via Trans Anatolian Natural Gas Pipeline (TANAP), which will be actualized with the collaboration between Turkey and Azerbaijan has gained strategic importance in Ankara's energy policies. Taner Yıldız, the Minister of Energy and Natural Resources of Turkey, stated that the Iranian gas will be an important supply source for Europe (The TEPAV - BP Energy Forum, February 26, 2014). Such a development is expected to be up to the completion of the TANAP project in 2018, if the sanctions against Iran are lifted. Iran could transfer gas from Azerbaijan and Turkmenistan to Europe, said the international affairs director of the National Iranian Gas Company.

The EU Commission and Turkey are active in negotiating with Turkmenistan regarding deliveries of Turkmen gas into a projected Trans-Caspian Pipeline (TCP) to be connected via TANAP to Europe. Turkmenistan offers up to 40 bcm per year of gas to be fed into the Southern Corridor. The Turkmen leadership is interested in selling larger volumes on the European market and identifying a collective buyer for these quantities. Apparently, there is a conflict of interests between Azerbaijan and Turkey, in the issue of the gas transit to Europe. The main reason is that, Azerbaijan Energy Company SOCAR is opposed to Turkmen and Iranian gaz.

Azerbaijan's ruling party's purpose of protecting its own interests, and also Western and Eastern balancing policy of Baku, is jeopardizing the future of the Southern Gas Corridor. Firstly, the main reason of Azerbaijan’s opposition to the gas of Iran for TANAP project, despite insufficiency of its own gas, is Russia. In this way, Azerbaijan is preventing harm of Russia's energy transit policy in Europe. Because the gas of Iran will pose a serious threat for the Russian gas in Europe. In bypassing Iran, Azerbaijan intends to get rid of the Russia's pressure.

Baku is turning the South Gas Corridor into a political bargaining project with Russia and the West. Secondly, the selection of TAP over NABUCCO was not only a commercial, but also a political decision as Russia put Azerbaijan under immense pressure to withdraw from
NABUCCO in order to allow its competitor Turkish Stream to be built. Baku faced both political and commercial challenges because Gazprom gave a significant discount to its European customers in 2013. This was a significant bargaining chip for potential customers of the Shah Deniz Consortium. The selection of TAP over NABUCCO was a disappointment for the Central and East European countries of Romania, Bulgaria, Hungary, Slovakia and Moldova.


13) At the following article of the World Tribune, titled “Post-Gadhafi Libya Now a Jihadist Springboard Backed by Iran, Qatar, Sudan and Turkey”, March 2015, you can read that Turkey, Qatar, Sudan, and Iran support an Islamic army in East Libya, in order to attack and overthrow General Sisi.

http://www.worldtribune.com/2015/03/02/post-gadafi-libya-morphs-country-jihadist-springboard-backed-iran-qatar-sudan-turkey/

In the 8th paragraph of the World Tribune article you can read that once the war in Libya broke out, Iran and Sudan were among the first ones to arrive, through their presence in Hezbollah and Hamas. In the 70th paragraph you can read that Turkey and Qatar used Qaddafi’s armaments in order to equip various African Islamist organizations, like the terrorist organization Boko Haram, which operates in North Nigeria, Niger, Chad, and Cameroon. Please note that Mali and Niger are very rich in Uranium, and Nigeria is very rich in oil and natural gas.

Picture 33

Also note that through the Trans-Saharan pipeline (red lines lines at the following map), Nigeria will connect to Algeria and supply Europe with one more source of natural gas. Algeria is already connected to Europe through pipelines.

Picture 34
As you can see at the following table from the Energy Information Administration, Nigeria and Algeria are the 9th and 10th richest countries in the world in terms of natural gas reserves.

Picture 35

Obviously connecting Algeria and Nigeria through the Trans-Saharan pipeline hurts the interests of Qatar, Iran and Turkey, unless of course they manage to control Algeria through the Islamists, which is not currently the case. By arming Boko Haram, Qatar and Turkey can use this organization to control the connection between Algeria and Nigeria.

http://www.eia.gov/countries/analysisbriefs/Iran/iran.pdf
14) At the following International Business Times article, titled “How The ISIS Allegiance Application Process Works For Groups Joining The Caliphate Like Boko Haram”, March 2015, you can read that the leader of Boko Haram announced his loyalty to ISIS.

2nd Paragraph

On Saturday, Boko Haram leader Abubakar Shekau released an audio recording declaring his loyalty to ISIS caliph Abu Bakr al-Baghdadi, but there was no official alliance until now. The formal acceptance, contained in a message purporting to be from ISIS spokesperson Mohammad Al-Adnani, changes the picture. Dozens of jihadist groups around the world have professed their allegiance to al-Baghdadi, but ISIS maintains a strict application process in order to be officially considered one of the so-called caliphate's wilayat (provinces) and receive ISIS support.


15) At the following article of the Guardian, titled “UAE and Egypt behind bombing raids against Libyan militias, say US officials”, August 2014, you can read that Egypt and the United Arab Emirates bomb the Islamists in East Libya.

http://www.theguardian.com/world/2014/aug/26/united-arab-emirates-bombing-raids-libyan-militias

16) At the following Reuters article, titled “Egypt blasts Turkish leader Erdogan after U.N. speech”, September 2014, you can read that Egypt accuses Erdogan, the Turkish President, of supporting international terrorism.

http://www.reuters.com/article/2014/09/25/us-egypt-turkey-idUSKCN0HK0TH20140925

17) A long but very good article about the relations between Turkey and Egypt, which also affect the relations between Russia and Turkey, is Foreign Affairs’ “Turkey and Egypt's Great Game in the Middle East”, March 2015. In the 3rd paragraph the article says about the problematic relations between Egypt and Turkey, which became even worse when Egypt decided to bomb the army of the Islamic State in Libya.


18) At the following Al Monitor article, titled “Russian Recognition of Armenian Genocide Strains Ties with Turkey”, April 2015, you can read that in April 2015 Putin used the world “genocide” to refer to the killing of the Armenians by the Turks in 1915, and Erdogan said that this was a personal insult to him. Normally Turkey withdraws her ambassadors from the countries that recognize the mass killings of the Armenians by the Turks as a genocide, but
Erdogan did not dare to do that with Russia, due to the close cooperation between the two countries in the energy sector. In the article you can read that Erdogan said that Russia should focus on what the Russians did in Ukraine. Erdogan refers to 1933, when Stalin confiscated the crops of the Ukrainian people and let them died from hunger, because they were not obedient enough. Many people refer to the starvation of the Ukrainian people in 1933 as a genocide and that’s what Erdogan was talking about.


It is not of course a coincidence that on April 2015 it was the first time that Putin used the word “genocide”, and that the TANAP project started in March 2015. Besides Armenia is a Russian ally, and that’s the reason the Turks killed so many Armenians, and deported many others from their lands in 1915. During the First World War 1914-1918 the Turks believed that the Armenians, who were not Muslims but Christians, would help the Russians. And they were probably right.

As you can see at the following map, Turkey (Ottoman Empire) and Russia (Russian Empire) had common borders during the First World War, but they were in opposite camps.

As you can see at the following map, Turkey (Ottoman Empire) and Russia (Russian Empire) had common borders during the First World War, but they were in opposite camps.

Picture 36

At the following map you can see the Ottoman Empire at her peak, during the period of 1480-1550. With yellow you can see the traditional Armenian homeland. An alliance between the Russian and the Armenians was a great threat for the Turks during WW1, since both the Turks and the Russians wanted to control the Caspian Sea and the oil of Baku. At the time the oil of Kazakhstan had not been discovered yet. Therefore the Turks either killed the Armenians or they relocated them to Syria, where they could not help the Russians.

Picture 37
Turkey’s Energy Dependence on Russia

Before examining the issue of the Turkish Stream pipeline I would like to examine in more detail Turkey’s dependence on Russian natural gas. As you can read at the following Al Monitor article, titled “What will Turkey do if Russia turns off gas”, September 2014, Turkey imports 45 billion cubic meters of natural gas every year, 26 of which are imported from Russia. The Russian natural gas reaches Turkey through the Black Sea and through Ukraine.

The Blue Stream pipeline connects Russia and Turkey through the Black Sea. The Blue Stream can send to Turkey 16 billion cubic meters of Russian natural gas every year. The Trans-Balkan pipeline connects Russia and Turkey via Ukraine, Moldova, Romania and Bulgaria, sending another 16 billion cubic meters of Russian natural gas to Turkey every year. For the Blue Stream pipeline and the Russia-Ukraine-Moldova-Rumania-Bulgaria-Turkey pipeline see the blue and red lines at the following map.

Picture 38

Please note that the Trans-Balkan natural gas pipeline should not be confused with the Burgas-Alexandroupolis oil pipeline, which is sometimes referred to as Trans-Balkan oil pipeline. For the Trans-Balkan natural gas pipeline see the following article of the Energy Information Administration, titled “16% of natural gas consumed in Europe flows through Ukraine”, March 2014, which includes the following map.

Picture 39
The crises in the Russian-Ukrainian relations do not pose a threat for the natural gas supplies that reach Turkey through the Black Sea and the Blue Stream, but they pose a great threat for the supplies that reach Turkey through Ukraine. The main reason for the conflicts between Russia and Ukraine is that the Ukrainians have a lot of bargaining power over Russia, because a large part of the Russian natural gas travels through Ukraine before it reaches its final destination. Therefore the Ukrainians always ask for better prices from the Russians and this causes a lot of tensions in the Russian-Ukrainian relations.

In the past, during the Russian-Ukrainian crises, the Russians have turned off the supply of natural gas to Ukraine, and this has left many other European countries without natural gas. Turkey was one of these countries. As you can read at the Al Monitor article that I mentioned above, the Russian-Ukrainian crises are a very big problem for Turkey, because Turkey does not have an internal network which can transfer natural gas from Central Turkey to Western Turkey.

But even if there was such a network, connecting Ankara to the European part of Turkey, the Blue Stream would not have the capacity to do the job. The Blue Stream has an annual capacity of 16 billion cubic meters and that’s not enough for Turkey. Russia has promised Turkey to increase the annual capacity of the Blue Stream by 2-3 billion cubic meters per year, but this has not happened yet.

The South Stream and the Turk Stream pipelines would eliminate Turkey’s dependence on Ukraine, given that both of them bypass Ukraine. Both of them were supposed to carry 63 billion cubic meters, which is a lot more than the 15-20 billion cubic meters required by the western part of Turkey.

Picture 40
The above map shows Turkey’s geographical regions. You can see on the map the region of Marmara, which imports Russian natural gas from Ukraine, and which is very sensitive to crises between Russia and Ukraine. Central and Eastern Anatolia are more secure because they import Russian natural gas through the Blue Stream, and they are also near Azerbaijan, Northern Iraq and Iran, which are countries very rich in oil and natural gas reserves.

Picture 41

I suggest that you read the whole Al Monitor article. It is a very good article.

3rd and 4th Paragraphs

*Before we answer the question, let’s see how much gas Turkey imports from Russia. Last year, Turkey imported a total of 45 billion cubic meters (1.6 trillion cubic feet) of gas, including 26.6 billion cubic meters (939 billion cubic feet) from Russia. Two gas conduits carry gas from Russia to Turkey: the Blue Stream, which runs under the Black Sea to the Turkish port city of Samsun and has an annual capacity of 16 billion cubic meters (565 billion cubic feet), and the Western pipeline, which reaches Turkey via Ukraine, Romania and Bulgaria, has a capacity of 14 billion cubic meters (494 billion cubic feet) and is vital for Istanbul.*

*The crisis between Russia and Ukraine poses no risk to the Blue Stream, but may affect the Western pipeline. Russia has already cut gas supplies for Ukraine over its $5.15 billion gas debt.*
But if Russia shuts down the pipeline, Istanbul and the Marmara region would face disaster, for no conduit exists inside Turkey to re-route gas coming from eastern suppliers to the northwest of the country. In other words, Turkey lacks the means to send Azeri and Iranian gas to the Marmara region, where both residential buildings and industrial facilities are supplied via Ukraine by the Western pipeline, which last year carried 10 billion cubic meters of gas to the region.

The only remaining option would be to use liquefied natural gas (LNG). However, Turkey lacks the capacity to process large amounts of LNG and would have to increase the number of entry points and facilities. Currently, Turkey has only two plants to gasify LNG and pump it to the gas network — one in Silivri, near Istanbul, and another at Aliaga, on the country’s western coast.

Turkey faces another major problem: It is able to store only 5% of the gas it consumes, the lowest storage capacity in Europe. That’s the reason why Turkey is seen as the country most vulnerable to a possible cut in supplies. Hungary, Austria and Slovakia, for instance, have a storage capacity of 50%, while France, Germany and Italy are able to store more than 20% of what they consume.

Now, back to what precautions Turkey is taking against the worst-case scenario. First, it is securing alternative supplies. Last week, it sealed a deal with Qatar for 1.2 billion cubic meters (42 billion cubic feet) of LNG, in addition to plans to increase LNG imports from Nigeria and Algeria. The available storage facilities have been filled as a contingency measure for the winter.

The South Stream pipeline would transfer Russian natural gas to Europe through the Black Sea and Bulgaria, as you can see at the following map.

The South Stream would have two main legs. The first leg would supply Southern Europe through Greece, and the second leg would supply Central Europe through Serbia. The South Stream would have an annual capacity of 63 billion cubic meters. The cost of the South Stream was estimated at 10 billion dollars in 2006, when the project was initially announced, but by 2014 this estimate had increased to 40 billion dollars.

Satisfying strict European environmental regulations was one of the main reasons that led to increasing cost estimates. You can read about the cost of the South Stream at the following article of the Oxford Energy Institute, from Oxford University, titled “Does the cancellation of South Stream signal a fundamental reorientation of Russian gas export policy”, January 2015.

From 2008-10, Russia signed intergovernmental agreements with seven European countries for the onshore section(s). The routes of the two onshore pipelines changed over time as the project encountered increasing national and EU regulatory challenges. The total cost of South Stream (for the full 63 Bcm/year of capacity) was estimated at around $40 billion in mid-2014, comprising: $17 billion for the Russian Southern corridor; $14 billion for the offshore section and $9.5 billion for the onshore European sections.

In December 2014, the Russian president Vladimir Putin announced the cancellation of the South Stream, and its replacement with the Turk Stream, as you can read at the following
Russia's Gazprom and Turkey's Botas have signed a memorandum to build an undersea pipeline to Turkey with an annual capacity of 63 billion cubic meters, Gazprom CEO Alexei Miller said on Monday.

He said 14 bcm out of the total volume would go to Turkey, equivalent to roughly the volume it currently buys.

Separately, Russian Energy minister Alexander Novak said that Turkey was seeking a 15 percent discount for Russian gas. President Vladimir Putin said on Monday that Turkey would get a 6 percent discount starting next year.

As you can read at the article, the Turkish Stream will be a partnership between Gazprom, the state controlled Russian energy company, and BOTAS, the state-controlled Turkish energy company. The Turk Stream will have an annual capacity of 63 billion cubic meters i.e. the same with the South Stream pipeline that the Turk Stream is supposed to replace. According to Reuters, Western Turkey will consume 14 billion cubic meters of this natural gas, and the remaining 49 billion will be exported to Europe. Turkey currently receives 14 billion cubic meters of Russian natural gas through Ukraine. If the Turk Stream, the South Stream or TANAP are ever built, Turkey will not depend on Ukraine anymore. According to Reuters, Turkey was asking for a 15% discount on natural gas prices in order to agree to the Turk Stream, and Russia offered 6%. However negotiations are not over yet and Turkey is still asking for higher discounts.

Even though the South Stream and the Turk Stream have the same capacity, the Turk Stream is a humble project when compared to the South Stream. Both the Turk and the South Stream would cross the Black Sea. The South Stream would exit in Bulgaria and the Turk Stream would exit in Turkey. However Turkey will be the end of the road for the Turk Stream, while Bulgaria would have only been the beginning for the South Stream.

According to the plan Gazprom will take the Turk Stream to the Turkish-Greek borders and leave it there. European countries will have to find a way to reach the natural gas of the Turk Stream. On the contrary Gazprom would take the South Stream to Italy and Austria. That’s the reason the Turk Stream will only costs 10 billion dollars while the South Stream would cost 40 billion dollars.

Russia wanted the Turk Stream to move parallel to the Blue Stream and leave it to Turkey to connect it with the Turkish-Greek borders (red line). Turkey on the other hand wanted the Turk Stream to exit directly at the western part of Turkey, near the Greek-Turkish borders, and that’s what Russia and Turkey finally agreed to do (purple line).
You can see an actual map of the Turk Stream pipeline at the following article of RT (Russia Today), which is a state owned Russian news agency, titled “Russia and Turkey agree on Turkish Stream onshore route”, February 2015.

Why the Turk Stream Pipeline is not the Best Option Neither for Russia nor for Turkey

It is very easy to understand that for Russia the Turk Stream is an inferior project when compared to the South Stream. That is of course when examining the pipelines from a geopolitical and not from an economic point of view. The South Stream would cost more, but it would bypass Turkey, which is Russia’s regional rival. The South Stream would cross the Black Sea and exit in Bulgaria, a country that has good relations with Russia, and a country that cannot challenge Russia in the way Turkey can. Therefore the Turk Stream is at most a second best solution for Russia.

It is true that the Turk Stream costs less, and in economic terms it is a superior solution for Russia. However it is much better for Russia to sell her natural gas directly to Europe without any Turkish interference, and without having to pay Turkey transit fees and offering her large price discounts. According to the aforementioned Reuters article Russia agreed to a 6% discount on gas prices but Turkey wanted a 15% discount. The truth is that Russia needs Turkey, and Turkey is fully aware of that.

But the Turkish Stream is not the best option for Turkey either. In the same way that Russia does not want to increase her dependence on Turkey, Turkey does not want to increase her dependence on Russia. According to Turkey’s Foreign Minister, the TANAP project is much more important for Turkey than the Turkish Stream, as you can read at the following article of Hurriyet, one of the largest Turkish newspapers, titled “Why TANAP is more important than the Turkish Stream”, December 2014.

Picture 44

According to Hurriyet it is difficult for both the Turk Stream (red line) and TANAP (purple line) to be constructed, because they aim at the same markets.
Turkish Foreign Minister Mevlüt Çavuşoğlu had to clearly underline that Turkey’s priority was the TANAP project. “We know how important [TANAP] is for Turkey, Georgia and Europe, particularly southeastern Europe. Along with the TAP [Trans Adriatic Pipeline], the TANAP is a project that could carry natural gas to different European countries. We should all exert efforts for the completion of this project, regardless of the decrease in oil and gas prices,” he stressed.

Çavuşoğlu’s statement is particularly important because he admitted that TANAP’s objective is no different from the Turkish Stream. Both will supply natural gas to European markets. However, given the decrease in energy demands in European markets, it will be hard to have two pipelines operating at the same time.

I believe that Hurriyet is right when it says that it is very difficult for both the TANAP and the Turk Stream to be constructed, because there is not enough demand to absorb their huge construction costs and make both pipelines viable. Therefore the Turkish Stream and the Trans-Anatolian (TANAP) pipelines are in a sense competing pipelines. The pipeline that will reach Europe first will absorb a large part of the available demand and will make the construction of the other pipeline very difficult. Therefore it is not unrealistic to assume that in the end Turkey might have to decide which pipeline she prefers.

Which of the two pipelines best serves the Turkish interests? Is it the Turk Stream or the TANAP? The answer is obvious and it is the TANAP. With TANAP Turkey will depend on Azerbaijan, Northern Iraq (Iraqi Kurdistan), Georgia, and Turkmenistan, which are all very weak countries when compared to Turkey. With the Turk Stream Turkey will increase her dependence on Russia, which is Turkey’s main regional rival for the last centuries.

At the following article, titled “Gazprom’s Dwindling Clout”, February 2015, the New York Times wonder why on earth would Turkey want to increase her dependence on Russia with the construction of the Turk Stream? The article mentions that there has not been a final agreement between Russia and Turkey for the Turk Stream, and that Turkey is more interested in receiving price discounts for the natural gas that she is already importing from Russia, than on the actual construction of the Turk Stream.

In some ways the Turk Stream project is even more problematic than South Stream. The Russian proposal envisages avoiding European legal entanglements by having Gazprom customers take delivery at that European border. But that hope could easily backfire. Once Russian gas enters Europe, it could be routed anywhere. A major storage point, particularly in summer, would be the vast facilities in western Ukraine. Turk Stream could further diminish Gazprom’s influence by providing another store of natural gas immune to a Russian cut-off.

It is also uncertain how eager Ankara is to support Turk Stream. The country already receives 60 percent of its natural gas from Russia. Why would Turkey want to make itself more dependent on Gazprom when all of Europe is seeking less dependence? Despite an agreement to conduct a
preliminary feasibility study, there is still no actual contract between the two countries’ state-controlled energy companies to build Turk Stream. So far, Ankara seems more focused on obtaining extra discounts for the Russian gas it already imports through the Blue Stream pipeline. Chances of financing from Turkey are just as slim as they are from the West.

http://www.nytimes.com/2015/02/12/opinion/gazproms-dwindling-clout.html?_r=0

It must be mentioned that even though the agreement between Erdogan and Putin for the Turk Stream on December 2014 was not a binding one, it was agreed that the 6% discounts on gas prices would start running from January 2015. That means Turkey will receive the discounts for the natural gas she is already importing without having to wait for the construction of the Turk Stream. Turkey did not even have to sign a final agreement for the Turk Stream to receive the discounts.

From all the above it is clear that the South Stream was a much better solution for Russia, when compared to the Turk Stream, because it would bypass Turkey. Similarly it is clear that the TANAP is a much better solution for Turkey, when compared to the Turk Stream, because it reduces Turkey’s dependence on Russia, and it increases Turkey’s geopolitical might.

Besides, countries that sell natural gas and oil earn a lot of money, and they have stronger armies. Why on earth would Turkey want Russia to build an even stronger army when the two countries have been fighting for centuries? It is true that if unlimited quantities of natural gas could be sold through Turkey, Turkey would welcome the Russian natural gas, because the Russian sales would also generate commissions for Turkey. However this does not seem to be the case.

As the Hurriyet article was saying these two are competing pipelines, and in the end Turkey might have to choose one or the other. Once TANAP is built, and its normal operation is guaranteed, it is a sure thing that Turkey would welcome the Turk Stream as well. Therefore the point is not that Turkey does not want the Turk Stream. The point is that Turkey would not allow the Turk Stream to jeopardize the TANAP project. However what Putin really wants is to jeopardize TANAP. At least that’s what he has been trying to do so far.

I must also say a few words about the Trans-Adriatic Pipeline (TAP), because it is closely related to the Trans-Anatolian Pipeline (TANAP). The Trans-Adriatic Pipeline will be a separate pipeline, but in a sense it will be an extension of TANAP. The plan is that TANAP will send natural gas from Azerbaijan, Turkmenistan and Northern Iraq to Greece and Bulgaria, and TAP will take natural gas from Greece and send it to Italy and Southern Europe, as you can see at the following map from a London School of Economics article, titled “Who are the winners and losers from the cancellation of the South Stream pipeline”.

Picture 45
Of course it is possible that at a later point another leg will be constructed, which will send the natural gas of the Caspian Sea and the Middle East to Central and Eastern Europe through Bulgaria. Moreover the Ionian Adriatic Pipeline (IAP), see yellow line at the following map, will connect Albania and Croatia. Therefore the South Caucasus Pipeline (SCP), the Trans-Anatolian Pipeline (TANAP), the Trans-Adriatic Pipeline (TAP) and the Ionian Adriatic Pipeline (IAP) are parts of the same project i.e. the Southern Energy Corridor and the ambition to provide Europe with an alternative to the Russian gas.

Before moving on to the next chapter, I want to mention a few very interesting articles for what I have said so far.

1) At the following Foreign Policy article, titled “The Tsar Meets the Sultan”, December 2014, you can read that Russia offered Turkey a 6% discount on natural gas prices, starting from January 2015, with the possibility of even higher discounts if Russia and Turkey strengthen their cooperation on the energy sector, and if they go ahead with the construction of the nuclear plant of Akkuyu in Turkey, which would cost 20 billion dollars, and which would be constructed by Russia.
The article mentions the close cooperation between the two countries in the energy sector, but also their disagreements over Syria. The article concludes that Turkey benefits a lot from her cooperation with Russia in the energy sector, but Erdogan is not naïve to believe that Russia can ever become a strategic partner for Turkey. According to Foreign Policy it is very convenient for both Russia and Turkey to put pressure on the European Union, but it would also be very disappointing for both Turkey and Russia if the European Union ever decided to go ahead with the East Med pipeline (Israel-Cyprus-Greece).

10th Paragraph

Erdogan is not naïve; he must realize that his alliance with Russia is not a strategic partnership, but a pragmatic one. But while Turkey may enjoy short-term benefits with this new agreement, he has to ask how it will affect the country’s long-term interests. Developing strong relations with Putin may make life more difficult for the EU and the United States, but neither Ankara nor Moscow would be thrilled if Europe pushes for alternative underwater pipelines, such as one that would connect Italy-Greece-Cyprus-Israel.

http://foreignpolicy.com/2014/12/04/the-tsar-meets-the-sultan-turkey-russia/

2) Please note that opening ceremony of the nuclear power of Akkuyu took place in April 2015, as you can read at the following Caspian Energy article, titled “Turkish nuclear plant to be completed on time”, April 2015.

8th Paragraph

Minister Yildiz will attend a groundbreaking ceremony for the ports of the nuclear plant construction site on Tuesday.


3) At the following Natural Gas Europe article, titled “Russia’s South Stream Decision Changes Regional Dynamics”, December 2014, you can read that it is very difficult for Russia to build the Turk Stream, when she has opened so many projects, like the construction of the Power of Siberia pipeline, which will connect Russia and China. According to Natural Gas Europe, Russia has already spent 4.5 billion dollars for South Stream, in tubes that have already been delivered at the Black Sea coasts. However these tubes could be used for the construction of the Turk Stream, if at some point the project comes to life.

The article mentions that the replacement of the South Stream with the Turk Stream does not solve Russia’s problems with the European Energy Regulations. Note that European anti-monopolistic regulations do not allow producers of natural gas to own the pipeline networks that distribute this natural gas. An exception was granted to Russia for the Nord Stream pipeline, in order for the Europeans to overcome the problem of the crises in Russian-Ukrainian relations, but after Russia’s intervention in Ukraine the EU toughened up its stance, and did not exclude the South Stream from European regulations.

6th and 7th Paragraphs
The second constraint was the rising cost of the pipeline. Gazprom projected a $10 billion price tag in 2007, but projected costs grew to $30 billion in 2014 and likely would have risen further. In mid-November, ENI CEO Claudio Descalzi warned that ENI would leave the project if prices continued to rise. Gazprom is relatively healthy financially, unlike its oil company sister, Rosneft. However, with many large and costly projects lined up for the next few years, including the Yamal natural gas project and the Power of Siberia pipeline to China, Gazprom most likely would not be able to foot most of the bill for South Stream without financial assistance from the Kremlin. And with Russia in a sharp economic decline and oil prices falling, the Kremlin has refrained from handing out large sums of money like it has in the past.

Gazprom has already spent $4.5 billion on South Stream, mostly on 300,000 tons of underwater trunk pipelines that have been delivered to the Black Sea coastline. However, these pipes could still be of use in the construction of Russia's new proposed pipeline to Turkey. According to Gazprom chief Alexei Miller, the alternative pipeline could have a capacity of 63 bcm, of which Turkey could purchase 14 bcm of natural gas and transit the rest to southeastern Europe to the same countries that would have received natural gas from South Stream. In short, the change in the pipeline projects is merely one of route; the outcome would be nearly the same. However, the way that natural gas would be transported is in question, since any new pipeline infrastructure reaching into Europe would be subject to the same EU regulations that haunted South Stream.

9th Paragraph

Russia's decision to abandon South Stream also damages Moscow's political ties with some of its European partners in the project. Countries such as Hungary and Serbia spent a great deal of political capital in defying the European Union to support the pipeline's construction. Now some of these same countries are saying they will have to look to the European Union to help secure energy supplies.

http://www.naturalgaseurope.com/russia-south-stream-decision-changes-regional-dynamics?utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=e2ce3f7af8-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_c95c702d4c-e2ce3f7af8-303885749

4) At the following article of the Turkish Weekly, titled “Trans Anatolian Gas Pipeline indispensable: Turkish FM”, January 2015, you can read that the Turkish Foreign Minister said that the TANAP pipeline is of strategic importance for Turkey, and that it will be ready in the next 3 years.

1st, 2nd, 3rd and 4th Paragraphs

The Trans Anatolian Natural Gas Pipeline is an indispensable project for Turkey that will be completed within three years, Turkish foreign minister said Thursday.

Addressing a press conference after the trilateral meeting of foreign ministers of Turkey, Azerbaijan and Turkmenistan in Ashgabat, Mevlut Cavusoglu said, "TANAP is an indispensable project for us. We plan to finish this project in three years."

The project will originate at the Georgia-Turkey border, pass through Anatolia, and extend around 1,242.7 miles (2,000 kilometers) to reach Greece.
It will cost $11 billion and carry 16 billion cubic meters of natural gas per year when it is completed in 2018. The capacity will increase to 23 billion cubic meters by 2023 and it is anticipated to be 31 billion cubic meters by 2026.


5) At the following article of Today’s Zaman, titled “Game on for ‘Turkish Stream”, January 2015, you can read that Russia is trying to “sell” the Turk Stream as a major blow to the European Union, while in reality Putin is trying not to be left with egg on his face. The article says that when the Turkish Prime Minister Davutoglu was asked about the Turk Stream, he replied that Turkey does not want to become what Ukraine was for Russia. What Davutoglu means is that TANAP is more important than the Turk Stream for Turkey. According to Today’s Zaman the European Union does not take Putin’s threat seriously, because they believe it is very difficult for Russia to construct the Turk Stream, not only because of Russia’s economic condition, but also because Turkey would not give up on TANAP and the Southern Energy Corridor.

5th and 6th Paragraphs

While Moscow has tried to sell the cancellation of South Stream as a major blow to Europe, it would rather seem the other way around, and if Turkey does not buy into Moscow's plan it will leave Russia with egg on its face. This of course puts Turkey in a very good position in terms of negotiating a sweet deal if it so wishes. Turkey is playing its cards very close to its chest. When I asked Prime Minister Ahmet Davutoğlu about the issue during his recent visit to Brussels he gave a vague reply -- that Turkey is energy hungry and open for new projects with Russia; although Turkey does not see itself as an alternative to Ukraine it is concerned about the Russia-Ukraine crisis, as it risks impacting gas supplies. He added that Turkey receives 20 percent of its Russian gas via Ukraine.

Turkey and Russia are engaged in gas negotiations. Ankara will play hardball with a strong hand, so the Russians are unlikely to get a quick deal unless they are ready to give major sweeteners to Turkey. Presently 60 percent of Turkey's gas comes from Russia, and Ankara pays one of the highest prices. It's not surprising that at the top of the bargaining list is a much cheaper price. The 6 percent reduction offered by Russia has so far been rejected.

8th Paragraph

EU decision-makers are not taking Turkish Steam seriously. They see it as a Russian red herring; a desperate attempt to get the EU to reconsider its conditions for South Stream as well as its stance vis-a-vis Ukraine and the sanctions placed on Russia. The fact that the Russian economy is in such a fragile state would make the financing of this project very improbable. Furthermore, while Russia is trying to take advantage of the deterioration of relations between Turkey and the EU, there is a belief that Turkey would never sell out, as it would remove the strategic role Turkey is playing in strengthening EU energy security via the Southern Corridor that Turkey is just “playing” in order to get something sweet from the EU on other issues of importance. However, while nothing has yet been signed, history has shown that we should
never underestimate President Vladimir Putin, who is ready to go to any length to achieve his objectives.

http://www.todayszaman.com/columnist/amanda-paul/game-on-for-turkish-stream_370649.html

6) At the following Natural Gas Europe article, titled “Reaching the EU Gas Entry Point: Race for Hitting Greece Border Speeds Up”, February 2015, you can read that there are many discussions about the Turk Stream, which hopes to reach the Turkish-Greek borders before TANAP, but the main shareholders of TANAP will hold a ground breaking ceremony on March 2015, which will mark the official start of the project. The article also mentions that there are many doubts about the Turk Stream, because an official agreement has not yet been signed between Russia and Turkey, and because the Turk Stream would jeopardise the construction of TANAP, and therefore Turkey’s ambition of becoming an independent energy hub.

11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st Paragraphs

All these recent developments around new Russian proposed pipeline set uncertainties and rise question in Baku.

The Azeri government officials never said openly that they had seen competition and any danger for TANAP from new Russian plans and generally attempt to avoid any comment on the matter.

However a stream of comments and analysis in pro-government media supporting TANAP raising questions around Russia’s new plans are a sign of the anxiety of official Baku. Gazprom ‘s aim to reach the Greek border with its proposed pipeline before TANAP add even more concerns.

SOCAR sources who did not wish to be named said that TANAP plans remain unchanged and “everything is going on under the planned schedule”.

In March SOCAR and Botas plan to hold TANAP’s ground breaking ceremony, which will give an official start of the construction of the line with the initial capacity of 16 billion cubic meters of gas a year.

In April, the partners will move on into actual construction targeting to completion by late 2018 to be ready to deliver first gas from Shah Deniz-2 to Turkey. The $10-11 billion TANAP will link up with Trans-Adriatic Pipeline (TAP) on the Turkish-Greek border and pump natural gas to Europe in 2020.

Meanwhile there are many doubts about Gazprom’s announced schedule as well as overall viability of Russia’s latest gas pipeline initiative coupled with its proposed natural gas trading hub on the Turkey-Greek border, the sources said.

There are no final intergovernmental and commercial agreements for Turkish Stream yet signed to make real first gas delivery by the end of next year. Promises to complete all four planned strings of Turkish Stream by 2019 aiming to re-route all gas export currently going through Ukraine via new direction, appear unreasonable according to the local analysts in Baku commenting to Natural Gas Europe.
From Russia’s perspective, Turkish Stream is of course a rival project to the Southern Corridor, aiming to gain control over natural gas flows from Turkey into the EU, and therefore undermining the strategic rationale of the Southern Corridor, commented Matthew Bryza, former US ambassador to Azerbaijan, Director of the International Centre for Defense Studies in Tallinn, to Natural Gas Europe.

For Turkey however, Turkish Stream could impact Turkey’s strategic significance by undercutting the Southern Corridor, especially by providing Russia greater control over Turkey’s own independence as a potential gas trading hub.

Bryza also questioned Russia’s capability in current circumstances to implement Turkish Stream. “President Putin knows this, and is bluffing”, he said adding that even if Turkish Stream were to succeed, it would be unable to stop the Southern Corridor from moving forward, given the latter’s considerable political and commercial momentum.


7) At the following Natural Gas Europe article, titled “TANAP Secures First Step With Groundbreaking Ceremony”, March 2015, you can read that the TANAP project started in 2015.

The Trans-Anatolian Natural Gas Pipeline Project (TANAP) has become a beacon light in both the Caspian region and Eastern Europe's energy sectors.

The 1.850 km long, key unit in the Southern Gas Corridor, which will enable a decrease in the European Union's dependence of Russian natural gas, will ship 16 billion cubic meters (BCM) of natural gas per year from Azerbaijan’s Shah Deniz field to Turkey's western border.

The groundbreaking ceremony took place in Kars, Turkey. In attendance was Turkish President Recep Tayyip Erdogan, Azeri President Ilham Aliyev and Georgian President Giorgi Margvelashvili.

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307785513

8) At the following article of Hurriyet, titled “Calling Putin’s energy bluff”, January 2015, you can read that what the Russians are trying to say to the EU with the announcement of the Turk Stream, is that Russia will no longer sell natural gas to Europe through Ukraine, and the Europeans will have to import the Russian natural gas through Turkey and the Turk Stream. According to Hurriyet this a bluff because Russia is heavily dependent on Europe for her natural gas sales, and in the near future it is impossible for Russia to find a customer to replace Europe, because it will take many years before Russia and China are satisfactorily connected. Hurriyet also mentions that the EU would not accept to buy the Russian natural gas from the Turk Stream because something like that would jeopardise the Southern Energy Corridor i.e. TANAP, TAP etc. The article concludes that what Russia is trying to do is to put pressure on the Europeans in order to share the cost of the South Stream.
New European energy commissioner Maros Sefcovic was treated to a blunt and rude welcoming in Moscow. No more gas through Ukraine for Europe, he was told by Gazprom boss Alexey Miller. Is the Russian energy capo serious? After all, Russia’s President, Mr. Vladimir Putin, not so long ago introduced the idea of a Russo-Turkish energy alliance. Compounded with the conflict in Ukraine, sanctions and a falling ruble, this latest Russian ultimatum may be more a call from a position of desperation rather than strength.

Let’s consider what the Russians are actually saying. They are saying that they will no longer sell natural gas to Europe through Ukraine. They are also saying that if Europe wants Russian gas, they have to pick it up at the Turkey-Greece border. They are further saying if Europe doesn’t agree to these conditions, they’ll sell their gas to someone else. A tall order of demands, and surely, Mr. Sefcovic was not inspired by his first meeting in Moscow, and let’s hope that he was also not too impressed by these empty Russian threats. Yes, empty!

For starters, the Russian economy, in total freefall from the decline in oil prices and the fall in the value of the ruble, is insanely dependent on gas and oil exports. Oil and gas revenues make up more than 50 percent of the Russian government’s total revenue. And most of it comes from Europe. In numbers it looks like this: Russia’s 2013 GDP was $2.1 trillion, of which 50 percent is $1.05 trillion. The Russian National Stabilization fund was $88 billion before they spent at least $10 billion on pointlessly defending the ruble. The $70 billion or so that is left is a far cry from what the Russian state would need to cover the fall in revenue if they were to stop exporting gas to the European Union.

The second question is: to whom would they sell all this extra gas if not to Europe? Certainly not Turkey, it doesn’t need all this gas, and the gas infrastructure out of Turkey is insufficient to place such volumes onto the global market. China? There are no existing routes that can deliver this gas to the Chinese and even if constructed, China will not pay European prices for gas. Russia, even if they won’t admit it, is comfortable in its dependency on European consumers because the long-term contracts Gazprom has with the Europeans are well above what the current spot market price is for gas. If Russia is to negotiate new contracts with China, Turkey, or anyone else now, the price will be lower.

The third problem with Miller’s threat is the infrastructure from Russia to Turkey. The so-called Turk Stream is not built yet, Gazprom doesn’t have nearly enough cash on the books to finance it and because of Western sanctions, obtaining long-term loans on the private market is not an option. So here too, the big unknown is who is going to finance this pipeline, under what terms and how this will impact the profit margin on Russia’s gas exports. In all likelihood, this project is no more based in commercial reality than its South Stream predecessor was.

Bottom line, the Russians can’t afford not to sell gas to the Europeans unless they are prepared to deal with a 50 percent contraction in their economy.

The last thing Europe should agree to is buying Russian gas at the Greece-Turkey border. This idea undermines Europe’s direct access to alternative gas supplies from the Caspian Sea, Iran and Iraq. The southern gas corridor, which is designed to take full advantage of the gas
available from these zones, is a declared strategic energy interest of the EU. By increasing access to non-Russian gas, Brussels will increase competition on the European gas market, thus lowering the energy price for consumers and increasing overall energy security. Why on earth would Europe build a pipeline to the Turkish-Greek border just so it can pick up more Russian gas, especially when it already get this same gas through Ukraine? By agreeing to this most recent proposal from Moscow, Europe would in essence be agreeing to finance the pipeline infrastructure for which Russia has a large political appetite but can’t afford. In essence, what Miller is proposing to the EU is South Stream in disguise, and asking the EU to pay for it.


9) At the following Turkey Analyst article, titled “South Stream, Russia and Turkey: What Does The Deal Mean?”, December 2014, you can read that it is not easy for Russia and Turkey to strengthen their cooperation in the energy sector when they have so many and serious disagreements.


10) At the following article of Trend, one of Azerbaijan’s largest news networks, titled “Turkey unlikely to agree to Russia’s new gas pipeline deal - Matthew Bryza”, December 2014, you can read that according to the former US ambassador in Azerbaijan, Matthew Bryza, it is almost impossible for Turkey to agree on the Turkish Stream, because Turkey would ask for very large discounts in order to agree, and Russia could not afford to offer these discounts.

1st, 2nd, 3rd and 4th Paragraphs

Turkey will unlikely to agree to Russia’s new gas pipeline deal that would allow Russia to establish control over such a gas trading hub, former US ambassador to Azerbaijan, Director of the International Centre for Defense Studies in Tallinn, Matthew Bryza told Trend.

“Ankara does not wish to be dependent on Russia and is likely to demand a higher price discount and greater volumes of natural gas imports than Russia is willing to offer,” Bryza said.

Turkey has already received a 6-percent discount on gas from Russia, which will be implemented from Jan. 1, 2015. However, Ankara hopes the discount to reach 15 percent.

Bryza believes that Russia will try to reach an arrangement with Turkey that allows Russia some degree of control over natural gas exports from TANAP into Greece.

http://en.trend.az/business/energy/2340987.html

11) At the following article from the Oil Price, titled “Could Turkey Become the New Ukraine?”, February 2015, you can read that it is very doubtful whether the Turk Stream will ever be constructed. The article mentions that the whole project might be a Russian bluff, in order to put pressure on the European Union on the issue of the economic sanctions that have been imposed on Russia. According to the article Turkey has the upper hand in the Russian-Turkish negotiations over the Turk Stream, and it is known how “sensitive” Turkey is when it
comes to natural gas prices. The article also mentions the other projects backed by Turkey i.e. TANAP and TAP, which would send Azerbaijani, Iraqi, and Turkmen natural gas to Europe through Turkey.


Also note that the Turk Stream is simply one more connection between Russia and Europe. On the contrary there is no pipeline connection between the Caspian and the Mideast countries with Europe. Such a connection could only take place through Turkey or Russia, and the countries of the Caspian and the Middle East would prefer to do it with Turkey, because Turkey is very poor in energy reserves, and Turkey is their customer. Russia is very rich in oil and natural gas reserves and nobody wants to sell his products through his competitors.

Given that the Turk Stream project isn’t an optimal solution for neither Russia nor Turkey, it is a strange thing that it was announced under so much publicity, during Putin’s visit in Turkey in December 2014.
How the Announcement of the Turk Stream Benefits Russia

Without saying that it is impossible for the Turk Stream to ever be built, I want to describe the benefits that Russia enjoys by simply announcing the project. That is the benefits that Russia enjoys before even starting the project. When examining the benefits of the Turk Stream there are three things that must be kept in mind. The first one is that according to experts it is very difficult for both the Turk Stream and TANAP to be constructed because there is not enough demand in the Balkans to make both projects viable, and there are no pipeline networks which can transfer the natural gas of the Turk Stream and TANAP to the rest of Europe. The Turk Stream will carry 63 billion cubic meters of natural gas per year, and TANAP will reach a capacity of 31 billion cubic meters by 2025. TAP will initially carry 10 and will finally reach a capacity of 20 billion cubic meters per year.

The second one is that the European Union, which will buy this natural gas, has a clear preference towards the Southern Energy Corridor (TANAP-TAP), in order to reduce its dependence on Russia. The third is that Turkey, which is the country that both the TANAP and the Turk Stream must cross in order to reach Europe, has a clear preference towards the Southern Energy Corridor too. These three factors must be taken into account when examining the benefits of the announcement of the Turk Stream for Russia.

The first benefit for Russia is that she is threatening the European Union and Ukraine, in order to convince them to relax their stance on the issue of the crisis in Ukraine and Crimea, and the economic sanctions that have been imposed on Russia. Russia has informed the European Union that as soon as the Turk Stream will start operating, Russia will stop supplying natural gas through Ukraine. That would be a great problem for both the Europeans and the Ukrainians, who badly need the Russian natural gas. Moreover if the Europeans take seriously what Putin says, they will have to construct pipelines which will connect their countries to the Greek-Turkish borders, in order to keep importing Russian natural gas. Therefore Vladimir Putin is also trying to give the Europeans a motive to build a pipeline network that will bypass Ukraine in order to keep importing the Russian gas.

However this threat is not very credible as you can read at the following Euractiv article, titled “Šefčovič: Turkish Stream will not work”, February 2015. According to the EU Energy Commissioner, Maros Sefcovic, Gazprom cannot unilaterally stop supplying its clients through Ukraine, because the contracts specify specific delivery locations, and these locations cannot be unilaterally changed. That is even more relevant in the case of the Greek-Turkish borders, because there is not a pipeline network which have the ability to carry the natural gas from there to Central Europe.

Maros Sefcovic also mentions that the western part of Turkey only needs 15 billion cubic meters of natural gas, and the other neighbouring countries another 15 billion, and therefore he claims that he can not see who is going to buy the 94 billion cubic meters of natural gas that will be delivered to the Greek-Turkish borders by the Turk Stream and the TANAP pipelines. According to the European Energy Commissioner the EU and Gazprom must jointly find a solution which
will satisfy both parties. The article also mentions that the European Union does not have many alternatives to the Russian natural gas, because TANAP will initially carry only 16 billion of natural gas. By saying so the article seems to agree with the European Commissioner, that the EU and Russia should sit down and find a solution.

4th, 5th, 6th, 7th, 8th, 9th, 10th Paragraphs

Šefčovič repeated that it was very “unusual” for a company such as Russia to communicate with its clients via press conferences. Indeed, the first announcement about Moscow's change of plan was during a press conference of President Vladimir Putin, in Turkey.

The Commission Vice-President also said that none of the countries or companies involved in the South Stream project had been officially notified of the project’s cancelation.

The same happens with Turkish Stream, Šefčovič said, calling it a “radical proposal”, which is hardly in conformity with the bilateral agreements individual companies have signed with Russia, which stipulate a precise place of delivery.

“I doubt that this place of delivery is the Greek-Turkish border,” Šefčovič said, referring to Russian statements that Turkish Stream will bring gas to a hub at the Greek-Turkish border.

On top of it, he said he was questioning the economic viability of the project, because in his words Turkey needed some 15 billion cubic metres per year (bcm/y), and the other countries of the region needed another 15 bcm.

“Why (do) you need to ship to that part of the world more than 60 bcm of gas?” he asked, referring to the fact that Russia said Turkish Stream will have the same capacity as South Stream, that is, 63 bcm.

“This will not work. I cannot see that this would be the final solution. I think that we will have to come back to a more rational debate on what should be the economically viable solutions for this project, and for overall gas cooperation between Gazprom and the European countries,” Šefčovič said.

13th Paragraph

He added that he didn’t agree with this reasoning, because Kyiv was committed to energy reform, and that the EU and other financial institutions were going to provide funding for the modernisation of the gas transmission system. Moreover, he said that it was not possible that the current volume of transit of Russian gas of over 100 bcm could be immediately rerouted.

19th Paragraph

It also remains unclear what alternatives to Russian gas the region has, except some of the 10 bcm/y which would become available via the Southern gas corridor, when gas from Azerbaijan will start coming through the planned TANAP pipeline via Turkey, and the TAP (Trans-Adriatic) pipeline via Greece and Albania, by 2019-2020.

http://www.euractiv.com/sections/energy/sefcovic-turkish-stream-will-not-work-311836
At page 10 of the following article of the Oxford Energy Institute, of Oxford University, titled “Reducing European Dependence on Russian Gas”, October 2014, you can see the demand for natural gas of individual European countries, and what this demand is expected to be by 2030.

Table 4: Gas Demand Projections for Countries Highly Dependent on Russian Gas 2015–2030
(bcm)

<table>
<thead>
<tr>
<th>Country</th>
<th>Gas Demand in 2013</th>
<th>Russian Gas Imports in 2013</th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
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<th>2020</th>
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<tr>
<th>Country</th>
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<th>Russiai Demand in 2013</th>
<th>2015</th>
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<tbody>
<tr>
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<td>40.4</td>
<td>34.53</td>
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You can see that by 2030 demand for natural gas will be 3.6 billion cubic meters in Greece, 2.3 billion in Serbia, 3.3 billion in Bulgaria. Turkey will need 70 billion cubic meters of natural gas by 2030, but today Turkey needs only 45 billion cubic meters of natural gas per year, and from this amount only 15 billion is needed by Turkey’s western part, which will supposedly be supplied by the Turk Strem or TANAP.

At the following article of the Turkish newspaper Today’s Zaman, which is the English version of the daily newspaper Zaman, titled “Ukrainian ambassador calls Turkish Stream too bad to be real”, March 2015, you can read a very interesting interview given by the Ukrainian ambassador in Turkey.

According to the Ukrainian ambassador there is no chance that the Europeans will spend all this money that is required to connect Central Europe with Turkey, in order to substitute the gas they receive from Ukraine, because there is already a network that is doing that through Ukraine. Moreover, according to the Ukrainian ambassador, the Turk Stream cannot be constructed because its construction would mean the end of TANAP, and the end of Turkey’s ambition to become an independent energy hub. He mentions that Putin and Erdogan only signed a memorandum of understanding for the Turk Stream, and not a final agreement. At the journalist’s question about why Erdogan signed the memorandum of understanding, he answers that when an energy superpower like Russia asks you to consider a project, you have to say “yes, sure”.


By announcing the Turk Stream, Putin is also trying to punish Bulgaria. Even though Bulgaria traditionally has good relations with Russia, she has been obedient to the European Union regulations, and asked Russia to respect the EU regulations on energy issues. Bulgaria, even though very unhappily, announce on June 2014 that all Bulgarian projects related to the South Stream would be halted, until a solution was reached between the EU and Russia. You can read the following article of the Russian state owned RT (Russia Today), titled “Bulgaria halts Russia's South Stream gas pipeline project”, June 2014.

1st Paragraph

Bulgaria’s prime minister, Plamen Oresharski, has ordered a halt to work on Russia’s South Stream pipeline, on the recommendation of the EU. The decision was announced after his talks with US senators.

7th Paragraph

Earlier this week, EU authorities ordered Bulgaria to suspend construction on its link of the pipeline, which is planned to transport Russian natural gas through the Black Sea to Bulgaria and onward to western Europe. Brussels wants the project frozen, pending a decision on whether it violates the EU competition regulations on a single energy market. It believes South Stream does not comply with the rules prohibiting energy producers from also controlling pipeline access.

10th, 11th, 12th Paragraphs

In Bulgaria, the ruling Socialists support the South Stream project, while Movement for Rights and Freedom leader Lyutvi Mestan told parliament on June 5 that Bulgaria should defend its strategic interests "in cooperation, not in confrontation" with Europe.

Earlier Serbia has said it has no plans to delay the start of construction of its leg of the South Stream pipeline, scheduled for July. Serbian Energy Minister Aleksandar Antic said that the position was not decisive: "I believe the European Commission and member states will find a solution because this is a European project in the best interests of energy security."

Hungarian Prime Minister Viktor Orban also said June 5 that the pipeline should be built, as there was no alternative to the project.


There are two routes by which Gazprom can enter Southern Europe, if Ukraine is taken out of the equation. The first one is Bulgaria, and the second one is Turkey. Putin thought that Bulgaria was very obedient to the European Union regulations and brought forward the Turk Stream to retaliate. Bulgaria is addicted to the Russian natural gas which reaches Bulgaria through Ukraine with the Trans-Balkan pipeline. Therefore Bulgaria needs either TANAP or the South Stream to increase her energy security, but also because she desperately needs the investments that are related to these projects, because Bulgaria is the poorest country of the European Union.

Bulgaria was disappointed twice, first with the cancellation of Nabucco pipeline, and then with the cancellation of the South Stream. Bulgaria is a battlefield between the European Union and the US on one side, and Russia on the other, as you can read at the following article of the
American state owned Voice of America, titled “Bulgaria Key Battleground in US-Russia Energy War”, February 2015. According to the article the United States is trying to construct a nuclear energy plant in Bulgaria, in order to reduce Bulgaria’s dependence on Russian oil and natural gas.

Bulgaria is also very rich in shale gas, and the American companies have developed the techniques required to exploit this gas. Bulgaria had signed a contract with the American multinational Chevron, in order to exploit her shale gas reserves. This would be a very positive thing for the US and the EU, because it would reduce Bulgaria’s dependence on Russia for energy. But the exploitation of Bulgaria’s shale gas was abandoned due to heavy criticism and protests from pro-environment organizations. According to the article the Americans claim that the environmental campaigns were funded by Russia.

5th and 6th Paragraphs

In the area of energy security, we're not just talking the talk, now we're walking the walk," U.S. Assistant Secretary of State of European Affairs Victoria Nuland said in January of U.S. intentions.

9th Paragraph

The U.S. recently pledged to send an energy envoy to Sofia and is promoting an American company to build a nuclear power plant there. Washington is also looking to help fund new gas pipelines and terminals in the region.

31st and 32nd Paragraph

When Chevron moved into Bulgaria in 2010, it became the single largest investor of the shale era.

Obvious the United States did not give up and tried to build the nuclear power plant that I mentioned in order reduce the Russian influence on Bulgaria. As you can read at the following article of the World Nuclear Organization, titled “Nuclear Power in Bulgaria”, April 2015,
Bulgaria covers 1/3 of her energy needs with nuclear energy. Bulgaria has 2 nuclear reactors, and she had another 2, which she had to close down when she joined the EU, because they were very old and they did not satisfy the European regulations.

1st Paragraph

Bulgaria has two nuclear reactors generating about one-third of its electricity.

Two others, shut down under duress as a condition of Bulgaria joining the European Union, could be restarted.

Bulgaria's first commercial nuclear power reactor began operating in 1974.

Government commitment to the future of nuclear energy is strong, though finance is lacking. Construction of a new nuclear plant was planned, but instead, a 1200 MWe unit will be added to the present plant.


At the following Wall Street Journal article, titled “Bulgaria Signs Deal With Westinghouse on Nuclear Power Plant”, August 2014, you can read that an American company agreed with the Bulgarian government to build a nuclear power plant, in order to reduce Bulgaria’s dependence on Russian know how and Russian nuclear technology, and to reduce Bulgaria’s dependence on Russian natural gas and oil. At the 18th paragraph the article mentions that this success for the Americans came after their failure in Hungary, where the Russian state owned nuclear energy company Rosatom agreed with the Hungarian government to construct two nuclear power plants.

1st, 2nd, 3rd, 4th Paragraphs

An American nuclear engineering company and Bulgaria Friday reached a long-sought deal paving the way for the European Union state to diversify its energy generation and nuclear fuel sources away from Russian to Western technologies while meeting the EU’s strict carbon-emission reduction targets.

Pennsylvania-based Westinghouse Electric Co. Ltd. said after seven months of negotiations it signed an agreement with Bulgaria's state-owned nuclear power plant operator Kozloduy Nuclear Power Plant PLC giving the American company a 30% stake in a project company that aims to build a new 1,000 megawatt reactor worth over $5 billion.

Westinghouse will provide all of the plant equipment, design, engineering and fuel.

The project will be a major employment booster in the EU’s poorest member state by economic output per capita. The company said during the construction phase some 3,500 local workers will be employed on site with an additional 15,000 workers involved in the associated supply chain. Once the reactor is complete, it will employ up to 800 specialists.

18th Paragraph

This agreement comes as EU state Hungary earlier this year made a deal with Russian nuclear company Rosatom in which the Russian side will fully finance the development and construction
of two new reactors at the PAKS nuclear power plant in Hungary at a cost estimate to be in excess of €10 billion ($13.39 billion).


Victor Orban, the President of Hungary, is very close to Russia and he fights the European energy regulations and the European Energy Union which is promoted by the EU, as you can read at the following article of Euractiv, titled “Orban says EU’s Energy Union is a threat to Hungary”, February 2015.

1st, 2nd and 3rd Paragraphs

Hungarian Prime Minister Viktor Orbán said his country has a “major problem” with Brussels because of the European Commission’s plans to set up an Energy Union, which in his words hinders national sovereignty.

Orbán, who two days ago hosted Russian President Vladimir Putin from whom he obtained major gas price discounts, said his country does not agree that he must inform the Commission of his gas supply agreements with Russia. One of the key elements of the Energy Union is that member states’ energy deals with non-EU nations should be scrutinised by the European Commission before they are signed. Russia has always insisted that those deals are confidential.


With the European Energy Union, all the energy deals of the individual EU member states will be scrutinized by the relevant European authority. Therefore the corrupt political systems of Eastern Europe and the Balkans will not be able to agree higher prices with Russia, passing the higher costs to consumers. This kind of indirect funding is one way that corrupt politicians are financed by Russia, in order to promote Russia’s foreign policy and combat the European energy regulations. In other cases Putin offers lower prices to friendly governments, and higher prices to pro-European countries.

I must say one more thing about Bulgaria’s nuclear energy plants. Russia tried to build in Bulgaria one more nuclear energy plant, in order to prevent the construction of a plant by a western company. But as you can read at the following Financial Times article, titled “Bulgarians see Russian hand in anti-shale protests”, November 2014, even though the Russian company Rosatom managed to agree on the construction of a new nuclear plant, in the end the Bulgarian government backed out. I guess the Bulgarian government backed out due to pressures from the EU and the US.

At another part the Financial Times article mentions that many people in Bulgaria believe that the anti-shale protests in Bulgaria were financed by Tsvetan Tsvetanov, a Bulgarian oligarch who is very close to Russia. The article also mentions Bulgaria’s dependency on Russia for natural gas.

1st, 2nd, 3rd, 4th Paragraphs
It took barely a week of street protests by environmentalists in January 2012 before Boyko Borisov, Bulgaria’s prime minister, relented and cancelled a licence for Chevron, the US energy company, to explore for shale gas in the Balkan country’s prime wheat-growing region.

When another wave of protests prompted by sharp rises in electricity and fuel prices toppled Mr Borisov’s centre-right government 13 months later, it seemed as if civil society had finally come of age in the EU’s poorest member state.

Yet some in Sofia believe a Russian hand helped foment the protests for its own ends. They point to Kremlin links to local groups that supplied demonstrators and funded an anti-shale media campaign. The goal, they believe, was to punish the pro-European Mr Borisov for pursuing policies that might reduce Bulgaria’s dependence on Russian energy.

“We must remember the anti-shale protests and the other organised actions against the government of Boyko Borisov. This was a well-planned scenario developed by local corporate, oligarch and economic interests connected with Russia,” said Tsvetan Tsvetanov, a former interior minister who is a close Borisov confidant.

10th Paragraph

These days, energy has been at the centre of the relationship. Russia’s Gazprom supplies 90 per cent of Bulgaria’s annual gas via a pipeline that runs through Ukraine. Its dominance means that Bulgaria’s state energy company – despite its relative poverty – pays 30 per cent more for its gas than importers in Germany.

12th and 13th Paragraphs

It was not Mr Borisov’s only affront to Moscow. In January 2013, he called off a €7bn project backed by previous governments to build a 2,000-megawatt nuclear plant at Belene on the Danube river which was led by Russia’s state-owned Rosatom group. His government also awarded a concession to explore for gas off Bulgaria’s Black Sea coast to an international consortium headed by Total of France.

Those who suspect Moscow’s involvement in the unrest in Sofia point to a media campaign – said to be worth €20m – backing the anti-shale protests. It was handled by several local media and advertising companies with Russian connections.

24th Paragraph

The outgoing socialist-led government was a keen backer of South Stream. Even though it suspended participation in June under pressure from Brussels it still allowed on-the-ground preparations to continue.

http://www.ft.com/intl/cms/s/0/e011d3f6-6507-11e4-ab2d-00144feabdc0.html

Bulgaria has approximately 1 trillion cubic meters of shale gas reserves, which is quite impressive if it is taken into account that the richest countries in shale gas have approximately 30 trillion cubic meters of shale gas reserves. At the following Reuters article, titled “Bulgaria bans shale oil and gas drilling”, January 2012, you can read about the Bulgarian shale gas reserves.
5th and 6th Paragraphs

Initial estimates showed Bulgaria may have significant shale gas reserves, up to 1.0 trillion cubic metres.

The centre-right government, initially a staunch supporter of shale gas on hopes it may reduce the country's almost total dependence on gas imports from Russia's Gazprom, has changed its position after growing opposition to fracking.

http://www.reuters.com/article/2012/01/18/bulgaria-shalegas-ban-idUSL6E8CI2ML20120118

The Burgas (Bulgaria) – Alexandroupolis (Greece) oil pipeline was another battlefield between the US and Russia in Bulgaria. The pipeline was agreed in 2007 between Russia, Bulgaria and Greece, and it was meant to shadow the Baku (Azerbaijan)- Ceyhan (Turkey) oil pipeline that was promoted by the Americans. See red line for Burgas-Alexandroupolis oil pipeline, and brown line for the Baku-Ceyhan pipeline.

1st and 2nd Paragraph

Russia and Turkey will be starting their negotiations for the construction of the Samsun-Ceyhan oil pipeline from scratch because of disagreements, announced Russian company Transneft.

"[Turkey's] offer is to sign an inter-governmental agreement in which they are trying to get us to agree to economically unacceptable terms. Of course, we don't agree, and we are starting the new round of talks practically from scratch," declared the CEO of Transneft, one of the Russian partners in the Samsun-Ceyhan project, Nikolai Tokarev, as cited by RIA Novosti.
The Samsun-Ceyhan oil pipeline is a project to transport Russian and Caspian oil from the Black Sea to the Mediterranean by circumventing the Turkish Straits. It has been described as the major competitor of the Burgas-Alexandroupolis oil pipeline, a project of Russia, Bulgaria, and Greece, whose fate is uncertain over environmental concerns of the Bulgarian government.

7th Paragraph

The agreement for the construction and operation of the Samsun-Ceyhan oil pipeline was signed in October 2009 by representatives of Russian companies Rosneft, Transneft, and Sovkomflot, the Turkish Calik Group, and the Italian Eni. Lukoil has also expressed interest in the project.

In Bulgaria critics of the unwillingness of the Borisov government to commit firmly to the Burgas-Alexandroupolis project have used the development of the Samsun-Ceyhan project as an argument claiming that only one of these two pipes could be built and Bulgaria will lose many benefits to Turkey if it gives up the BA pipe.

Russian officials have also made it clear that Russia would seek alternative projects with neighboring states if Bulgaria decides against participating in any joint energy projects such as the Burgas-Alexandroupolis oil pipeline.

http://www.novinite.com/articles/119823/Russia,+Turkey+Fall+Out+over+Samsun-Ceyhan+Oil+Pipeline+Project

Picture 49

The following Natural Gas Europe article, titled “Bulgaria’s New Coalition And the Future of the South Stream”, November 2014, is a very good article about the political clashes within Bulgaria, on the issue of the South Stream. In the 6th and 7th paragraphs you can read about the weak Bulgarian and Serbian institutions, which make these countries susceptible to fraud. According to the article 1 kilometer of a pipeline like South Stream would costs approximately 3.5 million euros in Germany, but it costs approximately 7 million euros in Bulgaria and Serbia. The article mentions that most of the cost differential is due to the very sophisticated corruption techniques that have been developed in these countries.
5th, 6th and 7th Paragraphs

From Bulgaria’s point of view, South Stream has one big flaw. Projected at a price of up to €7 million per kilometre, observers say that South Stream will cost more than twice what a similar pipeline would cost in Germany, for instance. The difference between the market price and the actual price could help back up a sophisticated type of corruption: through subcontractors, it could benefit different political actors to a degree unknown before in this part of Europe. Weak institutions in places like Bulgaria or Serbia are easy victims for this kind of graft. To ensure this does not happen, the new coalition agreement has specified clear conditions under which the pipeline would be built.

The agreement foresees liberalisation of the electricity and energy market, allowing consumers to choose their supplier; improving Bulgaria’s energy security through completion of the interconnectors with neighbours; development of local energy resources; and building South Stream “only in full compliance with EU legislation, in dialogue with the European Commission and if clear economic benefits for the country are proven”.


It must be also mentioned that Bulgaria is located between Romania and Turkey, which are both NATO members, and Russian rivals. Therefore Bulgaria would not want to find herself between two NATO allies, in a potential war between the US and Russia.

Picture 50

Until now I described the benefits for Vladimir Putin from the announcement of the Turk Stream pipeline, in terms of threatening the EU, Ukraine and Bulgaria. On the other hand the announcement of the Turk Stream could be also seen as Putin’s first move to make peace with the European Union and the US. Because one has to note that the Turk Stream does not contradict the European regulations. Russia will take the Turk Stream to Turkey and leave it there, and therefore it will be other companies, and not Gazprom, which are supposed to take the Russian natural gas to Europe. That’s exactly what the EU regulation is about. The producer of natural gas is not allowed to transfer his gas in the European Union with his own pipeline
networks i.e. separation of the production, the transportation and the sale of energy within the EU (unbundling the energy sector).

It should be noted that in the past both the EU and the USA, but also the Italian energy giant ENI, which had a 20% stake in the South Stream project, wanted the consolidation of the Nabucco and the South Stream pipelines, into one pipeline that would carry both Russian and Caspian natural gas to Europe through Turkey. But at the time Putin would not even discuss such a plan, as you can read at the following Euractiv article, titled “US says South Stream and Nabucco could merge”, October 2011.

1st Paragraph

“Two major pipeline projects that have so far been considered rivals, the EU-favoured Nabucco and Gazprom’s South Stream, may merge, US Ambassador to Italy David Thorne told Italian daily La Stampa in an interview published today (10 January)


At the following Moscow Times article, titled “Shmatko: No Question of Nabucco and South Stream Merger”, March 2010, you can read that the Russian Minister of Energy, Sergei Shmatko, ruled out the consolidation of the Nabucco and South Stream pipelines into one pipeline.

1st, 2nd, 3rd and 4th Paragraphs

“The government is not considering merging its South Stream gas pipeline to Europe with the rival European Union-backed Nabucco link, Energy Minister Sergei Shmatko said Monday.

South Stream is “more competitive” than Nabucco, Shmatko said. Paolo Scaroni, chief executive of Italy’s Eni, Gazprom’s partner in South Stream, said last week that combining the two pipeline projects would save time and money.

“We are not discussing these issues at all,” Shmatko said.

Gazprom and Eni are equal partners in a venture to build South Stream under the Black Sea, shipping as much as 63 billion cubic meters of the fuel annually from Russia and Central Asia to Europe. Rival Nabucco would deliver 31 bcm annually from eastern Turkey to Austria, bypassing Russia”.


At the following Bloomberg article, titled “Russia Rejects Eni Call to Merge Europe Gas Pipelines”, March 2010, you can read that the ENI’s CEO had personally asked Putin to consider the issue of merging Nabuco and South Stream pipelines, but Putin was not interested.


Therefore the Turk Stream could be the Russian part, and TANAP could be the Azeri part, of a pipeline that will be built by Russia, Azerbaijan and Turkey, with some funding from the EU. If
the two pipelines merge, Russia would stop trying to destroy the Southern Energy Corridor by sending rivers of Russian gas to the Balkans. There is of course the issue of the cost for the two pipelines, but that would be a one time cost. If there was some cooperation between Russia, Turkey and Azerbaijan, the Turk Stream would not need to have an annual capacity of 63 billion cubic meters of natural gas per year. In such a scenario the Turk Stream could be substituted by a smaller pipeline. Of course this is not what we are seeing right now. Right now Putin is very aggressive. I mention this scenario, because it might be in Putin’s mind in case everything goes wrong for Russia.

Moreover it should not be overlooked that EU officials said that Gazprom could use the TAP pipeline, as you can read at the following Bloomberg article, titled “European Commission says Russia can use Trans Adriatic Pipeline”, March 2015. 


However the first 10 billion cubic meters of gas that will be carried by TAP have been booked by the state Azeri company SOCAR, in order to make TAP a viable project. TAP will initially carry 10 billion cubic meters, and will gradually reach a capacity of 20 billion cubic meters. Gazprom will be able to use the pipeline in its second phase. In any case the TAP pipeline is very small to satisfy both Gazprom and SOCAR, and that’s why the two companies are competing about who is going to acquire the Greek natural gas company DEPA. They both want to be able to use the Greek pipeline networks.

At the following Financial Times article, titled “Could the cancelled South Stream pipeline be revived”, December 2014, you can read that even though Putin announced the cancellation of the South Stream, the EU officials do not consider the pipeline dead, because there are not many alternatives to the South Stream and the Russian gas. According to the FT, Nabucco is dead, TANAP will only send small volumes of natural gas to Europe, at least in its first stages, and the US cannot send natural gas to Europe in prices that can match the Russian ones. The officials at the European Union do not say much, and they wait to see whether the new Russian pipeline that was announced by Putin will respect the European energy regulations.

1st Paragraph

“Vladimir Putin seemed pretty emphatic on Monday that Russia would stop construction of the South Stream gas pipeline, shelving a strategically important project that Moscow was counting on to cement its influence in south-eastern Europe”.

10th and 11th Paragraphs

“Alternatives to Russian gas have been developing slowly: the proposed US-backed Nabucco pipeline remained on the drawing board for a decade; shale gas exploration has been blocked by political opposition or delayed by geological difficulties across CEE.

More promising is the Trans-Adriatic Pipeline (TAP), which would bring Azerbaijani gas to Italy via the Balkans, and liquefied natural gas imports via a proposed terminal on the Croatian island of Krk and an existing facility in Revithoussa in Greece”
13th Paragraph

“But these will not bring huge volumes of gas to the region: Krk’s capacity would be 4 to 6 bcm, and TAP’s an initial 10bcm”.

19th and 20th Paragraphs

“Indeed, even the EU itself seems not to believe that South Stream is entirely dead: on Tuesday the Commission announced that talks with Gazprom on the project would go ahead the following week, despite Putin’s announcement.

“The EU’s initial reaction has been fairly muted, with officials focusing on the fact that the pipeline project was not compliant with EU competition law, and now stressing that any future project must also respect EU legislation,” says Samantha Seewoosurrrun, a Brussels-based communications consultant. “It remains to be seen whether Russia’s move to establish a new pipeline project in collaboration with Turkey will be in the interests of EU members, as it is far from clear that Turkey will toe the EU line.”


Moreover it must be mentioned that before the crisis in Ukraine the EU was thinking about making an exception for the South Stream, as it had already done for the other Russian pipeline, the North Stream, as you can read at the following article of the Russian state owned RT, titled “EU gives Gazprom preliminary OK for South Stream gas pipeline”. You can read that the European Energy Commissioner at the time, Gunter Oettinger, had said that he believed the EU and Gazprom would find a solution for the South Stream.

2nd Paragraph

“Gunther Oettinger, the European Commissioner for Energy, told Vedomosti newspaper that Moscow and Brussels will find a solution to honor previous intergovernmental agreements Gazprom has made with European transit countries. Oettinger met with Russian Energy Minister Aleksandr Novak in Moscow on January 17, and the two agreed to create a commission to address technical and legal details of the gas pipeline, which will stretch 2400 km, and by 2018 will have the capacity to deliver 64 billion cubic meters of natural gas to Europe”.

4th Paragraph

“The EU’s ‘Third Energy Package’ regulations aim to protect third party access to pipelines, and as a result prevents Gazprom from both owning the pipeline and the product shipped through it. Moscow broke ground on the South Stream project after securing agreements with Austria, Bulgaria, Croatia, Greece, Hungary, Slovenia and soon-to-be EU member Serbia, but ignored the European ‘anti-monopoly’ law”.

11th Paragraph

“Gazprom has strong support from Germany, Europe’s biggest energy consumer, where the sister project called Nord Stream, connects Russia and Germany under the Baltic Sea, and was opened in November 2011. Partners in Nord Stream are Dusseldorf-based E.ON, Germany’s
At the following Reuters article, titled “Merkel urges Bulgaria to seek new talks with Putin on South Stream”, December 2014, you can read that after Putin announced the cancellation of the South Stream, the German Chancellor Angela Merkel urged the Bulgarian government to resume negotiations with Russia about the South Stream.

German Chancellor Angela Merkel backed Bulgaria on Monday in its bid to seek new talks with Russia about the South Stream gas pipeline after Moscow shelved the project this month in favor of an alternative link via Turkey.

The EU, at odds with Moscow over the Ukraine crisis and keen to reduce its energy reliance on Russia, had raised objections to the $40 billion South Stream pipeline, which was to run under the Black Sea and enter the EU via Bulgaria.

"We need to examine all legal questions surrounding the South Stream project and then use these to move discussions forward with Russia," Merkel said after talks with Bulgarian Prime Minister Boiko Borisov in Berlin.

Numerous contracts have already been agreed and it is important for both sides to remain reliable partners, she added. Borisov said after meeting Merkel he was convinced that the problems could be resolved and he hoped to receive clarification from Brussels on its views about the pipeline.

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It is very normal for Germany to prefer the Russian gas to enter Europe through Bulgaria and not through Turkey, because the German-Turkish relations are very problematic. Germany is the country that mostly opposes Turkey’s membership in the European Union. Becoming a member of the EU has been one of Turkey’s main geopolitical objectives for the last decades. At the following Bloomberg article, titled “Turkey Unfit to Join EU Says Merkel Europe Parliament Candidate”, April 2014, you can read that Merkel clearly said that Turkey does not satisfy the conditions for becoming a full member of the European Union.
Turkey isn’t politically fit to join the European Union and shouldn’t become a member, the lead candidate of Chancellor Angela Merkel’s Christian Democratic Union for European Parliament elections said.

5th Paragraph

Merkel rejects Turkey, a mainly Muslim nation of 81 million people, joining the 28-member EU. Instead, she and most of her CDU want to offer it a “privileged partnership” with the bloc.


At the following Financial Times article, titled “Germany blocks Turkey’s bid to join EU”, June 2013, you can read that Germany blocks Turkey’s accession to the EU, something which infuriates Turkey. Actually Egemen Bagis, a Turkish minister, stated that Turkey will say to the EU “get lost” if Turkey has to.

1st Paragraph

Germany has blocked the start of EU talks with Turkey in the wake of Ankara’s crackdown on mass demonstrations this month, a move some Turkish officials suggest could lead to an irreparable break with Brussels.

7th Paragraph

“The EU needs Turkey more than Turkey needs the EU,” Egemen Bagis, Turkey’s EU minister, said this week. “If we have to, we could tell them ‘Get lost’.” Mr Bagis has also warned that Turkey-EU relations could reach an “irreversible point”.

10th Paragraph

But Angela Merkel, chancellor, a longstanding opponent of Turkish entry, has described herself as “shocked” by the crackdown on the demonstrations, which reached a climax last weekend, when Claudia Roth, the co-chairman of Germany’s Green party, was tear-gassed among the protesters and police used water cannon on Istanbul’s German hospital.

http://www.ft.com/intl/cms/s/0/2432cc2c-d9c0-11e2-bab1-00144feab7de.html

From all the above articles one can conclude that on one hand the Europeans are putting pressure on Russia, in order for Putin to show some respect for the European regulations, but on the other hand they know that Europe cannot live without the Russian oil and gas. Therefore all this game with the cancellation of the South Stream and its replacement with the Turk Stream it should be seen for the moment as some manoeuvres on a geopolitical chess board. What is important is whether in the end the EU and Russia will manage to reach an agreement or not.

The Turk Stream is not the first time that Putin is using natural gas in order to blackmail the European Union. The announcement of the agreement between Gazprom and China in 2014, which involved the annual sale of 38 billion cubic meters of Russian gas to China for the next 30 years, with the construction of a modern pipeline network which will connect East Siberia to China, was for Putin another way to put pressure on the EU. If Russia and China are connected
with modern pipeline networks, Europe will have to compete with China for the Russian natural gas. Russia has of course every right to pursue a policy of diversifying her sales, in order to reduce her dependence on Europe. However the EU is not trying to block the connection between Russia and China, while Russia is trying to block the Southern Energy Corridor, by using both diplomatic and military means.

However at the following Natural Gas Europe article, titled “Russian Energy Dispute: Could Gazprom’s $400Bn Gas Pipeline to China be Postponed?”, March 2015, you can read that there are many doubts about whether Russia can actually construct the very expensive pipelines that will connect her to China.

1st, 2nd, 3rd, 4th, 5th Paragraphs

Three sources, speaking on condition of anonymity, said last week that the much touted Power of Siberia (POS) natural gas pipeline to be built by Russian gas giant Gazprom and earmarked to bring natural gas from two new fields in Russia to China could be delayed. The sources said that the pipeline could be postponed until the Altai-pipeline, a smaller gas pipeline in Russia, is built. Moscow denied claims that the POS pipeline will be postponed.

In May, Russia signed an estimated $400 billion gas supply deal to deliver 38 billion cubic meters (bcm) of gas through the POS pipeline to China, with first gas to be delivered in 2018. The pipeline deal is so large that analysts have claimed that it will change gas dynamics in the Asia-Pacific region, while reducing Chinese demand for historically expensive liquefied natural gas (LNG).

In early November, the two countries also signed a preliminary deal for Russia to deliver 30 bcm of gas annually over 30 years from Western Siberia to North-Western China via the Altai route. Analysts estimated the second deal to be worth approximately $300 billion, while both deals combined would account for almost 17 percent of China’s gas consumption by around 2020.

Speculation is that plunging oil and gas prices could be part of the reason for any possible postponement. Since mid-June global crude oil prices are off nearly 60 percent, while natural gas prices are also off by at least half since the start of last year. The quandary for Russia in this ongoing price decline is that the government receives as much as anywhere between 30 percent to 50 percent of its revenue from its oil and gas sector. Media reported that low energy prices have hurt the case for the investment required to develop the new fields the pipelines would serve.

Perhaps plunging energy prices aren’t the only reason for possible POS postponement. Keun-Wook Paik, senior research fellow at the Oxford Institute for Energy Studies and author of the book Sino-Russian Oil and Gas Cooperation: The Reality and Implications, told Breaking Energy that it’s not an exaggeration to say that the POS gas deal in May 2014 was initiated by President Putin, not by Gazprom CEO Alexei Miller.

By announcing the Turk Stream Putin enjoyed one more benefit. Putin has implicated in the South Stream project large parts of the corrupt political systems of Eastern European and the Balkan countries i.e. Serbia, Greece, Bulgaria and Hungary. As you can see at the following map, the main leg of the South Stream, its upper leg, would pass through Serbia, and Hungary, two countries which are under Russian influence.

Picture 51

One can only imagine the pressure that Putin must have exerted on the politicians and journalists in these countries. Putin’s friend in these countries invested heavily on the South Stream project. At the following Financial Times article, titled “Anger and dismay as Russia scraps $50bn gas plan”, December 2014, you can read about the disappointment that the cancellation of the South Stream caused in Serbia, a traditional Russian ally. Serbia’s Prime Minister said that Serbia has been investing for seven years on projects related to the South Stream, and now his country has to pay the price for a conflict between the great powers.

10th, 11th and 12th Paragraphs

Aleksandar Vučić, Serbia’s prime minister, told the country’s RTS channel that the decision was bad news for Belgrade and said he would urgently seek to speak with Mr Putin. “Serbia has been investing in this project for seven years, but now it has to pay the price of a clash between the great [powers],” he said.

Italy and Austria have also been vocal supporters of the venture, pitting themselves against the commission.

Shares in companies with contracts for South Stream also suffered. Stocks in Italian oil services group Saipem closed down 10.8 per cent, while Germany’s Salzgitter, whose joint venture is making pipes for the project, was down 7.4 per cent. Other businesses involved in South Stream include Italy’s Eni and Austria’s OMV.

http://www.ft.com/intl/cms/s/0/1a5954f0-7a41-11e4-a8e1-00144feabdc0.html

After the cancellation of the South Stream, Putin had to answer to his people in these countries. With Russia facing a severe financial crisis, cancelling the South Stream, blaming it on Bulgaria
and the EU, might have been a way out for Putin, in order to avoid admitting that Russia does not have the financial strength to continue with the South Stream on its own right now. Given also that Gazprom has to spent 100 billion dollars to build the Altai Pipeline and the Power of Siberia Pipeline, that were agreed between Russia and China, the announcement of the Turk Stream and the cancellation of the South Stream might have saved Putin’s face, giving him some time to see what to do next. If his people in Bulgaria, Serbia and Hungary are upset, he does not have to apologize and say that right now Russia does not have the required resources. He can blame it 100% on the EU and the Bulgarian government.

Moreover Putin really needs Erdogan, the Turkish President, because it is through Turkey that the competing to Gazprom pipelines will pass in order to reach Europe. By giving him the option of the Turk Stream, Putin offers Erdogan an alternative to the Southern Energy Corridor. After all there are many tensions between Turkey and the EU, due to the EU refusal to accept Turkey as a member, and for many other reasons, and there are many tensions between Turkey and the US, because the Americans did not help Turkey as much as Erdogan wanted, in Turkey’s efforts to overthrow the Syrian dictator Bashar al-Assad. Moreover the EU and the US are putting pressure on Erdogan on the issue of freedom of speech. This is something that unites Erdogan and Putin, who both share the same vision of authoritarian ruling. Both Putin and Erdogan oppress their opposition and do not tolerate criticism. They even attack Facebook and Twitter.

For the similarities between Erdogan and Putin you can read the following Guardian article, titled “The two angry men on Europe’s borders: loud, proud, and impossible to ignore”, October 2014, which explains the similarities between Erdogan and Putin. I must say that Turkey and Russia are two regional rivals, and they fight proxy wars in many places, but the two leaders are almost identical, and that is something that they both appreciate in each other.

The article says that Erdogan is a Muslim Brother, and he aspires to be the leader of Sunni Muslims in the Middle East, and Putin is using the Orthodox Church, in order to be the leader of the Slavs. According to the Guardian both leaders claim that their countries are the victims of the West, and they have a mania with conspiracy theories. However the article mentions that Turkey’s NATO membership and the issue of Syria are a big problem for the relations between the two leaders.

5th, 6th, 7th, 8th, 9th Paragraphs

*Erdogan and Putin have much in common. Both in their early 60s, they have been in power for a long time (since 1999 for Putin, since 2002 for Erdogan), holding either the position of prime minister or president. They aspire to be fathers of the nation. Their political narrative mixes nationalism and anti-liberal traditionalism.*

*Their vision of society, as well as their methods of governance, run counter to the values Europe promotes. They concentrate power, repress opposition, restrict media freedom, control the internet, and have cowed the judiciary. Both play religious cards. Erdogan’s ideology is that of the Muslim Brotherhood: he sees himself as the defender of Sunni Muslims in the Middle East. Putin uses the Orthodox church to boost patriotism, and strengthen Russian influence in the Slavic world.*
Restoring national pride is central. Their historical narrative is about victimisation by the west: Erdogan has attacked the “making of Sykes-Picot agreements”, in a reference to the 1916 Franco-British carve-up of the Ottoman empire; Putin vituperates against the “so-called victors in the cold war” that have “decided to reshape the world” and “committed many follies”. The self-inflicted bankruptcy of former empires is rarely mentioned, nor the legitimate aspirations of the peoples they dominated.

Things weren’t always this bad between them and the west. Putin initially took steps to align himself with George W Bush’s “war on terror” after 9/11 and later played along with Obama’s “reset” strategy. The European Union offered Russia a strategic partnership.

Erdogan was initially seen as a reformer who would lead his country towards Europe. Turkey was also lauded in the early stages of the Arab spring as a model of a secular state combining democracy and Islam.

12\textsuperscript{th} Paragraph

An important common feature between Erdogan and Putin is their obsession with conspiracy theories. All political opposition is ascribed to western-led plots. Both have faced popular protests in recent years. In June 2013 Istanbul’s Gezi park youth movement spread to many Turkish cities. In 2011 and 2012 hundreds of thousands of urban middle-class Russians demonstrated against Putin’s rule. The upheavals were repressed and seem to have fizzled out, drowned out in waves of resurgent nationalism.

14\textsuperscript{th} Paragraph

Yet for all the similarities there are fundamental differences. Erdogan and Putin disagree over Syria: regime change in Damascus, as promoted by Erdogan, is anathema to Putin. Russia has nuclear weapons and gas. Nato membership is ultimately Turkey’s sole protection against insecurity in the Middle East. Erdogan asked for the deployment of US Patriot missiles in 2012 when the Syria war risked spilling over.


Another very good article about Putin’s extremely authoritarian regime is “15 Years of Vladimir Putin: 15 Ways He Has Changed Russia”, March 2015, also published by the centre-left Guardian. In the 11\textsuperscript{th} paragraph the article says that in 2004 Putin changed the law in order to be able to choose the local governors. In the 23\textsuperscript{rd} paragraph the article says about the cooperation between Putin and Kim Yong Hun, the communist dictator of North Korea, and also mentions that Kim Yong Hun has built forced labour camps in Russian territories of East Siberia.

In the 28\textsuperscript{th} paragraph the article says that Putin calls a traitor anyone who dares to criticize him in Russia. In the same paragraph Guardian mentions the assassination of Boris Nemtsov, Putin’s major political opponent. Nemtsov was murdered outside the Kremlin, which hosts the Russian government and the residence of the Russian President, in a highly symbolic act of violence. In the 30\textsuperscript{th} paragraph the article says that by introducing vague legislation, Putin obtained the right to attack the internet, in order to close down sites that criticize his oppressive regime. According to the Guardian, in 2014, a new law was introduced, which forces even amateur bloggers to
register with the government. These blogers are now subjected to the same regulation that professional journalists are.

In the 32\textsuperscript{nd} paragraph the article says that Putin has been very tolerant towards aggression against homosexuals, which in turn led to an increase in violence against homosexuals. In the 40\textsuperscript{th} paragraph the article says that the Sochi Olympics cost approximately 50 billion dollars, but it is estimated that 30 billion were stolen by the corrupt political system of Russia. In the 45\textsuperscript{th} paragraph the Guardian says that Putin appointed as the man in charge of the state owned media Dmitry Kiselyov, a journalist who is specialized on conspiracy theories about the US.

\url{http://www.theguardian.com/world/2015/may/06/vladimir-putin-15-ways-he-changed-russia-world}

Moreover with the announcement of the Turk Stream Putin offered Erdogan large discounts on the prices of natural gas. I guess Putin must have asked some favors in return for these discounts, like Turkey’s support in the Ukrainian crisis, since Ukraine is not very important for Turkey’s energy policy. I mentioned before the 6\% discounts that Putin offered Erdogan, but according to Turkish officials by the end of February 2015 Turkey managed to receive a discount of 10.25\% on the prices of natural gas, but even these prices are not enough for Turkey, as you can read at the following Euractiv article, titled “Political concerns mar Turkish Stream project”, March 2015.

The article also mentions that the Turkish Energy Minister Taner Yildiz said that Russia must be patient on the issue of the Turk Stream, because the issue is not only the Turk Stream, but Turkey’s energy policy as a whole.

1\textsuperscript{st}, 2\textsuperscript{nd}, 3\textsuperscript{rd}, 4\textsuperscript{th}, 5\textsuperscript{th}, 6\textsuperscript{th}, 7\textsuperscript{th} Paragraphs

_The issue is not Turkish Stream alone. This is a whole package for Turkey's energy needs. We need to be a little bit patient," Energy Minister Taner Yildiz told Reuters._

Turkey is already heavily dependent on Russia for natural gas. Last year it bought 27.33 bcm of gas through the Blue Stream and West-East pipelines from Russia, equivalent to more than half of its gas imports.
Russian state nuclear company Rosatom is also building Turkey's first nuclear power plant.

9th Paragraph

A second government official said negotiations over the import price for Russian gas were also a factor. Turkey secured a 10.25% discount in late February, but wants more.

16th Paragraph

But it is very likely that Russia will be confronted with the problem of Turkey’s ambitions. Unlike Ukraine, which plays the classical role of a transiting country, Turkey would like to buy the gas from Russia and sell it to the EU. This would considerably increase the political weight of Turkey and make the EU even more dependent on third parties.

http://www.euractiv.com/sections/energy/political-concerns-mar-turkish-stream-project-312815

The above are benefits that Russia enjoys simply by announcing the Turk Stream. Putin is threatening the EU, because the EU knows that Europe cannot live without Russian natural gas and oil, and he is threatening Ukraine, which is equally dependent on Russian gas. Putin is also punishing Bulgaria, which obeyed the European regulations, and he is rewarding Greece, which is the problematic child of the European Union.

Moreover Putin is saving his face in the countries that had high hopes for the South Stream i.e. Serbia and Hungary. He is also strengthening his relations with Erdogan, whom he needs in Ukraine. All the above are benefits that Russia enjoys by simply announcing the Turk Stream, before even signing an official contract with Turkey.
How the Announcement of the Turk Stream Benefits Turkey

For Turkey the announcement of the Turk Stream was a gift sent from heaven. Even though the actual construction of the project could harm Turkish interests, as I already explained, the announcement of the project can only benefit Turkey. Erdogan already got generous discounts on the price of the natural gas that Turkey is already importing from Russia. And what did Erdogan gave Putin in return? Erdogan simply gave Putin a public handshake for the Turk Stream, without even signing a binding agreement. Putin and Erdogan simply signed a memorandum of understanding, which says that the two parties have to examine the project.

For Erdogan it is very useful to have Putin depending on Turkey, because Erdogan has slammed Syria, Israel, Cyprus and Egypt, all of whom count on Russia’s support. At the same time Erdogan sends a message to the EU and the US, telling them that Turkey has an alternative to the TANAP project, in order to get more diplomatic and financial support from them.

At the same time Erdogan sends a message to Iran, to Azerbaijan, to Turkmenistan, to Qatar and to the Iraqi Kurds, telling them that Turkey has an alternative to TANAP, in order to receive higher discounts and transit fees. And it is true that Turkey has alternatives, because it could cancel the TANAP project and send the Russian natural gas to Europe. Of course if Turkey was to do that, it would no longer be a true NATO member and this would not be an easy decision for Turkey. But the Russian option is there if Turkey ever decides to exercise it. But the truth is that nobody really expects Turkey to do so, at least not for now. But the option is on the table, and that makes a huge difference.

And at the end of the day if the Turk Stream can be constructed without jeopardizing TANAP, so much better for Turkey. She will have at her feet the US, the EU, Russia, Iran, Azerbaijan, the Iraqi Kurdistan and Qatar, if Qatar is finally connected with Turkey through the Qatar-Turkey pipeline. To have the US, the EU, Russia, and the countries of the Caspian Sea and the Middle East depending on Turkey, is more than Erdogan could ever dream of.

That’s why Turkey was so aggressive towards Syria, when Assad did not agree to the Qatar-Turkey pipeline but agreed to the Iran-Iraq-Syria pipeline. And that’s why Turkey was so aggressive towards Israel, which backed the East Mediterranean pipeline. Turkey is also very aggressive towards Sisi’s Egypt, because if Egypt is not controlled by the Muslim Brotherhood, she might send her natural gas to Europe through the East Med pipeline. If she is controlled by the Muslim Brotherhood she will sell her reserves at places that do not harm Turkey.

Note that Egypt has 2 trillion cubic meters of natural gas reserves, Israel has 1 trillion and Cyprus has less than 0.5 trillion of reserves. However Egypt is facing a falling production and currently she is importing natural gas in order to meet her export agreements. The 3.5 trillion cubic meters of Egypt, Israel and Cyprus is not much when compared to Russia’s 48 trillion, or Iran’s 33 trillion, or Qatar’s 25 trillion, or even Saudi Arabia’s 8 trillion, but it is enough to send Europe 10-20 billion cubic meters of natural gas every year for many decades. But for the moment Egypt needs to buy natural gas in order to meet her export contracts, and therefore what mostly worries Turkey and Qatar for the moment is that Israel and Cyprus can sell natural gas to
Egypt. If the Muslim Brotherhood was running Egypt, Egypt would never buy natural gas from Israel. Egypt would prefer to buy natural gas from Qatar even at higher prices.

At the following Guardian article, titled “Israel sees ‘stars aligned’ for new gas pipeline to Europe”, December 2014, you can read that if Turkey puts too much pressure on the European Union, the European Union might have to go for the Israel-Cyprus-Greece pipeline (East Med), which could send to Europe 10 billion cubic meters of natural gas every year. But the Palestinians warn that this can not happen unless there is a solution to the Israeli-Palestinian conflict. The article refers to the Palestinians but it really means Turkey and Qatar, who are the countries controlling Hamas, which is the affiliate of the Muslim Brotherhood that is running Gaza. By mentioning the Palestinians the article is also referring to the Iranians, who control Hezbollah, which is the terrorist organization operating at the Israeli-Lebanese borders, but who also have significant leverage over Hamas.

1st and 2nd Paragraphs

*Israel and Cyprus have launched a new push for EU funds to build a pipeline that could bring about 10 billion cubic metres (bcm) of their natural gas to Europe annually, and ease the continent’s energy security anxieties.

But Palestinians are warning that without a broader resolution of regional disputes, the pipeline risks becoming a source of conflict.*

8th Paragraph

*But the Palestinian Authority cautioned the EU against signing any contract until territorial gas disputes with neighbouring countries such as Lebanon were resolved.*

11th Paragraph

*But until now, political instability has hindered its exploitation, with Israeli and Cypriot claims to overlapping gas fields contested by Lebanon and Turkey, respectively.*

13th Paragraph

*The planned offshore pipeline, which diplomats say could transport between 8-15bcm of natural gas annually, has already been selected for “project of common interest” status by the EU. This potentially gives it access to a €5.85bn fund, and preferential treatment from multilateral banks.*

15th and 16th Paragraph

*A commission timeline estimates that the pipeline could begin pumping gas by 2020, four years after the Leviathan field, which contains around 450bcm of gas comes online.*

As well as Leviathan, the already operating Tamar field has proven reserves of 283bcm. Israel also has several smaller gas fields and is searching for more exploitable reserves. The country wants to export up to 60% of the gas it produces, Feldman said.

<http://www.theguardian.com/world/2014/dec/01/israel-sees-stars-aligned-for-new-gas-pipeline-to-europe>
The Cost of the South and the Turk Stream

It must be also mentioned that the South Stream pipeline was announced in 2006. The economic climate of 2006 was very different from the economic climate of 2014. In 2006 it might have been possible for Russia to finance a 40 billion dollar pipeline, but this became much harder after the economic crisis of 2008 and especially after the economic sanctions that have been imposed on Russia in 2014. Moreover there is the issue of the falling oil prices that hurt the Russian economy which heavily depends on oil exports. The oil prices are falling because Saudi Arabia increased dramatically her production in order to hurt the Russian and Iranian economies, because the Russians and the Iranians are arming Assad in Syria. Both Russia and Iran depend on their oil exports.

At the following BBC article, titled “Was Russia's South Stream too big a 'burden' to bear?”, December 2014, you can read that the most plausible explanation for the cancellation of the South Stream is Russia’s economic problems. According to BBC not only Russia is facing a severe economic crisis but she also needs 100 billion dollars to construct the natural gas pipeline of East Siberia, which will connect Russia and China.

BBC is referring to the recent 400 billion dollar agreement between Russia and China, according to which Russia will start selling China 38 billion cubic meters of natural gas every year for the next 30 years. However for this agreement to materialize a modern pipeline network must be built, which will connect Russia and China, and that’s what BBC is talking about. At the following rough map you can see the Altai Pipeline, which will connect Western Siberia and China, and the Power of Siberia Pipeline (POS), which will connect East Siberia and China.

Picture 52
"It may be a bluff," said Martin Vladimirov, an energy specialist at the Centre for the Study of Democracy in Sofia, "to pressurise the Bulgarian, Serbian, Hungarian and Austrian governments to unite behind accelerating the project, and make a better case for it to the European Commission".

However, he favours a second explanation, that South Stream is "simply too big a burden" amid the difficult financial situation facing Russia's state-owned giant Gazprom.

6th and 7th Paragraphs

Instead, Mr Vladimirov believes, Gazprom is looking to new markets, turning its gas strategy eastwards. "It would need $100bn in the next four to five years to develop the Eastern Siberian fields and construct a pipeline to China," he says.

Scraping South Stream comes as a setback to the governments in Hungary and Serbia, among the strongest backers of the project, alongside the Austrian company OMV and the Italian ENI.


Below you can see a rough map of Siberia. Siberia is the Russian territory that extends from the Ural Mountains to the Pacific Ocean.

Picture 53

At the following Natural Gas Europe article, titled “ENI may Cap South Stream Participation”, November 2014, you can read that ENI, the Italian energy giant which held 20% of the shares of the South Stream project, announced that it would leave the South Stream project if the cost kept rising. Note that ENI’s largest shareholder is the Italian government which holds 30% of ENI’s
shares. After the cancellation of the South Stream in December 2014, Russia bought the shares of the South Stream that were held by ENI, in order to compensate the company for its losses.

1st Paragraph

*ENI has indicated that it may leave the Gazprom led South Stream gas pipeline project should the Italian state-controlled energy be required to commit greater financial resources that initially expected.*

http://www.naturalgaseurope.com/eni-south-stream-financing

It is generally accepted that the South Stream was never an economic project. Russia and Europe needed the South Stream in order to overcome the crises in the Russian-Ukrainian relations which in the past have left many European countries without natural gas supplies. Russia also wanted the South Stream in order to make it harder for a competing pipeline to be built and compete with Gazprom in Europe. Therefore it is clear that the South Stream was a political and not an economic project.

At the following London School of Economics article, titled “Who are the winners and losers from the cancellation of the South Stream pipeline”, you can read that the South Stream was a political project, and its main purpose was to prevent the construction of Nabucco, and that the Turk Stream is also a political project, and its purpose is to prevent the construction of TANAP.

11th, 12th and 13th Paragraphs

*At this stage, it is more difficult to tell whether Russia and the European Union will gain or lose from the cancellation of South Stream. As far as Russia is concerned, this may sound paradoxical, as the project was Moscow’s brainchild. Gazprom has lost an opportunity to further strengthen its position in the EU energy market.*

*However, from an economic viewpoint, the construction of South Stream made little sense at a time when European gas demand is dwindling and gas prices are low. South Stream was primarily a political project and had already achieved one of its key political aims: derailing the Nabucco project and perpetuating the European Union’s dependence on Russian gas.*

*Moreover, Putin’s decision to shift gas exports toward Turkey may have a similar political function: a new Russia-Turkey pipeline may compete with TANAP and reduce its economic viability. To pursue this aim, Moscow has already put pressure on Turkmenistan not to supply TANAP (Azeri gas supplies are limited and Turkmeni gas would strengthen the economic rationale of the pipeline).*


Similarly to the South Stream and the Turk Stream pipelines, the pipelines supported by the US and EU are geopolitical projects too. That’s the reason it was so difficult for Nabucco to come to life, even though it was supported by the EU and the US. Nabucco did not have much commercial rational, and that’s also the reason TANAP faces so many difficulties. However TANAP makes more economic sense when compared to the South and the Turk Stream, because
the countries of the Caspian and the Middle East are not connected to Europe through a pipeline network, while Russia is already very well connected to Europe through various pipeline networks.

But in a market economy, where geopolitics would not matter, and economic nationalism would not exist, the Caspian countries could send their natural gas to Europe through Russia. That would cost much less because Russia is already connected to Europe (see following map).

Picture 54

Unfortunately economic nationalism does not allow the market to take care of global energy. As long as this economic nationalism exists in the energy sector world wars will keep braking out. Anyway this is not an essay about economics but about geopolitics. I want to mention one more article from the New York Times, titled “Russia Presses Ahead With Plan for Gas Pipeline to Turkey”, January 2015. You can read that under the current financial conditions it makes sense for Russia to go for the Turk Stream, which will only cost 10 billion dollars, instead of the South Stream, which would cost 40 billion dollars. According to the New York Times Turkey is more interested on discounts for the natural gas that she already imports from Russia than on the Turk Stream.

13th and 14th Paragraphs

Energy economics played a role, too. The price of natural gas in Europe has dropped along with the cost of crude oil, and slow industrial demand is expected to mean sluggish growth for the European gas market. Russia’s finances have been hit by falling oil prices. So a new pipeline estimated to cost as much as $40 billion to deliver gas mainly to small European countries like Hungary and Serbia made little sense.

Industry analysts estimate that the cost of Turkish Stream would be about $10 billion for Gazprom, which so far has spent an estimated $4.7 billion on the Black Sea project.

20th Paragraph
To avoid wasting years of preparation and lengthy contract negotiations, Gazprom has quickly secured control of the Dutch company. In late December Gazprom said it was buying out its Western partners: Italy’s oil giant, Eni; the French utility Électricité de France; and BASF’s Wintershall oil and gas subsidiary. The companies said they would be compensated for their cash outlays so far, an estimated $750 million.

26th and 27th Paragraphs

Another potential sticking point is Turkey itself. For one thing, the country obtains about 60 percent of its gas from Russia, a dependence the government is not necessarily eager to increase.

Talks between Russian and Turkish officials on matters like the precise route and financial terms of a deal are said to be proceeding slowly. That is partly because the Turkish government appears to be trying to use Gazprom’s need for a face-saving alternative to South Stream as leverage to negotiate lower prices for Russian gas, according to a Turkish official, who spoke on the condition of anonymity because of the sensitivity of the negotiations.

Greece between Russia and Turkey

Even though Greece cannot be compared to Russia and Turkey in military terms, she plays a very important role in the energy game that is taking place between these two countries.

The Christian Orthodox church is the main religion in Greece, Russia, Bulgaria and Serbia, while Turkey and Albania are predominantly Muslim countries. Greece, Serbia and Bulgaria form a wall which prevents Turkey from reaching Albania, the Adriatic Sea and Southern Europe. It would be much better for Turkey if Albania and Turkey were geographically connected. If that was the case Turkey could send the natural gas and oil of the Middle East and the Caspian Sea to the Adriatic Sea and Italy, through Albania, without having to rely on Russian allies. Moreover, as you can see at the following map, if the Islamic State, which is supported by Qatar and Turkey, manages to secure a land corridor in Syria and Iraq, Turkey could reach the Persian Gulf bypassing the governments of Syria and Iraq, which currently are under Iranian and Russian influence.
The red area at the following map shows the areas of Syria and Iraq which were controlled or contested by ISIS at the beginning of 2015. The Islamic State has done a good job in order to break the Iran-Iraq-Syria axis.

But even if the Islamic Army does not manage to connect Turkey with the Persian Gulf, there might be regime changes in Syria and Iraq, which might move these countries from Iranian towards Turkish and Qatari influence. Sunni Muslims constitute the majority in the Syrian population. Therefore Turkey and Qatar, which are predominantly Sunni countries, might manage to gradually outweigh the Iranian influence in Syria, because Iran is a predominantly Shia (Shiite) Muslim country. Shia Muslims constitute the majority of the population in Iraq.

If one way or the other Turkey manages to reach the Adriatic Sea and the Persian Gulf it would be a revival of the Ottoman Empire. Turkey would partly undo the results of the Balkan Wars of 1912-1913 and the results of the First World War for Oil 1914-1918, which cost Turkey her European and Middle Eastern territories. As you can see at the following map, before the Balkan
Wars and the First World War, the Ottoman Empire was stretching from the Persian Gulf to the Adriatic Sea.

The Ottoman Empire before the Balkan Wars of 1912-1913

Picture 58

The Ottoman Empire before the First World War for Oil 1914-1918

Picture 59

Europe in 1900

Picture 60
During the Balkan Wars of 1912-1913, England, Russia and France helped Greece, Serbia and Bulgaria, to annex the European parts of the Ottoman Empire, in order to prevent Germany from constructing the Baghdad Railway. The Baghdad Railway would connect Germany to the Persian Gulf and the Caspian Sea, through her allies i.e. the Austro-Hungarian Empire and the Ottoman Empire. When Greece, Bulgaria and Serbia annexed the European territories of the Ottoman Empire, they formed a wall between the Austrian Hungary Empire and the Ottoman Empire, as you can see at the following map.

The results of the Balkan Wars of 1912-1913

Picture 61
The following map shows the alliances of the First World War. The Ottoman Empire was on the side of Germany, Austro-Hungary and Italy, and Greece and Serbia were on the side of England, France and Russia.

Moreover England, with the help of the Arabs, annexed the Middle Eastern part of the Ottoman Empire. Iraq and Palestine were created, which were under British control, and Syria and Lebanon were also created, which were under French control, as you can see at the following rough map.

The Middle East after the First World War.
For more details on how the allies chopped the Ottoman Empire in order to prevent the connection between Germany and the Persian Gulf see my essay “The First World War for Oil 1914-1918”.

Even though in Northern Greece there are regions which are predominantly Muslim, it is very difficult for Turkey to annex these territories and connect to Albania and Italy, as long as Greece is a member of the European Union. After all, as long as Greece is a member of the EU she has to support the TANAP-TAP projects, which are of vital importance for the EU, the US and Turkey. Moreover Greece is a Russian ally, and could not object to the construction of the Turk Stream pipeline either, if the EU was to approve at some point the Turk Stream.

However it is not clear whether it would be better for Turkey to annex the northern part of Greece in order to reach Albania and Italy, or whether it would be better for Turkey to construct the TANAP pipeline without any border changes. In military terms Turkey and Albania have a clear advantage over Greece, and regaining the European parts of the Ottoman Empire is probably a dream for Erdogan. On the other hand, if there was a war in Northern Greece, Russia would make sure that the Greek army had enough weapons to attack the zone occupied by the Turks, in order to prevent the construction of the Trans-Adriatic pipeline (TAP).

But even if Turkey managed to completely neutralize the Greek Army, she could not construct a pipeline network which would send the Caspian natural gas to Europe. The occupied territories would not be recognized by the international community, and it would be impossible for the European countries to have commercial ties with them. Therefore the TANAP-TAP project could be dead for Southern Europe, at least for a while. It is true of course that Turkey has the alternative of FYROM (Former Yugoslav Republic of Macedonia), as you can see at the following map.

Picture 64

The orange X depicts a potential battlefield on the Greek-Turkish borders. As you can see a pipeline network could be constructed following the route Turkey-Bulgaria-FYROM-Albania-Italy. This scenario could be even better for Turkey, because she could gain some of the Greek territories that she lost during the Balkan Wars. After all Turkey and FYROM have excellent relations. That’s why the United States, Turkey and NATO have been trying for many years to
bring FYROM into NATO and the EU. NATO countries believed that if Former Yugoslav Republic of Macedonia is not brought into NATO, it will eventually end up in the Russian sphere of influence. And they seem to be right in their judgement.

However as you can read at the following Euroactiv article, titled “Time to unblock Macedonia's accession to NATO”, April 2013, FYROM’s membership is blocked by Greece. Greece is the only NATO member which opposes the FYROM membership.

1st Paragraph

Greece's ongoing objections to Macedonia's membership in NATO demonstrates that unlimited veto power threatens to make the alliance less responsive, restrictively bureaucratic, and subject to the mercy of any internal disagreement, no matter how small, writes Sally A. Painter.

6th Paragraph

Indeed, Macedonia has made dramatic progress in its effort to join both NATO and the EU. In addition to its economic and political reforms, Macedonia has been an active contributor to NATO’s peacekeeping missions, and is fully recognised by the Alliance. This reality made the 2008 NATO Summit in Bucharest – in which Macedonia’s nomination was blocked by a single government, Greece – particularly distressing. In 2008, Macedonia was clearly ready. Those of us involved in the process all witnessed up close the enthusiasm for Macedonia from nearly all NATO leaders. The unfortunate fact that Macedonia was blocked by a single member was a disappointment– and it should give us reason to rethink a system that allows a single government to hold absolute veto power over the entire Alliance. Is this really the Alliance of shared values?

http://www.euractiv.com/macedonia/macedonia-future-euro-atlantic-i-analysis-518836

At the following article of Today’s Zaman, titled “Turkey says wants to see Macedonia in EU, NATO”, December 2014, you can read that Turkey is asking that FYROM joins NATO, but Greece blocks its membership. The article also mentions that Russia does not want FYROM to join NATO, because Russia has energy interests at the Balkans.

1st and 2nd Paragraphs

Turkish Foreign Minister Ahmet Davutoğlu has said his country wants to see Macedonia within the European Union and NATO, a long demand by Ankara that was turned down due to a name dispute.

Davutoğlu, who is visiting Macedonia, said in a conference in Skopje on Tuesday that Macedonia is a strategic country in the Balkans and that it is impossible to change "the geography and history," referring to the fact that the country is both Turkey's neighbor and it has cultural links due to the Ottoman past.

4th, 5th and 6th Paragraphs

Macedonia has an ambition to join the Western military alliance, following in the footsteps of Albania and ex-Yugoslav Croatia, which became members in 2009. It is, however, remains
blocked by a long-running dispute with neighboring Greece over the name of the landlocked country.

Despite Turkey's calls on the Western institutions to accept Macedonia as a member, Moscow has opposed any NATO extension to former communist areas of eastern and southeastern Europe, part of a competition for geo-strategic influence since the end of the Cold War that sits at the heart of the current conflict in ex-Soviet Ukraine.

Russia has energy interests in the Balkans and historical ties with the Slavs of the region, many of them Orthodox Christian like the Russians. But Moscow's influence has waned as the countries of the former Yugoslavia seek to join the European mainstream with membership of the EU and NATO.


Turkey was one of the first countries to recognize FYROM in 1992, as you can read at the following article of the Bulgarian news agency Novinite, titled “Turkey Claims it Was ’1st to Recognize Macedonia”, December 2012.

http://www.novinite.com/articles/146294/Turkey+Claims+it+Was+%271st+to+Recognize+Macedonia%27

At the following Today’s Zaman article, titled “New gas route through Turkey revives Russian rivalry with West”, February 2015, you can read that FYROM worries because it is in the middle of a fight between the East and the West.

19th Paragraph

Macedonia too is in favour of the project, according to a person familiar with official policy on the issue. He said, though, that the government of the former Yugoslav republic was nervous of being caught up in East-West rivalry: "In a battle between elephants, the ants usually suffer the most.”


The problem for the US is that the corrupt political ruler of Former Yugoslav Republic of Macedonia, Nicolas Gruevski, has aligned himself with Putin, as you car read at the following Bloomberg article, titled “Macedonia, the New U.S.-Russia Battlefield”, May 2015.

1st, 2nd Paragraphs

Macedonia is a poor, landlocked Balkan country of about 2 million. To the Kremlin, it's also the newest front in an ideological battle, with the U.S. fomenting regime change to counter Russia's influence. As is often the case, that view is correct to the extent that Russian interests are aligned with those of a corrupt authoritarian ruler.

Here's what Russian Foreign Minister Sergei Lavrov had to say last week:
I cannot judge for sure, but it so happens objectively that these events in Macedonia are unfolding against the background of the Macedonian government's refusal to join sanctions against Russia and an active support from Skopje for the plans to build the Turkish Stream pipeline, to which many in Brussels and across the Atlantic are opposed. We cannot get rid of this feeling that there's some sort of a connection.

4th Paragraphs

Undeterred, Putin made a deal with President Recep Tayyip Erdogan to divert the future pipeline to Turkey (a map is available here), hoping to extend it into the Balkans. Serbia, a candidate for EU membership, is going through some soul-searching about the project; to get to Serbia without crossing Bulgaria, the pipeline would need to traverse both Greece (which Russia is trying to court with aid offers) and Macedonia. The U.S. has been lobbying Greece to go with a competing pipeline project that would transport gas from Azerbaijan rather than Russia.


At the following article from the Independent Balkan News Agency, titled “Brussels demands Skopje the annulment of Russian “Southern Stream” pipeline deal”, December 2013, you can read that the European Energy Community demanded from the authorities in FYROM to block the South Stream, because FYROM is a member of the European Energy Community, and it has to respect its regulations if it wants to eventually become a full member of the EU.

1st, 2nd, 3rd, 4th, 5th Paragraphs

European Energy Community has demanded from authorities in Skopje to annul or revise the deal with Russia for “Southern Stream” pipeline.

Janez Kopac, director of the Secretariat of European Energy Community has sent two letters addressed to the Government of Former Yugoslav Republic of Macedonia in relation to the deal between Russia and FYROM for the “Southern Stream”.

“The Secretariat of EEC has come to the conclusion that the agreement between Skopje and Russian Federation about the pipeline is not in compliance with the rules of the Agreement for the Energy Community in the part that relates to expenses, involvement of third parties and charges”, said Kopac in a press release.

He said that FYR Macedonia, as member of EEC must comply with the agreement and revise the international ratified agreement without further postponements.

“If it doesn’t do it at its own discretion, we will first send a letter and in case there’s no response, then it will face a dispute, because accession in the EU involves the annulment of all agreements that have been reached by a candidate state and which are not compatible with the obligations that emanate from EU accession. Therefore, Skopje must withdraw from the agreement with the Russian Federation for the ‘Southeastern Stream’ pipeline”, said Kopac.

For the corrupt and authoritarian ruler of Former Yugoslav Republic of Macedonia you can read Foreign Affairs “The Balkans, Interrupted. The Protests in Macedonia are Only the Beginning”, May 2015.

5th Paragraph

With Macedonia facing potential implosion, with Bosnian unity at its most tenuous since the war, and with Kosovo witnessing a mass exodus of citizens who have given up on its corrupt, divisive government, the three most vulnerable countries of the region stand on a precipice. A slide toward radicalism and inter- or even intraethnic strife, abetted by Russian or Islamist opportunism, is fully plausible. And if it happens, U.S. and European diplomats will be forced to finally answer a question: Who lost the Balkans?

8th Paragraph

Macedonia is a prime example of the consequences of sporadic attention. With intensive international help following the outbreak of hostilities between ethnic Macedonians and Albanians in 2001, the country made steady progress in building joint democratic institutions. In 2006, current Prime Minister Nikola Gruevski took office. After four increasingly dubious elections, he has managed to consolidate power by debilitating the judiciary, marginalizing the opposition, and eviscerating independent media. In 2007, Macedonia ranked number 36, ahead of the United States, in Freedom House’s Press Freedom Index. Last year, Macedonia sunk to 123, languishing with the likes of Venezuela. The country’s economy, meanwhile, remains afloat through a sharp and unsustainable rise in borrowing.

14th Paragraph

It is typical of the West to seek to avoid a confrontation with Gruevski, allowing him and other figures to keep the region’s open questions simmering. But the one over-arching lesson since the violent collapse of Yugoslavia 25 years ago is that the failure to deal with core problems head-on has only made them harder to resolve in the end. This is especially true in Macedonia’s case, where Greece’s longstanding objections to the country’s name, which Athens sees as theft of Greek heritage, have kept Macedonia out of both NATO (where its membership is on offer) and the EU (with which it is poised to open negotiations). The country’s current instability could have been avoided had Skopje been allowed to proceed towards NATO and EU membership. Rather than move toward autocracy, Gruevski would have been constrained by strict requirements that have proved to empower democratic institutions elsewhere.

16th, 17th Paragraphs

Gruevski has seized on international paralysis over the name issue to provoke Greece with tacky appeals to Macedonian nationalism. Most recently, he claimed that the wiretaps are part of an international conspiracy designed to force him to jettison the country’s name. For its part, Athens has recently emerged as a key player in trans-Atlantic attempts to thwart a planned Russian-Turkish gas pipeline, which boosts the ability of the nearly bankrupt country to stand up to Western pressure on the name issue. In short, as in other cases from the region, Western inattention has only made the question of Macedonia’s name more acute and more fraught.
If Macedonia is in acute pain, Bosnia is facing deeper and nearly irreparable injury. Radical Islam and Russian influence are exacerbating ever-present ethnic suspicions. Meanwhile, some of the country’s politicians are taking concrete steps to split the country. Ruling Serb and Croat parties recently announced their commitment to thinly veiled separatist agendas. The Republika Srpska parliament even passed a resolution for a separatist referendum that, for the first time, included a concrete date, 2018, for the incendiary plebiscite. If held, the Serb referendum is guaranteed to reopen hostilities.


Therefore it should not be assumed that Turkey will not dare to attack the predominantly Muslim northern part of Greece, in order not to jeopardize her role in the Southern Energy Corridor, because there is the option of FYROM too. If Putin manages to use the corrupt political systems of Greece, FYROM and Serbia in order to block the Southern Energy Corridor, I believe that a war will brake out.

If Turkey knows that Greece has broken her relations with the EU and the US in order to promote Russia’s interests, Turkey could cooperate with Albania to attack Greece and FYROM. However it is not clear whether it is better for Turkey to pass the Southern Energy Corridor without war and border changes or with war and border changes. Russia on the other hand has no benefit from a pro-Russian Greece, which will allow the TANAP-TAP connection, because the TANAP-TAP project is a great threat for the Russian economic interests. A war between Greece and Turkey in Northern Greece could be the best scenario for Russia.

Moreover the European Union is trying to finance the Interconnector Greece Bulgaria pipeline (IGB), and a sea LNG terminal at the Northern Aegean, which will supply the IGB pipeline, and which will also hurt Russian interests. See red lines at the following map.

Picture 65
These projects are of vital importance for the European Union, because the European Union wants two things. The first one is that Eastern Europe does not to depend on Russian natural gas. This can be achieved through the TANAP and TAP projects. The second thing that the European Union wants is that Eastern Europe does not to depend on Turkey either, because Turkey is not a western country, and she is not a member of the EU. The only way that the EU can achieve Eastern Europe’s energy independence from Russia and Turkey is through Greece as you can see by the red lines on the above map.

Lithuania has recently built a sea LNG terminal (see yellow lines on the above map). However Lithuania has very limited sources in order to import natural gas. For Lithuania the main alternative to the Russian natural gas is Norway, which has 2 trillion cubic meters of natural gas reserves, but is facing a falling production due to overexploitation. The second option is England, which is already importing more natural gas than she is exporting. Finally there is the choice of the Netherlands, which do not have sufficient reserves either. Greece on the other hand can receive natural gas from Algeria, Libya, Saudi Arabia, Qatar, Iraq, Iran, and the United Arab Emirates. These countries are the largest producers and exporters of oil and natural gas in the world. Therefore Greece is very important for the European Union’s energy security, especially for Eastern Europe.

Picture 66

http://www.eia.gov/countries/analysisbriefs/Iran/iran.pdf

Therefore Russia does not benefit from a large and peaceful Greece, because a large and peaceful Greece which belongs to the European Union would have to accept the TANAP-TAP projects. Greece would also have to accept the pipeline connecting Greece-Bulgaria, and a sea LNG platform in North Aegean, both financed by the EU, in order to supply Bulgaria and Eastern Europe with natural gas. The IGB and the sea LNG platform would have to comply with the EU anti-monopolistic regulations. Actually that’s one of the main reasons the European Union has given all this money to rescue Greece from bankruptcy. It is because of Greece’s great
geo-strategic importance that the Europeans have been so patient with the corrupt political 

system of Greece.

The IGB and the sea LNG terminal hurt Gazprom, the Russian state controlled giant. If Greece 

was to go to war with Turkey, both the TAP and IGB projects would be cancelled, and Russia’s 

economic interests would not be hurt. Therefore Russia has a motive to use her huge political 

influence in Greece in order to make Greece more aggressive towards Turkey.

This is a strange situation. Turkey, a traditional rival for Greece, might have a motive not to 

attack Greece, in order not to jeopardize the Southern Energy Corridor, and Russia, a traditional 

ally for Greece, might have a motive to push the corrupt Greek political system into a war with 

Turkey in order to block the Southern Energy Corridor. It is clear that Greece is facing huge 

threats at the beginning of the 21\textsuperscript{st} century. If Greece were to exit the Eurozone and the European 

Union, as most Greek communists and national socialists want, and if Greece were to block the 

TANAP, TAP and IGB pipelines, in order to promote the economic interests of the Greek 

political system and Russia, she would put herself in a very dangerous position.

Turkey and Albania could annex her northern part, because she would knew that the US and the 

EU would not give a damn about Greece. In such a catastrophic scenario Greece could only 

expect help from Russia, because Russia would arm Greece in order to block the Southern 

Energy Corridor. The question is whether Greece will dare to exit the Eurozone and the 

European Union, in order to become a complete Russian satellite, which would allow the rotten 

Greek politicians to avoid the reforms expected by them from the European. Can the corrupt 

political system of Greece do something which will lead to Greece’s partition? Could Greece 

commit suicide?

The Greek political system does not like the European Union very much lately, due to the 

reforms that the Europeans expect from Greece. For example the European Union expects 

Greece to establish independent tax and judicial authorities, which will not be controlled by the 

Greek political system. In other words the European Union expects Greece to become a modern 

European country, and stop being a Balkan country. The Europeans also expect the Greek 

political system to open up the energy market, according to the European Union energy 

regulations.

The problem is that the tax system, the judicial system and the energy market in Greece, all work 

for the benefit of the Greek political system. Therefore these days the Greek political system 

does not like the Europeans, and the problem is that the Greek media are controlled by the Greek 

political system, which means that Greek people are subjected to heavy propaganda. Before 

predicting whether it is possible for Greece to leave the EU and commit suicide, it is very useful 

to briefly outline Greece’s foreign relations after World War 2.

After WW2 Greece was allocated to the West i.e. to what is today called NATO, while all the 

other Balkan countries were allocated to the East and the Soviet Union. After the war there were 
two strong political forces in Greece, the national socialists and the communists. In Europe 
national socialists and communists were close allies until the Nazis attacked Russia in 1941. 
After the German attack on Russia the nazis and the communists became the deadliest enemies 
in all European countries. But for the period 1939-1941, Nazis and Communists were very close. 
In 1939 Hitler and Stalin had signed the Molotov-Ribbentrop Pact, according to which Nazis and
Communists were splitting Eastern Europe into spheres of influence. The Nazis would take Poland’s eastern part, and the Communists would take Poland’s western part, Lithuania, Latvia, Estonia and Finland. See the following map.

Picture 67

For the Nazi-Communist alliance see Encyclopaedia Britannica “German-Soviet Nonaggression Pact”.

3rd Paragraph

“To this public pact of nonaggression was appended a secret protocol, also reached on August 23, 1939, which divided the whole of eastern Europe into German and Soviet spheres of influence. Poland east of the line formed by the Narew, Vistula, and San rivers would fall under the Soviet sphere of influence. The protocol also assigned Lithuania, Latvia, Estonia, and Finland to the Soviet sphere of influence and, further, broached the subject of the separation of Bessarabia from Romania.

A secret supplementary protocol (signed September 28, 1939) clarified the Lithuanian borders. The Polish-German border was also determined, and Bessarabia was assigned to the Soviet sphere of influence. In a third secret protocol (signed January 10, 1941, by Count Friedrich Werner von Schulenburg and Molotov), Germany renounced its claims to portions of Lithuania in return for Soviet payment of a sum agreed upon by the two countries”.

http://www.britannica.com/EBchecked/topic/230972/German-Soviet-Nonaggression-Pact

For a very good article about the Nazi-Communist alliance you can also read Deutsche Welle “Molotov-Ribbentrop Pact: A 'honeymoon' for two dictators”, August 2014.
During their alliance, the Russian Communists were supplying the Nazis with oil and grain, and the German Nazis were supplying the Russian Communists with manufactured goods. However, Hitler needed more oil for his army and industry and in 1941 he decided to attack Russia, in order to take full control of the oil of Baku (see yellow circle at the following map). But the Communists, with the West’s support, defeated the Nazis at the decisive Battle of Stalingrad, which is today called Volvograd. Hitler was stopped at Stalingrad, and never managed to reach the oil of Baku. See the following map.

Picture 68

The Greek communists were very lucky. Germany attacked Greece almost at the same time she attacked Russia, and therefore Russia ordered the Greek communists to attack the Nazis. French communists on the other hand, and other European communists, were not that lucky. Germany invaded France before the attack on Russia, and until 1941 the French Communists were treating the Nazis as their allies. For more details see “Communism and Nazism, two of a kind”.

The Nazi attack on Russia broke the Nazi-Communist alliance. After WW2 it was very difficult for the Communists to forgive the Nazis for their betrayal, and the violation of the Molotov-Ribbentrop Pact. That’s what one should keep in mind when examining the relations between the Communists and Nazis in post-war Europe. The same was true in Greece, with a lot of hate between Greek Nazis and Greek Communists.

Greece was allocated to the Western sphere of influence after WW2, and the West had to help the Greek Nazis, since the only other option would have been to help the Greek Communists who were taking orders from Russia, and they wanted Greece to be a Russian satellite. Therefore the westerners had to cooperate with the Greek Nazis whether they liked it or not. With the help of the West the Greek Nazis defeated the Greek Communists in the Greek civil war that followed WW2. In the years that followed WW2 the national socialists wanted Greece to be a true ally of the West, because they could not turn to Russia’s communists for support. Remember that there
was a lot of hate between Communists and Nazis in post war Europe, because the Nazis betrayed the communists by breaking the Molotov-Ribbentrop Pact of 1939.

However as time was passing by the hatred between national socialists and communists started fading. Their similar ideologies started bringing them back together. After all the Greek national socialists preferred a state controlled economy than a market economy. It was the Soviet economic system that was closer to what the Greek national socialists had in mind, and not the American one. In Greece it took nationalists and communists more than two decades to reconcile, which was finally done after the Greek military Junta of 1967-1974.

Constantinos Karamanlis, the main nationalist leader of the time, and Andreas Papandreou, the main communist leader of the time, managed to reach an agreement. It was final. The Greek communists and nationalists had managed to reconcile, and with the victory of Andreas Papandreou in the 1981 elections Greece passed under communist control for the first time after the end of WW2. It is true that neither Constantinos Karamanlis nor Andreas Papandreou decided to go for a 100% socialist economy. It was too late for that.

Both Constantinos Karamanlis and Andreas Papandreou used the same economic model, with a very large public sector, and with the Greek government controlling the main parts of the economy, leaving the smaller parts of the Greek economy to the private sector. However even the smaller parts of the Greek economy, which were privately run, were heavily regulated. However it was not only their common economic philosophy which helped Greek communists and nationalists to reconcile. Nationalists had started wishing for a turn towards Russia, loosening the country’s ties with NATO. That was of course true for the Greek communists. This is the 70s and 80s, before the collapse of the Soviet Union, when all communists wanted their countries to belong to the Soviet sphere of influence. For some strange reasons socialists consider the Soviet Union, Cuba, Venezuela, Iran, China, North Korea, to be more democratic countries than the US, England etc.

Actually it was in 1975 that the famous Greek terrorist organization “November 17” murdered Richard Wells in Athens, who was the head of the CIA in Greece. It is widely believed that November 17 was an organization with strong connections to the Greek political system, and that’s why it managed to stay in business for so many decades. The first time that some of its members were arrested was in 2002, because Greece had to organize the 2004 Olympic Games, and there was too much pressure on Greece from western governments.

Many political figures openly say that the November 17 terrorist organization was run by the Greek political system. At the following Enikos article, titled “Kouroublis: Andreas Papandreou was for 20 years the leader of November 17, January 2014, you can read that Panagiotis Kouroublis, a historic member of Andreas Papandreou’s PASOK party, and today a minister of the SYRIZA government, claimed that Andreas Papandreou was for 20 years the leader of the November 17 terrorist organization. “Enikos” is one of Greece’s largest news portals, and it is owned by Nikos Chatzinikolaou, who is one of the biggest Greek journalists. Unfortunately the article is written in Greek.

http://www.enikos.gr/politics/205715,Koyroymplhs:_O_Andreas_Papandreou_htan_e.html
Constantinos Karamanlis, the great nationalist socialist Greek leader, withdrew Greece from NATO in 1974, and it cannot be a coincidence that in 1975 the Marxist organization November 17 killed the head of the Greek CIA division. That was 6 years before the communists came to power. The communists would have not dared to kill the CIA chief if they new that the nationalists would not approve. The assassination of Richard Wells was for the Greek-American relations what the 9/11 attack on the Twin Towers of New York was for the American-Saudi relations.

In the same way that the US was becoming a constraint for a further strengthening between the Saudi-Chinese relations, the US was becoming a constraint for a further strengthening between Greece and the oil rich Soviet satellites. Oil rich Saudi Arabia wanted closer relations with China, because China was becoming a major oil importer. Oil poor Greece wanted closer relations with oil rich Russia, Algeria and Libya, because they were major oil exporters, and they were all run by highly corrupt political systems, which is something very convenient for Greece’s rotten politicians. For more details on Saudi Arabia, the US and the 9/11 attacks on the Twin Towers see “USA Russia & China in the Middle East: Alliances & Conflicts”.

As you can see at the following map, Algeria and Libya, which are both oil exporting countries and Soviet allies, are in Greece’s neighbourhood.

Picture 69

You can read about how the Soviet Union was arming Libya and Algeria at the following two articles.

“Country Studies: Algeria”

1st Paragraph

In spite of periodic reports that Algeria was negotiating with European manufacturers to produce weapons systems under license, the country continues to depend heavily on outsiders to supply the ANP. From independence through the 1980s, Algeria’s most important supplier remained the Soviet Union. It was estimated that nearly 90 percent of the equipment in the ANP inventory in 1993 was of Soviet origin. Algerian leaders have frequently stated their desire to
diversify their sources of arms and to obtain access to up-to-date Western equipment, but the country's straitened economic circumstances have precluded a major shift to purchases from the West.

http://countrystudies.us/algeria/172.htm

“Where is Gaddafi's vast arms stockpile?”, October 2011

8th Paragraph

Those looking for explanations for his ability to hold on to power for so long must examine the ease with which Gaddafi was able to purchase billions of dollars’ worth of arms since 1969, fuelled by Libya's massive reserves of oil. From 1970 until 2009, and even with a long-term UN arms embargo in place between 1992 and 2003, Libya spent around $30bn on weapons. Most of this was sourced from the USSR (and, more recently, Russia): a total of $22bn. But equally important were sources of sophisticated Western weapons, which Gaddafi used as major force multipliers. France and Germany made the most hay while the arms trade sun shone, earning $3.2bn and $1.4bn respectively.


Prime Minister Rallis brought Greece back to NATO in 1980, amid severe criticism by the communists. However Greece was never again a true member of NATO. She was systematically buying Russian arms and she was systematically performing military exercises with Russia. For Andreas Papandreou’s anti-American foreign policy you can read a very good article written by the Foreign Affairs magazine in 1984, titled “Papandreou's Foreign Policy”. Andreas Papandreou had studied and lived for many years in the United States, and he had worked in the American academia too. Why was he so anti-American? He hated America because he was a communist. All communists and national socialists hate the United States because the US proves how inferior their ideologies are. Even American communists hate the United States.

The Foreign Affairs article says how much Andreas Papandreou admired the Libyan, Syrian and Iraqi regimes. It is of course no coincidence that Libya, Syria and Iraq were the allies of Russia in the Middle East. In the 15th paragraph of the article you can read that Andreas Papandreou described the oppressive Qaddafi regime in Libya as a “direct democracy which is pursuing the most revolutionary course of our time”. In the 24th paragraph you can read about the Marxists who joined Papandreou’s party in the period 1974-1977, and the decisive role they played in the victory of the 1981 elections.

In the 56th paragraph you can read that contrary to Greece’s western allies, Papandreou followed an extremely anti-Israel policy, endorsing the views of the most extreme Arab states. In the same paragraph you can read that Andrea’s Papandreou was an enthusiastic supporter of the Palestinian leader Yassir Arafat, another Soviet ally, and that he concluded an agreement with the Syrian dictator Assad, the father of the current Syrian dictator, in order to combat “world imperialism and racist Zionism”.

15th Paragraph
During this period Papandreou was quite clear about his party's radical ideology. Social democracy was dismissed as "capitalism with a polite face" and accused of aiming "to preserve the system in order to establish monopolistic and imperialistic capitalism." He attacked Eurocommunism as a form of social democracy. "When we talk about the Communist Party of Italy," he said, "we really mean the social-democratic party of Italy." As for his own model for socialism, Papandreou dismissed Soviet-style "state socialism," but did not hide his admiration for "the genuine anti-imperialist" forces of the Arab world. "In North Africa and the Middle East," he said, "Algeria, Libya, Iraq, and, of course, the Palestinian Movement make up the progressive anti-imperialist front. . . . These countries are in the forefront of a struggle against monopolies and imperialism." After a trip to Libya, Papandreou described the Qaddafi regime as a "direct democracy" pursuing the "most revolutionary course of our time".

24th Paragraph

The PASOK activists are mainly those who joined the party during 1974-1977, subjected to a heavy dose of Marxist and Third World slogans. They are the watchdogs of "orthodoxy," and constitute the backbone of an impressive and effective party organization. The role of the activists in Papandreou's victory in 1981 was surely decisive.

56th Paragraph

In the Middle East the Papandreou government has also been at odds with Greece's allies. It has adopted an extreme anti-Israeli stand (which provoked incidents of anti-Semitism in Greece) and endorsed the views of the most extreme Arab states. It was recently revealed that PASOK concluded an agreement of close cooperation with the Syrian Baathist Party aimed against "world imperialism and racist Zionism." Interestingly enough, though the Papandreou government has been Yassir Arafat's most vociferous supporter, it failed to condemn the Syrian takeover of the Palestine Liberation Organization. Overall, Papandreou's tendency to take sides in the Middle East has earned him more enemies than friends in the area.

http://www.foreignaffairs.com/articles/39389/john-c-loulis/papandreous-foreign-policy?nocache=1

I must also say a few words about the alliances that existed in the Mediterranean Sea and the Middle East during Karamanlis and Papandreou’s times. The oil allies of the US were Saudi Arabia and United Arab Emirates, and the military allies of the US were Turkey and Israel.

Picture 70
I have marked Egypt with red, because until the middle of the 70s Egypt was a loyal ally of the Soviet Union, first under Gamal Nasser, and then under Anwar Sadat who succeeded Nasser. However Sadat started moving Egypt towards the US in the 70s, and Egypt started receiving from the US generous financial assistance. As a result Egypt also signed a truce with Israel in 1979. Abandoning the Soviet Union was something that Sadat paid with his life, since he was assassinated in 1981.

I have marked Cyprus and the Greek island of Crete with red, even though Cyprus had, and still has, English military bases, and Crete had, and still has, American military bases. In the 70s Greece and Cyprus wanted to throw the British and the American bases out of these two islands, because they wanted closer military relations with Russia. That was for Turkey a great opportunity, and she found the chance to invade Cyprus and annex the northern part of the island. Turkish Cypriots accounted for 20-25% of the Cypriot populations. Before the Turkish invasion there were conflicts between Greek and Turkish Cypriots, and when Greece and Cyprus decided to move closer to the Soviet Union Turkey grabbed the chance and invaded Cyprus. Turkey occupies the northern part of the island to this very day.

I believe that the Cyprus tragedy is the main explanation of why the Greek communists did not dare to throw out of Crete the American military bases, as they had promised to do before their victory in the 1981 elections. Even today Crete and Cyprus host the American and British military bases. However I marked both Crete and Cyprus with red, because both the Greek and the Cypriot rotten political systems were closer to Russia than the US, even though they finally did not dare to throw the American and British bases out of the islands. Another reason, maybe the major one, that the communists did not dare to make Greece a soviet country, after they came to power in 1981, was the huge packages of financial aid that started flowing to Greece from the European Union. It was very difficult for the Greek communists to resist the temptation of grabbing the money.

At the following map you can see Cyprus and Crete’s strategic importance for controlling the Suez Canal and the Red Sea, which is the corridor connecting Europe to the oil of the Middle East (see following map). Moreover controlling Cyprus and Crete is very important because there is natural gas in the East Mediterranean Sea. You can also see on the map that Cyprus is of
strategic importance in order to construct or block the Iran-Iraq-Syria and the East Med pipelines.

Picture 71

Actually if you search about the Iran-Iraq-Syria pipeline, which would be constructed and managed by Gazprom, you will see that very often it is mentioned as the Iran-Iraq-Syria-Lebanon pipeline. Obviously the Russians and the Iranians wanted to construct in Lebanon the LNG factory that would liquefy and ship the natural gas to Europe, in order to build it as far as possible from Turkey. Lebanon is near the Southern part of Cyprus which is controlled by the Greek Cypriots.

Some people argue that the Greek political system wanted Greece to move closer to Russia in order to serve the country’s national interests. What is true is that the US needed Turkey more than it needed Greece, because Turkey was militarily stronger than Greece and more important in geographical terms, due to her proximity to the Caspian Sea and the Middle East. However I do not believe that it is ever possible to truly serve a country’s national interests by moving that country from the Western world towards the authoritarian world i.e. the Soviet Union, China, Brazil, Argentina, Venezuela, Iran etc. By “authoritarian world” I mean all countries that are run by socialist or religious regimes. I believe it only serves the interests of corrupt political systems to move their countries towards alliances that are run by socialist and religious regimes.

Anyway, from the 70s the reconciliation between the Greek nationalists and the Greek communists was going very well because both wanted a centrally planned economy and they were both working for Russia in their foreign policy. But things recently changed. At some point a part of the Greek communists started working for Qatar in their foreign policy. Qatar is a small country which is very famous for buying political influence abroad. Even though Qatar is a small country, it is the second largest exporter of natural gas in the world, and it also exports oil. It also has a very small population and therefore Qatar has an abundant liquidity which can be used for bying socialists in foreign parliaments and jihadists in the battlefields.
In Greece Qatar has a lot of influence, mainly with the communists, but also with the nationalists. You never hear Greek nationalists accusing Qatar, even though Qatar is Russia’s main rival in the natural gas markets, as you can see at the following CIA table.

![CIA World Factbook](https://www.cia.gov/library/publications/the-world-factbook/rankorder/2251rank.html)

Similarly you never hear communists accusing Russia. Both communists and nationalists accuse the US. Even though the financing of Russia and Qatar can be found in both the communists and the nationalists, it can be said that the Qatari influence is more intense with the communists, and the Russian influence is more intense with the nationalists. Therefore there are some disagreements between Greek communists and Greek nationalists when it comes to foreign policy.

Communists who work with Qatar want Greece to improve her relations with Turkey, because Turkey is Qatar’s main ally, and nationalists who work with Russia want Greece to be very aggressive towards Turkey, because Turkey is Russia’s main rival. Therefore communists and nationalists are no longer united in their foreign policy, at least not in the way they used to be, when all of them were oriented towards Russia in their foreign policy.

However it is not an easy job for corrupt political parties to support both Russia and Qatar, because they are major rivals in the energy markets. The rivalry between Russia and Qatar in the natural gas market has also made the two countries rivals in the battlefields of the Middle East and North Africa. In the conflicts of the Middle East and North Africa Russia is supporting the anti-Islamists, and Qatar and Turkey are supporting the Islamists.

Russia is supporting Assad in Syria, and Qatar and Turkey are supporting the Syrian rebels. In Egypt Russia is supporting General Sisi, and Qatar and Turkey are supporting Mohamed Morsi. In Libya and Tunisia Russia is supporting the anti-Islamists and Qatar and Turkey are supporting the Islamists. Everywhere in the Middle East and North Africa Russia is supporting the anti-Islamists and Qatar and Turkey are supporting the Islamists. This is of course an energy war between Russia, Qatar and Turkey, and not a religious war as sometimes it seems to be. However for Qatar it is more convenient to finance red socialists abroad than to finance nationalists, because it is easier for red socialists to accept what is called “silent jihad”. Silent jihad refers to the peaceful spread of Islamic fundamentalism in European countries.
It is impossible for me to accurately describe the funding of Greek politicians. I can only offer a vague description, and that’s what I have done so far, but please keep in mind that my description is only an approximation. Besides Qatar and Russia, Greek communists and nationalists are also stealing from the Greek public companies they control i.e. companies of the energy, banking, defence sector etc. They also steal from the tax and judicial systems which are not independent and they are controlled by them.

However something very interesting and scary happened in the last Greek elections of January 2015. A coalition government between communists and national socialists was formed, between SYRIZA (ΣΥΡΙΖΑ), a communist party that won 36% of the votes, and the Independent Greeks, a national socialist party which won less than 5% of the votes. These parties managed to completely overcome their differences because they face a common enemy, which is the European Union. Actually when the SYRIZA came to power, it had no choice but to turn to Russia, because Qatar has lots of money but a very small army. It is Turkey that helps Qatar in military issues.

The required EU reforms is a threat for the Greek communists and nationalists who control the Greek public sector, and it also hurts them because with the EU energy regulations it puts too much pressure on Russia. Therefore communists and nationalists decided to cooperate and work with Vladimir Putin, along Marine Le Pen, the Spanish communists of Podemos, and Victor Orban in Hungary, in order to combat the EU. It is very interesting that 70 years after the end of the Second World War and the Molotov-Ribbentropp Pact it is in Greece that a true and strong unholy alliance between Communists and Nationalists emerged. Even the imprisoned leader of Golden Dawn’ neo-Nazi party expressed his support for SYRIZA’s communists, when SYRIZA declared its support for Russia, and started promoting Gazprom and the Turk Stream Pipeline. This is a true alliance of the Molotov-Ribbentrop flavour.

Alexis Tsipras, the new Prime Minister of Greece, appointed Nikos Kotzias and Panos Kammenos as Ministers of Foreign Affairs and Defence respectively. At the following Financial Times articles, titled “Alarm Bells Ring Over Syriza’s Russian Links”, January 2015, you can read about the connections of Mr Kotzias and Mr Kammenos with people very close to Vladimir Putin and the Russian oligarchs.

http://www.ft.com/intl/cms/s/0/a87747de-a713-11e4-b6bd-00144feab7de.html

Note that Panos Kammenos is a nationalist, but Nikos Kotzias is a communist. However both of them have very strong connections with Russia. You can also read about SYRIZA’s Russian connections at Bloomberg’s “Syriza’s Dangerous View of Russia”, February 2015.

http://www.bloombergview.com/articles/2015-02-03/greece-s-syriza-could-be-more-dangerous-on-russia-than-on-debt

At the following Die Zeit article, titled “Caught in the web of the Russian ideologues”, February 2015, you can read how close to the Russian oligarch Constantin Malofeyev is the Greek Defence Minister Panos Kammenos. Malofeyev is a Russian oligarch very close to the Kremlin. The EU has banned Malofeyev from visiting countries of the EU, because he has been associated with the financing of paramilitary organizations in Ukraine. Die Zeit, one of the largest German
newspapers, offers a very good description of the close connections between the Russian political system and the Greek political and economic elites. This is a very good article indeed.


I must make clear that SYRIZA was never anti-Russian, even when it was a small party of 3% with strong connections with the Islamists. In the conflicts between the US and the EU on one side, and Russia on the other, SYRIZA has always supported Russia. Qatar mainly sells natural gas to Asia and not to Europe, as you can see at the following Eurostat table.

Picture 73


You can see that Qatar covers only 8% of the European Union natural gas imports, and it is almost non-existent in the European oil markets. Therefore it was not very difficult for SYRIZA to support Russia in Europe, in Russia’s battle with the EU and the US. But what will happen in the Middle East and North Africa where Russia and Qatar are fighting each other? Turkey, Qatar’s main ally, was hoping for a SYRIZA victory in the elections, as you can read at the following article of the Canadian Broadcasting Corporation, titled “Turkey hoping for better relations with Greece after Syriza victory”, January 2015.

1st and 2nd Paragraphs

If political victories were cups of sugar, there are those in Turkey who might love to borrow some from its neighbour Greece.

On social media and in certain left-leaning circles, some Turks were wishing the far left Syriza Party's win in Greece might signal a bigger shift in the region, to encompass Turkey as well.


I cannot predict how the new alliance between the Greek communists and nationalists will handle their foreign policy, because they are working with both Russia and Qatar. However there is one thing that is clear, and that is their hostility towards the European Union which threatens the economic interests of both. And they will work together with Russia to fight the European
Union. That’s the big problem that Greece is facing, because the European Union is Greece’s only defence. The EU is Greece’s only shield. Greece does not have the military might to face Turkey and Albania, especially now that Greece is bankrupt. Greece should do some very simple things in order to protect her territory. The first one should be to make all the reforms that are required in order to make sure that Greece remains in the Eurozone and at the centre of the European Union.

Then Greece should help the TANAP and TAP projects, which are of vital importance for the EU, the US, but also for Turkey. If Greece blocks the TANAP and TAP project, in order to promote the Russian economic interests, Turkey and Albania will annex the parts of Greece which have predominantly Muslim populations. The EU and the US will not give a damn about Greece if Greece completely aligns herself with Russia. Can the Greek political system do this fatal mistake? Given how corrupt Greek politicians are, it is impossible to rule out this scenario. After all they have done it with Cyprus in the past.

The other thing that Greece should do is to help the EU as much as possible with the construction of the Interconnector Greece Bulgaria and the LNG terminal in the North Aegean. Greece should also push the East Med pipeline (Israel-Cyprus-Greece), which is another way for the EU to reduce its dependence on Russia and Turkey, increasing Greece’s geopolitical importance. See the following map.

Picture 74

However the East Med pipeline is a very difficult project because Turkey, Iran and Qatar are all slamming Israel, because the East Med pipeline hurts their economic interests. Russia does not want the East Med either as I explained before. See also “The Israel-Egypt-Jordan Natural Gas Agreement and the 2014 War in Gaza”. Therefore Greece should go ahead with the East Med
Pipeline only if the Europeans and the Americans promise to give the project full military and diplomatic support.

Can the Greek political system do what it has to do in order to protect Greece, or it will keep attacking the EU in order to promote Russia’s economic interests and avoid modernizing the Greek public sector, offering Turkey the chance to undo the results of the Balkan Wars and the First World War, making Erdogan a new Kemal Attatourk for Turkey? I cannot predict what will happen but these are very dangerous times for Greece, and it is very easy for Greece to become a new Syria or a new Iraq. Let’s hope that the Greek politicians will not betray Greece once more. But for the moment they are indeed threatening the US and the EU that they will block the Southern Energy Corridor if they insist that Greece must modernize the Greek public sector. Please note that Greece could indeed block the Southern Energy Corridor as you can see on the following map.

Picture 75

As you can see on the map, Hungary, Serbia, FYROM and Greece can block the Southern Energy Corridor. The Hungarian Prime Minister Victor Orban is a Russian puppet, Serbia is a Russian ally, and Greece can block the entrance of FYROM in to NATO, since each NATO member can unilaterally block the entrance of a new member state. Today FYROM is on the verge of a civil war, and it has been generally believed for many years that if FYROM does not join NATO and the EU, it will eventually end up in the Russian sphere of influence.

To summarize the strategy that Greece needs to follow I will say the following. Turkey is a much stronger country than Greece, both in military and diplomatic terms. Therefore Greece has to realize that it will be Turkey which will always decide what her first move on the geopolitical chessboard will be, and Greece will have to react accordingly. Therefore if Turkey decides to go for the Southern Energy Corridor, Greece should help Turkey. In that case the Greek and Turkish interests will be aligned in the North Aegean Sea.

If Turkey decides to block the Southern Energy Corridor, and align herself with Russia, the US and the EU will offer all their support to Israel, in order to promote the East Med Pipeline. Under
this scenario the interests of Turkey and Greece will be diverging. Greece should align herself with the US and the EU, and oppose Turkey. However it is very unlikely that Turkey will do that. Because Erdogan knows that if he does so the geopolitical significance of Israel, Greece and Cyprus would be dramatically increased, and the strongest ever alliance between the US and Israel would be formed, because the US would have nothing to expect from Turkey.

Picture 76

If Russia was to bring Greece to this hypothetical Russian-Turkish alliance, in order to isolate Israel, NATO would have no other choice but to attack, in order to be able to compete with Putin, who is using the Russian natural gas in an attempt to brake NATO. At the following map you can see that if Russia was to bring Greece into an alliance with Turkey, Israel would not be of much use for the US, because with Greece and Cyprus on the Russian side, Israel would be very isolated.

Picture 77
Please note that Iran, Iraq and Syria are Russian allies. Moreover Egypt, under General Al-Sisi, has moved towards Russia, because the Americans supported the Islamists of the Muslim Brotherhood in Egypt. The Muslim Brotherhood is supported by Turkey and Qatar. The US needs Turkey for the Southern Energy Corridor, and the US has its largest military bases in the Middle East at Qatar, and therefore the Americans supported the Muslim Brotherhood in Egypt. It is not that the Americans enjoy working with Islamists, but there are not many options in the Middle East and North Africa. The Americans work and support the Israelis and the Kurds as much as they can, but there is no way for the US to avoid working with the Islamists in the Middle East and North Africa.

From all the above it is clear that the Greek politicians do indeed have something to threaten NATO and the EU. I must also mention another key and dangerous point of the new Greek government’s negotiation strategy. The new coalition government between SYRIZA and Independent Greeks is trying to play the US against Germany. The thing is that the American and the German interests are to a certain degree diverging, since the German economy is very strongly connected with the Russian one. The Germans have large stakes in the Russian gas through the North Stream, and Putin also gave to German companies a small part of the shares of the South Stream pipeline.

The Germans buy oil and natural gas from the Russians, and the Russians buy manufactured goods from Germany. At the following Wall Street Journal article, titled “German Businesses Urge Halt on Sanctions Against Russia”, May 2014, you can read that German business urge their political system for a halt in the sanctions against Russia.

1st, 2nd, 3rd, 4th Paragraphs

Angela Merkel is carrying a clear message from Germany's business lobby to the White House: No more sanctions.
Several of the biggest names in German business—including chemical giant BASF SE, engineering group Siemens AG, Volkswagen AG, Adidas AG and Deutsche Bank AG—have made their opposition to broader economic sanctions against Russia clear in recent weeks, both in public and in private. (Read the latest updates on the crisis in Ukraine.)

As a result, Germany's position on additional, tougher sanctions is unlikely to shift, barring a dramatic escalation of the conflict in Ukraine—a message Ms. Merkel is expected to deliver to President Barack Obama when they meet in Washington on Friday, officials in Berlin say.

As the Ukraine crisis has worsened, German officials have faced a barrage of telephone calls from senior corporate executives, urging them not to take steps that would damage business interests in Russia, people familiar with the matter say.

http://www.wsj.com/articles/SB10001424052702303948104579535983960826054

Therefore it is much harder for the Germans to take action against Russia than it is for the US. The new Greek government is trying to intensify that. If Greece was to block the Southern Energy Corridor, as the new Greek government threatens it will do, many problems could arise between Germany and the United States. If Greece was to block the Southern Energy Corridor it is almost certain that Turkey and Albania would have to attack Northern Greece, in order to create a corridor connecting Turkey and Albania.

But Germany could not afford to see Erdogan’s Islamist Turkey reaching the heart of Europe. In Germany there are 3 million Germans of Turkish origin, and the rise of Islamism in their countries really worries the Germans and the Dutch and the other Europeans, as you can read at the following Hyrriet article, titled “Netherlands, Germany alarmed over Islamist extremists”, March 2015. Hyrriet is a centre-left Turkish newspaper and it is not in good terms with Erdogan and the Islamists.

Fearing the spread of radical Islam across Europe, Netherlands raises terror threat level to ‘substantial,’ while Germany bans ultra-conservative groups due to threat of overturning democracy

The Dutch government raised its terror threat yesterday amid concerns that Dutch citizens traveling to Syria to fight in the civil war could return battle-hardened, traumatized and further radicalized.

The government cited the threat posed by jihadist fighters returning from Syria, where rebels are battling government forces, and signs of increasing radicalization among Dutch youth as key reasons for lifting its threat level from “limited” to “substantial.” The level is now the second-highest on the four-step scale, just below “critical.”

Meanwhile, German authorities banned three ultra-conservative Salafi Muslim groups which the Interior Ministry said wanted to overturn democracy and install a system based on shariah. The ban, which took effect in the western states of Hesse and North Rhine-Westphalia in the
early morning, is the latest step taken by German authorities who have increased surveillance of Salafis who espouse a radical version of Islam. The ministry said it has banned the organizations “DawaFFM” and “Islamische Audios,” as well as “An-Nussrah,” which is part of the “Millatu Ibrahim” group that was outlawed in June 2012. Some 20 people were searched and assets belonging to the organizations were seized, said the ministry.


That’s one of the reasons the Germans are supporting the Greek Cypriots in their conflict with Turkey in East Mediterranean Sea, as you can read at the following Deutsche Welle article, titled “Merkel's difficult dialogue with Erdogan”, February 2013.

2nd and 3rd Paragraphs

German Chancellor Angela Merkel expressed support for reviving Turkey's EU accession process on Monday (25.02.2013), but urged Ankara to take steps towards normalizing relations with Cyprus.

"We want the process to advance, despite the fact that I am still skeptical about Turkey's full membership of the EU," Merkel said following talks with Turkish Prime Minister Recep Tayyip Erdogan. She stressed that proceeding with the accession talks would depend on Ankara's Cyprus policy, and urged Turkey to open its ports and airports to traffic from Greek Cyprus.

7th and 8th Paragraphs

Disagreements between Merkel and Erdogan were not limited to the Cyprus problem. The German chancellor also underlined the importance of press freedom in Turkey and criticized long detention periods for dozens of imprisoned journalists, which critics say are politically motivated. According to the Committee to Protect Journalists (CPJ), some 76 Turkish journalists were in jail as of August 2012, and at least 61 of those were imprisoned as a direct result of their work.

Asked about these charges, Erdogan claimed that less than 10 of these prisoners were journalists. “They are not imprisoned for their journalistic work,” Erdogan said. “They are imprisoned either for participating in coup plots, or having illegal arms or acting in coordination with terror organizations.”

http://www.dw.de/merkels-difficult-dialogue-with-erdogan/a-16628079

At the following Spiegel article, titled “Erdogan Urges Turks Not to Assimilate”, February 2011, you can read that during his very successful tour in Germany, Erdogan urged Germans of Turkish origin not to assimilate. The Germans are not feeling very comfortable with that, given that Erdogan is an Islamist, and he is also supporting the Muslim Brotherhood.

4th, 5th Paragraphs

They have come from all over Germany to see him live, some 10,000 people. They say things like: "The Germans will never accept us, but we have Erdogan." Or: "At last someone feels responsible for us, for the first time a Turkish prime minister isn't forgetting his compatriots
abroad." One woman says: "Erdogan may get Merkel to see us as part of this society. He is our savior."

Some 3 million people of Turkish origin live in Germany, most of them descendants of Turks invited by the government in the 1950s and 1960s as "guest workers" to make up for a shortage of manpower after World War II.

14th, 15th, 16th Paragraphs

In a newspaper interview published ahead of his speech, Erdogan urged Merkel to drop her opposition to Turkey's accession to the EU. "Never have such political obstacles been put in the path of an accession country," he said.

And then he repeats the sentence that caused such a stir at a speech he held in Cologne three years ago. He warns Turks against assimilating themselves. "Yes, integrate yourselves into German society but don't assimilate yourselves. No one has the right to deprive us of our culture and our identity."

Erdogan knows that this statement amounts to a provocation in Germany -- no politician here is demanding that Turkish immigrants should deny their roots or give up their culture. Erdogan adds: "German newspapers will pick up on this tomorrow, but that's a mistake."


The new Greek government is trying to take advantage of this diversion between the American and German interests, by indirectly saying to the Americans that if they do not put pressure on the EU, in order to give money to Greece without asking for privatisations and reforms, Greece will block the Southern Energy Corridor by stopping the Trans Adriatic Pipeline. On the other hand the new Greek government is also saying to the Germans that if they do not give money to Greece without asking for reforms and privatisations, Greece will block the Southern Energy Corridor, which will force Turkey and Albania to attack Greece, and the United States will have to rush on the side of Turkey to create an alternative to the Southern Energy Corridor and save NATO from the Russian gas. But if the Americans help the Turks and the Albanians, the Germans cannot be on their side, because they cannot afford to see the Islamists reaching the heart of Europe, as would happen if the Christian wall that is formed by Greece and Bulgaria was to fall (see the following map).

Picture 78
The Islamists of Turkey are a much greater problem for the Europeans than the Americans, and a collapse of Greece could possibly lead to an even greater divergence of interests between the Americans and the Germans. After all, Northern European countries are already connected to the Russian gas through the North Stream pipeline, and it is very unlikely that they would be willing to support Turkey and Albania against Greece. For the Northern Europeans it would probably be better if Greece was left bankrupt but untouched. But the Americans and other NATO members cannot see it that way because if there is no Southern Energy Corridor there is no NATO, unless of course Putin decides to make Russia a democratic country, which for the moment seems unlikely.

The Greek communists are threatening both the Americans and the Germans that if they insist on reforms and privatisations they will kill Greece, implying that Greece’s funeral will be very very expensive for both of them. If Greece collapses very dramatic events could be triggered. The Americans and the Germans are not worrying about the economic consequences of a Greek collapse, but they are terrified about the geopolitical consequences of such a collapse.

These are very dangerous games by the Greek communists who are willing to risk Greek land just to save their businesses in the Greek public sector. As you can see at the following article by the British Telegraph, titled “Greece's defence minister threatens to send migrants including jihadists to Western Europe”, March 2015, Panos Kammenos, the Greek Defence Minister is directly threatening the Germans that Greece will send immigrants and jihadists to Germany.

1st, 2nd, 3rd, 4th Paragraphs

*Greece will unleash a “wave of millions of economic migrants” and jihadists on Europe unless the eurozone backs down on austerity demands, the country's defence and foreign ministers have threatened.*

*The threat comes as Greece struggles to convince the eurozone and International Monetary Fund to continue payments on a £172billion bailout of Greek finances.*
Without the funding, Greece will go bust later this month forcing the recession-ravaged and highly indebted country out of the EU’s single currency.

Greece’s border with Turkey is the EU’s frontline against illegal immigration and European measures to stop extremists travelling to and from Islamic State of Iraq and the Levant (Isil) bases in Syria and Iraq.

6th, 7th Paragraphs

"If they deal a blow to Greece, then they should know the the migrants will get papers to go to Berlin,” he said.

"If Europe leaves us in the crisis, we will flood it with migrants, and it will be even worse for Berlin if in that wave of millions of economic migrants there will be some jihadists of the Islamic State too.”

"If Europe leaves us in the crisis, we will flood it with migrants, and it will be even worse for Berlin if in that wave of millions of economic migrants there will be some jihadists of the Islamic State too.”


At the same time Greece is discussing with Russia the possibility of allowing Russia to use Greek military bases, as you can read at the following article of the state owned Sputnik, titled “Greece Might Allow Russia to Use Its Military Bases –Greek Defense Analyst”, April 2015.

http://sputniknews.com/military/20150414/1020893392.html

That’s why the American Minister of Defence embarrassed his Greek counterpart in May 2015. Panos Kammenos travelled to United States to meet the American Defence Minister, and the American minister cancelled the meeting on a very short notice, while Panos Kammenos was already in the United States. And the Americans did not even allow the Greek Minister to see his deputy, as you can read at the following Enikos article, titled “Greek defense min snubbed by US counterpart”, May 2015.

1st, 2nd, 3rd, 4th Paragraphs

Defence minister Panos Kammenos, on visit to the United States, will see neither his counterpart, Secretary of Defense Ashton Carter, nor his deputy, Robert Work.

Carter cancelled the meeting over the weekend, invoking a busy schedule.

Kammenos will go to the Pentagon, to meet Christine Wormuth, Under Secretary of Defense for Policy. He will also meet Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs at the United States Department of State, whom he has already met in Athens.

Reportedly, Greek diplomats were scrambling to upgrade Kammenos' contacts, without success.

All this game that is being played between Greece, USA and Russia, led the Turks to announce a major military exercise in the Mediterranean Sea in March 2015. This exercise included Greek territories, even though the Turks later cancelled it as you can read at the following Enikos article, titled “Turkey cancels provocative military exercise in Aegean”, March 2015. Enikos is one of the largest Greek news portals.

Greece says Turkey has withdrawn a recent notice seeking to reserve a large swathe of airspace over the Aegean Sea for military maneuvers until the end of the year.

Foreign Ministry spokesman Constantinos Koutras said Monday that Turkey has withdrawn the Notice to Airmen, or NOTAM, which it had issued to reserve extensive airspace over the Aegean Sea for military use from March 2 to Dec. 31.

Greece had complained about the planned manoeuvres, which it said would have intruded into Greek airspace, interfered with traffic to two regional airports and affected two international air traffic routes.


Almost at the same time, in May 2015, the Albanians said they have claims over Greek territories, as you can read at the following Kathimerini article, titled “Albanian demarche raises concerns about possible territorial claims over Greece”, May 2015. Kathimerini is one of the largest and most reliable Greek newspapers.

A strong-worded demarche delivered by Albania to Greek authorities over energy exploration indicates that Tirana is asserting territorial claims along the land border dividing the two Balkan neighbors, Kathimerini understands.

Last week’s demarche, which called on Athens to revise its plans for hydrocarbon exploration in the Ionian Sea on the grounds it would encroach on Albanian territorial waters, also requested Greek officials to make available land surveys of Epirus in northwestern Greece.

Speaking to Kathimerini, diplomatic sources interpreted the move as a clear bid to question existing borders between the two nations. On a political level, the demarche is seen as a high-risk initiative for Albania and bilateral relations.

http://www.ekathimerini.com/4dcgi/_w_articles_wsite1_1_19/05/2015_550148

I know that to a non Greek all this sound unbelievable. But that’s what happens in all countries that are run by corrupt socialist and religious regimes, it is not just Greece. I have kept asking myself if Greek politicians can actually kill Greece in order to protect their interests in the public sector. I cannot answer this question, but Greek politicians have definitely done it in the past. Before closing the chapter I would like to bring to your attention some very interesting articles about Greece and her role in the energy game between Russia and Turkey.
1) A very good article about Greece and the Interconnector-Greece-Bulgaria (IGB) is Natural Gas Europe’s “Re-affirming The Greek Energy Strategy on Energy Union”, March 2015.

13th, 14th, 15th, 16th, 17th, 18th, 19th and 20th Paragraphs

The next pivotal step towards enhancing Greece’s role in the region is through the realisation of the Greece-Bulgaria Interconnector (IGB) which is the starting point of the vertical corridors which were referred to in the Joint Statement signed by the Energy Ministers of Greece, Bulgaria and Romania on December 9th in Brussels.

IGB’s completion will represent a crucial milestone in the EU’s efforts to build a regional energy market in South East Europe, as it will enable gas flow from TAP and a new LNG facility in Northern Greece to filter into Bulgaria, extending onwards to Central Europe, through the Balkans and South Eastern Europe.

After the inaugural meeting of the newly formed Central Eastern South Europe High level working group (CESEC) in Sofia on the 9th February, the Energy Ministers of Greece and Bulgaria agreed to accelerate works related to IGB and set a goal of arriving to a final investment decision in May 2015, ahead of the next CESEC meeting in June.

The projected cost of the IGB currently amounts to €220 million. The project has been awarded the status of a project of common interest, and features in the short term priorities of the EU’s energy security strategy published in May 2014. As such, it has already received €45 million in financing from the European Economic Programme for Recovery, while it has significant potential for further financing - Connecting Europe Facility, Juncker Plan.

However straightforward this project might seem, significant forces have been delaying its development. Notably, the loss of the Nabucco and the South Stream projects has alienated the Bulgarian authorities, making the next steps in their energy policy unclear.

Bulgaria’s ambiguity is emphasised by the recent agreement of Bulgargaz with Botas on the Turkey-Bulgaria Interconnector (ITB), as well as the Prime Minister’s request to have Turkey participate in the CESEC meeting, only to be rejected by the EU Vice President for Energy Union.

The situation becomes more complex if we consider that the ‘Eastring’ project - originally planned as a counter balance to South Stream that would link Bulgaria to Romania, Hungary and Slovakia - has been touted as a possible link to Gazprom’s new Turkish Stream concept, which would include the building of a gas hub in Turkey.

Such developments would be at odds with the Greek energy policy as mapped out by the former government. Turkish analysts in Botas have stated that if Greece were to develop newly planned LNG capacity in Alexandroupoli and Kavala, there would be no added value offered by ITB given the relatively small size of the regional gas markets in South East Europe.

The Greek government needs to act swiftly in re-affirming its energy strategy and capitalise on the current willingness from the EU to fund Greek projects – e.g. IGB, Aegean LNG. Greece should build on the political momentum achieved at the EU level following the signing of the vertical corridors declaration on December 9th 2014.
2) At the following Financial Times article, titled “Tsipras will not find salvation in Moscow”, April 2015, you can read that the new Greek Prime Minister, Alexis Tsipras, might have a motive to default on the Greek debt and turn to Russia for help. According to the Financial Times, what Tsipras can offer Putin is the boycott of the Trans-Adriatic Pipeline, and also vetoing the extension of economic sanctions against Russia. However according to the FT Russia cannot provide Greece with sufficient funds. Moreover the Greek politicians would be scared to replace their European creditors with Russians creditors, because the Russians are much tougher than the Europeans.

1st, 2nd, 3rd Paragraphs

As the range of options for Greece appears to dwindle by the day, is it time for Athens to consider a strategic alliance with Russia as part of some plan B? We may find out this Wednesday when Alexis Tsipras is due to visit President Vladimir Putin of Russia. Greece’s prime minister might be tempted to default on all its foreign creditors and bondholders, exit the eurozone and get Moscow to provide some short-term funding to prevent a collapse of the banking system. In exchange, Mr Tsipras could offer to veto the extension of EU sanctions against Russia. Athens could also boycott the trans-Adriatic pipeline, through which the EU hopes to tap Caspian gas bypassing Russian territory. The longest section of the pipeline, over 500km, would run through Greek territory.

If only it was so simple. For all the speculation about the logic of such a deal, I remain profoundly sceptical for a number of reasons.

The first is that Mr Putin would probably not be able to bankroll Greece to any serious extent. The Russian economy is in bad shape. According to the latest Russia report by the World Bank it will decline by 3.8 per cent this year, mainly due to the fall in oil and gas prices. The sanctions did not have much of an impact initially. But they have effectively killed off investment, which in turn will lower future growth. The fall in energy prices has also made the sanctions more potent.

6th Paragraph

Second, the relationship between a member state and the EU is based on international treaties. Member states have legal rights, and they have an independent court of justice to defend those rights. If they have a bilateral deal with Russia, they are on their own. There will be no question about who calls the shots. So they will have to ask themselves: do they really want Mr Putin as their creditor? I am just trying to picture a scene of what would happen if the Greek finance minister were to give one of his instructional PowerPoint lectures to his Russian colleagues. When he does this in Brussels, people try very hard to stay polite.
3) At the following article of Natural Gas Europe, titled “New Greek Government Changes Course on Natural Gas Sector”, February 2015, you can read that the newly elected Greek government of SYRIZA and Independent Greeks wants to reexamine the clauses of the Trans-Adriatic Pipeline, supposedly for striking a better deal for Greece. According to the article the new Greek government is willing to even take the TAP agreement to the European Court of Justice. Taking the TAP agreement to the European Court of Justice would essentially block it for the coming years.

The article also mentions SYRIZA’s opposition towards the economic sanctions that were imposed on Russia by the European Union, and Greece’s dependency on Russia for oil and natural gas. Sixty five percent of the Greek oil imports, and 75% of the Greek natural gas imports come from Russia according to the article. In the 11th paragraph the article mentions the issues of the floating LNG terminal of the North Aegean Sea, and the Interconnector Greece Buglaria pipelines, and it says that they are on the table of negotiations too, because these two projects would diversify Greek and Bulgarian natural gas imports away from Russian and Azeri natural gas.

8th, 9th Paragraphs

TAP project may also be facing head winds. Local media reports indicate the Syriza government will request in the short term, an amendment of the clauses that have been signed by the previous administration. Most importantly, those include the payment of transit fees by TAP consortium. Should these fees be denied, Syriza will then examine the option of taking the subject to the European Court of Justice, since according to the standing EU and Greek law, transit fees are to be requested by the national member states. In such case, several former governmental figures, maybe found liable of damaging the economic interests of the state that is a punishable penal offence, as a Syriza official emphatically commented for Natural Gas Europe.

Syriza also appears to be pursuing closer relations with Russia. Lafazanis conveyed he personal opposition to the embargo on Russia. It should be noted that already Greece is heavily dependent on Russian energy supplies, receiving 65% of its oil imports and 75% of its gas from Russian companies, most notably Gazprom and Lukoil. The reason for that is that the country has lost its traditional suppliers such as Libya and Iran on oil business, and the gas streaming from Russian pipelines is under long-term contracts and relatively, depending on seasonal adjustments, cheaper that LNG supplies.

11th Paragraph

Another topic of importance in the natural gas sector is that of the LNG infrastructure. There appears to be no change in the Greek position, with the upgrade of the Revythousa LNG terminal proceeding as well as the intention of establishing a new terminal in Northern Greece that will aim to diversify both Greek and Bulgaria supplies and away from Russian and Azeri imports.


4) At the following article of the Russian state-owned news agency Itar-Tass, titled “Greece PM says sanctions against Russia a road to nowhere”, March 2015, you can read that the newly
elected Prime Minister of Greece, Alexis Tsipras, accused the previous Greek governments, because in his opinion they did not do the best they could to prevent the European sanctions against Russia.

4th Paragraph

"You know that over the past years a blow was dealt to these relations as the previous governments in my country had not done what they could have done to avoid this senseless sanctions policy, in my opinion, amid tensions in Ukraine," he said.

http://tass.ru/en/world/786024

5) At the following Guardian article, titled “Alexis Tsipras looks to Moscow but risks becoming Putin’s useful idiot”, April 2015, you can read that Putin has more to gain from the visit of the Greek Prime Minister to Russia, because Putin can demonstrate another division within the EU. According to the Guardian, Putin is financing the French far-right party of Marine Le Pen, the “National Front”, and the Greek Prime Minister will be seen as joining the Hungarian Prime Minister Victor Orban, and the Serbian government, who are ready to applaud Putin.

8th Paragraph

So Putin has more to gain from Tsipras’s visit than the Greek leader does. It will be another demonstration of European divisions, and a good chance to showcase pro-Kremlin networks within the EU. Russia’s financing of France’s far-right National Front was a comparable PR stunt for Putin last year. Tsipras will be seen as joining the ranks of those, like the Hungarian prime minister Victor Orbán or the Serbian government, who are readily available to applaud Putin. Tsipras has already shown himself to be a “useful” partner to Putin by saying European sanctions against Russia are “a road to nowhere”. In fact, they are a serious concern for the Kremlin and currently represent Europe’s only leverage of soft power.

http://www.theguardian.com/commentisfree/2015/apr/02/tsipras-moscow-risks-putin-useful-idiot?CMP=share_btn_fb

6) At the following Natural Gas Europe article, titled “SYRIZA Sees Greek Hub For Russian Gas a Great Opportunity”, January 2015, you can read that according to Athanasios Petrakos, who is one of SYRIZA’s specialists on energy issues, the Turk Stream is a great opportunity for Greece.

“The 50 billion cubic meters of gas per year, that will be accumulated in Turkey's border with Greece are a great opportunity for Greece to upgrade its geopolitical role”, said Athanasios Petrakos, who is also in charge of Eurosceptic party's energy policy.

Greece will go to the polls in a national election on January 25th following the country’s parliament failed to elect a president in the third and final round of voting on December 29, 2014.

Several recent polls indicate that Syriza holds a lead of over 3 percentage points over Prime Minister Antonis Samaras's New Democracy party.
7) At the following Guardian article, titled “Athens plays Russian card, eyes Turkish Stream”, April 2015, you can read that the newly elected Greek Prime Minister, Alexis Tsipras, wishes to upgrade the Greek-Russian relations by opposing European sanctions against Russia. As you can read in the 9th paragraph, the new Energy Minister of Greece, Panagiotis Lafazanis, said that the EU is not the uncontrolled boss of the European national governments.

1st Paragraph

Preparing the ground for a much-discussed visit in Moscow (8-9 April), Greek Prime Minister Alexis Tsipras reiterated his opposition to EU sanctions against Moscow, adding that debt-ridden country’s ambition is to upgrade its relations with Russia.

3rd Paragraph

In an interview with the state-owned Russian news agency Tass, Tsipras said that Greek-Russian relations received a blow last year, “as the previous Greek governments didn’t do their best to avoid the sanctions [against Moscow] due to Ukraine crisis”.

9th Paragraph

Lafazanis also announced the expansion of Russia-driven Turkish Stream pipeline to Greece, saying that the final decision on the issue will be taken by the Greek Prime Minister, based on the national interests of Athens and not the European Commission, which according to him, “is not an uncontrolled boss of EU national governments”.

12th Paragraph

Greece imports 65% of its annual gas needs from Russia. Despite a deal for a gas price reduction by 15% last year between natural gas importer and distributor (DEPA) and Gazprom, Greeks keep on paying the highest bill in Europe, due to the state monopoly that has dominated the Greek energy market.

8) At the following Euroactiv article, titled “Greece, Macedonia, Serbia and Hungary discuss Turkish Stream”, April 2015, you can read that the foreign ministers of Greece, the Former Yugoslav Republic of Macedonia, Serbia and Hungary, would meet in Hungary to discuss a Russian plan for the new Turkish Stream pipeline. Actually the pipeline that these countries are considering is the Balkan Pipeline, which will connect the Turk Stream to Hungary through Greece, Former Yugoslav Republic of Macedonia and Serbia.

1st Paragraph
The foreign ministers of Greece, Macedonia, Serbia and Hungary are due today (7 April) to meet in Budapest to explore their potential participation in Russian plans for the new Turkish Stream pipeline.

8th Paragraph

Russia has said that it’s up to the EU to decide how to move the gas from there. Over a recent visit of Russian President Vladimir Putin to Hungary, his host, the Prime Minister Viktor Orbán, has drawn a map for he planned pipeline through the territories of Greece, Macedonia, Serbia and Hungary.


9) A very good article about the newly elected Greek government and the Southern Energy Corridor is Natural Gas Europe’s “The New Greek Government: Implications for Azerbaijan’s DESFA Purchase”, March 2015. You can read that SYRIZA’s victory was welcomed by Russia, even though SYRIZA is not radically pro-Russian, but because it opposes many European Union policies. In this sense, according to the article, SYRIZA is similar to other European parties like Jobbik (Hungary), the National Front (France) and the National Democratic Party (Germany).

According to the article the newly elected Greek government destabilized the energy market, because the new Greek Energy Minister, Panagiotis Lafazanis, immediately announced that the Greek Public Power Corporation (DEH) and the Public Gas Corporation (DEPA) would not be privatized as it was agreed by the previous government. The decision on DEPA affects the sale of its subsidiary, DESFA, a Greek public natural gas company, which was supposed to be sold to SOCAR, Azerbaijan’s state owned energy company.

SOCAR would buy 66% of DESFA, and the only thing missing for the deal to be finalized was a decision by the European Commission, because SOCAR is also a producer of natural gas, and the European anti-monopolistic rules do not allow producers of natural gas to also own the pipeline networks distributing this gas in the European Union. However the EU can make exceptions to pipeline networks that do not comply to the EU regulations, if they are improving the overall energy security of the EU, or if they increase competition in the EU.

An exception was granted for Gazprom’s Nord Stream pipeline, which connected Russia and Germany through the Baltic Sea. It was believed that the Nord Stream was increasing the energy security of the EU, because it was bypassing Ukraine. European countries cannot count on Ukraine for their gas imports, due to the famous Russian-Ukrainian conflicts over gas prices. Therefore I guess that an exception could be also granted to SOCAR, since SOCAR’s network will increase competition for other natural gas providers. Maybe for an exception to be granted, SOCAR will also have to sell some of the shares of its projects.

You can also read in the article that Russia could buy DEPA, and therefore control its subsidiary, DESFA, since Russia could offer the highest bid, but the previous Greek government, together with the EU and the US, did not allow Russia to acquire the company, because this would mean a Russian dominance in natural gas market of the South Eastern Mediterranean Sea. You can read at the 11th paragraph of the article that the newly elected Greek government is bad news for the Southern Energy Corridor.
The victory of the leftist Syriza party in the recent Greek elections was largely welcomed by Moscow, not because the party’s policies are radically pro-Russian, but rather because its leadership has stated its resistance to a number of Brussels-led policies. In this sense there is a similarity to certain other European political parties in the EU member states, such as Jobbik (Hungary), National Front (France), and the National Democratic Party (Germany). The statements by the new Greek government have also destabilized the regional energy matrix. On February 10 2015, the new Energy Minister, Panagiotis Lafazanis, announced that the public companies - Greece’s Public Power Corporation (DEH) and Public Gas Corporation (DEPA) – will no longer be privatized. Meanwhile, Syriza’s 40-point party manifesto highlighted the “nationalization of ex-public companies” and committed to “increase inspections of requirements for companies making bids for public contracts”. Now, the key question is how far the decision on DEPA will impact Greek gas transmission operator DESFA; Azerbaijani SOCAR has signed a deal to purchase 66% of DESFA’s shares. In this regard, Lafazanis has stated that Greece is awaiting the final results of the EU’s investigation on the purchase of DESFA, though the previous government had given its full support for the sale of shares to SOCAR.

In 2013, SOCAR bid in the tender to purchase the Greece’s DESFA, a subsidiary of DEPA. Russian Gazprom also participated in the tender for DEPA, and proposed the highest bid but ultimately the privatization failed because of a lack of formal bids. Being a main shareholder in DEPA would also enable Russia to control DESFA. This posed a serious concern in terms of Russian dominance in Southeast Europe. In light of these geopolitical risks, in early 2013, Washington and Brussels urged Athens not to let DEPA fall into Russian hands. As a result, Gazprom voluntarily withdrew its bid, justifying its action on the grounds of DEPA’s financial position. Although Azerbaijan’s offer was smaller, SOCAR was in a position to win the tender. At that time, the Shah Deniz consortium was in the midst of final decision process for the selection of either TAP or Nabucco-West as the pipeline of choice. Azerbaijan’s SOCAR was able to use selection of TAP as a “negotiation card” in its discussions with Greece in order to persuade the (now former) Greek government to award them the tender.

After SOCAR signed a deal to purchase 66% of DESFA, the next step should have been approval from the Regulatory Authority for Energy of Greece (RAE). However, the European Commission intervened, and asked the RAE to block SOCAR’s purchase, claiming a breach of EU regulations. The EU’s Directorate General for Competition officially launched an investigation into the sale of DESFA shares to SOCAR, in order to clarify whether the acquisition of DESFA is compatible with EU merger regulations. According to the EC, SOCAR’s involvement in both production and sale of natural gas in Greece may hamper the competition in the upstream market in a discriminatory manner. Specifically, it may: prevent third companies from accessing the Greek gas transmission system; increase domestic gas prices; restrict additional gas flow into Greece while favoring SOCAR’s own supply; restrict investment in expansion of import capacity, as well as limit the capacity of Revythousa LNG terminal and interconnections between DESFA’s network and TAP pipeline. The investigation is supposed to last for up to 90 working days.

The purchase of DESFA is very important for SOCAR. Along with TAP, it will boost Azerbaijan’s influence in Southeast Europe’s energy markets, providing direct access to
consumers via Interconnector Greece-Bulgaria, in which SOCAR will be a stakeholder with DESFA’s 50%. DESFA also owns the Revithoussa LNG terminal, which is under consideration for the future import of Mediterranean gas, which will enable SOCAR to deliver East Mediterranean gas to Europe via DESFA’s pipelines.

Furthermore, Greek Energy Minister Panayiotis Lafazanis stated that, “Greece will support the TAP, but in a way that will maximize Greece’s benefits from the project”. “Greece’s benefits” are clarified in Ekathimerini.com, which wrote Greece seeks to obtain a stake in TAP, revise the transit fees and price discounts for Azerbaijani gas, and sell only 49% of DESFA rather than the previously agreed 66%.

These issues were likely on Lafazanis’s agenda during his visit to Baku to attend the meeting of Southern Gas Corridor’s Advisory Council on February 12 2015, where he asked for compensatory measures emerging from the construction of TAP. It is clear that Lafazanis came to Baku brandishing the “DESFA card”, aiming to set forth the new government’s demands. Meanwhile, the Vice-President of SOCAR, Elshad Nasirov, has already clarified Azerbaijan’s position on Greece’s demands: “SOCAR is ready to sell part of its share in TAP to Greece, but at the present time it is impossible to reduce the price of Azerbaijani gas for Greece. Tariffs increases should be addressed at the EU level.”

Azerbaijan is willing to make concessions on Greece’s potential share in TAP, but not in relation to gas prices and tariffs.

11th, 12th Paragraphs

To sum up, the statements of the Syriza government in Greece has raised questions about the fate of the Southern Gas Corridor. Meanwhile, the so-called Turkish Stream has emerged as potential challenger to Azerbaijani gas exports to Southeast Europe. By transporting Russian gas via ITGI and Azerbaijani gas via TAP, Greece wants to pursue a balanced energy policy, playing to both Russia and Azerbaijan. Nevertheless, the realization of ITGI remains doubtful given its previous failure due to financial problems.

On the other hand, the new demands by the Greek government regarding TAP in addition to the ongoing acquisition process of DESFA represent further challenges to Azerbaijan’s energy policy. Greece’s requests to increase tariffs and decrease gas prices are linked to its huge debts and the national economic crisis. Those demands stand to jeopardize the Southern Gas Corridor. Being a major shareholder in DESFA will position Azerbaijan as a major actor in the Southern Gas Corridor gas chain.

http://www.naturalgaseurope.com/syriza-implications-for-azerbaijans-desfa-purchase-22491

10) At the following National Interest article, titled “Could Greece and Russia Crush the European Union?”, February 2015, you can read that the new coalition government, that emerged in Greece from the January 2015 elections, is a combination of communists, socialists, Greens, and anarchists. The article should also say that the new government includes national socialists, because the Greek party of Independent Greeks which participates in the government is a nationalist party. According to the article, the new Prime Minister of Greece, Alexis Tsipras, wants to rewrite European geopolitics. However I must say, as a Greek, that the truth is that all Alexis Tsipras wants is that the Greek political system does not lose its grip over the Greek
economy, the Greek judicial system, and the Greek tax authorities. He could not care less about geopolitics. All he cares about is the Greek economy, but he is using geopolitics to achieve his goals.

2\(^{nd}\) Paragraph

Greece’s new government is an alliance composed of the hard-left Syriza party (149 seats) and the strongly nationalist and populist Independent Greek party (thirteen seats). Syriza itself is a broad coalition of former communists, socialists, Greens and anarchists. It favors a large role of the state in the economy, increased social spending and keeping the euro. Greece’s two bailouts (2010 and 2012), worth €240 billion in loans, are a particular sore point, as they have left Greece with an ultimately unpayable debt burden.

8\(^{th}\), 9\(^{th}\), 10\(^{th}\) Paragraphs

Europe’s economic-growth crisis coincides with Germany’s rise as the clearly dominant power in continental Europe. For his part, Tsipras wants to rewrite European geopolitics, tapping into a growing anti-austerity mood in other European countries, and undercut Berlin’s influence. Indeed, during his election campaign, the Greek leader accused German chancellor Angela Merkel of conducting a “social Holocaust.”

While it can be argued that Tsipras has the right message that Greece’s debt is too high, he is probably not the best messenger. He is a polarizer and enjoys confrontation. Staunchly left wing, he spoke out against Western sanctions on Russia shortly after Moscow’s annexation of Crimea, repeatedly called on Germany to pay billions of euros in war reparations, and in general, has little love for capitalism.

In its first weeks, the Syriza-led government aggressively signaled Greece’s new policy direction. One of Tsipras’ first acts as prime minister was to visit a site where the Nazis executed Greek partisans, followed by a very cordial meeting with the Russian ambassador. He and his finance minister, Yanis Varoufakis, quickly declared that they would no longer work with the Troika, demanded debt reduction, took measures to roll back austerity and froze the privatization program.

17th, 18th, 19th Paragraphs

Greece’s geopolitics of debt also sought to encompass the United States and China. Although suggested as a possible part of a “Plan B” of alternative funding by Greek defense minister Panos Kammenos, Washington’s national interests are not substantial in Greece. Indeed, Athens’ pro-Russian stance, something pursued by past Greek governments during the Cold War, complicates U.S. diplomacy with regard to Ukraine and Russia. In terms of realpolitik, the role of bailing out Greece would most likely offer little gain, but runs the risk of injecting new friction into U.S.-German relations.

And then there is China. Greece’s deputy foreign minister Nikos Chountis mentioned proposals for economic support and investment possibilities from China. Although China indicated surprise at this, the Asian country’s Cosco Group was short-listed last year (by the previous government) as a potential buyer of a 67-percent stake in Piraeus Port Authority, a privatization potentially worth €800 million. The privatization was initially canceled by the Syriza
government, but that decision was soon reversed in the face of dwindling cash and growing prospects for default.

While China may share a broad ideological affinity with Syriza and finds a majority ownership of a key Southern European port attractive, a risk is that Greece ends up like Venezuela, long on socialist rhetoric and grossly mismanaged economically. China has an estimated $4 trillion in foreign exchange reserves, but there are limits to its generosity. For the Chinese, Greece runs the risk of becoming Europe’s Venezuela, but without the benefits of oil.


11) At the following Business Insider article, titled “Russia's Grip On Greece's Gas Has Created A Mess For The New Government In Athens”, January 2015, you can read about Gazprom’s attempt to buy DEPA, the Greek gas company. In 2013 Gazprom, the Russian state controlled giant, offered 900 million euros in order to buy DEPA, which was the highest bid. However on June 10th it was announced that Gazprom decided not to place a formal bid. According to rumors Gazprom backed out because of European and American pressures. The article also mentions that this was a blow to the previous Greek government, which counted on these 900 million euros. According to the article, even though Samaras government extended the deadline for the final bids, he did not manage to convince the Russians to place a formal bid.

1st, 2nd, 3rd, 4th Paragraphs

Back in 2013, the Greek government under then-prime minister Antonis Samaras was attempting to implement a package of reforms that included the sale of state-owned assets to the private sector, including Greek gas firm Depa, one of the perceived "jewels in the crown." Depa was purportedly being targeted by Russian gas giant Gazprom for a takeover bid.

In May of that year, the Russian company offered €900 million for the company, well in excess of the only rival bid in the deal.

All of the signs on the ground were looking good. Gazprom chief executive Alexey Miller had flown to Athens in an effort, many believed, to oversee the deal personally and people close to the deal within the Greek establishment were briefing the press that an announcement was imminent.

They were right. It just wasn't the announcement they had been expecting.

On June 10, it emerged that Gazprom had decided not to formally put in a bid for Depa. Rumours suggested that it had backed out under pressure from the United States and the European Union over concerns about deeper Russian involvement in Europe's energy market.

Whatever the reason, it was a hammer blow to Samaras' ambition to raise as much as €2.6 billion through privatisations and set back the country's already shaky reform programme still further. His government had extended the deadline for bids and eased the terms of the deal in an effort to woo the Russians, but even that had proven insufficient to draw a bid.

12) At the following Natural Gas Europe article, titled “Greece Seemingly Closer to Turkish Stream”, April 2015, you can read that Greece’s new Energy Minister, Panagiotis Lafazis, visited Russia to explain how keen Greece is in joining the Turk Stream project, together with Russia and Turkey. Lafazanis and Gazprom discussed about extending the Turk Stream to Northern Greece, and from there extending the pipeline vertically, in order to reach Austria (Greece-Former Yugoslav Republic of Macedonia-Serbia-Hungary-Austria). See the following map for the Balkan Pipeline.

This was basically the plan for the South Stream, as you can read in the article, with Bulgaria out, Turkey in, and an enhanced role for Greece and the Former Yugoslav Republic of Macedonia. According to the article, the Greek Ministry of Energy estimates the benefits for the Greek economy to be 3 billion dollars in direct investment. As you can read in the 8th paragraph of the article, the Turk Stream will be a source of conflict for the American-Russian relations, and this will definitely affect the Greek-American relations.

1st, 2nd Paragraphs

Greek Prime Minister Alexis Tsipras is due to visit Moscow on the 8th of April to discuss a whole range of bilateral issues with the Russian leadership, energy being one of the most important items on the agenda.

In particular the proposed Russian energy corridor "Turkish Stream" seems to be high on the upcoming discussions, since recently the Greek energy minister Panayotis Lafazanis visited Russia as well and placed forward the intention of Athens of joining Russia and Turkey in that route towards the EU markets.

5th, 6th, 7th, 8th Paragraphs

Present talks between Lafazanis and Gazprom essentially deal about an extension of Turkish Stream which will stretch from the Greek-Turkish border up to Northern Greece, then will...
traverse vertically FYROM and Serbia, before reaching Hungary from where a spur to the Austrian Baumgarten mega-hub will be added, along with increased storage facilities in Hungary which will pump gas to different directions via interconnections with Slovakia, Croatia and Slovenia. That is actually the route of the scrapped South Stream, with the notable exception that Bulgaria is out and Turkey is in with an enhanced role for Greece and FYROM.

Greek energy ministry sources revealed to Natural Gas Europe, that should this plan goes forward, Greece stands to gain 3 billion Euros in direct investment, which include the construction of the pipeline, an underground storage facility in the Kavala and/or Thessaloniki region, and a entire gas transmission system in Northern Greece both for the industrial-commercial consumers, as well as household ones.

Greece is also pushing forward the idea of establishing an LNG terminal in Northern Greece that will serve a dual purpose. Firstly, to export Russian gas to the international markets and also to import LNG for the supply of Bulgaria via the Interconnector Greece-Bulgaria (IGB).

On a geopolitical level, it is certain that US-Russia brinkmanship will extend to Turkish Stream and likewise it will affect the relationship between Athens and Washington. On an EU level, there are divergent opinions based on national and supranational levels, since Europe does need Russian gas at least for the short and mid-term, thus the cancellation of the South Stream would and should have been replaced by another project so as to ensure energy security of the Continent in case of a major disruption in Ukraine. In simple terms Ukraine has been written off by the Russian side as a transit territory, a fact that raised awareness to the EU core consumers to accommodate an alternative route.

http://www.naturalgaseurope.com/greece-moves-towards-turkish-stream-23013?
utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=0554b17d70-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_c95c702d4c-0554b17d70-307785513

13) At the following article of the Azerbaijani New Times, titled “Gas Policy of Greece under New Government: Russia, Turkic Stream and Diversification”, April 2015, you can read that the newly elected Greek government is favored by Moscow, because it does not conform to the EU policies, and it also opposes the European Energy Union proposed by the EU.

The new Greek government also favors the Turk Stream project, and also eyes an agreement with the Russian company Rosgeo, for the exploration of the oil resources of the Greek islands of the Aegean and the Ionian Seas (see purple circles at the following map). Moreover the Greek government would like to see Russia’s involvement in the floating LNG regasification unit in the Port of Alexandroupolis at the Northern Aegean Sea (see the red circle at the following map).

Picture 80
However, in the 2nd paragraph, you can read that Russia was disappointed because the new Energy Minister, Panagiotis Lafazanis, said that Greece does not intend to privatize the public natural gas company DEPA. In the 3rd paragraph you can read that Russia is hoping to increase her presence in the Greek energy market, and the article also mentions the agreement between Greece and Russia in 2007, about the oil pipeline Burgas (Bulgaria) – Alexandroupolis (Greece), which was supposed to shadow the Baku (Azerbaijan) – Ceyhan (Turkey) pipeline, which was an oil pipeline backed by the US (see red and brown lines at the following map).

As I already said the Burgas (Bulgaria) – Alexandroupolis (Greece) oil pipeline was finally blocked by Bulgaria. The Baku-Ceyhan oil pipeline is already operating.

Picture 81

In the 6th paragraph you can read that the new Greek government wants to renegotiate the terms of the sale of DESFA to the Azerbaijani energy company SOCAR. In the 8th paragraph you can read that the Interconnector Greece Bulgaria pipeline is of vital importance for the South Eastern
European countries, because it can send them Russian, Caspian and Eastern Mediterranean natural gas. In the 9th paragraph you can read that DEPA considers the construction of a floating LNG terminal at the Port of Kavala in the North Aegean.

1st, 2nd, 3rd Paragraphs

Meanwhile, election of the radical leftist – Syriza party in Greece is mostly favored by Russia, like other political parties in the EU member states, such as Jobbik (Hungary), National Front (France), National Democratic Party (Germany), etc., not because they are radically pro-Russian, but rather they do not easily conform to Brussels-led policies. New government in Greece appeared challenging the official Brussels by opposing the extension of sanctions against Russia, amidst the Ukraine crisis and the EU’s endeavors of diversifying energy supply and creation of the Energy Union. Meanwhile, official Athens’s favored extension of Turkic Stream through Greece to Europe. New Greek government also eyes an agreement with Russian Rosgeo for exploration of hydrocarbon resources in Aegean and Ionian Seas, to negotiate new prices discounts, Russia’s involvement in Floating Storage & Regasification Unit in the Alexandroupolis port.

However, the statements of New Energy Minister of Greece, Panagiotis Lafazanis couldn’t not disappoint Russia, as he announced the ending of privatization of Public Gas Corporation (DEPA). Tender for the 65% privatization of DEPA had been already held in 2013, where, Russian Gazprom and Sintez had proposed the highest bid for DEPA, though privatization failed because of lack of formal bids. Hence, Gazprom and Sintez voluntarily withdrew their bids by making excuse on DEPA’s financial position. However, it was not secret that, official Washington and Brussels had already urged Athens in early 2013 not to sell DEPA to Russian Gazprom. Gazprom’s presence in DEPA as a main shareholder was a serious concern in terms of Russian dominance in the Southeast European energy markets.

Moreover, Russia is very interested in participating in liberalization of Greek energy market by investing there and purchasing certain energy assets. Active presence of Gazprom in the energy sector of Greece with development of gas distribution networks and construction of gas storage facilities is one of the main dimensions of Greek-Russian energy relations for Russia. In this regard, the construction of the Trans-Balkan Burgas-Alexandroupolis oil pipeline in 2007, which envisaged delivery of Russian oil through the Black Sea and Bulgaria to Greece intended to shadow the Baku-Tbilisi-Ceyhan oil pipeline that is bringing Azerbaijani oil through Georgia to Ceyhan port of Turkey to Western markets. Moreover, Russian president Vladimir Putin had proposed Greece to join South Stream gas pipeline in June 2007, because Russia was planning to pave auxiliary route of South Stream towards Greece in case northwestern route to Bulgaria would not come to realization. So, it happened, as Putin halted South Stream and launched Turkic Stream in early December 2014.

6th Paragraph

Trans-Adriatic Pipeline (TAP) - In 2013, became last chain of the Southern Gas Corridor and new alternative supply route for Greece. TAP pipeline is planned to be linked with Trans-Anatolian Pipeline and to start in the Turkish-Greek border, go through Albania and under Adriatic Sea, and end up in the Southern coasts of Italy (San Foca). However, new demands of the new government in Greece regarding the TAP project to increase tariffs, decrease gas
prices, sell only 49% of DESFA to SOCAR and obtain share in TAP blurred the image of Southern Gas Corridor and was not warmly accepted by Azerbaijani SOCAR. Although tale of DESFA is still under questions and SOCAR agreed to grant a stake to Greece in TAP, Azerbaijan did not make concession on price and tariffs issues.

8th Paragraph

Interconnector-Greece-Bulgaria (IGB) - that will be laid down from Greece’s Komotini to Bulgaria’s Stara Zagora, is considered vital link for Southeast European countries in terms of bringing Eastern Mediterranean, Caspian or possibly Russia natural gas to that region. The IGB will be able to facilitate the delivery of Azerbaijani gas from TAP and Mediterranean gas from LNG facility in the Northern Greece towards Southeast and Central Europe. It is also possible to transport Russian gas from Turkey-Greece Interconnector or from TAP towards Southeast and Central Europe via the IGB to Bulgaria or via new pipeline through FYROM and Serbia to Hungary and Austria after gas entered Greece through Turkic Stream.

9th Paragraph

Liquefied Natural Gas (LNG) - Meanwhile, "Greece’s DEPA considers developing Floating Storage and Regasification Units, upgrading Revithoussa LNG terminal and construction of Aegean LNG terminal in the Kavala region close to Bulgarian and Turkish borders, where it will be possible to link terminal with Trans-Adriatic Pipeline, Greek gas transmission system, and Interconnector-Greece-Bulgaria. The Revithoussa terminal is important in terms of diversification. Moreover, Greece also considers bringing Algerian LNG into IGB (5 bcm/year) by 2020. Another Greek company Prometheus Gas plans to construct similar terminal near to the Alexandroupoulos port. From the other hand, Greece could use Turkey’s two terminals in the Marmara Sea by importing Algerian, Nigerian and Qatari LNG and further delivering it via IGB to Greece.”.

http://newtimes.az/en/politics/3406/
Comparing 2015 with the First World War

In this chapter I would like to provide again a very brief summary of the First World War (1914-1918), in order to compare it with the current events. At the beginning of the 20th Century, the German Empire wished to connect itself to the Persian Gulf through the Baghdad Railway (German Empire- Austro-Hungarian Empire-Ottoman Empire). See the following two maps.

Picture 82

The Middle East in 1914, before WW1

Picture 83
With this railway network the Germans would import oil from the Persian Gulf and would export manufactured goods in Anatolia, the Persian Gulf and Asia. The German plans were a threat for the English, who wanted to control the oil of the Persian Gulf. The German presence in the Persian Gulf would also threaten the British presence in India, which at the time was Britain’s most important colony.

The Germans were also a problem for the Russians, who wanted to control the Caspian Sea region and the oil of Baku. The Russians also eyed the Ottoman Straits that connected the Black Sea to the Aegean and the Mediterranean Sea, in order for the Russian Navy to have access to the Mediterranean Sea. France was almost constantly at war with Germany, since there were rich coal reserves between the two countries, for example in the regions of Alsace and Lorraine. Coal was the oil of the 19th Century, and to this very day many countries cover a very large part of their energy needs with coal.

With the Balkan Wars of 1912-1913, the English, the French and the Russians helped Greece, Serbia and Bulgaria to annex the European territories of the Ottoman Empire, in order to form a wall between the German Empire and the Ottoman Empire. Greece, Serbia and Romania formed a wall between Germany and Turkey, as you can see at the following map.

The Balkans after the Balkan Wars of 1912-1913

Picture 84
In 1914, the Austrian Duke Ferdinand was murdered in Sarajevo by the Serbs. Sarajevo is Bosnia’s capital. At the time Bosnia belonged to the Austro-Hungarian Empire. Austro-Hungary declared war on Serbia, and the other powers rushed to support one of the two sides. That was the start of the First World War. It is claimed, correctly in my opinion, that the Second World War was a simple continuation of the First World War, since the geopolitical landscape was more or less the same with that of the First World War.

On the contrary, today’s geopolitical framework is very different that the one of 1914. Today the Greek-Serbia axis that was created by the English, the French and the Russians with the Balkan Wars, it is a problem for the West, while it can still be very useful for Russia. NATO wants to connect the Caspian Sea reserves to Italy and Germany, because Putin gave the Germans and the Italians large stakes in the Russian natural gas industry. Italy got its stake through the South Stream and the Blue Stream Pipelines, while Germany got its stake through the North Stream Pipeline. NATO is to a large extent an energy alliance, and if Italy and Germany were to align themselves with Russia in energy issues, it would be the end of NATO, at least as we know it.

Bosnia-Herzegovina and the Former Yugoslav Republic of Macedonia (FYROM) are two countries which today are politically very unstable, and they have large Muslim and Slav elements in their populations. Turkey can influence the Muslim elements, and Russia can influence the Slavic ones. If Putin uses the corrupt political systems of Greece, FYROM, Serbia and Hungary in order to block the Southern Energy corridor, NATO will have no choice but to support Turkey and Albania. The two countries will use the Muslim elements of Greece and FYROM in order to annex some of the territories of these two countries, creating a corridor which will connect Turkey and Albania.

Picture 85
If on the other hand Greece allows the Southern Energy corridor to pass through its territory, Russia will have to use the Slavs in Bosnia and FYROM in order to cause a war. The war would destabilize the Balkans, blocking the Southern Energy Corridor, and preventing the natural gas of the Caspian Sea from reaching Italy and Germany. The only other scenario, the best one actually, is that the US, the EU and Russia will agree on a pipeline that will carry both Russian and Caspian natural gas.

However it is clear that contrary to the geopolitical framework of WW2, today’s geopolitical framework is very different from the geopolitical framework of WW1. The only similarity is that everything seems set for a new Sarajevo. But let’s hope that the great powers will work things out.
A Final Note

My essays are always somewhat aggressive towards Turkey. However I believe I am fair on my critique towards Turkey. It is not a secret that Turkey is very aggressive when it comes to her energy policy. But that’s not the point. The point is that I have to make a confession. I am half Jewish, and my father was born from Jewish parents in Rhodes, Greece. His father’s family were Spanish Jews, who ended up in Rhodes when they were thrown out of Spain by the Spanish Christians in 1492 during the Inquisition. At the time Rhodes was a part of the Ottoman Empire, and remained a part of the Ottoman Empire until 1912, when the island was taken over by the Italians during the Italian-Turkish War. The Turkish people had a lot of respect for the Jewish religion, and they gave shelter to the Spanish Jews.

My father’s mother was from Ukraine, which at the time was a part of the Russian Empire. The anti-Semitic policies of the Russian Char forced many Jews, among them my grand mother’s family too, to flee the Russian Empire. Her family ended up in Lebanon, and she was born in Beirut in 1905. At that time Lebanon, like Rhodes, was a part of the Ottoman Empire. My grand mother’s family, like my grand father’s family, found shelter at the Ottoman Empire. Therefore my grand mother had Turkish papers, and she was a Turkish citizen.

When the Nazis gathered the Jews of Rhodes at Platanakia Square in 1944, in order to send them to Auschwitz, the Turkish consul of Rhodes, Selahattin Ülkümen, managed to save the Jews who had Turkish papers. For Selahattin Ülkümen see the end of the chapter. My grand mother was among the lucky ones, since she did have Turkish papers. My grandfather had Italian papers. Thanks to the Turkish consul and my grand mother, both my grand father and my father were allowed to leave the building where the Germans had gathered the Jews of Rhodes in 1944. Afterwards they managed to escape to Symi, another island of the Dodekanese, which was under British control. At Symi they stayed with the Petridis family and they survived the war. However the man who really saved them from the Nazis was the Turkish consul of Rhodes, Selahattin Ülkümen.

Therefore even though I very often criticize the Turks, as I have every right to do, I have to admit that I owe them my life, because they saved my family many times during the last centuries, sometimes from Christian fundamentalists, and some times from socialist fundamentalists. And therefore it is true that I, as a Greek, can criticize Turkey, which is Greece’s main geopolitical rival, but at the same time as a human being I have to express my gratitude to the Turkish people, to whom I owe my life. And even though Turkey and Iran are today Israel’s most dangerous enemies, history cannot be undone. No matter what happens in the future it will be true that Jewish people owe so much to the Turkish people.

Below you can see my father’s map, Spain-Rhodes and Ukraine-Lebanon-Rhodes. It might seem like a strange map, but there is a similar map behind every Jew. The map is larger for most Jews. It usually involves trans-Atlantic lines. And that’s the reason you should be for a Jewish state.

Picture 86
For the Turkish consul, Selahattin Ülkümen, who risked his life in order to save my grand father, my grand mother and my father, together with another 200 Jews of Rhodes, you can read the following two Wikipedia links.

“Selahattin Ülkümen”

4th and 5th Paragraphs

On 19 July 1944, the Gestapo ordered all of the island’s Jewish population to gather at its headquarters: ostensibly they were to register for ”temporary transportation to a small island nearby”, but in reality they were gathered for transport to Auschwitz and its gas chambers. Ülkümen went to the German commanding officer, General Kleeman, to remind him that Turkey was neutral in World War II. He asked for release of the Jews, including not only Turkish citizens but also their spouses and relatives, even though many of the latter were Italian and Greek citizens. At first the commander refused, stating that under Nazi law, all Jews were Jews and had to go to the concentration camps. Ülkümen responded with ”under Turkish law all citizens were equal. We didn’t differentiate between citizens who were Jewish, Christian or Muslim.”

Ülkümen told Kleeman that ”I would advise my Government if he didn’t release the Jewish Turks it would cause an international incident. Then he agreed.” The Jews protected by Ülkümen were released, though not until they were subjected to considerable additional harassment by the Nazi authorities. Ülkümen continued to provide protection and moral support to those whom he had rescued and other Jews who remained on the island. They feared suffering deportation, as they were required to report to the Gestapo daily and never knew whether or not they would be able to return home.

Soon after Ülkümen's gaining release of Turkish Jews, the Germans rounded up the Greek Jews on Rhodes, numbering 1,673 in all, and deported them to Greece. From there, the Germans had them transported to extermination camps; only 151 of the group survived the war.

http://en.wikipedia.org/wiki/Selahattin_%C3%9Clk%C3%BCmen
Rhodes, Modern history (3rd, 4th and 5th Paragraphs)

In 1912, Italy seized Rhodes from the Turks during the Italo-Turkish War. The island's population thus bypassed many of the events associated with the "exchange of the minorities" between Greece and Turkey. After World War I, the island, together with the rest of the Dodecanese, was officially assigned to Italy in the Treaty of Lausanne. It then became the core of their possession of the Isole Italiane dell'Egeo.

Following the Italian Armistice of 8 September 1943, the British attempted to get the Italian garrison on Rhodes to change sides. This was anticipated by the German Army, which succeeded in occupying the island. In great measure, the German occupation caused the British failure in the subsequent Dodecanese Campaign.

The Turkish Consul Selahattin Ülkümen succeeded, at considerable risk to himself and his family, in saving 42 Jewish families, about 200 persons in total, who had Turkish citizenship or were members of Turkish citizens' families.

http://en.wikipedia.org/wiki/Rhodes#Modern_history

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