The Alleged “Isolation” of Turkish Cypriots

Myth and Reality

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Objectives of the Presentation

- Critically analyze the claims of Turkey & the Turkish Cypriot (T/C) leadership regarding “the isolation of T/Cs” and its impact on the economic development of the occupied area (OA) of Cyprus
- Analyze the real factors behind the underperformance of the OA in the economic field
Objectives of the Presentation

The economy of the OA of Cyprus is an open economy: Claims of Turkey & the Turkish Cypriot leadership that the alleged isolation of T/Cs led to their economic under development are not justified

The real reasons for the under-development of the economy of the OA:

- The illegal status of Turkish military occupation and the declaration of attempted secession, which was unanimously condemned by the international community
- Inefficient economic system, based on large «public» intervention
- Inadequate macroeconomic policies
- Structural weaknesses
- Massive presence of Turkish settlers
- Dependency on Turkey
- Political uncertainty as to the solution of the Cyprus problem
Claims by Turkey & the Turkish Cypriot Leadership

- “Embargo” imposed by the Government of Cyprus & international community inhibited the economic development of T/Cs

- Direct trade would help end the «isolation» of T/Cs & enable T/Cs to prosper

- Opening of the illegal airports & ports in the OA would facilitate direct trade & economic development in the OA

- Direct foreign aid would also facilitate the economic development of the T/Cs
The truth about the population of the occupied area
What is the real number of the settlers from Turkey?

But, first, we should answer a basic question:
How many are the Turkish Cypriots?
The population of Cyprus before and after 1974

Ethnic Cleansing at work
1960 Distribution of the population by ethnic group - G/C and T/C widely distributed throughout the island
From the Report of the UN Mediator
Galo Plaza (March 1965)

“The Greek-Cypriots and Turkish-Cypriots alike were spread widely over the island - not according to any fixed geographical pattern but rather as a result of the usual factors behind the movement and settlement of people over many generations: for example, the search for farming land and for employment, and other such economic and social motives. Within this island-wide intermingling of the population, there do exist local concentrations of people where one community or the other predominates.”

Press and Information Office
1960 census:
619 villages of which 393 were wholly or predominantly Greek-Cypriot, (G/C) 120 wholly or predominantly Turkish-Cypriot, 106 mixed
And the Galo Plaza report continues:

“Well the villages themselves are not usually to be found in clusters where one community or the other predominates; the more general pattern in any given area is a mixture of Greek-Cypriot, Turkish-Cypriot and mixed villages.”
Population of Cyprus 1960 & 1973
The proportion remains the same:
80% GC, 18 % TC and 2% Armenians, Maronites and Latins
Population and Major Ethnic Groups

Population figures are based on official 1968 estimates

Districts have the same names as their administrative seats, with the exception of Paphos District and its center, Ktima
Ethnic cleansing in Cyprus

Map showing the distribution of Turkish and Greek Cypriots in Cyprus in 1960 and 1999. The map indicates areas with village inhabitants by Turkish and Greek Cypriots, mixed areas, and British Sovereign Base Area.
Population distribution 1881-1973 at census years
Population Distribution at census years (%)

- **1973**: Armenians / Maronites/Latins, T/C, G/C
- **1960**: Armenians / Maronites/Latins, T/C, G/C
- **1946**: Armenians / Maronites/Latins, T/C, G/C
- **1931**: Armenians / Maronites/Latins, T/C, G/C
- **1881**: Armenians / Maronites/Latins, T/C, G/C
Population of Turkish Cypriots 1960-2004

![Bar chart showing population of Turkish Cypriots from 1960 to 2004](chart.png)
Population of the occupied area after 1974
(From 2/5/2003 Jaakko Laakso Report to the Committee on Migration, Refugees and Demography of the Parliamentary Assembly of the Council of Europe)
Number of settlers (1974-2005)

- 1974: 2,380
- 1976: 27,446
- 1978: 41,499
- 1980: 46,724
- 1990: 66,718
- 2000: 112,294
- 2002: 118,000
- 2004: 119,000
- 2005: 160,000
Registered “voters” in the occupied area
Population of the occupied area (2005)

- Settlers from Turkey: 160,000
- Turkish Cypriots: 87,000
- Turkish occupation troops: 43,000
Factors that should be borne in mind

The illegal status of the secessionist regime in the occupied area
The northern part of Cyprus is an area of the Republic of Cyprus where the Government of Cyprus, since the summer of 1974, does not exercise effective control as a result of the continuing military occupation and control of that area by 43,000 Turkish troops.

The declaration of the purported secession of the northern occupied part of Cyprus in November 1983 was condemned by the international community as legally invalid. No country, except Turkey, maintains any relations with the so called “TRNC”
The Republic of Cyprus as a whole became a member of the EU on 1 May 2004. Based on Protocol 10 of the Accession Treaty, the Acquis Communautaire is suspended in the northern occupied part, where the Cyprus Government does not exercise control. The European Union, as is the case with the rest of the international community, recognizes the Government of the Republic of Cyprus as the only legitimate government representing the Republic of Cyprus. It maintains no relations whatsoever with the illegal regime in the occupied area.
The attempted secession of the occupied part of Cyprus on 15 November 1983 was condemned by the international community.
On 18 November 1983 the United Nations Security Council adopted Resolution 541 (1983) declaring the proclamation of the establishment of the “TRNC” legally invalid and calling upon all states not to recognize any Cypriot state other than the Republic of Cyprus.

A similar call was made by the UN Security Council on 11 May 1984 in its Resolution 550(1984), which calls upon all states not to recognize the secessionist entity and not to assist or in any way cooperate with it.
On 24 November 1983 the Committee of Ministers of the Council of Europe deplored “the declaration by the Turkish Cypriot leadership of the purported independence of a so-called Turkish Republic of Northern Cyprus”. It considered the said declaration “as legally invalid” and called for its withdrawal. It declared further that the Council of Europe continued “to regard the government of the Republic of Cyprus as the sole legitimate government of Cyprus” and called for respect of the sovereignty, independence, territorial integrity and unity of the Republic of Cyprus.
On 16 November 1983 the European Communities issued the following statement: “The ten Member States of the European Community are deeply concerned by the declaration purporting to establish a ‘Turkish Republic of Northern Cyprus’ as an independent State. They reject this declaration, which is in disregard of successive resolutions of the United Nations. The Ten reiterate their unconditional support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus. They continue to regard the Government of President Kyprianou as the sole legitimate Government of the Republic of Cyprus. They call upon all interested parties not to recognize this act, which creates a very serious situation in the area”
On 17 November 1983 the European Parliament adopted a resolution condemning “the action taken by the Turkish Cypriot sector to declare an independent Turkish Cypriot state in Cyprus”. It also invited the Council of Ministers “to take all the necessary measures so that the action by the Turkish Cypriot sector remains null and void”
The Commonwealth Heads of Government meeting in New Delhi from 23-29 November 1983, issued a press communiqué stating: “Heads of Government condemned the declaration by the Turkish Cypriot authorities issued on 15 November 1983 to create a secessionist state in northern Cyprus, in the area under foreign occupation. Fully endorsing Security Council Resolution 541, they denounced the declaration as legally invalid and reiterated the call for the non-recognition and immediate withdrawal. They further called upon all states not to facilitate or in any way assist the illegal secessionist entity. They regarded this illegal act as a challenge to the international community and demanded the implementation of the relevant UN resolutions on Cyprus”
Is the Economy in the OA an Isolated Economy?
Analysis of the Balance of Payments in the OA

Export ratio of the OA – Exports of goods accounted for 11.1% of “GDP” in 1990; for a small economy, the generally low export ratio is attributed to the low productive capacity of the economy in the OA. The export ratio fell to 4.1% in 2003, due to the fall in citrus exports, resulting from the exacerbation of the water scarcity problem and the fall in manufactured exports, due to competitiveness problems of the clothing sub sector (clothing is the most important manufactured export in the OA). Thus, supply constraints and competitiveness problems were the causes for the fall of exports rather than restricted market access.
Is the Economy in the OA an Isolated Economy?

The EU (mainly the UK) constituted the most important market for exported goods until mid 1994, absorbing 55% of the total (UK 35%)
“The Agreement of 19 December 1972 establishing an Association between the European Economic Community and the Republic of Cyprus, ..., must be interpreted as precluding acceptance by the national authorities of a Member State, when citrus fruit and potatoes are imported from the part of Cyprus to the north of the UN Buffer Zone, of movement and phytosanitary certificates issued by authorities other than the competent authorities of the Republic of Cyprus”.
The importance of the EU has since declined, primarily as a result of the 1994 Judgment of the Court of Justice of the European Communities.

In 2003 the EU absorbed 28% of the exported goods (UK 25.4%).

Increased importance of Turkey, whose share has risen from 30% in 1995 to 41.6% in 2003.
Total distribution of exports of the occupied area by countries 2001-2004 (US million $)
Main export products of the occupied area 2001-2004 (Million US $)
Data on the number of tourist arrivals and net receipts from tourism in OA

- The number of tourist arrivals in 2003 amounted to 470,000, whereas the net receipts were of the magnitude of $179 mln.

- In 2004 the total number was 557,000 and in 2005 614,000. The net receipts were $271.1 million for 2004, and even higher for 2005.

- Number of tourist arrivals and receipts from tourism have increased significantly over the past two years, following the partial lifting of restrictions in the movement of persons along the ceasefire line (Green Line) and the resulting significant increase in the number of tourists from the Government Controlled Area (GCA) visiting the OA.
Tourist arrivals in the OA 1977-2005

- 1977
- 1995
- 2003
- 2005

Tourist Arrivals

Press and Information Office
Import ratio of the OA

- Imports of goods accounted, on average, for around 50% of GDP during the 1990s. This ratio has fallen to 34.2% in 2003.
- The main supplier of imported goods has been Turkey, with a share of 62.1% to the total value of imports of goods in 2003.
- The EU member states supplied 25% of imported goods, with the UK’s share being 11.4% of the total.
- No available data on imported services.
- Generous aid from Turkey which exceeded 10% of GDP for most years.
Total distribution of imports of the occupied area by countries 2001-2004 (US million $)
Imports and exports of the occupied area (US million $)
Observations

- The economy of the OA is an open economy with a higher degree of interaction with foreign countries, in particular strong links with Turkey reflected in large external trade, particularly imports.

- Apparently the non-recognition of the illegal regime in the OA did not prevent the development of trade.
Main Features of the Economy of the OA

- Low per capita income compared to the Government Controlled Area
- Rather low & volatile growth
- Inefficient economic system
- Low investment ratio – low capital productivity
- Structural weaknesses in the labor market – high share of the employment in the agricultural & «public» sector
- Widespread emigration of skilled T/Cs, replaced by unskilled settlers from mainland Turkey
- Low labor productivity
- High inflation
- High current account & fiscal deficits – dependency on Turkey for financing the twin deficits
- Weak Turkish Lira
- Reported corruption, money laundering, lack of legal protection and safeguards
The Real Reasons for the Underdevelopment of the T/C economy

- Rising presence of a large number of settlers in a politically motivated attempt to change the demographic structure of Cyprus – constitutes an increasingly low productive labor force, unable to adapt to intensifying competition.

- Sizeable aid from Turkey was directed to non-productive purposes, essentially financing public and private consumption.

- The political uncertainty as to an eventual solution of the Cyprus problem and the problems arising from the exploitation of Greek Cypriot properties in the occupied part of Cyprus.

- Failure to integrate into the economy in the GCA and exploit business opportunities – in fact, the T/C leadership discourages trade through the Green Line and advocates «direct» trade, aiming to promote the de facto recognition of the illegal regime in the OA.
Proposals by Turkey & the T/C Leadership to End «Isolation»

Analysis of the implications of opening the illegal ports in the OA

- Only marginal benefits of direct trade instead of trade via Turkey that takes place now are expected. The benefits are expected to be marginal taking into account the overall magnitude of the exports of goods from the OA ($19.8 mln exports of agricultural exports and $28.6 mln exports of manufactured products) as well as the production capacity constraints.

- The marginal benefits are expected to result from lower transport costs due to the termination of double handling which is now taking place, lower fuel as well as other operating expenses, simplification of administrative procedures, time saving etc.

- Moreover, significant investment expenditure would be required in order to comply with the necessary EU and international safety and security requirements.
Overall conclusion

- Significant investment costs (unnecessary from the perspective of a unified economy) would be required – minimal economic benefits for the T/Cs – such policies would inhibit the integration of the economy in the OA to that of the rest of Cyprus (also in the event of a solution).

- More efficient option: Use of the airports and ports in the Government Controlled Area for the promotion of trade of T/C goods & services.
Effects of Partial re-integration of the Economy in the Occupied Area (OA) into the economy in the Government Controlled Area (GCA)
The partial «liberalization» of movement through the Green Line resulted in substantial economic benefits for the T/Cs.

Benefits from tourists visiting the Government Controlled Area who also spend time in the OA. The benefits accrue from the expenditure of tourists for the purchase of goods and services.

Benefits from the employment of TCs in the GCA. A continuously increasing number of T/Cs is employed in the GCAs, with a positive impact on the level of disposable income in the OA.

Benefits to the T/Cs from Government services. T/Cs are recipients of free medical care from public hospitals, benefits via the Social Insurance Scheme and other services.

Substantially greater benefits are expected in the event of a solution of the Cyprus problem, which would lead to the re-integration of the island and its economy.
Reality No 1

- Turkish Cypriots, as citizens of the Republic of Cyprus, are entitled to passports and other official certificates of the Republic of Cyprus.

- Holding such certificates enables them to enjoy the benefits of EU membership, despite the fact that the Acquis is currently suspended in the northern part of Cyprus.

- Turkish Cypriots can, therefore, move, work and settle freely within the Union, study and send their children to schools of the EU Member States and enjoy diplomatic and consular protection in third countries.
Reality No 2

Turkish Cypriots can participate in European and international sports, social and cultural events, as any other citizen of the Republic of Cyprus, under the flag of the Republic of Cyprus.

The National Agencies of European Educational Programmes continuously provide information to Turkish Cypriots, on opportunities to participate and receive funding from the EU for specific projects.
Reality No 3

Over 10 million crossings of persons and nearly 3 million crossings of vehicles have been registered since the partial lifting of restrictions across the UN ceasefire line in April 2003.
Policy Initiatives introduced by the Government of the Republic of Cyprus that have benefited TCs
The Republic of Cyprus has paid social insurance pensions of Euro 32.3 million to Turkish Cypriots for the years 2003-2004.

24,420 Turkish Cypriots have been provided with free medical care at the public hospitals and medical centers of the Republic since April 2003 at the cost of Euros 6.9 million.

Over 40,000 Turkish Cypriots are holders of Cyprus Republic passports.

Over 79,000 Turkish Cypriots are holders of Cyprus Republic birth certificates.

Over 67,000 Turkish Cypriots are holders of Cyprus Republic ID cards.

The Government proposed, on 16 July 2004, the opening of eight additional crossing-points along the ceasefire line, demining of the existing minefields and disengagement of military forces from the walled part of Nicosia and other areas. One of the proposed eight crossing points, that of Astromeritis-Zodhia, has already opened. Demining of the minefields of the National Guard in the buffer zone has been completed, after a decision by the Government to proceed unilaterally.
Government Economic Assistance to the T/C (million Euro)
Government Economic assistance to the TC community (Million Euro)
Total economic assistance by the Government to the TC community (Million Euro)
Financial flows from the Government Controlled Area (GCA) to the Occupied Area (OA), 2005
Total financial benefits from the Government Controlled Area (GCA) to the Occupied Area (OA), 2005

- Services/benefits to TC 24%
- GC crossings 22%
- Tourist crossings 19%
- Intra-island trade 2%
- TC employment in GCA 33%
MOVEMENT OF TOURISTS ACROSS THE GREEN LINE (FROM GOVERNMENT CONTROLLED AREA TO OCCUPIED AREA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>50,000</td>
</tr>
<tr>
<td>2004</td>
<td>175,000</td>
</tr>
<tr>
<td>2005</td>
<td>280,000</td>
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</tbody>
</table>
OA REVENUE OF OCCUPIED AREA FROM TOURISM THROUGH THE GREEN LINE

<table>
<thead>
<tr>
<th>Year</th>
<th>Million Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.05</td>
</tr>
<tr>
<td>2004</td>
<td>15.66</td>
</tr>
<tr>
<td>2005</td>
<td>29.23</td>
</tr>
</tbody>
</table>
### Per capita income of the T/Cs

<table>
<thead>
<tr>
<th>Years</th>
<th>Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,693</td>
</tr>
<tr>
<td>2003</td>
<td>4,963</td>
</tr>
<tr>
<td>2004</td>
<td>6,780</td>
</tr>
<tr>
<td>2005</td>
<td>7,960</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,693</td>
</tr>
<tr>
<td>2003</td>
<td>4,963</td>
</tr>
<tr>
<td>2004</td>
<td>6,780</td>
</tr>
<tr>
<td>2005</td>
<td>7,960</td>
</tr>
</tbody>
</table>
GDP (%) Yearly growth in occupied area

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6.2</td>
</tr>
<tr>
<td>2003</td>
<td>10.6</td>
</tr>
<tr>
<td>2004</td>
<td>14.2</td>
</tr>
</tbody>
</table>
The Green Line Regulation as Amended Main Provisions

Regarding the crossing of persons
- Free movement of EU citizens and citizens of Third countries who either do not require a visa or are holders of a valid visa, throughout the island

Regarding the crossing of goods
- Goods originating in the northern part of Cyprus, i.e. goods that are wholly obtained (for example citrus fruit, terra umbra etc) or goods that have undergone their “last substantial, economically justified processing” in the northern part” are allowed in principle to cross the line without being subject to customs duties, or to a customs declaration
- The Goods must be accompanied by a certificate of origin issued by the Turkish Cypriot Chamber of Commerce. They also have to undergo phytosanitary and food safety checks as required by EU legislation
- The Commission may lift the prohibition on the crossing of live animals and animal products across the line, provided that a number of conditions set out in the amended regulations are fulfilled

Persons crossing the Green Line are entitled to carry goods for personal use of a total value of up to Euros 135. They can also carry 40 cigarettes and 1 litre of spirits. The original Green Line regulation provided for Euros 35, 20 cigarettes and the same amount of spirits

The Government of Cyprus remains convinced that the above provisions, coupled with the Government’s proposal for the opening of additional crossing points, will give a further impetus to the full and advantageous implementation of the Green Line regulation, so as to further promote the aims of the 26th April 2004 European Council Conclusions, that is to create conditions for the economic integration of Cyprus and for improving contacts between the two communities, with a view to the reunification of Cyprus
Value of Goods Traded on the basis of the Green Line Regulation

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>363,825.18</td>
</tr>
<tr>
<td>2005</td>
<td>1,461,705.69</td>
</tr>
<tr>
<td>Feb/2006</td>
<td>229,738.05</td>
</tr>
</tbody>
</table>
Turkish – Cypriot Chamber of Commerce

Spread of Sales on Products - 2005

- Aluminium PVC goods: 2.71%
- Handicraft goods: 10.40%
- Raw metal: 0.17%
- Clothing: 2.39%
- Paper products: 0.37%
- Building stone/articles of stone: 3.67%
- Vegetables: 0.13%
- Wooden goods/furniture: 0.14%
- Chemical products: 0.70%
- Plastic products: 0.18%
- Food/Drink: 3.59%
- Iron/steel goods: 5.02%
- Earth & Stone: 1.41%
- Prefabricated Buildings: 1.68%
- Water storage & heating units: 5.66%
- Saddlery & harness: 18.28%
- Printed books, newspaper etc.: 18.34%
- Charcoal: 14.10%
- Electrical equipment: 14.10%

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Turkish – Cypriot Chamber of Commerce

Spread of Sales on Products - 2006

- Paper products: 10.50%
- Building stone/articles of stone: 8.54%
- Wooden goods/furniture: 13.27%
- Vegetables: 29.28%
- Electrical equipment: 20.98%
- Plastic products: 5.93%
- Aluminium PVC goods: 7.28%
- Chemical products: 0.91%
- Water storage & heating units: 1.64%
- Handicraft goods: 0.82%
- Clothing: 0.39%
- Earth & Stone: 0.47%

Press and Information Office
Illegality of Direct Trade with the OA

Since Cyprus is an island, direct trade with the OA can only be achieved through the illegally operating ports and airports.
Illegal airports

As a result of the continuing military occupation by Turkey, the Government of Cyprus has no access over the two illegally operating airports in the OA and is not in a position to control and impose the terms of operation on these airports, as well as the relevant obligations emanating from international treaties, including air safety and the fight against terrorism and drug smuggling.

Therefore, the Government of Cyprus has declared them closed to international traffic and has not authorized flights into the occupied airports.

No direct flights can be operated into the illegal airports as such action would violate the Chicago Convention which provides that: “Each scheduled international air service may be operated over or into the territory of a Contracting State, except with the special permission or other authorization of the State.”

The illegal airports are not recognized by ICAO and are not included in ICAO’s official list of international “aerodromes.”

At these airports, the entry, clearance, immigration, customs, quarantine regulations, aviation security and conditions for passengers, mail and cargo, as required by the Republic of Cyprus and the provisions of the relevant international conventions, are not observed.

All Member States of the international community have an obligation under international law to respect the sovereignty of the Republic of Cyprus and not to authorize direct flights into the OA.
Illegal ports

Because of the continuing military occupation of the northern part of Cyprus by Turkey, the Government of Cyprus has since 1974 declared the three ports operating there as prohibited and closed for all vessels, cargo or passengers.

Consequently, use of these ports is illegal.

Calls at the closed ports in the Occupied Area are illegal and constitute a serious infringement of international law, namely the International Convention on the Safety of Life at Sea.

The illegally operated ports are not certified with the International Ship and Port Facility Security Code, which is required by the international maritime industry as a countermeasure against international terrorism.

Serious commercial, economic and legal complications would be created for the ship owners, ship managers and cargo owners who choose to use these illegally operated ports.

Use of the illegally operated ports is also inconsistent with European Union Acquis, relating to ship and port facility security, as well as Protocol 10 to the Treaty of Accession.
Position of the government on the draft “direct trade” regulation

- It deviates from the declared aim of the General Affairs Council's Conclusions of April 26th 2004, which is the reunification of Cyprus and its people.
- It offers no substantial “added value” since the economic development of the T/Cs can primarily be promoted through the “Green Line” Regulation.
- From a legal point of view, it suffers from two primary flaws:
  - It stands on an erroneous legal basis, that of Article 133 of the EC Treaty, which concerns trade with Third countries.
  - It contradicts the sovereign right of the Republic of Cyprus to define the points of entry and exit from its territory. The provisions of the draft regulation imply the use of ports and airports in the occupied part of Cyprus, which the Government of Cyprus has declared closed since 1974 and for as long as 37% of its territory remains under foreign military occupation.
- It removes incentives of T/C economic operators to cooperate with their G/C counterparts and strengthens pro-partition forces in the T/C community, whose objective is the separate evolution of the two communities and the political upgrading of the secessionist entity.
- This is why the T/C regime continues to restrict intra-island trade as part of a campaign to sabotage the “Green Line” Regulation so as to justify their call for “direct trade” instead. As a result, the GL regulation continues to be a one way movement.
Proposal of the Government of Cyprus on Famagusta port/Varosha/Larnaca port
The Government of Cyprus cannot accept the adoption of measures which threaten the legal order of Cyprus and discourage the two communities from cooperating.

It remains committed to the economic development of the T/C community through measures that will further the economic re-integration of the island and bring G/C and T/C together.

For that purpose the Government has submitted to the Commission the following proposal:

- The return of Varosha (the fenced-in area of Famagusta and the necessary access to it), to its lawful inhabitants under the control of the Government.
- Following such return the Government would be in a position to grant its authorization for the operation of the port of Famagusta for purposes of “direct trade”. The operation of the port would take place under the supervision of the European Commission.
- The commercial aspect of the Port's operation shall be entrusted to an organization which will be managed by a Board of Directors that will include both GCs and TCs.
- The Port should open to both GC and TC economic operators under equal terms.
Realization of this proposal-coupled with the realization of the CBMs proposed by the Government regarding the removal of military personnel, weapons and mines from the greater Famagusta area-would transform the area on both sides of the Green Line into a beacon of cooperation, development and prosperity for all, generating an unprecedented momentum towards the reunification of Cyprus.

The Government has declared its readiness to make special arrangements to render the Port of Larnaca a hub for the movement of T/C products across the Green line and to the outside world.

The Government could hire the services of Turkish Cypriots to assist with the increased workload of customs, immigration, storage and other operations which the implementation of this proposal would place upon the Larnaca port.
Conclusion

The illegal Turkish military occupation of the northern part of Cyprus as well as the persisting secessionist actions on the part of Turkey and the Turkish Cypriot leadership constitute the basic cause which prevents the Turkish Cypriot citizens of the Republic of Cyprus to move in the common European future and enjoy fully the rights afforded by the European Union to its citizens.

The Green Line Regulation remains the ideal instrument allowing for the economic development of the TC community and contact between the two communities, while at the same time promoting the economic re-integration of Cyprus, with a view to its ultimate reunification.

This, coupled with the benefits to be accrued by the TCs through the Financial Regulation (139 Million Euro), recently adopted by the European Council and the policy initiatives already being implemented by the Government of Cyprus for the benefit of the TC community, have the potential of leading to substantial economic and social advancement and prosperity for the TCs, in line with the European Council’s conclusions of 26 April 2004.
It is imperative that all countries wishing to contribute to the welfare and advancement of the TC community and the cause of reunification do so in cooperation with the Government of Cyprus and in ways that violate neither the rule of law nor the sovereign rights of the Republic of Cyprus.

The Government of Cyprus will continue to expand policy initiatives both unilaterally and in cooperation with the EU, while pursuing a comprehensive settlement on Cyprus which will reunify the country and its people, reintegrate the economy and satisfy the fundamental concerns of all its citizens.