

**East Med Exports – Conflicts & Cooperation**

**Gina Summary – 5.3.2019**

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## **General**

The Eastern Mediterranean's gas potential is promising. Besides Egypt, the countries in the region face challenges in exploiting their resources. First, these resources are mostly offshore, in deep and ultra-deep waters. When found in commercial quantities, their extraction is expensive. Second, the relevant infrastructure for monetizing these resources barely exists (outside Egypt). And if this weren't enough, the geopolitical risk is high due to a number of factors: the conflict in Syria; terrorism; the Cyprus problem; sour relations between Cyprus and Turkey; a constant state of tension between Lebanon and Israel; and deteriorating relations between Turkey and Egypt, and between Turkey and Israel. In 2018, we saw that heightened political tension in this part of the world could quickly escalate into a confrontation, when Turkish warships prevented a drillship from reaching its drilling target in Block 3 of Cyprus' Exclusive Economic Zone (EEZ).

At the beginning of this decade, natural gas prospects in the Eastern Mediterranean generated geopolitical optimism about potential new patterns of regional cooperation that might catalyze a Cyprus settlement, improve Arab-Israeli relations and provide new gas supplies for Turkey and the EU. Natural gas projects do indeed appear to be reinforcing new strategic triangles among Israel, Cyprus, and Egypt as well as between Israel, Cyprus and Greece. Turkey, however, risks being left out of the strategic mix. By using energy as a uniting factor, the European Union has a chance to play a catalyzing role in resolving the Cyprus Question and improving Turkey-EU relations, similar to the role of the US in the Southern Corridor.

Geopolitical thinkers love to draw strategic lines on maps. They often dream of big infrastructure projects, such as energy pipelines, as catalysts of new patterns of geopolitical cooperation. In reality, however, multi-country energy projects can come to fruition only if the relevant countries have first identified a common set of geopolitical goals. Once in place, such projects can indeed build on these shared interests and develop new vectors of strategic collaboration.

This is what happened in the strategically important sliver of territory between Russia and Iran during the late 1990s. Azerbaijan, Georgia, and Turkey resolved to work together to ensure that large new discoveries of hydrocarbons in Azerbaijan would reach global markets free from Russia's pipeline monopoly and geographic chokepoints (e.g., the Straits of Hormuz and the Turkish Straits). Their quest was an "East-West Energy Corridor," a network of five pipelines stretching from the Caspian Sea to the Mediterranean, whose backbone was the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the South Caucasus natural gas pipeline (SCP). The US provided essential political support, as well as a strategic counterweight to Russia, which strongly opposed BTC and SCP. The EU subsequently joined the project's second round: the expansion and extension of the natural gas pipeline from Azerbaijan to Greece, Albania, and under the Adriatic Sea to Italy in what became known as the Southern Corridor.

Thanks to these efforts, Turkey, Georgia, and Azerbaijan developed new patterns of economic and security cooperation not only with each other, but also with the US and the EU. Armenia, however, was left out of this strategic triangle at the behest of Azerbaijan

and Turkey, which sought to isolate their neighbor as punishment for occupying the Azerbaijani territory of Nagorno-Karabakh and its seven surrounding Azerbaijani regions.

In the modern energy business, location is all important. Volumes that far exceed domestic need in any of the countries involved have yet to find sufficient export routes. It would be possible to construct an LNG facility and to send the resources to the growing markets of Asia, but the capital cost would be enormous and the cost by the time the gas reached China or India would be uncompetitive in a world full of gas supplies. It is also, for the moment at least, impossible to imagine that the countries involved could agree on a single location for such a facility.

### **East Med Pipeline**

Not enough or too much gas for this project: too much gas will open other export options such as Cyprus LNG, Israeli FLNG.

No project as ambitious and potentially profitable as the East Med pipeline comes without challenges. But its benefits are huge if it can outweigh the difficulties. An East Med pipeline will bring energy to Europe, enrich its own members and foster better relations between Israel and its neighbors. It's still a long way off and is unlikely to succeed, but not impossible.

Southeast Europe was originally a logical outlet for this gas, with the East Med pipeline being an alternative for a market that was already in discussions about buying additional gas.

A factor that could greatly increase European commercial and policy level interest in the Eastern Mediterranean is the disruption of existing supplies to Europe from North Africa. Gas imports from Algeria and Libya are an important source of gas for Southern Europe. However, the disintegration of Libyan state institutions and the frequent terrorist attacks in Algeria, some of which target energy production installations, are a stark reminder that regional insecurity and instability can disrupt energy production and export. The dislodging of many ISIS members from Iraq and Syria has led to an increase of their numbers in Libya and neighboring North African countries, raising security threats to the ruling governments in North Africa, and, thus the energy production there. Long-term disruptions or threat to supplies from North Africa would render Eastern Mediterranean gas more commercially attractive.

However, over time much has changed and the supply options to this region have grown including the TANAP and TAP pipelines. Shah Deniz 2 will be delivering 10 bcm/y at the Greek-Turkish border; the TurkStream pipeline might bring more gas into the region and a series of proposed interconnectors could push that gas into the Balkans. An LNG import facility at Revythoussa, Greece, was just expanded, so more LNG can reach Greece (although import capacity was never a major constraint). And a proposed import terminal in Northern Greece just completed a (non-binding) market test (January 2019),

increasing the prospects of additional gas being available. This region now looks well supplied.

The eventual success of the East Med Pipeline is related to Europe's energy dependency and its policy of reducing this dependency. The EU imports two-thirds of its energy needs, mostly from Russia, Norway, Algeria, and Qatar - although Norway's natural gas production is declining. The largest European importers of natural gas are Germany, Italy, France, Belgium, and Spain.

Russian gas is a mixed blessing for the EU. On the one hand, it is cheaper than other gas supplies such as far-away pipelines and LNG imports. On the other, it creates an economic dependency on a geopolitical rival. Russia's natural gas giant, Gazprom, is carefully maintaining this dependency by keeping its exports prices to Europe at comparatively low levels. Future gas imports from the East Mediterranean will therefore have to be competitive price-wise in order to have an impact on the EU's import policies. Moreover, the Eastern Mediterranean is not the only alternative to Russian gas. Other possible suppliers include African countries such as Mozambique, Tanzania, Senegal, and Mauritania. The EU could also buy more LNG from the United States, which in itself is having a hard time competing despite the low Henry Hub prices stated to remain below \$2.50/MMBtu over the next five years and relatively cheap brownfield LNG facilities.

For the EU, Egypt's LNG terminals potentially constitute a more attractive source of gas supplies, since Egypt has large gas reserves as well as the infrastructure to export them. In fact, Egyptian LNG would be cheaper than investing in EMGP. On the other hand, Egypt's ability to export is limited because of its own domestic needs. Since the EU has extended regulatory powers over the energy market, it can use incentives and subsidies to encourage EMPG. For this to happen, Israel should ask its allies in the "Visegrad Group" (Poland, Czech Republic, Hungary, and Slovakia) to put their weight behind EMPG.

Given these potential alternative supplies, it is significant that the EU has granted EMGP the status of PCI ("Project of Common Interest"), and granted it €35 million (money which has not yet been released as of the date of writing this report). For a project to be designated a PCI, it must meet certain criteria, such as having a positive impact on the energy markets of at least two EU countries; enhancing competition within the EU and contributing to EU energy integration as well as to the diversification of energy sources.

This however will not be enough to overcome opposition to the East Med Pipeline, as one significant obstacle is the project's high cost, estimated by its sponsors at \$7 billion, but potentially higher than this.

In addition, the European Commission's financial support for the East Med Pipeline is criticized by those who would like European tax money to be spent exclusively on renewable energies. For example, energy expert Simone Tagliapietra (a professor at John Hopkins University and a fellow at the influential Brussels-based Bruegel think tank) writes that natural gas "does not need EU support in order to progress" and that the EU

should invest in solar and wind energy in Mediterranean countries instead. Tagliapietra dismisses the East Med Pipeline as “probably unnecessary” because in his estimation importing gas from the Eastern Mediterranean would likely be more expensive than importing gas from Russia.

This view is shared by some key members of Italy’s current government, an unlikely coalition between the Lega party and the Five Star movement. Lega is a nationalist party, while Five Star is an anti-establishment grassroots movement with eclectic views – and both strongly disagree on energy policies. Lega, whose leader and Interior Minister Matteo Salvini visited Israel in December 2018, is in favor of the East Med Pipeline and a broader partnership with Israel. Five Star, on the other hand, is against promoting non-renewable energy projects and does not favor upgrading relations between Italy and Israel. Italy’s Ministry of Economic Development (which oversees energy policy) is currently headed by Five Star leader Luigi Di Maio.

During the 2018 electoral campaign, Five Star had committed to halt the Trans Adriatic Pipeline (TAP). Yet in October 2018, Di Maio reneged on this commitment because pulling out from the project would have cost Italy €20 billion in penalties. By contrast, Italy would not face any penalty were it to pull out from the East Med Pipeline. Because of deep divisions within Five Star, some predict that the party will eventually split between moderates and radicals. Matteo Salvini hopes to form a new government with the “reasonable” faction of Five Star after a possible split of the movement. In such a scenario, Salvini would likely become prime minister and he would be able to promote the East Med Pipeline as well as the strengthening of ties with Israel.

The future of the East Med Pipeline, in other words, depends not only on power struggles within the EU (although the European Commission has agreed to put money into feasibility studies, some EU members such as Spain as well as influential think tanks want EU money to be spent only on renewables), but also within the Italian government. If and when Salvini manages to split Five Star and form a new government supportive of the East Med Pipeline and of further cooperation with Israel, the prospects of the project shall improve. Yet there is no guarantee that Italy’s Five Star Movement will split and that a new Italian government will emerge in the coming months. Hence the importance of maintaining a close working relationship with Salvini.

In addition, gas demand has fallen in Greece and Bulgaria and has been highly unpredictable in Italy. Gas demand in Greece fell sharply from 2011 to 2014, but has since recovered and reached an all-time high in 2017 (demand in 2018 will be lower). In Bulgaria, gas demand has been flat for 15 years. This means the project will have to be driven by Italy, where demand has gone through a roller coaster: it fell by 27 percent from 2007 to 2014, before recovering in 2017. But even in 2017, demand was below its 2007 peak and like other European countries the outlook is unclear (the data for 2018 shows a modest drop). Thus, selling gas into this region is not easy: there are plenty of supply options and demand is weak. This is not a booming market desperately in need of gas.

It is not clear whether the East Med pipeline is best positioned to serve the function of exporting East Med gas outside of the region. As stated above, the under-used LNG export capacity in Egypt remains the prime candidate for most producers. What could change this picture in favor of the East Med pipeline? First, additional gas discoveries could create a need for new/additional supply routes. But there are two caveats to that statement. More gas could also boost the momentum for other export options, including an LNG export facility in Cyprus; and resources dispersed across different fields and countries will still struggle to be combined into a single gas stream that can be sold. In other words, more gas is probably necessary to underpin this pipeline, but more gas could also tip the scales toward other development options or further complicate the task of aggregating disparate supplies.

This reality underscores two other imperatives. The East Med pipeline has to become a preferred option for producers that is better than regional sales or LNG exports via Egypt or Cyprus, or exports to Turkey by pipeline. So far, this has not been the case.

Yet one could imagine a scenario where the ability to sell Israeli gas into Jordan or Egypt gets caught up in political battles that lead to interruptions. (This is what happened to Egyptian gas sales into Israel, after all.). If other options look worse, the East Med pipeline might not look as bad by comparison. This relative attractiveness is essential for the pipeline.

The final ingredient is leadership, but not political or diplomatic leadership which can help but also further entangle the project with the region's complex geopolitics. Instead, the project needs commercial leadership - a company that can bring all the buyers and the sellers together. To have enough gas for the project, it may be necessary to aggregate gas over a number of fields/countries, which adds to the complexity. To fill a pipeline of 15 or 20 bcm, which is the latest capacity being discussed, gas would have to be aggregated across many fields with different owners and across different countries. It is not clear whether a gas producer from the region or a buyer from Europe is ready to take on this aggregator role - and without it, a pipeline is virtually impossible to cobble together, as we know from other cases around the world.

A major player has to emerge with the capacity and willingness to bring together buyers and sellers, find a commercial formula that delivers secure revenue to producers while offering sufficient competitiveness and flexibility to buyers. All this is a long shot - and the geopolitical dividends dreamt up by the current project sponsors are unlikely to materialize even if the pipeline is built, especially if TurkStream brings more competition to Southeast Europe anyway.

One key driver will be the risk appetite of suppliers: so far, most of the contracts for gas sales have included a firm price guarantee for producers. This formula will be difficult to replicate in Europe. The Shah Deniz 2 project, for instance, is exposed to the Italian hub price (PSV) but Shah Deniz is also liquids-rich, which provides support for this price strategy (East Med gas is short on liquids).

A new supplier into Southeast Europe will struggle to compete while demanding a firm price floor. Suppliers will need to accept more price risks. There is, in short, a narrow path to success. The demand picture in Southeast Europe must improve for this project to proceed. Other supplies into the region must fail to deliver, creating an opening; or their gas must be more expensive.

The US on its part is in favor of the East Med project. On December 20, 2018, Israel hosted a trilateral summit with Greece and Cyprus in the city of Beer-Sheva that was attended by US ambassador to Israel David Friedman, who declared that the United States fully supports EMPG since it “aims to diversify energy sources in the area and ensure energy security in Europe,” and welcomed the pipeline as a project “of great importance for the prosperity and stability of the Middle East and Europe.” Friedman did not mention Turkey in his speech.

Another reason for the US’s support for the new Eastern Mediterranean alignment is that Washington is concerned by the rapprochement between Russia and Turkey (a NATO member that recently purchased Russian S-400 missiles). Hence the recent statement of US Secretary of State Mike Pompeo that the Eastern Mediterranean is “an important strategic frontier” and that “the US is working to strengthen our relations with stable democracies and democratic allies like Greece, Cyprus and Israel.” Precisely because the East Med pipeline is more expensive than its alternative (the once considered route via Turkey), American financial support will be critical for the project’s completion.

Israel is a new and inexperienced player in the field of energy diplomacy. It could and should follow the example of the US which under the Obama Administration established a Special Envoy and Coordinator for International Energy Affairs to manage energy diplomacy, with a special focus on the Eastern Mediterranean. Establishing a similar body would likely help overcome some of the obstacles to the implementation of the East Med Pipeline project. The special US energy envoy has played a critical role in promoting American energy interests, for example by mediating in politically sensitive situations, such as the gas deals between Jordan and Israel. Israel should appoint such an envoy to promote the East Med Pipeline in the EU and secure the support of the Visegrad Group for the project.

Other factors are beyond Israel’s control. They include the global prices of natural gas, the potential over-supply for the next half a decade, competition from other export projects, the evolution of geopolitical tensions between Russia and the EU, and the future of Italy’s current coalition. It is therefore critical for Israel to closely monitor political evolutions in Europe and to maintain close relations with Italy’s pro-East Med Pipeline politicians as well as with European governments whose voice and vote will have an impact on the EU’s energy policy.

### **Eastern Mediterranean Gas Forum**

In January 2018, the “Eastern Mediterranean Gas Forum” (EMGF) was established between Israel, Egypt, Greece, Cyprus, Italy, Jordan, and the Palestinian Authority as a “an international organization that respects the rights of members with respect to their

natural resources in accordance with the principles of international law, supports their efforts to benefit from their reserves and use of infrastructure, and committed to paving the way for fruitful cooperation in the technical and economic fields, with a view to efficient exploitation of the gas potential in the region". This is a significant move that formalizes the new energy partnership in the Eastern Mediterranean.

This new Mediterranean partnership will give a stronger impetus to a double geopolitical interest shared by Israel and by the United States: a. Curtail Russia's domination of the European energy market; b. Counterbalance Iran's access to the Eastern Mediterranean via Syria.

By linking Egypt to Israel via natural gas, the EMGF is frustrating Iran's regional ambitions. During the brief regime of Muhamad Morsi and of the Muslim Brotherhood in Egypt (2012-2013), Iran hoped to turn Egypt into a client state for natural gas. Such a scenario was not unlikely after the signature of the nuclear deal (JCPOA) in 2015 and the lifting of sanctions on Iran. The EMGF is the ultimate proof that the Trump Administration has convinced Egyptian President el-Sisi to remain in the realm of US allies and to downgrade Egypt's ties with Iran.

Furthermore, East Med countries that agree with the forum's interests and objectives will have the right to join the founding members. It will be open to other countries or regional and international organizations as observers, and will work with non-members to help create dialogue, mutual understanding and mutual benefits. The EMGF also said that the private sector has an important role to play. This means that in addition to its founding members, the EMGF could eventually be joined by Lebanon, Syria and Turkey, but even if that should be the ultimate goal, it is not feasible at present.

This is the first time in its history that Israel has been included in a regional organization with members of the Arab League. The League officially maintains a boycott of Israel, although Israeli-Arab trade in everything from tourism to high-tech military equipment is an open secret. For Israel, inclusion is not just an economic opportunity but a part of its geopolitical strategy to boost its standing in the world. Lately Jerusalem has been on a diplomatic roll. It may have received little notice in the outside world, but the decision of Chad, a majority-Muslim African nation, to renew relations with Israel after almost 50 years is significant. Negotiations are quietly taking place with several other former enemy states. However, according to Nick Butler, economic interests alone aren't enough to fully integrate Israel into the Middle East. Arab nations without formal peace accords with Israel would need to see at least some progress on the Palestinian front before normalizing relations, and this would include progress on Gaza Marine.

Politicians can't do much about gas prices but removing political risk from a region certainly makes it more attractive to energy buyers. Given the geopolitical challenges the region faces, the compliance with international law, particularly UNCLOS, the UN law of the seas, is crucial for the peaceful exploitation of hydrocarbons in the East Med. It is quite important that the EMGF has made this one of its key objectives.



While Israel's partnership shift from Turkey to Greece seems durable, the emerging energy hub between Israel, Cyprus, Greece and Italy should not be taken for granted. The establishment of the Eastern Mediterranean Gas Forum is therefore a welcome move for Israel, since it formalizes the new energy hub which now includes Egypt and Jordan, as well as the Palestinian Authority. This new partnership is critical for securing the status of Israel as a global energy player.

Thus, although export projects could benefit from such cooperation as is being formed by EMGF, especially with regards to ensuring a conducive regulatory environment, putting in place the required inter-governmental arrangements and removing political risk, they must also first be commercially viable. In addition, according to Nick Butler (Feb 2019) although Egypt offers an alternative hub and will take the first tranche of gas from Leviathan, it is hard to imagine that Egypt, which has its own gas to develop and sell, will want to encourage additional competition by supporting the full-scale development of Leviathan or any further gas from the Levant.

### **Cyprus/Turkey**

Israel now holds annual trilateral summits with Greece and Cyprus, which have become its geographical conduits to the West. The two also conduct joint military operations with Israel, and just a short flight away, have replaced Turkey as the Israelis' preferred holiday destination.

The next step could be electricity cooperation. A working group on electricity sharing already exists between the two Cypriot communities, along with a north-south electricity connection. Indeed on 26<sup>th</sup> February 2019 the two sides agreed that they would implement two key confidence-building measures, one of which consists of an agreement on the interconnectivity of the two electricity grids. The agreement stated simply that this "has been achieved", suggesting that the physical infrastructure was already in place. The leaders also agreed that the "temporary electricity supply arrangement", which has been in place for decades, was permanent and without restriction. According to figures from the Statistical Service, Cystat, the southern part of the island supplied 5 million Kwh (0.1% of electricity available for consumption) to northern Cyprus in 2017. This figure has been fairly stable in the past 10 years, although 48m Kwh was purchased by northern Cyprus during a production crisis in 2006. Northern Cyprus also supplied 120 MW of electricity to the south in 2011, when an explosion of confiscated Iranian armaments destroyed the main power station, knocking out more than 60% of production capacity.

With strong EU encouragement, Greek Cypriot authorities might eventually be convinced to acquiesce to a subsea cable from Turkey to northern Cyprus, ostensibly to boost Turkish Cypriot electricity supplies. Electricity from Turkey would then become available to Greek Cypriots as well. This scenario would help the EU achieve two key goals with respect to Cyprus: (1) Increase the use of renewable energy across the island; and (2) Connect and synchronize Cyprus's electricity network with the EU's electricity grid (which would occur via Turkey's synchronized connection with Bulgaria).

Eventually, a subsea cable to Israel could position Cyprus as an electricity hub connecting the EU and the Middle East, which Greek Cypriot political leaders would likely view as a significant strategic achievement.

Turkey opposes the East Med pipeline and/or the EMGF on the grounds that it will strengthen its rivals, especially Greece and (the Greek part of) Cyprus, as well as Egypt and Israel. Lately, Turkish officials have discussed creating an alternative Northeast Forum that would include Syria, Lebanon and Turkish-occupied western Cyprus.

One obvious and cost-effective export route remains: through an offshore pipeline that could run along the Levant coast and northwards to Turkey collecting resources from all the fields on the way. Indeed, The most logical destination for East Mediterranean gas would be the vast market in Turkey. Indeed, In the longer run, Israel, Turkey, and Cyprus could agree on the most commercially attractive alternative to the East Med project: an Israel-Cyprus-Turkey gas pipeline, but geopolitics rules out this option. UN efforts to resolve the Cyprus dispute and allow the reunification of the island have come to nothing. Turkey, for its part, disputes Cyprus' right to explore for gas while the island remains divided. Turkey also does not recognise Cyprus' economic exclusion zone, asserting that this infringes in part on the Turkish continental shelf.

Despite the strategic and economic advantages such a pipeline would provide Cyprus, any Greek Cypriot government would commit political suicide by simply granting permission for such a project.

Though there are many in the EU and in the US who would welcome a chance to cut Turkey loose, a Turkey that is adrift to pick up the pieces of Syria on its own with Russia and Iran does not portend well for the West's strategic interests in the Middle East. That said, now is also the time for Turkey to make a move to help bring itself in from the cold, which it seems to be trying to do by normalizing relations with Germany and the Netherlands.

According to Nick Butler (Feb 2019), visiting Turkey recently it was impossible to miss the tension between two very different views of the country's future. For some, Turkey's national aspirations should focus on becoming a modern regional economic and industrial power, with capabilities unmatched across the Middle East and with a network of alliances and trading relationships reaching into Europe and beyond. This approach would seem to match the needs of Turkey's 80 million citizens who require opportunity and employment in a competitive global economy. It would also suit the Turkish corporate sector, which is overwhelmed by debt and desperately in need of a new impetus for investment.

For others, including it seems President Recep Tayyip Erdogan, the future lies in the projection of Turkey's national status and power in a region dominated by religious and cultural conflicts.

An industrial power would seize the chance to build the mass of pipelines and processing facilities necessary to bring the East Mediterranean gas to market, within the region and

beyond. Turkey would then become the undisputed hub for gas supplies from the Caspian region to the east as well as the Levant. Becoming a gathering and transmission center would also give the country access to large volumes of gas for its own use. By contrast, a nation embroiled in regional politics and ancient disputes would be unable to work with countries such as Israel and Cyprus.

Butler believes that Turkey is an essential element in the puzzle and that “unless Turkey changes its approach, the gas in the eastern Mediterranean will remain largely undeveloped or unexplored”. With US exports increasing, and Russia determined to dominate the European market, competition is already fierce. It will only increase if and when low-cost supplies from Iran and Turkmenistan come on stream.

Worldwide gas demand is growing, but there is no shortage of supply and the outlook could worsen for prospective developers as renewables become cheaper and more accessible over time. Assets stranded now could remain stranded for a very long time. As a result, the region as a whole will be poorer and Turkey will have missed on a golden opportunity, concludes Butler.

## **Russia**

A more serious threat is posed by Russia, a major exporter of energy to Europe, which may discourage competition or seek a piece of the action. Israel will treat Moscow’s concerns cautiously, especially given Russia’s military presence and interests in Syria.

To understand the Russian presence in the region, one may ask the following question: Why would the world’s largest gas producer want to get involved in the region? The answer to that definitely requires thorough thinking.

During the Cold War, the Eastern Mediterranean was an area of competing interests between Russia and the US. In 1967, the Soviet Union formed the 5<sup>th</sup> Mediterranean Squadron to counterbalance the North Atlantic Treaty Organization (NATO) and the US Navy’s 6<sup>th</sup> Fleet. Following the collapse of the Soviet Union, Russia recalled the squadron in 1992 and left US power unchallenged in the region.

Russia’s 20-year absence in the Mediterranean changed in May 2013, when Putin announced a 16-ship Mediterranean task force, although it was mainly focused on the waters around Syria. The same year, Putin signed a 25-year agreement with Syrian President Bashar al-Assad to explore the country’s Block 2.

Two years later, in 2015, following the skirmish between Russian and Turkish planes, Moscow installed an S-400 SAM battery near Latakia, expanding its ability to monitor the airspace over the Eastern Mediterranean. Russia’s plans to expand the existing naval base at the port of Tartus was another example of Moscow’s growing regional influence. All in all, the Syrian war and Russia’s support of Assad’s regime offered it the opportunity to accomplish its centuries-long desire to reach warm waters. Pasquale de Micco, a European Commission expert, argued that Russia wants to dominate the Eastern Mediterranean gas market in order to protect its dominant position in Europe.

With an ambition to pursue its interests and gain a foothold in the region, Russia developed close ties with the Greek Cypriot government, Israel and Syria, striking deals with each. Experts like de Micco maintain that Russia's attempts demonstrate its desire to fill the strategic vacuum left by the EU and the US.

Russia's involvement in the Syrian war and desire to safeguard its access to the gas resources in the region have also expanded the sphere of influence of Iran, though the alliance of the two countries in Syria has recently become dubious with diverging policies as Russia has recently reinforced relations with Israel. Iran's military bases, some of which are close to the Israeli border, and the presence of its ships beyond Syrian shores are considered a source of threat to Israeli's national security and the security of its offshore activities in the Eastern Mediterranean.

"Russia, Iran and Hezbollah stepped into the Syrian vacuum, which led Israel to coordinate with Moscow and try to contain Iran and Hezbollah by using force," says Ehud Eiran, assistant professor of International Relations in the School of Political Science at the University of Haifa and maintains that the US is present in the region solely to fight ISIS.

After the end of the Cold War, the US downplayed its investment in the region until the 9/11 attacks and the invasion of Iraq in 2003. The Syrian war also provided a wider area of influence for key US rivals in the region: Russia and Iran. While the US feels the necessity to protect its own economic and security interests, it is also expected to safeguard the interests of its key allies like Israel.

Albeit an important trigger, the ongoing Syrian conflict is not the primary factor behind the expansion of Eastern Mediterranean navies and naval activity, Gabriel Mitchell of Mitvim says. "The two predominant factors are the rollback of the US military – particularly the 6<sup>th</sup> Fleet– from the region, as well as offshore energy development. The reduced 6<sup>th</sup> Fleet has created a window of opportunity for actors like Russia and Iran to increase their presence in the region." Other actors that are seeking to expand their naval capacity in the region, including Turkey, Egypt, the Greek Cypriots, and Israel, do not primarily aim to compensate for the absence of the US Navy, but strive for protecting their offshore interests from potential state and non-state threats", he argued.

The US indeed has an interest in maximizing gains and minimizing risks associated with natural gas developments in the Eastern Mediterranean, de Micco wrote in his study. While Israel's security is one of the cornerstones of US policy in the region, the country also seeks to promote EU energy security by diversifying its resources in a bid to cripple Russian dominance.