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Egypt-Cyprus gas deal: competition for Israeli gas

SIGNIFICANCE: Egypt would have to wait years before the gas starts flowing from Cyprus' offshore fields, assuming significant discoveries are made. Israeli gas, by contrast, would start flowing immediately. Still, Cypriot gas is politically uncomplicated for Cairo, which could use it to supply domestic customers without controversy. An Egypt-Cyprus gas deal would also dim the chances of an Israel-Turkey subsea gas pipeline.

ON THE GROUND

“Egypt is certainly anti-Turkey right now and quite ready to import Israeli gas, at least for re-export. Cypriot gas could supply the Egyptian domestic market with fewer political concerns.”

– Robin Mills, Manaar Energy

IMPACTS

SOCIAL: Natural gas from Cyprus would be less politically sensitive than imports of Israeli gas in Egypt.

POLITICAL: By deepening its economic integration into the eastern Mediterranean, Egypt will boost its regional political clout at Turkey's expense.

BUSINESS: Cyprus could serve as a new source of natural gas for Egypt, which is a net importer of gas and has long suffered from energy shortages.

