

Turkey announces historic gas discovery in Black Sea

August 21 2020, by Burcin Gercek With Raziye Akkoc In Ankara



A Turkish Navy warship patrolling next to Turkey's drilling ship 'Fatih' which made the major gas discovery in the Mediterranean

President Recep Tayyip Erdogan on Friday said Turkey had made a historic discovery of gas in the Black Sea, but would still speed up contentious exploration in the Mediterranean that has pitted it against Greece and the EU.

Turkey hopes the discovery can help wean it off imported energy, including from Russia, which comes at a high cost at a time when the local currency is weakening and the economy is more fragile because of the coronavirus.

Erdogan said the 320-billion-cubic-metre deep sea find was made at a site Turkish vessel Fatih began exploring last month.

He added that he hoped to see the first gas reach Turkish consumers in 2023, the 100th anniversary of the birth of the modern republic.

"Turkey made the biggest discovery of natural gas in its history in the Black Sea," a delighted Erdogan said during a speech in Istanbul's Dolmabahce Palace.

"My Lord has opened the door to unprecedented wealth for us," he enthused.

The Fatih, Turkey's first drilling vessel, is named after Fatih Sultan Mehmet, the Ottoman Sultan who conquered Constantinople—current-day Istanbul—in 1453.

The vessel made the discovery in the Tuna-1 field off the coast of Eregli town in the northern province of Zonguldak after beginning the search on July 20, Erdogan said.

'Reasons to be cautious'

The Turkish lira gained value against the dollar on Erdogan's promise on Wednesday to report "good news" on Friday, but fell after the size of the find was less than half of that suggested in initial reports.

Analysts were also wary of overplaying the discovery's significance, pointing out that deep sea drilling is expensive and takes time.

"There are reasons to be cautious," said Jason Tuvey, senior emerging markets economist at Capital Economics.

"For one thing, it will take time for the necessary infrastructure to be put in place before the gas can be extracted," he said in a research note.

Tuvey added "the boost to Turkey's external position may only be temporary."

Ozgur Unluhisarcikli, Ankara director of the German Marshall Fund, tweeted the discovery was "not bad at all (but) not a game changer either."

The volume of gas announced by Erdogan would cover Turkey's total natural gas needs for six years, at current consumption rates.

High energy import bill

Turkish Finance Minister and Erdogan's son-in-law, Berat Albayrak, speaking aboard the Fatih, said the discovery and future potential finds could reduce Turkey's import-heavy trade balance by cutting its high energy import bill.

Turkey's energy import bill corresponded to two percent of total economic output last year, according to Capital Economics, with most purchases coming from Russia, Iran and Iraq.

Turkey's Energy Market Regulatory Authority said in January the country's annual cost of energy imports was between \$12 billion and \$13 billion (10.2-11.1 billion euros).

This month, Erdogan ordered the resumption of controversial [energy](#) exploration off the southern coast close to a Greek island in disputed eastern Mediterranean waters.

The issue has put Turkey on a collision course with Greece, Cyprus and the European Union, and exacerbated tensions with France, which has stepped up its military presence in the region.

But Erdogan showed no sign of yielding to the EU's repeated call to immediately end the eastern Mediterranean search.

"We will accelerate our activities in the Mediterranean with the deployment by the end of the year of (drilling ship) Kanuni, which is currently under maintenance," he said.

"God willing we expect similar good news," Erdogan added.

Turkey dispatched the seismic research ship Oruc Reis accompanied by warships to the region on August 10, angering Greece who said the move threatened peace.

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