

## **REVISITING RELATIONS BETWEEN RUSSIA AND CYPRUS IN THE NEW EUROPEAN AND INTERNATIONAL ENVIRONMENT\***

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Dear Mr. President!

Dear Colleagues and Friends!

Ladies and gentlemen!

I am grateful for this opportunity to address such an honorable audience in one of the key think-tanks of the Republic of Cyprus. University of Nicosia with its high reputation in scientific and educational circles is well known far beyond the island. Today's event is another proof of it.

I hope that this conference will allow us to evaluate the ongoing process in the relations between the European Union and the Russian Federation and to come up with feasible ideas, how we can overcome the current difficulties. There is no doubt that tight and friendly economic, political and cultural Russian-Cypriot ties are one of those examples, which can be used for the gradual restoration of relations with the whole European Union. However we all understand that a lot of efforts are to be undertaken to achieve this complicated task.

Let's try to understand where we stand today. Essentially situation has changed dramatically over the last year. The majority of politicians and experts see it only as before and after Ukraine. What did we have before? Active and mutually beneficial development of the Russia-EU partnership which included strengthening of economic, political, security, humanitarian and social cooperation with the promotion of democratic values and freedoms. We even came very close to the lifting of the visa-regime to open up borders for the citizens of our countries.

Things changed suddenly in the beginning of 2014, when some forces in Ukraine decided to use unlawful means to protest against decisions of the legal government, which wasn't going to refuse from coming closer to the integration with Europe as some Western leaders claimed, but just postponed decision on the Association with the EU to solve this dilemma firstly among political parties in Ukraine. We all know what followed after that. Instability in the country led de-facto to the disintegration of the country, with some regions not willing to be part of the state, which

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\* This was the Opening Address by H.E. Mr Stanislav V. Osadchiy, Ambassador of the Russian Federation in the Republic of Cyprus, at the Conference entitled *Revisiting Relations between Russia and Cyprus in the New European and International Environment*, which was organized by the Center for European and International Affairs of the University of Nicosia in cooperation with the Embassy of the Russian Federation in Cyprus on November 18, 2014.

advocates a philosophy of terror and violates their basic rights, especially freedom of expression and self-determination.

One of the first steps to ensure stability was undertaken on the 21 of February 2014, when that time Ukrainian president Victor Yanukovich signed agreement on the settlement of the crisis with the opposition leaders in the presence of the EU high-ranking officials. Besides other things this document stipulated terms of transition of the power in the country. But it didn't help the situation, mostly because of the pressure from some western leaders, unwilling to solve the situation peacefully.

Later on the international community succeeded in elaborating a new mechanism to prevent further aggravation of the situation around Ukraine. On April 17, 2014 during the meeting in Geneva foreign ministers of Russia, the EU, the US and Ukraine coordinated a joint statement, which stipulated initial measures to de-escalate tensions and restore security for all Ukrainians. The participants strongly condemned and rejected all manifestations of extremism, racism and religious intolerance, including anti-Semitism. They also stressed that the announced constitutional process will be inclusive, transparent and accountable. Another attempt to come to the settlement was undertaken in September 2014, when through intermediary of our country warring parties concluded the well-known Minsk agreements aimed at a gradual peaceful solution of the crisis.

It is obvious that Ukraine in fact has disregarded all these agreements. Instead of taking steps to de-escalate tensions, Kiev has stepped up hostilities and is using heavy weaponry in the southeastern regions, which have claimed thousands of lives and led to large-scale destruction.

The situation in Ukraine continues to be complicated. It can be described as a real humanitarian catastrophe. We strongly believe that all European countries must do their utmost to stop bloodshed and seek all possible ways to restore peace and stability in Ukraine. For our country it is definitely key priority. But how do other states treat the situation? The steps undertaken by some European leaders and their allies in third countries show that in practice they prefer to make this crisis even deeper. Or how else can we explain initiation of the sanctions against our country? These unfriendly restrictions have seriously undermined cooperation between Europe and Russia, caused mistrust and the further we go, the worse situation is becoming. How can such developments help to untie the Ukrainian knot?

It is gratifying to know that not all the EU countries support such approach. The number of opponents of the anti-Russian sanctions among European states is growing. The Republic of Cyprus has been among them since the very beginning, claiming that economic restrictions is the wrong way and the solution must be searched at the negotiation table and only

by diplomatic means. I would like to stress that we highly appreciate such position of Cypriot leadership.

Besides other things, the crisis in Ukraine caused so called informational war with a lot of provocative and false accusations aimed against our country. I would like to emphasize that allegations of the participation of Russia in the East of Ukraine is definitely untrue. We do not have any troops there, we do not supply arms, we didn't have anything to do with the tragedy of the Malaysian airplane. The truth is on our side, otherwise the certain evidence would have been provided, first of all by the US officials. On the contrary, we just hear groundless accusations with no proof. It seems that Washington is not interested in revealing the real facts.

Speaking about the US policy, I would like to refer to the yesterday's speech here in the University of Nicosia of the vice-president of the Atlantic Council D.Walson, who promised huge benefits to Cyprus from the participation in the Euro-Atlantic partnership. Don't you think that such proposals look more like the invitation of a sheep in the den of the wolf? Are we sure that such involvement can bring advantages to Cyprus and help to solve Cyprus issue in the real interest of its citizens?

Dear Colleagues! Certainly, there can be no parallels between the situation in Ukraine and in Cyprus. I want to assure you that we do understand vital importance of the crisis resolution on the island for all Cypriots. We strongly believe that achievement of comprehensive settlement as it is fixed in the UN documents and final unification of your country will lead to the dynamic social-economic development of Cyprus, to the stabilization of situation in the whole region and will open up new opportunities for the citizens of Cyprus. Russia traditionally supports and will support Cypriots in the aspiration to conciliation on the island.

As all other countries the Republic of Cyprus faces a lot of problems. Last year was one of the hardest periods in the history of your country. The consequences of the financial crisis were very serious and affected deeply all the spheres of your economy. Collapse of the banking system caused mistrust towards it among local and foreign investors. The restructuring of this sector led to losses and undermined trust towards Cypriot banks. As you know, there were a lot of Russians among the depositors, who suffered this crisis.

Nowadays situation is gradually stabilizing, thanks to the efforts of the Government of Cyprus. Russia is also doing its best in contributing to it. As you know the Russian Government took the decision to restructure the previously granted credit in favour of our Cypriot friends. Moreover, Russians continue supporting Cyprus economy. The number of tourists from our country has been steadily growing amounting, as expected this year to 650 thousand people (25 percent of all holidaymakers on the

island). Many Russians purchase property here. Our businessmen actively invest in Cyprus, participating in different projects, especially in the sphere of construction and finance. One of the latest examples is the participation of the Russian company "Renova" in the Bank of Cyprus additional shares issue, purchasing more than 5% of its equity.

Taking into account our traditionally long-lasting cultural and historic ties, as well as mutual trust and support, we are confident that despite all difficulties, there are bright prospects for economic and political relations between Russia and Cyprus.

With this I would like to express my sincere appreciation to the organizers of the conference, especially to the University of Nicosia. I hope we will enjoy interesting and fruitful discussions today.

Thank you for your attention.