

TUSIAD Selected News on Turkey

Washington

July 2011

June 28-July 5, 2011

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Parliament takes oath, lacks 170 deputies

The 24th Parliament of Turkey convened in Ankara for the swearing-in ceremony on Tuesday, though 170 deputies out of 550 declined to take the oath and officially join the assembly.

CHP leader Kemal Kılıçdaroğlu announced earlier in the day that the main opposition deputies would attend the opening session but not appear at the chair to swear in, in a move to protest the decision to not release CHP deputies journalist Mustafa Balbay and academic Mehmet Haberal, who were elected but have been detained for more than two years on charges of involvement in alleged plots to destabilize and overthrow the AKP.

Also, independent deputies, who were backed by Peace and Democracy Party, or BDP, and won 36 seats in the June 12 elections, boycotted Parliament after Turkey's Supreme Election Board barred Hatip Dicle from using his legislative rights due to a past conviction for spreading propaganda for the outlawed Kurdistan Workers' Party, or PKK. The remaining 35 independent deputies did not participate in the oath ceremony either.

Engin Alan, from the MHP, was another deputy who could not attend the ceremony due to his imprisonment. Defying a 2007 precedent, the Supreme Election Board last week refused to free nine opposition candidates elected while awaiting trial in prison.

Taking the CHP and BDP together, more than 30 percent of the candidates elected in the June 12 vote boycotted the oath ceremony.

Republican People's Party, or CHP's, Oktay Ekşi, was the sole deputy from the main opposition who took the oath. He did so because he was the oldest Member of Parliament and will chair the general assembly until a parliamentary speaker is elected. /Hurriyet Daily News/

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Turkey, Egypt to establish strategic council

Turkey and Egypt are establishing a high-level strategic council, a mechanism the government has created with a number of countries as part of its policy of "zero problems with neighbors," announced the foreign minister late Sunday.

Davutoğlu emphasized that Egypt is "a secret of the success of the Arab Spring...If a successful process emerges in Egypt, that will be a role model for other countries and Egypt will lead the change in the region," he said. The foreign minister also added that Turkey agreed with Egypt to work for Palestinian reconciliation. /Hurriyet Daily News/

Turkey throws weight behind Libyan opposition

Turkey has recognized Libya's opposition as the country's legitimate representatives, recalled its ambassador from Tripoli, and promised more aid. Turkey has already granted the Libyan opposition \$100 million in aid and promised an additional \$200 million. Some of the money is to be used to improve the infrastructure of Benghazi and rehabilitate its airport.

Ankara's moves are the latest indication that the government is breaking ties with the Muammar Gaddafi regime, despite close Turkey-Libya trade ties. Turkey has repeatedly called on Gaddafi to give up power to allow the transition to a more democratic Libyan government. Last month, Prime Minister Recep Tayyip Erdoğan said he had offered Gaddafi guarantees in return for him leaving Libya but had not received a response.

On Sunday, Foreign Minister Ahmet Davutoğlu visited the Libyan rebel's stronghold of Benghazi, recognized the rebel's National Transitional Council (NTC) as Libya's representatives and promised an additional \$200 million in aid. Turkey joins several other countries, including France, Qatar and Italy, in officially recognizing the NTC. A member of NATO, Turkey is supporting the Western alliance's operations in Libya in a non-combat role, with efforts focused on keeping open channels for relief supplies to the embattled civilians. Turkey had appeared out of step with Western allies in the early days of the conflict, arguing against unilateral airstrikes on Gaddafi's forces, but it later modified its position under the NATO umbrella. Ankara froze Libya's holdings in a Turkish bank on Monday, as Turkey's Savings Deposit Insurance Fund (TMSF) said it was temporarily taking hold of Libyan Foreign Bank's 62 percent shareholding in Turkey's Arap Türk Bankası AŞ, in line with UN Security Council decisions to freeze Libya's foreign assets. /Today's Zaman/

Visiting US Senators: "Only Turkey can convince Hamas to sit down for peace talks"

Only Turkey can convince Hamas to join in Israeli-Palestinian peace talks, three senior US senators visiting Ankara reportedly told Prime Minister Recep Tayyip Erdoğan on Friday. In response, sources said, Erdogan told Senators John McCain, Joseph Lieberman and Lindsey Graham that if Hamas were "encouraged" to participate in the peace talks, then Turkey "would do its best" to convince it to sit at the negotiating table. Well-placed sources said that the senators asked Erdogan about Middle East peace, and he told them in reply that peace is impossible without Hamas involved in the talks. They told Erdogan

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that with its prestige on the Arab street, Turkey may be the only country that could bring Hamas to the table. /Turkish Press Review/

Economists: "Turkey's GDP growth is impressive, but it can do more to promote public welfare"

Turkey's economy beat expectations in the first quarter of 2011 with 11 percent growth, thanks to special consumption expenses and investments, according to the Turkish Statistics Institute (TurkStat). With this growth rate, Turkey became the world's fastest-growing economy in the first quarter and is expected to surpass \$742 billion, its pre-crisis 2008 GDP.

Turkey's GDP has grown 48-fold since the founding of the Republic in 1923, according to new State Planning Organization (DPT) data, but some economists say that rise did not result in a similar improvement in the nation's welfare. "Such an increase does not necessarily imply that the welfare of the population increased by the same rates," Osman Zaim, dean of the Economic and Administrative Sciences Faculty at Kadir Has University, said on Monday. "Not everyone's income increased. Income distribution worsened" respective to growth, Zaim said, adding that the quality of health and education services didn't show similar performances during the same period. "The figure indicates a vast growth performance," said Seyfettin Gürsel, the head of Bahçeşehir University's Economic and Social Research Center, but added that per capita GDP of developed countries also increased and that the income gap between Turkey and developed countries didn't close. /Turkish Press Review/

Turkey absent from new EU budget, pushing back accession to 2020 at the earliest

The proposed European Union budget for 2014-2020 makes no mention of Turkey, meaning that Ankara will have to wait until at least 2020 to enter the EU. In the budget, unveiled on Wednesday in Brussels by Jose Manuel Barroso, European policymakers propose new taxes on citizens and companies and a tightening of belts across the EU, seeking to respond to gaping public debts ravaging the bloc's southern flank. The new budget, however, makes no mention of Turkey, implying that the EU-aspirant country will not be accepted until at least 2020. The 1.025 billion euro budget proposed by the European Commission also urges the introduction of an EU-wide sales tax and a new financial services tax. /Turkish Press Review/

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Turkey settles parliamentary oath crisis as parties agree on solution

The main opposition Republican People's Party (CHP) and the ruling Justice and Development Party (AK Party) on Monday finally agreed on a solution to the main opposition's refusal to take office, ending a two week-long deadlock.

The AK Party and the CHP on Monday signed a joint declaration that underlines that the solution to the issue can be found in Parliament and that all the laws, as well as the Constitution, should be interpreted in a way that broadens individual freedoms. The declaration underscored that the Parliament that was formed after the June 12 elections presents a historic chance for compromise in making a new constitution as it represents almost 95 percent of voters. The declaration concludes with the statement that the parties want to see deputies who have not taken their oaths join in and contribute to Parliament's work.

Another opposition party that is boycotting Parliament, the pro-Kurdish Peace and Democracy Party (BDP), complained that they were not included in the talks. BDP parliamentary group Deputy Chairman Selahattin Demirtaş said on Sunday that his party's deputies could have taken the parliamentary oath had they been invited to the talks. /Today's Zaman/

Premier consolidates power with new government, no shift of axis in economy is expected

With his newly announced Cabinet, Turkish Prime Minister Recep Tayyip Erdoğan has consolidated the power and authority of the government under himself and a small group of other key players, namely four deputy prime ministers.

Although Erdoğan had a few surprises in the "master Cabinet" he announced Wednesday, which saw six new additions, he left largely untouched the executive ministries that contributed to the ruling party's 50 percent election win last month and preserved a majority of the previous Cabinet.

It's safe to say that given how the major actors in Turkey's economic management have remained unchanged in the new Cabinet, despite the establishment of some new ministries, there are no great economic policy changes on the government's agenda for the ruling AK Party's new term.

The main challenges for the economy in the new term will be to ensure that the measures taken to cool down the economy will yield effective results. The fact that inflation for the month of May had jumped to 7.1 percent before it fell back to 6.24 percent in June has caused some temporary concerns. The economic unease in the Eurozone is another concern for the economy in the medium term. Chronic current account deficit debates have replaced the inflation debates of the late 1990s and early 2000s.

The four deputy prime ministers, Bülent Arınc, Ali Babacan, Beşir Atalay and Bekir Bozdağ, will head the country's most crucial and significant institutions. Arınc, who was Parliament speaker in 2002 and a deputy prime minister in 2009, will be in charge of the

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Turkish Radio and Television Corporation, or TRT, the national broadcast channel, the Anatolia news agency, and the Supreme Board of Radio and Television (RTÜK). Babacan, a part of the Cabinet since 2002, will hold the reins of the economy and is the most trusted name for Erdoğan in this area. Atalay, a former interior minister, is the architect of the Kurdish initiative and will continue captaining Turkey's fight against terror. Bozdağ, known for his grasp of the judiciary, is expected to mediate the relationship between the Religious Affairs Directorate and Parliament.

Foreign Affairs Minister Ahmet Davutoğlu, Economy Minister Zafer Çağlayan, Energy and Natural Resources Minister Taner Yıldız and Food, Agriculture and Livestock Minister Mehdi Eker also resumed their previous positions, thus preserving Erdoğan's core group of officers, some a part of the Cabinet since 2002, for the new term. /Hurriyet Daily News & Today's Zaman/

We have agreed with Turkish officials to form peace council: Öcalan

A delegation from the Turkish state and Öcalan have reached an agreement to form a peace council, according to a report published on daily Radikal's website that cited news portals close to the outlawed Kurdistan Workers' Party, or PKK.

"The peace council will neither be totally civilian nor totally official. It will work to achieve peace. The peace council should be formed within a month," said jailed PKK leader Abdullah Öcalan. A second important issue according to Öcalan was the forming of a constitutional council that would oversee the drafting of a new constitution.

As for the solving of the Parliamentary boycott crisis, a group of lawyers representing Öcalan announced that some 30 deputies from the pro-Kurdish Peace and Democracy Party (BDP) can take their oaths after reaching an agreement with the government on the issue. /Hurriyet Daily News & Today's Zaman/

Turkey, Israel still at table despite deadlock

Although the two parties' insistence on sticking to their positions in the negotiations aimed at hammering out a formula to repair troubled relations led to a deadlock, regional unrest in the Middle East is pushing both Turkey and Israel to move ahead.

Turkish and Israeli officials on Thursday continued another round of negotiations in New York in a bid to restore their bilateral relationship as the draft version of a controversial U.N. report included elements that satisfied neither of the parties.

Turkey's demand for a formal apology from Israel's deadly raid on the Mavi Marmara remains a sticking point in talks. Israel insists on not using the word "apology," which would imply that Tel Aviv takes responsibility, which may ultimately lead to moral and legal consequences. The Israeli press reported that Turkish Prime Minister Recep Tayyip Erdoğan instructed the Turkish negotiating team not to backtrack on the apology condition. /Hurriyet Daily News/

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Turkey Makes US Terrorist Watch List

Travelers from Turkey should be watched for possible terrorist ties, according to the new US Homeland Security Department watch list. Turkey is among 36 countries on the list, along with Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Libya, Pakistan, Qatar, Saudi Arabia, Syria, the United Arab Emirates, Turkmenistan, and Uzbekistan. Israel was also initially part of the list, but the department later said that had resulted from an error. Immigrations and Customs Enforcement spokeswoman Gillian Christensen stated that inclusion of a country on the list does not mean that a country supports terrorism. /Turkish Press Review/

Clinton, EU's Fule Set to Separately Visit Turkey

Turkey is getting ready for visits from two top foreign leaders. After Prime Minister Recep Tayyip Erdoğan forms the post-election government, European Commissioner for Enlargement Stefan Fule is set to pay a visit to Ankara. On July 15, US Secretary of State Hillary Clinton will arrive in Istanbul for a two-day visit. /Turkish Press Review/

July 12-18, 2011

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Turkey detains suspected al-Qaida militants planning to attack US embassy

Police have detained 15 suspected al-Qaida militants who were allegedly planning to attack the US Embassy in Ankara, Turkey's capital, the state-run news agency said Wednesday.

Turkey's Interior Ministry confirmed the capture of suspected al-Qaida militants, but would provide no other details about the case. US officials said they have contacted Turkish officials about the arrests, which came several days before US Secretary of State Hillary Rodham Clinton is to visit İstanbul, Turkey.

Citing unidentified official sources, the Anatolia news agency said police captured the 15 suspects in Ankara, the western city of Bursa and the nearby town of Yalova, and seized 700 kilograms (1,500 pounds) of chemicals used in bomb making, two assault rifles, ammunition and maps of Ankara.

The suspects were planning to attack the US Embassy in Ankara and unidentified foreign targets, the news agency said. They were brought to police headquarters in Ankara on Tuesday night and were being questioned by anti-terror police, the report said. /Today's Zaman/

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Contact Group puts forth united roadmap on Libya

An international contact group meeting in Istanbul to discuss Libya's future sketched out a roadmap for the North African country that calls for Moammar Gadhafi's exit, political transition and the continuation of military operations through Ramadan.

The Libyan Contact Group, co-chaired by Turkey and the United Arab Emirates, stepped up pressure Friday against the Gadhafi regime to reiterate support for the National Transitional Council (NTC) as the legitimate representative of the Libyan people.

In addition to calling for Gadhafi's departure, the road map is expected to call for a solution to the Libyan crisis as soon as possible, announce that NATO-led operations would continue to protect civilians - including operations during Ramadan - based on requests from the Libyan opposition, encourage a political transition process, call for humanitarian assistance to be coordinated and delivered to all Libyans rapidly, "note" the Libyan opposition's demand that scholarships obtained by Libyan students abroad should not be cut as part of the decision to freeze Libyan funds abroad, and make "note" a demand by the Libyan opposition for access to frozen Libyan state funds. A decision by the International Criminal Court to issue an arrest warrant for Gadhafi and his family would also be "noted," a Foreign Ministry source said.

Turkey had earlier announced a road map whose elements included an immediate cease-fire, withdrawal from cities and full access to humanitarian aid. Asked if the Turkish roadmap was on the table, Italian Foreign Minister Franco Frattini said there was only one roadmap and that it was the Contact Group's roadmap.

Participants in the talks also emphasized that only one negotiator would discuss the political settlement with Tripoli and Benghazi to convey a consistent message as previous secret contacts had proven counter-productive, Frattini said. The United Nations special envoy for Libya, Abdel Elah al-Khatib, will be the only channel of negotiation for the international community to establish a government of national unity. /Hurriyet Daily News/

US supports Turkey while urging reforms

U.S. Secretary of State Hillary Clinton extended full support over the weekend to Turkey in its fight against terrorism and praised its role in modernization efforts across region, but warned Ankara to clean its own house first. In her comments, she called on Turkey to address concerns over ailing human rights and freedom of expression issues by adopting a new constitution.

Following the Libya Contact Group meeting in Istanbul on Friday, Clinton held bilateral talks with Turkish government officials and opposition party representatives Saturday. She met separately with Foreign Minister Ahmet Davutoğlu and Prime Minister Recep Tayyip Erdoğan and held a joint press conference with Davutoğlu where she voiced her concerns about deteriorating Turkish democracy.

During her meetings with both ruling and opposition party officials, Clinton raised U.S. concerns over the recent arrests of journalists and Internet bans. "I do not think it is

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necessary or in Turkey's interests to be cracking down. It seems to me inconsistent with all the other advances Turkey has made," she said, adding that Turkey's institutions should be able to withstand the scrutiny and debate that a free press brings. In this regard, Clinton also called on Turkish officials to continue the constitutional reform process, which would push Turkey closer toward EU membership.

Terrorism was another issue discussed. U.S. Secretary of State Hillary Clinton said Saturday that the United States stands with its ally Turkey against terrorism and threats to internal and regional stability. "Our commitments to Turkey and its security are rock-solid and unwavering," adding that the two governments are engaged in close cooperation in intelligence-sharing for tracking terrorists. /Hurriyet Daily News/

Army opens probe after bloody attack

Thirteen soldiers were killed in the attack Thursday by members of the outlawed Kurdistan Workers' Party, or PKK, the highest casualty toll to the military since late 2008.

Some newspaper reports claimed that the team hit by the terrorists was very tired as its troops had been on operations for the last 48 hours, and that some soldiers died not due to militants' bullets but to "friendly fire" from Turkish jets that fire-bombed the scene of the attack. According to another allegation, the military delayed sending additional forces to the region to counter the assault.

Military sources denied these claims but said an initial probe had already been launched, not to investigate the validity of these allegations, but to find out how the attack occurred. Sources said no jets were flying over the region and that such planes were not used in close-range combat, though helicopters were used in the response to the attack. It is not yet known whether the army will share the findings of its report with the public.

On Thursday afternoon, a PKK group ambushed a military team in Silvan, part of Diyarbakır province in Southeast Anatolia. The soldiers were reportedly caught unprepared as they were taking a rest in a forested area. Thirteen troops were killed in the attack, as were seven PKK members, while several other soldiers, including the commander of the team, were injured.

The attack came at a time when the PKK has escalated its attacks following the end of a cease-fire July 15. The government held an emergency meeting Friday and stated that the fight against terror would continue with full determination. Political parties represented in Parliament issued a joint declaration late Friday denouncing terrorism and voicing unity against the PKK's attacks. /Hurriyet Daily News/

Pro-Kurdish DTK declares 'democratic autonomy' in Southeast Turkey

The Democratic Society Congress, or DTK, declared "democratic autonomy" during an extraordinary congress with 850 delegates in Diyarbakır on Thursday and invited Kurds to introduce themselves as democratically autonomous Kurdistan citizens.

Deputies of pro-Kurdish Peace and Democracy Party, or BDP, mayors and some

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members of nongovernmental organizations participated in the congress organized by the DTK in a BDP building in Diyarbakır. The DTK is an umbrella organization for pro-Kurdish groups.

"The Kurdish people do not want to be a non-status population anymore. There is no other population in the world like Kurds, which include 40 million people and do not have rights. We, as Kurdish people, are declaring our democratic sovereignty, holding to Turkey's national unity on the basis of an understanding of a common motherland, territorial unity and the perspective of a democratic nation," Tuğluk said. /Hurriyet Daily News/

Draft offers preferential trade between Turkey, American Indians

Draft of a bill allowing Turkish companies to trade with American Indian tribes without requiring a federal approval was recently submitted to the United States House of Representatives.

The move followed Turkey's fresh bid to enliven trade with the country's indigenous population as Turkey's Foreign Minister Ahmet Davutoğlu and Economy Minister Zafer Çağlayan, who was at the time the state minister responsible for foreign trade, met with tribal chiefs in July last year.

Upon efforts by Turkey's Coalition of America, or TCA, Tom Cole, the sole American Indian member of the U.S. Congress, who also co-chairs Indian American Friendship Group and is a member of Turkey Friendship Group, has recently submitted the "Indian Tribal Trade and Investment Demonstration Project Act of 2011."

The bill expresses its target as "to facilitate economic development by Indian tribes and encourage investment by Turkish enterprises." The bill aims at removing or ameliorating the certain barriers to facilitate trade and financial investment in Indian tribal economies and encouraging commerce and economic investment by private entities incorporated in or emanating from Turkey as it would contribute to raising the material standard of living of American Indians. In the draft, Turkey is named as the only country that can do business with Indian tribes with no additional approval by the federal government.

Reasons for such a privilege is explained under three headlines: "The public and private sectors in the Republic of Turkey have demonstrated a unique interest in bolstering cultural, political and economic relationships with Indian tribes and tribal members. Uneconomic regulatory, statutory and policy barriers are preventing more robust relationships between the Turkish and Indian tribal communities. It is in the interest of Indian tribes, the U.S. and the U.S.-Turkey relationship to remove or ameliorate these barriers through the establishment of an Indian Tribal Trade and Investment Demonstration Project." /Hurriyet Daily News/

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Babacan: "We don't maintain relations with EU when unrecognized country is in charge"

Turkish Deputy Prime Minister Ali Babacan has said it was impossible for Turkey to go on with its relations with the European Union when a country it does not recognize was holding the rotating presidency, referring to the scheduled presidency of the Greek Cypriot administration in July 2012.

Babacan said that the Greek Cypriot administration was a formation which Turkey did not recognize and with which Turkey had no diplomatic relations, and as such it was not possible to continue relations with EU when such a country was presiding the union.

Babacan further explained that this move would not be meant to close the doors on EU membership. It should rather be perceived as a freezing of relations to be resumed at the end of six-months.

Babacan said Turkey's aim was the settlement of the Cyprus issue, and Turkey would continue to work for a solution. "EU is still important for us regarding political reforms, democratization, fundamental rights and freedoms, judicial reform and rule of law," he reaffirmed. /Anadolu Agency/

Minister: Turkey plans "structural changes" in fight against terrorism

"There will, and must, be structural and methodological changes and innovations in the fight against terrorism in the near future and over time," said Interior Minister İdris Naim Şahin following Prime Minister Recep Tayyip Erdoğan's announcement on Thursday that the government plans to extend duties and authorities to the police in the fight against terrorism.

Şahin added that Erdoğan's remarks did not mean a total transfer of authority to the police. "Our prime minister does not speak of police replacing the military in fighting terrorism. It means the police will play a more effective role in [anti-terror] operations when this is necessary," Şahin stated.

Speaking on Friday, Deputy Prime Minister Beşir Atalay also confirmed that the government is working on extensive plans for police to take part in anti-terrorism operations. Atalay added that combating terrorism had dimensions other than security

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as well, emphasizing that the government is also focusing on the economic and human rights aspects.

The opposition Republican People's Party (CHP) parliamentary group Deputy Chairman Akif Hamzaçebi and CHP Deputy Chairman Osman Korutürk said in a breakfast meeting with journalists on Friday that they believe fighting terrorists is the job of the military. He agreed with the prime minister in that a new approach is needed, but that police in democracies normally use their power proportionally. He said police in Turkey often resorted to disproportional use of force during riots and social unrest. "National defense should be the job of the armed forces," he said.

As part of the government's ongoing plans to equip the police force to combat terrorism, the National Police Department's Special Operations Unit in July announced that it was planning to purchase 200 armored vehicles—which include Cobra, Scorpion, Shorland and riot control vehicles. The Cobras, which allow for easy installation of heavy machine guns, are to be sent to Turkey's restive East and Southeast, where acts of terrorism are common. They are used for various missions such as ensuring border security, the protection of roads and critical checkpoints, and providing fire support to police teams during riots both during the day and at night. /Today's Zaman/

US congressional panel votes to criticize religious freedom in Turkey

A US House panel on Wednesday voted in favor of language to urge Ankara to end religious discrimination, particularly against Christian minorities. The non-binding amendment to the State Department Authorization bill was overwhelmingly approved with a 43-1 vote following nearly an hour of debate.

Republican Dana Rohrabacher questioned Democrat Howard Berman, one of the amendment's co-sponsors, on why the measure specifically targeted Turkey, which he called the freest country in the Muslim world. Rohrabacher later voted for the measure, saying that though he had no objections to its criticisms, Turkey is still being subjected to a double standard. He also criticized Greek and Armenian lobbyists, saying while other foreign groups push congressmen to vote in ways that benefit their countries, Greeks and Armenians are focused on legislation that hurts Turkey. Berman replied that he wasn't specifically targeting Turkey, adding that while it is a modern country, a member of NATO, and a candidate to join the European Union, Turkey's record on religious freedom is poor. The bill urges Turkey to "safeguard its Christian heritage and return confiscated church properties" and calls on Washington to urge Turkey to protect the religious freedoms of its Christian population.

The text makes no reference to Armenian claims of genocide during World War I, in the last years of the Ottoman Empire, despite Armenian groups' efforts to add it to the amendment. Turkey's Ambassador to US Namik Tan praised this aspect of the bill. /Turkish Press Review/

US asks for action from Turkey for reconciliation

The United States is pressing Ankara to move toward rapprochement with Yerevan following the collapse of talks between Armenia and Azerbaijan last month to discuss the disputed Nagorno-Karabakh region.

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The Turkish-Armenian reconciliation process has been blocked by Azerbaijan, which indirectly threatened to stop supplying natural gas to Turkey and to give Russia preference as its main energy partner. Turkey and Armenia signed two protocols to normalize relations in but both countries failed to ratify the accords due to domestic pressure. The US Secretary of State Hillary Clinton said on her visit in July that the US understood the domestic difficulties in the ratification of the protocols but hinted there could some other action to keep the momentum alive.

A set of confidence-building measures are planned to this end, starting with direct flights from Yerevan to the eastern province of Van, a destination for many Armenians who wish to visit an ancient Armenian church on Akdamar Island in Lake Van. Another planned measure is to open a Turkish Airlines, or THY, office in Yerevan to coordinate Armenians' flights to the United States via Istanbul. There is also an idea on the table for Turkish Education Ministry officials to visit Armenia, not bilaterally but as part of a regional tour that may also include a visit with the Georgian education minister.

Sources close to the Yerevan government described these measures as "small, symbolic steps that go beyond church restoration." Such steps will, on the one hand, give a strong signal to Baku that its refusal to deal with Armenia will not stop Turkish-Armenian rapprochement; on the other hand, they will also help relieve growing pressure on the Turkish and American administrations from the Armenian diaspora.

Turkey and Armenia signed protocols in 2009 to normalize relations. Since then talks have stalled for a number of reasons, but according to the plans, the two sides will take the ideas from the protocols and implement them without bringing the documents to the floors of their respective parliaments, a move that would ease the burden.

Turkey is currently facing many more pressing challenges on the foreign-policy front, including the presence of about 10,000 Syrian refugees, the Libya crisis, troubled relations with Israel, the Cyprus deadlock and the Kurdish issue. All of these issues have made the Armenian one a lesser priority. /Hurriyet Daily News/

UN report on Mavi Marmara raid again delayed to give space for Turkish-Israeli talks

An official UN report on last year's deadly Israeli attack on the Mavi Marmara aid ship has again been postponed so as not to interfere with Israeli talks with Turkey over the issue – the second such delay this month. According to Israeli daily Yediot Ahronot, diplomatic sources said the delay was aimed at continued negotiations over the report's content, and that the new release date is Aug. 20. The Turkish government has for the first time voiced the existence of its "Plan B" against Israel if no apology comes before a July 27 deadline, a plan that will include measures to further freeze relations.

The "Plan B" mentioned by Erdoğan will have a strong impact on further degrading relations between the two countries. One of the most important moves would be further reducing Turkey's level of diplomatic representation in Tel Aviv. The current level of diplomatic representation, charge d'affaires, would be reduced to the level of second secretary.

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Reducing Turkey's diplomatic representation would also affect Israel's plans to appoint an ambassador to Ankara in the upcoming months if current envoy Gabby Levy's plans to return his country can be carried out. Israel fears its new envoy would not be able to get a credential from Ankara if relations remain frozen.

Diplomatic sources told the Daily News on Sunday, however, that the government in Ankara was still hopeful about seeing an Israeli apology and that in order not to give a wrong message, appointment of Kerim Uraş, the most recent ambassador to Israel, to a post other than Israel had once again been postponed. Uraş was excluded from the Foreign Ministry's summer reshuffle, signaling that he would still be appointed to Tel Aviv if relations normalized.

Ankara has demanded that Israel issue a formal apology, pay compensation to the families of the victims and lift its sea blockade on Gaza if it wants to mend ties with Turkey. A UN panel is set to announce its report on the May 31 incident on July 27, barring last-minute delays.

The prime minister's statement about a possible Gaza visit has the potential to cause concerns in the West, particularly in the United States, especially as it comes before Palestine's planned application to the United Nations in September to be recognized as a sovereign state. Erdoğan had previously announced plans to visit Gaza but said this trip had nothing to do with the current crisis with Israel. The Daily News has learned, however, that this was part of the government's Plan B. Erdoğan plans to enter to Gaza through the Rafah border with Egypt after a visit to Cairo in the coming months. The date of his visit to Cairo has not yet been fixed. /Turkish Press Review & Hurriyet Daily News/

"New foreign trade program must be well planned"

An anticipated government strategy to shift from Turkey's traditional export-led growth model to a domestic production-oriented system should be implemented carefully before it provokes major trade partners to adopt protectionist measures, representatives of the Turkish business world have cautioned.

Economy Minister Zafer Çağlayan recently announced that the government planned to adopt a strategy to encourage domestic production in six sectors that are highly dependent on foreign goods. The six sectors, namely machinery, iron and steel, automotive, chemicals, textiles, and food and agriculture, Çağlayan said are responsible for the country's widening current account deficit (CAD) more than others, and that the "situation should be fixed." The government will shortly take action to offer incentives and subsidies to increase the production capacity and the competitive power of these sectors. The minister said the strategy would be ready to be implemented in a few months. "We have examined sectors that had caused the highest foreign trade deficit. The government will give incentives to manufacturers in specific areas in an effort to narrow a record CAD that may threaten financial stability, and we believe that Turkey could cut its imports by up to \$30 billion a year," the minister noted.

Along with measures to encourage domestic production and reduce the dependence on imports, Çağlayan also said the government was looking to attract foreign direct investment (FDI) and increase the country's exports to overcome the CAD problem. The

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government estimates \$135 billion in exports for 2011. The six industries, which the anticipated incentives will focus on, account for \$30 billion a year in imports of intermediate materials. /Today's Zaman/

July 26-August 1, 2011

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- Turkey, Iran step up fights on PKK, PJAK
- Azeri-Turkish high-level council to hold its first meeting in Turkey
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- NATO warns Turkey against buying Chinese, Russian air defense systems

Highest ranking Turkish soldiers resign

Hours after the country's entire military echelon, including the Chief of the General Staff, resigned from their posts in a reaction to civilian rulers, the government appointed Gendarmerie Forces Commander Gen. Necdet Özel late Friday as the land forces commander, in a move to end the crisis as swiftly as possible. Özel was the only commander who did not accompany Chief of General Staff Gen. Işık Koşaner in his resignation.

According to Turkish law, chiefs of the General Staff are appointed from among force commanders by the president upon the request of the prime minister. To be eligible for appointment, Özel was first appointed as land forces commander late Friday. Özel's appointment as acting chief of the General Staff, meanwhile, was announced over the weekend. The government's aim was to fill the emptied seats over the weekend so as to hold the Supreme Military Council (YAŞ) meeting Monday. The council meets annually between August 1 and 4 to decide on the promotions of high-ranking officers to key posts. After his appointment as chief of the General Staff, Özel will likely propose military figures to be appointed as the new forces commanders in time for Monday's YAŞ meetings.

The tension between the government and the military has deepened with the continual arrests of senior military officers on charges of having links with alleged terror organizations that allegedly aimed to topple the government. The government insisted that these officers be forced to retire, causing fury among the top military brass. The most senior of the jailed group is four-star Gen. Bilgin Balanlı, head of Turkey's military academies, who had been in line to become air force commander this year. He was detained in May.

In his farewell message to the military, Koşaner made it clear that his resignation was the result of this campaign. He read a very emotional text to dozens of senior officers at the military headquarters containing indirect accusations against civilian officials. Underlining that 173 on-duty and 77 retired military officials were behind bars on charges he described as incompatible with the universal principles of law, Koşaner complained that government officials had not found a solution to the problem. Emphasizing that the smear campaign against the military was attempting to portray it as a criminal gang through one-sided media coverage, Koşaner said there was no room

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left for him to do his duty and protect his personnel's rights against the smear campaign. /Hurriyet Daily News/

Turkey, Iran step up fights on PKK, PJAK

Increasing acts of violence by outlawed Kurdish organizations in the region have pushed Turkey and Iran to conduct separate operations on the Iraqi border, which has witnessed serious clashes between Iranian forces and militant groups.

The Iranian army has launched a powerful operation against the Party for Free Life in Kurdistan (PJAK) in Iran, reportedly crossing the Iraqi border as it intensified its efforts in recent days to reach the group's headquarters in the Kandil Mountains of northern Iraq.

In a separate move, the Turkish military began a limited operation against the outlawed Kurdistan Workers' Party, or PKK, in the Şemdinli district of Hakkari province, on the Iraqi border, the private channel CNNTürk reported Tuesday. It said additional troops have been sent to the military outposts in the region and claimed some targets had been shelled. Turkey's anti-terror operations have intensified following the killing of 13 troops July 14 in Diyarbakır's Silvan district. The PKK's deadly ambush of troops in Silvan, which has been followed by other attacks on soldiers, has increased public anger and pushed the government to seek more effective ways to fight terror, including the proposal about the police, which was seen by critics as marginalizing the army. Opposition parties have severely criticized the government over the proposal, claiming it is a punishment to the army and a sign that it distrusts its effectiveness.

Diplomatic sources said the two countries' operations were not linked and no military coordination had been sought thus far despite their continuous cooperation in the anti-terror fight. /Hurriyet Daily News/

Azeri-Turkish high-level council to hold its first meeting in Turkey

The very first meeting of a high-level strategic council between Ankara and Baku will be held in Turkey, announced Prime Minister Recep Tayyip Erdoğan on Wednesday during an official visit to the Azerbaijani capital.

Erdoğan and Azerbaijan's President Ilham Aliyev held a two-hour meeting upon the Turkish prime minister's arrival in Baku. Later, the two also presided on meetings between delegations.

"During our meeting we reviewed the relations between our two countries. We talked about military, commercial, economic and socio-cultural affairs. There was opportunity for assessing the regional problems. We discussed what kind of steps we can take towards the future. The High Level Strategic Council is very important. We are looking forward to the day when we will host the first meeting of this [Council]," Erdoğan was quoted as saying by the Anatolia News Agency.

However the prime minister did not elaborate on the exact date of the meeting of the council. A framework agreement for establishing a High Level Strategic Cooperation

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Council between the two countries was signed in September 2010 by Aliyev and Erdoğan on the sidelines of the 10th Summit of the Turkic Speaking Countries held in İstanbul. At the time, Aliyev had defined the deal as "a work uniting the hearts" of the peoples of the two neighboring countries.

Turkey, in seeking an active role in the region, has established similar relationships with Syria, Iraq, Greece and Russia. While establishing such relationships, Turkey has signed dozens of bilateral agreements—in areas such as education, environment, tourism and transportation—with these neighboring countries.

Responding to journalists' questions directed at the Azerbaijani president over a long-delayed visa exemption deal for Turkish nationals, Aliyev said his country is still not ready for this move, while thanking the Turkish side for unilaterally lifting visa requirements for Azerbaijani citizens. Azerbaijani nationals can freely travel to Turkey and stay in the country for up to 30 days. /Today's Zaman/

Israel sees diluted apology to Turkey on ship raid

Israeli Defense Minister Ehud Barak floated a watered-down apology to Turkey on Friday for the killing of nine of its citizens aboard a pro-Palestinian activist ship that tried to run the Gaza Strip blockade. Barak's public proposal appeared aimed at testing the depth of Israel's 13-month impasse with Ankara, and winning over more hawkish members of Prime Minister Benjamin Netanyahu's coalition who say the onus should be on Turkey to make amends.

"We are willing to consider an apology over problems that arose during the operation on the Mavi Marmara, if there were any," Barak said from Washington where he discussed the importance of having the two U.S. allies mend ties. "I don't like it, but it's the choice that needs to be," he said in a statement adding that a reconciliation deal with Turkey, "would prevent lawsuits against officers and troops all over the world and cause less censure of Israel." Barak also clarified that "We are not apologizing for using force and not apologizing for the legality of the blockade."

Netanyahu, who has yet to make a final decision on whether to meet Turkey's terms, has so far offered only expressions of "regret" and proposed setting up a fund for those bereaved or injured.

Admiral Mike Mullen, chairman of the U.S. Joint Chiefs of Staff, in a July 25 press conference said it was critical to the region for Israel and Turkey to have good relations. /Today's Zaman/

NATO warns Turkey against buying Chinese, Russian air defense systems

NATO may avoid sharing ballistic missiles intelligence with Turkey if the nation decides to buy Chinese or Russian systems for its missile defense program. Turkey is planning to decide late this year or early next year on its national air and missile contracts. Despite this criticism, Turkey so far has not ruled out the Chinese and Russian options, saying there is no need to exclude them. "If, say, the Chinese win the competition, their systems will be in interaction, directly or indirectly, with NATO's intelligence systems,

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and this may lead to the leak of critical NATO information to the Chinese, albeit inadvertently," said one anonymous Western analyst, "So this is dangerous." Another Western official warned, "NATO won't let that happen. If the Chinese or the Russians win the Turkish contest, their systems will have to work separately. They won't be linked to NATO information systems." Turkey has been a member of NATO for nearly 60 years.
/Turkish Press Review/

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