

TUSIAD Selected News on Turkey

Washington

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President Gül approves Turkey's new top military brass

The top commanding officers of the Turkish Armed Forces, or TSK, were determined on Thursday after three days of deliberations by the Supreme Military Council, or YAŞ. The final decisions were published after their approval by President Abdullah Gül.

The new TSK force commanders are: Gen. Necdet Özel as Chief of General Staff, Gen. Hayri Kıvrıkoğlu as Land Force Commander, Adm. Emin Murat Bilgel as Naval Force Commander, Gen. Mehmet Erten as Air Force Commander, and Gen. Bekir Kalyoncu as Gendarmerie Commander. /Hurriyet Daily News/

Ricciardone: 'US-Turkey security ties will remain unchanged'

Security relations between Turkey and the United States will remain unaffected by the recent resignation of Turkey's top brass, U.S. Ambassador to Turkey Francis Ricciardone said Wednesday at a hearing at the Senate Foreign Relations Committee. Ricciardone has been acting as the envoy to Turkey, but his appointment must still be approved by the Senate.

Commenting on the resignation of Turkey's chief of General Staff and top force commanders, Ricciardone said there was always turnover in the military leadership around this time of the year.

"During my 33-year career in the Foreign Service... I've observed Turkey's continuing transformation into a more democratic, more open and more economically vibrant modern state, and as a player with growing influence on the world stage," he said. "Throughout this change in development, there has been one constant, and that has been Turkey's continued commitment to its partnership with the United States and the NATO alliance. It's also a member of the G-20 now, and having one of the fastest-growing economies in the world."

Ricciardone also highlighted Turkey's role as a majority Muslim nation and as a secular democracy, while drawing attention to the intensive cooperation that has taken place between Turkey and the U.S. for decades in diverse areas, ranging from trade and regional stability to countering terrorism and strengthening democracy. "Just last month, Turkish security officials arrested an alleged al-Qaeda cell that was plotting to bomb Western interests in Turkey, including the United States embassy, he added. "We support Turkey's own foremost security objective of defeating the terrorist violence,

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Headquarters: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul – Turkey
Ankara: İran Cad. No: 39/4 Gaziosmanpaşa 06700 Ankara – Turkey
Brussels: 13, Avenue des Gaulois, 1040 Brussels – Belgium
Washington D.C.: 1250 24th Street, N.W., Suite Nr. 300, Washington D.C. 20037 - USA
Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris – France
Beijing: Beijing Lufthansa Centre, Office C-319, Beijing 100025, P. R. China

Phone: +90 (212) 249 19 29 **Fax:** +90 (212) 249 13 50
Phone: +90 (312) 468 10 11 **Fax:** +90 (312) 428 86 76
Phone: +32 (2) 736 40 47 **Fax:** +32 (2) 736 3993
Phone: +1 (202) 776 77 70 **Fax:** +1 (202) 776 77 71
Phone: +49 (30) 288 786 300 **Fax:** +49(30) 288 786 399
Phone: +33 (1) 44 43 55 35 **Fax:** +33 (1) 44 43 55 46
Phone: +86 (10) 6462 2066 **Fax:** +86 (10) 6462 3206
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e-mail: tusiad@tusiad.org
e-mail: ankoffice@tusiad.org
e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

which the PKK [outlawed Kurdistan Workers' Party] continues to perpetrate and which has led to the deaths of over 30,000 Turks since the 1980s. We strongly support Turkey's efforts to improve the human rights and economic situation for the Kurds, and their democratic participation as full citizens, and the rights also of other communities of vulnerable groups in Turkey," he was quoted as saying by Anatolia news agency.

"On missile defense, Turkey did support, of course, the NATO statement at Lisbon. They support the NATO effort to have a phased adaptive approach radar system. We've moved well beyond that generality to have detailed technical discussions and legal discussions with the government of Turkey," Ricciardone said.

Senator Robert Menendez, known for his critical stance toward Turkey, criticized Prime Minister Recep Tayyip Erdoğan's statements on the issue of Cyprus and inquired about Ricciardone's views on the matter. Ricciardone replied that the U.S. wanted a solution based on a bi-zonal and bi-communal federation on the divided island.

Menendez also inquired about Ricciardone's views on Armenian allegations of genocide regarding the bloody events of 1915. "I stand behind President [Barack] Obama's characterization of the Yeds Meghern, as the Armenians themselves call it, the tragic massacre, murder of, you know, a million and a half men, women and children marched to their deaths in 1915. But I stand behind our characterization of that and our efforts of what we're trying to do now," he said.

Ricciardone also pointed out that any instability in Syria could have direct security and economic repercussions on Turkey's vital national interests. The Turkish government did not see religious minorities as a threat and was pleased over religious diversity in the country, Ricciardone said, adding that the Turkish government had been exerting efforts to alleviate the problems of religious minorities. /Hurriyet Daily News/

Turkey cuts key rate to boost growth, jobs despite external pressure

The decision by Standard & Poor's to lower the credit rating of the U.S. will have an effect on Turkish markets as well as major world economies. After a shock fall by 5.16 percent on Friday, the Istanbul Stock Exchange is not, however, expected to experience a sharp loss in Monday's session, as the domestic market had already reflected a wave of Western crisis based on negative developments in Europe and expectations on the U.S. economy before the S&P decision, according to Serdar Şenol, an economist at the local Alternatif Bank. The dollar will not exceed 1.75 liras, he added.

Unrest in the financial markets will be reflected on the Turkish market starting Monday, said Erinc Yeldan, an economy professor at Bilkent University. He said no hikes in interest rates were expected, adding that the U.S. dollar, which was trading at 1.733 Turkish Liras by Friday afternoon, may hit 1.8 liras. Commenting on long-term effects, Yeldan told the Daily News in a phone interview that he forecasts a drop in foreign capital inflows to Turkey. The professor said he accordingly expected a fall in the growth rate, which was 8.9 percent in 2010, and an increase in unemployment.

Economist Deniz Gökçe said the Turkish markets would initially react negatively in the wake of the U.S. rate cut before making a recovery, a reflex that he called "typical."

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Headquarters: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul – Turkey
Ankara: İran Cad. No: 39/4 Gaziosmanpaşa 06700 Ankara – Turkey
Brussels: 13, Avenue des Gaulois, 1040 Brussels – Belgium
Washington D.C.: 1250 24th Street, N.W., Suite Nr. 300, Washington D.C. 20037 - USA
Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris – France
Beijing: Beijing Lufthansa Centre, Office C-319, Beijing 100025, P. R. China

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Phone: +90 (312) 468 10 11 **Fax:** +90 (312) 428 86 76
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Phone: +1 (202) 776 77 70 **Fax:** +1 (202) 776 77 71
Phone: +49 (30) 288 786 300 **Fax:** +49(30) 288 786 399
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Phone: +86 (10) 6462 2066 **Fax:** +86 (10) 6462 3206
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e-mail: tusiad@tusiad.org
e-mail: ankoffice@tusiad.org
e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

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Turkey might face losses due to an interest rate fall in U.S. bonds, as one-third of the country's more than \$100 billion in foreign exchange reserves is made up of the American papers.

Earlier in the week, forecasting a deterioration in the global economic outlook, the Central Bank of Turkey on Thursday had slashed its one-week repo rate, or policy rate, by 50 basis points to 5.75 percent to curb short-term money inflows, further strengthening the country's economic growth performance and creating more jobs for Europe's youngest population.

The bank's Monetary Policy Committee (PPK) had convened for an extraordinary meeting that was announced a day earlier. It also increased the overnight borrowing rate from 1.5 percent to 5 percent to narrow what is called the interest rate corridor as the overnight lending rate was remained unchanged at 9 percent. The move will help decrease the supply of the Turkish lira in the market and is aimed at "limiting the potential downside volatility in short-term interest rates," the bank said. The late liquidity borrowing and lending rates also remained stable at 0 percent and 12 percent, respectively. "The committee has agreed to closely monitor developments and if necessary, take measures to provide foreign exchange liquidity via appropriate methods and instruments," the bank also said.

Since December last year, the Turkish Central Bank has been implementing a mixed policy that includes lower short-term repo rates and higher reserve requirements for banks in a bid to restrain domestic demand by making it more difficult for people to take out loans from banks as a measure against excessive spending. However, despite external pressure the bank was firmly against hiking interest rates because that could potentially increase volatility in the country's financial markets, as higher interest rates may draw short-term capital inflows as well.

International credit rating agency Moody's was the latest to join those suggesting Turkey needs a rate hike to restrain domestic demand and reduce its current account gap. "Turkey's more immediate challenge is to strengthen its resilience to external shocks by restraining domestic demand. This will generate larger primary surpluses and reduce its debt levels," it said in a report published on Wednesday, the same day the central bank's extraordinary meeting was announced.

There is now a growing sentiment in Turkey that certain groups in global financial circles are carrying out a coordinated campaign to make the best of Turkey's strong growth performance for their own interests. The common belief in mainstream media is that they are not eager to let Turkey's borrowing rates go down easily as its economy is making strides at a difficult time. Turkish gross domestic product (GDP) grew by 8.9 percent in 2010 and posted an 11 percent growth, the largest worldwide, in the first quarter of this year.

Süleyman Yaşar, the former vice president of Turkey's Privatization Administration (ÖİB), was particularly critical of the three major credit rating agencies whose analyses he said are "biased" against Turkey and other developing economies. "Just for that reason, China established its own credit rating agency Dagong," he said. Dagong Global Credit Rating Co. is less known to the wider community but is looking to compete with global rating agencies Standard & Poor's, Fitch Ratings and Moody's. Denizbank Chief

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Economist Saruhan Özel believes that those three institutions' treatment of Turkey is contradicting unbiased technical observations and analyses. "For a lot of corporate investors, countries like Turkey, which are repaying all their debts on time without any problems but whose credit ratings are insistently kept below investment grade, are valuable. By lending to them, they are making very good money," Özel wrote in his column at the Zaman daily in June, drawing attention to the fact that Turkey's Credit Default Swap (CDS) rate is much lower than that of other countries that are also given credit ratings below investment grade. "Either one of these two things are untrue. Turkey should either enter a crisis and its CDS should rapidly rise, or credit rating agencies should back down from their insistence and raise Turkey's rating to investment grade. Given the major mistakes those agencies made in the past, the answer to this question is quite obvious," he underlined at the time.

Moody's rates Turkish credit Ba2, two notches below investment grade, with a positive outlook. Ba2 is the risk assessor's second-highest non-investment grade. Standard & Poor's rates the country an equivalent BB, also with a positive outlook, and Fitch Ratings ranks Turkey as BB+, just one notch below investment grade. /Hurriyet Daily News & Today's Zaman/

US seeks Turkish pressure on Syria to end crackdown

The United States has said it asked Turkey to tell Syria to put an end to a deadly crackdown on protesters when Foreign Minister Ahmet Davutoğlu visits Damascus on Tuesday.

Secretary of State Hillary Clinton spoke on the phone with Davutoğlu on Sunday, discussing the ongoing violence and security operations in Syria, the State Department said. Clinton discussed the US position that Syria must immediately return its military to barracks and release all prisoners of concern and asked Davutoğlu to "reinforce these messages" with the Syrian government, State Department spokesman Mark Toner said.

Prime Minister Erdoğan announced on Saturday that Davutoğlu will visit Damascus on Tuesday to deliver "decisive messages" from Turkey, warning that Ankara's patience is wearing thin.

Turkey has repeatedly called for an end to violence and urged Syrian President Bashar al-Assad to swiftly implement reforms to meet protesters' demands. Erdoğan suggested on Saturday there would be consequences if Syria fails to heed Turkey's final warnings, saying "the process will be shaped according to the response" from Syrian authorities.

In a sign that Tuesday's talks are likely to take place in a tense environment, a Syrian official hit back at Erdoğan's remarks saying Syria was ready to deliver "even more decisive" messages to Turkey, if this is what Davutoğlu is coming to Damascus for. /Today's Zaman/

Turkey to ratify readmission agreement if EU visa talks start

Turkey's EU minister has said Turkey will ratify a readmission agreement on illegal immigration if the European Union launches visa facilitation talks with the candidate

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e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

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country in what has become one of the first remarks to revive recently stalled EU-Turkey relations.

Egemen Bağış, who is also the chief EU negotiator, said that visa facilitation talks with the 27-member bloc will also be essential in fighting against illegal immigration.

Turkey complains that it still cannot find an interlocutor in Brussels that can start visa regulation consultations with the candidate country despite the fact that Turkey has concluded a readmission agreement with the European Union on illegal immigrants. Turkey says it will not implement the agreement unless it starts visa talks with the bloc, claiming that all candidate or neighboring countries to the EU in some ways enjoy facilitation of visa requirements.

A recent border security report prepared by British Parliament's Home Affairs Committee said Turkey must improve border security before it is allowed to join the European Union, voicing concern about security risks and irregular immigration from neighboring Iraq, Iran and Syria. Turkey dismissed what it called "incorrect assessments" in the report, stressing that it is not a source country for illegal immigration with its vibrant economy and increasing prosperity. /Today's Zaman/

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Turkey buys more time for Damascus

As Turkey urges the international community to wait more before launching tougher measures on Syria, the US has postponed its call for Assad to step down.

In a phone conversation late Thursday, US President Barack Obama and Prime Minister Recep Tayyip Erdoğan "agreed to monitor closely the steps taken by the Syrian government and to continue consultations," the Prime Ministry's press office said. Both agreed on the need for a transition to democracy in Syria. The US Secretary of State Hillary Clinton was expected to call on Assad to step down Thursday, but postponed. "The US is looking to explicitly call for Assad to step down. The timing of that is still in question," a US official told AFP. The official did not rule out the possibility that the announcement could come next week.

Following his talks with Assad in Damascus on Tuesday, Foreign Minister Ahmet Davutoğlu has held several phone conversations with his counterparts from around the world. Ankara is playing a coordination role, since Turkey is the "sole actor that can talk to Assad," a senior official from Turkish Foreign Ministry said.

"Assad promised us to take some steps in short span of time. We told Assad there was

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Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
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Phone: +90 (212) 249 19 29 **Fax:** +90 (212) 249 13 50
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not much time to give. So that it seems there is nearly two weeks of time," the Turkish official stated. The US was not willing but "they accepted to give some more time by means of us." Turkey has said in the past that it is against military intervention in Syria but left the door open for participating in sanctions if the UN Security Council decides to impose them.

President Abdullah Gül also has called on Assad to implement reforms before it is too late in a letter handed over to Assad by Turkey's foreign minister. "I would not want you to look back some day and regret that you acted too little, too late," Gül said in his letter. "It is time to show your leadership and courage and lead the way for change instead of getting caught up in the winds of change. People's legitimate demands for democracy must be fulfilled sincerely and rapidly, which I believe would improve the current negative circumstances in Syria at an equally rapid pace," he said. /Hurriyet Daily News/

Turkey to US: 'Don't sacrifice talks in Cyprus for natural gas'

Turkey is launching an international campaign to draw attention to the contested nature of Mediterranean economic zone agreements following a Greek Cypriot decision to begin exploring for natural gas deposits off its southeast coast.

Turkey has been urging the U.S. administration to postpone the date of natural gas exploration activities of a U.S. firm off the coast of Cyprus until the island is reunified because the Greek Cypriot exploitation of the island's common natural resources could entirely sap the southern territory's desire for a solution, an official from the Turkish Foreign Ministry said on Sunday.

Turkey has already conveyed its reservations to the U.S. Embassy in Ankara and to the U.S. State Department in Washington and will bring the issue to the attention of higher-level U.S. officials, he said. Turkey plans to convey its concerns to the members of the U.N. Security Council.

Ankara objects to two aspects of Greek Cyprus' agreements with Israel, Lebanon and Egypt in the eastern Mediterranean region, which is believed to possess large reserves of natural gas.

One, Greek Cyprus' bilateral agreements are invalid because they did not first solicit the approval of Turkish Cypriots. Greek Cypriots recently signed a production-sharing contract with Noble Energy to launch exploration activities in November in block 12, an economic zone southeast of the island. The activity depends on the agreement signed on the Delimitation of the Exclusive Economic Zone in 2010 between Israel and Greek Cyprus.

Ankara's second reservation over Greek Cypriot's economic zone agreements in the eastern Mediterranean is on the continental shelf delineation that Greek Cyprus determined in its agreement with Egypt in 2003. Turkey has said it has rights in an area that run from its southern coast to the northern coast of Egypt and that "islands cannot be considered as if they were part of the mainland" while determining economic zones in territorial waters. Further objecting to any agreement without the approval of Turkish Cypriots, Ankara said some parts of the economic zone distribution between Greek

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Cyprus and Egypt were already illegitimate, according to international law. /Hurriyet Daily News/

Turkish economy minister in California

Turkish Economy Minister Zafer Çağlayan hosted a fast-breaking dinner for Turkish businessmen in California on Sunday. He said that Turkey should take more share from US trade, adding that Turkey was the 17th biggest economy of the world and the 6th of Europe.

Noting that they had been implementing intensive strategies to include Turkey in top ten economies of the world, Çağlayan said that Turkish businessmen should quit being shy in exporting products to the USA. He indicated that the amount of direct foreign investment made in Turkey reached 95 million USD in the last nine years thanks to political and economic stability. Recalling that he arrived in the US after completing his talks in South Korea, Çağlayan said that number of his visits to foreign countries reached 99 in the last 25 months, adding that he paid those visits to contribute to Turkish exports.

Çağlayan will attend a seminar on Turkish-US economic relations and hold bilateral talks with businessmen on Monday. /Anadolu Agency/

Turkey to attract \$2.2 bln in South Korean investments with FTA

Turkey is expected to attract a new series of investments from South Korea with a total value of \$2.5 billion following the anticipated signing of a free trade agreement (FTA) between the countries soon. Turkey and South Korea are now close to signing an FTA in a move to bring down trade barriers between the two G-20 members. The Economy Minister Zafer Çağlayan and a delegation of businessmen are in Seoul to finalize talks for an FTA with South Korea. The minister said there were some disagreements concerning the signing of the deal, adding that the government expected to "sort out the differences" no later than the year's end.

Turkey's Kibar Holding and POSCO signed a \$350 million deal in June for the construction of a stainless cold-rolling plant in the northwestern province of Kocaeli in January 2012. Hyundai, the world's fifth-largest vehicle producer, is also expected to commence a \$400 million investment that will increase the yearly auto production of Hyundai's factory in İzmit from 100,000 to 200,000 vehicles by 2015, while adding 2,000 new jobs. Çağlayan said he would meet with Hyundai executives to ask them to establish a car engine manufacturing factory in Turkey.

Çağlayan also met with representatives from South Korean import companies and said the government will contact 8,500 new South Korean firms to increase Turkey's share in the country's imports. South Korea imports a total value of \$500 billion per year. /Today's Zaman/

Second Turkish aid shipment to Somalia due next week

Following Turkey's first aid shipment to Somalia this week by air, a second shipment is set to arrive next Monday by sea. The aid campaign, organized by the Religious Affairs Directorate, Turkish Cooperation and Development Agency (TIKA), and Turkish Red Crescent (Kızılay), has collected over 6 million Turkish liras for drought-stricken Somalia.

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e-mail: ankoffice@tusiad.org
e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
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The shipments include aid from such groups as the Istanbul Chamber of Commerce and the Civil Servants' Trade Union (Memur-sen). In addition, Turkish doctors will work at a permanent hospital to be established by the International Universities Council in Somalia.

Both the Prime Minister Recep Tayyip Erdoğan and the leader of the main opposition party Kemal Kılıçdaroğlu have announced separately that they plan to travel to Somalia to draw international attention to the plight of the famine-hit country. Turkish Foreign Minister Ahmet Davutoğlu meanwhile held telephone conversations Saturday with Senegalese Minister of State for Foreign Affairs Madicke Niang and Organization of Islamic Cooperation, or OIC, Secretary-General Ekmeleddin İhsanoğlu. Davutoğlu invited his Senegalese counterpart to an upcoming meeting in Istanbul that will focus on the humanitarian crisis in Africa. The Turkish foreign minister also informed OIC Secretary-General İhsanoğlu about preparatory efforts prior to the meeting, which will be held in Istanbul on Aug. 17. /Turkish Press Review/

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Drastic measures in anti-terrorism fight

Turkey's bimonthly National Security Council, or MGK, convened Thursday under the leadership of President Abdullah Gül to revisit the country's anti-terror strategy, recommending the adoption of tougher measures against outlawed groups, making new arrangements in the law enforcement structure and pressuring the internal and international supporters of the illegal groups. The current state of the military's fight against the outlawed Kurdistan Workers' Party, or PKK, and the developments in neighboring Syria dominated the council's meeting, as both issues were interpreted as critically important for Turkey's stability and security.

During the meeting participants discussed a complete overhaul to Turkey's strategy against the PKK, including the following measures: continued aerial cross-border operations in northern Iraq as necessary, reinforcement of Diyarbakir and Batman bases and the mobilization of land forces in regions close to the Iraqi border, expansion of a parliamentary mandate by the MGK for another year to allow for the continuation of cross-border operations, initiatives to increase intelligence sharing with the US, paying special attention to Hakkari, a province known as a place where the state's control is weakening and where a number of "recruitment camps" have been reportedly set up. The MGK also expressed expectations that terror acts would escalate in both urban and rural places and discussed way to protect citizens.

The structural changes include a new role for the police, for governors and intelligence

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Headquarters: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul – Turkey
Ankara: İran Cad. No: 39/4 Gaziosmanpaşa 06700 Ankara – Turkey
Brussels: 13, Avenue des Gaulois, 1040 Brussels – Belgium
Washington D.C.: 1250 24th Street, N.W., Suite Nr. 300, Washington D.C. 20037 - USA
Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris – France
Beijing: Beijing Lufthansa Centre, Office C-319, Beijing 100025, P. R. China

Phone: +90 (212) 249 19 29 **Fax:** +90 (212) 249 13 50
Phone: +90 (312) 468 10 11 **Fax:** +90 (312) 428 86 76
Phone: +32 (2) 736 40 47 **Fax:** +32 (2) 736 3993
Phone: +1 (202) 776 77 70 **Fax:** +1 (202) 776 77 71
Phone: +49 (30) 288 786 300 **Fax:** +49(30) 288 786 399
Phone: +33 (1) 44 43 55 35 **Fax:** +33 (1) 44 43 55 46
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e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

sharing.

The most important change in the strategy is creating an alliance between the military and the police in the fight against terrorism. The strategy envisages a central role for the police's special teams, especially in rural areas of Southeast Anatolia. Authorities also hope to deploy professional army units in high-risk areas, particularly on the border with Iraq, meaning that newly recruited soldiers will not be dispatched to critical posts. Under the MGK's plans, governors will play a key role in providing coordination between the police and the military in order to avoid confusion. The duties and responsibilities of governors are expected to be reinforced through legal arrangements.

As part of the new mechanism, the intelligence gathered by different law enforcement units will be collected under one roof and will be processed at the Undersecretariat of Public Order and Security. The processed intelligence will be directly sent to security units in the field so that they can operate more efficiently against the militants.

The MGK also reviewed the political support given to the PKK by some pro-Kurdish political parties and its effect on the fight against terrorism. A number of civilian organizations are in direct relationship with the terrorists, intelligence reports show, fostering the PKK's increasing influence, especially in urban areas of Southeast Anatolia. Methods of breaking political support for the organization remain an important target in the anti-terror fight.

The PKK receives some of the most support from outside the country anywhere in the world, according to intelligence reports. Its main financial source comes largely from Belgium, the Netherlands and some other Western European countries. Ongoing work with the US to force some European institutions to cut the financial links of some groups known to be affiliates of the PKK will be intensified. The MGK also reviewed regional supporters of the PKK, in northern Iraq, Syria and Iran and mulled over ways to break these ties. /Hurriyet Daily News/

Turkey to US: We know when to say bye to Assad

US Secretary of State Hillary Clinton said last week that Turkey, Saudi Arabia and other governments should call on Syrian President Bashar al-Assad to step down but Turkey was not willing to be the leading country in that role. Ankara did not rule out that option, but said it's too early to call for Assad's departure.

It was crucial to develop a common regional attitude toward Syria, Foreign Minister Ahmet Davutoğlu told reporters on Wednesday in response to a question recalling Clinton's remarks. "If there will be call on Assad to step down, it should not be Turkey to make the call, but everyone, first of all Syrian people should say that first," a diplomatic source stated.

When asked whether the Obama administration should demand that Assad step down, Clinton said: "I am a big believer in results over rhetoric." She said the US diplomatic approach toward Syria amounts to "smart power," noting such an approach is an alternative to using brute force and unilateralism.

Ankara has not indicated willingness to lead an international coalition to conduct coercive diplomacy to push drastic measures on the Syrian administration, but instead it

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e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

is seeking coherence with regional countries. Along with Western actors, Turkey has been discussing the situation with regional countries such as Jordan and Saudi Arabia. Turkey does not favor military intervention, Davutoğlu said late Tuesday, but added that the Syrian army's military operation against civilians was not acceptable.

Turkey will continue to discuss with Syria, as it would do with other countries, Davutoğlu told reporters in a joint press appearance with his Jordanian counterpart Nasser Judeh on Wednesday. Although Ankara might have not succeeded with its preventive diplomacy on Syria, since Assad has not taken steps to end the violence or implement urgent reforms, Turkey prefers diplomatic ambiguity before applying isolation policies to Damascus. A limited engagement policy could continue for the Syrian administration, the diplomatic source said. /Hurriyet Daily News/

Turkey: UN flotilla report release delayed upon Israel's request

The release of a UN panel report on a deadly takeover of an international aid flotilla by Israeli commandos last year has been postponed once again, a Turkish official said on Monday. The UN panel investigating the May 31, 2010 raid, in which eight Turks and one Turkish-American were killed on the Mavi Marmara ship, was expected to present its findings to UN Secretary-General Ban Ki-moon on Monday. The report was then due to be made public on Tuesday.

Turkish Foreign Ministry spokesman Selçuk Ünal said that the request for the delay came from Israel, as in past postponements. The Israeli side, on the other hand, has presented a different account, saying Turkey requested the postponement. The release of the UN panel's report has been delayed several times in the hope that this could give Turkey and Israel more time to negotiate an agreement to restore their relations. The UN report is expected to endorse the Israeli blockade of Gaza but criticize Israel for excessive use of force during the 2010 raid. /Today's Zaman/

The Patriots to be deployed to Turkey

Concerning the missile defense system project which Turkey has given its consent during the final NATO Summit, a final agreement has been reached. In Turkey, which is participating in the command and control process, the patriot missile systems will be deployed for the zones outside of the systems coverage. Upon the reservations of the Turkish side, US officials will prevent Israel from obtaining data from the system according to the agreement. Although it is not mentioned directly, Iran seems to be the potential target of the system. /Turkish Press Review/

Turkey's first national satellite in orbit

Turkey's first national earth observation satellite, RASAT, has been launched to space and placed in orbit successfully. Designed and manufactured by the Scientific and Technological Research Council of Turkey – Space Technologies Research Institute (TUBITAK-UZAY), the satellite was launched to space from the Yasny Base in Russia. RASAT sent first signals to the TUBITAK station in Ankara after being placed in orbit 687 kilometers away from earth 969 seconds after its launch. RASAT spacecraft has a total mass of 100 kg and a design life of 3 years.

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e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

The satellite images provided by RASAT will also be used in urban and regional planning, forestry, agriculture, disaster monitoring and for other similar purposes. /Anadolu Agency/

Turkey, South Africa agree to waive visas, draft free trade agreement

Foreign Minister Ahmet Davutoğlu said on Sunday that Turkey has reached an agreement with South Africa to mutually waive visa requirements and increase bilateral visits, with an aim toward enriching diplomatic and trade ties, as he announced plans for a visit to South Africa by Turkish Prime Minister Recep Tayyip Erdoğan in the coming months.

The foreign minister also shared news of the first steps toward a free trade agreement to be signed between Turkey and South Africa, with transportation issues being a focus of the bilateral talks between the countries. In that context, Davutoğlu also indicated that the weekly number of Turkish Airlines (THY) flights between the countries will be increased from five to seven.

Acknowledging the growing importance Turkey places in South Africa, the minister stated that the country was becoming more powerful both within Africa and in the international arena. "We have once more renewed our agreement in principle, by which our countries act as strategic partners in international projects and mutually cooperate both in Africa and Eurasia," Davutoğlu said. /Today's Zaman/

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Turkish president in interview with AA

Turkish President Abdullah Gül, in an exclusive interview with the Anadolu Agency, comments on domestic and international issues.

SYRIA UNREST

Gül said that Turkey lost its confidence in the Syrian administration. Assessing the recent incidents in Syria, he said that frankly, Turkey made the most political investment in Syria in recent years because it had a goodwill to contribute to the transformation of Syria.

Gül said that he was following the developments in Syria everyday, and he was receiving

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TUSIAD Selected News on Turkey

Washington

daily intelligence reports on what was going on in each city. We really feel sorry, said Gül, adding that Turkey lost its confidence in Syria. He noted that happiness, well-being and peace of Syrian people were very important for Turkey.

Hundreds of people have been killed during pro-democracy protests in Syria since January 2011. Syrian people have fled violence in their country and took shelter in six temporary tent-sites set up by the Turkish Red Crescent in Altınözü, Yayladağı, Reyhanlı towns and the Apaydın village of Turkey's southern province of Hatay.

Number of Syrian people taking shelter in Turkey was announced as 6,802 on Saturday. Turkey has spent around 12.75 million Turkish liras to provide shelter, food and medical assistance to Syrian nationals.

LIBYA UPRISINGS

Gül stated that the regime in Libya was impossible to continue ruling. A country, which had 2,000 km coast in the Mediterranean, the world's richest oil reserve and a low population, could have been the most prosperous country of the world if it had been ruled well, he added.

We hope there will be no inner clashes and waste of energy while establishing the new Libya, said Gül, adding that Turkey wanted to actively lead such a process in Libya. We are extending the highest assistance to Libyan people to help them reconstruct their country in political and financial aspects, Gül said. In efforts to help the Libyan people, Turkey has given the National Transitional Council \$300 million, two-thirds as a loan and one-third as grant.

NEW CONSTITUTION IN TURKEY

Gül has underlined that the process of making a new constitution in Turkey should involve all segments of the society in their contribution and opinion.

"It is important to secure that everyone sees it as their proper constitution and that everyone make an contribution to it," Gül said.

Gül expressed confidence that Turkey had reached a "great consensus" that the country should make a new constitution in the shortest possible time, adding that the Turkish parliament should grasp "this historic opportunity to write for the first time a constitution with on its own will." The Turkish president, however, expressed concern that if efforts for a constitution failed, that could have only been caused by "setbacks in methodology."

COMBAT ON TERRORISM

Gül said Turkey would never tolerate any terrorist action and fall into any weakness in its fight against terrorism.

"Everyone should know at home and abroad that the state's power is bigger than any other power. Turkey will never tolerate or condone terrorism. It is impossible in any country to let create an authority vacuum and Turkey will never surrender in the face of an armed group," Gül said.

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Headquarters: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul – Turkey
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Beijing: Beijing Lufthansa Centre, Office C-319, Beijing 100025, P. R. China

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Phone: +49 (30) 288 786 300 **Fax:** +49(30) 288 786 399
Phone: +33 (1) 44 43 55 35 **Fax:** +33 (1) 44 43 55 46
Phone: +86 (10) 6462 2066 **Fax:** +86 (10) 6462 3206
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e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
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Gül expressed that Turkey had always made a clear distinction between the terrorist organization and the citizens living in the region, adding that democracy would isolate terrorism.

"Turkey is raising its standards in every field, in democracy, in justice and in politics which disturbed certain circles. We need to show the power of the state but at the same time we need to embrace people and make sure that we fix deficiencies, if there are any, in those standards," Gül stated. /Anadolu Agency/

Turkey to new Libya: Don't destroy country

While applauding the success of the opposition in its months-long armed struggle against the Libyan regime, Turkey has told the country's new leaders that in order to maintain stability, they must allow current state institutions to endure. Ankara also urged Libya's National Transitional Council to form an inclusive new government based on democratic principles.

The opposition should "take care not to disband settled institutions of the country such as the army and the police," according to messages conveyed to NTC leader Mustafa Abdul-Jalil by Turkish Foreign Minister Ahmet Davutoğlu during a trip to Benghazi.

The first of five messages conveyed by Turkey to the founders of the new Libya concerned the composition of the new administration, which Ankara said should be formed with the inclusion of all political groups, including former government officials and other people who served Gadhafi and his family in the past, so long as they were not involved in illegal activities. A new Parliament should be elected through a fair process that includes everyone who wants to run, Turkey said.

Ankara also emphasized the critical importance of protecting the unity of Libya and forming the new administration through an inclusive process while not allowing the NTC to splinter into various factions.

Ankara also said the NTC should focus on reforms to bring the country in line with the international community, and that Libya's vast oil and natural gas resources should be developed transparently and used for the benefit of the entire country.

Iraq summons Turkish envoy to demand it halt raids

Iraq summoned Turkey's ambassador to Baghdad to demand an immediate halt to air strikes along its northern border, Iraqi Foreign Minister Hoshyar Zebari said on Thursday.

Turkey last week launched a series of attacks on the Kurdistan Workers' Party (PKK) terrorists in northern Iraq. Iraqi authorities said a Turkish air strike killed seven Iraqi civilians on Sunday.

The Turkish military said on Tuesday it had killed up to 100 terrorists in six days of air strikes in response to an escalation of PKK attacks after the collapse of efforts to negotiate a settlement of the 27-year-old conflict. /Today's Zaman/

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Turkey to be key country of UN session

Issues such as Cyprus, Syria, famine in the Horn of Africa, Libya and global fight against terror will be atop the agenda of the 66th session of the UN General Assembly. The UN General Assembly meetings will be held in New York from September 19 to 27.

The 66th Session will begin with a high-level meeting on the prevention and control of non-communicable diseases on September 19. Turkey will be represented at the two-day meeting with a delegation from the Ministry of Health.

Turkish Forestry & Water Ministers Veysel Eroglu will attend a high-level meeting on "Addressing Desertification, Land Degradation and Drought in the Context of Sustainable Development and Poverty Eradication" on September 20.

The official opening of the 66th Session will take place on September 21. UN Secretary-General Ban Ki-moon, President Dilma Rousseff of Brazil and US President Barack Obama will make opening remarks of the general debate.

This year's talks will focus on recent developments in the Middle East.

Recognition of Palestinian state and Palestine's membership to the UN are among the most important issues to be discussed by the UN General Assembly. Turkey is expected to help Palestinian delegation in its diplomatic efforts in the UN.

Turkish Foreign Minister Ahmet Davutoğlu will address the General Assembly on the Cooperation and Confidence Building Measures in Asia Conference and the UN Least Developed Countries Summit hosted by Turkey earlier this year.

A delegation headed by Prime Minister Recep Tayyip Erdoğan is expected to represent Turkey at the 66th Session. /Anadolu Agency/

Turkish government to return properties to minorities

The Turkish government has signed a historic decree to return property taken away from minority foundations 75 years ago. The decision also states that minority groups will be paid market value for property that was sold to third parties.

Minority groups had given the government a proclamation in 1936 detailing their immovable property. However, over the years, these properties were not registered under the minority foundations' names, and some were even sold to third parties. In 2008, the government took steps toward remedying this problem, but the efforts fell short and caused some foundations to take their cases to the European Court of Human Rights. The court ruled in favor of the minority groups and sentenced Turkey to pay large sums in compensation to the foundations.

Some of the property set to be returned to Armenian, Greek and Syriac foundations include schools, churches, stores, hundreds of houses, buildings and apartments, cemeteries, factories, and even nightclubs. /Hurriyet Daily News/

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Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris – France
Beijing: Beijing Lufthansa Centre, Office C-319, Beijing 100025, P. R. China

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e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org
e-mail: tusiad.china@euccc.com.cn

Turkey cooperates with China in fields of energy

Turkey has undersigned a deal to boost cooperation with China in several fields of the energy sector, including nuclear power and boron minerals. The five-year cooperation deal was undersigned by the Turkish Ministry of Energy and Natural Sources yesterday with a possibility of expanding the validity of the deal upon agreement by both countries. Cooperation will be focused in fields such as nuclear power, boron technologies, renewable energy, thermal power, energy conservation, hydrocarbon exploration and production and mining technologies. Other fields of cooperation are production of solar energy equipment and hydroelectric power plants. /Turkish Press Review/

Economy Minister Çağlayan wants to expand the concept of free zones in Turkey

Economy Minister Zafer Çağlayan said that his government will facilitate foreign trade and investment by upgrading Turkey's current free zones to free economic zones in order to both include a wider array of businesses inside those areas and to provide them with better connections to aerial and naval ports as well as highway and railway transport facilities. Speaking to Anatolia news agency during a flight back from Seattle where he had talks with representatives of major technology firms in the United States, the minister underlined the beginning of the new era for conducting business in Turkey, a country that has intensified efforts to maximize its economy's resilience against external shocks while also stimulating further growth, creating more jobs for Europe's youngest population. According to the plan businesses will be allowed more freedom to operate, imposing fewer regulations. /Turkish Press Review/

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