

March 2012

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TOP STORY

Turkey welcomes French Council's ruling

Turkey welcomed the Feb. 28 ruling by France's Constitutional Council to overturn a law that would criminalize the denial of a disputed Armenian genocide in 1915, declaring the law unconstitutional. The Council ruled that the law ran against principles of freedom of expression incorporated into France's founding documents. The bill had been approved in both houses of the French parliament in January, sparking angry protests from Turkey.

The ruling was welcomed by Turkey and Ankara expressed its satisfaction with the ruling, saying this would remove hurdles standing in the way of improvement of relations between the two countries. "This is a very positive decision. I thank the members of Council for their respectful decision. It will set a precedent as well," Foreign Minister Ahmet Davutoğlu told reporters. Turkey is ready to share the pain of Armenians as they prepare to mark the

100th anniversary of the 1915 killings, he added in his statements. Asked whether this would lead to a restart of contacts with France, he said: "This verdict is still new. We will consider the subject of sanctions with the prime minister, president and cabinet."

Political observers have said that the bill had originated from the lingering problems in the bilateral relations between Turkey and France, stemming from the French president's staunch opposition to Turkey's EU membership. The further deterioration of Turkish-French relations was saved, for now, by the ruling.

French President Nicolas Sarkozy asked his government following the decision to draft a new version of the genocide-denial law. Taking into consideration the "great disappointment and profound sadness" of the law's supporters, Sarkozy's office issued a statement, saying, "The President of the Republic considers that [genocide] denial is intolerable and must therefore be punished. He has asked the government to prepare a new draft taking into account the decision of the Constitutional Court."

Azerbaijan's Office of the Presidency and Foreign Ministry also have issued statements welcoming the ruling.

Today's Zaman, 29 February 2012, Genocide bill rejection saves Turco-French ties, for now
Today's Zaman, 29 February 2012, Azerbaijan lauds French court's cancellation of genocide law

Turkish Press Review, 29 February 2012, Turkey welcomes French council's ruling

Turkish Press Review, 29 February 2012, French constitutional council overturns genocide bill

Hurriyet Daily News, 1 March 2012, Turkey 'ready to share pain' with Armenians

Turkish Press Review, 1 March 2012, Gül: "French council saved the country's prestige"

FOREIGN POLICY

Gül: Russia, Iran must yield to Syria peace efforts

Turkish President Abdullah Gül said on Mar. 1 Russia and Iran would soon realize they had little choice but to join international diplomatic efforts for the removal of Syrian President Bashar al-Assad. He said Russia and Iran should be persuaded by the international community and countries of the region to persuade the Syrian government to accept reality and stop the crackdown. He cited the 'Yemeni Model' as the most reasonable option as a way out for Assad.

Turkey denied yesterday that it would meet with Russia and Iran to discuss the ongoing problems in Syria under a tripartite mechanism, an idea suggested by Russia's top envoy to Turkey.

Hurriyet Daily News, 2 March 2012, Russia, Iran must yield to Syria peace efforts: Turkish president

Hurriyet Daily News, 5 March 2012, Syrians 'flee to Lebanon'

Gül to visit Tunisia

Turkish President Abdullah Gül will visit Tunisia Mar. 6-9, Development Minister Cevdet Yılmaz announced Feb. 29 as he held talks with Tunisia's Regional Development and Planning Minister Jamaladdin Garbi aimed at sharing Turkey's experience in economic development. Turkey is ready to share expertise with Tunisia in areas such as development,

the encouragement of foreign investment, employment-boosting policies, the reduction of regional disparities and local administration, Yılmaz said. Turkish Industry Minister Nihat Ergün announced that Turkey will initiate a joint project to develop an organized industrial zone in Tunisia. Ergün also pledged to help Tunisia establish an organization similar to Turkey's Small and Medium Industry Development Organization (KOSGEB) in Tunisia.

Hurriyet Daily News, 1 March 2012, Turkish President Gül to visit Tunisia next week
Hurriyet Daily News, 5 March 2012, Turkey to help Tunisia set up zones

SNC seeks arms office in Turkey

The opposition Syrian National Council (SNC) said on Mar. 1 it wants to organize weapons deliveries to Syrian rebels and is uniting armed factions fighting against President Bashar al-Assad's regime under a new bureau, which will "probably be located in Turkey." The Turkish Foreign Ministry has not confirmed the information regarding the location of the bureau yet. Ministry sources have said they did not receive any request for a military bureau of the SNC in Turkey.

Hurriyet Daily News, 2 March 2012, SNC seeks arms office in Turkey

Missile system in Turkey on track

US Army's commander in Europe Lt. Gen. Mark Hertling declared on Feb. 26 that the US has the forces in place at a radar site in eastern city of Malatya, Turkey. It is the first time a senior US commander has confirmed that the NATO defense shield radar, which has caused tensions between Turkey and Iran, has been operational in the past few weeks. In addition to the radar in Turkey, the defense shield also will contain interceptor missiles stationed in Romania and Poland, four ballistic missile defense-capable ships in Spain, and an operational headquarters in Germany.

Hurriyet Daily News, 28 February 2012, Missile system in Turkey on track: US
Turkish Press Review, 28 February 2012, US confirms placement of us forces at a radar site in Malatya

Turkish, Azerbaijani, Iranian FMs to gather for tripartite meeting

The Turkish, Azerbaijani and Iranian foreign ministers are planning to meet on March 7 in the Nakhichevan Autonomous Republic in Azerbaijan as part of a series of meetings regularly held between the three states. Turkish Foreign Minister Ahmet Davutoğlu, Azerbaijani Foreign Minister Elmar Mammadyarov and Iranian Foreign Minister Ali Akbar Salehi are aiming to implement joint projects for peace and prosperity in the region.

Today's Zaman, 1 March 2012, Turkish, Azerbaijani, Iranian FMs to gather for tripartite meeting

Iran nuclear talks may resume in April, says Davutoğlu

Turkish Foreign Minister Ahmet Davutoğlu said on Feb. 28 that talks between Iran and the five permanent members of the UN Security Council plus Germany over Tehran's disputed nuclear program may resume in April.

Today's Zaman, 29 February 2012, Iran nuclear talks may resume in April, says Davutoğlu

All options on table for Cyprus, Bağış says

Turkey might annex Turkish Cyprus if negotiation talks between Turkish and Greek Cypriots to unite the Mediterranean island fail, the Turkish EU minister said. Egemen Bağış said "all options are on table" on the Cyprus issue including a two-state solution or making Turkish Cyprus a part of Turkey, in an interview with the Turkish Cypriot daily Kıbrıs released on its website on March 4.

Hurriyet Daily News, 5 March 2012, All options on table for Cyprus, Bağış says

Erdoğan resumes plans for foreign trips

Prime Minister Recep Tayyip Erdoğan is planning a visit to Iran in the coming weeks, as he resumes domestic and foreign trips following two intestinal operations. He will travel to Bochum, Germany on March 17 to receive the Der Steiger's "Europe Prize." On March 26-27, Erdoğan will attend the Nuclear Security Summit in South Korea.

Hurriyet Daily News, 2 March 2012, Erdoğan plans trip to Iran, China
Turkish Press Review, 2 March 2012, Erdoğan due to visit Iran for nuclear talks after South Korea visit

ECONOMY / ENERGY

Turkey most exposed to capital inflow disruption, says S&P

Turkey, growing fast but building up debt, is the most exposed of 19 European countries outside the Eurozone to disruptions to capital inflows, Standard and Poor's said Feb. 29. The Emerging Europe Sensitivity Index (EESI) currently suggests that "progress has been made at least in reining in previously high current account deficits; however, there are notable exceptions such as Turkey and Ukraine. "The risk is that, despite the rebalancing achieved so far, the renewed deleveraging of the Eurozone financial sector could trigger destabilizing capital outflows from many emerging European economies, with negative knock-on effects on growth and public finance," S&P said in a statement.

Hurriyet Daily News, 2 March 2012, Turkey most exposed to capital inflow disruption, says S&P

Turkey ready for joint index with Gulf

Istanbul Stock Exchange (IMKB) Head İbrahim Turhan said Turkey, Dubai and Abu Dhabi had agreed in principle to launch a joint index, as studies continued for such an attempt with Egypt. Plans for sukuk (Islamic banking) bonds are also on the way, Turhan said, speaking on the second day of the Arab-Turkish Banking and Finance Forum in Istanbul.

Hurriyet Daily News, 2 March 2012, Turkey ready for joint bourse index with Gulf

İşbank seeks to acquire Greek bank in Egypt

İşbank, one of Turkey's leading banking and financial groups, is looking to acquire Greek owned Piraeus Bank in Egypt as part of its expansion strategy in the surrounding countries and region. İşbank has been expanding rapidly. Its asset size grew by 23 percent last year, reaching nearly 161.6 billion liras. It opened 65 new branches across Turkey, employing 2,031 people.

Hurriyet Daily News, 3 March 2012, İşbank seeks to acquire Greek bank in Egypt

Turkish investment firm withdraws bid for Saab

Turkish investment firm Brightwell Holdings BV has withdrawn its offer to acquire Swedish automotive firm Saab Automobile AB, said a company spokesman. Brightwell pulled out because General Motors Corp., the American giant which holds Saab's technology licenses, was unwilling to cooperate with it. A Chinese firm's proposal for Saab is being evaluated now that Brightwell has withdrawn its bid.

Hurriyet Daily News, 29 February 2012, Turkish investment firm withdraws bid for Saab

IMF has increased Turkey's growth rate projections

IMF revised upwards Turkey's growth rate projections as 2.3% for 2012 and 3.2% for 2013 in its "G20 Surveillance Note" for the G20 Summit held in Mexico City in Feb 25-26.

Dünya, 2 March 2012, IMF Türkiye'nin büyüme tahminini yükseltti

Turkey repays \$1.1 bln in foreign debt in February

Turkey repaid 1.1 billion USD in foreign debt in February 2012, the country's central bank announced on March 1. According to Central Bank's weekly data, total debt repaid by the Turkish Treasury alone was \$474 million. Turkey repaid a total of 12.8 billion USD in foreign debt in 2011.

Hurriyet Daily News, 1 March 2012, Turkey repays \$1.1 bln in foreign debt in February

Turkey's unemployment rate decreases

Turkey's unemployment rate decreased by 2.1 points in 2011 compared to the previous year, dropping to an overall 9.8 percent, according to Anatolia News Agency. The current unemployment rate is 11.9 percent in urban areas and 5.8 percent in rural areas.

Hurriyet Daily News, 1 March 2012, Turkey's unemployment rate decreases

Turkish official inflation at 10.43% in February

Turkish annualized inflation leapt by 10.43 percent in February, according to figures released by the national statistics office, with drinks and tobacco showing the strongest increases. In January, Turkish inflation had stood at 10.61 percent.

Hurriyet Daily News, 5 March 2012, Turkish official inflation at 10.43% in February

Brand new Turkish Lira sign revealed

The new Turkish Lira sign was revealed at a press conference on March 1. This is a signal of 'power, prestige and independence,' said the Prime Minister Erdoğan. A new symbol was needed to solidify the lira's prestige, the Central Bank governor added.

You can find the images of the new sign in the below articles.

Hurriyet Daily News, 1 March 2012, Brand new Turkish Lira sign revealed
Hurriyet Daily News, 2 March 2012, Lira's symbol reflects power of economy, Erdoğan says

DOMESTIC POLITICS

Bomb blasts in Istanbul, Ankara

The explosion of a remote control bomb placed on a motorcycle injured 15 police officers and one civilian as a police minibus was passing by in the Sütlüce district of Istanbul, near the headquarters of Turkey's ruling AK Party on Mar. 1. There was no immediate claim of responsibility. The police detained one suspect for possible links to the bombing.

Prime Minister Recep Tayyip Erdoğan condemned the attack, saying such activities would not disturb the steady path of the country. "I believe that terrorism will weaken every day with the coordinated works of our security units," Erdoğan said.

Later in the week on March 5, an explosion that occurred in front of the Supreme Court of Appeals building in Ankara injured one individual. The explosion, reportedly caused by a percussion bomb, caused panic as the site is some 200 meters away from the Prime Ministry. The blast came ahead of a Cabinet meeting at the prime minister's office.

Financial Times, 1 March 2012, Police wounded in Istanbul bomb blast
Yahoo News, 1 March 2012, Bomb injures 15 police near Turkey ruling party HQ
Hurriyet Daily News, 1 March 2012, Police detain one suspect in Istanbul explosion, CNNTürk reports
Today's Zaman, 5 March 2012, Blast near Turkish Prime Ministry injures one

Prime Minister lashes out at leading business group

Prime Minister Recep Tayyip Erdoğan and his party have fine-tuned a controversial draft education bill following opposition anger, agreeing to present students with homeschooling options after eight compulsory years in school, rather than four in 12 years of compulsory education. The prime minister, however, said students would still be allowed to choose vocational schools after four years of basic education, another point that has been harshly criticized.

Erdoğan slammed the Turkish Industry and Business Association (TUSIAD) for having a "blind ideology" as he kept up an onslaught on the business group over its criticism of the planned education reform. TUSIAD chair Ümit Boyner last week had criticized the government's plan, indicating that separation of primary education into two tiers and efforts to associate the second tier with "open learning" could cause problems in girls' schooling rates. The government later agreed to present students with homeschooling options after eight compulsory years in school rather than four, but Erdoğan slammed the business group, urging them "to mind their own business."

Hurriyet Daily News, 29 February 2012, Prime minister fine-tunes draft of education reform
Hurriyet Daily News, 2 March 2012, Prime Minister lashes out at leading business group

Former chief of General Staff testifies in court

The chief of Turkey's gendarmerie forces, Gen. Bekir Kalyoncu, testified as a witness in the "Balyoz" (Sledgehammer) coup case in Istanbul on Mar. 2. It was the first time an active force commander has testified in an ongoing case.

Two former chiefs of staff and Turkey's current gendarmerie commander vehemently denied allegations of a coup plot in an army seminar while testifying March 2 as witnesses at an Istanbul court as part of the ongoing "Balyoz" (Sledgehammer) trials.

Hurriyet Daily News, 2 March 2012, Former chief of General Staff testifies in court
Hurriyet Daily News, 3 March 2012, Senior Turkish army generals give coup testimony

Turkey's cyber defense plan to be ready in 2013

Turkey's cyber security strategic plan will be ready by next year and will be very comprehensive, Transportation and Communication Minister Binali Yıldırım stated on Mar. 1. "A coordination group has been formed under my ministry. We will first establish a Strategic Plan and will draft a Cyber Security Strategy which outlines the measures state institutions will need to take," Yıldırım said.

Hurriyet Daily News, 2 March 2012, Turkey's cyber defense plan to be ready in 2013

Turkish FM in landmark visit to minority leaders

Turkish Foreign Minister Ahmet Davutoğlu paid landmark visits to Turkey's minority religious leaders in Istanbul on March 3, discussing regional problems in the Middle East as well as underlining the importance of dialogue, religious freedoms and equal rights. Davutoğlu held meetings with Deir Za'faran Monastery Metropolitan Saliba Özmen, Greek Orthodox Patriarch Bartholomew, the acting Turkish-Armenian Patriarch Aram Ateşyan, the Ancient Syriac Community's Metropolitan Yusuf Çetin, and Chief Rabbi İshak Haleva. The visits marked the importance of dialogue between Muslims and Christians and other religious groups amid ongoing tensions between Muslims and Christians in the Middle East and the Balkans.

Hurriyet Daily News, 5 March 2012, Turkish FM in landmark visit to minority leaders
Turkish Press Review, 5 March 2012, Davutoğlu reaches out to Turkey's non-Muslim leaders at weekend tour

TUSIAD HIGHLIGHTS

TUSIAD response to French Council's ruling

TUSIAD's press release regarding the French Constitutional Council's ruling on the Armenian genocide bill lauded the Council's decision for protecting freedom of expression, human rights, and the prevention of the deterioration of the Turkish-French bilateral relations.

TUSIAD Board to visit Brussels

TUSIAD Board of Directors will be visiting Brussels on March 5-6 to hold talks on Turkey-EU economic, political, and social relations and discuss Turkey's accession process.

You can find the full press release [here](#) in Turkish.

March 6-12, 2012

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TOP STORY

Education reform bill passes in Parliament amid fight

The Justice and Development Party (AKP) rushed through the Parliament's Education Commission a controversial education bill on March 11 despite a fight with the opposition Republican People's Party (CHP). The fight broke out during the voting of the bill when about 100 AKP lawmakers, aiming to block the CHP from protracting the debate through crowded attendance and lengthy speeches, packed the meeting room an hour ahead of the session leaving only several seats for the Commission's CHP members. Despite a scene of lawmakers punching and kicking each other, hurling swear words and harassing journalists, Commission Chairman Nabi Avcı continued with the voting and the AKP approved the bill.

The education bill in question increases mandatory schooling from 8 to 12 years with three tiers of four years, known as the 4+4+4 plan, decreases minimum age for entering school from 7 to 6, introduces vocational training after the first four years, and allows home schooling after 8 years. The bill has been criticized for creating a system that will encourage child labor and undermine the schooling of girls with early introduction of vocation classes and opting out for home schooling after 8 years. Education Minister Ömer Dinçer defended the bill by saying "Students will be able to attend imam-hatip [vocational religious] schools after primary education. We are making education more flexible."

Outraged by the hasty approval of the bill, Turkey's opposition parties have vowed to seek the cancellation of the results of Sunday's session. In a press conference held on Mar. 12, CHP parliamentary group deputy chairman Muharrem İnce called on Parliament Speaker Cemil Çiçek to annul the vote. The Nationalist Movement Party (MHP) was also furious over

the bill's passage. "What happened yesterday [on Mar. 11] was a violation of the parliamentary charter. For us, these talks [at the commission] are null and void," said Mehmet Şandır, a deputy chairman of the MHP's parliamentary group.

According to a study by the CHP, which has called for greater public debate on a contentious related motion, ninety-one percent of Turks lack adequate information on how this education reform will affect their children. The survey found that nearly 87 percent of respondents disapproved of vocational training instead of regular schooling for 10-year-old boys and that 97 percent disagree with homeschooling for girls after four years of basic education, a provision that has been modified.

The Turkish education system was completely renewed in 2003 and since then each Education Minister changed at least one part of the education system. Some have said that Turkish education is not successful because of frequent changes that have compromised its stability, while some argue such changes were necessary for Turkey to find the most appropriate education system. Education Personnel Labor Union Secretary-General Ali Yalçın has said that the education system has not been stable because of military coups while Education Personnel Union Secretary-General Tuğrul Culfa opposed Yalçın's comments and attributed the instability to politics.

Hurriyet Daily News, 8 March 2012, CHP: Education bill enigma

Hurriyet Daily News, 11 March 2012, Turkish deputies injured in fighting as education bill passes

Hurriyet Daily News, 10 March 2012, Government says no step back on the education bill

Today's Zaman, 12 March 2012, Opposition seeks annulment of commission talks on education bill

Today's Zaman, 11 March 2012, Turkish national education system finding its own way

Today's Zaman, 11 March 2012, Education draft law and unchangeable parliamentary bylaw

Hurriyet Daily News, 12 March 2012, Education bill passed as brawl rocks panel

Radikal, 12 March 2012, Kürtçe dersi seçmeli oluyor, Alevi din dersine izin geliyor

FOREIGN POLICY

Gül addresses Tunisia Parliament

On March 8, President Abdullah Gül addressed the Tunisian Parliament, becoming the first foreign president to do so since the 2010 "Jasmin Revolution." In his speech, Gül advised the Parliament to work on solving economic problems, advising against populist economic policies, and extending freedoms.

Gül has praised the success of Tunisia's Rached Ghannouchi, whose Ennahda Party won elections last year following the Jasmine Revolution, during a meeting in Tunis. After visiting Ghannouchi, Gül attended an opening ceremony for a new computer laboratory at a Tunisian college, Sadiki College, funded by the Turkish International Cooperation and Development Agency (TİKA).

Hurriyet Daily News, 9 March 2012, Gül addresses Tunisia Parliament, hails revolt

Hurriyet Daily News, 10 March 2012, Gül praises Ghannouchi's success

Turkey a go-between with al-Shabaab, Mogadishu

Turkey is in talks with the extremist al-Shabaab organization, which controls Somalia's southern parts, in a move to end the 2-decade-old civil war in Somalia, seen as the Turkish

state's protégé in need of comprehensive efforts to be rebuilt. The meetings aimed at providing security for the Turkish humanitarian groups who flocked to the country after the government launched an unprecedented aid campaign to Somalia in early 2011. But the sources told the Daily News the meetings also helped to establish a channel between al-Shabaab and the central government to narrow differences on the future of the world's poorest nation. Alongside substantial help in the health and education fields, Deputy Prime Minister Bekir Bozdağ said Turkey was assessing a Somali demand for training of its security forces in Turkey. Bozdağ said a development agency is planned to open in Somaliland in the near future.

Hurriyet Daily News, 8 March 2012, Turkey acting as go-between with al-Shabaab, Mogadishu

Islamic world to form a common water vision

Representatives of the Organization of Islamic Cooperation (OIC) countries gathered in Istanbul on Mar. 5 to create a common "water vision" to improve cooperation in the access and use of water as well as find solutions to disputes on trans-boundary rivers in the region. "Millions of people are dying because of lack of access to drinkable water, and water is squandered a lot. Our aim is to form a new common vision on water among the OIC countries," Director General of Turkey's Multilateral Economic Affairs, Energy and Environment Mithat Rende said. Turkish Environment and Forestry Minister Veysel Eroğlu said Turkey was ready to share its experience, technology and expertise in water treatment and preventing flood irrigation in context with the targets of the common Water Vision.

Turkish Press Review, 6 March 2012, Islamic world to form a common water vision

Turkey, Azerbaijan, Iran call for urgent solution in Karabakh

In what has been seen by diplomats as a direct message to Armenia, which occupies 20 percent of Azerbaijan's territory, Turkey, Azerbaijan and Iran reached a consensus on the urgency of solving the Nagorno-Karabakh conflict in the Caucasus at a joint meeting on March 8. The tripartite meeting emphasized the importance of a peaceful settlement of the Nagorno-Karabakh issue. Establishing committees to increase cooperation in energy, transportation and tourism were among the issues discussed between the senior officials as well as enhancing cooperation in the fight against terrorism, transnational organized crime and drugs, arms and human trafficking.

Turkish Press Review, 8 March 2012, Turkey, Azerbaijan, Iran call for urgent solution in Karabakh

Turkey cuts Syrian oil imports

Turkey has silently stopped buying oil from Syria as part of sanctions aimed at stepping up pressure on the Bashar al-Assad regime to end its bloody crackdown on the opposition. The imports were cut last November, an energy ministry official said, adding that Turkey had bought Syrian oil worth about \$200 million in 2011. Also in November, Ankara announced that the Turkish Petroleum Corporation (TPAO) had suspended joint work with its Syrian counterpart at six wells in Syria as part of a bilateral oil exploration project. On the other side, Turkey is continuing to sell electricity to Syria, he added.

In the meantime, bus services between Turkey and Syria have been canceled as clashes intensify between the Syrian government and anti-regime military defectors.

Hurriyet Daily News, 12 March 2012, Turkey cuts Syrian oil imports
Today's Zaman, 12 March 2012, Unrest closes Turkey-Syria bus routes

ECONOMY / ENERGY

Israeli gas deal tied to resolution of Mavi Marmara dispute

Energy and Natural Resources Minister Taner Yıldız has said Turkey can facilitate the transportation of natural gas Greek Cyprus and Israel are currently working to extract in the eastern Mediterranean to northwestern markets only if and when Israel agrees to Turkey's demands regarding the killing of eight of its citizens together with a US citizen of Turkish origin onboard an aid ship two years ago. "There is only one way to transport this natural gas. The seabed of the Mediterranean is not ideal for a pipeline. Turkey, on the other hand, has a pipeline infrastructure. Why should it not be used for that purpose? Should we receive an offer, we can speak of such a partnership only when the political foundation is strengthened for it. Energy cannot carry the burden of politics," Yıldız said.

Today's Zaman, 11 March 2012, Israeli gas deal tied to resolution of Mavi Marmara dispute

As oil prices increase, current deficit continues to grow

In October, the current account deficit was \$6 billion, higher than the expected \$5.5 billion. Although the Turkish economy growth has started showing signs of slowing, the fact that the current account deficit is not decreasing is not seen as a positive sign. Economy Minister Zafer Çağlayan stated that as oil prices continue to increase, the Turkish current account deficit will continue to grow.

Dünya, 12 March 2012, Petrol zamlandıkça cari açık büyüyecek
Dünya, 12 March 2012, Cari açık Ocak'ta 6 milyar dolar
Radikal, 12 March 2012, Cari açık Ocak'ta 6 milyar dolar oldu

New incentives for nuclear power

Turkey is taking measures to take important steps in nuclear power as part of a \$60 billion incentive package aimed to lower current account deficit. Energy and Natural Resources Ministry is introducing new incentives for nuclear equipment to be produced in Turkey. This measure is proposed to be added to a package of incentives for domestic production of cars, airplanes, and tanks.

Dünya, 12 March 2012, Yerli otodan sonra, yerli nükleer geliyor

Green plan irks businessmen

Industrialists with investments in Istanbul are worried by what they say is a new environmental master plan that envisages the deindustrialization of Turkey's largest city.

Hurriyet Daily News, 12 March 2012, Green plan irks businessmen

Rupert Murdoch seeking to add to Turkish investments

Media tycoon Rupert Murdoch expressed an interest in increasing his investments in Turkey at a meeting with Prime Minister Recep Tayyip Erdoğan on March 6. Murdoch's NewsCorp is

among the bidders for ATV and Sabah, two media outlets belonging to Çalık Holding that are up for sale currently. Murdoch currently owns Turkish broadcaster Fox TV.

Hurriyet Daily News, 8 March 2012, Rupert Murdoch seeking to add to Turkish investments
Reuters, 7 March 2012, Turkey - Factors to Watch on March 7

DOMESTIC POLITICS

Ankara to take fresh Kurdish issue steps

Turkey will find a solution to the Kurdish conflict regardless of the cost, Prime Minister Recep Tayyip Erdoğan said on March 7 as Deputy Prime Minister Beşir Atalay promised fresh democratization steps. Erdoğan described the constitutional referendum of September 2010 and the Justice and Development Party's (AKP) third election victory last year as "two consecutive approvals by the nation" for the reconciliation drive. The government has been criticized for having stopped the so-called Kurdish initiative or the "national unity and fraternity project" in favor of a security-oriented approach that risks producing fresh violence from the outlawed Kurdistan Workers' Party (PKK).

Hurriyet Daily News, 8 March 2012, Ankara to take fresh Kurdish issue steps

Turkey 'under surveillance' in 'Enemies of the Internet' list

Reporters Without Borders placed Turkey "under surveillance" in its annual "Enemies of the Internet" report on March 12. The media watchdog listed countries that curtail freedom of expression on the web, as well as access to it. Turkey's taboo topics dealt with Mustafa Kemal Atatürk – the founder of modern Turkey – the army, minority issues and the "dignity of the nation," the report said, adding that these topics had served as justification for blocking several thousand sites.

Hurriyet Daily News, 12 March 2012, Turkey 'under surveillance' in 'Enemies of the Internet' list

Turkish Parliament approves bill to prevent violence against women

Turkish Parliament approved a bill to stamp out violence against women, which would introduce tough measures against abusers and provide improved protection for victims on Mar. 8 declared International Women's Day.

Hurriyet Daily News, 8 March 2012, Turkish Parliament approves bill to prevent violence against women

Hurriyet Daily News, 9 March 2012, Milestone women act passed by Turkish Parliament

Clinton, Obama present Woman of Courage Award to Turkish MP

The Republican People's Party (CHP) parliamentarian Şafak Pavey, the first disabled woman elected to the Turkish Parliament, received Secretary of State's Award for International Women of Courage on Mar. 8 at a ceremony attended by First Lady Michelle Obama and Secretary of State Hillary Clinton.

Hurriyet Daily News, 9 March 2012, Clinton, Obama present Woman of Courage Award to Turkish MP

Turkish Press Review, 8 March 2012, Safak Pavey receives International Women of Courage

award

TUSIAD HIGHLIGHTS

Boyner urges EU to solve visa problems with Turkey

Turkish Industry and Business Association (TUSIAD) Chair Ümit Boyner called on EU to solve visa problems with Turkey, as those problems had a negative impact on daily lives of Turkish people and productivity of business life. Speaking at a conference on the G20, EU and Turkey at the European Parliament in Brussels, Boyner said, "The EU is fundamental dynamics of the reform process in Turkey. The membership talks should be accelerated. Now we have three preconditions, namely, finding a solution to visa problems to ensure a positive agenda which has been previously suggested by the European Commission, and treating Turkey fairly in free trade agreements to be signed by EU with the third countries." Boyner added that Turkey, which has learned from the crisis of 2001, was now in a better situation than many other EU member countries in terms of fundamental economic indicators such as budget deficit and debt burden.

Please click for the [press release](#) in Turkish for the TUSIAD Brussels visit on March 5-6, 2012.

Turkish Press Review, 7 March 2012, Boyner urges EU to solve visa problems with Turkey

TUSIAD Foreign Trade Report

TUSIAD will announce the report entitled "Foreign Trade Logistics in Turkey: Cost and Competition Elements" on Wednesday, 14th March, 2012 at Taksim The Marmara Hotel, Istanbul.

Click [here](#) for the press release and the detailed program of the seminar in Turkish.

Dünya, 12 March 2012, TÜSİAD'dan Türkiye'de Dış Ticaret Lojistiği raporu

Statement on International Women Day

TUSIAD made a statement on March 8 International Women Day. Click [here](#) to find the press release in Turkish titled "We cannot fly to the future with one wing."

March 13-19, 2012

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TOP STORY

Growing humanitarian crisis in Syria

UN-Arab League special envoy to Syria Kofi Annan arrived in Ankara on March 12, after having talks in Syria and Qatar without a deal to end the bloody conflict in Syria. During his meetings with Prime Minister Recep Tayyip Erdoğan and Foreign Minister Ahmet Davutoğlu, Annan stressed the worsening humanitarian situation in Syria. All parties made statements on how international pressure on Assad should be increased. Ankara, along with the Human Rights Watch, accused the Syrian leadership of planting landmines near its border with Turkey along routes used by refugees fleeing the Damascus regime's deadly crackdown on dissent.

There was an influx of Syrian refugees fleeing across the border to Turkey with the one year anniversary of the Syrian revolt early last week, with around 1,000 refugees crossing the border on March 14 alone. As of March 19, the number of Syrians who have fled the ongoing violence in their country and sought refuge in Turkey was 29,301, of which 13,222 have returned to Syria, according to data by the Prime Ministry's Disaster and Emergency Management Directorate (AFAD). Today, there are still 14,446 Syrians seeking shelter in Turkey. The refugees are currently staying in 7 tent cities set up in Hatay, Turkey. In Şanlıurfa, near the halfway point of Turkey's 910-kilometre (560-mile) border with Syria, Turkey has already started building a camp site that can house up to 20,000 people. Among the refugees last week was a defecting general who joined the rebel forces based in Hatay, making the total number of rebel generals 7.

With the influx of refugees and the March 11 plea of the Syrian National Council, rumors of Turkey establishing a buffer zone at the Syrian border were again circulating last week. Deputy Prime Minister Beşir Atalay announced that Turkey was preparing to establish a buffer zone in order to host refugees fleeing clashes in Syria. However, Hüseyin Çelik, AKP deputy chairman, has rejected the claim saying that the government had not come to a full decision and that Turkey does not plan to establish a buffer zone unless there is a United Nations initiative to do so. Along with considerations of a buffer zone, Turkey has ended all its consular services in Damascus on March 16, urging its citizens to leave the country. Erdoğan stated "We are considering all options, including the withdrawal of our ambassador."

Meanwhile two Turkish journalists, reporter Adem Özköse and cameraman Hamit Coşkun, went missing last week in Idlib, Syria, where dozens of people have been killed in a Syrian army bombardment and house-to-house searches. According to eye-witnesses, members of the Shabbiha militia handed over the two journalists to Syrian intelligence officers. Currently

the Foreign Ministry is closely monitoring the situation and attempting to locate the reporters but as of March 19, there were no new developments on the situation.

Turkish Press Review, 13 March 2012, Kofi Annan arrives in Turkey
Hurriyet Daily News, 15 March 2012, Syrians flee to Turkey as Syria plants mines on border
Turkish Press Review, 16 March 2012, Turkey may consider buffer zone at Syrian border
Hurriyet Daily News, 17 March 2012, Buffer zone for Syria not on agenda of Turkey
Sabah English, 17 March 2012, Turkish journalists in the hands of Syrian intelligence
Today's Zaman, 19 March 2012, No decision yet on buffer zone in Syria, says Turkey
Today's Zaman, 19 March 2012, Number of Syrian refugees exceeds 16,000 in Turkey
Hurriyet Daily News, 19 March 2012, Turkish PM, intel chief discuss Syria, security matters

FOREIGN POLICY

Turkey receives Hamas leader

Hamas leader Khaled Meshaal met with Turkish Prime Minister Recep Tayyip Erdoğan and Foreign Minister Ahmet Davutoğlu in Ankara on Mar. 16 and met with President Abdullah Gül in Istanbul on Mar. 17. The meetings addressed issues such as domestic reconciliation process in Palestine, Israel's attacks against Gaza and its settlement policies, as well as the Syria crisis.

TurkishNY, 17 March 2012, Turkish FM Meets Hamas Leader
TurkishNY, 17 March 2012, Turkish President Receives Hamas Leader
Hurriyet Daily News, 17 March 2012, Mashaal met Turkish officials
Turkish Press Review, 19 March 2012, Hamas leader grateful to Turkey

Turkish Navy adopts new high-sea strategy

Turkey's Naval Forces aim to protect lanes of communication on the high seas to assure global maritime security and protect national interests under an austere defense budget as part of its new strategy. In the short term, the Navy will improve its situational awareness capabilities by adding corvettes and patrol boats to its fleet. Within a decade, the Turkish Naval Forces will focus on conducting operations other than war by building a reconfigurable landing platform with airlift capability, a combat-support ship, multifunctional frigates with unmanned and manned rotary-wing aircraft, as well as air-independent propulsion submarines.

Hurriyet Daily News 13 March 2012, Turkish Navy adopts new high-sea strategy

CIA, Turkey to boost cooperation in coming months

David Petraeus, the CIA chief, and Director of US National Intelligence James Clapper paid an unannounced visit to Ankara and met with Prime Minister Recep Tayyip Erdoğan and head of National Intelligence Organization (MIT) Hakan Fidan on March 13 to discuss deepening instability in Syria, the joint fight against terrorism and closer cooperation on pressing regional issues "in coming months."

Turkish Press Review, 14 March 2012, CIA head pays a visit to Erdoğan
Hurriyet Daily News, 14 March 2012, CIA, Turkey to boost cooperation in coming months

US government report criticizes Turkey on religious rights

An annual report by the US Commission on International Religious Freedom added Turkey as well as Tajikistan to a list of the worst violators of religious rights. The report criticizes Turkey for "systematic and egregious limitations" on religious liberty.

Today's Zaman, 20 March 2012, US government report criticizes Turkey on religious rights

Helicopter crash in Afghanistan kills 12 Turkish soldiers

A helicopter crash that killed 12 Turkish troops in Kabul on March 16 will have no immediate effect on Turkey's continued military presence in Afghanistan, the Turkish government has said. Despite the opposition's criticism against the government for maintaining troops in Afghanistan after the deadly crash, Ankara is standing firm on preserving Turkey's continued military presence in the country. Turkey will continue to command the International Security Assistance Force's (ISAF) command in Kabul until Nov. 1, 2012.

Turkish Press Review, 19 March 2012, Turkey to bid farewell to its soldiers killed in Afghanistan

Hurriyet Daily News, 19 March 2012, Turkish military to stay course in Kabul

ECONOMY / ENERGY

Becoming finance base a hard task for Istanbul

Turkey's biggest lenders, participating in the 1st Uludağ Economy Summit held in Bursa, Turkey, on March 14, expressed their support for Turkey's bid to make Istanbul into a regional finance center, while saying that the task will not be an easy one. While London tops the list of world finance centers, Istanbul remains at number 62 out of 75, said Faik Açıkalın, general manager of Yapı Kredi Bank, speaking at the summit. Since the start of the economic crisis in 2008, many foreign investors and financial institutions have left Dubai, Açıkalın added, "This is a chance for Turkey."

Meanwhile, Istanbul and Ankara, Turkey's largest two cities in terms of population and economic activity, rated only 74th and 95th, respectively, among 120 cities worldwide in a competitiveness survey conducted by the weekly Economist. Begümhan Doğan Faralyalı, chairwoman of Doğan Holding, stated that Turkey needs to invest more in research and development as well as education to boost its competitiveness in global markets.

Hurriyet Daily News, 19 March 2012, Becoming finance base a hard task for Istanbul

Hurriyet Daily News, 17 March 2012, Education, R&D top need, Faralyalı says

Hurriyet Daily News, 14 March 2012, Istanbul, Ankara not competitive

Turkey's trade ties bend eastward

Turkey's trade ties are bending eastward as northern Iraq becomes a "shining star" for local exporters, according to Mark Spelman, managing director at Accenture, a global management consulting, technology services and outsourcing company. "Northern Iraq will soon become the biggest trade partner of Turkey, surpassing Germany," Spelman stated at the Uludağ Economy Summit, held in Bursa on March 14. "My key observation is the diversification of Turkey's exports," said Spelman, adding that trade with Europe would be

limited, but a greater opportunity for the country would lie in the Middle East, Africa and Asia. Diversification of Turkish exports in terms of target markets tends to result in stronger ties with the Gulf nations and the Middle East.

Hurriyet Daily News, 20 March 2012, Turkey's trade ties bend Eastward, says strategist

Turkey is the second fast growing country among G20

According to the first joint three-month data on G20 countries prepared by the International Monetary Fund (IMF) and Organization for Economic Cooperation and Development (OECD), Turkey, together with Japan, was the second country following China in terms of economic growth in the third quarter of 2011. Both Turkey and Japan had 1.7% of economic growth in the third quarter, following China's 2.3% growth.

Turkish Press Review, 15 March 2012, Turkey is the second fast growing country among G20

Turkey to sue Iran over natural gas price

In the absence of an agreement over the price Turkey pays for Iranian natural gas, Energy and Natural Resources Minister Taner Yıldız has said the government is getting ready to sue the Middle Eastern country's administration in an international court of arbitration for a settlement. Yıldız said he was not suspicious of the Iranians' good intentions to resolve the matter bilaterally, yet Turkey remained with but one option after months-long discussions to that end proved futile.

Turkish Press Review, 15 March 2012, Turkey to sue Iran over natural gas price

Gazprom works on gas storage in Turkey

Russian Gazprom is conducting studies to see if it can build natural gas storage facilities in Turkey. A Gazprom official noted that last winter when Turkey's natural gas consumption was at a record high Gazprom was forced to use its underground natural gas storage facilities in Europe to meet Turkey's needs and redirected 38 million cubic meters per day to Turkey. Therefore, Gazprom believes Turkey needs its own underground natural gas storage facilities.

Hurriyet Daily News, 20 March 2012, Gazprom works on gas storage in Turkey

Turkey to drill off gas in Cyprus, says TPAO

Turkey will begin drilling for oil or gas off Turkish Cyprus towards the end of March, having carried out seismic studies, the head of state energy company Turkish Petroleum Corporation (TPAO) said on March 12.

Hurriyet Daily News, 13 March 2012, Turkey to drill off gas in Cyprus, says TPAO

Bulgaria, Turkey ink deal

The Bulgarian government ratified on March 13 an economic cooperation agreement with Turkey to boost commercial, economic, technical and technological cooperation between the two countries. The ratification came ahead of Bulgarian Prime Minister Boyko Borissov's visit to Turkey before March 20.

Hurriyet Daily News, 14 March 2012, Bulgaria, Turkey ink deal

Turkey, Venezuela likely to sign barter agreement

Mithat Cansız, president of the Turkish Petroleum International Company Ltd. (TPIC), an affiliate of the state-run Turkish Petroleum Corporation (TPAO), announced on March 19 that Turkey and Venezuela have reached the final phase of negotiating a barter agreement. According to Cansız, the agreement, which will enable Turkish firms to construct housing and infrastructure in Venezuela in return for the rich petroleum resources of the country, will be signed within the next couple of weeks.

Today's Zaman, 19 March 2012, Turkey, Venezuela likely to sign barter agreement

DOMESTIC POLITICS

Education reform

Debate over the education reform in Turkey continues with the main opposition Republican People's Party's (CHP) second application to Parliament Speaker Cemil Çiçek to nullify the approval of the education reform bill at a meeting of Parliament's Education Commission. Meanwhile Education Minister Ömer Dincer attempted to ease concerns over the controversial plan. Dincer announced on Monday that Turkey will have to use two separate curriculums in the first stage of compulsory education (primary school) while transitioning to the new 12-year compulsory education system, where the current students will continue with their curriculum and the newly registered students will use the new curriculum. Dincer also claims that many children will be out of the school system if the government goes through with its education reform. "A cabinet decree will determine those within the scope of home schooling. Their number will be very limited, not more than 2 percent," he reassured reporters.

The education reform bill has also been criticized by educators for not having consulted them. Some fear that the debate on the quality of education is being neglected amid the controversy.

Financial Times, 14 March 2012, Education reforms divide Turkey

Hurriyet Daily News, 17 March 2012, CHP makes second attempt on disputed education reform

Hurriyet Daily News, 17 March 2012, 'Quality of teaching neglected amid education controversy'

Today's Zaman, 19 March 2012, Dincer: Two separate curriculums to be used in primary school

Hurriyet Daily News, 20 March 2012, Home study will have limited scope: minister

Journalists released after 375 days behind bars

Four journalists, who had been in prison for 375 days within the on-going Oda TV and Ergenekon investigations, were released by a court in Istanbul yesterday. Since their initial detention in March last year, Ahmet Şık and Nedim Şener, both investigative journalists, had become the best known of more than 100 journalists held behind bars in the country. The court announced yesterday that the two men, along with their colleagues Sait Cakir and Coskun Musluk would no longer be detained at Turkey's maximum security Silivri jail, because of the "the probability of the crime's qualification being subject to change," and

"the time suspects spent under arrest."

While both Turkish and EU officials welcomed the release of the journalists, an Istanbul prosecutor relaunched an investigation into "threatening" comments uttered by Şık on the day of his release, accusing him of threatening judges and prosecutors and depicting them as targets for terrorist organizations in the new probe.

Turkish Press Review, 13 March 2012, Journalists released after 375 days behind bars
Turkish Press Review, 13 March 2012, EU welcomes release of Turkish journalists
Hurriyet Daily News, 20 March 2012, Freed journalist Şık to go under new probe

Nevruz clashes in Istanbul, Diyarbakır

Provincial governments refused requests by the pro-Kurdish Peace and Democracy Party (BDP) to organize Nevruz celebrations in Istanbul and in the predominantly Kurdish province of Diyarbakır for Sunday, March 18, arguing that Nevruz is celebrated on March 21 each year, which will fall on a Wednesday this year, not Sunday. Intelligence reports have suggested that the Kurdistan Workers' Party (PKK) is planning to stage bloody attacks during Nevruz, which is celebrated by at least 100,000 people on the streets of Diyarbakır alone.

When tens of thousands of people led by BDP politicians gathered on March 18 in Diyarbakır and Istanbul to celebrate Nevruz, ignoring the ban, clashes broke out between the police and crowds. The bill from the damages in the clashes reached 1 million Turkish Liras. Officials from the ruling AKP blamed the BDP for the clashes.

Today's Zaman, 16 March 2012, Officials refuse BDP request to organize Nevruz celebrations on Sunday
Hurriyet Daily News, 18 March 2012, Diyarbakır marks Nevruz amid tension in Istanbul
Hurriyet Daily News, 19 March 2012, Bill from Istanbul Nevruz damage comes in at 1 mln Turkish Liras
Hurriyet Daily News, 20 March 2012, Government holds BDP responsible for clashes

TUSIAD HIGHLIGHTS

TUSIAD-USCC launch joint report

A joint report prepared by Sidar Global Advisors (SGA) for TUSIAD and USCC (United States Chamber of Commerce) entitled "US-Turkish Economic Relations in a New Era: Analysis and Recommendations for a Stronger Strategic Partnership" was launched on March 14, 2012, in an event hosted by the USCC in Washington, DC.

The US Assistant Secretary of Commerce Michael Camuñez delivered the keynote speech in the event. Speakers included Peter Rashish, Vice President for Europe and Eurasia at the USCC, Bahadır Kaleağası, International Coordinator of TUSIAD, Timur Söylemez, Deputy Chief of Mission at the Turkish Embassy in Washington, DC, and SGA managing director Cenk Sidar.

The report examines the current state of US-Turkey economic relations, including the political and legal contexts governing trade and investment in both countries, challenges and opportunities in both markets and offers strategic recommendations for both the business community and policymakers on both sides.

The report will be launched in Turkey on April 12, 2012 within "Turkey-USA Business Forum," a TUSIAD-USCC joint event to be held in Istanbul.

Please click for the TUSIAD [press release](#) and the [full report](#).

"Foreign Trade Logistics" report

TUSIAD announced the report entitled "Foreign Trade Logistics in Turkey: Cost and Competition Elements" on March 14, 2012 at Taksim The Marmara Hotel, Istanbul.

TUSIAD President Ümit Boyner and TUSIAD Foreign Trade and Customs Union Working Group President Asım Barlin made the opening speeches of the seminar.

Please follow the link to access the [executive summary](#) and the [full report](#) in Turkish.

TUSIAD Conferences

Last week, TUSIAD organized a "Gender Equality and Development" Conference on March 17, 2012. You may find the relevant [press release](#) here in Turkish.

For the upcoming week, TUSIAD is organizing the 5th conference of the Sectoral Overview Series entitled "Sectoral Overview: Iron and Steel Industry" at Iskenderun Chamber of Commerce and Industry on March 21, 2012. You may find the [press release](#) and the detailed [program](#) here in Turkish.

TUSIAD is also organizing Boğaziçi University-TUSIAD Foreign Policy Forum seminar entitled "The Elections in France and Their Possible Effects on the Relations with Turkey" on March 23, 2012 in Istanbul.

March 20-26, 2012

THIS WEEK:

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- Global Human Development Forum held in Istanbul on March 22
- Turkey to boost defense ties with Oman, UAE
- Details of Malatya radar system operations

ECONOMY / ENERGY

- Shunned by US, Turkey looks for alternative oil
- Ankara, Sofia hold joint Cabinet session, start pipe project
- Highlights from the Turkish economy
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DOMESTIC POLITICS

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- Education bill set to hit floor amid new debate in Turkey

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- Foreign Policy Forum Seminar on French General Elections

TOP STORY

Erdoğan, Obama discuss Syria at Seoul meeting

Prime Minister Recep Tayyip Erdoğan and US President Barack Obama discussed Syria and Iran on March 25 ahead of a nuclear summit in Seoul. The two leaders agreed on the need to send "non-lethal" aid to Syrian rebels, including communications equipment, and that the Friends of Syria meeting to be April 1 in Istanbul should seek to provide such aid and medical supplies.

Obama said they are "very much in agreement" that transition to legitimate government in Syria is needed, adding that Erdoğan is an "outstanding" partner. The two also discussed Erdoğan's upcoming trip to Iran to discuss Syria and the results of the nuclear summit and increased PKK activities along the Turkish border.

An intelligence report submitted to the Turkish government recently suggests that the Syrian leadership has revived its support to the outlawed Kurdistan Workers' Party (PKK), in retaliation for pressure from Ankara on Bashar al-Assad to step down. PKK members can move freely inside Syria, and are allowed to bear arms and launch propaganda campaigns against Turkey, the report states, showing a clear change in Damascus' policies, which had banned the PKK's activities in 1999 as a result of a bilateral agreement with Turkey.

Turkey has tightened security measures along the Syrian border, doubling security personnel in order to better manage both the influx of refugees and the increased PKK threat coming from Syria. Turkey also has been actively working with the Kurdish Regional Administration (KRG) in northern Iraq to counter the growing threat from Syria. KRG president Massoud Barzani is working with the Kurdish National Council Syria (KNCS), a representative body of Syrian Kurds, to create a Kurdish coalition in order to marginalize the PKK.

Meetings between various factions of the Syrian opposition will be taking place in Istanbul this week ahead of the April 1 Friends of Syria meeting. "90 percent of the opposition parties will be united by April 1, under the umbrella of Syrian National Council" according to Mohammad Riad Al Shaqfa, leader of the Syrian Muslim Brotherhood.

Meanwhile, Turkey closed its embassy in Damascus on March 26 because of deteriorating security conditions in Syria.

Turkish Press Review, 22 March 2012, Turkey tightens security measures on Syrian border to prevent PKK entry

Today's Zaman, 23 March 2012, Turkey enlists northern Iraq's help in countering threat of Syria-PKK alliance

Hurriyet Daily News, 23 March 2012, Syria supporting PKK, says intelligence report

Hurriyet Daily News, 25 March 2012, Erdoğan, Obama discuss Syria, Iran at Seoul meeting

Dünya, 25 March 2012, İkili Suriye'yi konuştu

Hurriyet Daily News, 26 March 2012, Syria's Muslim Brotherhood meets in Turkey

Hurriyet Daily News, 26 March 2012, Turkey, US join hands on Iran, Syria and PKK fight

Hurriyet Daily News, 26 March 2012, Turkey shuts embassy in Damascus: diplomat

Hurriyet Daily News, 26 March 2012, Turkey's Erdoğan meets UN head, discusses Syria, Cyprus

FOREIGN POLICY

Erdoğan to promote nuclear-free Middle East at North Korea Summit

Prime Minister Recep Tayyip Erdoğan is expected to highlight his country's opposition to nuclear arms in the Middle East, be it in Iran or Israel, at the 2012 Seoul Nuclear Security Summit to be held March 26-27. Erdoğan is expected to make the case that focusing only on Iran in terms of nuclear proliferation will not help non-proliferation efforts in the world, saying that Israel is also known to possess nuclear weapons. The prime minister will also emphasize the right to develop nuclear energy for peaceful purposes. Following the summit, Erdoğan will head to Tehran to discuss the results and final message of the summit.

Today's Zaman, 23 March 2012, Erdoğan to promote nuclear-free ME at summit in S. Korea

Global Human Development Forum held in Istanbul on March 22

Delegates to the first Global Human Development Forum unanimously adopted an "Istanbul Declaration" on March 23 calling on the world community to take bold action against global social inequities and environmental deterioration at the UN Conference on Sustainable Development in Rio this June. The two-day Global Human Development Forum was held in Istanbul and was organized by UNDP's Human Development Report Office and Bureau of Development Policy in partnership with the Government of Turkey's Ministry of Development.

Human Development Reports, 23 March 2012, Global Human Development Forum held in Istanbul on March 22

Turkey to boost defense ties with Oman, UAE

Turkey is seeking to bolster defense industry ties with Oman and the United Arab Emirates as part of efforts to boost defense industry cooperation with Islamic states following a recent high-level visit to the two countries. According to a Turkish procurement official, Oman is interested in products of Turkey's missile maker Roketsan, the private armored vehicle maker FNSS, and the ammunition producer MKEK. UAE, on the other hand, is interested in investing in Turkish defense companies.

Hurriyet Daily News, 26 March 2012, Turkey to boost defense ties with Oman, UAE

Details of Malatya radar system operations

Turkey is the approving authority for a NATO radar system recently launched in the eastern province of Malatya, while the US coordinates the operation and maintenance of the system, according to Pentagon sources. Although the radar is part of NATO's defense system, it is not connected to NATO yet. A plan to integrate the system with NATO is expected to be finalized at a NATO summit in May.

Hurriyet Daily News, 23 March 2012, Pentagon source tells Malatya radar's details

ECONOMY / ENERGY

Shunned by US, Turkey looks for alternative oil

The US exempted Japan and 10 EU nations from financial sanctions because they have

significantly cut purchases of Iranian crude oil, but left China and India, and allies such as Turkey and South Korea, leaving them exposed to possible US sanctions as Iran's top customers. The US State Department spokesperson has said the US is working with Turkey to reduce its dependence on Iranian oil and find alternative sources.

Turkey is in talks with Saudi Arabia and Libya to buy oil in a bid to diversify supplies, Turkish Energy Minister Taner Yıldız has said. Stressing that Ankara would continue to seek exemption from US sanctions on Iran, Yıldız has stressed that he knows of no official US list that targets Turkey as well as a number of other countries that can be sanctioned by the US because of their purchases of oil from Iran.

Meanwhile, Turkish Foreign Ministry made a statement explaining that the Turkish research vessel Piri Reis will be carrying out an academic marine survey in Turkish territorial waters and international waters of the Aegean until March 29, and not oil and gas exploration.

Hurriyet Daily News, 22 March 2012, Shunned by US, Turkey looks for alternative oil
Today's Zaman, 23 March 2012, Gov't denies knowledge of US oil sanctions list targeting Turkey

Today's Zaman, 23 March 2012, US says helping Turkey reduce dependence on Iran oil
Dünya, 23 March 2012, ABD'nin kara listesine Yıldız'dan açıklama
Hurriyet Daily News, 24 March 2012, Turkey: Piri Reis conducts survey, not oil

Ankara, Sofia hold joint Cabinet session, start pipe project

Turkey and Bulgaria held their first "joint Cabinet meeting" as part of a newly inaugurated High-Level Cooperation Council mechanism aimed at deepening economic ties and political consultations between the two neighbors on March 20. Prime ministers Recep Tayyip Erdoğan of Turkey and Boyko Borisov of Bulgaria chaired the gathering, attended by about 10 ministers from each side. A technical committee from Bulgaria has started working with Turkish staff on a natural gas pipeline from Turkey to Bulgaria, Energy Minister Taner Yıldız said on March 23 in Kayseri following the results of the High-Level Cooperation Council meeting.

Hurriyet Daily News, 21 March 2012, Ankara, Sofia hold joint Cabinet session
Hurriyet Daily News, 24 March 2012, Bulgarian staff comes to Turkey for pipe project

Highlights from the Turkish economy

On March 21, Central Bank Governor Erdem Başçı stated that the bank would continue implementing strict monetary discipline until the country's consumer inflation can be reduced to 5 percent. Turkey's consumer prices increased by 0.56 percent in February, resulting in an annualized consumer price index (CPI) increase of 10.43 percent, down from a three-year peak of 10.61 percent in January. Başçı had earlier said Turkey was likely to have an inflation rate close to the targeted 5 percent in 2012.

On the other hand, according to a study of Purchasing Power Parity covering 37 countries, which was conducted in cooperation by the Turkish Statistical Institute (TUIK), EUROSTAT and OECD, Turkey's income has rose from 42 percent of the average in EU 27 in 2007 to 49 percent in 2010.

At a Turkish-Dutch Business Forum, Economy Minister Zafer Çağlayan said that he expected Turkey to be the 16th largest economy in the world by the end of this year.

Today's Zaman, 21 March 2012, CB vows monetary tightening until inflation sees 5 percent
Dünya, 22 March 2012, Cari açık beklentisi 64 milyar dolara çıktı
Dünya, 23 March 2012, Türkiye olarak 16. sıraya göz diktik
Turkish Press Review, 26 March 2012, Turkey increases its purchasing power

New incentive system

Anticipated improvements in Turkey's investment environment following a new incentive package will boost foreign direct investment (FDI) inflow to Turkey, Economy Minister Zafer Çağlayan stated on March 23. The new incentives system will rank provinces in terms of social-economic development. A new feature is an investment rebate system under which investors may rebate a new investment from their current business, which may encourage additional investments in different incentive regions. The incentive package also includes attractive incentives such as land allocation and relatively lower labor costs.

On another note of further relief to businesses, Minister of Economy Zafer Çağlayan announced on March 21 that companies doing business in Syria and Libya could wait a year to pay their public debts. Çağlayan said that due to the political risk and power vacuum these firms could not receive their claims and as a result could not pay their debts.

Turkish Press Review, 21 March 2012, Good news for companies at Libya and Syria
Hurriyet Daily News, 23 March 2012, New incentive system awaits Turkish PM
Today's Zaman, 23 March 2012, Gov't has faith new incentives will boost FDI in Turkey

DOMESTIC POLITICS

CHP acts on Gül's term

The main opposition Republican People's Party (CHP) applied to the Constitutional Court on March 21 for the cancelation of a controversial law that fixed President Abdullah Gül's term at seven years, asking for the annulment of six articles of the law for being unconstitutional. The law, passed by Parliament on Jan. 19, has come under fire for being tailor-made to suit Prime Minister Recep Tayyip Erdoğan's widely-expected move to ascend to the presidency after Gül completes his tenure in 2014.

Hurriyet Daily News, 22 March 2012, CHP acts on Gül's term

Education bill set to hit floor amid new debate in Turkey

Parliament Speaker Cemil Çiçek ignored opposition Republican People's Party (CHP) calls to nullify the recent education bill's approval at the Education Commission and passed the issue to the General Assembly on March 23. Çiçek maintained that he was not legally empowered to make a decision on whether the March 11 vote at the Commission, which took place amid fistfights and without any debate on the draft, complied with Parliament's procedural rules.

Prime Minister Recep Tayyip Erdoğan has commented on the education bill explaining that there will be no exam for students to enroll in universities and the vocational education will be boosted. The ruling Justice and Development Party (AKP) has imposed a travel ban on its lawmakers from March 27 until April 5 to ensure full attendance in the parliamentary debate on the education bill.

Hurriyet Daily News, 26 March 2012, Education bill set to hit floor amid new debate in

Turkey

Hurriyet Daily News, 24 March 2012, Çiçek ignores calls on education draft

TUSIAD HIGHLIGHTS

Sectoral Overview: Iron and Steel Industry

TUSIAD organized the 5th conference of the Sectoral Overview Series in cooperation with Sectoral Organizations Federation (SEDEFED) and Turkey Iron-Steel Producers Organization (Türkiye Demir Çelik Üreticileri Derneği) titled "Sectoral Overview: Iron and Steel Industry" on March 21, 2012 at Iskenderun Chamber of Commerce and Industry.

Ümit Boyner, the President of the Board of Directors of TUSIAD made an opening speech at the conference highlighting the importance of microeconomic reforms in specific sectors in order to better protect an economy from crises and the role of the iron and steel industry in Turkey in this balance. Boyner emphasized the top three support mechanisms for any sector: technology to improve added value, innovation, and investment both in infrastructure and human capital.

Please follow the links for the [program](#) of the event, the related [press release](#), and the full [speech](#) in Turkish.

Foreign Policy Forum Seminar on French General Elections

Boğaziçi University-TUSIAD Foreign Policy Forum organized a seminar titled "The Elections in France and Their Possible Effects on the Relations with Turkey" on March 23, 2012 at TUSIAD Headquarters in Istanbul.

Details of the event can be found [here](#) in Turkish.