

May 2012

May 1-7, 2012

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- Turkey begins second stage of constitutional reform

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- Ankara, Kiev sign deal to boost cooperation
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TOP STORY

Turkey begins second stage of constitutional reform

Turkey's Constitutional Reconciliation Commission began the second stage of creating the first civilian constitution in Turkey on May 1 following a six-month-preparatory process. The commission includes three members of each of the four parties represented in the Parliament. Regardless of the distribution of the seats in Parliament, the ruling Justice and Development Party (AK Party), the main opposition Republican People's Party (CHP), the Nationalist Movement Party (MHP) and the pro-Kurdish Peace and Democracy Party (BDP) have equal representation on the commission.

Putting the new charter into words will be "the hardest stage" in the drive for a new constitution, said Parliament Speaker Cemil Çiçek. "We should discuss everything on the table and write the text after reaching reconciliation," he said. Only two months have been allocated for the second stage, so the commission must act quickly in order to complete its work on time. The "rights and freedoms" chapter will be the first issue on the agenda because it is agreed to be the least contentious topic.

Before the commission begins penning the articles, the Commission met with prominent constitutional experts on May 3 to discuss the methodology of writing the charter. This process is expected to take few weeks.

The first stage, which included gathering information, exchanging views, and conducting analyses, was completed on April 30. As a result of this public consultation period, the commission has heard views from civil society platforms, including 14 political parties, 21 universities, 39 professional organizations and unions and 79 associations and foundations, as well as 25,440 people who shared their views via the committee's official website.

According to the input, the results of "Turkey Speaks" platform where the Turkish Union of Chambers and Commodities Exchanges (TOBB) toured 13 provinces around the country, and the studies carried out by Economic Policy Research Foundation of Turkey (TEPAV), the main expectations for the new charter are rights and freedoms, justice, and removal of immunity.

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Today's Zaman, 29 April 2012, Highest demands for constitution: justice, removal of immunity

Today's Zaman, 30 April 2012, Commission to meet on Friday to begin drafting new charter
Hurriyet Daily News, 30 April 2012, Panel for new charter starts landmark duty in Turkey
Hurriyet Daily News, 1 May 2012, Charter heads into 'the hardest stage,' says Parliament Speaker

Today's Zaman, 1 May 2012, Parliament to discuss method of drafting new constitution
Hurriyet Daily News, 7 May 2012, Rights, freedoms first topic for charter writing
Hurriyet Daily News, 8 May 2012, CHP to defy 'charter talk provocations'

FOREIGN POLICY

Turkey sees decline in media freedom

Although Turkey has remained a "partly free" country in terms of freedom of the press, the country's score in media freedoms decreased by one point in 2011, according to a report released on May 1 by Washington-based Freedom House. "Constitutional guarantees of freedom of the press and expression are only partially upheld in practice, undermined by restrictive provisions in the criminal code and Anti-Terrorism Act" the report said.

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Today's Zaman, 1 May 2012, Turkey sees decline in media freedom, US watchdog says in report

Report: Turkey to become more prominent in 2030

The European Union's Global Trends 2030 report says Turkey will play an even more influential role in the international community in 2030. According to the Global Trends 2030 report, Turkey, along with several other middle powers, will become even more prominent. The report highlights by 2030 there will be a multi-polar world and no country will be able to dominate individually. On Turkey, the report finds: "Turkey has been a middle power for most of the last two centuries, and its elites and people are confident about the country's global and regional position. Current trends suggest Turkey will maintain and even bolster its status as a middle power in demographic, economic, territorial and military terms."

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Turkish Press Review, 3 May 2012, Report: Turkey to become more prominent in 2030

## **Turks and Kazakhs sign contracts in defense industry**

Turkish defense contractors signed several agreements with Kazakh counterparts, boosting cooperation between the countries' defense industries during a May 5 defense fair in the Kazakh capital of Astana.

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Today's Zaman, 1 May 2012, Turks and Kazakhs sign contracts in defense industry

Armenians launch large campaign against Turkey

US Armenians have launched one of their largest donation campaigns to "help bring down Ankara's last firewalls against the justice Turkey owes the Armenian nation," Armenian National Committee of America (ANCA) said on the weekend.

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Hurriyet Daily News, 3 May 2012, Armenians launch large campaign against Turkey

## **Turkey to build new refugee centers**

Visiting a border Syrian refugee camp in the southern Gaziantep province, Prime Minister Recep Tayyip Erdoğan challenged the al-Assad regime and delivered a message of support to migrants. Turkey will continue to support the Syrian people and take care of refugees until the regime is defeated, Erdoğan said as he hailed a looming victory for the opposition during his visit on the eve of parliamentary elections in Syria.

Turkish Interior Minister İdris Naim Şahin has stated Turkey is set to build new centers to accept, accommodate and repatriate refugees and asylum seekers in seven cities around the country.

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Turkish Press Review, 1 May 2012, Erdogan: "Your suffering is ours"

Today's Zaman, 3 May 2012, Davutoğlu, UN envoy Annan discuss Syria amid shaky truce

TurkishNY, 5 May 2012, Turkey to build new refugee centers

Today's Zaman, 6 May 2012, Turkish premier: Syrian regime weaker every day

Hurriyet Daily News, 7 May 2012, Your victory is near, PM tells Syrians in Turkey

US supports Turkey's target of being a top ten economy

US Ambassador in Ankara Francis Ricciardone has said that the US was supporting Turkey's target to be one of the top ten economies of the world. Speaking at a luncheon hosted in his honor in Istanbul on May 4, Ricciardone noted the dynamism in Turkish economy and reiterated that Turkey and the US were exerting efforts together for a more prosperous and stable world.

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TurkishNY, 4 May 2012, US supports Turkey's target of being among world's top ten economies

## **ECONOMY / ENERGY**

Turkey's foreign trade deficit narrows, inflation rises

The foreign trade deficit has continued to narrow in March, ahead of market expectations, according to tentative foreign trade data released by the Turkish Statistical Institute and the Ministry of Customs and Trade. The deficit stands at \$13.2 million. Imports also decreased by 4.8 percent.

On the other hand, Turkey's annual inflation rose to 11.14 percent in April after holding steady at 10.43 percent for two months. Consumer price inflation accelerated to 11.1 percent in April compared with the same month last year, hitting a nearly two and a half year high. Deputy Prime Minister Ali Babacan stated the rise was expected and temporary. The figures show that electricity and natural gas prices, which were raised 9.26 percent and 18.72 percent respectively as of April 1, have started to affect overall prices.

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Hurriyet Daily News, 1 May 2012, Turkey's foreign trade deficit narrows by 25 percent
Hurriyet Daily News, 3 May 2012, Turkish official inflation rises to 11.1% in April
Hurriyet Daily News, 4 May 2012, Inflation jumps on hike in gas, electricity prices
Today's Zaman, 7 May 2012, Babacan calls rise in inflation temporary

S&P downgrades Turkey

S&P downgraded Turkey's BB standing from positive to stable on May 1, explaining "Less-buoyant external demand and worsening terms of trade (the price of exports compared to imports) have, in our view, made economic re-balancing more difficult, and have increased the risks to Turkey's creditworthiness given its high external debt and the state budget's reliance on indirect tax revenues." In addition, the agency revised the outlook of Turkey's six major banks from positive to stable on May 4.

Turkish Prime Minister Recep Tayyip Erdoğan denounced Standard and Poor's rating agency on today, saying its downgrading of Turkey's outlook was clouded by an "ideological approach."

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TurkishNY, 1 May 2012, S&P'den Türkiye'ye Kötü Haber  
Hurriyet Daily News, 3 May 2012, Turkey angry at S&P for downgrading ratings  
Today's Zaman, 3 May 2012, PM Erdoğan rebukes S&P over rating revision  
Today's Zaman, 7 May 2012, Standard & Poor's downgrades rating of 6 Turkish banks to stable

## **Iraq will be Turkey's number one**

The Mosul (Ninawa) Governor's Office in the northern Iraqi Kurdistan Regional Government is set to hold its first international investment conference in Istanbul on May 2-3, under the sponsorship of Osama al-Nujaifi, president of the Iraqi parliament. The conference was organized to discuss investment opportunities, facilities and privileges that have been made available to investors by the Iraqi government.

"Turkey and Iraq were like the owners of two neighboring stores who love each other, but never buy goods from one another," Turkey's Economy Minister Zafer Çağlayan said at the

opening ceremony, Iraq opens up to the world through Turkey. Çağlayan also said more than 1,200 Turkish firms have investments in Iraq and that number will increase soon.

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Turkish Press Review, 3 May 2012, Iraq will be Turkey's number one

Today's Zaman, 1 May 2012, Mosul to hold first international investment conference in Turkey

Ankara, Kiev sign deal to boost cooperation

Turkey and Ukraine signed a protocol on May 4 to deepen economic and trade cooperation between the two countries. The protocol was signed by Turkish Deputy Prime Minister Ali Babacan and his Ukrainian counterpart Sergei Tigipko after the eighth term meeting of the Turkey-Ukraine Trade and Economic Cooperation Committee, in the Ukrainian capital Kiev.

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Hurriyet Daily News, 7 May 2012, Ankara, Kiev sign deal to boost cooperation

## **Code lets foreigners buy more local land in Turkey**

Turkey's Parliament has approved a law that eases restrictions on the sale of land and real estate to foreign citizens and firms despite harsh objections from opposition parties. The bill, approved late May 3, most notably removes the condition of reciprocity, which dictates that the citizens of 89 countries currently do not have the right to own property in Turkey because Turkish nationals are not entitled to own property in those countries, and increases the total amount of real property that a foreigner can own from 25,000 square meters to 300,000 square meters in all of Turkey.

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Hurriyet Daily News, 5 May 2012, Code lets foreigners buy more local land in Turkey

Today's Zaman, 6 May 2012, Mutual simplicity in sale of real estate to foreigners

Today's Zaman, 3 May 2012, Parliament passes bill on sale of real estate to foreigners

Draft oil law grants equal rights to foreign investors

Energy companies will have to submit an investment program making an investment commitment based on annual schedules to carry out energy exploration, according to a draft oil law discussed at Cabinet. They will also only be able to keep their rights to a field for a maximum of one year if they stop their activities there. Officials said the new law would encourage local and foreign investors in terms of investments in fields. The biggest aim of the draft law is to get intermediaries called baggers out of the way and the biggest obstacle in front of exploration and production activities is that all fields have been licensed, a source stated.

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Hurriyet Daily News, 4 May 2012, Draft oil law grants equal rights to foreign investors

## **Turkey wants more ties with developing world**

Addressing the participants of an Investment Meeting in Dubai, Economy Minister Zafer Çağlayan said on May 1 that developing countries would be responsible for 60 percent of the global economy in the next 10 years and that Turkey was therefore paying great attention to developing economic and political cooperation with them.

Later in the week, speaking at the Turkey-Zambia Trade and Investment Forum in Istanbul, Çağlayan reiterated that Turkey is ready to cooperate in every field with Zambia, including education and health. Turkish-Zambian trade volume is \$120 million with Turkey importing \$114 million, most of which are copper imports.

However, Turkey's exports to African nations have grown rapidly as the country's diplomatic attention to the continent has also risen over the past decade. Turkish exports to Africa jumped sevenfold in 10 years, reaching \$10.3 billion in 2011, according to data provided by the Foreign Ministry.

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Hurriyet Daily News, 2 May 2012, Turkey wants more ties with developing world

Hurriyet Daily News, 7 May 2012, Turkey open for you, minister tells Zambia

Hurriyet Daily News, 5 May 2012, Diplomats to Africa open way for trade

Today's Zaman, 6 May 2012, Turkey first on Zambian list for investment promotion

DOMESTIC POLITICS

'Violence has no ties to education, wealth'

Violence against women in Turkey increased one-and-a-half times between 2008 and 2011, according to a parliamentary report released over the weekend. The parliamentary Human Rights Investigation Commission's sub-commission on violence against women and family members compiled information from applications submitted to the gendarmerie and police stations between 2008 and 2011. The cases included honor-based crimes, sexual harassment and assault, the promotion of prostitution, intentional injury, torture, the sexual abuse of minors, fraudulent marriage and forced marriage.

A recent official survey demonstrates that domestic violence afflicts Turkey across the board, irrespective of education and wealth, despite perceptions to the contrary, according to Ayhan Sefer Üstün, the head of Parliament's Human Rights Commission. The official survey has indicated that the greatest levels of violence occur in Turkey's western regions. The southeastern provinces of Hakkari, Şırnak, Van ranked at the bottom of the list concerning rates of domestic violence in recent years, according to the study.

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Today's Zaman, 7 May 2012, Gender-based violence nearly doubles in 3 years, report says  
Hurriyet Daily News, 8 May 2012, 'Violence has no ties to education, wealth'

### First hearing of merged Ergenekon trials

The first hearing of a case which has merged all existing investigations into Ergenekon was held on May 6. Sixteen indictments have been prepared regarding the cases filed as part of the investigation into Ergenekon so far. There are a total of 256 suspects, 61 of whom are jailed pending trial.

The suspects include former chief of General Staff Gen. İlker Başbuğ, retired Gens. Hurşit Tolon and Veli Küçük and Republican People's Party (CHP) deputies Mustafa Balbay, Mehmet Haberal and Sinan Aygün.

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Today's Zaman, 6 May 2012, First hearing of merged Ergenekon trials slated for today

CHP No 2 submits his resignation

Turkey's restive main opposition was hit by fresh turmoil yesterday as the right-hand man of party leader Kemal Kılıçdaroğlu submitted his resignation, disgruntled with long-running disagreements over the party's vision and a row over how to organize its influential Istanbul branch. Keen for a far-reaching overhaul of the party in favor of a more socially democratic agenda, Tekin had pushed Kılıçdaroğlu to revise the party leadership during the CHP's extraordinary convention in February, but Kılıçdaroğlu turned down the suggestion on grounds that such a move would stir up fresh in-house tensions, sources said.

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Hurriyet Daily News, 4 May 2012, CHP No 2 submits his resignation

## **TUSIAD HIGHLIGHTS**

### **Mergers & Acquisitions in Turkey**

As TUSIAD we would like to analyze the company behavior in Turkey and the investment environment and discuss possible solutions as to how to improve M&A transactions. In this light, TUSIAD will organize a half day seminar that will take place in Istanbul Yapı Kredi Plaza on May 8 titled "Mergers and Acquisitions in Turkey: How to Cooperate to be More Competitive?"

Please follow the links to access the [program](#) and the related [press release](#) in Turkish.

### **"The Mirrless Review: Tax Reform for a Modern Economy"**

Koç University-TUSIAD Economic Research Forum (ERF) organized a conference titled "The Mirrless Review: Tax Reform for a Modern Economy" to be held on May 4, 2012 in Istanbul. In the conference, "TUSIAD Best Young Lawyer Award 2012" was present to İsmet Yurteri, a Konya Selçuk University student by Volkan Vural, a Member of the Board of Directors of TUSIAD.

Please click to access the [press release](#) in Turkish.

### **Italy-Turkey Economic Forum**

In cooperation with the Ministry of Economic Development and the Ministry of Foreign Affairs of Italy, TUSIAD organized "Italy-Turkey Economy Forum" on May 2-3 in Istanbul, bringing Turkish and Italian companies together to explore new business opportunities between the two countries. Sectoral seminars and B2B meetings were arranged in the sectors of machinery and energy/renewable energy during the event.

Please click to access the [press release](#) in Turkish.

## **May 8-14, 2012**

### **THIS WEEK:**

#### TOP STORY

- Özel, Gül to visit Washington

#### FOREIGN POLICY

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Washington, D.C.

- Hashemi to remain in Turkey 'until Iraq's political crisis is settled'
- Turkey considers repairing ties with France
- Turkey approved deal for training Pakistani, Afghan military
- Turkish journalists held in Syria released
- US calls Turkey's discrimination against Israel unacceptable

## ECONOMY / ENERGY

- Current account deficit sinks in March
- Turkey ups Iran oil imports in March before embargo
- New incentives for companies operating in Syria
- Development Bank of Turkey gets loan

## DOMESTIC POLITICS

- New constitution formula takes shape
- New Islamist Kurdish party to enter politics
- Turkey to adopt its first law on refugees
- One out of five Turkish generals in jail

## TUSIAD HIGHLIGHTS

- Mergers & Acquisitions in Turkey
- TUSIAD-REF Conference
- Parliamentary Affairs Committee to visit Ankara

## TOP STORY

### **Özel, Gül to visit Washington**

Turkey's Chief of General Staff Necdet Özel met with US Defense Secretary Leon Panetta and US Joint Chief of Staff Gen. Martin Dempsey, as part of his four-day visit to the United States.

The topics discussed covered the two nations' overlapping strategic interests, which include the Syria crisis and Iran's nuclear ambitions, a briefing on the progress of US F-35 Joint Strike Fighter program and on improvised explosive devices (IEDs). In addition to the Pentagon, Özel also visited several US bases in Virginia, Florida and Valparaiso.

President Abdulla Gül is also preparing a trip to the US as part of his trip to NATO Summit on May 20-21. During his trip, scheduled for May 18-27, he is expected to hold bilateral talks with President Barack Obama, François Hollande, as well as representatives of the Turkish-American communities in the US.

In a related development, Turkish and US delegations met in Ankara on May 8 for the eighth meeting of the bilateral Economic Partnership Commission to discuss mutual development of economic, commercial and investment relations and cooperation opportunities in third countries. The Turkish Foreign Ministry's Deputy Undersecretary Halit Çevik and US Assistant Secretary of State for Economic and Business Affairs Jose Fernandez chaired the talks. The meeting preceded high-level economic cooperation talks scheduled for late June.

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Hurriyet Daily News, 9 May 2012, President Gül sets for lengthy US trip

Today's Zaman, 9 May 2012, Turkish, US chiefs of staff meet in Washington

Hurriyet Daily News, 10 May 2012, Turkish Chief of General Staff Özel to meet top US officials

Hurriyet Daily News, 11 May 2012, Top Turkish general meets US officials
Today's Zaman, 11 May 2012, Turkish, US military chiefs discuss top security issues in Washington
Turkish Press Review, 11 May 2012, Ozel meets US officials
Hurriyet Daily News, 12 May 2012, Turkish chief of staff reiterates UAV demand at US visit

FOREIGN POLICY

Hashemi to remain in Turkey 'until Iraq's political crisis is settled'

Iraq's fugitive Sunni Vice President Tariq al-Hashemi, for whom Interpol on May 8 issued a "red notice," has said he plans to stay in Turkey until the ongoing political crisis in Iraq is resolved.

Turkey said it had no intention of interfering in Iraq's internal affairs, but would not handover Hashemi to Baghdad. The Iraqi vice president is a guest in Turkey under the protection of Turkish officials, Turkish Deputy Prime Minister Beşir Atalay said.

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Today's Zaman, 9 May 2012, Hashemi: I will not leave Turkey until Iraq's political crisis is settled

Turkish Press Review, 11 May 2012, Turkey to protect Iraqi fugitive VP 'as a guest'

### **Turkey considers repairing ties with France**

With the election of the new French President François Hollande, Turkey and France are making tentative moves to mend their relationship. Turkey has taken the first step with Prime Minister Recep Tayyip Erdoğan's phone call to Hollande to congratulate him on his electoral success, followed by a congratulatory letter from President Abdullah Gül.

Turkey has said it could consider lifting the eight-article sanctions imposed on France according to the stance of the new French administration on the Armenian issue.

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Today's Zaman, 9 May 2012, Turkey hopes to restore ties with Hollande's France

Hurriyet Daily News, 11 May 2012, Turkey considers repairing ties with Paris government

Hurriyet Daily News, 11 May 2012, Turkey's Erdoğan calls 'new era' in relations with France

Hurriyet Daily News, 12 May 2012, Turkish officials offer France olive branch

Turkey approved deal for training Pakistani, Afghan military

Parliament last week approved a protocol concerning the training of Afghan and Pakistani military personnel signed by Turkey, Pakistan, and Afghanistan in November 2011. The protocol emphasizes the desire for all three nations to improve cooperation in the field of security. Areas of possible further cooperation are articulated as special forces exercises, counterterrorism courses, combined natural disaster search and rescue exercises, tactical operation courses for dealing with improvised explosive devices, military training and capacity building as well as mid- and high-level seminars.

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Today's Zaman, 14 May 2012, Turkey approves deal for training Pakistani, Afghan military

## **Turkish journalists held in Syria released**

Two Turkish journalists, Adem Özköse and Hamit Coşkun, who went missing while reporting on the uprising in Syria two months ago, were released on May 13 with Iran's help. Özköse and Coşkun said they were detained by the pro-Assad Shabiha.

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Turkish Press Review, 14 May 2012, Turkish journalists held in Syria arrive home

US calls Turkey's discrimination against Israel unacceptable

The Obama administration has expressed its dissatisfaction of Turkey's discrimination against Israel in partnership activities within the framework of NATO's Mediterranean Dialogue. Assistant Secretary of State for European and Eurasian Affairs Philip H. Gordon said on May 10 that the United States was not going to allow Turkey's discrimination against Israel.

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Today's Zaman, 11 May 2012, US calls Turkey's discrimination against Israel unacceptable

## **ECONOMY / ENERGY**

### **Current account deficit sinks in March**

The annual "Economic and Social Survey of Asia and the Pacific" of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has forecast that Turkey's gross domestic product (GDP) will grow by 3.2 percent in 2012, while warning of "serious repercussions" for any failure to finance the country's gaping current account deficit.

The Turkish Central Bank announced on May 11 that Turkey's current account deficit for March was \$6.1 billion, a number currently in line with the market's \$6 billion consensus and 35.9 percent lower than what was seen in March 2011. The country's current account deficit is at its lowest point in nine months.

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Hurriyet Daily News, 11 May 2012, UN survey warns Turkey to mend its current account gap

Hurriyet Daily News, 12 May 2012, Current account deficit sinks by 36 pct in March

Turkey ups Iran oil imports in March before embargo

Turkey's crude oil imports from Iran rose sharply in March, providing the Islamic republic with much-needed oil revenues as Tehran struggles to sell its crude in the face of tightening Western sanctions aimed at slowing its nuclear program. However, although crude oil imports were cut steeply in April, Turkey's purchases remained close to last year's average, meaning Ankara has yet to slash buying to the extent sought by Washington.

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Hurriyet Daily News, 9 May 2012, Turkey ups Iran oil imports in March before embargo

Today's Zaman, 14 May 2012, Turkey reduces buys of Iran oil in April vs March

### **New incentives for companies operating in Syria**

The repayment of loans that Turkish exporters and contractors in Syria have received from

Turkey's Eximbank has been deferred in a bid to give these businesses a breather amidst troubles in Syria. Economy Minister Zafer Çağlayan announced the decision on May 8. According to the new arrangement, companies operating in Syria that are required to repay their Eximbank loans by the end of July 2012 will be able to defer payments until January 2013. This follows an earlier incentive that allowed Turkish firms hit by the Syrian crisis to suspend their tax payments until the trade situation returns to normal.

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Turkish Press Review, 9 May 2012, New incentives for the companies operating in Syria
<http://www.byegm.gov.tr/yabanci-bultenler.aspx?d=09.05.2012&pg=1&ahid=56480&act=3#3>

Development Bank of Turkey gets loan

The Development Bank of Turkey (DBT) signed a 75 million euro loan agreement with the European Investment Bank (EIB) for the 'Development of Small and Big Enterprises (DBT Loan for Renewable Energy and Energy Productivity).'

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Hurriyet Daily News, 11 May 2012, Development Bank of Turkey gets loan

## **DOMESTIC POLITICS**

### **New constitution formula takes shape**

Parliament's Constitutional Reconciliation Commission started writing the new constitution beginning with the section on "fundamental rights and freedoms." Each political party pressed for its own priorities, including the protection of secularism, the right to education in one's mother tongue and the right to conscientious objector status. The commission has decided to keep the preamble, the basic principles of the Republic and the form of the state as the last topics on its discussion list, in a bid to avoid major disagreements that could prematurely derail the drive for a new charter.

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Hurriyet Daily News, 9 May 2012, Controversial basic tenets saved for last in charter push
Hurriyet Daily News, 11 May 2012, Charter drafting begins with rights and freedoms
Hurriyet Daily News, 14 May 2012, New constitution formula takes shape

New Islamist Kurdish party to enter politics

A new Kurdish party, which describes itself as Islamist, is set to enter Turkey's political scene in October. The new party is likely to set some controversy in motion, as one of its prominent figures is Sıdkı Zilan, a lawyer whose clients in the past have included members of Hizbullah (a militant Sunni group based in southeastern Turkey that is unrelated to Lebanese Hezbollah). It was decided to establish a conservative, Islamic-oriented party because there currently are no political parties which represent the Islamic community among Turkey's four Kurdish parties, namely the BDP, the Rights and Liberties Party (HAK-PAR), Participatory Democracy Party (KADEP) and the Freedom and Socialism Party (ÖSP), according to Zilan.

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Hurriyet Daily News, 8 May 2012, New Islamist Kurdish party to enter politics

## **Turkey to adopt its first law on refugees**

Aiming to adhere to EU norms, Turkey is set to adopt its first ever refugee and migration law. The draft bill, submitted to Parliament last week, has been welcomed by civic society and the United Nations High Commission for Refugees (UNHCR). The bill extends rights on health services, education and legal access to refugees and asylum seekers.

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Hurriyet Daily News, 8 May 2012, Turkey to adopt its first law on refugees

## **One out of five Turkish generals in jail**

Recent probes have landed one out of every five Turkish generals in prison. Sixty-eight generals in the Armed Forces are currently under arrest, which equates to a 19 percent ratio of all military generals in total. Six active duty and five retired military personnel were imprisoned early Thursday as part of the latest wave of the investigation in the Feb. 28, 1997 "post-modern" coup.

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Hurriyet Daily News, One of out five Turkish generals in jail

## **TUSIAD HIGHLIGHTS**

### **Mergers & Acquisitions in Turkey**

TUSIAD organized a seminar titled "Mergers and Acquisitions in Turkey: How to Cooperate to be More Competitive?" on May 8, 2012 in Istanbul.

You may find the opening speeches delivered by Ümit Boyner, the President of the Board of Directors of TUSIAD, [here](#) in Turkish.

### **TUSIAD-REF Conference**

Sabancı University and TUSIAD Competition Forum (TUSIAD-REF) have organized a seminar titled "Relationship Between Current Account Deficit and Industrial Policy" on May 16 in Istanbul.

You may find the relevant press release [here](#) in Turkish.

### **Parliamentary Affairs Committee to visit Ankara**

TUSIAD delegation led by Haluk Dinçer, the Vice-President of the Board of Directors of TUSIAD and the President of Parliamentary Affairs Committee, will visit Ankara for meetings on May 10, 2012.

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

May 15-21, 2012

## THIS WEEK:

### TOP STORY

- WSJ: US gave intel for Uludere raid

### FOREIGN POLICY

- Turkey, EU launch positive agenda
- NATO Summit
- Erdoğan visits Pakistan during NATO summit
- Panel to probe US role in Turkey's army coups
- KRG PM in Turkey amid Baghdad friction
- Turkey and Colombia waive visas

### ECONOMY / ENERGY

- Turkey warns firms for Greek Cyprus gas
- Development Minister starts talks with top Iranian officials
- Iraqi Kurdistan to push ahead with oil export plan
- Energy Minister unveils Çanakkale submarine cable project
- Code lets foreigners buy more local land in Turkey
- Draft oil law grants equal rights to foreign investors
- Turkey wants more ties with developing world

### DOMESTIC POLITICS

- PKK insurgents kidnap AKP members
- Progress on the new constitution
- CHP calls for panel on Kurdish problem

### TUSIAD HIGHLIGHTS

- Trilateral Strategy Group meeting
- A list of upcoming events

## TOP STORY

### WSJ: US gave intel for Uludere raid

The Wall Street Journal (WSJ) published an article on May 16 that stated the intelligence gathered for the Uludere air strike in Turkey, which killed 34 civilians, was received from a US drone. Turkish authorities quickly refuted the article, stating that the intelligence had been obtained by national sources.

US authorities notified their Turkish counterparts after one of their drones "spotted the men and pack animals," in a location known as a route frequented by Kurdistan Workers' Party (PKK) militants. In the end, "The Turks made the call," a US officer told the WSJ.

Immediately after the release of the WSJ article, the Turkish army posted a written statement on its website, repeating that images of the smugglers' caravan were taken by Turkish military's unarmed aerial vehicles. "The report does not reflect the reality," the Chief of General Staff Necdet Özel said. Turkish Prime Minister Recep Tayyip Erdoğan has said the report was "made up." "Unmanned air vehicles work directly under the Turkish army's command," Erdoğan explained, "We acted on our own devices." When asked about the WSJ's report, Deputy Prime Minister Bekir Bozdağ recalled the ongoing judicial, administrative and military probe over incident, saying the results would be made public once completed. A prosecutor with special authority has been investigating the incident and

also a parliamentary panel was established on the issue. The members of the panel have watched the footage provided by the drones.

The conflict comes on the heels of Özel's trip to the US on May 10 to meet with US Defense Secretary Leon Panetta when he reiterated Turkey's requests for the unmanned aerial vehicles Reaper and Predator. However, the request faces fierce opposition in the US Congress. Although President Barack Obama's administration is supporting Turkey's request to buy armed and unarmed US drones, members of Congress worry about the technology spreading as well as Turkey's standards for deciding when to launch a strike.

The next day, on May 17, WSJ published another article defending their position and clarifying that The Pentagon assessment describes only the role of the Predator and doesn't address the issue of whether Turkey may also have been tracking the convoy. The main question remains, however, for the US decision makers " How far should American policy-makers entrust Turkey with their drone technology?"

Most recently, Turkish President Abdullah Gül and US President Barack Obama met on the sidelines of the NATO summit, but failed to make any progress on the sale of armed drones.

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The Wall Street Journal, 16 May 2012, Turkey's Attack on Civilians Tied to U.S. Military Drone

The Wall Street Journal, 17 May 2012, Turkey Aims to Damp Drone-Report Furor

Hurriyet Daily News, 17 May 2012, US gave intel for Uludere raid: Report

Hurriyet Daily News, 17 May 2012, Turkish army denies US report on Uludere intel

Hurriyet Daily News, 18 May 2012, Turkish PM denies WSJ Uludere report

Hurriyet Daily News, 19 May 2012, Turkish PM links Uludere raid row to elections in US

Today's Zaman, 21 May 2012, Turkish, US presidents can't make progress on sale of drones

FOREIGN POLICY

Turkey, EU launch positive agenda

Turkey and the European Union officially launched on May 17 a "positive agenda" to put Ankara's stalled accession negotiations back on track. "This is a special day in our relations," EU Enlargement Commissioner Stefan Fule told a joint news conference with Turkey's EU Affairs Minister Egemen Bağış in Ankara.

Turkey and the Commission have agreed to set up eight working groups, each devoted to a specific chapter of the EU demands, where Turkey will be offered support and guidance to intensify efforts for further alignment with EU legislation. The new move "is not to replace but to complement and support the accession process of Turkey," said Fule. Seventeen chapters have been blocked by the EU Council, either due to the Cyprus dispute or EU member country opposition. The new agenda will promote dialogue on how Turkey can make progress in these chapters without affecting their status as blocked. Turkey and Brussels are trying to avert a possible political crisis that may erupt when the Greek Cypriot government takes over the rotating EU presidency for six months starting July 1 by allowing Turkey to contact the European Commission directly, bypassing Greek Cypriot administration. In addition to trying to make progress in the blocked chapters, officials also hope to deepen cooperation in areas such as energy, visa liberalization, human rights, judicial reform, constitutional reform, trade ties, counterterrorism cooperation and foreign

policy.

The Turkish government has also prepared several draft bills after the French presidential election to open new chapters of the negotiations. The bills aim to introduce a public ombudsman, establish a Human Rights Institution, and establish a panel to handle complaints regarding protracted trials. However, despite the positive climate, Ankara will likely have to wait until 2013 before it can speed up negotiations with the European Union, due to a tight calendar.

In addition, the vice president of the European Commission has stated on May 16 that a comprehensive visa facilitation agreement between Turkey and the European Union is not far away. "The countries who agree to visa-free travel must be able to handle all possible flows of people. This is the key issue and must be discussed in detail," said Siim Kallas, the EU commissioner for transport.

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Hurriyet Daily News, 15 May 2012, No chapters likely to be opened until 2013

Turkish Press Review, 15 May 2012, EU to lift Greek Cyprus obstacle through 'positive agenda'

Hurriyet Daily News, 16 May 2012, Turkey ramps up pace of EU bid after French polls

Turkish Press Review, 17 May 2012, 'Positive agenda' by-passes Cyprus presidency of EU

Today's Zaman, 17 May 2012, 'Positive agenda' dialogue kicks off to bring new momentum to Turkey's EU talks

Hurriyet Daily News, 17 May 2012, Turkey, EU bid to inject new momentum in talks

Hurriyet Daily News, 17 May 2012, Visa agreement for Turkey not far away

Turkish Press Review, 18 May 2012, Positive agenda launched between Turkey and EU

Hurriyet Daily News, 18 May 2012, Turkey moves to break EU bid standstill

## **NATO Summit**

President Abdullah Gül and Foreign Minister Ahmet Davutoğlu attended the NATO summit in Chicago over the weekend. Gül held talks with Afghan President Hamid Karzai, expressing concern at the Summit that Afghan security forces may not be able to take firm control of the nation once NATO troops leave, with Macedonian President Gjorge Ivanov, expressing Turkey's support for Macedonia's, as well as all Balkan nations', bid to enter NATO, and with Azerbaijani President Ilham Aliyev, expressing common stance on adding an article to NATO final declaration on "long term disputes."

In addition, Turkey has pushed for Pakistan's participation in the summit on Afghanistan, raising hopes that Pakistan may be ready to re-open its border to US and NATO military supplies dispatched to neighboring Afghanistan.

During the summit it was also stated that the missile defense system in Turkey is now under NATO's operational control.

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Today's Zaman, 16 May 2012, Turkey pushed for Pakistani participation in NATO summit

Turkish Press Review, 21 May 2012, Gul, Davutoglu in Chicago for NATO summit, meeting world leaders

TurkishNY, 21 May 2012, Türkiye'deki Radarın Kontrolü NATO'ya Devrediliyor

Erdoğan visits Pakistan during NATO summit

Prime Minister Recep Tayyip Erdoğan traveled to Pakistan on May 20 on a three-day formal visit to renew cooperation between the two countries at a critical time when NATO is negotiating a deal with Pakistan over the re-opening of the alliance's supply routes to Afghanistan. Turkey's recent push for Pakistani participation in the NATO summit ended in a last-minute invitation to President Asif Ali Zardari.

Meanwhile, a few day before in Turkey, Pakistan's Ambassador to Ankara Muhammad Haroon Shaukat, Consul General to Istanbul Yousuf Junaid and Counselor Zahid Raza paid a visit of courtesy to Nuh Albayrak, executive editor of *Turkiye daily*. "The investments made in Pakistan by foreign countries are not on desired levels due to security concerns, but Pakistan is a crowded country with a population of 180 million. So the companies could make significant amounts of investments. The point reached by Turkish companies in terms of transportation, energy and construction is praiseworthy," said Shaukat.

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Turkish Press Review, 17 May 2012, Pakistani ambassador calls on Turkish companies to invest in his country

Hurriyet Daily News, 21 May 2012, Turkish Prime Minister Erdoğan in Pakistan with critical timing

Today's Zaman, 21 May 2012, Turkish PM in Pakistan to cement bilateral cooperation

## **Panel to probe US role in Turkey's army coups**

The parliamentary commission in Turkey tasked with investigating military interventions has decided to look into the role of the United States in the 1980 coup and examine a series of assassinations that preceded the overthrow of the government. It is a widespread conviction that Washington approved of and backed the military coup of Sept. 12, 1980, wary of Turkey's militant leftist movement during the Cold War. In a memorable quote announcing the coup, senior White House official Paul Henze has said he told then President Jimmy Carter, "Our boys did it!"

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Hurriyet Daily News, 18 May 2012, Panel to probe US role in Turkey's army coups

KRG PM in Turkey amid Baghdad friction

Prime Minister of the Iraqi Kurdistan Regional Government (IFRG) Nechirvan Barzani held talks with top Turkish authorities to discuss ways to deepen economic relations and to jointly push the outlawed Kurdistan Workers' Party (PKK) to drop its weapons amid friction with Baghdad.

Both Turkey and Iraq have condemned ripping up Turkish flag in an anti-Turkey protest on May 19 in southern Iraqi city of Basra, who demanded Turkey to hand over Iraq's fugitive Vice President Tareq Hashemi.

Barzani met with President Abdullah Gül, Prime Minister Recep Tayyip Erdoğan and Foreign Minister Ahmet Davutoğlu. "Apart from combating terrorism, a number of economic and trade-related issues have been discussed in a positive climate," a Turkish diplomat said, "Our mutual understanding on the fight against terrorism has been reaffirmed." Barzani informed the Turkish side about the preparations for the Kurdish Conference planned for

next month in Arbil where prominent Kurdish political groups are expected to call on the PKK to cease armed operations.

Energy Minister Taner Yildiz was also present during Barzani's meeting with Davutoglu [see below section for energy news].

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Today's Zaman, 16 May 2012, Kurdish leader to discuss Iraq, Syria tensions, PKK terrorism in Ankara

Hurriyet Daily News, 17 May 2012, Iraqi Kurd PM in Turkey amid Baghdad friction

Turkish Press Review, 18 May 2012, Turkey, northern Iraq boost trade, energy ties

Today's Zaman, 20 May 2012, Turkey, Iraq condemn 'shameful behavior' against flag in Basra protest

Hurriyet Daily News, 21 May 2012, At odds with Baghdad, Ankara, Arbil get closer

Turkey and Colombia waive visas

Turkey and Colombia signed an agreement on May 14 to waive visa requirements mutually, based on the agreement during Colombian President Juan Manuel Santos's visit to Turkey on November 17-19. The agreement will go into effect 30 days after the approval.

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Turkish Press Review, 16 May 2012, Turkey and Colombia waive visas mutually

ECONOMY / ENERGY

Turkey warns firms for Greek Cyprus gas

Turkey warned 15 companies, who submitted bids in a fresh Greek Cypriot tender for oil exploration in disputed areas of the Mediterranean, to withdraw from the project. "The companies which cooperate with GKRY [the Greek Cypriot administration] will not be included in energy projects in Turkey in the future," a Foreign Ministry statement said on May 18. The statement said the exploration was an abuse of the rights of Turkish Cypriots to the same resources.

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Hurriyet Daily News, 19 May 2012, Turkey warns firms for Greek Cyprus gas

### **Development minister starts talks with top Iranian officials**

Development Minister Cevdet Yılmaz is in Tehran for three days of private meetings with Iran's top officials. Yılmaz had a closed-door meeting with Iranian Foreign Minister Ali Akbar Salehi, followed by a meeting with Ali Saidlu, Iranian vice president for international affairs, and a meeting of the Turkey-Iran Joint Business Council. Yılmaz also heads the Joint Economic Committee (JEC) between Iran and Turkey. \

One of the big issues affecting relations between the two countries relate to the unauthorized transportation of goods. There is also an ongoing economic dispute over the high price of the natural gas that Turkey buys from Iran.

economic fissures between Turkey and Iran have recently developed, stemming from issues related to transportation and natural gas.

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Today's Zaman, 21 May 2012, Development minister starts talks with top Iranian officials

Iraqi Kurdistan to push ahead with oil export plan

Iraq's autonomous Kurdistan region said on May 20 it expects to start exporting its crude oil production along a new pipeline to the Turkish border by August 2013, defying Baghdad in a long-running dispute over who should control the country's oil exports. Speaking in Arbil on Sunday, Energy Minister Taner Yıldız said Turkey expected to see Iraq increase its role as an energy provider in the near future as part of efforts to diversify supply channels for energy-poor Turkey. The sale of petro-chemical products and electricity, opening two more border gates and transportation problems were revisited during the visit of Prime Minister of the Iraqi Kurdistan Regional Government (IFRG) Nechirvan Barzani to Turkey [see previous section for more on the Barzani visit].

Iraq's central government is warning authorities in the semiautonomous Kurdish region that their oil deals with Turkey must have Baghdad's approval. Turkey, which has an annual natural gas consumption anticipated to reach 50 billion cubic meters this year, has placed great importance on maintaining the security of its oil and natural gas supply. Speaking in Arbil on May 20, Energy and Natural Resources Minister Taner Yıldız said Turkey expected to see Iraq increase its role as an energy provider in the near future as part of efforts to diversify supply channels for energy-poor Turkey. Also speaking at same event, Ashti Hawrami, natural resources minister of the Kurdistan Regional Government (KRG), said the KRG was also developing plans to build a separate pipeline that could connect to a refinery in Turkey's Ceyhan port by 2014.

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Today's Zaman, 20 May 2012, Iraqi Kurdistan to push ahead with oil export plan

Today's Zaman, 20 May 2012, Iraq to play 'greater role' in meeting Turkish energy demand

Today's Zaman, 21 May 2012, Iraq warns Kurdish regional gov't over recent oil deal with Turkey

## **Energy Minister unveils Çanakkale submarine cable project**

In order to ensure Istanbul's security of electricity supply, Çanakkale Submarine Cable Project will be implemented by the Energy and Natural Resources Ministry. The project, which is set to transport high voltage electricity from Anatolia to Istanbul, and then Thrace by way of the Çanakkale Strait, went out to tender last week. Energy and Natural Resources Minister Taner Yıldız stated that the completion of project would boost the quality and quantity of electricity used in the Thrace Region.

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Turkish Press Review, 15 May 2012, Energy Minister unveils Çanakkale submarine cable project

DOMESTIC POLITICS

PKK insurgents kidnap AKP members

A military operation was launched on May 14 by security forces against the Kurdistan Workers' Party (PKK) after the PKK kidnapped Veysel Çelik, Justice and Development Party (AKP)'s district chairman for southeastern province of Diyarbakır's Kulp district. Prime Minister Recep Tayyip Erdoğan said that the recent attacks against his party members aim to draw them away from Turkey's southeast region, but added that his party will not step back.

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Hurriyet Daily News, 15 May 2012, Politician kidnapped by PKK, clashes start  
Hurriyet Daily News, 21 May 2012, No step back after PKK raids, says Turkish PM

## **Progress on the new constitution**

Parliament's Constitution Commission announced late May 18 that an agreement had been reached on two articles of the new charter, one on human dignity and the other on the integrity of fundamental rights and freedoms. "Human honor and dignity are inviolable," said the new article on human dignity. "Human honor and dignity are the foundation of human rights and the constitutional order. On the integrity of basic rights and freedoms, they said: "Everyone has inviolable, inalienable, indispensable basic rights and freedoms adherent to their selfhood. Basic rights and freedoms are integral and complement each other."

However, the parties failed to find consensus on writing the article on "equality" and left it to the commission's meetings next week due to the Peace and Development Party's (BDP) insistence on inserting "all sexual identities" into the article.

Through the past week, all four parties reaffirmed their commitments to the constitution-drafting process and made pledges never to quit the negotiations.

Meanwhile, an inclination toward the semi-presidential system has emerged at the central executive board (MYK) of the ruling Justice and Development Party (AKP). Following Prime Minister Recep Tayyip Erdoğan's statements, party spokesmen have also issued over-enthusiastic statements about the presidential system. These statements have created unease in the opposition, especially among main opposition Republican People's Party (CHP) deputies. They have added to the already existing concerns that the "AKP might bring in a presidential system at the last minute."

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Hurriyet Daily News, 14 May 2012, Charter team draws first border
Hurriyet Daily News, 16 May 2012, MHP, BDP vow not to leave charter talks
Hurriyet Daily News, 19 May 2012, Parties agree on 2 charter articles
Hurriyet Daily News, 21 May 2012, Will AKP use presidency as a trump card?

CHP calls for panel on Kurdish problem

Main opposition leader Kemal Kılıçdaroğlu called on May 20 for the creation of a cross-party parliamentary commission to work on a settlement to the Kurdish conflict after the prime minister slammed him for having no concrete proposal on the issue. Kılıçdaroğlu said the panel should be based on the model of Parliament's incumbent constitution-making commission.

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Hurriyet Daily News, 21 May 2012, CHP calls for panel on Kurdish problem

## **TUSIAD HIGHLIGHTS**

### **Trilateral Strategy Group meeting**

The 6th Trilateral Strategy Group meeting took place in Washington, D.C. on May 16-18,

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Washington, D.C.

2012. This session's theme "Can the West Cope?" included discussions on the strategic consequences of the Euro-crisis, the shift from transatlantic to transpacific relations, the role of NATO and the new security challenges the West faces, especially in the Middle East and North Africa region. The final panel of the conference tried to bring all these topics together in an attempt to define the "West," whether or not we need a broader West, to which the general consensus seemed to be "yes," and how to best address together many of the challenges addressed previously.

Visit our [website](#) to learn more.

Watch a GMF [interview](#) with TUSIAD International Coordinator Bahadır Kaleağası on the prospects for the Euro zone.

## A list of upcoming events

"Good Initiative" [summit](#) will be organized in cooperation with ENDEAVOR on May 24, 2012 in Istanbul, where entrepreneurship will be discussed.

A seminar titled "The Implementation of the Law of Obligations" will be held on May 28, 2012 in Istanbul. Enclosed you may find the invitation letter and the detailed program of the conference.

Boğaziçi University-TUSIAD Foreign Policy Forum will present a report on International Relations and Religion prepared by Dr. Burak Kadercan on May 28, 2012 in Istanbul.

A seminar on the "Business and Investment Opportunities in Africa" will be held in Istanbul on May 31, 2012.

## May 22-29, 2012

### THIS WEEK:

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- Turkish court charges Israeli military members

#### FOREIGN POLICY

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- US rights report criticizes Turkey's judiciary, media freedom
- Clinton to discuss Syria crisis, Iran nuclear row in talks in Turkey
- Turkey expels Syrian diplomats after Houla massacre
- Turkey signs deal with EU's border agency

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- Gül visits Silicon Valley
- Turkey assumes OECD presidency
- İçtaş-Astaldi win third Bosphorus bridge bid
- Turkey, Abu Dhabi ink energy deal
- Unregistered economy shrinks
- Turkey earns \$32.4 bln in privatizations
- Mexico to open Istanbul trade office
- Turkey, Kazakhstan to establish organized industrial zone

## DOMESTIC POLITICS

- Top leaders accused of crimes against humanity for Uludere
- Small progress at charter commission
- Who will stay and who will leave at the AKP?
- Abortion sparks raging debate in Turkey

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## TOP STORY

### **Turkish court charges Israeli military members**

The Istanbul 7th High Criminal Court on May 28 accepted an indictment submitted last week by Istanbul Specially Authorized Prosecutor Mehmet Akif Ekinci formally pressing charges against members of Israel's military for the killing of nine activists aboard Mavi Marmara, a Turkish ship trying to break Israel's blockade of Gaza in 2010. The court voted unanimously to approve an indictment against Israel's former military chief Lt. Gen. Gabi Ashkenazi, along with the heads of its navy, air force and military intelligence. They face nine consecutive life terms.

A Turkish lawyer had said on May 24 that Israel had offered to pay \$6 million to victims to settle lawsuits against the Israeli military. However, a senior Israeli official had said that Israel, having indicated last year that it was prepared to indemnify victims without accepting blame, had not renewed its offer. Commenting on the charges, Israeli Foreign Minister Avigdor Lieberman has said his country will not allow its officers to be terrorized by Turkey, terming the Turkish move as yet another "provocation."

It is unlikely Israeli military members will be brought before Turkey's judicial system, since Israel does not regard them as criminals. If they are convicted in absentia at the end of the trial process, which could take months if not years, the Turkish court could issue an order for their arrest, but such a move would be symbolic and not binding.

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Hurriyet Daily News, 24 May 2012, Israel offered \$6 mln to Turkish raid victims: lawyer

Hurriyet Daily News, 28 May 2012, Turkish court charges Israeli military members

Today's Zaman, 28 May 2012, Turkish court accepts indictment against top Israeli commanders

Turkish Press Review, 29 May 2012, Turkish court accepts indictment against top Israeli commanders

Today's Zaman, 30 May 2012, Lieberman: Israel won't let Turkey terrorize its officers

## FOREIGN POLICY

### **Turkey says US looks favorably on sale of armed drones**

On the sidelines of the NATO Summit Turkish President Abdullah Gül met with German Chancellor Angela Merkel, UN Secretary General Ban Ki-moon, French President Francois Hollande, as well as the US President Barack Obama.

After a meeting with the US leader, Gül stated to reporters that the administration is inclined to sell armed drones to Turkey but has to convince Congress first. Some Congress

members oppose the sale of armed Predator drones to Turkey due to its tense relations with Israel and the Uludere raid incident which killed 34 civilians last December.

However, the US administration appears set to notify Congress of plans to arm a fleet of Italian MQ-9 Reapers, a milestone move could also boost prospects for Turkish acquisition of the same drones.

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Hurriyet Daily News, 22 May 2012, Turkey says US looks favorably on sale of armed drones
Turkish Press Review, 22 May 2012, Gul holds bilateral talks as part of NATO summit
Hurriyet Daily News, 23 May 2012, US positive on sale of UAVs to Turkey: Gül
Today's Zaman, 24 May 2012, Turkey expects US to display 'stronger will' regarding drone sales

Today's Zaman, 30 May 2012, US drone sale to Turkey more likely after Italy decision

US rights report criticizes Turkey's judiciary, media freedom

The US State Department's annual report on human rights described deficiencies in access to justice, government interference in the freedom of speech and of the press and inadequate protection of vulnerable populations as the most significant human rights problems in Turkey last year.

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Today's Zaman, 25 May 2012, US rights report criticizes Turkey's judiciary, media freedom  
Today's Zaman, 25 May 2012, US report: Turkey fails in judicial transparency, media freedom

US Department of State, [Country Reports on Human Rights Practices for 2011, Turkey](#)

## **Clinton to discuss Syria crisis, Iran nuclear row in talks in Turkey**

US Secretary of State Hillary Clinton will visit Turkey on June 7 to attend a forum on international counterterrorism. Clinton will also have talks with Turkish officials on Syria and Iran. "On June 7, the secretary will co-chair the Global Counterterrorism Forum Ministerial in Istanbul, Turkey, and consult with senior Turkish officials on a range of foreign policy challenges, including Syria and Iran," State Department spokesperson Victoria Nuland said. Clinton's visit to Turkey is part of a tour from May 31-June 7 that will take her to Denmark, Norway, Sweden, Armenia, Georgia and Azerbaijan.

UN Secretary-General Ban Ki-moon will also be heading to Turkey and Saudi Arabia this week to tackle issues ranging from the future of Somalia to combatting terrorism and cultural divisions.

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Today's Zaman, 25 May 2012, UN chief heads to Turkey, Saudi Arabia next week
Today's Zaman, 26 May 2012, Clinton to visit Turkey, Scandinavia, Caucasus
Turkish Press Review, 28 May 2012, Clinton to discuss Syria crisis, Iran nuclear row in talks in Turkey

Turkey expels Syrian diplomats after Houla massacre

Turkish authorities have asked all Syrian diplomats to leave the country in response to the recent Houla massacre within 72 hours, starting from May 30.

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Hurriyet Daily News, 30 May 2012, Turkey expels Syrian diplomats after Houla massacre  
Today's Zaman, 30 May 2012, Furious Turkey expels Syrian diplomats

## **Turkey signs deal with EU's border agency**

Turkey has signed a memorandum of understanding (MoU) with FRONTEX, the EU's border management agency, to cooperate against illegal immigration, amid expectations that the EU will soon give the go-ahead for visa liberalization talks with Ankara.

On May 21 European Union Minister Egemen Bağış claimed that Turkey is hopeful of bringing the country into line with EU standards by 2014. "The important thing for us is not about when we will be a member of the EU; what is important is when we will apply the standards of the EU," Bağış said.

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Hurriyet Daily News, 23 May 2012, Ankara to adopt EU standards by 2014
Hurriyet Daily News, 30 May 2012, Turkey signs deal with EU's border agency

ECONOMY / ENERGY

Turkey shifts exports targets

Turkey's economy ministry has identified 17 target countries and 27 priority countries as a result of a study to expand trade activities. The ministry examined factors such as political relations between Turkey and the country in question, the size of its market, transparency and openness, Turkey's export potential in the construction services, capital movements, trade and legal infrastructure of the countries, energy policies and investments, global economic difficulties and the changing global economic, social and political atmosphere.

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Turkish Press Review, 22 May 2012, Turkey shifts exports targets

### **Gül visits Silicon Valley**

Turkish President Abdullah Gül proceeded to San Francisco and California's Silicon Valley after completing his programs in Chicago. He visited Stanford University and the headquarters of Apple, Google, Facebook and Microsoft.

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Turkish Press Review, 24 May 2012, Gul awarded the key to San Francisco
Today's Zaman, 24 May 2012, President Gül visits Silicon Valley, shares snapshots on Twitter

Hurriyet Daily News, 25 May 2012, Bodyguards panic as Turkish president hits highway in Google driverless car

Turkish Press Review, 25 May 2012, Gul visits Stanford University

Turkey assumes OECD presidency

Turkey assumed the rotating presidency for Economic Cooperation and Development (OECD) for the first time in 26 years. In his keynote speech at OECD's Ministerial Council, Deputy Prime Minister Ali Babacan stated the world is facing multifaceted problems and that that the biggest challenge ahead was to introduce policies which would serve both national and global interests as well as economic and social demands, and OECD was a major

platform to define such policies.

Meanwhile, an OECD report release recently projected that Turkey would grow 3.3 percent in 2012 and 4.6 percent in 2013.

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Anadolu Agency, 22 May 2012, OECD projects Turkey's growth as 3.3 pct.  
Hurriyet Daily News, 24 May 2012, Turkey assumes OECD presidency  
Turkish Press Review, 24 May 2012, Turkey assumes OECD presidency

## **İçtaş-Astaldi win third Bosphorus bridge bid**

Turkey's İçtaş İnşaat Sanayi Ticaret and Italy's Astaldi consortium won the bid on May 29 for a 10-year plan to build the Marmara Highway Project including the third Bosphorus bridge.

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Anadolu Agency, 29 May 2012, İctas-Astaldi joint venture group wins bid for third bridge
Hurriyet Daily News, 30 May 2012, İçtaş-Astaldi win third Bosphorus bridge bid

Turkey, Abu Dhabi ink energy deal

The Turkish Energy Ministry and the state-run Abu Dhabi National Energy (TAQA) have agreed to form a joint committee to explore future energy investment opportunities in Turkey.

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Hurriyet Daily News, 23 May 2012, Turkey, Abu Dhabi ink energy deal

## **Unregistered economy shrinks**

Turkey's unregistered economy is now down at 27.7 percent, Finance Minister Mehmet Şimşek said at a press meeting where he revealed the results of the Action Plan in the Fight against the Unregistered Economy. The finance minister said the goal is to bring the rate of the unregistered economy down another 5 points in the next 10 years.

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Anadolu Agency, 22 May 2012, Turkey's unregistered economy rate down to 27.7 percent
Hurriyet Daily News, 23 May 2012, Unregistered economy shrinks, figures show

Turkey earns \$32.4 bln in privatizations

Turkey's Privatization Administration (ÖİB) has conducted privatizations worth \$43.1 billion since such processes began in 1986, netting a total revenues of \$32.4 billion as of Dec. 31, 2011, according to new figures. A total of 200 institutions have been privatized via share or asset sales since 1986, according to the activity report of the administration.

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Hurriyet Daily News, 24 May 2012, Turkey earns \$32.4 bln in privatizations

## **Mexico to open Istanbul trade office**

The Mexican government's trade and investment promotion agency has decided to open up an office in Istanbul to promote business activity between Turkey and Mexico.

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Turkish Press Review, 25 May 2012, Mexico to open Istanbul trade office to boost business volume

Turkey, Kazakhstan to establish organized industrial zone

Premier Recep Tayyip Erdoğan has stated that Turkey and Kazakhstan would establish an organized industrial zone. "We will sign an agreement to establish a huge organized industrial zone in Kazakhstan," Erdoğan told Kazakh-Turkish Business Forum in Astana, Kazakhstan, stating that the two nations had agreed on a seven-point action plan, and expressing belief that the business forum would have a different future perspective with that plan.

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Anadolu Agency, 22 May 2012, Turkey, Kazakhstan to cooperate for economic synergy
Anadolu Agency, 23 May 2012, Turkey, Kazakhstan to establish organized industrial zone

DOMESTIC POLITICS

Top leaders accused of crimes against humanity for Uludere

Main opposition deputy Mahmut Tanal has filed a criminal complaint on May 22 against President Abdullah Gül, Prime Minister Recep Tayyip Erdoğan and Chief of General Staff Gen. Necdet Özel over the botched air raid that killed 34 civilians in Uludere last year, claiming that they had committed a crime against humanity. Tanal, a member of Parliament's Human Rights Commission for the Republican People's Party (CHP), argued that the raid on Dec. 28, 2011 was launched deliberately, despite the fact that military officials were aware that the people seen in drone images were not members of the outlawed Kurdistan Workers' Party (PKK) militants, but smugglers.

Speaking on May 25, Gül said that everyone should know that the incident was a huge mistake, stating that a full investigation has been conducted. Ruling party lawmakers have stated following a fact finding mission that the government must thoroughly explain last year's botched air raid in Uludere if it does not want to lose support in Southeast Anatolia region amid unprecedented controversy over the raid especially after Interior Minister İdris Naim Şahin's comments that the villagers killed in a raid last year were terrorist 'extras.'

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Hurriyet Daily News, 22 May 2012, Top leaders accused of crimes against humanity for Uludere

Anadolu Agency, 25 May 2012, Turkey deeply saddened by Uludere incident

Hurriyet Daily News, 25 May 2012, Interior Minister Şahin under fire from all sides

Hurriyet Daily News, 26 May 2012, Uludere big challenge for AKP, report says

Small progress at charter commission

Lingering disagreements on how to formulate prohibitions against discrimination are hindering the progress of Parliament's charter-making commission. A subgroup of Parliament's constitution-making commission reached an agreement on the wording of only several sentences on May 22 after five hours of discussion on the provision on equality. "All individuals are equal before the law. No one is entitled to privileges. Positive discrimination concerning women, children, the elderly and handicapped people are outside the scope of this provision," said the text on which the representatives of the four parties agreed. The

commission failed to reach an agreement on a provision which would ban discrimination, as the Peace and Democracy Party (BDP) and the Republican People's Party (CHP) insisted on an explicit reference to "sexual orientation" and "ethnic origin" as forms of discrimination.

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Hurriyet Daily News, 23 May 2012, Small progress at charter commission  
Hurriyet Daily News, 24 May 2012, Disputes haunting Constitution panel

## **Who will stay and who will leave at the AKP?**

Prime Minister Recep Tayyip Erdoğan said in Astana that during the Justice and Development Party's (AKP) congress in the fall, the Central Decision Executive Body (MKYK) and Central Executive Board (MYK) would change. According to the AKP's statute, deputies who have been elected for three consecutive terms cannot run for office the next term. Erdoğan has emphasized that the new "front desk" will carry the party to the local and general elections. This also shows that Erdoğan will have to make radical changes during the congress.

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Hurriyet Daily News, 28 May 2012, Who will stay and who will leave at the AKP?

Abortion sparks raging debate in Turkey

Turkish Prime Minister's recent comments condemning abortion and cesarean birth spark debate among those who say abortion is a right within the boundaries of law and those who support Erdoğan's words.

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Hurriyet Daily News, 28 May 2012, Abortion sparks raging debate in Turkey

## **TUSIAD HIGHLIGHTS**

### **This week's events**

On May 28, TUSIAD organized a [seminar](#) entitled "[The Implementation of the Law of Obligations](#)" in Istanbul.

TUSIAD International will organize a [conference](#) entitled "[Business and Investment Opportunities in Africa](#)" to be held on May 31 in Istanbul.