

**June 2012**

**May 30-June 4, 2012**

**THIS WEEK:**

**TOP STORY**

- Abortion sparks raging debate in Turkey

**FOREIGN POLICY**

- Syria re-opens border gate, US senator visits Kilis
- Turkey welcomes efforts to unseat Maliki amid political crisis in Iraq
- Turkey, Libya sign agreement for cooperation
- Turkey and Qatar working together
- Mavi Marmara trial to begin in November
- Turkey vows to continue supporting Somalia

**ECONOMY / ENERGY**

- Turkey's exports up 10.3 pct in first five months
- Income gap between US, Turkey to close
- Turkish firm wins oil bid in Iraq
- Minister sets goal for trade with Arab League: \$100 bln
- Singapore eyes Turkish gas, infrastructure investments

**DOMESTIC POLITICS**

- Turkey's leaders agree to meet on Kurdish problem
- Opposition slams judicial reform bill
- Panel agrees on 3 articles of charter

**TUSIAD HIGHLIGHTS**

- Investment opportunities in Africa
- Görüş Magazine
- Turkey is ranking up in competitiveness

**TOP STORY**

**Abortion sparks raging debate in Turkey**

Last week Prime Minister Recep Tayyip Erdoğan declared that his government was preparing a draft bill on abortion and intended to enact it into law. The declaration sparked a public debate in Turkey on the government's right to intervene in people's choices, drawing response from government officials, human rights groups, women's rights groups, medical doctors and religious figures.

In following speeches Erdoğan's comments condemning abortion and likening cesarean births to the Uludere killings where a group of civilians were killed in a botched air strike by saying "every abortion is an Uludere, every abortion is a murder" and subsequent statements by the ruling Justice and Development Party (AKP) officials voicing support for the delivery of unwanted babies conceived as a result of rape inflamed further debate.

In response to the debates, women led colorful demonstrations and protests on June 3 in various cities in Turkey, raising their voices against the initiative to legally restrict or ban abortion.

European diplomats have also weighed in the debate, expressing increasing concern over

Turkish democracy. "There is no European Union acquis on abortion. There are countries where abortion is forbidden. It's up to Turkey to decide on the issue, but making [a] comparison with [the] Uludere case is annoying," a senior European diplomat was quoted as saying. In addition, European diplomats, along with Turkish medical doctors are voicing concern that a ban on abortion would lead to more deaths for women who will have to resort to unsafe methods to end unwanted pregnancies. New regulations that would only allow abortions to be conducted in the first four weeks of pregnancy would make it nearly impossible for women to conduct an abortion since it is extremely difficult to detect a pregnancy within that period of time.

The Turkish Society of Obstetrics and Gynecology presented a report to Parliament's Constitutional Reconciliation Commission titled "Abortion: The right for fertility health and the right for health" and asked that women's right to make decisions regarding "fertility health" be guaranteed in the new constitution.

Health Minister Recep Akdağ said that the ongoing debate in the media over abortion concerning women's rights ignored the fact that babies also had rights. Responding to a journalist's question, Akdağ said they were also going to debate the 10-week criterion, the length of time after conception that abortion is legal in Turkey.

~~~

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

Hurriyet Daily News, 30 May 2012, Turkish PM Erdoğan vows to pass new abortion law

Hurriyet Daily News, 1 June 2012, Abortion ban will lead to more deaths for women, says UN official

Hurriyet Daily News, 1 June 2012, AKP's support for babies born of rape fuels uproar

Hurriyet Daily News, 2 June 2012, EU finds Erdoğan's words on abortion 'annoying'

Hurriyet Daily News, 2 June 2012, Gynecologists ask for charter guarantee on abortion freedom

Today's Zaman, 3 June 2012, Women gather in İstanbul to protest anti-abortion bill

Today's Zaman, 4 June 2012, Parents have no right to end fetus's life, says Görmez

Hurriyet Daily News, 4 June 2012, Turkish women protest abortion ban with music and dance

## FOREIGN POLICY

### Syria re-opens border gate, US senator visits Kilis

Syrian administration opened Tellebyat border gate with Turkey which was closed unilaterally in December for repairs. Mayor Abdulhakim Ayhan of Akçakale, Şanlıurfa stated that they were pleased with the reopening of the gate which was an important source of income for Akçakale economy.

Meanwhile, Turkish Prime Ministry Disaster and Emergency Management Directorate said that there were 24,433 Syrians refugees staying in Turkey as of end of May. US Senator Dick Durbin visited Syrian citizens in Turkey's southeastern province of Kilis on May 30, visiting social facilities, schools and a day care center in the camp as well as holding meetings with the officials in the area.

~~~

Anadolu Agency, 30 May 2012, US senator visits Syrians staying in a camp in Turkey's southeast

Anadolu Agency, 1 June 2012, Number of Syrians in Turkey at 24,433  
Anadolu Agency, 3 June 2012, Syria re-opens Tellebyat border gate with Turkey

## **Turkey welcomes efforts to unseat Maliki amid political crisis in Iraq**

Turkey has welcomed efforts by Iraqi politicians to unseat Iraqi Prime Minister Nouri al-Maliki amid an unprecedented political crisis in the country fueled by the prime minister's deliberate purging of Sunni opponents. Politicians in the Iraqi Parliament have collected enough signatures to hold a non-confidence vote that could lead to the ousting of Maliki. Some 172 votes have already been collected and were presented to Iraqi Parliamentary Speaker Usama Abdul Aziz al-Nujayfi by Iraqi President Jalal Talabani on June 4. Turkey welcomes the development, Turkish diplomatic sources said adding that there is no conflict between Turkey and Iraq, but rather a crisis within the war-torn country.

~~~

Today's Zaman, 4 June 2012, Turkey welcomes efforts to unseat Maliki amid political crisis in Iraq

## **Turkey, Libya sign agreement for cooperation**

Turkey and Libya have signed a memorandum of understanding for cooperation in industry and technology. The agreement will allow for the preparation of a strategy document and an action plan, creating financial support devices for small and medium scale enterprises as well as setting up industrial zones and technology parks.

~~~

Anadolu Agency, 4 June 2012, Turkey, Libya sign agreement for cooperation

## **Turkey and Qatar working together**

Turkey and Qatar penned a memorandum of understanding on cooperation between Turkish Foreign Ministry Diplomacy Academy and Qatar Foreign Ministry Diplomacy Institute. Foreign Minister Ahmet Davutoğlu said that there were sound political relations between the two countries, stating that Turkey and Qatar have been working together on several international and energy matters.

~~~

Anadolu Agency, 31 May 2012, Davutoglu said Turkey and Qatar have been working together on several international matters

Anadolu Agency, 31 May 2012, Turkey and Qatar cooperating in LNG area

## **Mavi Marmara trial to begin in November**

A Turkish court will hold on November 6 the first hearing of a trial against four Israeli commanders held responsible for the Mavi Marmara flotilla raid in 2010.

~~~

Anadolu Agency, 4 June 2012, Mavi Marmara trial to begin in November

Today's Zaman, 4 June 2012, First Mavi Marmara court hearing scheduled for Nov. 6

## **Turkey vows to continue supporting Somalia**

Turkish Foreign Minister Ahmet Davutoğlu has pledged continued support for Somalia at his speech at the closing ceremony of the second Istanbul Conference on Somalia. Davutoğlu

stated that peace and security of Somali people was of utmost importance for peace and security in Africa. The two countries signed an agreement on June 1 to set up regional development offices in Somalia.

~~~

Anadolu Agency, 1 June 2012, Turkey vows to continue supporting Somalia

Anadolu Agency, 1 June 2012, Turkey, Somalia sign agreement to set up regional development offices

Today's Zaman, 3 June 2012, Turkey tries out soft power in Somalia

## **ECONOMY / ENERGY**

### **Turkey's exports up 10.3 pct in first five months**

Turkish exports were up 10.3 percent in the first five months of the year from the same period last year, the Turkish Assembly of Exporters said, exceeding \$140 billion in annual exports. The export data show Turkey will meet its growth target of 4 percent this year, according to Economy Minister Zafer Çağlayan.

In addition, Turkey's foreign trade deficit decreased by 27.3 percent in April as exports to the European Union witnessed a substantial fall due to deteriorating market conditions in the crisis-hit region.

The Turkish Statistics Institute (TurkStat) announced also that the inflation figures for May, which declined to 8.2 percent from 11.1 percent in April, hit the single digit level for the first time in five months.

~~~

Hurriyet Daily News, 1 June 2012, Foreign trade deficit plunges 27 pct in April

Hurriyet Daily News, 2 June 2012, Turkey's exports up 10.3 pct in first five months

Today's Zaman, 4 June 2012, Turkish inflation hits single digits for first time since December

### **Income gap between US, Turkey to close**

According to the projection developed by Price Waterhouse Coopers (PWC), Turkey's GDP per capita income will more than double by 2041 and exceed \$35,000. The growth means Turkey will significantly narrow the income gap between it and developed countries like the US over the next 30 years. Presenting a vision of the Turkish economy in 30 years' time, the "Turkey in 2041" report highlights five industries with the potential to become "regional centers of excellence": Food & Beverage Processing, Agricultural R&D and Services, Alternative Energy, Automobile Production, and Tourism.

~~~

Hurriyet Daily News, 31 May 2012, Income gap between US, Turkey to close

### **Turkish firm wins oil bid in Iraq**

A consortium led by Kuwait Energy, which also includes Turkey's state-run Turkish Petroleum Corporation (TPAO) and Dubai-based Dragon Oil, has won an oil exploration block in southern Iraq.

~~~

Hurriyet Daily News, 31 May 2012, Turkish firm wins oil bid in Iraq

## **Minister sets goal for trade with Arab League: \$100 bln**

Turkey targets reaching a \$100 billion trade volume between Turkey and Arab League countries within the next five years, the Science, Industry and Technology Minister Nihat Ergün said at the 2nd Turkish-Arab Industrial Cooperation Conference in Libya on June 3. Ergün said the volume stood at \$6 billion in 2002 and had risen to \$35 billion in 2011, making Arab League countries constitute 9 percent of Turkey's total foreign trade. He encouraged further increase of free trade agreements and visa exemptions between Turkey and Arab countries to increase trade volume in the future.

~~~

Hurriyet Daily News, 4 June 2012, Minister sets goal for trade with Arab League: \$100 bln

## **Singapore eyes Turkish gas, infrastructure investments**

Looking to tap a growing domestic investment appetite as well as opportunities to branch out into fast-growing markets in Turkey, Singapore opened its 36th overseas trade office in Istanbul with a primary focus on gaining a foothold in the country's oil and gas, and infrastructure markets.

~~~

Today's Zaman, 30 May 2012, Singapore eyes Turkish gas, infrastructure investments  
Anadolu Agency, 30 May 2012, Singapore to open embassy in Turkey by the end of 2012

## **DOMESTIC POLITICS**

### **Turkey's leaders agree to meet on Kurdish problem**

Prime Minister Recep Tayyip Erdoğan and the Republican People's Party (CHP) leader Kemal Kılıçdaroğlu will come together in a rare meeting on June 6 to discuss what they can do to solve the Kurdish question and end violence. The two will discuss a 10 point article first introduced to the Parliament Speaker Cemil Çiçek on May 31 by the CHP.

The proposal basically calls for the establishment of a "Social Consensus Commission" in Parliament consisting of eight members with equal representation from all parties and the creation of a "Group of Wise People" consisting of 12 members to assist the commission in order to create direct and constant dialogue between the political parties, reduce differences in perspective and approach to a minimum, and reground the language of politics in compromise to find a democratic solution.

~~~

Hurriyet Daily News, 1 June 2012, Opposition MHP snubs CHP's Kurdish initiative  
Hurriyet Daily News, 4 June 2012, Turkey's leaders agree to meet on Kurdish problem

### **Opposition slams judicial reform bill**

A third judicial package designed to overhaul Turkey's controversial judicial system will be debated in Parliament's General Assembly this week. As part of the package, judicial control will become a legal alternative to detention, and judges will be required to provide concrete justification for arrest orders, according to the bill. Opposition lawmakers in Parliament's Justice Commission argue that the package will not solve the problem of lengthy trials, but will rather severely curb the right to defense.

# **TUSIAD**40 **TUSIAD Turkey Letter**

*Washington, D.C.*

The Justice Commission has approved a last-minute amendment to the "third judicial reform package" that would lead to the release of far-right militants imprisoned for their involvement in several murders prior to the 1980 coup. Some commentators have also said the package presents hope for Turkey's eight jailed lawmakers, because judicial control could be an option that may lead to their release.

~~~

Hurriyet Daily News, 31 May 2012, Opposition slams judicial reform bill

Hurriyet Daily News, 2 June 2012, Last-minute change made to reform bid

## **Panel agrees on 3 articles of charter**

A sub-commission of Parliament's Constitution Conciliation Commission reached agreement on three more articles on May 31, bringing the total to five. Following a rift on whether to explicitly ban discrimination against homosexuals that held up progress for days, the representatives of the four parties agreed on the wording of provisions on the "ban on ill-treatment and torture," "the right to life" and "the protection of the individual's physical and spiritual entity and integrity." However, the commission failed to reach an agreement on a provision on "the physical and spiritual entity and integrity" part after a debate on the "commoditization of female bodies."

~~~

Hurriyet Daily News, 1 June 2012, Panel agrees on 3 articles of charter

Hurriyet Daily News, 2 June 2012, Row over female body in charter panel

## **TUSIAD HIGHLIGHTS**

### **Investment opportunities in Africa**

TUSIAD International organized a [conference](#) titled "[Businesss and Investment Opportunities in Africa](#)" on May 31 in Istanbul. TUSIAD International President Osman F. Boyner gave an opening [speech](#) at the conference designed to introduce investment opportunities in the African continent, public procurement methods, and regional and international financial mechanisms.

### **Görüş Magazine**

The latest issue of the Görüş Magazine addresses the control of public institutions with the cover story "[The control of public institutions fro an advanced democracy: Check please!](#)". Please click to read TUSIAD President Ümit Boyner's article "[Check please](#)" in Turkish.

### **Turkey is ranking up in competitiveness**

TUSIAD [announced](#) on May 31 that Turkey has moved one step up in competitiveness rankings in 2012 IMD World Competitiveness Year Book.

**June 5-11, 2012 – there was no issue published this week.**

**June 12-18, 2012**

## **THIS WEEK:**

### **TOP STORY**

- New Kurdish initiative brings high expectations

### **FOREIGN POLICY**

- US pledges ongoing support to Turkey's fight with PKK
- Turkey asks UN to take tougher measures in Syria, Erdoğan to meet Putin and Obama
- Turkish General visits Baku
- Turks' confidence in Obama still low, but rising, poll shows

### **ECONOMY / ENERGY**

- Turkey to buy oil from Libya after reducing Iranian imports
- Exports to Iran rise on embargo
- Energy most important item in Turkish-Chinese relations
- Frustrated electricity traders eye Turkey

### **DOMESTIC POLITICS**

- Turkish president Gül to serve seven years, may run twice
- Consensus key for the new charter
- US-based Islamic leader Gülen rejects PM Erdogan's call to return

### **TUSIAD HIGHLIGHTS**

- TUSIAD High Advisory Council
- TUSIAD participates in the G20 Summit
- Save the date: TUSIAD International China trip

## **TOP STORY**

### **New Kurdish initiative brings high expectations**

Prime Minister Recep Tayyip Erdoğan says the ruling party and the main opposition party should continue their efforts to seek a solution for the Kurdish issue, while Kemal Kılıçdaroğlu insists on a broader consensus.

Despite Prime Minister Erdoğan's harsh statements against the Peace and Democracy Party (BDP), his intention in the long run is to establish a political process for the solution of the Kurdish question, according to assessments made by Washington. In this regard, the main opposition Republican People's Party's (CHP) recent initiative on the issue has popular support, the US believes.

A recent meeting between Erdoğan and Kemal Kılıçdaroğlu, the head of CHP, the positive statements coming from Leyla Zana, a symbolic figure of Kurdish movement, and reports that Iraqi Kurdish groups are pressing the outlawed Kurdistan Workers' Party (PKK) to lay down weapons are all points increasing expectations that a negotiated solution to Turkey's most urgent problem can be reached.

Meanwhile, the Turkish government will introduce Kurdish elective lessons in public schools in the next education year, the prime minister announced June 11 in a move seen as part of the ruling party's effort to find a solution to the Kurdish question. Prime Minister Recep Tayyip Erdoğan said that Kurdish would be taught in public schools, "a historic step" for Turkey. "Our pupils ... will now be able to learn Kurdish as optional courses if there is a sufficient number (of students)," Erdoğan told his ruling party members in the parliament.

The government's move constitutes a first in Turkey's history as the country's official language is Turkish and no any other ethnic language has been introduced to public schools.

~~~

Hurriyet Daily News, 12 June 2012, Debate rises to teach Kurdish in schools in Turkey

Hurriyet Daily News, 12 June 2012, Kurdish to be taught in public schools: Turkey PM

Hurriyet Daily News, 13 June 2012, Turkish PM unveils Kurdish courses at schools

Hurriyet Daily News, 13 June 2012, AKP pressures CHP for a two party consensus

Hurriyet Daily News, 15 June 2012, Expectations high on fresh Kurdish initiative

Hurriyet Daily News, 16 June 2012, CHP calls to unite on Kurdish bid

Hurriyet Daily News, 18 June 2012, CHP calls for public to press on Kurdish woe

## FOREIGN POLICY

### US pledges ongoing support to Turkey's fight with PKK

Speaking at the 31st annual American-Turkish Council (ATC), US Secretary of Defense Leon Panetta has pledged continuing US support to Turkey in its counterterrorism efforts, offering to help meet the necessary military capability in the fight against the terrorist Kurdistan Workers' Party (PKK) taking hold in southeastern Turkey. Panetta also stated that the alliance between Turkey and the US has reached a peak in importance not only for the security of both nations but globally, touching on the strong ties established between the two countries and cooperation within the scope of NATO's Afghanistan mission.

The ATC conference brought together US and Turkish leaders for a three-day conference to discuss US-Turkish relations, the model partnership between the two nations and possible areas of further cooperation.

~~~

Today's Zaman, 12 June 2012, US pledges ongoing support to Turkey's fight with PKK terror

### Turkey asks UN to take tougher measures in Syria, Erdoğan to meet Putin and Obama

Prime Minister Recep Tayyip Erdoğan will be meeting with Russian President Vladimir Putin and US President Barack Obama on May 18-19 on the sidelines of the G-20 summit in Los Cabos, Mexico, with the three leaders expected to discuss a new roadmap for the Syrian crisis.

Due to the apparent collapse of UN Special Envoy Kofi Annan's six-point peace plan, the international community has started to seek a new roadmap to effect a transition in Syria. Foreign Minister Ahmet Davutoğlu has pleaded for the UN Security Council to come up with a new strategy "to prevent further the aggravation of the Syrian humanitarian tragedy" after the recent dissolution of a UN mission sent to observe international envoy Kofi Annan's peace plan in Syria.

Turkey is actively engaged in peace initiatives to find a solution to the problem in Syria, but Erdoğan announced at the World Economic Forum in İstanbul, which was held early this month, that Turkey had no intention of interfering in the internal affairs of Syria.

In the meantime, Republican presidential nominee Mitt Romney has harshly criticized Obama on remaining indifferent to the Syrian situation, claiming that he would adopt a

Syria policy that includes encouraging US allies in the region such as Turkey and Saudi Arabia to provide arms support to struggling opposition groups, if he wins the presidential race.

~~~

Turkish Press, 15 June 2012, PM Erdogan accuses Assad of not being honest  
Today's Zaman, 17 June 2012, Turkey asks UN to take tougher measures in Syria  
Today's Zaman, 17 June 2012, Romney to urge Turkey to give arms to Syrian opposition  
Today's Zaman, 18 June 2012, Erdogan meets with Putin, Obama for Syria's new roadmap  
Hurriyet Daily News, 18 June 2012, Turkey should supply arms to Syrian rebels, Mitt Romney says

## **Turkish General visits Baku**

Turkish Gendarmerie Forces Cmdr. Gen. Bekir Kalyoncu started a visit to Azerbaijan amid clashes along the border between the Caspian nation and Armenia on June 10. The visit came as Azerbaijani military officials reported a mine explosion along the border with Nagorno-Karabakh on June 11 which severely injured two Azerbaijani soldiers and the international community noted with concern a dramatic increase between Armenia and Azerbaijan.

~~~

Hurriyet Daily News, 12 June 2012, Turkish General visits Baku amid violence

## **Turks' confidence in Obama still low, but rising, poll shows**

Confidence in US President Barack Obama doubled among Turks in 2012 compared to last year; however, the image is not positive enough, as he is trusted by only a quarter of Turkish society, a Pew poll has shown. The survey, conducted between March 17 and April 20 by the Pew Research Center's Global Attitudes Project, found that 24 percent of Turks have confidence in Obama to do the right thing in world affairs. The figure was only 12 percent in 2011. However, when compared with the image of his predecessor George W. Bush, president from 2001 to 2009, Obama has high credibility. Bush had only a 2 percent vote of confidence from Turks in 2008 towards the end of his term.

~~~

Today's Zaman, 14 June 2012, Turks' confidence in Obama still low, but rising, poll shows

## **ECONOMY / ENERGY**

### **Turkey to buy oil from Libya after reducing Iranian imports**

Turkey has struck a 1 million ton oil supply deal with Libya after reducing imports of Iranian crude under pressure from the United States and the international community. Turkey's sole oil refiner Tüpraş has also started negotiations with Saudi Arabia for a long-term contract. The move comes after the United States said on June 11 it would exempt seven emerging economies, including Turkey, from tough new sanctions after they cut oil supplies from Iran. "By reducing Iran's oil sales, we are sending a decisive message to Iran's leaders. Until they take concrete actions to satisfy the concerns of the international community, they will continue to face increasing isolation and pressure," US Secretary of State Hillary Clinton said.

~~~

Hurriyet Daily News, 12 June 2012, Turkey to buy oil from Libya after reducing Iranian

imports

Hurriyet Daily News, 13 June 2012, Turkey, Libya ink deal after Iran oil woes

### **Exports to Iran rise on embargo**

Turkey's exports to Iran rose by nearly 127 percent year-on-year in the first four months of the year mainly due to the side effects of a United States embargo on the Islamic republic, which will become even harsher after July 31. "There are several factors why Turkey's exports to Iran have risen significantly. Sanctions have affected Iran in two ways. First of all, international financial transactions in terms of the dollar and euro have come to an end. We have also taken advantage of being the most important trade partner of Iran among neighboring countries," said Samet İnanır, the strategy and business development counselor to the Foreign Economic Relations Board (DEİK).

~~~

Hurriyet Daily News, 14 June 2012, Exports to Iran rise on embargo

### **Energy most important item in Turkish-Chinese relations**

Turkish Ambassador in Beijing Murat Salim Esenli said on June 17 that Turkish-Chinese relations developed in a multi-dimensional way and that energy was the most important item in such relations. China is about to become a potential partner with Turkey in nuclear energy, Esenli stressed. Touching on a planned storage facility for natural gas beneath Turkey's Tuz Gölü (Salt Lake), Ambassador Esenli said that Turkey and China have entered a strategic phase for creating a reserve. Another important energy project with China has to do with the thermal power plant to be erected in southern province of Adana.

~~~

Anadolu Agency, 17 June 2012, Energy most important item in Turkish-Chinese relations

### **Frustrated electricity traders eye Turkey**

European power traders say they are looking to new markets in Turkey and areas further east, frustrated by growing regulatory, political and economic risks in local markets, participants at an industry seminar said this week. In the past few years power markets have been opening up in southeast Europe, where grid connections are good and there is scope for prices to rise. But traders said liberalization is not moving fast enough in some areas and that new obstacles appear in a number of markets, including Bulgaria, Romania and Greece.

~~~

Hurriyet Daily News, 16 June 2012, Frustrated electricity traders eye Turkey

## **DOMESTIC POLITICS**

### **Turkish president Gül to serve seven years, may run twice**

Turkey's Constitutional Court has ruled that Turkish President Abdullah Gül's term in office is seven years, officially ending confusion over whether he would serve five or seven years in the post. The ruling also granted Gül the right to run for the presidency again in the next elections, albeit only for a five-year term.

By allowing Gül to stay in office for seven years, the court has ruled out any possible

presidential elections in August. However, by allowing Gül to run again, the Constitutional Court's ruling could ignite a fresh debate given Prime Minister Recep Tayyip Erdoğan well-known plans to become president in 2014. The ruling also gives Gül an upper hand in the period ahead, especially in potential disagreements between him and the government.

~~~

Hurriyet Daily News, 15 June 2012, Turkish president Gul to serve seven years, may run twice: constitutional court

Hurriyet Daily News, 16 June 2012, Court clears way for Gul to re-run top post

## **Consensus key for the new charter**

Reaching consensus on the content of the new charter, which would hold the "common seal" of four political parties, is a must for the new constitution, the head of the nation has warned, urging parties not to cast a shadow over the charter process by introducing new debate issues like a presidential system.

Turkish President Abdullah Gül recalled the ruling Justice and Development Party (AKP) had launched a process on its own to rewrite the constitution after the 2007 general elections, which later failed due to a lack of consensus. Prime Minister Erdoğan also said that consensus should be the basis of the new charter, however, he at the same time, insisted that 26 articles amended in a referendum two years ago remain untouched. "We cannot not ignore the fact that those articles were approved by the majority of people," Erdoğan reportedly told members of Parliament's Constitution Conciliation Commission during a meeting on June 12.

~~~

Hurriyet Daily News, 12 June 2012, Consensus a must for new charter, says Gul

Hurriyet Daily News, 13 June 2012, Turkish government announces new charter conditions

## **US-based Islamic leader Gülen rejects PM Erdogan's call to return**

Self-exiled Islamic scholar Fethullah Gülen should return to Turkey, Turkish Prime Minister Recep Tayyip Erdoğan suggested without directly mentioning the controversial religious figure by name. Erdoğan's remarks came after he was granted a special award during a ceremony marking the end of the Turkish Olympics, an event that is connected to the Gülen movement.

Erdoğan's call to Gülen to return to Turkey is met with a double reaction between those who welcome the idea and those who say there is no need for such a discussion.

Gülen has rejected Prime Minister Recep Tayyip Erdoğan's call for him to return to Turkey on the grounds that it could risk many of the achievements his movement has made. Gülen left Turkey in 2000 and a criminal investigation against him was launched following his departure from the country on charges of "establishing an illegal organization." The Islamic scholar was eventually acquitted and the Supreme Court of Appeals upheld the acquittal upon an appeal in 2008, clearing any legal barriers for Gülen's return to the country.

~~~

Hurriyet Daily News, 15 June 2012, Parties respond to Gulen debate in Turkey

Hurriyet Daily News, 16 June 2012, Gulen followers glad over PM's return call

Hurriyet Daily News, 16 June 2012, I will not return, says Gulen

Hurriyet Daily News, 17 June 2012, The choice is up to Gulen, says Turkish PM

## TUSIAD HIGHLIGHTS

### TUSIAD High Advisory Council

TUSIAD High Advisory Council Meeting was held in Istanbul on June 14 2012. Opening speeches delivered by Erkut Yücaoğlu, Chairman of the High Advisory Council, Ümit Boyner, the President of the Board of Directors of TUSIAD, Egemen Bağış, Minister for European Union Affairs and Chief Negotiator, Dr. Javier Solana, Former EU High Representative for the Common Foreign and Security Policy, who also won the "TUSIAD Bosphorus Prize for European Understanding" Foreign Policy Award.

You may click [here](#) to watch the videos of the speeches held in TUSIAD High Advisory Council Istanbul Meeting in Turkish.

### TUSIAD participates in the G20 Summit

TUSIAD participated in the B20 (Business) Summit of the G20 Summit taking place in Los Cabos, Mexico on June 17-18, 2012. TUSIAD President Ümit Boyner will participate in the Trade and Investment, Growth and Development Finance, Information Technology and Innovation panels and share TUSIAD's views.

### Save the date: TUSIAD International China trip

TUSIAD International will organize a China conference on September 11, 2012 and a visit on December 2-5, 2012.

### June 19-25, 2012

#### THIS WEEK:

##### TOP STORY

- Ankara tries to manage crisis with Syria over plane

##### FOREIGN POLICY

- 'Hollande Spring' in Turkish-EU relations
- Turkey, EU launch visa exemption process
- Turkey aims to reach trade volume of \$1 trillion by 2023
- Turkey pledges \$5 billion for IMF against crisis
- New incentive package takes effect
- Turkey's coal available to 'serious' investors free for 30 years
- Turkey and Azerbaijan to sign cooperation agreement in energy field

##### ECONOMY / ENERGY

- Agency upgrades Turkey, minister says not enough
- Turkey, Iran to trade in local currencies
- Turkish firm wins oil bid in Iraq
- Minister sets goal for trade with Arab League: \$100 bln
- Singapore eyes Turkish gas, infrastructure investments

##### DOMESTIC POLITICS

- Bill to give Turkish PM power on state secrets
- Government backs down on plans to ban abortion
- Feb 28 probe expanded to education board members

##### TUSIAD HIGHLIGHTS

- Rebecca Blank, Ron Kirk visit TUSIAD
- Thomas Nides visits TUSIAD
- St. Petersburg International Economic Forum (SPIEF)

## TOP STORY

### Ankara tries to manage crisis with Syria over plane

A Turkish F-4 jet was shot down by Syria on June 22 after a brief violation of Syrian airspace. Dismissing Syria's allegations that it did not know the plane was Turkish and that the plane was shot while in Syrian territory, Turkish officials have stated that the unarmed plane was on a training mission to conduct a national radar system test for national security and that it was shot 13 nautical miles off Syrian airspace in international airspace. The plane had accidentally entered the Syrian airspace but quickly left when its radars alerted the pilot. In addition, it has been reported on June 25, that Syrian forces had also fired on a Turkish-flagged search and rescue plane on June 22, which had entered Syrian airspace as part of its search and rescue mission and left when it was fired upon.

Syrian Foreign Ministry spokesman Jihad Makdissi said during a press conference on June 25 that

the Turkish jet entering Syrian airspace was "a clear breach of Syrian sovereignty." Makdissi told members of the press that the jet was shot down with an anti-aircraft gun and not with radar-guided missiles, adding that Syria was committed to a 'neighborly relationship' with Turkey, and would match any positive moves from Turkey. So far, Turkey has only issued a diplomatic note to Syria, asking Syria to find the perpetrators of the incident. "Turkey reserves its right to an official apology and compensation," the note said.

Ankara has been trying to resolve the crisis by consulting with the Turkish National Intelligence Organization, opposition parties, EU ministers, UN Security Council, NATO members, and countries in the region. All parties condemned Syria for its actions but were hesitant to pledge military action; all urged caution and restraint on Turkey's part. Turkey called for an urgent meeting of NATO allies for June 26, invoking Article 4 of the alliance's founding treaty, in order to discuss the incident. NATO is likely to strongly condemn Syria for shooting down the jet and declare solidarity with Turkey, and may even send a message to Damascus that repetition of such a hostile action will not go unpunished. But it does not seem likely that Ankara will invoke Article 5, the collective defense clause, yet.

The incident came soon after Prime Minister Recep Tayyip Erdoğan's talks with US President Barak Obama and Russian President Vladimir Putin on the sidelines of the G20 Summit in Los Cabos, Mexico. Obama and Putin agreed that the Syrians should choose their next government and that violence must end, a political process must be created to prevent civil war and such horrific events that have been occurring over the last several weeks.

On June 22, Ankara also denied allegations in a New York Times article which suggested that Turkey was one of the nations, including Saudi Arabia and Qatar, arming rebels fighting the regime in Damascus. The article reported that US intelligence operatives in Turkey were vetting the flow of weapons to Syrian rebels to ensure they do not fall into the hands of Al-Qaeda militants.

Meanwhile, the flow of refugees and Syrian military defectors entering Turkey continues to

grow. A Syrian general, two colonels, two majors, one lieutenant and 33 soldiers of Syria's military defected to Turkey overnight with their families, a Turkish official said on June 25. 300 more Syrians have entered Turkey over the weekend after fleeing clashes in their country. The number of Syrians in camps in Turkey is more than 30,000.

~~~

Turkish Press Review, 20 June 2012, Erdogan meets with Putin, Obama to discuss Syria  
New York Times, 21 June 2012, C.I.A. Said to Aid in Steering Arms to Syrian Opposition  
Hurriyet Daily News, 22 June 2012, Turkey denies arms shipment to Syria opposition  
Hurriyet Daily News, 23 June 2012, Ankara tries to manage crisis with Syria over plane  
Hurriyet Daily News, 24 June 2012, 'Turkish jet shot down in international airspace without warning'

Today's Zaman, 24 June 2012, Iran urges restraint over downing of Turkish plane  
Hurriyet Daily News, 24 June 2012, Turkey sends Syria diplomatic note over jet  
Anadolu Agency, 24 June 2012, 300 more Syrians enter Turkey on Sunday  
Hurriyet Daily News, 25 June 2012, Turkish jet entering Syrian airspace breach of sovereignty: Syria

Today's Zaman, 25 June 2012, EU ministers urge restraint from Turkey over Syria incident  
Turkish Press Review, 25 June 2012, Clinton condemns Syria for downing of Turkish military jet

Hurriyet Daily News, 25 June 2012, Turkish rescue plane also attacked by Syria

Today's Zaman, 25 June 2012, EU condemns downing of jet, won't support military action

Today's Zaman, 25 June 2012, Turkey not to invoke Art. 5, NATO war in Syria as unlikely as ever

Today's Zaman, 25 June 2012, More than 30 Syrian soldiers defect to Turkey

## FOREIGN POLICY

### 'Hollande Spring' in Turkish-EU relations

Turkey has ended sanctions on France that were enacted after former French President Nicolas Sarkozy's attempt to pass a bill criminalizing denial of the events of 1915 as genocide, Turkish Foreign Minister Ahmet Davutoğlu said on June 21. The decision to end eight measures – mostly military – was given by Prime Minister Recep Tayyip Erdoğan after his meeting with French President François Hollande in Brazil late June 20. The two leaders agreed to open "a new chapter" in relations.

~~~

Hurriyet Daily News, 21 June 2012, Turkey ends 'genocide' measures against France

Hurriyet Daily News, 22 June 2012, 'Hollande Spring' in Turkish-EU relations

Turkish Press Review, 22 June 2012, Turkey, France to turn new page after tense period in ties

### Turkey, EU launch visa exemption process

Turkey and the European Union formally launched the visa exemption process for Turkish citizens on June 20 in a historic move in Ankara-Brussels relations which span nearly half a century. The process is expected to be concluded in a period of two to three years and will allow nearly 75 million Turks to freely travel to countries in the EU. As the European Council authorized the European Commission to start negotiations, Turkey's permanent representative to the EU Egemen Bağış put an initial signature on the Readmission Agreement in Brussels. Turkey has already met three of the criteria sought by the EU by

introducing biometric passports, improving its border security standards and signing the Readmission Agreement, which will oblige Turkey to accept illegal immigrants who fled EU countries through Turkey.

~~~

Today's Zaman, 20 June 2012, EU-Turkey Association Council convenes for 50th meeting  
Hurriyet Daily News, 21 June 2012, Turkey, EU launch visa exemption process  
Turkish Press Review, 22 June 2012, Turkey, EU to start negotiations for visa liberalization  
Hurriyet Daily News, 23 June 2012, Visa exemption in 3-4 years, says EU minister  
Today's Zaman, 21 June 2012, Turkey, EU formally start process for visa liberalization

## **Erdoğan: US drone sale to Turkey not likely before US elections**

The United States is unlikely to consider a Turkish request to purchase armed drones to be used in anti-terror operations before presidential elections in November, Prime Minister Recep Tayyip Erdoğan has said. Speaking to journalists at the G20 Summit, he said there is no problem in cooperation between the US and Turkey regarding the fight against terrorism, but that the sale of armed drones faces challenges in Congress. He said the US had told Turkey that it would be difficult to approve the sale of the armed drones before the November elections.

~~~

Hurriyet Daily News, 21 June 2012, No US anti-terror arms to Turkey despite attack  
Today's Zaman, 22 June 2012, Erdoğan: US drone sale to Turkey not likely before US elections

## **Istanbul to host next round of nuclear talks**

As high-level nuclear talks between Iran and the Group 5+1 failed to yield result, Catherine Ashton, EU High Representative for Foreign Affairs and Security Policy, announced that the new talks over Iran's nuclear energy ambitions would be held in Istanbul on July 3. "We expect Iran to decide whether it is willing to make diplomacy work," Ashton said. Chief Iranian Nuclear Negotiator Saeed Jalili described the talks held in Moscow "more serious and more realistic" than the rounds which were held earlier this year. Jelili reiterated that Iran still wanted to enrich uranium to 20 percent.

~~~

Turkish Press Review, June 2012, Istanbul to host next round of nuclear talks

## **ECONOMY / ENERGY**

### **Agency upgrades Turkey, minister says not enough**

The credit rating agency Moody's upgraded Turkey's sovereign credit grade by one notch on June 20, citing significant improvements to the country's public finances and potential to cut its current account deficit. However, Turkish Economy Minister Zafer Çağlayan said this was not enough and assured that the Turkish economy was sounder than many economies rated as "investable." Moody's said it raised Turkey's rating to Ba1 from Ba2, just one notch below investment grade and kept its positive outlook for the country, citing an increased ability to withstand economic shocks.

~~~

Hurriyet Daily News, 21 June 2012, Agency upgrades Turkey, minister says not enough  
Turkish Press Review, 21 June 2012, Moody's raises Turkey's rating

## **Turkey, Iran to trade in local currencies**

Turkey is planning a money exchange structure with Iran which will cut the usage of US dollars as much as possible and develop trade with the two countries' national currencies, Energy Minister Taner Yıldız has stated.

~~~

Hurriyet Daily News, 20 June 2012, Turkey, Iran to trade in local currencies to replace greenback

## **Turkey aims to reach trade volume of \$1 trillion by 2023**

Addressing the audience in the B-20 business summit on "Trade and Investment," which was held on June 18 in parallel to the G20 Summit in Los Cabos, Mexico, Prime Minister Recep Tayyip Erdoğan said that Turkey was progressing on a new path, while many countries have been fighting the ongoing economic and financial problems since 2008. "Our country has attracted attention as an island of stability thanks to its growth rate of 8.5 percent, its national income totaling \$772 billion and foreign trade volume of \$376 billion recorded in 2011," Erdoğan stated. Noting that "Turkey has been simplifying legal procedures regarding investments, and lifting administrative and bureaucratic hurdles to increase investments," he announced that Turkey aimed to raise its exports to \$500 billion, imports to \$500 billion, and overall foreign trade volume to \$1 trillion by 2023.

~~~

Turkish Press Review, 19 June 2012, Turkey aims to reach trade volume of \$1 trillion by 2023

## **Turkey pledges \$5 billion for IMF against crisis**

Prime Minister Recep Tayyip Erdoğan announced during the G20 summit in Los Cabos, Mexico, to provide the IMF with \$5 billion to help alleviate the worsening crisis in the euro zone. The Central Bank said yesterday that the contribution will be counted of Turkey's international reserves at the IMF. Addressing the G20 summit, Erdoğan highlighted the importance of sound cooperation under the umbrella of the G-20 against any new development that may emerge in the global economy and take new steps together.

~~~

Turkish Press Review, 20 June 2012, Turkey pledges \$5 billion for IMF against crisis

## **New incentive package takes effect**

A recently introduced government investment incentive program was approved by the Cabinet on June 20. The program divides provinces into six categories based on their current level of economic development and the investment opportunities they offer. The first category, mainly Western provinces, is the most developed, while the sixth category includes the least developed regions, particularly in the eastern and southeastern parts of the country. The program envisages offering incentives to increase production capacity and competition in six particular sectors: machine manufacturing, iron and steel production, the automotive sector, food production and agriculture, chemical production and textiles.

~~~

Hurriyet Daily News, 21 June 2012, New incentive package takes effect, focuses on east

## **Turkey's coal available to 'serious' investors free for 30 years**

Energy and Natural Resources Minister Taner Yıldız announced on June 25 that Turkey's coal will be given to serious investors free of charge for 30 years if they use it for power generation. Yıldız attended a signing ceremony in Ankara for a leasing agreement for a 600 megawatt (MW) coal plant that is to be built in the Tufanbeyli district in the southern province of Adana, stating, "We will support serious investors for 30 years, but we will take back the rights from those that are not serious after six months."

~~~

Today's Zaman, 25 June 2012, Turkey's coal available to 'serious' investors free for 30 years

## **Turkey and Azerbaijan to sign cooperation agreement in energy field**

Turkey and Azerbaijan will sign a cooperation agreement on June 26 for the transfer of Azeri natural gas to Europe via Turkey under the Trans-Anatolian Pipeline project (TANAP).

~~~

Anadolu Agency, 25 June 2012, Turkey and Azerbaijan to sign cooperation agreement in energy field

## **DOMESTIC POLITICS**

### **Bill to give Turkish PM power on state secrets**

A committee led by the prime minister could soon gain significant control over restricted information if a draft law establishing their authority to declare which documents are classified as state secrets is passed by Parliament. The documents and information declared as state secrets by the commission would not be revealed for 50 years, and the prime minister would have the right to decide what issues are included under "the scope of secrecy." The bill is expected to be approved later this week. The "State Secrets Assessment Board," chaired by the prime minister with the participation of the justice, interior, foreign and defense ministers, will be able to decide to take any information, documents and records under preservation. It is the first time Turkey will have a law regulating state secrets, as well as a board that is tasked with determining what should be kept secret.

~~~

Hurriyet Daily News, 21 June 2012, Bill to give Turkish PM power on state secrets

### **Government backs down on plans to ban abortion**

After a month-long study, the government has decided to impose strict rules for abortion while preserving the current limit of 10 weeks, a move which could be considered a step back from the original abortion ban proposal. Under the new rules, abortion would be permitted only in general hospitals by specialist doctors.

~~~

Hurriyet Daily News, 22 June 2012, Government backs down on plans to ban abortion

### **Feb 28 probe expanded to education board members**

A prosecutor has demanded the arrests of four former officials of the Higher Education

Board (YÖK), including ex-chief Kemal Gürüz, in the first operation targeting civilians in the ongoing probe into the Feb. 28 post-modern coup of 1997. Police raided the homes of Gürüz and three former YÖK officials, Kenan Deniz, Sedat Arıtürk and Erdoğan Özmal, on the morning of June 22 in the sixth wave of the probe. Some 58 active and retired military officers have been arrested in the investigation so far. Kemal Gürüz, who is expected to testify in Ankara on June 25, has stated "I have worked with pride and did not do anything that is beyond justice. I do not remember any directives that came to us from military wings."

~~~

Hurriyet Daily News, 23 June 2012, Feb 28 probe expanded to education board members

Hurriyet Daily News, 25 June 2012, Former education head expected to testify today

## **TUSIAD HIGHLIGHTS**

### **Rebecca Blank, Ron Kirk visit TUSIAD**

Acting US Secretary of Commerce Rebecca Blank and the US Trade Representative Ron Kirk paid a [visit](#) to TUSIAD on June 25 to discuss bilateral economic relations and investment opportunities in 3rd countries during their visit to Turkey.

### **Thomas Nides visits TUSIAD**

US Deputy Secretary of State Thomas Nides [visited](#) TUSIAD on June 21 during his Turkey trip. The focus on the meeting was bilateral and regional political and economic relations.

### **St. Petersburg International Economic Forum (SPIEF)**

TUSIAD [participated](#) in the St. Petersburg International Economic Forum (SPIEF) on June 21-22 and led a panel on June 21 on the Turkish economy and investments, in which Minister of Energy and Natural Resources Taner Yıldız was one of the speakers.