

November 2012

October 29-November 5, 2012

THIS WEEK:

TOP STORY

- Fitch upgrades Turkey to investment grade

FOREIGN POLICY

- UN- Turkey using anti-terrorism law to quash debate
- German FM urges fresh push for Turkey to join EU
- Turkey backs away from no-fly zone in Syria
- Turkey warned Iraqi Kurds that autonomy would not be applied in Syria: PM

ECONOMY / ENERGY

- Turkey signs \$350 million Iraq oil drilling deal
- Uganda: Trade deal sealed with Turkey

DOMESTIC POLITICS

- Police clash with Kurds in Turkey

TOP STORY

Fitch upgrades Turkey to investment grade

Fitch Ratings has upgraded Turkey's long-term foreign currency issuer default rating (IDR) to BBB- from BB+ and the long-term local currency IDR to BBB from BB+. The outlooks on the long-term ratings are stable. The agency has also upgraded Turkey's short-term foreign currency IDR to F3 from B and the country ceiling to BBB from BBB-.

The upgrade to investment grade reflects a combination of an easing in near-term macro-financial risks as the economy heads for a soft landing and underlying credit strengths including a moderate and declining government debt burden, a sound banking system, favorable medium-term growth prospects and a relatively wealthy and diverse economy.

TUSIAD President Ümit Boyner issued a statement in regards to the credit rating announcement, stating that the increase in credit rating by Fitch is a positive step for Turkey's economy.

Meanwhile, Turkey's trade deficit narrowed for an 11th consecutive month in September, as slowing growth hit demand for imports and gold exports continued to increase. The gap declined to \$6.8 billion from a record \$10.5 billion for the same month a year earlier, the statistics office in Ankara said on its website today. It was expected at \$6.2 billion, according to the median estimate of three economists surveyed by Bloomberg.

Turkey's inflation rate fell to the lowest in 11 months as a slowing economy outweighed the impact of government price increases on gas and electricity. Inflation slowed to 7.8 percent from 9.2 percent the

month before.

~~~

Business Week, 31 October 2012, [Turkey's Trade Deficit Narrows for 11th Month in September](#) Fitchratings, 5 November 2012, [Fitch Upgrades Turkey to Investment Grade](#)  
[TUSIAD Press Release](#), 5 November 2012  
Bloomberg, 5 November 2012, [Turkey's Inflation Rate Dropped to One-Year Low in October](#)

## **FOREIGN POLICY**

### **UN- Turkey using anti-terrorism law to quash debate**

Turkey is using a vague counterterrorism law to prosecute many activists, lawyers and journalists, often holding them for long pre-trial periods without access to a lawyer, United Nations human rights experts said on Nov. 1. The UN Human Rights Committee said after reviewing Turkey's record for the first time that the right to due process is sharply curbed under its 1991 Anti-Terrorism Law and that some of its provisions are incompatible with international law.

~~~

Reuters, 1 November 2012, [Turkey using anti-terrorism law to quash debate –UN](#)

German FM urges fresh push for Turkey to join EU

Turkish Prime Minister Recep Tayyip Erdoğan stated that the European Union will lose Turkey if it doesn't grant it membership by 2023 on Oct. 30. It was the first time Erdoğan has given an indication of how long Ankara might continue down the path towards EU entry, and his comments came at a time of growing alienation between Turkey and a political entity it feels has cold-shouldered it.

German Chancellor Angela Merkel told Erdoğan on Oct. 31 that the EU would pursue accession talks with Turkey in good faith, despite some persistent disagreements. German Foreign Minister Guido Westerwelle says it is in the interest of both the EU and Turkey to give the talks a “new push” in 2013.

~~~

Reuters, 30 October 2012, [EU will lose Turkey if it hasn't joined by 2023: Erdogan](#)  
Boston, 30 October 2012, [German FM urges fresh push for Turkey to join EU](#)  
Reuter, 31 October 2012, [Merkel reassures Turkey on EU talks, Erdogan raps Cyprus](#)

### **Turkey backs away from no-fly zone in Syria**

Warplanes fired missiles at opposition strongholds around Damascus and in the north on October 31 as Turkey appeared to distance itself from an earlier call to impose a no-fly zone. Turkish Prime Minister Recep Tayyip Erdoğan, a harsh critic of Syrian President Bashar Assad, said the decision to set a no-fly zone would need to come from the Security Council, adding that the experience of imposing a no-fly zone over Iraq to strike at Saddam Hussein had shown it came at a high price.

~~~

Washington Post, 31 October 2012, [Syrian regime keeps up heavy air bombardment of rebels, Turkey backs away from no-fly zone](#)

Turkey warned Iraqi Kurds that autonomy would not be applied in Syria: PM

Turkey gave a clear warning to Masoud Barzani, president of the Iraqi Kurdistan Regional Administration, that the autonomous region in northern Iraq would not be applied to Syria. "We cannot let playing of such a scenario here [in Syria]. We told this to Barzani too. We wanted him to know this," Prime Minister Recep Tayyip Erdoğan said on Oct. 31 in an apparent reference to the possibility of the founding of an autonomous Kurdish entity in northern Syria.

~~~

Hurriyet Daily News, 2 November 2012, [Turkey warned Iraqi Kurds that autonomy would not be applied in Syria: PM](#)

### **ECONOMY/ENERGY**

#### **Turkey signs \$350 million Iraq oil drilling deal**

Turkey has signed a \$350 million deal on drilling 40 oil wells in the southern Iraqi Basra area and is in talks with Baghdad on drilling 7,000 wells across Iraq, Energy Minister Taner Yıldız said Nov. 2. Details of the timeframe or companies involved were not immediately available.

~~~

Reuters, 2 November 2012, [Turkey signs \\$350 mln Iraq oil drilling deal](#)

Uganda: Trade deal sealed with Turkey

Trade between Uganda and Turkey has been bolstered further following the signing of an agreement between the Turkish Trade Union (HAK-IS) and the National Organization of Trade Unions (NOTU) from Uganda. The two leading trade unions agreed to boost cooperation in the areas of socio-economic life of the citizens of the two nations.

~~~

All Africa, 30 October 2012, [Uganda: Trade Deal Sealed With Turkey](#)

### **DOMESTIC POLITICS**

#### **Police clash with Kurds in Turkey**

Kurdish protesters clashed with police on Oct. 30 near a prison in southeastern Turkey where some inmates are on a hunger strike. Several thousand people joined a protest march to a prison in the city of Diyarbakır, and police used tear gas and water cannon to drive back groups of demonstrators who threw stones and firebombs from side streets. Shops were shuttered and many families did not send their children to school in line with calls for a boycott.

~~~

ABC News, 30 October 2012, [Police clash with Kurds in Turkey](#)

6-13 November 2012

THIS WEEK:

TOP STORY

- Turkey mulls defensive measures on Syrian border

FOREIGN POLICY

- Erdoğan speaks at Bali Democracy Forum
- Turkey searches Armenian plane bound for Syria

ECONOMY / ENERGY

- Iraq says Exxon to quit oilfield, ends Turkey TPAO deal
- Turkey welcomes dividing Azerbaijan's share in TANAP
- Turkey issues warning against natural gas efforts with Cyprus
- Turkey to spend \$5.6b liras on dams in next 5 years

DOMESTIC POLITICS

- To cool protest, Turkey set to allow use of Kurdish in courts

TUSIAD HIGHLIGHTS

- Institut du Bosphore annual seminar

TOP STORY

Turkey mulls defensive measures on Syrian border

Syria pulled both Turkey and Israel closer to military entanglements in its civil war on November 12, bombing a rebel-held Syrian village a few yards from the Turkish border in a deadly aerial assault and provoking Israeli tank commanders in the disputed Golan Heights into blasting a mobile Syrian artillery unit across their own armistice line. The escalations came hours after the Syrian opposition announced a broad new unity pact in Doha. The United Nations reported 11,000 refugees had fled within 24 hours, mostly to Turkey, after the escalations.

The attack on the Turkish border, by what Syrian witnesses identified as a Syrian MIG-25 warplane, demolished at least 15 buildings and killed at least 20 people in the Syrian town of Ras al-Ain.

Turkey is drawing up contingency plans with the NATO military alliance to fortify its border with Syria. Last week, Turkish officials raised the idea of stationing Patriot surface-to-air missiles along the Syrian border that would effectively create a no-fly zone, but has not yet made any formal requests. NATO Secretary General Anders Fogh Rasmussen stated on Nov. 12 that NATO will defend Turkey, saying "Turkey can rely on NATO solidarity, we have more plans in place to defend and protect Turkey, our ally, if needed."

~~~

Reuters, 7 November 2012, [Turkey to ask NATO for Patriot missiles: report](#)

New York Times, 7 November 2012, [Turkey considers deploying missiles near Syria](#)  
CNN, 10 November 2012, [Turkey mulls defensive measures on Syrian border](#)  
New York Times, 11 November 2012, [With eye on aid, Syria opposition signs Unity Deal](#)  
AlJazeera, 12 November 2012, [NATO 'ready' to help Turkey deal with Syria](#)  
Reuters, 12 November 2012, [NATO chief says alliance will defend Turkey over Syria](#)  
New York Times, 12 November 2012, [New mayhem on 2 borders as Syrian opposition unifies](#)

## **FOREIGN POLICY**

### **Erdoğan speaks at Bali Democracy Forum**

Prime Minister Recep Tayyip Erdoğan, while speaking at the Bali Democracy Forum in Indonesia, criticized major international institutions, and argued that capital punishment “is legitimate in certain situations,” referring to the recent court ruling in the case against Norwegian-mass murder Breivik, and sparking debates that he might consider reinstating capital punishment in Turkey.

Erdoğan criticized the UN for its inaction on certain issues, including Syria and the Israel-Palestine stalemate. Calling for reform, Erdoğan stated that the current UN Security Council structure was blocking action on Syria, and that the five veto-wielding permanent members meant that it was up to five countries “to decide on the fate of humanity.” Erdogan, who called last month for reform of the council, said: “The Syrian regime is encouraged by this bottleneck in the international system.”

He went on to issue harsh criticisms against the IMF for what he called its “bitter” prescriptions and called for the reform of OSCE and OECD.

~~~

Anadolu Agency, 9 November 2012, [Yeri geldiği zaman idamın haklılık sebebi var](#)
The Nation, 9 November 2012, [Turkey, Afghanistan lead calls for UNSC reform](#)
Hurriyet Daily News, 10 November 2012, [Upset with world, PM stages all-out bashing](#)

Turkey searches Armenian plane bound for Syria

An Armenian cargo plane heading to Syria landed in Turkey on Nov. 8 to be searched before it was released to fly on to the battle-scarred city of Aleppo in the second such instance in as many months. The latest search signals Turkey's resolve to control shipments to its southern neighbor as it seeks to prevent Syrian President Bashar al-Assad from acquiring arms and other resources to fight the opposition

~~~

Wall Street Journal, 8 November 2012, [Turkey searches Armenian plane bound for Syria](#)

## **ECONOMY / ENERGY**

### **Iraq says Exxon to quit oilfield, ends Turkey TPAO deal**

Exxon Mobil has informed the Iraqi government it wants to pull out of a \$50 billion oil project, and Baghdad expelled Turkey's state oil operator from another contract on Nov. 7, both signals of trouble in Iraq's petroleum policy.

~~~

Reuters, 7 November 2012, [Iraq says Exxon to quit oilfield, ends Turkey TPAO deal](#)

Turkey welcomes dividing Azerbaijan's share in TANAP

Turkey welcomes dividing some of SOCAR's share in the Trans-Anatolian gas project (TANAP) between BP, Statoil and Total, Turkish Minister of Energy and Natural Resources Taner Yıldız said Nov 8. Yıldız said the participation of foreign companies in implementing TANAP project helps attract more foreign investments.

~~~

Turkish Weekly, 8 November 2012, [Turkey welcomes dividing Azerbaijan's share in TANAP project](#)

### **Turkey issues warning against natural gas efforts with Cyprus**

The Eastern Mediterranean's potential gas reserves continued to raise diplomatic tension as Turkey issued a stern warning to those firms willing to partner with the Republic of Cyprus to reach offshore reserves. Turkey's Energy Minister Taner Yıldız suggested that companies pursuing exploration agreements in Cyprus could be frozen out future energy partnerships with Ankara.

~~~

Forbes, 5 November 2012, [Turkey issues warning against natural gas efforts with Cyprus](#)

Turkey to spend \$5.6b liras on dams in next 5 years

Turkey will spend about 10 billion liras (\$5.6 billion) over the next five years on the Southeast Anatolia Project, a chain of hydro-electric dams and irrigation systems in the mainly Kurdish southeast. The plan would increase land under cultivation in the region more than six times, increasing farm areas to 2 million acres when completed in 2017. The government will start allocating money for the project from the budget in 2013, ending the practice of transfers from the unemployment benefit fund. The project is also expected to create more than 3 million jobs in the southeast, where the government is offering incentives such as cheaper energy, free land and cuts in payroll taxes paid by employers.

~~~

Bloomberg, 12 November 2012, [Turkey to spend \\$5.6b liras on dams in next 5 years](#)

## DOMESTIC POLITICS

### To cool protest, Turkey set to allow use of Kurdish in courts

Six of Turkey's leading Kurdish politicians joined hundreds of jailed militants and activists in a hunger strike to call for PKK leader Abdullah Öcalan to be allowed to see lawyers. The Turkish government, seeking to defuse a potential crisis over the eight-week strike, said it would propose legislation to allow the use of Kurdish language in courts if the prisoners abandoned their protest. The move, announced by Deputy Prime Minister Bülent Arınç, comes amid reports by Turkey's main medical association that some of the protesters are at risk of death.

~~~

Wall Street Journal, 6 November 2012, [To cool protest, Turkey set to allow use of Kurdish in courts](#)

Reuters, 10 November 2012, [Kurdish politicians join militants' hunger strike in Turkey](#)

TUSIAD HIGHLIGHTS

Institut du Bosphore annual seminar

The annual seminar of [Institut du Bosphore](#) entitled "[Europe in Crisis: Impact, Challenges and Opportunities for France and Turkey](#)" was held November 8-9, 2012 in Istanbul. Founded with TUSIAD's initiative in Paris, Institut du Bosphore aims to improve the bilateral relations between Turkey and France. Speeches were made by TUSIAD Chair [Ümit Boyner](#), Member of European Parliament and Chair of Delegation to the EU-Turkey Joint Parliamentary Committee Helene Flautre, and Brookings Institution Vice President Kemal Derviş all made remarks at the conference.

12-19 November 2012

THIS WEEK:

FOREIGN POLICY

- Erdoğan calls Israel a "terrorist state;" Davutoğlu to travel to Gaza
- Syria opposition bloc recognized by Ankara
- Top commander pays landmark visit to Saudi Arabia

DOMESTIC POLITICS

- Jailed Kurds in Turkey end hunger strike after 68 days
- Turkey opposes AKP's presidential plan
- PM invited to testify at Parliament coup panel

ECONOMY / ENERGY

- Turkey's unemployment falls to 8.8 percent
- Turkey forecasts 2012 asset sales of \$3.5 billion, below target

FOREIGN POLICY

Erdoğan calls Israel a "terrorist state;" Davutoğlu to travel to Gaza

Turkish Prime Minister Recep Tayyip Erdoğan described Israel as a "terrorist state" in carrying out its bombardment of Gaza. Meanwhile, Foreign Minister Ahmet Davutoğlu is scheduled to travel to Gaza on November 20 with a group of foreign ministers from the Arab League.

Erdoğan has accused Israel of deliberately striking Gaza ahead of the elections in both 2008 and today, but warned that "the conditions of 2012 are different than they were in 2008." He called for an immediate cease-fire to be observed at the Turkish-Egyptian Business Forum in Cairo November 18.

Erdoğan reiterated that a cease-fire should be declared immediately. "I'm calling on Israel and Gaza to provide a cease-fire immediately, within 24 hours. Extending the situation won't bring anything to either side," he said. Erdoğan also criticized Western powers for wanting to pull the Arab world to pieces. "While Israel is attacking and sabotaging the peace, there will be no security or stability for any country in the region," he said.

Foreign Minister Ahmet Davutoğlu, on the sidelines of his official contacts in Cairo, met with Hamas leader Khaled Meshaal, his Egyptian counterpart Muhammed Khamil Amr and Prime Minister of Qatar Hamad bin Jassim. Before departing Cairo, Davutoğlu also held a phone conversation with U.S. Secretary of State Hillary Clinton. During these bilateral talks and phone conversation, the situation in Gaza was discussed. Davutoğlu has discussed the same issue on the phone with his British, French, German, Italian and Dutch counterparts as well. Davutoğlu is set to travel to Gaza on November 20 along with other foreign ministries of the Arab League.

~~~

Reuters, 19 November 2012, [Turkey's Erdoğan calls Israel a "terrorist state"](#)

Turkish Press Review, 19 November 2012, [Davutoğlu completes official talks in Cairo](#)

Turkish Press Review, 19 November 2012, [Davutoğlu set to travel to Gaza on Tuesday](#)

Hurriyet Daily News, 19 November 2012, [Turkish PM cautions defiant Israel over Gaza raid](#)

### **Syria opposition bloc recognized by Ankara**

Turkey recognizes the Syrian National Coalition (SNC) as the legitimate representative of the Syrian people, Foreign Minister Ahmet Davutoğlu announced on November 15, calling on the international community to follow suit. "Turkey wholeheartedly welcomes this important achievement and once again reiterates its recognition of the Syrian National Coalition as the legitimate representative of the Syrian people and calls upon all our brothers in the OIC to do so," Davutoğlu said.

~~~

Hurriyet Daily News, 16 November 2012, [Syria opposition bloc recognized by Ankara](#)

Top commander pays landmark visit to Saudi Arabia

Chief of Turkish General Staff Gen. Necdet Özel departed on November 19 for a formal visit to Saudi Arabia, the Turkish Armed Forces (TSK). Although no further statement was provided on the TSK's site, news reports said the three-day visit was the first visit to Saudi Arabia by a Turkish chief of General Staff in the last two decades. During the visit with Hussein al-Kabil, the Saudi military chief of staff, and Prince Salman bin Abdulaziz al-Saud, the country's deputy prime minister and defense minister, who was named as crown prince in June.

~~~

Hurriyet Daily News, 19 November 2012, [Top commander pays landmark visit to Saudi Arabia](#)

### **DOMESTIC POLITICS**

#### **Jailed Kurds in Turkey end hunger strike after 68 days**

Turkey will hold talks with the Kurdistan Workers Party (PKK) militant group, Justice Minister Sadullah Ergin said on Nov. 19, fueling hopes of moves to resolve a decades-old conflict after the end of a hunger strike by its members. Hundreds of PKK inmates ended a 68-day hunger strike in jails across Turkey in response to an appeal from their jailed leader Abdullah Öcalan, reportedly following discussions he held with Turkish intelligence agency officials.

~~~

Wall Street Journal, 19 November 2012, [Jailed Kurds in Turkey end hunger strike after 68 days](#)
Reuters, 19 November 2012, [Turkey says it will hold talks with Kurdish militants](#)

Turkey opposes AKP's presidential plan

According to a survey conducted by SONAR, support for ruling Justice and Development Party (AKP) decreased by 2.5 percent since 2011 elections, dropping to 47.3 percent. The main opposition party maintained its level of popularity with a slight drop from 26 percent to 25.1 percent. The Nationalist Movement Party (MHP) gained 2.2 percent climbing to 15.2, and the Peace and Democracy Party (BDP) gained 1.1 percent, climbing to 7.1 percent support.

The survey also found that a majority of Turkish people oppose a presidential system despite the governing party's desire to establish one.

~~~

Hurriyet Daily News, 16 November 2012, [Turkey opposes AKP's presidential plan: Poll](#)

#### **PM invited to testify at Parliament coup panel**

A parliamentary panel established to look into military coups and demarches has invited Prime Minister Recep Tayyip Erdoğan to testify about the 1997 post-modern military coup, the 2007 "e-memorandum" and the much-speculated Dolmabahçe meeting of 2007. İdris Şahin, the spokesperson of Parliament's Coups and Military Memorandums Inquiry Commission, said on November 14 that some members of the

panel had requested to hear the prime minister even though the body ceased hearing witnesses on Nov. 10. Erdoğan will testify in written form.

~~~

Hurriyet Daily News, 15 November 2012, [PM invited to testify at Parliament coup panel](#)

Hurriyet Daily News, 16 November 2012, [Erdoğan to testify in written form](#)

ECONOMY / ENERGY

Turkey's unemployment falls to 8.8 percent

Turkey's unemployment rate fell to 8.8 percent in the August period, which covers three months starting from July, with a 0.4 percent recovery from the same period a year earlier. The figure stood at 8.4 percent in the July period, according to data revealed by the state-run statistics body TÜİK.

Finance Minister Mehmet Şimşek said in a note after the data was released that the jobless rate keeps falling despite a soft landing in economy. "In an environment that many countries cannot recover employment losses, Turkey continues to create jobs," he said.

~~~

Hurriyet Daily News, 15 November 2012, [Turkey's unemployment falls to 8.8 percent](#)

### **Turkey forecasts 2012 asset sales of \$3.5 billion, below target**

Turkey will miss its 2012 privatization goal as some sales spill over into next year, Turkish Finance Minister Mehmet Şimşek said. The country has earned 6.3 billion liras (\$3.5 billion) from asset sales so far this year, of which 4.5 billion liras came from the sale of a stake in Türkiye Halk Bankası AS (HALKB) last week.

Revenue is likely to rise to 6.8 billion liras by year-end, below the target of 10 billion liras, he said. Postponement of some revenue into 2013 means that year's goal of 4 billion liras is "achievable" and may be exceeded, Şimşek said. This year's income will be used to pay down government debt and to reduce borrowing needs.

~~~

Businessweek, 19 November 2012, [Turkey forecasts 2012 asset sales of \\$3.5 billion, below target](#)

19-26 November 2012

THIS WEEK:

TOP STORY

- Turkey requests Patriot missiles from NATO

FOREIGN POLICY

- Fighting in Gaza leaves U.S. in difficult position with Turkey

ECONOMY / ENERGY

- Turkey swaps gold for Iranian gas

- IMF predicts 3 percent growth this year
- Azerbaijan approves TANAP gas pipeline with Turkey

DOMESTIC POLITICS

- Turkey confronts a resurgent Kurdish threat

TUSIAD HIGHLIGHTS

- TUSIAD and UNFPA to release joint report on Turkey's demographic trends

TOP STORY

Turkey requests Patriot missiles from NATO

Turkey has officially asked NATO for the Patriot missile defense system on November 21 after talks about how to shore up security on its 900-km (560-mile) border with Syria as the conflict deepens.

NATO is expected to make a decision on November 27. Turkey's military stated that a delegation of Turkish and NATO officials are surveying sites for possible deployment and that the number of systems to be installed and the number personnel to be deployed would be worked out after the site surveillance. The statement said work toward linking the systems into Turkey's air defense network is ongoing.

According to an ABC News report, even if NATO quickly approves Turkey's request for the deployment of Patriot missiles on its border with Syria, winning parliamentary approval, selecting sites for the air defense batteries and transporting them there means they probably wouldn't be operational for weeks.

Iranian, Russian, and Syrian officials have all criticized the request. "The installation of such systems in the region has negative effects and will intensify problems in the region," Iranian parliament speaker Ali Larijani said on returning from a trip to Syria, Lebanon and Turkey on November 24. Syria has called Turkey's request for the Patriot missiles "provocative", and Russia said the move could increase risks in the conflict.

Turkish Prime Minister Recep Tayyip Erdoğan has stated that any deployment would be purely defensive.

~~~

ABC News, 22 November 2012, [Deployment of Patriots to Turkey could take weeks](#)

New York Times, 23 November 2012, [Iran criticizes Turkey's request for NATO Patriot missiles to deploy along border with Syria](#)

Reuters, 25 November 2012, [Iran warns Turkey not to deploy Patriot missiles](#)

ABC News, 26 November 2012, [Turkey: NATO to survey sites for Patriot missiles](#)

Voice of America, 26 November 2012, [NATO to decide on Turkey missile defense](#)

## FOREIGN POLICY

### **Fighting in Gaza leaves U.S. in difficult position with Turkey**

The Israeli-Hamas conflict is putting the Obama administration at odds with two of its most important partners in the Middle East, Turkey and Egypt, threatening to undermine other U.S. objectives in the region at a time of political upheaval.

On November 19, Prime Minister Recep Tayyip Erdoğan described Israel as a “terrorist state” and condemned the airstrikes in the Gaza Strip. The following day, Erdoğan accused Israel of committing ethnic cleansing against Palestinians. “Israel is occupying Palestinian territory step by step. The Palestinians are using their right for self-defense against the occupation and the ethnic cleansing,” he said.

Foreign Minister Ahmet Davutoğlu, who visited Gaza along with other ministers from Arab League countries, said prior to his departure that intense efforts were being made to reconcile differences between the Israeli and Hamas sides. “In the light of the new circumstances of the region, it’s clear that countries in the region will not remain silent to the humanitarian tragedy in Gaza,” he told reporters.

~~~

Washington Post, 19 November 2012, [Fighting in Gaza leaves U.S. in difficult position with Turkey, Egypt](#)
New York Times, 20 November 2012, [Turkey finds it is sidelined as broker in Mideast](#)
Wall Street Journal, 20 November 2012, [Turkey criticizes Israel's Gaza offensive](#)
Turkish Press Review, 21 November 2012, [Erdogan blames Israel for committing ethnic cleansing](#)
Turkish Press Review, 21 November 2012, [Davutoglu to Palestinians: “You are not alone in your struggle”](#)

ECONOMY / ENERGY

Turkey swaps gold for Iranian gas

Turkey acknowledged on November 23 that a surge in its gold exports this year is related to payments for imports of Iranian natural gas, shedding light on Ankara's role in breaching U.S.-led sanctions against Tehran. The disclosure was made by Turkey's Deputy Prime Minister and top economic policy maker Ali Babacan in answers to questions from the parliamentary budget committee.

~~~

Wall Street Journal, 23 November 2012, [Turkey swaps gold for Iranian gas](#)

### **IMF predicts 3 percent growth this year**

Turkey’s economy will grow 3 percent this year and 3.5 percent next year, the International Monetary Fund (IMF) has predicted in its latest review. The IMF also expects inflation to fall to 6.2 percent next year from an estimated rate of 7.5 percent this year.

~~~

Hurriyet Daily News, 22 November 2012, [IMF predicts 3 percent growth this year](#)

Azerbaijan approves TANAP gas pipeline with Turkey

Within the framework of the Trans-Anatolian gas pipeline system (TANAP), an agreement signed between Turkey and Azerbaijan was put to vote at the Azerbaijani Parliament. As a result of voting, the agreement on the natural gas sale to Turkey, transportation of Azerbaijani natural gas to Europe via Turkey and the construction of a gas pipeline for natural gas transportation was ratified.

~~~

Turkish Press Review, 21 November 2012, [Azerbaijan approves TANAP gas pipeline with Turkey](#)

### **DOMESTIC POLITICS**

#### **Turkey confronts a resurgent Kurdish threat**

The Washington Post reports that the PKK has reemerged as a stronger, better equipped and increasingly organized force that is now in the midst of one of its bloodiest campaigns since the worst days of the conflict in the 1990s. The most recent campaign is presenting a major security risk for Turkey at a time when this strategically vital NATO member is also pushing for a limited international intervention against the government of Syrian President Bashar al-Assad, who Turkish officials see as being at least partly responsible for the mounting PKK threat.

~~~

Washington Post, 25 November 2012, [Turkey confronts a resurgent Kurdish threat](#)

TUSIAD HIGHLIGHTS

TUSIAD and UNFPA to release joint report on Turkey's demographic trends

TUSIAD and United Nations Population Fund (UNFPA) will hold a meeting on November 27 to launch their joint report "[Repercussions on Labour, Health and Social Security \(Retirement\) Systems](#)" to evaluate the effects of demographic developments in Turkey toward 2050.

TUSIAD and UNFPA have been carrying out a joint project entitled "Demography and Management Towards 2050" to analyze demographic changes and the repercussions of these changes on social policy issues since 2009. The project aims to present demographic dynamics in Turkey from the foundation of the Republic to the present day and put forth demographic projections towards 2050 that reveal potential risks and opportunities that demographic transition processes might bring. These are followed by concrete policy recommendations. The project also purports to assist managers in both the public and the private sector who have responsibilities in investment and management fields to enhance their decision-making and implementation processes.

The project consists of a principal report and four sectoral reports that look into the repercussions of demographic change in the areas of education, employment, health and social security. The principal report and the report on education sector were published in November 2010.