

FEBRUARY 2013

4 February 2013

THIS WEEK:

FOREIGN POLICY

- Deputy Secretary of Defense in Turkey
- Suicide blast kills U.S. Embassy guard in Turkey
- Second set of NATO Patriot missiles in Turkey go active
- France vows to rekindle Turkey's frozen EU bid

ECONOMY / ENERGY

- Turkey's debt to IMF ends in May
- Turkey buys new vessel for oil search

DOMESTIC POLITICS

- Turkey readies incentives to halt falling birth rate

FOREIGN POLICY

Deputy Secretary of Defense in Turkey

U.S. Deputy Secretary of Defense Ash Carter arrived on February 4 in Ankara for a series of talks with Turkish officials, including the country's defense minister, following a deadly suicide attack at a security checkpoint at the U.S. Embassy in Ankara.

Carter met with Turkish Defense Minister İsmet Yılmaz and other defense officials "to help advance mutual defense cooperation, including NATO-led efforts to address the potential missile threat resulting from the conflict in Syria," according to a State Department statement. Speaking after their meeting, "This unfortunate incident has again shown us that in the new security environment in which cooperation between countries has become more important than ever, fight against terrorism has great importance and needs cooperation. In this context I would like to mention my firm belief in our current cooperation for fight against terrorism will increase and continue," Yılmaz said.

"Dr. Carter's visit will also provide an opportunity to reaffirm America's strong commitment to Turkey as an ally in confronting international terrorism in the wake of last Friday's incident at the U.S. Embassy," the State Department statement said.

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Department of Defense, 3 February 2013, [Carter, Turkish defense leaders to meet on security challenges](#)  
Anadolu Agency, 4 February 2013, [Senior Pentagon official in Turkey](#)  
Anadolu Agency, 4 February 2013, [Cooperation between Turkey & U.S. became more important than ever](#)

### **Suicide blast kills U.S. Embassy guard in Turkey**

A Marxist group with a history of political violence in Turkey claimed responsibility on Saturday for a suicide bombing at the U.S. Embassy in Ankara the day before, releasing a statement calling the United States “the murderer of the peoples of the world.” The statement, which also denounced U.S. foreign policy, was released by the Revolutionary People’s Liberation Party-Front (DHKP-C). The bombing killed one Turkish security guard. The bomber was identified as Ecevit Şanlı, 30, a convicted terrorist who had twice attacked government facilities in Istanbul but was released from prison under an amnesty program.

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New York Times, 1 February 2013, [Suicide Blast Kills U.S. Embassy Guard in Turkey](#)
The Guardian, 1 February 2013, [US embassy bombing in Turkey called ‘act of terror’ by Obama administration](#)
Reuters, 2 February 2013, [Turkey says tests confirm leftist bombed U.S. embassy](#)
Time, 2 February 2013, [The U.S. Embassy Bombing in Turkey: The Unusual Suspects](#)
ABC News, 3 February 2013, [Turkey: Embassy Bombers Cling to Cold War Ideology](#)

Second set of NATO Patriot missiles in Turkey go active

A second pair of Patriot missile batteries being sent by NATO countries to defend Turkey against possible attack from Syria is now operational, a German security official said. The two German batteries, which have been deployed around the Turkish city of Kahramanmaraş some 100 km (60 miles) from the Syrian border, were in position and ready to use as of late January 28, the German security official said. The final U.S. Patriots are expected to go active in the coming days.

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Reuters, 29 January 2013, [Second set of NATO Patriot missiles in Turkey go active](#)

### **France vows to rekindle Turkey’s frozen EU bid**

France is expected to submit new proposals to accelerate Turkey’s accession talks with the union as Paris sends strong signals that it is prepared to lift its block on at least one accession chapter during Ireland’s current bloc term presidency.

The announcement came after Prime Minister Recep Tayyip Erdoğan made a statement that if Turkey’s EU accession can’t gain traction, he would start looking towards the SCO. “The Shanghai Five is better and more powerful than the EU and we have common values with them,” he said, referring to the Shanghai Cooperation Organization (SCO).

Later, President Abdullah Gül clarified that the Shanghai Five, or SCO, and the EU are not alternatives to each other. “Unfortunately, the negotiation process [with the EU] is not proceeding as we wished due to the prejudiced manners of some member states.

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Voice of America, 30 January 2013, [Erdogan Hints at Alternative Federation for Turkey](#)

Hurriyet Daily News, 31 January 2013, [France vows to rekindle Turkey's frozen EU bid](#)
Hurriyet Daily News, 4 February 2013, [Shanghai not alternative but Turkey losing EU patience](#)

ECONOMY / ENERGY

Turkey's debt to IMF ends in May

Turkey will pay the last tranche of its debt to International Monetary Fund (IMF) in May 2013. The tranche is nearly 431 million USD. Turkey's debt stock under the 19th stand-by deal with the IMF had been 860 million USD as of January 28, 2013.

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Anadolu Agency, 2 February 2013, [Turkey's debt to IMF ends in May](#)

### **Turkey buys new vessel for oil search**

Turkey's state-run oil researcher TPAO has bought a seismic vessel to conduct two and three dimensional seismic surveys in Turkish seas, Energy and Natural Resources Minister Taner Yıldız announced on Jan. 30. After seven months of talks between the two sides, the TPAO paid around \$130 million to Norwegian Polarcus company for the seismic vessel.

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Hurriyet Daily News, 30 January 2013, [Turkey buys new vessel for oil search](#)

DOMESTIC POLITICS

Turkey readies incentives to halt falling birth rate

Turkey plans to offer incentives including free fertility treatment to try to reverse a slowing birth rate after official figures showed the median age of its population has crept above 30 for the first time.

This week, Turkey's statistics bureau (TUIK) released data showing the median age has risen above 30 for the first time, to 30.1, up from 29.7 in 2011. Population growth slowed from 1.35 percent in 2011 to 1.2 percent last year. No sooner was the data released than the country's development and finance ministers announced they were working on incentives to try to reverse the trend.

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Reuters, 31 January 2013, [Turkey readies incentives to halt falling birth rate](#)

## **12 February 2013**

### **THIS WEEK:**

#### **FOREIGN POLICY**

- U.S. Patriot missile battery in Turkey comes under NATO command
- Turkey, U.S. to step up legal case against terror
- Syria opposition group says it was target of Turkey bus blast

- France to assist Turkey in opening EU chapter
- Egypt, Turkey, Iran discuss ways to end bloodshed in Syria

#### ECONOMY / ENERGY

- Turkey stocks rise as Fitch says anti-terror law cuts risk
- Iraqi Kurds press on with oil pipe to Turkey despite U.S. fears
- Turkey's \$5 billion smart-grid plan seen boosting ties with U.S.
- Turkey will not halt gold flow to Iran, demand may fall

#### DOMESTIC POLITICS

- Kurdish journalists, media workers released in Turkey

#### FOREIGN POLICY

##### **U.S. Patriot missile battery in Turkey comes under NATO command**

A U.S. Patriot missile battery now up and running near Turkey's border with Syria came under NATO command on Feb. 5. Currently, five of six Patriot batteries are operating in Turkey as part of an effort to protect Turkish airspace from a potential missile strike from neighboring Syria. The second U.S. Patriot battery is expected to become operational in the coming days as construction at its operational site in Gaziantep nears completion.

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Stars and Stripes, 5 February 2013, [US Patriot missile battery in Turkey comes under NATO command](#)
Long War Journal, 11 February 2013, [NATO Patriot missiles deployed in Turkey](#)

Turkey, U.S. to step up legal case against terror

Last week's suicide blast against the U.S. Embassy in Ankara pushed Ankara and Washington to step up their joint anti-terror fight with an emphasis on judicial cooperation; the United States has long been criticizing deficiencies in Turkey's legal system. The cooperation between two countries could also bring about a court case against the Revolutionary People's Liberation Party/Front (DHKP-C).

"I can tell you that we're in intensive cooperation with the intelligence, law enforcement and more importantly with the ministry of justice to step up what was already excellent cooperation and bring that cooperation to the level the U.S. enjoys with our closest allies and partners around the world," Francis Ricciardone, U.S. ambassador to Ankara, told reporters.

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Hurriyet Daily News, 5 February 2013, [Turkey, US to step up legal case against terror](#)

##### **Syria opposition group says it was target of Turkey bus blast**

Turkey said Tuesday that an explosion on its border with Syria that killed 14 people on February 11 was a terrorist attack, while senior Syrian dissidents who had been traveling in the area said they believed they had been the target. The bombing is the latest example of heightened instability along parts of Turkey's 565-mile-long border with Syria.

Turkey has spent more than \$600 million sheltering refugees from the almost two-year-old conflict, Finance Minister Mehmet Şimşek had stated a few days earlier.

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Reuters, 8 February 2013, [Turkey says has spent \\$600 million on Syria refugees](#)

Voice of America, 11 February 2013, [Blast kills 12 at Syria-Turkey border](#)

Reuters, 12 February 2013, [Syria opposition group says it was target of Turkey bus blast](#)

Wall Street Journal, 12 February 2013, [Syrian group says it was target of Turkey border blast](#)

France to assist Turkey in opening EU chapter

France announced on Feb. 12 that it would assist Turkey in opening one of the five chapters once blocked by Paris for Ankara's long-stalled EU membership talks. After meeting with Foreign Minister Ahmet Davutoğlu, French Foreign Minister Laurent Fabius said they would assist Turkey with opening Article 22, entitled "Regional Policy and Coordination of Structural Instruments."

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Hurriyet Daily News, 12 February 2013, [France to assist Turkey in opening EU chapter](#)

### **Egypt, Turkey, Iran discuss ways to end bloodshed in Syria**

The presidents of Egypt, Iran and Turkey have discussed the situation in Syria on February 6 in a three-way summit in Cairo. Meeting on the sidelines of the 12<sup>th</sup> Summit meeting of the Organization of Islamic Cooperation (OIC), Presidents Mohamed Mursi, Mahmoud Ahmadinejad and Abdullah Gül agreed on the necessity of empowering Syrians to put an end to bloodshed and the destruction of infrastructure.

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Hurriyet Daily News, 7 February 2013, [Turkey, Iran, Egypt working together on framework for Syria: Turkish President Gül](#)

Bloomberg, 6 February 2013, [Egypt, Turkey, Iran discuss ways to end bloodshed in Syria](#)

ECONOMY / ENERGY

Turkey stocks rise as Fitch says anti-terror law cuts risk

Turkish stocks rose, led by banks, after Fitch Ratings said the country's adoption of anti-terrorism financing legislation reduced the risk of market access for entities including the sovereign. Parliament's Feb. 8 adoption of anti-terrorism financing legislation "reduces the risk of suspension" from the OECD Financial Action Task Force, Fitch said in a statement today. Failure to pass the legislation "could have disrupted access to financial markets" for Turkish entities, it said. One of the "key assumptions" underlying Turkey's lifting to investment grade was avoiding any potential sanctions, the rating company said.

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Bloomberg, 12 February 2013, [Turkey stocks rise as Fitch says anti-terror law cuts risk](#)

### **Iraqi Kurds press on with oil pipe to Turkey despite U.S. fears**

Iraqi Kurdistan will press ahead with building its own oil export pipeline to Turkey, the region's energy minister said on Thursday, despite U.S. objections due to fears the project could lead to the break-up of Iraq.

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Reuters, 7 February 2013, [Iraqi Kurds press on with oil pipe to Turkey despite U.S. fears](#)

Turkey's \$5 billion smart-grid plan seen boosting ties with U.S.

Turkey will spend \$5 billion on smart power grids by 2015 to boost network efficiency, allowing North American companies to expand, the U.S. government said. The U.S. sees "substantial opportunities for closer cooperation between the Turkish government and energy companies and U.S. companies that provide smart-grid technologies," according to a statement from the consulate in Istanbul, which held a conference on February 12 on grid investments. Turkey is forecasting annual power-demand growth of 6.3 percent in the next two decades.

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Hurriyet Daily News, 5 February 2013, [Energy dependence to grow in Turkey](#)

Bloomberg, 11 February 2013, [Turkey's \\$5 billion smart-grid plan seen boosting ties with U.S.](#)

### **Turkey will not halt gold flow to Iran, demand may fall**

Turkey will not be swayed by U.S. sanctions pressure to halt gold exports to Iran but Tehran's demand for the metal may fall this year, Economy Minister Zafer Çağlayan said. U.S. officials are concerned that Turkey's gold sales, which allow Iran to export natural gas, provides a financial lifeline to Tehran, which is largely frozen out of the global banking system by Western sanctions imposed over its nuclear program.

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Reuters, 7 February 2013, [UPDATE 1-Turkey will not halt gold flow to Iran, demand may fall](#)

DOMESTIC POLITICS

Kurdish journalists, media workers released in Turkey

The release of at least seven journalists and media workers from pretrial detention is a positive step toward restoring the press freedom climate in Turkey, the Committee to Protect Journalists said on February 11. A court in Istanbul on Friday ordered the release pending trial of the individuals, who were imprisoned in December 2011 on charges of supporting and collaborating with the banned Union of Communities in Kurdistan, or KCK, and Kurdistan Workers Party, or PKK. The individuals still face prison terms if convicted of their charges and all have been banned from traveling outside Turkey.

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Committee to Protect Journalists, 11 February 2013, [Kurdish journalists, media workers released in Turkey](#)

**19 February 2013**

**THIS WEEK:**

**FOREIGN POLICY**

- US, NATO would help Turkey on border protection if asked, says spokesperson
- Turkey to present action plan to EU for opening of new chapter
- Israel, Turkey in first defense deal since ties frozen
- Secretary Kerry to travel to Turkey

**ECONOMY / ENERGY**

- Turkey to Iran gold trade wiped out by new U.S. sanction
- Turkey's second nuke plant to cost \$25 billion
- Turkey's shale gas hopes draw growing interest

**DOMESTIC POLITICS**

- Turkey moves to boost freedom of expression
- Turkey detains four ex-generals over 1997 "post-modern coup"

**FOREIGN POLICY**

**US, NATO would help Turkey on border protection if asked, says spokesperson**

State Department Spokeswoman Victoria Nuland addressed the press in a February 12th meeting. She stated that the U.S. would be willing to give Turkey "the best we can bilaterally, or through NATO," if Turkey requested the support. Nuland noted that the information she has received from Turkey about the bombing at the Cilvegözü border gate in Hatay focused on casualties.

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Hurriyet Daily News, 13 February 2013, [US, NATO would help Turkey on border protection if asked, says spokesperson](#)

Department of State, 12 February 2013, [Daily Press Briefing Transcript](#)

Turkey to present action plan to EU for opening of new chapter

Turkey has fulfilled the benchmarks for the opening of an EU membership negotiation chapter "Regional Policy and Coordination of Structural Instruments" and will present a draft action plan to the EU Commission Feb. 19, EU Minister Egemen Bağış has said.

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Hurriyet Daily News, 18 February 2013, [Turkey to present action plan to EU for opening of new chapter](#)

**Israel, Turkey in first defense deal since ties frozen**

An Israeli firm has supplied Turkey with military equipment in the first such reported deal since the two nations froze ties over the 2010 killing of nine Turks aboard a Gaza-bound aid ship, Turkish government sources said on Monday. Israeli defense firm Elta delivered to Turkey \$100 million of electronic equipment last week for four Airborne Warning and Control System (AWACS) aircraft, the sources said,

but rebuffed suggestions the deal was a sign of improving ties with the Jewish state. “Turkey bought the equipment from Boeing and the Israeli company is just a sub-contractor of Boeing, which means we are in direct relationship only with Boeing and not with Israel,” a foreign ministry official told Reuters.

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Reuters, 19 February 2013, [Israel, Turkey in first defense deal since ties frozen: sources](#)

Secretary Kerry to travel to Turkey

Secretary of State John Kerry is scheduled to stop in Turkey during his first overseas trip to Europe and the Middle East. State Department Spokesperson Victoria Nuland said “Secretary Kerry will travel to Ankara, Turkey, where he will meet with Turkish officials to discuss our strategic priorities – from ending the crisis in Syria to promoting regional stability, peace, and security – as well as explore areas to deepen U.S.-Turkey bilateral cooperation, including counterterrorism cooperation.”

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Department of State, 19 February 2013, [Press release: Secretary of State John Kerry’s travel to Europe and the Middle East](#)

### **ECONOMY / ENERGY**

#### **Turkey to Iran gold trade wiped out by new U.S. sanction**

A new round of U.S. sanctions, which prevent Turkish banks from paying for Iranian oil with exported gold, came into effect on February 6. Tighter U.S. sanctions are killing off Turkey’s gold-for-gas trade with Iran and have stopped state-owned lender Halkbank from processing other nations’ energy payments to the OPEC oil producer, bankers said on Friday. Iranians now must show that they are purchasing only Turkish “food, medicine and industrial products” with the money from Turkey’s gas purchases.

Meanwhile, Turkey imported 29 percent less Iranian crude oil in December than November, as the country followed a pledge to cut purchases as part of the trade sanctions.

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Reuters, 14 February 2013, [UPDATE 1-Turkey buys a third less Iranian crude oil in December](#)

Reuters, 15 February 2013, [Turkey to Iran gold trade wiped out by new U.S. sanction](#)

Turkey’s second nuke plant to cost \$25 billion

Due to the high costs of importing oil and gas, Turkey is developing a second nuclear power plant in Sinop, and expanding the search for oil inside the country. Minister of Energy and Natural Resources Taner Yıldız announced that the cost of the plant should be between “\$22 billion and \$25 billion.” Groups from different countries are beginning to make bids to build the plant. Domestic oil exploration continues in the Southeast, and will include a wider area soon.

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Hurriyet Daily News, 14 February 2013, [Turkey’s second nuke plant to cost \\$25 billion](#)

### **Turkey's shale gas hopes draw growing interest**

Turkey is hoping to find shale gas reserves big enough to help reduce its energy import dependency and is in talks with foreign firms about widening exploration after encouraging early signs, industry officials said on February 18.

The government is hoping that major shale gas reserves lie in basins in its southeast, east and western Thrace regions and officials say several firms, including smaller players already looking for conventional oil and gas, are keen to explore.

"We are keen to exploit this method and we must make economic use of shale gas," Energy Minister Taner Yıldız told Reuters, saying it would be a priority for the near future.

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Reuters, 18 February 2013, [Turkey's shale gas hopes draw growing interest](#)

DOMESTIC POLITICS

Turkey moves to boost freedom of expression

Turkey is editing its penal code to not only bring the code closer to European standards, but also to potentially support the progression of negotiations with jailed PKK leader Abdullah Öcalan. The revision narrows the definition of punishable writings to those that specifically incite activity. A lawmaker remarked, "When a person shares an idea and writes it down, if it does not contain, inspire, incite or try to legitimize violence, how can somebody be convicted?" So far, the basic tenets of the revision have been approved, and the revisions could go to the Grand National Assembly within one month.

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Reuters, 13 February 2013, [Turkey moves to boost freedom of expression](#)

#### **Turkey detains four ex-generals over 1997 "post-modern coup"**

Four generals are being held for questioning prior to a trial in regards to the planning and implementation of a 1997 "post-modern coup." The phrase "post-modern coup" refers to the use of internal pressure, as opposed to military takeover, in former Prime Minister Necmettin Erbakan's resignation. The detentions follow with the overall trend of the AK Party attempting to curtail the influence of the military; however, Prime Minister Erdoğan has recently hinted at his desire to improve relations with the military.

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Reuters, 14 February 2013, [Turkey detains four ex-generals over 1997 "post-modern coup"](#)

25 February 2013

THIS WEEK:

FOREIGN POLICY

- Merkel visits Turkey

ECONOMY / ENERGY

- Washington hosts 9th meeting of Turkey-US Trade & Investment Council

DOMESTIC POLITICS

- Turkey seeks to boost healthcare with new investment rules
- Turks debate modest dress set for takeoff

FOREIGN POLICY

Merkel visits Turkey

German Chancellor Angela Merkel arrived in Turkey on February 24 for talks with Prime Minister Recep Tayyip Erdoğan and President Abdullah Gül to discuss Turkey's EU accession negotiations and the crisis in Syria. Prior to her trip, Merkel had stated that she is in favor of opening a new chapter in Turkey's EU negotiations in order to move forward.

Merkel started her trip by visiting German troops at Kahramanmaraş, stationed there to operate the two German Patriot missiles. In addition, Merkel, along with her delegation of German businessmen, attended the second Turkish-German CEO Forum in Ankara, hosted jointly by TUSIAD and BDI, TUSIAD's German counterpart.

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Hurriyet Daily News, 23 February 2013, [Merkel's Turkey visit excites business circles](#)

Hurriyet Daily News, 23 February 2013, [Merkel favors 'new chapter' in Turkey's EU-bid talks](#)

Reuters, 23 February 2013, [Merkel backs new EU talks for Turkey, but has doubts](#)

ABC News, 24 February 2013, Germany's [Merkel meets Turkish leaders in Ankara](#)

New York Times, 24 February 2013, [Merkel raises Turks' hope of European Union entry](#)

Reuters, 25 February 2013, [Cyprus remains stumbling block in Turkey's EU ambition: Merkel](#)

Huffington Post, 25 February 2013, [Merkel backs 'open-ended' Turkey EU talks](#)

**ECONOMY / ENERGY**

**Washington hosts 9th meeting of Turkey-US Trade & Investment Council**

The ninth meeting of Turkey-U.S. Trade and Investment Council (TIFA) was held on February 21 at the Turkish Embassy in Washington, DC. Deputy Undersecretary of Economy Cemalettin Damlacı headed the Turkish delegation. Damlacı said the main agenda of the meeting was the expectation of signing a free trade agreement (FTA) between Turkey and the U.S., reminding that Turkey had a FTA with 19 countries.

Noting a recent Pricewaterhouse Coopers report estimating Turkey would be the 12th largest economy in the world by 2030, Damlacı highlighted the importance of such an agreement for bilateral relations.

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Anadolu Agency, 22 February 2013, [Washington hosts 9th meeting of Turkey-US Trade&Investment Council](#)

DOMESTIC POLITICS

Turkey seeks to boost healthcare with new investment rules

On February 21, the Turkish government passed laws that allow private investors to run city hospitals for 25 years, and streamline building new hospitals. The set of laws makes investment appealing by offering security in the process, and limiting bureaucracy. The new laws complement high growth in the private services sector.

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Reuters, 22 February 2013, [Turkey seeks to boost healthcare with new investment rules](#)

### **Turks debate modest dress set for takeoff**

Leaked designs for new Turkish Airlines crew uniforms spark debate that the conservative uniforms represent a new, more religious orientation of the airline. This comes at the same time as the announcement of cancelled alcohol service on certain flights. The airline is deflecting some criticism, noting that the leaked designs are one of many ideas.

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New York Times, 24 February 2013, [Turks debate modest dress set for takeoff](#)