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**FOREIGN POLICY****Prime Minister Erdoğan's visit to Washington, DC**

President Barack Obama and Prime Minister Recep Tayyip Erdoğan met in Washington on May 16.

Syria and the economic relationship (TTIP) were two of the most important agenda items in the discussions. During a press conference, President Obama announced the creation of a high level committee to deepen economic relations between the U.S. and Turkey. On Syria, the two leaders agreed to keep increasing pressure on the Assad regime and working with the Syrian opposition. Erdoğan also attended a lunch in honor of Vice President Joe Biden and Secretary of State John Kerry, as well as a reception hosted by the US Chamber of Commerce.

In regards to the creation of a bilateral High Level Committee, TUSIAD President Muharrem Yılmaz stated that "This effort will accelerate the improvement of bilateral economic relations and will constitute the first steps of a future free trade agreement between Turkey and the United States. But this is only a first step. We believe that Turkey should not be left out of the Transatlantic Trade and Investment Partnership (TTIP)."

Erdoğan started his visit by attending a groundbreaking ceremony for the Turkish-American Culture and Civilization Center in Maryland. On the last day of his trip, Erdoğan spoke at a statesman's forum at Brookings Institution, moderated by TUSIAD Senior Fellow Kemal Kirişçi.

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White House, 16 May 2013, [Joint press conference by President Obama and Prime Minister Erdoğan of Turkey](#)

TUSIAD US, 20 May 2013, [TUSIAD President on Prime Minister Erdogan's visit to Washington](#)

Hurriyet Daily News, 20 May 2013, [Turkish PM couldn't get what he expected on Syria from US visit: NGO head](#)

Turkish Press, 16 May 2013, [Turkish PM attends groundbreaking ceremony for Turkish-American Culture Center](#)

Washington Post, 13 May 2013, [Turkey's Syria policies are criticized as Erdogan prepares to meet with Obama](#)

Wall Street Journal, 12 May 2013, [Turkey blames Syria for deadly car bombs](#)

Voice of America, 9 May 2013, [Turkey PM warns Syria has used chemical weapons](#)

### **The tenth Turkey-U.S. Economic Partnership Commission**

Ambassador Mehmet Tuğrul Gücük and United States Assistant Secretary of State for Economic and Business Affairs Jose W. Fernandez held a press conference on May 23 after the tenth Turkey-U.S. Economic Partnership Commission (EPC) meeting. Fernandez said "I am glad to say that each meeting I participated in has better impact than the previous one."

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Anadolu Agency, 23 May 2013, [U.S.-Turkey relations, in a special moment, says United States Assistant Secretary of State](#)

### **Israel and Turkey in talks over deadly flotilla raid**

Turkish and Israeli officials met in Jerusalem on May 6 for a second round of talks over compensation for the Israel's deadly 2010 raid on a Gaza-bound flotilla. The Turkish delegation, led by the Undersecretary of the Ministry of Foreign Affairs, Feridun Sinirlioğlu, was the highest-level diplomatic mission to visit Israel since relations were frozen. The Israeli negotiating team is being led by National Security Adviser Yaakov Amidror and special liaison for Turkish reconciliation Joseph Ciechanover.

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AFP, 6 May 2013, [Turkey, Israel hold fresh flotilla compensation talks](#)

New York Times, 7 May 2013, [Israel and Turkey in talks over deadly flotilla raid](#)

### **Turkey likely to move ahead on EU path in June**

Turkey is likely to take a long-awaited step on its path towards European Union entry next month, EU officials said on Monday, after France eased its opposition to Ankara's accession talks.

On May 23 Turkey and the European Union pledged to press ahead with Ankara's stalled bid to join the EU during European Council President Herman Van Rompuy's visit to Ankara. In a news conference with Turkish Prime Minister Recep Tayyip Erdoğan, Van Rompuy said that in meetings with Erdoğan and President Abdullah Gül, he discussed lifting visa requirements, energy relations, the conflict in neighboring Syria, and economic developments. Van Rampuy has given strong support to Turkey's EU membership bid, Kurdish peace process and other reforms, while underlining the importance of a solution to the Cyprus issue and Turkey's importance in the trade talks between the EU and the United States.

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Wall Street Journal, 23 May 2013, [EU and Turkey seek to tighten relations](#)

Hurriyet Daily News, 24 May 2013, [Turkey gets crucial EU messages on 5 issues](#)

Today's Zaman, 26 May 2013, [Turkey to insist on "reasonable" conditions for visa talks at EU meeting](#)

Reuters, 27 May 2013, [Turkey likely to move ahead on EU path in June](#)

### **Turkey builds wall at Syrian border**

Turkey is constructing 1.5-mile twin walls at a border crossing with Syria to increase security at the frontier following three deadly bombings this year. The concrete walls will be built on either side of the road leading from the Turkish side of the crossing at Cilvegözü to the Syrian border gate and will be topped with barbed wire, the Turkish Customs Ministry said in a statement.

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NBC News, 25 May 2013, [Turkey builds wall at Syrian border after deadly bombings](#)

### **Turkey's EU ministry to grant funds for media, NGOs**

Turkey's European Union Ministry (EU) will provide 9 million euros in grant funds to media and civil society organizations as part of the Turkey-EU joint "Civil Society Dialogue III Grant Scheme."

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Anadolu Agency, 24 May 2013, [Turkey's EU ministry to grant funds for media, NGOs](#)

### **Turkey increases security for Orthodox Patriarch following assassination plot claims**

An official says Turkish authorities have tightened security for the Istanbul-based Orthodox Patriarchate following allegations of a plot to attack the spiritual leader of the world's Orthodox Christians. Unconfirmed local media reports said Friday police briefly detained a man following a tip that he planned to assassinate Ecumenical Patriarch Bartholomew I.

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Washington Post, 10 May 2013, [Official: Turkey increases security for Orthodox Patriarch following assassination plot claims](#)

**ECONOMY / ENERGY****Turkey, Japan sign deal for Sinop nuclear plant**

Turkish Prime Minister Recep Tayyip Erdoğan and his Japanese counterpart, Shinzo Abe, signed a \$22 billion deal on Turkey's second nuclear plant project on May 3 in the Black Sea province of Sinop. The project will be led by Japan's Mitsubishi Heavy Industries Ltd. and France's Areva SA.

"This is a very important deal. With this second nuclear plant, we have also taken the first step toward a third one, which is a lot to us," Erdoğan told reporters after a signing ceremony with Abe. Erdoğan also emphasized Japan's safety know-how and experience against earthquakes.

Turkish Energy Minister Taner Yıldız said that with the nuclear plants, Turkey "will end imports of 7.2 billion dollars worth of natural gas."

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Wall Street Journal, 2 May 2013, [Japan gains nuclear deal for project In Turkey](#)

Hurriyet Daily News, 3 May 2013, [Turkey, Japan sign \\$22 bln deal for Sinop nuclear plant](#)

Anadolu Agency, 6 May 2013, [Nuclear plants to help Turkey save \\$7.2 bln in gas imports](#)

**Turkey a "success story for the troubled IMF"**

Turkey paid the last installment of its debt to the IMF on May 14, ending a period that goes as far back as the 1950s. Turkey has pledged to contribute \$5 billion to the IMF, becoming the 23rd biggest lender in the institution.

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Hurriyet Daily News, 20 May 2013, [Turkey a "success story for the troubled IMF"](#)

Anadolu Agency, 4 May 2013, [Turkey to start clean slate with IMF](#)

**Moody's lifted Turkey rating to investment grade**

The nation's economy got a vital boost on May 16 when Moody's lifted its government bond ratings to investment grade; Fitch had already done so in November. Moody's cited "recent and expected future improvements in key economic and public finance metrics."

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Bloomberg News, 19 May 2013, [A vindicated Turkey, now investment grade](#)

**Turkish unemployment rate down to 9.2% in February**

In the period of February 2013, the seasonally adjusted number of employed persons increased by 120 thousand and the number unemployed persons decreased by 29 thousand compared to the previous period. Seasonally adjusted labor force participation was 51 percent and employment rate 46.3 percent. The unemployment rate was 9.2 percent, a 0.2 percentage point decrease.

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Trading Economics, 15 May 2013, [Turkish unemployment rate down to 9.2 in February](#)

### **Current account deficit drops to \$5.4 billion in March**

The current account deficit of Turkey dropped to \$5.4 billion in March. For the January-March period it was \$15.9 billion.

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CNN Turk, 13 May 2013, [Cari açık martta 5.4 milyar dolar](#)

### **Turkey-South Korea free trade deal in effect; call for FTA with Japan**

The free trade agreement between South Korea and Turkey took effect as of May 1.

Meanwhile, during a Turkey-Japan Business Council Joint Meeting, Turkish Minister of Economy Zafer Çağlayan called for negotiations between Turkey and Japan on a free trade agreement to start immediately.

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Anadolu Agency, 1 May 2013, [Turkey-South Korea free trade deal in effect](#)

Anadolu Agency, 3 May 2013, [Call for FTA with Japan](#)

## **DOMESTIC POLITICS**

### **First group of withdrawing PKK militants arrives in northern Iraq**

A group of 15 militants from outlawed Kurdistan Workers' Party (PKK) that left Turkey as part of a peace drive with Ankara arrived in the Harur area in northern Iraq on May 14. PKK is withdrawing its militants in Turkey to northern Iraq upon orders from its jailed leader, Abdullah Öcalan.

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Hurriyet Daily News, 14 May 2013, [First group of withdrawing PKK militants arrives in northern Iraq](#)

Washington Post, 7 May 2013, [Kurdish rebels confirm they will start retreat from Turkey to Iraq on Wednesday](#)

### **Turkey's Kurtulmuş sets July deadline for new constitution**

The deputy chairman of Turkey's ruling Justice and Development Party, or AKP, said July 1 is its deadline for reaching consensus on a new constitution. "The AKP will do what it can on the new constitution until July 1, and after that will evaluate other alternatives that arise in the period ahead," Numan Kurtulmuş, who is also the party's head of economic policy, said in an interview in Ankara on May 9.

Prime Minister Recep Tayyip Erdoğan said over the weekend that Turkey may see three elections next year — local elections, presidential elections and a referendum on a new constitution — should the

efforts by the four political parties represented in Parliament to write a new constitution fail to bear fruit in the coming months.

The local elections would be held in March, the presidential elections are scheduled for August 2014, and depending on developments of the Constitutional Reconciliation Commission, a referendum may be held later this year.

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Businessweek, 10 May 2013, [Turkey's Kurtulmuş sets July deadline for new constitution](#)

Today's Zaman, 20 May 2013, [PM's words on three elections a tactic for reconciliation on constitution](#)

### **Turkey bans alcohol advertising, curbs sales**

Turkey banned alcohol advertising and tightened restrictions on its sale on May 24, drawing criticism from secular Turks as well as the country's brewing industry. The new law includes a ban on shops selling alcohol from 10pm to 6am. Alcohol producers will have to place health warnings on packaging.

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Reuters, 24 May 2013, [Turkey bans alcohol advertising, curbs sales](#)

### **TUSIAD HIGHLIGHTS**

#### **Seminar on TTIP and its impacts on the Turkish economy**

TUSIAD organized a seminar on the "Transatlantic Trade and Investment Partnership (TTIP) and Its Impacts on Turkish Economy" in Istanbul on May 6. Deputy Undersecretary of the Ministry of Economy Cemalettin Damlaç and TUSIAD Secretary General Zafer Ali Yavan gave opening remarks.

You can find the relevant documents by following these links: [Presentations](#); [Photos](#); [Agenda](#)(Turkish)