

JUNE 2013**THIS MONTH:****DOMESTIC POLITICS**

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- Turkey-Kurdistan pipeline to be completed by Fall
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DOMESTIC POLITICS**TUSIAD President meets with Erdoğan over Gezi Protests**

TUSIAD President Muharrem Yılmaz met with Prime Minister Recep Tayyip Erdoğan on June 17 to discuss the Gezi Protests and the Turkish economy. In a statement after their meeting, Yılmaz said that a solution to the unrest could be reached through inclusive democracy and the rule of law. After the start of the protests, TUSIAD had issued a statement calling all sides to "refrain from violence," and urged all parties to use language that would reduce tensions. The TUSIAD statement said, "The incredibly disproportionate use of force and intolerant intervention has wounded the public conscience." TUSIAD President Muharrem Yılmaz also expressed his confidence in the Turkish economy.

The month of June saw the continuation of protests across Turkey. The unrest that had begun as a sit-in over plans to redevelop Gezi Park in Istanbul escalated after police used excessive force against the protestors.

Turkish Prime Minister Recep Tayyip Erdoğan met the leaders of the Gezi Park platform and offered a plan to wind down the protests. He said he would wait for a court ruling on his plans for the development of Gezi Park and would thereafter put the plans to a citywide referendum. Deputy Prime Minister Bülent Arınç had earlier offered an apology in an effort to appease the protestors. Mr. Arınç received a list of demands from the Taksim Solidarity Platform (TSP), a group of lawyers, architects and

doctors representing protesters angry at what they see as Mr. Erdoğan's heavy-handed and arrogant style of governance. For the demonstrations to end, officials must formally denounce plans to raze Istanbul's Gezi Park; remove governors and police chiefs responsible for the violence; ban the use of tear-gas; and release thousands detained at the demonstrations, representatives from Taksim Solidarity said in a televised statement after meeting with Mr. Arınç.

The latest polls demonstrate that Erdoğan still enjoys popular support. A new poll showed that 35.3 percent of people would vote for Erdoğan's Justice and Development Party if an election were to be held today, compared with 36.3 in April.

The U.S. administration has been observing developments with concern. The White House released a statement on June 11, urging restraint and dialogue: "As we have said, we believe that Turkey's long-term stability, security, and prosperity is best guaranteed by upholding the fundamental freedoms of expression, assembly, association, and a free and independent media. Turkey is a close friend and ally of the United States, and we expect the Turkish authorities to uphold these fundamental freedoms."

President Obama later in the month spoke with Prime Minister Erdogan. According to a release by the White House, "The Prime Minister also described the situation in Turkey. The two leaders discussed the importance of nonviolence and of the rights to free expression and assembly and a free press."

Criticisms from the United States and the EU continued. EU Enlargement Commissioner Stefan Fule, said that Turkey must investigate the excessive use of force by police against anti-government protesters on June 7.

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BBC News, 1 June 2013, [Turkey protests: Unrest rages in Istanbul and Ankara](#)

BBC News, 3 May 2013, [Turkey clashes: Erdoğan says protests are not Turkish Spring](#)

The Washington Post, 3 May 2013, [Turkish stock market index drops over nationwide anti-government protests](#)

TUSIAD, 1 June 2013, [Basın Açıklaması](#)

Department of State, 31 May 2013, [Daily Press Briefing](#)

The Washington Post, 1 June 2013, [90-second video of Turkey's protests](#)

CNN, 10 June 2013, [Turkey's premier lashes out, markets fall](#)

Hurriyet Daily News, 7 June 2013, [Turkish PM shelves mall plan on Gezi Park, wants end to protests](#)

Hurriyet, 7 June 2013, [TUSIAD'dan çarpıcı Gezi Parkı mesajı](#)

CNN, 6 June 2013, [Amid protests, Erdoğan returns to Turkey](#)

BBC, 6 June 2013, [Turkey clashes: Thousands rally as PM Erdoğan returns](#)

The Wall Street Journal, 5 June 2013, [Turkish talks fail to ease protests](#)

BBC, 5 June 2013, [Turkey protestors demand dismissal of police chiefs](#)

The Guardian, 4 June 2013, [Turkey: Deputy PM apologizes for "excessive violence" against protesters](#)

The White House, 4 June 2013, [Remarks by Joe Biden to the American Turkish Council](#)

Hurriyet Daily News, 3 June 2013, [Main opposition leader meets President Gül](#)

CNN Turk, 17 June 2013, [TUSIAD Başkanı Erdoğan'la görüştü](#)

New York Times, 16 June 2013, [Turkey expands violent reaction to street unrest](#)

Washington Post, 14 June 2013, [In Turkey protests, splits in Erdoğan's base](#)

Reuters, 17 June 2013, [Turkey could deploy army to quell protests](#)

### **Öcalan presents peace process proposals**

Jailed PKK leader Abdullah Öcalan said the peace process to end three decades of conflict had entered a second stage with his fighters' withdrawal from Turkey and he had presented the Turkish government with new proposals.

During the second stage, Öcalan said he expects the government to enact reforms to boost the rights of the Kurdish minority.

Öcalan, held on an island jail south of Istanbul, met on June 24 with a delegation from the pro-Kurdish Peace and Democracy Party (BDP). In a statement issued by the BDP on Tuesday, he said he was determined to push ahead with the process.

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Reuters, 21 June 2013, [Turkey faces pressure to advance Kurdish militant peace process](#)

Reuters, 25 June 2013, [Jailed Kurdish rebel leader presents peace process proposals](#)

President Gül approves alcohol law

Turkish President Abdullah Gül approved a new law which restricts the sale and advertising of alcohol. The law bans companies producing alcoholic beverages from sponsoring events and the bans the retail sale of alcoholic beverages between 10:00 pm and 6:00 am. The law also introduces stricter penalties on drunk driving.

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Anadolu Agency, 10 June 2013, [Turkish President approves alcohol consumption law](#)

## **FOREIGN POLICY**

### **Obama and Erdoğan discuss Syria, Turkish protests**

President Obama spoke by phone on June 24 with Prime Minister Erdoğan of Turkey. The President and Prime Minister discussed developments in Syria, including the regime's use of chemical weapons against its own people, our shared commitment to pursuing a political solution, the need to provide additional support to the Syrian Coalition and the Supreme Military Council to improve their effectiveness, and the importance of close bilateral cooperation on contingency planning and counterterrorism efforts. The Prime Minister also described the situation in Turkey. The two leaders discussed the importance of nonviolence and of the rights to free expression and assembly and a free press.

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White House, 24 June 2013, [Readout of President Obama's call with Prime Minister Erdoğan of Turkey](#)

Reuters, 25 June 2013, [Obama, Turkey's Erdoğan discuss Turkish protests, Syria](#)

EU delays Turkey membership talks after German pressure

EU foreign ministers have backed a German proposal to postpone further EU membership talks with Turkey for about four months until after a progress report on its EU bid is presented in October. The EU-Turkey talks had been scheduled to resume this Wednesday.

EU decision came after criticisms of Germany, Austria and the Netherlands of Turkey's crackdown on anti-government protests.

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Financial Times, 20 June 2013, [Germany blocks Turkey's bid to join EU](#)

Washington Post, 24 June 2013, [Turkey, European Union on the outs over protests](#)

**Turkey protests puts strain on Syria planning**

As the number of Syrian refugees in Turkey are increasing steadily, protests in Turkey might be putting a strain on U.S. planning on Syria.

The protests in Turkey this month have given new life to old grievances among those opposed to Erdoğan, and his active support for the Syrian rebels is on the list. Now, as the United States needs Turkey's help to get weapons into the hands of those fighters, Erdoğan faces the threat of more street protests the moment he pursues unpopular policies.

The rising number of Syrian refugees has skyrocketed Turkey's ranking among the most important refugee-hosting countries from 59th to 10th in 2012, a study by the United Nations refugee agency showed yesterday.

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Hurriyet Daily News, 20 June 2013, [Turkey refugee ranking skyrockets within a year](#)

Washington Post, 20 June 2013, [Turkey protests put strain on Syria planning](#)

U.S. releases Country Reports on Terrorism

The U.S. Department of State submitted the "Country Reports on Terrorism 2012" to the Congress on May 30. According to the report, Turkey experienced a spike in terrorist attacks, rising from 40 in 2010 to 91 in 2011. Together, Russia and Turkey suffered almost 70 percent of all 2011 terrorism related deaths in Europe and Eurasia.

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Department of State, 30 May 2013, [Country Reports on Terrorism 2012](#)

**OECD offers skeptical view of Turkey**

In a new survey of 36 countries, the OECD has ranked the quality of life in Turkey at the bottom for the second year in a row. The list ranks member countries on 11 factors including income, safety, life satisfaction and health. Only 68% of people said they have more positive experiences in an average day

than negative ones, much lower than the average of 80%.

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The Wall Street Journal, 30 May 2013, [OECD offers skeptical view of Turkey](#)

Turkey's Erdoğan welcomes Hamas leaders

Prime Minister Recep Tayyip Erdogan on June 18 welcomed Hamas leaders Khaled Mashaal and Ismail Haniyeh for meetings in the Turkish capital.

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The Jerusalem Post, 19 June 2013, [Turkey's Erdoğan welcomes Hamas leaders](#)

### **ECONOMY/ENERGY**

#### **Inflation rose to 6.5% in May**

Consumer prices increased by a milder-than-expected 0.15% mom in May, thanks to a 2.2% drop in food prices. Nevertheless, annual inflation accelerated slightly to 6.5% in May, after having dipped to 6.1% due to the base effect in April.

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Anadolu Agency, 3 June 2013, [Enflasyon Mayıs'ta yüzde 0,15 oldu](#)

Foreign trade deficit rises to \$10.3 bln in April

Turkey's foreign trade deficit jumped to \$10.3 billion in April from \$6.6 billion from the same month a year earlier, representing a 55.1 percent increase, according to figures revealed by state-run statistics body TUIK on May 31.

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Hurriyet Daily News, 31 May 2013, [Foreign trade deficit rises to \\$10.3 bln in April](#)

#### **March unemployment rate fell to 10.1%**

Turkish Statistics Institute announced on June 17 that the March unemployment rate fell to 10.1%.

The Turkish economy grew at 3.7% the first quarter of 2013 while the current account deficit rose to \$8.2 billion in April 2013, becoming \$51.3 billion or 6.3% of GDP year-on-year.

Meanwhile, International Labor Organization said unemployment in Turkey decreased 1.6 percent in 2007-2012 period.

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Wall Street Journal: Turkiye, 17 June 2013, [Subat-Nisan dönemi işsizlik oranı geriledi](#)

Turkish Press Review, 12 June 2013, [Turkish Statistical Institute announces Gross Domestic Product data](#)

Anadolu Agency, 3 June 2013, [Unemployment in Turkey decreases 1.6 percent](#)

New thermal plant to be constructed in Turkey

Energy and Natural Resources Minister Taner Yıldız said in a written statement that the exploration which has been carried out by the Mineral Research and Exploration (MTA) in the Dinar district of Afyon for five years had now been completed and they had discovered lignite reserves in the area totaling around 950 million tons. "We aim to build a 3,500-megawatt thermal power plant with an investment totaling \$5 billion. It means employment for 6,000 or 7,000 in the plant's construction and the mining field," Yıldız said. Turkey's goal is to generate one-third of its electricity via coal by 2023.

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Turkish Press Review, 11 June 2013, [New thermal plant to be constructed in Turkey](#)

**Turkey-Kurdistan pipeline to be completed by Fall**

A pipeline that would carry oil from Iraqi Kurdistan to the Turkish border is scheduled for completion by October, Kurdistan's minister of natural resources said on June 19.

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Wall Street Journal, 19 June 2013, [Turkey-Kurdistan pipeline to be completed by fall](#)

Turkey ready to deliver Turkmen natural gas to Europe

Turkish President Abdullah Gül met with Turkmenistan President Gurbanguly Berdimuhamedow in Ashgabat on May 30. Turkey and Turkmenistan signed 12 bilateral agreements on energy, agriculture, diplomacy, and youth and sports.

Turkey is ready to deliver Turkmenistan's natural gas to consumers in Europe, Gül said, supporting the Central Asian nation's plans to build alternative pipelines and ease dependence on exports to Russia.

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Reuters, 30 May 2013, [Turkey ready to deliver Turkmen natural gas to Europe](#)

Today's Zaman, 30 May 2013, [Turkey signs 12 agreements with Turkmenistan during Gül's visit](#)