

December 2013

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Foreign Policy**EU urges Turkish government to be clean on graft case**

Turkey has come under criticism from key European figures for the way it is handling a gripping corruption investigation.

Elmar Brok, who chairs the European Parliament's Foreign Affairs Committee, and German Foreign Minister Frank-Walter Steinmeier called on the Turkish government not to intervene in the judiciary process, a day after a top European commissioner touched on the issue.

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Hurriyet Daily News, 29 December 2013, EU urges Turkish government to be clean on graft case  
<http://www.hurriyetdailynews.com/eu-urges-turkish-government-to-be-clean-on-graft-case-.aspx?pageID=238&nID=60270&NewsCatID=338>

**Turkey lashes out at EU 'interference' in corruption scandal**

Turkey's government, engulfed by a corruption scandal, hit out at the European Union on Sunday for "interfering", as the crisis widened the fault lines between the country and its neighbours and former allies.

The cabinet of the prime minister, Recep Tayyip Erdogan, has looked increasingly isolated by the scandal, and has accused both the United States and Gulf countries of plotting against him.

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Telegraph, 29 December 2013, Turkey lashes out at EU 'interference' in corruption scandal
<http://www.telegraph.co.uk/news/worldnews/europe/turkey/10541369/Turkey-lashes-out-at-EU-interference-in-corruption-scandal.html>

US warns Ankara not to poison Turkish-American relations

US President Barack Obama's administration has warned Ankara not to use bilateral relations as a tool in Turkey's domestic politics and stated that Turkish officials will not benefit from statements that might poison those relations.

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Today's Zaman, 22 December 2013, US warns Ankara not to poison Turkish-American relations  
<http://www.todayszaman.com/news-334665-us-warns-ankara-not-to-poison-turkish-american-relations.html#.UrhDsJI3sNM.facebook>

**Turkish Premier Blames Foreign Envoys for Turmoil**

Prime Minister Recep Tayyip Erdogan on Saturday continued his embrace of what has traditionally been the strategy of Turkish politicians facing a crisis: Blame foreign powers, in this case the United States.

On Saturday morning, four pro-government newspapers featured the American ambassador on their front pages, suggesting that the United States, a strong ally of Turkey, was behind an escalating corruption investigation that has ensnared several businessmen and others in the prime minister's inner circle. One headline said, "Get out of this country." Other media reports also suggested a plot by Israel.

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New York Times, 21 December 2013, Turkish Premier Blames Foreign Envoys for Turmoil

http://www.nytimes.com/2013/12/22/world/middleeast/16-more-arrested-as-corruption-inquiry-in-turkey-widens.html?_r=0

EU and Turkey agreement on deporting migrants and visas

Turkey and the EU have signed a deal enabling EU countries to send back illegal migrants who entered the 28-nation bloc via Turkey.

The deal also establishes a roadmap for lifting visa requirements for Turks travelling to the EU. Visa-free status is expected in three years' time.

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British Broadcasting Corporation, 16 December 2013, EU and Turkey agreement on deporting migrants and visas

<http://www.bbc.co.uk/news/world-europe-25398872>

**Turkey says it has received no new bids to rival China missile offer**

Turkey has yet to receive any new bids to supply a new missile system to rival a controversial multi-billion dollar offer by a US-blacklisted Chinese company, a government official said Dec. 6.

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Hurriyet Daily News, 6 December 2013, Turkey says it has received no new bids to rival China missile offer

<http://www.hurriyetdailynews.com/turkey-says-no-new-bids-to-rival-china-missile-offer.aspx?pageID=238&nID=59127&NewsCatID=345>

Main opposition leader vows to satisfy Turkey's 'democracy needs' during US trip

Main opposition Republican People's Party (CHP) leader Kemal Kılıçdaroğlu has presented his party's approach to a number of policy issues at a think tank meeting during his visit to the U.S., vowing to satisfy Turkey's "needs for democracy."

Speaking at the Washington-based Brookings Institution on Dec. 2, Kılıçdaroğlu said only his party could truly fulfill the ideas of full democracy, which the Turkish people deserve. TÜSİAD Senior Fellow Kemal Kirişçi moderated the discussion.

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Hurriyet Daily News, 2 December 2013, Main opposition leader vows to satisfy Turkey's 'democracy needs' during US trip

<http://www.hurriyetdailynews.com/main-opposition-leader-vows-to-satisfy-turkeys-democracy-needs-during-us-trip.aspx?pageID=238&nID=58915&NewsCatID=338>

**Domestic Politics****Corruption Scandal Is Edging Near Turkish Premier**

A corruption investigation that has encircled the Turkish government moved an ominous step closer to Prime Minister Recep Tayyip Erdogan on Wednesday, as three top ministers whose sons have been implicated abruptly resigned — and one of them, on his way out the door, said Mr. Erdogan should step down as well.

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New York Times, 25 December 2013, Corruption Scandal Is Edging Near Turkish Premier

<http://www.nytimes.com/2013/12/26/world/europe/turkish-cabinet-members-resign.html>

Under Mounting Pressure, Turkey Premier Shuffles Cabinet

In a late-night news conference after an unscheduled meeting with President Abdullah Gul, Mr. Erdogan announced a broad new cabinet lineup. Mr. Erdogan's cabinet shake-up—with 10 new cabinet members—was earlier and broader than had been anticipated.

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Wall Street Journal, 25 December 2013, Under Mounting Pressure, Turkey Premier Shuffles Cabinet

<http://online.wsj.com/news/articles/SB10001424052702303799404579279631623290934>

**Turkish prosecutor says he has been pulled off investigation of high-level graft**

A Turkish prosecutor accused police Thursday of obstructing his pursuit of a high-level graft case, adding to public scrutiny of Prime Minister Recep Tayyip Erdogan's government as it hunkered down defiantly.

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Washington Post, 26 December 2013, Turkish prosecutor says he has been pulled off investigation of high-level graft

http://www.washingtonpost.com/world/turkish-prime-minister-struggles-to-contain-corruption-probe/2013/12/26/394464bc-6e63-11e3-b405-7e360f7e9fd2_story.html

Turkish Police Detain High-Profile Figures in Corruption Probe

Sixteen people were arrested in Turkey on Saturday, including the sons of two cabinet ministers and the general manager of state-owned Halkbank, during a corruption investigation, CNN Turk and other media reported.

Scores of others have already been detained in the inquiry, which poses the biggest challenge to Prime Minister Tayyip Erdogan's decade-long rule.

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Reuters, 21 December 2013, Turkey arrests 16 people in graft probe; including ministers' sons

<http://www.reuters.com/article/2013/12/21/turkey-corruption-idUSL6N0K002N20131221>

**Raids and Graft Inquiry in Turkey Are Seen by Some as Muslim Cleric's Plot**

Mr. Arinc, whose party has been shaken by a widening corruption investigation, said the case amounted to a plot within the state — widely perceived to be led by followers of Fethullah Gulen, an influential Muslim cleric who lives in Pennsylvania — and suggested that the government would purge those responsible for the investigation. He denied that he was specifically referring to Gulen followers, but over the years, many are said to have taken up influential positions within the judiciary and police force. "Our opinion is that this is a planned operation, and the purpose of the investigation is to launch psychological warfare, to tarnish our government," Mr. Arinc said.

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New York Times, 18 December 2013, Raids and Graft Inquiry in Turkey Are Seen by Some as Muslim Cleric's Plot

<http://www.nytimes.com/2013/12/19/world/europe/turkey-graft-inquiry-political-rivalry.html>

Turkey's dominant political coalition shows signs of fraying

Intensifying rivalries between Turkey's prime minister and segments of his Islamist-rooted ruling party are threatening to fray the largely conservative coalition that has dominated the nation's politics for more than a decade, just as it prepares for elections next year.

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Wall Street Journal, 28 November 2013, Turkey's dominant political coalition shows signs of fraying  
<http://online.wsj.com/news/articles/SB10001424052702304281004579221980073239464>

**Economy/Energy****Erdogan Says Corruption Allegations Undermine Turkey's Economy**

Turkish Prime Minister Recep Tayyip Erdogan said graft allegations against government officials and businessmen are hurting the economy, escalating a counterattack on what he described as a "gang" within the state bureaucracy.

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Business Week, 29 December 2013, Erdogan Says Corruption Allegations Undermine Turkey's Economy
http://www.businessweek.com/news/2013-12-28/erdogan-defends-record-saying-gang-within-state-hurting-turkey?utm_source=feedblitz&utm_medium=FeedBlitzEmail&utm_content=23327&utm_campaign=0

Turkey's Economic Vulnerability Exposed as Graft Divides

Turkey's Prime Minister Recep Tayyip Erdogan entered the last week of 2013 reeling from a corruption probe that has splintered his party and highlighted economic vulnerabilities as investors unload the nation's risk.

"The Turkish economy is vulnerable due to its dependency on borrowed money from abroad and the size of the current-account deficit," Anthony Skinner, head of analysis at Maplecroft, a global risk and strategic forecasting consultancy in Bath, U.K., said by e-mail yesterday. "There is little to suggest that this crisis will be resolved quickly," and "investors will continue to seek to sell the Turkish lira."

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Bloomberg, 30 December 2013, Turkey's Economic Vulnerability Exposed as Graft Divides  
<http://www.bloomberg.com/news/2013-12-29/turkey-s-economic-vulnerability-exposed-as-graft-divides.html>

**IMF Warns Turkey: Economic Imbalance May Hamper Growth**

Turkey remains vulnerable to a sudden slowdown or stop in capital inflows, and failure to address its imbalances could lead to 'systemic distress,' slowing the country's growth, IMF staff warned in a report.

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Reuters, 20 December 2013, IMF Warns Turkey: Economic Imbalance May Hamper Growth

<http://www.foxbusiness.com/economy-policy/2013/12/20/imf-warns-turkey-economic-imbalance-may-hamper-growth/>

Turkey cashes in on the Iran talks

Iran was Turkey's third largest export market in 2012. In fact, Turkey is reportedly exporting more than 20,000 products to Iran right now; among them gold and silver. It turns out that the Geneva deal also loosened sanctions on precious metals.

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Reuters, 12 December 2013, Turkey cashes in on the Iran talks

<http://blogs.reuters.com/great-debate/2013/12/12/turkey-cashes-in-on-the-iran-talks/>

**Crude test flows begin on Iraqi Kurdistan-Turkey pipeline**

Test flows in Iraqi Kurdistan's new crude oil pipeline via Turkey started on 13 December, but no exports have yet been scheduled, energy sources close to the matter said.

Turkey and Iraqi Kurdistan signed a multi-billion-dollar energy package in late November, infuriating Baghdad which claims sole authority over oil exports and is wary of any move that could extend political autonomy in the region.

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Reuters, 14 December 2013, Crude test flows begin on Iraqi Kurdistan-Turkey pipeline

<http://mobile.reuters.com/article/idUSL6N0JT0B420131214?irpc=932>