

January 2014

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Foreign Policy

The United States needs to tell Turkey to change course

Whatever his achievements over the past decade, Turkey's prime minister, Recep Tayyip Erdogan, is destroying his country's parlous democracy. That is a profound problem for Turks and Turkey's Western allies. Staying silent, out of fear that speaking out would harm some short-term interests, risks Turkey's longer-term stability.

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Washington Post, 23 January 2014, The United States needs to tell Turkey to change course  
[http://www.washingtonpost.com/opinions/the-united-states-needs-to-tell-turkey-to-change-course/2014/01/23/3525bf52-7eda-11e3-93c1-0e888170b723\\_story.html](http://www.washingtonpost.com/opinions/the-united-states-needs-to-tell-turkey-to-change-course/2014/01/23/3525bf52-7eda-11e3-93c1-0e888170b723_story.html)

### **France seeks to put Turkish ties back on track**

French President François Hollande is set to embark on a landmark visit to Turkey, becoming the first Gallic head of state to make a formal trip to the country in 22 years for a visit designed to repair the nations' frayed ties.

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Hurriyet Daily News, 25 January 2014, France seeks to put Turkish ties back on track
<http://www.hurriyetdailynews.com/france-seeks-to-put-turkish-ties-back-on-track.aspx?pageID=238&nID=61551&NewsCatID=351>

EU Sparks Fly Over Turkey's Civil Rights as Entry Bid Languishes

Turkish Prime Minister Recep Tayyip Erdogan faced calls to ease curbs on free speech and let judges operate independently in order to breathe fresh life into the country's languishing bid to join the European Union.

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Bloomberg, 21 January 2014, EU Sparks Fly Over Turkey's Civil Rights as Entry Bid Languishes  
<http://www.bloomberg.com/news/2014-01-21/eu-presses-turkey-on-rights-and-justice-as-entry-bid-languishes.html>

### **Erdogan tells Turkish ambassadors to spread word of 'treacherous' plot**

Prime Minister Tayyip Erdogan ordered his ambassadors to redouble efforts in "telling the truth" to allies that a graft investigation shaking Ankara was nothing other than a treacherous plot to sabotage Turkey's international standing.

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Reuters, 15 January 2014, Erdogan tells Turkish ambassadors to spread word of 'treacherous' plot

<http://www.reuters.com/article/2014/01/15/turkey-corruption-idUSL5N0KP2D520140115>

Kerry holds joint-press conference with Turkish counterpart in Paris

US Secretary of State John Kerry met with Turkish Foreign Minister Ahmet Davutoğlu in Paris on 12 January for a diplomatic meeting. The two discussed a variety of topics, including their countries' shared interests in Syria, Iraq, and the Iranian nuclear negotiations. Regarding the recent corruption scandal which has rocked Turkish politics, Kerry made clear that "the United States of America has absolutely no interest in being caught up in or engaged in or involved in the internal politics, the election process of Turkey."

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State Department, 12 January 2014, Remarks With Turkish Foreign Minister Ahmet Davutoglu After Their Meeting

<http://www.state.gov/secretary/remarks/2014/01/219569.htm>

### **Turkey reshuffles envoys in Washington, London and Paris**

A major reshuffle of Turkey's most important diplomatic posts has taken effect with two former ambassadors to Japan, Serdar Kılıç and Abdurrahman Bilgiç, being posted as Turkey's envoys to the United States and the United Kingdom respectively.

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Hurriyet Daily News, 6 January 2014, Turkey reshuffles envoys in Washington, London and Paris

<http://www.hurriyetdailynews.com/turkey-reshuffles-envoys-in-washington-london-and-paris.aspx?pageID=238&nID=60627&NewsCatID=338>

Domestic Politics

Turkish PM Erdoğan slams top business group head for probe warnings

Turkey's top business group is the latest entity to be declared a "traitor" for its warnings on judicial interference by an increasingly irate Prime Minister Recep Tayyip Erdoğan, who is sparing no effort to hit out at his perceived enemies at home and abroad.

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Hurriyet Daily News, 24 January 2014, Turkish PM Erdoğan slams top business group head for probe warnings

<http://www.hurriyetdailynews.com/turkish-pm-erdogan-slams-top-business-group-head-for-probe-warnings.aspx?pageID=238&nID=61543&NewsCatID=338>

**TÜSİAD warns gov't pressure on firms using tax fines will scare investors**

In the strongest warning yet to the government from a business group, the Turkish Industry and Business Association (TÜSİAD) president has said that foreign investment will not be made in a country where there is no respect for the rule of law, where legal codes conflict with European Union rules, public procurement laws have been amended dozens of times and companies are pressured through tax fines.

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Cihan News Agency, 24 January 2014, TÜSİAD warns gov't pressure on firms using tax fines will scare investors

http://en.cihan.com.tr/news/TUSIAD-warns-gov-t-pressure-on-firms-using-tax-fines-will-scare-investors_3257-CHMTM0MzI1Ny8z

Turkey: Contentious Medical Bill Signed

Over the objections of human rights and medical groups, President Abdullah Gul signed a measure into law on Friday that makes it a crime to administer emergency first aid without government authorization. Critics contend that the law could be used by the police and prosecutors to intimidate and punish doctors and other medical workers for treating protesters wounded in demonstrations against the government, like those in Turkey last year.

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The New York Times, 17 January 2014, Turkey: Contentious Medical Bill Signed

<http://www.nytimes.com/2014/01/18/world/europe/turkey-contentious-medical-bill-signed.html>

**Top business group head warns that Turkey may slip into 'police state'**

Turkey's top business group has issued a staunch warning to the government on respecting the rule of law in its move to reform the judiciary, expressing concerns that the country may slip into a "police state."

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Hurriyet Daily News, 15 January 2014, Top business group head warns that Turkey may slip into 'police state'

<http://www.hurriyetdailynews.com/top-business-group-head-warns-that-turkey-may-slip-into-police-state.aspx?pageID=238&nID=61106&NewsCatID=344>

Turkey seizes assets of opposition party's mayoral candidate

Turkish authorities seized the assets of Mustafa Sarigul, the main opposition party CHP's candidate for Istanbul mayor, an official said on Friday, ahead of a crucial local election due to take place in March.

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Reuters, 17 January 2014, Turkey seizes assets of opposition party's mayoral candidate

<http://www.reuters.com/article/2014/01/17/us-turkey-politics-mayor-idUSBREA0G1A220140117>

### **In Scandal, Turkey's Leaders May Be Losing Their Tight Grip on News Media**

Under Mr. Erdogan's leadership, Turkey has gained a reputation for harassing and intimidating the news media. More journalists are in jail in Turkey than anywhere else in the world, including China and Iran. The close relationship between Mr. Erdogan's government and news media bosses has often meant that journalists need to toe the government line if they are to keep their jobs.

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New York Times, 11 January 2014, In Scandal, Turkey's Leaders May Be Losing Their Tight Grip on News Media

<http://www.nytimes.com/2014/01/12/world/europe/in-scandal-turkeys-leaders-may-be-losing-their-tight-grip-on-news-media.html?smid=tw-share>

Turkey clamps down on internet as Erdogan tightens grip on power

Turkey is seeking to increase control over internet access at a time when the government is also tightening its grip on the country's legal institutions in response to a corruption scandal.

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Financial Times, 12 January 2014, Turkey clamps down on internet as Erdogan tightens grip on power

<http://www.ft.com/intl/cms/s/0/af179212-7b6b-11e3-a2da-00144feabdc0.html#axzz2qlvkeAkp>

### **Turkey's top business group warns against Internet censorship**

Turkey's top business group has warned that a government-led bill to increase control over the Internet is worrying and the planned regulations might lead to wide censorship on the Internet.

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Hurriyet Daily News, 13 January 2014, Turkey's top business group warns against Internet censorship

<http://www.hurriyetdailynews.com/turkeys-top-business-group-warns-against-internet-censorship.aspx?pageID=238&nID=60968&NewsCatID=339>

Turkey's Erdogan says not opposed to military coup plot retrials

Turkish Prime Minister Tayyip Erdogan said he would not oppose the retrial of hundreds of military officers convicted on coup plot charges, a case that underlined civilian dominance over a once all-powerful army.

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Reuters, 6 January 2014, Turkey's Erdogan says not opposed to military coup plot retrials

<http://www.reuters.com/article/2014/01/06/us-turkey-corruption-military-idUSBREA0506Y20140106>

### **Turkey's Military Moves Against Coup Cases as Judiciary Fights Government**

Turkey's military filed a criminal complaint against coup-plot trials that jailed its generals, opening a new front against a hobbled judiciary as it fights government efforts to curb its powers.

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Wall Street Journal, 2 January 2014, Turkey's Military Moves Against Coup Cases as Judiciary Fights Government

<http://blogs.wsj.com/emergingurope/2014/01/03/turkeys-military-moves-against-coup-cases-as-judiciary-fights-government/?mod=WSJBlog&mod=emergingurope>

Turkey's top boss wishes 'steps toward rule of law' in New Year message

The head of Turkey's leading business organization, TUSIAD, reasserted his urge for the maintenance rule of law in the country in his New Year's message.

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Hurriyet Daily News, 1 January 2014, Turkey's top boss wishes 'steps toward rule of law' in New Year message

<http://www.hurriyetdailynews.com/turkeys-top-boss-wishes-steps-toward-rule-of-law-in-new-year-message.aspx?pageID=238&nID=60439&NewsCatID=345>

### **Turkey's Democratic Institutions Besieged**

The probe has revealed the sad state of Turkish institutions as have been hijacked by the power struggle between two former political allies: Erdoğan and Fetullah Gülen, the exiled leader of an influential religious movement, writes Kemal Kirişçi of the Brookings Institution.

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Brookings, 3 January 2013, Turkey's Democratic Institutions Besieged

<http://www.brookings.edu/research/opinions/2014/01/03-turkey-democratic-institutions-besieged-kirisci#>

TUSIAD President Muharrem Yilmaz's Milliyet Interview

In an interview with Milliyet, TUSIAD President Muharrem Yilmaz urged authorities to take steps that would restore the credibility of the state and inject confidence in markets. Yilmaz called on officials to resume the reform process and said, "Economic performance can only be maintained with democratic performance." Yilmaz said concrete steps must be taken on corruption charges to address the concerns of society.

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Milliyet, January 5, 2014, Paralel devlet söylemi en büyük üzüntümüz

<http://ekonomi.milliyet.com.tr/paralel-devlet-soylemi-en-buyuk/ekonomi/detay/1817430/default.htm>

## **Economy/Energy**

### **Eurasia: Turkey 'Now Not an Emerging Market'**

Speaking to The Wall Street Journal at the World Economic Forum in Davos, Mr. Bremmer says in this video that the country has now become an uncertain environment for investors, and that the country's leader, Recep Tayyip Erdoğan, needs to go.

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Wall Street Journal, 24 January 2014, Eurasia: Turkey 'Now Not an Emerging Market'
<http://blogs.wsj.com/moneybeat/2014/01/23/eurasia-turkey-now-not-an-emerging-market/?KEYWORDS=turkey>

Turkey's Tupras fined \$186 mln for abusing market position

Turkey's competition regulator has fined Tupras, the country's sole oil refiner, 412 million lira (\$186 million) for abusing its dominant market position in pricing and contracts.

Tupras is owned by Koc Holding, Turkey's biggest company which is controlled by one of the country's most prominent business dynasties. The government has accused the family of sympathising with protesters during anti-government unrest.

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Reuters, 17 January 2014, Turkey's Tupras fined \$186 mln for abusing market position  
<http://www.reuters.com/article/2014/01/17/turkey-tupras-idUSL5N0KR2SQ20140117>

### **Turkey's economic success threatened by political instability**

Turkey's strong economic growth over the past decade, bringing relative prosperity to previously neglected parts of the country, has underpinned the popularity of the prime minister, Recep Tayyip Erdoğan, and his mildly Islamist Justice and Development party (AKP).

But the danger of a worsening economy is compounding the instability, essentially political, that has seized the country in the past year, generating the biggest crisis of Erdoğan's 11 years in power – just before local and national elections this year and next.

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The Guardian, 9 January 2014, Turkey's economic success threatened by political instability
http://www.theguardian.com/world/2014/jan/09/turkey-instability-threatens-economic-success-erdogan?CMP=tw_t_gu

Central Bank of the Republic of Turkey — 2014 Outlook

Turkey's central bank faces mounting challenges in 2014 as policy makers try to slow inflation, bolster economic growth and plug external funding gaps.

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Wall Street Journal, 6 January 2014, Central Bank of the Republic of Turkey — 2014 Outlook

<http://blogs.wsj.com/economics/2014/01/05/central-bank-of-the-republic-of-turkey-2014-outlook/?KEYWORDS=Turkey>

**Turkey's lira hits record low on graft probe, Fed tapering**

Turkey's lira hit a new record low against the dollar on 6 January, dampened by investor caution over a corruption investigation, concern about China's growth outlook and U.S. Federal Reserve stimulus reduction.

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Reuters, 6 January 2014, Turkey's lira hits record low on graft probe, Fed tapering

<http://www.reuters.com/article/2014/01/06/markets-turkey-lira-idUSL6N0KG0LB20140106>