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TURKEY

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Submitted By: Aasia Khatoun khattak

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SUMMARY OF THE REPORT

SUMMARY-POLITICAL NEWS

Security forces' investigations into the sources of drugs trafficked through Turkey show that despite a drop in drug production in Afghanistan, there has been an increase in the amount of illegal substances entering Turkey. The new data from the National Police Department's Anti-Organized Crime and Smuggling Department show that the Turkish authorities seized 31 percent more illegal substances in 2009 than the previous year which shows that the drug trafficking activities are increasing in Turkey without any obstacle. A civilian woman was killed and 11 soldiers were wounded in an attack made by Kurdistan Worker's Party terrorists groups on Turkish military in southern and eastern Turkey on Thursday and Friday of this week.

SUMMARY-GEO-STRATEGIC NEWS

Turkish Foreign Ministry stated sanctions over Iran put a little affect on Turkey. Energy cooperation between both the states will remain as it was before the sanctions. Turkey already does not have important operations with Iranian banking systems.

Turkey cancelled three military exercises with Israel recently after Flotilla incident due to Israel's refusal to apologize for the killings or pay compensation. While Turkey put on hold 16 bilateral agreements. Regarding this President Abdullah Gul said Turkey had prepared a roadmap on the issue of sanctions against Israel but noted that this would be announced by the government. The Roadmap contained a process through which Turkey will completely cut off her ties with Israel.

Turkey has expressed an absolute lack of confidence in a commission set up by Israel to probe the deadly raid on Gaza-bound aid ships, while clearly warning of unspecified measures in its bilateral relations with Israel if a UN-led inquiry is not carried out.

Israel agreed Thursday to ease its land blockade on the Hamas-ruled Gaza Strip, hoping to put down growing worldwide outrage following a deadly raid on an international flotilla bound for the Palestinian territory. But Hamas senior lawmaker dismissed Israel's told reason of deadly raid on follita aid ship for easing the land blockage. According to the Government and military officials Israel needs construction materials for civilian projects and wants to construct those projects under international supervision.

Turkey and Iraq signed a preliminary agreement extending to 15 years the period of the accord on transport of Iraqi oil from Kirkuk-Ceyhan oil pipeline. 1,000 kilometer Kirkuk-Ceyhan oil pipeline, built in the late 1970s, consists of two trunks, with a combined design capacity of 1.6 million barrels per day.

Turkey's Special Representative to Kyrgyzstan Ambassador Fatih Ceylan said that Turkey wanted to see a prosperous, peaceful and stable Kyrgyzstan in the region. Ceylan said that Turkey would make all kinds of contributions to assist Kyrgyzstan in these difficult period.

Turkey has the second largest absolute increase in military spending compared to other European countries, the Stockholm International Peace Research Institute (SIPRI) reported last week.

SUMMARY-ECONOMIC NEWS

According to Tourism Investors Association (TYD) President Turgut Gür, despite a small contraction in the number of visitors from Israel because of strained relations after the flotilla crisis, Turkey will likely enjoy a boost in its tourism figures, largely owing to the masses flocking from Arab nations. The number of Arab tourists is expected to reach 1 million this year.

Turkey has resumed the exports to Ukraine. A private meeting between Prime Minister Recep Tayyip Erdoğan and his Ukrainian counterpart, Victor Yanukovich in order to solve the export related problem. Ukraine stopped to import health items from Turkey taking account into health concerns.

After increasing its exports to China by 116 percent in the first five months of 2010 over the same months of 2009, Turkey expects to increase her exports volume with china to \$2 billion by the end of the year.

Turkey's unemployment problem sent signs of recovery in March, with the unemployment rate edging down to 13.7 percent, a 2.1 percentage point drop compared to the same month of last year.

The 2010 World Cup has increased the turnover of Turkey's ready-wear clothing industry up to 15 percent, according to an industry representative.

Turkish Culture and Tourism Ministry has launched a campaign in Pakistan to promote Turkey's historical, geographical and cultural riches as well as draw Pakistani tourists, the country's tourism attache in Pakistan told the Anadolu Agency.

Chairman of Union of Arab Banks, Adnan Ahmed Yousif, said on Thursday that several Saudi banks as well as banks from Qatar and United Arab Emirates were interested in Turkish market.

Turkey's Petroleum Pipeline Corporation (BOTAS), Italy's EDISON, and Greece's DEPA will sign a memorandum of understanding for the Turkey-Greece-Italy Natural Gas Pipeline that will carry natural gas from the Caspian region to Europe.

POLITICAL NEWS

10 arrested as trial begins in Turkey for Habur returnees

Thursday, June 17, 2010

ISTANBUL - Daily News with wires

HURRIYAT

Ten members of the group of returnees who entered Turkey through the Habur border gate in October were arrested Thursday at the first trial of the court case against them. The group, comprising eight members of the outlawed Kurdistan Workers' Party, or PKK, and 26 residents of the Makhmour refugee camp in northern Iraq, returned to Turkey as part of the government's democratic initiative to resolve the Kurdish issue in the country. All the returnees, with the exception of four minors, are standing trial in three groups at two separate courts in the eastern city of Diyarbakır.

The hearing Thursday included 16 people, 10 of whom were arrested by the court on grounds that they pose a flight risk. The remaining six will be on trial without arrest. The charges against the group were brought in two separate indictments regarding the festivities that welcomed them back to Turkey and the statements they gave at various times and locations afterward. The group reportedly re-entered Turkey in response to a call from convicted PKK leader Abdullah Öcalan and was welcomed at the Habur gate with ceremonies that sparked unrest in other parts of the country.

The PKK has been listed as a terrorist organization by Turkey, the United States and the European Union.

The eight PKK members in the group are on trial for "being a member of a terrorist organization" and "making propaganda for a terrorist organization" and each face 20 years in prison. The returnees from Makhmour, who each face a potential 15 years in jail, are being charged with "committing a crime in the name of a terrorist organization without being a member" and "making propaganda for a terrorist organization." A total of 25 lawyers are defending the group.

The court informed the suspects that separate indictments had been prepared for each of them and merged before the trial, then asked for their defense. Suspect Mustafa Ayhan said group members would offer a joint defense and read the text.

A group calling itself the "Peace Parliament of Turkey" held a protest march from Dağkapı Square to the Diyarbakır courthouse. Members carried a banner reading, "Peace is on trial, be a witness," and chanted pro-Öcalan slogans.

Politicians from the pro-Kurdish Peace and Democracy Party, or BDP – including Co-General President Gülten Kışanak; deputies Bengi Yıldız, Osman Özçelik, Şarefettin Halis, Nezir Karabaş and İbrahim Binici – came to the courthouse Thursday, as did Diyarbakır Mayor Osman Baydemir and Selim Sadak, the independent mayor of Siirt. Yıldız and Karabaş entered the hearing while the others remained in the bar association's chambers.

Turkish president avoids trial over funding scam

Thursday, June 17, 2010

ISTANBUL - Daily News with wires

A top Turkish court Thursday ruled against putting President Abdullah Gül on trial over an embezzlement scandal in a banned party he belonged to.

Gül cannot be tried as part of the “lost trillion” embezzlement case connected to the shutdown of the Welfare Party, or RP, the Supreme Court of Appeals ruled Thursday. The leaders of the RP were accused in the case of using fake documents to show that Treasury aid for the party was spent properly. Party leader Necmettin Erbakan was found guilty of forging official documents, but was pardoned by Gül due to his advanced age. Though Gül was also among those accused of the same crimes, he was not prosecuted due to the immunity status granted by his position. The Supreme Court’s decision that there were no grounds for the prosecution against the president was, however, cancelled by the Sincan Court of Serious Crimes.

Gül’s lawyers later applied to the Justice Ministry with a demand for the Sincan court’s decision to be revoked, citing Turkish law, which holds that the president cannot be tried on any charge other than treason.

The Justice Ministry approved the application and returned the matter to the top court. The Supreme Court of Appeals revoked the ruling of the Sincan court with a final decision that ratified the president’s immunity.

When the RP was shut down, the party assets were transferred to the treasury, which found that about \$3.6 million were missing.

RP leaders argued that the missing funds had been allocated to provincial branches, but a court said 139 documents had been forged to embezzle the money, which never reached provincial offices.

In 2006, RP leader Erbakan, was sentenced to two-and-a-half years in jail over the scandal and was pardoned by Gül in 2008 on account of his poor health.

Gül has always maintained his innocence of the accusations, saying that he was not responsible of financial matters when he was deputy chairman of the RP.

Sultan Abdulhamid’s heirs demand seized property

Thursday, June 17, 2010

VERCİHAN ZİFLİOĞLU

ISTANBUL - Hürriyet Daily News

The heirs of Sultan Abdulhamid II, the last Ottoman sultan to rule with absolute power, have filed a complaint for damages amounting up to \$18 billion regarding 4,200 properties that were once owned by the Ottoman dynasty members and later seized by the state.

The first hearing of the case was held last week, and the second hearing is scheduled for Sept. 30. Scattered around the world, the members of the family will reportedly reunite in Istanbul to attend the hearing.

The 48 plaintiffs are even planning to carry the case to the European Court of Human Rights if they lose.

Orhan Osmanoğlu, one of the plaintiffs and a third generation grandson of Sultan Abdulhamid, defined the case as the “lawsuit of the century,” adding that, “If we win the case, then we are ready to settle for a reasonable amount.”

“We do not demand the palaces. We just want the property bought by our grandfather with his own money,” Osmanoğlu, speaking on behalf of the plaintiffs, said in an interview with the Hürriyet Daily News & Economic Review. “Abdulhamid’s personal assets have not been transferred to the state treasury yet.”

However, the demand has already raised some eyebrows in the country. The Topkapı Palace Museum manager İlber Ortaylı, who is renowned for his research on the Ottoman dynasty, said it was a strange situation.

"I am trying to figure out what they are trying to do despite my amazement," he said. "I can't say I have been successful yet."

Lawyer Deniz Ketenci, on the other hand, said the first thing to do should be to check the land registry documents. "Also there is a further complication in that the claims are coming from grandsons of grandsons, namely, there are a few generations in between," he said. "Therefore, I do not think my commentary on the lawsuit could be sound now. We had better see the process."

If the case is won, part of the indemnity will be distributed among the heirs, and the rest will be transferred to the Ottoman Dynasty Foundation, which is planned to be established in a few months.

Speaking to the Hürriyet Daily News & Economic Review recently, Beyzade Bülent Osman, grandson of Sultan Abdulhamid II, said he was about to take legal action for oil reserves in Mosul. Commenting on that, Osmanoğlu said his enterprise would end up at nothing, just like a similar case in the 1940s. "Mosul aside, we also have personal assets in Greece and Egypt, but we first want our assets in Turkey back," he said.

Adding that his attorneys conducted research into the state archives before the lawsuit, Osmanoğlu said he had acquired 16 land registry documents. "We do not need to present a land registry document. The General Directorate of the National Estate already knows what used to be ours. There is a lot of profit involved in this business. If we win the case, we will not reclaim the lands owned by the military or the state, but we will protect our rights about the rest until the end."

After their exile, the Ottoman family members were scattered across the world, and most of them had extreme economic hardships, said Osmanoğlu, adding that their financial exile still continued. "The government has launched initiatives one after another. They could as well make an Ottoman Initiative. But we do not want much. We just want our rights protected. There is still a huge bias against the Ottomans."

The women members of the dynasty scattered to metropolises like Paris, London and New York and were repatriated by virtue of a law passed in 1952 during the Adnan Menderes government. The men, on the other hand, could only be granted the same rights in 1974 by the general amnesty law passed during Bülent Ecevit's Prime Ministry.

Osmanoğlu said he came back from Syria with his family after the law passed in 1974, adding that he could not use his citizenship rights for 10 years.

"My childhood in Syria was tough, both economically and in terms of morale," said Osmanoğlu. "In addition to economic hardships, our teachers always would attack me, saying 'You invaded our country.' There was a huge hatred against the Ottomans. My education life included many overwhelming struggles."

Turkish gov't buys hotel site of Alevi massacre

Thursday, June 17, 2010

ANKARA - Anatolia News Agency

HURRIYAT

A hotel in the Central Anatolian province of Sivas that was the site of a 1993 massacre is in the process of being bought by the government amid debates about the most suitable future use for the building.

The money necessary to buy the building has been sent to the authorized provincial administration in Sivas, State Minister Faruk Çelik announced Thursday, speaking at a meeting in Ankara on the legal status of Alevi houses of worship, or “cemevi.”

“The project will cost 4.5 million Turkish Liras. The ministry will provide additional resources for the restoration work,” the minister said.

In February, Çelik had said it was not important whether the Madımak Hotel became a museum or something else as long as local residents were the ones to decide the building’s fate. The Cem Foundation, a prominent Alevi organization, says the hotel should be demolished and a park and monument built in its place.

On July 2, 1993, an angry mob consisting of radical Islamists attacked the hotel, where many Alevis and intellectuals were staying during a trip to the city for a festival commemorating an important Alevi figure, Pir Sultan Abdal. The crowd set the building on fire, killing 37, including hotel workers.

An advertisement on the hotel’s website offering the building for sale – reportedly at an initial price of 8 million liras – was removed after Çelik made his announcement.

Officials from the property-sales office who had been trying to sell the building said because the expropriation process was started the hotel would not be able to be sold to any person or institution, the Doğan news agency reported.

In recent months, the government had met with Alevi organizations under its democratic initiative and heard the groups’ demands about the future of the Madımak Hotel.

Four main ideas have been proposed for the building, private news channel NTV reported Thursday. Some Alevi groups have demanded the hotel become a museum to commemorate the massacre, while others such as the Cem Foundation say the building can be put to another use as long as there is a plaque at the door honoring the victims. Some local nongovernmental organizations in Sivas would like to see the building demolished and a library built on the site, NTV reported. Arif Sağ, an Alevi and prominent folk musician, has meanwhile proposed that the building be torn down and the area used for a flower garden.

Ali Balkız, the head of the Alevi Bektaşî Federation, said he believes the hotel should be turned into a museum in order to teach lessons from history. “For it to be a garden or library means not addressing the real issue,” he said.

According to Balkız, members of the group will be in Sivas on July 2 to commemorate the 17th anniversary of the massacre.

Mass graves of Turks massacred by Armenians discovered

Officials have started excavating a mass grave in the eastern province of Erzurum containing the remains of scores of Muslims killed by Armenians in the early 20th century.

Excavation at the mass burial site in Tepeköy, located eight kilometers from Erzurum, started yesterday and is being conducted by academics from Atatürk University (AÜ) and regional officials.

While speaking with journalists at the site, Erol Kürkçüoğlu, director of AÜ's Turkish-Armenian Relations Research Center, said, "This will be a scientific dig where we will put forth evidence on the massacre Armenians committed against Muslims in this area." He said: "We are now in Tepeköy, located eight kilometers northwest of Erzurum. In Tepeköy, the civilian residents of two villages were massacred by Armenian gangs in February and March 1918. The first three months of 1918 in particular saw large-scale massacres in Erzurum and its surroundings. Tepeköy was one of the foremost regions among these areas."

He noted that staff from the AÜ Turkish-Armenian Relations Research Center, officials from the Erzurum Directorate of Museums and AÜ's department of archeology were conducting the excavation.

"There are two places where two significant massacres took place here. One is the place where women and children of the village were massacred. The other place is an area where 60 people were massacred. This was a completely defenseless village at the time, as the men of the village capable of fighting had gone to World War I fronts when the Tashnak Armenian gang attacked. They gathered the villagers in an old square in the village and interrogated them, but that was a mere formality. Later, they massacred the women on the pasture lands owned by Durak Bingöl. Most of those who were killed were women, about 90 of them. They were buried in the village cemetery in 1958 by the people of the village. The men of the village were killed in this field covered with hay owned by İbrahim Sefa. We now stand in front of the most important place that will serve as one of the best answers to the Armenians' so-called claims of genocide. This is a village where two out of the 185 mass graves in Anatolia are located."

He said documentation of the massacre had been found in various submissions by locals and the memoirs of a Russian lieutenant colonel whose brigade remained in the region after the Russians pulled out.

16 June 2010, Wednesday

TODAY'S ZAMAN WITH WIRES İSTANBUL

Report: Drug trafficking via Turkey on the rise

Turkish authorities confiscated 31 percent more illegal substances in 2009 than the previous year, in a sign of increasing drug trafficking activities using Turkey as a thoroughfare, new data from the National Police Department's Anti-Organized Crime and Smuggling Department show.

Marijuana is the most frequently used illegal substance in Turkey and also the substance police seize most frequently in drug busts. Police data indicate a significant increase in both the amount of marijuana seized and the number of operations and arrests made in connection with marijuana possession and trafficking in 2009: a 25.2 percent increase over the previous year in the amount of marijuana seized, a 32.1 percent increase in marijuana drug-bust operations and a 27.1 percent increase in individuals charged with marijuana-related offenses. As for those most frequently caught trafficking marijuana, Iranian and Syrian nationals lead the list.

As for opium, 95 percent of the illegal substance seized by security forces in Turkey last year was impounded in provinces along the Iranian border; the other 5 percent was caught while in transit to İstanbul.

Heroin was mostly seized by police (95 percent) in the areas of Van, Hakkari and Ağrı along the Iranian border, with a segment of this being seized in drug busts, while the heroin was en route to İstanbul from these provinces through Bitlis and Erzincan. The other 5 percent of heroin was seized in anti-drug operations in İstanbul, Edirne and İzmir. Meanwhile, ships with the right of free passage through the İstanbul and Çanakkale straits are an increasingly popular option for trafficking cocaine. Thus drug trafficking in Turkey -- which seized more illegal substances in the years 2007 and 2008 than all European nations combined -- has hit an all-time high, when counted in drug busts.

Trafficking falls in Afghanistan, on the rise in Turkey

According to the Anti-Organized Crime and Smuggling Department's data, 9,078 kilograms of heroin were seized in Turkey in 2007, followed by 10,332 kilograms in 2008 and 12,234 kilograms in 2009.

Security forces' investigations into the sources of drugs trafficked through Turkey show that despite a drop in drug production in Afghanistan, there has been an increase in the amount of illegal substances entering Turkey. Opium production in Afghanistan fell by 6.1 percent in 2007, by 10.4 percent in 2008 and by a further 18.4 percent in 2009. This was paralleled by a drop in the amount of Afghanistan-sourced drugs caught in Turkey of 21 percent.

The drop in drug output from Afghanistan is largely attributable to the banning of drug cultivation in six Afghan states following the American invasion of the country, dropping Afghanistan's export of drugs to world nations by 20 percent. The Anti-Organized Crime and Smuggling Department says that while in 2008 drug rings turned to Myanmar as the new production ground for drugs, in 2009 this activity began to be shifted to areas in China's northeast.

İstanbul, Çanakkale straits new pathways for smuggling cocaine

All of the cocaine smuggling operations busted by Turkish security forces took place in İstanbul. Police say that the İstanbul and Çanakkale straits are the routes of choice for cocaine smugglers, who opt to utilize Bulgarian and Romanian-flagged ships, which have the right of free passage through the straits, to transport cocaine shipments to Russia. Police teams said that in 2009 over one ton of cocaine was seized in Greece, noting that in connection with this, cocaine was smuggled through the Turkish straits and out through the Black Sea.

The police also determined that seizures of illegal captagon pills increased by 2 percent in 2009 over the previous year, while the number of individuals detained in connection with this drug increased by 111.1 percent. Similarly, 2009 saw a 56.2 percent increase in the amount of ecstasy seized in Turkey over 2008, matched with an increase of 73 percent in the detention of individuals in connection with its trafficking.

In operations against synthetic drugs, Turkey saw its first bust of 76 kilograms of methamphetamine in 2009. This substance is mostly produced in East and Southeast Asia, North America and Oceania, and there is no indication that it is widely used in Turkey; security forces say the drug is being shipped from Iran through Turkey using air cargo. Twelve operations against methamphetamine trafficking resulted in the detention of 29 Iranians and -- for the first time -- five Japanese nationals.

12 June 2010, Saturday

TODAYS ZAMAN

One civilian killed, 11 soldiers wounded in separate PKK attacks

A civilian woman was killed and 11 soldiers were wounded in separate terrorist attacks in southern and eastern Turkey on Thursday and Friday. Thursday's attack came at around 10 p.m. in the southern province of Osmaniye. Kurdistan Workers' Party (PKK) terrorists launched a rocket that hit a military housing complex, critically wounding the wife of a lieutenant. The woman, Pınar Akdağ, was rushed to İbni Sina Hospital; however, doctors were unable to save her.

Terrorists also launched a second rocket at the complex, missing the target. Police immediately heightened security measures around the complex, closing the D-400 Highway to traffic. Osmaniye Governor Celalettin Cerrah said security forces began an operation after the attack on the military complex. The operation is still under way. "The gendarmerie is engaged in an operation to apprehend those believed responsible for the attack but has yet to encounter them," he remarked.

PKK terrorists also attempted to launch a rocket on a police station in the Yüksekova district of eastern Hakkari. The rocket, however, missed the target and landed on a road and exploded. The blast did not cause any material damage or loss of life in the area.

Security forces have initiated a major counterterrorism operation in eastern Turkey.

Also on Friday, a roadside bomb attack by suspected PKK terrorists wounded 11 Turkish soldiers in the eastern province of Tunceli. The attack occurred on a road linking Tunceli to Elazığ.

The terrorists detonated the explosives by remote control as a military convoy was passing by. One of the wounded soldiers was reportedly in serious condition. The remaining 10 soldiers were treated for minor injuries and were reported to be in good condition.

Military units have launched an operation in the area to track down the assailants.

PKK terrorists regularly carry out such attacks on military vehicles in the eastern and southeastern parts of the country. Terrorist clashes with security forces have escalated in recent weeks with the onset of warmer weather in the mountainous region.

The PKK took up arms against the state in 1984 with the aim of creating an ethnic homeland in the region. More than 40,000 people have died in the conflict.

12 June 2010, Saturday

TODAY'S ZAMAN İSTANBUL

GEO-STRATEGIC NEWS

Iran sanctions to have little effect on Turkey, Foreign Ministry says

Thursday, June 17, 2010

Sevil KÜÇÜKKOŞUM

ANKARA - Hürriyet Daily News

HURRIYAT

The recently approved sanctions against Iran will not require Turkey to take any additional measures or institute any new arrangements, the Foreign Ministry has said following its initial assessment of the UN Security Council's resolution.

"Sanctions do not affect our energy cooperation with Iran at all. Turkey already does not have important operations with Iranian banking systems. So we do not need any measures

to address that,” diplomatic sources told the Hürriyet Daily News & Economic Review on Thursday.

The sole consequences of the new sanctions for Turkey will be increasing border controls, such as for cargos of Iranian ships. But no new legal arrangements are yet needed,” the sources said.

Although Turkey, along with Brazil, voted “no” on the Security Council resolution to impose new sanctions against Iran over its controversial nuclear program, Ankara has assured the international community that it will implement them while taking other countries’ moves as a precedent for its own measures.

“Currently, we already implement the required inspections on our borders. But there will be additional technical measures taken,” diplomatic sources told the Daily News. “For instance, the previous practice was that if objectionable material was detected on a ship, it was sent back to the country of the ship’s flag. Hereafter, it will be destroyed immediately.”

Turkey shares a 560-kilometer-long border with Iran and the two countries have intensified bilateral ties since the Justice and Development Party, or AKP, came to power in 2002, bringing trade volume to nearly \$10 billion. Turkey and Iran signed an energy deal in 2008, but it could not be realized due to strong reaction from the United States. The U.N. resolution bars Iran from investing in uranium mining or the construction of new enrichment facilities. It also bans sales to Iran of tanks, armored combat vehicles, artillery, fighter jets, attack helicopters, warships or missiles. Financial transactions, including those related to insurance and re-insurance, are barred if they might serve a nuclear purpose.

The United States and European Union are meanwhile moving to tighten the penalties on Iran’s nuclear program a week after the U.N. passed its sanctions. The U.S. added more Iranian individuals and firms to a blacklist Tuesday.

The new U.S. restrictions target insurance companies, oil firms and shipping lines linked to Iran’s atomic or missile programs as well as the Islamic Revolutionary Guards Corps and Iranian Defense Minister Ahmad Vahidi.

Under the steps taken, “all transactions involving any of the designees and any U.S. person are prohibited, and any assets the designees may have under U.S. jurisdiction are frozen,” the U.S. Treasury Department said.

EU leaders were set Thursday to adopt a new set of sanctions against Iran to strengthen those adopted last week by the U.N. Security Council. The additional sanctions will target Iran’s oil industry, shipping and air-cargo companies and dual-use products that could be utilized as part of Tehran’s nuclear program. More sanctions will also be imposed on trade insurance and financial transactions.

Syria's al-Assad says Israeli raid has raised Mideast war risk

Thursday, June 17, 2010

DAMASCUS – Agence France-Presse

HURRIYAT

Syrian President Bashar al-Assad said in an interview aired on Thursday that Israel's "pyromaniac" government had raised the risk of a regional war with its deadly raid on a Gaza aid flotilla.

The May 31 attack that killed nine Turkish activists had "destroyed any chance for peace in the near future," al-Assad told the BBC in an interview. He said the incident had "proved that this (Israeli) government is another pyromaniac government, and you cannot achieve peace with such (a) government."

Asked if the incident had raised the chances of war, he said: "Definitely." Assad added that even before the raid, Syria did not see the Israeli government of Prime Minister Benjamin Netanyahu as a partner for peace. "We definitely don't have a partner, we know this. With this government (it) is something different from any previous Israeli government," Assad said.

The nine activists were killed in the pre-dawn raid by Israeli naval commandos, sent in after the aid flotilla bound for the Gaza Strip in violation of an Israeli blockade refused to turn back. Under intense international pressure Israel has set up an inquiry panel to probe the circumstances of the raid.

Al-Assad also denied that Syria was sending weapons to the Shiite Muslim Hezbollah movement in Lebanon, which fought a month-long war with Israel in 2006. Israel's security cabinet met again on Thursday to discuss easing the four-year blockade of the Hamas-run Gaza Strip amid mounting pressure following its seizure of the aid fleet, Israeli media reported.

Turkey to freeze bilateral relations with Israel, excludes private sector

Tension that broke out between Turkey and Israel when the latter killed eight Turkish citizens and a US citizen of Turkish origin in a raid on a Gaza-bound humanitarian aid flotilla has resulted in Turkey freezing bilateral relations with Israel -- but joint projects and contracts signed with Israeli companies will remain as they are.

The Defense Industry Implementation Committee (SSİK) convened under the chairmanship of PM Recep Tayyip Erdoğan to take up the issue of military agreements and projects with Israel. Turkey -- which recalled its ambassador to Tel Aviv and cancelled three military exercises in the aftermath of a bloody Israeli raid on the Mavi Marmara aid ship -- has shelved 16 bilateral agreements due to Israel's refusal to apologize for the killings or pay compensation.

Thus, all Turkish-Israeli agreements at the state level have been cancelled. In a statement made during a trip to South Korea, President Abdullah Gül said Turkey had prepared a roadmap on the issue of sanctions against Israel but noted that this would be announced by the government. The first signs that such a plan was in the works appeared on Monday in a Cabinet decision. The roadmap details a process through which Turkey will completely cut its ties with Israel and comprises several stages.

First, should Israel fail to send a member to a UN investigatory commission being formed to look into the deadly raid, Turkey will not send its ambassador back to Tel Aviv.

Furthermore, Turkey will not in any way recognize the Israeli-led investigation into its own troops' attack on the Mavi Marmara.

All bilateral projects in the field of military training and cooperation will be frozen; a \$757 million plane and tank modernization project and a missile project worth over \$1.5 billion have already been shelved. The majority of work on these projects was planned to be cooperative Turkish-Israeli efforts.

The Land Forces Command had been planning to collaborate with Israel on a \$5 billion tank project within the next 10 years. Israel wants to sell 1,000 Merkava Mark III combat

tanks to Turkey, worth \$5 billion, but this project has been shelved. In addition, Turkish military officers have abandoned a plan to modernize M-60 tanks in Kayseri with the Israelis for \$50 million.

Other abandoned projects would have modernized, through an Israeli-Singaporean consortium, 54 F-4 Phantom planes for \$632.5 million and 48 F-5 jets for \$75 million. In addition to shelving 16 major agreements, Turkey has also decided not to cooperate on joint projects, particularly in the field of military training and cooperation. Turkish F-16 pilots will not be sent to Israel for training as planned, while joint military exercises with the Middle Eastern country will also not be held. No international military exercises will be held with Israeli participation and Turkish airspace will be closed to Israeli military aircraft.

An agreement on cooperation in the field of fighting terrorism signed between Turkey and Israel -- which provided Turkey with valuable intelligence on Armenian Secret Army for the Liberation of Armenia (ASALA) terrorist organization camps in Lebanon in the 1980s -- has also been frozen by the Turkish side.

Before the raid on the Mavi Marmara, Turkey had held preliminary meetings with the Israelis over Arrow missile defense systems, conventional and plastic mine detectors and terrestrial radar systems to prevent infiltrations into Turkey from its borders with Syria and Iraq. Turkey has abandoned these plans as well as plans to purchase from Israel two patrol aircraft and Airborne Warning and Control System (AWACS) aircraft worth \$800 million.

A \$500 million package for the joint production of Popeye I and Popeye II air-to-air missiles and another project to produce \$150 million of long-range Delilah missiles has also been shelved.

Corporate-level projects to continue

Meanwhile, Turkish Foreign Trade Minister Zafer Çağlayan warned against efforts in Israel to boycott Turkish goods, saying that Turkey would react harshly should such a thing occur. Reacting on Wednesday to reports yet to be confirmed with Israeli authorities that an Israeli court had, after the Mavi Marmara incident, ordered an injunction on the bank accounts and \$10 million in receivables of Turkish Yılmazlar Group construction firm in Israel, Çağlayan emphasized that there should be a distinction made between political relations and commercial ties.

While the SSİK meeting led by Erdoğan decided to end all state-level relations with Israel, the committee left the issue of agreements between military industry firms to the discretion of those corporations. The committee said it would not be appropriate for it to decide upon the fate of agreements and joint projects operated by ASELSAN, HAVELSAN, ROKETSAN and the Turkish Mechanical and Chemical Industry Corporation (MKE). What the committee did decide is that should most of these agreements be cancelled, sanctions including compensation will be arranged -- but the initiative has been left to the firms themselves.

At the same time, however, it is known that such firms, both in Israel and in Turkey, are government-supported.

In a statement made after the six-hour SSİK meeting ended, Defense Minister Vecdi Gönül said that despite the fact that the decision on the shelving of military agreements had been left at the command of the Foreign Ministry, it would not be proper for the ruling administration to decide on the actions of military companies in both countries.

The SSİK also decided the only path to a reversal of its decisions to freeze ties would be for Israel to apologize to Turkey and agree to an international investigation into the deadly Mavi Marmara raid.

In accordance with a Cabinet decision, Turkey's roadmap from here on out will attempt to isolate Israel in the international arena. Following the condemnation of the Israeli military's actions by the United Nations, NATO, the Organization of the Islamic Conference (OIC), the Arab League and the Turkish-Arab Cooperation Forum, Turkey will attempt to isolate Israel in every arena, leaving the nation to stand alone. A new strategy will also be implemented in an attempt to

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17 June 2010, Thursday

TODAYS ZAMAN

Israel agrees to ease Gaza land blockade

Thursday, June 17, 2010

JERUSALEM – The Associated Press

HURRIYAT

Israel agreed Thursday to ease its land blockade on the Hamas-ruled Gaza Strip, hoping to quell growing worldwide outrage following a deadly raid on an international flotilla bound for the Palestinian territory.

The European Union cautiously welcomed the decision, but a senior Hamas lawmaker dismissed it as "window-dressing." In one of the major changes, Israel will now allow in more desperately needed construction materials for civilian projects, provided those projects are carried out under international supervision, government and military officials said. Israel has barely allowed in materials such as cement and steel, fearing Hamas militants could use them to build weapons and fortifications.

That policy has prevented rebuilding after Israel's fierce war with Hamas in Gaza last year. An Israeli military official told The Associated Press that all foods would be freely let in to Gaza, effective immediately. He spoke on condition of anonymity because he wasn't authorized to speak on the record. Israel has previously allowed a narrow and constantly changing list of authorized food items that has grown incrementally in recent months.

A brief government statement announcing Thursday's decision also indicated the naval blockade on Gaza would remain in force. Israel will "continue existing security procedures to prevent the inflow of weapons and war material," it said. A government official, speaking on condition of anonymity because he was not authorized to discuss the new policy on the record, confirmed that referred to the naval blockade.

Prime Minister Benjamin Netanyahu has repeatedly warned that if the naval closure is lifted, then the Iranian-backed Hamas would turn Gaza into an "Iranian port." There was no mention of lifting or easing bans on exports or the import of raw materials that would

be crucial to galvanizing the territory's battered economy. And the statement contained no specifics on what else would be allowed into Gaza.

But the fact that Israel was forced to respond to an international outcry over the blockade was evidence of the intense pressure the country's leaders felt. It changed its policy after extensive consultations with European and American officials. The European Union cautiously welcomed the decision. "This is a step in the right direction," said Cristina Galach, spokeswoman for the bloc's Spanish presidency.

The EU's foreign policy chief, Catherine Ashton, said officials wanted to see how the Israeli decision is carried out. "The detail is what matters," she said. Israel must "make sure that many, many more goods can get in to Gaza to enable people to reconstruct their homes, to build schools, to place infrastructure, and also enable people to get on with ordinary lives," she said.

U.N. spokesman Chris Gunness said the blockade has prevented the United Nations from bringing in construction materials needed to carry out an internationally approved plan to rebuild thousands of homes and other buildings Israel damaged or destroyed in last year's war in Gaza.

The closure has also shuttered hundreds of factories, put tens of thousands of people out of work and brought the territory's fragile economy to a standstill, mainly hurting ordinary Gazans. EU officials will discuss the possibility of helping reopen Gaza's border crossings, Ashton added. The EU helped monitor Gaza's southern border with Egypt until Hamas took power in 2007.

The partial lifting of the blockade did not satisfy Hamas. "We want a real lifting of the siege, not window-dressing," said Hamas lawmaker Salah Bardawil. Israel, with Egypt's cooperation, imposed the blockade three years ago after Hamas, which calls for Israel's destruction, violently wrested control of Gaza. For the most part, only basic humanitarian goods have been allowed in.

But the blockade failed to achieve its aims of stanching the flow of weapons to Gaza, weakening Hamas or winning the release of an Israeli soldier held in captivity in Gaza for years. A network of smuggling tunnels under the Egypt-Gaza border became a conduit for both weapons and commercial goods sold at black market prices. Gazans sank deeper into poverty, turning their anger against Israel and not their Hamas rulers.

Israel drew new scrutiny of the embargo when it sent naval commandos to stop a blockade-busting flotilla in late May. The troops clashed with activists on board one of the ships, killing nine Turks. Both sides said they acted in self-defense.

In the West Bank, the rival pro-Western Palestinian government of President Mahmoud Abbas also criticized the Israeli decision. Negotiator Saeb Erekat said the closure should be ended altogether. "The siege is collective punishment and it must be lifted."

Privately, however, Abbas' aides have expressed concern that an opening of Gaza's borders would strengthen Hamas at his expense. Amid the heavy international criticism that followed the Israeli naval raid, Egypt opened its land border crossing with Gaza - the main gateway for some residents to enter and exit the crowded territory.

But most Gazans remained confined to the territory. Egypt is only letting in people with special travel permits, such as students and Gazans with foreign passports. In the past two weeks, only 10,000 Gazans have crossed into Egypt.

Turkey has 4 demands from Israel over aid attacks

Turkey has 4 demands from Israel over aid attacks, Turkish diplomatic sources have said.
Thursday, 17 June 2010 11:41

WORLD BULLETIN

Turkey demands from Israel apology over a deadly raid on a Gaza-bound flotilla that killed nine Turks as well as an international probe into the killings, redress for victims' families and retrieval of three Turkish ships seized by Israel, Turkish diplomatic sources have said.

Sources said Turkey "will not wait for long" for a response from the Israeli authorities before Ankara took a series of measures against Israel in case of a failure to meet the four Turkish demands.

Sources said possible measures included political, military and commercial aspects as well as downgrading diplomatic relations with Israel to the chargé d'affaires level.

"This is such an incident which Turkey cannot forget or forgive," one source has said.

Turkey, Iraq sign preliminary deal on Kirkuk-Ceyhan oil pipeline

Turkey and Iraq signed a preliminary agreement extending to 15 years the period of the accord on transport of Iraqi oil from Kirkuk-Ceyhan oil pipeline.

Thursday, 17 June 2010 16:21

Turkey and Iraq signed a preliminary agreement extending to 15 years the period of the accord on transport of Iraqi oil from Kirkuk-Ceyhan oil pipeline.

Officials told the AA on Thursday that Turkey's Energy and Natural Resources Ministry Deputy Undersecretary Yusuf Yazar and Iraqi Oil Minister Abdul Kareem Liaibi signed the preliminary agreement.

According to the schedule of Energy and Natural Resources Minister Taner Yildiz, ministers of the two countries are expected to sign the formal agreement in Baghdad in the coming days.

1,000 kilometer Kirkuk-Ceyhan oil pipeline, built in the late 1970s, consists of two trunks, with a combined design capacity of 1.6 million barrels per day.

Turkey says backs Kyrgyzstan's territorial integrity

Ceylan said that Turkey would make all kinds of contributions to assist Kyrgyzstan in these difficult period.

Thursday, 17 June 2010 08:33

Turkey's Special Representative to Kyrgyzstan Ambassador Fatih Ceylan said that

Turkey wanted to see a prosperous, peaceful and stable Kyrgyzstan in the region.

Ceylan, who came to Bishkek to hold a series of talks, said at a news conference at the Turkish Embassy that he met with Roza Otunbayeva, the Prime Minister of the interim government of Kyrgyzstan, and expressed Turkey's sorrow over recent incidents in the country.

"I also held talks with Deputy Prime Minister of Kyrgyzstan Almazbek Atanbayev, Interior Minister Bolot Sher and Deputy Defense Minister Kubanichbek Orozbayev.

Turkey has been extending full support to the independence, sovereignty and territorial integrity since the day Kyrgyzstan acquired its independence. We consider Kyrgyzstan as a whole," he said.

Ceylan said that Turkey would make all kinds of contributions to assist Kyrgyzstan in these difficult period.

Ceylan said that Kyrgyz local authorities conveyed their demands, and Turkey would assess these demands, adding that Turkey would help Kyrgyzstan as much as it could. Noting that all Turks in Osh region, where the clashes occurred, were evacuated, Ceylan said that the remaining five Turkish truck drivers reached Bishkek. Ceylan noted that the drivers would be sent to Turkey on Thursday.

Ceylan said that international community should extend the necessary support and assistance to the region to restore peace, adding that Turkey was exerting efforts to make the international community more active about the issue.

He said that Turkey would also help Kyrgyzstan to solve its technical problems.

Ceylan and accompanying delegation will hold meetings in Kyrgyzstan till June 18.

Meanwhile, Turkish Prime Minister Recep Tayyip Erdogan spoke with Almazbek

Atambayev, first deputy head of the Kyrgyz interim government, by phone.

Officials said on Wednesday that Erdogan and Atambayev exchanged views on incidents that took place in Kyrgyzstan.

Erdogan told Atambayev they hoped that stability and tranquility would secure in the country.

189 people were killed and 1,910 others were wounded in ethnical clashes between Uzbek and Kyrgyz people since June 11.

Turkey's first advanced ballistic shield manufactured

A Turkish defense company has manufactured Turkey's first own advanced ballistic shield, the company said on Thursday.

Thursday, 17 June 2010 13:30

WORLD BULLETIN

A Turkish defense company has manufactured Turkey's first own advanced ballistic shield, the company said on Thursday.

After three years of research and development effort, engineers with the Nurol Technology Corp., an affiliate of Turkey's Nurol Holding, manufactured "T-Zirh" or "the T-Shield", an item which is one of the most needed equipments for the Turkish military. Fifteen million euros were spent to manufacture the shield that weighs around 4-5 kilograms when applied to body armors, much lighter than its foreign-made counterparts. The company said that the shield can be used also in ballistic protection of buildings, ground and aerial military vehicles.

The company said raw material, including boron carbide, an element used primarily to reinforce advanced composites, and the machinery deployed to produce the shield were entirely provided through national means.

Talat says peace deal in Cyprus possible if nurtured

A former Turkish Cypriot president has said it is possible to reach a peace deal that would reunify the long-divided island but stated that it requires the necessary vision and work towards this end.

Former Turkish Republic of Northern Cyprus (KTKC) President Mehmet Ali Talat said in an interview with the Cihan news agency on Monday that his administration believed in the reunification of the island and that this is the reason why they had made significant progress. "We have made very important strides concerning the issue of administration and power sharing. It is the biggest issue. If there was further progress on that issue and if

a larger, more comprehensive deal were reached, then there would be rapid progress concerning other issues as well,” the former president said.

Noting that it was a mistake to start the peace talks focusing on the issue of property, Talat said the property issue had not been studied enough and that it is the thorniest issue. Arguing that starting with the issue of property has been problematic for negotiations, Talat said focusing on this allows the Greek Cypriots to postpone a settlement. He said it is not a vital error but that it would be better to continue with the issue of administration and power sharing because they have already made huge progress.

Talat and Greek Cypriot leader Dimitris Christofias initiated peace talks to unify the island in September 2008 and held 71 talks before Talat lost the April presidential elections. Current KKTC President Derviş Eroğlu and Christofias resumed the talks -- paused due to the elections in the KKTC -- in May.

Talat said it would be wrong to say that the Greek Cypriots do not want a solution but stated that they don't want a solution as quickly as the Turks do, adding that it is debatable whether Eroğlu really wants a solution by the end of the year. He said Eroğlu's supposed desire to reach a deal may be a facade and that it is naïve to think that he really wants a solution by the end of the year. Noting that the Greek Cypriots do not want a swift solution because they aim to win more concessions from Turkey through blocking Turkey's drive toward the EU, Talat said Turkish Cypriots should not sympathize with the Greek Cypriot's position.

Mentioning Greek Cypriot Foreign Minister Markos Kyprianou's visit to Israel to ask for an Israeli flotilla to protest the “Turkish invasion” of Cyprus, Talat said this is “primitive and is politics pertaining to the idea that the ‘enemy of my enemy is my friend’.” Talat noted that Israel will not gain anything by sending ships to Cyprus to protest “the Turkish occupation of the northern part of Cyprus” and that this will only worsen the situation. He said they will welcome them.

Assessing the Israeli commandos' raid on the Gaza-bound aid flotilla which resulted in the deaths of nine peace activists, Talat said no reasonable state could support Israel's actions. He stated that Turkey's reaction to the raid is normal and has nothing to do with a shift in orientation.

16 June 2010, Wednesday

TODAYS ZAMAN

Turkey to send humanitarian aid to strife-torn Kyrgyzstan

Turkey has said it will send two planes to evacuate Turkish citizens as ethnic rioting escalated in the southern Kyrgyz city of Osh, also threatening the security of Turks living in the region.

Turkish Foreign Minister Ahmet Davutoğlu told a news conference on Monday that Turkey would send two airplanes to Kyrgyzstan to evacuate Turkish citizens in Osh and Jalal-Abad. This was confirmed in a statement by Turkey's embassy in Bishkek although officials did not provide details of where the planes will land. Turkish nationals and ethnic Turks are concerned for their safety and have repeatedly demanded protection from Turkey as mobs of Kyrgyz men continue to loot and set houses on fire. The Turkish Red Crescent is also expected to send emergency aid and medical supplies to the region. A statement released by the relief organization on Monday said they had established a crisis center and received information from the Kyrgyz Red Crescent regarding the

situation of people in the region. The organization was expected to send food, medicine and medical equipment in a cargo plane along with a humanitarian aid delegation to Osh on Monday.

15 June 2010, Tuesday
TODAYS ZAMAN

Mistrustful of Israel's probe, Turkey insists on int'l inquiry

Turkey has expressed an absolute lack of confidence in a commission set up by Israel to probe the deadly raid on Gaza-bound aid ships, while clearly warning of unspecified measures in its bilateral relations with Israel if a UN-led inquiry is not carried out. "We don't have any confidence at all that Israel will conduct an impartial investigation -- as a country which attacked a civilian convoy in international waters, thereby committing a violation of international law," Foreign Minister Ahmet Davutoğlu told reporters on Monday in Ankara. Israeli commandos killed one dual Turkish-US national and eight Turkish peace activists when they boarded the Mavi Marmara and encountered civilian resistance. The bloodshed triggered an international outcry and damaged Israel's ties with Turkey. Israel's cabinet convened on Monday to ratify an Israeli inquiry into a deadly raid on the Gaza aid flotilla.

The commission will include two foreign observers to satisfy international calls for an impartial investigation. "Any investigation conducted unilaterally by Israel will have no value to us," Davutoğlu said in response to questions at a joint press conference following talks with his visiting Senegalese counterpart, Madicke Niang.

Reiterating Turkey's determination to have the May 31 raid investigated by a commission "under the direct control of the United Nations... an impartial one with the participation of Turkey and Israel," Davutoğlu resorted to a metaphor to make Turkey's position clear once more, saying, "To have a defendant acting simultaneously as both prosecutor and judge is not compatible with any principle of law."

An official statement issued late on Sunday by Israel said a retired Israeli Supreme Court judge, Jacob Turkel, would head the committee. It will include two other Israelis -- an international law expert and a former general -- and two non-voting foreign observers: David Trimble, a Northern Ireland politician and Nobel Peace Prize winner, and Canadian jurist Ken Watkin.

The commission will examine whether Israel's Gaza blockade and the flotilla's interception conformed to international law and will also investigate the actions taken by the convoy's organizers and participants, the statement said.

"If an international commission is not set up and if Turkey's rightful demands continue to be disregarded, Turkey has the right to unilaterally review ties with Israel and implement sanctions," Davutoğlu warned.

Ankara "is waiting patiently for the international community to take action in an objective manner," the minister said, adding that "otherwise there might be measures that we could take."

In Washington, the White House was swift to welcome Israel's announcement as an "important step," saying Israel was capable of conducting a fair probe into the May 31 operation. Press Secretary Robert Gibbs said Israel's panel can meet the standards of a "prompt, impartial, credible and transparent investigation."

“While Israel should be afforded the time to complete its process, we expect Israel’s commission and military investigation will be carried out promptly,” a White House statement said on Sunday.

In Ankara, nonetheless, Davutoğlu played down the role for foreign observers, saying that “international participation in a commission established by Israel does not give it an international quality.”

Additionally, in a pointed appeal to Washington, Davutoğlu recalled that the youngest victim of the raid, 19-year-old Furkan Doğan, was also a US national.

“We believe the United States will eventually act in defense of its citizen’s right to life,” he said, also noting that his European counterparts with whom he held talks fully supported Turkey’s demand for an international commission.

Davutoğlu’s remarks came while Middle East envoy Tony Blair was meeting European Union foreign ministers on Monday to discuss Israel’s blockade of Gaza.

Later in the day, following the meeting in Luxembourg, Blair said he welcomed Israel’s announcement that it would conduct its own investigation.

“The issue of the inquiry will obviously continue to be an issue of strong policy debate,” Blair said. “There are many different views on this but the Israeli inquiry is obviously a significant step forward.”

Absurdity and mixing orders

As Davutoğlu was preparing to inform members of the Cabinet at a meeting later on Monday, the Turkish government’s stance on the issue was supported by senior experts, who portrayed the absurdity of Israel’s self-inquiry, with Sedat Laçiner, the head of the Ankara-based International Strategic Research Organization (USAK), labeling the inquiry “unacceptable.”

“It is also not possible to expect any results that mark Israel ‘innocent.’ The order was given by [Israeli Defense Minister Ehud] Barak, and it seems the Israeli government supported his suggestion. Soldiers who descended onto the ship deck did not come up with the idea to storm the ship by themselves; they were ordered to do so,” Laçiner told Today’s Zaman.

Hasan Köni, a professor of international relations at İstanbul’s Bahçeşehir University, maintained that with such an inquiry, Israel is actually distorting the requirements of international law.

“The United Nations first establishes a fact-finding commission and then this commission reports any shortcomings to the government in question. Then the government establishes its own commission -- what Israel is doing now -- and hangs those responsible out to dry. However, Israel has rejected the fact-finding mission and wants to establish its own commission. This is not acceptable under international law. This only satisfies Israeli public opinion and the US,” Köni elaborated while speaking to Today’s Zaman.

Laçiner, meanwhile, stressed that it is not only soldiers that need to be tried, but also those who ordered them to raid the ship.

“Moreover, the Israeli government rewarded the soldiers, which means ‘approving’ what was committed. If you order the raid, approve of -- by rewarding the soldiers -- the botched boarding of the ship, do not apologize and then hold an inquiry into the incident, then this is called an ‘acquittal commission.’ This is completely unacceptable. As Israel consulted with the US before storming the ship, it seems the US is also somehow

involved in the incident. They are against the establishment of an international inquiry commission because it will put Israel in a difficult position,” he concluded.

Trimble ‘utterly biased’

David Trimble, one of the two foreign observers on the Israeli government investigative commission, is reportedly a pro-Israeli activist and known for his staunch support of Israeli policies.

“That is a little like putting the fox in charge of the hen house,” Irish America Magazine said in portrayal of Trimble’s appointment to the Israeli inquiry commission as an international observer. He was supposed to increase the legitimacy of the commission. The magazine said he is known to be close to Dore Gold, a close associate of the hawkish Israeli prime minister, Benjamin Netanyahu. He also, the argument goes, recently joined the “Friends of Israel” initiative, which was launched in Paris some weeks ago. The magazine claimed that with his Nobel Prize he offers some clever camouflage for the Israeli inquiry into what went on when the Israeli commandos descended onto the ship deck and massacred eight Turks and an American. “But he is utterly biased,” the magazine stressed.

15 June 2010, Tuesday

TODAY’S ZAMAN İSTANBUL

Turkey second in arms spending increase in Europe

Turkey has the second largest absolute increase in military spending compared to other European countries, the Stockholm International Peace Research Institute (SIPRI) reported last week.

According to the 2010 edition of SIPRI’s Yearbook on Armaments, Disarmament and International Security, the largest absolute increases in military spending were in the United Kingdom (\$3.7 billion), Turkey (\$2.9 billion) and Russia (\$2.7 billion). Greek Cyprus was first in relative increases in real terms with 21 percent, followed by Turkey and Macedonia at 18 percent and Belarus, with 17 percent.

The report said worldwide military expenditure in 2009 totaled approximately \$1.531 trillion, which represents an increase of 5.9 percent in real terms compared to 2008 and an increase of 49 percent since 2000.

The report concluded that the far-reaching effects of the global financial crisis and economic recession appear to have had little impact on worldwide military expenditure. The US, it reads, with a real-term increase of \$47 billion, accounted for 54 percent of the world increase in military spending. In an analysis by region, Asia and Oceania showed the fastest real-term increase with 8.9 percent.

The report said there was a total of 54 peace operations in 2009 and that the known cost of peace operations reached a new high of \$9.1 billion. The number of personnel deployed for such operations also reached a record 219,278 (89 percent military personnel, 11 percent civilian) -- a jump of 16 percent over 2008. The increase was due to troop reinforcement for existing peace operations, most significantly for the NATO-led International Security Assistance Force (ISAF) in Afghanistan.

Detailing US military expenditure, the report said in 2009 the US more than doubled its troop levels in Afghanistan and that annual US spending in Afghanistan now exceeds that in Iraq -- \$65 billion was proposed for Afghanistan, compared with \$61 billion for Iraq in the fiscal year 2010 budget request.

SIPRI estimates that there were around 7,500 operational nuclear warheads in the arsenals of the eight nuclear-armed states (the US, Russia, China, the UK, France, India, Pakistan and Israel). Of these, almost 2,000 were kept on high alert and capable of being launched in minutes. “Global efforts to reduce or eliminate these weapons moved forward despite a number of setbacks,” the report concluded.

Reporting on trends in military spending in Europe, the report said the estimated total military expenditure in Europe in 2009 was \$386 billion (\$60 billion in Eastern Europe and \$326 billion in Western and Central Europe). Spending increased by 2.7 percent in real terms over 2008 (2.6 percent in Eastern Europe and 2.8 percent in Western and Central Europe), and by 16 percent compared to 2000 (108 percent in Eastern Europe and 6.6 percent in Western and Central Europe).

It said the largest relative real decrease was in Georgia (39 percent), from exceptionally high levels in 2008 due to the conflict with Russia in South Ossetia. There were also large falls in Moldova (25 percent) and Montenegro (19 percent).

While there were significant increases by regional powers such as China, India and Brazil, there was no increase in the Middle East.

12 June 2010, Saturday
TODAY'S ZAMAN İSTANBUL

Norway says it eyes cooperation with Turkey on all fronts

Norwegian Foreign Minister Jonas Gahr Store has said he believes that for the time being, EU membership candidate country Turkey and non-EU member Norway have numerous issues for substantial discussion and that in a few years, they will be able to work closely together on those issues.

Calling Turkey “absolutely a key player in the Middle East,” Store praised Turkey's proactive foreign policy in an exclusive interview with Today's Zaman ahead of a two-day official visit to Oslo by his Turkish counterpart, Ahmet Davutoğlu, which will kick off today.

In my assessment Turkey is conducting a very active foreign policy. Its prime minister, foreign minister and foreign ministry are now demonstrating a much more active approach on several different agendas. I think Turkey is an important country in the region and in the world that is assuming its appropriate responsibilities.

And we are ready to work with Turkey on all those fronts that Turkey is now developing. I hope to see Turkey engage with organizations and countries in a way that can strengthen the multilateral system,” Store told Today's Zaman.

During the visit, in addition to bilateral relations with Norway, recent developments in Cyprus, regional and international issues such as the Middle East peace process, the Western Balkans, the Caucasus and Afghanistan will also be discussed by Davutoğlu and Store, according to a statement by the Turkish Foreign Ministry. Store paid an official visit to Ankara in April 2008.

While in Oslo, Davutoğlu will also participate in the “Oslo Forum 2010 Annual Mediators' Retreat” as the keynote speaker and deliver a speech on Turkey's mediation efforts. He will have talks with Norwegian Prime Minister Jens Stoltenberg and address the Standing Committee on Foreign Affairs and Defense of the Norwegian parliament. According to Store, the Middle East issue will be at the center of talks since the current period is “very essential and dramatic.”

Davutoğlu's visit comes amidst an intensified global focus on Israel's blockade on the Hamas-ruled Gaza Strip after Israel's May 31 attack on a flotilla carrying humanitarian aid that was planning to breach the blockade and land in Gaza. Israeli soldiers shot and killed nine Turks during the raid on the Mavi Marmara, part of the six-vessel convoy.

Support for Turkey's role in region

“We have made it clear that we strongly condemn the military action on civilians. The circumstances around what happened on board that boat need to be clarified. And that is why we support an independent international commission to study what happened because there are certainly circumstances around this which need to be illuminated,” Store said.

“Beyond that, I would say that I have followed the very strong emotions in Turkey on this issue and on the Middle East issue -- I can understand. I would like, on behalf of Norway, to express gratitude for the way three Norwegians were taken care of on their way out of İstanbul,” he said, expressing hope that bilateral relations between Turkey and Israel will be normalized.

“Turkey is absolutely key player in the Middle East,” he said and noted that Norway believes Turkey should continue in its role regarding Middle East issues.

Israel has maintained a blockade on Gaza since mid-2007, when Hamas took full control of the territory from its rival Fatah a year after winning a parliamentary election. Israel claims the measures are designed to prevent arms from being smuggled to Hamas and other groups.

Ankara had already stated that a return to normal bilateral relations with Israel was conditional on concrete steps by Israel to end the years-long humanitarian tragedy in Gaza, long before Israeli commandos stormed the ships, which had 700 people on board accompanying 10,000 tons of medical supplies, housing materials and other aid to Gaza.

“We need to work hard now to lift the blockade so that normality can come to Gaza. According to my information, there is no lack of products coming to Gaza. But they come through the tunnels. And they are fueling a political economy run by Hamas in Gaza which I don't think is good for people in Gaza. The way to respond to that is to lift the blockade so there can be normal trade,” Store suggested.

One particularly thorny issue in bilateral relations between Ankara and Oslo is the presence of organizations in Norway which Turkey says are affiliated with the outlawed Kurdistan Workers' Party (PKK), which is listed as a terrorist organization by a large majority of the international community including the EU, US and Turkey.

“We will see if the issue is raised by the Turkish side,” Store responded when asked whether the PKK issue would be on the agenda of talks during Davutoğlu's visit.

“Norway does not list organizations individually. Organizations which are active in Norway are expected to follow Norwegian law and to operate in accordance with Norwegian laws, norms and standards. That is the general observation. And it will [be] applied also for this organization. Beyond that, I am often asked by the Turkish media how we relate to terror activities. And I just make a very clear, general statement: Norway condemns any systematic acts of terror, coming from any organization or any side, and is very explicit about that,” Store added. According to the Turkish Finance Ministry's Financial Crimes Investigation Board (MASAK), Scandinavian countries such as Sweden, Norway, Finland and Denmark are a focal point of many PKK financial activities.

President Gül: Israel must act if it wants forgiveness

Israel must make amends to be forgiven for a commando assault on a Gaza-bound aid flotilla, including apologizing for the attack and paying compensation, Turkish President Abdullah Gül has told the French daily Le Monde.

Gül added that if Israel made no move to heal the rift, Turkey could even decide to break diplomatic relations.

In an interview, Gül said the Israeli attack at the end of May, which killed nine activists, was a “crime” that might have been carried out by the likes of al-Qaeda rather than a sovereign state. “It seems impossible to me to forgive or forget, unless there are some initiatives which could change the situation,” Gül was quoted as saying by Le Monde published on Saturday. Asked what these might be, he said, “Firstly, to ask pardon and to establish some sort of compensation.” He added that he also wanted to see an independent inquiry into the botched raid and a discussion on lifting Israel’s blockade of Gaza. Asked if Turkey might break relations with Israel if they did nothing, Gül said, “Anything is possible.”

Gül also defined Iran as Turkey’s neighbor and said Turkey wanted diplomatic channels to be open with Iran. “After the vote, even US President Barack Obama said there was still a chance for diplomacy thanks to Turkey and Brazil’s initiatives,” Gül said. He also assessed the recent UN resolution on Iran and the Israeli attack on a Gaza-bound aid flotilla during the interview.

Gül said Turkey had always helped the Jewish people, who took shelter in its territories throughout history, citing the Jewish people who came to Turkey after the Spanish Inquisition and those who fled to Turkey after World War II as an example. Gül also referred to Turkey’s negotiations for full membership in the European Union during the interview and said Turkey should fulfill the required criteria before criticizing the union. He also said the EU could see the facts more clearly if it looked through a strategic perspective.

Israeli soldiers shot and killed nine Turks on May 31 after boarding a boat carrying humanitarian aid that was planning to breach the blockaded Gaza Strip. Israel said the soldiers acted in self-defense after being attacked with knives and clubs. Once a close ally of Israel, Turkey recalled its ambassador following the incident, cancelled joint military exercises and said trade and defense deals worth billions of dollars would be reduced to a minimum. Separately, Philip Alston, the UN special rapporteur on extrajudicial executions, said any inquiry set up by Israel to investigate the Gaza flotilla incident “must be given a genuine capacity to find the facts” or it would not be credible. To comply with international standards, he said, such an inquiry would have to be independent of the government and have full legal authority to obtain direct access to all relevant evidence, including the military personnel involved. Israel has fended off a UN demand for an international investigation, instead accepting a US proposal for an Israeli inquiry with the participation of outside observers.

13 June 2010, Sunday

ECONOMIC NEWS

Turkey expected to attract 1 million Arab tourists in 2010

Despite a negligible contraction in the number of visitors from Israel because of strained relations after the flotilla crisis, Turkey will likely enjoy a boost in its tourism figures, largely owing to the masses flocking from Arab nations, according to Tourism Investors Association (TYD) President Turgut Gür, who has said he expects the number of Arab tourists to reach 1 million this year.

Speaking to reporters in Antalya on Monday, Gür said the reciprocal elimination of visa requirements with a number of Middle Eastern nations and Turkey's positive image in the region, especially after its harsh reaction against Israel due to the assaults on the flotilla and the Gaza blockade, will increase the amount of Arab tourists visiting the country.

Gür estimated that the southern parts of Turkey in particular will enjoy a large number of visitors from Arab countries. Turkey has agreed to mutually abolish visas with Syria, Jordan and Lebanon in a move that was perceived by many as a step to establishing an EU-like community.

He illustrated what he called the "remarkable interest of Arabs" in Turkey by providing several figures. For instance, the number of Arab tourists visiting Turkey increased by 37 percent in March 2010 over the same month a year ago and by 44 percent in April 2010. Answering a question on whether there had been a reduction in the flow of Israeli tourists to Turkey after Israel's recent deadly attack on the aid flotilla, Gür acknowledged that there had been a decrease in the number of Israeli visitors, stating that nearly 50,000 bookings had been cancelled for the season. However, he said, the rise in Turkey's popularity among Arabs is enough to compensate for the losses. "We expect a total of 30 million tourists to visit Turkey this year. We also estimate profits from the tourism sector to reach about \$23 billion," he stated.

He also said the spread of Turkish soap operas among the Arab population via TV channels in the region had a particular impact on the growing interest and curiosity about Turkey. He said almost everyone was talking about Turkish soap operas when he visited Syria last year.

15 June 2010, Tuesday

TODAY'S ZAMAN İSTANBUL

Turkey resumes produce exports to Ukraine

Turkey has resumed the exportation of produce to Ukraine following a problem-solving private meeting between its Prime Minister Recep Tayyip Erdoğan and his Ukrainian counterpart, Victor Yanukovich.

Ukraine had been holding up produce-laden Turkish trucks at their border gates since June 4, citing health concerns. Following stringent inspections of Turkish goods and produce -- tomatoes, green peppers and eggplants -- Ukrainian customs officials had put a stop to imports from Turkey. The Ukrainian officials argued that the Turkish products failed to meet the quality standards their customs regime defends.

Ukraine is expected to lift its ban on produce imports from Turkey following inspections in Turkey conducted by officials from the Ukrainian Ministry of Agrarian Policy.

Erdoğan brought up the issue with Yanukovich during a trip by the latter to Turkey last week, and the guest prime minister promised that he would deal with the problem personally. This recent “produce crisis” between Turkey and Ukraine was partially resolved last week after 110 Turkish trucks that had been waiting at Ukrainian customs succeeded in entering the country on Thursday, Today’s Zaman has learned. Turkey’s commercial counselor to Kiev Mehmet Ali Erkan noted in comments to Today’s Zaman that the Turkish trucks had faced serious delivery problems due to the Ukrainian government’s “unprecedented decision.” Still, Turkish dealers complain that much of the produce will go to waste. A dealer in Kiev told Today’s Zaman that “it will be in vain to deliver [the produce] after this point.”

14 June 2010, Monday

TODAYS ZAMAN

Turkey’s exports to China to reach \$2 bln this year

After increasing its exports to China by 116 percent in the first five months of 2010 over the same months of 2009, Turkey expects the value of its products sent to the world’s second largest economy will reach \$2 billion by the end of the year.

Turkey’s exports to the Asian giant totaled \$883 million in the January-May period. Observers have argued this number could reach \$2 billion, seeing the increase continuing in June, too. Meanwhile China’s exports to Turkey in the same five months equaled \$4.9 billion; this number is anticipated to jump to \$15 billion by the end of 2010, still representing a huge imbalance in Turkey’s foreign trade with China. The trade volume between the two countries is projected to reach \$17 billion by the end of 2010.

15 June 2010, Tuesday

TODAYS ZAMAN

Unemployment keeps falling, hopes increase

Turkey’s unemployment problem sent signs of recovery in March, with the unemployment rate edging down to 13.7 percent, a 2.1 percentage point drop compared to the same month of last year.

The Turkish Statistics Institute (TurkStat) released its latest Household Labor Force Survey for March on Tuesday. According to the report, the unemployment rate fell for the second consecutive month in March, amounting to 13.7 percent, down from 15.8 percent in March 2009. The unemployment rate saw a decrease on a monthly basis, registering a 0.7 percent drop, or 126,000 people, from February to March. The unemployment rate was 15.6 percent in urban areas, down by 2.4 percentage points, and 9.7 percent in rural areas, a figure 1.3 percent less than that of one year before.

Şimşek: Unemployment will fall

Finance Minister Mehmet Şimşek, evaluating March unemployment figures, noted that the drop in the unemployment rate did not come as a surprise and predicted the downward trend to continue in the following months. Şimşek stated that the Turkish economy has once again entered a phase of rapid growth, contributing to a decline in unemployment figures. “Unemployment will continue to fall thanks to both seasonal factors and economic growth,” predicted Şimşek.

However, according to a report issued by the Bahçeşehir University Center for Economic and Social Research (BETAM), the March figures may indicate that the drop in the unemployment rate, which began in spring of last year, is about to end. “On a seasonally

adjusted basis non-agricultural unemployment remained surprisingly unchanged at 15.8 percent in March from February,” the report reads.

The TurkStat data reveal that the number of unemployed decreased by 338,000 in March from one year before, while 1.59 million people found a job during this period. But there are still 3.44 million people seeking employment, while the total number of unemployed amounts to 21.74 million. Furthermore, March saw 360,000 persons, or 10.5 percent of all jobless, join the ranks of the unemployed, suggesting that unemployment is still plaguing the country.

Non-agricultural employment, an indicator that does not include the volatile agricultural sector, also increased by 957,000 persons in March, a sign that urban and industrial unemployment is still growing. Employment in the agriculture, industry and construction sectors increased by 1.3, 0.2 and 0.3 percent, respectively, in March over a year ago, while employment in the service sector decreased by 1.7 percent.

16 June 2010, Wednesday

TODAY'S ZAMAN ANKARA

Israel ‘wakes up’ to potential of Arab citizens

Thursday, June 17, 2010

KAROUN DEMIRJIAN

NAZARETH, Israel - The Associated Press

HURRIYAT

In the year since he graduated from Israel's top technical college, Samer Kablawi has sent out over 50 resumes to high-tech companies - and had one interview.

While his fellow Arab classmates have struggled to find work, most of his Jewish classmates landed high-tech jobs months ago.

"I don't want to use the excuse that because I'm Arab, they're not taking me," said Kablawi, 29, who is fluent in Hebrew, Arabic and English, and says he did better in school than many of his now-employed classmates. "But when you think about the numbers, it will hit you very hard."

It's a refrain long sounded by Arab citizens of Israel, who argue they face widespread discrimination in the workplace. The Israeli government says it now wants to do something about it, with a \$250 million initiative with local venture capitalists to boost the Arab sector.

The aim, say backers - among them President Shimon Peres - is to create jobs, while improving public infrastructure and housing in predominantly Arab areas. Arab leaders, however, are skeptical, pointing to past promises that fell through.

"We want to start a New Deal for the Arab population," said Avishay Braverman, Israel's minister for minority affairs, who is leading the initiative, in a reference to the New Deal domestic reform program of the U.S. in the 1930s. "It's moral and right, and independent of that, it's also wise."

Discriminatory practices:

But decades of discrimination have fueled ever-worsening tensions, and the Arab sector is largely uncharted territory for Israeli lenders and employers.

In Nazareth's industrial zone - the main hub for enterprise in Israel's unofficial Arab capital - modest, roughly constructed buildings and cluttered storage yards stand in sharp contrast to the glittering corporate towers of Tel Aviv, or even the modern factories of Upper Nazareth, the Jewish development town next door.

Like most Arab towns in Israel, Nazareth's industry is mainly small businesses - meaning there are few chances for Arabs like Kablawi to find jobs in their fields.

There are early plans to help that change - a private investor has announced plans to build Nazareth's first-ever joint Jewish-Arab industrial park to give local workers easy access to the global high-tech scene. And the government's revitalization program envisions filling such workspaces through a \$200 million investment in Nazareth and nine other Arab communities that's mostly directed toward helping companies create jobs.

The government is also providing almost half of a \$50 million private fund run by Peres' son, whose venture capital firm, Pitango, won a competitive bid to bankroll 25 to 30 Arab-owned firms in high-tech and service industries, presently being selected.

But to Israeli Arabs, the funding plans are nothing to bank on.

"Any additional budget is welcomed, but it's still very far from the real needs," said Ramiz Jaraisy, Nazareth's mayor. The real test, he said, "will be according to the implementation of the plan."

He and other Arab leaders point to past promises such as a 2000 pledge to invest about \$1 billion in the Arab sector that failed to materialize.

A de facto underclass:

Arab citizens of Israel make up one-fifth of the country's population. While Israeli law gives them the same rights as Jewish Israelis, they identify strongly with their brethren in the West Bank and Gaza who are not citizens. Most identify themselves as Palestinian. In practice, they are an underclass, receiving less-than-equal services and treatment - which fans the flames of mutual distrust with the Jews.

Israel's 1.3 million Arabs account for only about 8 percent of economic activity, according to government statistics. Arabs lag far behind the Jewish population in income and employment levels, while poverty rates are much higher.

According to a recent parliamentary study, Arabs hold only 6 percent of public sector jobs in Israel - and less than 2 percent of the positions in most of Israel's government ministries and parliament.

In the private sector, Arab entrepreneurs have traditionally struggled to get loans from Israeli banks due to discrimination or property laws that favor Jewish ownership, said Ayman Saif, director of the government's economic development authority for minorities. In recent years, government funding for Arab Israeli towns was reduced, according to the Mossawa Center, an advocacy group for Arab Israelis. Many Arab leaders wonder whether the money they are being promised under the new initiative isn't simply a trade for funds lost elsewhere.

Turkish stock exchange rising star despite global crisis

Turkey's stock exchange had a bright performance in 2009 despite the global financial crisis.

The total value of shares transacted at the İstanbul Stock Exchange (İMKB) was up to 236 billion USD in 2009. It was 120 billion USD in 2008.

Around 1.3 billion USD of transactions took place in the market a day, and the transaction volume was up 21 percent year-on-year in 2009, and reached 316 billion USD.

İMKB's stock market was ranked the tenth in terms of market value among other emerging markets, and was the seventh in terms of transaction volume.

İMKB became the third stock exchange providing highest income in 2009, and the fourth one during the global crisis.

Established on December 26, 1985 for the purpose of ensuring that securities are traded in a secure and stable environment, İMKB commenced to operate on January 3, 1986.

İMKB was recognized as a "Designated Offshore Securities Market" by the U.S. Securities and Exchange Commission (SEC).

Japan Securities Dealers Association (JSDA) Japan Securities Dealers Association (JSDA) officially designated the İMKB as an "appropriate foreign investment market for the private and institutional Japanese investors."

İMKB has been approved by the Austrian Ministry of Finance as a regulated market in accordance with the regulations of the Austrian Investment Fund Act.

Turkey's stock exchange is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS), the International Securities Services Association (ISSA), the International Capital Market Association (ICMA), the European Capital Markets Institute (ECMI) and the International Organizations of Securities Commissions (IOSCO).

17 June 2010, Thursday

THE ANATOLIA NEWS AGENCY ANKARA

TODAYS ZAMAN

Turkey's current account deficit rises 175.4 percent in April

Turkey's current account deficit rose 175.4% year-on-year in April.

Central Bank made public the balance of payments for April and the January-April period on Friday.

CB figures showed the current account deficit in April rose 175.4% and reached 4.361 billion USD.

The current account deficit in the January-April period rose 300% and reached 14.251 billion USD.

The foreign trade deficit rose 171.7% and reached 3.994 billion USD.

11 June 2010, Friday

TODAYS ZAMAN

World Cup helps ready-wear clothing industry

Thursday, June 17, 2010

BURSA - Anatolia News Agency

HURRIYAT

The 2010 World Cup has increased the turnover of Turkey's ready-wear clothing industry up to 15 percent, according to an industry representative.

As some of the global sports brands such as Nike, Adidas, Umbro and Puma have significant production operations in Turkey, the rising demand is helping the Turkish

economy, according to Şenol Şankaya, the chief executive of Yeşim Tekstil and chairman of the Uludağ Clothing and Ready-Wear Exporters Union, or UHKİB.

Yeşim Tekstil also manufactures products for leading international brands such as Gap, Banana Republic, Old Navy, Zara, Esprit and Hugo Boss.

Global sports events generally provide an important revenue increase in many industries, especially in ready-wear clothing, Şankaya told Anatolia news agency. During such events, companies experience high demand in various products, he said.

“Take the World Cup,” he said. “A national team moving up to the quarter finals creates a boom in demand for that country’s football uniform or flag production,” Şankaya said.

Thus, Turkey’s not making it to the World Cup hurt the economy, he added. “We can talk about a serious loss of between \$200 million and \$250 million in business volume.”

Still, companies that produce in Turkey are shoring up business to some extent. “We have had between 10 and 15 percent of additional production in the Turkish ready-wear sector,” Şankaya said.

Meanwhile, Turkish exports to South Africa increased 14 percent to \$101.5 million in the first five months of the year, compared to the same period last year, according to data from the Turkish Exporters' Assembly, or TİM.

In a statement Thursday, TİM said the 2010 World Cup was the main contributor.

Turkey launches tourism campaign in Pakistan

The month-long campaign will feature main cultural and historical aspects of Turkey's major cities such as Istanbul, Bursa, Konya and Sanliurfa.

Thursday, 17 June 2010 11:18

WORLD BULLETIN

Turkish Culture and Tourism Ministry has launched a campaign in Pakistan to promote Turkey's historical, geographical and cultural riches as well as draw Pakistani tourists, the country's tourism attache in Pakistan told the Anadolu Agency on Thursday.

The \$200 thousand-budgeted promotion campaign includes ads in English and Urdu that would be published in major newspapers and aired on national television and radio networks as well as on the Internet.

The month-long campaign will feature main cultural and historical aspects of Turkey's major cities such as Istanbul, Bursa, Konya and Sanliurfa.

Also, Pakistan's state-run TV network PBT is set to air a documentary series on Turkey in the coming months.

AA

Turkish-Greek stock exchange investment fund to be formed

IMKB chairman said that a stock exchange investment fund based on a joint index would be established between Turkey and Greece.

Thursday, 17 June 2010 09:03

WORLD BULLETIN

Istanbul Stock Exchange (IMKB) chairman said on Wednesday that a stock exchange investment fund based on a joint index would be established between Turkey and Greece. IMKB Chairman Huseyin Erkan delivered a speech at Turkey Finance and Investment Forum organized by Euromoney Conferences in Istanbul.

Works would begin soon for establishment of Turkey-Greece stock exchange investment

fund, he said.

"It will bring several advantages to Greek investors. Greek stock exchange has decreased remarkably. The fund will also be advantageous for Turkish investors. Turkish market has a great potential. The fund will be a good alternative for our market," Erkan said.

Finance Minister Says Decline in Turkey's Unemployment Rate to Continue

Tuesday, 15 June 2010

USAK PUBLICATIONS

Turkish Finance Minister Mehmet Simsek said the decline in the unemployment rate did not come as a surprise, estimating that it would continue to fall.

Turkey's statistics authority, TurkStat, announced the unemployment rate for March as 13.7% on Tuesday.

Simsek who spoke to reporters on his way out of a panel in Istanbul commented on the unemployment figures.

He said Turkish economy resumed a trend of growth, and with growth came a decline in the unemployment rate.

Simsek said their government was taking measures to take unemployment rate further down, noting that the key to creating jobs was increase in investments and growth.

"Decline in unemployment does not come as a surprise in that sense. It will continue to fall. In the months to come it will continue to fall both with the seasonality effect and the contribution of economic growth and new investments," said Simsek.

Also commenting on the budget performance of their government in May and the first five months, Simsek said spending in the government budget was under control. He said a rise in the primary budget spending could be noticed noting that this was due to high expenditure on defense and infrastructure.

Simsek said the revenues of the government rose significantly in the mean time.

"This has to do with the recovery in economy. But of course it is apparent that effectiveness of tax auditing and collection has also increased. For example, thanks to our efforts, we have 150,000 new tax payers with income from rent collections. As the Ministry of Finance we are satisfied with our performance said," Simsek.

Arab bankers say interested in Turkish market

Yousif, said on Thursday that several Saudi banks as well as banks from Qatar and United Arab Emirates were interested in Turkish market.

Thursday, 17 June 2010 16:54

WORLD BULLETIN

Chairman of Union of Arab Banks, Adnan Ahmed Yousif, said on Thursday that several Saudi banks as well as banks from Qatar and United Arab Emirates were interested in Turkish market.

During "International Arab Banking Summit 2010: From Crisis to Financial Stability" in Istanbul, Yousif told A.A that the relations between Turkish and Arabian banks were very good, adding that they envisioned the relations would further develop.

He said that they were expecting a partnership would be set up between Turkey's Ziraat Bankasi and Commercial Bank of Syria, adding that those two banks would focus on commerce between Turkey and Syria.

The Union of Arab Banks is organizing the International Arab Banking Summit in

Istanbul in cooperation with the Central Bank of Turkey, the Banks Association of Turkey, the Banking Regulation and Supervision Agency of Turkey, and the World Union of Arab Bankers on June 17-18.

The summit is entitled "From Crisis to Financial Stability". The topics to be debated in the summit are Turkish-Arab Cooperation for high competitive financial ventures.

The Union's headquarters is located in Beirut, Republic of Lebanon and has three major regional offices in Egypt, Sudan and Jordan.

The Union of Arab Banks comprises today more than (300) Arab financial and banking institutions representing the major and biggest Arab banks. This makes the Union the largest banking and financial consortium in the region.

Turkey, Italy, Greece to sign natural gas deal
The signature ceremony will take place in Ankara.

Thursday, 17 June 2010 11:47

WORLD BULLETIN

Turkey's Petroleum Pipeline Corporation (BOTAS), Italy's EDISON, and Greece's DEPA will sign a memorandum of understanding for the Turkey-Greece-Italy Natural Gas Pipeline that will carry natural gas from the Caspian region to Europe.

The signature ceremony will take place in Ankara's Rixos Grand Hotel.

Turkish Minister of Energy and Natural Resources Taner Yildiz, President of the Executive Board and Director General of BOTAS Fazil Senel, Vice-President of Italian Electric and Natural Gas Company EDISON Roberto Poti and President of the Executive Board of Greek State Natural Gas Company Herry Sachinis will participate in the signature ceremony.

The Interconnector Turkey-Greece-Italy (ITGI) Project is considered to be one of the EU's most crucial projects.

The natural gas pipeline will be 804 kilometers long and will go into service in 2015.

ITGI pipeline begins in Azerbaijan and ends in Italy. Once completed, the pipeline will carry around 10 billion cubic meters of natural gas to Greece and Italy per year.

Bulgaria was the last country that joined the ITGI Project. Experts say that Serbia and Romania may join the project either directly or indirectly.

COMMENTARY

National View vs Gülen Movement, part 3

Wednesday, June 16, 2010

CÜNEYT ÜLSEVER

HURRIYAT

For two days, I've been trying to bring forth similarities and differences between the National View and the Gülen Movement. Although the two have set similar objectives, methodologies applied are quite different. The National View, relatively remains more local/regional as the Gülen Movement acts universally. As the National View seeks rather "tough" solutions for others, the Gülen Movement approaches others for "conciliatory" terms.

But I keep questioning for two days how these two opposite brothers, especially after 2007, have managed to come under the roof of the Justice and Development Party, or AKP; how they have allied.

The “Alliance” has a crook now following the Israeli marines’ raid on the Mavi Marmara (Blue Marmara) ship in the Mediterranean. Prime Minister Recep Tayyip Erdoğan and Foreign Minister Ahmet Davudoğlu, whom I believe is just living in a dream world, made announcements in line with the nature of the National Views. However, Fethullah Gülen, as the leader of the Gülen Movement, openly criticized the method applied by commanders on the ship.

On that day, I couldn’t help myself but to think:

If you dare to direct politics, politics will steer you!

I believe Gülen’s move should be evaluated in two aspects:

1) In a conjuncture perspective, Fethullah Gülen acted on purpose to protect his resident status in the United States. Besides, his statement is in line with the objective look outside from Turkey by nature.

2) In a philosophical perspective, Fethullah Gülen completely acted in accordance with the understanding of “living together in harmony”. The maxim of the Gülen Movement has always been “solving the problems in a peaceful manner”. Even more so, Fethullah Gülen suggested sobriety and calm even in the Feb. 28 post-modern coup period in which he was subjected to such unfairness. In that period, he also suggested girl students to take off their headscarves in order to continue university education as the headscarf ban in university had become an issue.

Gülen’s reaction to the Blue Marmara incident is consistent with who he really is and it also a critical move separating the Gülen Movement from the National View.

I hope that the Gülen Movement comes back to its old yet accurate position and returns to the old political stance which is to remain neutral to all political parties.

The perception, in particular among religious laics, is that the Gülen Movement supports the AKP’s both national and foreign policies, has to be eliminated.

This is what suits for the Gülen Movement and this is also what makes the Gülen Movement universal!

However, political parties should also create necessary atmosphere in order for the Gülen Movement to regain its position and remain at an equal distance to all political parties. And this goes for the main opposition Republican People’s Party, or CHP, the Nationalist Movement Party, or MHP, and the pro-Kurdish Peace and Democracy Party, or BDP. Stance of the former CHP chairman Deniz Baykal was worth praises.

I have no idea what needs to be done at this point, but if the new CHP leader Kemal Kılıçdaroğlu tends to thaw the historic ice between his party and the Gülen Movement, both Turkey and the CHP will have a great deal of benefits from the situation.

And in this period I expect new steps from both the Gülen Movement and the CHP!

Is the EU still important for the AKP?

Tuesday, June 15, 2010

HURRIYAT

It is not so easy these days to find out what the governing Justice and Development Party, or AKP, thinks about the European Union.

Last week one could hear Foreign Minister Ahmet Davutoğlu defending the old, established party position. According to the minister, the EU is still of crucial importance

for Turkey and for that reason, the final goal of the AKP's European policy is full EU membership. No doubt about that.

Davutoğlu was asked the question about the AKP and the EU after he took the initiative to establish a sort of Middle Eastern variant of the early European bloc, strengthening economic ties and the free flow of people and goods between Turkey, Lebanon, Syria and Jordan. Of course, this move toward reinforcing cooperation with its eastern neighbors led some to question, once again, the AKP's commitment to the EU accession process. The architect behind Turkey's much-debated activist foreign policy repeated what he has said on many previous occasions: Better relations with Iraq, Syria and other countries in the region go hand in hand with an ongoing engagement with the EU. This is first because a confident Turkey that has solved the problems with its neighbors is a far more attractive EU candidate than a Turkey solely focused on keeping its Western ties, turning its back on the countries to its east with which the EU wants to develop better relations. Secondly, Turkey has been successful lately in the Middle East because it is negotiating with the EU about full membership. If Turkey, for whatever reason, stopped pursuing that goal, its appeal in the region would go down substantially. In my opinion the minister is right in making these points. There is no change in axis. This Turkish government is implementing a policy that was already conceptualized by the late İsmail Cem, the foreign minister in the last Bülent Ecevit government. What the AKP has added to Cem's original ideas is a strong commercial push for companies close to the party and some ideological fervor based on its religious background. The policy is popular in Turkey and most European observers agree that it makes perfect sense. So far, so good.

But what to think of some other voices from the same party? During a panel at a conference on Turkey's foreign policy and its impact on transatlantic relations, organized last week by the Istanbul Policy Center and the German Marshall Fund, Suat Kınıklıoğlu, a leading AKP member of Parliament, gave a remarkable answer to a question posed to him on the importance of the EU for the AKP. According to the influential foreign-affairs expert, Turkey does not really need the EU anymore. Its economy is strong enough to do without a union that is struggling with its own financial problems and the reforms will continue because there are strong domestic forces behind them.

The same day, at a Turkish-Arab forum, Prime Minister Recep Tayyip Erdoğan lashed out at the EU for having double standards and for lacking a real conviction on Turkey's future inside the bloc. The barely concealed message, it seems, was this: Why bother any longer with these Europeans, always nagging; let's put all our money on better relations with our Arab brothers, always accommodating.

What to make of these confusing statements? They come from the same party. It looks like leading members of that party disagree strongly on the importance of the EU for Turkey and for the AKP and they do not mind expressing these differences openly. Maybe it is time that the party leader makes it clear, once and for all, what his party's position is. Critical on the EU when necessary, but convinced that Turkey's future is with the union? Or fed up with negotiations that seem to go nowhere and confident enough to try and become a global player without the EU anchor? What will it be, prime minister?

OMER TASPINAR

A new era in Turkish foreign policy

The flotilla incident and Turkey's "no" vote to new sanctions against Iran at the United Nations Security Council once again triggered a familiar debate about Turkey's alleged "Islamic" turn in foreign policy.

I made my personal opinion about this issue quite clear a number of times. I believe one of the major mistakes in analyzing Turkish foreign policy is done when analysts speak of a "secular" versus "Islamic" divide in Ankara's strategic choices. While the growing importance of religion in Turkey should not be dismissed, the real threat to Turkey's Western orientation today is not so much Islamization but growing nationalism and frustration with the United States, Europe and Israel.

Long before the recent turn of events, I argued that if current trends continue, what we will see emerging in Turkey is not an Islamist foreign policy but a much more nationalist, defiant, independent, self-confident and self-centered strategic orientation in Ankara. Because of similarities between the French and Turkish political tradition, I think it helps to think of this new Turkish sense of self-confidence, nationalism, grandeur and frustration with traditional partners such as America, Europe and Israel as "Turkish Gaullism." One should not underestimate the emergence of such a new Turkey that transcends the Islamic-secular divide because both the Kemalist neo-nationalist (*ulusalcı*) foreign policy and the Justice and Development Party's (AK Party) neo-Ottomanism -- the ideal of regional influence -- share the traits of Turkish Gaullism.

If you scratch the surface of what seems to be a secular versus Islamist divide in Turkish attitudes toward the West, you will quickly see that both the so-called Islamist and secular camps embrace the same narrative vis-à-vis Europe and America: nationalist frustration. New obstacles to EU accession, perceived injustice in Cyprus, growing global recognition of the Armenian genocide and Western sympathy for Kurdish national aspirations are all major factors forcing Turks to question the value of their long-standing pro-Western geostrategic commitments. Until a couple of years ago, I used to argue that Western-oriented Kemalist elites had traded places with the once eastward-leaning Islamists on the grounds that it was the AK Party that seemed more interested in maintaining close ties with Europe and the United States. The AK Party, in my eyes, needed the West more than Turkey's Kemalist establishment for a simple reason: It needed to prove to the Turkish military, to secularist segment of society at home and to Western partners in the international community that it was not an Islamist party.

Now, however, I increasingly believe that the AK Party, too, has decided to jump on the bandwagon of nationalist frustration with the West. After all, this is the most powerful societal undercurrent in Turkey, and Prime Minister Recep Tayyip Erdoğan needs to win elections. As the events of the last couple of weeks have shown, America and Europe should pay attention to Turkey's Gaullist inclinations. In the past, Americans and Europeans would often ask whether Turkey had any realistic geopolitical alternatives and complacently reassure themselves that it did not. But today such alternatives are starting to look more realistic to many Turks. The rise of Turkish Gaullism need not come fully at the expense of America and Europe. But Turks are already looking for economic and strategic opportunities in Russia, India, China and, of course, the Middle East and Africa. It is high time for American analysts to stop overplaying the Islamic-secular divide in Turkish foreign policy and pay more attention to what unites both camps: Turkish nationalism.

The real question is whether Ankara will pay a price for challenging the United States. The frustration with Turkey in Washington is real and getting stronger. Many argue that Turkey needs to be shaken up. This is why Ankara should prepare itself for a new era in its relations with the US. Concepts of a “strategic or model partnership” are no longer meaningful. We are heading toward a new paradigm of what many in Washington call a “transactional partnership.” Next time Turkish officials come to Washington to lobby against the Armenian genocide or for more military or intelligence support against the Kurdistan Workers’ Party (PKK), they are likely to face a simple question from their American counterparts: “What have you guys done for us lately?” This is why it is now time for Turkey to solve its Armenian and Kurdish problems without coming to Washington. Only then will Turkey deserve real “grandeur and self-confidence” in its relations with the West.

14 June 2010, Monday

TODAYS ZAMAN
