

**BUSINESS AND POLITICS IN THE MUSLIM WORLD
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SUMMARY OF THE REPORT

SUMMARY-POLITICAL NEWS

Recent statements by Turkish State officials indicate that the government would like to try a diplomatic solution first to combat with PKK terror attacks, particularly talks with northern Iraqi leaders.

The ruling Justice and Development Party (AK Party) is getting prepared to expel Rize Mayor Halil Bakırcı for remarks made at the end of June on how to solve the country's Kurdish question by taking a Kurdish woman as a second wife. The investigation report indicates that Bakırcı's words are against the party's program and bylaws and also violates women's rights. The Constitutional Court's decision Wednesday to move a reform package on to a referendum in September promises to settle not only the fate of the constitutional amendments but also to give strong clues about next year's general elections.

Kemal Kilicdaroglu, the chairman of the Republican People's Party (CHP), the leader of Turkey's main opposition party said on Thursday that his party would say "no" in an upcoming referendum on constitutional amendment law. The three main opposition parties have already announced their disagreement with the government and their plans to campaign against the amendments, but it may be difficult for them to convince people to vote against a package that also contains a number of articles designed to improve the rights of children, women and workers.

Turkey's Education Ministry reaped an estimated 133.8 million Turkish Liras in profit in the past two years thanks to the charges its applies for standardized tests, the daily Milliyet reported Thursday. The profit is higher than the total budgets of some state institutions, including the Presidential office.

Conflicts erupted in the Yüksekova district of the southeastern province of Hakkari Thursday between police and pro-Kurdish groups, news agencies reported.

The terrorist Kurdistan Workers' Party (PKK), in eastern Siirt province, made bloody attack against Turkish security forces late on Wednesday in which two soldiers and three village guards died.

Military warplanes bombed camps of the terrorist Kurdistan Workers' Party (PKK) in northern Iraq Saturday, according to a statement from the General Staff.

SUMMARY-GEO-STRATEGIC NEWS

The Israeli aid organization Magen David Adom (MDA) has sent a letter to the Turkish Red Crescent (Kızılay) thanking the group for helping to transport the injured activists who were on board a passenger ship which was part of a Gaza-bound aid flotilla that was attacked by the Israeli navy on May 31 back to Turkey.

Turkish President Abdullah Gül and his Iranian counterpart Mahmoud Ahmadinejad arrived in Nigeria on Wednesday to attend the Developing Eight, or D-8, summit. Turkish President Abdullah Gul denied claims about a meeting with Israeli president.

US President Barack Obama said in a newspaper interview on Thursday, Turkey could end up seeking alliances outside the West if the European Union keeps it dangling over its bid for membership.

The European Union has welcomed the decision of the country's Constitutional Court, which only annulled several minor articles.

In view of Turkish analysts A long-anticipated meeting between US President Barack Obama and Israeli Prime Minister Benjamin Netanyahu appeared to have mended fences between the

Obama administration and Israel but did not produced the sign which did show that the Israeli government came under pressure from Washington to ease tensions with another US ally, Turkey. Turkish analysts suggest the severe deterioration in Turkish-Israeli ties might have been discussed only as a secondary issue during the meeting, following which there was no reference to the Israeli rift with Turkey.

Turkey has sent 10 tonnes of relief equipment to Bosnia and Herzegovina due to Heavy rains flooded buildings and closed roads in towns and villages in northern Bosnia and Herzegovina on June 22. The aid supplies include food rations and beds.

US State Department spokesman Mark Toner reaffirmed on Tuesday that there has been no change in America's position on the normalization of relations between Turkey and Armenia. US Secretary of State Hillary Clinton has praised the Armenian government for its willingness to move toward normalization with Turkey and suggested that the ball was in Turkey's court for revitalizing the rapprochement process, while urging Ankara to overcome its reluctance to reopen the border between the two countries, closed because of the Nagorno-Karabakh dispute. Turkey has extended a 21 million USD financial aid to Kyrgyzstan. Officials said 10 million USD of such figure would be monetary aid, while 11 million USD would be through the construction activities to be carried out by the Turkish International Cooperation and Development Agency (TİKA) in Kyrgyzstan's southern region. Speaking at the press conference, Davutoğlu said Turkey had sent nearly 63 tons of aid materials and an ambulance since the beginning of the clashes in Kyrgyzstan in April.

Ankara and Damascus signed a protocol on Tuesday to become sister cities. Ankara Mayor Melih Gokcek said many historical buildings in Damascus constructed in the period of the Ottoman Empire were a sample of common history and historical heritage. We decided to announce Ankara and Damascus as sister cities to boost fraternity ties and cooperation opportunities among the people of Turkey and Syria.

Turkish Minister of Transportation Binali Yildirim said Tuesday the revival of the historic Silk Road by Turkey and China will add a new dimension to bilateral relations between Turkey and China.

SUMMARY-ECONOMIC NEWS

Investment in Organized Industrial Zones (OSBs) across Turkey has been on the rise in recent months, which is an indicator of the authenticity of Turkey's high growth rate in the first quarter of this year. Turkey's Minister of Culture and Tourism Ertugrul Gunay said Turkish tourism sector boasted a 10% rate of annual growth, above the global average. 1.2 million German, 739 thousand Iranian and 678 thousand Russian tourists visited Turkey in the first five months of 2010. The Turkish tourism sector earned 2.2 billion Turkish Liras in incentives for 134 projects between January and May of this year, Anatolia news agency reported Thursday.

Serdar Sayan, president of the Middle East Economic Association, says the large size of the public sector in the region creates a suitable environment for corruption. Speaking to the Daily News, Sayan says extensive privatization has helped reduce the share of the public sector in Turkey's economy, but there is still a long way to go, especially in reforming the legal framework.

The resilience of Turkey's financial sector was once again certified by a recent report that said the sector as a whole was much less affected from the global crisis compared to its global peers. The report highlighted asset quality, capital adequacy, risk management and internal controls as leading factors in the sector's relative success.

Turkey's industrial production index increased 15.6 percent in May, 2010 when compared to May, 2009. The Bulgarian Railway Administration (BDJ) cancelled on Thursday a train car tender awarded to Turkish company, executives of the administration said. The BDJ cancelled the tender for purchase of 30 sleeping coaches although it was included in a transportation cooperation protocol between Turkey and Bulgaria. Executives of the Bulgarian railways said the administration did not have enough money to purchase coaches and it did not need coaches either.

POLITICAL NEWS

Diplomacy top priority for government in fight against PKK

As the death toll rises due to a recent increase in terrorist attacks on Turkish military targets by the terrorist Kurdistan Workers' Party (PKK), with about 50 soldiers killed during the past month, Turkey has stepped up its military operations in both the east and southeast of the country, as well as in the north of Iraq, where the PKK is based.

However, recent statements by state officials indicate that the government would like to try a diplomatic solution first, particularly talks with northern Iraqi leaders.

A total of 246 terrorists have been killed in the past 45 days, but it is not yet clear whether Turkey will be carrying out a full-scale military campaign into northern Iraq to eradicate PKK

bases. Recent statements suggest that the government is likely to opt for a diplomatic route before taking any drastic military measures.

President Abdullah Gül, shortly before his departure to Nigeria yesterday for an official visit, made it clear that it was up to the government to decide what measures to take. "Fighting terrorism is Turkey's priority, and it is a complex issue. There is a foreign policy aspect to it, in addition to the security forces' military strategies, and a social and economic aspect as well. The approach is completely up to the government," he said in response to a question regarding a recent comment by the chief of General Staff, Gen. İlker Başbuğ. Başbuğ suggested that Turkey begin taking matters into its own hands when it comes to the PKK's presence in northern Iraq, as the Iraqi Kurdish leadership has failed to adequately cooperate with Turkey. "We are where words end," Başbuğ said in televised remarks this week, after noting that northern Iraq was still a safe haven for PKK terrorists. The presence of PKK bases in northern Iraq will certainly affect Turkey and Iraq's relationship and would negatively affect relations between the US and Turkey, he said.

Diplomatic sources, speaking on condition of anonymity, also confirmed with Today's Zaman that Turkey has increased pressure on the northern Iraqi administration, the Iraqi government, EU countries and the US to take action against terrorist attacks, as they have been escalating recently.

The same source said the regional government in northern Iraq has a more positive attitude towards cooperation than before; however, there remains much room for improvement. "It is still behind where it should be," the source said.

Two days ago, Chief of General Staff Gen. Başbuğ in televised remarks said the presence of PKK bases in the north of Iraq will certainly affect Turkey and Iraq's relationship and that it would negatively affect relations between the US and Turkey.

Indeed, it is no secret that Ankara has been pushing Iraq and the US to put an end to the PKK's presence in the region. Journalist Fikret Bila in his column in the Milliyet daily yesterday wrote that Turkey offered the US administration and the leader of northern Iraq's regional government, Massoud Barzani, three options: either render the PKK ineffective in the area without Turkey's involvement; agree to the three countries working together to put an end to PKK activities; or Turkey can act by itself, but in coordination with the US and the northern Iraqi administration. Experts say a message this direct may do to Turkish-Iraqi relations what a similar incident did for Turkish-Syrian relations in late 1998, when Turkey threatened to go to war if Syria did not stop harboring PKK leader Abdullah Öcalan. Syria then expelled Öcalan, shortly after which he was caught in Kenya. In his televised remarks, Başbuğ said Turkey has "come to the point for which there are no words," also indicating that a process has been started, although officials have been tight-lipped about the specifics.

Foreign Minister Ahmet Davutoğlu also reiterated twice in the past week that this summer will be a crucial period for the Middle East. President Abdullah Gül also recently underlined the need to deal effectively with the PKK, saying terrorism is Turkey's biggest problem and that it should be solved as fast as possible. This stance is in line with the decision made by the government and the military top brass on June 24 to start a comprehensive operation against the PKK.

Interior Minister Beşir Atalay also stated on Tuesday that a new process has begun in Ankara. Atalay said that the PKK's presence in the region is unacceptable and that its bases in the region have to be destroyed. He also said that Turkey is determined to do so and that they have stated their demands on this issue to the Iraqi, northern Iraqi and US administrations.

Radikal's Murat Yetkin suggested the recent move to take İmralı Island, where PKK leader Öcalan is currently incarcerated, out of naval forces control and place it under the control of the Interior Ministry's coast guard and the gendarmerie might indicate that the government may be trying its hand at diplomacy first. However, if Turkey fails to obtain any results through diplomacy, a full-scale military operation in northern Iraq is more than likely.

08 July 2010, Thursday

TODAY'S ZAMAN İSTANBUL

AK Party to expel mayor for advice on taking another wife

The ruling Justice and Development Party (AK Party) is getting prepared to expel Rize Mayor Halil Bakırcı for remarks made at the end of June on how to solve the country's Kurdish question by taking a Kurdish woman as a second wife.

The AK Party's Local Governments Department, which launched an investigation into Bakırcı, has completed its report and will present it to Prime Minister Recep Tayyip Erdoğan this week. The report, completed by deputies Metin Kaşıkoğlu and Mehmet Sekmen, indicates that Bakırcı's words are against the party's program and bylaws and also violates women's rights. Bakırcı's statement offended almost all segments of society when he suggested that the men of his region take a second wife from the predominantly Kurdish East and Southeast, where the practice is "common," saying this would help foster social peace.

Meanwhile, Bakırcı apologized for his remarks on July 1, saying they were misunderstood. He accused the media of having taken his words out of context and purposefully distorting what he had originally said. He stated that he emphasized that "both kinship relations and trade between the two regions were very strong at the time, and said that the practice of inter-regional marriage should continue in order to strengthen these ties."

08 July 2010, Thursday

TODAY'S ZAMAN WITH WIRES İSTANBUL

Turkey's Main Opposition To Vote "No" In Referendum For Constitutional Amendments

The leader of Turkey's main opposition party said on Thursday that his party would say "no" in an upcoming referendum on constitutional amendment law.

Kemal Kilicdaroglu, the chairman of the Republican People's Party (CHP), said his party would vote against the constitutional amendment package in a referendum due on September 12.

"Politicization of the judiciary will cause separation in the society," Kilicdaroglu said during a party meeting in Ankara.

Kilicdaroglu said the constitutional amendments would put public prosecutor under the instructions of the justice ministry, and therefore his party was against the amendments.

The CHP leader said he was aware of the shortcomings of the current constitution, and Turkey needed a more contemporary and robust constitution, and pledged to prepare a new constitution in a new parliament and under CHP's ruling.

Kilicdaroglu's remarks came after the Constitutional Court had annulled some articles of the constitutional amendment package.

On Wednesday, the court invalidated some articles of the package about the structure of the Constitutional Court and the Supreme Board of Judges and Prosecutors (HSYK).

The CHP filed an application with the Constitutional Court on May 14 for invalidation of some articles of the package. The application was signed by 97 CHP deputies, 7 independent deputies, 6 deputies from the Democratic Left Party (DSP) and 1 deputy from the Democrat Party (DP).

Turkish parliament adopted the constitutional amendment package on May 7. The package was approved by the President on May 12.

Except for the annulled articles, the package is set to be put on referendum on September 12 in line with the Turkish Constitution.

Thursday, 8 July 2010

USAK PUBLICATIONS

After court ruling, decision on reform package left to Turkish voters

Thursday, July 8, 2010

ANKARA — Hürriyet Daily News

Turkey's top court throws out a handful of parts of proposed constitutional changes, allowing the reform package to move ahead to a referendum expected to foreshadow upcoming general elections

Following a daylong secret session Wednesday, Turkey's top court annulled parts of government-sponsored constitutional changes meant to curb judiciary powers, angering those who wanted the whole thing scrapped and those who wanted it upheld entirely.

Top Turkish court preserves main framework of reform package

Legal experts were split over the top court's ruling Wednesday about a package of constitutional amendments, though many said the court found a "middle way" that would eliminate further political chaos and speculation about early elections.

ANALYSIS: Turkish referendum vote likely to be proxy for elections

The Constitutional Court's decision Wednesday to move a reform package on to a referendum in September promises to settle not only the fate of the constitutional amendments but also to give strong clues about next year's general elections.

Turkish referendum vote likely to be proxy for elections

Thursday, July 8, 2010

SERKAN DEMİRTAŞ/Analysis

ANKARA – Hürriyet Daily News

The Constitutional Court's decision Wednesday to move a reform package on to a referendum in September promises to settle not only the fate of the constitutional amendments but also to give strong clues about next year's general elections.

Political parties are dividing into a pro-amendment camp – led by the ruling Justice and Development Party, or AKP, which pushed the reforms through Parliament – and those who will vote against the package in the referendum set for Sept. 12.

The three main opposition parties have already announced their disagreement with the government and their plans to campaign against the amendments, but it may be difficult for them to convince people to vote against a package that also contains a number of articles designed to improve the rights of children, women and workers.

Liberal members of the opposition Republican People's Party, or CHP – whose leader Kemal Kılıçdaroğlu told his party's meeting Thursday that "We will say 'No' to the amendments" – are expected to face a particularly tough dilemma when voting on the referendum. Many of the amendments are also seen as a positive step in moving forward Turkey's application for European Union membership.

In addition to the CHP, the Nationalist Movement Party, or MHP, has come out strongly against the amendments, with party leader Devlet Bahçeli accusing the Constitutional Court of making a “political decision” to let them move ahead to a public vote.

Although the ruling AKP is the only party among those represented in Parliament that has endorsed the amendments, the Saadet (Felicity) Party has said it will back them as well. The Peace and Democracy Party, or BDP, and the Democrat Party, or DP, are expected to fall into the anti-amendment camp.

Though the referendum will not provide a perfect indication of the level of public support for the country’s various parties, it is expected to give key hints ahead of the 2011 general elections. It is also expected to see a close vote, as neither side has a clear majority at this time.

In the last general elections in 2007, the pro-amendment AKP and Saadet drew a total of nearly 49 percent of the vote; this decreased in the 2009 local elections, however, to 44 percent.

The opposition’s total percentage increased nearly 5 percent in the local elections, which could give it the clout needed to pass the 50 percent threshold required to annul the whole constitutional package.

Kılıçdaroğlu’s first test

The referendum is also expected to be an important test for the new CHP leader. Though the party will not frame the referendum solely as a CHP issue, but as something of interest to the whole nation, Kılıçdaroğlu’s campaign against the amendments will show the public a lot in terms of his party’s prospects in next year’s general elections, set to be held in either May or June.

Kılıçdaroğlu will actively continue his tour around the country’s provincial areas in the summer, urging a “No” vote on the referendum. The MHP’s Bahçeli will also appear on the political stage, especially as the voting date nears.

The AKP, however, seems to be the party campaigning most actively in the pre-referendum period. Prime Minister Recep Tayyip Erdoğan has already instructed his party colleagues to begin work among their constituents and plans to visit more than 40 provinces himself before the referendum.

The advantage of Sept 12

One of the advantages the ruling party has in this process is the fact that the referendum will take place Sept. 12, the day when the military staged a coup in 1980. The AKP’s campaign will likely be based on this fact and call on the people to get rid of the “junta-made Constitution.”

The 1980 coup d’état is seen as a major cause of the poor quality of the country’s current democratic system. Though all parties agree on the need to renew the post-coup Constitution, they remain divided about how best to do so.

Turkish Education Ministry earns big profits off of exam fees

Thursday, July 8, 2010

BAHAR ATAKAN

ANKARA – Milliyet

Turkey’s Education Ministry reaped an estimated 133.8 million Turkish Liras in profit in the past two years thanks to the charges its applies for standardized tests, the daily Milliyet reported Thursday.

The profit is higher than the total budgets of some state institutions, including the Presidential office.

The profit from the execution of exams was transferred to the ministry's budget. The ministry's 133.8 million-lira profit was greater than the budgets of other government departments such as the Turkish Foundation for Statistics at 112.8 million liras, the Presidency at 72.5 million liras, the Constitutional Court at 16.1 million liras, the National Security Council Secretariat at 12.4 million liras, and the National Administration for the Handicapped at 5.6 million liras. Students around the country must pay fees to sit standardized exams organized by the ministry. For instance, the ministry charged 750 liras per applicant for the employment test at the Şanlıurfa Governor's Office and 445 liras per applicant for the a similar test at the Environment and Forestry Ministry.

Asked by an opposition deputy about the standardized exam system in Parliament, Education Minister Nimet Çubukçu said her department spent 9.7 million liras on high school entrance qualification exams, or SBS, in 2008.

The figure increased to 13.1 million liras in 2009 but decreased to 9.1 million liras in 2010. The ministry collected a total of 16.8 million liras from applicants in 2008, 26.2 million liras in 2009 and 26.8 liras in 2010, she said.

Çubukçu also said her ministry charged 87 applicants working at the Foundation of Credit and Housing for Higher Education 315 liras each to sit a promotion exam.

On the other hand, she said, each of the 3,169,903 applicants for the SBS exam was charged only 10 liras each to register.

Police, pro-Kurdish protesters clash in Southeast Turkey

Thursday, July 8, 2010

ISTANBUL – Daily News with wires

Conflicts erupted in the Yüksekova district of the southeastern province of Hakkari Thursday between police and pro-Kurdish groups, news agencies reported.

Around 2,000 protesters gathered in front of the pro-Kurdish Peace and Democracy Party, or BDP, for a press statement protesting the ongoing military operations in southeastern Anatolia and that the bodies of slain PKK members killed in the latest conflicts were not delivered to their families in the nearby province of Siirt, Doğan news agency reported.

Storekeepers in the city joined the protests by refusing to open their shops.

After the press statement, conflicts erupted between police and protestors. Police used tear gas and pressurized water against the protestors while one police officer was injured as a stone thrown by protestors hit him in the head. Protestors also threw Molotov cocktails at police.

A bomb also exploded Wednesday night as a police vehicle was passing in Yüksekova, Anatolia news agency reported. No injuries or casualties occurred in the explosion, but nearby houses and workplaces suffered material damage.

The bomb was a remote controlled explosive, the Anatolia news agency said.

Turkish airstrike hits terrorist camps in northern Iraq

Military warplanes bombed camps of the terrorist Kurdistan Workers' Party (PKK) in northern Iraq yesterday, according to a statement from the General Staff. The bombardment comes following a spate of terrorist attacks on Turkish soil. "Separatist terrorist organization targets were hit by Turkish Armed Forces [TSK] planes last night in northern Iraq, notably in the Kandil Mountains and the Hakurk region," the General Staff said.

More than 10,000 soldiers, backed by helicopter gunships, clashed with the terrorists near the Iraq border in Şırnak and Hakkari provinces, and troop reinforcements were sent in from

regional military bases to help the offensive. The PKK has bases in northern Iraq, from where it launches terrorist attacks on Turkish troops and military installations. More than 50 soldiers have been killed as a result of PKK attacks over the last several months. The military said the pilots showed the utmost sensitivity for civilian lives during the strike. The aircraft returned to their bases after the bombing.

Friday's bombings came after 17 died on Thursday between Turkish troops backed by helicopter gunships and PKK terrorists in the predominantly Kurdish Southeast. "The targets were hit successfully," the General Staff statement said.

Intelligence sharing between Turkey and the United States has increased the effectiveness of Turkey's sporadic air raids on the group, listed as a terrorist organization by Ankara, the European Union and the United States.

The PKK took up arms against Turkey in 1984 in a bid to carve out an independent Kurdish state. More than 40,000 people, mainly Kurds, have died in the war.

Villagers shooting at soldiers killed

Meanwhile, security forces killed two villagers yesterday who opened fire on gendarmes in Diyarbakır's Lice district. One civilian was injured in the clash, which took place in the Çarşı neighborhood of the village of Ahmet, after a group of villagers responded to the security forces' warning to halt with fire and the soldiers returned fire.

Ferhat Taruk (20) and Çekdar Kanay (17) died in the attack. The two men owned the plot of land on which the clash broke out. Initial reports state the land was being used to grow hemp. The injured person was identified as Müslüm Kanay. Taruk received one bullet to the head and five to the stomach, according to an autopsy report prepared by the Lice State Hospital.

An investigation was launched into the incident, with initial findings suggesting the cultivation of hemp and marijuana smuggling were the cause of the attack.

03 July 2010, Saturday

TODAY'S ZAMAN İSTANBUL

2 soldiers, 3 village guards killed in clashes as PKK terror hits Siirt

The terrorist Kurdistan Workers' Party (PKK) this time picked Pervari, in eastern Siirt province, to perpetrate yet another bloody attack against Turkish security forces late on Wednesday in which two soldiers and three village guards died.

The killings are a further sign of an escalation of terrorism in the eastern provinces, which have been the target of PKK attacks lately. The Turkish military announced that 12 PKK terrorists were killed in the clashes.

PKK members attacked a military base in the village of Doğan in Pervari at around 11 p.m. on Wednesday with rocket launchers and long-barrel rifles. A lieutenant, a sergeant and three village guards -- local members of a militia that works for the military -- were killed in the attack. The Turkish military immediately launched an operation in the area that included helicopter gunships. Four fighter jets also took off from Diyarbakır, though their destination was not known. Large-scale operations were launched in the area, the military said, to capture those terrorists who escaped. The operations were already yielding results yesterday. Twelve terrorists were killed in clashes late Thursday night.

In the meantime, a memorial ceremony was held in the southeastern province of Şırnak for the slain soldiers and village guards. The guards killed were identified as Şevket Babat, Halil Bulut and Mehmet Kaplan. One of the soldiers killed was a senior sergeant named Mustafa Çuhadar. The lieutenant killed in the attack was Seçkin Kırbaçırnak. Şırnak Governor Vahdettin Özkan,

Maj. Gen. Mustafa Bakıcı, Mehmet Güngör, the head of the Association of Families of Martyrs and Veterans in Şırnak, and many members of the military attended the ceremony. The remains of the fallen soldiers and village guards were later sent to their hometowns for burial.

Slain sergeant had two days to relocate

Meanwhile, reports state senior Sgt. Çuhadar (29) had been reassigned to Eğirdir, Isparta province, and that he was going to relocate to his new post in two days.

Military officials who arrived at his family home notified his family in Konya's Selçuklu district. Garrison Commander Gen. Alaeddin Örsal came to the family home to offer his condolences.

The street on which the family resides was adorned with Turkish flags yesterday. Family members said the martyr's brother was serving as a lieutenant in Ankara. Çuhadar was married and had a one-and-a-half-year-old daughter, Mehlika Nur. His grieving mother said yesterday that Çuhadar had spoken with the family one day before the attack, telling them not to worry and that he would visit them soon. Çuhadar's body reached Konya yesterday, where he was buried at the Konya Military Cemetery following a funeral prayer at the Mürşit Pınar Mosque in the afternoon.

Violence has risen in recent months in the region and more than 50 Turkish soldiers have been killed as the outlawed PKK increased its attacks on military targets in the Kurdish-dominated East and Southeast. The PKK has also been staging attacks in western cities.

Five people were killed in a roadside bomb attack on a bus carrying military personnel and their families in İstanbul's Halkalı district. The attack was staged by an arm of the PKK last Tuesday. One of those killed included a 17-year-old student. The attack comes after the deaths of 11 soldiers in a terrorist attack on a military outpost in Gediktepe in late June.

PKK terrorism has for the past couple of weeks been the primary issue of debate in Turkey. Violence traditionally rises in the Southeast in the spring and summer months as warmer weather brings increased infiltration of PKK terrorists from the mountains of northern Iraq. Several thousand terrorists are based in the mountains across the border. The military brass and the Cabinet recently met for a summit on terrorism. An important decision that came out of the meeting was to expand military operations in the north of Iraq, which is used as a camping and training haven for PKK terrorists. Another measure Turkey will be taking against the rise in terrorist attacks is limiting jailed PKK leader Abdullah Öcalan's links to the organization. For years, the jailed terrorist chief has continued to direct the PKK from his jail cell through his lawyers, pushing the government's patience and tolerance to its limits.

One of the important findings of this meeting was that the PKK continues to use northern Iraq as a base for its terrorist activities despite intelligence support from the US. A National Security Council (MGK) meeting held a few days after the terrorism summit also confirmed this conclusion, calling for increasing international cooperation against terrorism. Prime Minister Recep Tayyip Erdoğan, in a recent meeting with US President Barack Obama, said Turkey has given all support it can to fighting terrorist groups active in the US and asked for US and NATO support in Turkey's fight against terrorism.

02 July 2010, Friday

TODAY'S ZAMAN WITH WIRES İSTANBUL

GEO-STRATEGIC NEWS

Israeli aid organization thanks Turkish Red Crescent

The Israeli aid organization Magen David Adom (MDA) has sent a letter to the Turkish Red Crescent (Kızılay) thanking the group for helping to transport the injured activists who were on

board a passenger ship which was part of a Gaza-bound aid flotilla that was attacked by the Israeli navy on May 31 back to Turkey.

MDA Executive Committee Chairman Noam Yifrach, in a letter he wrote to Turkish Red Crescent President Tekin Küçükali, thanked the Turkish organization for its efforts during the process, according to a written statement released by the Red Crescent yesterday. The letter said the Red Crescent team immediately took action after the Israeli intervention on the Gaza aid flotilla and brought the injured back to Turkey, working in cooperation with Israel's MDA. The letter said the cooperation between the two organizations helped prevent further destruction amidst the international crisis that started with Israel's attack on the ship. The letter is a response to a previous letter from Küçükali to Yifrach, thanking him and his organization for their efforts during the crisis.

In his letter, Yifrach said the MDA was very pleased to have received the Turkish Red Crescent's thank you letter on June 4. The letter congratulated Küçükali for the effective leadership he displayed in managing the transportation of the wounded back to Turkey. The letter noted that flying the injured back to Turkey had appeared to be "an impossible task" in the beginning but that the two organizations managed to jointly influence all the relevant authorities to make it a reality. The letter also said the MDA hoped the Red Crescent would set a good example of cooperation for other international aid organizations. The letter also mentioned meeting in the future to discuss possible projects for further collaboration.

08 July 2010, Thursday

TODAY'S ZAMAN WITH WIRES İSTANBUL

Ahmadinejad, Gül arrive in Nigeria to attend D8 summit

Thursday, July 8, 2010

ABUJA – Agence France-Presse

Turkish President Abdullah Gül and his Iranian counterpart Mahmoud Ahmadinejad arrived in Nigeria on Wednesday to attend the Developing Eight, or D-8, summit.

Thursday's one-day summit of the D-8 in Abuja will discuss, among other things, how to improve trade among members. The D-8 was established at a summit in Istanbul in June 1997, and represents a total population of 930 million people from Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

The Iranian president was met on arrival by Nigerian Minister of Works Sanusi Dagash, government officials and a small group of Iranians who live in the West African nation. The United Nations imposed new sanctions on Iran on June 9, after which the United States and the European Union added their own additional sanctions.

Turkish President Abdullah Gül also arrived in Abuja on Wednesday for the summit, raising the possibility that damaged relations between Turkey and Israel following a deadly raid on Gaza-bound aid ships will be discussed. The D-8 was established in 1997 to promote economic ties and solidarity among member states.

Turkey's stance on Israeli attack on Gaza flotilla clear: Minister

WORLD BULLETIN

Turkish Deputy PM Arinc said, "Turkey's requests from Israel following Israeli forces' attack on an aid-flotilla are evident."

Thursday, 08 July 2010 11:22

Turkish State Minister & Deputy Prime Minister Bulent Arinc said, "Turkey's requests from Israel following Israeli forces' attack on an aid-flotilla are evident. U.S. President Barack Obama was also informed about Turkey's requests."

Arinc told reporters following the Council of Ministers meeting, "the issue about Israel was not discussed at today's meeting. There are some statements made by Israel recently. But statements by Israel or by any other country do not change Turkey's foreign policy from day to day."

"The issue was also brought onto agenda of the UN Security Council. And the Council made a decision condemning Israel. Now, establishment of an inquiry commission by the UN is in question. We are following all these developments," he added.

Israeli forces raided a six-ship flotilla carrying humanitarian aid to Gaza on May 31.

Nine people were killed in the raid. The flotilla, which included three cargo ships and three passenger ships, was trying to draw attention to Israel's three-year blockade of the Gaza Strip. The boats were carrying items such as electric-powered wheelchairs, prefabricated homes and water purifiers.

AA

Turkey's Gul denies reports on Israel talks during D-8 summit

Turkish President Abdullah Gul denied claims about a meeting with Israeli president.

Thursday, 08 July 2010 10:00

Turkish President Abdullah Gul denied claims about a meeting with Israeli president.

Speaking to reporters prior to his departure for Nigeria on Wednesday, Gul denied the news stories claiming that he was in preparation to meet with Israeli president but the meeting did not take place.

Gul said that he did not have any information about such a thing, and there was not a planned meeting in the agenda.

Several news stories in Israeli press claimed that there was a preparation for a meeting between Turkish and Israeli presidents after Israeli raid in Mavi Marmara (a Gaza-bound aid ship), however, the meeting did not take place.

Israeli commandos raided the Gaza-bound Turkish ship "Mavi Marmara" on May 31, killing 8 Turks and an American citizen of Turkish origin. The attack strained the relations between Turkey and Israel to the point of breaking.

Turkish President Gul is travelling to Nigeria to attend D-8 summit.

D-8, also known as Developing-8, is an arrangement for development of cooperation among Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

The establishment of D-8 was announced officially through the Istanbul Declaration of Summit of Heads of State/Government on June 15, 1997. Its secretariat is based in Istanbul.

The objectives of D-8 Organization for Economic Cooperation are to improve member states' position in the global economy, diversify and create new opportunities in trade relations, enhance participation in decision-making at international level, and improve standards of living.

AA

Obama sees Turkey turning eastward if snubbed by EU

Turkey could end up seeking alliances outside the West if the European Union keeps it dangling over its bid for membership, US President Barack Obama said in a newspaper interview on Thursday.

Obama told Italy's Corriere della Sera the United States believed it would be wise for the European Union to accept Turkey, and saw reluctance to let Turkey in as a factor behind changes seen in its traditionally West-facing foreign policy.

"I recognise that this raises strong feelings in Europe and I do not think the slow pace or European reluctance is the only or predominant factor at the root of some changes in the orientation recently observed in the Turkish attitude.

"But it is inevitably destined to play a role in how the Turkish people see Europe," Obama said.

"If they do not feel themselves part of the European family, it is natural that they should end up looking elsewhere for alliances and affiliations."

Turkey's past secularist governments were wary of ties with Islamic neighbours in the East, and were firm Cold War allies of the West, due to a mistrust of communism and traditional rivalry with Russia over the Black Sea and Caucasus region.

But under Prime Minister Tayyip Erdoğan relations have warmed up considerably with neighbours like Iran and Syria, the wider Middle East, and post-Soviet countries, while a formerly close alliance with Israel has dwindled.

Ties with Israel are at the point of breaking following the killing of nine Turkish pro-Palestinian activists during an Israeli military operation to stop a Gaza-bound aid convoy in international waters.

Critics say the trend in foreign policy reflects the AK party's Islamist roots, though the party sees itself as a Muslim version of Europe's conservative Christian Democrat parties.

The government says Turkey's commitment to the West is undiminished and critics are wrongly confusing efforts to build ties and find new markets for its growing economy with a change in orientation.

Obama called Turkey's attempt to mediate an accord with Iran on the nuclear issue "unfortunate", but said he understood its interest as an emerging power and neighbour of Iran.

Western powers rejected a deal negotiated by Turkey and Brazil for Iran to exchange some nuclear fuel abroad. Turkey and Brazil responded last month by becoming the only two countries to vote against sanctions on Iran in the UN Security Council.

Turkey's AK Party government entered negotiations to join the 27-member EU in 2005, but the process is at risk of grinding to a halt due to an impasse over the divided island of Cyprus. Cyprus is an EU member and its Greek Cypriot government has stalled Turkey's bid to join because of its support for Turkish Cypriots, though Ankara now backs reunification of the island. Turkey suspects some EU governments of using the Cyprus issue to keep the door shut because of doubts over letting a Muslim country join their "Christian club".

Obama spoke of the importance of strong relations with a strategic country at the crossroads between East and West.

"It is a NATO ally, its economy is expanding greatly," Obama said. "Furthermore, the fact that it is a democracy and a country that is mostly Islamic makes it a critically important model for other Muslim countries of the region."

08 July 2010, Thursday

TODAYS ZAMAN

EU welcomes endorsement of package by court

The European Union, which has from the very beginning lent its support to a government-sponsored constitutional reform package in Turkey, has welcomed the decision of the country's

Constitutional Court, which only annulled several minor articles. In a written statement the EU Commission said it still believes the package is a positive step in the right direction.

The spokeswoman of the commissioner for enlargement and European neighbourhood policy, Angela Filote, said they have taken note of the court's ruling and will further analyze it in more detail, particularly following the publication of the court's reasoned opinion. Stating that their preliminary assessment showed the ruling concerned itself with only a limited number of elements of the reform package, such as the method of electing members of the Constitutional Court and the Supreme Board of Judges and Prosecutors (HSYK), Filote said: "Following this ruling, we continue to believe that this reform package, which will be submitted to a referendum on Sept. 12, is a positive step in the right direction as it addresses a number of longstanding shortcomings which the EU has identified over the years in the Progress Reports and the Accession partnerships."

After dubbing the package "positive," the EU once more called for broad-based support from civil society and political parties alike, Filote said. "However, because these reforms are so important for Turkey's future, it remains important that they command the broadest possible support from its citizens and its civil society as well as the widest possible spectrum of political parties," she said.

In addition to the EU Commission, European Parliament (EP) President Jerzy Buzek, former EU term president Spain's Foreign Minister Miguel Moratinos, EP rapporteur for Turkey Ria Oomen-Ruijten, EU-Turkey Joint Parliamentary Committee Chairwoman Helene Flautre and the leader of the Socialists in the EP, Martin Schulz, all voiced their support for the package.

The full text of Filote's statement is as follows:

"The Commission takes note of the ruling of the Constitutional Court, which we will need to analyze in more detail, in particular following the publication of the reasoned opinion of the court.

"Following our first assessment, our understanding is that the ruling concerns only a limited number of elements of the reform package, such as the method of election of the members of the Constitutional Court and of the HSYK.

"Following this ruling, we continue to believe that this reform package, which will be submitted to a referendum on Sept. 12, is a positive step in the right direction as it addresses a number of longstanding shortcomings which the EU has identified over the years in the Progress Reports and the Accession partnerships.

"However, because these reforms are so important for Turkey's future, it remains important that they command the broadest possible support from its citizens and its civil society as well as the widest possible spectrum of political parties."

08 July 2010, Thursday

TODAYS ZAMAN

No good news from US-Israel talks for Ankara

A long-anticipated meeting between US President Barack Obama and Israeli Prime Minister Benjamin Netanyahu appeared to have mended fences between the Obama administration and Israel but produced the sign that the Israeli government could come under pressure from Washington to ease tensions with another US ally, Turkey.

Turkish analysts suggest the severe deterioration in Turkish-Israeli ties might have been discussed only as a secondary issue during the meeting, following which there was no reference to the Israeli rift with Turkey. Experts speaking to Today's Zaman underlined that after the

meeting both leaders did not even explicitly say anything about Jewish settlements and direct talks between Israel and Palestine and that they did not mention Ankara-Tel Aviv relations at all. The meeting was originally scheduled for the beginning of last month but was canceled by Netanyahu as he went back to Israel following a deadly raid by Israeli commandos on an aid ship trying to break a blockade of Gaza on May 31. Eight Turks and one American were killed on the ship, following which Turkish-Israeli ties deteriorated rapidly. Turkey has since recalled its ambassador to Israel and imposed a ban on Israeli military flights over its airspace.

There were expectations, though slim, that Obama could urge Netanyahu to offer an apology to Turkey, sought by the Turkish government as a basic condition to starting to repair damage done to the relations by the ship raid.

But the message from the Tuesday meeting was that of a reiteration that US-Israeli ties remain strong and unbreakable. There was no information whether the crisis with Turkey was also on the agenda during the closed-door talks, but there was no reference to the issue in official statements made after the meeting.

Their previous meeting in March was not pleasant for Netanyahu, who was not even given a photo-opportunity with Obama due to disputes over Israeli settlement policy. However, this time both leaders underlined the “special ties” between the two countries and voiced hope for direct talks between Israel and Palestine. Obama added that the “US will never ask Israel to do anything that undermines its security.”

When Obama was questioned about Israel’s settlement policies, he did not say explicitly that Israel should extend its moratorium on settlements, which is expiring on Sept. 15. Netanyahu’s far-right coalition partners did not want the extension of the moratorium and, according to analysts, the only way to do it is for Netanyahu to start direct talks with the Palestinians. Professor Hasan Köni from Galatasaray University said US troops are about to withdraw from Iraq and will try to reduce their numbers in Afghanistan. To succeed in this aim as well as in implementing sanctions on Iran, the US administration needs the support of the Muslim world, which depends on some progress on the Israel-Palestine track. “Second, there are midterm congressional election in November and Obama needs Jewish support.

Meanwhile, there are some reports that Jewish settlements are financed by American groups and that their assistance to the settlements is subject to tax exemptions. This situation is another reason for the pressure on the Obama administration,” Köni said

According to Köni, under these conditions expectations from the meeting were low anyway and that the meeting proceeded as expected. Köni added that Turkish-Israeli ties were most likely on the agenda, but only as a secondary subject. “Obama probably advised Netanyahu to exercise restraint and likely told him that Turkey has some internal problems, so it is better to wait and see,” Köni said.

He added that Israelis have the wrong impression if they believe that, regardless of relations at the political level, military ties will continue. “This is a total misperception, but Israelis have yet to understand this,” he said.

Mustafa Kibaroglu from Bilkent University said that in some segments of the Turkish political echelons there were hopes that the US administration will realize that it will not be possible to ensure any progress in the Middle East with the existing Israeli government. “But the meeting between Obama and Netanyahu proved that these hopes were unfounded, at least for the time being,” Kibaroglu told Today’s Zaman.

Kibaroglu recalled that there was a secret meeting between Turkish Foreign Minister Ahmet Davutoğlu and Israeli Trade Minister Binyamin Ben-Eliezer in Brussels. “Netanyahu knows the

importance of Turkey for the US and, before his meeting with Obama, he sent Ben-Eliezer as a special envoy. He did this not only for the sake of saving the Turkish-Israeli ties but to be able to tell Obama that he tried," Kibaroglu said.

He added that Obama knows the importance of Turkey but was most likely not aware of how Turkey feels about the flotilla issue.

Soli Özel from Bilgi University said the meeting openly indicates Obama's surrender to the Jewish lobby. "I don't think Turkey was a major item on their agenda. They had enough topics to talk about," he told Today's Zaman.

08 July 2010, Thursday

TODAYS ZAMAN

Turkey sends humanitarian aid to Bosnia and Herzegovina

Turkey has sent 10 tonnes of relief equipment to Bosnia and Herzegovina.

The Prime Ministry's Disaster and Emergency Situations Management Department released a statement on Wednesday, recalling that the Foreign Ministry of Bosnia and Herzegovina had asked Turkey to provide humanitarian assistance to the victims of flooding caused by excessive precipitation.

The statement said the Turkish Foreign Ministry, General Staff and Turkish Red Crescent had worked in coordination to convey the aid to Sarajevo.

The aid supplies include food rations and beds.

Heavy rains flooded buildings and closed roads in towns and villages in northern Bosnia and Herzegovina on June 22. No casualties have been reported so far, but the material damage rendered so far is significant.

07 July 2010, Wednesday

TODAYS ZAMAN

US: No change in support for Turkish-Armenian rapprochement

US State Department spokesman Mark Toner reaffirmed on Tuesday that there has been no change in America's position on the normalization of relations between Turkey and Armenia.

During a daily press briefing in Washington, D.C., Toner said that the United States continued to support the process of rapprochement between Turkey and Armenia, adding that furthermore the American administration also supported a settlement in Upper Karabakh -- the two issues obviously are not mutually exclusive, but are mutually supportive, Toner said.

Responding to criticism that the US has not done much to work toward a solution to Karabakh issue, Toner said: "I don't accept this. I think we've continued to meet through the Minsk Group, rather continually, to work on these issues. Obviously they're difficult issues and that requires a great deal of time. But our Ambassador Robert Bradtke is hard at work on these issues and that's just reinforced by the secretary's visit to the region," Toner said.

07 July 2010, Wednesday

TODAYS ZAMAN

Clinton: Ball in Turkey's court for normalization with Armenia

US Secretary of State Hillary Clinton has praised the Armenian government for its willingness to move toward normalization with Turkey and suggested that the ball was in Turkey's court for revitalizing the rapprochement process, while urging Ankara to overcome its reluctance to reopen the border between the two countries, closed because of the Nagorno-Karabakh dispute.

Yet Ankara appeared to rule out speaking about the issue in sports terms, instead recalling that the process was largely stalled due to the domestic policy concerns of the Armenian administration. Turkish officials also reiterated that a partial normalization in the Caucasus cannot be sustainable as long as parties don't work for complete normalization. Clinton's remarks came on Sunday in Armenia, where she visited a memorial in Tsitsernakaberd which was built in the memory of Anatolian Armenians killed during World War I.

Clinton visited both Armenia and Azerbaijan on Sunday, delivering identical messages in both countries: Washington will do its part to help end the Nagorno-Karabakh dispute between the two countries, violence serves no one and a resolution would bring prosperity and stability to the Caucasus.

“We urge Turkey to take the steps that it promised to take and that both sides continue to try to find the opportunity to open the door to reconciliation and normalization,” Clinton told reporters in Yerevan after talks with Armenian President Serzh Sarkysyan. Calling Armenia’s readiness to pursue normal ties with Turkey “very statesmanlike and very impressive,” she added, “Now, as they say in sports, the ball is in the other court.”

Clinton was one of the world leaders present at a signing ceremony when the foreign ministers of Armenia and Turkey signed two normalization protocols in Zurich in October. However, the process hit a rocky patch in January after an Armenian court upheld the legality of the protocols but underlined that they could not contradict Yerevan’s official position that the alleged Armenian genocide must be internationally recognized. Turkey accused Yerevan of trying to set conditions on the deals. The process of normalization has also been crippled by Turkey’s insistence on parallel progress on the Nagorno-Karabakh territorial dispute between Armenia and Azerbaijan.

“Partial solutions to regional problems will bring neither peace, stability nor a sustainable resolution in the long-term,” Foreign Ministry spokesman Burak Özügergin told Today’s Zaman, when asked about Clinton’s remarks.

According to İlder Turan, a professor of international relations from İstanbul Bilgi University, the fact that Clinton, while delivering the aforementioned remarks, particularly underscored that she was in Zurich when the protocols were signed is actually the essence of her message.

“Turkey didn’t clearly elaborate on its stance asking for parallel progress on the Nagorno-Karabakh dispute at the time. I guess that’s why Clinton assumes that Turkey hasn’t fulfilled its part and advocates that it should turn back to the paradigm set in Zurich,” Turan told Today’s Zaman.

“With all our best intentions, we have sent the protocols to Parliament,” Turkish diplomatic sources told Today’s Zaman on Monday, referring to the fact that the protocols were sent to Parliament for ratification in October last year. “But developments on the part of Armenia has stalled this process,” the same diplomatic sources, speaking on condition of anonymity, said, referring to the Armenian constitutional court’s decision, which Ankara says “contains preconditions and restrictive provisions which impair the letter and spirit of the protocols.”

06 July 2010, Tuesday

TODAYS ZAMAN

Turkey offers \$21 million financial aid to Kyrgyzstan

Turkey has extended a 21 million USD financial aid to Kyrgyzstan. The agreement on the donation was signed during a ceremony held on Saturday as part of Turkish Foreign Minister Ahmet Davutoğlu's one-day visit to Kyrgyzstan.

Davutoğlu, who arrived in Kyrgyzstan early on Saturday to attend the oath-taking ceremony of Roza Otunbayeva as the interim president of the country, met with Almazbek Atambayev, first deputy head of the Kyrgyz interim government in Bishkek.

Holding a press conference following their tete-a-tete meeting, the two officials announced that Turkey would provide a 21 million USD financial aid to Kyrgyzstan.

Officials said 10 million USD of such figure would be monetary aid, while 11 million USD would be through the construction activities to be carried out by the Turkish International Cooperation and Development Agency (TİKA) in Kyrgyzstan's southern region.

Speaking at the press conference, Davutoğlu said Turkey had sent nearly 63 tons of aid materials and an ambulance since the beginning of the clashes in Kyrgyzstan in April.

Pointing to Turkey's latest 21 million USD donation, Davutoğlu said, "We will display efforts to help our Kyrgyz and Uzbek brothers in Osh and Jalalabad provinces to get back their houses as soon as possible".

Expressing Turkey's support to Kyrgyzstan, Davutoğlu said his country believed that Kyrgyzstan would get over these difficult times and re-gain its confidence and stability soon.

"Turkey will make all the necessary contributions to help stability be established between brother states in Central Asia," Davutoğlu also said.

Delivering a speech at the conference, Atambayev said that Turkey always stood by Kyrgyzstan.

"Turks are real brothers of the Kyrgyz people. They never left us alone and they always supported us at good and bad times," Atambayev said.

After the press conference, Davutoğlu and Atambayev signed the agreement envisaging a 21 million USD donation from Turkey to Kyrgyzstan.

Upon completing his talks, Turkish Foreign Minister departed from the Kyrgyz capital for Turkey in the evening.

04 July 2010, Sunday

TODAYS ZAMAN

Turkey and Damascus Sign Sister City Protocol

Ankara and Damascus signed a protocol on Tuesday to become sister cities.

Ankara Mayor Melih Gokcek and Governor of Damascus Bishr Al-Sabban gave a news conference following the signing ceremony.

Gokcek said this was a historic day for Ankara and noted that Damascus, the biggest city of Syria, was an important center for the Turkish and Islamic world. He said Damascus affected the whole world with its architectural structure.

Gokcek said many historical buildings constructed in the period of the Ottoman Empire was a sample of common history and historical heritage. "We decided to announce Ankara and Damascus as sister cities to boost fraternity ties and cooperation opportunities among the people of Turkey and Syria," he said.

"Sister city protocol will optimize relations of Ankara with Damascus," Gokcek said.

Bishr Al-Sabban said relations between Turkey and Syria should be example to the other countries, noting that the local administrations were endeavoring to improve relations.

Al-Sabban said Turkey and Syria had similar problems with respect to urban services, "Ankara has overcome some problems. We want to make use of Ankara's experiences."

Al-Sabban said there were many real estates in Damascus belonging to Turkish citizens and that they were carrying out works on the matter.

Tuesday, 6 July 2010

We Must Revive Silk Road, Yildirim Says

Turkish Minister of Transportation Binali Yildirim said Tuesday the revival of the historic Silk Road by Turkey and China will add a new dimension to bilateral relations between Turkey and China.

Binali Yildirim met with his Chinese counterpart Li Shenglin in Beijing on Tuesday.

As the ministers of transportation, it must be our duty to strengthen economic relations between Turkey and China by making infrastructure investments, Yildirim noted.

China International Institute of Multinational Corporations (CIIMC) has chosen Izmir, Istanbul and Ankara as cities in which Chinese firms can invest in. It is pleasing to see that one of China's biggest companies, China General Technology Holding Ltd., has decided to make investments worth one billion USD for the production of spare parts for buses, trucks and commercial vehicles, in energy and health sectors in Izmir, Yildirim said.

Chinese companies are interested in infrastructure projects pertaining to highways in Turkey.

The maritime sector is an other area that promises potential for cooperation between Turkish and Chinese companies, Yildirim said.

LifShenglin, in his part, said that he was pleased with the development of Turkish-Chinese relations.

We must enrich our bilateral relations and develop a memorandum of understanding signed in 2006, Shenglin said.

Following the meeting of the two ministers, Shenglin hosted a dinner in honor of Binali Yildirim and an accompanying delegation.

Tuesday, 6 July 2010

USAK PUBLICATIONS

ECONOMIC NEWS

Increasing investments reflect well Turkey's high growth rate

Investment in Organized Industrial Zones (OSBs) across Turkey has been on the rise in recent months, which is an indicator of the authenticity of Turkey's high growth rate in the first quarter of this year.

The Turkish Statistics Institute (TurkStat) announced on Wednesday that the Turkish economy surged by 11.7 percent in the first quarter of 2010, making it the country with the second-highest growth rate for the same period, just after China.

Many companies have been racing since the onset of the new year to take advantage of the opportunities in the OSBs. In the Manisa OSB (MOSB), for instance, there has been a sudden increase in investment. The volume of new business ventures has already amounted to TL 904 million, and once ongoing projects are all completed and start running at full capacity, the OSB's employment will more than double from 24,000 to 50,000.

In the Kayseri OSB (KOSB) 30 companies kicked off new investments this year, while in the Tire OSB (TOSBİ) 10 companies have undertaken new investment projects at present.

Additionally, the ENDA Energy Holding recently applied to the Energy Market Regulation Authority to establish an electricity generation plant in Tire. The plant will run on natural gas. Fifteen companies have made investments in the Aliğa Organized Industrial Zone (ALOSBİ), while many others are waiting for their applications to be approved by the OSB's administration. ALOSBİ Chairman Atıl Akkan said, "The investment climate is perfect these days. The

companies that recently began production are running at full capacity. Others, which are still in the construction phase, have speeded up.”

Manisa, which has especially become attractive to investors, was picked by the Financial Times in 2005 as “the Best and the Most Suitable Investment City” among 200 European cities.

Sacit C. Türek, the chairman of the MOSB, which has already reached 90 percent occupancy rate, says the major reason for the extraordinary interest in Manisa is the abundance of the business activity in the province. Recalling that the OSB had opened 450 hectares of new land to investors in 2007 to meet the ever expanding demand, bringing the total land of the OSB to 960 hectares, he said almost all the companies operating there have viable connections with the world.

KOSB Chairman Ahmet Hasyüncü also points to rising interest, especially in recent months. He said the OSB administration has allocated land for 30 investors since the beginning of 2010.

“Investment projects have already begun on the allocated lands and the construction work is being completed quickly.

Additionally, we still are seeing a great demand for land. For instance, just recently, an investor requested 70,000 square meters of land from us. Since we don’t have such a big plot, we are planning to allot the place which we had spared for a waste disposal facility to this company, if the Ministry of Industry approves.” Hasyüncü also said the KOSB had 400 industrial companies in 2003, and that the number has risen to 860 today, while employment has increased from 30,000 to 50,000.

TOSBİ Chairman Kamil Porsuk also noted the increases in the demand for land in recent months. İzmir Atatürk Organized Industrial Zone (İAOSB), which is accepted by many as the heart of İzmir’s industry, has also been flooded with interest from investors. İAOSB Chairman Hilmi Uğurtaş said currently there is no empty plot in his OSB for new investments. “There were many plots for sale or rent during the recent economic crisis, but they have all been sold or rented now,” he said.

03 July 2010, Saturday

TODAYS ZAMAN

Culture Minister Says Turkish Tourism Boasts 10% Growth Rate Above Global Average

Turkey's Minister of Culture and Tourism Ertugrul Gunay said Turkish tourism sector boasted a 10% rate of annual growth, above the global average.

In an exclusive interview with the AA, Gunay said his ministry aimed at attracting more elite and richer tourists to Turkey, noting that Turkey was a destination also preferred for cheap holidays. Of course all tourists are welcome, from all countries and all economic segments, Gunay said, adding however that Turkey needed to raise money for maintenance of ancient ruins and historic sites.

"Therefore, we are working to attract people from more elite and higher income segments," said Gunay.

Gunay said Turkey was promoted mostly as a destination of coastal holidays, but they were working to change that. He said they were exerting efforts to promote Turkey as a destination of congress, health and spa, golf and culture holidays.

"Turkey is one of richest destinations in terms of archeology. We are working to make our museums more attractive to visitors," said Gunay.

He said his ministry was working to increase the budget allocated to archeology, adding that they were investing more in excavations and archeological maintenance works.

Most recent data on the number of foreign tourists visiting Turkey says 8 million foreign tourists visited Turkey between January and May 2010.

According to the Ministry of Culture and Tourism data, the number of foreign nationals visiting the country rose by 10.14 percent year-on-year between January and May 2010.

Germany ranked the first among countries sending tourists to Turkey. Iran and Russia followed Germany.

1.2 million German, 739 thousand Iranian and 678 thousand Russian tourists visited Turkey in the first five months of 2010.

The number of foreign tourists coming to Turkey in May 2010 rose 15.7 percent year-on-year and reached 3.1 million.

Tuesday, 6 July 2010

USAK PUBLICATION

Turkish tourism sector earns 2.2 bln liras in incentives

Thursday, July 8, 2010

ISTANBUL – Daily News with wires

Hurriyat

The Turkish tourism sector earned 2.2 billion Turkish Liras in incentives for 134 projects between January and May of this year, Anatolia news agency reported Thursday.

According to research conducted by the Ekin Group Research Agency, the amount of incentives earned by 96 projects that comprise part of completely new investments totaled 1.8 billion liras during the period.

A total of 96 new facilities are scheduled for construction with the new incentives, according to the research.

Thirty of the new tourism investments, which were made in the first five months of the year, took place in Turkey's coastal regions while the remainder was made in 39 landlocked provinces.

Ten of the new projects will be in Muğla, eight in Antalya, six in İzmir, five in Istanbul, four in both Erzurum and Adana, three each in Balıkesir, Trabzon, Hatay and Çanakkale, two each in Rize, Gaziantep, Ankara, Sivas, Mersin, Konya, Giresun, Bursa, Denizli, Nevşehir and Sinop, and one in 21 other provinces throughout the country.

Corruption hampering Mideast, Turkish economist says

Wednesday, July 7, 2010

REETA PAAKKINEN

ISTANBUL - Hürriyet Daily News

Serdar Sayan, president of the Middle East Economic Association, says the large size of the public sector in the region creates a suitable environment for corruption. Speaking to the Daily News, Sayan says extensive privatization has helped reduce the share of the public sector in Turkey's economy, but there is still a long way to go, especially in reforming the legal framework

The extent of corruption in many Middle East and North African countries is negatively affecting the investment climate, according to the president of the Middle East Economic Association, or MEEA.

Serdar Sayan, who was elected in January as the first president of MEEA residing outside the United States and will serve from 2010 to 2012, said the large sizes of public sectors in many

Middle East and northern African countries usually creates a “conducive environment” for corruption, thereby lowering investment spending and limiting the employment-generation capacity of regional economies.

"Turkey has come a long way in these issues since the 1980s. Privatization has helped to reduce the share of public sector in economic activity, but there is still a lot to work on, especially in reforming legal framework," Sayan said.

One of Sayan’s fields of expertise is corruption in the Middle East and his recent book on the effects of corruption on the growth performance of economies in the Middle East was recently published in London and New York.

The larger the public sector, the more widespread corruption in any country tends to be, Sayan recently told the Hürriyet Daily News & Economic Review in Istanbul.

One way to reduce corruption is to limit the size of the public sector, he said.

Champion of privatization

Turkey began its privatization drive in 1986 and has sold \$39.6 billion worth of state assets in the past 24 years. More than \$30.7 billion of that figure was received during the seven-and-a-half years of the Justice and Development Party rule, making the current government the privatization champion of Turkey.

According to Sayan, Turkey has a better track record in controlling corruption than most of the countries in the surrounding regions, but it is “not quite there” yet.

The highest incidence of corruption in countries Sayan has assessed occurs in public procurement, he said.

"When there is corruption in public procurement, public spending is diverted to projects that are not the highest priority socially and economically," he said. "The prevalence of corruption makes it difficult for Middle Eastern countries to fight unemployment and poverty and in light of developments after the Sept. 11, 2001 attacks that should be a concern for the whole world."

Armenia needs reality check

Commenting on the evolution of Turkey’s relations with Armenia, Sayan said members of the Armenian diaspora are “sabotaging” the rapprochement between Turkey and Armenia although they will not bear the economic consequences of the continued closure of the border between the neighbors.

Sayan, who is also a professor of international economics at the TOBB University of Economics and Technology in Ankara, said Turkey, with its dynamic growing economy, has little to lose even if the Turkish-Armenian border remains closed.

"The Armenian diaspora and the Constitutional Court in Armenia should stop sabotaging the peace deal with Turkey," he told the Daily News. "The cost of isolation is born by Armenians in Armenia, who already live in relative poverty. Cross-border trade should be given a chance." Sayan said the Armenian diaspora is hampering the development of bilateral ties between Turkey and Armenia by focusing on how the events of 1915 should be defined.

"For the diaspora it is easy to talk about and debate the past. After all, most of them live in prosperity and have no idea about the day-to-day reality in Armenia," he said.

“The country cannot use its potential fully because of the closed border. It is about time the Armenian diaspora understands that the only people suffering from the current situation are Armenians themselves. Turkey has nothing to lose if the embargo goes on. The peace talks are really about Armenian children living either prosperously or in poverty in the future.”

Income tax, social security contributions

According to Sayan, one of the major domestic economic problems for Turkey is the country's social security gap – estimated to exceed 5 percent of the country's gross domestic product. Many employers avoid paying full social security payments, as these pose a notable financial burden, Sayan said. It is estimated that one out of two employees in Turkey is working without social security coverage.

“What is needed is both proper inspection as well as a reduction on the current tax and contribution rates to lower the cost of registered employment,” he said.

“They are simply too high for the small- and medium-sized companies which make up the majority of the Turkish entrepreneurial landscape,” he said. “Smaller companies feel that keeping track with all payments makes them lose their competitive edge.”

There is also a need to reduce income tax rates to prevent the unregistered economy from growing even larger, Sayan said.

“Income tax rates are now unrealistically high and this creates incentives for tax evasion. But reducing the income tax rate should also be done in connection with proper enforcement,” he said.

Turkish finance proves resilient in crisis

Thursday, July 8, 2010

ISTANBUL - Hürriyet Daily News

The resilience of Turkey's financial sector was once again certified by a recent report that said the sector as a whole was much less affected from the global crisis compared to its global peers. The report highlighted asset quality, capital adequacy, risk management and internal controls as leading factors in the sector's relative success.

In a report released on Thursday, Deloitte Turkey forecast a 2010 growth for the economy of 3.7 percent, a modest estimate compared to others, such as Credit Agricole Chevreux's 6.1 percent.

“Many big banks in developed countries closed 2009 with losses reaching into the billions of dollars, but the Turkish banking system did not enter the orbit of the global crisis,” said Ayşe Epikman, a Deloitte Turkey partner. The report noted that Moody's, Fitch and Standard & Poor's all upped Turkey's long-term credit rating in the period.

Much room for growth

Nearly 80 percent of Turkey's finance sector is represented by banks, 3 percent by insurance companies, 1 percent by private pension and life companies, 11 percent by Central Bank assets and 6 percent by other sectors, such as leasing, factoring and real estate investment trusts.

The sector's asset size rose to just above 1.006 trillion Turkish Liras in the third quarter last year. The figure represents a 7.6 percent increase compared to the end of 2008.

In the first three quarters of 2009, Turkish banks posted record profits. Total assets of Turkish banking were at 834 billion liras by the end of the year, representing a 14 percent increase compared to end-2008.

The rising profitability of Turkish banks owed much to the increase in net interest income. This year, as profit margins decline, active profitability is expected to decrease, Deloitte said. The report said one area where the global crisis was felt was in the ratio of non-performing loans, or NPLs. The ratio, which stood at 3.7 percent in December 2008, rose to 5.3 percent in December 2009. The highest NPL ratios were seen in credits to small- and medium-sized enterprises, with 7.6 percent.

The increase in the number of branches, meanwhile, slowed down from 15 percent in end-2008 to 3 percent last year. In contrast, the number of active Internet banking users rose to 5.69 million in September 2009, compared to 3.17 million in 2005.

Turkey's industrial production up by 15.6 pc

Turkey's industrial production index increased 15.6 percent in May, 2010 when compared to May, 2009.

Thursday, 08 July 2010 11:48

WORLD BULLETIN

Turkey's industrial production index increased 15.6 percent in May, 2010 when compared to May, 2009.

TurkStat stated on Thursday that the industrial production index also rose 3.7 percent in May when compared to April, 2010.

In the sub sectors level of industry; mining sector index increased 13.3 percent, manufacturing sector index rose 16.5 percent, and electricity, gas and water index increased 9.4 percent in May, 2010 when compared to May, 2009.

TurkStat stated that the index was 123.9 in May, 2009, and dropped 17.6 percent to 102.1 in May, 2009, and it increased 15.6 percent to 118 in May, 2010.

Industrial production had increased 17.3 percent in April, 2010 when compared to April, 2009.

May 2010's industrial production rise was 1.7 points under April 2010's.

Calendar adjusted production index in May, 2010 increased 15,1 percent when compared to May, 2009. It also rose 1.9 percent in May when compared to April, 2010.

AA

Bulgaria cancels train car tender awarded to Turkish company

The Bulgarian Railway Administration (BDJ) cancelled on Thursday a train car tender awarded to Turkish company, executives of the administration said.

The BDJ cancelled the tender for purchase of 30 sleeping coaches although it was included in a transportation cooperation protocol between Turkey and Bulgaria.

Turkish Wagon Industry Joint-Stock Company (TÜVASAŞ) had won the tender.

Executives of the Bulgarian railways said the administration did not have enough money to purchase coaches and it did not need coaches either.

However, the BDJ opened a new tender under the same conditions.

TÜVASAŞ' director general said that he had not officially received a letter regarding the cancellation of the tender.

"It is illegally impossible for the Bulgarian railways to make such a decision," TÜVASAŞ' director general İbrahim Ertiryaki told AA correspondent.

Ertiryaki said Turkish and Bulgarian transportation ministers had made reciprocal promises regarding the tender.

BDJ has said it will officially notify its decision to TÜVASAŞ in the following week.

Bulgaria opened the tender for purchase of 30 new sleeping coaches on April 11, 2008 within the framework of the program to adjust its trains to European standards.

Offering 1 million Euro lower price per sleeping coach than its closest rival, TÜVASAŞ won the tender.

According to tender specifications, the agreement was to be signed in a month. However, BDJ postponed the agreement by showing several pretexts.

The new government of Bulgaria, formed after June 2009 elections, changed BDJ management, however the new management has not signed the agreement despite warnings of TÜVASAŞ. The issue was also discussed during Bulgarian Prime Minister Boyko Borissov's visit to Turkey at the beginning of 2010, and it was included in the transportation cooperation protocol.

TÜVASAŞ may file a compensation case against BDJ.

08 July 2010, Thursday

TODAYS ZAMAN

Turkish financial sector resists global crisis: Deloitte

Turkey's financial sector was less affected by the global financial crisis when compared with other sectors and foreign financial sectors, a report said.

Thursday, 08 July 2010 12:34

WORLD BULLETIN

Turkey's financial sector was less affected by the global financial crisis when compared with other sectors and foreign financial sectors, a report said on Thursday.

International accounting and consulting firm "Deloitte" prepared a report on Turkey's financial sector in which it said Turkish banking sector resisted global financial crisis thanks to robust asset quality, capital sufficiency, risk management and domestic audit systems.

The report said Turkey's economy would grow 3.7 percent in 2010 and growth would speed up in 2011.

79 percent of Turkish financial sector is comprised of banks, 3 percent is comprised of insurance companies. 1 percent is consisted of retirement companies, 11 percent the assets of the Central Bank of Turkey and 6 percent financial leasing, factoring consumer finance, securities, and real estate investment partnership companies.

The total assets of the financial sector were up 7.6 percent in the third quarter of 2009 over the end of 2008, and reached 1.6 trillion Turkish liras-TL (1.03 trillion USD).

Turkey's banking sector's total assets were up 14 percent year-on-year in December 2009 and reached 834 billion TL (538 billion USD).

Moreover, rate of employment in Turkish banking industry slowed down in 2009. The rise in employment in this industry was only 0.85 percent in the mentioned year.

Also, banks opened fewer branches in 2009 over 2008. The rise in bank branches dropped to 3 percent from 15 percent in the mentioned period.

However, it was the participation banks that raised their employees the most in 2009 with 7 percent. The same rate was 0.4 percent in deposit banks and 0.6 percent in development and investment banks.

The number of people using internet banking rose to 5.69 million from 3.17 million from 2005 to 2009.

"The report indicates Turkey's financial sector, led by the banking industry, has been less affected by the global crisis when compared with foreign financial sectors thanks to robust infrastructure, liquidity structure, capital sufficiency, risk management and internal audit systems," Ayse Epikman, a consultancy partner of Deloitte Turkey, said.

Epikman also said many giant banks in developed countries had closed the year 2009 with billions of USD loss.

Deloitte is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory, risk management, and tax services to selected clients.

Operating in Istanbul, Ankara and Izmir on different expertise areas, Deloitte had started its operations in Turkey in 1986. Deloitte Turkey provides audit, corporate finance, tax, consulting and enterprise risk services.

In addition, Deloitte Turkey has undertaken and successfully completed engagements to companies by assisting them in their institutional development projects, including sector restructuring and regulation, process design, organisational design and information systems design and development components.

AA

COMMENTARY

Why Cyprus is more Islam-friendly than Turkey

Tuesday, July 6, 2010

MUSTAFA AKYOL

HURRIYAT

There was an interesting headline in daily Taraf a few days ago, “The Greeks have set the headscarf free.” The story was about a juvenile female Muslim student living in the Republic of Cyprus. She wanted to attend her primary school classes while wearing a headscarf, a demand that sparked a public controversy. But as Taraf wrote with reference to Alithia, a Greek Cypriot daily, the Minister of Education, Andreas Dimitriu, intervened on behalf of the young girl’s right to practice her faith. “Religious freedom is non-negotiable,” the minister reportedly said, “and so is the parents’ right to raise their children according to their beliefs.”

“Well done, Mr. Dimitriu,” I said to myself. “And down with this absurd secularism in Turkey, which makes it much less Islam-friendly than the Greek-ruled Republic of Cyprus.”

Independent yet unfree

Let me be a bit clearer about my intentions. Although I am a Muslim, I am actually not the greatest fan of the headscarf. I think the Quran’s verses on female modesty are open to interpretation, and it is possible to understand them in a way which will not necessitate the covering of a woman’s hair — let alone that of a teenage girl. But I respect the views of my co-religionists who think that the veil is a religious necessity, and stand for their right to wear it anywhere they want. Similarly, if some crazy regime banned the Jewish kippah, I would support the right to wear that as well. For me, too, religious freedom is non-negotiable.

Secondly, although I detest this particular form of secularism that is established in Turkey — laiklik, a worse version of the French laïcité — I am actually in favor of a secular state. But I want a secular state which is neutral to religion, not hostile and oppressive to it. It should try not to sterilize the public square from religion, but rather open it to all religions and philosophies.

The United States is probably the best example.

However, the anti-religious form of secularism is the only one that the Turkish state establishment knows. Hence “protecting secularism” here means banning the power and symbols of religion — and particularly Islam — as much as possible. That is why the headscarf is banned in the public square, including universities. And that’s why every year thousands of veiled Turkish students head to European or American universities, where they find freedom.

The irony here — that Turkey is less Islam-friendly

First condition: Sitting tight against Israel

Wednesday, July 7, 2010

CENGİZ ÇANDAR

HURRIYAT

Walid Jumblatt, one of the most experienced political figures in the Middle East, was in Istanbul to have a “breather” after a short break. He was accompanied by a Druze minister, who is the grandson of the late Lebanese Prime Minister Riad Solh. And we met.

For Jumblatt, who has recently ironed out problems with Syrian President Bashar al-Assad, the most intriguing question was what Turkey would do if Israel does not apologize.

In the documents revealed and published following Lebanese Prime Minister Rafiq Hariri’s assassination, it was written that al-Assad had threatened Hariri and had said, “I will destroy Lebanon.” After Hariri had returned from Damascus, he had rushed to Jumblatt and warned, “Either you or me will go. I am close to Jacques Chirac, but you are in danger more.” Two weeks later, Hariri was killed in a bomb attack on Valentine’s Day 2005.

That Jumblatt, who fiercely criticized Syria back then, has now built new bridges and was received by al-Assad at the presidential palace in Damascus. This is a signal of how rapidly political developments occur in the Middle East.

When Jumblatt asked, “What will Turkey do if Israel does not apologize?” I answered promptly, “Relations will be cut off.” He stared at me and said in amazement, “Could this really be?”

Davutoğlu uttered three conditions: 1 – An apology; 2 – Otherwise, formation of an international investigation commission and acceptance of the commission’s report to be prepared; 3 – If Israel does not accept the first two, then cutting off diplomatic ties. As the government is heading to general elections, it cannot step back; it does not have a chance of maneuverability.

Jumblatt, having big ears, said, “As far as I can see, the Americans will push Avigdor Lieberman away and ask for a coalition government by Tzipi Livni of the Kadima Party. Don’t you think so?”

“Possible,” I said, “It is very likely... But I think Washington not only favors an Israeli government without Lieberman but also a Turkish government without Erdoğan. The ‘lobby’ is working incredibly well...”

On the “analysis” published the other day in this column, many people have asked, “Since Israel has so many trump cards in hand in the presence of Washington and since Turkey’s maneuverability is not as wide as that of Israel, bringing relations to a halt will negatively affect Turkish-American relations. Then, should we not consider whether Turkey is making a foreign polic

MUHAMMED CETIN

Civil society, education and ‘masters’ in Turkey

A pervasive feature of Turkish socio-political life is the talk of the self-appointed “masters” of the nation, who pronounce judgment on every issue, whether well-informed on it or not.

These masters assume ultimate authority.

They are the true owners of Turkey. To them, the current government, president and those who voted for them are ignorant, backward and deserve reproach. The masters rule on judicial and constitutional issues while blatantly ignoring the law, the Constitution and ethics. They monopolize tender bids and investments and milk the national budget and public resources.

They assume the right to use state resources, positions and ranks against the public to make putsches under the pretext that the regime is threatened. They claim a vote by one of them is worth thousands of votes from the commoners. They alone can know, discuss, own and decide everything in Turkey, but they are never accountable. Whatever their title -- professor, general,

judge, prosecutor or entrepreneur -- they reveal a lack in their character: the results of a sound education.

All the plots, murders, negligence, corruption and lack of professional ethics among the bureaucracy require an open call to all civil society organizations: How can we link education on a national level to participation in policymaking to facilitate political equality, representation, accountability and legitimacy? How can civil society regulate the conflicting interests of the unelected elite and the public and limit the exercise of arbitrary power? How can it reform the morality and ethics of such “masters”? Civil society must help to establish the balance between the private and public, between individual interests and rights and the common good.

Civil society organizations have a great role in the functioning of democracy and the exercise of citizenship. They can build spaces that allow the constitution of common good and the transcendence of particular interests. In addition to providing schools, health and relief services, they form a sphere of morality as an element of the public space and a basis for the civic community. So the question for Turkey is, “How can we ground mass education in the civil society tradition?” In other words, how can public education supplement the public system with alternative expertise and advocacy to replace that of the self-proclaimed masters and guardians of Turkey?

Substantive uncertainty always ensues when the hegemony of certain powers in a system is challenged. However, this dominant culture, which is organized around a core of shared interests rather than universal values, must give way to a pluralism that accepts different values, beliefs and worldviews as normal and important in individuals’ self-understanding. Civil society organizations should develop reform programs across the political spectrum, in policymaking, implementation and service delivery through contractual relationships, strengthening democracy, citizenship and social capital and advocacy on behalf of disadvantaged or marginalized groups. The proper relationship between civil society organizations and the state helps the integration and accommodation of diverse viewpoints instead of the current polarization and isolation.

Turkey needs civil platforms for debate and policy-making that cut across obsolete dichotomies. Civil society organizations can engage the diverse agents of education, government, voluntary organizations, public-private partnerships and faith communities to produce an education that unites the citizenry without coercive uniformity. This will affirm pluralistic commitments without dangerous fragmentation. A democratic civil society can sustain a democratic state.

Considering the conduct of the exclusivist, protectionist, elitist bureaucracy in Turkey, we need to make room for diversity in ethnicity, religion, culture and mental outlook in education.

Otherwise, the uniformity advocated by the main opposition parties in Parliament could easily result in a new kind of despotism.

This cultural, ethnic and religious pluralism needs to be accommodated in conceptual and political frameworks with sufficient flexibility to combine choice with equity. There must be a commitment to shared civil and political culture with openness to exploring and reaffirming the distinct backgrounds or cultures of different groups.

In order to curb social ills and incivilities observed in society, education should not be stripped of its moral dimension nor increase indifference to moral issues and universal ethics. Its moral dimension should contribute to the moral fabric of our society without denying the rights of citizens. Finding feasible arrangements may be challenging. It requires examining cases where this tradition has already been institutionalized and where civil society organizations play a constructive role as advocates of education and universal rights for all.

Civil society efforts should not be a partisan project or a cause of exclusive interest groups of this or that stripe or persuasion. They must be democratic and pluralist projects. The power to shape and formulate the main tenets of education, governance and justice ought to rest with the people, not with their former masters.

08 July 2010, Thursday

TODAYS ZAMAN

AMANDA PAUL

Turkmenistan and the Nabucco ‘virtual’ pipeline

The Nabucco gas pipeline is the flagship initiative of the EU’s Southern Energy Corridor Project. It aims to bring 31 bcn of gas per year from the Caspian and Middle East region to the EU. Construction is scheduled for 2011, with first deliveries expected in 2014. The cost will be some 7.9 billion euros, making it the most expensive pipeline ever.

However, ever since its conception, there has been delay after delay. There has been more talk than action, insufficient investment, a lack of political will and serious question marks over gas sources and questions over infrastructure. While Europe is trying to implement its project as a way of emancipation from Russian gas, Moscow is fighting to undermine the position of its rival, driving forward its own Nord Stream and South Stream projects, while at the same time endeavor to maintain control over Caspian gas.

Prospects received a big boost in late April when Azerbaijan and Turkey finally reached an agreement, in principle, on transit fees and gas prices after months of difficulties. The agreement opens the door to the negotiations for the sale of gas from the second stage of Azerbaijan’s Shah Deniz II field. However, the fact that there are three EU pipelines (Nabucco; the Interconnector between Turkey, Greece and Italy; and the Trans-Adriatic Pipeline) wanting gas from Azerbaijan means that there is EU inter-competition for this gas and that there is an even greater need for other gas sources for projects such a Nabucco.

While there remain serious questions over infrastructure both in Turkey and Azerbaijan, a more serious worry is where the rest of the gas will come from in order to fill the pipe given that the gas expected from Azerbaijan will only be of a “start-up” volume and insufficient to fill Nabucco. Making the project financially viable will be crucial for its success. Nobody wants another Odessa-Brody. The 419-mile, \$500 million Odessa-Brody oil pipeline, completed in 2001, provides a sobering example. The Ukrainian government rashly built the self-financed line from its Black Sea port to the Polish border to provide Central Europe with oil despite not having firm commitments from a single oil-producing nation for export throughputs. After the pipeline remained unused for three years, Kiev was forced to agree to transport Russian oil southwards in the opposite direction, for export from Odessa rather than northwards to Central European markets as originally envisaged.

Turkmenistan seems to be the answer, given that its proven gas reserves as of 2009 amounted to 7.94 trillion cubic meters, accounting for 4.3 percent of total world proven gas reserves.

Turkmenistan, which has a motto -- “happiness is multiple pipelines” -- has always seemed keen to sell gas to the EU -- a reliable, stable market for a good price. However, there remain a number of stumbling blocks. First, Astana is getting bored of waiting around. They want quick sales, not “promises” of a virtual pipeline. Second, Turkmenistan wants to sell gas from its border and does not want to be involved in the construction of a trans-Caspian pipeline. Without the construction of this long-talked-about pipeline, it will be difficult to get any substantial

amounts of Central Asian gas to the EU markets. The other methods (LNG/boat) are very expensive. Furthermore, Azerbaijan's relationship with Turkmenistan is very turbulent, which does not help. It is also unclear which gas would go through this still "nonexistent" pipeline. So far Turkmenistan promised the EU peanuts in terms of gas volume, and there is no timeframe for this gas or where it would come from. A further blow came earlier this year as a result of the mega Central Asia-China gas pipeline connecting Turkmenistan's Caspian shore natural gas fields to Xinjiang. This year 13 bcm is scheduled to transit the new pipeline, rising to over 40 bcm by 2013, effectively soaking up much of Turkmenistan's projected natural gas.

However, all is not lost, the Turkmens are now working on the construction of an East-West gas pipeline which will further increase their energy independence and at the same time may increase the chances of implementation of the trans-Caspian pipeline, and likely supply for Nabucco. The first deliveries are scheduled for June 2015.

Can a trans-Caspian pipeline be built? There is no real legal issue because to do something across the sea does not require an agreement among all littoral states. If the two states directly concerned agree to do something, they can do whatever they please (Azerbaijan and Kazakhstan cooperate on oil shipping). As far as the bilateral border delimitation between Azerbaijan and Turkmenistan is concerned, it is not an issue, either. A possible trans-Caspian Pipeline would cross the boundary line, anyway, so in this context it does not really matter where exactly the boundary will be and where exactly the pipe will cross it. There are many international precedents of this kind -- UK-Norway, etc. Of course, Iran and Russia will kick up a fuss because this pipeline is not in their alternative avenue, but if Turkmenistan and Azerbaijan want to do it and the EU can muster up the political will to drive it, this can be achieved. If this cannot be done, Nabucco -- unless Iran is ever allowed on board -- may remain a virtual project for quite some time.

08 July 2010, Thursday
TODAYS ZAMAN
