

BUSINESS AND POLITICS IN THE MUSLIM WORLD
TURKEY

Weekly Report on Turkey's Political, Geo-Strategic, Economic and Social Issues,

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Submitted By: Aasia Khatoon khattak

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SUMMARY OF THE REPORT

SUMMARY-Political News

Turkey has endorsed end of the holy month Ramadan, Eid Al-Fitr on Thursday as many Muslim countries will celebrate on Saturday. Ankara has set a record for the most people breaking their fast together at one time -- 10 platforms and nearly 100 civil society organizations banded together in an attempt to break the record with a 50,000-person iftar, and attendance far exceeded expectations.

Referendum

Turkish politicians are already eyeing the post-referendum period set to follow Sunday's much-contested vote, a new era in which controversial issues such as terrorism and the Kurdish question are likely to top the agenda.

Turkey will go to Sunday's referendum regarding a package of proposed constitutional amendments with 49,446,269 registered Turkey. An additional 2,556,335 voters registered overseas can vote at the country's borders by showing their passports. A total of 151,546 voting boxes will be used in the referendum, according to a statement made in August by the Supreme Election Board, or YSK.

SUMMARY-GEO-STRATEGIC NEWS

Greece's new foreign minister calling on Turkey to provide stronger support for peace talks in war-divided Cyprus

Greece's new foreign minister is calling on Turkey to provide stronger support for peace talks in war-divided Cyprus after a landmark Sept. 12 Turkish referendum on constitutional reforms.

Turkish humanitarian aid organization set off for flood-hit Pakistan

The third train of Turkish humanitarian aid organization set off for flood-hit Pakistan on Tuesday. Turkish Red Crescent's train carries 750 tons of aid materials including 500 tons of foodstuffs for people in Pakistan. Turkish Prime Minister Erdogan said he planned to visit Pakistan with a large technical delegation right after Sunday's referendum in Turkey.

VISIT of the spouse of Turkish Prime Minister Recep Tayyip Erdogan to Pakistan

The spouse of Turkish Prime Minister Recep Tayyip Erdogan visited Sukkur, one of the flood-hit areas in Pakistan on Friday. Emine Erdogan arrived in Sukkur after visiting the south of Pakistan, which was affected the most by the flood disaster, and visited a field hospital set up by the Turkish Health Ministry.

Prime Minister Recep Tayyip Erdoğan criticized oil-rich Muslim countries for their reluctance to send humanitarian aid to flood-stricken Pakistan.

Prime Minister Recep Tayyip Erdoğan has criticized oil-rich Muslim countries for their slowness and reluctance to send humanitarian aid to flood-stricken Pakistan.

According to the prime minister, member countries of the Organization of the Islamic Conference (OIC) have pledged to send only \$1 billion to Pakistan.

US and Turkey

United States Air Forces will not participate in an exercise scheduled for October in Turkey, the U.S. Embassy in Ankara said in a statement on Saturday.

Earlier, Turkish Foreign Minister Ahmet Davutoglu denied recent media reports that the

US will not participate in a joint military drill in Turkey because Israel was not invited.

Turkey support Bosnia-Herzegovina's integration into EU and NATO

Turkish President Abdullah Gul said Thursday Turkey attached great importance to Bosnia-Herzegovina's integration into EU and NATO, and he pledged support to Bosnia's NATO bid.

Turkey and unsolved issue Mufti issue in Bulgaria

Turkish Foreign Minister Ahmed Davutoglu and his Bulgarian counterpart Nikolai Mladenov on Sunday had two phone conversations on the unresolved Mufti issue, diplomats said. Muslims in Bulgaria have been staging protests against appointment of former spy and retired lieutenant colonel Gendzhev as Chief Mufti instead of Mustafa Ali Hadji, who was elected for the post last month.

Turkey's energy minister left for Brussels on Monday to attend informal meeting of EU energy ministers.

SUMMARY-ECONOMIC NEWS

Revise the agreement on Kirkuk-Yumurtalik crude oil pipeline

Turkey and Iraq will revise the agreement on Kirkuk-Yumurtalik crude oil pipeline which connects the northern Iraqi city of Kirkuk to the Turkish Mediterranean port of Ceyhan, Turkey's energy minister said on Sunday. An earlier agreement had expired in March.

Doubled Trade between Turkey and the autonomous Kurdish region in northern Iraq

Trade between Turkey and the autonomous Kurdish region in northern Iraq has doubled over the last three years, AKnews, the Kurdistan News Agency, reported on Saturday. Turkey's dependence on foreign oil and gas has been the most significant reason why the country consistently registers a foreign trade deficit that results in a persistent current account deficit (CAD) and makes Turkey a net debtor to the rest of the world.

Granted loan for construction of Nabucco natural gas pipeline project

Three leading international finance institutions are getting prepared to grant loan for construction of Nabucco natural gas pipeline project. Turkey's Petroleum Pipeline Corp. (BOTAS) is a shareholder of Nabucco project which will transfer natural gas of Central Asia and Middle East to Europe. The worth of the project is 7.9 billion euro. European Investment Bank (EIB), European Bank for Reconstruction & Development (EBRD) and World Bank's International Finance Corporation (IFC) will grant a total of 4 billion euro of loan for the project. EIB will grant maximum 2 billion euro, EBRD will grant 1.2 billion euro, and IFC will grant 800 million euro to Nabucco.

Complains about tiresome legal procedures for selling real estate to foreigners

Despite a recent rise in property sales to foreign nationals, major construction firms, real estate companies and retail associations are complaining about tiresome legal procedures while selling real estate to foreigners in Turkey.

Inflation shift and the International Monetary Fund urged Turkey to pass the fiscal rule in Parliament

The axis of inflation in Turkey has shifted from west to east according to the latest data released by the Turkish Statistical Institute, or TurkStat. The International Monetary Fund, or IMF, has urged Turkey to pass the fiscal rule in Parliament, as it says it is "superior" to the government's current medium-term economic plan.

RED MET prices

Livestock imports have failed to pull red meat prices down to normal levels in Turkey and have moreover begun to threaten the balance of regional supply and demand. Importers speaking to business daily Referans say prices in Hungary have nearly doubled, while purchasing from distant markets is not cost effective. Çalkan Group, a red meat supplier to the Turkish giant Banvit, has exported nearly 20 tons of poultry to Russia following the lifting of a Turkish poultry import ban. The group is the first Turkish exporter to do so.

SUMMARY –SOCIAL NEWS

The manager of the Turkish national basketball team Harun Erdenay said on Thursday that the national players were more enthusiastic and motivated than ever in the ongoing World Basketball Championship. Speaking to AA, Turkey's manager said the national team had displayed an outstanding performance at the world tournament so far.

Political News

Turkey celebrates Eid Al-Fitr as many world Muslims wait for Friday

Turkey has endorsed end of the holy month Ramadan, Eid Al-Fitr on Thursday as many Muslim countries will celebrate on Saturday.

Thursday, 09 September

Turkey has endorsed end of the holy month Ramadan, Eid Al-Fitr on Thursday as many Muslim countries will celebrate on Friday.

This year Eid al-Fitr will start in Saudi Arabia, Africa and North America on Friday, September 10, but some countries such as Pakistan will celebrate the day on Saturday.

Turkey has marked this Eid amid heated debates over the Sept. 12 public vote on a package of proposed changes to the Constitution. The constitutional amendment package, and the approaching referendum, are expected to be the most popular topics of conversation during Eid get-togethers this year.

Traditionally, people in Turkey visit family and friends in their hometowns during religious holidays. Traveling by bus is a popular option.

In Saudi Arabia, seen as the beacon of Sunni Islam, the supreme court ruled that Thursday would be the final day of fasting, before the Eid celebration opens the new month of Shawwal, according to the announcement on the official SPA news agency.

Most of the Gulf countries follow the lead of Saudi Arabia, home to the two holiest cities of Islam Mecca and Medina, to set the day of the Eid feast.

Egypt's Darul-Ifta, the body that issues Islamic edicts, also announced that Thursday would be the last day of fasting for Egyptians.

Eid al-Fitr celebrates the purification achieved by holy Ramadan and is marked by several days of festivities.

Ramadan is a fasting month for Muslims who realize the one-month period as an opportunity for inward-looking, purification of the soul and the body, enhancing social relations and promoting assistance to the poor.

Every physically and mentally able adult Muslim is obliged to perform the absolute dawn-to-dusk abstinence from food and drink, and sex.

Agencies

Record-breaking iftar serves over 50,000 in capital

Ankara has set a record for the most people breaking their fast together at one time -- 10 platforms and nearly 100 civil society organizations banded together in an attempt to break the record with a 50,000-person iftar, and attendance far exceeded expectations.

Nearly 75,000 Ankarites showed up for the iftar (fast-breaking dinner), which was held at the Atatürk Cultural Center (AKM) with a setup that included table space and chairs for 50,000 people. On the menu was lentil soup, rice pilaf, stir-fried meat, ayran, dates, olives, honey, butter and other traditional iftar appetizers, salad and baklava for dessert.

Three separate catering companies prepared food for the event, cooking eight tons of meat, five tons of rice and two tons of garbanzo beans, in addition to 60,000 servings of pide bread, 60,000 units of ayran and 120,000 bottles of water.

The chairs of course were not enough, and so plates of food were distributed to people who then went and sat in nearby bleachers and on the grass to eat. People had been shuttled to the AKM by municipal buses from neighboring districts, while some minibuses and public buses were set aside to serve the iftar area for free. Some attendees were unable to get any food at all; those who participated in the iftar were given tickets free of charge to the Lunapark amusement park.

Prime Minister Recep Tayyip Erdoğan and other ministers also participated in the event. The iftar had an undeniable political edge to it as well -- the food packaging had writing printed on it supporting "yes" votes in the upcoming constitutional amendment referendum slated for Sept. 12.

Large projection screens were set up at different locations throughout the AKM, on which images from the iftar were displayed live. Some attendees wore campaign gear supporting "yes" votes in the referendum, such as a group wearing "Drivers and Chauffeurs Also Vote Yes."

A large round table was reserved for the prime minister, other ministers and bureaucrats and members of the organizing platforms. Speaking at the iftar, Ankara Mayor Melih Gökçek also addressed the topic of the referendum in his comments. "We are undergoing an important and difficult test for the future of Turkey and our children and for democracy," he said. Gökçek also criticized political parties that are running campaigns in favor of "no" votes in the referendum.

04 September 2010, Saturday

TODYS MN

Turkish politicians look ahead to post-referendum period

Wednesday, September 8, 2010

ANKARA - Hürriyet Daily News

Turkish politicians are already eyeing the post-referendum period set to follow Sunday's much-contested vote, a new era in which controversial issues such as terrorism and the Kurdish question are likely to top the agenda.

The result of the Sept. 12 referendum on proposed constitutional changes, the subject of months of heated campaigning by the country's political parties, will be the main element in determining the parameters of this new era. But the government's relations with the judiciary and the military, its struggles with the opposition over its Kurdish initiative, the fight against terror and the headscarf issue could all fuel tensions in the country.

For the ruling Justice and Development Party, or AKP, the most critical decision in the post-referendum era will be whether or not to try to bring the headscarf issue back onto the country's agenda. Prime Minister Recep Tayyip Erdoğan openly asked for support from the opposition parties in allowing the headscarf at public universities following statements by Kemal Kılıçdaroğlu, head of the Republican People's Party, or CHP, claiming that he would be the one to solve the issue.

The CHP had previously appealed successfully to the Constitutional Court in 2008 to block an AKP-led constitutional amendment on the headscarf issue.

The continuation of the Kurdish initiative is a near-certainty as the ruling party wants to keep the momentum going until next year's general election, creating expectations that the AKP might consider taking some new steps to address the concerns of Kurdish people. Coupled with these efforts, the government has to take steps forward in the

country's negotiation process with the European Union. Turkey's objection to opening its ports and airports to Greek Cyprus is seen as a potential source of crisis if reunification talks between Turkish and Greek Cypriots do not bring about a solution.

Depending on the referendum results, some political observers have also speculated that Erdoğan might consider making changes in his Cabinet.

Another top issue that will dominate Turkey's busy agenda in the post-referendum period is the ongoing fight against the outlawed Kurdistan Workers' Party, or PKK, which is listed as a terrorist organization by Turkey, the United States and the European Union.

The cease-fire unilaterally declared by the PKK will end Sept. 20 and the government has already been working on a new law that would allow the establishment of some professional military units to be stationed on the Iraqi border.

As it was during the referendum campaigns, the anti-terror fight will likely also be accompanied by further debate on democratic autonomy for Kurds and a new administrative model proposed by the pro-Kurdish Peace and Democracy Party, or BDP. The party will no doubt make the issue its top priority and seek every opportunity to have the issue broadly debated.

The CHP's busy agenda

CHP chief Kılıçdaroğlu, who was one of the most active leaders during the referendum campaign, will have to deal with his busy agenda on three main fronts. Elected as the new party head only four months ago, Kılıçdaroğlu is still trying to strengthen his position in the CHP, as former chief Deniz Baykal has not hidden his ambition to retake his position. Inner-party adjustments seem unavoidable for Kılıçdaroğlu during this period.

The CHP leader's immediate action after the referendum, however, will likely concentrate on mending ties with European socialist groups. He will travel to Brussels on Sept. 15 and to Berlin on Sept. 19 to hold talks with representatives of socialist parties.

With the opening of Parliament on Oct. 1, the CHP is also expected to take its proposal of removing Article 35 of the military law that organizes the operations of the army to the agenda of Parliament, likely by introducing a draft law on the issue.

Turkish PM says opposition's referendum campaign full of 'black propaganda'

Thursday, September 9, 2010

ISTANBUL — Daily News with wires

Hurriyat

The Turkish opposition has been holding a campaign of "misinformation and black propaganda," Prime Minister Recep Tayyip Erdoğan told the BBC in an interview published Thursday.

Erdoğan's comments come two days before the country is set to vote on a set of much-debated constitutional reforms.

He told the BBC that the 26-article reform package, to be put before voters Sunday as a referendum, would bring more democracy to the country, whose bid to join the European Union has stagnated.

But critics of the reforms say they would give more power to the ruling Justice and Development Party, or AKP, over the judiciary.

Erdoğan also said during the interview that "secularism should apply to the state."

"As in any country, in Turkey religion is an important factor in political life," he told the BBC. "Trying to avoid this reality will lead to the destruction of that society."

Some 50 million registered voters to cast ballots in Turkish referendum

Wednesday, September 8, 2010

ANKARA - Hürriyet Daily News

Turkey will go to Sunday's referendum regarding a package of proposed constitutional amendments with 49,446,269 registered Turkish voters, each of whom need to show an identification card to the polling clerk specifying their citizenship number.

An additional 2,556,335 voters registered overseas can vote at the country's borders by showing their passports.

A total of 151,546 voting boxes will be used in the referendum, according to a statement made in August by the Supreme Election Board, or YSK. Service certificates, driver's licenses, marriage certificates, solicitor's identification cards and identity cards given by prisons to convicts are among the documents that include the Turkish citizenship number and can thus be used to vote.

Voting starts at 7 a.m. and ends at 4 p.m. Sunday in the provinces of Adıyaman, Ağrı, Ardahan, Artvin, Batman, Bayburt, Bingöl, Bitlis, Diyarbakır, Elazığ, Erzincan, Erzurum, Gaziantep, Giresun, Gümüşhane, Hakkari, Iğdır, Kahramanmaraş, Kars, Kilis, Malatya, Mardin, Muş, Ordu, Rize, Siirt, Sivas, Şanlıurfa, Şırnak, Trabzon, Tunceli and Van. It will start at 8 a.m. and end at 5 p.m. in other provinces.

GEO-STRATEGIC NEWS

Greece calls on Turkey to back Cyprus peace talks

Thursday, September 9, 2010

NICOSIA — The Associated Press

hurriyat

Greece's new foreign minister is calling on Turkey to provide stronger support for peace talks in war-divided Cyprus after a landmark Sept. 12 Turkish referendum on constitutional reforms.

Dimitris Droutsas said Wednesday he hopes Turkey will show the "necessary political will" to back talks on the island that have produced only limited progress after two years of negotiations between rival leaders.

Cyprus was split into a Turkish Cypriot north and a Greek Cypriot south in 1974 when Turkey intervened after a coup by supporters of union with Greece.

Turkish Red Crescent sends third aid train to Pakistan

The third train of Turkish humanitarian aid organization set off for flood-hit Pakistan on Tuesday.

Tuesday, 07 September 2010 16:17

WORLD BULLETIN

The third train of Turkish humanitarian aid organization set off for flood-hit Pakistan on Tuesday.

Turkish Red Crescent's train which departed from Behicbey train station in the capital Ankara carries 750 tons of aid materials including 500 tons of foodstuff for people in Pakistan.

Floods, caused by Monsoon rains, have killed thousands of people and left millions homeless in Pakistan in the last couple of weeks.

After the disaster, Turkey sent cargo planes and trains carrying tons of aid materials to the country.

Turkey most recently sent two mobile hospitals and 40 medical personnel to flood-hit Pakistan to be deployed in Sind and Belucistan states.

Turkish government, which donated \$10 million to Pakistan, also recently launched an aid campaign.

Erdogan to visit Pakistan after Turkey's key referendum

Turkish Prime Minister Erdogan said he planned to visit Pakistan with a large technical delegation right after Sunday's referendum in Turkey.

Monday, 06 September 2010 17:15

WORLD BULLETIN

Turkish Prime Minister Recep Tayyip Erdogan said Monday he planned to visit Pakistan with a large technical delegation right after Sunday's referendum in Turkey.

Erdogan received the chairman of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) Rifat Hisarciklioglu at the Official Residence in Ankara on Monday.

Hisarciklioglu presented Prime Minister Erdogan a check worth 7 million TL (approx. 4.66 million USD) and collected from TOBB members to help flood-hit Pakistan and its people.

Speaking to reporters while receiving Hisarciklioglu, Erdogan said that he planned to visit Pakistan with a large technical delegation following Sunday's referendum in Turkey.

We are in constant touch with Pakistani officials and want to help Pakistan recover after floods hit many parts of this country. We will visit flood-hit regions of Pakistan and will take necessary steps to help our Pakistani brothers and sisters, Erdogan also said.

Turkish PM's wife calls on world not to be blind to Pakistan disaster

The spouse of Turkish Prime Minister Recep Tayyip Erdogan visited Sukkur, one of the flood-hit areas in Pakistan.

Friday, 03 September 2010 14:10

WORLD BULLETIN

The spouse of Turkish Prime Minister Recep Tayyip Erdogan visited Sukkur, one of the flood-hit areas in Pakistan on Friday.

Emine Erdogan arrived in Sukkur after visiting the south of Pakistan, which was affected the most by the flood disaster, and visited a field hospital set up by the Turkish Health Ministry.

"As the spouse of a prime minister, I am begging the world that they should not be blind and deaf to this disaster," Erdogan told reporters.

Erdogan later visited a tent turned into a child center, and told children, "don't be afraid, we are beside you."

Moreover, a Turkish pediatrician in the field hospital said they were facing many cases due to food insufficiency.

"We have seen malaria and diarrhea cases even though we have not seen any serious disasters," the doctor said.

Erdogan has been visiting Pakistan to deliver medical and financial aid, around 3 million Turkish lira, collected at a charity event in Turkey.

Pakistan's worst-ever floods killed at least 1,600 people and displaced more than 20 million.

As many as 17 million acres of farm land have been submerged and billions of dollars of crops destroyed, Pakistani authorities announced earlier.

So far, Turkey has sent and \$10 million financial aid and 244 tons of relief support that included vaccines, medicine, medical stuff to Pakistan.

Turkey has sent as well a 42-member medical team, two fully equipped mobile hospitals, an ambulance, and a 4x4 truck for medical rescue efforts.

Turkey's Red Crescent Society was also poised to build in to Nowshare five hundred Mevlana houses -- larger tents which provide long-term protection for victims.

AA

Erdoğan criticizes Muslim countries for reluctance to help Pakistan

Prime Minister Recep Tayyip Erdoğan has criticized oil-rich Muslim countries for their slowness and reluctance to send humanitarian aid to flood-stricken Pakistan.

According to the prime minister, member countries of the Organization of the Islamic Conference (OIC) have pledged to send only \$1 billion to Pakistan. "What is the Muslim world, who say they own oil resources, doing? How much of their oil have they sent to Pakistan? I do not want them to get offended. But it was not they who discovered the oil resources. The resources are a blessing," he stated during a symposium in İstanbul on Sunday.

Pakistan was hit by torrential monsoon rains last month that triggered the country's worst natural disaster on record. Floods destroyed villages, bridges and roads and killed up to 1,600 people. More than 4 million have been displaced by flooding, and there is widespread concern about the country's recovery.

Erdoğan said the suffering in Pakistan cannot be described in words. "It is not possible to comprehend the suffering there while sitting here. Monetary aid of \$100, 200, 500 million or \$1 billion will not settle the problems in Pakistan. More than 17 million people have been adversely affected and thousands of people have been killed," he noted. He urged Muslim countries to increase their efforts in sending more humanitarian aid for people in need in Pakistan, pledging that Turkey will continue its aid efforts in that country. "As the Turkish state we are doing what we should. Beyond sending a significant sum of money to Pakistan, we are helping the country to rebuild itself," the prime minister added.

06 September 2010, Monday

TODAYS ZAMAN

US reveals refusal to military drill as Turkey denies Israel role

Earlier, Turkish Foreign Minister Ahmet Davutoglu denied recent media reports that the US will not participate in a joint military drill in Turkey because Israel was not invited.

Sunday, 05 September 2010 10:01

World Bulletin / News Desk

United States Air Forces will not participate in an exercise scheduled for October in Turkey, the U.S. Embassy in Ankara said in a statement on Saturday.

Earlier, Turkish Foreign Minister Ahmet Davutoglu denied recent media reports that the US will not participate in a joint military drill in Turkey because Israel was not invited.

Israeli media reported last week that the US rejected the invitation to participate in the war games as Israel had not been invited to the military drill.

The statement said Turkey had extended an invitation to the U.S. to take part in the Anatolian Eagle, an annual joint maneuver of air forces from Turkey, the U.S. and Israel as well as several other countries.

"The U.S. will not take part in the Anatolian Eagle because its forces have participated already in two military exercises in Turkey this year and its aircrafts have been assigned to other tasks," the statement said.

"US officials have not made any statements on this issue," Davutoglu told media on Friday.

The foreign minister explicitly denied speculations that the US will not participate in the military war games because Israel was not invited.

Last year, the Turkish military cancelled an international segment of the Anatolian Eagle military training exercise in a move widely seen as a way to exclude Israel from the exercise.

Turkey pledges support to Bosnia's NATO bid

Turkish President Gul said Turkey attached great importance to Bosnia-Herzegovina's integration into EU and NATO.

Friday, 03 September 2010 11:52

WORLD BULLETIN

Turkish President Abdullah Gul said Thursday Turkey attached great importance to Bosnia-Herzegovina's integration into EU and NATO, and he pledged support to Bosnia's NATO bid.

"Because, we believe security and stability in the Balkans could be achieved more easily under the roof of both EU and NATO," Gul told a joint press conference with Bosnia-Herzegovina's Presidency Chairman Haris Silajdzic in Sarajevo.

However, Gul urged Bosnian government to make necessary reforms on the path to NATO and said Bosnia-Herzegovina should act together with surrounding countries to become a member of EU and NATO.

On his part, Silajdzic said that Turkish President Gul underscored the importance of security and stability in the Balkans at their meeting and thanked Turkey for its support to Bosnia.

Slajdzic described bilateral relations as perfect and said "it is a relation which I could even describe as extraordinary."

Turkey's Gul opens university premises in Bosnia

Turkey's president inaugurated the new premises of the International Burch University in Sarajevo, Bosnia and Herzegovina.

Friday, 03 September 2010 16:07

WORLD BULLETIN

Turkey's president inaugurated on Friday the new premises of the International Burch University in Sarajevo, Bosnia and Herzegovina.

During the inauguration ceremony of the university founded by Turkish and Bosnian board of trustees, President Abdullah Gul said Bosnia and Herzegovina had a special place in Turkish nation's hearts.

Gul said he was not feeling as a foreigner in Bosnia and Herzegovina, thanks to common culture between the two countries.

President Gul expressed Turkey's determination to go on supporting the Balkans and strengthening ties with the region.

Also speaking in the ceremony, Bosnia and Herzegovina's Presidency Chairman Haris Silajdzic said his country was eager to host thousands of students who would come from other countries to have education in his country's universities.

President Abdullah Gul later visited International University of Sarajevo which is also a university established by Turkish and Bosnian board of trustees.

Gul is paying a formal visit to Bosnia and Herzegovina. On Thursday, he had a meeting with Silajdzic and attended a business council meeting.

Also on Thursday, Gul attended signature ceremony of a cooperation agreement between Anadolu Agency (AA) and Federal News Agency of Bosnia-Herzegovina (FENA), and inaugurated the "Award Winning Photographs Exhibition of AA".

Earlier on Friday, Gul received High Representative in Bosnia-Herzegovina Valentin Inzko.

President Gul is expected to return to Turkey later on Friday.

AA

Turkey warns unjust distribution of resources threatens global peace

Turkish Parliament Speaker Sahin said the unjust distribution of resources, food items being at the top of the list, poses a threat to global peace.

Saturday, 04 September 2010 09:17

WORLD BULLETIN

Turkish Parliament Speaker Mehmet Ali Sahin said Friday the unjust distribution of resources, food items being at the top of the list, poses a threat to global peace and is a cause of many global problems.

Mehmet Ali Sahin delivered remarks at a session titled "new paradigms for peace and food safety" as part of the G-20 Parliament Speakers' meeting at the Canadian Parliament on Friday.

The whole world must make efforts to help children who face hunger, thirst and poverty as of the moment of their birth, Sahin stressed.

The priority of the international community must be to take urgent measures so that food items reach the poorest parts of the world, Sahin said.

Touching on the floods that hit Pakistan recently, Sahin said that the humanity is now going through a test.

In the face of such a tremendous disaster in Pakistan, I believe that international organizations and all countries must be on the side of Pakistan and make the necessary assistance, Sahin also said.

AA

Turkey's FM talks to Bulgaria over "spy mufti" issue

Muslims in Bulgaria have been staging protests against appointment of former spy and retired lieutenant colonel Gendzhev as Chief Mufti instead of Mustafa Ali Hadji, who was elected for the post last month.

Monday, 06 September 2010 10:55

World Bulletin / News Desk

Turkish Foreign Minister Ahmed Davutoglu and his Bulgarian counterpart Nikolai Mladenov on Sunday had two phone conversations on the unresolved Mufti issue, diplomats said.

Borisov met Thursday controversial Mufti Nedim Gendzhev, recently appointed as Chief Mufti in Bulgaria, and his predecessor Mustafa Ali Hadji elected by Muslims.

In October 2009, the National Muslim Conference decided to elect Mustafa Ali Hadji as Chief Mufti. But communist-era Imam Gendzev appealed the Conference's vote and the Bulgarian Supreme Court of Cassations decided to reinstate him at the post. Muslims see Hadji the only legally elected Chief Mufti in Bulgaria.

Since then, Muslim and Turkish people living in Bulgaria have been staging protests against appointment of former spy and retired lieutenant colonel Mufti Nedim Gendzhev as Chief Mufti instead of Mustafa Ali Hadji, who was elected for the post last month. Anadolu news agency said, "Davutoglu and Mladenov discussed the issue, said a diplomat, speaking on condition of anonymity, but did not elaborate."

Related news reports

Turkey's minister to join EU energy meeting in Brussels

Turkey's energy minister left for Brussels on Monday to attend informal meeting of EU energy ministers.

WORLD BULLETIN

Monday, 06 September 2010 10:31

Turkey's energy minister left for Brussels on Monday to attend informal meeting of EU energy ministers.

During his stay in Brussels, Taner Yildiz will also hold talks with energy ministers of several EU countries, officials said.

Yildiz is expected to return to Turkey on Tuesday evening.

Turkey steps in as global player thanks to non-stop diplomacy

Turkey remains undeterred in its desire to gain international support for its new role as mediator in its region, but its ambitious strides have also made notable progress in global diplomacy, which Turkey will spearhead this month.

Turkey will preside over meetings and summits held at the 15-member Security Council this month as it has secured its second rotating term presidency in the past two years. It is planning to chair two significant meetings at the Security Council later this month and has already invited the top officials of the 14 other Security Council members. The meetings will deal with maintaining international peace and security and more cooperation in the fight against terrorism.

Turkey's term presidency appears to be a rather remarkable example of how the country has become a towering figure in its latest steps to become a global player. Any type of peace initiative would constitute a major foreign policy achievement for Turkey, as it prepares to re-launch a ministerial level meeting on fighting against terrorism.

According to diplomatic sources, Turkey has also assiduously worked over the past two years to organize a summit chaired by Turkish President Abdullah Gül on Sept. 23 that

years to organize a summit chaired by Turkish President Abdullah Gül on Sept. 23 that will deal with peace in a broad context. Turkish Foreign Minister Ahmet Davutoğlu is also expected to attend.

Turkey's rising profile as a diplomatic power also matched its economic clout and it was an expression of large-scale dissatisfaction about the minimal role Turkey played in disputes in its vicinity. Although sometimes behind closed doors, Turkey played a vanguard role in the past years to transform deeply seated hostilities into lessened tensions.

Turkey represents a more sustained, albeit not untroubled, diplomatic process that is aimed at eradicating conflicts and borders and creating "zones of peace."

"We want to see the Turkish flag waving in every corner of the world," Davutoğlu said this week during his visit to the eastern province of Iğdır.

Speaking to Sunday's Zaman, Fikret Ertan, an independent expert based in Turkey, said Turkey's two initiatives at the Security Council could be linked to its ambitious demarche to bring about peace and security.

Since the new Turkey will be hard for some to digest and it is likely to face a much steeper climb to be acknowledged as a global actor, the Turkish foreign policy establishment has spent much energy to reiterate to the international community that its aim is purely aimed at establishing peace and building cooperation.

Speaking to reporters on Thursday, Turkey's ambassador to the UN, Ertuğrul Apakan, said the key aim of the summit is to have leaders reaffirm the council's determination to play a stronger role in the political settlement of disputes and in implementing peace agreements.

The high-level exchange, the ambassador said, "is expected to raise global awareness on the new and evolving threats and challenges to international peace and security and empower the council and operational tools available to it -- namely, preventive diplomacy, peacemaking, peacekeeping and post-conflict peace building."

Turkey joined the UN Security Council as a non-permanent member in January 2009 and will have the seat until the end of 2010.

Dismissing the fact that it is very important to chair the Security Council, Ertan said it is not a post that should be exaggerated. He added that it does not have much value. It is impossible to get anything out without urging the permanent members of the Security Council to act the way you want them to act. He said Turkey could lobby and advocate that Security Council members take positions close to its own.

Turkey will also preside over Security Council meetings on Afghanistan, Haiti, Liberia, Sierra Leone, Somalia, Sudan and the Middle East region during its term presidency.

Noting that Davutoğlu might have played a greater role in these initiatives, Ertan said the foreign minister's ideas were regional but that he is now thinking to go global. "Turkey is walking to be a global actor," Ertan underlined.

Turkey will also hold a ministerial meeting of the council on Sept. 27 which will take stock of the global fight against terrorism since the Sept. 11, 2001 terrorist attacks in the United States.

05 September 2010, Sunday

TODYS MN

ECONOMIC NEWS

Turkey, Iraq to revise Kirkuk-Yumurtalık oil pipeline deal

Turkey and Iraq will revise the agreement on Kirkuk-Yumurtalık crude oil pipeline which connects the northern Iraqi city of Kirkuk to the Turkish Mediterranean port of Ceyhan, Turkey's energy minister said on Sunday.

An earlier agreement had expired in March.

Turkish Energy Minister Taner Yıldız said that a new contract on financing and oil flow had been drafted and that it was planned to be signed in Baghdad on September 19.

Under the new deal, the pipeline will carry 70 million tons of crude oil annually from Iraq to Ceyhan, an energy hub in southern Turkey.

"Iraq must export its oil and natural gas for country's normalization. This is a project that could help its normalization," Yıldız said.

06 September 2010, Monday

THE ANATOLIA NEWS AGENCY ADANA

Report: Turkey-N. Iraq trade doubles

Trade between Turkey and the autonomous Kurdish region in northern Iraq has doubled over the last three years, AKnews, the Kurdistan News Agency, reported on Saturday.

According to the agency's report, Tamar Ramadan, the governor of Dohuk, the Iraqi province bordering Turkey, said the value of trade has reached \$6 billion annually, up from \$3 billion in 2007. He also said he expects the trade volume with Turkey to hit \$8 billion next year. Dohuk, some 460 kilometers north of Baghdad, has a long border with Turkey and serves as a gateway for trade between the two neighbors.

Turkey's ties with the Kurdish administration of the region have improved significantly over the last couple of years as part of Turkey's "zero problems, maximum trade, with neighbors" foreign policy strategy. The economic relations are expected to further advance given the proximity of the two and Iraq's increased efforts to recover from the destructive impact of protracted war and instability.

06 September 2010, Monday

TODAY'S ZAMAN İSTANBUL

Russian Gazprom transfers additional natural gas to Turkey

Russian Gazprom transferred additional natural gas to Turkey via Blue Stream.

Gazprom stated on Monday that Gazprom sent extra natural gas to Turkey in the past ten days after an explosion occurred in the pipeline which was transferring natural gas from Iran to Turkey.

Gazprom noted that it transferred 426 million cubic meters of natural gas to Turkey between August 25 and September 4.

The Russian company sent 42 million cubic meters of natural gas daily during that ten-day period. Currently, the amount of natural gas dropped 18 million cubic meters --the regular level.

On August 24, terrorists staged an attack on Iran-Turkey natural gas pipeline near Catalpinar village of Eleşkirt town in Turkey's eastern province of Ağrı. The natural gas transfer halted due to the explosion.

06 September 2010, Monday

Energy dependency major cause for Turkey's trade deficit

Turkey's dependence on foreign oil and gas has been the most significant reason why the country consistently registers a foreign trade deficit that results in a persistent current account deficit (CAD) and makes Turkey a net debtor to the rest of the world.

Turkey's foreign trade deficit surged dramatically in the January-July period of this year, alarming government authorities of the possibility of serious damage to the country's economy if the balance of payments fails to meet the gap between imports and exports in the face of an imbalanced growth for the two. However, an examination of the types of goods Turkey imported up until last month indicates that the country's foreign trade deficit stems mainly from its heavy energy dependence and that the country is in fact investing in the future, as indicated by the bulk of the remaining imports it has made.

In parallel to the rapid growth of its economy, Turkey's oil and bulk and cylinder natural gas imports have increased considerably. According to the Turkish Statistics Institute's (TurkStat) latest data, Turkey paid over \$19 billion for oil and gas imported from abroad until August of this year, equaling some 19 percent of all imports and 54 percent of the CAD. The share of increase in the country's oil and gas bills in the same period registered at 48.3 percent and 11.4 percent, respectively. Turkey aims to eliminate its dependency on foreign energy supplies by 2023, the centennial of the modern republic.

Experts say a double-digit annual GDP growth is likely for the country. Nevertheless the rising CAD is a matter of concern for the government. What gives hope to policy makers is that the country's import of investment goods has also seen a notable increase of 24 percent in the January-July period of 2010 over the first seven months of last year. In the January-July period, Turkey imported \$14.2 billion in investment goods, while total import of raw materials equaled \$71.9 billion, up 34.7 percent from a year ago. Total volume of consumption goods imports, on the other hand, remained minor compared to these two, with \$12.9 billion until August of this year.

Turkey's CAD increased by 89.4 percent in the first seven months of this year over the same period of 2009, despite a significant 13.4 percent rise in exports. Its total volume of exports in the January-July period was \$64.4 billion, a 13.4 percent increase over the same period of last year. However, its imports saw an even higher jump, 32.1 percent, reaching \$99.3 billion. These two seven-monthly numbers equate to a \$34.9 billion CAD for the country this year, up 89.4 percent from \$18.4 billion over the same period of 2009.

06 September 2010, Monday
TODYS MN

International finance institutions to grant loan for Nabucco project

Three leading international finance institutions are getting prepared to grant loan for construction of Nabucco natural gas pipeline project.

Turkey's Petroleum Pipeline Corp. (BOTAS) is a shareholder of Nabucco project which will transfer natural gas of Central Asia and Middle East to Europe. The worth of the project is 7.9 billion euro.

European Investment Bank (EIB), European Bank for Reconstruction & Development (EBRD) and World Bank's International Finance Corporation (IFC) will grant a total of 4 billion euro of loan for the project.

EIB will grant maximum 2 billion euro, EBRD will grant 1.2 billion euro, and IFC will grant 800 million euro to Nabucco.

Speaking to the press following the signature ceremony in Brussels, Chairman of the Executive Board and Director General of BOTAS, Fazil Senel said that "Turkey was one of the founding fathers of the Nabucco project. We are ready to take any necessary step to realize the Nabucco project. With today's signature ceremony, three important financial institutions expressed their desire to contribute to the Nabucco project. We have taken a crucial step towards completing the Nabucco project. Hopefully, we will begin constructing the Nabucco natural gas pipeline soon".

Nabucco will be one of the projects bringing most profits and advantages to Turkey, Senel stressed.

Most part of the Nabucco pipeline is on Turkish soil. The pipeline's total length is 4,000 kilometers and it has 31 billion cubic meters of capacity.

Following the assessments, the loan is expected to be approved next year.

06 September 2010, Monday

TODYS MN

Red tape hits Turkish property sales to foreigners

Wednesday, September 8, 2010

GÖKHAN KURTARAN

ISTANBUL - Hürriyet Daily News

Despite a recent rise in property sales to foreign nationals, major construction firms, real estate companies and retail associations are complaining about tedious legal procedures while selling real estate to foreigners in Turkey.

"The current lengthy procedures should be eased by the authorities," said Emre Narin, the chairman of Martı Real Estate Investment Trust, or REIT, speaking to the Hürriyet Daily News & Economic Review.

"There are many foreign nationals who are interested in buying property from us.

Demand is especially high among Brits. Still, when it comes to the current tedious procedures, many foreign customers step back and change their mind, as these procedures can take many months to complete," he said.

Kürşat Tuncel, vice president of sales and marketing at Ağaoğlu İnşaat, a leading Turkish construction company, also said getting permission from authorities to sell property to foreign nationals takes a long time. "For the sale of every unit, many signatures are required for the authorities," he told the Daily News. "This does not correlate with Turkey's aim of attracting more foreign investment."

Selling property to foreign nationals in accordance with the reciprocity principle is not acceptable either, according to Tuncel.

In diplomacy, the principle of reciprocity states that favors, benefits or penalties that are granted by one state to the citizens or legal entities of another should be returned in kind. According to Tuncel, this principle blocks the flow of foreign investment in real estate with "no sensible explanation." Many foreigners are "just giving up" and deciding not to buy property in Turkey due to red tape, he said.

Tuncel also noted exaggerated concerns among some Turks related to property sales to foreign nationals. “Turkish citizens can easily buy property in the United States, the United Kingdom and in Germany, for example,” he said. “Any concern of ‘foreigners invading our country’ is totally baseless.”

National security concerns

Indeed, an article on property sales to foreign nationals is directly related to national security concerns and is among the biggest reasons why a transaction sometimes takes months to complete. Act 2565 states that a foreign national must apply, in written form, to the Turkish General Staff or any department appointed by the General Staff in order to make sure a piece of land or property is not located on a military zone.

Lorrain Toms and Fred Toms, a British couple living in the Aegean resort town of Didim, which is home to over 4,000 foreign residents, said some people with bad intentions are using the long process of military permission in order to “rip off foreigners.”

“A builder asked for 70,000 pounds from us while waiting for authorization from the military, which took nearly six months. This amount we paid in order to own our house is gone, and so is the house,” Lorrain Toms told the Daily News. “We wouldn’t have had such a sad experience if permission from the military was not necessary. We could have bought the house and got the deed right away.”

Didim hosts many foreigners aggrieved by long procedures during property sales, said Osman Coşkun, chairman of the Didim Real Estate Dealers Association. Foreigners are buying properties through notary public agreements with third parties while waiting for military permission,” he said. “But most of them do not know that without the final deed, notary agreements do not mean much in owning the property legally.”

According to official data, between 2002 and 2010, nearly 85,676 foreign nationals, mostly from the United Kingdom, Germany, Ireland and Denmark, bought property in Turkey. Since 2005, total sales to foreign nationals reached \$14.4 billion. Total sales in the first half of this year reached \$1.4 billion, compared with \$780 million in the same period of 2009.

Turkey's axis of inflation shifts to East

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Wednesday, September 8, 2010

hurriyat

The axis of inflation in Turkey has shifted from west to east according to the latest data released by the Turkish Statistical Institute, or TurkStat.

The prices of main household expenses in eastern and southeastern provinces rose faster than those in the rest of the country in the last five years, TurkStat said on its website.

The Central Anatolian province of Kayseri ranks first in the country on the inflation list.

Prices increased by 51 percent on average, compared to 57.5 percent in Kayseri.

Food, electricity, water and education increased the most among 10 basic items of expenses in the TurkStat research.

Gaziantep, Kilis, Diyarbakır, Şanlıurfa, Adıyaman, Muş, Bitlis, Hakkâri, Kars and Ardahan are the other provinces where price increases were above average.

The rise in the Aegean and Mediterranean provinces was below average, TurkStat said.

Antalya in the south and Isparta and Burdur in the east topped the list for lowest price rises.

When essential items are considered, the rise in the poorer eastern and southeastern provinces is drastically higher than the western metropolitan areas. The lowest rise in the southeastern provinces was in clothing. Clothing prices fell by 12.2 percent in Batman, Şırnak, Siirt and Mardin while all other items rose in price. Diyarbakır, the largest province in the Southeast, had the largest increase in the cost of water, surpassing the longtime leader, Istanbul. Water cost increases exceeded 111 percent in Diyarbakır and neighboring Şanlıurfa. The region is also the “inflation champion” in electricity prices, as Van, Muş, Bitlis and Hakkari residents pay bills 90 percent higher compared to five years ago. Alcohol and cigarettes prices increased by 63.3 percent on average over the last five years. The eastern and southeastern provinces ranked high also on this list. The average alcohol and cigarette price increases in these two regions reached 111 percent. The lowest inflation in alcohol was in Istanbul, Ankara, Antalya and provinces in the Thrace area. The northwestern provinces of Kocaeli, Sakarya, Düzce and Yalova experienced the highest rise in house rental costs. The unfulfilled need for more houses after a large earthquake hit these provinces along with Istanbul in 1999 played an important role in the rise. House rental prices in southern provinces increased slower than in other regions as well.

IMF urges Turkish government to accept fiscal rule

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Wednesday, September 8, 2010

ISTANBUL - Hürriyet Daily News

The International Monetary Fund, or IMF, has urged Turkey to pass the fiscal rule in Parliament, as it says it is “superior” to the government’s current medium-term economic plan.

The IMF released a staff report for its 2010 Article IV Consultation and Post-Program Monitoring Wednesday. The report noted that revenue over-performance is being partially offset by increases in “discretionary spending,” which looks set to exceed full-year budget appropriations.

“In a significant policy shift, the government recently announced it has no specific schedule for bringing the fiscal rule legislation before Parliament and intends instead to continue to follow the September 2009 medium-term plan,” the report said. “Contrary to previous indications, Parliament’s general assembly did not consider the fiscal rule legislation – which has garnered broad political support – during its recently concluded session.”

Speaking on news channel NTV Tuesday evening, Prime Minister Recep Tayyip Erdoğan said that having “escaped” from IMF stand-by programs, Turkey has no need for the “internal IMF” the fiscal rule would impose. He also stressed the Turkish economy needs more investment, hinting at increased public spending.

Longer-term stability

The IMF said it “considers that the fiscal rule is considerably superior to the 2009 medium-term plan and urges passage of the draft rule without further delay. Under [the IMF staff’s] baseline macro scenario but assuming little revenue over-performance is saved this year, the fiscal target in 2011 set by the rule would be broadly similar to the plan. However, the rule is motivated by longer-term considerations. Specifically, the rule

is an explicit binding commitment to a prudent, countercyclical policy. This contrasts with the short-term medium-term plan targets, which are ad hoc and do not automatically adjust to changing cyclical conditions.”

If passed in its current form, the fiscal rule would also introduce “needed enhancements to transparency and public financial management procedures,” the IMF said. “Finally, although markets have so far taken the postponement in stride, failure to pass the rule quickly may forfeit the window of opportunity that could close ahead of the approaching election cycle and risk weakening the credibility of the authorities’ commitment to fiscal discipline.”

The IMF expects Turkish gross domestic product to expand 6.1 percent this year. The government’s three-year plan, drawn up in 2009, forecasts 3.5 percent growth.

Finance Minister Mehmet Şimşek said July 15 the government would determine at a later date the timing of parliamentary consideration of the fiscal rule and the 2011 budget would be drawn up according to the current three-year medium-term plan. While presenting the July inflation report, Central Bank Governor Durmuş Yılmaz, meanwhile, advised the passing of the fiscal rule.

Turkish red meat imports export high prices

Monday, September 6, 2010

DİNÇER GÖKÇE

ISTANBUL – Referans

HURRIYAT

Livestock imports have failed to pull red meat prices down to normal levels in Turkey and have moreover begun to threaten the balance of regional supply and demand.

Importers speaking to business daily Referans say prices in Hungary have nearly doubled, while purchasing from distant markets is not cost effective

A recent relaxation in Turkish livestock imports that were intended to curb rising domestic red meat prices have unexpectedly caused price hikes in regional markets.

After the Turkish government recently permitted the Turkish private sector and the Meat and Fish Institute, or EBK, to increase livestock imports, prices in the markets from which Turkey is buying have increased.

Red meat prices have begun to increase in Hungary, from where Turkey mostly chooses to import red meat. One kilogram of livestock, which varied between 1.5 and 1.7 euros in April this year, has increased to between 2.6 and 3 euros following Turkey’s livestock import relaxation decision.

The price hike following Turkey’s significant entry into the Hungarian market is undeniable, said Emin Arslan, board chairman of Etçi Et, which has been conducting studies on the recent livestock imports.

The number of countries and regions from which Turkey can import livestock is limited and includes regional markets such as Estonia, Lithuania, Latvia and Hungary.

Except for Hungary, other regional markets are quite small and are not able to fulfill Turkish demand by themselves, sector officials say. For this reason, Hungary is the first local market preferred for livestock imports.

Hungary, however, is not only attracting Turkish importers. Jordan’s Hijazi Group, which has won many bids from EBK, Etçi Et, Kayarlar Et, Etbank, Erşan Et and Fayda, is another international company sourcing meat from the Eastern European market.

“We are closely following the price movements in many countries,” said Arslan. “One kilogram of livestock in Hungary, which was nearly 1.5 euros in April, has increased to 3 euros.”

Upturned balances

Livestock is in high demand in Estonia, Lithuania and Latvia, meaning that not only are local stocks incapable of fulfilling Turkish demand, prices are comparatively higher than those in Hungary, Arslan said, adding that a significant amount of Turkey’s imports consequently come from Hungary.

“Due to this situation, we have upset the price balance in Hungary, too.”

Meanwhile, importing from distant markets, such as Uruguay, Chile, New Zealand or Australia is more costly, he said. “For a real solution, the government should allow imports from major European countries rich in livestock.”

Etbank owner Hakan Başer, who plans to visit Hungary in the next few days to buy 2,000 animals, also complained of rising prices. “The price per kilo in Hungary used to be 1.5 euros, but now the figure is 3 euros,” he said.

According to director Yusuf Büyükbaş, Erşan Et is also conducting market research in Hungary, as well as in Estonia and Latvia. “But we cannot find livestock in these latter countries either. Meat prices have already increased.”

Turkish companies that have attempted to purchase livestock from these three markets are either returning “empty-handed” or with few animals, Büyükbaş said.

Despite surging imports, meat prices have not declined in Turkey, Büyükbaş said. “In the next few days we will be missing current prices,” he said. “The Feast of the Sacrifice is approaching. We may face a serious supply problem [then].”

The problem has a global dimension, Büyükbaş said. “Because of the Feast of the Sacrifice, Saudi Arabia alone needs 7 million animals. This figure could unbalance the global market equilibrium.”

Turkish firm exports poultry to Russian market

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Monday, September 6, 2010

ISTANBUL – Anatolia News Agency

HURRIYAT

Çalkan Group, a red meat supplier to the Turkish giant Banvit, has exported nearly 20 tons of poultry to Russia following the lifting of a Turkish poultry import ban. The group is the first Turkish exporter to do so.

Çalkan Group exported 20 tons outside an existing Russian import quota in order to penetrate the existing market. Because the company exported outside the scope of the quota they were made to pay 80 percent of customs duty, 25 percent of which will be reimbursed later.

Even though the Turkish press published articles saying that Russia had approved the import of 500,000 tons of poultry from Turkey, Çalkan chairman Mustafa Çalkan said, “There is no special quota allocation for Turkey according to the Russians.” He said Turkey is included in a group of 18 exporting countries that can collectively import a total of 150,000 tons of poultry to Russia.

Stressing that Turkish exporters had recently struggled to compete with the United States firms, Çalkan said the U.S. provides the cheapest poultry – only \$500 per ton – for the Russian market.

If Turkey had the chance to compete with U.S. prices it could nearly fill the export quota of 150,000 tons by itself, Çalkan said.

“Unfortunately Turkish poultry is expensive,” he said. “Turkish poultry sold for \$2,000 per ton in the domestic market a few months ago and when it comes to exporting to the Russian market the price rises to \$2,800 because of additional transportation costs and taxes.”

Noting that Turkey had lifted its ban on poultry imports from the U.S., Çalkan said prices might drop in the Turkish market because of the arrival of cheap U.S. poultry.

Putin stands by promises on pipeline project

Wednesday, September 8, 2010

NERDUN HACIOĞLU

MOSCOW - Hürriyet

Russian Prime Minister Vladimir Putin has responded to a statement of “dissatisfaction” from Transneft, the Russian state-owned oil transportation company, regarding Turkey’s attitude toward the proposed Samsun-Ceyhan pipeline.

Samsun-Ceyhan, also known as the Trans-Anatolian Pipeline, is a planned crude oil pipeline from Ünye, a town in Turkey’s Black Sea region, to the Mediterranean. Plans for the construction of the 555-kilometer pipeline are being jointly developed by Turkey’s Çalık Holding, Italy’s Eni and Russian state-owned companies Transneft and Rosneft. After Transneft stated it was not content with Ankara’s attitudes toward the project, Putin defended Russia's commitment. The pipeline is predicted to ease traffic in the Bosphorus and the Dardanelles.

Putin told Transneft he had promised Turkish Prime Minister Recep Tayyip Erdoğan the pipeline would be built, adding that Russia will continue to take part in the project.

Transneft’s complaint, conveyed to Putin at the beginning of the month, concerned Turkish attempts to “to dominate the project.”

“Turkey tries to attain unilateral dominance in the project,” said Nikolay Tokarev, President of Transneft. “It is proposing inefficient conditions to Russia. It suggested an intergovernmental agreement, which would push Russia into a strict and economically unacceptable frame. We will not accept [these] conditions. We should solve the problem or we should put an end to this issue.”

Following the complaints, Putin weighed into the problem. The Samsun-Ceyhan pipeline is economically rational and profitable, he said at the seventh annual Valdai Club meeting on Monday.

“We have given our promise to Turkey. As it has already been planned, Russian companies will continue working during all phases of the project. Russia is now working on oil resources and the pipeline’s potential customer network,” Putin said.

Putin added that talks concerning the transportation of Kazakhstani oil to the Mediterranean were ongoing.

Russia, Italy and Turkey agreed last year to build the \$2.5 billion Samsun-Ceyhan pipeline, which will carry as much as 1.5 million barrels of oil from Samsun to Ceyhan each day.

SOCIAL NEWS

Turkey shows outstanding performance at basketball worlds so far:Erdenay

The manager of the Turkish national basketball team said that the national players were more enthusiastic and motivated than ever in the ongoing championship.

Thursday, 09 September 2010 16:13

WORLD BULLETIN

The manager of the Turkish national basketball team said on Thursday that the national players were more enthusiastic and motivated than ever in the ongoing World Basketball Championship.

Speaking to AA, Turkey's manager Harun Erdenay said the national team had displayed an outstanding performance at the world tournament so far.

"I have never seen the national team this enthusiastic and motivated before throughout my whole basketball career," Erdenay said.

Commenting on Turkey's upcoming game with Serbia at semi-finals, Erdenay said, "Our ultimate goal is the finals. I believe we will also overcome this obstacle thanks to our struggle and motivation. I hope we will defeat Serbia and play the final game, because this team deserves to be at the finals".

Turkey currently hosts the 2010 FIBA World Basketball Championship.

Turkish national basketball team, also known as the "12 Giant Men", slammed Slovenia 95-68 in a quarter finals game in Istanbul on Wednesday, advancing to semi-finals in a World Basketball Championship for the first time in its history.

Turkey will play against Serbia in a semi-finals game on Saturday, September 11.

AA

COMMENTARY

The referendum is not the end of everything

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Wednesday, September 8, 2010

GİLA BENMAYOR

HURRIYAT

Fierce criticisms and wars of words on the referendum have dragged many people into pessimism.

Among last week's incidents were Hak-İş Confederation President Sami Uslu calling civil society organizations such as the Turkish Industrialists and Businessmen's Association, or TÜSİAD, "not NGOs but night club hostesses," the "nun billboard" prepared by the main opposition Republican People's Party, or CHP, in Avcılar Municipality infuriating people and speakers on "not enough but yes" panels being doused with eggs and paint.

Every day we hear of a new set of blunders by the parties or improper words by leaders about the referendum to be held Sept. 12 for a constitutional amendment package.

Is Uslu not aware of the fact that the organization he accuses of acting like a "night club hostess" is chaired by a woman?

CHP leader Kemal Kılıçdaroğlu claimed that the billboard likening women wearing headscarves to nuns is a setup by the ruling Justice and Development Party, or AKP, but apparently the CHP was behind it.

Prime Minister Recep Tayyip Erdoğan, on a TV program the other night, did not hesitate to call naysayers “coup plotters.”

Will polarization soon end?

I look around and see that everyone is in the “Let’s get over with it and go back to our normal life” mood.

That’s fine. But we will not wake up to a rosy day Monday after Sept. 12.

All the animosity, groupings, polarization and atmosphere of no dialogue will suddenly disappear?

Frankly, I have no hope.

Pessimism is what we see if we look through the referendum window.

But if we look at the other side of the medallion, we see an image of Turkey which leaves its mark on worldwide success in the economy and which makes foreign investors happy.

I saw this at the International Home Electronics Fair, or IFA, in Berlin.

BSH (Bosch-Siemens) grabbed attention at the fair with “green products.” BSH Turkey CEO Norbert Klein and global CEO Kurt Ludwig Gutberlet drew a picture of Turkey that is enough to remove pessimism caused by the referendum.

Klein praised productivity and quality in the white goods facilities in which the company has invested 700 million euros over a decade. BSH bought a factory from Profilo in Çerkezköy.

To be Europe’s leader

Klein said 45 percent of the production in Çerkezköy targets the domestic market and 55 percent targets foreign markets. “Most refrigerators or washing machines sold in Germany today are produced in Turkey.”

Over half of the products in the Çerkezköy facilities are being exported. Is this not something Turkey should be proud of?

The production capacity of BSH in Çerkezköy facilities stands at 3.5 million items already.

In the next five years, it’ll increase to 5 million.

And that means more exports.

Gutnerlet, whom I had a chance to talk with at the fair, is more optimistic about Turkey.

“In the upcoming years Turkey might steal leadership from Italy in the white goods sector in Europe,” he says.

Being a leader in white goods production in Europe, is this not important?

Another reason foreign investors like Bosch-Siemens are happy in Turkey is this:

They are earmarking more for research and development.

According to Gutberlet, the Çerkezköy facilities might be turn into an R&D center soon.

The number of R&D engineers at the facility is 80. Who will benefit if this figure is doubled?

Of course Turkey will – it’ll have more R&D experts.

If we manage to save ourselves from heated debates over the referendum and if we could look at Turkey through the eye of others who see from a different perspective, perhaps this could be better for all of us.

The spirit of ‘no’

Tuesday, September 7, 2010

CÜNEYT ÜLSEVER

HURRIYAT

Democracy is not at all a perfect government system. In fact, no system is perfect. Democracy is only a regime with the least amount of errors and deficiencies among political regimes in history.

Even the most developed democracies still have an abundance of problems which haven't be solved yet. One of the main troubles of democracy is that a government granted with the authority by the people can delude this power although it is able to remove the power of a single administrator and transfer it to the willpower of the people.

Power degenerates! Absolute power degenerates absolutely!

The rule of law concept was introduced to minimize the possible contradiction of people's choice, the negligence of minority rights and tyranny against the minority after winning their votes.

The rule of law limits authority of a government having parliamentary majority, in order for the government not to have the power to make laws, to administer the country at its own discretion.

For instance, U.S. Constitution, to the contrary of our Constitution, describes people's rights not the limits against a government and describes not the rights but the limits of a government.

Limits of a government!

Democracy guarantees the independence of powers giving body to the administration of a country, in order to defend the rule of law against the rule of a government.

However, flaws are unavoidable in practice.

In parliamentary democracies, the majority constitutes government; therefore, power of the executive body comes from the majority in the legislative body (Parliament).

Consequently, the leader of a political party having the majority becomes prime minister and controls both the executive and the legislative.

In our country, the rejection of a law by the legislative body is not considered if the executive wants to pass the law.

In order to protect the rule of law against a government which naturally and systematically controls both execution and legislation, protection of the judiciary is required.

At that point, we see the spirit of "no"!

However, we should underline how the judicial independence is understood in Turkey.

In our country which has suffered military tutelage for years, civilian bureaucracy under the wings of military bureaucracy has never hesitated to interpret independence of the judiciary as a separate power.

Judicial independence in Turkey at times transforms into a separate, alternative power against the power of executive and legislative bodies.

For instance, if the judiciary believes Parliament and government do not take national interests into consideration, it squashes privatizations, intervenes in public procurements in order to protect national interests.

The judiciary can resort to the "367 quorum madness."

The Constitutional Court is entitled to decide for "propriety" for laws passed in Parliament and can overrule after "political considerations."

And the final exam: No one wanted to hear Yekta Güngör Özden and the Liberal Democracy Party, or LDP, leader Cem Toker. However, we will not vote constitutional amendment text but the one amended and approved by the Constitutional Court! I am against independence of judiciary's emerging as an alternative power in its current state. However, in the light of the Democratic Party, or DP, experience during the period 1957-1960, I will discuss that constitutional amendments of the date are requested for not to solve this problem but to transform military tutelage into civilian tutelage.

Turkish lira is the rising star in the global foreign exchange market (1)

SSIM ERILEK

TODYS MN

The global foreign exchange (FX) market, as close as any market gets to perfect competition, not only provides the means of payment for international trade and investment by enabling currency conversions, but also helps to determine FX rates for floating currencies. Last Wednesday, the Basel-based Bank for International Settlements (BIS) released the preliminary results of its eighth Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity study. The survey helps us to track patterns of activity in the global financial system, whose linchpin is the FX market -- the largest financial market in the world with, as of April, an average daily turnover of over \$3,981 billion, eclipsing the second largest one, the market in US Treasury securities, which averaged \$456 billion in trades per day.

The survey is the product of the BIS coordinated participation of 53 central banks and monetary authorities. Based on market turnover data collected over a one-month period in April from 1,309 reporting banks and other FX dealers, it provides the broadest internationally consistent information on the size and structure of the global FX market. The weighted average coverage of FX markets in the reporting countries rose to 97 percent in 2010 from 96 percent in 2007.

Besides the global FX market turnover, which I will focus on, the BIS survey covers turnover in over-the-counter interest rate derivatives, i.e., forward rate agreements, interest rate swaps and interest rate options. In November, the BIS will publish the final results of the survey. Thirty-one of the 53 central banks and monetary authorities that participated in the survey have published their national results at the same time as the BIS global aggregate results, which are available on the BIS website, but the Turkish Central Bank has not done so yet. So, my review of Turkey's FX market activity will be limited to the brief, aggregated coverage of the BIS survey.

Global foreign exchange market turnover by instrument -- average daily turnover in April (in billions of \$)	Foreign exchange instruments	1996	2001	2004	2007	2010
	Spot transactions	567.81	386.21	631.13	1,004.89	1,490.21
Outright forwards	127.67	130.34	208.81	361.73	474.96	
Foreign exchange swaps	733.81	655.89	954.22	1,714.37	1,765.41	
Currency swaps	9.90	7.19	21.12	31.50	42.87	
Options and other products	87.48	59.68	119.13	211.75	207.41	
Total	1,526.66	1,239.31	1,934.41	3,324.24	3,980.86	

Since April 2007, FX market activity has become more global, with the share of cross-border transactions rising from 62 percent to 65 percent in April 2010. Its share has been rising steadily over local transactions during the last five surveys. This trend indicates a closer integration of local FX markets into the global FX market. The survey organizes FX transactions into three groupings: (1) "reporting dealers," which are mainly large

commercial and investment banks that actively and regularly buy and sell currencies on electronic dealing platforms such as Electronic Broking Services or Thomson Reuters for their own accounts or to meet large customer demand; (2) “other financial institutions,” which include non-reporting banks, hedge funds, pension funds, mutual funds, insurance companies and central banks that are not classified as reporting dealers; and (3) “non-financial customers,” which are defined as any other counterparty, mainly non-financial end users, such as corporations and governments. In April 2010, for the first time, the share of inter-dealer, i.e., interbank, transactions in total market activity fell below that between dealers and “other financial institutions,” whose transactions rose 42 percent over the April 2007-April 2010 period. The share of interbank trading in global FX market activity has been declining steadily from 63 percent in 1998 to only 39 percent in 2010.

According to the table provided, global FX market average daily turnover of \$3,981 billion, expressed in current exchange rates, was 20 percent higher in April 2010 than in April 2007. This was a much slower expansion compared to the 2004-2007 period, during which the turnover had increased by an unprecedented 72 percent. It is estimated that up to 96 percent of the total FX market average daily turnover is due to transactions in the wholesale market, with the retail market accounting for the remaining 4 percent. The share of the retail market is believed to have been rising, raising regulatory questions, especially about highly leveraged and risky trades by inexperienced and gullible small carry traders who try to exploit international interest rate differences without hedging against FX rate change risk.

Among the five types of FX instruments, spots transactions, involving the exchange of two currencies at a rate agreed on the date of the contract for delivery within two business days, rose by 48 percent during 2007-2010, at the fastest rate, accounting for 37 percent of total market turnover in 2010. The much faster expansion of spot transactions was driven primarily by “other financial institutions,” which accounted for 51 percent of all spot transactions in 2010, up from 39 percent in 2007. This trend has been attributed to the rising share of controversial algorithmic trading, which uses computer programs to determine the timing, price or quantity of trading order without direct human involvement.

FX swaps remained, without much change, the most actively traded FX instrument, at over \$1.76 billion in 2010, with up to seven-day FX swaps accounting for 74 percent of the total figure. In an FX swap, two currencies are exchanged on a specific date at an agreed rate (short leg), with a reverse exchange of the same two currencies at a later date at an agreed rate (long leg), the terms of which are determined by a contract at the outset. Banks use FX swaps to raise funds across currency markets. During the 2007-2009 global financial crisis the FX swap market suffered from serious disruptions.

In tomorrow’s column, I will conclude the discussion of the major findings of the BIS survey and emphasize the phenomenal rise of the Turkish lira in the global FX market.

06 September 2010, Monday

TODYS MN

Turkey is now ‘little America’

ERGUN BSSBSSHN

US President Barack Obama is up to something that his predecessors worked hard to accomplish but failed to succeed at in the end: resolving the Israeli-Palestinian peace process.

But, based on the players who will be participating in the peace process, we don't see many reasons to be optimistic about this round. First, let us look at the social legitimacy of all the participants.

President Obama is experiencing the negative effects of a crisis that is considered the worst since the Great Depression. Unless something miraculous happens, he will suffer a great defeat in the mid-term elections slated for November. His popularity has also decreased drastically.

Israeli Prime Minister Benjamin Netanyahu is leading a ragtag government that is producing all sorts of cacophony and is not likely to sing the same tune about as critical an issue as peace.

Palestinian President Mahmoud Abbas is representing a fragmented nation, and what he alone represents is dubious.

Egyptian President Hosni Mubarak is a dictator whose health problems are worsening each day. Who will replace him is unknown, and no one can argue that he has any credibility with his own people. The same applies to the king of Jordan, Abdullah II bin al-Hussein. In other words, it is a mission impossible to secure peace through the efforts of the two leaders who are maimed by a lack of full democratic support -- Obama and Netanyahu -- and the three leaders who suffer from problems of legitimacy -- Abbas, Mubarak and King Abdullah.

Hamas, democratically elected to office, is not attending the summit and is doing everything it can to derail the talks.

This is where America's dilemma lies. As democracy improves in the region, anti-Israeli and anti-US sentiments surge. Moreover, Washington is experiencing difficulties in influencing democratically elected governments. The recent silent crisis between Turkey and the US is proof of this. In the past when its democratic standards were low, Turkey's foreign policy was nothing but a loyal imitation of US foreign policy. As its democratic standards improved and the views and perceptions of the general public were taken into account, this changed. Turkey's perspectives on the issues and its solutions have been differentiated from those of Washington. This was particularly pronounced with respect to the sanctions against Iran.

In other words, we can assert that as democracy and democratic practices become more widespread in the Middle East, things will be harder for the US and Israel. Thus, each step toward increased democracy in the region means anti-Israel and anti-American governments coming to power. For the time being, these governments may exhibit Islamism as their driving force, but we can safely maintain that their anti-American character will not change even if leftist or nationalist parties ascend to power. This is because the people of the Middle East blame Washington for the situation in the region. The unconditional support lent by US governments to Israel further reinforces this perception.

This is also the reason why Turkish Prime Minister Recep Tayyip Erdoğan is regarded as the most respected leader in the Middle East. Opposing US and Israeli policies in the region, Erdoğan has become popular among the people. This policy has incredibly

boosted Turkey's soft power in the area. Celal Bayar, a former Turkish president, had once said, "Turkey will become a little America."

Given its relations with other countries in the region, we see that his vision is being fulfilled. Turkey is a center of attraction for other regional countries. Turkish TV series are being watched by Turkey's neighbors, the actors of these series are treated like Hollywood stars and almost every country in the region dreams of becoming like Turkey one day. Its democracy is revving up Turkey's power. This perception is further sweetening the appeal of democracy in the region.

The US and Israel should prepare themselves for this situation. As democratic regimes multiply in the region, Israel's isolation will become worse. This is because no Muslim government whose legitimacy relies on popular support can afford to be close to an Israel that insists on maintaining its current policies. Therefore, even if Israel may today be regarded as strong and invincible, it can be argued that time is working against it.

Alternatively, it can be said that talks in Washington cannot lead to any serious outcome, and even if it can, it will not have any significance.

Turkey's democratic stance managed to pressure Israel into taking a step back on its aggressive policy in Palestine. If Abbas, who commands questionable popular support, signs a peace agreement that entails concessions, this will lead to his own end. If Obama had really wanted to obtain positive and significant results, he should have ensured Turkey's participation in negotiations. In this way, Ankara could make sure that Hamas' views could be brought to the table.

It is not realistic to expect that talks between leaders who lack public support will produce peace. Also, it should be realized that failure to secure peace will seriously threaten Israel's existence in the long run. This will become clearer as democratic principles become entrenched.

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