

Turkey dismisses Russia's charges over breaking aviation treaty

Hurriyet Daily News, 04.02.2016



The Turkish Foreign Ministry has dismissed accusations from the Russian Defense Ministry, which accused Ankara of breaching the Open Skies Treaty by refusing to allow a reconnaissance plane to fly over Turkish territory near Syria.

According to an implementation conducted since 2006 under the Treaty on Open Skies, Turkey conducts observation flights over Russian airspace approximately four times a year, while Russia conducts observation flights over Turkish airspace approximately twice a year. In line with the 2016 plans, a Russian An-30B aircraft was due to conduct a surveillance flight over Turkish territory on Feb. 1-5.

And Turkish officials will also be on board during the flight, the Turkish General Staff had stated in a statement. "Observation flights are performed when the observing Party and the observed Party reach agreement on the mission plan. In the case of the observation flight requested by the Russian Federation for Feb. 2-5, 2016, an agreement could not be reached on the mission plan and the flight has thus not been conducted," the Turkish Foreign Ministry stated.

"The limitations imposed by the Russian Federation on observation flights over its own territory are already known by all States Parties to the said Treaty. On the other hand, the observation flight of the Russian Federation in Turkey in December 2015 was conducted on the basis of mission plan changes as suggested by Turkey," said Foreign Ministry spokesperson Tanju Bilgiç in response to a reporter's question.

The Russian Defense Ministry had stated that Turkey's refusal to allow a reconnaissance plane to fly over its territory near Syria constitutes a violation of the Treaty. "This creates a dangerous precedent over a lack of control of the military activity of a member state of the Open Skies Treaty," the Russian Defense Ministry said.

The Russian plane's itinerary for Feb. 1-5 was transmitted to the Turkish army in advance but authorization was refused, with the Ankara authorities claiming to have never received the request, it added.

Relations between Ankara and Moscow are at their tensest since the end of the Cold War after the downing of a Russian warplane on Turkey's border with Syria on Nov. 24 over airspace violations. The incident further stoked tensions between the two countries, which support opposite sides in Syria's war. In a separate statement, Turkish Foreign Ministry spokesperson Bilgiç also responded to Russian Foreign Minister Sergei Lavrov's remarks that Turkey did not warn Russia that another Russian SU-34 jet violated Turkish air space.

Moscow was assuming a familiar policy of “distorting” the issue, Bilgiç said, stressing that Ankara informed the Russian ambassador of the violation. “In any case, we persist with our calm stance, which we have displayed since the beginning of the problem, despite the defamation campaign and provocations conducted by Moscow against our country since Nov. 24. On this occasion, we again repeat our call for resolving the current tension through dialogue,” he added.

Turkey to send back envoy to Vatican after ‘rewording’ on 1915 incidents

Anadolu Agency, 29.01.2016



Turkey has announced a decision to return its ambassador, Mehmet Paçacı, after withdrawing him in protest at Pope Francis’ description of the killings of Anatolian Armenians during WWI as “the first genocide of the 20th century.”

In the statement, the Vatican appreciated Turkey’s 2005 proposal to Armenia to establish a commission to investigate the 1915 killings of Anatolian Armenians during the Ottoman era while also denouncing violence in reference to the 1977 killing of Turkish Ambassador to the Vatican Taha Carım, who was assassinated by ASALA, the Turkish Foreign Ministry said.

“Within this framework, a decision has been made to return our Vatican ambassador, Mehmet Paçacı, who has been in the headquarters for consultations since a mass held in Saint Peter’s Basilica on April 12, 2015, to his office,” said the statement, which came in the form of an answer to a journalist’s question concerning the Vatican Press Office’s statement. Turkey says it shares the pain of Armenians over the events but has vehemently rejected the use of the term genocide, contending that hundreds of thousands of Muslims and Christians were killed on both sides in a wartime tragedy. Pope Francis sparked a diplomatic row in April 2015, calling the massacre of up to 1.5 million Armenians 100 years ago “the first genocide of the 20th century.”

In its statement paving the way for Ankara’s move, the Vatican announced that Rinaldo Marmara, the spokesperson for the Episcopal Conference of Turkey, presented to Pope Francis a copy of his book “La Squadra Pontificia ai Dardanelli 1657 / İlk Çanakkale Zaferi 1657” (“First Gallipoli Victory 1657”) at the conclusion of the General Audience.

“The book, notwithstanding the painful memories of history, illustrates the importance of scholarly research and opening up archives to historical investigation in the service of truth and building bridges of cooperation and mutual understanding. In light of this, the repeated commitment of Turkey to make its archives available to historians and researchers of interested parties in order to arrive jointly at a better understanding of historical events and the pain and suffering endured by all parties, regardless of their religious or ethnic identity, caught up in war and conflict, including the tragic events of 1915, is noted and appreciated.

The painful events of history should not be forgotten; instead they require careful examination and reflection so that they may lead to the healing and purification of memory so necessary for reconciliation and forgiveness for individuals and peoples, as St. John Paul II affirmed," the Vatican said.

"The memory of the suffering and pain of both the distant and the more recent past, as in the case of the assassination of Taha Carım, ambassador of Turkey to the Holy See, in June 1977, at the hands of a terrorist group, urges us also to acknowledge the suffering of the present and to condemn all acts of violence and terrorism, which continue to cause victims today," the Vatican also said.

Anka carries out first missionary flight

Anadolu Agency, 04.02.2016



Anka, an unmanned aerial vehicle developed by the Turkish Aerospace Industries (TAI), carried out its debut missionary flight in the eastern province of Elazığ. Taking off from Elazığ Airport, Anka ("Phoenix" in English) ascended to an altitude of 19,000 feet to carry out a four-hour exploration and observation flight.

Designed and developed by TAI, Anka is a medium-altitude, long-endurance (MALE) drone. It has initially been deployed in Elazığ due to the current strategic needs of the Turkish General Staff, said Deputy Defense Minister Şuay Alpay at the launch of the Anka's first flight.

"We are currently doing a very critical thing, struggling against terror," Alpay said. "Our struggle will continue with determination until the last terrorist leaves this country and the weapons are taken from [the terrorists]. All elements of the defense industry will support and strengthen this struggle," he added.

Work on the Anka dates back to December 2004, and in 2013 the Turkish government signed a deal with TAI for an order of 10 Ankas and ground stations. In 2014, military and defense officials moved ahead with a plan to add satcom capabilities to the Anka, while also bringing together a task force that would design and develop an indigenous engine for the drone.

The Anka's debut flight was controlled and observed from the ground control center by Turkish Armed Forces Foundation General Manager Orhan Akbaş, TAI Chairman Nejat Bilgin, rocket developer Roketsan Chairman Emin Alpman, and domestic defense firm Havelsan Chairman Yüksel Öztekin.

Turkey looks to more than double trade with Latin America, Iran

Reuters, 02.02.2016



Turkey aims to boost trade with Latin America more than two-fold by 2023, in a bid to diversify away from its traditional export markets in the troubled economies of Europe and the Middle East, Economy Minister Mustafa Elitaş said.

The minister spoke to Reuters in the Chilean capital while accompanying President Recep Tayyip Erdoğan and a large business delegation on a tour of the region that will also include visits to Peru and Ecuador. “Bilateral trade with Latin America currently stands at a little over \$8 billion ... for 2023 which is our Republic’s 100-year anniversary, we want to reach \$20 billion,” Elitaş said in an interview.

Citing the advantages of having a free trade agreement with Chile that aims to yield \$1 billion in bilateral trade this year, Elitaş said Turkey will ask Peru and Ecuador to “speed up” the finalization of bilateral free trade agreements.

Elitaş saw Turkey benefiting from the emergence of neighboring Iran from years of economic isolation as world powers lift crippling sanctions in return for the Islamic Republic’s compliance with a deal to curb its nuclear ambitions.

“Turkey will be one of the countries that benefits the most,” Elitaş said, adding that Turkey-Iran trade reached \$22 billion in 2012 before the steep slide in oil prices pushed that figure down to \$14 billion last year. “Our objective is to reach \$30 billion (in trade) with Iran by 2023,” Elitaş said.

Asked if Turkey would now have to compete with Iran in order to attract foreign investment from Europe and elsewhere, Elitaş said Tehran was not a rival. “Turkey is the most democratic country in the region and foreign investments will go to democratic nations, to countries that can guarantee those investments,” said Elitaş. “If Iran advances with its economy then they could become a rival.”

Turkey’s Deputy Prime Minister Mehmet Şimşek, in charge of the economy, has said battling inflation will be this year’s main challenge. But a sharp rise in the minimum wage, hikes in electricity prices and taxes, and President Erdoğan’s preference for low interest rates to boost growth were all obstacles. Elitaş also said Turkey should avoid excessive increases in interest rates.

“It’s important not to hike interest rates too much ... this does not create an environment that is conducive to investments ... currently interest rates in Turkey are not low, in fact they are high,” said Elitaş.

Turkey's EU minister heads to Paris, Brussels for official meetings

Hurriyet Daily News, 31.01.2016



Turkey's EU minister and its chief negotiator with the bloc, Volkan Bozkır, will be holding official meetings in Paris and Brussels between Feb. 3 and 5, the EU Ministry has said.

In Paris, the minister is scheduled to meet with French Secretary of State for European Affairs Harlem Desir in a working lunch, as well as members and chiefs of France's foreign affairs ministry and EU commission. Bozkır will also give an address to French deputies. Following his day-time meeting, Bozkır will join French businessmen at a dinner hosted by Turkey's ambassador to France, while Desir is also expected to be in attendance.

After his visit to Paris, Bozkır is scheduled to visit Brussels to meet with European Commissioner for Euro and Social Dialogue Valdis Dombrovskis and European Commissioner for International Cooperation and Development Neven Mimica. Bozkır will also get together with Turkish citizens living in Belgium at a meeting organized by the Belgian branch of the Union of European Turkish Democrats (UETD).

Turkey says Russia will 'face consequences' if airspace violations continue

Hurriyet Daily News, 01.02.2016



Turkish Foreign Minister Mevlüt Çavuşoğlu has said Russia will "face the consequences" if it continues to violate Turkey's airspace, two days after Ankara declared that Russia had again violated its airspace despite multiple warnings.

"We summoned the [Russian] Ambassador [to Ankara, Andrei Karlov] to our ministry and protested the act. We clearly told him, 'If there are similar violations again you will have to face the consequences,' because we previously communicated our rules of engagement to Russia," said Çavuşoğlu in Riyadh, with Adel al-Jubeir.



Turkey said a Russian warfighter violated Turkish airspace, despite the pilot being repeatedly warned in Russian and English. The incident comes almost two months after Turkey shot down another Russian aircraft because of an airspace violation.

NATO and the United States confirmed the latest violation, with NATO Secretary-General Jens Stoltenberg immediately urging Russia not to escalate tension by continuing its airspace violations. Çavuşoğlu said the breach was also determined by the NATO center in Spain, recalling Stoltenberg's statement on the issue.

Russia has denied that it violated Turkey's airspace, just as it denied the violation on Nov. 24, 2015, which led to Turkey's downing of the Russian jet and the death of two pilots. That incident sent relations between Ankara and Moscow on a downward spiral and led to Russia announcing a raft of economic sanctions against Turkey.

Russian Defense Ministry spokesman Maj. Gen. Igor Konashenkov denied that there was any violation of Turkey's airspace and called Turkish statements "unsubstantiated propaganda." His statement was carried by state news agencies Tass and RIA Novosti.

Çavuşoğlu said this denial was a "typical attitude" of Russia lately and all details of the breach had been shared with Russia. "We not only see Russia as a neighbor. We also see them as an important partner. We want to normalize our relations [with Russia] but one-sided steps are not enough for this to happen," he added.

Turkish Prime Minister Ahmet Davutoğlu also said Russia "could never cover up a violation of Turkey's airspace," as the intrusion was detected on both Turkish and NATO radar. "As no country in the world is isolated, it is impossible to hide a violation of airspace that actually occurred or make one that never occurred look like it actually did," Davutoğlu said in a news conference at Saudi Arabia's Royal Palace in Riyadh.

"Russia cannot [cover up] the violations it committed on any grounds," he added. The U.S. also called on Russia to respect Turkey's airspace. "The United States joins NATO in standing in solidarity with Turkey and we call on Russia to respect Turkish airspace and cease activities that risk further heightening instability in the region," Pentagon spokesman Mark Wright said.

Meanwhile, Foreign Minister Çavuşoğlu said he hoped Russia would adopt a "more positive manner" in favor of a political transformation of Syria, adding that it should target the Islamic State of Iraq and the Levant (ISIL) in Syria rather than the opposition forces. Russia is a staunch supporter of Syrian President Bashar al-Assad and forces loyal to him.

Turkey, US ‘indispensable allies’, says PM aide

Anadolu Agency, 04.02.2016



The Turkish-American partnership provides the only force that can bring forth sustainable solutions for the broader region, a senior aide to the Turkish prime minister said.

Ali Sarikaya, who is also the chairman of the Turkey-U.S. Inter-Parliamentary Friendship Group, wrote in an opinion piece published by The Hill news website that the region was at a “critical juncture” shaped with “a toxic blend of state failure and human insecurity” and “only Washington and Ankara have the means and capabilities, coupled with the requisite political will, to bring forward sustainable solutions”.

“The global challenges we face today represent a significant threat to our values, institutions and to human life throughout the world”, he said. These challenges are “fueled by the desperate survival strategies of autocratic regimes, compounded by a mix of regional rivalries, sectarianism and trans-regional intrusions”.

The Syrian regime and Daesh are the two main factions that derive most advantage from this instability, Sarikaya said, adding that some regional powers joined “these dark forces to punish the Syrian people, paying lip service to the idea of peace and diplomacy in the process.”

Syria’s civil war, which began in March 2011 when the regime of President Bashar al-Assad responded to anti-government protests with a violent crackdown, has left more than 250,000 people dead, according to UN figures, and created conditions that have allowed Daesh to gain a foothold in the region.

The increasingly complicated conflict also pitted world and regional powers supporting opposite sides against each other, with Russia and Iran actively backing the regime while Turkey, U.S., Saudi Arabia and others insisting that Assad must leave office.

According to Sarikaya, a revitalization of Turkey-U.S. relations, together with Turkey’s recent rapprochement with the EU, “provides renewed hope for addressing the fight against terrorism”. “The Turkish-U.S. alliance is reliant on our respective capabilities guiding the long-term partnership.

In this sense, we support the unwavering U.S. commitment for comprehensive regional security without discrimination against any regional actor”, Sarikaya said. “Turkey’s case is clear. We back legitimate governments with popular support, committed to peace processes. We will not let opportunism undermine the political map of the region in the form of a ‘greater’ Sunnistan, Shiistan or Kurdistan. We will, in cooperation with our U.S. allies, continue to uphold the territorial integrity of Syria and Iraq”, he said.

Sarikaya said Turkey's alliance with the U.S. constitute a fundamental basis for advancing stability in the broader region. "Harnesses together, robust U.S. leadership and Turkey's constructive role towards the many conflicts and crises in our vicinity provides us with the right combination for a way out of the current chaos that confronts the Euro-Atlantic region as a whole", he added.

Noting that Vice President Joe Biden's recent visit to Turkey is indicative of the "indispensable nature" of the U.S.-Turkish alliance, he added, "By virtue of this visit, Turkey and the U.S. were able to discuss ways of making the fight against Daesh more effective through concrete joint steps, while also enhancing our cooperation with regard combating terrorism in Iraq."

During his trip to Turkey, the American Vice President met with Turkish President Recep Tayyip Erdogan behind closed doors and discussed ongoing hostilities with the PKK, bilateral relations and regional issues including Syria and Iraq.

Europe's increasing importance for Turkey

Journal of Turkish Weekly, 05.02.2016



After a long period of silence and apathy, Turkey-EU relations have entered a new phase following the bilateral summit on November 29. For Europe, Turkey's importance has made a strong come back as an outcome of unprecedented number of refugees flocked into the European countries.

The EU is now trying to take new measures to stem flow of migrants and Turkey has a particular place in this regard. On the other side of the coin, Europe's importance for Turkey is on the rise for economic and geopolitical reasons as well. From an economic perspective, the significance of European markets is likely to become more central than the last decade.

Turkish government declared the revised Medium-Term Program (MTP) a few months ago. The MTP presents a macro framework for economic reforms and policies that would be carried out during 2016-2018. Yet this comes as the Turkish economy is expected to face considerable challenges in the post-2015 term. The economy has grown by just 3.2 percent between 2008 and 2014, whereas it had once grown by 6.8 percent between 2002 and 2007.

In the post-2015, Turkey needs to grow more rapidly; however, regional and global conditions are not likely to play a facilitating role. As a result of the spectacular collapse of state structures in the Middle East and North Africa after 2011, market opportunities in the region are rapidly shrinking. Turkey's trade with the region, for instance, fell to \$55.8 billion in 2014 from \$64 billion in 2012. According to the figures from January-November 2015, Turkey's imports from the region declined by 34 percent while its exports declined by 10 percent.



The crisis erupted with Russia after the downing of Russian jet due to its violation of Turkish airspace is also likely to deteriorate regional economic balances. The disappearance of Turkey's markets in its nearby has led it to seek alternatives. In this context, western markets have once again come to prominence, and the Prime Minister's recent meetings in both Great Britain and Davos were conducted with this changing geo-economics in mind.

Similarly, Europe is also important for attracting investors. Foreign direct investment in Turkey, which amounted to around \$20 billion before the global financial crisis, fell below \$15 billion per annum in the post-crisis period. Moreover, within the first eleven months of 2015, portfolio investments decreased by \$15 billion year-on-year. Considering that emerging economies are losing their attractiveness as the Fed raises interest rates, it shall become more critical than the past for Turkey to attract foreign investors.

From a geopolitical perspective as well, Europe's importance is on the rise for Turkey. In fact, we have recently witnessed the return of geopolitics in Turkey-EU relations: the wave of migration stemming from the Syrian civil war, and Europe's failure to cope therewith, has pushed bilateral cooperation to center stage. Thus, the geopolitics of Turkey has once again become a key variable to be considered by European politicians. However, there are significant problems that stand in the way of full cooperation between the parties in resolving the refugee issue.

First, Europe does not have a coherent policy mix to tackle the acute crisis. Merkel, who is pursuing a milder approach and insisting on close cooperation with Turkey, is facing growing pressure and isolation both in Germany and all across Europe. Several EU countries that have opposed the fair distribution of refugees by means of compulsory quotas have brought the reinstatement of border controls back onto the European agenda.

Second, the design of the Turkey-EU Joint Action Plan requires the careful maintenance of a delicate balance. According to the plan, it is expected that Turkey would pursue a tighter border control to stem the influx of refugees to Europe while also exerting a more concerted effort to better integrate Syrian refugees in to Turkish labor market. It is also expected that Turkey would fulfill the provisions of the readmission agreement, and therewith gain access to 'visa-free Europe' as of November 2016.

The devil is in the detail, however: before Turkey is offered 'visa-free Europe,' it must fulfill the detailed requirements and conditions of the readmission agreement, which should later be confirmed by the EU members. For obvious reasons, it will not be politically easy for many European countries to make the decision to grant Turkish citizens visa-free travel within the Schengen zone.

Thus, the two parties will need to exert a great amount of effort to actualize both the readmission agreement and the target of 'visa-free Europe.' If this process is not carried out with the utmost sensitivity, relations might risk falling into a new vicious cycle.

In such a case, as a product of the action plan's dysfunctionality, the EU could come to criticize Turkey for not fulfilling the conditions of the readmission agreement. Turkish side could then counter that the EU is not willing to fulfill its commitment to allow Turkey access to 'visa-free Europe' and is therefore failing to heed the principle of *pacta sunt servanda*.

The parties therefore must work hard to reconstitute the mutual trust and promote an institutional framework that ensures their adherence to the roadmap. In this sense, the continuation of Turkey's EU accession process and the opening of new negotiation chapters and the activation of the EU anchor by accelerating the reform process of Turkey are crucial.

Making progress on the political problems that have hampered the negotiations up until now, especially the Cyprus problem, stands out as a fundamental prerequisite for the establishment of a new equilibrium in this direction.

In conclusion, Europe has once again come to prominence on Turkey's political and economic agenda. As the global economic balances shift against developing countries and the economic consequences of the state failures in Turkey's surrounding geography is now the new normal, western markets have become all the more attractive for Turkey.

Meanwhile, regional instability, the refugee crisis, and an increasing wave of terrorism also necessitate deepened cooperation between Turkey and the EU. It obviously depends on the political elites on both sides whether to invest in bilateral relations or not.

EU-Turkey visa-free regime can be introduced in 2016

Azernews, 04.02.2016



A decision about the introduction of EU-Turkey visa-free regime is political, hence there is not guarantee of its happening in 2016, Amanda Paul, the analyst at the European Policy Centre (EPC), said.

“Unfortunately giving visa liberalisation to Turkey will probably not be a popular issue with public opinion in Europe particularly at a time when the EU is dealing with the biggest migration crisis since the end of the second world war,” she told Trend. Amanda Paul said that Turkey not meeting certain criteria in order to obtain visa liberalisation could also be an issue.

The expert recalled that Turkey was actually promised a visa free regime decades ago when it signed its Association Agreement with the EU in 1963. She said that it has been a thorn in relations between Turkey and EU for a long time.

“Turkey has seen many countries, including from Central and Eastern Europe, but more recently from the Western Balkans receive visa liberalisation while Turks have still had to line up outside embassy's,” she said. “Hence it was crucial that the EU delivered on its commitment.” The expert recalled that the negotiations for a visa free regime began in 2013 but they have been speeded up in the refugee crisis and the key role Turkey has in helping control the flow of migrants to Europe.

“October 2016 was mentioned as possible date for visa liberalisation which is good news although it will be dependent on Turkey fulfilling all criteria,” she said. Earlier, President of the European Commission Jean-Claude Juncker said that the EU may introduce a visa-free regime with Turkey in the autumn of 2016, assuming Ankara implements all the necessary requirements.

Earlier, Turkish Prime Minister Ahmet Davutoglu said that the first report will be published in March as part of the visa liberalization. Turkey will start implementing the readmission agreement in June 2016.

Currently, Turkey is hosting more than two million Syrian refugees on its territory. The Syrian refugee camps in the country accommodate about 300,000 people. The rest of them are spread across the provinces and cities of Turkey. In Istanbul alone, there are currently 40,000 refugees from Syria. Ankara has so far spent \$8 billion to upkeep the Syrian refugees.

Turkish businesses want to rebuild Gaza for \$5 billion

Hurriyet Daily News, 04.02.2016



A team from the TOBB has spoken about a \$5-billion Turkish plan prepared by the Center for Multilateral Trade Studies at the Economic Policy Research Foundation of Turkey (TEPAV) to rebuild Gaza City, after a series of meetings with officials from both Israel and Palestine.

“As the Turkish business world, we can fulfill this work,” said TOBB chairman Rifat Hisarcıklioglu, who headed the group. TEPAV Executive Director Güven Sak and his team were also part of the group, which had several talks on the reconstruction of Gaza, which is under even worse conditions after an Israeli military operation in 2014.

TEPAV has marked that Gaza would not be “livable” as of 2020 and launched an urban development project with academics from Ankara’s Middle East Technical University (ODTÜ). Some 50 countries had promised some \$5.4 billion in aid for Gaza in 2014 but only a small portion of that financing has been utilized since then.

“There is more than \$5 billion promised but only some 20 percent of this has been used,” Sak said. “We made a strategic plan. A Gaza port will be one of the most important projects in this plan.” The group plans to start international design contests for Gaza and ask Gazans about their ideas for a “new Gaza.” “Turkish contractors will be an important part of this project,” Sak said. “Our contractors are materializing world-class works,” added Hisarcıklioglu. “They rank second in the world,” he added. “The Turkish private sector was in Afghanistan, in Libya, everywhere. Why shouldn’t we have confidence and do this work too?” he asked. The group met with Palestinian Prime Minister Rami Hamdallah and Economy Minister Abeer Odeh, along with Israeli officials.

The group also met with Palestinian Construction Minister Mufid Al Hasayne, Hamas officials and the Gaza Chamber of Commerce. Israel had given permission to the Turkish team to visit Gaza, a sign of improving relations between Israel and Turkey."It is not possible to go to Gaza without the permission of Israel," Hisarcıklioğlu said after the meeting. "But we did this. This is an indicator that the tensions between Turkey and Israel are easing."

Israeli Prime Minister Benjamin Netanyahu expressed his hope toward the normalization of relations with Turkey, saying they were in talks with Turkey to restore ties. Speaking to Turkey's state-run Anadolu Agency on the side lines of World Economic Forum meetings in the Swiss resort of Davos, Netanyahu had said, "We are talking to them [Turkish officials], and they are talking to us and if we succeed, that will be good for both countries."

Relations with Israel have been tense since May 31, 2010, when Israeli forces raided a Gaza-bound flotilla of mainly Turkish activists, killing 10 people aboard the Mavi Marmara, the largest of the six vessels in the flotilla. More than five years later, Turkey and Israel have begun talks to normalize relations, Turkish diplomatic sources confirmed by the end of last year.

"Our entry here also shows that the embargo is also easing. I could only enter Gaza 10 years after my previous visit. Such a project can be operative if all sides agree. However recent indicators are positive," the TOBB chair said. Some 1.8 million people live in Gaza, while the study projects that the population will rise to 2.1 million as of 2020. The 2014 military operation left some 190,000 people in Gaza without access to electricity.

Youth unemployment in Gaza stands at 67 percent, the highest in the world according to the World Bank. Some 48 percent of the population is under 30. Some 50 percent of the industry facilities have been closed. TEPAV projects that the city will completely lack fresh water by 2020.

World Bank: Economic effect of Syrian war at \$35 bn

AFP, 05.02.2016



The devastating economic impact of the war in Syria and its spillover into nearby countries stands at \$35 billion and climbing, the World Bank said.

The estimate, included in a quarterly World Bank report on the Middle East and North Africa, was released that world leaders in London pledged more than \$10 billion through 2020 to help the Syrians. Some 260,000 people have been killed in the five-year conflict, which has forced 4.6 million people to leave the country, according to UN figures. The Syrian war and its effect on Turkey, Lebanon, Jordan, Iraq, Egypt "have cost close to \$35 billion," the World Bank said.

The figure, measured in 2007 prices, is equivalent to Syria's 2007 GDP, the report said. The influx "of more than 630,000 Syrian refugees have cost Jordan over \$2.5 billion a year," the report said. "This amounts to six percent of GDP and one-fourth of government's annual revenues." All of Syria's neighbors "are facing tremendous budgetary pressure" because of the conflict, the report said.

"Unemployment is high among refugees, especially women and those who do work often work in the informal sector with no protection," said Shanta Devarajan, World Bank chief economist for the Middle East and North Africa. "About 92 percent of Syrian refugees in Lebanon have no work contract and more than half of them work on a seasonal, weekly or daily basis at low wages."

Iraq's top Shi'ite cleric suspends weekly political sermons

Reuters, 05.02.2016



Iraq's top Shi'ite cleric said he would no longer deliver regular weekly sermons about political affairs, which for years have been a source of guidance for Iraqi politicians and his millions of followers.

Grand Ayatollah Ali al-Sistani did not give a reason for suspending the sermons, which have lately focused on the government's battle against ISIL militants and anti-corruption efforts. "It has been decided not to continue this on a weekly basis at the present time, but only as demanded by events", Sistani's aide Ahmed al-Safi, said from the southern shrine city of Kerbala before reciting a prayer.

Sistani, a reclusive octogenarian, enjoys almost mythical status among millions of Shi'ite followers and wields authority that few Iraqi politicians would openly challenge. His political sermons have ranged over issues such as security, elections and the economy.

He called in June 2014 for Iraqis to take up arms against the Sunni ultra-hardline insurgents of ISIL after they seized nearly a third of the country's north and west. Tens of thousands of Shi'ites heeded the call. Sistani then endorsed the sidelining of former Prime Minister Nuri al-Maliki.

He called for an overhaul of Iraq's corrupt political system, emboldening Prime Minister Haider al-Abadi to launch a reform campaign which Sistani later criticised as slow and ineffective. A spokesman for Sistani's office was not immediately available to comment on the decision. A sermon two weeks ago expressed frustration at inaction in solving Iraq's myriad security, political and economic challenges. "All these issues have been repeated endlessly until our voices became sore," Sistani said at the time. A Friday sermon was also broadcast live on state television from the main mosque in Ramadi, the western capital retaken from ISIL insurgents about a month ago following a six-month siege.

Abdul Lateef al-Himayim, head of Iraq's government body overseeing Sunni religious sites, thanked the security services and urged displaced people to return to their homes. More than 3.3 million Iraqis have been displaced by the fighting, most of them Sunnis.

Government forces are still dismantling bombs left by ISIL in Ramadi, the capital of the predominately Sunni province of Anbar, and much of the city's buildings and infrastructure needs to be rebuilt. A few soldiers stood guard as security and local officials listened to the sermon inside the mosque, which was largely untouched by the fighting. Counter-terrorism forces, which spearheaded the recapture of the city, are still pursuing insurgents in a few northeastern districts.

West blames Russia for 'pause' in Syria peace talks

Hurriyet Daily News, 04.02.2016



Western countries have blamed Russian airstrikes in favor of Syrian President Bashar al-Assad's regime forces for a halt to United Nations-brokered Syria peace talks in Geneva.

The United States demanded that Russia immediately halt its bombing campaign in Syria after a bitter breakdown in peace talks exposed the deep rift between world powers aiming to end the five-year conflict. International donors met in London on the Syria crisis just hours after the peace talks in Geneva were suspended on Feb. 3 until Feb. 25, with U.N. Special Envoy for Syria Staffan de Mistura saying "more work" was needed.

American Secretary of State John Kerry warned Moscow to halt its bombing of the Syrian opposition in what he said was a "robust" phone call with his Russian counterpart, Sergei Lavrov, according to Agence France-Presse.

"We discussed, and we agreed, that we need to discuss how to implement the cease-fire," he said, adding that he and Lavrov would speak again later. The Russian Foreign Ministry said Kerry and Lavrov had agreed to do everything possible to make the break in peace talks "as short as possible."

French Foreign Minister Laurent Fabius accused Syria and Russia of "torpedoing the peace efforts" with an offensive. On the ground, nearly 40,000 people have fled an offensive this week by al-Assad's regime north of the city of Aleppo, according to the Syrian Observatory for Human Rights monitor.

Al-Assad's forces also entered two Shiite villages that were under siege by rebels, prompting what state news agency SANA called "mass celebrations" in the streets of Nubol and Zahraa, located in the northwestern Aleppo governorate.



U.N. Secretary-General Ban Ki-moon said the pause in the talks showed “just how deep, how difficult the divisions are.” Turkish Prime Minister Ahmet Davutoğlu said the reason the Geneva talks were paused was the continuation of bombardments against civilians, schools and hospitals in Latakia and elsewhere in Syria.

“There are two enemies of humanity today: the [Syrian President Bashar] al-Assad regime and the Daesh terror,” said Davutoğlu, using an acronym for the Islamic State of Iraq and the Levant (ISIL), according to state-run Anadolu Agency. “Those who are helping the al-Assad regime are committing the same war crimes,” he said. Davutoğlu also called for the U.S. to take a more decisive stance against Russia over its intervention in Syria.

The Geneva initiative aimed to coax both sides into six months of indirect “proximity talks” under a November 2015 roadmap, but there were problems from the start. The opposition High Negotiations Committee (HNC) arrived reluctantly and several days late, insisting on immediate steps to allow aid to get through to besieged cities, a halt to the bombardment of civilians and the release of thousands of prisoners.

The head of the Syrian government’s delegation Bashar Ja’afari accused the Saudi-backed opposition of wanting to withdraw from peace talks under pressure from regional powers, namely Saudi Arabia, Qatar and Turkey, and the United Nations of suspending the talks until Feb. 25 to avoid such a walk-out.

“We knew few hours ago the Riyadh [opposition] wanted to withdraw from the talks and that’s why Mr. de Mistura’s announcement came as a political coverage of the decision to withdraw,” Ja’afari said.

“We consider that the style used by the special envoy to justify the withdrawal of the Riyadh delegation under instructions from Saudi Arabia, Qatar and Turkey to not be subjective. It didn’t say the truth as it was,” he said, speaking before going into talks with de Mistura.

Meanwhile, the Britain-based Syrian Observatory for Human Rights said at least 21 civilians, including three children, were killed in Russian strikes on rebel-held districts of Aleppo. The observatory said the strikes on six neighborhoods of the northern city had also wounded many, and that the toll could rise.

Observatory director Rami Abdel Rahman said it was the first time his organization had been able to confirm Russian air strikes on the city of Aleppo since Moscow began its intervention on Sept. 30, 2015. Until now, Russian strikes had been concentrated on Aleppo province, he said.

Germany's Merkel says refugees must return home once war over

Reuters, 30.01.2016



Angela Merkel tried to placate the increasingly vocal critics of her open-door policy for refugees, insisting that asylum seekers would go home once the conflicts there had ended.

Merkel, despite appearing increasingly isolated over her policy, has resisted pressure from some conservatives to close Germany's borders. A record 1.1 million migrants arrived in Germany. But growing concern to cope and worries about crime and security after assaults on women are weighing on support for Merkel's CDU and its Bavarian sister party, the CSU.

Merkel said that despite efforts to integrate refugees and help them, it was important to stress that they had only been given permission to stay for a limited period of time. "We need ... to say to people that this is a temporary residential status and we expect that once there is peace in Syria again, once IS has been defeated in Iraq, that you go back to your home country with the knowledge that you have gained," she said at a meeting of CDU members in the state of Mecklenburg-Western Pomerania.

She said 70 percent of refugees that fled to Germany from the war in the former Yugoslavia in the 1990s had returned to their home countries. Her remarks come after Horst Seehofer, leader of the CSU, threatened to take her government to court if his demand to stem the flow of asylum seekers was not met.

Support for the right-wing Alternative for Germany (AfD) has edged up into double digits. Its leader said in an interview published that border guards should shoot at refugees to prevent them from illegally entering the country if need be.

Merkel has tried to convince other European countries to take in quotas of refugees, pushed for reception centers to be built on Europe's external borders, and led an EU campaign to try to convince Turkey to keep refugees from entering the bloc. But progress has been slow.

Germany wants to limit migration from North Africa by declaring Morocco, Algeria and Tunisia "safe countries", which would end their citizens' chance of being granted asylum. Merkel said she had spoken to Morocco's king and that Morocco had said it was prepared to take back people from that country.

Obama presents \$450 mn plan to fund Colombia peace

AFP, 05.02.2016



US President Barack Obama announced a \$450 million plan to fund Colombia's peace process, shaking up a controversial military aid program that defined relations for 15 years.

Hosting President Santos at the White House, Obama said as the country's 50-year conflict with leftist FARC guerrillas winds down it was time to rethink "Plan Colombia." "A country that was on the brink of collapse is now on the brink of peace," Obama said. A March 23 deadline has been set for the peace talks to conclude, designed to bring to an end a conflict which has displaced six million.

Over the last decade and a half, Plan Colombia caused billions of dollars' worth of military aid to flow to Colombia's security services, fortifying the state against well-armed and well-funded drug cartels and rebel groups, chief among them the FARC.

Hailed in Washington as a bipartisan success story, Plan Colombia was launched by president Bill Clinton and continued by his Republican successor George W. Bush. But the policy has also been fiercely criticized inside Colombia and by rights groups, who say it made internecine conflict bloodier and left a trail of abuses.

"For many Colombians directly affected by the conflict, Plan Colombia is shorthand for a war without quarter," said Gimena Sanchez of the Washington Office on Latin America, a non-profit group.

Under the newly styled "Peace Colombia," the White House said there would still be cash for the military and counternarcotics, but the focus would also be on demobilizing rebels, mine clearance, humanitarian assistance and funding truth and reconciliation efforts. "Just as the United States has been Colombia's partner in a time of war," Obama said, "We will be your partner in waging peace."

Once a virtual failed state, Colombia is increasingly seen as a pivotal player in Latin America and one of the region's most dynamic and democratic countries. "Today's Colombia is much, much different from the Colombia of 15 years ago," said Santos.

"Practically a third of our national territory was controlled by paramilitaries. Another third was being controlled by the guerrillas, and both were financed by drug trafficking. We had a very dark and uncertain future. "Today, we see the future with hope." Obama has made common cause with Santos on a range of issues from climate change to peacekeeping and the White House is betting a more peaceful Colombia could play a larger regional role.



Recasting Plan Colombia is just the latest move by Obama's administration to cast off policies borne of the Cold War era. Obama has also moved to normalize relations with Cuba, long a point of contention with the entire region.

Some are calling on the United States to go further, by examining the legacy of Plan Colombia and its own role in Colombia's long and dirty war. Virginia Bouvier of the US Institute of Peace said the US could help by declassifying documents and offering transparent information about events that haunted Colombia's past. "The US has collected lots of information that could be helpful to the Colombians in trying to sort out exactly what happened, including some violations during the war," she said.

"We call on other countries to search for the truth as a mechanism for assuring stability, justice and non-repetition of wars." She added: "The US has certainly made mistakes -- in wars there are no clean hands." But with long-standing allegations of collusion between US-backed leaders and right-wing militias, declassification is likely to be deeply contentious inside Obama's administration.

"We have had no requests nor have we had any discussion to release documents," said US envoy to the peace process, Bernard Aronson. "I suspect most of those are privileged and would not happen, but we'll have to wait and see what kind of requests are made."

Announcements & Reports

► *Should The 'Outs' Join The European Banking Union?*

Source : Bruegel
Weblink : <http://bruegel.org/2016/02/should-the-outs-join-the-european-banking-union/>

► *Analysis of Developments in EU Capital Flows in the Global Context*

Source : Bruegel
Weblink : <http://bruegel.org/2016/01/analysis-of-developments-in-eu-capital-flows-in-the-global-context-2/>

► *Asia-Pacific Rebalance 2025*

Source : CSIS
Weblink : <http://csis.org/publication/asia-pacific-rebalance-2025>

Upcoming Events

► *Central Banking After The Great Recession*

Date : 12 February 2015
Place : Brussels - Belgium
Website : <http://bruegel.org/events/monetary-policy-after-the-great-recession/>

► *The New Silk Road: What is in it For Europe*

Date : 12 February 2015
Place : Shanghai - China
Website : <http://bruegel.org/events/the-new-silk-road-what-is-in-it-for-europe/>

► *Competitive Gains in the Economic and Monetary Union*

Date : 13 February 2015
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/534-competitive-gains-in-the-economic-and-monetary-union/>

► *The Future of Capitalist Democracy: UK-Japan Perspectives*

Date : 14 February 2015
Place : London - UK
Website : <http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives>



► *Emerging Markets and Europe: Time for Different Relationships?*

Date : 16 February 2015
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships/>

► *What future for Europe's Social Models?*

Date : 24 February 2015
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/>

► *Challenges for Growth in Europe*

Date : 25 February 2015
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/>

► *Global Governance of Public Goods: Asian and European Perspectives*

Date : 25 February 2015
Place : Paris - France
Website : <http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives/>

► *The Future of the Welfare State*

Date : 27 February 2015
Place : Berlin - Germany
Website : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>