Politics & Economics Bulletin



EU happy with Turkey's work permit to refugees

Hurriyet Daily News, 03.03.2016

President of the European Council Tusk and First Vice-President of the European Commission Frans Timmermans pay tribute to the victims of an attack on military shuttles in the Turkish capital, which claimed 28 lives.

The president of the European Council, Tusk, said during a joint press conference with Turkish PM Davutoğlu that he welcomed Ankara's recent move to open its labor market to Syrian refugees. More than 2 million Syrians flocked to Turkey since the start of the civil war in Turkey and Tusk was in Ankara to fine-tune a deal between the EU, which is also facing a refugee problem, and Turkey on the flow.

The most important thing is to observe Syria ceasefire, but it was difficult to be optimistic given past experience, Tusk also said. Some powers are interested in using migrant crisis as political tool, he said, while responding to journalists. The Council head said he did not agree specific numbers with Turkey on reduction of migrant flow, adding that the final goal is elimination of illegal migration and smuggling into Europe.

It was up to Turkey to decide how best to reduce the flow of migrant, he said, adding that he agreed with Davutoğlu on need to implement a trust fund plan. Sending refugees back would break smugglers' business model, he also said. PM Davutoğlu, on his side, said it was wrong to leave the migration crisis on shoulders of Turkey and Greece alone.

A cease-fire in Syria would help cutting the number of new refugees from the war hit country, he said. However, the breaches of cease-fire by the regime and Russia leave the deal "very vulnerable," he said. Turkey abides by the joint migration action plan signed with the EU and will continue to fulfill it, he said.



Erdoğan: Turkey ready to help Nigeria fight terrorism

Anadolu Agency, 02.03.2016



Turkish President Erdoğan has said Turkey is ready to help Nigeria in its fight against terrorism. Addressing a joint press conference alongside his Nigerian counterpart Muhammadu Buhari at the State House in Abuja, Erdoğan said Turkey will help Nigeria bring peace in the region.

"As a country combating terrorism itself for a long time, any terror in Nigeria deeply hurts our hearts," the Turkish president said. Erdoğan also extended his condolences to the victims of terrorism in Nigeria. "There is evidence that terrorism is the same all over the world," Erdoğan said, adding: "Terrorism has no religion or nationality."

"We are ready to combat terrorism with Nigeria. We will like you to enjoy our experience in the field of defense," he added. The Turkish president also expressed his interest in boosting bilateral economic ties. He noted the growth of Nigerian economy in recent years and expressed Turkey's willingness to make further investments in Nigeria.

"We have been following Nigeria's economic growth closely. I am accompanied by a large number of businessmen...We hope to be able to obtain a positive outcome from this [Turkey-Nigeria business] forum [in Abuja]," he said. "The population of Turkey and Nigeria is about 260 million people... that is a very important market if we combine our forces," he added.

He also said that Turkey remains ready to share its experience and knowledge in the fields of irrigation and agriculture with Nigeria. "It will be a pleasure for me to host Buhari as soon as possible," Erdoğan said. The Turkish president also said the Grand National Assembly of Turkey will cooperate with the Nigerian parliament.



EU's Tusk to visit Ankara days before summit with Turkey

Dogan News Agency, 25.02.2016



European Council President Donald Tusk will pay a visit to the Turkish capital city of Ankara on March 3 to hold talks with Prime Minister Ahmet Davutoğlu, sources said.

European Council President Donald Tusk's visit to the Turkish capital city of Ankara will come only days before a scheduled special summit between the European Union and Turkey on the migration crisis. The European Union is relying on Turkey to help stem the flow of Syrians fleeing civil war, giving Ankara 3 billion euros (\$3.3 billion) to set up centers and resettle refugees, although progress in implementing the deal has been slow.

Pressure to enforce the plan is growing, as EU officials say thousands of migrants are still crossing the Aegean Sea daily from Turkey after more than 1 million made the perilous journey last year, the greatest such movement in the bloc's history.

A meeting of the leaders of 11 EU countries willing to join a voluntary resettlement for Syrians with Turkey, so-called "like-minded" countries led by Germany and Austria, had been planned to take place. However, Davutoğlu pulled out following a suicide bomb attack in Ankara on Feb. 17 which killed 29 people.



NATO's Aegean deal only half the battle, as Turkey, Greece set for thorny talks

Hurriyet Daily News, 29.02.2016



Despite the promising messages sent from NATO leaders, the bulk of negotiations in overcoming territorial sensitivities between Greece and Turkey on how their ships will help counter the criminal networks smuggling refugees into Europe across the Aegean Sea still lies ahead, with essential questions to be solved according to Turkish officials.

"The NAC in Permanent Session approved modalities of the activity to be conducted by NATO naval units with a view to supporting national and international efforts to cut the lines of human trafficking and illegal migration within the Aegean Sea," the Turkish Foreign Ministry said in a statement.

"Setting the modalities is only the first stage of a three-stage process," Turkish officials told Hürriyet Daily News. "A technical agreement has been provided so far. The second stage will take place next week [Feb. 29-March 6] and will concern outlining details on how to implement these principles, and the third stage will be implementation," the same officials, speaking under customary condition of anonymity, said.

The second stage involved the "drawing" of maps, which will be attended by military officials from the Turkish Naval Forces, the officials said. After late night talks in Brussels, Reuters news agency reported that NATO envoys had set out how ships already sent to the Aegean, including Turkish and Greek vessels, would pass on reconnaissance to the Turkish and Greek coastguards and to the European Union border agency, Frontex, as well as returning to Turkey any migrants NATO crews rescued.

"Greek and Turkish forces will not operate in each other's territorial waters and airspace," NATO Secretary-General Jens Stoltenberg said in a statement. Stoltenberg's remarks actually pointed to the core of the problem which is yet to be resolved, as the main issue is the lack of bilateral conformity between Athens and Ankara regarding boundaries of their territorial waters and airspace in the Aegean due to the peculiar geography of the Aegean Sea, where some Greek islands are lined up along Turkey's western coasts.

In 1995, the Turkish parliament declared any unilateral attempt by Greece to extend its territorial waters to 12 nautical miles from the current six miles as a casus belli, or reason to declare war. Parallel to the dispute over the delimitation of the territorial waters, the two countries are also at odds over the limits of Greek airspace in the Aegean.

Greece claims 10 nautical miles of national air space, while Turkey recognizes only six miles because international law defines airspace as covering a state's land and its territorial waters. "Even our search and rescue areas [SAR] overlap in this case," the officials said.



Still, Turkish officials voiced pleasure over the approval on the modalities because it confirmed Ankara's principle that "the Aegean is a common sea between Turkey and Greece." Furthermore, with this approval by NATO, an international body has refrained from becoming "a party" in the Greek-Turkish dispute, a stance favorable for Ankara, which believes all problems should be addressed as a whole towards the settlement of the Aegean issue, officials said.

For almost a decade-and-a-half, the foreign ministries of Turkey and Greece have been holding "exploratory contacts" with a view to finding ways to resolve the Aegean issue. The first of these contacts, held at the Foreign Ministry undersecretary level, took place in Ankara in March 2002.

Political consultations and the 60th round of exploratory contacts between Turkey and Greece will be held in Athens on Feb. 29 and March 1, the Foreign Ministry announced. Taking the length of these consultations into consideration, the essential work regarding the NATO mission - the second stage involving the drawing of maps - may well take weeks, while the talks at NATO headquarters aim to have the mission fully operational before an EU-Turkey summit in Brussels on March 7.

"Modalities are obvious. If the intention is preventing illegal migration, as they said, it is possible to resolve this without triggering a Turkish-Greek dispute. But resolving these issues from today to tomorrow is difficult. We have clearly explained during contacts with the German side that it would not work if they attempt to impose the Greek side's 'international law theses' in the name of EU solidarity," Turkish officials said.

The NATO decision is a corollary of the proposal made by the defense ministers of Turkey, Germany and Greece at the NATO Defense Ministers' Meeting, on the basis of the Joint Action Points agreed to by Turkish Prime Minister Ahmet Davutoğlu and German Chancellor Angela Merkel in Ankara.

"The mission can still operate if the second stage is not finalized shortly. Turkish and Greek vessels can meanwhile operate in open seas rather than in contested waters," the officials said. One of the issues is whether Greek and Turkish patrol ships would set a precedent for claims over disputed territorial waters.

"It has been recorded that a route which is used over one singular incident during a mission will not be used in the future. Such singular practices will be assumed as NATO practice, but not a state's implementation," Turkish officials said.

The Aegean issue in relation with the EU's migration crisis will also be on agenda of a March 8 meeting between Greek Prime Minister Alexis Tsipras and Davutoğlu when they co-chair a meeting of intergovernmental high level cooperation council in the Aegean province of İzmir.

In a related development, Director General of Migration Management Atilla Toros paid a visit to Athens and met a delegation led by of Greece's deputy secretary general of the Greek Interior Ministry and Administrative Reconstruction, Tzanetos Filippakos.



Merkel calls Davutoğlu ahead of EU summit to discuss Syria, illegal migration

Anadolu Agency, 29.02.2016



German Chancellor Angela Merkel and Turkish Prime Minister Ahmet Davutoğlu spoke to discuss the current state of cooperation between Berlin and Ankara, as well as Brussels and Ankara, amid increasing rancor from European countries trying to cope with an influx of refugees.

During a telephone conversation, the two leaders expressed pleasure over ongoing cooperation against illegal migration among Turkey, Germany and the EU authorities, sources from the Turkish Prime Minister's Office told Anadolu Agency. The telephone conversation was initiated by Merkel, said the same sources, speaking on condition of anonymity.

Davutoğlu and Merkel agreed to strengthen their ongoing cooperation, while both underlined the importance of activities planned by a NATO naval mission in the Aegean Sea to help fight people-trafficking, the sources said.

An upcoming special summit of EU leaders and Turkey on the migration crisis scheduled for March 7 will also offer an opportunity to deal with the progress in relations with full membership candidate Turkey and the EU, the two leaders stated, according to the sources.

Turkey and the EU signed a deal in November 2015 under which Ankara agreed to curb the number of refugees crossing to Greece in return for 3 billion euros (\$3.2 billion) in aid and the acceleration of its EU membership bid.

Germany has been insistently pushing the Turkey plan, but many other EU states are increasingly frustrated and skeptical. EU leaders are now pinning their hopes on talks with Turkey on March 7 and their own migration summit on March 18-19.

Seven European states have already reinstituted border controls within the creaking Schengen passport-free zone, while more said they would unilaterally tighten border controls unless a deal with Turkey shows results before the two March summits.

"By March 7, we want a significant reduction in the number of refugees at the border between Turkey and Greece," German Interior Minister Thomas de Maiziere said last week. "Otherwise, there will have to be other joint, coordinated European measures."

Meanwhile, Davutoğlu and Merkel also discussed the Syrian conflict, the sources in Ankara said. Adherence to a cease-fire has vital importance for the security of Syrian civilians, Davutoğlu told Merkel, the sources said.



He also said "terrorist" groups such as the Islamic State of Iraq and the Levant (ISIL), Syria's Democratic Union Party (PYD) and its militia force, the People's Protection Units (YPG), should not be permitted to exploit the situation, he told the German chancellor, the sources added.

Turkey's Aselsan signs railway deal with Spain's Indra

Anadolu Agency, 04.03.2016



Leading Turkish defense manufacturer Aselsan announced that it had signed an agreement with Spain's Indra to work together on railway control systems.

The two companies, Turkish defense manufacturer Aselsan and Spain's Indra, signed a memorandum of understanding designed to create a framework for future collaboration on railway planning, traffic management, signaling, and control system projects for Turkey and international markets, Turkish defense manufacturer Aselsan said in a statement. The two companies also intend to expand their cooperation in nondefense sectors.

"Aside from their defense sector activities, Aselsan and Indra, who are their own domestic market leaders as well as reliable international market suppliers, cooperatively will be expanding activities in fast-growing non-defense sectors relying on their system solutions," said the statement. Aselsan has also been working on developing power units (electric engines) of railway and subway systems, according to the company website. It is also interested in developing electric vehicle engines and thermal vision systems for the healthcare sector.



Fitch affirms Turkey's rating, outlook

Reuters, 28.02.2016



Fitch Ratings affirmed Turkey's sovereign rating at BBB-, the lowest investment grade rating, with a stable outlook, noting that fiscal discipline remained in place in 2015 despite two parliamentary elections.

However Fitch said the "geopolitical scene" had worsened, pointing to Turkey's involvement in the Syrian conflict. "Elections in November 2015 resulting in another term for the AKP have eased domestic political uncertainty, although the prospect of constitutional reform in order to strengthen the powers of the presidency means some uncertainties linger," it said.

The implementation of pre-election spending commitments was expected to worsen the fiscal position in 2016, with the central government deficit seen widening to 2 percent of GDP, it said. Turkey's lira weakened nearly 2.5 percent to 3 against the dollar ahead of the ratings review and as upbeat U.S. economic data helped bolster the U.S. currency. After the Fitch statement, it stood at 2.9984. Fitch said it assumed that pressure from recent currency depreciation and a minimum wage hike would push inflation into double digits during 2016.

IMF revises Turkey's growth forecast for 2016, warns of 'highly vulnerable' world economy



Hurriyet Daily News, 26.02.2016

The International Monetary Fund (IMF) has upgraded its 2016 growth forecast for Turkey by 0.3 points in a report while the organization has pointed out a weakening global recovery, with the world economy "highly vulnerable" to adverse shocks.

In its "Global Prospects and Policy Challenges," which was released ahead of a G-20 Finance Ministers' summit in Shanghai, the IMF forecasted Turkey to grow by 3.2 percent in 2016, up 0.3 points compared to its previous forecast. Growth in Turkey was also revised down to 3.6 percent from 3.7 percent in 2017 in the report.



The global recovery has weakened further amid increasing financial turbulence and falling asset prices, warned the IMF in the report. "Activity softened towards the end of 2015 and the valuation of risky assets has dropped sharply, especially in advanced economies, increasing the likelihood of a further weakening of the outlook.

Growth in advanced economies is modest already under the baseline, as low demand in some countries and a broad-based weakening of potential growth continue to hold back the recovery," said the report.

Adding to these headwinds are concerns about the global impact of China's transition to more balanced growth, along with signs of distress in other large emerging markets, including from falling commodity prices, according to the report.

Heightened risk aversion has triggered global equity market declines and brought a further tightening of external financial conditions for emerging economies and strong policy responses both at national and multilateral levels are needed to contain risks and propel the global economy to a "more prosperous path," said the IMF.

"These developments point to higher risks of a derailed recovery, at a moment when the global economy is highly vulnerable to adverse shocks. Financial market turbulence and asset price declines have tightened financial conditions in advanced economies and, if persistent, could further weaken growth. Emerging market stress could rise more, also reflecting domestic vulnerabilities.

At the same time, there is a risk that the decline in oil prices will further destabilize the outlook of oil exporters while the impact on importers generates less demand support than expected, lowering global growth and exacerbating the current low-inflation environment," said the report.

Finally, shocks related to geopolitical conflicts, terrorism, refugees, and global epidemics loom over some countries and regions, and, if left unchecked, could have significant spillover impacts on global economic activity, warned the IMF.



Ankara: Russia putting Syria bid at risk

Reuters, 02.03.2016



Air strikes conducted by Russia and the Syrian government could endanger peace talks, Ankara has said. "If the clashes do not end, if the strikes of the [Syrian] regime and Russian forces continue like this, this may become an obstacle before the beginning of the negotiations," said Turkish Foreign Ministry spokesperson Tanju Bilgiç.

"In the nature of things, we are worried about this," he added. Bilgiç said the Syrian rebels, who were invited to sit at the negotiations desk in Geneva during the peace talks, said Russian and Syrian government forces were conducting strikes and assaults on moderate rebel forces.

"All these allegations are serious," said Bilgiç. A cease-fire deal brokered the United States and Russia took effect early Feb. 27 in Syria and has been continuing for the fifth day, though breaches have been reported and the sides have accused each other of violating the truce by conducting attacks.

Responding to accusations that Turkey had violated the truce, Bilgiç said Turkey had not struck any targets other than the ones belonging to ISIL since the cease-fire deal took effect. "On Feb. 28, 41 shots were made at six targets," said Bilgiç. Maria Zakharova, a Russian Foreign Ministry spokeswoman, said that the cease-fire in Syria had been violated 31 times since it came into effect, the Associated Press reported. During a press briefing in Moscow, Zakharova rebuffed suggestions that the cease-fire would end after a two-week period.

A senior Syrian opposition official said that dates for a resumption of United Nations-backed Syria peace talks remained hypothetical as long as the current truce does not fulfil its humanitarian demands. "As long as the truce does not help implement the terms of the United Nations resolution, all dates for the resumption of negotiations remain hypothetical," Syrian opposition official George Sabra told Arabic news channel Arabiya al-Hadath.

"What is the value of a truce if its overseers – meaning America and Russia – do not push all sides to abide by it?" he said. Commenting on Russian Foreign Minister Sergei Lavrov's claims that the border between Turkey and Syria should be closed "since those gangs receive arms, including with humanitarian convoys, across this border," Bilgiç said the claims were made "in an attempt to cover up the war crimes that are being committed in Syria by the Russians" and could not "be taken seriously."

Syrian government forces supported by Russian air strikes launched an attack to capture the rebelheld Kabani hill in north-western Latakia, a rebel official and the Syrian Observatory for Human Rights reported, in an expansion of operations that have continued in that area despite a deal to cease fighting. Lavrov and U.S. Secretary of State John Kerry, in a phone call, reaffirmed the need for cooperation to ensure the end to hostilities in Syria, Russia's Foreign Ministry said.



"The focus [of the call] was on the implementation of the Russian-American initiative for a cessation of hostilities in Syria and the relevant United Nations Security Council decision," the ministry said on its Facebook page.

"The foreign ministers confirmed the crucial importance of coordination between the two countries, especially in the military sphere, to strengthen the cease-fire, which must be respected by the government forces and armed opposition groups not associated with terrorists," it said.

Meanwhile, the observatory and rebel sources said 18 fighters were killed in a car bomb blast that hit a Syrian insurgent group, Jabhat Thuwwar Souria, a Free Syrian Army group, in the southern province of Quneitra, Reuters reported.

The observatory said more than 1,700 civilians had been killed by Russian air strikes in Syria since Moscow's air campaign began five months ago. "Since Sept. 30, [2015], Russian air strikes have killed 4,408 people including 1,733 civilians," the Britain-based Syrian observatory said. The civilian toll included 429 children and 250 women.

US warns PYD not to support PKK in Turkey

Anadolu Agency, 03.03.2016



The U.S. called on the Kurdish Democratic Union Party (PYD) in Syria to not support the outlawed Kurdistan Workers' Party (PKK) in Turkey. Addressing Turkish concerns about links between the PYD and its armed wing – the People's Protection Unit (YPG) – and the PKK, U.S. Deputy Secretary of State Anthony Blinken said Turkey's cooperation was "vital" in Syria.

"Turkey is one of our closest allies. Its collaboration in dealing with the crisis in Syria is absolutely vital and we are indeed working very closely together with it," Blinken said in a news conference at the U.N.

"It is also not a secret that Turkey has expressed concerns about some of the Syrian Kurdish groups in northern Syria, including the PYD. We have made it very clear to the PYD that any actions it takes to either support the PKK or to engage the other opposition groups are profoundly problematic and we look to the PYD to act responsibly and to focus its efforts on the fight against Daesh [the Islamic State of Iraq and the Levant]," he added.

The PKK, with which Turkey has been in armed clashes since the mid-1980s, is listed as a terrorist organization by Turkey, the U.S. and the EU. Turkey also considers the PYD and its YPG military branch to be terror groups, but the West has refused to designate them as such. The difference in the designation of the PYD and YPG has caused a rift between the two NATO allies.



Meanwhile, in an address to the U.N.'s Human Rights Council, Blinken also stated that the U.S. was concerned at the "deteriorating human rights situation" in eastern Ukraine and Crimea, which was annexed by Russia two years ago. "Raids, arrests, baseless prosecutions and torture have become regular facts of life for civilians, especially for those in the Tatar community," he said. In Egypt, he said Washington was worried by "mounting allegations of abuses by security services, particularly arbitrary arrests."

No peace in Syria with Assad, West tells Putin

Hurriyet Daily News, 04.03.2016



A fragile truce in Syria must be used to try to secure a lasting peace without President Bashar al-Assad, European leaders told Russian President Vladimir Putin, according to a spokeswoman for British Prime Minister David Cameron.

Cameron, Chancellor Merkel, President Hollande and PM Matteo Renzi told Putin that the present cessation of hostilities must hold to try to settle a conflict that has killed more than 250,000 people and created a refugee crisis. "The main point that the European leaders made on the call to Putin was that we welcome the fact that this fragile truce appears to be holding," the spokeswoman told reporters.

"[And] we have got to use this as a positive dynamic now to create some momentum behind the talks ... so we can move from a truce into a more lasting, durable peace with a political transition away from al-Assad," she said. Asked how Putin had responded, the spokeswoman said there was no detailed discussion on the Syrian president.

"We all know this is one of the trickiest points," she said, adding that Cameron "underlined the importance of a transition away from al-Assad to a government that ... can be fully representative of communities across Syria." "I think where we are at, for the purpose of today's call, was to make sure that this truce can hold so that these talks can get under way in Geneva next week," she said.

U.N. Syria envoy Staffan de Mistura plans to resume talks with the Syrian government and opposition parties. But the format for the indirect talks is flexible and some parties could turn up days later, he said.

Warplanes struck a key rebel bastion east of the Syrian capital on March 4 for the first time since a fragile truce began over the weekend, Britain-based Syrian Observatory for Human Rights said. "Two air strikes hit the edge of the town of Douma in Eastern Ghouta and one person was killed," Rami Abdel Rahman, head of the observatory, told AFP. He said the strikes were conducted by either Syrian or Russian planes. It was unclear whether the individual killed was a civilian or a fighter.



The Syrian Kurdish People's Protection Unit (YPG) said armed opposition groups in the Aleppo area had not respected a cessation of hostilities agreement, accusing them of attacking the mainly Kurdish Sheikh Maksoud district of Aleppo and other areas near the city.

A YPG report said the factions had "not abided by the cease-fire and halt to hostile operations," according to Reuters. "On the contrary they resumed fierce attacks and random bombardment, specifically of Sheikh Maksoud," it said.

A major Syrian rebel group, Jaish al-Islam, has said the war had not stopped since a cessation of hostilities agreement came into effect, accusing the government of violations and saying a cease-fire was not possible while "militias and states kill our people." The Jaish al-Islam group is one of the biggest rebel factions fighting al-Assad in western Syria and an influential member of the main Saudi-backed opposition council, the High Negotiations Committee (HNC).

Meanwhile, Danish Prime Minister Lars Lokke Rasmussen said that Denmark would commit F-16 warplanes to the fight against the Islamic State of Iraq and the Levant (ISIL) in Syria and 400 military personnel to fight the jihadist group in Iraq.

A majority of political parties in parliament's foreign affairs committee expressed support March 4 for the government's proposal, and "the government will on the basis of today's meeting submit a bill to a parliamentary vote to strengthen the campaign against ISIL," a statement from the prime minister's office said, according to AFP. The vote is scheduled for April 19.

For the first time in years, hundreds of Syrians nationwide took advantage of a nearly week-long cease-fire to resume anti-government protests under the slogan "The Revolution Continues!" Waving the three-starred tricolor flag that has become the uprising's emblem, demonstrators in opposition-held areas of Aleppo, Damascus, Daraa and Homs called for the downfall of al-Assad's regime.

"You could say we've gone back to the beginning," said Hasaan Abu Nuh, an activist from the flashpoint rebel town of Talbisseh in central Homs province. Syria's conflict first began in March 2011 with widespread protests against the regime.



No EU 'plan B' to talks with Turkey on migrants

Reuters, 29.02.2016



German Chancellor Merkel said there was no "Plan B" for the European Union regarding a deal reached with Turkey to reduce the flow of migrants, hours after she and Turkish Prime Minister Davutoğlu discussed the issue by phone.

"Sometimes, I also despair. Some things go too slow. There are many conflicting interests in Europe," Merkel told ARD. "But it is my damn duty to do everything I can so that Europe finds a collective way." Merkel said there was no "Plan B" for her aim of reducing the flow of migrants through cooperation with Turkey, efforts she said could unravel were Germany to cap the number of refugees it accepts.

Merkel spelled out her motivation to keep Germany's borders open without limits on refugees, a goal many in her own country and coalition government openly disagree with. "There is so much violence and hardship on our doorstep," she said. "What's right for Germany in the long term? There, I think it is to keep Europe together and to show humanity."

During a telephone conversation late, Merkel and Davutoğlu expressed pleasure over ongoing cooperation against illegal migration among Turkey, Germany and the EU authorities, sources from the Turkish Prime Minister's Office told state-run Anadolu Agency. The telephone conversation was initiated by Merkel, said the same sources, speaking on condition of anonymity.

Davutoğlu and Merkel agreed to strengthen their ongoing cooperation, while both underlined the importance of activities planned by a NATO naval mission in the Aegean Sea to help fight people-trafficking, the sources said.

An upcoming special summit of EU leaders and Turkey on the migration crisis scheduled for March 7 will also offer an opportunity to deal with the progress in relations with full membership candidate Turkey and the EU, the two leaders stated, according to the sources. An EU migration summit will also take place on March 18 and 19.

After many failed attempts, the two meetings look like the final chance to agree on a joint response before warmer weather encourages more arrivals across the Mediterranean. But Merkel said she would fight on for a European solution even were the March 7 meeting to fall short.

Turkey and the EU signed a deal in November 2015 under which Ankara agreed to curb the number of refugees crossing to Greece in return for 3 billion euros (\$3.2 billion) in aid and the acceleration of its EU membership bid. German Foreign Minister Frank-Walter Steinmeier told Greek daily Ta Nea in an interview that the EU countries must work together to deal with the migrant crisis troubling the bloc and avoid blaming each other.



"We must fight for Europe. We must stop blaming each other. On the contrary, we must unite forces and work together for a European solution to the refugee crisis. This is the only way for Europe to emerge stronger from this crisis," Steinmeier was quoted as saying by Reuters.

Austria, the last stop on the way to Germany for hundreds of thousands of migrants, recently imposed restrictions on its borders, setting off a domino effect in Europe in limiting the flow of people, and leaving hundreds stranded in Greece. Merkel dismissed such a "rigid limit," saying: "There is no point in believing that I can solve the problem through the unilateral closure of borders."

Thousands of refugees were stuck on Greece's border with Macedonia, overflowing from a packed camp into the surrounding fields, as they waited for Macedonian authorities to let them continue their trek through the Balkans. Police say about 6,500 people were at or near the Idomeni border crossing, with another 500 moved to a hastily erected camp on a small concrete landing strip some 20 kilometers away, the Associated Press reported.

Macedonian authorities let 300 Syrians and Iraqis in between a few hours, after which the crossing closed. Macedonia has said it will only allow in as many people as Serbia, the next country north on the Balkan migrant corridor, accepts. Stranded migrants staged a protest at the border, sitting and lying with their children across the train tracks. Some held up handwritten posters that read "Open the borders, no food" and "We are humans, not animals."

Ireland faces uncertainty after ousting coalition

AFP, 28.02.2016



Ireland waited for the final results of an election that has left the Eurozone country in limbo, ejecting Prime Minister Enda Kenny's governing coalition but offering no clear alternative. First results from vote indicated Kenny's Fine Gael party and its junior partner, Labor, will no longer have a parliamentary majority -- but neither will any other grouping, meaning weeks of negotiations may lie ahead.

"Democracy can be very exciting but it's merciless when it kicks in. So this is a disappointment for the Fine Gael party," Kenny told after he was re-elected in his rural constituency of Mayo.

"Clearly the government of Fine Gael and Labor are not going to be returned to office and obviously one has to wait now until all the counts are in right across the country to see what the options that must be considered are." In a trend that echoed elections in Greece, Spain and Portugal, voters turned to independent politicians, smaller parties and anti-austerity groups amid anger over hardship that has continued despite strong economic growth.



Initial results indicated Fine Gael would still be the largest party in parliament, but old rivals Fianna Fail is now hot on its heels in a remarkable recovery from 2011, when it was routed in the wake of the economic crash. The two parties have political similarities but a bitter history, as the political descendants of opposite sides in a civil war who have taken turns ruling Ireland since 1932. Yet between them they would have enough seats to govern, and party figures began to indicate this previously unthinkable arrangement could be considered.

"We're committed to doing our best by the country and ensuring that the country gets a good government. But it will take time," said Fianna Fail leader Micheal Martin. Analysts stressed negotiations would not be easy and that Ireland could face an election re-run. "I think the prospect of another election very soon is now very, very high," said Mark Mortell, a senior Fine Gael strategist.

Negotiating parties will be mindful of the date of March 10, when the newly-elected representatives are due to meet in the lower house of parliament Dail Eireann and, in theory, appoint a Taoiseach or prime minister. One party that gained in the vote was Sinn Fein, once seen as the political voice of the Irish Republican Army in Northern Ireland.

It has ridden a wave of support since adopting the anti-austerity mantle in the south and could nearly double its seats. "We're into a new era, we have seen in this election a seismic change," leader Gerry Adams said after he was re-elected in his County Louth constituency, close to the border with Northern Ireland. He said Fianna Fail and Fine Gael "should get into bed together" in a political coalition, which would make Sinn Fein the main opposition party.

Calais camp, symbol of migrant crisis, set for destruction

AP, 26.02.2016



A French court gave the state the green light to raze makeshift tents and lean-tos used by hundreds of migrants at a sprawling slum in Calais, where many dream of slipping into Britain.

Tamping down fears of a violent confrontation, France's interior minister promised to treat the migrants humanely and not send in bulldozers to evict them. The camp in the northern port city - known as "the jungle" - has been an embarrassing chapter in Europe's migrant crisis, and France announced this month that its densely populated southern half would be razed.

The move prompted rights groups and migrant advocates to sue. The court in Lille ruled that the makeshift shelters used by the migrants can be destroyed - but that common spaces like places of worship, schools and a library must be left standing.



Calais' prime location - with a major ferry port, Eurotunnel rail system and truck traffic crossing the English Channel - has put it in the crosshairs of the migrant crisis. Weary travelers come driven by a dream that they will find peace and prosperity in English-speaking Britain. Lacking any papers, they have to sneak across the Channel, and at least 20 migrants have died trying since late June last year.

Officials said moving migrants out of the Calais slum will be a better solution for all, since many have been languishing in poverty and hopelessness after nearby borders have been sealed by increasing security. Officials estimate the number of migrants who will be affected at 800 to 1,000, while humanitarian organizations say over 3,000 migrants live there.

Interior Minister Bernard Cazeneuve lauded the court's decision, saying it "fully supported" the government's strategy for dealing with the camp. "It has never been our intention to send in bulldozers to destroy the camp," Cazeneuve added.

Another filthy camp known as a haven for smugglers near Dunkirk, France, is being relocated to a more hygienic site with heated tents under the supervision of the charity group Doctors Without Borders. Moving the migrants out will be France's most dramatic step yet to end Calais' years long migrant problem, which has transformed the city of nearly 80,000 into a high-security tension point, fueled far-right sentiment and defied British and French efforts to make the issue go away.

The same court in Lille ordered the state in November 2015 to clean up the camp by adding running water, toilets and garbage bins, count the number of minors without families - now 326 - and help those in distress.

Republican Romney calls Trump 'a fraud,' creates pathway to contested convention





Former U.S. presidential candidate Romney attacked 2016 Republican Trump as "a fraud" and urged primary voters to keep the outspoken billionaire from getting the nomination.

In an unusually harsh speech, Romney warned that Trump would likely lose to possible Democratic candidate Hillary Clinton if he becomes the Republican nominee. Trump's rise has split the Republican Party between mainstream figures and Trump supporters who complain the party does not reflect their concerns about illegal immigration, the slow economic recovery and what they see as America's diminishing role in the world.



That split widened when Romney, the party nominee in 2012, urged Republican primary voters to vote tactically in different states to back Trump's opponents and block his path to the nomination. "Here's what I know. Donald Trump is a phony, a fraud," said Romney, 68, who did not endorse any candidate. "I would vote for Marco Rubio in Florida, for John Kasich in Ohio, and for Ted Cruz or whichever one of the other two contenders has the best chance of beating Mr. Trump in a given state," he said. Rubio is a U.S. senator from Florida and Kasich is the Ohio governor.

Meanwhile, Trump came under withering attack from rivals Marco Rubio and Ted Cruz at a debate as the party's establishment sought to unite behind a last-ditch anti-Trump effort. The Fox News Channel debate became a mud-throwing fracas from the outset with tensions mounting over the New York billionaire's ascendancy and his drive to be the presumptive nominee should he win nominating contests in Florida and Ohio on March 15.

When the Fox questioners showed Trump changing his mind on a variety of topics from the Iraq war to whether to allow Syrian refugees into the United States, Trump shrugged. "You have to show a degree of flexibility," he said. U.S. senators Rubio, of Florida, and Cruz, of Texas, questioned Trump's immigration policy and his use of foreign workers at his exclusive Mar-a-Lago resort in Palm Beach, Florida.

Cruz, 45, demanded Trump release the audiotape of an off-the-record session he had with New York Times editorial writers. Cruz and others have suggested that in the session Trump might have been more flexible on immigration than in public statements insisting he would build a wall between the United States and Mexico and deport 11 million illegal immigrants.

Trump refused to release the tape but said he would be flexible, for instance, on the height of the wall. He also abruptly changed his position on foreign workers, saying more of them who are highly skilled should be allowed to remain in the United States. Rubio, 44, pressed Trump on the foreign workers he has imported to work at his Palm Beach resort, jobs he said could go to Americans. Trump said the workers were for a short November-to-March season.

Fox News moderator Megyn Kelly, who famously clashed with Trump at the first Republican debate last August, generated a fresh exchange in pressing Trump to explain his involvement with Trump University, a now-defunct online education company that has faced lawsuits from people who feel they paid out money for Trump U and got nothing in return.



Announcements & Reports

► The Turkish Economy in 2015

 Source
 : CSIS

 Weblink
 : http://csis.org/publication/turkish-economy-2015

► 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/

► Seeing the Forest through the SAMs on Woody Island

 Source
 : CSIS

 Weblink
 : http://csis.org/publication/seeing-forest-through-sams-woody-island

Upcoming Events

Central Banking After The Great Recession

 Date
 : 27 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	: 28 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	: 28 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	: 28 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
 : 12 March 2015

 Place
 : Brussels - Belgium

 Website
 : http://www.bruegel.org/nc/events/event/524-emerging-markets-and-europe-time-for-different-relationships/

► What future for Europe's Social Models?

Date	: 14 March 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
 : 15 March 2015

 Place
 : Brussels - Belgium

 Website
 : http://www.bruegel.org/nc/events/event/521-challenges-for-growth-in-europe/

► Global Governance of Public Goods: Asian and European Perspectives

Date	: 15 March 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 March 2015
Place	: Berlin - Germany
Website	http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/