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TURKEY WENT TO THE POLLS FOR LOCAL ELECTIONS

Following the completion of local elections on 31 March 2019, it is time for Turkey to focus on reforms in order to overcome economic problems and improve its relations with EU.

The local elections were held in Turkey on 31 March 2019 with a turnout of 84.67 percent, slightly lower than previous local elections held in 2014. The official outcome showed that the People's Alliance, which consists of the Justice and Development Party (AK Party) and the Nationalist Movement Party (MHP), won 51.64 percent of votes, whereas the Nation Alliance between the Republican People's Party (CHP) and the Good Party (*Iyi Parti*) won 37.57 percent. Although People's Alliance won the majority of the votes in general, they lost major cities such as İstanbul, Ankara, İzmir, Antalya and Adana to the opposition. What marked the election night was that the results of the race for İstanbul stayed unclear for a long time. In Ankara since Mansur Yavaş won getting 50.93 percent of the votes, he declared his victory easily. However the uncertainty regarding the results of the election in İstanbul continued more than two weeks and İstanbul's mayor-elect Ekrem İmamoğlu, who participated in the 31 March local elections as the candidate of the informal Nation Alliance led by the main opposition CHP, has been invited to the Provincial Election Council at the İstanbul Courthouse to be given the certificate of election on 17 April 2019.

AK Party has called for the annulment and rerun of the İstanbul vote and applied to the Supreme Election Council (YSK). Acting on the application from the ruling AK Party, the Council took the allegations of irregularities and unlawfulness into consideration. Having issued its interim decision in the last week of April, the YSK gave five days to district election boards to gather all pieces of evidence regarding ineligible



voters and irregularities in balloting committees. While we were preparing this newsletter, the final decision of YSK was not declared and it was still a question mark, if there is going to be a rerun of the elections in İstanbul.

European Commission Spokesperson Schinas: "Completion of Local Elections Present Opportunity for Reform"

Following the elections, European Commission's First Vice-President Frans Timmermans claimed that AK Party shall respect the results of the local elections. However the statement of Timmermans caused tension between Turkey and the EU and on 7 April the Spokesperson of

Turkish Ministry of Foreign Affairs reacted by saying: "Turkish people went to the polls on 31 March with a participation rate that is seen in European countries rarely, and they once again showed their commitment to democracy. Nevertheless, the call of the EU authorities to recognise the results, although the official results have not yet been announced in some places, have been recorded as an unfortunate blunder."

On the other hand, the Spokesperson of the European Commission Margaritis Schinas stated that as Turkey leaves behind elections for a period of stability for four years, it presents an opportunity for reforms. Regarding the calls for suspension of accession

negotiations between Turkey and the EU, Schinas underlined that the doors of the EU are open and remain open but the hinges must work for the doors to remain open. He defined those hinges as reform, the rule of law, and democracy.

The Spokesperson stressed the importance of Turkey-EU cooperation on the fight against terrorism as well as on immigration, intelligence, trade, transport, and energy.

On visa liberalisation, Schinas said that Turkey is expected to fulfil its obligations to get visa-free travel. He added: "I am hopeful because contacts and dialogue between the authorities are continuing, but we have not reached the final point yet."

As it is well known, Turkey opened its doors to 3.6 million Syrian refugees and hosts the largest number of refugees in the world. Schinas argued that Europe is doing its share by paying 3 million euros for the refugees in Turkey. In March 2016, EU and Turkey reached an agreement to take stricter measures against human smugglers and discourage irregular migration through the Aegean Sea, and improve the conditions of Syrian refugees in Turkey, with the EU giving a 6 billion euro aid package to help Turkey care for millions of refugees hosted in the country. Regarding the deal between Turkey and EU, Schinas underlined that the influx of refugees in the Aegean region is down by 90 percent.



IKV CHAIRMAN ZEYTİNOĞLU ATTENDED THE TURKEY-EU JOINT CONSULTATIVE COMMITTEE MEETING

The Turkey-EU Joint Consultative Committee (JCC) gathered for the 38th time on 8-9 April 2019 in Brussels, Belgium. The JCC was established in a bid to strengthen the cooperation between Turkey and the EU, as well as to institutionalise the economic and social dialogue between European and Turkish stakeholders. It is composed of members of EESC representing the European side and employers' organisations, such as the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Confederation of Turkish Tradesmen and Craftsmen (TESK), Turkish Confederation of Employer Associations (TİSK) and members from associations and civil society organisations from Turkey.

At the opening, Deputy Minister of Foreign Affairs and Director for EU Affairs, Ambassador Faruk Kaymakcı, President of TOBB and Turkey-EU JCC Co-Chair M. Rifat Hisarcıklıoğlu, Turkey-EU JCC Co-Chair Panagiotis Gkofas and Director for Strategy and Turkey at DG NEAR Myriam Ferran delivered their speeches. During the two-day long JCC meeting, Turkey-EU relations, modernisation of Turkey-EU Customs Union, the refugee crisis, latest economic



developments, as well as employment and social issues in Turkey were discussed with the participation of a wide-range of experts.

During the meeting, IKV Chairman Ayhan Zeytinoğlu shared IKV's position

regarding the future of the relations between Turkey and the EU. IKV Chairman Zeytinoğlu emphasised that the negotiations to modernise the Turkey-EU Customs Union need to start as soon as possible. In addition,

IKV Secretary General Assoc. Prof. Çiğdem Nas, who was among the representatives of Turkish civil society at the JCC meeting, delivered a speech regarding the current problems in Turkey-EU relations.

IKV CONFERENCE ON BREXIT AND TURKEY-EU RELATIONS WAS HELD IN LONDON



The conference entitled "Britain, Turkey and the EU: Mapping the Future of Differentiated Integration", which was organised by IKV in cooperation with Istanbul Policy Center (IPC) on 4 April 2019, was hosted by the UK based think-tank Centre for European Reform (CER) in London. Following the opening speeches of IKV Chairman Ayhan Zeytinoğlu, IPC Director Prof. Fuat Keyman and CER Director Charles Grant, the first session was held with the participation of Senem Aydın-Düzgüt, Associate Professor of International Relations at Sabancı University and Senior Scholar, Research and Academic Affairs Coordinator at IPC; Galip Dalay, Non-Resident Fellow at Brookings Doha Center and Research Director of AI Sharq Forum; Hans Kundnani, Senior Research Fellow in the

Europe Programme at Chatham House; Julie Smith, Director of European Centre, University of Cambridge. In the first session held under the moderation of CER Research Fellow Luigi Scazzieri, the panellists discussed what Brexit means for the EU in the current global context.

In the second session, which was moderated by IKV Secretary General Assoc. Prof. Çiğdem Nas, Director of Ankara University EU Research Center, Professor Sanem Baykal; Alexander Clarkson, Lecturer in German and European Studies at King's College London; Atila Eralp, Mercator-IPC Senior Fellow and Emeritus Professor at the Department of International Relations in the Middle East Technical University; Sam Lowe, Senior Research Fellow at CER tried to explore the possible impact of Brexit on Turkey-EU relations.

IKV DELEGATION VISITED TURKEY'S AMBASSADOR IN LONDON H.E. ÜMİT YALÇIN

On 4 April 2019, an IKV delegation consisting of IKV Chairman Ayhan Zeytinoğlu, Secretary General Assoc. Prof. Çiğdem Nas, Research Director Çișel İleri and Strategy and Business Development Director M. Gökhan Kilit as well as Prof. Sanem Baykal visited the Turkish Embassy in London and were received by Ambassador Ümit Yalçın. Brexit, Turkey's relations with the



UK and the EU were the main topics discussed at the meeting, during which IKV's latest research and activities were introduced.

IKV DISCUSSED THE MODERNISATION OF THE CUSTOMS UNION IN AYDIN

IKV organised a seminar entitled "Turkey-EU Relations: Customs Union and beyond" on 18 April 2019 in Aydın. At the seminar, which was hosted by the Aydın Chamber of Commerce, IKV Secretary General Assoc. Prof. Çiğdem Nas gave a presentation on Turkey's EU perspective and the possible impact of the modernisation of the Customs Union on Turkey's economy. IKV Research Director



Çișel İleri informed the participants about EU funding opportunities available to the business community.

İKİV AGENDA

İKİV CHAIRMAN ZEYTİNOĞLU CONDEMNED FRANCE'S DECISION ON 1915 EVENTS



İKİV Chairman Ayhan Zeytinoğlu assessed French President Emmanuel Macron's declaration of 24 April as "Memorial Day." In his statement, İKV Chairman Zeytinoğlu said that France damaged strong economic, historical and political ties with Turkey for the sake of short-term interests. He condemned the decision which is extremely far from being visionary and constructive. He also added that with exports worth 7.3 billion dollars, France is Turkey's seventh largest export market and stated that Turkey's imports from France have reached 7.4 billion dollars. İKV Chairman Zeytinoğlu added that the efforts to deepen the political and economic relations are overshadowed by such political decisions.

Recalling that on 10 April 2019, the Italian Chamber of Deputies adopted a proposal recognising the allegations concerning the 1915 events, İKV Chairman Zeytinoğlu emphasised that this political decision and populist attitude damages not only the bilateral relations, but also Turkey-EU relations. He also stated that the duty of politicians is to create a prosperous future not to judge the history. Zeytinoğlu concluded his speech with the following words: "We hope that as soon as possible, our French and Italian friends will take the necessary steps to prevent further damage to our bilateral relations."

İKİV CHAIRMAN ASSESSED THE EP'S DECISION TO INCREASE THE VISA FEE



İKİV Chairman Ayhan Zeytinoğlu issued a statement regarding the EP's approval on 17 April 2019, of the changes to the Visa Code foreseeing an increase in the visa fee:

"The decision we find the most unfortunate in the new Schengen visa regulation is the increase of visa fees from 60 euros to 80 euros. Turkey is a candidate country to the EU and is in a visa liberalisation dialogue with the EU, yet we are still left alone with new regulations that complicate the visa process. We consider this unacceptable. Taking the additional expenses into account; such as translation fees, service charges, and international travel insurance expenses, Turkish citizens are already facing critical challenges when travelling to EU countries. An additional increase in payments would harm building cultural bridges among Turkish and EU citizens, affect the interaction between Turkish academics and Turkish NGOs, together with their counterparts in the EU negatively."

İKİV Chairman Zeytinoğlu also commented on the regulation that would allow for a more flexible visa application process: "Within the current system, Turkish

citizens can start their visa application to Schengen countries three months before their scheduled travel the earliest. Under the new regulation, they will be able to start the procedure six months before their scheduled travel date. While we welcome this change in a positive manner, we do not find it sufficient, as the main procedural challenges faced by Turkish citizens are late replies to applications, and the fact that they cannot apply for a visa in short notice.

In today's fast paced world, business people, and academic circles/NGOs plan their meeting scheduled to take place in the EU in much shorter time compared to the past. Hence, the inability to apply for a visa in short notice results in major injustice. If there is to be flexibility in visa applications, these problems should be covered as well."

İKİV Chairman Zeytinoğlu concluded his statement by highlighting the fact that these new developments cannot be addressed independent from the visa liberalisation dialogue. He added: "It is important to keep in mind that in recent years Turkey has taken important steps for the realisation of its goal of a visa-free EU, and has often maintained a successful cooperation with the Commission. It is essential to end the process on a high note in order to establish intercommunal cooperation, as well as mutual understanding. Turkey has implemented countless reforms in many areas, ranging from reforms in border and document security and amendments in current regulations to strengthening of institutional infrastructure, reforms in data security and in readmission mechanisms.

The new resolution, approved by the EP yesterday, jeopardises not only the visa liberalisation dialogue, but also the current visa process due to possible complications in irregular migration, and readmission. At this point, it is important to remind the importance of Turkey in terms of Europe's border security."

TIMELINE APRIL 2019

	1	İKİV participated in Conference on "The Cyprus Issue: Past, Present and the Vision for the Future".
	2	
NATO marked its 70 th anniversary with a ministerial meeting in Washington, DC.	3	
	4	İKİV, in association with İPM and CER, organised a conference entitled "Britain, Turkey and the EU: Mapping the Future of Differentiated Integration" in London.
	5	
	6	
	7	İKİV Chairman Zeytinoğlu attended the Turkey-EU Joint Consultative Committee meeting in Brussels.
38 th meeting of the Turkey-EU Joint Consultative Committee was held in Brussels.	8	
	9	İKİV attended the 2 nd Process Safety Symposium.
The 21 th EU-China Summit took place in Brussels.	10	
EU27 leaders agreed to delay Brexit until 31 October 2019.	10	İKİV and ISO board members came together at a joint meeting.
	11	İKİV participated in the Democracy Alive events organised by European Movement International in Texel, Netherlands.
	12	
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	15	The first panel under İKV's "New Perspectives on Turkey-EU Relations" Project was held at Bahçeşehir University.
	16	
	17	
	18	İKİV discussed the Customs Union at the Aydın Chamber of Commerce.
	19	İKİV Chairman Zeytinoğlu issued a press statement concerning the recent changes to the Schengen Visa Code approved by the EP.
Trilateral Meeting of Ministers of Foreign Affairs of Turkey, Poland and Romania was held in Ankara.	20	
	21	
	22	
Belgian Foreign Minister Reynders visited Turkey.	23	
	24	
26 th EU-Japan Summit took place in Brussels.	25	
	26	
	27	
	28	İKİV in cooperation with the Turkish-German University organised a conference on Turkey-EU cooperation on migration.
Foreign Minister Çavuşoğlu visited Slovakia to attend the 4 th Visegrad Group+Turkey Foreign Ministerial.	29	
	30	İKİV hosted the European Information Centres Coordination Meeting.

IKV AND ISO BOARD MEMBERS CAME TOGETHER AT A JOINT MEETING



On 10 April 2019, members of the Board of Directors of IKV and members of the Board of Directors of Istanbul Chamber of Commerce (ISO) came together at a joint meeting. The meeting, which was hosted by ISO Chairman Erdal Bahçivan at Odakule, was attended by IKV Chairman Ayhan Zeytinoğlu, IKV Vice-Chair Prof. Halûk Kabaalioğlu, IKV Vice-Chair and ISO Assembly Member Zeynep Bodur Okyay, IKV Board Members; Ömer Gülsoy, Levent Taş, Mehmet Kaya, Nevzat Seyok as well as IKV Auditor Mustafa İçöz. On the ISO side, Vice-Chairs Adnan Dalgakıran and İrfan Özhamaratlı as well as Board Members; Sadık Ayhan Saruhan,

Sultan Tepe, Bekir Yelken, Cenk Çimen and Cemal Keleş participated in the meeting.

At the joint board meeting, during which ISO and IKV's activities were discussed and potential areas for joint action were explored, the two sides exchanged information on their ongoing projects particularly in the EU field. Moreover, ISO Board Members conveyed to the IKV side their sector-related positions and expectations. During the meeting, IKV Secretary General Assoc. Prof. Çiğdem Nas and ISO Secretary General Haktan Akın gave presentations on the activities carried out by their respective organisation.

TURKEY-EU COOPERATION ON MIGRATION WAS DISCUSSED AT IKV CONFERENCE



IKV, in cooperation with the Turkish-German University, organised a conference entitled "Reflecting on the Past 8 Years: Syrians in Turkey and EU-Turkey Cooperation", which was held on 29 April 2019. Opening speeches were delivered by the IKV Vice-Chair Prof. Halûk Kabaalioğlu, the Turkish-German University Rector Prof. Halil Akkanat, and the Director General of Migration Management at the Republic of Turkey Ministry of Interior, Abdullah Ayaz. Following the opening speeches, the Deputy Minister of Foreign Affairs and Director for EU Affairs Ambassador Faruk Kaymakçı in his keynote speech, evaluated Turkey-EU cooperation on migration.

In the first session of the conference, the panellists; Centre for Migration and Integration Studies Director Prof. Murat Erdoğan from the Turkish-German University, Prof. Ahmet İçduygu from Koç University, Elif Selen Ay from the UNCHR, International Centre for Migration Policy Development Regional Coordinator

Tamer Kılıç, and Oxfam Turkey Director Meryem Aslan discussed the situation of Syrian refugees in Turkey and their future. Numeric data on Syrian refugees in Turkey, problems and need in education, health, employment, social integration; conditions for return to Syria were among the topics touched upon, as well as the aid and activities made available to the Syrian refugees by NGOs, the state, and international institutions.

The second session of the conference focused on the EU-Turkey Statement issued in 18 March 2016, with the participation of Prof. Kemal Kirişçi from Brookings Institute, Prof. Sanem Baykal from Ankara University, Assoc. Prof. Deniz Şenol Sert from Özyeğin University, and IKV Secretary General Assoc. Prof. Çiğdem Nas. The panellists discussed a variety of topics, such as the scope of the Turkey-EU Migrant Deal, EU accession negotiations, visa liberalisation, and the resettlement of the refugees in the EU.



OPENING MEETING OF THE "HEAR THE CSOS" PROJECT WAS HELD

The opening meeting of the "Hear the CSOs" Project financed under IPA was held on 29 April 2019. IKV is the co-applicant of the project while European Union and Global Research Association (ABKAD) is the applicant, and Jean Monnet Scholars' Association and Ankara University's EU Research Centre (ATAUM) are the associates. During the meeting, ABKAD Chairman Murat Kavalalı, Deputy Head of Delegation of the EU to Turkey Gabriel Munuera-Vinals, Deputy Minister of Foreign Affairs and Director for

EU Affairs Ambassador Faruk Kaymakçı and IKV Vice-Chair Prof. Halûk Kabaalioğlu delivered speeches.

"Hear the CSOs" project aims to contribute to the development of a more enhanced civil dialogue and to improve CSO participation in decision-making processes on extending the Customs Union to sectors such as agriculture and services, through supporting the knowledge background, increasing communication and the advocacy skills of CSOs.

EU INFORMATION CENTRES COORDINATION MEETING WAS HELD AT IKV



The 3rd coordination meeting of the EU Information Centres Network Support Project, which is carried out by TOBB, was held in Istanbul on 29-30 April 2019. IKV Vice-Chair Prof. Halûk Kabaalioğlu, IKV Secretary General Assoc. Prof. Çiğdem Nas, Head of Press and Information Team at the EU Delegation to Turkey, Counsellor Maria Magdalini Kanellopoulou, EU Delegation to Turkey Communication Officer Selda Düzenli, the project coordination team and the coordinators of EU Information Centres located in 20 cities attended the meeting hosted by IKV.

The first session of the meeting began with the opening speeches of Prof. Halûk Kabaalioğlu and Counsellor Maria

Magdalini Kanellopoulou. IKV Secretary General Assoc. Prof. Çiğdem Nas delivered a speech on the recent developments in Turkey-EU relations.

The EU Information Centres and Documentation Centres aim to provide information about EU institutions and the EU's core values in order to minimise widely held misconceptions about the EU and Turkey-EU relations. IKV, which hosts the first EU Library and EU Documentation Centre in Turkey, is part of the EU Information Centres Network Project through the Istanbul EU Information Centre. Within this scope, IKV Istanbul EU Information Centre organises regional and thematic events, social debates and cultural activities.

38TH MEETING OF THE TURKEY-EU JOINT CONSULTATIVE COMMITTEE WAS HELD IN BRUSSELS

On 8 and 9 April 2019, the Turkey-EU Joint Consultative Committee convened under the joint chairmanship of TOBB President Hisarcıklioğlu and EESC Member Gkofas.



The Turkey-EU Joint Consultative Committee (JCC) met for the 38th time at the European Economic and Social Committee (EESC) headquarters in Brussels. The JCC is one of the institutions active in Turkey-EU relations and is composed of economic and social actors from Turkey and the EU. Representatives of employers' organisations, labour unions, and other interest groups participate in the JCC and provide for the representation of the social dimension.

The 38th meeting of the JCC was opened by the Co-Chairs, on the Turkish side, M.

Rifat Hisarcıklioğlu, President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and on the EU side, Panagiotis Gkofas, member of the European Economic and Social Committee. Opening speeches were delivered by Deputy Minister of Foreign Affairs of Turkey, Ambassador Faruk Kaymakcı and Miriam Ferran, Director for Strategy and Turkey at the Directorate-General for Neighbourhood Policy and Enlargement Negotiations of the European Commission.

Primary issues of Turkey-EU relations were

debated during the JCC meeting including accession process, modernisation of the Customs Union, visa liberalisation, economy and SMEs, migration, civil society as well as social policy and employment. Rapporteurs on both Turkish and the EU sides presented their findings on the Customs Union, visa liberalisation and role of civil society actors in Turkey-EU relations. They pointed out that Turkish civil society displays resilience and dynamism despite several drawbacks and acts as a promoter of EU values in society.

İKV Chairman Called for the Launch of Customs Union Modernisation Talks

İKV Chairman Ayhan Zeytinoğlu was also among the participants of the JCC meeting. In his intervention, İKV Chairman Zeytinoğlu focused on the importance of revitalising Turkey-EU relations. He said that opening chapters in the accession process should not be considered as a gift endowed upon Turkey but should be regarded as the most powerful mechanism for fostering Turkey's Europeanisation. İKV Chairman Zeytinoğlu also underlined the importance of modernising the Turkey-EU Customs Union, the inception of which dates back to 1996. He noted that problems in the functioning of the Customs Union impede the full realisation of the trade and investment potential between Turkey and the EU. He particularly focused on problems such as non-tariff barriers, Turkey's exclusion from the EU's free trade negotiations, lack of effective dispute settlement and consultation mechanisms and non-completion of the visa liberalisation process. İKV Chairman Zeytinoğlu reminded members of the Turkey-EU JCC that the visa requirement including the financial burden as well as the cost in terms of time and resources is against the spirit of the Customs Union relationship.

TREASURY MINISTER ALBAYRAK MET TRUMP AND INTERNATIONAL INVESTORS IN THE US



Turkey's Treasury and Finance Minister Berat Albayrak held a series of meetings in the US. On 15 April 2019, Treasury and Finance Minister Albayrak had a meeting at the White House with Secretary of Treasury Steven Mnuchin and Secretary of Commerce Wilbur Ross on economic issues; namely on how to reach the target set by the two countries' presidents to reach a 75 billion dollar trade volume. Minister Albayrak later met the US President Donald Trump. After the meeting, Minister Albayrak told the press that they had a positive and constructive meeting and that he conveyed the messages of President Erdoğan. Minister

Albayrak underscored that he witnessed a constructive view and positive approach at the presidential level including the S-400 process based on Turkey's needs. According to Albayrak, the fact that he was received by Trump at the White House shows the US President's positive perception about Turkey and his strong dialogue with the Turkish President.

Minister Albayrak continued his meetings with his interlocutors on how to increase the trade volume in different sectors. Following his meetings at the White House, Albayrak addressed the American-Turkish Council conference gala dinner.

TURKISH AUTHORITIES CONDEMNED POLITICAL DECISIONS CONCERNING THE 1915 EVENTS



As the anniversary of 1915 incidents has arrived, some EU Member States brought the issue to their political agenda. Consequently, Turkish competent authorities condemned Italy, France and Portugal via official statements claiming the events of 1915 are being used for domestic political interests. Firstly, on 10 April 2019, Chamber of Deputies of Italy passed a motion calling for the recognition of the events of 1915 as "genocide". The motion was drafted by the Lega Party which is led by Deputy Prime Minister and Interior Minister Matteo Salvini.

Turkish Ministry of Foreign Affairs in regard to the motion, stated that it is used by the Lega Party to strengthen its position in the EP elections. Then, on 11 April 2019

French President Emmanuel Macron, through a presidential decree, designated 24 April as a "remembrance day". Again, Turkish Ministry of Foreign Affairs condemned the action in the strongest terms and stated the following: "The decision taken by President Macron, for the sake of winning votes and in order to satisfy the present extensions of terrorist organisations in France, which martyred Turkish diplomats in the past, does not accord with our alliance relations." Lastly, Parliament of Portugal published a statement on 26 April 2019 regarding the 1915 events. In response, Turkish Ministry of Foreign Affairs declared the above mentioned claims incompatible with history and international and human rights law through press releases published immediately afterwards.

TURKEY UNVEILED NEW ECONOMIC REFORM PROGRAM



Turkey's Treasury and Finance Minister Berat Albayrak unveiled the new economic reform package entitled "Structural Transformation Steps" on 10 April 2019.

The economic reform package contains a new set of structural reforms in various areas ranging from banking to agriculture and from taxation to the severance pay, mainly focusing on the banking and financial sector. Treasury and Finance Minister Albayrak said that Turkey would focus on structural reforms. Minister Albayrak explained that they tackled the first stage of the steps for possible solutions to key economic problems. Firstly, the arrangement planned for 2019 will be shared and further steps will be announced in 2020.

As part of the reform plan, banks' capital and exports will be boosted and taxes will be adjusted to revive the economy amid high inflation. Minister Albayrak noted

that strengthening public banks capital structure would be the first step, adding that the Treasury would issue around 28 billion Turkish lira (5 billion dollars) worth of government debt securities in order to render the balance sheets robust. Under this plan, private banks' capital levels will also be raised and dividend and bonus payments will be limited during an economic rebalancing period.

According to the reform package, government loans will prioritise strategic sectors, exports as well as value-added and local production. The government also plans to integrate the country's severance pay fund with its private retirement insurance fund. A new individual pension system based

on the citizens' income level will be determined.

It is expected that the funds in the new retirement reserve will exceed 10 percent of Turkey's GDP within 5 years period. An insurance watch dog body will also be established. Minister Albayrak underlined that they gave priority to create an effective and healthy saving system to eliminate fragilities in the economy. Another step under the reform package will be the launch of a National Unity Project in Agriculture, aiming to fight inflation on food prices.

Minister Albayrak underscored that the transformation and reform process would decisively continue in a four and half years' period with no election.

IMF'S OUTLOOK FORESEES ECONOMIC RECOVERY FOR TURKEY IN 2020



On 9 April 2019, the IMF published its semi-annual report entitled "World Economic Outlook: Growth Slowdown, Precarious Recovery" with the aim of analysing the short and medium term expectations in global economy. The report underlines that trade tensions between the US and China, macroeconomic stress in some emerging countries like Argentina, Germany's disruptive automotive sector and some other factors caused a downgrade in IMF's global growth expectation falling to 3.3 percent growth for 2019 in pursuit of the materialised 3.6 percent growth in 2018. The report which forecasts global growth to reach 3.6 percent in 2020 makes important observations on the Turkish economy.

After having underlined that the Turkish economy grew by 2.6 percent in 2018, the World Economic Outlook 2019 Report predicts that it is going to contract by 2.5 percent in 2019. Afterwards, further

economic growth reaching to 2.5 percent in 2020 is predicted a consequence of the expected recovery in global economy. At the press conference, IMF's Chief Economist Gita Gopinath stated that although the Turkish economy is currently under stress, there is no reason for Turkey to ask the IMF for financial assistance in this context.

The report evaluates the New Economic Program announced by Treasury and Finance Minister Berat Albayrak as providing the necessary framework to overcome the complicated issues in Turkish economy. To ensure macroeconomic stability, an inclusive and reliable policy harmonisation is indicated to be necessary. According to the report, public-private partnership should be speeded up to rationalise spending decisions. Also greater transparency and strengthened financial balance sheets are necessary to reduce prevalent uncertainties in Turkey.

TURKEY AND GERMANY TO ADVANCE COOPERATION ON RENEWABLE ENERGY

On 9 April 2019, Turkey's Deputy Energy and Natural Resources Minister Alparslan Bayraktar spoke at the 5th Berlin Energy Transition Dialogue in Germany. Deputy Minister Bayraktar revealed Turkey's ambitions to invest around 11 billion dollars for energy efficiency over the next five years, cut its primary energy consumption by 14 percent and to reduce its CO2 emissions by 66 million tons.

Bayraktar also noted that Turkey will increase its investments to make its grid more resilient and reliable in both the gas and power sectors at the transmission and distribution levels to improve its energy infrastructure. According to Deputy Minister Bayraktar, Turkey will also continue with market reforms and will



bring around more innovation and out-of-the-box thinking for a better energy future.

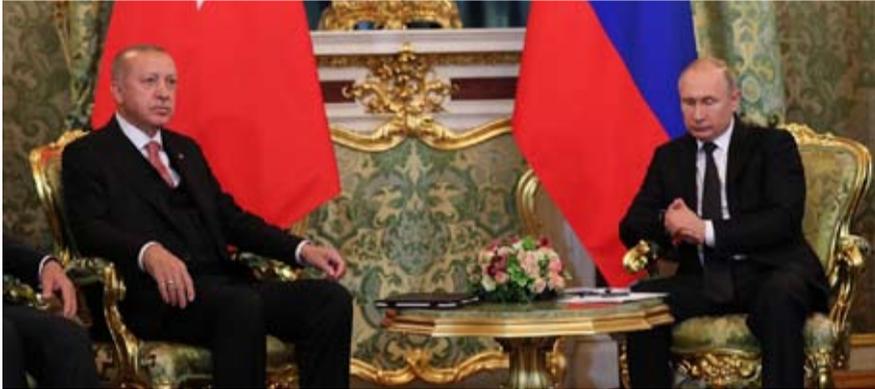
Meanwhile, Germany's Deputy Economy

and Energy Minister Thomas Bareiss, who has been appointed as a special envoy for Turkish-German energy partnership, gave an

interview to Anadolu Agency. In the interview, Bareiss stated that Turkey has better conditions for renewables, especially in wind, PV and hydropower, than Germany, and thus expressed that it is profitable for German companies to invest in Turkey's renewable energy sector by developing common projects. Bareiss remarked that Germany could help Turkey resolve its energy issues this way, however he also stated that despite the attractive conditions for new solar and wind investments, investors still continue to face some difficulties. To acquire closer cooperation in renewables, energy storage and efficiency, Turkey and Germany agreed to establish four bilateral working groups and to include the private sector and other stakeholders to learn from each other.

HIGH-LEVEL EXCHANGES

PRESIDENT ERDOĞAN VISITED MOSCOW



Turkish President Recep Tayyip Erdoğan visited Moscow to participate in the 8th Meeting of Turkey-Russia High Level Cooperation Council. Turkish President's Moscow visit aimed at boosting bilateral relations and increasing the trade volume between the two countries.

In Moscow, President Erdoğan firstly held a one-on-one meeting with Russian President Vladimir Putin. Prior to the meeting, President Erdoğan expressed the press that political, military, strategic, economic, trade and cultural issues would be brought on the agenda. Following their meeting, both leaders participated in the 8th Meeting of Turkey-Russia High Level Cooperation Council. During his opening speech at the Council meeting, President Erdoğan emphasised Ankara and Moscow's

joint objective to achieve 100 billion dollars in bilateral trade. President Erdoğan then underlined that 2019 has been declared as "Turkey-Russia Culture and Tourism Year".

Energy sector and the Syrian crisis appeared as the other key topics throughout the Council meetings. In regard to energy, President Erdoğan announced the completion of TurkStream pipeline's onshore sections by the end of the year as the next goal. On the other hand, Russian President Putin drew attention to de-escalation in Syria, efforts of both Turkey and Russia in the region as well as the implementation of the constitutional committee. Following the 8th Meeting of Turkey-Russia High Level Cooperation Council, President Erdoğan together with his Russian counterpart met with representatives of the Turkish and Russian business circles.

FOREIGN MINISTER ÇAVUŞOĞLU VISITED THE NETHERLANDS



Foreign Minister Mevlüt Çavuşoğlu visited the Netherlands on 10 April 2019 upon the invitation of his Dutch counterpart Stef Blok to participate in the 7th meeting of the Turkish-Dutch Bilateral (Wittenburg) Conference and to officially inaugurate the new building of the Turkish Consulate General in Amsterdam. In the context of the visit, Foreign Minister Çavuşoğlu came together with Dutch business people and underscored the role of the Netherlands as the number one foreign investor in Turkey and the top destination for Turkish

investments. He also highlighted that the trade volume between Turkey and the Netherlands volume is expected to surpass 10 billion dollars in the near future.

On 11 April, Foreign Minister Mevlüt Çavuşoğlu addressed the 7th meeting of the Wittenburg Conference which was established in 2008 with the aim of ensuring the improvement of Turkish-Dutch relations and the cooperation between the two countries. In his address, Foreign Minister Çavuşoğlu emphasised that Turkey's bilateral relationship with the Netherlands is one of Turkey's strengths going back over four centuries. Minister Çavuşoğlu stated that both countries can benefit from the discussions held during the conference in a world marked by instability and uncertainties. Çavuşoğlu noted that they can "stand up together" against common threats and forms of exclusion, such as ethnic and religious hate, discrimination, extremism and xenophobia.

On the same day, Foreign Minister Çavuşoğlu officially inaugurated the new building of the Turkish Consulate General in Amsterdam and expressed his wish that the new building, which resides at the heart of Amsterdam, will serve Turkish citizens in the Netherlands and Turkish-Dutch friendship.

NATO FOREIGN MINISTERS MARKED 70TH ANNIVERSARY OF THE ALLIANCE IN WASHINGTON



Foreign ministers of 29 NATO member countries and North Macedonia, which is in the process of joining the Alliance as its 30th member, gathered in Washington to mark the 70th anniversary of the founding of the alliance. The event, which was initially foreseen as a leaders' summit was downgraded to the level of foreign ministers, in an attempt to avert the Alliance's 70th anniversary being overshadowed by harsh criticisms by US President Donald Trump targeting European allies for their failure to increase their defence spending to 2 percent of GDP as agreed in 2014 at the Wales Summit. Instead, it was agreed to hold a leaders' summit in London in December.

Originally founded by 12 members as a military alliance to counter the Soviet threat, NATO has managed to survive and enlarge thanks to its ability to adapt to the dramatic shifts in the geopolitical context. Throughout its existence, the Alliance has assumed many roles and identities. Most recently, Russia's illegal annexation of Crimea in 2014 and the Ukraine crisis have put territorial defence high on the agenda of the Alliance. Today, NATO is faced with plethora of challenges ranging from an assertive Russia in the north to instability and migratory pressure stemming from

the south. Internally, the cracks in the transatlantic relationship and statements by US President Donald Trump questioning Washington's commitment to the principle of collective defence, which lies at the very heart of NATO, have rung alarm bells.

During the meeting, NATO Foreign Ministers adopted a new package of measures to enhance NATO's situational awareness and strengthen support for NATO's partners in the Black Sea region. According to the statement by NATO, Russia's ongoing violation of the Intermediate-Range Nuclear Forces (INF) Treaty, the Alliance's role in the fight against terrorism and the efforts of the US to seek a political settlement in Afghanistan as well as the fight against ISIS and how NATO is adapting to new terrorist threats were the main issues discussed by NATO Foreign Ministers.

Representing Turkey at the NATO Ministerial Meeting, Foreign Minister Mevlüt Çavuşoğlu underscored the significance of unity, cohesion and solidarity for the future of the Alliance. Moreover, Foreign Minister Çavuşoğlu highlighted the importance of the fight against terrorism and stated that terrorism is a threat to all nations which requires full solidarity and resolve without exceptions.

HIGH-LEVEL MEETING AGENDA OF FOREIGN MINISTER MEVLÜT ÇAVUŞOĞLU



On 19 April 2019, Turkish Foreign Minister Mevlüt Çavuşoğlu hosted the Foreign Minister of Poland, Jacek Czaputowicz, and the Foreign Minister of Romania, Teodor Melescanu in Ankara. The trilateral meeting has gathered three countries' Foreign Ministries on the occasion of a mechanism established in 2016 among Turkey, Poland and Romania. This gathering has concentrated on deepening the cooperation among NATO allies and the

assessment of the outcomes of the meetings which were held in Washington, DC on the occasion of NATO's 70th anniversary earlier this month. At the joint press conference following the meeting, the Foreign Ministers emphasised the importance of the solidarity among NATO allies and discussed the ways of further cooperation among the three countries in the field of defence and security.

On 23 April 2019, Foreign Minister Çavuşoğlu paid an official visit to Deputy Prime Minister and Minister of Foreign and European Affairs and Defence of Belgium, Didier Reynders. Turkish and Belgian Foreign Ministers discussed a wide range of issues, such as the fight against terrorism, NATO and Turkey's EU accession process. Moreover, during the press conference, which was held after the bilateral meeting, the parties emphasised the need to modernise the Turkey-EU Customs Union. Çavuşoğlu and Reynders argued that the modernisation would also incentivise an increase in the trade volume between Turkey and Belgium, which was worth 7.5 billion dollars in 2018.

BREXIT EXTENSION: WHAT NEXT?

Brexit day has been pushed back to avoid leaving without a deal. May hopes Britain can leave the EU before it has to take part in elections for the EP on 23 May. But, the timetable is tight.

Emre ATAÇ
IKV Junior Researcher

Britain's exit from the EU was postponed by an agreement in Brussels this month that gave Prime Minister Theresa May until 31 October 2019 to persuade the Parliament to approve the departure terms. May has so far been unable to get the exit package she agreed with the EU last year approved by the UK Parliament. The recently extended Brexit delay has temporarily averted a harmful "no deal" scenario and handed Britain more time to reach a consensus. But it is not cause for success. While the six-month extension to the Article 50 timetable appears to allow the UK a significant amount of time to decide upon the desired Brexit outcome, in practice that timetable is much more constrained than it looks.



EU Leaders Agree to Extend the UK's EU Membership

On 11 April 2019, at a special European Council meeting, European leaders agreed to extend the UK's EU membership until 31 October, following a second request by the British government for a delay to Brexit. The official objective is to allow time for the Withdrawal Agreement to be ratified. The extension is flexible: dubbed a "flexextension", it means the UK could leave the EU earlier than 31 October if the exit deal is ratified. EU leaders have reiterated that the legally binding Withdrawal Agreement on the terms of the UK's exit cannot be reopened; nor can the extension be used to start negotiations on future relations. However, the non-binding Political Declaration covering future ties may be reconsidered "if the position of the UK were to evolve". Finally, EU leaders note the UK's commitment to "act in a constructive and responsible manner" and refrain from disrupting EU business. Progress is to be reviewed at a European Council meeting in June.

Unless the UK Parliament rapidly approves the Withdrawal Agreement – and some believe it is already too late – then the UK will be obliged to take part and field candidates in the

next month's EP elections. They are due to take place between 23-26 May, but as the UK traditionally votes on a Thursday, the key date will be 23 May. Under the new arrangements, if the UK fails to hold these elections, the Brexit extension will cease on 31 May and the country will leave the EU. In other words, if the UK fails to hold the EP elections on 23 May, the extension will end on 1 June with a no deal Brexit. If Parliament ratifies the Withdrawal Agreement, the extension can end before the October deadline. But if neither of those things happen, the UK may find itself asking for more time in October or face the choice of leaving without a deal

Brexit Extension: What Next?

The six-month extension is designed to put the Brexit ball firmly back in the UK's court. Theresa May now has more than six months to break the Brexit deadlock in Parliament and get a deal approved. May's preferred scenario is to get the UK out of the EU with a deal before the EP elections or, failing that, ahead of the 31 October deadline. To do that, she will need to win a vote in

Parliament approving a Brexit deal and pass the legislation to implement it. Both stages are difficult because lawmakers are divided over the best way forward. The Withdrawal Agreement struck by the EU and the British government has repeatedly been rejected by the UK Parliament. The House of Commons has voted down the UK-EU separation deal three times. It is firmly against a no-deal Brexit, even passing a law aimed at blocking it, but has failed so far to agree on any alternative.

It is visible that the UK Parliament has been paralysed over how, or whether, the country should leave the EU. The UK Parliament is very divided, with the Labour Party delving for another referendum and a customs union and the Conservative Party striving to pass the divorce agreement. Talks between the Conservative government and Labour opposition to try to find a compromise deal are set to continue. But they may well founder. Recently, there has been a new actor in British politics: The Pro-Brexit Party led by Nigel Farage. The Pro-Brexit Party believes that Prime Minister May's deal is the "worst-deal

in history" and wants to progress with Brexit in its own way.

Given the generally low expectations of an imminent breakthrough in cross-party talks, the overwhelming likelihood now is that the UK will take part in the EP elections. However despite participating in the EP elections, the UK could still leave the EU before 31 October if Parliament passes the exit deal. The European elections will be completed by 26 May. But the EP does not sit for the first time until 2 July- which leaves a month for the UK to pass the Brexit Withdrawal Agreement and necessary implementation to obviate the need to take seats in the Parliament. Under the terms of the "flexextension" granted to the UK, as soon as the Brexit deal is passed, the UK will cease to be an EU member and so not need to have MEPs. In that event, the overall number of seats in the EP is set to be cut from 751 to 705. British MEPs would not take up their seats. Instead, the UK's seats would either be reallocated to 14 countries that are under-represented, or reserved for nations who may join the EU in

the future.

To sum up, Britain's EU membership is due to end on 31 October, with or without a deal. If a deal has not been agreed and ratified by then, the government will face the choice of leaving without a deal, seeking more time or cancelling Brexit altogether. Until 31 October the Government, or Parliament, could also decide to hold another Brexit referendum. According to the British Institute for Government, however any referendum would require fresh legislation and the Electoral Commission would need to test the proposed question (a process it says ideally takes at least 10 weeks). Relevant UK laws say there must be a 10-week regulated period before polling day. If the October European Council were to see the UK and EU discuss the next steps following a referendum, then the regulated period would need to begin in early August. This means that highly contentious legislation would need to be introduced very soon to ensure that there is enough time for it to pass and for the Electoral Commission to test the question before summer recess.