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EXTERNAL ASPECTS OF MIGRATION BROUGHT TOGETHER LEADERS IN MALTA

Leaders from the EU met in Malta for a two-day summit to find a solution to stem irregular migrants from Africa to the EU. During the summit, the Malta Declaration addressing measures to manage the migration flow along the Central Mediterranean route was adopted by leaders of the EU on 3 February.

Informal EU Leaders Summit hosted by Maltese Prime Minister Joseph Muscat took place in Malta on 3 February 2017. The summit was chaired by the President of the European Council Donald Tusk.

Regarding the external dimension of migration, leaders adopted the Malta Declaration during the morning session of the summit. The declaration aims to take a pragmatic, flexible and tailor-made approach at each and every point of involving all actors along the Central Mediterranean migration route. Concerning the control and stabilisation of the Central Mediterranean route, the EU leaders decided to work with Libya as the main country of departure as well as with its North African and sub-Saharan neighbors. This cooperation between the EU and Libya will be consisting of training, equipment and support to the Libyan national coast guard and other relevant agencies; efforts to disrupt the business model of smugglers through enhanced operational action; supporting where possible the development of local communities in Libya; seeking to ensure adequate reception capacities and conditions in Libya; deepening dialogue and cooperation on migration with all countries neighboring Libya and supporting other actors of international humanitarian community such as UNHCR within Libya. The Maltese Presidency showed the intention to ensure close monitoring of the implementation of the Declaration.

Moreover, it is important to note that the Declaration has vowed to include the necessary resources in order to meet the objectives agreed by the leaders.

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"WE EXPECT THAT VISA LIBERALISATION WILL TAKE PLACE FOR TURKISH CITIZENS AS WELL"

The EP voted to lift the visa requirement for Georgian citizens regarding short stays in the Schengen Area. Although visa-free travel for Georgian citizens will be realised only after the approval of the Council of the EU and the entry into force of the suspension mechanism allowing for the temporary reintroduction of visas, the approval of the related legislation by the EP constitutes an important and vital step in the process.

IKV Chairman Ayhan Zeytinoğlu commented on the development regarding visa waiver for Georgian citizens and stated that "The approval by the EP is a positive development for our neighbour Georgia. We expect a similar development regarding visa liberalisation for Turkish citizens in the near future".

IKV Chairman noted that Turkey had already fulfilled most of the criteria for visa liberalisation and that the European Commission recommended the lifting of the visa requirement in its 4th report and added that "There are still remaining hurdles, especially regarding the revision of the anti-terror legislation in Turkey in line with Council of Europe guidelines. These remaining conditions could be swiftly overcome in the next couple of months upon the joint endeavour of the parties. It should not be forgotten that Turkey complied with its commitments under the EU-Turkey Statement regarding the control of irregular migration over the Aegean. One of the conditions of the Statement was visa-free travel for Turkish citizens until June 2016. It is high-time to deliver on this target which will have a reinvigorating impact on Turkey-EU relations as a whole and rekindle the lost trust and sympathy between the parties."

Furthermore, IKV Chairman also mentioned the importance of visa-free travel for the impending modernisation of the Turkey-EU Customs Union: "We find it extremely difficult to accept the visa requirement for the citizens of a country which is in a Customs Union with the EU for 21 years and a candidate negotiating accession to the EU for 11 years. It constitutes a barrier to entry in to the Schengen Area for short stays for cultural, touristic or business purposes. Visa waiver will acquire a new urgency if and when the Customs Union incorporates the services sector within its realm since by definition the human element takes priority in the provision of services. We hope that we will not wait until the end of the negotiations on the modernisation of the Customs Union for the lifting of the visa barrier" IKV Chairman said.

EXTERNAL ASPECTS OF MIGRATION BROUGHT TOGETHER LEADERS IN MALTA

FROM THE FIRST PAGE

As such, and in accordance with the Valletta Action Plan, it is said that the Official Development Assistance for Africa would be strengthened to a total value of 31 billion euros. This fund would be used in a variety of projects, notably funded by the EU Trust Fund for Africa with the objective of helping Africans at the source and thus combatting the reasons for enduring migration flows. Furthermore, the Declaration also noted that the external migration policy would be developed in line with international law, by notably identifying potential barriers with respect to the conditions to be met for the returns along with a reinforcement of EU return capacities in that particular subject.

EU27 Set the Tone for the EU's Future Debate

At Malta Summit, leaders also discussed the 60th Anniversary of the Rome Treaties. The afternoon session's agenda item concerned the preparations for the 60th Anniversary. The 60th Anniversary event is planned to take place on 25 March in Rome. Leaders from 27 EU countries participated the session except from the UK.

In the aftermath of the meeting, President of the European Council Tusk "tweeted" that constructive discussion on the future of EU27, importance of unity and preparation for the Rome Summit occurred. During the meeting, a letter entitled "United We Stand, Divided We Fall" identifying main threats for the stability of the EU was presented by President Tusk. These threats have been described by President Tusk as increasingly assertive China and Russia's aggressive policies, instabilities within Middle East and Africa, unpredictability of the new administration in the US, rise of the nationalist, increasingly xenophobic sentiment in the EU and doubts in the fundamental values of liberal democracy of the Union. Yet, Malta Summit could not find a comprehensive result oriented answer to neither of these two issues.

However, the Malta Summit represented an opportunity to reinvigorate cooperation and trust between the remaining Member States at crucial time for the Union.

IKV'S "CUSTOMS UNION TALKS" WERE HELD IN ISTANBUL AND GEBZE

The meeting entitled "Customs Union Talks" organised by IKV EU Information Centre was held in Istanbul on 22 February. IKV Secretary-General Assoc. Prof. Çiğdem Nas, IKV Brussels Representative Haluk Nuray and IKV Strategy and Business Development Director Gökhan Kilit revealed information with respect to the pending problems and the modernisation process of the Customs Union.

Following the meeting in Istanbul, IKV, in cooperation with Kocaeli EU Information Centre and Gebze Technical University, organised a panel entitled "The Customs Union in light of Turkey-EU Relations" in Gebze. In the panel, the modernisation process of the Customs Union was discussed. Opening remarks of the panel were made by the Rector of Gebze Technical University Prof. Haluk Görgün. IKV Brussels Representative Haluk Nuray, IKV Strategy and Business Development Director Gökhan Kilit and Gebze Technical University lecturer Asst. Prof. Hande Barlın made presentations on various aspects of the Turkey-EU Customs Union modernisation process, focusing on the expected results on economic and commercial relations, on agricultural and services sectors as well as on Turkey-EU relations.

In his speech where he indicated that the Customs Union had been planned on a short basis and has aged, IKV Brussels Representative Haluk Nuray underscored that the most important reason for this is the assumption that one did not know how long Turkey's EU accession negotiations would actually take. Furthermore, Nuray explained that it is critical to keep in mind societal dynamics along with statistical data in order for the impact analyses to be successful.

In a reference to an impact analysis conducted by the Ministry of Economy, IKV Brussels Representative Nuray said that one should assess carefully both the figures and the numbers which are evolving. He also added that the impact analysis prepared by the EU highlighted the fact that Turkey has become a major player in terms of external trade. Nuray stressed the importance for Turkey to upgrade its trade and give further added value to its industry within the framework of the negotiations on the modernisation of the Customs Union. Lastly, Nuray underlined the need for the Customs Union to be modernised and to be fully a party to the EU value chains.

Regarding the expected results of the modernisation process on agricultural sector, IKV Strategy and Business Development Director Kilit stated that if the modernisation process is well-managed, it can be an opportunity for Turkish agri-business. Kilit also mentioned that there are four major problems ahead of Turkey. These

are as follows: Small enterprises, impacts of land fragmentation on agricultural productivity, inadequate watering and inadequacy of rural development.

Finally, Asst. Prof Hande Barlın from Gebze Technical University made a presentation on all aspects of Customs Union and its impact on service sector in Turkey. After giving a general view of the sector in Turkey and the EU, Asst. Prof. Barlın underlined that further efforts should be done in Turkey to increase awareness for the modernisation process.

IKV PRESS RELEASE ON TURKISH SOVEREIGN WEALTH FUND

IKV Chairman Ayhan Zeytinoğlu made a statement with respect to the Turkish Sovereign Wealth Fund which had been established in August 2016 and became operational with the transfer of some public companies and property on 5 February. IKV Chairman Zeytinoğlu indicated that Turkey is the only G20 country without a sovereign wealth fund and further expressed that such a fund would provide opportunities for Turkey's development.

Moreover, IKV Chairman Zeytinoğlu referred to the "Santiago Principles" which aim to regulate at the international level the sovereign wealth funds. In that respect. Zeytinoğlu was quoted as saying the following:

"When taking a closer look at the situation of sovereign wealth funds in the world, we can see that there has been a substantial increase in their creation on an annual basis especially since the 2000s. Since 2015, there is a total amount of approximately 7.1 trillion dollars within the scope of the sovereign wealth funds. These resources are used to fund a variety of investments, projects and financial operations both domestically and abroad. One can mention, as such, prominent sovereign wealth funds from Norway, Qatar, UAE, China, Kuwait and Singapore. Along with these funds, there are countries such as Ireland, Kazakhstan and Morocco which are transferring certain public resources such as revenues from privatisation to special funds with the objective of increasing long term investments and accelerating economic development and realising investments to strategically based companies and/or projects.

IKV Chairman Zeytinoğlu indicated that an annual increase in GDP of 1.5 percent is expected in the next 10 years thanks to the creation of the sovereign wealth fund. Moreover, he underscored the need for such a fund to be governed with a market logic in order for it to be fully beneficial and provide benefits in terms of growth and development and in accordance with the principles of transparency and accountability. Within that framework, IKV Chairman Zeytinoğlu highlighted the importance of the Santiago Principles which are governing the international architecture of the

sovereign wealth funds:

"If we are willing to see an annual increase by 1.5 percent in our growth rate the next 10 years as mentioned in the preamble to the law regarding the Turkish Sovereign Wealth Fund, it is of utmost importance that such a fund is governed effectively and in accordance with market principle, that the legal framework is well established and determined and that it pays special care to the principles of good governance. The Santiago Principles which had been determined within the framework of the "International Forum of Sovereign Wealth Funds" in 2009 are putting forth the standards of good governance with respect to the administration and auditing of the sovereign wealth funds. These principles which can also be described as the "certificate of good conduct" of the sovereign wealth funds include a total of 24 principles with respect to good governance, transparency, accountability, good practices and good procedures for healthy and long term investments. As such, we can say that the adoption of such principles is the best formula in order to erase doubts regarding these funds and provide for their effective and transparent management".

IKV'S NEW PUBLICATION: LOW-CARBON ECONOMY IN TURKEY AND THE EU

Paris Agreement and the new Sustainable Development Goals are two closely linked agreements setting long-term targets shaping global environmental protection and climate change policy under the UN. In line with scientific findings of the UN, the implementation of Paris Agreement is, however, not achievable with existing national targets submitted by Parties, including Turkey. According to the European Environment Agency, the EU is also not on track to meet 2030 targets and beyond whilst the Union meets 2020 goals in general. Therefore, the EU began to take additional measures in line with Paris Agreement and Energy Union Strategy. In this regard, the EU proposed a package of measures to move towards a low-carbon economy by 2050 in sectors of the economy as waste, buildings, agriculture, transport and land-use and forestry, which are not covered by the EU Emission Trading Scheme (EU ETS).

Turkey's Climate Change Action Plan (2011-2023) is defined as the main national document to accelerate the transition to a low-carbon economy in Turkey. The Action Plan includes targets for sectors covered by the EU ETS such as energy-intensive and industry as well as other sectors outside the system. The Regulation Concerning Monitoring Greenhouse Gas Emissio issued by the Ministry of Environment and Urbanisation is also base EU ETS sectors. On the o the Regulation's objectiv align with the EU ETS and includes the MRV system (measuring, reporting and verification) of emissions of related sectors. On the other hand, the Regulation is only based on MRV system rather than limiting emissions in sectors. In Turkey, emissions as CO_2 equivalent increased by 125 percent in 2014 compared to the emissions in 1990, according to the Turkish Statistical Institute (No: 21582). This is also mentioned as one of the main remarks of Turkey

"Transition Towards a Low-Carbon Economy-Main Sectors" (in Turkish) prepared by IKV Researcher İlge Kıvılcım gives a general view of global trends in climate change policy, current emissions and sectoral transition in line with low-carbon economy in Turkey and the EU. As IKV, we wish this publication gives young experts inspiration in their research and contributes to raise awareness of the most important recent global issue climate change.

IKV DISCUSSED TURKEY-EU RELATIONS IN ADANA

IKV, in cooperation with Adana Chamber of Industry, organised a meeting entitled "Turkey's EU Agenda: Effects of the Modernised Customs Union on the Business World" on 27 February in Adana. This has been performed within the framework of the Tour d'Horizon in Turkey-EU relations project launched in 2015. In the meeting, IKV Secretary-General Assoc. Prof. Çiğdem Nas gave some information with respect to the modernisation process of the Customs Union. Following her speech, IKV Strategy and Business Development Director Gökhan Kilit gave a presentation regarding the effects of the modernisation of the Customs Union upon the agricultural sector. Finally, IKV Research Director Çisel İleri underscored the various EU funds of which the business world may benefit from. The debate on the future of the Customs Union mostly focused on the probable impact on the business world and the potential benefits that would accrue from a modernised Customs Union.

TIMELINE
FEBRUARY 2017

1 — IKV Chairman attended Annual Civil Society Awareness Awards in Ankara
1 — TOBB President visited President Recep Tayyip Erdoğan
2 — German Chancellor Angela Merkel's visit to Turkey
3 — Informal meeting of EU Heads of State and Government in Malta
4
5
6 — Turkish Economy Forum organised by TOBB was held in Ankara
7
8 — Minister of Foreign Affairs Mevlüt Çavuşoğlu visited to Spain (8-9 February)
9 — Foreign Minister Çavuşoğlu visited to Ukraine *(9-10 February)*
10 — Minister for EU Affairs Ömer Çelik's visit to France *(9-10 February)*
11
12 — UN Secretary-General Antonio Guterres' visit to Turkey *(10-11 February)*
13
14 — Council of Europe published a memorandum on freedom of expression and media freedom in Turkey
15
16 — Foreign Minister Çavuşoğlu visited Germany *(16-19 February)*
17 — Turkey-EU JCC members came together at TOBB
18
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20
21
22 — IKV's Customs Union Talks were held in Istanbul and Gebze
23
24
25 — IKV's new publication entitled "Transition a Carbon Economy-Main Sectors" published
26
27 — IKV discussed Turkey-EU relations in Adana
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30
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TOBB ECONOMIC COUNCIL WAS HELD

Turkish Economic Council was hosted by TOBB President M. Rifat Hisarcıklıoğlu on 7 February in Ankara with the participation of the President Recep Tayyip Erdoğan and Prime Minister Binali Yıldırım.

Turkish Economic Council was hosted by TOBB President M. Rifat Hisarcıklıoğlu with the participation of the President of the Republic of Turkey Recep Tayyip Erdoğan, Prime Minister Binali Yıldırım, Ministers, IKV Chairman Ayhan Zeytinoğlu, as well as Heads of Chambers of Commerce and Industry, stock exchanges, organised industrial zones, and a large number of businesspeople.

In his speech, President Erdoğan expressed that they have taken every step of the economy through consultation and he said that business people's opinions about the country, cities and sectors are always important. Prime Minister Binali Yıldırım addressed TOBB members and stated that it is very important that the chamber and Commodity Exchange representatives from every corner of the country have come up to keep the pulse of the economy.

TOBB President M. Rifat Hisarcıklıoğlu also stated that the private sector invested 155 billion Turkish Liras in machinery and equipment last year, exported 141 billion US Dollars of goods, and obtained 38 billion US Dollars foreign currency income in the tourism, maritime and contracting sectors.

MINISTER OF FOREIGN AFFAIRS ÇAVUŞOĞLU VISITED TRNC

Minister of Foreign Affairs Mevlüt Çavuşoğlu paid a visit to the Turkish Republic of Northern Cyprus (TRNC) on 20 February. During his visit, Minister Çavuşoğlu came together with President of TRNC Mustafa Akıncı. Leaders exchanged views on the negotiations in the Island.

Regarding the Greek Cypriot side's attitude in Cyprus talks, Foreign Minister Çavuşoğlu at the joint press conference with President Akıncı underlined that leaders of the Greek Cypriot should change their attitude which is not constructive in finding a permanent solution in the Island. Minister Çavuşoğlu added that Turkey will remain on the side of the Turkish Cypriots. In his speech, President Akıncı also expressed his views on Turkey's support for peace in talks in the Island and added that Turkish Cypriots cannot welcome the "enosis" (union) decision.

Following the joint press conference, Minister Çavuşoğlu also met with Speaker of the Assembly of the Republic of Northern Cyprus Sibel Siber and Prime Minister Hüseyin Özgürgün.

TURKEY-EU JOINT CONSULTATIVE COMMITTEE WAS HELD IN ANKARA

Turkey-EU Joint Consultative Committee (JCC) was held in Ankara on 17 February. The meeting was chaired by TOBB President M. Rifat Hisarcıklıoğlu. TÜRK-İŞ General Chairman Ergün Atalay, TİSK Secretary General Bülent Pirler, TESK Chairman Bendevi Palandöken, TZOB Chairman Şemsi Bayraktar, HAK-İŞ Chairman Mahmut Arslan, MEMUR-SEN Chairman Ali Yalçın and Turkey KAMU-SEN General Legislation Secretary Mehmet Özer were president in the meeting.

GERMAN CHANCELLOR ANGELA MERKEL CALLED FOR DEMOCRATIC PRINCIPLES IN TURKEY

On 3 February, German Chancellor Angela Merkel paid a one-day visit to Ankara to hold talks with Turkish officials, as her first visit to Turkey in the aftermath of the July failed coup attempt.

The fight against terrorism, refugees, Syria, defense industry, the constitutional amendments and fundamental rights in Turkey were among the main topics discussed by the two leaders.

In a joint press conference, German Chancellor Angela Merkel emphasised the importance of protecting democratic principles and fundamental rights such as human rights, rule of law, freedom of speech and media to be upheld in talks with President Recep Tayyip Erdoğan. In her speech, "In such a time of profound political upheaval, everything must be done to continue to protect the separation of powers and, above all, freedom of opinion and the diversity of society" German Chancellor Merkel said. German Chancellor Merkel expressed that German journalists also need their accreditation in order to work here in Turkey. Regarding the fight against terrorism, German Chancellor Merkel underlined that they agreed with President Erdoğan on the need for closer cooperation between the two NATO allies. Two leaders mentioned that the Syria crisis can only be solved through international dialogue.

Following the speech by German Chancellor Merkel, President Erdoğan stated that there is still a legislative branch, an executive branch, and a judiciary branch in Turkey. "There is no elimination of seperation of powers" President Erdoğan said at a joint press conference.

MEMORANDUM ON FREEDOM OF EXPRESSION IN TURKEY

On 15 February, the Commissioner for Human Rights of the Council of Europe, Nils Muižnieks, published a memorandum on freedom of expression and media freedom in Turkey.

The Commissioner for Human Rights of the Council of Europe, Nils Muižnieks, visited Turkey in April 2016 with the aim of collecting information about not only freedom of expression and media freedom but also terrorism and human rights in especially the South East. Afterwards, while he was writing his report, a coup attempt took place in Turkey on 15 July 2016. As a result, he went to Ankara again in September to obtain information about the implications of the coup attempt and the following state of emergency for human rights.

The current memorandum that was published on 15 February 2017 involves insights from both visits and touches explicitly upon freedom of expression and media freedom by discussing them with regard to media pluralism and independence, judicial harassments restricting freedom of expression, safety and security of journalists and internet censorship. After explaining the recent developments in Turkey in terms of the mentioned subtitles, the Commissioner gives some recommendations at the end.

What is happening in Turkey?

The report stated some concerns regarding the suppression of the opposition, worsening of the democratic environment and polarisation of society. It is also mentioned that some sanctions that journalists, parliamentarians, academics and even ordinary citizens are exposed to reduce the pluralism in society. Moreover, the Commissioner criticised the Turkish Criminal Code and Anti-Terrorism Act in addition to incompatibility of their applications with the European Convention on Human Rights (ECHR). The report refers to serious deteriorations regarding the right to freedom of expression and media freedom which are stated as an existential threat to Turkish democracy.

Furthermore, reduction in independence of judiciary due to the rising power of the government on High Council of Judges and Prosecutors (HSYK), increasing amounts of detention on remand and charges in contradiction with freedom of expression are some instances of deteriorations in Turkish judiciary. The Commissioner expressed that the state of emergency declared after the coup attempt had increased violations of the freedom of expression and media freedom by triggering self-censorship among ordinary citizens and biased broadcasting among the remaining media in favour of the government.

Recommendations of the Memorandum

It is well-known that Turkey has been witnessing a tough period because of the ongoing civil war at its borders, rising terrorist attacks in the country and the failed coup attempt. In addition, as praised by the Commissioner, three million Syrian refugees are generously hosted in the country. Despite of all these difficulties, Turkey needs to make some adjustments to cease the negative trend of freedom of expression and media freedom. The memorandum reminds the case-law of the European Court of Human Rights (ECtHR) which underlines the significance of the right to freedom of expression and media freedom for modern democracies and their healthy continuations. Therefore, unless the situation in Turkey is altered, the number of the cases of violence and terrorism are expected to increase.

What is more, the Commissioner repeatedly stated the need for some revisions and adjusments in the Turkish Criminal Code, and particularly some of its articles and Anti-Terrorism Law in line with the case-law of the ECtHR and opinions of the Venice Commission. Similarly, the Internet Law and the Radio and Television Law are mentioned as crucial legislative changes which are urgently needed because evidence showed that laws and regulations have been used to punish and stifle some media members, journalists, academics and normal citizens.

It is also underlined that, recommendations of the last Commissioner's 2011 memorandum are still valid. There is an urgent need to guarantee the independence of the judiciary from political and other pressures. Additionally, interpretations and applications of laws by judges and prosecutors have to be regulated to make them compatible with the law-case of the ECtHR.

Finally, taking all of these steps are mentioned to be difficult under the current state of emergency, so Turkish authorities are advised to bring it to an end as soon as possible. The Commissioner finishes his words by stating his willingness to pursue his constructive dialogue with Turkish authorities and offering his assistance and support to their efforts to improve the protection and promotion of human rights in Turkey.

UPDATES ON MUNICH SECURITY CONFERENCE

A long list of decision makers met at the 53rd Session of the MSC to debate NATO after the election of Donald Trump, the future of the EU, relations with Russia, Syria as well as tempers rising in the Arctic.

The Munich Security Conference has become a global platform for international security issues over the past five decades. Among this year's confirmed participants were US Vice-President Michael Pence, US Defense Secretary James Mattis, UN Secretary-General Antonio Guterres, NATO Secretary-General Jens Stoltenberg, Minister of Defence of France Jean-Yves Le Drian, Chancellor of Germany Angela Merkel, Minister of National Defence of Canada Harjit Singh Sajjan, Minister of National Defence of Republic of Turkey Fikri Işık, Iranian Foreign Minister Javad Zarif, High Representative of the EU for Foreign Affairs and Security Policy and Vice-President of the European Commission Federica Mogherini and more than 30 Heads of State and Government, over 80 foreign and defence ministers.

This year's conference held from 17 to 19 February focused on key global issues and international security. At the same time, on 13 February, the Munich Security Conference published the third edition of its annual report entitled "Post-Truth, Post West, Post-Order" which gives a general view of major developments and challenges in the world. According to the report, the rise of the populist and anti-EU political parties in the Union became systemic challenges that threaten democratic international order. There is also a cultural backlash against so-called "globalism" from which the populist surge draws.

In the report, it is also mentioned that Turkey and the EU still very much depend on each other in some areas of trade relations, partnership for NATO and the refugee deal even though the membership process is not on track.

In the conference, High Representative Federica Mogherini in her speech expressed her belief that they want the EU to play a leading role in trying to secure international peace and added that the EU will remain a reliable and indispensable power. "Security cannot be faced with a purely and exclusively military approach. Investing in strong societies makes a country stable; investing in resilience, in human rights, democracy, good governance, jobs, education investing in this, which is the European way, is also an investment in our security" the High Representative Mogherini said. The High Representative reiterated that the EU has a very close and crucial relationship with the US, which will continue, while keeping their cooperation with NATO. She also stressed the need for the international community to continue pressing for a solution to the crisis in Syria and Eastern Ukraine.

German Chancellor Merkel also stated that the relations between the EU and the UK should be maintain in the near future. In addition, the EU27 need to figure out how they can make the Union better. Regarding the G20 Presidency, which will be held on 7-8 July in Hamburg, Chancellor of Germany said that they will address the issues of migration, global health, education, rights of girls and women, development aid, regional crises such as Syria, Africa and the like. German Chancellor Merkel emphasized the need for a leadership within the EU in order to enable the Union move towards the approach including good governance rather than only military capabilities. In addition, Merkel stated that "European defence capability can never be seen as an alternative to NATO, but must always fit in with NATO's capabilities".

Before the conference, German Chancellor Merkel came together with Prime Minister Binali Yıldırım. In her speech at the conference, German Chancellor Merkel said that they see Turkey as a NATO partner and Turkey is adversely affected by terrorism. In order to fight against terrorism globally, she underlined that the Union needs the military strength of the US. Regarding the refugee crisis, she emphasised the need for further cooperation with Turkey by stating "Turkey has taken in almost three million refugees. That is why we have a joint responsibility here. I want to state explicitly that the EU also has a responsibility to address the reasons why people flee. Unfortunately, we do not have a joint position on this issue within the EU".

Turkish Officials' bilateral meetings

Turkish officials held a series of meetings on various issues during the conference. Minister of Foreign Affairs Mevlüt Çavuşoğlu paid a visit to Germany to participate in the 53rd Session of the Munich Security Conference. During his visit to Munich on 17-19 February, Minister of Foreign Affairs Çavuşoğlu accompanied Prime Minister Binali Yıldırım. Prime Minister Yıldırım and Foreign Minister Çavuşoğlu met with foreign ministers and EU officials. They came together with Germany Chancellor Angela Merkel, President of Azerbaijan Ilham Aliyev, Vice-President of the US Michael Pence, European Commissioner for Migration, Home Affairs and Citizenship Dimitris Avramopoulos, Chair of the Group of the European People's Party (EPP) Manfred Weber. Minister Çavuşoğlu at the meeting with Commissioner for Migration, Home Affairs and Citizenship Dimitris Avramopoulos. Leaders discussed Turkey-EU relations, refugee deal between Turkey and the EU, military and security issues within NATO and the fight against terrorism.

Minister of Foreign Affair Çavuşoğlu, in his speech at the conference stated that there are many challenges in the world such as terrorism, civil wars, violent extremism and the like. In order to find a solution in Syria, Libya and Yemen, Minister of Foreign Affair Çavuşoğlu underlined that the international community needs political and sustainable solutions by securing cooperation and solidarity.

MINISTER FOR EU AFFAIRS ÖMER ÇELİK'S VISIT TO PARIS

Minister for EU Affairs and Chief Negotiator Ömer Çelik paid a visit to Paris on 9-10 February in order to meet with his French counterparts. During his visit, Minister Çelik met with French Minister of Foreign Affairs and International Development Jean-Marc Ayrault. Minister Çelik attended a working lunch hosted by French Minister of State for EU Affairs Harlem Désir. Minister Çelik also came together with Gérard Larcher, the President of the Senate of France, and later delivered a speech at the French Institute of International Relations- IFRI on the future of Europe.

The main topics on the agenda of the meetings were the recent developments in Turkey-EU relations, fight against terrorism, migration crisis, visa liberalisation process, Turkey-France relations and bilateral cooperation opportunities. Minister Çelik also gave interviews to French media during his visit.

UN SECRETARY-GENERAL ANTÓNIO GUTERRES'S FIRST OFFICAL VISIT TO TURKEY AFTER TAKING OFFICE

UN Secretary-General António Guterres paid his first official bilateral visit to Turkey on 10-11 February. During his meeting with Turkish officials, Syrian crisis, Cyprus talks and regional conflicts were discussed.

Prior to being received by President Recep Tayyip Erdoğan on 11 February, Guterres also had bilateral meetings with Prime Minister Binali Yıldırım and Foreign Minister Mevlüt Çavuşoğlu on 10 February, where he had an opportunity to discuss the situation in Syria and Iraq as well as the importance of rule of law and protection of human rights in Turkey.

During the meetings, Guterres stressed that Turkey is an extremely important member country for the UN and has a key role in the resolution of all conflicts in the region. In particular, the Secretary-General expressed his appreciation for the role of Turkey in convening and orienting the Astana conference on Syria and that it would lead to the Geneva talks in which the political solution dimension will be at the centre of the discussions. On Iraq, Secretary-General Guterres expressed the need that the ongoing operations to liberate Mosul and other areas from the Islamic State of Iraq. The Secretary-General stated that Turkey extends to the large humanitarian support to Syrian people as well as Iraq and also praised Turkey's leading role in "The Alliance of Civilisations Initiative" and "Friends of Mediation Group".

Negotiation process to achieve a just and lasting solution to the Cyprus issue and Palestine were also discussed during the meetings. Guterres underscored that the UN will be entirely at the disposal of the two Cypriot communities and of the guarantor powers to support the search for a solution that is acceptable for all. Furthermore, he expressed his hope that the efforts of the two communities that go on meeting at the highest level and the efforts of the guarantor powers will allow for a breakthrough in the near future; a breakthrough able to fully respect the concerns of the Turkish Cypriot community about its security but, at the same time, compatible with the concerns of the Greek Cypriot community. Support for a two-state solution in Palestine was also on the table. The Secretary-General said that there is no plan B but for the two-state solution for the Palestinian-Israeli conflict, and pointed that it is absolutely essential to avoid unilateral actions that undermine the possibility of the two-state solution.

CYPRUS TALKS STALL OVER GREEK CYPRIOT MOVE TO COMMEMORATE THE 'ENOSIS PLEBISCITE'

The UN-sponsored talks reached an impasse over the Greek Cypriot side's decision to introduce the commemoration of the 1950 enosis plebiscite in Greek Cypriot public schools.

On 10 February, the Greek Cypriot House of Representatives upon the proposal from the far-right racist National People's Front (ELAM) passed a controversial law to add the 1950 vote for union with Greece (known as 'enosis' in Greek), among the dates to be celebrated in public schools. ELAM's motion to introduce the commemoration of the 1950 plebiscite was backed by Greek Cypriot leader Anastasiades' Democratic Rally (DISY) party in the committee, and was passed due to DISY's abstention at the final vote.

The move was strongly condemned by the President of the Turkish Republic of Northern Cyprus Mustafa Akıncı, who has since called on the Greek Cypriot leader to overturn the decision. In a written statement concerning the decision, Akıncı denounced the attempts to keep enosis alive at a time when the negotiations have entered the final phase. Akıncı underscored that the decision sent a very dangerous message to the Greek Cypriot youth and increased the insecurity of the Turkish people. TRNC President Akıncı asked the UN to launch an initiative for the controversial decision to be withdrawn. On 15 February, in a letter addressed to UN Secretary-General Antonio Guterres, TRNC President Akıncı, warned that unless the decision to commemorate the 1950 enosis plebiscite was repealed, it would be a major blow to efforts to build mutual trust between the two communities on the island and risked seriously damaging the talks.

Against this background, the reunification talks reached an impasse on 16 February, when Greek Cypriot leader Nicos Anastasiades walked out of the leaders' meeting in which TRNC President Akıncı conveyed the Turkish Cypriot side's concerns regarding the issue. Commenting on the subject, Turkish Foreign Minister Mevlüt Çavuşoğlu denounced the decision of the Greek Cypriot House of Representatives and stated that the idea of union with Greece was the basis of all problems in Cyprus.

The leaders' meeting scheduled for 23 February was not held. TRNC President Akıncı stated that for the negotiations to continue the Greek Cypriot leader should send out a clear message to the Turkish Cypriot community that he does not support the decision and should overturn it. Prior to the crisis in the talks, the two sides had mandated UN Secretary General's Special Adviser Espen Barth Eide to engage in shuttle diplomacy with the guarantor powers in preparation for the next session of the Geneva Conference which was expected to be held in March.

QUOTA ISSUE OF THE TURKISH ROAD TRANSPORT SECTOR WAS BROUGHT BEFORE THE ECJ

For the first time ever in the history of the Turkish road transport sector, a small team of approximately 20 people attended the hearing in front of the European Court of Justice (ECJ) on 19 January.

Deniz SERVANTIE,
IKV Junior Researcher

The case brought in front to the ECJ concerned a Turkish road transport firm which, it claims, had been subjected to unfair practices and extra fees by the Hungarian authorities as its hauliers were transiting through the national territory of Hungary. This bears a significant importance as it is the first time that the Turkish road transport sector's quota issue is so openly discussed in front of the EU's primary and most important judicial body. The Turkish delegation was composed from top officials from the relevant ministries along with representatives from TOBB, IKV, TIM and UND. Nonetheless, in order to better grasp the full extent of this critical issue for the sector, it is of utmost importance to analyse in further depth the current situation of the Turkish road transport sector within the EU.

Current Situation of the Turkish Road Transport Sector in the EU

First of all, Turkey signed a variety of agreements with EU Member States with respect to road transportation which often include important differences regarding the conditions of transit. Indeed, transit permits are not uniform among all EU Member States, permits which are of paramount importance for Turkish hauliers. The longstanding issue of the Turkish road transport sector has been that EU Member States such as Hungary and Romania have been inadequate in the deliverance of the transit permits. Indeed, many cases have shown that the supply of such permits does not sufficiently match the ever growing demand of hauliers transiting through such countries.

This issue is of critical importance for Turkey's economy and more specifically its exports to the EU (which represents its most important trading partner by far) as it can lead to difficulties and further delays as such export products have to wait considerable amounts of time in third country territories before reaching their final destination. Although such limitations continue to significantly affect the effectiveness of Turkey's exports towards the EU, it is safe to say that Turkey-EU trade has been consistently growing in the last ten years.

Indeed, as it is known, the EU constitutes Turkey's number one import and export partner while Turkey is currently ranking as the EU's 7th top import and the 5th in terms of export markets.

Subject of the Case

As a result of a fee imposed upon a company entitled Istanbul Lojistik in Hungary, this issue was brought upon the jurisdiction of a Hungarian court. The Hungarian court ruled that the case is beyond its jurisdiction, and henceforth, the ball was directed to the ECJ in Luxembourg. Thus, the case was officially discussed in a first hearing on 19 January 2017. Furthermore, the Legal Service of the European Commission was a party to the case and it is noteworthy that the views expressed by its representatives echoed those of the Turkish firm and its defendants. At this juncture, it would be useful to give further insight on the main issues the Turkish road transport and logistics sector is being faced in some EU Member States. They are as follows:

- Some Member States on the eastern parts of the EU (i.e. Bulgaria, Romania, Hungary, etc.) do agree to grant free of charge transit permits to some Turkish hauliers within the framework of the quota system. However, these are generally at a limited amount, thus not being able to meet the ever growing demand from the hauliers.
- In case the road transport quotas have been surpassed, Turkish hauliers are granted other types of transit permits which are obviously not free of charge (such as the "dozvola" in Bulgaria).
- Certain routes utilised by Turkish hauliers are closed to traffic and as such, the goods are transferred into trains (this is notably the case between

Slovenia and Austria with the "Ro-La" system).
- At some instances, the crossing points at Turkey's borders with the EU (such as the Kapıkule crossing point with Bulgaria) may be closed to traffic, thus leading to a significant delay in customs procedures.
- The visas imposed upon Turkish drivers also constitute another hurdle.

The future timetable of the case will continue according to the procedures of the ECJ and as such, the Advocate-General of the ECJ in charge of the case will declare his written opinion regarding the case on 6 April 2017. This will be decisive as regarding to the opinion expressed, the Court would in the majority of situations uphold the opinion of the Advocate-General. The Court will thus judge on the case before the end of the year at the latest.

Possible Effects of the Case upon the Modernisation Process of the Customs Union

As it is known, 2017 had been determined before as a crucial year with respect to the launch of the negotiations on the modernisation of the Customs Union between the EU and Turkey. These negotiations are of paramount importance for the Turkish road transport sector; as indeed, if concluded positively, they may thus integrate services within the framework of the legal architecture of the Customs Union which would effectively render many of the issues indicated above obsolete. Some actors of the sector - such as the International Transporters' Association (UND) - have indicated numerous times that the quota issue along with other pending issues could actually be solved through the conclusion of another agreement between the parties which would be independent from the abovementioned negotiations. Nonetheless, many impact analyses along with other reports have noted that the inclusion of trade in services would have positive effects upon the Turkish road transport sector, thus highlighting the importance of the negotiations on the modernisation of the Customs Union. Furthermore, one may add that the hypothetical positive outcome of the case at the ECJ may also contribute to the negotiations.

One can say that the acceleration of reforms which may be materialised in the sector would also lead to further trade, economic effectiveness and efficiency and provide new opportunities for all. Undoubtedly, the single most important effect would be the lift of the quota requirements which still continue to pose a significant hurdle regarding trade between the parties. As such, one can safely say that further liberalisation would provide benefits for both the EU and Turkey in terms of economic growth and new employment opportunities. In case, the quota system would be completed or partially lifted, some analyses have shown that EU exports to Turkey would increase at a faster rate, which would, albeit marginally, contribute to the EU economy as a whole.

In conclusion, further alignment of Turkey's road transport legislation with the EU acquis bears significant importance. Lately, some notable reforms have been done towards reaching that goal but it is needed to further accelerate them and keep the pace in that respect in order to continue to meet the goals in this sector. Furthermore, the fact that Ro-Ro routes are also used at a significant level in Turkey-EU transport of goods also shows the competitive advantage of other routes for the sector. In case full liberalisation is achieved, it is expected that trade between the EU and Turkey would increase by 3.5 billion euros. In other words, Turkey's exports to the EU would increase by 1.9 billion euros whilst those of the EU to Turkey would increase by an additional 1.6 billion euros. Such figures show that the positive conclusion of the negotiations on the modernisation of the Customs Union would represent an opportunity for both parties to further enhance their economic and trade relations, and also with further positive prospects for Turkey-EU relations as a whole.

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