



# IKVM MONTHLY

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## WORLD ENERGY CONGRESS WAS HELD

The 23<sup>rd</sup> World Energy Congress, which brought together more than 10,000 participants from 85 countries, including 250 ministers and top decision-makers in the field of energy, was held in Istanbul in October 2016. Without doubt, the Congress stood out with the revitalisation of the Turkish Stream project.

The 23<sup>rd</sup> World Energy Congress (WEC) took place in Istanbul on 9-13 October 2016 and gathered more than 10,000 participants from 85 different countries. President Recep Tayyip Erdoğan, Russian President Vladimir Putin, Azerbaijan President İlham Aliyev, Venezuelan President Nicolás Maduro and European Commission Vice-President Maroš Šefčovič attended the congress, which was organised under the motto of "Sharing for Peace".

In his speech, President Erdoğan stated that the WEC aimed not only to establish a platform to exchange ideas regarding a global vision on energy and future scenarios, but also to make energy a tool for peace and justice. He also underlined that the Turkish Stream natural gas pipeline project, which will transfer Russian natural gas to Europe through the Black Sea and Turkey, is still being developed. Moreover, President Erdoğan emphasised that Turkey is seeking ways to implement plans for a third nuclear power plant. He also referred to Turkey's aim of producing 10 percent of its electricity from nuclear power in the upcoming years.

Russian President Vladimir Putin stated that Russia has been providing energy to the EU for over more than 50 years. He also informed about the Turkish Stream project. In his speech,



President Putin mentioned that Russia aims to ratify the Paris Agreement and reduce CO<sub>2</sub> emissions by shifting its focus to renewable energy. Although Russia is moving towards clean and renewable energy resources, President Putin also underlined the importance of natural gas.

During his speech, Azerbaijan President İlham Aliyev stated that Azerbaijan's energy investments in Turkey will reach 20 billion dollars. President Aliyev informed about the cooperation between Turkey and

Azerbaijan on energy infrastructure, such as pipelines, in order to ensure energy security.

European Commission Vice-President Maroš Šefčovič focused on the role of gas in the low-carbon transition in his speech. He pointed out to the EU's objective of enhancing energy security and diversifying its energy sources as well as expanding and deepening its energy ties with strategic international partners across the globe including Turkey.

Reminding Europe's dependence on imported fossil fuels, Vice-President Šefčovič underlined the need to continue in world-leading progress on renewable energy and energy efficiency. He supported his argument by providing some data reflecting Europe's dependence on imported energy. As it is well known, currently the EU imports in that area represent 87 percent of oil, 65 percent of gas and 44 percent of solid fuels consumed. The overall dependence rate of imported energy in EU is 73 percent.

By 2030, it is predicted that the EU will import around 90 percent of the oil, 73 percent of gas and 49 percent of solid fuels it consumes.

Vice-President Šefčovič also discussed the EU's close energy ties with Turkey. He mentioned Turkey's growing importance as an energy transit country in particular with the construction of the Southern Gas Corridor. The Trans-Anatolian Natural Gas Pipeline (TANAP), which will run through Turkey, is part of this Corridor.

## IKV DELEGATION HAD SERIES OF MEETINGS IN BRUSSELS

IKV Chairman Zeytinöğlü along with IKV Secretary-General Assoc. Prof. Çiğdem Nas, IKV Brussels Representative Haluk Nuray and IKV Research Director Çiisel İleri held various meetings in Brussels on 11-14 October 2016. During these meetings, the latest developments in Turkey-EU relations, the Turkey Progress Report 2016 expected to be published in November,

the visa liberalisation process, the latest economic developments and issues pertaining to the modernisation of the Customs Union were assessed with Turkish representatives and EU officials. IKV Delegation met with Turkey's Permanent Representative to the EU Ambassador H.E. Selim Yenel, Turkey's Ambassador to Belgium H.E. Mehmet Hakan Olcay,

Rapporteur for Turkey at the European Parliament Kati Piri, Commissioner to European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn's Head of Cabinet Michael Karnitschnig and his team, European External Affairs Service's Head of the Turkey Division Javier Niño Perez, High Representative of the Union for Foreign Affairs and Security Policy Federica Mogherini's

Cabinet Member Anna Vezzyroglou, DG Neighbourhood Policy and Enlargement Negotiations Director for Strategy and Turkey Simon Mordue, DG Neighbourhood Policy and Enlargement Negotiations Head of Turkey Unit Myriam Ferran and Member of the European Parliament for the European Conservatives and Reformists Group Jan Zahradil.



## MINISTER ÇAVUŞOĞLU'S VISIT TO ESTONIA

**M**inister of Foreign Affairs Mevlüt Çavuşoğlu paid an official visit to Tallinn on 27 October 2016. During his visit to Estonia, Minister Çavuşoğlu came together with Prime Minister Taavi Rõivas and Minister of Foreign Affairs Jürgen Ligi.

Leaders touched upon regional issues including Syrian refugees and bilateral relations during the talks. Minister Çavuşoğlu also met with Chairman of the Foreign Affairs Committee of the Riigikogu (Parliament of Estonia) Sven Mikser, Chairman of the National Defence Committee Marko Mihkelson and Chairman of the Turkish-Estonian Interparliamentary Friendship Group Kadri Simson.

During his visit to Estonia, Minister Çavuşoğlu also attended a lecture entitled "Turkish Foreign Policy in an Age of Uncertainty" organised by the Estonian Foreign Policy Institute at the Ministry of Foreign Affairs. Leaders discussed bilateral relations and security issues in the Middle East and Syria. Chairman Mikser stated that Turkey is a close ally of Estonia especially considering their strong cooperation in the area of security. Minister Çavuşoğlu stated that Turkey and Estonia experience a very positive relationship in a wide range of policy areas including security, economy and migration. In his speech, Minister Çavuşoğlu also stressed the importance of the support shown by Estonia for Turkey's EU accession process.

## EU LANGUAGE FORUM BROUGHT TOGETHER YOUTH REPRESENTATIVES

**T**he EU Language Forum was held in Izmir on 12-14 October 2016 with the participation of Vice-President of EU Delegation to Turkey, Gabriel Munuera Vinals along with 120 university students from 20 different provinces of Turkey as well as academicians and language experts. IKV Information Centre Coordinators M. Gökhan Kilit and Mehmet Poyrazlı also attended the forum during which foreign language education in Turkey was discussed by specialists in the framework of the project to support the EU Information Centre Network in Turkey.

At the forum, the students participated in educational and interactive panel sessions and took part in various workshops focusing on multilingualism, language policies in Turkey, multilingual learning, linguistic diversity and language of the media.

# SEMINAR ON PARIS AGREEMENT AND PROSPECTS FOR THE INDUSTRIAL SECTOR

The transformative role of the private sector while implementing the new climate deal and Turkey's environmental performance were the main topics discussed during the panel.



**I**KV Secretary-General Assoc. Prof. Çiğdem Nas, Head of Unit of Monitoring GHG and Emission Trading at the Ministry of Environment and Urbanisation of Turkey Tuğba İçmeli, IKV Researcher İlge Kivılcım and Deputy Secretary-General and Director of Market Research Department at the German-Turkish Chamber of Commerce and Industry Frank Kaiser made a speech in the seminar.

In her opening speech, IKV Secretary-General Nas informed the audience about IKV's current activities and projects. Regarding the issue of climate change and the Paris Agreement, Assoc. Prof. Nas underlined the transformative role of the private sector while tackling climate change under the new deal.

The representative of the Ministry of Environment and Urbanisation İçmeli provided information regarding Turkey's status at the Twenty-First

Session of the Conference of the Parties to the UN (COP 21) which took place in Paris last December and its demands in the new climate change regime. In this regard, she explained that Turkey wants to be considered as a "developing country" in the UN negotiations and asks to be eligible to receive financial support from global funds in meeting mitigation targets submitted to the UN. Moreover, İçmeli stated that these demands will be negotiated at COP 22 in Marrakech this year. Arguing that Turkey's INDC (up to 21 percent in GHG emission reduction from business-as-usual levels by 2030) might be revised in the near future if it is required. During her speech, İçmeli mentioned that Turkey introduced the mechanism for monitoring, reporting and verification of GHG emissions under the "Legislation on Monitoring of

GHG Emissions". Thanks to successful work of emitters participating in the legislation, İçmeli noted that monitoring system enabled the Ministry to report 50 percent of emitters' GHG emissions in Turkey. Furthermore, İçmeli added that Turkey seeks to introduce market-based instruments to reduce emissions. In this regard, İçmeli said that national carbon market is under consideration.

IKV Researcher İlge Kivılcım underlined that Paris Agreement as a comprehensive new climate agreement around the world is expected to drive major transformations in energy and industrial sectors. Researcher Kivılcım presented an overview of the European Commission's proposals towards a low-carbon economy which were published in July 2016. Researcher Kivılcım stated that these

proposals set binding annual GHG emission targets for non-Emission Trading System (non-ETS) sectors, namely buildings, forests, transport, waste and agriculture. She also added that the EU aims to reduce GHG emissions by 30 percent compared to the 2005 level by 2030 in these sectors.

Regarding Turkey's alignment with the EU *acquis*, Researcher Kivılcım explained that Turkey already prepared the National Climate Change Action Plan covering targets for non-ETS sectors. Moreover, Turkey also set monitoring system under the legislation covering EU ETS sectors such as power and heat stations as well as energy-intensive industry. However, concerning GHG emission inventory in Turkey, Kivılcım noted that total GHG emissions as CO<sub>2</sub> equivalent increased by 125 percent in 2014 compared to 1990 even though Turkey is responsible for only 1.24 percent of total global emissions. She stressed that Turkey should accelerate clean policy instruments to reduce emissions in tackling climate change and to use renewable energy sources.

Lastly, Deputy Secretary-General and Director of Market Research Department at the German-Turkish Chamber of Commerce and Industry Frank Kaiser stated that climate change is a direct result of human activities and added that the business world has significant responsibilities with respect to cleaner production.

## IKV ATTENDED THE COELA MEETING

**T**he Working Party on Enlargement and Countries Negotiation Accession to the EU (COELA) was organised on 4-7 October 2016 in Istanbul. Representatives of the business world in Istanbul attended the meeting during which the latest developments regarding Turkey-EU relations and the state of the Turkish economy were discussed.

IKV Vice-President Prof. Halûk Kabaaloğlu presented an overview of Turkey-EU relations to the members of COELA. In this respect, he touched upon the importance of EU membership for Turkey and highlighted that Turkey could

provide an important contribution to the dynamism of the EU as a rapidly developing and changing country.

Prof. Kabaaloğlu also indicated that the requirements and the difficulties encountered by Turkish citizens when applying to Schengen visa constituted one of the most important reasons behind a possible erosion of the EU's image in Turkey. Referring to the effects of the Customs Union, Prof. Kabaaloğlu stressed that the visa issue increased the difficulties in business relations. Nonetheless, Prof. Kabaaloğlu also added that, regardless of all difficulties, the Customs Union enabled the opening of the Turkish industry to international markets along



with the enhancement of its competitive power. He underscored the necessity of revising and modernising the Customs Union.

Referring to Turkey's EU accession process, Prof. Kabaaloğlu emphasized the importance of

lifting the pending blockages and of choosing a target year that would help the successful completion of negotiations, thus leading to an acceleration of the process and the revitalisation of Turkey's reform process.

# REACTIONS FROM THE EU TO THE LATEST POLITICAL DEVELOPMENTS IN TURKEY

The arrest of co-mayors of Diyarbakır and the raid against *Cumhuriyet* have raised serious concerns from the European side.

## Reaction to the arrest of co-mayors of Diyarbakır

High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini and Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn reacted to the arrest of the two co-mayors of Diyarbakır on 26 October 2016. In their statement, they expressed their concern regarding the arrests of Gültan Kışanak and Fırat Anlı. They declared that the EU recognises the PKK as a terrorist organisation and acknowledges the danger it represents for Turkey's security and stability.

On the other hand, they called upon the parties to take the necessary steps in full respect of the rule of law, due process and fundamental freedoms. Both High Representative Mogherini and Commissioner Hahn indicated that political solution in Turkey can only be achieved by laying down arms and building internal political dialogue.



## Reactions to the raid against *Cumhuriyet*

President of the European Parliament Martin Schulz, Council of Europe Secretary-General Thorbjørn Jagland and Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn reacted to the raid against *Cumhuriyet* newspaper on 31 October 2016.

President Schulz criticised the operation and indicated that another "red line" had been crossed in terms of freedom of expression in Turkey. Furthermore, Secretary-General Jagland indicated that the raid against *Cumhuriyet* represents a new

worrying development with respect to the state of freedom of the press in Turkey. As for Commissioner Hahn, in a written statement, he noted that the detention of *Cumhuriyet* Editor-in-chief Murat Sabuncu along with the other authors and the arrest warrant against Can Dündar constitutes a worrying development in regards to freedom of expression in Turkey. He underscored that freedom of expression is one of the fundamental rights defended by the EU. Commissioner Hahn emphasized that the EU is calling upon Turkey to enhance its democratic standards and principles, as it aspires to join the EU.

## IKV MET WITH HEAD OF THE EU DELEGATION IN TURKEY

IKV Brussels Representative Haluk Nuray met with Head of EU Delegation in Turkey Christian Berger on 7 October 2016. The latest developments regarding Turkey-EU relations were high on the agenda of the meeting. IKV Representative Nuray gave detailed information regarding the activities and projects carried out by IKV.

Following the resignation of his predecessor Ambassador

H.E. Hansjörg Haber, High Representative of the EU for Foreign Affairs and Security Policy and Vice-President of the European Commission Federica Mogherini appointed Christian Berger as new head of EU Delegation to Turkey on 27 July 2016. He has been serving as the Deputy Managing Director for North Africa, Middle East, Arabian Peninsula, Iran and Iraq in the European External Action Service since 2011.



## TERRORIST ATTACK IN TURKEY

Turkey continues to suffer from terrorist attacks. On 9 October, a car bomb attack in Hakkâri killed 18 people. The attack took place outside of a military checkpoint nearby the town of Şemdinli, in the south-east of Turkey.

Following the tragic event, the European External Affairs Spokesperson made a statement emphasizing that Turkey and the EU stand united against all forms of terrorism. In the statement released, the importance of laying down arms and the need

to start a political process based on a genuine dialogue was highlighted.

As IKV, we strongly condemn all terrorist attacks and extend our deepest condolences to those who lost their lives and wish a fast recovery to those injured.

## TIMELINE OCTOBER 2016

1	
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4	Steering Committee of the Facility of Refugees in Turkey met in Brussels
5	IKV attended the COELA meeting
6	Italian Foreign Minister Gentiloni's visit to Turkey
7	IKV met with Head of the EU Delegation in Turkey
8	Spanish Foreign Minister Garcia-Margallo's visit to Turkey
9	Istanbul hosted 23 <sup>rd</sup> World Energy Congress (9-16 October)
10	
11	IKV Delegation had various meetings in Brussels (11-14 October)
12	IKV took part in the 2016 edition of the EU Language Forum in Izmir (12-14 October)
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17	Turkey 2016 Report Meeting was held in Brussels
18	Turkey joined the European Alliance of Apprenticeships
19	British State Minister for Europe and the Americas Duncan's visit to Turkey
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21	IKV organised a seminar on the Paris Agreement and Prospects for the Industrial Sector
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24	French Foreign and International Development Minister Ayrault's visit to Turkey
25	Albanian Foreign Minister Bushati's visit to Turkey
26	IKV organised a seminar on food safety with respect to consumer rights
27	Foreign Minister Çavuşoğlu's visit to Estonia
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## MODERNISATION OF THE CUSTOMS UNION WOULD CONSTITUTE A BREAKTHROUGH FOR TURKISH ECONOMY

IKV Chairman Ayhan Zeytinoğlu presented the expectations of the Turkish business community from the negotiations on the modernisation of the Customs Union which are expected to start in 2017. Whilst the establishment of the Turkey-EU Customs Union had strengthened the competitiveness of the Turkish industry and facilitated the integration of the Turkish economy into global markets, IKV Chairman Zeytinoğlu reminded that at that time, it was envisaged that Turkey's EU membership would be completed in 5 years. In that respect, he added the following: "After 20 years since the establishment of the Customs Union, EU membership has not been materialised. This has also led to the insufficiency in the procedures to solve pending issues and to take decisions together".

IKV Chairman Zeytinoğlu further explained the following: "With the modernisation of the Turkey-EU Customs Union, it is envisaged to work on a more comprehensive and new generation trade agreement which would also encompass the services and agriculture sectors along with public procurements. Without doubt, this process would

have positive effects upon the Turkish economy and lead to a substantial increase in Turkey's GDP.

Furthermore, the enhancement of the Customs Union with the inclusion of the services and agricultural products would increase Turkey's total trade, encourage a more efficient and constructive agricultural transformation, increase the competitiveness of the services sector. As a result, significant benefits are expected for the Turkish economy as a whole".

IKV Chairman Zeytinoğlu stressed the importance of tackling the shortcomings of the Customs Union. In this respect, he highlighted the need for Turkey to take part in the decision-making processes and the establishment of mechanisms to solve pending disagreements. He also pinpointed the remaining issues with respect to the functioning of the Customs Union as follows:

"In this process where Turkey's access to the EU's single market would be deepened, we will become a nation which would implement many EU policies with respect to its single trade policy, free movement rules, production standards and the Common Agricultural Policy.

We could define this situation as "everything outside membership". It is unacceptable that whilst we are being directly affected by EU policies, we are not taking part in the decision-making processes of these very same policies. Indeed, the least would be for Turkey to be included in the committees where the processes of determining the common trade policies are discussed".

Furthermore, IKV Chairman Zeytinoğlu also pointed out to the problems related to the transport quotas and the inclusion of Turkey in the EU's free trade agreements and the important developments in world trade. In this respect, he stated that the following:

"The enhancement of the Customs Union to new areas bears significant potential with respect to the further development of Turkey-EU trade and investment relations. In addition, there are currently areas of the Customs Union which are not operating effectively. It is of utmost importance for Turkey to tackle these issues as to create a Customs Union which is functional and with a strong growth potential. In its current state, the Customs Union has issues as regards the transportation



of industrial products made in Turkey to EU countries through transport quotas, extra fees which are required at highway passages and a slow pace for the Customs Union processes. Moreover, the fact that the visas have still not been lifted for Turkish citizens constitutes in itself another significant barrier to trade. Indeed, these obligations are an impediment

for the Turkish business community which often visits the EU for fairs and business meetings. Within the framework of the negotiations on the modernisation of the Customs Union, it is of utmost importance to solve the problems arisen from Turkey's absence in the free trade agreements signed by the EU or at negotiations".

## FOOD SAFETY PANEL FOR PROTECTION OF CONSUMER RIGHTS

The implementation of the EU food codex and GMOs were the main topics discussed during the panel.



IKV, in collaboration with Protection of Consumers and Competition Association (TÜRDER) and Food Safety Association (GGD), with the support of Diplomaten International (DMW) and Turkish Northern Cyprus Turkish Chamber of Commerce (TKKTTTO) organised a panel entitled "Food Safety to protect Consumer Rights" on 26 October 2016.

The opening remarks

at the panel were realised by TÜRDER and TKKTTTO Chairman Assoc. Prof. Uğur Özgöker, IKV Secretary-General Assoc. Prof. Çiğdem Nas, DMW Chairman Ferhat Bozçelik and GGD Chairman Samim Saner. Ministry of Customs and Trade Directorate General of Consumer Protection and Market Surveillance Customs and Trade Researcher Muhittin Yıldırım, Istanbul University Oncology Institute Lecturer Dr. Yavuz Dizdar, Competition Authority 3<sup>rd</sup> Supervision and

Enforcement Department Chairman Hakan Suat Ölmez, IKV Strategy and Business Development Director Gökhan Kilit, Kırklareli University Social Studies Institute Deputy Director Assist. Prof. Sezin İba, Federation of Consumer Organisations (TÖF) President Fuat Engin and TÜDER Food Commission Chairwoman Ayşe Cengiz all realised a series of presentations. The panels were moderated by Economics Newspapers Chairman Celal Toprak.

The main topics of discussion at the panel consisted of the protection of consumer rights, the implementation of the EU food codex in Turkey, the implications of GMOs, pesticides and chemical medicine on food safety and the role of the three central actors in food safety mainly the government, producers and consumers.

During the panel, it was reminded that the food codex and the food safety regulations were implemented following the start of EU accession negotiations in Turkey in a

top-down fashion. This led to a debate amongst the discussants as one observed that the Turkish society is still not particularly aware of their rights as consumers. Furthermore, it was also indicated that consumer rights constitute an important part of the fundamental rights of European citizens and that it had been implemented in a bottom-up fashion. An allusion was also made to the different challenges Turkey is faced with and the fact that Turkish consumers are not as adamant as others in demanding for further food safety regulations. A general lack of education regarding this topic was highlighted during the panel. Indeed, it was stressed that some may not fully understand the importance of implementing food safety regulations and how they impact upon them.

In that context, an allusion was also made to the adverse effects and vast consequences upon the health of human beings as a result of GMO in

plants, supplements and hormones in animals, etc. An emphasis was also put on the need to amend food safety regulations in Turkey in order to avoid food scandals such as the mad cow disease. Furthermore, a reference was made to three particular dangers with respect to food safety: general hygiene hazards, chemical dangers and microbiological dangers. The need to raise the awareness of both the producers and consumers was highlighted along with further involvement from the government in this process.

In overall, the panel brought attention to important topics concerning food safety, consumer awareness and rights, and contributed to further explain where Turkey's position stands in comparison to the EU standards, and opened a fruitful discussion and debate about how to solve problems encountered during these processes.

## MINISTER OF FOREIGN AFFAIRS ÇAVUŞOĞLU ATTENDED THE PARLIAMENTARY ASSEMBLY OF THE COUNCIL

In his address to PACE, Çavuşoğlu tackled various issues including the refugee crisis and the ongoing Cyprus negotiation.

Minister of Foreign Affairs Mevlüt Çavuşoğlu addressed the Parliamentary Assembly of the Council of Europe (PACE) in Strasbourg on 12 October 2016. In his speech, Minister Çavuşoğlu underlined that despite fighting various terrorist organisations for years, Turkey had managed to avoid declaring a state of emergency prior to the coup attempt but saw no other option in the wake of July 15. Minister Çavuşoğlu also underlined that Turkey is doing whatever is necessary to clear all Gülenist Terror Organisation elements from state institutions and elsewhere, while acting

within the boundaries of the rule of law. Furthermore, he highlighted that Turkey is also in conformity with its international obligations stemming primarily from the European Convention on Human Rights and will continue to work in close co-operation with the Council of Europe.

Moreover, Minister Çavuşoğlu shared views with respect to the refugee crisis, stating that Turkey is doing its utmost to meet their basic needs and underlining also the importance of burden-sharing. He further emphasised that the Turkey-EU Readmission Agreement, the Visa Liberalisation Dialogue and

the EU-Turkey Statement of 18 March 2016 are interconnected and that the three agreements must be implemented together. Furthermore, Minister Çavuşoğlu stated that Turkey hoped to reach an agreement by the end of the year for a settlement in Cyprus and noted that the Council of Europe should also play an important role in this context.

During his visit to Strasbourg, Minister Çavuşoğlu also conducted a series of bilateral meetings, particularly with Council of Europe Secretary-General Thorbjørn Jagland and PACE President Pedro Agramunt.



## TOBB PRESIDENT ATTENDED EUROCHAMBRES GENERAL ASSEMBLY



TOBB President and EUROCHAMBRES Vice-President M. Rifat Hisarcıklioğlu attended the EUROCHAMBRES General Assembly.

The latest developments in entrepreneurship, immigration, European internal market as well as the current situation of free trade agreements and their impact on the European economy were on the top of the agenda of the General Assembly held in Brussels on 14 October 2016. The membership of Azerbaijan, Bosnia-Herzegovina, Georgia and Ukraine as representing non-EU countries in 2017, which were identified in the pre-election on 9 September 2016 was also approved. Before

the EUROCHAMBRES meeting, TOBB President Hisarcıklioğlu also attended the conference held by TOBB and EUROCHAMBRES entitled "Enhancing SME competitiveness in the Western Balkans and Turkey: Challenges and Opportunities in the EU Enlargement Context". This conference was realized with the participation of many representatives of the EU institutions, EUROCHAMBRES Member States and the Turkish business communities

participated to this conference. TOBB President Hisarcıklioğlu gave an opening speech at the conference, underlining the role of SMEs in establishing peace and prosperity in a country and emphasized the importance of the business environment in terms of enhancing foreign direct investment. In that respect, referring to successful Turkish businesses in Germany, President Hisarcıklioğlu drew the attention to the success of migrants in the area of creative business ideas.

### TURKEY JOINED THE EUROPEAN ALLIANCE FOR APPRENTICESHIPS

In October 2016, Turkey along with other three EU candidate countries; namely Albania, Montenegro and the Former Yugoslav Republic of Macedonia joined the European Alliance for Apprenticeships (EAfa). It is expected that Serbia will also join the EAfa soon.

The EAfa which was launched in July 2013 is a platform that brings together government and key stakeholders ranging from representatives of the business community, social partners, chambers to vocational education and training providers and think tanks, with



the aim of strengthening the quality, supply, image and mobility of apprenticeships. The EAfa managed by the European Commission with the close cooperation of the key stakeholders has contributed in raising awareness of the benefits of apprenticeships, sharing good practices and creating a good network among participant countries.

### 4<sup>th</sup> STEERING COMMITTEE MEETING OF THE FACILITY FOR REFUGEES IN TURKEY

The Steering Committee of the Facility for Refugees in Turkey met on 4 October 2016 for the fourth time in Brussels. The progress achieved on the disbursement of the support to the refugees and the prospected next steps were the main topics which were discussed at the Steering Committee.

According to the European Commission, already 34 projects worth 1.252 million euros have been contracted; 467 million euros has been disbursed as part of the Facility for Refugees in Turkey. As an essential part of the humanitarian aid, two direct grants have been signed. These

direct grants worth 600 million euros for education and health are designated to provide almost half a million Syrian children with access to education as well as two million Syrians in Turkey with access to healthcare services.

During the Steering Committee meeting, the Emergency Social Safety Net (ESSN), the biggest ever humanitarian aid programme of the EU has been introduced to the participants. The ESSN provides a monthly electronic cash grant to benefit 1 million refugees in Turkey using direct cash-transfers to cover every day

needs. The Commission plans to have further socio-economic support projects signed in the next months.

During the ongoing process, on 17 October 2016, President of the Commission Jean-Claude Juncker sent a letter to President of the European Council Donald Tusk, explaining the progress achieved by the Commission in implementing the Facility for Refugees in Turkey. Within the letter, President Juncker underlined that the Facility is fully operational and helping refugees; delivering one of the key elements of the Turkey-EU statement.

## OFFICIAL VISITS BY FOREIGN MINISTERS

In the aftermath of the attempted coup of 15 July, official visits from European politicians continued with the aim of expressing their solidarity with Turkey. Ministers of Foreign Affairs of Italy, Spain and France paid official visits to Turkey in October 2016.

In the context of their visit to Turkey, Italian Minister of Foreign Affairs and International Cooperation Paolo Gentiloni and Spanish Minister of Foreign Affairs José Manuel García-Margallo's visits were considered as a concrete demonstration of their respective governments' solidarity with Turkey following the coup attempt. Ministers held high-level meetings with Minister of Foreign Affairs Mevlüt Çavuşoğlu and Minister for EU Affairs and Chief Negotiator Ömer Çelik and visited the Turkish Grand National Assembly which was heavily damaged during the attempted coup. At the meetings, the parties discussed the coup attempt in Turkey, the common fight against terrorism, the latest developments in Turkey-EU relations, the visa liberalisation process, bilateral relations and the ongoing irregular migrant flows to the EU.

In his visit to Turkey between 6 and 7 October 2016, Italian Minister of Foreign Affairs and International Cooperation Paolo Gentiloni and Minister for EU Affairs and Chief Negotiator Ömer Çelik shared their views at a joint

press conference. At the joint press conference, Minister Çelik indicated Turkey's prominent role in curbing the flow of irregular migrants and its cooperation with Balkan countries in that respect. He highlighted that it is playing a leading role in trying to find a long lasting solution to the refugee crisis in the Central Mediterranean area by further protecting the EU from an even more major crisis. Minister Çelik underlined that stronger mechanisms should be emerged particularly on the issues of the Readmission Agreement and voluntary resettlement. He added that visa liberalisation remains a critical issue for Turkey. Regarding Turkey-EU relations, Minister Çelik stated that the opening to negotiations of Chapter 23 on Judiciary and Fundamental Rights and Chapter 24 on Justice, Freedom and Security have crucial importance in this historical period in relations while some chapters are still blocked for political reasons.

On 7 October 2016, Spanish Minister of Foreign Affairs José Manuel García-Margallo paid an official visit to Turkey in order to

meet with Minister for EU Affairs and Chief Negotiator Ömer Çelik. At the joint press conference, Çelik remarked that Turkey and Spain have common policy areas such as the fight against terrorism and migration. On the other hand, Minister Çelik criticised the allowance of terrorist organisations' activities in some Member States. Drawing attention to the importance of the Alliance of Civilisations, which is a common initiative of both parties, Minister Çelik underlined that Turkey and Spain should work together to prevent financial resources for terrorist organisations.

Minister Çelik noted that new approaches to the refugee crisis should be developed. In this respect, he touched upon the achievement made by the parties regarding the 18 March refugee deal.

### Visit by French Minister of Foreign Affairs Ayrault

Minister of Foreign Affairs and International Development of France Jean-Marc Ayrault paid an official visit to Turkey on 24 October 2016. At the occasion of his visit, he met with President Recep



Tayyip Erdoğan, Prime Minister Binali Yıldırım, Minister of Foreign Affairs Mevlüt Çavuşoğlu and the main opposition leaders in Turkey. During the meetings, the fight against terrorism, migration, Syria, Iraq as well as bilateral relations were discussed. In his speech, Minister Ayrault also visited the shelled sections of the Turkish Grand National Assembly. On

January 2014, the "Joint Political Declaration on the Establishment of a Strategic Framework for Cooperation between Turkey and France" forming an institutional basis for bilateral relations was signed by the Ministers of Foreign Affairs of both countries. In this respect, the second meeting regarding the Joint Declaration was also held during Minister Ayrault's visit to Turkey.

## BRITISH MINISTER OF STATE FOR EUROPE AND THE AMERICAS VISITED ANKARA

Minister Çelik and Duncan focused on the deal between Turkey and the EU on migrants and visa issues.



British Minister of State for Europe and the Americas Sir Alan Duncan visited Turkey on 19 October 2016. During his visit, Minister Duncan held meetings with President Recep Tayyip Erdoğan, Prime Minister Binali Yıldırım, Deputy Minister of Interior Sebahattin Öztürk and CHP leader Kemal Kılıçdaroğlu. Sir Duncan also met with Minister for EU Affairs and Chief Negotiator Ömer Çelik. The

two Ministers exchanged views regarding Turkey-UK relations, the future of Europe following Brexit, Turkey-EU accession negotiations, the coup attempt, terrorism, the Cyprus issue and irregular migration.

In their joint press conference held at the Ministry for EU Affairs, Minister Çelik and Sir Duncan focused on the deal between Turkey and the EU on migrants

and visa flexibilities for Turkish citizens. Minister Çelik explained that the deal would collapse if the EU does not bring into force visa liberalisation for Turkish citizens by the end of 2016 and he thus stressed the importance of enhancing the dialogue in this area. Sir Duncan reiterated the UK's position by underlining the importance of keeping relations between Turkey and the EU strong.

## MINISTER OF ECONOMY ZEYBEKCI'S VISIT TO BRUSSELS

Minister of Economy Nihat Zeybekci met with EU officials in Brussels on 7 October 2016. Minister Zeybekci held separate meetings with European Commissioners for Trade Cecilia Malmström and for Mobility and Transport Violeta Bulc.

During his visit, Minister Zeybekci attended the Centre for European Policy Studies (CEPS) for a conference entitled "Turkey: Politico-

economic developments and the future of the Customs Union". In his speech, Minister Zeybekci brought attention to the fact that in areas such as economy, competitiveness, science, technology, democracy, freedom and human rights, Turkey needs to meet EU standards. In that respect, Minister Zeybekci noted the importance of Turkey's EU membership goal and the need for Turkey to reach and secure EU

standards. Moreover, alluding to the Customs Union between the parties, he reminded that back to when the Customs Union had been signed, Turkey's accession to the EU would only be a matter of a few years. He indicated, though, that the Customs Union constitutes an agreement which has been designed for Turkey insofar as it includes a preparation period which, after its completion, envisages the prospects of

becoming an EU Member State.

Minister Zeybekci emphasised the importance of revising the Customs Union and to take into account new areas such as agriculture, services and public procurement. He also highlighted the need for Turkey to be part of the decision-making mechanisms so as not to be affected adversely when the EU signs free trade agreements with third countries.



## CYPRUS TALKS ENTER A CRITICAL JUNCTURE

Cyprus reunification talks, which resumed in May 2015 are moving towards a crucial phase with the leaders set to hold talks on the highly sensitive chapter of territory in Switzerland in November.

On 25 September 2016, President of the Turkish Republic of Northern Cyprus (TRNC) Mustafa Akıncı and Greek Cypriot leader Nicos Anastasiades came together with UN Secretary General Ban Ki-moon. The trilateral meeting was held in New York on the side lines of the 71<sup>st</sup> UN General Assembly. Having completed the second intensive phase in the UN-sponsored reunification talks on 14 September, the two leaders were to ask the UN Secretary General to step up his personal engagement in the process. Speaking after the trilateral meeting, UN Secretary General Ban hailed the two leaders for their determination to intensify their efforts with a view to reaching a deal by the end of 2016.

UN Secretary General Ban expressed his readiness to support the process in whatever the leaders required.

On 4 October 2016, the two leaders embarked on a fresh round of intensive talks within the framework of the UN-sponsored reunification talks. TRNC President

Mustafa Akıncı told the reporters that the current intensive round was to focus on the outstanding issues in the four chapters on which considerable progress has been made namely; governance and power-sharing, economy, EU matters and property. President Akıncı indicated that in the first week of November, a Camp David-type of meeting to discuss territorial adjustments could convene outside the island. According to President Akıncı, the next step would be to set the date for a five-party conference to discuss the security and guarantees. He confirmed that their aim was to reach a political agreement before the end of 2016. According to President Akıncı, the writing of federal laws and the constitutions of the two constituent states, and some technical issues concerning the implementation of the prospective settlement plan could be dealt with within the first months of 2017 and the prospective settlement plan could be taken to simultaneous referenda



on both sides of the Green Line by mid-2017.

### Cyprus talks move to the Swiss Alps

On 26 October 2016, UN Secretary-General's Special Adviser on Cyprus, Espen Barth Eide in a statement on behalf of the two leaders, announced that Akıncı and Anastasiades decided to move the talks to Mont Pèlerin

near Lake Geneva in Switzerland. The intensive round of talks, which will last from 7 to 11 November, is set to concentrate on the chapter of territorial adjustments as well as outstanding issues in the other chapters. It was later announced that the intensive round of talks in Mont Pèlerin will be launched by UN Secretary-General Ban Ki-moon. According to the statement, it will be the first time that the two leaders will

be discussing the issue of territory directly which would mark a critical juncture in the UN-sponsored Cyprus reunification talks that resumed a year and a half ago. "The leaders expressed their hope that their meeting in Switzerland will pave the way for the last phase of the talks in line with their shared commitment to do their utmost in order to reach a settlement within 2016" the statement said.

## EU FOREIGN POLICY CHIEF MOGHERINI VISITS CYPRUS

EU's Foreign Policy Chief Mogherini held high-level meetings on both sides of the island and underscored that a settlement would be a game-changer not only for the island, but also for the region at large.



EU High Representative for Foreign Affairs and Security Policy Federica Mogherini paid an official visit to Cyprus on 28 October 2016. EU Foreign Policy Chief Mogherini was accompanied by European Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides. The purpose of this visit was to exchange views and receive up-to-date information on the UN-sponsored reunification talks in Cyprus.

EU Foreign Policy Chief Mogherini held meetings on both sides of the Green Line and was received by TRNC President Mustafa Akıncı. According to a press release by the TRNC Presidency, President Akıncı informed the High Representative

of the Turkish Cypriot community's long-standing demands with regard to security and guarantees which stem from past experiences.

EU Foreign Policy Chief Mogherini also held high-level meetings in the southern part of the island where she met with the Greek Cypriot leader Nicos Anastasiades and Greek Cypriot Foreign Minister Ioannis Kasoulides. Speaking at the joint press conference with Minister Kasoulides, High Representative Mogherini stated that during her exchanges with officials on both sides of the island, she had the opportunity to discuss the ways in which the EU can accompany the ongoing process in a more effective way. She expressed the EU's full support for the ongoing

process as it is set to enter a crucial phase next month with the leaders scheduled to meet for intensive talks to discuss the highly sensitive chapter of territorial adjustments from 7 to 11 November in Mont Pèlerin, Switzerland. High Representative Mogherini stated that the EU is encouraged by the determination of the two leaders and stands fully behind their efforts for reaching a settlement by the end of 2016. She underscored that a prospective settlement will be a game changer and a turning point not only for the island, but also for the entire region which she described as a particularly difficult region that needs hope and faith in diplomacy and political solution.

## NEW EU FINANCIAL ASSISTANCE FOR TURKISH CYPRIOTS

On 24 October, the European Commission approved a new 33 million euros financial assistance program for the Turkish Cypriot Community. According to a statement released by the

European Commission, the renewed program which will be used for the economic integration of the island, for improving relations between the two sides as well as contacts with the EU,

is the continuation of the EU financial program. The program will support projects ranging from the construction of infrastructure to grants for SMEs and civil society organisations, scholarships and

support for confidence building measures such as the Committee on Missing Persons. European Commission Vice-President for the Euro and Social Dialogue Valdis Dombrovskis, in a statement

stressed that the new financial assistance program was a strong indicator of the EU's support for the economic and social development of the Turkish Cypriot Community.

# CETA, BREXIT AND IMPLICATIONS FOR THE MODERNISATION OF THE CUSTOMS UNION

The Comprehensive Economic and Trade Agreement may be a model for future trade deals also inspiring the future of Britain's relationship with the EU and modernisation of the Turkey-EU Customs Union.

Assoc. Prof. Çiğdem NAS,  
IKV Secretary-General

The Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada was signed on 30 October 2016 at a Summit meeting between the two. The Agreement is particularly significant regarding the development of EU trade policy due to its breadth and also due to the fact that it is the first agreement signed by the EU with a major economy, the 10<sup>th</sup> among world economies. Signing the Agreement was possible only after a hurdle presented by Wallonia was overcome when the five regional Parliaments in Belgium reached an agreement over the trade deal. The Agreement was criticized especially by anti-globalisation groups and protectionists as being opaque, harmful for agriculture, environment and social rights and bringing undue intervention on behalf of investors by creating a court system for settling disputes between governments and foreign investors.

Negotiations leading to the deal were quite complicated and lengthy, lasting for seven years, and the result was a comprehensive agreement which is also regarded as a model for the TTIP deal and Britain's relations with the EU following its exit from membership. According to impact assessments, the deal is expected to increase trade between the EU and Canada by nearly 25 percent and increase overall EU output by about 12 billion euros yearly. For CETA to enter into force, it has to be approved by the European Parliament (EP) as well. Following approval by the EP, the Agreement will provisionally enter into force excluding the Investment Court System (ICS). The ICS will be implemented only after the conclusion of the national ratification procedures in the Member States. In the meantime the EU and Canada will work on the particulars of this system.

CETA is expected to bring down 99 percent of tariffs, open up public procurement and services markets, facilitate investment opportunities by easing the business climate for foreign investors especially through the ICS, protect intellectual property and geographical indicators, and strengthen regulatory cooperation between the EU and Canada to bring about a harmonization in standards through the regulatory cooperation forum. Hence the novelties in the Agreement, its comprehensive and ambitious scope in opening up markets and engaging in cooperation in regulatory reform makes it an exemplary agreement which could act as a model for future trade deals. However, the debates it has caused and the problems encountered in Wallonia also lead one to conclude that the ratification process will prove to be difficult. The fact that CETA is considered as a mixed agreement points to a renationalisation of trade policy-making in the EU which again raises some important questions regarding the future of trade policy in European integration. Considering that trade policy is one of the pillars of the internal market and one of the best achievements of European integration, the frequent challenges brought against EU competence in this field and the growing debates around this policy area attest to the observation that the EU will enter into difficulties in future trade deals.

As put forth above, CETA is an important precedent for the EU's future trade deals and may act as a model for Britain's relations with the EU following its withdrawal from EU membership. It may also be a model regarding the modernisation of Turkey-EU Customs Union. For Britain keeping access to the Single Market would be particularly important following Brexit since 44 percent of good and services exports were made



to the EU in 2015. Although there has been a decline of about 10 percent over 10 years this figure attests to a considerable share of the EU in Britain's trade. Thus any deal that Britain would negotiate with the EU should entail privileged access to the Single Market for British goods and services which would mean that British producers and service providers would have to continue to abide by EU regulations post-Brexit. Any such deal would also necessarily entail free movement of workers for EU and British citizens as well since the EU side had already made it clear that privileged access to the Single Market would not happen for Britain unless it allows EU citizens freedom of movement. Recently Germany's Chancellor Angela Merkel noted the following: "Were we to make an exception for the free movement of people with Britain, this would mean we would endanger principles of the whole internal market in the European Union, because everyone else

will then want these exceptions" (Independent, 15.11.2016).

Regarding the case of Turkey, negotiations for the modernisation of the Custom Union is planned to commence as of 2017. The Customs Union which entered into force at the end of 1995 encompasses trade in industrial goods and processed agricultural products. After more than 20 years in operation, the Customs Union has become outdated since it lagged behind developments in European and world trade. Today's free trade agreements are much wider and deeper in scope compared to the Customs Union. Taking into account that the Turkey-EU Customs Union corresponds to the final stage of the Association relationship based on the Ankara Agreement, the EU and Turkey can draw upon the legal basis of the Association which embodies provisions for the gradual realization of the four freedoms. The Customs Union is a quite advanced form of economic integration which was largely

perceived in Turkey at the time of its entry into force as a preparatory phase before full membership. The blurring of Turkey's membership prospect in the meantime despite the start of accession talks has also put into question the meaning and use of the Customs Union. In case of a clear rupture between Turkey and the EU in face of current developments in the political and security front, replacement of the Customs Union with a comprehensive free trade agreement similar to CETA may also be proposed. However, under such conditions the continuing validity of the Ankara Agreement should be considered by the Parties. Structured upon the model of the Treaty of Rome and Ankara Agreement still embodies the potential for further integration between Turkey and the EU including the prospect of full membership based on "full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community".