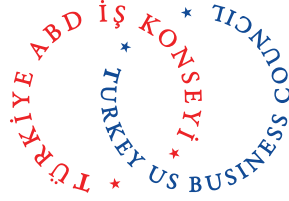


APRIL  
2016

# Monthly Brief

U.S. Politics, Economy and Business





# TAİK

# Monthly Brief

U.S. POLITICS, ECONOMY AND BUSINESS

## ABOUT DEİK

Foreign Economic Relations Board of Turkey (DEİK) is responsible for leading foreign economic relations of Turkish private sector in a myriad of sectors particularly foreign trade, international investment and services, international construction activities and logistics, exploring inward and outward investment opportunities as well as increasing the export volume of Turkish business and coordinating similar business development activities.



## ABOUT TAİK

The Turkey-U.S. Business Council (TAİK), operating under the umbrella of the Foreign Economic Relations Board of Turkey (DEİK) was formed in 1985 as the first council, with the aim to enhance trade and investment relations between the U.S. and Turkey

TAİK operates with a mission to create platform to facilitate development of economic relations between the U.S. and Turkey through its wide spectrum of activities such as conferences, forums, business summits, lobbying visits, networking luncheons and dinners, educational site visits, etc. With its broad range of activities and worldwide network, TAİK represents a role model for other organizations in pursuit of similar goals.



# TABLE OF CONTENTS

- ECONOMY & BUSINESS
- TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP
- U.S. ELECTIONS
- SUPER TUESDAY 3: RESULTS
- NEW YORK PRIMARY RESULTS
- REFERENCES

## ECONOMY & BUSINESS

### U.S. GIANT VERIFONE ACQUIRES STAKE IN TURKISH COMPANY

- U.S.-based Verifone has acquired a stake in Turkish technology company Panorama.
- Panorama, which was launched by Mehmed Eroglu along with two friends in September 2013, sells new-generation cash registers in Turkey. Two other businesspeople bought stakes in the company at a later date.
- The company owns the distribution rights to the Olivetti cash registers in Turkey, where 2 million cash registers are slated to be changed with the approval of the Finance Ministry. The sector's volume is estimated at around \$4.5 billion Turkish liras (\$1.6 billion).
- Verifone has operations in 40 countries with around 5,300 employees.
- According to data from the Panorama website, the company delivers products through BSH, which has over 3,000 main sale points. Panorama and Olivetti have been partners since last May.

### TURKISH AIRLINES PASSENGER NUMBERS DISPLAY SHARP INCREASE

- Passenger numbers for Turkish Airlines increased sharply in the first quarter of 2016, a stock exchange filing report showed April 14.
- "During the period of January-March 2016, the number of passengers carried increased by 10.3 percent, reaching 14.2 million passengers from 12.9 million for the same period in 2015," the airline said in its filing report posted on a public disclosure platform website.
- The numbers of passengers carried in domestic and international flights were up 11.4 percent and 9.4 percent, respectively.
- Last month, in a new marketing campaign Turkish Airlines claimed to fly to the fictitious cities of Metropolis and Gotham City, home of Superman and Batman in the much anticipated new superheroes movie Batman vs. Superman: Dawn of Justice.

- 
- This claim is not far from reality, as the airline travels to 113 countries, more than any other airline in the world, thanks to its strategic location at the crossroads of Europe, the Middle East and Asia.
  - With a smart marketing strategy and an eye on the U.S. market, the airline is sponsoring what may be the year's biggest commercial cinema hit, with a pivotal scene taking place aboard a Boeing 777 Turkish Airlines plane.

“

Showcasing Gotham City and Metropolis as our newest U.S. 'destinations' reinforces our commitment to grow Turkish Airlines' visibility in the US, an important and growing market for the airline," says M. Ilker Ayci, the Turkish Airlines chairman

”

- Equally keen on the U.S. market, Emirates last year picked the Friends TV series star Jennifer Aniston to be its brand ambassador. In the Emirates advert, the American actress wakes up to the nightmare of not having a shower and a bar on her flight. The ad can be seen as a dig at U.S. carriers for being less luxurious than their Middle East rivals.

“

I think that Turkey is starting to rival the UAE airlines and Turkey is doing very well," the president of Boeing International, Bertrand-Marc Allen has said. "We are keen to watch this develop

”

## U.S. AMBASSADOR VISITS TURKISH COMPANIES

- U.S. Ambassador to Ankara John Bass visited the innovation centers of General Electric in Gebze and then SANLAB Simulation and Ford Otosan in Istanbul last month, sharing his views about innovation during his tour.
- He said he preferred to visit these pioneering companies which aimed to enable Turkey to show progress in high technologies and make a great contribution to global innovation.

“

o He noted: "We have all seen the direct benefit of GE's investment as newly graduated Turkish engineers have become an asset for GE's global innovation infrastructure. I will then meet a number of Turkish entrepreneurs in SANLAB Simulation, who sold their software to American companies.

o He also said: "I will visit Ford Otosan, a Turkish-American project. These three companies work on different models, but they have many commons in making contribution to enable both Turkey and the U.S. to build closer ties," he said.

”

- 
- Bass also noted the trade volume between the two countries doubled in the last decade.
  - He also downplayed the importance of national borders on the way to economic development during his visit to a number of technology companies in the northwestern district of Gebze.

“

Locally developed products or services have been of less importance in terms of ensuring economic development in today's world,” he said, upon a question over whether any indigenous projects, such as “national ship” or “national airplane” projects, were of importance in terms of maintaining economic development.

”

- He said many products or services are not being produced by just one country or one company today.
- “In the world economy, especially in IT sector, many separate companies and countries move together as a part of an ecosystem. Local products or services have today been of less importance in terms of ensuring economic development. We have seen specialization in successful economies today. I think this is also growing in Turkey. For instance, Sikorsky will produce its helicopters in Turkey through a joint venture. Such partnerships make contribution to the economic growth and help Turkish industry to gain know-how,” he said.

## **TURKEY'S STORY SHOULD BE ABOUT INVESTMENT, PRODUCTIVITY: MIT PROFESSOR**

- Daron Acemoğlu, an economy professor from the Massachusetts Institute of Technology (MIT), told Hurriyet last month that Turkey's “story” should be about investment and productivity, not the non-investing “bad” growth that comes from domestic consumption.

“

Turkey is currently growing without investment. This is a very interesting and a difficult thing. Only Turkey can do this as of now. The worst case scenario is to continue with this kind of growth. The decisions of the [U.S.] Federal Reserve System [Fed] prompted Turkey to hold on to the bad growth story even more. But now we need a new story, and that is ‘investment’ and ‘productivity;’ ” said Acemoğlu.

”

- Acemoğlu said it was not possible for Turkey to reach its aimed growth with only Istanbul and five to six big companies.

“

He laid out his formula saying: “Turkey has a growth potential [of] more than 4 percent. It had many productive firms. It is possible to diversify and enlarge its investments in numerous sectors. But this would not happen only by Istanbul and some five to six holdings. At least five to six Anatolian tigers should emerge from each city and these should use the right technology. A way to increase direct investment, rather than hot money should be found.

”

- Meanwhile, Yiğit Bulut, an advisor to President Recep Tayyip Erdoğan, said on April 25 that he expects interest rates to continue to fall in the coming period.
- He also said he thinks that capital inflows will accelerate the decline in interest rates, in an interview on state broadcaster TRT Haber.

“

I believe the rates will continue to decline. In exchange rates, I think the U.S. dollar-Turkish Lira parity will stay at around 2.8-2.85,” he noted, adding that there was no reason to push this value up or down in the short-term.

”

## FED REPORT: U.S. ECONOMIC ACTIVITY EXPANDED, SEVERAL REGIONS SEE PICKUP IN WAGE GROWTH

- The U.S. economy continued to expand from late February to early April and low unemployment appears to be stimulating a small increase in wage growth, the Federal Reserve said on April 13.
- Pay increased in all except one of the Fed’s 12 regional bank districts and several reported signs of a pickup in wage growth, the U.S. central bank said in its Beige Book report of information collected from business contacts nationwide.
- The Fed has signaled caution in lifting interest rates this year as it waits to see if the nation’s economy can shrug off slowing global growth and risks posed by a strong dollar and long period of low oil prices.
- Stagnant wages have also hindered inflation, which is running below the 2-percent rate policymakers would like to see.
- The report gave cause for both optimism and caution of the U.S. economic outlook. Consumer spending increased only modestly in most districts and while capital spending increased on balance, there was only scattered reports of spending for capacity expansion.
- Manufacturing increased in most districts but expectations for future growth were mixed. One particular bright spot on the employment scene was the healthcare sector, which grew at a solid pace in a number of districts, the Fed said.

- 
- Boston, Cleveland and St. Louis Fed districts cited “sizeable” wage increases for jobs in information technology services, skilled construction and manufacturing.
  - In Philadelphia, firms “indicated they had raised their starting wages in order to attract higher-quality workers” while in Chicago more contracts had increased wages for low-skilled, entry-level workers, the Fed said.
  - Policymakers now predict two hikes this year while investors currently see little prospect of a rate increase before December.

## U.S. PLANEMAKER BOEING DISCUSSES SALES IN IRAN

- A delegation from the American multinational aircraft manufacturing company Boeing has visited Iran to discuss sales of jetliners, the secretary of Iran’s Aviation Companies Association said on April 11. The U.S. planemaker seeks to ensure that it’s European rival Airbus isn’t more successful.
- Airbus agreed in January to sell Iran 118 planes worth about \$27 billion after international sanctions against Iran were lifted in return for Tehran signing the nuclear deal with U.S.
- The United States gave Boeing a license in February to hold talks with airlines in Iran, but said it would need additional approval to make sales because Iran still remains subject to a number of U.S. restrictions.

“

A representative from Boeing held discussions with the airline of the Islamic Republic and other Iranian airlines for two days,” Maghsoud Asadi Samani was quoted as saying by the state news agency IRNA.

”

## CHINA TRADE DATA BOOSTS DOLLAR, BANKS LEAD STOCKS HIGHER

- The U.S. dollar rallied and major stock markets rose on April 13 after JPMorgan’s results beat lowered expectations and Chinese trade data offered hope that Asia’s biggest economy is stabilizing.
- Wall Street gained after JPMorgan Chase’s first quarter earnings fell nearly 7 percent but beat expectations. The S&P 500 financial sector gained more than 2 percent, helping boost major averages.
- The euro fell nearly 1 percent versus the dollar as signs of stronger Chinese economic growth boosted recently the expectations that the Federal Reserve could raise interest rates again in the near future.
- China reported exports jumped 11.5 percent year on year in March, the first increase since June and well above market forecasts.

---

## MICROSOFT OFFERS FIRST MAJOR ENDORSEMENT OF NEW EU-U.S. DATA PACT

- Microsoft is the first major U.S. tech company to announce they would transfer users' information to the United States using a new transatlantic commercial data pact and would resolve any disputes with European privacy watchdogs.
- Data transfers to the United States have been conducted in a legal limbo since October last year when the European Union's top court struck down the Safe Harbour framework that allowed firms to easily move personal data across the Atlantic in compliance with strict EU data transfer rules.
- EU data protection law bars companies from transferring personal data to countries that might have insufficient privacy safeguards, U.S. being one of them, unless they set up complex legal structures or use a framework like Safe Harbour.
- Microsoft said it would sign up to the EU-U.S. Privacy Shield, the new framework that was agreed by Brussels and Washington in February to fill the void left by Safe Harbour. It also ensures the \$260 billion in digital services trade across the Atlantic continues smoothly.

“

I'm pleased to announce today that Microsoft pledges to sign up for the Privacy Shield, and we will put in place new commitments to advance privacy as this instrument is implemented,” John Frank, Vice President of EU Government Affairs, wrote in a blog.

”

- The U.S. company's endorsement of the Privacy Shield comes amidst criticism of it by privacy groups for failing to address concerns about U.S. surveillance practices and one day before EU data protection regulators sit down for a two-day meeting on whether to endorse it themselves.
- Revelations by former intelligence contractor Edward Snowden of mass U.S. government surveillance program sparked outrage in Europe and set in motion the legal challenge that eventually led to the rejection of Safe Harbour.
- The European Commission, which negotiated the framework on behalf of the EU, has urged companies to comply with decision from the 28-member bloc's data protection authorities in disputes to help the Privacy Shield survive a future court challenge.
- Companies transferring human resources data will have to submit to the jurisdiction of European regulators, but for other companies it will merely be voluntary. The main enforcers of the framework will be the U.S. Department of Commerce and the U.S. Federal Trade Commission.

“

We welcome the fact that companies already commit to using the Privacy Shield and complying with its obligations,” said Christian Wigand, a European Commission spokesman.

”

---

## IPHONE SALES DROP AFTER APPLE'S 13-YEAR SURGE

- Technology company's successful 13-year run of quarterly revenue growth ended on April 26 – a casualty of Apple's already immense size, weakness in key global markets like China and the lack of another new product to sell to the customers.
- Apple said on April 26 that revenue for its second fiscal quarter, which ended in March, declined 13 percent to \$50.6 billion as sales of its flagship product, the iPhone, fell, with little else to take its place.
- Nearly half of the smartphones sold in the United States are iPhones, and Apple may be reaching the saturation point among potential customers in other developed countries.
- Rival smartphone makers using Google's Android operating system continue to challenge the company with powerful, less expensive devices.
- Over all, Apple sold 16 percent fewer iPhones in the quarter compared with the same quarter last year.

“

There's no question that Apple's best days are behind it,” said Toni Sacconaghi, an analyst at the Bernstein brokerage firm. “The company grew at astronomical rates, and it's now so big that its ability to grow at those rates doesn't exist anymore

”

- Apple's disappointing quarter is the latest in a string of bad reports from the biggest technology companies. While the reasons vary — including the long slump in personal computer sales and slipping prices for online ads — a common theme has been that as these companies have grown into giants, it has become harder and harder to keep up the momentum.
- Apple's chief executive, Timothy D. Cook, described the decline as a “pause,” not a fundamental change in the company's business.

“

This, too, shall pass,” he said in a call with Wall Street analysts to discuss the results. “The future of Apple is very bright.”

”

- But investors were not so sure. Net income fell 22 percent to \$10.5 billion, or \$1.90 a share. Apple's results fell well short of Wall Street expectations, and its shares were down as much as 8 percent in after-hours trading. That wiped out about \$47 billion in stock market value.
- Sales fell faster in greater China, which includes Hong Kong and Taiwan, than in any other region, down 26 percent compared with the previous year. Sales in mainland China, Apple's second-largest market after the United States, fell 11 percent as the country struggled with a slowing economy. Apple's prospects there remain uncertain since the government recently shut down Apple's e-book and digital movie services without explanation.

- 
- Apple's forecast for the current quarter did not make Wall Street more confident. The company projected revenue of \$41 billion to \$43 billion. That is much worse than Wall Street had been predicting.
  - Amit Daryanani, an analyst with RBC Capital Markets, said that Apple may be entering a period of slowing replacement sales, similar to what happened in the personal computer market a decade ago.
  - Mr. Daryanani also noted that many companies had been hurt by the strong dollar, which makes American products more expensive overseas. "It's a common theme across technology companies," he said.
  - Mr. Cook portrayed the slowdown as part of the normal two-year product cycle of Apple's iPhone. The company's larger iPhone 6 line, introduced in 2014, led to a surge in sales last year as customers upgraded, sending Apple's stock to a record high.

## **CHOBANI FOUNDER HANDS OVER TO HIS EMPLOYEES STOCK WORTH 10 PERCENT OF THE COMPANY**

- The 2,000 full-time employees of the yogurt company Chobani were handed quite the surprise on Tuesday: an ownership stake that could make some of them millionaires.
- Hamdi Ulukaya, the Turkish immigrant who founded Chobani in 2005, told workers at the company's plant here in upstate New York that he would be giving them shares worth up to 10 percent of the company when it goes public or is sold.
- The goal, he said, is to pass along the wealth they have helped build in the decade since the company started. Chobani is now widely considered to be worth several billion dollars.
- "I've built something I never thought would be such a success, but I cannot think of Chobani being built without all these people," Mr. Ulukaya said in an interview in his Manhattan office that was granted on the condition that no details of the program would be disclosed before the announcement.
- "Now they'll be working to build the company even more and building their future at the same time," he said.
- The number of shares given to each person is based on tenure, so the longer an employee has been at the company, the bigger the stake.
- Two years ago, when Chobani received a loan from TPG Capital, a private equity firm, the company's value was estimated at \$3 billion to \$5 billion. At the \$3 billion valuation, the average employee payout would be \$150,000. The earliest employees, though, will most likely be given many more shares, possibly worth over \$1 million.
- Rich Lake, lead project manager, was one of the original group of five employees Mr. Ulukaya hired for the plant in New Berlin. Mr. Lake said on Tuesday that he did not expect Chobani shares to change his life much. "I'm not one for living outside my means," he said.
- Rather, he said, the shares are an acknowledgment of what he and the other employees have put into Chobani.

“

**It's better than a bonus or a raise," Mr. Lake said. "It's the best thing because you're getting a piece of this thing you helped build**

”

- The transfer of money by Mr. Ulukaya touches on a hot-button economic issue: the rapidly expanding gap in pay between executives and average workers. The United States has one of the widest pay gaps, and the topic has played a prominent role in this year's presidential race, particularly among the Democrats.
- Some other executives have also taken this issue on themselves. A founder of Gravity Payments, a Seattle-based credit-card payment processing firm, last year promised to pay a minimum wage of \$70,000 to his 120-person staff within three years.
- The shares given to Chobani employees are coming directly from Mr. Ulukaya. The shares can be sold if the company goes public or is bought by another business, neither of which seems imminent. Employees can hang onto the shares if they leave or retire, or the company will buy them back.
- The unusual announcement comes before TPG Capital, whose \$750 million loan helped bail out Chobani, can buy a stake in the company. Tension between Mr. Ulukaya and TPG about the direction of the company emerged shortly after the loan deal.
- TPG has warrants to buy 20 percent or more of Chobani's shares, depending on targets set in the original deal it struck. But that percentage would now be calculated from the 90 percent of the remaining shares, after the 10 percent given to the employees, essentially diluting TPG's potential stake.
- This sort of transfer of shares to employees is rare in the food industry. In one of the few notable examples, Bob Moore, the founder of Bob's Red Mill, a grains and cereals company, handed control of the company to its employees in 2010 with the creation of an employee stock ownership program.

“

**It's very uncommon and rare, especially in this industry, for these kinds of programs to be rolled out," said Jessica Kennedy, a principal at Mercer, the large human resources consulting firm that worked with Chobani on the new program.**

”

- Mr. Ulukaya has played a hands-on role in the company since 2005, when he bought a defunct Kraft yogurt plant here with an \$800,000 loan from the Small Business Administration. Two years later, he began selling Greek yogurt, setting off a heated competition in what had been one of the sleepier refrigerated cases in grocery stores.

- 
- Chobani pays employees above the minimum wage and offers full-time employees health benefits and other benefits. Early on, Mr. Ulukaya established a 401(k) plan for employees and pushed them to participate.

“

I preached and nagged and tried to force them to do it,” he said. “Unfortunately, not all did, and I’ve continued to worry about them in retirement

”

- A few years ago the company ran into financial problems after spending almost half a billion dollars to build the largest yogurt processing plant in the world, a one-million-square-foot facility in Idaho. The new plant allowed the company to expand into new products, like a children’s yogurt packed in a tube and tiny cups of dessert-like yogurts.
- But the company struggled to get lines up and running smoothly, and public health officials identified mold contamination in some products.

“

It was a wake-up call for us,” Mr. Ulukaya said soberly. “It made me realize that I needed to get this right, and so I’m glad it happened

”

- The company had to close lines and invest in improving its food safety regimens. It also took the loan from TPG Capital to help build operations better suited to the billion-dollar business Chobani had become.
- Mr. Ulukaya will still own the vast majority of the company, though his portion will be diluted as well. He said that giving his employees a stake in the company’s success was among the terms he demanded when the deal with TPG was struck.

“

To me, there are two kinds of people in this world,” he said on Tuesday. “The people who work at Chobani and the people who don’t

”

---

## TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

- U.S. President Barack Obama said Sunday he was “confident” that an agreement on a sweeping but controversial trade deal with the EU could be reached by the end of this year, as Washington and Berlin redoubled efforts to cinch the pact before he leaves office.

“

I am confident that we’re going to be able to get this done,” Obama said in a news conference in Hanover with German Chancellor Angela Merkel. “I don’t anticipate that we will complete ratification by the end of the year, but I do anticipate that we can have completed the agreement

”

- The president’s reference to “ratification” suggests he will punt the final decision to his successor and the new Congress after he leaves office. Given the growing skepticism about free trade deals on both sides of the Atlantic, Obama’s latest endorsement of TTIP, as the transatlantic trade pact is known, is far from a guarantee that it will ever be completed.

“

Time is not on our side,” he told an audience of senior German politicians and industry chiefs. “If we don’t make progress this year, then upcoming political transitions in the United States and Europe will [result] in this agreement not being finished for quite some time.

”

- A day before Obama’s arrival in Hanover, an industrial hub in western Germany, tens of thousands of TTIP opponents took to the streets to protest the deal. Those against the deal argue it would dilute European standards on everything from food to jurisprudence. About one-third of Germans say they are against the trade pact.
- Though TTIP is little known in the U.S., free trade has become a hot-button issue in the presidential campaign as Donald Trump and Bernie Sanders have blamed past agreements for the loss of industrial jobs in America.
- Acknowledging that the benefits of free trade “are often diffuse,” Obama used his speech to counter the arguments of TTIP opponents on both sides of the Atlantic.

“

“TTIP will not lower standards, it will raise standards even higher: high standards protecting workers, high standards protecting consumers, to give them more choices, high standards for the environment,” he said.

”

- 
- U.S. and European trade officials have been negotiating TTIP for years. While they've made substantial progress in recent months, they have yet to bridge differences in key areas such as agriculture and dispute resolution. A new round of talks, the 13th, is scheduled to begin on Monday in New York.
  - Merkel, who in past months has largely avoided the subject of TTIP, agreed with Obama.

“

From a European perspective [TTIP] is absolutely helpful to boost our economy in Europe,” Merkel said. “It’s good for the German economy, it’s good for the entire European economy...we should hurry up.

”

- On Monday (25 April), the Hannover Fair, one of the world’s leading trade fairs for industrial technology, took place. President Barack Obama and German chancellor Angela Merkel opened the event. Other senior TTIP negotiators and European Commission President Jean-Claude Juncker also visited the fair.
- World leaders were watching closely and looking for signs as to whether TTIP will be adopted by the end of 2016.
- After the last round of negotiations in February, EU trade commissioner Cecilia Malmstroem announced that progress had been made regarding car standards. “We have reached an agreement on seat-belts and headlights,” Malmstroem said.
- Public records from the last round of negotiations in Brussels show that things move slowly: “The parties exchanged detailed information on each of the issues, agreeing that more detailed inter-sessional work on technical details would be needed,” the chapter on cars read.
- In many cases, progress is negligible. Engineering, for example. At an internal meeting, the European Commission cautiously suggested excluding this chapter from the negotiations due to the lack of progress made so far.
- In an internal report from February 2016 obtained by Correctiv, the commission stated that negotiations related to the TTIP-Annex on machinery and engineering “failed to make substantive progress” and should be resumed, but “some member states have responded by demanding negotiations to continue”.
- So far, German businesses associations are still supportive and standing behind TTIP. But the front is crumbling. There are growing doubts even within the larger organisations. The Federal Association of Medium-Sized Enterprises (BVMW) is less sure of the benefits.

- 
- According to the association, 62 percent of small or medium-sized enterprises had a “rather negative” or “very negative” view of the proposed agreement.
  - The mutual recognition of standards was always a benefit of the trade agreement. The Federation of German Industries (BDI) even produced campaign videos featuring production managers explaining the cost savings that will follow if they no longer have to worry about the extra inspections and certifications when exporting to the US.
  - According to an internal report obtained by Correctiv a commission official warned member states already in 2014 that “the US negotiation partners referred to the lack of legal opportunities” that would empower them to enforce the 17 testing laboratories to adopt unified norms.

“

Normalising standards has played a smaller role in free trade agreements because most countries move products within the international standardisation system,” said Sybille Gabler of the German Institute for Standardisation (DIN).

This is not the case in the United States where international standards are used less, if at all. That is why this issue in TTIP is particularly important

”

- But there are areas where the US government can negotiate, like motor vehicles.
- The German Automotive Industry Association (VDA) estimates that German car manufacturers would save the equivalent of a 26 percent custom duty if vehicles from both sides of the Atlantic had the same standards.
- In 2014, the US motor industry commissioned a study by the University of Michigan that suggested the risk of accidents in Europe and the US varied. European roads are more winding and narrower than US roads and cars in Europe go at a higher speed.
- Furthermore, recognising one another’s standards would raise the risk of accidents on the respective countries’ roads, the study said. “In more than one way, these vehicles are not equal. Recognising them is not advisable,” said Carol Flannagan, lead researcher of the study.
- The reason for the differing systems is that the US does not accept the internationally approved standards, such as those issued for the motor industry or the ISO standards for appliances.
- Around the world, most countries have agreed to adopt the ISO committee’s common standards. Although the US is officially a part of this committee, they have yet to change rules at home to allow for acceptance of these standards.

“

Harmonisation can and must ... be carried out by the international ISO and IEC standards organisation,” said the German Electrical and Electronics Industry. Companies like Siemens also stand behind this demand.

”

## U.S. ELECTIONS

### TRUMP NEARS THE REPUBLICAN NOMINATION; PREPARES FOR FIGHT WITH CLINTON

- Trump won in his home state, the New York primary with 60 percent. And now he has followed up by capturing Pennsylvania, Maryland, Connecticut, Delaware, and Rhode Island in similar blowouts.
- That his victories were not surprising is an indication of how Trump has taken command of the GOP race.

“

“I consider myself the presumptive nominee,” Trump said on April 26, another Super Tuesday. “Absolutely.” If he wins in Indiana next week, he will be. And he’s in a strong position to take the state.

”

- As the presumptive nominee, Trump has a new obligation. “The guy who has to unite the party is the presumptive nominee,” Newt Gingrich said. “That’s Donald Trump.” In other words, he has to take the initiative. His Republican detractors, including many conservatives, won’t come to him.
- Should Trump lose in Indiana, he’ll still be the favorite for the presidential nomination at the Republican nomination in Cleveland in July. He may not have reached the 1,237 delegates for a majority, but he’ll be very close.
- Cruz has designated Indiana’s as the crucial primary for him. Losing it would be a fatal blow to his campaign. And Kasich’s prospects would dissolve as well.
- As a sign that Trump expects to get the nomination, he has started to attack the Clinton campaign, which he would run against if nominated. After Super Tuesday 3, he accused Hillary Clinton of exploiting her gender to win votes and said she would have little support if she were not a woman.
- To these insults, Democrats responded by saying: “Keep talking, Donald Trump, keep talking,” Democratic Committee National Chairwoman Debbie Wasserman Schultz told CNN. “Every single day when Donald Trump opens his mouth, he does more to alienate women.”
- Trump has consistently polled poorly with women. Democrats and Republicans both accuse Trump of sexism over his verbal attacks on Fox News anchor Megyn Kelly and on former Republican presidential candidate Carly Fiorina, whose looks Trump insulted.
- But U.S. Representative Renee Ellmers of North Carolina said she believed Trump could overcome his unpopularity with women voters with straight talk and a plan of action.

“

This is an election unlike any other election,” Ellmers said. “To me, this is breaking all the rules, this is going against any of the typical history books and elections of the past

”

- Trump’s top aide and other supporters said the focus on Clinton’s gender was part of Trump’s emerging strategy for the general election and that he had no intention of hewing to traditional rules of political campaigns.

“

When he is attacked, he will respond,” Trump’s campaign manager Corey Lewandowski told Reuters in an interview. “The campaign is going to proceed under the mantra, which we’ve had in this campaign from Day One, which is: Let Mr. Trump be Mr. Trump.

”

- A Reuters/Ipsos poll this month showed a big gender gap for Trump. About two-thirds of women have an unfavorable view of the billionaire businessman. By contrast, 54 percent of men had a negative view of Trump - a high number but significantly lower than the negative views among women.
- Clinton has responded to Trump by saying: “Well if fighting for women’s healthcare and paid family leave and equal pay is playing the woman card, then deal me in,” she said in a victory speech in Philadelphia.
- If Trump wins the nomination, his willingness to raise Clinton’s gender and other issue could make for one of the most contentious general election campaigns in recent history.

“

I don’t think there’s going to be any taboos with Donald Trump,” said James Pethokoukis, a scholar with the conservative American Enterprise Institute. “He’s not going to treat her with any sort of kid gloves.

”

## SUPER TUESDAY 3: RESULTS

Election 2016 – April 26th									
Pennsylvania					Pennsylvania				
Votes	Percent	Del.	(99%)		Votes	Percent	Del.	(99%)	
✓ Trump	892,702	56.7	17		✓ Clinton	918,649	55.6	91	
Cruz	340,201	21.6	0		Sanders	719,911	43.6	59	
Kasich	304,793	19.4	0						
Maryland					Maryland				
Votes	Percent	Del.	(99%)		Votes	Percent	Del.	(99%)	
✓ Trump	237,132	54.4	35		✓ Clinton	533,656	63.0	53	
Kasich	100,333	23.0	0		Sanders	281,700	33.3	24	
Cruz	82,286	18.9	0						
Connecticut					Connecticut				
Votes	Percent	Del.	(99%)		Votes	Percent	Del.	(99%)	
✓ Trump	122,519	57.7	28		✓ Clinton	169,763	51.7	27	
Kasich	60,447	28.5	0		Sanders	152,895	46.5	24	
Cruz	24,779	11.7	0						
Rhode Island					Rhode Island				
Votes	Percent	Del.	(100%)		Votes	Percent	Del.	(100%)	
✓ Trump	39,059	63.8	9		✓ Sanders	66,720	55.0	13	
Kasich	14,929	24.4	5		Clinton	52,493	43.3	11	
Cruz	6,393	10.4	1						
Delaware					Delaware				
Votes	Percent	Del.	(100%)		Votes	Percent	Del.	(100%)	
✓ Trump	42,472	60.8	16		✓ Clinton	55,950	59.8	12	
Kasich	14,225	20.4	0		Sanders	36,659	39.2	9	
Cruz	11,110	15.9	0						

### TED CRUZ NAMES CARLY FIORINA AS RUNNING MATE

- U.S. Republican presidential candidate Ted Cruz named former business executive Carly Fiorina on April 27, as his vice presidential running mate should he win the nomination.
- After crushing losses to Trump in five nominating contests in the Northeast on Tuesday, Cruz praised Fiorina, a former presidential rival, as a principled fighter for conservative values who would be a valuable ally on the campaign trail.

“

“Carly is a vice presidential nominee who I think is superbly skilled, superbly gifted at helping unite this party,” the U.S. senator from Texas told a rally in Indianapolis, the capital of Indiana.

”

- The Midwestern state is the next battleground for selecting the Republican and Democratic presidential candidates for the Nov. 8 presidential election and is shaping up to be Cruz’s best - and perhaps last - chance to block Trump’s march to the nomination.
- Cruz acknowledged it was unusual to choose a running mate so early in the race. Traditionally, the winners of the Republican and Democratic nominating races announce their running mates in the period between clinching the nomination and summer’s national conventions.

“

“I think all would acknowledge this race, if anything, it is unusual,” said Cruz, 45, adding he wanted to give voters a clear choice and offer a rebuttal to media suggestions the Republican race was over.

”

- At a nearby rally in Indianapolis afterward, Trump was scornful of Cruz’s move, calling his rival “desperate.”
- Fiorina, 61, dropped her own White House bid in February after a seventh-place finish in New Hampshire. She endorsed Cruz a month later and has been a sharp critic of Clinton.

## TRUMP OFFERS HIS FOREIGN POLICY WITH THE SLOGAN “AMERICA FIRST”

- Republican front-runner Donald Trump made a speech on April 27 in which he announced his foreign policy strategies with the slogan “America first”. He vowed that if he were elected president, U.S. allies in Europe and Asia would have to fend for themselves if they did not pay more for the U.S. defense umbrella.

“

“It is time to shake the rust off of America’s foreign policy,” he said in a speech that savaged the foreign policy of Democratic President Barack Obama as a disaster.

”

- The New York billionaire spoke the day after victories in five Northeastern states that moved him closer to capturing the Republican Party presidential nomination for the Nov. 8 election.
- He spoke of building up the U.S. military as a deterrent to U.S. adversaries, but said American allies in Europe and Asia would have to pay more for U.S. defenses provided by Washington.
- While issuing that stern message on paying for defense, Trump said the United States under his leadership would be “a reliable friend and ally again.”
- Trump was sharply critical of immediate past presidents, both Republican and Democratic, for getting Americans involved in military conflicts abroad, but said the United States may well need to use force to defeat Islamic State militants.
- In perhaps his most specific policy prescription, Trump said he would organize two summits, for NATO allies and Asian allies, to discuss “rebalancing” the alliances to ease the financial burden to the United States.

“

“The countries we defend must pay for the cost of this defense. If not, the U.S. must be prepared to let these countries defend themselves. We have no choice,” Trump said.

”

- Trump's speech was panned by his nearest rival for the Republican nomination, U.S. Senator Ted Cruz of Texas, who said in a tweet: "Donald's speech is the most dramatic evidence thus far that he fails the presidential test."
- A day after the speech, Germany's Foreign Minister Frank-Walter Steinmeier criticized Trump by saying: "The world's security architecture has changed and it is no longer based on two pillars alone. It cannot be conducted unilaterally," he said, referring to Trump's "America first" message.
- Steinmeier said international conflicts could only be solved nowadays if heavyweights like the United States and Russia and others joined forces.

“No American president can get round this change in the international security architecture,” Steinmeier said, adding that this was why “America first’ is actually no answer to that”

- Steinmeier also said that Trump's speech was contradictory, with the Republican calling on the one hand for 'America first' but on the other hand urging the United States to withdraw from the world: "Those two things don't seem to fit together very well to me," he said.
- He also added that he hopes that “the election campaign in the USA does not lack the perception of reality.”

## **SANDERS HAS STARTED LAYING OFF CAMPAIGN WORKERS BUT WON'T DROP OUT**

- After big losses to Democratic rival Hillary Clinton on April 26, Sanders said the following day that he is planning to lay off hundreds of campaign workers nationwide and focus on winning in California, The New York times reported.
- He told he plans to remain in the race despite losing four of five states in the primary voting on April 26, which put him further behind Clinton.
- “We want to win as many delegates as we can, so we do not need workers now in states around the country,” the newspaper quoted Sanders as saying.
- Sanders told CNN's Jim Acosta on April 26 that he has been asked 50 times that day when he will drop out, although he has no intention of doing so.
- He has said in May 2015 that “We begin a political revolution to transform our country economically, politically, socially and environmentally,” which says that he is not gonna stop even if his political campaign is finished because he wants a “political revolution”.
- Polls last year showed the Vermont senator down by over 60 points to Clinton, he continued to discuss the same issues he raised in his May 2015 kick-off: income inequality, raising the minimum wage, Citizens United, reforming Wall Street, and free public college tuition.

- That's why Sanders has won primaries or caucuses in 16 states and national polls now put him just 2 to 5 points behind Clinton. And in head-to-head matchups with GOP front-runner Donald Trump, Sanders beats him by wider margins than Clinton.
- In addition to being only a handful of points behind Clinton in national polls, Sanders still has a passionate base of supporters and is raising money at a rate surpassing even Clinton, as he notched \$44 million in March alone.
- He has even moved Clinton to not just discuss the issues he has championed but also embrace his positions on issues like raising the national minimum wage to \$15 to opposing the Trans Pacific Partnership.
- His campaign message has resonated with millions of young activists, especially those who came of age during the Occupy movement.
- Among them was 20 year old Oscar Salazar from New York. "I wasn't even into politics before," Salazar said. "Bernie got me into it. Now I'm registered to vote, I got my whole family registered as Democrats. We're all going to vote in this election."
- Sanders's campaign manager, Jeff Weaver, has told MSNBC that if Clinton doesn't clinch the nomination by pledged delegates alone, even if she has won the most popular votes, pledged delegates and states, Sanders will still take his fight to the convention. Sanders will "absolutely" try to turn superdelegates, who overwhelmingly support Clinton, and win the nomination that way.
- Sanders has gone from a little-known senator from Vermont to being a formidable opponent to Hillary Clinton, a person who Gallup called in 2014 "the best known and best liked of 16 potential 2016 presidential candidates."

## PAUL RYAN SAYS HE WON'T RUN FOR PRESIDENT

- The speaker of the House Paul Ryan said he won't run for Republican party's presidential nomination. In a Capitol Hill press conference last month he said: "I do not want nor will I accept the nomination for our party."
- The Republican party's nominee for vice-president in 2012, Ryan had long been considered a potential savior of the party in the case of a contested convention where no candidate could receive a majority.
- The speaker of the House has said that he believes the Republican party should only choose from candidates who actually entered presidential race.

“

"So let me speak directly to the delegates on this: if no candidate has a majority on the first ballot, I believe you should only choose a person who actually participated in the primary. Count me out."

"I simply believe that if you want to be the nominee – to be the president – you should actually run for it. I chose not to. Therefore, I should not be considered. Period."

”

- Ryan's statement not only disqualified him but other potential alternatives like Mitt Romney.
- It has to be taken into account that Ryan had previously insisted that he wouldn't run to be speaker of the House. However, Ryan eventually was forced to run after no other candidate could rally sufficient support from House Republicans following John Boehner's resignation in 2015.
- He said the situations are incomparable. "I was already in the House, already a congressman," Ryan said to reporters.
- Ryan urged the RNC rules committee to "put in place a rule that you can only nominate someone who actually ran for the job". If so, that would limit the pool of potential candidates in the case of an open convention to the 17 Republicans who ran for the White House at some point in the past year.
- RNC rules make him the chair of the Republican National Convention in July and he will ultimately decide on any procedural challenges on the floor.

## **CLINTON IS NOW THE DEMOCRATIC FAVORITE, BUT HER NATIONAL FAVORABILITY IS LOW**

- Clinton's favorability with white voters is worse than President Obama's ever was, and her favorability with African-American voters is at its lowest ever, according to Bill McInturff, the GOP pollster who conducted the latest NBC/Wall Street Journal poll with Democratic pollster Peter Hart.
- Thanks to Donald Trump, who remains the focus of most election coverage, Clinton's email scandal and electoral vulnerabilities continue to be obscured. McInturff told The Washington Post:
- Clinton's problem with Democrats could become worse as she gets closer to the nomination, depending on Sanders, who has promised to campaign all the way to the convention in Philadelphia at the end of July.
- While the Vermont Independent has refused to go after Clinton's greatest liability — her use of a private server at State is under investigation by the FBI — he has recently openly questioned her judgment and continues to assail the enormous speaking fees she accepted from Wall Street interests.
- On Monday the Sanders campaign questioned "serious apparent violations" of campaign finance laws by the Hillary Victory Fund, a joint fundraising effort between the Clinton campaign, the Democratic National Committee and 32 state parties. The fund, which raised \$33 million from January through the end of March, attracted \$5 million in donations from 14 wealthy donors alone.
- More money has been funneled to the Clinton campaign than to the DNC or the state parties. Brad Deutsch, attorney for the Sanders campaign, in a letter to the DNC cited "extremely large-dollar individual contributions" to the Hillary Victory Fund that funded direct mail efforts and online advertising, spending that helps Clinton's campaign "by generating low-dollar contributions that flow only to [Hillary for America] rather than to the DNC or any of the participating state party committees."
- Sanders has said he will endorse her should she become the Democratic nominee.

## KASICH AND CRUZ HAS A COLLUSION STRATEGY AGAINST TRUMP

- The delegate math overwhelmingly favors Trump, who is the only GOP presidential candidate with a realistic shot at securing the 1,237 delegates he needs to clinch the nomination before the Republican convention in July.
- The Cruz-Kasich alliance is aimed at dulling that trajectory with the Texas senator focusing on Indiana while the Ohio governor aims his resources at Oregon and New Mexico. Even in the event they sweep those three states -- taking 109 delegates off the board -- Trump would still be on pace to finish the primary season fewer than 50 votes shy of the magic number.
- Anything less, though, would open the door even wider for Trump, effectively guaranteeing him the GOP nod by the last day of voting on June 7.
- The political fallout could also be disappointing for Cruz and Kasich. They risk the appearance of open collusion, which would fuel anger among the Trump supporters who believe the party is plotting against the billionaire businessman.
- For months, Trump has railed against the party and the Republican National Committee for what he insists is a conspiracy to deny him the GOP nomination. On Monday, Trump escalated those attacks as he accused his rivals of collusion.

“

“They colluded and actually I was happy because it shows how weak they are,” Trump said at a campaign rally in Warwick, Rhode Island. “It shows how pathetic they are.”

“If the Republicans don’t lay off this man, I will never vote Republican,” said Tim Wiles, a Trump-leaning voter in Buffalo, New York, said before news of the Cruz-Kasich alliance emerged late Sunday.

”

- Meanwhile, Kasich and Cruz on Monday sought to downplay the significance of their unexpected compromise.

“




“I don’t see this as any big deal,” Kasich said at a campaign stop at a Philadelphia diner. “Other than the fact that I’m not going to spend resources in Indiana, he’s not going to spend them in other places. So what? What’s the big deal?”

”



- Donald Trump won over 60 percent of the vote in the New York primary, and carried all but four of the state’s 95 delegates. His main rival, Ted Cruz, finished third.
- However, a big Trump win in New York was already projected. While few prognosticators had him at 60 percent of the vote, most had him winning 70 of the state’s delegates or more. So from a delegate perspective, not much has changed.
- If John Kasich were to drop out, the race would become clearer. The Ohio governor, who still trails Marco Rubio in the delegate count, almost certainly splits the anti-Trump vote.
- Kasich’s largely upper-middle-class, largely college-educated moderates are of a different sort than

- If John Kasich were to drop out, the race would become clearer. The Ohio governor, who still trails Marco Rubio in the delegate count, almost certainly splits the anti-Trump vote.
- Kasich's largely upper-middle-class, largely college-educated moderates are of a different sort than Trump's working-class, high school-educated moderates.
- It can be seen in the New York exit polling, where only 33 percent of Kasich supporters said that they would definitely not vote for Cruz if he were the nominee, while 72 percent of his voters said that they would not support Trump if he were the nominee. Many would ultimately stay home in a Cruz/Trump primary, but of those who voted, more would probably go to Cruz than to Trump.

## NEW YORK PRIMARY RESULTS

REPUBLICAN		DEMOCRATIC	
Apr 19		95 delegates	
99% reporting		Delegates	Votes
	<b>Trump (won)</b>	89	60.4% 524,932
	Kasich	4	25.1% 217,904
	Cruz	0	14.5% 126,151

REPUBLICAN		DEMOCRATIC	
Apr 19		247 delegates	
99% reporting		Delegates	Votes
	<b>Clinton (won)</b>	139	58.0% 1,054,083
	Sanders	106	42.0% 763,469

Source: AP Feedback

## REFERENCES

- Reuters
- Hurriyet Daily News
- TurkofAmerica
- The Guardian
- The Hill
- RealClearPolitics
- NY Times
- EUObserver
- CNN Politics



DIŞ EKONOMİK İLİŞKİLER KURULU  
FOREIGN ECONOMIC RELATIONS BOARD

## DEİK/Türkiye-ABD İş Konseyi (TAİK)

River Plaza Büyükdere Cad. Bahar Sok. No 13/10  
34394 Levent/ İstanbul

**Phone:** +90 212 339 50 00

**Fax** : +90 212 339 50 65

**E-mail:** taik@deik.org.tr

**Web** : www.taik.org.tr