

FEBRUARY  
2016

# Monthly Brief

U.S. Politics, Economy and Business



**TAİK** <sup>30</sup><sub>YIL</sub>  
20<sup>th</sup> YEAR

**ODEİK**  
DIŞ EKONOMİK İLİŞKİLER KURULU  
FOREIGN ECONOMIC RELATIONS BOARD

# 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.



DIŞ EKONOMİK İLİŞKİLER KURULU  
FOREIGN ECONOMIC RELATIONS BOARD

## TABLE OF CONTENTS

- ECONOMICS
- TURKEY-US RELATIONS
- US PRESIDENTIAL ELECTIONS

# 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 .



## ECONOMICS

- Turkish Airlines broke new ground as it announced a net profit of over \$1 billion USD for 2015, marking a first in the history of the national flag carrier.
- After Turkish Airlines' consolidated financial statements were reported to Istanbul stock exchange, it was revealed that compared to the same period of 2014, the airline had increased its TL-denominated net profit by 65% reaching TL 2. 993 billion (\$ 1. 96 bn) and surpassing its \$1 billion goal.
- THY's net operating profit also improved 72% to TL 2. 486 billion (\$895 million).
- Its sales revenue saw a rise of 19% reaching TL 28. 752 billion, compared to the previous year.
- The airline recorded a capacity increase of 13.6% (available seat km) during this nine-month period and carried 61.2 million passengers in its 453,000 flights with a load factor of 78%.
- The margin of the company's earnings before interest, taxes, depreciation and amortization (EBIT-DA), which is a good measure to see the company's potential to generate cash, rose 5.7 points compared to the previous year to reach 24.5%. Despite the intense competition in the global industry, the political and economic instability in the region and currency fluctuations affecting the sector directly, Turkish Airlines maintained its spot among the most profitable airlines in 2015.
- Chosen as "Europe's Best Airline" five times and with its newest 2016 flights to San Francisco, Miami, Maputo, Taipei, Manila and Mauritius, Turkish Airlines flies to 49 domestic and 235 international destinations in 113 countries, reaching a total of 284 destinations worldwide.

- 
- Turkish exports to the U.S. have skyrocketed over the past five years, reaching an astounding \$6.3 billion in 2014, a data sheet compiled by the Turkish Statistical Institute revealed last Friday.
  - Turkey's exports to the U.S. increased over 12% in 2014, making it the sixth biggest purchaser of Turkish goods last year.
  - The growth is primarily seen as the result of the increasing interest shown by Turkish exporters toward American markets.
  - Experts say that the American market had been growing slowly but steadily, while many European markets continue to decline.
    - o Canan Büyükinsal, executive director of a Washington-based business association, the American-Turkish Council, said,

“

Turkish companies have discovered the U.S. is not such a mysterious and difficult place to do business. If you have patience and the determination to work with the system, and if you produce a quality product, available in sufficient quantities and sold at a fair price, the market is wide open.

”

- A report by the Turkish Exporters' Assembly (TİM) on last year's foreign trade shows that Turkey's steel industry saw the biggest increase, selling \$1.4 billion worth of goods to Americans, doubling their market share.
- Machinery and Components sales also jumped 50%, reaching \$373 million dollars. The biggest losers were oil producers who faced a shocking nearly 80% plunge to \$20 million, likewise automotive parts and components manufacturers' exports slumped 70 percent to \$470 million.
- Erdoğan, and Obama signed the Framework for Strategic Economic & Commercial Cooperation (FSECC) in 2009 in a bid to increase investment and trade flow between the two countries.
- Obama said that American-Turkish trade relations should be elevated to the level of cooperation in the field of security, during his visit to Ankara in the same year.
- The U.S. Commerce Secretary and U.S. Trade Representative have been periodically meeting with their Turkish counterparts since the sealing of the agreement.
- Trade missions between the two parties are seen as common practices to make sure American and Turkish business communities come together to solve their problems and disagreements with the help of their respective national governments.
- However, the U.S. still enjoys a large surplus of more than \$6 billion and Turkey needs to do more to reduce the slowly shrinking trade deficit between the two countries.

- 
- o Turkey's imports from the U.S. rose by only 1 percent to \$12.7 billion in last year.

“

Turkey should continue to pursue a Free Trade Agreement with the U.S. concurrent with the U.S. - EU negotiations for the Transatlantic Trade and Investment Partnership (TTIP). This proposed U.S.-Turkey FTA more than anything else would increase bilateral trade exponentially.

”

Büyükcüsal added.

- 
- Forbes Turkey magazine has released its “Top 100 Wealthiest Turks” list for 2011. The magazine said that the total fortunes of Turkey’s 100 richest people had increased from last year’s \$87 billion USD to \$104 billion USD this year.
  - Mehmet Emin Karamehmet, with his fortune reaching \$4 billion USD, topped this year’s list.
  - The businessman’s total wealth amounted to \$2.9 billion USD in 2010.
  - Semahat Arsel from Turkey’s leading Koc family, whose fortune has grown to \$3 billion USD, and last year’s wealthiest Husnu Ozyegin, chairman of Turkish conglomerate Fiba Holding, shared the second position in the ranking.
  - Rahmi Koc, with his wealth expanding to \$2.9 billion USD, followed them in the Forbes list.
  - Forbes is a privately held publishing and new media company. Its flagship publication is Forbes, a bi-weekly magazine, with a circulation of over 900,000. Forbes Turkey, launched in October 2005, is published in cooperation with Turkuvaz Gazete Dergi Basim A.S., a division of Calik Holding A.S., in Turkey. Produced by an independent editorial team, the magazine has a circulation of 17,000 and is distributed in the country’s major regional cities.
- 
- In 2013, Turkey selected, over European and U.S. rivals, a Chinese contender for the construction of its first long-range air and anti-missile defense system.
  - Last November it scrapped that competition, saying two local companies would instead build the air defense system.
  - Now, it has invited the same bidders to cooperate with the Turkish companies for the development of the system while unofficially courting for the purchase of a different system.
  - When asked a senior defense procurement official for some clarification, he replied with one word: “Confusion.”

- 
- In September 2013, the winner of the Turkish contract was China Precision Machinery Import-Export Corp. (CPMIEC), which offered a \$3.44-billion solution. That decision brought Turkey under heavy pressure from its NATO allies and while negotiating with the CPMIEC Turkey also launched parallel talks with the U.S. partnership of Lockheed Martin and Raytheon, maker of the Patriot system, and with European Eurosam, maker of the SAMP/T.
  - But in November 2015 Ankara said it had canceled the three-way competition. Two state-controlled companies, military electronics specialist Aselsan and missile systems maker Roketsan would be tasked with developing long-range air defense capabilities.
  - Last week, Turkey's top defense procurement official, Ismail Demir, head of the Undersecretariat for Defense Industries (SSM), said Turkey had the ability to build a planned long-range missile system domestically, but he did not rule out the possibility of working with companies that had previously submitted bids in a tender (CPMIEC, Lockheed Martin and Raytheon and Eurosam).
  - In September 2013, the winner of the Turkish contract was China Precision Machinery Import-Export Corp. (CPMIEC), which offered a \$3.44-billion solution. That decision brought Turkey under heavy pressure from its NATO allies and while negotiating with the CPMIEC Turkey also launched parallel talks with the U.S. partnership of Lockheed Martin and Raytheon, maker of the Patriot system, and with European Eurosam, maker of the SAMP/T.
  - But in November 2015 Ankara said it had canceled the three-way competition. Two state-controlled companies, military electronics specialist Aselsan and missile systems maker Roketsan would be tasked with developing long-range air defense capabilities.
  - Last week, Turkey's top defense procurement official, Ismail Demir, head of the Undersecretariat for Defense Industries (SSM), said Turkey had the ability to build a planned long-range missile system domestically, but he did not rule out the possibility of working with companies that had previously submitted bids in a tender (CPMIEC, Lockheed Martin and Raytheon and Eurosam).

“

We could produce the long-range missile system locally. We could also evaluate opportunities for cooperation including those who submitted bids in the tender

”

Demir said.

- Demir said his staff at the SSM were weighing another option, not necessarily ruling out the option mentioned by the undersecretary.
- This new option is the acquisition of the Medium Extended Air Defense System (MEADS), a ground-mobile air and missile defense system intended to replace the Patriot system through a NATO program.

- 
- MEADS was developed by the U.S., Germany and Italy.

“

MEADS can be an option at a time when we feel increasingly threatened by a multitude of state and non-state actors,” explained one senior security official. “Building a system should be seen as priority under the current state of affairs in this part of the world.

”

- Defense industry sources and missile technology experts say that designing, developing and producing a local solution (through Aselsan and Roketsan) could take “up to or beyond 10 years.”
  - Observers say the air defense program has gained prominence, especially after the Turkish-Russian conflict sparked on Nov. 24, 2015, by Turkey shooting down a Russian Su-24 jet along Turkey’s border with Syria. Since then, Russia has visibly bolstered its military deployments around Turkey, most notably in Syria, the Caspian Sea and neighboring Armenia.
  - MEADS features phase-array radar, which provides 360-degree coverage. It can cover as large as possible an area with fewer systems.
- 

- The ISMOB Furniture Fair here Jan. 27-Feb. 1 highlighted a wide range of Turkish and international furniture styles and served as a coming out party of sorts for MOSFED, a recently formed furniture federation that brings together seven regional furniture associations. Unlike U.S. markets in which individual furniture companies secure and display in their own spaces, at ISMOB most manufacturers exhibit within clusters allocated to their regional association.

- MOSFED, the Federation of Furniture Assns., is under the chairmanship of Ahmet Gulec, who is also chairman of Turkish furniture manufacturer NDesign. In an exclusive interview with Furniture/Today, Gulec indicated that the federation, with the support of the Turkish government, is looking to dramatically expand furniture exports and has specifically identified the U.S. as the prime market for that expansion.

“

We must export to more countries like the United States and Germany,” Gulec told Furniture/Today. “Success can only be achieved through an emphasis on design and innovation.

”

- Gulec said the federation has established a goal of exporting \$3 billion in furniture to the U.S. within the coming decade, a substantial amount given that total U.S. home furnishings imports from Turkey were \$24.5 million in 2013, according to U.S. Census Bureau figures and Furniture/Today market research.
- Speaking at a MOSFED gala dinner during the fair, Vegsel Parlak, Turkey’s general manager of exportation, said the goal is \$15 billion to \$20 billion in total furniture exports.

“

This is my belief,” he told the assemblage. “Turkey should be in the Top 5 (of furniture exporters).” He added, “We are at your service 24/7. Call us and we can come to you. With the help of the ministry you can be successful

”

- Parlak, like MOSFED’s Gulec, stressed the importance of design in helping Turkey achieve its export goals. Both men identified Italy and its history as a resource for cutting-edge design as the model for Turkey’s future furniture efforts.

- A number of state policies and NGO initiatives are pushing more female entrepreneurs to enter the labor market.
- An upward trend was recorded in female labor force participation last year. Successful female entrepreneurs share their stories to inspire more women to establish sustainable enterprises
- In a week where it was revealed that Turkey’s richest businesswoman has a \$2.2 billion fortune, Anadolu Agency (AA) has been meeting a new generation of female entrepreneurs. Many have said that an elaborate system of state subsidies for would-be businesswomen have provided a strong platform from which to build.

“

I cannot forget my amazement and happiness over the first bit of financial support from the state, which was crucial in the process of increasing the extent of my business

”

Mevlûde Uygun, the 2015 winner of Turkey’s Woman Entrepreneur Competition, told AA

- Uygun, CEO of a baby-wear shop with 19 branches across Turkey, sets a very good example for her fellows who want to get a start in the business world.
- Turkey, in its National Employment Strategy 2014-2023, aims to reach 41% female participation in the labor market, an issue touched on in ongoing 2016 budget talks in Parliament.
- In order to achieve that goal, there are ongoing government policies encouraging female labor force participation by providing flexible working-time arrangements, maternity leave, affordable childcare facilities and positive discrimination for female entrepreneurs.
- Uygun, for instance, is one of those who benefitted from the state support through the Small and Medium Enterprises Development Organization (KOSGEB), which has been providing soft or non-re-course loans to help establish successful and sustainable enterprises.



- 
- KOSGEB grants have been recently increased up to TL 50,000 (\$16,800) while interest-free soft loans increased to TL 100,000 for women with business ventures.
  - The female entrepreneurs' first business will also be free from taxes for the first three years. In addition to financial help, the public institution also provides training and workshop studies for a minimum of 60 hours to support entrepreneurship
  - Uygun had been a contract manufacturer for local and international textile companies for years and launched her own brand in 1998 at a time when the financial crisis in the country badly affected the sector.

“

“A lull in the market made me take steps towards producing my own brand, which I had always wanted but could not dare to do,” she said.

“It was the most significant step of my life.”  
However, there were several difficulties waiting for her, as she described: “The first one was persuading the family to believe that you would succeed.”

”

- She said she ignored all the negative comments about her business venture and looked ahead. Currently, Uygun has two brands, İdilbaby for infants up to 2, and Mamino for infants up to 4.
- Among a total of 217 employees, 179 are women, with most of the managerial staff being women as well.

“

Between a female and a male applicant who have almost equal qualities for a new post at the company, we prefer women,” she says: “This is our contribution to female participation in labor.

”

- All around the world women are less likely than men to participate in the labor market. It is the same for Turkish women, who constitute over 49% of the country's almost 79-million-strong population.
- Nevertheless, female labor force participation has an upward trend, reaching 31.8% in October 2015 with an increase of 0.9 points when compared to the same period in 2014.

“

According to data from “Woman in Turkey, August 2015” a report from the Family and Social Policies Ministry, this rate was 23.3% in 2004 increasing to 26% in 2009. “More female participation in labor can be achieved through education, employment, and entrepreneurship cycle,” said Sanem Oktar, president of the Women Entrepreneurs Association of Turkey (KAGİDER).

”

- Oktar said the current number of female entrepreneurs in Turkey is around 100,000, with 82% being in the service sector.
- The Organization for Economic Co-operation and Development’s (OECD) “Entrepreneurship at a Glance 2015” report says only 1.2% of female workers in Turkey are employers, a rate which is higher than Japan’s 0.9 but below the OECD average of 2.2.
- Melis Abacıoğlu Sezener, 29, is one of Turkey’s few female employers.
- Director and founder of Actifit Sports and Health Services in the Beşiktaş district of Istanbul, Sezener previously worked in the healthcare sector and admits to being “utterly unhappy” with her career.
- While helping her husband bring people to go jogging together as a group she realized that her true passion was “to inspire people to become physically active,” and that is how she decided to start Actifit in 2013.
- Today, she organizes weekly sports events for over 7,500 members with an aim “to create a local community of sport’ lovers where they can connect with one another over their interests.”
- Actifit also works with the human resources departments of several companies with a focus to design fun and interactive well-being programs for employees.
- Although she did not get state support for her company she says government support can go a long way, especially when it comes to “social-impact driven businesses like Actifit.” Sezener said KAGİDER and TurkishWIN, a women’s network, have been crucial in her development as an entrepreneur:

“

“In these platforms, I met other men and women who are successful entrepreneurs. I met mentors who have introduced me to the right contacts to help me get new business.

“This is exactly what an entrepreneur needs.” Oktar from KAGİDER agrees with and points to the significance of the projects offering women entrepreneurs guidance and counseling as well as training and networking where “role-model women come together with new entrepreneurs.”

”

- 
- In September 2016, the association will organize the Women Vendors Exhibition and Forum in Istanbul which will bring over 350 women entrepreneurs and buyers from across the world to create an aimed business volume over \$10 million. TurkishWIN has chapters in Ankara, Istanbul, New York, Boston, San Francisco, Zurich, Washington DC and London.
  - The network, which is also an enterprise itself, collaborates with international companies and NGOs to empower women to realize their potential with their motto: "If she did it, so can I."
  - Melek Pulatkonak, the founder and curator of TurkishWIN, left her career at Microsoft Turkey in the summer of 2013 "to invest in women."

“

I believe women are the most untapped natural resource of Turkey," she said. "As an entrepreneur, I want to change or touch the lives of millions and make a difference.

”

- 
- Turkish furniture exhibitors offered extensive collections of new products spanning case goods, upholstery, youth furniture and occasional, although the largest presentations were in upholstery.
  - Many of the Turkish manufacturers expressed the intent of expanding exports to the U.S., including those that have tested the American market before as well as first time exporters to the States.
  - Youth furniture producer Cilek, for example, one of the larger manufacturers in Turkey, says it does about 40% of its business or \$20 million annually in exports. According to the company's export manager, Behlut Nergiz, the company is looking to increase exports to represent approximately 90% of annual volume within the next five years.
  - He said that to help accomplish that goal, the company recently implemented lean manufacturing standards, which has allowed it to reduce prices by 20%.
  - Having already tested the U.S. waters, Nergiz said the company has assessed its prior efforts and has adjusted to achieve better results moving forward.
  - Like Cilek, Turkish case goods and upholstery manufacturer Vanessa has established itself in the U.S. and will be showing at the April High Point Market.
  - At ISMOB, the company showed a range of new contemporary styles aimed at the domestic and export market.
  - Yatas, another of Turkey's larger manufacturers, is also looking to expand its U.S. presence and came to ISMOB with a range of new mattress and furniture designs. According to Habibe Altop, a principal of the company, Yatas is looking at utilizing its website as an international sales tool, beginning with a focus on its historic core of mattresses.

“

“We are looking to demonstrate vignette merchandising, not just furniture, but accessorization and merchandising as a selling concept,” Altop said.

”

- At the other end of the style spectrum is Adnan Bostan, which offers highly ornate, classically designed furniture that is hand-made and painted.
- The company showed several new high-end designs at the fair, including custom-designed pieces.

- 
- A decline in public debt to Gross Domestic Product ratio and a strong fiscal position is at the core of Fitch’s stable investment grade rating for Turkey, Paul Gamble, senior director from Fitch, said.
  - International credit rating agency Fitch affirmed Turkey’s long-term foreign and local currency issuer ratings at “BBB-” and ‘BBB’ respectively with a stable outlook.
  - Gamble, who is in charge of reports and credit rating on Turkey, said the country’s strong fiscal position, declining oil prices and falling current account deficit were the main drivers behind Turkey’s success of preserving its investment grade rating.

“

“The main positive development on the external side was low oil prices. It pulled down the current account deficit. What we also see is more structural improvement of the financing of CAD [current account deficit and] extension of maturities of banks in financing current account deficit,” he said.

“On the fiscal side, it has been relatively positive in the sense that fiscal deficit narrowed in 2015 and government debt to GDP fell,” he added.

”

- While the political situation in Turkey is now more stable than what it was six months back, Gamble said rising geopolitical risk perception has somewhat offset the improvement seen in the political outlook.

“

“If you look at the macroeconomic performance side, growth is better than [what] we thought. [The year] 2015 was a strong year; 2016 again looks to be a good year. We are expecting a growth of around 3.5 percent,” he said.

”

- About the current account deficit, Gamble said Turkey is one of the biggest beneficiaries of the low oil prices.

“

We are looking for current account deficit to be at 3.5% of the Gross Domestic Product,” he said

”

- However, he pointed out that inflation exceeded the previous forecast and may remain that way for some time.
- He called for boosting effects of minimum wage increase and depreciation of lira over inflation.

“

“So, we are looking at 9.2% this year and we would expect a decline somewhat next year to 8.2% on an average,” Gamble said.

“We are looking for higher inflation than we have previously anticipated. You put all these factors together, it’s pretty much stable position over the six months.” he said.

”

## TURKEY-US RELATIONS

- TCA helped to facilitate the first visit to Washington, DC of the newly elected Chukchansi Tribal Council and its Chairwoman Claudia Gonzales, February 1-3, 2016.
- The Chukchansi delegation traveled to the nation’s capital to pay courtesy calls to federal agencies and members of Congress and to discuss business opportunities between the Chukchansi Tribe and Turkish companies.
- The Chukchansi Tribe, located in central California near Fresno, is one of 567 tribes recognized by the U.S. Government.

- 
- TCA briefed the delegation on TCA's programs including its Study Abroad Scholarships to Turkey for Native American students and other minority and heritage communities.
  - TCA also arranged for an economic and commercial briefing on Turkey at the Turkish Embassy and a meeting with Ambassador Serdar Kilic, who personally gave the group a tour of the ambassador's residence.
  - In addition to discussing business opportunities between Turkey and Indian Country, Ambassador Kilic and the Chukchansi delegation spoke about collaboration on cultural programs.
- 

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

“

“The North Atlantic Council (NAC) in Permanent Session approved on Feb. 24 the modalities of the activity to be conducted by NATO naval units with a view to supporting national and international efforts to cut the lines of human trafficking and illegal migration within the Aegean Sea,” the Turkish Foreign Ministry said in a statement released on Feb. 25.

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

”

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

“

Greek and Turkish forces will not operate in each other's territorial waters and airspace,” NATO Secretary-General Jens Stoltenberg said in a statement.

”

- Stoltenberg's remarks actually pointed to the core of the problem which is yet to be resolved, as the main issue is the lack of bilateral conformity between Athens and Ankara regarding boundaries of their territorial waters and airspace in the Aegean due to the peculiar geography of the Aegean Sea, where some Greek islands are lined up along Turkey's western coasts.
- In 1995, the Turkish parliament declared any unilateral attempt by Greece to extend its territorial waters to 12 nautical miles from the current six miles as a *casus belli*, or reason to declare war.
- Parallel to the dispute over the delimitation of the territorial waters, the two countries are also at odds over the limits of Greek airspace in the Aegean.
- Greece claims 10 nautical miles of national air space, while Turkey recognizes only six miles because international law defines airspace as covering a state's land and its territorial waters.

“

“Even our search and rescue areas [SAR] overlap in this case,” the officials said.

Still, Turkish officials voiced pleasure over the approval on the modalities because it confirmed Ankara's principle that “the Aegean is a common sea between Turkey and Greece.”

”

- Furthermore, with this approval by NATO, an international body has refrained from becoming “a party” in the Greek-Turkish dispute, a stance favorable for Ankara, which believes all problems should be addressed as a whole towards the settlement of the Aegean issue, officials said.
- For almost a decade-and-a-half, the foreign ministries of Turkey and Greece have been holding “exploratory contacts” with a view to finding ways to resolve the Aegean issue.
- The first of these contacts, held at the Foreign Ministry undersecretary level, took place in Ankara in March 2002.
- Political consultations and the 60th round of exploratory contacts between Turkey and Greece will be held in Athens on Feb. 29 and March 1, the Foreign Ministry announced on Feb. 28.
- Taking the length of these consultations into consideration, the essential work regarding the NATO mission, the second stage involving the drawing of maps, may well take weeks, while the talks at NATO headquarters aim to have the mission fully operational before an EU-Turkey summit in Brussels on March 7.

“

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

”

- The NATO decision is a corollary of the proposal made by the defense ministers of Turkey, Germany and Greece at the NATO Defense Ministers’ Meeting held on Feb. 10-11, on the basis of the Joint Action Points agreed to by Davutoğlu and Merkel on Feb. 8 in Ankara.

“

“The mission can still operate if the second stage is not finalized shortly. Turkish and Greek vessels can meanwhile operate in open seas rather than in contested waters,” the officials said.

”

- One of the issues is whether Greek and Turkish patrol ships would set a precedent for claims over disputed territorial waters.

“

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

”

- The Aegean issue in relation with the EU’s migration crisis will also be on agenda of a March 8 meeting between Tsipras and Davutoğlu when they co-chair a meeting of intergovernmental high level cooperation council in the Aegean province of İzmir.
- In a related development, Director General of Migration Management Atilla Toros paid a visit to Athens on Feb. 11 and met a delegation led by of Greece’s deputy secretary general of the Greek Interior Ministry and Administrative Reconstruction, Tzanetos Filippakos.



---

## U.S. 2016 PRESIDENTIAL ELECTIONS

### SUPER TUESDAY WINNERS – TRUMP AND CLINTON:

- The races aren't over and the front-runners haven't amassed enough delegates to clinch their parties' nominations, but Donald J. Trump and Hillary Clinton are already looking ahead to November after their Super Tuesday victories.
- Super Tuesday matters because it's day one of a rapid-fire 15-day phase of the GOP contest — a phase that could effectively determine who wins. In the two weeks following today, 13 more states (and a few territories) will vote, and by the time the dust settles on March 15, about 58 percent of delegates will already be bound to one candidate or another.
- Now they are under pressure to show they can unify voters in their respective parties before the Nov. 8 election and, in Trump's case, avoid a potentially disastrous split in the Republican ranks.
- Trump won 7 states out of 11 participating - Alabama, Arkansas, Georgia, Massachusetts, Tennessee, Vermont and Virginia on Super Tuesday.
- Ted Cruz won Texas and neighboring Oklahoma, as well as the Alaska caucuses, bolstering his argument that he had the best chance of stopping the New York billionaire. Marco Rubio, the Republican establishment's favorite, was projected the winner in Minnesota, his first victory in the party's nominating contests.
- Clinton, the former secretary of state and senator, also took 7 states - Alabama, Arkansas, Georgia, Massachusetts, Tennessee, Texas and Virginia. The wins reflected her strength in the South, where black voters are an important part of the Democratic base and overwhelmingly support her.
- Clinton rival Bernie Sanders, a U.S. senator from Vermont, won his home state along with Colorado, Minnesota and Oklahoma but lost to her in Massachusetts, which he had hoped to win. The democratic socialist vowed to pursue the battle for the nomination in the 35 states yet to vote.
- Clinton, once seen as the all-but-inevitable Democratic nominee, has contended with an unexpectedly strong challenge from Sanders, a senator and self-described democratic socialist.
- Clinton was desperate to crush the Sanders revolution so she can turn back to the center after having moved so far left to undercut Bernie's appeal — and start fund-raising from the fat cats for the unprecedented deluge of attack ads so central to her strategy.
- President Obama has publicly signaled that he won't let the Justice Department indict Clinton — but a resignation on principle by FBI chief Jim Comey over such political interference in law enforcement seems a real possibility.

---

## SUPER TUESDAY RESULTS BY STATES:

| <b>REPUBLICANS</b>           | Trump     | Cruz | Rubio | Kasich | Carson | <b>DEMOCRATS</b>              | Clinton   | Sanders |
|------------------------------|-----------|------|-------|--------|--------|-------------------------------|-----------|---------|
| Alabama – 50 delegates       | 43% - won | 21%  | 19%   | 4%     | 10%    | Alabama – 60 delegates        | 78% - won | 19%     |
| Alaska – 28 delegates        | 34%       | 36%  | 15%   | 4%     | 11%    | Arkansas – 37 delegates       | 66%       | 30%     |
| Arkansas – 40 delegates      | 33%       | 31%  | 25%   | 4%     | 6%     | Colorado – 79 delegates       | 40%       | 59%     |
| Georgia – 76 delegates       | 39%       | 24%  | 25%   | 6%     | 6%     | Georgia – 116 delegates       | 71%       | 28%     |
| Massachussets – 42 delegates | 49%       | 10%  | 18%   | 18%    | 3%     | Massachussets – 116 delegates | 50%       | 49%     |
| Minnessota – 38 delegates    | 21%       | 29%  | 37%   | 6%     | 7%     | Minnessota – 93 delegates     | 38%       | 62%     |
| Oklahoma – 43 delegates      | 28%       | 34%  | 26%   | 4%     | 6%     | Oklahoma – 42 delegates       | 42%       | 52%     |
| Tennessee – 58 delegates     | 39%       | 25%  | 21%   | 5%     | 8%     | Tennessee – 76 delegates      | 66%       | 32%     |
| Texas – 155 delegates        | 27%       | 44%  | 18%   | 4%     | 4%     | Texas – 252 delegates         | 65%       | 33%     |
| Vermont – 16 delegates       | 33%       | 10%  | 19%   | 30%    | 4%     | Vermont – 26 delegates        | 14%       | 86%     |
| Virginia – 49 delegates      | 35%       | 17%  | 32%   | 9%     | 6%     | Virginia – 110 delegates      | 64%       | 35%     |

## REPUBLICAN PARTY SPLIT BY TRUMP:

- Trump’s positions have drawn condemnation from such GOP figures as Dick Cheney: “This whole notion that somehow we can just say no more Muslims, just ban a whole religion, goes against everything we stand for and believe in.”
- And House Speaker Paul Ryan: “This is not conservatism. What was proposed yesterday is not what this party stands for.”
- Yet 30% of Iowa Republicans said in a recent poll they think Islam should be outlawed. In another survey, 76% of Republicans and 56% of all voters said they considered the values of Islam “at odds with American values and way of life.”
- Back in August, the conservative writer Ben Domenech said Trump threatened to reorient the GOP away from ideological conservatism, along the lines of right-wing European political movements.
- The divide within the GOP has long been described as the “establishment”—power brokers, donors, elected officials, consultants—versus the “conservative base.” But it’s increasingly clear there are two separate conservative bases within the GOP.
- The most obvious problem is Trump’s outspoken opposition to immigration and immigrants, which has offended Hispanics—a fast-growing voter demographic the party can’t afford to lose ground with—and dragged other candidates into a discussion of inflammatory ideas like ending birthright citizenship.

---

## DELEGATE SCORE:

- Candidates are trying to win delegates who will vote for them at the parties' national conventions in July. For Republicans, 595 delegates were at stake, nearly half of the 1,237 needed for the nomination.
- Democrats were allocating 865 delegates, more than one-third of the 2,383 needed to become the nominee.
- Clinton is now assured of winning at least 334 delegates on Tuesday and Sanders 145. Including superdelegates - party leaders who get to vote for candidates at the convention - Clinton now has at least 882 delegates. Sanders has at least 232.
- Trump has won at least 139 of the delegates at stake on Super Tuesday, while Cruz has won at least 52 and Rubio 25. Overall, Trump leads with 221 delegates. Cruz has 69, Rubio has 41, Ohio Governor John Kasich has 19 and retired neurosurgeon Ben Carson has seven.
- Total count for delegates at the moment: Trump has 316, Cruz 226, Rubio 106, Kasich 25, Carson 8.
- For Democrats: Clinton has 1,034 and Sanders 408.

## THE ODDS OF BLOOMBERG RUNNING AS INDEPENDENT CANDIDATE ARE LOW:

- The odds of Michael Bloomberg running for president are "very, very low -- almost zero," a source close to Bloomberg told ABC News.
- His decision, the source said, will likely come this week or next. Another Bloomberg confidant would not confirm nor deny that characterization but told ABC News, "We are at crunch time."
- As ABC News reported in January, the former mayor of New York City has been exploring the possibility of running as an independent. His political team has done research on his viability and the requirements to get his name on the ballot in all 50 states.
- Back in January, ABC News was told the odds of the billionaire running were "50-50" if it looked like Donald Trump would be the Republican nominee and Bernie Sanders would be the Democratic nominee.

## CHRIS CHRISTIE ENDORSES TRUMP:

- New Jersey Gov. Chris Christie endorsed GOP presidential front-runner Donald Trump on Friday, the latest sign that Republicans are beginning to accept the idea that the real estate magnate may win the party's nomination.
- "I am proud to be here to endorse Donald Trump for president of the United States," Christie said at a news conference alongside the businessman, explaining that he has been friends with Trump for over a decade. "I absolutely appreciate him as a person and as a friend."

- 
- But the endorsement extended beyond the personal, and Christie said he believed that “there is no one who is better prepared to provide America with the strong leadership that it needs, both at home and around the world, than Donald Trump.”
  - Among the field of GOP candidates — which also includes Florida Sen. Marco Rubio, Texas Sen. Ted Cruz, Ohio Gov. John Kasich, and retired doctor Ben Carson — Trump is “the clear standout, and the person who will do exactly what needs to be done to make America a leader around the world again,” Christie said.
  - Christie’s endorsement of Trump — which follows consecutive wins in the Nevada caucus, and primaries in South Carolina and New Hampshire — may indicate Republican politicians are reconciling themselves to the fact that the businessman is in a strong position to become the party’s standard-bearer.
  - The Democratic National Committee said Christie’s endorsement was “the best example yet that the GOP is the party of Trump.”

## CARSON SIGNALS AN END TO HIS CAMPAIGN:

- Just hours after vowing to stay in the race until there was a clear nominee, Dr. Ben Carson all but waved the white flag.

“I do not see a political path forward in light of last evening’s Super Tuesday primary results,” the retired pediatric neurosurgeon said in an email to supporters on Wednesday afternoon.”

- Carson said he would skip a Republican presidential debate scheduled for Thursday in Detroit. Carson said he would discuss his plans at greater length Friday at the Conservative Political Action Conference in Washington.
- Carson’s acknowledgment of the political reality of his presidential bid, in which he’s earned just eight delegates after the results of 15 Republican contests, comes after weeks of arguing until the final hours that despite the slim odds there was still a place for him in the 2016 race for the White House.
- Carson brought to the race a serene and deeply religious demeanor with a rags-to-riches story so incredible it has its own made-for-TV movie; he was an outsider in the year everyone wanted one; a calm voice in a race marked by insinuations about a candidate’s manhood; and a health care professional in a race that centered on repealing Obamacare.

---

## DNC OFFICIAL ENDORSES SANDERS:

- Over the weekend, top DNC official and Hawaii Congresswoman Tulsi Gabbard resigned from her DNC position to openly back Sanders.
- "I think it's most important for us, as we look at our choices as to who our next commander in chief will be, is to recognize the necessity to have a commander in chief who has foresight, who exercises good judgment, who looks beyond the consequences, looks at the consequences of the actions they're looking to take, before they take those actions, so we don't continue to find ourselves in these failures that have resulted in chaos in the Middle East and so much loss of life," Gabbard said.
- Gabbard is the fourth member of Congress to endorse Sanders in his battle against Democratic front-runner Hillary Clinton. She is his most high-profile congressional endorsement to date.
- Up until this point, Gabbard has been seen as a moderate Democrat on Capitol Hill who has openly criticized President Obama, especially on foreign policy and the fight against ISIS.

## TRUMP SUPPORTERS ARE ENTHUSIASTIC ABOUT ELECTIONS:

- Trump's supporters are incredibly enthusiastic about the coming election, and largely committed in their support for him.
- Nearly 8 in 10 say that they are more enthusiastic about voting this year than in previous elections, among Republicans who are not supporting Trump, just 39% say they are more enthusiastic than in years past.
- Likewise, 78% of Trump's backers say they will definitely support him vs. 22% who say they could still change their minds.
- Among those backing other candidates, 57% say they are committed to their chosen candidate.
- Trump is widely viewed as the candidate in the field who would be most effective at solving the country's problems, 51% vs. 17% for Cruz, 13% for Rubio and 10% for Carson, and as being best able to handle the responsibilities of being commander-in-chief, 48% say so, compared with 17% for Cruz and 15% for Rubio.
- The billionaire is also seen as the one who best understands the problems facing ordinary people, 46% Trump vs. 18% Cruz and 15% Rubio.

## PRESIDENTIAL CANDIDATES AND MONEY:

|            | <b>Total raised in mill.</b> | <b>Candidate raised</b> | <b>Spent</b> | <b>Cash on hand</b> | <b>Super PACS &amp; other pacs Raised</b> | <b>Spent</b> | <b>On hand</b> | <b>Other groups</b> |
|------------|------------------------------|-------------------------|--------------|---------------------|---|--------------|----------------|---------------------|
| 1. Clinton | <b>\$188.0</b>               | \$130.4                 | \$97.5       | \$32.9              | \$57.5                                    | \$13.2       | \$45.2         |                     |
| 2. Cruz    | <b>104.2</b>                 | 54.7                    | 41.0         | 13.6                | 49.6                                      | 18.6         | 26.0           |                     |
| 3. Sanders | <b>96.3</b>                  | 96.3                    | 81.6         | 14.7                | <0.1                                      | 0.1          | <0.1           |                     |
| 4. Rubio   | <b>84.6</b>                  | 34.7                    | 32.9         | 5.1                 | 34.2                                      | 28.2         | 6.0            | 15.8                |
| 5. Carson  | <b>68.0</b>                  | 57.9                    | 53.7         | 4.1                 | 10.1                                      | 9.7          | 0.7            |                     |
| 6. Trump   | <b>27.3</b>                  | 25.5                    | 23.9         | 1.6                 | 1.8                                       | 1.6          | 0.2            |                     |
| 7. Kasich  | <b>27.3</b>                  | 8.6                     | 7.2          | 1.5                 | 6.9                                       | 13.5         | 2.4            | 11.7                |

- The Iraqi government has submitted to the U.S. anti-ISIL commander plans for its offensive to retake Mosul, America's top general said Monday.
- "Now there is a process going on where Gen. [Sean] MacFarland is looking at the Iraqi plan, working with the CENTCOM to make recommendations as to what we can do," said Gen. Joseph Dunford, chairman of Joint Chiefs of Staff.
- Dunford's comments came at a press conference at the Pentagon alongside Secretary of Defense Ash Carter.
- Noting Carter's pledge that the U.S. would contribute to the offensive in Mosul more than it did during the recapture of Anbar province capital Ramadi late last year, the Marine general said he would soon recommend to Carter what the U.S. might do.
- Mosul, Iraq's second biggest city, fell to ISIL in June 2014
- Since then the militant group has used the city as its Iraqi headquarters in while Raqqa.

- 
- Dunford did not give a timeline for the operations but said they have already started.

“

In other words, you know, we're isolating Mosul, even as we speak, the same thing with Raqqa. So it [recapturing Mosul] is not something that will happen in the deep, deep future," he said

”

- According to Dunford, the U.S.-led coalition has also started to go after some of the targets in and around Mosul.
- The training of the forces that are going to take part in Mosul offensive has also started, he said.
- Carter said U.S. forces will play an enabling role such as helping Iraqis with logistics and coordination and that the U.S. will provide more equipment for the Mosul operations that it did for Ramadi.
- He did not provide additional details. The defense chief told reporters that U.S.-backed local forces captured Shadadi in northeastern Syria, noting that encircling the town will help the coalition “to sever the last major artery between Raqqa and Mosul” which will dissect the two strongholds of the militant group.
- Responding to a question on Libya, Carter reaffirmed that Italy is leading efforts to bring stability to the north African country and that the U.S. is supporting it in encouraging warring factions to come together to form a unity government.
- But as those efforts continue, Carter said the U.S. will keep striking Daesh targets in the country.
- Dunford said current U.S. strategy in the war-torn country is to disrupt Daesh by targeting militants with airstrikes and to avoid doing anything that would undermine the political transition.

“

At some point in the future, if I believe we are at risk with that strategy, I will certainly come back to the secretary and make some different recommendations,” he added

”

- Carter also told reporters that the U.S. is waging a cyber war against Daesh as the Pentagon is strengthening ties with Silicon Valley technology companies to address future threats, particularly cybersecurity.

“

“That's why I'm continuing my effort to rebuild bridges between the Department of Defense and some of our nation's most innovative industries, enhancing ties that will strengthen this department and our nation's security,” he said.

”

- Noting his travel to the West Coast on Monday evening, the defense chief said he discussed “cyber security initiatives and some other technologies” with some of the top minds in the technology world.





**TAİK**<sup>30</sup>  
YIL  
YEAR



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