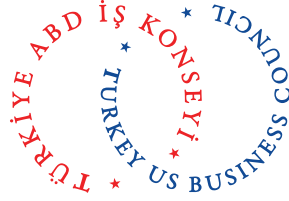


MAY  
2016

# 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
- TTIP
- U.S. ELECTIONS
- REFERENCES

## ECONOMY

### TURKISH BUSINESSES PLAN TO HIRE SYRIAN REFUGEES IN LABOR-INTENSIVE SECTORS, EYEING US MARKET

- The head of the Foreign Economic Relations Board (DEİK) has said Syrian refugees in Turkey should be hired in labor-intensive sectors and the products they produce should be sold to the U.S. market, benefiting from a customs-free agreement.

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*“We are researching whether it is possible to hire Syrian refugees, especially in the textiles industry, by using only raw materials from the United States and selling back to the U.S. products they produce customs-free,” said DEİK Chair Ömer Cihad Vardan.*

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- Vardan said they would discuss this idea with businesspeople at the U.S.-Turkey Framework for Strategic Economic and Commercial Cooperation meeting and would offer it to the both governments as a recommendation if it is accepted.
- Speaking to reporters on May 17, he noted that the cooperation meeting was first launched in 2009 after U.S. President Barack Obama’s Turkey visit, adding that it included 11 companies from each country, totaling 22.

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*“They come together and make recommendations to the governments in order to boost bilateral ties,” Vardan added.*

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o “One idea is to create a mechanism to enable Syrians in Turkey to find jobs, and another is to pave the way to increase textiles exports to the U.S. Can we develop a mechanism to make this possible? We currently face customs duties when entering the U.S. market, as well as quotas in textiles, and we are selling goods at lower amounts than we did in the past,” he said.

o “If this idea is not welcomed, we will develop another. Maybe we will suggest: ‘Let’s hire Syrians here and use your cotton. In this way you win, the Syrians win, and we win.’ We are trying to create such mechanisms,” the DEİK head added.

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## MAGAZINE NAMES TURKEY’S ‘MOST POPULAR’ COMPANIES

- Koç Holding has been named Turkey’s most popular company for 2015, followed by Turkcell and Arçelik, another Koç company, according to a survey of senior executives conducted by monthly economy magazine Capital.
- Turkey’s 20 most popular companies, as well as the most popular companies from 36 sectors, were named by the magazine in its 15th annual survey.
- A total of 1,602 senior executives from more than 700 companies were contacted in the survey, which was made by Barem Research by means of computer-assisted web interviewing method.
- While Turkey’s most popular 20 companies were identified based on the views of the executives who participated in the survey, the top companies on a sector basis were named based on the views of business-people from the related sectors.
- Respondents to the survey praised these companies’ activities in increasing consumer satisfaction as well as employee satisfaction, high dedication to corporate management rules, and focus on products and services of high quality.
- Koç Holding CEO Levent Çakıroğlu accepted the top award in the name of the business group.
- In his acceptance, Çakıroğlu commemorated former Koç Holding Chair Mustafa Koç, who died of a sudden heart attack on Jan. 21, and his “great contributions to the company with his unique leadership skills, vision, philanthropic nature and humane values.”
- Ömer Koç, the vice president of the executive board at Koç Holding, was named the new chairman of the conglomerate after the passing of his brother Mustafa Koç.
- According to its 2015 Activity Report, Koç Holding ranked 381st in the Fortune Global 500 List in 2015. The business group was employing a total of 91,304 people by the end of 2015.
- Koç Holding’s combined revenue amounts to 7.4 percent of Turkey’s GDP and the market share of its companies on Borsa Istanbul was 18 percent in 2015, according to the report.

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## TURKISH WOMEN LEAD MAJOR SECTORS IN GLOBAL ECONOMY

- From Coca-Cola and PepsiCo to Unilever and Microsoft, female executives are in fierce competition with their male counterparts for the throne of these global firms.
- While female executives have been playing a great part in conglomerates in various sectors including food and beverage, telecommunications and information technology (IT) for some time, recently the target for female Turkish executives is the finance sector.
- One of the largest banks in the world, Bank of America Merrill Lynch, has assigned Turkish executive Elif Bilgi Zapparoli as the head of their operations in the Asia-Pacific region. Zapparoli, who is also the co-chair of Bank of America Merrill Lynch's investment banking unit, will conduct the operations from Hong Kong.
- Zapparoli had previously acted as the CEO of Merrill Lynch Yatırım Bank A.Ş. in Turkey. Zapparoli is acting as the global executive of the State Asset Fund of Bank of America, which is worth more than \$5 trillion, as well. Moreover, she was included among the "100 Future Global Leaders of the World" by the World Economic Forum (WEF) in 2004.
- Another notable female Turkish finance executive in the U.S. is 34-year-old Hafize Gaye Erkan, who is sought after by various internationally acclaimed finance institutions.
- Erkan recently became the top name at First Republic Bank, which has \$33 billion in assets. She was assigned as the senior assistant director at the bank, which supplements her duties as the director of the Investment Department and as the co-chair of the Risk Management Department.

## SIERRA NEVADA CORPORATION TO BUILD HARDWARE FOR MARS 2020 ROVERT

- Sierra Nevada Corporation's Space Systems division was awarded multiple contracts by NASA's Jet Propulsion Laboratory to build critical hardware for NASA's Mars 2020 rover. This is the 13th time the company will help building hardware for a mission to Mars.
- They were awarded contracts to design and manufacture the Descent Brake. Its mechanism will control the speed of the rover as it lowers to the surface. It will be similar to how NASA's Mars Science Laboratory rover Curiosity arrived on Mars in August of 2012 using its ambitious sky crane system. SNC built the braking system for that vehicle as well.

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*"SNC has been supporting NASA's Mars Exploration Programs and missions since 1992, though the delivery of highly reliable and complex systems," Mark Sirangelo, vice president of SNC's Space Systems division, said in a press release.*

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*“We are proud of our long and successful history of delivering mission-critical hardware for some of the most challenging interplanetary missions. We look forward to maintaining our long-standing collaborative relationship with NASA and JPL as they continue to push the boundaries of exploration with each increasingly ambitious mission.”*

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- The company has provided hardware, such as planetary gears, camera actuators and battery thermal control devices, for the Spirit and Opportunity rovers, which landed on Mars in 2004. Opportunity, having had an expected life of only 90 days, has lasted more than 12 years and is still active on the surface.
- The Mars 2020 mission will be similar to Mars Science Laboratory in that it will consist of a rover that is expected to assess astrobiology relevant to an ancient Martian environment. It is designed to investigate surface geological processes and history, as well as study the planet’s past habitability and the potential for the preservation of bio-signatures within accessible geological materials.
- The sample cache on board will be used to store any interesting material for a future spacecraft to rendezvous with the Mars 2020 rover and transfer the samples to a Mars ascent vehicle, which has yet to be developed.

## THE OZMENS RECEIVE HONORARY DOCTORATES FROM UNIVERSITY OF NEVADA, RENO (UNR)

- Eren and Fatih Ozmen, president and CEO of SNC, were honored by the College of Science at the University of Nevada. The husband and wife team are loyal alum to UNR and role models to the community as their company has focused on national security interests, space exploration, STEM interest in young people, and supports local education.
- Fatih Ozmen talked about how he and his wife have followed the American dream here in northern Nevada during his commencement speech.

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*o “It’s a huge honor for Eren and Fatih Ozmen. They feel so affectionately toward UNR, and they feel like UNR was the place here in Reno that really launched them on their American dream.”*

*o “Here they are as Turkish immigrants, and they came here as students, and they’ve built a company really out of almost nothing, just 20 employee, to a global aerospace and defense company of almost 3,000 employees,” Corporate Director of Communication for SNC Brooke Salkoff provided this statement about the Ozmens’ excitement about the honorary doctorate degrees.*

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## SABANCI UNIVERSITY SIGNS WITH COLUMBIA BUSINESS SCHOOL

- Sabanci School of Management entered a partnership with the Executive Education program at Columbia Business School, one of the leading business schools of the world with a century of experience.
- The partnership will enable Sabanci University Executive MBA students to attend a two-week Executive Education leadership program at Columbia Business School in New York.
- Participants will attend lectures by Columbia Business School faculty and visit companies in the business capital of the world to gain a better understanding of the global business environment.

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*“This agreement between Columbia Business School and our School of Management is an innovative step towards greater achievements and international partnership. This agreement will empower our School of Management to continue being a center of attraction and excellence in its field. I am confident that business leaders in Turkey will make the most of this opportunity and achieve great gains,” said Sabanci University Founding Board of Trustees Chair Güler Sabanci.*

*“The Sabanci School of Management has been among the leading business schools in Turkey since our university was established. The School proved its quality of education by earning the AACSB Accreditation and was listed among the top Executive MBA programs by Financial Times. Our next objective is to run for regional leadership with such international partnerships,” said Sabanci University School of Management Dean Professor Füsün Ülengin.*

*“Business leaders today are expected not only to have an excellent grasp of their own country and the business environment there, but also to have global competencies and international experience. The international experience will create unprecedented learning opportunities for both the participants and our institutions.”*

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- Associate Dean of Columbia Business School Executive Education, Mike Malefakis, said, “Columbia Business School Executive Education welcomes the opportunity to partner with Sabanci School of Management. We are excited to offer Sabanci students the opportunity to learn from our world-renown thought leaders and to provide access to leading business practitioners here at the very center of business. Our hope is that this experience will allow Turkish executives to take the lessons learned here and put them into practice in Turkey or wherever they chose to operate next in the world.”

## TARGET TO ADD A CHOBANI CAFÉ AT ITS NEWEST SMALL FORMAT STORE

- Target won't just be selling protein-packed Greek yogurt down the aisles at one of its newest small format stores. Target tells TheStreet it will open a Chobani cafe at its new two-level, 45,000 square foot Tribeca store set to debut in New York City in October.



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o “Through Target’s flexible-format stores, we’re able to build customized stores in urban neighborhoods-like the Tribeca store-to make it easier for guests to shop,” said Anne Stanchfield, vice president, Flexible Formats and Localization at Target.

o “There are a number of things we’re excited to share with guests who shop the Tribeca store, including the freshness and convenience of Chobani Café, trendy and affordable apparel and home products and a merchandise presentation that will make it fun and easy to shop.”

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- For Chobani, the new cafe inside Target will be its second retail location since having opened a successful standalone store in the trendy SoHo neighborhood in 2012.
- Since its launch, the cafe has doubled in size to 800 square feet and has also doubled the size of its menu, venturing into savory yogurt concoctions featuring chopped-up cucumbers and olive oil to spread on tortilla chips, hearty soups, and sandwiches with a Mediterranean flair.

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o “We always wanted to open a second cafe, and the timing just worked out with Target - the downtown area in Manhattan is booming and is very dynamic,” explained Chobani’s Chief Marketing and Brand Officer Peter McGuinness in an interview with TheStreet.

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- McGuinness said Chobani isn’t planning to open more cafes inside of Target right now, but will be moving ahead with opening two to three more standalone cafes this year and up to 10 in 2017 possibly in urban areas in New York City, Los Angeles, San Francisco and Chicago.

## COCA-COLA MARKS 130TH ANNIVERSARY WITH GIFT TO ATLANTA’S CENTENNIAL OLYMPIC PARK DISTRICT

- 130 years after Coca-Cola poured its first beverage in downtown Atlanta, The Coca-Cola Company and The Coca-Cola Foundation today announced they are pouring money into improvements throughout the city’s Centennial Olympic Park District.

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o “There is no better way to celebrate 130 years of Coca-Cola than to give back to our hometown,” said Kent. “While Atlanta has always been and will always be Coca-Cola’s home, the Centennial Olympic Park District is our neighborhood. For decades, we have continued to invest in improving the area around our headquarters to support the continued growth of tourism, business and residences right here in our backyard.”

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- Given by The Coca-Cola Company's global philanthropic arm, The Coca-Cola Foundation, the grants announced today include support for five organizations in the Centennial Olympic Park District:
  - \$1 million to the Georgia World Congress Center Authority to support the expansion of green space and updates to facilities within Centennial Olympic Park.
  - \$500,000 to the PATH Foundation to support efforts to connect Centennial Olympic Park to Atlanta's westside neighborhoods, including efforts to reconfigure Ivan Allen Blvd. with new bike and pedestrian trails and improved landscaping.
  - \$250,000 to The National Center for Civil and Human Rights to support Operation Inspiration, an access program that underwrites admission fees for students attending Title 1 schools in metro Atlanta.
  - \$50,000 to the Atlanta Union Mission to empower women living at My Sister's House with vocational training and life stabilization skills.
  - \$30,000 to the Children's Museum of Atlanta to support new exhibits opening in 2016.

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*o Said Mayor Reed: "Since Coca-Cola's birth here at Five Points in 1886, the company has been committed to strengthening our city's core as a major employer, driver of tourism and contributor to transformational initiatives like the development of the Centennial Olympic Park District. Coca-Cola's commitment today to further improve the quality of life in downtown is the latest example of the vibrant private-public partnership we continue to enjoy.*

*o "I often say there is no better global ambassador for Atlanta than Coca-Cola," Reed continued. "Our city had the privilege of loving Coca-Cola first and we are immensely proud of the work the company continues to do to make our hometown and our world a better place."*

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- Since its inception in the early 1990s, Centennial Olympic Park has become a major tourist hub for downtown Atlanta with more than three million people visiting the area each year. 'Pemberton Place,' directly north of the park, was developed by Coca-Cola utilizing land purchased to house Coca-Cola's Olympic City during the 1996 Olympic Games, in combination with land acquired by the company after the Games.
- In addition to building a new World of Coca-Cola, Coca-Cola donated the land for both the Georgia Aquarium and the National Center for Civil and Human Rights to create a hub for three of Atlanta's major tourist attractions at Pemberton Place.
- Over the last decade, The Coca-Cola Company and The Coca-Cola Foundation have invested more than \$160 million and tens of thousands of volunteer hours in support of social, economic and environmental programs throughout Atlanta.
- Mayor Reed and Kent also were joined by representatives from the Georgia Historical Society who dedicated a new historical marker at the "Five Points" intersection marking the site of Coca-Cola's first pour.

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*The text of the marker reads: “The first glass of Coca-Cola was sold for five cents on May 8, 1886, at Jacobs’ Pharmacy, a popular Atlanta soda fountain that was located on this corner. Coca-Cola was created by Atlanta pharmacist John Pemberton in his laboratory just a short walk from this location. Atlanta businessman Asa Candler began to purchase the rights to the formula for Coca-Cola in 1888 and founded The Coca-Cola Company in 1892 as a Georgia corporation to manufacture and advertise Coca-Cola across the country. Candler sold the company in 1919 for \$25 million to a group of investors that included Ernest Woodruff. His son, Robert Woodruff, led Coca-Cola for more than half of the twentieth century, expanding Coca-Cola into a global business. Today Coca-Cola is the most widely recognized consumer product in the world.”*

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- The Coca-Cola Foundation is the global philanthropic arm of The Coca-Cola Company. Since its inception in 1984, the Foundation has awarded more than \$820 million in grants to support sustainable community initiatives around the world.

## **TURKISH AIRLINES NOW FLIES TO 15 AMERICAN CITIES NON-STOP FROM ISTANBUL**

- Turkish Airlines announces its 15th destination in the Americas; Atlanta with the inaugural flight to the airline’s 9th US destination scheduled for 16th May.
- Beginning from 16th May Turkish Airlines has added a daily flight to Atlanta, joining Buenos Aires, Sao Paulo, Panama, Bogota, Toronto, Chicago, Houston, Los Angeles, New York, Washington, Boston, Montreal, San Francisco and Miami as the carrier’s 15th destination in the Americas.
- With Atlanta being the ninth U.S. gateway for Turkish Airlines, momentum continues for the carrier as it expands its presence in the U.S. offering 70 flights per week and providing one-stop connections to 289 destinations and 115 countries through its Istanbul hub.

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*o “Turkish Airlines has become one of the world’s premier airlines, constantly adding to its network and making significant strategic investments that continually enhance its range and product offer,” said Ahmet Olmustur, Chief Marketing Officer (CMO) of Turkish Airlines.*

*o “This significant launch reinforces Turkish Airlines as a global leader in aviation with an internationally known brand helping passengers widen their world. The addition of the Atlanta gateway means that we will now be connecting business and leisure travelers through our Istanbul hub more efficiently and to more destinations than any other airline via one-stop connection through the world’s most traveled airport, Atlanta’s Hartsfield Jackson International Airport,” he concluded.*

*o “We are pleased to welcome Turkish Airlines as the newest carrier to Atlanta, solidifying the Hartsfield–Jackson Atlanta International Airport not only as the world’s busiest airport, but also the gateway to the World,” said Atlanta Mayor Kasim Reed.*

*o “The new route will open a wide range of business and tourism opportunities to a vast array of global destinations served by the leading carrier who enables the passengers to reach more countries than any other airline and further advance Atlanta’s tourism industry.”*

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## ‘ANGELS’ CHASING INVESTMENTS IN TURKEY

- Angel investors, who are widespread in Europe and the United States, have been expanding rapidly in Turkey for the past two years. They are investors who support new entrepreneurs with capital infusion and seek profitable investment opportunities.
- In Turkey, angel investors are encouraged with tax breaks. But to benefit from such subsidies, investments should be innovative, research and development-oriented and high-risk companies with rapid advancement prospects.
- Deputy Prime Minister for Economic Affairs Mehmet Simsek said angel investors are exempt for up to 75-100% in their tax obligations. To benefit from tax exemptions, angel investors first have to obtain the License for Individual Capital Infusion from the Treasury. Those who get the license are entitled to 75% income tax exemption.
- Those who have invested in projects supported by the Ministry of Science, Industry and Technology; Scientific and Technological Research Council of Turkey and the Small and Medium Business Development and Support Administration for five years are entitled to 100% tax exemption.
- Simsek said that the tax exemption for angel investors in Turkey is higher than in Britain, Italy, Spain, Germany, France, Singapore, Israel and many US states. Britain, which has the second-highest incentive level in Europe after Turkey, offers 30% tax exemption.
- The Undersecretariat of Treasury had planned to issue licenses to 625 angel investors over five years, but this number has already reached 374 in two years because investors have expressed interest in high-risk and high-yield areas.
- “Sirketortagim.com,” one of the biggest angel investment networks, offers this information: “With regulations issued in February 2013, angel investments have been legalized and can now benefit from a minimum of 20,000 Turkish liras and a maximum of 1 million liras in tax support. Angel investors must first be licensed. According to regulations, high-income investors, or those with substantial assets or experienced investors can obtain this license.”
- In Turkey, the average investment by angel investors is around 285,000 liras (\$97,000). This rather high figure is attributed to interest shown in major initiatives, rather than new, small-scale businesses.

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*Durmus Yilmaz, the former governor of the Central Bank, told Al-Monitor, “Angel investors bring together capital owners with those who have ideas and projects that could be implemented and turned into a commercial commodity allowing both to benefit.” Yilmaz said this combination leads to new discoveries and fresh ideas.*

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- One example for an angel investment are two young men, Kerem Alper and Engin Ayaz, who were educated at Stanford University and returned to Turkey and set up Atolye Istanbul about six months ago. They started marketing new project ideas to major companies while offering support to new projects. In that short period of their existence, 10 foreign and local investors have acquired equity in Atolye by financing it.

## TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)

### US-EU TRADE TALKS HALT MOST LIKELY OPTION: FRENCH MINISTER

- A halt to trade talks between the European Union and the United States is now likely, French Trade Minister Matthias Fekl said on May 3.
- Negotiators have been battling to reach a deal before President Barack Obama leaves office in January but points of contention remain, ranging from food safety standards to support for small business.
- France has been particularly vocal about what it sees as a lack of movement on the U.S. side. “Given the approach being taken by the United States today, (a halt) is the most likely option,” Fekl said on Europe 1 radio.
- Fekl said in April that the talks should be scrapped in the absence of further progress.
- His intervention comes a day after Greenpeace called for the talks to stop, citing concerns a deal would compromise food safety. To support its case it published confidential documents it said showed entrenched positions on the two sides.
- The environmentalist pressure group argues that the proposed Transatlantic Trade and Investment Partnership (TTIP) would hand too much power to big business at the expense of consumers and national governments.

### DAVID CAMERON CALLS FOR POLITICAL COURAGE TO SEAL TTIP DEAL

- David Cameron has said a trade deal between the EU and US is not dead despite France threatening to veto the proposal in its current form.
- The prime minister said it would take “political courage to get it over the line” but the Transatlantic Trade and Investment Partnership (TTIP) would be good for British people.
- He insisted TTIP was still viable despite François Hollande saying on Tuesday that he would reject it “at this stage” because France was opposed to unregulated free trade.
- All 28 EU member states and the European parliament would have to ratify TTIP before it comes into force, after 13 rounds of negotiations spread over nearly three years.
- Barack Obama has said completing TTIP with the EU is a priority for his country, and that in the event of Brexit the UK would have to go to the back of the queue for a trade deal.

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- The proposed deal has gained in prominence over recent months as some Eurosceptics claim the UK could put a halt to it by leaving the EU.
  - Campaigners against TTIP, who include the Labour leader, Jeremy Corbyn, and groups such as Greenpeace, argue that it could lead to weakening of regulation and open up the NHS to more privatisation.
  - Cameron said concern over the possible impact on the NHS and public services was “the reddest of red herrings”.

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*“Look, there are all sorts of reasons people might be against free trade and wanting to see an expansion of trade and investment and jobs. I think people should be honest about it and say they don’t want to see these things happen, rather than actually finding total red herrings for getting in the way of what could add tens of billions of pounds to our economy and bring jobs and investment to our country,” he told the Commons.*

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- He later confirmed that the UK was still pushing for the completion of TTIP.

## TTIP TRADE DEAL UNDER THREAT OVER THE FETA FACTOR

- A food fight between Europe and the US could block a massive free trade deal. Products like Feta cheese, Gorgonzola, Champagne and Parma ham currently enjoy protection under which only they can be sold by that original name in the EU.
- But with the controversial and much protested against Transatlantic Trade and Investment Partnership (TTIP) those products would not enjoy that protection in the United States.
- In addition US companies would be able to sell their products in Europe under TTIP, even if they did not meet the same standards as local foodstuffs – for example Feta cheese from Greece can only be made with goat and sheeps milk.
- The Americans say it is unacceptable protectionism and producers can use trademarks, though the US considers names like Feta to be generic and so not protectable by trademarks. The Europeans say no protection means no trade deal.
- With over 1,200 food products and close to 2,000 wine names having so-called ‘geographical indicator’ status negotiations could be bruising.
- Already Agriculture Commissioner Phil Hogan and French President François Hollande are threatening vetos if the issue is not resolved.
- The matter is being discussed this week by the EU Agriculture and Fisheries Council.
- The Greek Minister of Rural Development and Food Evengelos Apostolou told Euronews that the Athens government will try to keep Feta protected but added: “It is a very hard battle to win”.

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## TTIP CHART SHOWS HOW FAR ADVANCED EU-US TRADE DEAL NEGOTIATIONS ARE

- Days before Greenpeace Netherlands leaked 13 chapters of secret documents exposing the US and EU sides of a sweeping transatlantic trade deal, the European Commission released its own document outlining the state of play.
- Transatlantic Trade and Investment Partnership, 18 are more than half way through the negotiation process as the proposals from both sides are consolidated into one text.
- When consolidation happens, the US and EU proposals are put together with the remaining topics for discussions marked in brackets. These bracket are then closed up as agreements are reached.
- EU trade commissioner Cecilia Malmström said in a note accompanying the progress report that the goal was to finish negotiations by the end of this year.

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*“Needless to say, I would like for us to conclude this year, and I do think that it can be done,” Malmström said.*

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- She has sought to downplay the differences in the consolidated texts by saying it shouldn't be a surprise that the EU and the US had different views.

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*“They reflect each side's negotiating position, nothing else,” Malmström said.  
“That does not mean that the other side gives in to those demands.”*

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- Activist groups have said that the EU is at risk of lowering standards as it seeks to conclude the deal.
- Greenpeace director Jorgo Riss said that Malmström was being “disingenuous” by suggesting TTIP talks weren't at an advanced stage or that EU standards would not be compromised.
- “Commissioner Malmström is being disingenuous. In several areas the US proposes to lower EU standards, but there are no EU proposals in the leaked consolidated documents to counter this,” Riss said.

- Some of Greenpeace concerns are:
  1. Long standing environmental protections appear to be dropped. None of the chapters in the leak reference the 70-year-old “general exceptions” rule that allows nations to put people, animals and the environment before trade and profit
  2. Climate protection will be harder under TTIP. Nothing indicating climate protection can be found in the leaked texts, despite the Paris Climate Agreement to stop temperature rising more than 1.5 per cent.
  3. The end of the “precautionary principle”. This ensures a higher level of environmental protection by enshrining preventative decision-making. Instead the US demands a risk-based approach, which manages the risks of, say, hazardous chemicals, rather than banning them as a precaution.
  4. Opening the door for corporate takeover. Greenpeace said the leaked documents show that big business has had more influence on decision-making than the EC has admitted.
- “The EU’s recent public report has only one minor mention of industry input, whereas the leaked documents repeatedly talk about the need for further consultations with industry and explicitly mention how industry input has been collected,” Greenpeace said.

## U.S. ELECTIONS

### TRUMP SECURES REPUBLICAN NOMINATION

- Donald Trump now has the delegates to clinch the GOP presidential nomination, according to a CNN delegate count.
- While Trump has had the nomination locked down for weeks, he has now reached the threshold of 1,237 delegates with the help of previously uncommitted delegates who now support his candidacy. A handful of states, including the large prizes of California and New Jersey, will hold the final primaries on June 7.
- While Trump will not formally accept the party’s nomination until the delegates cast their votes on the convention floor in July, crossing the threshold effectively puts to rest any remaining suspense about the possibility of a contested convention.
- “Never Trump” activities, including negative ads against Trump and efforts to draft a third-party candidate, ultimately proved unsuccessful.
- Speaking at a news conference in Bismarck, North Dakota, Trump revealed in the fact that he had clinched his party’s nomination before Hillary Clinton.

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*“No one in American history has moved from a June 16 announcement to a May 26 winning of a majority,” former House Speaker Newt Gingrich, rumored to be among the candidates on Trump’s vice presidential short-list, wrote on Twitter Thursday. “Trump’s achievement is remarkable.”*

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- Trump is up against historically high unfavorability ratings and faces immense challenges as he looks to broaden his appeal and base heading into November. The primaries revealed his weaknesses with constituencies like women and minorities.
  - Trump divulged part of his general election strategy at a rally in Billings, Montana, just hours after crossing the 1,237 delegate threshold.

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*“What I’m going to do is I want to focus on 15 or so states, because we have to win, and I want my energy to be put in the states where it could go either way,” Trump told the crowd in Republican Montana, which Trump made clear was not included in his list of swing states.*

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- While those states likely include traditional battleground states like Florida, Ohio and Pennsylvania, Trump also said he will spend significant amount of time in states that have trended solidly blue in recent presidential elections.
- Trump said he believes California and his home state of New York could be in play, for example. And he argued that a “traditional Republican” nominee would not put those states in play, as he believes he has.

## LIBERTARIANS PICK GARY JOHNSON AS THEIR NOMINEE

- During their party convention on May 29, Libertarians selected a presidential ticket headed by former New Mexico Gov. Gary Johnson, who was the party’s nominee also back in 2012.
- At the party convention in Orlando, Florida, Johnson got his preferred running mate, former Massachusetts Gov. Bill Weld, in a weekend gathering that drew sharp contrasts with the major party candidates -- Trump and Hillary Clinton, the likely Democratic nominee.
- Johnson described the real estate mogul’s immigration policies as “just racist,” particularly the Republican’s call to deport 11 million undocumented people currently in the country.
- Libertarian activists contend their ticket could play a pivotal role in the 2016 campaign, with Trump and Clinton both viewed unfavorably by large swaths of the electorate. Even grabbing a small percentage of the vote in key states could affect the Electoral College calculus.

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*“Someone doesn’t have to be disaffected with Ms. Clinton to think that we have a good story,” Weld said. “One doesn’t have to be Never Trump to see that we were two of the most fiscally conservative governors in the United States.”*

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- Thanking the Libertarian delegates after his victory, Johnson talked about his general election chances. “At a minimum, I think we’re in the presidential debates,” Johnson said.

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*Johnson also called for inclusion in more national polling surveys. “This is another voice at the table,” Johnson said. “How about some skeptic at the table when it comes to these military interventions?”*

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- Trump was a frequent target of criticism of many Libertarians at the weekend convention. In addition to immigration participants particularly took issue with Trump’s stated positions on international trade and national security -- all of which stand in firm opposition to a party that tends to favor lax immigration restrictions, free trade and is skeptical of military intervention. Austin Petersen, one of the presidential candidates who lost to Johnson, called Trump a fascist, a term regularly echoed throughout the convention.

## HILLARY CLINTON’S EMAIL SERVER VIOLATED STATE DEPARTMENT RULES, AUDIT FINDS

- Hillary Clinton is currently under investigation by the FBI to determine whether she was involved in any criminal activity with her private email server case. If FBI found that criminal activity took place, they could recommend to indict Clinton to the Justice department and that would likely cost her the nomination.
- Now state department has released an internal report finding she broke multiple government rules by using a private server rather than more secure official communication systems.
- The 78-page investigation by the inspector general of the state department singled out several previously unknown breaches by Clinton while she was secretary of state, including the use of mobile devices to conduct official business without checking whether they posed a security risk.
- Although the report is potentially less damaging than a separate investigation by the FBI into whether she broke federal laws, it poses a significant challenge to the Clinton campaign, which has recently slipped behind Donald Trump in opinion polling.
- Trump has stepped up attacks on Clinton’s trustworthiness in recent days and is likely to seize on the report as Democrats wait nervously for the FBI decision on whether to bring charges against Clinton or any of her advisers.

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*House speaker Paul Ryan said: “No public official is above the law. Secretary Clinton’s actions were at best negligent and at worst harmful to our national security. The state department should work to ensure that all employees strictly comply with the law, and follow the IG’s recommendations to strengthen its record-keeping system.”*

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- The Clinton campaign put a brave face on the inspector general’s report on Wednesday, pointing to sections that dealt with similar lapses in email security by previous office holders.
- A spokesman for Clinton said the report showed that her email practices were “consistent” with those of past secretaries and senior officials.

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- A Clinton spokesman, Brian Fallon, said that the report showed problems with the state department's electronic record-keeping systems "were longstanding" and emphasized that her use of a private email server "was known to officials within the department during her tenure".

- Fallon acknowledged that "steps ought to have been taken" to better maintain official records.

- Clinton has been dogged by questions about her email practices for more than a year, since the AP revealed that the clintonemail.com server was in the basement of her New York home while she served as the nation's top diplomat from 2009-2013.

## ECONOMIST LARRY KOTLIKOFF JOINS PRESIDENTIAL RACE AS A WRITE-IN CANDIDATE

- Laurence J. "Larry" Kotlikoff is joining the race as a write-in candidate. The co-author of a best-selling book on how to maximize your payment from Social Security is hoping to apply the principles of economics to fix what ails the United States.

- Kotlikoff, 65, is running as a conservative on fiscal issues and arguing that the U.S. faces a \$199 trillion "fiscal gap" while taking liberal positions on abortion, gay marriage, legalization of marijuana, incarceration, and gun control.

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*"Nobody who has actually studied this stuff and written about it has run for president," Kotlikoff said of his economic expertise in an interview.*

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- Kotlikoff has gained attention on his platform—a 131-page document available for download through his campaign website—without bothering to line up endorsers and donors.

- In fact, Kotlikoff claims to be uninterested in campaign contributions. His website features a slogan: "Write Me In But Don't Send Me a Penny." His media strategy seems singularly reliant on stories like this one.

- Write-in candidates face long odds. In the 2012 presidential election, all of them together collected 11/100ths of 1 percent of the vote. So far there are 82 of them, not yet including Kotlikoff, according to the website mytimetovote.com.

- Kotlikoff insists that he isn't running just to raise awareness about his economic platform. This write-in campaign, he believes, can go viral. "I value my time very highly," he says. "I wouldn't do this if I thought my chances were small."

- He's an expert on Social Security and generational accounting, which is essentially the study of how much debt the current generation is heaping onto future ones. The \$199 trillion fiscal gap that he highlights is how much the government expects to pay in the future minus how much it projects to receive, stated in today's dollars.

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## POLL: VOTERS WANT AN INDEPENDENT CANDIDATE TO TAKE ON TRUMP AND CLINTON

- The majority of voters want to see an independent run against Hillary Clinton and Donald Trump in the general election, according to a new poll.
- Fifty-five percent of voters and 91 percent of voters under the age of 29 favor having an independent in the race, according to a new Data Targeting poll. Sixty-five percent said they are willing to support a candidate who isn't Clinton or Trump.
- The desire for a third option in the race reflects widespread dissatisfaction with the two likely nominees. Both Trump and Clinton have low favorability numbers, making them among the most disliked general election candidates in recent history.
- In the Data Targeting poll, 56 percent of voters have an unfavorable impression of Clinton, the Democratic front-runner, while 55 percent of voters have an unfavorable of Trump, the presumptive Republican nominee.

## DONALD TRUMP WOULD SPEAK WITH NORTH KOREA'S KIM JONG UN

- Donald Trump says he'd be willing to speak with North Korean leader Kim Jong Un, which would be a sharp departure from current U.S. policy toward the reclusive Asian nation.
- The presumptive GOP nominee made the comments in an interview with Reuters on May 17, the news service reported. Trump said he would talk to Kim to try to stop the country's nuclear program.

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*“I would speak to him, I would have no problem speaking to him,” Trump said.*

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- But he also turned to one of his frequent talking points on North Korea -- that he would pressure China to put more pressure on North Korea to change its ways.

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*“At the same time I would put a lot of pressure on China because economically we have tremendous power over China,” he said in the wide-ranging interview.*

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- A senior South Korean Foreign Ministry official told CNN the South Korean government didn't think it was “appropriate” to weigh in on a U.S. presidential candidate's campaign trail comments, but added:

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o “Both the Republic of Korea and the United States are firm in their position that the issue of North Korean denuclearization should be the priority in any dialogue with North Korea.

o “North Korea should stop making threats and provocations and show sincere willingness to denuclearize,” the spokesperson, who was not named, said.

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- China is one of the few countries that engages with North Korea and is its only major backer. The Obama administration has pressured China to do more on its neighbor, but has stopped short of using economic leverage for fear of the consequences.
- Sen. Jeff Sessions, R-Alabama, the chairman of Trump’s national security advisers, said it did not concern him greatly to hear Trump open the door to direct talks with Kim, citing Trump’s experience as a businessman.

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“One of the things I think Donald Trump understands is power and opportunity,” Sessions said in an interview with CNN’s Wolf Blitzer on “The Situation Room” Tuesday. “You just have to be very careful about that.”

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- Sessions said Trump had not discussed the idea with him, and characterized it as opening up the possibility of talks, and not a firm policy.

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“I believe there’s nobody that’s run for president in years who understands how to negotiate more effectively than Donald Trump and I do believe he will not be disadvantaged by Kim Jong Il (Un) or anybody in North Korea,” Sessions said. “I think it’s unlikely that a good result would come out of it, but to attempt something like that may be worth the effort.”

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- Trump’s likely general election opponent, Hillary Clinton, was quick to jump on the remarks, putting out a statement from her top foreign policy adviser slamming Trump.

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“Let me get this straight: Donald Trump insults the leader of our closest ally, then turns around and says he’d love to talk to Kim Jong Un?” Jake Sullivan said. “His approach to foreign policy makes no sense for the rest of us.”

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## CLINTON, SANDERS HIT FINAL STRETCH OF WHITE HOUSE NOMINATING CONTEST

- After splitting wins in contests on Tuesday, Democrats Hillary Clinton and Bernie Sanders head into the final stretch of a long battle to represent their party in November's White House election.
- Clinton narrowly edged out Sanders in Kentucky, a state where she had not been expected to win. Sanders won Oregon, a state that played to his strengths.
- The next contests will be held June 7, including in the delegate heavy states of California and New Jersey, with the final contest in Washington D.C. on June 14.
- While Clinton is expected to win the party nomination, Tuesday's divided outcome means she is still more than 100 delegates short of sealing the deal and so cannot yet turn her attention fully to the general election and taking on presumptive Republican nominee Donald Trump.
- In Kentucky, the two candidates will likely split the 55 delegates up for grabs. In Oregon, Sanders will take only a handful more of the 61 delegates that were awarded.
- Trump, who locked up his party's nomination after the rest of his rivals dropped out in early May, has begun to organize his campaign for the Nov. 8 election. On Tuesday, he signed a joint fundraising agreement with the Republican National Committee. The agreement allows him to raise \$449,400 from a single donor by splitting the funds between his campaign, the RNC and state Republican parties.
- Trump, a billionaire real estate developer, had so far insisted on mostly self-funding his campaign and the shift to a more traditional fundraising approach could anger some of his supporters.
- In an interview on Fox News, Trump said he has some regrets about his actions during the Republican primary process in which he beat 16 rivals, showering insults on most of them along the way.

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*"I could have used different language in a couple of instances, but overall I'm happy with the outcome," Trump said.*

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- On the Democratic side, both candidates' camps kept up a dispute on Tuesday after violent outbursts by Sanders supporters ended the Nevada Democratic convention over the weekend.
- Sanders supporters were angered when Nevada state party officials chose to end their convention and block efforts to award the U.S. senator from Vermont more delegates than he initially won in the February caucus. Clinton won the caucus.
- Sanders has said he condemns violence and harassment but leveled some of the same complaints his supporters did. He argued Nevada did not allow a headcount on a disputed rules change and 64 delegates to Nevada's convention were not given a hearing before being ruled ineligible.
- The state party disputed the claim, saying some delegates did not show up at the convention and others were disqualified because they were not registered as Democrats in time.

- Sanders, a self-described democratic socialist who is not a registered Democrat, used the incident to boost his call for the party to allow participation by non-party members in the primary process.
- Clinton's campaign continued to express confidence that she will be able to unify the party. Her campaign manager, Robby Mook, said Clinton was grateful for Nevadans who participated in the process but that no one should be intimidated, harassed or threatened.

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