

Stanford OSP Berlin

George Will Trip Winter 2006

ISTANBUL

Info Package by
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Tips and Hints

ARRIVAL TO THE CITY

Turkey demands an official entry visa from citizens of several countries including the US. We will pay 20\$ cash per person at the airport. Uli Brückner will give you the money.

After passing from the passport control, it is appropriate to declare your foreign currency and your valuable objects and have it recorded in your passport. **As elsewhere too, there are limits on the amount of alcoholic drinks and cigarettes that can be brought in: two boxes of cigarettes, 50 cigars, 200 grams of tobacco and 2.5 liters of alcoholic drinks are allowed.**

WORK HOURS AND HOLIDAYS

Banks are open weekdays from 8:30 AM until noon or 12:30 PM, depending on the bank, and from 1:30 PM until 5.00 PM.

Museums are generally open Tuesday through Sunday from 9:30 AM until 5.00 PM or 5:30 PM and closed on Monday. Palaces are open the same hours but are closed on Thursday. Shops and bazaars are normally open Monday through Saturday from 9:30 AM to 1.00 PM and from 2.00 PM to 7.00 PM, and closed all day on Sunday. But most stores in shopping malls and crowded streets are open seven days a week, including lunch breaks.

You can find restaurants or cafes open virtually at any time of the day or night.

VISITING THE MOSQUES

Most mosques in Istanbul are open to the public during the day. Prayer sessions, called namaz, last 30 to 40 minutes and are observed five times daily. Tourists should, however, avoid visiting mosques midday on Friday, when Muslims are required to worship.

For women, bare arms and legs are not acceptable inside a mosque. Men should avoid wearing shorts as well (Temperature in Istanbul will be only a little warmer than currently in Berlin). Women should not enter a mosque without first covering their heads with a scarf. Before entering a mosque, shoes must be removed.

MAIL

Post offices are painted bright yellow and have PTT (Post, Telegraph, and Telephone) signs on the front. The central Post office is open Monday through Saturday from 8:00 AM to 9:00 PM, Sunday from 9:00 AM to 7:00 PM. Smaller ones are open Monday through Friday between 8:30 AM and 5:00 PM.

THE MONEY

The monetary unit is the New Turkish Lira (YTL), which comes in banknotes of 1, 5, 10, 20, 50 and 100. Smaller denominations come in coins of 1, 5, 10, 25, and 50. **In Istanbul, traveler's checks are rarely accepted.** ATMs can be found in even the smallest Turkish towns. Most accept international credit cards or bank cards (a strip of logos is usually displayed above the ATM). Almost all ATMs have a language key to enable you to read the instructions in English.

VAT

The value-added tax, here called KDV, is 18%. Hotels typically combine it with a service charge of 10% to 15%, and restaurants usually add a 15% service charge. Value-added tax is nearly always included in quoted prices. **Certain shops are authorized to refund the tax (ask).**

ELECTRICITY

The electrical current in Turkey is 220 volts, 50 cycles alternating current (AC); wall outlets take **Continental-type plugs** (like the ones in Germany), with two or three round prongs.

SAFETY & SECURITY

The streets of Istanbul are considerably safer than their counterparts in the United States or Western Europe. Travelers should nevertheless **take care of their valuables**, as **pickpockets**, although not as common as in the U.S. or Europe, do operate in the major cities and tourist areas.

IMPORTANT PHONES

Governorship	(+90-212) 514 17 50
Municipality	(+90-212) 512 55 00
Hospital	(+90-212) 588 48 00
Police	(+90-212) 635 00 00
Gendarme	(+90-212) 779 30 18
Provincial Directorate	(+90-212) 243 34 72
Tourism Information Office	(+90-212) 527 45 03
American Hospital	(+90-212) 2314050

US Consulate Mesrutiyet Cad. No: 104 Tepebasi ISTANBUL

Phone +90 (212) 251 36 02 / 3 Fax +90 (212) 251 32 18

Important Phrases:

Evet. Yes.

‘Hayir. No.

‘Hos geldiniz. Welcome!

Tanistigimiza memnun oldum. Pleased to meet you.

Merhaba. Hello.

Benim adim... My name is...

İngilizce biliyor musunuz? Do you speak English?

Üzgünüm, Türkçe bilmiyorum. I’m sorry, I don’t speak Turkish.

‘Hosçakalin. Goodbye.

Tesekkür ederim. Thank you.

‘Yardima ihtiyacim var. I need help.

Tuvalet nerede acaba? Where is the toilet, please?

ISTANBUL

"There, God and human, nature and art are together, they have created such a perfect place that it is valuable to see." Lamartine's famous poetic line reveals his love for Istanbul, describing the embracing of two continents, with one arm reaching out to Asia and the other to Europe.

Istanbul, once known as the capital of capital cities, has many unique features. It is the only city in the world to straddle two continents, and the only one to have been a capital during two consecutive empires - Christian and Islamic. Once capital of the Ottoman Empire, Istanbul still remains the commercial, historical and cultural pulse of Turkey, and its beauty lies in its ability to embrace its contradictions. Ancient and modern, religious and secular, Asia and Europe, mystical and earthly all co-exist here.

Its variety is one of Istanbul's greatest attractions: The ancient mosques, palaces, museums and bazaars reflect its diverse history. The thriving shopping area of Taksim buzzes with life and entertainment. And the serene beauty of the Bosphorus, Princes Islands and parks bring a touch of peace to the otherwise chaotic metropolis.

Golden Horn (Monday): This horn-shaped estuary divides European Istanbul. One of the best natural harbours in the world, it was once the centre for the Byzantine and Ottoman navies and commercial shipping interests. Today, attractive parks and promenades line the shores, a picturesque scene especially as the sun goes down over the water. At Fener and Balat, neighbourhoods midway up the Golden Horn, there are entire streets filled with old wooden houses, churches, and synagogues dating from Byzantine and Ottoman times. The Orthodox Patriarchy resides at Fener and a little further up the Golden Horn at Eyup, are some wonderful examples of Ottoman architecture. Muslim pilgrims from all over the world visit Eyup Camii and Tomb of Eyup, the Prophet Mohammed's standard bearer, and it is one of the holiest places in Islam. The area is still a popular burial place, and the hills above the mosque are dotted with modern gravestones interspersed with ornate Ottoman stones. The Pierre Loti Cafe, atop the hill overlooking the shrine and the Golden Horn, is a wonderful place to enjoy the tranquility of the view.

Beyoglu and Taksim: Beyoglu is an interesting example of a district with European-influenced architecture, from a century before. Europe's second oldest subway, Tunel was built by the French in 1875, must be also one of the shortest – offering a one-stop ride to start of Taksim (Monday on the way to the Golden Horn). Near to Tunel is the Galata district, whose Galata Tower became a famous symbols of Istanbul, and the top of which offers a tremendous 180 degree view of the city.

From the Tunel area to Taksim square is one of the city's focal points for shopping, entertainment and urban promenading: Istiklal Cadesi is a fine example of the contrasts and compositions of Istanbul; fashion shops, bookshops, cinemas, markets, restaurants and even hand-carts selling trinkets and simit (sesame bread snack) ensure that the street is packed throughout the day until late into the night. The old tramcars re-entered into service, which shuttle up and down this fascinating street, and otherwise the street is entirely pedestrianised. There are old embassy buildings, Galatasaray High School, the

colourful ambience of Balik Pazari (Fish Bazaar) and restaurants in Cicek Pasaji (Flower Passage). Also on this street is the oldest church in the area, St Mary's Draperis dating back to 1789, and the Franciscan Church of St Antoine, demolished and then rebuilt in 1913.

The street ends at Taksim Square, a huge open plaza, the hub of modern Istanbul and always crowded, crowned with an imposing monument celebrating Attaturk and the War of Independence. The main terminal of the new subway is under the square, adjacent is a noisy bus terminal, and at the north end is the Ataturk Cultural Centre, one of the venues of the Istanbul Theatre Festival. Several five-star hotels are dotted around this area, like the Hyatt, Intercontinental and Hilton (the oldest of its kind in the city). North of the square is the Istanbul Military Museum.

Taksim and Beyoglu have for centuries been the centre of nightlife, and now there are many lively bars and clubs off Istiklal Cadesi, including some of the only gay venues in the city. Beyoglu is also the centre of the more bohemian arts scene.

Sultanahmet: Many places of tourist interest are concentrated in Sultanahmet, heart of the Imperial Centre of the Ottoman Empire. The most important places in this area, all of which are described in detail in the "Places of Interest" section, are Topkapi Palace, Aya Sofia, Sultan Ahmet Camii (the Blue Mosque), the Hippodrome, Kapali Carsi (Covered Market), Yerebatan Sarnici and the Museum of Islamic Art.

In addition to this wonderful selection of historical and architectural sites, Sultanahmet also has a large concentration of carpet and souvenir shops, hotels and guesthouses, cafes, bars and restaurants, and travel agents.

Ortaköy: Ortakoy was a resort for the Ottoman rulers because of its attractive location on the Bosphorus, and is still a popular spot for residents and visitors. The village is within a triangle of a mosque, church and synagogue, and is near Ciragan Palace, Kabatas High School, Feriye, Princess Hotel.

The name Ortakoy reflects the university students and teachers who would gather to drink tea and discuss life, when it was just a small fishing village. These days, however, that scene has developed into a suburb with an increasing amount of expensive restaurants, bars, shops and a huge market. The fishing, however, lives on and the area is popular with local anglers, and there is now a huge waterfront tea-house which is crammed at weekends and holidays.

Don't Leave Without!

- Visiting the Süleymaniye Mosque and Sultanahmet Mosque.
- Visiting Hagia Sophia and Museum.
- Visiting Topkapı Palace, Dolmabahçe Palace and Rumeli Hisari.

(We will go there on Monday)

- Watching Istanbul panorama from Galata Tower and Pierre Loti.

(We stay next door)

TURKEY OVERVIEW SUMMARY

Political Record

- Military.
 - Very influential Military apparatus.
 - Through the National Security Council (MGK) exercises considerable influence on a wider range of issues, especially in opposing Kurdish nationalism and political Islamism.
 - Considers itself the guardian of the secular Republic.
 - Orchestrated three successful coups between 1960 and 1985, and was instrumental in the success of the opposition in the 1997 elections.
 - Has delicate relationship with Justice and Development Party (AKP, considered moderate-conservative with an Islamist component.)
 - AKP is currently considered the strongest party and will most likely remain in power after the May 2007 elections (other parties are fractured or suffer from financial problems; AKP holds more than twice as many members in parliament than the second largest party (CHP), 357 to 154 respectively, of 550 seats.)
 -
- Internal Pressures.
 - Strong public sector unions and other unions.
 - What effect will they have when they are rendered uncompetitive with the arrival of cutting edge technology?
- Internal Conflict.
 - Kurdistan Workers' Party (PKK)
 - Most militant of Kurdish political groupings. Waged a campaign of violence and terrorism against government between 1984 and 2000.
 - PKK's demand to be treated as a legitimate negotiator for a peaceful settlement of the Kurdish problem has never been accepted by the Turkish authorities.
 - Internally displaced persons.
 - Between 350 thousands and 1 million internally displaced persons as a result from Army-Kurdish conflict. Most in Southeastern provinces.
 - Black market.
 - Turkish, Iranian, and other international trafficking organizations operate out of Istanbul.
 - Key transit route for South West Asian heroin to Western Europe. Laboratories to convert imported morphine base into heroin around Istanbul and in remote regions.
- International Disputes.
 - Complex disputes with Greece over Aegean Sea area.
 - Status of North Cyprus question.

- Syria and Iraq protest Turkish hydrological projects to control upper Euphrates waters.
- Human Rights.
 - Accepts ICJ jurisdiction, with reservations.
 - Objectionable campaign against the PPK.
 - Orhan Pamuk, one of Turkey's most internationally successful novelists.
 - Outcome of trial considered as litmus test of Turkey's commitment to freedom of expression.

Economic Record.

- Strong economic gains in last 4 years due to renewed investor interests in emerging markets and strong IMF backing.
- Economy still burdened by high current account deficit and high debt.
- Trade.
 - Other than the US, five of its largest trading partners are already in EU.
- Large number of State owned companies.
 - Infrastructure, utilities, basic industries, some food-processing and about 30% of banking sector.
- Manufacturing and Services are major sectors.
 - Effects new Eastern European members?
- Agriculture counts for 15% of GDP.
 - 30.93% of land is arable. 3.31% of land has permanent crops.
 - Employs 25% of males and 60% of females.
 - What would happen to them with the entrance of high tech agriculture?
- Geography.
 - South and West receive most of the income from tourism and agriculture.
 - Great disparity of income distribution (Gini Index 42 in 2003). Eastern Turkey is extremely poor and underdeveloped (lack of infrastructure, education, services, industry, etc.)
- Stats.
 - GDP per head is US\$ 2,605.
 - Consumer price inflation is 7.5% (2005)
 - External debt of US\$ 127.7 billion.
 - Public debt of 67.5% of GDP.
 - 5.5 million internet users (2003).

Environmental Record.

- Substantial water pollution (dumping chemicals and detergents); air pollution (urban areas); deforestation; and concern for oil spills from increasing Bosphorus ship traffic.

Demography.

- 69,660,559 inhabitants (July 2005)

- 26% under 14 years of age.
- 99.8% Muslim (Sunni)

TURKEY OVERVIEW

PEOPLE

Modern Turkey spans bustling cosmopolitan centers, pastoral farming villages, barren wastelands, peaceful Aegean coastlines, and steep mountain regions. More than half of Turkey's population lives in urban areas that juxtapose Western lifestyles with traditional-style mosques and markets.

Turkey has been officially secular since 1924, although 99% of the population is Muslim. Most Turkish Muslims belong to the Sunni branch of Islam, but a significant number are Alevi Muslims. Questions of the goals of political Islam and the aftermath of the 1984-99 PKK Kurdish insurgency continue to fuel public debate on several aspects of Turkish society, including the role of religion, the necessity for human rights protections, and the expectation of security. Turkish citizens of Kurdish origin constitute an ethnic and linguistic group. Estimates of their population range up to 12 million.

HISTORY

Mustafa Kemal, celebrated by the Turkish State as a Turkish World War I hero and later known as "Ataturk" or "father of the Turks," led the founding of the Republic of Turkey in 1923 after the collapse of the 600-year-old Ottoman Empire and a three-year war of independence. The empire, which at its peak controlled vast stretches of northern Africa, southeastern Europe, and western Asia, had failed to keep pace with European social and technological developments. The rise of national consciousness impelled several captive nations to seek to regain lost independence, leading to the empire's fragmentation. This process culminated in the disastrous Ottoman participation in World War I as a German ally. Defeated, shorn of much of its former territory, and partly occupied by forces of the victorious European states, the Ottoman structure was repudiated by Turkish nationalists whom Mustafa Kemal brought together under his tight leadership. The nationalists expelled invading Greek forces from Anatolia after a bitter war. After the proclamation of the Republic of Turkey the temporal and religious ruling institutions of the old empire (the sultanate and caliphate) were abolished.

The leaders of the new republic concentrated on consolidating their power and modernizing and Westernizing what had been the empire's core--Anatolia and a small part of Thrace. Social, political, linguistic, and economic reforms and attitudes decreed by Ataturk from 1924-1934 continue to be referred to as the ideological base of modern Turkey. In the post-Ataturk era, and especially after the military coup of 1960, this ideology came to be known as "Kemalism" and his reforms began to be referred to as "revolutions." Kemalism comprises a Turkish form of secularism, strong nationalism, statism, and to a degree a western orientation. The continued validity and applicability of Kemalism are the subject of lively debate in Turkey's political life. The current ruling AK Party comes from a tradition that challenges many of the Kemalist precepts and is driven in its reform efforts by a desire to achieve EU accession.

Turkey did not enter World War II on the Allied side until shortly before the war ended and became a charter member of the United Nations. Difficulties faced by Greece after World War II in quelling a communist rebellion and demands by the Soviet Union for military bases in the Turkish Straits prompted the United States to declare the Truman Doctrine in 1947. The doctrine enunciated American intentions to guarantee the security of Turkey and Greece and resulted in large scale U.S. military and economic aid. After participating with United Nations forces in the Korean conflict, Turkey in 1952 joined the North Atlantic Treaty Organization (NATO). Turkey is currently a European Union candidate.

GOVERNMENT AND POLITICAL CONDITIONS

The 1982 Constitution, drafted by the military in the wake of the 1980 coup, proclaims Turkey's system of government as democratic, secular, and parliamentary. The presidency's powers are not precisely defined in practice, and the president's influence depends on his personality and political weight. The president and the Council of Ministers led by the prime minister share executive powers. The president, who has broad powers of appointment and supervision, is chosen by Parliament for a term of 7 years and cannot be reelected. The prime minister administers the government. The prime minister and the Council of Ministers are responsible to Parliament.

The 550-member Parliament carries out legislative functions. Election is by proportional representation. To participate in the distribution of seats, a party must obtain at least 10% of the votes cast at the national level as well as a percentage of votes in the contested district according to a complex formula. The president enacts laws passed by Parliament within 15 days. With the exception of budgetary laws, the president may return a law to the Parliament for reconsideration. If Parliament reenacts the law, it is binding, although the president may then apply to the Constitutional Court for a reversal of the law. Constitutional amendments pass with a 60% vote, but require a popular referendum unless passed with a two-thirds majority; the president may also submit amendments passed with a two-thirds majority to a popular referendum.

The judiciary is declared to be independent, but the need for judicial reform and confirmation of its independence are subjects of open debate. Internationally recognized human rights, including freedom of thought, expression, assembly, and travel, are officially enshrined in the Constitution but have at times been narrowly interpreted, can be limited in times of emergency and cannot be used to violate what the Constitution and the courts consider the integrity of the state or to impose a system of government based on religion, ethnicity, or the domination of one social class. The Constitution prohibits torture or ill treatment; the current government has focused on ensuring that practice matches principle. Labor rights, including the right to strike, are recognized in the Constitution but can be restricted.

The 1982 Constitution provides for a system of State Security Courts to deal with offenses against the integrity of the state. The high court system includes a Constitutional Court responsible for judicial review of legislation, a Court of Cassation (or Supreme Court of Appeals), a Council of State serving as the high administrative and appeals

court, a Court of Accounts, and a Military Court of Appeals. The High Council of Judges and Prosecutors, appointed by the president, supervises the judiciary.

In the November 2002 election of Turkey's 58th government, the Justice and Development Party (AK) captured 34.3% of the total votes, making Abdullah Gul Prime Minister, followed by the Republican People's Party (CHP) with 19.39% of the vote, led by Deniz Baykal. A special General Election was held again in the province of Siirt in March 2003, resulting in the election of AK's chairman Recep Tayyip Erdogan to a seat in parliament, allowing him to become prime minister. AK and CHP were the only parties to surpass the 10% threshold required to hold seats in parliament. The elections resulted in 363 of the 550 seats going to AK, 178 seats to CHP, and 9 as independent. Due to a reshuffle in party affiliation, AK holds 367 seats, CHP holds 175 seats, five are independent, and three joined the True Path Party (DYP). In March 2004 nationwide local elections, AKP won 57 of 81 provincial capital municipalities and, with 41.8% of the votes for provincial council seats, consolidated its hold on power.

Principal Government Officials

President of the Republic--Ahmet Necdet Sezer

Prime Minister--Recep Tayip Erdogan

Minister of Foreign Affairs--Abdullah Gül

Ambassador to the United States--Faruk Logoglu

Ambassador to the United Nations--Umit Pamir

ECONOMY

Turkey began a series of reforms in the 1980s designed to shift the economy from a statist, insulated system to a more private-sector, market-based model. The reforms spurred solid growth, but growth that has been punctuated by sharp recessions and financial crises in 1994, 1999, and 2001. Turkey's failure to pursue additional reforms, combined with large and growing public sector deficits, resulted in high inflation, increasing macroeconomic volatility, and a weak banking sector.

The Ecevit government, in power from 1999 through 2002, restarted structural reforms in line with ongoing economic programs under the standby agreements signed with the International Monetary Fund (IMF), including passage of social security reform, public finance reform, state banks reform, banking sector reform, increasing transparency in public sector, and also introduction of related legislation to liberalize telecom, and energy markets. Under the IMF program, the government also sought to use exchange rate policies to curb inflation.

By late 2000, a growing current account deficit, the weak banking system, and growing concern over the failure to implement needed structural reforms resulted in a liquidity crisis that led to a revised IMF program. In February 2001, a public dispute between the president and prime minister triggered a run on the lira and a dramatic increase in interest rates. The result was rapid inflation, a severe banking crisis, a massive rise in domestic public debt, and a deep economic downturn (GNP fell 9.5% in 2001). The government was forced to float the lira and adopt a more ambitious economic reform program,

including a very tight fiscal policy, enhanced structural reforms, and unprecedented levels of IMF lending.

Large IMF loans--tied to implementation of ambitious economic reforms--enabled Turkey to stabilize interest rates and the currency and to meet its debt obligations. In 2002 and 2003, the reforms began to show results. With the exception of a period of market jitters in the run-up to the Iraq war, inflation and interest rates have fallen significantly, the currency has stabilized, and confidence has begun to return. Nonetheless, the economy still remains fragile, and continued implementation of reforms is essential to sustain growth and stability.

Turkey has a number of bilateral investment and tax treaties, including with the United States, that guarantee free repatriation of capital in convertible currencies and eliminate double taxation. Nonetheless, foreign direct investment totaled only \$16.4 billion as of June 30, 2003, a modest sum reflecting investor concerns about political and macroeconomic uncertainty, burdensome regulation, and a large state role in the economy.

Turkey seeks to improve its investment climate and has taken steps to improve its investment climate through administrative streamlining, an end to foreign investment screening, and strengthened intellectual property legislation. However, a number of disputes involving foreign investors in Turkey and certain policies, such as high taxation of cola products and continuing gaps in the intellectual property regime, inhibit investment. The Turkish privatization board is in the process of privatizing a series of state-owned companies, including the state alcohol company and the oil refining parastatal. The Privatization Board was scheduled to privatize the state tobacco company and the telephone company in 2004. Under its commitments to the World Trade Organization, the government is liberalizing the telecommunications sector.

Inflation and Monetary Policy. Turkey's principal economic problems remain inflation and public sector indebtedness. Annual consumer price inflation averaged around 80% in the 1990s and nearly 50% in 2000 through 2003. Wholesale price inflation has been at comparable levels. In 2003, however, Turkey's Central Bank finally succeeded in controlling inflationary pressures: as of February 29, 2004 the previous 12-month increase in the CPI had fallen to 27.01%.

Turkey's current economic reform program has had two main goals--conquering the persistent high inflation of 1990s and the associated macroeconomic instability, and reducing public debt to sustainable levels. Following the 2000-01 crisis, which saw the collapse of the crawling peg under the previous International Monetary Fund (IMF) program, a new 3-year standby agreement was approved by the IMF in February 2002. It focused on combating inflation through a floating foreign exchange regime and tight monetary policy conducted by the newly independent Central Bank. The program also required fiscal discipline leading to a 6.5% primary surplus target in 2003 and 2004 and continued structural reforms. The program began to show its results with lower inflation, resurgent growth and, at least, partial success in maintaining fiscal discipline. GDP

growth reached 7.8% in 2002 and 5.8% in 2003; although final figures are not yet available, the government 2003 fiscal data were expected to come close to its full-year primary surplus target of 6.5% of GDP. The public debt-to-GNP (Net Public Debt to GNP) ratio, after shooting up to 92 in the crisis year of 2001, fell to 79.0% in 2002 and became 72.5% as of 2nd quarter of 2003.

Principal Growth Sectors - Energy. Installed energy generation capacity in Turkey reached 28,332.4 MW as of the end of 2001. Fossil fuels account for 59% of the total installed capacity (16,623 MW) and hydro, geothermal, and wind account for the remaining 41% (11,7093 MW). Total electricity consumption reached 126.9 billion kWh at the end of 2001. The growth in electricity generation has remained below electricity demand until recently, which made Turkey a net importer of electricity since 1997. The growth of energy demand slowed somewhat as a result of the 2001 economic crisis, but has picked up again. Turkish authorities expect a significant electricity shortfall by 2008 unless new facilities become operational. The Government of Turkey took some important steps in 2001 to liberalize its energy sector, including passage of the Electricity Market Law and establishment of the Energy Market Regulatory Authority (EMRA). However, the government has done little to follow through on plans to liberalize and privatize the electricity and natural gas sectors. In 2004, the High Planning Council approved the Electricity Sector Reform Strategy to renew the reform process.

Oil provides about 43% of Turkey's total energy requirements; around 90% is imported. Domestic production is mostly from small fields in the southeast. New exploration is taking place in the eastern Black Sea. In 2004, the Parliament approved a petroleum market reform bill that will liberalize consumer prices and lead to the privatization of the state refining company TUPRAS. Turkey has a refining capacity of 719,275 barrels/day.

Turkey acts as an important link in the East-West Energy Corridor bringing the Caspian energy to Europe and world markets. The Baku-Tbilisi-Ceyhan pipeline, to begin operation in 2006, will deliver 1 million b/d of petroleum, and in 2006, the Shah Deniz pipeline will bring natural gas from Azerbaijan to Turkey. Turkey recently reached agreement with Greece to build an interconnector pipeline, an important step in bringing Caspian natural gas to Europe via Turkey.

Telecommunications. Parliament enacted legislation separating telecommunications policy and regulatory functions in January 2000, by establishing an independent regulatory body, the Telecommunication Authority. The Authority is responsible for issuing licenses, supervising operators, and taking necessary technical measures against violations of the rules. Most regulatory functions of the Transport Ministry were transferred to the Authority. The government also decided to give Turk Telekom commercial status and to end its monopoly in fixed telephone lines by December 2003. It changed this plan in May 2001 and announced full privatization of Turk Telekom, with the exception of a "golden share" for the government to protect security and public interest concerns. The sale of 55% of Turk Telekom to the Saudi-owned Oger Group was finalized on November 14, 2005.

Environment. With the establishment of the Environment Ministry in 1991, Turkey began to make significant progress addressing some of its most pressing environmental problems. The most dramatic improvements were significant reductions of air pollution in Istanbul and Ankara. However, progress on the remaining -- and serious -- environmental challenges facing Turkey have been slow.

In 2003, the Ministry of Environment was merged with the Forestry Ministry, reducing the influence of environmental officials in government decision-making. With its goal to join the EU, Turkey has made commendable progress in updating and modernizing its environmental legislation. However, environmental concerns are not adequately integrated into public decision-making and enforcement is lacking. Turkey faces a backlog of environmental problems, requiring enormous outlays for infrastructure. The most pressing needs are for water treatment plants, wastewater treatment facilities, solid waste management and conservation of biodiversity. On average, the environmental performance of private firms is much better than the large number of state owned enterprises.

Transport. The Turkish Government gives a special priority to major infrastructure projects, especially in the transport sector. The government is planning the construction of new airports, ports, and highways. The government will realize the majority of these projects by utilizing the build-operate-transfer (BOT) model.

Textiles. The textile sector is Turkey's largest manufacturing industry and its largest export sector. The removal of EU quotas on textile and apparel imports--part of the customs union--has improved growth prospects. The global phase-out of textile quotas in 2005 will provide increased opportunities, albeit with increased competition from other suppliers, in the U.S. and other markets. Other principal growth sectors are defense equipment, tourism infrastructure, building products, automobiles and automotive parts, and electronics.

FOREIGN RELATIONS

Turkey's primary political, economic, and security ties are with the West, although some voices call for a more "Eurasian" orientation.

Turkey entered NATO in 1952 and serves as the organization's vital eastern anchor, controlling the straits leading from the Black Sea to the Mediterranean and sharing a border with Syria, Iraq, and Iran. A NATO headquarters is located in Izmir. Besides its relationships with NATO and the EU, Turkey is a member of the OECD, the Council of Europe, and OSCE. Turkey also is a member of the UN and the Islamic Conference Organization (OIC). In December 1999, Turkey became a candidate for EU membership. On December 17, 2004, the EU decided to begin formal accession negotiations with Turkey in October 2005. The EU and Turkey began the accession talks on October 3, 2005, opening the way for what both sides expect will be a long, complex, open-ended process.

Turkey and the EU formed a customs union beginning January 1, 1996. The agreement covers industrial and processed agricultural goods. Turkey is harmonizing its laws and regulations with EU standards. Turkey adopted the EU's Common External Tariff regime, effectively lowering Turkey's tariffs for third countries, including the United States.

Turkey is a member of the World Trade Organization (WTO). It has signed free trade agreements with the European Free Trade Association (EFTA), Israel, and many other countries. In 1992 Turkey and 10 other regional nations formed the Black Sea Economic Cooperation Council to expand regional trade and economic cooperation.

U.S.-TURKEY RELATIONS

U.S.-Turkish friendship dates to the late 18th century and was officially sealed by a treaty in 1830. The present close relationship began with the agreement of July 12, 1947, which implemented the Truman Doctrine. As part of the cooperative effort to further Turkish economic and military self-reliance, the United States has loaned and granted Turkey more than \$12.5 billion in economic aid and more than \$14 billion in military assistance.

U.S.-Turkish relations focus on areas such as strategic energy cooperation, trade and investment, security ties, regional stability, the global war on terrorism, and human rights progress. Relations were strained when Turkey refused to allow U.S. troops to deploy through its territory to Iraq in Operation Iraqi Freedom, but regained momentum steadily thereafter and mutual interests remain strong across a wide spectrum of issues.

The U.S. and Turkey have had a Joint Economic Commission and a Trade and Investment Framework Agreement for several years. In 2002, the two countries indicated their joint intent to upgrade bilateral economic relations by launching an Economic Partnership Commission. Turkey has been designated a Big Emerging Market (BEM) for U.S. exports and investment by the Department of Commerce. In 2001, the U.S.-Turkey trade balance was almost even, with each country exporting approximately \$3 billion to the other. The United States is Turkey's third-largest export market.

For more Information:

- US State Department <http://www.state.gov/r/pa/ei/bgn/3432.htm>
- www.kultur.gov.tr
- www.istanbul.com
- CIA. <http://www.cia.gov/cia/publications/factbook/print/tu.html>
- Language: <http://www.bbc.co.uk/print/languages/other/quickfix/turkish.shtml>