



# IKV MONTHLY

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## THE TRILATERAL SUMMIT WAS HELD IN LVIV: TÜRKİYE TO REBUILD UKRAINIAN INFRASTRUCTURE

Türkiye continues diplomatic efforts to reduce tension in the Russian-Ukrainian war as well as maintaining the security of Ukrainian grain exports.

On 18 August 2022, President Recep Tayyip Erdoğan, Ukrainian President Volodymyr Zelensky and UN Secretary-General António Guterres met in Lviv to discuss the potential steps to be taken to end the Russia-Ukraine war by diplomacy, to retain the mechanism established for the export of Ukraine's grain and to exchange views about the precarious situation at the Zaporizhzhia Nuclear Power Plant.

The summit marked President Erdoğan's first visit to Ukraine since the Russian invasion. Prior to the Trilateral Summit, President Zelensky and President Erdoğan came together and discussed the economic, trade and defence industry relations between Ankara and Kyiv within the scope of the ongoing war. The two leaders also discussed how the conflict should be resolved, as President Erdoğan has been asking Ukrainian President Zelensky and Russian President Vladimir Putin to negotiate a ceasefire in Türkiye. President Zelensky described Erdoğan's visit as "a strong message of support".

Following the two presidents' private meeting, Türkiye and Ukraine signed an agreement regarding the post-war reconstruction of Ukraine. The agreement was signed by Turkish Trade Minister Mehmet Muş and Ukrainian Infrastructure Minister Oleksandr Kubrakov. The agreement included a decision to establish a task force for Ukraine's reconstruction which will coordinate the necessary efforts to rebuild Ukraine's water, electricity, hospitals, bridges, schools, and other infrastructure.

Separately, President Erdoğan stated that Ukrainian people who fled to Türkiye will be temporarily



hosted until peace is restored in the conflict zones, and support will be provided for the reconstruction of Ukrainian cities which have been heavily damaged by the war. Erdoğan also invited the international community to take responsibility for the reconstruction of Ukraine.

### Markets Finally Accessed the Ukrainian Grain

On 22 July 2022, Türkiye, the UN, Russia, and Ukraine signed the Istanbul Grain Agreement to reopen three Ukrainian ports – Odesa, Chornomorsk, and Yuzhny – to allow the export of Ukrainian grain that has been stuck for months due to the ongoing Russia-Ukraine war. The positive effects of the Istanbul Grain Agreement, which paved the way for the export of Ukrainian grain to the global market via the Black Sea, were addressed by President Erdoğan at the summit. After the agreement, the first commercial ship departed from the Ukrainian port on 1 August while

25 ships, and 625 thousand tons of Ukrainian grain accessed the world's market in August.

### "We Don't Want to Experience a New Chernobyl"

Zaporizhzhia, where the Europe's largest nuclear power plant is located, was also one of the topics the leaders discussed at the Trilateral Summit. The Zaporizhzhia Nuclear Power Plant, located near the Ukrainian city of Enerhodar, causes concern in nearby countries as it was damaged by being shelled. The power plant was occupied by Russian forces in March 2022. A possible radiation accident in Zaporizhzhia could affect not only the EU Member States, but also Türkiye, Georgia and even distant territories. President Zelensky sought help from the international community as the nuclear power plant could cause a disaster in the region and he demanded new sanctions against Russia in this regard. President Zelensky also addressed UN Secretary-General

Guterres during the summit that the UN should ensure the security of the facility. Zelensky previously reiterated that the Russian army should leave the plant, but Russia refused this request. NATO Secretary-General Jens Stoltenberg also made a statement that the International Atomic Energy Agency inspectors should be allowed to examine the region and that Russian troops should be withdrawn from the region. On the subject, Erdoğan stated that Türkiye will remain on Ukraine's side to maintain the security of the Zaporizhzhia Nuclear Power Plant, emphasising that measures should be taken to prevent another Chernobyl disaster.

### "Türkiye Is Ready to Undertake the Mediation Task to Ensure Peace"

During the press conference following the Trilateral Summit, President Erdoğan addressed that an exemplary action was carried out by the UN, Ukraine and Türkiye to secure the grain exports as the

Istanbul Grain Agreement made the transportation of Ukrainian grain from the Black Sea to the whole global market possible. About the ongoing war, Erdoğan stated that "As Türkiye, we are ready to provide all kinds of support and to undertake the task of mediation to ensure peace."

As a NATO member and an EU candidate country, Türkiye aims to resolve the Russia-Ukraine war by preventive diplomacy. Türkiye has acted as a mediator between the two sides since the beginning of the conflict while underlining its support for Ukraine's territorial integrity and sovereignty. Maintaining stable relations with both countries allows Türkiye to act with international interests. Taking this into account, President Erdoğan is expected to meet with also Russian President Putin to discuss the outputs of the summit. The summit indicates Türkiye will continue its leadership in the resolution of the crisis by increasing its efforts to bring the parties together in the coming days.



## IKV HELD ITS 60<sup>TH</sup> GENERAL ASSEMBLY

**6**<sup>0</sup><sup>th</sup> General Assembly of IKV was held in Istanbul on 16 August 2022 with the participation of the chairmen of the Foundation's founders and trustees, representatives of supporting organisations and delegates. İstanbul Chamber of Commerce (ICOC) President of the Executive Board Şekib Avdagiç served as the Chairman of the General Assembly, while Kocaeli Chamber of Industry (KOSANO) President of Assembly Hasan Tahsin Tuğrul served as Vice President and IKV Secretary General Assoc. Prof. Çiğdem Nas served as clerk. The opening speeches of the General Assembly were delivered by the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) Vice President Ali Kopuz, ICOC President Şekib Avdagiç, İstanbul Chamber of Industry (ICI) Vice Chairman Sadık Ayhan Saruhan and IKV Chairman Ayhan Zeytinoğlu.

In his address, IKV Chairman Zeytinoğlu stated that there have been significant changes in Türkiye-EU relations recently.



Zeytinoğlu indicated that these changes were particularly related to the pandemic and Russia's intervention in Ukraine. Evaluating the impacts of the global crises on Türkiye-EU relations in his address, Zeytinoğlu stated that EU enlargement, which had been stalled in the last few years, has once again gained momentum. He stressed that Türkiye should secure continuous

and sustainable growth by seizing the opportunity. He concluded his speech by underlining that Türkiye will undoubtedly have a place in the changing EU architecture.

TOBB Vice President Kopuz started his speech by addressing that Türkiye is always trying to move its relations with the EU in a positive direction. Kopuz underlined that the modernisation of the Customs Union

is vital for improving Türkiye-EU relations and resolving the existing problems. In this respect, he stated that it would facilitate Türkiye-EU relations to enter a more vibrant and mutually beneficial path.

ICOC President Avdagiç indicated that the EU has adopted three highly important strategies namely the twin transformation, the Global Gateway and the REPowerEU

Plan and emphasised that Türkiye is geopolitically at the focal point of these three strategies. Avdagiç stated that Türkiye has been like a founding country since the very early years of European integration. He concluded his speech by saying that Türkiye is an important country for the stability of both the EU and Europe.

ICI Vice Chairman Saruhan stated that while the EU is Türkiye's top export partner, Türkiye's share in EU imports is only 3.7%. He concluded his speech by highlighting that redefining a sincere and sustainable relationship with the EU based on a timetable and concrete outcomes, and eliminating uncertainties are crucial for obtaining the proper share of the EU market.

Following the opening speeches, IKV's activity and financial reports for 2021 as well as the audit reports were released, while the 2022 work programme and budget instruction were unanimously approved. Finally, IKV Chairman Ayhan Zeytinoğlu conveyed his thanks on behalf of the IKV Board of Directors and concluded the meeting.

## IKV CHAIRMAN ZEYTİNOĞLU: "PROTECTIONIST MEASURES HINDER FURTHER TRADE LIBERALISATION"

IKV Chairman Ayhan Zeytinoğlu made statements about the EU's anti-dumping practice for some steel products. Chairman Zeytinoğlu stated that the anti-dumping duty, which has been started to be implemented, is also contrary to the Customs Union and the Türkiye-ECSC Free Trade Agreement, which envisages free trade in iron and steel products. Chairman Zeytinoğlu stressed that:

"The European Commission launched an investigation on the complaint of the European Steel Association (EUROFER). As a result, anti-dumping duties between 2.4% and 37.4% started to be applied to some flat-rolled iron and steel products imported by the EU from Türkiye and Russia as of 11 August 2022. The panel, which was organised after the complaint of the EU to the WTO, decided against Türkiye on the grounds of discrimination against imported products in the pharmaceutical industry and found the EU's actions justified. Such anti-dumping measures taken against industrialists and manufacturers in Türkiye harm Türkiye's competitiveness. It restricts Türkiye's exports to the EU market. Even though Türkiye makes nearly half of its exports to the EU, the EU's import rate from Türkiye is around 3.6%.



To increase this rate, it is important to eliminate the problems in the functioning of the Customs Union and to expand it to sectors such as services and agriculture. Furthermore, it is necessary to renew and improve our relations with the EU as a whole, and in this context, the modernisation process of the Customs Union should be addressed as soon as possible. As the business world, we attach great importance to solve the problems we encounter in trade with the EU. However, the process has continued to drag on since 2016. Overcoming the technical problems in trade and starting the modernisation process of the Customs Union is also critical for Türkiye's compliance with the European Green Deal."

IKV Chairman Zeytinoğlu continued his speech by referring to the developments in the European economy and explained why the revival of the Türkiye-EU relations is even more crucial:

"Recently, the difficulties brought by the Russia-Ukraine war, rising energy prices, inflation, and recession are pushing the EU. The Member States, especially Germany, are concerned about the impact of rising input prices on production and productivity. This situation strengthens the protectionist tendencies. Protection measures against Türkiye, which increases its exports to the EU with a competitive exchange rate, may come to the fore more and more. To prevent this, modernising our existing commercial relations according to the necessities of the time should be the most important priority. In addition,

compliance with green and digital transformations, which is at the top of the agenda not only for the EU but for the whole world, should find its deserved place in Türkiye-EU relations. Türkiye can play an important role in renewable energy sources such as green hydrogen, which is expected to eliminate approximately 68% of global emissions. The storage of wind and solar energy as liquid green hydrogen and its transmission via pipelines are also important for Europe's energy problem. Such collaborations and partnerships can play a major role in modernising Türkiye-EU relations."

Finally, Chairman Zeytinoğlu emphasised the support given by the business world to the revival of Türkiye-EU relations and concluded his speech as follows:

"Our ultimate goal remains full membership. However, the stalling of full membership negotiations has led to a loss of ground in relations for the last six years. To revive our relations with the EU, we must make efforts to repair the relations by speeding up the reforms regarding the EU accession criteria especially the rule of law. The Russia-Ukraine war once again revealed the importance of Türkiye for Europe. Türkiye played significant diplomatic roles, as in the grain agreement."

### IKV SECRETARY GENERAL NAS CAME TOGETHER WITH UNDP REPRESENTATIVES



IKV Secretary General Assoc. Prof. Çiğdem Nas received the representatives of the United Nations Development Program (UNDP) at IKV on 9 August 2022. During the visit by UNDP Türkiye Syria Crisis Response and Resilience Portfolio Project Manager Serap Öztürk and UNDP Project Advisor Yiğit Kader, the migration and refugee issues were discussed.

During the meeting, in which IKV's activities and views regarding the current situation, needs and the possible role of different migrant groups in Türkiye, including Syrians under temporary protection, with regard to development as well as the perspective of the business community were discussed, views were exchanged on the future of Türkiye-EU cooperation on Syrian refugees.

## IKV AGENDA

# IKV CHAIRMAN ZEYTİNOĞLU DISCUSSED THE PROBLEMS REGARDING THE SCHENGEN VISA

IKV Chairman Ayhan Zeytinoğlu made statements on the Schengen visa processes on *A Para* on 17 August 2022. Chairman Zeytinoğlu discussed the increasing number of visa applications, prolonged waiting times and difficult processes. Chairman Zeytinoğlu stated that the visa application process is an obstacle in terms of both business visits and touristic and other purposes of visits. Chairman Zeytinoğlu stated that Turkish citizens' burden grows with the gradually increasing visa fees. He added that Turkish citizens has paid approximately 100 million euros per year to obtain Schengen visas since 2009. Chairman Zeytinoğlu also



reminded that the visa liberalisation process was initiated in 2013 and Türkiye fulfilled 66 out of 72 criteria in this process and emphasised

that the fulfilment of the remaining criteria as soon as possible would lead to significant progress in solving the problem.

# IKV SECRETARY GENERAL NAS PARTICIPATED IN VARIOUS PROGRAMMES AND EVENTS



In August 2022, IKV Secretary General Assoc. Prof. Çiğdem Nas discussed Türkiye-EU relations and crucial foreign policy issues at various events and programmes. Assoc. Prof. Çiğdem Nas gave a lecture on Türkiye-EU relations at the Foreign Policy Institute's training seminar held on 21 August 2022 in preparation for the Ministry of Foreign Affairs exams. After briefly touching on the history of Türkiye-EU relations, Nas stated that the accession negotiations are currently in a deadlock. Assoc. Prof. Nas emphasised that the relations are progressing in alternative lanes since the negotiation process could not be carried out successfully due to various problems, especially the Cyprus issue. Touching on processes such as the modernisation of

the Customs Union and visa liberalisation dialogue, Assoc. Prof. Nas stated that the expected progress could not be achieved in these processes either. Lastly, Nas stressed that the Green Deal, which constitutes the main priority of the EU, and the new conditions created by Russia's invasion of Ukraine, requires developing cooperation and engagement between Türkiye and the EU.

On 25 August 2022, Nas participated in *Medyascope Gündem* programme presented by Şükran Şençekiçer and made statements regarding the Schengen visa issue. Touching upon the problems experienced in the Schengen visa process, Assoc. Prof. Nas stated that these problems stemmed from the increasing number of visa applications

in the post-COVID-19 normalisation process, the increasing visa denial rates due to protectionism, security-based understanding, and the changing perception towards Türkiye. Assoc. Prof. Nas emphasised that the visa liberalisation process, which started with the signing of the Türkiye-EU Readmission Agreement in 2013, accelerated with the Syrian refugee crisis in 2016 and that Türkiye fulfilled 66 of the 72 criteria laid down for completion of visa liberalisation dialogue. However, Assoc. Prof. Nas stressed that the failure to meet the remaining criteria caused the EU reforms to slow down in Türkiye while the refugee crisis led to a more security-oriented environment and hindered progress in the visa process.

## TIMELINE AUGUST 2022

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9	Slovenian President Bahor visited Türkiye. <span style="float: right;">IKV Secretary General Nas came together with UNDP representatives.</span>
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12	IKV Chairman Zeytinoğlu attended the TOBB General Assembly Meeting hosted by Tekirdağ Chamber of Trade and Industry.
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16	Latvian Foreign Minister Rinkēvičs visited Türkiye. <span style="float: right;">IKV held its 60th General Assembly.</span>
17	The EU hailed the normalisation in the relations between Türkiye and Israel. <span style="float: right;">IKV Chairman Zeytinoğlu discussed the problems Turkish citizens face regarding the Schengen Visa.</span>
18	The Trilateral Summit was held in Lviv.
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21	IKV Secretary General Nas gave a training on Türkiye-EU relations.
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25	IKV Secretary General Nas assessed the problems in Schengen visa process.
26	First Trilateral Joint Mechanism Meeting between Türkiye, Finland and Sweden was held in Vantaa. <span style="float: right;">IKV Chairman Zeytinoğlu issued a press release entitled "Protectionist Measures Hinder Further Trade Liberalisation".</span>
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29	Foreign Minister and Chief Negotiator Çavuşoğlu paid a visit to Slovenia to participate in the 17th Bled Strategic Forum.
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## HIGH-LEVEL EXCHANGES



## SLOVENIAN PRESIDENT PAHOR VISITED TÜRKİYE

Slovenian President Borut Pahor paid a two-day official visit to Türkiye on 9 August 2022. Slovenian President Pahor was welcomed by President Recep Tayyip Erdoğan at the Presidential Complex.

During the visit, a joint press conference was held by the Turkish and Slovenian presidents following the bilateral and inter-delegation meetings. Stating that regional and global issues, such as the developments in Ukraine and the Balkans were discussed during the meetings, President Erdoğan stressed that “the friendly relations and cooperation between Türkiye and Slovenia significantly contribute to the regional peace and stability.”

President Erdoğan also hailed the growing relations in almost all fields such as trade, economy, science, technology, transport, and industry, while adding that the friendship, alliance, and strategic partnership between Türkiye and Slovenia will become much stronger in all fields, including Türkiye’s EU accession process.

While acknowledging the positive impact of the strategic partnership agreement signed 11 years ago by Türkiye and Slovenia, President Erdoğan emphasised that the current figures still do not fully reflect the true potential of both countries. Erdoğan stressed that there are many steps both sides will take, especially in the defence industry. A cooperation deal in the areas of science and technology also was signed by Türkiye and Slovenia.

Speaking after President Erdoğan, Slovenian President highlighted that “Slovenia highly appreciates Türkiye’s mediator role in resolving the conflicts”, with regards to the developments in Ukraine and the Balkans. President Pahor praised Türkiye for its positive attitude towards the membership of Sweden and Finland to the NATO.

President Pahor also attended the 13<sup>th</sup> Ambassadors Conference held in Ankara and stated that the EU must fulfil its part of the obligations coming from the 2016 refugee deal.



## FIRST TRILATERAL JOINT MECHANISM MEETING BETWEEN TÜRKİYE, FINLAND AND SWEDEN HELD IN VANTAA

The Permanent Joint Mechanism between Türkiye, Finland and Sweden, established under the Trilateral Memorandum signed between the three countries on the sidelines of the NATO Madrid Summit, held its first meeting in the southern Finnish city of Vantaa on 26 August 2022. As it can be recalled, the NATO membership applications submitted by the two Nordic states marking a major break from their long-established policy of “non-alignment” prompted by Russia’s war on Ukraine, were met with opposition from Türkiye which expressed concern over Stockholm and Helsinki’s approach to terrorist organisations PKK, YPG and FETÖ. The 10-point Trilateral Memorandum setting out concrete actions to address Türkiye’s legitimate security concerns was decisive in unlocking the NATO accession process of Finland and Sweden.

During the first meeting of the joint mechanism, the Turkish delegation was led by Presidential Spokesperson Ambassador İbrahim Kalın and Deputy Foreign Minister Ambassador Sedat Önal, while the Swedish delegation was headed by State Secretary Oscar Stenström and the Finnish delegation

by Permanent State Secretary Jukka Salovaara. Officials from the ministries of defence, interior, justice and foreign affairs as well as the intelligence services of the three countries also joined the meeting.

According to the statement released by Presidential Spokesperson Kalın’s office, the parties determined the working principles of the mechanism, evaluated the developments regarding the fulfilment of the commitments laid down in the Trilateral Memorandum and focused on the future steps to be taken in this regard. Reaffirming their commitment to act in cooperation and solidarity with Ankara in the fight against terrorism, Helsinki and Stockholm reiterated their pledge to fully support Türkiye against all threats to its national security and not to lend support to the aforementioned terrorist organisations. The parties also agreed to accelerate technical cooperation between the relevant ministries to make concrete progress on the issues covered by the mechanism. The Finnish Ministry of Foreign Affairs announced that the mechanism will continue meeting at the expert-level during the autumn.



## FOREIGN MINISTER ÇAVUŞOĞLU ATTENDED THE 17<sup>TH</sup> BLEED STRATEGIC FORUM

On 29 August 2022, Foreign Minister and Chief Negotiator Mevlüt Çavuşoğlu paid a visit to Slovenia to attend the 17<sup>th</sup> Bled Strategic Forum as well as holding bilateral meetings.

On the margins of the Forum, Minister Çavuşoğlu held bilateral meetings with his Montenegrin, Spanish, Kosovar, Slovenian and

Polish counterparts where they discussed bilateral issues and the latest regional developments.

Minister Çavuşoğlu also participated in the panel “How many Europes in Europe”, in which the war in Ukraine and the future of Europe were discussed.

## FOREIGN MINISTER ÇAVUŞOĞLU MET WITH LATVIAN FOREIGN MINISTER RINKĒVIČS

On 16 August 2022, Foreign Minister and Chief Negotiator Mevlüt Çavuşoğlu hosted his Latvian counterpart Edgars Rinkēvičs on the occasion of his visit to the Türkiye’s capital, Ankara. At the meeting, the ministers discussed the bilateral relations between Türkiye and Latvia, regional developments, and security issues within the scope of the Russian invasion of Ukraine. After the meeting, ministers attended the joint press conference.

Minister Çavuşoğlu emphasised that Türkiye and Latvia would strengthen economic and commercial relations and cooperation in the sphere of the fight against terrorism as well as the defence industry. Latvian Minister Rinkēvičs firstly expressed Latvia’s interest in pursuing high-level exchanges of views and political consultations between the foreign ministries of the two countries. Furthermore, Minister Rinkēvičs stated that security cooperation



should be improved against all kinds of attacks and expressed the interest Latvia has in Turkish-made Bayraktar TB2 drones.

The Russian invasion of Ukraine was also discussed during the meeting. Minister Rinkēvičs stated that Latvia welcomed Türkiye’s diplomatic efforts for reaching an agreement on Ukrainian grain exports.

## THE EU HAILS THE NORMALISATION IN THE RELATIONS BETWEEN TÜRKİYE AND ISRAEL

On 17 August 2022, Türkiye and Israel announced that they would restore full diplomatic ties with each other and mutually reappoint their ambassadors in Ankara and Tel Aviv. In 2018, Türkiye and Israel had expelled their respective ambassadors from each other's countries after the US moved its embassy from Tel Aviv to Jerusalem under the Presidency of Donald Trump.

The normalisation in the relations between two countries is supported by many officials. President Recep Tayyip Erdoğan reiterated his support for the improvement of cooperation and dialogue between Türkiye and Israel, built on a sustainable basis and respect for sensibilities. President Erdoğan also expressed his satisfaction with the progress achieved in relations under a framework agreed upon during recent visits to Türkiye paid by Israeli Prime Minister Yair Lapid and Israeli President Isaac Herzog. Israeli President Herzog's visit to Türkiye in March 2022, followed by reciprocal visits by both countries'



foreign ministers, contributed to the rapprochement after more than a decade of tensions.

Commending the dialogue launched after the new government took office in Israel, Foreign Minister and Chief Negotiator Mevlüt Çavuşoğlu stressed that restoring full diplomatic relations with Israel does not mean Türkiye would abandon its support for Palestinians.

The recent rapprochement in Turkish-Israeli relations was also hailed by the EU. The EU Commissioner for Enlargement and Neighbourhood Olivér Várhelyi stated that he welcomes the agreement reached by Türkiye and Israel to restore full diplomatic ties. Várhelyi referred to the agreement as another milestone strengthening bilateral relations, stabilising the region, and fostering prosperity.



## 34 NEW HYDROELECTRIC POWER PLANTS WERE INAUGURATED BY PRESIDENT ERDOĞAN

In a move to further Türkiye's renewable energy progress, President Recep Tayyip Erdoğan inaugurated 34 new hydroelectric power plants built by the State Hydraulic Works at Beştepe Nation's Convention and Culture Center on 11 August 2022. Touching on the importance of water for the world and humanity, President Erdoğan

drew attention to the economic value of water in several areas such as energy, transport, agriculture, and tourism during his opening speech.

According to President Erdoğan, the new 34 hydroelectric power plants have an estimated annual output of 2.3 TWh in total. While the recently built hydroelectric power plants cost approximately 16 billion

Turkish liras, they will provide an annual economic benefit of 2.7 billion Turkish liras to Türkiye. Hence, investment costs are projected to be compensated within six years.

With the recently built hydroelectric power plants, Türkiye has now 730 hydroelectric systems, with 615 of them being built in the last two decades.



## COMPLIANCE WITH ECHR DECISIONS ARE ON THE RISE

Justice Minister Bekir Bozdağ gave a speech on the third day of the 13th Ambassadors' Conference. Minister Bozdağ briefed the audience on the recent developments in the legal sphere. Bozdağ stated that Türkiye, with 87.9%, has the highest rate of compliance with the European Court of Human Rights (ECHR) decisions, compared to the average compliance rate of 80.14%. Minister Bozdağ underscored that Türkiye is

criticised for a few cases when there are 7,621,783 cases in total.

Minister Bozdağ also elaborated on the extradition requests sent by Türkiye to some countries. Bozdağ mentioned that in the past ten years, the number of legal assistance requested by Türkiye within the scope of terrorist crimes from foreign countries was 1998. He added that in response, 18 of them were accepted, 735 were rejected, and the rest are yet to be answered.



## THE MINISTRY OF NATIONAL EDUCATION LAUNCHED A PROJECT TO INCREASE ATTENDANCE AND SCHOOLING RATES

The Ministry of National Education, which aims to increase access to education at all levels, has launched a joint project with the EU to increase the continuity and schooling rate in secondary education in Türkiye. The project entitled "Technical Support Project to Increase Continuity of the Secondary School and Schooling Rate" or "ODAP" aims to raise education and skills levels by ensuring access to education for all at the secondary level and combating early school leaving and truancy. The project was launched due to the fact that while there are 8,085,943 students in Türkiye, 148,986 of them did not continue their education after graduating from secondary school, according to the statistics by the Ministry of National Education.

The project is expected to be implemented in 50 schools and be completed by June 2024. An innovative "early warning system" software is planned to be developed, based on the logic of identifying and warning in students at risk of dropping out of school or education in advance.

Activities to be carried out under the project include interventions for students and families as well as teachers and school administrators. Guidance manuals for subject teachers and school counsellors will be prepared. The project will also develop a national strategy document and school action plans, which aim ensuring the development of a national policy framework and the identification and elaboration of precise actions on these issues.

## TURKISH AIRLINES EMERGED AS THE FIRST EUROPEAN CARRIER TO FULLY RECOVER REVENUES

Turkish Airlines' June quarter results announced in August 2022 demonstrated that it is the first amongst Europe's airlines network to fully recover from the impact of the COVID-19 pandemic. According to the results, the airline recorded a total revenue of 4.5 billion dollars and a net profit of 576 million dollars. While Turkish Airlines increased its revenues by nearly 43%, its passenger traffic increased by 12% with a 12.3% increase in capacity, compared to 2019, it performed better than the Air France-KLM, International Airlines Group, and the Lufthansa Group considerably with respect to revenues and capacity. Passenger revenue makes up the core of the airlines' income, while its cargo business revenues recorded even a steeper hike, increasing its revenues by 171% to 1.1 billion dollars.

Expanding its global network and presence by adding new



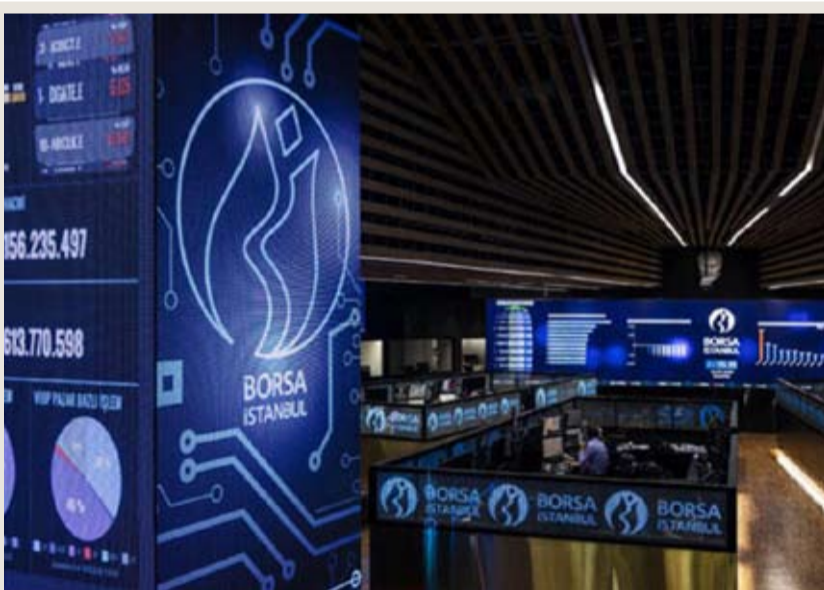
markets and having a large domestic market are all important factors in the success of Turkish

Airlines. The fact that the İstanbul hub is both an "all-international super-connector hub" for Gulf

airlines and also "a traditional European hub" with a combination of short routes and long-haul

intercontinental flying puts Turkish Airlines in a unique position. However, the strategic decision to resume flights to many countries in the world earlier than its competitors following the pandemic; the decision not to restrict flights with Russia because of the war and the "fuel hedge book" which protected the airline against the spike in global fuel prices were other factors which were critical in Turkish Airlines becoming the first European carrier to fully recover from the effects of the pandemic.

For the near future, Turkish Airlines plans to grow its passenger capacity by 10-20% year-over-three-years in the third quarter, and another 5-15% in the fourth quarter, to add more routes and to grow the number of its aircraft. The demand is expected to increase, and the 2022 full-year revenues are expected to exceed the 2019 levels.



## BORSA İSTANBUL ATTRACTED 13.6 BILLION TURKISH LIRAS WORTH FOREIGN INVESTMENT

Treasury and Finance Minister Nureddin Nebati announced to the public that foreign investment inflows of 13.6 billion Turkish liras were channelled to the companies traded in Borsa İstanbul on 1-18 August 2022, and an increase of 15.4 billion dollars was recorded in the Central Bank of the Republic of Türkiye's (TCMB) gross reserves in the 3-weeks period. Minister Nebati addressed that the increased interest

of foreign investors in terms of maintaining an environment of trust in the Turkish capital and money markets is giving a positive outlook for the Turkish economy. He added that the policies carried out with the Turkish Economy Model, are versatile and target-oriented, the efforts to support the finance and capital markets will continue and the growth of the Turkish economy will be focused on production.



## CENTRAL BANK CUTS INTEREST RATE TO 13%

In August 2022, the Central Bank of Türkiye (TCMB) unexpectedly reduced its interest rate by 100 basis points to 13%, surprising markets that had anticipated a stay at 14%, indicating that it would keep promoting the use of the Turkish lira in the Turkish economy. It was the first interest rate reduction following seven decisions in a row to keep the rate unchanged, bringing the total number of reductions in interest rates since September 2021 to 600bps despite inflation being at a 24-year high of 80%.

According to the monetary authority, the restrictions will improve the so-called

transmission mechanism, or its capacity to affect the price at which banks lend money to their customers.

TCMB also increased its 2022 inflation projection by about 18%. It now expects year-end inflation to be around 60%, 12 times the official target, with a peak of around 85% projected within months, the highest level since 1998, primarily as a result of rising import costs for energy. The Board estimates that the disinflationary process will begin with the end of the military conflict in Ukraine, followed by additional efforts to promote the use of the lira in Türkiye.

## TÜRKİYE CONTINUES TO LEAD GLOBAL HUMANITARIAN EFFORTS

Türkiye spends a larger share of its revenues on humanitarian efforts than other countries and is a leading humanitarian force worldwide.

Today, millions of people in the world are facing natural disasters, the effects of the COVID-19 pandemic, the consequences of climate change, the food crisis and ongoing conflicts in Ukraine, Ethiopia, Afghanistan, Yemen, and Syria. Experts predict that by 2022, 274 million people facing these challenges will need humanitarian assistance and protection.

For decades, Türkiye has been supporting people in need around the world through public institutions and government agencies as well as NGOs under the motto of "entreprising and humanitarian foreign policy". Türkiye has been expanding the geographical reach and capacity of its humanitarian assistance each year. This is indeed an indispensable part of Ankara's proactive foreign policy.



Türkiye sees systematic and profitless humanitarian aid as the only way to respond to the suffering of

others and to create a just world order. According to the Global Humanitarian Assistance Report

2021, Türkiye ranks second, behind the US with 8.036 billion dollars in humanitarian aid. It is known

that the Disaster and Emergency Management Authority (AFAD) has come to the aid of nearly 70 countries in the last 13 years. AFAD provided humanitarian aid this year to geographically distant regions such as Afghanistan, which was hit by two deadly earthquakes and an economic crisis, to thousands of people affected by the Russian-Ukrainian war, and to Bangladesh, Ethiopia, Madagascar, and Pakistan. Similarly, in 2021 alone, the Turkish Red Crescent provided 8.3 million dollars' worth of humanitarian aid to more than 5.5 million people in 51 countries.

As a country with a historical and cultural tradition of humanitarian aid, Türkiye is determined to support all nations struggling with natural disasters, war, poverty, and social conflict without discrimination.

## CITIZENS INITIATIVE MANAGED TO SUSPEND THE HAVRITA APP THAT TRACKED STRAY DOGS



Nowadays, many animal lovers are setting up different platforms to help stray animals, especially cats and dogs to feed them, to place huts where they can lay their heads in bad weather conditions, and to ensure their adoption. Unfortunately, some of them can be used for other than their intended purpose.

Havrita, which has been on the agenda of social media recently, was amongst them.

On 22 August 2022, the Ankara 1<sup>st</sup> Criminal Court of Peace blocked access to the Havrita app, a map that allows people to mark where stray dogs are mostly concentrated, launched earlier this year by a group

of activists after a series of stray dog attacks that made headlines in the country. This decision was taken because the app was being used to track and harm the stray animals. Judgement ruled that access to the "havrita.com" website, as well as the platform's social media accounts, should be blocked.

## TÜRK TELEKOM AWARDED IN FOUR SECTORS AT THE GLOBAL SCALE



Türk Telekom's customer experience company AssisTT was awarded one gold and three bronze awards at the Excellence Awards, organised by the Brandon Hall Group. It is known to be one of the most prestigious corporate award organisations in the world. While Türk Telekom received the gold award in the "Best Progress in Employee Engagement" category, the other categories

where Türk Telekom received bronze awards were "Best Employer Value Proposition", "Best Results in Learning Program" and "Best Progress in Developing Talent Management Strategy."

Contributing to the development of the Turkish call center sector, AssisTT pledges to carry on these successes steady, especially increasing the happiness of its personnel.

# THE INCREASE IN SCHENGEN VISA DENIALS WORRIES TURKISH CITIZENS

The increase in visa denials became yet another source of concern along with the economic and political costs Turkish citizens are exposed to due to the Schengen visa requirement.

**Erdem TEKÇİ**  
IKV Junior Researcher

The freedoms of Turkish citizens, which have already been restricted by the visa requirement for 42 years, have started to be narrowed even in tourism and education due to Schengen visa denials. While this situation increases the worries of Turkish citizens, the fact that no solution is offered by the Schengen Area countries brought the process in a deadlock. With a report presented to the Parliamentary Assembly of the Council of Europe (PACE) in July 2022, the Turkish side announced that the grievances faced by the Turkish citizens have intensified as of late and that they would perceive this mistreatment as an "abuse" and a "politically driven sanction". However, Turkish citizens keep their hope alive in the Visa Liberalisation Dialogue (VLD).

## The Background of the Schengen Visa Requirement

Türkiye, as the 13<sup>th</sup> Member State of the Council of Europe, became a party to the "European Agreement on Regulations governing the Movement of Persons between Member States of the Council of Europe (ETS No. 025)". It aimed to facilitate personal travel of nationals of the Parties concerning visits of not more than three months duration between the signatory states, provided that they possess valid passports and some specific documents.

The issue of free movement was also included in Articles 12 and 14 of the Ankara Agreement, signed on 12 September 1963, within the scope of the free movement of workers and services. Another important provision was included in the relations between Türkiye and the EC with Article 41(1) of the Additional Protocol, which came into force in 1973. The article, which is also referred to as the standstill clause, aimed to prevent the contracting parties from imposing new restrictions on the freedom of establishment and the freedom to provide services.

However, these articles lost their applicability with the introduction of



a visa requirement regime established by Germany and France on 5 October 1980 and followed by Belgium, the Netherlands and, Luxembourg on 1 November 1980. Before this date, Turkish nationals were exempt from the visa requirement. The political instability that emerged in Türkiye after the coup d'état in 1980 gave way to an increasing number of Turkish citizens leaving the country and seeking refuge in European countries. In order to prevent this influx, the coup government wanted to suspend the ETS No. 025. Following the request, Germany notified the Council of Europe secretariat that it would introduce a general obligation for Turkish citizens to obtain a visa to enter Germany as of 5 October 1980.

Five European Community members Belgium, France, Germany, Luxembourg, and the Netherlands, introduced a new border control system with the Schengen Agreement they signed on 14 June 1985. The abolition of border controls on persons between contracting Member States also gave rise to the implementation of visa requirement and discrimination that Turkish citizens have been exposed to with the institutionalisation of the amendment that established the Schengen Area on 20 March 1995.

## Visa Liberalisation Dialogue in a Stalemate

On 16 December 2013, Türkiye and the EU launched the VLD for the visa-free travel of Turkish citizens to the Schengen Area. The negotiations,

which were commenced in parallel with the Readmission Agreement, have been carried out for eight years around a Roadmap comprises of 72 criteria that Türkiye must fulfil.

According to the Third Progress Report published by the Commission on 4 May 2016, there were only six criteria left for Türkiye to fulfil.

On 18 March 2016, Türkiye-EU Statement, also known as the 18 March Statement, highlighted that the visa requirements for Turkish nationals would be lifted "at the latest by the end of June 2016" on the condition all remaining benchmarks are fulfilled. However, the process entered a stalemate, while this situation also escalated the distrust between Türkiye and the EU.

## Turkish Citizens' Burden Grows Due to Visa Requirements

Visa requirements led to the emergence and intensifying of discrimination against Turkish nationals on the basis of economic, political, and financial costs so far. For instance, visa fees have been increased to 80 euros from 60 euros on 2 February 2020. According to the latest figures, more than 906,000 Turkish citizens applied for the Schengen visa in 2019, while the Schengen visa was estimated to cost more than 54 million euros for the applicants. Touching on this issue, IKV Chairman Ayhan Zeytinoğlu expressed that more than ten different humanitarian aid projects could be funded with the Schengen visa expenses paid by

Turkish citizens in 2015. Turkish citizens' burden continues to grow with the additional costs arising from requested documents.

While the increase in Schengen visa costs have already been burdening Turkish citizens, the increase in visa denials emerged as a new source of burden. Turkish tour operators and travel companies have been deeply affected by an increasing number of denials, which in turn, obliged Turkish citizens to reschedule their travels to Europe. The report entitled "Abuse of the Schengen Information System as a Politically Driven Sanction by the Member States of the Council of Europe", was prepared by Ziya Altunyaldız, a member of the Grand National Assembly of Türkiye to the PACE. It notes that the average rate of denials for Turkish citizens has increased almost threefold, from 4% in 2014 to 12.7% in 2020. Furthermore, a report published in the French press estimates that this rate has risen to 19% in 2021.

A travel agency representative Alper Dağdeviren also stressed that almost 40 tours his agency sold are cancelled last month while 1,500 customers have been affected. Emphasising that 80% of the fee of a denied visa application was covered by the insurance, he added that the agency had already suffered from the cancellation of flights due to the COVID-19 pandemic.

Turkish students who are eligible to study abroad are also affected negatively from the recent treatment Turkish citizens face due to the visa

requirement regime. Additionally, those who have been waiting for a long time to complete their transactions also face denials because of passport renewals. While the time to renew a passport usually lasted a week before, it can now take months. An educational counsellor Olcay Erten stated that the time to send students abroad increased to one-and-a-half years after the latest developments.

Expressing that an appointment can be made two or three months after the visa application, IKV Chairman Zeytinoğlu stressed that this creates a non-tariff barrier and prevents competition. In addition, transit visas have also become a problem since it takes months to get a visa to travel through Europe to another continent.

## Conclusion

The problems stemming from the visa requirement regime, the impediment to the completion of the VLD, and the increase in visa denials are aggravating the worries of Turkish citizens. The report presented to the PACE enunciated that Schengen visa must be granted according to "certain and clear rules" and Schengen states should take "minimum common standard principles" into consideration. This is crucial because the citizens of many European countries, even those whose passports have expired in five years, can travel to Türkiye with only their identity cards. The fact that Turkish citizens cannot enjoy the same rights deepens the sense of injustice felt by the Turkish people.

Speaking on the issue, Foreign Minister and Chief Negotiator Mevlüt Çavuşoğlu noted that excuses such as the COVID-19 pandemic amongst others are "not realistic" and "necessary warnings will be made to the ambassadors of these countries at the beginning of September". Foreign Minister Çavuşoğlu added that in case there is no improvement, Türkiye will take countermeasures. Therefore, mutual sympathy should be improved and the progress in the VLD process should continue in the medium term to find a solution for the visa problems and to eliminate the unjust treatment of Turkish citizens as soon as possible.