

## THE BROOKINGS INSTITUTION

A STATESMAN'S FORUM WITH H.E. RECEP TAYYIP ERDOĞAN,  
PRIME MINISTER OF TURKEY

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**Introduction:**

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President  
The Brookings Institution

**Featured Speaker:**

H.E. RECEP TAYYIP ERDOĞAN  
Prime Minister of the Republic of Turkey

**Moderator:**

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## P R O C E E D I N G S

MR. TALBOTT: Good morning to everybody.

I'm Strobe Talbott, and it's my great honor this morning, on behalf of all of my colleagues here at the Brookings Institution -- and, in particular, Ambassador Martin Indyk, who is the vice president and director of our Foreign Policy Studies program, and who presides over our Statesman Forum -- to welcome you to what is going to be, I think, a quite extraordinary event. We all know what an honor it is to have Prime Minister Erdoan with us this morning.

I want to say a word in a personal vein, if I could. And I direct this both to you, Mr. Prime Minister, and your family, which is so well-represented here -- Mrs. Erdoan, the two daughters, Esra and Sumeyye.

We here at the Brookings Institution like to think of the institution itself and the community that it's part of as like a family itself. So, it is particularly meaningful that all of you would be with us on this important occasion.

The Prime Minister is also accompanied by a diverse and distinguished delegation. It includes a number of Turkey's most successful executives and entrepreneurs, who have been part of the engine of Turkey's extraordinary economic dynamism.

He has with him in his entourage, also, a number of leading figures, columnists, and editors from the Turkish media, and senior cabinet ministers and government officials.

One member of that entourage, the Prime Minister has sent off on another errand somewhere, and that's Foreign Minister Davutoğlu.

Would you please give to Achmad Chodjim our very deepest greetings? He's been a friend of this institution. Like you, he has spoken here before, and we wish him all the best.

Now I think that everybody here today knows that the Prime Minister had some intents -- and quite long meetings with President Obama and other officials of the United States government just yesterday. They had a lot to talk about. The United States and Turkey share interests, not just in a very important and trouble region of the world, but globally, as well.

In that region, of course, we can all be certain that the President and the Prime Minister talked about Iraq, Syria, the Greater Middle East, and beyond.

But our two governments are also working together on global issues, as well, in multiple forums, including, of course, the G20, of which we are both members.

Since this is the age of globalization, it is also the age of

geoeconomics, which is another reason to appreciate the progress that Turkey has made in recent years. It is one of the most robust economies in Europe. It's the 17<sup>th</sup> largest in the world.

During the 10 years of Mr. Erdoğan's premiership, Turkey's economy has grown three times, and government debt has been cut in half. That's enviable on the part of a number of countries I can think of around the world, including the United States of America.

I might add that, just as the world's leaders are focusing very much on Turkey, so are we here at the Brookings Institution. We have a Turkey project within our Center on the United States and Europe, and that project is under the direction of a distinguished scholar, Kemal Kirişci, who holds our TÜSİAD Senior Fellowship here at the institution. And we are delighted that President Yılmaz of TÜSİAD could be here with us today.

After the Prime Minister speaks, Kemal Kirişci will moderate a question-and-answer period. There are translation sets at most of the seats in here. There will be simultaneous translation. English is to be found on channel two; Turkish on channel ten.

And those of you so inclined -- and I know there are a number of Tweeters here today -- I'm looking at the Indian ambassador, Ambassador Rao, who has about one million followers -- you are invited to

follow on Twitter, and to contribute to the discussion in the Twittersphere of what is going to be a terrific speech, and an excellent conversation to follow.

So, Mr. Prime Minister, you now have the floor, as well as our attention, our respect, and our gratitude to you for you and your family being with us today.

PRIME MINISTER ERDOĞAN: Distinguished Chairman, distinguished scholars of the Brookings Institute, distinguished participants, ladies and gentlemen, I greet you.

I was here approximately three years ago, with our valuable friends, and we discussed then what -- the important topics of that day, and we had a Q&A session, which was quite interesting, at that time.

During our tenure in government, which covers a period of 10 ½ years, I'm very pleased to be, once again, with you, here at Brookings Institute.

I will talk to you about the AK Party governments, and the transformation of Turkey. And we will have an opportunity to have some conversations and discussions -- when you oppose me, questions.

Brookings has a history of close to 100 years, and it is a very important institution through the analyses, the reports that it prepares and publishes, and the scholars who work at Brookings. It's, indeed, an

important institution which sheds light to many political and economic issues on a global scale.

I would like to express my thanks to the Brookings Institute, and its administrators, and its staff, for the work that they are doing with respect to the valuable products that they provide to the world public opinion. We, too, follow the work of the institute very closely, and we appreciate what you do here.

Distinguished friends, the Republic of Turkey was built on the foundations of an old and rich civilization, and an old tradition of state in 1923. We have established -- our ancestors have established many states throughout history, but the Seljuk and the Ottoman Empire states covered vast geography, and they lasted longer than many of the other states that were established in the past. And so their heritage was very important in the shaping of the Republic of Turkey.

So, Turkey has this age-old tradition of the state, which I think is very important, and that puts Turkey in a very different position, in a regional context. So, the reflexes of Turkey with respect to emerging regional and global issues is based on this historic heritage and experience.

The First World War was, indeed, a war which ended up having major consequences for Turkey, for our people. What I can tell

you is that -- as an example of what happened after the First World War, what I can tell you is that the geography of Turkey changed a lot. If you look at the Ottoman past, at one time, the Ottomans covered an area -- Turkey was in an area of 20 million square kilometers. But after the First World War, the new Republic of Turkey found life in an area of 780,000 square kilometers. This was the initiation of a new process in 1923, and there were two important challenges at the time.

One was the situation of the states neighboring us, most of whom were former Ottoman territory. For example, the Palestinian issue is an issue which emerged after the fall of the Ottomans. There was no such issue before that.

So, this dimension of the Palestinian issue is, therefore, something that is of great interest to Turkey. So, this is the answer to the question as to what Turkey's interest is in the Palestinian issue.

Another challenge for the new republic was to bring together different ethnicities that lived in the 780,000 square kilometers with the masses that came from the previous 20 million square kilometers. And the republic successfully managed to bring people coming from different parts of what was the Ottoman Empire in the past, and this was based on the experience of the Seljuk and the Ottoman states.

And the first Assembly, which was established in 1920,

brought together different colors, ethnicities, and differences of Turkey, and it was all done in harmony. And (inaudible) Miles used to say that Kurds, the Laz, the Gerjurs, the Georgians -- and he talks -- he lists all the ethnicities in Turkey, and says that the new Assembly is a bringing together of all the different parts of the Islamic community, together.

This was how he defined the first Assembly, which was established in 1920, because it included all the ethnicities, different religious groups, and they got together in the first Assembly in 1920, with the aim of living together in peace, and they worked together, towards the same goal.

My dear friends, the Republic of Turkey has been established on the principle that the source of sovereignty is the people. Unfortunately, in the 90 years since the establishment of the republic, there have been times when there were serious difficulties. Elections were held, governments came to power, and this was a manifestation of sovereignty, but the civilian and the military bureaucracy, at times, considered itself above politics.

And so, in that sense, we had quite a challenging 90 years. These 90 years were a period which was spent in trying to establish democracy fully, and there has been a lot of discussion about sovereignty. And the challenges we were faced with created certain consequences,

and we face certain trauma in our domestic politics, social life, and foreign policy.

And, in the same way, the togetherness, the spirit, that brought all different walks of society together in the establishment of the republic suffered from this. So, we have had some more difficult times.

We did have some important and positive developments, of course. We gained a lot of experience. We managed to gain a lot of important experience in a very turbulent region, a difficult geography, and in a country which is predominantly Muslim.

Ten and a half years ago, elections were held on November 3, 2012. And this became a very important turning point in the history, 90-year history of the Republic of Turkey. I am very proud to say that the last 10 ½ years has been an important period where there have been great achievements with respect to democracy in Turkey, and Turkey has achieved advanced standards, and we have made irreversible progress at this time, and we also strengthened the sovereignty of the people.

Some people could not accept this fact. They still sometimes do not accept this fact, but we have a government in place which believes in progressing democracy further.

And, as a result of this major transformation in politics, law, economics, and foreign policy, Turkey has become a regional and global

actor. Some observers call this a silent revolution. This 10 ½ years has been, indeed, quite challenging and difficult at times, but we were always determined to achieve progress, and we did what was required to achieve the progress we were envisioning.

So, in this path towards advanced democracy, we also considered -- and took into consideration the economy. We did not want the economy to lag behind. Our planning was always geared towards advancing the economy, together with our democratic standards. We wanted the two to go hand-in-hand, because we believed that this is the only way we can take our country further.

Throughout this period of 10 years, we also tried to resolve some of the decades-old issues in Turkey. We provided and made investments which were not made in the past. We provided service to the people.

But, at the same time, we also stood against attacks on democracy, and law, and national sovereignty. Their party governments led, therefore, a great transformation in Turkey.

And in every election that we participated, our votes increased. There were three general, two regional elections, and two referenda -- so seven elections in the period of 10 years. And we were successful in all of these elections. This shows the success of a

government which unites with its people, because we do not represent any single ethnicity, or any single region, or any made-to-order government that was designed somewhere else.

We came from the people, and we are carrying out our processes and policies, with respect to the people, in accordance with what is required for further development. And we have always represented the 81 provinces of Turkey. We have been present in the 780,000 square kilometers of Turkey -- in all of Turkey, in other words. And we represent all different aspects of society, of the 76 million people who live in Turkey.

The meaning and function of politics in Turkey, therefore, changed in Turkey. The legitimacy of politics now comes from the people, not from the elites of the state. It comes from the people, from the conscience, from the learning and history of the people.

We have engaged in a number of activities, with respect to strengthening democratic institutions. We carried out legal reforms. We provided equal opportunities in democratic and economic development. We focused on research and development, health reform, the efficiency and the strength of Turkish foreign policy, and the work of a nongovernmental organization.

So, all these policies have been very important in raising the

bar in the political and social life in Turkey. This has been our vision, and we are determined to pursue this further.

Turkey was suffering the largest economic crisis in its history in 2001, 12 years ago. But, as Mr. Talbott also said, Turkey has now become the 17<sup>th</sup> largest economy in the world, and we are the 6<sup>th</sup> largest economy in Europe now.

Before arriving here in the United States, we announced an important development to our people. Turkey had become a member of the IMF in 1947, immediately after the IMF started its work. And since 1961, Turkey has had a relationship with the IMF whereby it received funds and loans. Turkey owed to the IMF \$23.5 billion in 2001 -- in other words, at about the time when we came to government, 10 ½ years ago.

During our tenure in government, when we spoke to the IMF, we told them that they should not insist on some policy proposals when we were pursuing our government policies.

We told them that they should determine the timeline for the loans that they would extend to us -- that we were prepared to talk to them about the terms of that loan, but we would not accept their intervention in our policy, because we are politicians, and we decide our policy -- because the IMF or its people are not the politicians who pursue politics in our country.

That's why we did not end up having standby agreements.

In the last 19 years, there were 19 standby agreements in total, but we did not carry out any standby agreements with them.

And we paid the \$23.5 billion, and on Tuesday, we paid the final tranche of the debt we owed to the IMF. We now no longer have any debt we owe to the IMF. So, this is finished.

And this, we have done at a time when we all observe this -- the effects of the global financial crisis. So, this was, indeed, a great achievement -- so much so that we are now in negotiation with the IMF to lend to the IMF. And when these negotiations are complete, it may be possible that we lend up to \$5 billion to the IMF. So, this is the way things have reversed.

A few -- I'll just give you an example of the kinds of developments that took place in the Turkish economy on May 3, just a few days ago.

When we came to government, the Istanbul Stock Exchange -- which now became Borsa Istanbul -- was -- had an index of 11,000 ten years ago. On May 3, this year, the index went beyond 89,000, as Borsa Istanbul, in its new name. And, at the moment, it's actually above 90,000.

The interest rate was, 10 years ago, 63 percent. Now the borrowing rate for the state is 6.5 percent. It goes down further, and it is

on a decline. Last week, it went down to 4.96 percent, and it is going down to 4.80.

Ten years ago, the foreign currency reserves of the Central Bank was \$27.5 billion; now the reserves are \$135 billion.

On that same day, on May 3, there were two more important steps taken with respect to new, large investments. We will be realizing a project in Istanbul. Before the elections, I was expressing this as "the crazy project," and this project, which I will tell you about, was one of those projects.

This project is about building an airport in Istanbul with a capacity of 100 million passengers a year, which would put that airport amongst the top three airports in the world. It might even be the largest one.

The reason why we need this is because the two existing airports do not meet the demand. There are delays in slots, and planes are having to circle before being able to land. So, we needed this airport. We knew that we needed a new airport.

We were criticized for this decision. Some did not see the need for such an airport.

We looked into how we could pursue this, and we announced a tender for a new airport for Istanbul with a capacity of 100

million passengers. There were four bidders, and one of the bidders -- which consisted of five Turkish companies -- a consortia of five Turkish companies -- they won this tender with -- by bidding 22,152,000,000 Euros. And they will be building and operating the airport for 25 years. And the cost of this airport is 10 billion Euros.

On that same day, the Japanese Prime Minister was in Turkey, and, as a result of our meetings with the Prime Minister, we reached an agreement for them to build a second nuclear power plant in Turkey. We signed the agreement for that, and the cost of that investment is about \$22 billion. So, that's the magnitude, the size of that investment.

Our first agreement with respect to a nuclear energy power plant was signed with Russia.

So, the second one now is signed with a Japanese/French partnership, and we have reached an agreement with them. the first signatures were put on paper, and we will be building our second nuclear power plant with -- I hope that the third one will be built by Turkish companies, because these two investments will also be important in further training our own engineers and businesspeople, and it will certainly help them to improve their skills.

So, I've just given you examples of what happened in a single day. And in the 10 ½ years that AK Party's been in government, we

have achieved similar developments every month.

When we came to power, Turkey's foreign debt, according to its -- or compared to its natural -- to its national revenue was 74 percent. The debt-to-GDP ratio has gone down now to 36 percent.

But the opposition does not know anything about the economy, and they keep claiming that our debt is on the rise, and they only talk about the absolute figures of the debt. They don't compare it to our GDP. They speak of absolute numbers.

Well, if you are in debt, and we say -- that whips you into shape. So, you -- it really whips you into shape. And when you have debt, yes, you have to work hard to pay it off. What's important, however, is to look at the ratio, because the debt-to-GDP ratio has gone down to 36 percent, although it looks as though it has increased in absolute numbers.

But we are attracting a lot of foreign investments. Our inflation rate was about 30 percent, but it's gone down to around 7 percent now. And we continue to pursue these policies, and our goal is to bring the inflation rate down to four percent.

Ten and a half years ago, in Turkey, we kept talking about the economic crisis. There was political instability. There were coalition governments.

Until we came to government, governments last, on an

average, 16 months. Can you imagine? Sixteen months was the longest they survived. I'm talking about the coalition governments -- well, the single-party system in the first years of the republic were different, of course. But when you have, on an average, 16 months, in terms of a government's tenure, then you can't have political or financial economic stability.

During the AK Party governments, we focused on two magical words. One is confidence, and the other one is stability. If you don't have confidence in a country, then you can't have stability. And so confidence and stability are very important -- have been very important for our party government.

And we have taken the state out of economic activity, and we've transferred all that economic activity to the private sector. The state privatized the factories and other enterprises it owned, and the private sector took them over.

National and international (inaudible) came in, because we did not discriminate or differentiate between national and international (inaudible) new developments, R&D, innovation, tourism -- these are all the ways where Turkey achieved great progress.

We have another important investment coming up in Turkey now. This will be a channel, a canal, which will connect the Black Sea to

the Marmara Sea. This is also one of ours -- what I call "the great projects" -- one of those important projects.

And this canal will be very important. It will be more important than the Panama Canal, the Suez Canal. It will be larger, and the quality will be better, and its aesthetics, its architecture will be very different. It will be a very different project.

We focus on two objectives with respect to this project.

One, we want to protect the Bosphorus, which is an important part of the environment, and a part of the beauty of Istanbul. As you know, at the moment, we have tankers going through the Bosphorus. These are large tankers, and we want to protect the Bosphorus, and that's why we want to create an alternative route.

And they should not come through the Bosphorus, these tankers, because the topography is such that there are eight very sharp turns. And if there is some sort of an accident, if there's a malfunction, there could be a major environmental disaster there, and those accidents will lead to a lot of loss.

Some years ago, there was a Romanian tanker which caught fire, and it burned for seven and a half months. Thankfully, it was not in the narrower part of the Bosphorus, but we don't want to see similar things happening in Istanbul, even if it's a chance in a million.

That's why this Canal Istanbul or Channel Istanbul project is very important, and we are making preparations -- we have made our preparations with respect to the bid for this canal. And I do believe that there will be significant participation in this bid, and we will be doing this project through a BOT system.

So, Turkey's not talking about the world now; the world is talking about Turkey. And Turkey's success has made Turkey a very important country in its region, in the world. It's very much appreciated as such.

Let me also briefly touch upon a very important process for Turkey, and for our region. We had made three basic promises to the people when we first came to government. One, fighting against corruption. The other one, eradicating poverty. And the third one was fighting against prohibitions bans. In Turkish, all these pillars start with the word Y -- with the letter Y, and that's why we call them the three Ys.

We have taken steps in all of these areas, and now we're taking a new step, which is a process for solving the terrorism problem. It's a very vital, important process. This process for solving this problem, the ongoing process, will be very important, because it will have an important impact on the social life, on democracy, on the economy of Turkey.

We're taking a number of steps in this regard, and these steps also have a bearing on the regional stability, because we can contribute to regional stability security by solving this problem. Turkey has suffered terrorism in the last 30 years. Separatist terrorism unfortunately cost the lives of more than 40,000 people in the last 30 years, and the financial cost is calculated to be around \$350 billion.

So, Turkey has paid heavily because of terrorism, but terrorism has also lent a blow on regional peace and stability, too. So, as AK Party, we have always been determined in trying to resolve the issue of terrorism, and we have been fighting terrorism in all of its dimensions with the termination in the 10 ½ years. And previous, we have continued this effort through our governments.

And as we fought against terrorism, we also focused on the reasons under -- that underlie terrorism. We made major investments in the Eastern and Southeastern part of Turkey, which were neglected for decades. We realized democratic reforms, and we ended policies of discrimination, denial, and assimilation.

We could not have turned a blind eye to the regional discrimination that existed in the past, and we had three basic goals as we progressed in this process. We said that we don't accept ethnic nationalism, regional nationalism, and religious nationalism. We won't

pursue ethnic nationalism. Our population of 76 million people are all equal, and we see them as being equal to each other.

We also say we won't engage in regional nationalism, because we believe that all regions in Turkey deserve to have development. So, whatever Istanbul is -- Van -- the city of Van, or the city of Hakkâri -- is the same -- or Sinop and Hatay are the same. So, we've made a lot of investments in these areas -- investments which had not been the case in the history of the republic.

So, we continue to carry out these investments, with the same determination. So, we see spring in the air, in the region, and this process of democratization has done away with all the excuses and pretexts that terror had in hand.

And 63 wise people are visiting all parts of Turkey in this process of ongoing discussions about resolving this problem. This does not mean that they are the wisest in Turkey -- neither do we claim that they are the wisest people. They are just friends, people who got together around a common denominator -- which is to work together to save our country from the scourge of terrorism.

So, what they're trying to do is to try to contribute to peace in our country. What we're trying to do is to ensure that people can feel safe when they go out at night, or the shopkeepers are able to open their shops

every day, knowing that business will be business as usual, and everything will run smoothly.

So, this is what we're trying to do, and the wise people who are working in different parts of the country are doing that. They're not trying to convince anybody; they're trying to understand what the people think. They're trying to get feedback from the people. They include academicians, members of the media, artists, businesspeople, people from the world of sports. They have gotten together around a common denominator, and they are divided into seven groups, made up of nine people each. And they are visiting their areas.

They have been working for the last 35 to 36 days. They have another two months to go, and once those two months are up, they will prepare their reports, and we will take steps based on their -- the information they provide.

For the last 30 years, we've always been hearing bad news every day because of separatist terrorism, but in the last 4 months, we have not had any incidents, and there has not been any loss of life.

There have been some, from time to time, attacks on Turkey, because of the conflict that is ongoing in Syria. But we know that this comes from different sources, and it targets Turkey as Turkey continues to grow. But we have great hope today to bring terrorism to an

end, and we have greater unity, greater fraternity amongst us.

And although it's only been four months since this process has been initiated, there have been important -- first, with respect to developing Turkey, because we believe that we can pursue our development strongly in an environment which does not have terrorism, violence, and fear as its elements.

And in the same way, we will be able to discuss social and democratic issues, and we can achieve a solution to some of those issues through social consensus.

We also know -- and I'd like to remind you -- that this process is open to hijacking, sabotage, and provocation. And that's why we are acting with great caution -- because we know that there are circles who do not want to see Turkey become strong, especially in a turbulent and unstable geography. And those circles may try to provoke certain incidents, as we work to end -- bring terrorism to an end.

Turkey's new dynamism and broad vision, as Turkey progresses towards 2023, is also closely observed and followed by the whole world -- by Europe, by countries in the Middle East, and elsewhere.

This new political philosophy of the AK Party, this great change -- the importance and value we place on fundamental rights and freedoms -- the understanding of the state being at the service of the

people, and the people base -- political approach that the AK Party has -- are all important aspects of the great transformation which has been initiated by the AK Party.

We see, in our neighboring countries, that Turkey has become a source of inspiration for the people who are demonstrating out on the streets for their democratic rights. Our only goal is to ensure that there is lasting stability in the region. We don't want to export our model, necessarily, but perhaps we could be a source of inspiration for the countries in our region.

If Turkey is to become one of the top 10 economies in the world by 2023, Turkey can only do this if it works together with the countries in the region. And in our -- my meetings with President Obama yesterday, we talked about regional issues, international issues, and, as we discussed those issues, we also discussed the economic relations between Turkey and United States, and the importance of taking that relationship to a new level.

When President Obama visited Turkey, he described the relationship between Turkey and United States as a model partnership. That model partnership can add a lot to both of our countries.

We have a clear vision, with respect to our future, and we have the necessary means to achieve those goals. As a result of the work

that we have been carrying out in the last 10 years, we can clearly see our future on the horizon, despite the storms surrounding us in the region. We walk this path as a nation. We are determined, and I believe that we will achieve this goal of Turkey, which is in a leadership position, having solved its issues.

We will never give up on our efforts for peace in the region and in the world, and we will continue to contribute to peace in the region. We will strongly defend democracy, human rights, and better conditions of living for the people.

As a nation, we have always stood together with the victims, and we have always been against the aggressors. And in our domestic and external foreign policy, we work to defend justice -- and this is the only reason for which we work.

Turkey is a country which pursues its policies based on human rights, democracy, and justice, and our goal is for all countries, all nations to achieve progress. And we will continue to focus on these principles. We think that a strong Turkey which is a leadership position in the region will be very important for the world, as well, and we will continue to work towards this goal.

As I end my remarks, I'd like to, once again, express my thanks to the Brookings Institute for having given me the opportunity to

come together with you, and I thank you for your participation.

And I leave the floor to our moderator, so that we can have the question-and-answer session. Thank you very much.

MR. KIRİŞCI: Mr. Prime Minister, we are very proud to host you here as the Brookings family, and thank you for accepting our invitation.

Today is an important day for me, too -- a day where I have achieved something I wanted to do for a long time. When you were mayor in Istanbul in 1994 or 1995, you and I met at the classical car show, and that was a reception -- a 4<sup>th</sup> of July reception, in fact, and we had met there.

And, as you have just explained to us, Turkey has changed a lot since then. The world has changed a lot since then, and the greatest part of that change is, perhaps, that we have, perhaps, gotten to be a little younger, we hope.

The most interesting part of your speech was about economic change, but that economic change has also had an impact on the region that we're in. And in Turkey, we sometimes miss that point. As Turkey changed, the geography surrounding Turkey has also changed, in the sense that they have gotten somewhat -- they have become somewhat more prosperous.

And in the '60s and '70s, Turkish people used to go to France or Germany to bring back foreign currency. Now people come to Turkey to earn some money, and they send that money back to their countries.

In your speech, you did not mention the constitution, the new constitution that Turkey wants to make. Perhaps you didn't have time, but I know that there are people in this room who are very interested about this. There has been some debate in the media about the parliamentary democracy versus a presidential system, and there have been a number of questions, discussions.

Could you give us your views on this?

In the Brookings tradition, the moderator asks a few questions; then we will turn to the audience. Perhaps we'll get a few questions from them.

Can you hear us?

PRIME MINISTER ERDOĞAN: Well, first of all, I'll make a statement about the new constitution.

This -- the work for a new constitution has been going on for about a year and a half, and in the last election, all political parties, actually, made a promise to the people for a new constitution.

The -- we established a commission to look into the new

constitution, to discuss how this new constitution could be prepared, and we made a suggestion -- a proposal for the makeup of this constitution.

AK Party has, out of the 550 seats in the Parliament, 326 seats. So, we have 326. There are a few members who have passed away since then, so I believe that all of the other parties have 222 seats, with just a few seats vacant. And these 222 seats are the total for 3 parties. We have 326 as AK Party.

Our proposal for the makeup of the commission was to have equal participation, because -- so we have three members, and the other three parties each have three members in the commission.

Our goal, of course, here is to reap the benefits of this discussion so that we can achieve a new constitution, and we can prepare a new constitution -- because what we have is a constitution that was prepared by the military regime, and we want to have -- make a civilian constitution. This is what we would like to do.

But so far, we have not seen a positive approach from the opposition parties. If we had seen that, we would have made progress in the making of the constitution.

The main opposition party made some proposals, but they made 150 proposals. The second opposition party made some -- about 140 proposals. The third, the other opposition party, they made -- they

tabled 106 proposals. We made 104. So far, we have agreed on 40 articles in 1 ½ years.

The republic has a history of 90 years. There have been constitutions that were passed -- made in Turkey. We introduced a package of 26 amendments, and, despite the opposition, it passed from the Parliament on condition that it would be put to vote, and the people voted in favor of that package of 26 amendments by 58 percent, and those amendments were changed. Now -- those amendments were implemented, in other words.

Now it doesn't look as though we now have an opportunity to take this one to a referendum, but we will continue to be very positive in our approach to a new constitution, but I don't know how far the Speaker of the Parliament will be willing to take this discussion further.

My impression is that this process will probably come to an end by the time the Parliament goes in recess, because the main opposition party is saying that there cannot be any deadline to the work of the commission -- but this, I find to be not very serious, because you need to have a certain timeline in order to make preparation. It might a year, a year and a half, it could be something else.

But if the commission has an unlimited amount of time to work, then it waters down what you want to do. This we see -- this

approach, we see in other parties, too.

So, there should be some sort of a framework here. We should make a decision to complete this work, say, in a year, a year and a half, whatever it is, and I think the Parliament -- this Parliament has the necessary infrastructure to be able to complete this effort. Our universities, our academia -- they're all prepared to work on this, but it -- they're trying to water it down. So, we are waiting to see what the Speaker will say.

The second question -- the presidential system. The late Özal and, also, Mr. Demirel -- they, too, discussed this. This has always been something -- a discussion point. And during our tenure in government, there have also been discussions.

There were questions posed to me by the media, and I had said that it would be good to look into this. I have said already that I'm in favor of a presidential system. I say now, too -- it doesn't have to be the presidential system here in the United States.

There are more than 100 countries in the world, developed -- at least developed or developing countries. There is a presidential system in more than 100 countries. One could look at them, and there could be something that may be prepared based on those experiences.

Then it may either be voted in a referendum, or it could be

presented to the Parliament, and then a final decision would be made. It is not something that we must have under any circumstance. If the Parliament decides to move into the system, then that's what will be done.

We know how far the current system has gotten us. I think it has to be reformed.

MR. KIRIŞCI: Thank you, Prime Minister.

We take one question from the right, one from the left, and one from the back.

If there is time, though, at the very end, I will like to ask -- or now, I'd like to ask you a question about the E.U. -- and because I'm a former Jean Monnet professor.

But I will take this to the last. I would like you to identify yourself, and keep the question brief, so that we can take two more questions.

SPEAKER: Thank you very much.

My name is Said Arikat and I'm a Palestinian journalist in town.

Your Excellency suggested that the Palestinian issue was almost a domestic Turkish issue. I want to ask you whether Turkey will take initiative to resolve the Palestinian-Israeli issue in the event that the current U.S.-sponsored effort continues to be paralyzed.

Thank you.

PRIME MINISTER ERDOĞAN: Thank you. You are right.

We see it almost as -- I can't say it's a domestic issue, but it is an issue on which we have great sensitivity, as we would on a domestic issue.

Well, first of all, the process of unity between Fatah and Hamas -- this has to be achieved. If this reconciliation is not achieved, then I don't believe that a solution or a result will come out of the Palestinian-Israeli discussions. So far, Fatah has carried out those talks, but no result has been achieved so far.

You know the last Davos meeting I attended. At that meeting, when I was there, I had a meeting with Mr. Blair, from the Quartet. And I had told him that Hamas has to be around the table for peace to emerge in the Middle East. And after our discussions, he was on a panel, and he said in that panel that Hamas should be part of this process for peace to be achieved.

But since then, they have not managed to include Hamas. As you know, at the moment, there is a process of reconciliation between Hamas and Fatah. And if that can be achieved, then I think that the talks with Israel would be moving forward more swiftly.

As Turkey, I think there's a lot that we can do, because we can talk to Hamas, we can talk to Fatah. Our brothers in Hamas, our

brother in Fatah are just as important to us. There's no difference between them. We are at the same distance to both, and we would like them -- we want them to get together to agree with each other. And this would certainly be important in the Palestinian-Israeli talks.

The Quartet has four proposals, but I think the most important one, the first one, is the issue of borders -- the 67 borders. Israel has to withdraw 2 of the 67 borders.

When Olmert was Prime Minister, we used to talk about this, and he was positive on this border issue, but the governments after Olmert's government unfortunately are not very positive on this because of the makeup of the governments there. And that's why they have adopted a different approach.

I hope that common sense prevails, and this problem is (inaudible) is resolved.

Another issue which we discussed a lot with President Bush, as well -- the two-state solution in the Middle East -- this has always been important. There have always been discussions about this -- an Israeli state, a Palestinian state -- but those who agree to an Israeli state cannot agree to a Palestinian state. Israel itself does not accept the Palestinian state.

As long as Israel does not accept Palestine as a state, then

there is not much to talk about in terms of trying to achieve peace, because peace can be made between two states. And those two states, with all of its institutions, all of its bodies, would be in existence. And that's important. I think that's something that we have to look at.

MR. KIRIŞCI: The lady in the back, please -- and identify yourself, and keep it brief -- one more question.

MS. BELBEISI: Ledia Belbeisi with NBC Television, Middle East Broadcasting Center.

Mr. Prime Minister, there -- according to the U.N., the number of Syrian refugees has reached 1.5 million; some even put it at 2 million. Did you discuss a no-fly zone option with President Obama, and was he receptive to that? And if not, do you think it's plausible to do without the participation of the United States?

Thank you.

PRIME MINISTER ERDOĞAN: Thank you.

There are close to 300,000 refugees in Turkey -- about 200,000 of them live in tent cities, about 20,000 to 25,000 live in container cities, and about 70,000 people rent homes in different cities -- about 11 cities. They live in different parts. There are, of course, a lot of refugees in Jordan; in Lebanon, the same. So, there are also people displaced internally in Syria, as well.

With respect to the no-fly zone, I would like to make one observation. This is not a decision that could be taken between the U.S. and Turkey; it's something that has to come through the U.N. Security Council.

Now there is -- we are in the process of holding a conference in Geneva. This will follow Geneva One. And Russia, we know, is taking part in Geneva Two, in this process. China, U.S., Turkey, the Arable countries will all be a part of this process.

But a timeline has to be announced for the Geneva process, and that process will have to be pursued. And if that process decides on such a zone -- I don't know whether they will or not, but if that's what the process decides, or if this is the outcome of the process, certainly, we will also do whatever is necessary.

The opposition in Syria is quite strong on the ground. So, they're in a powerful position. In Syria, the regime has greater advantage in the air, because they use missiles. According to NATO, they have used 283 missiles. According to other information, they are using the chemical sarin.

These are issues that we should discuss. They should be discussed in the U.N. Security Council, and, also, perhaps, in the U.N. General Assembly.

There has just recently been a vote, as you know, at the U.N., and the General Assembly has stated its view that it's in the favor of looking into these matters.

Thank you.

MR. KIRIŞCI: Yes, please. You've been very excited about it -- please.

MR. GUZEL: My name is Murat Güzel. I am a businessman in the U.S. I'll say two things, and ask for information from you.

First, welcome to the United States.

We see a lot of suffering, a lot of violence in the world, and this is because countries have some pragmatic approaches in their foreign policy.

You, as a leader in the world, perhaps for the first time, are also focusing on the human being, and you focus on justice. And the Foreign Minister is also expressing this, so I thank you, and greet you with respect, as someone who lives in the U.S., for your policy, because what you're doing is a new trend -- being people-focused is something very important; all countries have to take this into consideration.

Now the second point -- the second reason why people suffer in the world is economy. I'm a businessperson. I want relations to develop between (inaudible), because I'll make more money. We hope

that your leadership, based on people, has to be the guiding principle in the economic field, as well, because some large countries have been investing in other parts of the world, and they have created some destruction, too.

So, I hope that, in the economic sphere, you will also pursue the same kind of principles-based policy so that you can raise the bar in that area.

Thank you very much.

MR. KIRIŞCI: It's not a question.

I think this has perhaps put people in a difficult -- two questions, really quickly. And there was a lady -- yes, please. Very briefly -- two quick questions together, and then the time will be up.

Thanks.

MR. BRODER: Jonathan Broder, from Congressional Quarterly.

Mr. Prime Minister, as you know, the United States is -- and the E.U. are -- implementing sanctions to pressure the Iranians to abandon its nuclear program. And Turkey has cut back its oil imports in response.

Congress is expected to pass even stricter sanctions, particularly against oil exports. And I was wondering whether Turkey

would be willing to cut back its oil exports from Iran even further.

Thank you.

MR. KIRIŞCI: Thank you.

Very quickly, the second question, please --as brief as possible. Identify yourself.

SPEAKER: (inaudible) Newspaper.

Syria was the most important part of the meeting yesterday.

Before coming here, you said that the Geneva process could be a delay -- could create a delay in dealing with Syria.

What is your view now? It looks as the United States is quite unwilling to take part in some action in Syria. So, what is your observation?

When you talk to or you see Mr. Kerry -- he comes to Turkey quite a lot -- what was your impression yesterday, especially over dinner? Do you have any observation as to the U.S. is perhaps changing course in your policy?

It looks as though you view the Geneva process in a more positive light now. You seem to be convinced somewhat on the Geneva process. Why, and do you see it as part of the solution?

PRIME MINISTER ERDOĞAN: With respect to the sanctions on Iran, we have cut back on crude oil, indeed. There are a

number of reasons for this. We continue to cut back.

As you would appreciate, countries, nations, protect their interests, and they take measures while they protect their interests. I would, of course, go to places where I can get crude oil or natural gas at a cheaper rate. This is quite natural for -- as a country, so long as I -- you know, we find that source available.

On crude oil, there has been a significant decrease in the amount of oil we import from Iran. The -- when the Oil Minister came recently, we discussed this with him, too. So, we are in that process, and we did say that this would be the case.

Now as to whether we will cut back even further, it would depend on our need. It would depend -- well, time will tell. So, we will see.

With respect to the Geneva process, I had said that this would be delaying things, or deferring it further. Indeed, I did say that.

This extension to the original Geneva process, you might say, has had an impact on my thinking, because including Russia and China in the process is important. Perhaps this could be something that we can look into in the short term. President Obama yesterday talked about a process without Assad, without Assad being included. This was one of the main titles of Geneva One.

Two, having a transition government with Assad in place -- it cannot be a solution, and the opposition wouldn't accept it, in any case.

But now, we see the position of the Free Syrian Army. We see the new structure of the National Coalition. They will elect -- they'll have an election through -- the 22<sup>nd</sup> through the 24<sup>th</sup>, so that once they make their election, they will also be even more important, and, with a second Geneva process with Russia and China included, finds our support.

Thank you.

Your question?

MR. KIRIŞCI: We will, perhaps, talk about it one day -- I hope not in 20 years' time. We would be too young then, in 20 years, so I hope we do it sooner.

Thank you, Prime Minister. Thank you very, very much.

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