

BICOM Analysis: Israeli-Turkish Reconciliation

Key Points

- Following years of on-off back-room negotiations, Israel and Turkey have made significant progress on an agreement to restore full diplomatic ties. In late February, Turkish Foreign Minister Mevlut Cavusoglu told a cabinet meeting that normalisation efforts between Israel and Turkey were close to being completed and that the two countries were expected to make a joint statement "in the coming days." However Turkey's future role in the Gaza Strip continues to be a major issue yet to be resolved, with Israel's close ally Egypt significantly opposing any Turkish presence.
- Relations between Israel and Turkey deteriorated sharply following Operation Cast Lead in 2008-9 and collapsed in 2010 after the deaths of nine Turkish citizens killed while trying to prevent Israeli commandos taking over a Gaza-bound protest ship, the Mavi Marmara. Israel's ambassador to Turkey was expelled in 2011.
- Turkey has experienced mounting foreign policy headaches with the collapse of its "zero problems with neighbours" policy. The country is facing a resurgent hostile Assad regime, an increasingly independent Kurdish region arising on its border, and strained relations with Egypt, Iran and Russia. It has also been targeted by Islamic state (ISIS) and Kurdish separatists. As regional instability increases, Israel and Turkey possess many shared strategic interests, primarily relating to the threat of the rise of ISIS and the growth of Iranian power.
- While the restoration of ties may not significantly change the strategic landscape of the Middle East, it will likely yield increasing cooperation in the field of natural gas, with the potential for building a sub-sea pipeline from Israel's gas fields to Turkey.

Why did Israel-Turkey relations initially break down?

- Relations between Israel and Turkey collapsed in 2010 after the Mavi Marmara incident. Diplomatic ties were officially downgraded in 2011 when Turkey expelled Israel's ambassador.
- Relations were previously close and involved military cooperation – including Israeli air force pilots training in Turkish airspace and using an air base in Konya – as well as strong economic ties. In early 2008, Turkey even [served](#) as a mediator in peace talks between Israel and Syria.
- The souring of relations also took place at a time when Turkey was attempting to re-assert itself as a dominant regional actor and seeking a more independent foreign policy to its traditionally close alignment with NATO and the US.
- After clashing with Israel over Operation Cast Lead in 2008-9, Turkish Prime Minister Erdogan publicly sparred with Israeli President Shimon Peres during a panel discussion in Davos. Moreover, during Operation Protective Edge in 2014, Erdogan accused Israel of "barbarism" which "surpassed even Hitler's" a statement that was [condemned](#) by US Secretary of State John Kerry and Israeli Prime Minister Benjamin Netanyahu.
- Israel has also been critical of Turkey's regional policies. After the conflict in Gaza, Israeli Defence Minister Moshe Ya'alon [accused](#) Turkey of actively supporting Hamas, declaring that Hamas has "two terror headquarters: in Gaza and Istanbul" and questioned how Turkey could be a NATO member while it simultaneously "sponsors terrorism against Israel."
- Diplomatic hostilities between Israel and Turkey did not appear to affect ties between the two countries in other areas. Turkey was the most popular holiday destination for Israelis, with around [200,000](#) Israeli tourists entering Turkey in the first 10 months of 2015. Moreover, trade

between the two countries [doubled](#) between 2010 and 2015, and is currently worth an estimated \$5.6 billion.

Background to the reconciliation

- Following the breaking of diplomatic relations, Turkey made three demands to Israel in order for normalisation to take place: an Israeli apology for the Mavi Marmara deaths, an agreement to pay compensation to the families, and an end to Israel's naval blockade of Gaza.
- In March 2013, after several years of stalemate, Israel's Prime Minister Benjamin Netanyahu paved the way for reconciliation by agreeing to pay compensation and issuing an [apology](#), at the behest of US President Obama, for any error that may have led to the loss of life.
- In [April 2014](#) Erdogan, then Prime Minister of Turkey, said in an interview to *PBS's* Charlie Rose that "We [Israel and Turkey] have come to an agreement" over a compensation package [believed to be approximately \$20m] and that the "other step of the negotiations" involved arrangements for Palestinian aid to be delivered through Turkey. He predicted that "with the completion of that phase we can move towards a process of normalisation ... I think we're talking about days, weeks."
- One of the main issues delaying full reconciliation continues to be the Turkish demand that Israel end its blockade on Gaza. Israel argued that its naval blockade of Gaza was legal and that hundreds of trucks of goods, including those of Turkish origin, are able to enter the Gaza Strip on a daily basis after being inspected in order to prevent the transfer of weapons to Hamas. It is thought one solution to this may be Israel allowing Turkish origin products and aid to reach Gaza directly through a Turkish port where Israeli security will be present, although Israel's ally Egypt has [expressed](#) reservations over allowing Turkey to play a role in the Gaza Strip.
- Another disagreement has been the close relationship between Erdogan's AKP Party and Hamas. Hamas have an office in Istanbul and Turkey-based Hamas leader Salah al-Aruri is thought to be responsible for coordinating the kidnapping of the three Israeli teenagers in the build-up to Operation Protective Edge (2014). Turkey recently expelled al-Arouri.
- One potential additional component of the reconciliation deal came to light in early March, when a Kuwaiti-based publication al-Jarida claimed that Turkey wanted to purchase Israeli military hardware, with Israel seeking assurances that these weapons would not be used against Kurdish rebels near the Turkey-Syrian border.

Why now?

- As regional instability increases and Turkey's "zero problems with neighbours" policy lies in tatters, Israel and Turkey share strategic interests relating to the threat of ISIS and the growth of Iranian power. As geopolitical events result in a weakening of Turkey's regional standing, Erdogan now sees Israel as a stable anchor in a turbulent region.
- The collapse of the Muslim Brotherhood government in Egypt – which had been championed by Turkey – seriously undermined relations between the two countries. Indeed, Erdogan still refuses to acknowledge the legitimacy of the Sisi administration. Meanwhile, Turkey's opposition to Syrian President Assad has intensified its rivalry with Iran and resulted in a souring of relations with Russia, which deteriorated further following the downing of a Russian Military aircraft by Turkey. American support for the Kurdish People's Protection Unit (YPG) – strongly opposed by Erdogan – has further increased Turkish geostrategic challenges.

- Turkey's regional isolation has been exacerbated by the strengthening of relations between Israel, Cyprus and Greece, Turkey's historic rivals. Greek PM Alexis Tsipras visited Israel in November 2015 and the three countries held a trilateral [summit](#), where natural gas was a key issue. Despite this, Israel has been keen to [stress](#) that closer ties with Greece and Cyprus were not intended to be at Turkey's expense.
- Israel's recent gas discoveries in the Eastern Mediterranean provide a potentially strong economic opportunity for the Turkish domestic market – especially as a planned Russian-Turkish gas project was recently [suspended](#) – while the construction of a pipeline from these fields to Turkey might also facilitate long [mooted](#) Israeli gas exports to Europe. However, the uncertain stability of Israel and Turkey's future relationship may produce doubts for potential investors, and such a pipeline may also require agreement from Cyprus, which has its own territorial dispute with Turkey.

The strategic significance of an agreement

- The restoration of diplomatic relations between Israel and Turkey will see greater prominence given to energy cooperation between the two countries, and will likely advance already record high trade levels and economic ties between both. However, despite increased economic cooperation, there is unlikely to be a return to the levels of security coordination enjoyed in previous years.
- Question marks remain over the future relationship between Hamas and Erdogan's AKP Party – given the previously warm relationship between the two parties – and how this will be affected by the renewal of full diplomatic ties with Israel. It is also unclear how the renewal of diplomatic ties will affect Israel's close relationship with Egypt as well as how Israel will balance its newfound relations with Cyprus and Greece alongside any renewed relations with Turkey.
- Reconciliation is unlikely to have a significant impact on events in Syria beyond potential dialogue and exchange of information. Israel's area of focus remains southern Syria, where it fears the Iranian axis will gain a foothold, whereas Turkey is chiefly concerned with northern Syria and the territorial ambitions of the Kurds.