



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 August 1990

The Prime Minister has asked me to thank you for your letter of 30 July about the decision by British Airport Services Limited to withdraw from the Bodrum International Airport Venture.

She agrees with your view that economic and commercial relations between our countries are very good, although naturally there is scope for further progress. It has been encouraging to see the growth in our two way trade, which now totals some £1 billion per annum.

Against this background the Prime Minister appreciates that you were very disappointed that BASL have decided to withdraw from the Bodrum Airport project, especially knowing the close interest and involvement of the Turkish Government in this venture. However, as you will know, BASL and its parent company the British Airports Authority (BAA) are independent companies and have taken their decision on purely commercial grounds.

Nevertheless, I understand that a director of BASL, Mr Roger Kitley, made plans to fly out to Turkey on 7 August to offer a full explanation of BASL's decision to the Turkish authorities involved in the project and I trust that this visit will have helped to clarify the position.

CHARLES POWELL

His Excellency Mr Nurver Nures

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

AM 31 July 1990

I attach a copy of a letter the Prime Minister has received from the Turkish Ambassador.

I should be grateful for advice and a draft reply, to reach me by Tuesday 14 August. Please could you co-ordinate your reply with Ben Slocock (Department of Trade and Industry) to whom I am copying this letter.

Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

30th July, 1990.

Dear Prime Minister,

Permit me to forward herewith a letter together with its enclosures which I sent to your Secretary of State, Mr. Douglas Hurd, relating to the Bodrum International Airport Project, developed over the last two and a half years as a joint venture between BAA and BASL on the British side and DHMI (State Airport Administration), NUROL and GANMOUNT on the Turkish side. I include BAA here only in the character of a parent company.

Since that letter I paid a visit last Friday to Sir Norman Payne, Chairman of BAA, and expressed to him the anxieties I have, emanating from their decision to withdraw from the aforementioned joint venture at a stage when the initiative is at the threshold of the implementation phase. I thought my presentation to him was open and frank and at its conclusion, he said that he got my message and added nothing more.

I have been informed a short while ago by the representative of Ganmount which operates here in London that Mr. Roger Kipley, responsible for foreign relations of BAA, telephoned to Turkey today and stated to Mr. Suay Umut, President of Ganmount, that they are a public limited company and that their withdrawal has no bearing on Anglo-Turkish relations. He apparently added that there is no change in their stand, meaning they have decided to finalise their withdrawal.

Involved as I am as Turkey's Ambassador in the development of our bilateral economic relations on a mutually beneficial basis, and indeed this is the course our present relations are following, I find the withdrawal and the reaction of BAA as relayed above somewhat irresponsible and narrow-minded. Obviously my visit to Sir Norman was of no avail and I regret that very much.

This is a very important project with priority in Turkey's tourism and in one way or another, Turkish

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The Rt. Hon. Margaret Thatcher, MP
10 Downing Street,
London SW1.

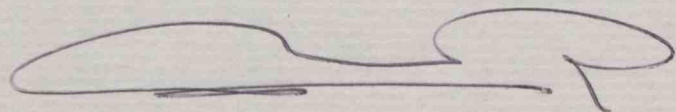
Government must get it realised as rapidly as possible. With confidence at the highest level between our two Governments and in tune with the satisfactorily growing bilateral economic relations, the Turkish Government decided to undertake this project with Britain for whose business circles Turkish Government entertains full trust. This is why the practice of international tender on this project was bypassed and in order to meet the security concerns of the British side, a special statement was issued by the Turkish Government indicating the support given to this particular project. In the development of the joint venture for the same reason, documents drafted were signed by high level officials, bearing even the signature of the Minister of Transport himself. The only reason why I note this is to underline the support the Turkish Government gave to the project and the trust displayed by the Turkish side towards their British partners. In return, we have the withdrawal of BAA.

BAA's action is most unfortunate in that Turkey's agenda includes many other large development projects, comprising possibly three to five other airport projects before the end of this century. All I want to add here is that if BAA could have successfully completed the Bodrum project, this would have been excellent investment for BAA's future operations in Turkey in relation to other forthcoming major projects. That is why I said the withdrawal is a narrow-minded attitude.

I have not yet received the reaction of the Turkish Government on this matter. Therefore, I am not in a position to comment further on the decision of withdrawal and its possible implications. Suffice it to state here that I am deeply concerned.

Finally, I would like to confirm my Government's keen desire to strengthen our bilateral economic relations as much as possible. I know that under your able leadership the British Government pursues the same objective. In line with this and having heard that there is no change in the stand of BAA, I felt obligated to bring this matter to your personal attention.

Please accept, Madam Prime Minister, together with my respects, the assurance of my highest esteem.



Nurver Nures
Ambassador