

Kilic uncompromising speech in front of PM Erdogan

Hurriyet Daily News, 25.04.2014



Constitutional Court Head Hasim Kilic has delivered an uncompromising speech on the 52nd anniversary of the foundation of the court in the presence of Turkish President Abdullah Gul and Prime Minister Recep Tayyip Erdogan, harshly criticizing the government for rights violations.

Referring to Erdogan's reactions after the Constitutional Court ruling that overturned the blocking of Twitter, Kilic described the criticism as "disproportionate." "In states under the rule of law, courts neither work according to orders and instructions nor are they directed by friendships and enmities. An executive procedure has no legal basis" he said.

Erdogan had slammed the Constitutional Court's verdict that the government's Twitter block was unconstitutional, saying he "does not respect the decision." He has since made an individual application to the court demanding that the block on Twitter be reintroduced on the grounds that his personal rights were breached on the social media website. The court had ordered authorities to lift the ban on Twitter on April 2, adding that it constituted a violation of free speech guaranteed by Article 26 of the Constitution. During his speech on April 25, Kilic repeated that the judges "understand" all the reactions. However, "We don't have a character that can keep changing clothes. In the same way that we stood by the citizens whose rights were violated yesterday, we will keep standing by them against anyone today," Kilic said.

Also condemning "hate speech" spurred by political motives, Kilic also warned of an "emotional disengagement" in the society. "We can promise you that our determined stance to protect the value of human honor will continue," he added. Kilic also referred to the government's move against the allegedly Gulenist "parallel structure" within the state. "The allegations about an unregistered structure create fear, worry and uncertainty, very negatively affecting professional relationships. The name of this allegation that is directed at the judiciary is the corruption of conscience," Kilic said.

Gul, Erdogan in presidential talks, both rule out crisis

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Turkey's President Abdullah Gul and Prime Minister Recep Tayyip Erdogan held their first meeting to discuss upcoming presidential elections April 24 with both ruling out a political crisis on the eve of crucial decisions.

“Discussions [on the presidential elections] are only natural. Such discussions happen to be in places where pluralism exists. What is important is that these discussions should take place in respect to the acknowledged rules [of elections]. The rules for the upcoming presidential elections are explicit. There should not be any sort of risk of unpredictability for Turkey,” Gul said.

Gul recalled that Turkey proved its maturity in holding elections and will continue to do so and has therefore requested businessmen not to get hung up about presidential elections. Gul's statement coincided with an ongoing debate on who will replace Erdogan in the case of his decision to run for presidency in August. Under today's conditions, Gul had said, he has no political plans for future, hinting he will not accept being Erdogan's “puppet prime minister.”

In the meantime, the two leaders met late April 24 as part of their routine meetings and held an initial talk about the issue. Erdogan had said the meeting will be the initial one, but they will probably hold a more comprehensive discussion in May, following the completion of his consultation with his party. Erdogan has ruled out any crisis between him and the president and underlined that this will be resolved without causing chaos for Turkey.

Erdogan has not made his decision yet for presidency, but his Justice and Development Party (AKP) overwhelmingly supports his potential bid, underlining that it's his right to become Turkey's next president. Erdogan convened around 1,100 AKP delegates in Ankara yesterday and held consultations with them for more than four hours. Many delegates voiced their willingness to see Erdogan as president, while few of them advised him to stay prime minister for the sake of the AKP's success at the polls in next year's parliamentary elections. Erdogan, however, in his address to the delegates, gave strong signals for candidacy and assured that there are so many capable politicians in the AKP that can lead the party to higher success.

Erdogan offers condolences for 1915 Armenia killings

Reuters, 23.04.2014



Turkish Prime Minister Tayyip Erdogan offered what the government said were unprecedented condolences on Wednesday to the grandchildren of Armenians killed in World War One by Ottoman soldiers.

In a statement issued on the eve of the 99th anniversary of the deeply contested deaths, Erdogan unexpectedly described the events of 1915 as “inhumane”, using more conciliatory language than has often been the case for Turkish leaders. Turkish government officials said it was the first time a Turkish prime minister had offered such explicit condolences and it was a historical moment.

The exact nature and scale of what happened during fighting that started in 1915 is highly contentious and continues to sour relations between Turkey and Armenia, a former Soviet republic. Turkey accepts that many Armenians died in clashes, but denies that up to 1.5 million were killed and that this constituted an act of genocide - a term used by many Western historians and foreign parliaments. Earlier in April, for example, a U.S. Senate committee resolution branded the massacre of Armenians as genocide. Erdogan’s statement - unusually released in nine different languages including Armenian - repeated previous calls for dialogue between the two countries, and the setting up of a historical commission to probe events surrounding the killings. “It is with this hope and belief that we wish that the Armenians who lost their lives in the context of the early 20th century rest in peace, and we convey our condolences to their grandchildren,” he said.

“Having experienced events which had inhumane consequences - such as relocation - during the First World War, should not prevent Turks and Armenians from establishing compassion and mutually humane attitudes among towards one another.” Although striking a conciliatory tone, Erdogan re-iterated a long-held Turkish position that the deaths of millions of people during the violence of the period should be remembered “without discriminating as to religion or ethnicity”. “Using the events of 1915 as an excuse for hostility against Turkey and turning this issue into a matter of political conflict is inadmissible,” he added.

Armenia has up to now declined the offer for a joint historical commission, as it regards the alleged genocide as an established historical fact and believes Turkey would use such a commission to press its own version of events. Armenia accuses the Ottoman authorities at the time of systematically massacring large numbers of Armenians, then deporting many more, including women, children and the elderly and infirm in terrible conditions on so-called death marches. The executive director of the Armenian National Committee of America said that Turkey was increasingly isolated over its version of what happened in 1915. “Ankara is repackaging its genocide denials,” Aram Hamparian said in response to Erdogan’s remarks.

“The fact remains that, as this cold-hearted and cynical ploy so plainly demonstrates, Turkey is, today, escalating its denial of truth and obstruction of justice for the Armenian Genocide.” No one from the Armenian government was immediately available to comment. Armenian President Serzh Sargsyan is due to address the nation on Thursday morning during an annual “genocide” day speech. Last December, Turkish Foreign Minister Ahmet Davutoglu made Turkey’s first high-level visit to Armenia in nearly five years, raising the prospect of a revival in peace efforts between the historical rivals which stalled in 2010. Turkey cut ties and shut its border with Armenia in 1993 in support of Turkic-speaking Azerbaijan, which was then fighting a losing battle against Armenian separatists in Karabakh. The frontier remains closed.

Turkish Central Bank keeps interest rates on hold despite PM’s cut call

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The Central Bank decided to maintain three main interest rates in its policy meeting on April 24, vowing to keep up a tight monetary policy despite government pressure for a cut.

“Inflation expectations and pricing behavior will be closely monitored and the tight monetary policy stance will be maintained until there is a significant improvement in the inflation outlook,” the Bank said in a statement released after its Monetary Policy Committee meeting. The bank held the kept the rates at the level it raised them to in January, with the overnight lending rate at 12.0 percent, the borrowing rate at 8.0 percent and the one-week repo rate at 10.0 percent.

Prime Minister Recep Tayyip Erdogan, a vocal opponent of high interest rates, urged the bank to cut rates after his ruling party’s strong showing in the March local elections, which he said had reduced political uncertainty. That revived concern about the independence of the Central Bank, and Basci hinted only days later at the possibility of eventually cutting rates. Ultimately, the Bank only reduced the late liquidity window lending interest rate from 15 percent to 13.5 percent, citing the recovering political conditions. “The recent decline in uncertainties and partial improvement in the risk premium indicators have reduced the need for an additional tightening in liquidity policy. Accordingly, the Committee decided to deliver a technical cut in the late liquidity window lending interest rate,” the Bank said to explain its decision.

The Bank also said its earlier hike had shocked but soothed markets, and had helped to put a brake on the steep decline of the Turkish Lira and maintain a relative price balance. “The Committee assessed that the strong and frontloaded monetary tightening delivered at the January interim meeting contained the adverse impact of upside risks on medium term inflation expectations,” the statement read. The Turkish lira rallied to 2.1280 against the U.S. dollar from above 2.14, and 2.9434 against euro after the bank decision.

Iran says it watered down, converted over 200 kg of enriched uranium

Reuters, 19.04.2014



SNC unable to convince body to hand it Syria's seat but will attend ministerial Iran said on Saturday it had completed watering down and converting more than 200 kilograms (440 lb) of enriched uranium under a deal reached in Geneva last November with world powers over its disputed nuclear program.

“Based on the agreement with the West, we were supposed to have half of our 200 kilogram stock of uranium diluted and the other half converted to uranium oxide,” Iran’s atomic chief, Ali Akbar Salehi, told the Arabic-language Al Alam television channel.

The International Atomic Energy Agency said on Thursday that Iran has acted to cut its most sensitive nuclear stockpile by nearly 75 percent in implementing a landmark pact with world powers, but a planned facility it will need to fulfil the six-month deal has been delayed. Salehi, who heads the country’s atomic energy organization, said the fast process of uranium conversion was expected to expedite the release of frozen Iranian assets in the West.

Under the breakthrough agreement that took effect on January 20, Iran halted some aspects of its nuclear program in exchange for a limited easing of international sanctions that have laid low the major oil producer’s economy. If it complies with the interim deal, Iran will get a total of \$4.2 billion in revenues long frozen overseas, in eight instalments over the January-July period. Including Japan’s latest payments, it has received \$2.55 billion. South Korea, another importer of Iranian oil, has made one payment.

Salehi also said Iran would be ready within a month to answer all six questions raised by the IAEA about Iran’s suspected nuclear activities. “We don’t have any more problems with IAEA on the nuclear issue. There are no more questions that we haven’t answered. In other words, we can say Iran’s nuclear activities is a closed case already,” he said. Speaking about the Arak nuclear reactor, a major bone of contention in the last round of talks in Vienna, Salehi said Tehran had offered to redesign the core of the heavy water reactor to reduce plutonium output to one-fifth of its output capacity. “We are studying changing the fuel cycle from natural to enriched uranium of between four to five percent. The other side has been informed of our plan and they welcomed the idea, as it removes their concern over plutonium output.”

Iran, world powers to start work on nuclear drafts next month

Reuters, 20.04.2014



Iran and world powers will begin work drafting a long-term settlement of Iran's disputed nuclear program at expert-level talks in New York next month, the official state news agency IRNA reported on Sunday.

During the May 5-9 meeting, the P5+1 world powers and Iran will start "writing draft of comprehensive agreements" said senior nuclear negotiator Abbas Araghchi, according to IRNA. Hamid Baeedinejad, Director General for the Political and International Affairs Department of Foreign Ministry, will head Iran's team at talks on the sidelines of the Non-Proliferation Treaty Review preliminary committee meeting.

The United States, France, Germany, Britain, China, Russia have agreed a July 20 deadline with Iran to clinch a long-term deal that would allow a gradual lifting of all nuclear-related sanctions imposed on Iran over its atomic program. Tehran denies using its declared civilian atomic energy program as a front for covertly developing the means to make nuclear weapons, saying it seeks only electricity from its enrichment of uranium. Under a breakthrough preliminary agreement that took effect on January 20, Iran halted some aspects of its nuclear program in exchange for a limited easing of international sanctions that have laid low the major oil producer's economy. In its monthly update, the International Atomic Energy Agency, which has a pivotal role in verifying that Iran is living up to its part of the accord, said that Iran so far was undertaking the agreed steps to curb its nuclear program.

Abbas: Israel must take on Palestinian governance if talks fail

Reuters, 22.04.2014



Palestinian president Abbas told a group of Israeli journalists on Tuesday that if peace talks do not continue, Israel will have to take on the burden of governing Palestinian lands. Though Abbas has repeatedly hinted that he could devolve some of the limited powers his Palestinian Authority exercises in the Israeli-occupied West Bank, his statement added urgency to a U.S. effort to extend negotiations set to expire next week.

“If the negotiations stop, it’s the Israeli government that will bear the responsibility for the economic situation and the paying of the salaries, for health and for education just as it did before the establishment of the Authority,” he told.

“Also it will bear responsibility for security, meaning Israel will bear full responsibility ... We hope that we won’t come to this period but that we come to solutions,” he said. Israeli, Palestinian and American negotiators met for another round of talks on Tuesday, though sources from both sides of the divide say strong disagreements remain. U.S. Secretary of State John Kerry revived the peace talks in July after a nearly three-year hiatus, with the aim of ending a decades-old conflict and establishing a Palestinian state alongside Israel. Palestinians seek a state in Gaza, the occupied West Bank and East Jerusalem - lands Israel captured in a 1967 War. The Oslo interim agreements signed by the two sides in 1993 created the Palestinian Authority to govern Palestinian areas until the signing of a final agreement - which has proved elusive.

The negotiations plunged into crisis this month when Israel refused to carry out the last of four waves of prisoner releases unless it received assurances the Palestinian leadership would continue the talks beyond an April 29 deadline for a peace deal. After Israel failed to free the prisoners, Abbas responded by signing 15 international treaties, including the Geneva Conventions on the conduct of war and occupations. Israel condemned the move as a unilateral step toward statehood. Fourteen of the prisoners Israel had agreed to free from its jails are Arabs with Israeli citizenship. Abbas said on Tuesday he rejects an Israeli demand to deport them away from their homes to the West Bank or Gaza as a security precaution.

While both sides have said they are willing to extend the negotiations, Abbas said Israel should commit to freezing settlement activity on occupied land and focus on demarcating the borders of a future Palestine. Israel has been keen for Palestinian leaders to recognize it as a Jewish state - something Abbas has refused to do - and has been reluctant to commit to the pre-1967 lines as the basis for borders between two states. An official in the Israeli prime minister’s office condemned the statement by Abbas, nicknamed Abu Mazen, saying it showed a lack of Palestinian commitment to the peace process. “He who wants peace does not time after time present terms which he knows Israel cannot accept,” said the source, who declined to be named.

Israel suspends Mideast peace talks over Hamas deal

Bloomberg, 25.04.2014



Israel said it will suspend Middle East peace talks because of the Palestinian Authority's reconciliation agreement with Hamas.

The unanimous decision by Prime Minister Benjamin Netanyahu's security cabinet yesterday may be the final blow to U.S. Secretary of State John Kerry's campaign to resolve the Israeli-Palestinian conflict. Palestinian Authority President Mahmoud Abbas "signed an agreement with a murderous terrorist group that calls for Israel's destruction," Netanyahu said in a text message. "Whoever chooses Hamas's terror doesn't want peace."

Palestinian Authority President Mahmoud Abbas "signed an agreement with a murderous terrorist group that calls for Israel's destruction," Netanyahu said in a text message. "Whoever chooses Hamas's terror doesn't want peace." Abbas's Fatah party and Hamas, which rules the Gaza Strip, announced an agreement April 23 to form a joint government within five weeks and hold elections within six months. The deal -- the third of its kind since 2011 -- was reached shortly after months of talks between Israel and Abbas' West Bank-based Palestinian Authority foundered at a critical juncture. Speaking to reporters in Seoul, U.S. President Barack Obama said no peace deal is expected in the next six months.

"There may come a point where there just needs to be a pause" in peace talks between Israel and Palestinians, while the U.S. will continue to encourage longer term efforts, he said. Netanyahu's decision to halt the talks "only reaffirms his lack of commitment towards a just settlement and the two-state solution," Hanan Ashrawi said in an e-mailed statement on behalf of the Palestine Liberation Organization's Executive Committee, of which she's a member. She said the Fatah-Hamas accord is a "legitimate and legal step that brings all Palestinians under the same political umbrella."

Abbas assured United Nations Middle East Peace Process envoy Robert Serry that as part of the new unity government, Hamas will recognize Israel and commit to "non-violence and adherence to previous agreements," according to an e-mailed statement from Serry's office after the Dutch diplomat's meeting yesterday with the Palestinian Authority leader. Abbas "also reiterated his continued commitment to peace negotiations and to non-violent popular protests," according to the UN statement. The U.S.-brokered peace talks broke down in early April after Israel didn't go through with the last of four promised releases of Palestinian prisoners, then announced plans to build new homes in east Jerusalem, land the Palestinians claim for a future capital. Abbas retaliated by resuming the Palestinian campaign for greater statehood recognition outside negotiations.



“The Palestinian unity deal provided the Netanyahu government with an opportunity to exit peace talks that it never believed would yield any results, and joined only because of U.S. pressure,” said Yoram Meital, a political science professor at Ben-Gurion University of the Negev. “The decision by Abbas to bring in Hamas played into the hands of Israeli hardliners in the coalition who were against the negotiations, and Netanyahu has taken advantage of that.” Kerry said that while he hasn’t abandoned the possibility of reviving the talks, “the leaders have to make the compromises necessary to do that.” “We may see a way forward, but if they’re not willing to make the compromises necessary, it becomes very elusive,” he told reporters in Washington yesterday. “Right now, obviously, it’s at a very difficult point.”

Netanyahu said yesterday that Israel will take unspecified punitive steps in response to the Palestinian moves. Israel announced April 10 that it will deduct millions of dollars in debts from the customs tariffs and other fees it collects on behalf of the Palestinian Authority each month. Israel is ready to return to peace talks if Abbas drops the Hamas deal, Netanyahu said. “He still has the opportunity to reverse course, to go to the right direction, to abandon this pact with Hamas,” the premier told NBC television. “I hope he does it.” Israel’s benchmark TA-25 Index (TA-25) reversed gains after the pullout from talks was announced, falling 0.2 percent at the close. The shekel gained 0.2 percent against the dollar.

U.S. negotiators are still in Israel and in “close touch with both parties,” State Department spokeswoman Jen Psaki told reporters in Washington. She said Kerry had spoken to Abbas and reiterated that any united Palestinian government must be committed to “nonviolence, recognition of the state of Israel and acceptance of previous agreements and obligations.” Hamas, considered a terrorist group by Israel, the U.S. and European Union for killing hundreds of Israelis in suicide bombings and other attacks, hasn’t accepted any of those conditions in the past.

Jibril Rajoub, a leading Fatah official, said the deal with Hamas doesn’t mean Abbas is backing away from peace efforts. Once a unity government is formed, Abbas will declare that it recognizes Israel and accepts other conditions the U.S. and Europe have demanded in exchange for dealing with Hamas. “There is nothing to worry about,” Rajoub said yesterday on Israel’s Army Radio. A Fatah-Hamas unity administration formed in 2006 collapsed a year later after a violent clash between their forces in Gaza, leaving Abbas controlling the West Bank and Hamas governing Gaza. Reunification efforts since that time have failed because of disputes over details and implementation. If this one succeeds, it may jeopardize U.S. funding to the Palestinian Authority, which is expected to reach \$440 million this year, according to the Palestinian news agency Ma’an. U.S. law includes provisions that could shut off the funds if Hamas’s role in the government increases.

First PLO delegation since 2007 war heads to Gaza for Palestinian unity talks

Reuters, 22.04.2014



The Palestine Liberation Organization sent a delegation to Gaza on Tuesday to negotiate unity with militant group Hamas for the first time since their 2007 conflict, potentially boosting Fatah leader and Palestinian president Abbas's position.

Few Palestinians expect a breakthrough in the deadlock, and many have low expectations of any resolution. A deal could restore a measure of sovereignty to Abbas and boost his negotiating power with Israel in any future peace talks, but it could also provoke a backlash from Israel against the PLO in the occupied West Bank. The talks between Abbas and Israeli negotiators will try to extend talks beyond 29 April.

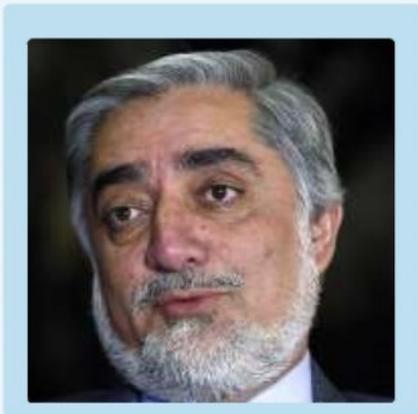
Hamas and Fatah have failed since 2011 to implement an Egyptian-brokered unity deal because of disputes over power-sharing and the handling of conflict with Israel. Azzam Al-Ahmed, a senior Fatah official, denied that the attempt to negotiate a deal with Hamas was designed merely to strengthen Abbas's hand in peace talks with Israel. "We want to end the division whether there is negotiation (with Israel) or there isn't. We want to build Gaza and the West Bank and end the (Israeli) occupation," Al-Ahmed told official Palestinian news agency WAFA.

If Palestinian unity talks end with a deal, paving the way to hold elections and plan a national strategy towards Israel, not only might Abbas gain negotiating power, but Hamas, hemmed in by an Israeli-Egyptian blockade, might become less isolated. The two sides disagree on policy toward Israel. Islamist Hamas refuses to renounce using force against the Jewish state and secular Western-backed Fatah wants a deal with Israel to set up a Palestinian state in Gaza, the occupied West Bank and East Jerusalem - lands Israel captured in the 1967 Middle East War.

Both Hamas and Fatah also persistently trade blame over their arrests of rival members. Dozens of prisoners have been held by each side since Hamas took control of Gaza and Fatah remained the predominant party in the Israeli-occupied West Bank following Hamas's surprising win in 2006 parliamentary polls. "If Fatah possesses the political will to implement the agreement, we would be going forward on the right direction to please our people," Hamas spokesman Sami Abu Zuhri told Reuters. "My feeling is closer to pessimism than optimism," Gaza political analyst Talal Okal said.

Abdullah widens lead in Afghan presidential vote

Reuters, 20.04.2014



Former foreign minister Abdullah Abdullah's lead in the Afghan presidential race has widened, the latest official tally of votes released on Sunday showed, although half of the votes have yet to be counted.

Afghanistan's Independent Election Commission said initial results based on almost 50 percent of the vote out of the total 34 provinces showed Abdullah in the lead with 44.4 percent, followed by ex-world bank official Ashraf Ghani with 33.2 percent of the votes it said were not fraudulent. "The lead we were expecting, it didn't come as a surprise, but perhaps we were expecting a bigger lead," Abdullah told Reuters.

To win, a candidate must secure more than 50 percent of valid ballots. Failing that, the top two candidates go into a run-off. Final results are due on May 14, and a run-off, if needed, will take place in late May. A run-off is seen as a risky proposition in Afghanistan, given security concerns, the prospect of a low turnout and the cost - the bill for the first round was put at more than \$100 million. But Abdullah dismissed the idea of deal-making to avoid another round of voting. "The idea of coalition building in order to avoid a second round is not on the agenda, at least we are not intending to enter that track," he said. "The people of Afghanistan deserve to have a clear outcome."

He said he had spoken with Zalmay Rassoul, running in third place with nearly 11 percent of the vote, as the likelihood rises of them joining forces to defeat Ghani in a second round. Hamid Karzai was constitutionally bound to step down as president after more than 12 years in power, at a time when Afghanistan readies to stand on its own feet as most Western troops prepare to leave the country by the end of the year. Western powers are watching the process intently after a messy presidential election in 2009 resulted in allegations of mass fraud and ballot stuffing. Foreign donors, who are hesitant about bankrolling the Afghan government after the bulk of NATO troops leaves, will also closely scrutinize the composition of the country's future government to decide if they can work with the new team.

Afghanistan's allies hailed the first round on April 5 a success because of the high number of participants and the fact that Taliban militants didn't stage any big attacks on polling day. All leave for hundreds of thousands of police and soldiers was cancelled as the government made security a top priority. Official estimates put the turnout at 60 percent of 12 million eligible voters. But as many as 18 million voter cards are in circulation. Evidence of widespread fraud has taken some of the gloss off the third presidential election since U.S.-led forces drove the Taliban from power in 2001. Over a million votes are likely to be thrown out, and election officials have also warned that the high incidence of fraud could delay the entire election process. "High ranking officials all the way from governors to MPs were involved in ballot stuffing," Gul Agha Sherzai, one of the nine candidates and former governor of Kandahar, told Reuters.

“District commanders, police officials, everybody was involved - the previous election, nothing like this happened.” In Herat province alone, the head of provincial election complaints commission told Reuters on Sunday that 100,000 votes from 27 polling stations have been invalidated. More incidents of serious fraud have been reported in this month’s vote than in the previous ballot of 2009, threatening to undermine the legitimacy of an election meant to usher in Afghanistan’s first democratic transfer of power. Abdullah conceded that fraud was a worry, but said the vote was much cleaner than the 2009 ballot. A trained ophthalmologist turned anti-Soviet resistance fighter, Abdullah quit the last election after complaining the poll was marred by massive ballot box stuffing. He had been due to contest a second round run-off against Karzai. While Sunday’s count delivered good news for Abdullah, Ghani will be disappointed. A week earlier Abdullah had 41.9 percent of the vote and Ghani had 37.6 percent.

Russia’s Lavrov says Ukraine ‘crudely violating’ Geneva deal

Reuters, 21.04.2014



Russian Foreign Minister Sergei Lavrov accused Ukraine on Monday of violating an accord reached in Geneva last week aimed at averting a wider conflict between the two neighbours. “Steps are being taken - above all by those who seized power in Kiev - not only that do not fulfil, but that crudely violate the Geneva agreement,” he said.

Lavrov also told that a deadly gunfight early on Sunday, which is controlled by pro-Russian separatists, was a crime and showed Kiev did not want to control “extremists”. “The authorities are doing nothing, to address the causes behind this deep internal crisis in Ukraine,” he said.

At least three people were killed in the shootout, shaking an already fragile accord reached last Thursday between Russia, Ukraine, the United States and the European Union. The agreement called for an immediate end to violence in Ukraine, where Western powers believe Russia is fomenting a pro-Russian separatist movement, an allegation Moscow denies. The accord also called for illegal armed groups to go home in a process to be overseen by Europe’s OSCE watchdog. However, separatists have shown little sign of quitting public buildings in largely Russian-speaking eastern Ukraine.

Lavrov said the Ukrainian authorities had failed to remove illegal protests from squares in Kiev, Ukraine’s capital. “This is absolutely unacceptable,” he said. The White House has demanded Russia use what Washington believes is has over the separatists - Moscow insists it has none - to force them to vacate the buildings. It has also warned of stronger economic sanctions than those already imposed if Moscow fails to uphold the Geneva deal. “Before giving us ultimatums, demanding that we fulfil demands within two or three days with the threat of sanctions, we would urgently call on our American partners to fully accept responsibility.

Why Putin isn't scared by \$115 billion of debt

Bloomberg, 21.04.2014



Russian companies, facing \$115 billion of debt due over the next 12 months, will have the funds even as bond markets shut because of the Ukraine crisis, according to Moody's Investors Service and Fitch Ratings.

Firms will have about \$100b in cash and earnings at their disposal during the next 18 months, Moody's said in an analysis. Almost all 55 companies examined by Fitch are "well placed" to withstand a closed refinancing market for the rest of 2014. Banks have more than \$20b in foreign currency to lend as the tensions prompted customers to convert their ruble savings, ZAO Raiffeisenbank said.

"The amount of cash on balances of Russian companies, committed credit lines from banks and the operating cash flows they will get is sufficient for the companies to comfortably service their liabilities," Denis Perevezentsev, an analyst at Moody's in Moscow, said by phone on April 17. There hasn't been a single public corporate Eurobond sale since February from Russian firms after President Vladimir Putin annexed Ukraine's Crimea region and as unrest spread to the country's east. Russian dollar Eurobonds handed investors a loss of 3.3 percent since this year, compared with a 3.3 percent return for the Bloomberg Emerging Market Corporate Bond Index.

Ukraine accord nears collapse as Biden meets Kiev leaders

Bloomberg, 22.04.2014



An agreement to ease tensions in Ukraine showed signs of crumbling as the U.S. and Russia traded blame as Vice President Joe Biden meets government leaders in the Black Sea country.

John Kerry warned Sergei Lavrov yesterday "there will be consequences" if Russia fails to act "over the next pivotal days" to restrain pro-Russian militants in eastern Ukraine, spokeswoman Jen Psaki said in Washington. In Moscow, Lavrov called on the U.S. to hold Ukraine's government accountable for curbing what Russia portrays as right-wing militias.



Pro-Russian forces who seized buildings in at least 10 eastern Ukrainian cities have said they are not bound by the deal reached by Ukraine, the European Union, the U.S. and Russia in Geneva on April 17. The government in Kiev accuses Russian President Vladimir Putin of stirring the unrest and exploiting the situation to prepare a potential invasion. "As of today, the Russian side has shown no signal that it is ready to implement the Geneva accords," Ukraine's Foreign Ministry said late yesterday in an e-mailed statement. "Illegal armed groups controlled by Russia continue to destabilize the situation in eastern Ukraine, preparing the ground for another stage of Russian military aggression."

Biden will offer U.S. support for Ukraine's sovereignty and economy in today's visit, according to an Obama administration official who briefed reporters on condition of anonymity. While the U.S. won't unveil new sanctions while Biden is on this trip, the official said President Barack Obama's administration hasn't seen progress on the accord. A decision will be made in a matter of days. The crisis has hit both Russian and Ukrainian markets. Russia's Micex Index index fell 0.6 percent at 10:17 a.m. in Moscow, taking the year-to-date decline to 11 percent. The Russian currency was 0.3 percent higher against the central bank's target basket of dollars and euros to 41.7697.

Biden met Ukrainian acting President Oleksandr Turchynov and was later set to speak in what the Obama administration official described as a symbolic show of solidarity with Ukraine ahead of a May 25 presidential election. Biden will unveil a package of technical assistance to Ukraine in implementing energy and economic reforms, said the official. The vice president will also continue talks on additional non-lethal security aid, the official said. "The interim Ukrainian government needs to be reassured that the U.S. will be present in the region for the long haul, not just in the heat of the crisis," said Heather Conley, director of the Europe Program at the Center for Strategic and International Studies in Washington.

The U.S. has threatened further penalties against Russian interests, including measures targeting the banking and energy industries, unless progress is made in easing the crisis sparked by Russia's annexation of Crimea last month. Deputy National Security Adviser Ben Rhodes said yesterday the U.S. "will move to additional sanctions," including some on Russian President Vladimir Putin's "cronies" and their companies if pro-Russian forces don't disarm and give up the buildings they've seized. In an interview aired on MSNBC, Rhodes signaled that any expansion of sanctions would be measured, with penalties aimed at entire sectors "kept in reserve for a more dramatic escalation by the Russians." He said the administration is seeking "to bring along" European nations that have more extensive energy and trade ties with Russia than the U.S. does. U.S. Ambassador to Ukraine Geoffrey Pyatt said it will take "days, not weeks" to determine whether Russia is complying with the Geneva agreement.

Russia's Lavrov called on the U.S. to avoid threats of sanctions, while brushing off accusations that Russian forces are involved in attacks in Ukraine. Russia is receiving increasing requests to intervene in eastern Ukraine to protect the Russian-speaking population, he said yesterday in Moscow. Vyacheslav Ponomaryov, who leads pro-Russian forces in Slovyansk in eastern Ukraine told reporters yesterday that "the things that were agreed on in Geneva were agreed on without us taking part." "We don't have any relation to the things that were said in Geneva," Ponomaryov said. "We are not aggressors, we are on our own land. At least three "activists" were shot dead at a roadblock in Slovyansk over the weekend, Ukraine's Interior Ministry said. The clash wounded three others, the ministry said.

EU gives Geneva deal a chance before adopting new Russia sanctions

Reuters, 22.04.2014



The EU is holding off imposing further sanctions on Russia for now over its actions in Ukraine EU diplomats said on Tuesday. EU foreign ministers agreed on April 14 to step up sanctions by expanding their list of 33 people targeted with asset freezes and visa bans for their roles in Moscow's seizure and annexation of Crimea from Ukraine in February.

But so far, although EU officials have been drawing up new names that could be added to the list, no decisions have been taken. EU diplomats said the reason was that the bloc wanted to allow time to see if an agreement reached in Geneva last week would work.

For the same reason, the EU has not moved any closer to imposing stricter trade and financial sanctions on Russia to punish it for its annexation of Crimea and what Western officials say is its destabilization of eastern Ukraine. "We are still thinking about giving the Geneva accord a little bit more time," one diplomat said. Michael Mann, a spokesman for EU foreign policy chief Catherine Ashton, said the process of drawing up new names to add to the sanctions list was still under way. "Clearly throughout this discussion, what happens in terms of sanctions is very much dependent on what is happening on the ground in Ukraine," he told reporters. EU officials would not say how long they would give the Geneva agreement to work before fresh sanctions came back on the table.

The U.S. government said on Monday it would decide "in days" on additional sanctions if Russia did not take steps to implement the Geneva agreement. Under the deal signed in Geneva last week, the EU, Russia, Ukraine and the United States agreed that illegal armed groups would go home in a process to be overseen by Europe's OSCE security watchdog. The agreement seems to be faltering with pro-Russian separatist gunmen showing no sign of surrendering government buildings they have seized in eastern Ukraine.

Moscow and Ukraine's Western-backed government have each questioned the other's compliance with the agreement. Moscow, which denies it is orchestrating the militants in eastern Ukraine, says it could handle any tougher economic sanctions the West might impose. The European Commission handed documents to EU member states last week explaining the potential impact on their economies of imposing stricter trade and financial sanctions on Russia. Countries were given until Tuesday to respond to the Commission, which will then tailor the package so that a decision can be taken by EU leaders if the situation in Ukraine worsens.

Putin wants beefed-up presence in Arctic

Reuters, 22.04.2014



President Vladimir Putin said on Tuesday that Russia should step up its presence in the Arctic and challenge other nations in exploring the world's largest untapped natural reserves, days after it started shipping its first oil from the region.

Russia's ambitions in the Arctic have for some time been raising eyebrows among other states vying for a presence there, but the Kremlin's annexation of Ukraine's Crimea Peninsula is likely to put its Arctic plans under greater scrutiny. Russia has staked its future economic growth on developing the Arctic's vast energy resources and reviving a Soviet-era shipping route through the ice.

The United States, Denmark and Norway are also pressing for access to what they consider their fair share of the Arctic's massive oil and natural gas reserves. Russia loaded its first crude tanker from an oil platform in the Pechora Sea last week. "Over decades, step by step, Russia has built up, strengthened its positions in the Arctic," Putin told a meeting of his Security Council in the Kremlin. "And our goal is not only to regain them, but also to qualitatively strengthen them." Moscow and the West are in the middle of their worst standoff since the Cold War. The row centers on Russia's annexation of Crimea and its support for pro-Russian separatists in eastern Ukraine. Last year Putin ordered the reopening of a Soviet-era Arctic military base in the Novosibirsk Islands, two decades after abandoning it, and Moscow has sent 10 warships and four nuclear-powered ice breakers there in a demonstration of force. "More often the interests of the Arctic powers, and not only them, cross here - countries that are far away from this region are also expressing interest (in the Arctic)," he said.

"In these conditions we must take additional measures not to fall behind our partners, to keep our influence in the region and in some aspects be ahead of our partners." Russia, Canada and Denmark all say an underwater mountain range, known as the Lomonosov Ridge, which stretches 1,800 km (1,120 miles) across the pole under the Arctic Sea, is part of their own landmass. China, the world's No 2 economy, has expressed interest in the Arctic shipping route. Last week Russia loaded its first oil tanker at the Prirazlomnaya platform in the Arctic. The area is seen by Moscow as a source of fuel that can gradually replace output from its depleting West Siberian fields. The launch has long been delayed because of cost overruns and technical difficulties. Thirty Greenpeace activists received jail sentences last year after protesting against drilling at the platform. They were released after an international outcry. Putin on Tuesday deflected environmental concerns by saying that Moscow will stick to "international environmental safety regulations in the region".

Ukraine, Russia, EU may meet to talk gas: Ukraine minister

Reuters, 23.04.2014



Russia, the European Commission and Slovakia may hold talks with Ukraine on Thursday on a possible solution to the country's gas crisis, Ukraine's Energy Minister Yuri Prodan said. Prodan told reporters on Wednesday that Moscow and the European Union had suggested the ministerial meeting, which would be held in the Slovak capital of Bratislava.

Russian state-controlled gas producer Gazprom says Kiev owes it \$2.2 billion for gas already delivered and is considering requiring advance payments for further supplies, increasing the risk of Russia turning off the taps. Prodan said. "so far there is no confirmation from the European Commission."

Kiev has been seeking ways to import gas from the West should Moscow, with which it is in conflict over the annexation of Crimea and a rebellion in eastern Ukraine, halt supplies. This includes the possibility of "reverse flows", in which EU countries such as Slovakia would send gas back down pipelines normally used to carry Russian supplies through Ukraine to the West. Russian President Vladimir Putin has urged EU leaders to discuss Russian gas supplies via Ukraine to Europe, where Russia meets almost a third of gas demand, a proposal to which the EU agreed to last week.

Russia's seizure of Crimea from Ukraine has set off the most serious East-West rift since the end of the Cold War, resulting in EU and U.S. sanctions, mostly in the form of visa bans and asset freezes for several Russian officials. The crisis has also raised fears that gas supplies flowing to several European countries via Ukraine could be disrupted. Moscow, which does not recognize the Ukrainian government which replaced ousted President Viktor Yanukovich in February, nearly doubled the gas price for Ukraine to \$485 per 1,000 cubic meters, starting from April. Kiev, which is in deep financial trouble, refused to pay. Prodan said that Kiev had sent to Moscow its gas price suggestions, but there had been no response yet. He would not specify the suggested price. Earlier, Ukraine's officials said they were ready to pay \$386 per 1,000 cubic meters.

Russia says Kiev, U.S. distorting Ukraine Geneva accord

Reuters, 23.04.2014



Russia on Wednesday accused Kiev and the United States of distorting an agreement reached in Geneva last week to defuse the Ukraine crisis and of ignoring what it said were provocative actions by Ukrainian nationalists.

Russia still believes the West is serious about seeking peace in Ukraine but “the facts, speak of the opposite”, the Foreign Ministry said in a statement that emphasized rifts over how the accord reached by Russia, Ukraine, the US and the EU should be implemented and by whom. Moscow is “extremely surprised by the distorted interpretation (of the agreement) by Kiev and the American partners,” the ministry said.

It said that while the accord called for illegal armed groups to disarm, “Kiev and Washington, as well as several European capitals, continue to insist only on the need for Ukrainian citizens protecting their rights in southeastern Ukraine to disarm” - a reference to pro-Russian separatists. “At the same time, they are closing their eyes to continuing provocative actions by fighters from radical right-wing forces,” it said, referring to Ukrainian nationalist groups. The Russian statement repeated Moscow’s calls for the immediate withdrawal of Ukrainian military units from southeastern Ukraine and the start of an inclusive dialogue that would embrace all the former Soviet republic’s regions and political forces.

Russia says firms leaving over sanctions can't return soon

Reuters, 24.04.2014



Russia warned foreign companies working in the oil and gas sector that if they quit the country over Ukraine-related sanctions, they would not be able to return any time soon.

Natural Resources Minister Sergei Donskoy said on Thursday that foreign firms had not so far signaled they would withdraw from projects in Russia, the world's top crude oil producer, but that there would be a price to pay if they did. "It is obvious that they won't return in the near future if they sever investment agreements with us, I mean there are consequences as well," Sergei Donskoy told reporters in the city of Birobidzhan in Russia's Far East.

"Russia is one of the most promising countries in terms of hydrocarbons production. If some contracts are severed here, then, colleagues, you lose a serious lump of your future pie." Russia's oil and gas industry depends on foreign investment and technology, especially in projects involving hard-to-recover deposits. The United States and the European Union have imposed visa bans and asset freezes on a few Russian individuals in protest at Russia's annexation last month of Ukraine's Crimea peninsula. However, they have warned that harsher sanctions, affecting key sectors of the Russian economy could be imposed in days unless Russia implements the terms of an international agreement signed last week intended to defuse the Ukraine crisis.

Moscow has accused Ukraine of failing to implement the Geneva deal and has warned that it may cut gas deliveries to Ukraine over an unpaid bill. Russia supplies about a third of European gas demand, half of it through Ukraine. Capital outflows from the country have surged as international tensions have worsened and investors have moved their money out of Russia. Central bank data released earlier this month showed an estimated \$63.7 billion in net capital outflows in the first three months of the year, the same as for the whole of 2013. The World Bank has said this year's total could reach \$150 billion. The surge coincides with an overall slump in investment and a sharp deterioration in business confidence, as forecasters slash economic growth forecasts.

Nevertheless, Donskoy said Western oil majors BP and Royal Dutch Shell were sticking with their projects in Russia. BP owns a 19.75 percent stake in Kremlin-controlled energy giant Rosneft, which accounts for about a third of BP's oil output. BP Chief Executive Bob Dudley visited Moscow earlier this month and said the company was "rock solid" with its Rosneft investment and that it was "business as usual". A few days later, Shell Chief Executive Ben van Beurden also came to Moscow and told President Vladimir Putin the company was committed to expansion in Russia. Shell already has an oil-producing project with Gazprom Neft, Gazprom's oil arm, and has started to tap hard-to-recover oil in Russia. Van Beurden confirmed that Shell had agreed with Gazprom to expand the Sakhalin-2 liquefied natural gas plant which produces 10 million metric tons of LNG per year.

Russia has signed deals with other international majors including ExxonMobil, Eni and Statoil, mainly relating to projects in the Arctic. Donskoy said that if companies did decide to “diversify their investments” and pull out of Russian deals, “I am sure others wishing to take their places would be found”. Gazprom, with more than 15 percent of global gas production and reserves, is expected to sign a deal next month to begin exporting gas to China from 2018.

Putin says sanctions hurt Russian economy, but not critically

Reuters, 24.04.2014



Russian President Vladimir Putin said on Thursday that sanctions were hurting the Russian economy but that the damage was not critical.

“Overall they are causing (damage), because (credit) ratings are being reviewed, loans could become more expensive and so forth. But this is of no critical character,” Putin said of sanctions imposed over Russia’s annexation of Crimea. Putin also condemned the use of sanctions as an instrument of interstate policy on Thursday, saying they damage all concerned and reflect badly on those who impose them.

Putin warns of consequences of Ukrainian use of army

Today’s Zaman, 24.04.2014



Russian President Vladimir Putin said on Thursday that if Kiev authorities have used the army against pro-Russian activists in east Ukraine there will be consequences.

“If these people have advanced to the so called ‘acute phase’ (of confrontation with protesters), this is not an acute phase, it is just a punitive operation and it will of course incur consequences for the people making these decisions, including (an effect) on our interstate relations,” Putin said in a televised meeting with regional media.



Announcements & Reports

► *How to Fix the Euro: Strengthening Economic Governance in Europe*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198575>

► *Soft Power, Hard Foundations: The Future of the UK's International Influence*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198685>

► *Electoral Turnout in Afghanistan: An Act of Defiance?*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198922>

► *Soft Power, Hard Foundations: The Future of the UK's International Influence*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198685>



Upcoming Events

► *3rd World Turkic Forum*

Date : 28 – 30 May 2014
Place : Edirne – Turkey
Website : http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum

► *9th International Turkish - African Congress*

Date : 24 – 25 April 2014
Place : Turkey
Website : http://www.tasam.org/en/Etkinlik/592/9th_international_turkish_-_african_congress

► *Second International Conference on Critical Issues in Business and Economics*

Date : 2 -3 May 2014
Place : Gumushane - Turkey
Website : <http://icibe.gumushane.edu.tr/2014/>

► *European Energy Horizons 2014*

Date : 8 May 2014
Place : Stockholm - Sweden
Website : <http://www.economistinsights.com/energy/event/european-energy-horizons-2014?region%5B4%5D=4®ion%5B7%5D=7>

► *3rd World Turkic Forum*

Date : 28 - 30 May 2014
Place : Edirne - Turkey
Website : http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum

► *World Water Conference*

Date : 11 November 2014
Place : Edirne - Turkey
Website : <http://www.economistinsights.com/sustainability-resources/event/world-water-forum?region%5B4%5D=4®ion%5B7%5D=7>