

Israel, Turkey to conduct first political discussions since rapprochement

Hurriyet Daily News, 31.01.2017



Turkey and Israel will hold their first political consultations for six years following a normalization in ties thanks to a rapprochement deal signed on June 28, 2016.

A visit by Israeli Foreign Ministry Director General Yuval Rotem to Turkey will include talks in Ankara with his Turkish counterpart, a meeting with senior officials and meetings with Israeli embassy and consular staff in Ankara and Istanbul, according to a statement by the Israeli ministry's spokesperson. He will also meet the heads of Turkish Jewish communities and Istanbul Gov. Vasip ahin, said the statement.

"The director general's visit is intended to enhance the bilateral relations between the two countries and to strengthen diplomatic, economic, cultural and other types of cooperation. The convening of a diplomatic dialogue sends a positive message of mutual commitment to deepen the relations between the two states.

Such a dialogue, following six challenging years, will enable serious discussion of the considerable changes that have taken place in the region, with the aim of establishing a basis for increased regional stability," read the statement.

In his meetings with ahin and Jewish community leaders, Rotem will stress "Israel's solidarity with the community and with Turkey, in light of the surge of horrific terrorist attacks in Turkey, and will express Israel's great appreciation of Turkey's assistance in cases in which Israelis were hurt," said the statement.

Turkish-Israeli relations came to breaking point after Israeli marines stormed the Mavi Marmara flotilla, which was aiming to break a naval blockade on the Hamas-run Gaza Strip in May 2010, killing 10 Turkish activists on board.

After six years of strained ties, Israel apologized for the Mavi Marmara raid, paying out \$20 million to the bereaved and injured as part of the rapprochement deal signed between the two countries on June 28, 2016. In December 2016, the countries also exchanged ambassadors for the first time, with Eitan Na'eh taking up his post in Ankara for Israel and Kemal Ökem doing likewise for Turkey in Tel Aviv.

Erdogan talks to NATO Secretary General Stoltenberg over phone

Hurriyet Daily News, 02.02.2017



President Erdoğan and NATO Secretary General Jens Stoltenberg held a telephone conversation, during which they discussed the alliance's current and future agenda.

According to sources, Erdoğan conveyed Turkey's determination to pursue the struggle against terror and the importance of allied countries "demonstrating a sincere and effective attitude" towards the issue, state-run Anadolu Agency reported. The Turkish president also reportedly spoke with Bulgarian President Rumen Radev following the recent start to his presidency, during which Erdoğan congratulated his Bulgarian counterpart.

Both leaders reportedly voiced their determination to strengthen the business partnership between Turkey and Bulgaria.

PM Yıldırım: No need to be pessimistic on Turkey-US ties under Trump

Anadolu Agency, 03.02.2017



There is no need to be pessimistic about relations between Turkey and the US under President Trump, Turkish PM Yıldırım has said, citing positive indications coming from the new administration on three expectations from Washington.

"Our friends are continuing their works with the new administration. There is no need to be pessimistic. We have received positive indications in our first congratulatory messages," Yıldırım told. Yıldırım repeated that Turkey was demanding the extradition of Fethullah Gülen from the U.S., the end of Washington's alliance with the PYD and taking steps to fix anti-American feelings in Turkey.

"[Our expectation] is to correct mistakes staged by the previous administration in efforts to fight terror and defeat DAESH [the Islamic State of Iraq and the Levant] in Syria. What are these mistakes? PYD is an affiliation of the PKK [Kurdistan Workers' Party] and now the SDF [Syrian Democratic Forces]. They are all the same," he said.

Criticizing the U.S. for supplying armored vehicles to the PYD, Yıldırım repeated once again that the U.S. should stop cooperating with these groups. "Because it's a terror organization. And it does not benefit to a serious, big country like the U.S. that attaches great importance to anti-terror fight to move together with a terrorist organization in order to defeat another terror organization," he said.

Visit by Turkey's top brass to Kardak 'highlights Aegean presence'

Hurriyet Daily News, 01.02.2017



Turkey's top soldier and entire military brass have visited Kardak, twin islets in the Aegean whose disputed sovereignty brought Ankara and Athens to the brink of a war in 1996, in a bid to deliver multiple messages to Greece.

Chief of General Staff Gen. Hulusi Akar, accompanied by the commanders of the land, naval and air forces of the TSK, sailed to the islets of the Kardak region, sparking Greek reaction and Turkish main opposition quips that it was a "touristic visit." The visit comes after Greece's top court rejected a Turkish demand to extradite eight soldiers accused of taking part in a July 2016 coup attempt.

According to military sources, Akar and the military brass planned the visit in 2015 in retaliation after Greek Defense Minister Panos Kammenos flew over the islets and dropped a wreath to commemorate Greek soldiers who were killed during the crisis in 1996. However, the visit had to be postponed because of the July 15, 2016, coup attempt and the launch of the Euphrates Shield Operation in northern Syria on Aug. 24, 2016, according to sources.

The four following reasons were cited for Akar's visit: Greek court's on extradition: The main reason behind the visit was the Greek top court's refusal of Turkey's demand to extradite eight soldiers who escaped to Greece on July 16, 2016, after the coup was foiled.

This coup attempt, which was allegedly conducted by the Fethullahist Terror Organization (FETÖ), was regarded by Akar and the military brass as an attempt to destroy the Turkish Armed Forces, leading them to expect that the eight would be extradited so that they could face Turkish justice.

Contention over Aegean islets: Another reason for the visit was to display Turkey's disturbance over Greece's recent attempts to claim de facto rights on a number of Aegean islets whose sovereignty is disputed. Turkey has accused Greece of attempting to open more than 10 islets to settlement in violation of international law. Cyprus talks: Another aspect of the move is related to the ongoing Cyprus reunification talks between Turkish and Greek Cypriots. Both Greece and Greek Cyprus have demanded the withdrawal of all Turkish troops from the island as part of a deal to be reached between the two communities. Turkey, however, insists that it has to continue its military presence in the island, albeit at a very reduced number, to protect the Turkish Cypriots.

Dogfights over the Aegean: Despite progress in ties between the two countries, dogfights between Greek and Turkish warplanes over Aegean airspace have not ceased. Although not officially announced, Turkey says its warplanes are being intercepted by Greek jets around two or three times a week.

The visit to Kardak was carried out in light of these four aspects, sources said, underlining that the visit was conducted on Turkish territorial waters and could not be described as either a provocation or a touristic visit as suggested by the main opposition party.

Syrian army says it will conduct ops near Aleppo against ISIL

Hurriyet Daily News, 02.02.2017



The Syrian army signaled that it would press on with operations against the ISIL northeast of Aleppo, near al-Bab, where Turkish forces along with Ankara-backed Syrian rebels have been clashing with the jihadists since December 2016.

Syrian government forces have rapidly driven ISIL back in the last two weeks, advancing to within 6 kilometers of al-Bab that the jihadists are fighting to hold onto. The army's gains risk sparking a confrontation with Turkey, which has sent tanks and warplanes across the border to support Free Syrian Army (FSA) fighters who are trying to seize al-Bab in a separate offensive called the Euphrates Shield operation.

Turkey's offensive, launched last year, aims to drive both ISIL and Syrian Kurdish Democratic Union Party (PYD) fighters away from its borders, as Ankara sees both groups as terrorist organizations and security threats.

Syria's military general command said government forces and their allies had recaptured more than 30 towns and villages from ISIL, and a 16 km (10 mile) stretch of the highway that links Aleppo to al-Bab to the northeast.

"This achievement widens the secured areas around Aleppo city and is the starting point for [further] operations against Daesh [ISIL]," a military spokesman said in a statement broadcast on state TV, according to Reuters. The military "confirms its commitment to ... protecting civilians and maintaining the unity of the territory of the Syrian Arab Republic," the statement added.

Syrian army's move comes a few months after Syrian forces backed by Russia and Iran took control of the Aleppo city center. The Turkish military said on Feb. 2 that a total of 51 ISIL militants were killed, wounded or captured over the last 24 hours in northern Syria, as part of the Euphrates Shield operation.



The General Staff statement did not give a precise location for where the militants were “neutralized,” but FSA fighters backed by Turkish forces have been concentrating on taking the ISIL-held town of al-Bab, 40 kilometers (25 miles) northeast of Aleppo.

As part of the Euphrates Shield operation, the Turkish army hit 244 ISIL targets, including command facilities, defensive placements, shelters, vehicles and weapons over the past 24 hours. The Kazakh Foreign Ministry said in a statement that Russia, Turkey and Iran would discuss how a cease-fire in Syria, which entered into force on Dec. 30, 2016, is being implemented at a meeting in Astana, two weeks after a peace talks meeting in the same venue.

Meanwhile, Syria’s main opposition body said it would be “unacceptable” for the United Nations to choose opposition delegates to the next round of peace talks in Geneva planned for Feb. 20, while they would not accept invitations to negotiations which did not lead to “transition of power to a transitional governing body.”

The U.N. envoy for Syria, Staffan de Mistura, has said the U.N. would choose the opposition’s representatives if they cannot agree on their delegation, “in order to make sure that it can be as inclusive as possible.”

“Mr. de Mistura’s talk of his intentions to form the opposition delegation himself is unacceptable,” the Saudi-backed High Negotiations Committee (HNC), the main opposition umbrella group, said on Twitter, citing its spokesman Salim al-Muslit.

U.N. Secretary General Antonio Guterres backed de Mistura’s plan. “It is clear this is a possibility that might be used,” Guterres told reporters about the ultimatum. He also said that the U.N. wanted upcoming talks in Geneva to be a success and this means focusing on core issues including a transitional government.

The U.N. chief told reporters that countries should concentrate all their efforts on the June 2012 communique approved by key nations in Geneva and a Security Council resolution adopted on Dec. 31 that again endorsed its roadmap to peace in the war-ravaged country.

The Geneva communique calls for a transitional government in Syria with full executive powers “on the basis of mutual consent” and outlines steps leading to the drafting of a new constitution and elections.

Iran warns US not to ‘create new tensions’ over missiles

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Iran warned the United States against “creating new tensions” over its ballistic missile tests as Washington called for urgent talks at the UN Security Council on the issue.

“We hope that Iran’s defense program is not used by the new U.S. administration... as a pretext to create new tensions,” Iranian FM Zarif was quoted as saying by AFP in a televised press conference with visiting French counterpart Jean-Marc Ayrault. The U.N. Security Council is due to hold emergency talks called by Washington on Iran’s recent test-firing of a medium-range missile, which Tehran has not confirmed.

The row comes against a backdrop of already-strained relations over U.S. President Donald Trump’s travel ban on citizens from Iran and six other Muslim-majority countries. The European Union appealed to Tehran to refrain from activities such as the missile tests “which deepen mistrust.”

But the diplomatic push by the West quickly ran into trouble as Russia said a missile test would not breach a U.N. resolution on Iran’s nuclear program. “Such actions, if they took place, do not breach the resolution,” Russian deputy foreign minister Sergei Ryabkov told Interfax news agency.

Moscow, which is fighting alongside Tehran’s forces in Syria, said the demand for emergency talks at the Security Council was aimed at “heating up the situation.” Tehran has neither confirmed nor denied firing any missiles over the weekend.

Zarif said Washington - under former president Barack Obama - and Paris had “repeatedly confirmed” that Iran’s missiles are not part of a landmark nuclear deal between Tehran and major powers. Iran says its missiles do not breach United Nations resolutions because they are for defense purposes and not designed to carry nuclear warheads.

“We have always declared that we will never use our weapons against others except in our defense,” Zarif said. Ayrault said France had expressed its concerns over the missile tests. “France has expressed its concern at Iran’s continuation of its ballistic missile tests on several occasions,” he said.

He said the continued tests are “contrary to the spirit” of the Security Council resolution which enshrined a landmark July 2015 nuclear deal between world powers and Iran, and “hamper the process of restoring the confidence established by the Vienna agreement.”

Brexit White Paper: Government publishes document setting out Theresa May's plan for leaving EU

Independent, 02.02.2017



The Government has published its White Paper setting out Theresa May's plans for leaving the European Union. The document restates the 12 principles for Brexit that the Prime Minister set out in her Lancaster House speech last month.

Brexit Secretary David Davis told the House of Commons that the UK seeks "a new strategic partnership" for when it leaves the single market and wants trade to be "as free and frictionless as possible" in this new arrangement. The White Paper "reiterates our firm view that we want the EU to succeed politically and economically", Brexit Secretary David Davis added.

But his opposite number in Labour, Keir Starmer, said he cannot thank Mr Davis for his statement, because his party has not been given early sight of the document. The paper has been produced too late in the day, Mr Starmer said, for meaningful questions now in Commons. "That is completely unacceptable," he added.

Former Conservative leader Iain Duncan Smith called those objections "nonsense". MPs will spend Thursday poring over the White Paper setting out its Brexit strategy as the next battlegrounds in the debate over quitting the EU begin to emerge.

They will also be studying a vast list of amendments from MPs of all sides to legislation which paves the way for Ms May to trigger Article 50 of the EU treaties to begin Brexit. The 12 points in full as set out in the White Paper are:

Providing certainty and clarity – We will provide certainty wherever we can as we approach the negotiations.

Taking control of our own laws – We will take control of our own statute book and bring an end to the jurisdiction of the Court of Justice of the European Union in the UK.

Strengthening the Union – We will secure a deal that works for the entire UK – for Scotland, Wales, Northern Ireland and all parts of England. We remain fully committed to the Belfast Agreement and its successors. Protecting our strong and historic ties with Ireland and maintaining the Common Travel Area – We will work to deliver a practical solution that allows for the maintenance of the Common Travel Area, whilst protecting the integrity of our immigration system and which protects our strong ties with Ireland. Controlling immigration – We will have control over the number of EU nationals coming to the UK.

Securing rights for EU nationals in the UK, and UK nationals in the EU – We want to secure the status of EU citizens who are already living in the UK, and that of UK nationals in other Member States, as early as we can.

Protecting workers' rights – We will protect and enhance existing workers' rights.

Ensuring free trade with European markets – We will forge a new strategic partnership with the EU, including a wide reaching, bold and ambitious free trade agreement, and will seek a mutually beneficial new customs agreement with the EU.

Securing new trade agreements with other countries – We will forge ambitious free trade relationships across the world.

Ensuring the UK remains the best place for science and innovation – We will remain at the vanguard of science and innovation and will seek continued close collaboration with our European partners.

Cooperating in the fight against crime and terrorism – We will continue to work with the EU to preserve European security, to fight terrorism, and to uphold justice across Europe.

Delivering a smooth, orderly exit from the EU – We will seek a phased process of implementation, in which both the UK and the EU institutions and the remaining EU Member States prepare for the new arrangements that will exist between us.

Merkel, Hollande call for European unity in face of big challenges

AFP, 25.01.2017



German Chancellor Angela Merkel and French President François Hollande underscored the need for European unity in the face of growing internal and external threats, including the rise of populism across Europe and U.S. threats to abandon free trade.

“Europe faces big internal and external challenges which we ... can only master by working together,” Merkel told a news conference on Jan. 27 with Hollande. “We need a clear, common commitment to the European Union, to what we have accomplished, and to the values of our liberal, democratic democracies,” she said.

Hollande said the rise of populists on the continent was a major threat for the European Union. “To be very honest, what threatens Europe doesn't only come from outside. It is also from inside. This means the rise of extremists who use external factors to cause disruption internally,” Hollande said.



Hollande said U.S. President Donald Trump's administration poses "challenges" for Europe. "Let's speak very frankly, there are challenges, there are the challenges the U.S. administration poses to our trade rules, as well as to our ability to resolve conflicts around the world," Hollande said. "So we of course have to talk to Donald Trump since he was chosen by the Americans to be their president," he said. "But we also have to do so with a European conviction and the promotion of our interests and our values."

Merkel, without mentioning Trump by name, said: "We see that global conditions are changing dramatically and quickly. And we must respond to these new challenges, both in terms of defending a free society and defending free trade, as well as in terms of the economic challenges."

The two leaders did not take questions. Meanwhile, a recent poll late on Jan. 25 showed that as many Germans would vote for new Social Democrat (SPD) leader Martin Schulz as for conservative Merkel in a direct vote for chancellor, eight months before federal elections in September.

The Infratest dimap poll for ARD television, conducted on Jan. 25, put both at 41 percent, with support for Merkel down two points from September 2016 and for Schulz up five points. The SPD nominated former European Parliament President Schulz on Jan. 24 to run against Merkel in the September election after Sigmar Gabriel said he would stand aside to boost the party's chances.

Schulz will officially be appointed leader on Jan. 29. Gabriel stepped down as economy minister to take over the Foreign Ministry portfolio from Frank-Walter Steinmeier, who is expected to become the country's next president.

The poll showed that Merkel's Christian Democratic Union (CDU) and its CSU Bavarian sister party would win 35 percent of the vote if it were held on Jan. 29, down two percentage points from the last poll.

The SPD would win 23 percent of the vote, an increase of three percentage points that the pollsters said was likely due to the news about Schulz. The pro-environment Green party would win an unchanged 9 percent of the vote, with the anti-immigrant Alternative for Germany (AfD) party capturing 14 percent of the vote, a drop of one percentage point from the previous poll. The Left party would win 8 percent of the vote, while the Free Democratic Party would win 6 percent, the poll showed.

Trump's currency war against Germany could destroy the EU

Foreign Policy, 02.02.2017



It's just over a week after Donald Trump's inauguration, and his administration has already indicated that it is preparing for global economic war. The currency war the White House has in mind is clearly aimed not just against China — which has long been suspected of “cheating” in order to win the globalization game — but also Germany:

Peter Navarro claimed that Germany is using its currency to “exploit” both its neighbors and the US. The White House evidently thinks of the EU, as essentially a mechanism to protect German interests and extend German power — as an instrument of Germany, as Trump himself put it.

This fear of Germany is both an outlandish expression of paranoia and an idea with a long pedigree among some establishment economists and policymakers. Nobody doubts that the White House has tools at its disposal to strong-arm Germany into changing its economic policy, including its commitment to the euro, which currently binds the European Union together — indeed, the Trump administration already seems to be doing just that.

The first version of such criticism directed at Germany came in the late 1970s and was focused on the European Monetary System (EMS), which preceded the existence of the euro. The EMS was a fixed (but adjustable) exchange rate system that reproduced most of the features of the global Bretton Woods system established in 1944 and was designed by Europeans as an immediate reaction to the mismanagement of the U.S. dollar under President Jimmy Carter.

Dollar weakness sent floods of capital — short-term money — into Germany, pushing up the Deutsche mark against the French franc and vastly complicating trade relations within the European customs union.

But there was always a suspicion that Germany was trying to get long-term trade advantages from linking the currencies. In the early 1980s, the former British Labour Party politician Denis Healey convinced himself that the EMS was a German racket after then-German Finance Minister Manfred Lahnstein told him that Germany expected to get a competitive edge by limiting the scope for other currencies to depreciate; since Germany had lower rates of wage inflation than France and much lower rates than the Mediterranean countries, a locked currency would guarantee increased export surpluses, at the price of misery elsewhere.

The suggestion was that the EMS, and then later the euro, would allow Germany's grasp for European economic primacy to succeed at the end of the 20th century and in the new millennium where a similar German military plan had failed one century earlier. The odd thing about this theory is that it has been far more current in Britain and the United States than in continental Europe.



If the power grab is what the Germans were aiming at, wouldn't other countries be able to get some whiff of the nefarious plot? And more importantly, if this were really a strategy, it would be a pretty short-sighted one (not really that much better than the disastrous Schlieffen Plan of 1914 to defeat both France and Russia at the same time).

Plunging one's neighbors into national bankruptcy is not a good way of building any kind of stable prosperity. Plunging one's neighbors into national bankruptcy is not a good way of building any kind of stable prosperity.

From the German point of view, the goal of having a single currency is not just to make ordinary transactions easier but to remove the suspicion of trade advantages when nonfixed currencies move against each other. For instance in 1992-1993, when Spain and Italy left the EMS, French farmers immediately began to demand protection against cheaper wine from the south.

Previous U.S. administrations — including Barack Obama's — have long worried about the size of German current account surpluses: the investment surplus by Germans abroad that corresponded to the amount that they were underconsuming in goods and services.

But they read them differently — not so much as evidence of trade manipulation but of a wrong approach to economic policy that placed a brake on the world economy as a whole. Washington did attempt to counteract this.

At the 2010 G-20 summit in Seoul, there was a brief, but ill-fated, attempt by the United States to encourage a limit on the size of current account surpluses to 4 percent of GDP. Germany's surplus is about to overtake China's in absolute size and as a share of GDP is now much larger. The IMF estimates Germany's 2017 surplus as 8.1 percent of GDP while putting China's at only 1.6.

Navarro's criticism of the "undervalued euro" is that the currency union is a permanent way of keeping what is really the Deutsche mark lower than it should be. As an alternative, it is plausible to look at Switzerland, whose export-driven economy has similarities to Germany's and which also runs a big current account surplus.

Since the financial crisis, the Swiss franc appreciated significantly against both the dollar and the euro. For some time, the Swiss National Bank tried to hold the franc down, with a peg of 120 against the euro, but it unpegged in January 2015 (though it still intervenes to stop over-rapid rises in the currency). But its current account surplus is still enormous — bigger in share of GDP than Germany's with 8.95 percent forecast for 2017.

In short, Switzerland's current account balance reflects deep imbalances between high savings and low domestic investment — and not simply trade manipulation. And it is not easily adjusted even by a currency appreciation of the size that Switzerland undertook, which brought acute pain to some major sectors of its economy, including tourism and now also watches.

The dynamite in the German case lies in the domestic politics. In order to stop the franc from rising, the Swiss central bank intervened to acquire foreign assets, mostly euro-area government bonds — rather like China buys U.S. Treasury bills. And Germany also has the equivalent in the eurozone:



The German central bank is building up large claims against southern Europe in the European payments system TARGET2. At the end of 2016, they amounted to 754 billion euros, higher than the peak during the euro crisis of 751 billion euros in August 2012. The goal in this case is not to keep the German exchange rate down (that can't be done since this is a currency union) but to stop the euro from breaking up.

Germany's TARGET2 balances are not an intended policy by Berlin, but the consequence of money leaking out of southern Europe after the ECB's attempt to stimulate growth there by asset purchases (quantitative easing). And that quantitative easing arose out of pressure from southern Europe – but also from the United States – to do something to rescue the euro. So the German claims arise because of the inherent logic of the system rather than because the German government or central bank is trying to manipulate anything.

Navarro and Trump's demand is so effective because it points to an underlying political weakness of the German position. The buildup of Germany's TARGET2 claims on southern Europe is much more uncertain and more unpopular in Germany than China's dollar assets or Switzerland's reserves are in those countries.

Germans are not worried that they are too successful as exporters, but they are deeply concerned about the quality of assets purchased with their current account surplus: U.S. subprime mortgage paper before 2008, southern European debt after the financial crisis. German taxpayers face a potentially large bill but one that would only be due if the euro collapsed.

In fact, the American attack plays into German domestic politics, and into critics of Angela Merkel, and sets the stage for an election campaign that will be fought around two policies — the euro and refugees — on which the American government will play an opposition role. The likely new U.S. ambassador to the EU, Ted Malloch, says he would bet on the euro collapsing and that he wants to “short the euro.”

But what would be the consequences of a euro breakup? It would weaken Europe as a competitor but also make it more unstable as old national rivalries are unleashed again. In the past, Americans saw Europe as a pole of stability in an uncertain world. The new vision wants European instability, political as well as economic. The end result is that Europe would be more fractious — indeed, more like Donald Trump's America.

US puts Iran ‘on notice’ after missile test, won’t elaborate

AP, 02.02.2017



The White House has issued a cryptic warning that the U.S. will act against Iran unless it stops testing ballistic missiles and supporting Houthi rebels in Yemen, but declined to say what retaliatory actions the U.S. would pursue.

Michael Flynn, President Donald Trump’s national security adviser, forcefully denounced Iran’s behavior in his first public remarks since Trump took office. He accused Iran of threatening U.S. allies and spreading instability throughout the Middle East while faulting the Obama administration for doing too little to stop the Islamic Republic. “As of today, we are officially putting Iran on notice,” Flynn said.

On notice for what, Flynn didn’t say. Senior Trump administration officials said they were actively considering a “range of options” including economic measures and increased support for Iran’s regional adversaries. The officials, who briefed reporters on condition of anonymity, declined repeatedly to say whether military action was being considered.

Later Wednesday, Trump tweeted: “Iran is rapidly taking over more and more of Iraq even after the U.S. has squandered three trillion dollars there. Obvious long ago!” The warning was an early manifestation of Trump’s promise of a tougher American approach to Iran. Yet administration officials emphasized that their allegations were unrelated to Iran’s obligations under the Iran nuclear deal that President Barack Obama and world leaders negotiated. Though Flynn noted Trump has criticized that deal, officials declined to say whether Trump planned to follow through on his campaign pledge to renegotiate it.

“The Obama administration failed to respond adequately to Tehran’s malign actions - including weapons transfers, support for terrorism and other violations of international norms,” Flynn said.

The White House also faulted Iran for backing Houthi rebels in Yemen who on Tuesday claimed a successful missile strike against a warship belonging to a Saudi-led coalition fighting to reinstall Yemen’s internationally recognized government. The media arm of the Shiite rebels said the vessel was believed to belong to the Saudi Arabian navy.

Administration officials said Iran was providing key support by arming, training and financing the rebels, with a goal of leveraging its relationship with the Houthis to “build a long-term presence in Yemen.” The White House said the goal in putting Iran “on notice” was to signal to Tehran that it needed to rethink its behavior. Flynn said Iran specifically violated the U.N.’s ban on “activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology.”



Iran's Defense Minister Gen. Hossein Dehghan confirmed Wednesday that Iran conducted a missile test, but did not say when the test was carried out or specify the type of missile. He insisted it wasn't a violation of U.N. resolutions.

The U.S. said the test was of a medium-range ballistic missile. It ended with a "failed" re-entry into the Earth's atmosphere, said a U.S. defense official, who wasn't authorized to discuss the matter publicly and spoke on condition of anonymity.

Reports of the test emerged after Trump signed an executive order last week temporarily suspending immigration from Iran and six other majority-Muslim countries. On one point, the U.S. and Iran agree: The test didn't violate the nuclear deal itself.

Ballistic missile testing wasn't explicitly included in the 2015 nuclear agreement between Iran and six world powers. But as part of the final negotiations, Iran agreed to an eight-year extension of a U.N. ban on ballistic missile development. The U.N. Security Council later endorsed the agreement, calling on Iran not to carry out such tests. But Iran has flouted the prohibition regularly in the past year-and-a-half, drawing sanctions from the U.S. but also diplomatic cover from Russia.

At America's request, the U.N. Security Council held a session Tuesday to address the missile test. The council referred the matter to its committee on Iran and asked for an investigation.

Iran has long boasted of having missiles that can travel 2,000 kilometers (1,200 miles), putting much of the Middle East, including Israel, in range. Such capability would also put U.S. bases in the region in danger. Iran says its missiles are key to deterring a U.S. or Israeli attack. In March, Iran test-fired two ballistic missiles. One was emblazoned with the phrase "Israel must be wiped out" in Hebrew, sparking international outcry.

Announcements & Reports

Why is it so hard to reach the EU's 'poverty' target?

Source : Bruegel
Weblink : <http://bruegel.org/2017/01/why-is-it-so-hard-to-reach-the-eus-poverty-target/>

Political polarization and the 2016 congressional primaries

Source : Brookings
Weblink : <https://www.brookings.edu/research/political-polarization-and-the-2016-congressional-primaries/>

Will engaging China promote good governance?

Source : Brookings
Weblink : <https://www.brookings.edu/research/will-engaging-china-promote-good-governance/>

Upcoming Events

Competitive Gains in the Economic and Monetary Union

Date : 10 February 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/534-competitive-gains-in-the-economic-and-monetary-union/>

The Future of Capitalist Democracy: UK-Japan Perspectives

Date : 11 February 2017
Place : London - UK
Website : <http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives>

13th Asia Europe Economic Forum (AEEF)

Date : 12 February 2017
Place : Beijing - China
Website : <http://bruegel.org/events/13th-asia-europe-economic-forum/>

Emerging Markets and Europe: Time for Different Relationships?

Date : 13 February 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships/>



What future for Europe's Social Models?

Date : 14 February 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/>

Challenges for Growth in Europe

Date : 15 February 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/>

Global Governance of Public Goods: Asian and European Perspectives

Date : 16 February 2017
Place : Paris - France
Website : <http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives/>

The Future of the Welfare State

Date : 17 February 2017
Place : Berlin - Germany
Website : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>

Vision Europe Summit 2016

Date : 18 February 2017
Place : Lisbon - Portugal
Website : <http://bruegel.org/events/vision-europe-summit-2016/>