

## Turkish, Qatari central banks sign cooperation pact

Anadolu Agency, 17.11.2017



The central banks of Turkey and Qatar have signed a memorandum of understanding to develop bilateral cooperation in Qatar's capital Doha.

The pact was signed by Murat Cetinkaya, the Turkish bank governor, and Qatari governor, under the auspices of visiting President Recep Tayyip Erdogan and Qatari Emir Tamim bin Hamad Al-Thani, Turkey's bank said, The bank stressed that under the pact, there are plans to organize joint training programs, conferences, seminars, workshops, temporary appointment programs, and mutual study visits.

The Turkish Central Bank signs such pacts "with foreign central banks in the framework of its strategic objective of improving international relations by developing bilateral relations," the bank stated. To date the bank has signed memoranda of understanding with 25 foreign central banks, it said. As part of Erdogan's visit to Qatar, agreements were also signed in a variety of areas, including tourism, law, meteorology, agriculture, food, media, science, and humanitarian aid. Turkey backs Qatar in the Gulf crisis that was triggered in June when Saudi Arabia, Egypt, the U.A.E., and Bahrain cut diplomatic and trade ties with Qatar. The four states accuse Qatar of supporting terrorist groups -- allegations Doha denies, describing the embargo as a breach of its national sovereignty.

## Capital markets should fuel Turkey's growth: Association head

Hurriyet Daily News, 13.11.2017



The Capital markets should take a higher share in fueling Turkey's high growth rate, according to a leading sector representative.

Turkish Capital Markets Association (TSPB) President Ihami Koç has said the country's economic growth has received backing mainly from foreign funds and the banking industry in recent years. "Turkey's high growth rate figures highly in the country's economic narrative. But there is a problem with its financing, which is mainly supported by foreign funds and banks.

We should increase domestic savings and capital markets in order to finance growth. We should also take steps to attract more foreign funds,” Koç said at the TSPB headquarters in Istanbul ahead of a key summit, which will take place on Nov. 14-15. A number of key subjects, including the financing of growth and new technological breakthroughs in capital markets, will be discussed at the Turkish Capital Markets Summit in Istanbul under the theme of “Growth for Our Future.”

Globally renowned economist Prof. James A. Robinson, who is co-author of “Why Nations Fail” along with MIT economist Daron Acemoglu, is one of the keynote speakers at the summit. Both personal savings and public savings should be used to fuel Turkey’s economic growth, Koç said. “Unfortunately due to the prevalence of short-term thinking and short-term debts in Turkey, savings are at low rates. For this reason the capital markets cannot presently function as a long-term investment source,” he added, arguing that more public funds should evaluate their savings in these markets in order to create new financing.

Koç also said more should be done to increase interest in capital markets. How these markets can make bigger contributions to financing economic growth will also be discussed at the Istanbul summit, while the Istanbul Finance Center project will be another key point in discussions.

## Turkey plans direct Treasury transfers to lure more investments: Şimşek

Hurriyet Daily News, 13.11.2017



The government is planning to introduce a new regulation that will enable the Treasury to make direct transfers in a bid to encourage foreign funds to make more long-term investments in Turkey, Deputy Prime Minister Mehmet Şimşek stated on Nov. 12.

“Through a new regulation, we will pave the way for the Treasury to make direct transfers to funds,” Şimşek told state-run Anadolu Agency, reiterating an authorization previously given to the Treasury in 2014 to transfer funds to venture capital funds or mutual funds.

Şimşek also noted that the Treasury would create direct financing to all funds, including venture capital funds, development funds, tech-oriented funds and regional funds, as part of the bid to break Turkey out of the “middle-income trap.”

# Turkey steps up to aid Iraq earthquake victims

Hurriyet Daily News, 13.11.2017



Turkey has stepped up to help victims of the 7.3-magnitude earthquake that hit Iraq late on Nov. 12 with thousands of supplies and humanitarian aid. Prime Minister Binali Yıldırım vowed that Turkey will stand with the victims of the quake, adding that a military cargo plane carrying medical aid and 250 tents was dispatched to Sulaymaniyah in northern Iraq.

**“We want them to know Turkey wholeheartedly stands with our earthquake-victim brothers. Turkey has mobilized and has sent the first aid convoy to meet the medical and food needs of the brotherly Iraqi people,”**

Yıldırım said in a written message early on Nov. 13. The prime minister stressed that Turkey’s Red Crescent has already mobilized its aid convoy to northern Iraq. A military cargo plane carrying aid and a search-and-rescue team left Ankara and landed at Sulaymaniyah International Airport in northern Iraq early on Nov. 13 to help earthquake victims in the region.

The Airbus A400M Atlas aircraft took off from Etimesgut air base at 9.24 a.m. local time (0624GMT) carrying a 20-strong search team and another medical team of 10 from the Disaster and Emergency Management Authority (AFAD), two vehicles, 60 tents, 320 blankets and medical supplies. Another 10-strong search-and-rescue team was dispatched by road, AFAD President Mehmet Güllüo lu added in a statement.

Turkey’s aid efforts are being coordinated with the central government in Baghdad and the Iraqi Red Crescent. According to AFAD’s Twitter account 5,000 tents, 7,000 blankets, 92 personnel and 11 vehicles were dispatched to northern Iraq immediately after the earthquake. The Turkish Red Crescent was the first international aid agency to arrive in the quake-hit parts of northern Iraq, it said. Turkish aid staff arrived within hours of the quake in the worst affected area of the Derbendihan district, where a number of buildings were destroyed and tens of houses were damaged.

Aid packets were also delivered to affected families. “As the first aid agency to have arrived here, we have started assessing the cost of damage. We are talking to people. We will distribute food packages and blankets,” Oguzhan Demir from the Turkish Red Crescent’s logistics and operation unit told state-run Anadolu Agency. Ahead of his Nov. 13 departure to the Russian city of Sochi where he would hold talks with his Russian counterpart Vladimir Putin, Turkish President Recep Tayyip Erdo an said he wished a “speedy recovery to the people of Iraq and Iran after the earthquake that happened in Northern Iraq last night [and] I offer my condolences.”



He added that Turkish aid agencies are conducting search and rescue efforts in the affected region. “As of now, an aid convoy of 50 trucks has crossed into Iraq through the Habur [border gate] in coordination with AFAD and the Red Crescent,” Erdoğan said. The Foreign Ministry also issued a statement that offered condolences to Iraq and said Turkey is “ready to help” through the AFAD and the Red Crescent. “Turkey stands ready to provide search and rescue teams & send humanitarian aid for earthquake victims in Iraq. Our thoughts and prayers are with our Iraqi brothers and sisters,” Foreign Minister Mevlüt Çavuşoğlu wrote on Twitter.

Çavuşoğlu also offered condolences for the victims to his Iranian counterpart Javad Zarif in a phone conversation. He told Zarif that Turkey is ready to provide “all means of help” to Iran, a Foreign Ministry official said after the conversation. Deputy Prime Minister Recep Akdağ told broadcaster 24 TV that a paramedic team and rescue teams would be dispatched to the disaster area “by a military cargo plane in a few hours.” Another team is en route from the Silopi district of Turkey’s Şırnak province to take tents to the area, Akdağ added.

Health Minister Ahmet Demircan similarly offered assistance to northern Iraq, saying 316 members of the National Medical Rescue Team (UMKE) and emergency response teams are ready to aid and offer assistance to northern Iraq if a demand comes. In September, Turkish airline companies halted flights to northern Iraq, following a referendum for independence held by the Kurdistan Regional Government (KRG), but Demircan hinted that the currently suspended flights could be resumed. “Airports [in Turkey] are [currently] closed to flights [to northern Iraq], but in line with information coming from our Foreign Ministry we have made all kinds of preparation in the event of a demand coming from northern Iraq,” he said. Chief of Staff to the Prime Minister and Kurdistan Regional Government (KRG) Spokesperson Safeen Dizayee thanked Turkey for offering its support in a tweet on Nov. 13.

“I’d like to thank #Kurdistan Region’s first responders, police and security for making sure everyone is safe during last night’s earthquake. Special thanks to Turkey, Afad and Red Crescent for their quick response & support,” Dizayee said. Iran was also hit by the quake, and Turkish Health Minister Demircan said it had not yet asked for assistance but Turkey was ready to “do its part.” The Foreign Ministry also issued a statement on Nov. 13 saying Turkey was ready to help if Iran needed any assistance.

“Due to the Iraq-based violent quake that happened last night [on Nov. 12], it has been with great sadness found out that the Iranian province of Kermanshah, on the border with Iraq, has been severely affected, and there are many fatal incidents and injured,” the ministry stated. “Our country is ready to offer a hand to Iranian people, with whom we are friends, via the Turkish Red Crescent and AFAD if needed,” it added. The health minister also said a total of 40 ambulances are ready to help, with 4,200 sickbeds and 217 intensive care units ready in various Turkish hospitals.

Although the earthquake was also felt by several provinces in Turkey’s east and southeast, no casualties were reported, AFAD head Mehmet Güllüoğlu told state-run Anadolu Agency. The provinces of Diyarbakır, Batman, Mardin, Hakkari, Van, Muş, and Şırnak reportedly felt the tremor. “We haven’t received any reports about damaged buildings or casualties in Turkey. That’s good news for our country,” Güllüoğlu said, adding that AFAD is in constant communication with the Iraqi authorities.

# Turkey's Central Bank plans to introduce new tool to manage exchange rate risk

Hurriyet Daily News, 13.11.2017



The Turkish Central Bank is expected to introduce a new instrument in the upcoming days to help manage the corporate sector's exchange rate risk.

Erkan Kilimci said the Central Bank has devised the "Systemic Risk Data Monitoring Model" to establish a sound monitoring and analysis mechanism to address the exchange rate risk of the corporate sector and, as a first stage of this process, it has created a comprehensive data set to monitor FX positions, cash flows and the use of derivative products on a firm basis.

"With the draft law currently under consideration, we aim to increase the effectiveness of the process through which information and data are collected from the corporate sector. This work will contribute to the establishment of a more effective legislative framework for the management of the exchange rate risk," he said. Kilimci emphasized that effective exchange rate risk management was important for financial stability and price stability. "For the sake of financial stability, it is critical that firms are not negatively affected by possible market fluctuations.

Corporate sector firms that effectively and adequately manage their risks are more resilient to short-term market fluctuations and are also able to manage their operational decisions focusing on the medium and long term," he said. Moreover, Kilimci added that sharp movements in exchange rates pose a significant risk to price stability and undermine the effectiveness of the monetary policy implemented. "Therefore, an effective exchange rate risk management by the corporate sector will contribute to maintaining market balances and curbing adverse effects of exchange rates on pricing behavior," he said. Kilimci stressed the importance of encouraging firms to implement effective risk management, and contributing to the development of suitable markets and instruments are of utmost importance.

"We are planning to launch non-deliverable foreign exchange forward transactions. Forward foreign exchange transactions are one of the most commonly used instruments in exchange rate risk management," he said. "In non-deliverable foreign exchange forward transactions, the difference between the forward exchange rates set on the contract day and the spot rate on the settlement day will be paid in Turkish Liras," he added. "In this way, a significant contribution will be made to the corporate sector's exchange rate risk management and the Central Bank reserves will not be affected because of the instrument's nature. These transactions will be conducted by auctions and via the banks that are members of the foreign exchange market," he explained. Kilimci also said the fact that banks will be able to make transactions with the Central Bank will decrease transaction costs. One dollar traded at over 3.86 liras on Nov. 6, up from 3.57 as of Sept. 29, marking a 5.6 percent monthly hike in the USD/TRY exchange rate. The average USD/TRY exchange rate was 3.66 in October and 3.47 in September, while the 10-month average rate was 3.61.

# Government takes steps in response to Turkish Navtex

Cyprus Mail, 14.11.2017



The government on Thursday said it has taken all steps in response to new Turkish naval drills in Cyprus' Exclusive Economic Zone scheduled for this Saturday. Turkey's navy issued a Navtex or notice to mariners reserving for Saturday an area of approximately 12,300 square km to the west and south of the island.

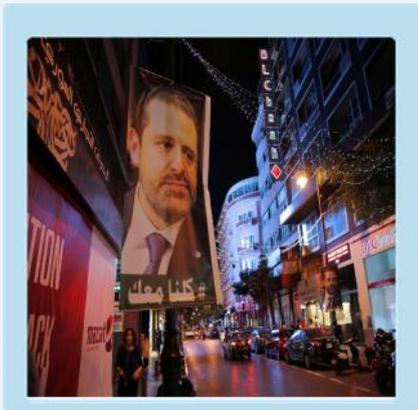
The reserved area overlaps with parts of offshore blocks 1, 5, 6 and 7 in Cyprus' EEZ. Deputy government spokesman Papadopoulos said Cypriot authorities have issued a counter-Navtex of their own, voiding the Turkish advisory.

Also, they gave issued instructing mariners to disregard it. Papadopoulos said the best response to Turkish provocations in the Mediterranean are Cyprus' regional energy alliances and the country's joining the EU's common defence and security policy. He was alluding to the Permanent Structured Cooperation (PESCO) which the government decided to join earlier this week. According to daily Phileleftheros, the area reserved by Turkey at one point comes within five nautical miles of the site earmarked for gas drilling in block 6.

Earlier this week, President Nicos Anastasiades revealed that Total and ENI plan to drill a new exploratory well in block 6 by the end of this year or early 2018. Cyprus regards the Turkish marine advisory as illegal, not because the drills are an incursion in the island's territorial waters or continental shelf, but because the reserved area falls under the Republic's Search and Rescue (SAR) Area of Responsibility.

# Turkish regulator asks Hariri-linked firm's creditors to not classify debt as non-performing

Hurriyet Daily News, 16.11.2017



Turkey's banking regulator has assured creditors of Oger Telecom, which is the main shareholder in Türk Telekom, that a \$4.75 billion syndicated loan will not go to default and they don't have to re-classify it as "non-performing," its head told Reuters on Nov. 16. The move will likely help Oger Telecom avoid costly write-downs.

"We told banks not to classify the debt as non-performing. Either the Treasury will acquire it or it will sell it to Saudi Telecom or others. The loan will not go into default," Banking Regulatory and Supervision Agency (BDDK) head Mehmet Ali Akben said on the sidelines of an event in Istanbul.

The BDDK's request marks an attempt to stem the fall-out from Dubai-based Oger's Telecom's widening debt problem. Oger, which owns 55 percent of fixed-line operator Türk Telekom and owned by the family of Lebanese Prime Minister Saad Hariri, has struggled to repay the loan as a tumbling lira currency has driven up the cost of servicing its debt. Last month, Reuters reported Oger missed a third payment due on the loan. Türk Telekom, the main actor in Turkey's telecommunication sector, was privatized in 2005, as Oger Telecommunications (Ota ) — a subsidiary of Oger Telecom, acquired a controlling 55 percent stake. Saudi Telecom Company (STC) owns 35 percent of Oger, making it an indirect shareholder in Türk Telekom. The Turkish government owns nearly 30 percent of Türk Telekom.

Creditors include Turkey's Akbank and Garanti as well as Bank, Turkey's largest listed lender. Reuters reported last month that Turkey's Treasury opted not to grant a request from STC to extend a deadline in the debt talks. It also reported in August that STC was in the lead to buy Oger's 55 percent holding in Türk Telekom. Sources have previously said the government could itself acquire the Oger stake if talks on STC's bid fall through.

# Turkey's unemployment rate falls to 10.6 percent in August

Anadolu Agency, 15.11.2017



Turkey's unemployment rate edged down to 10.6 percent in the July-September period, from 10.7 percent a month earlier and compared with 11.3 percent a year earlier, data from TÜ K showed on Nov. 15.

The non-agricultural unemployment rate stood at 12.8 percent on average during the July-September period, the data showed, down from 13 percent a month earlier and 13.7 percent a year earlier. The youth unemployment rate for people aged 15-24 was 20.6 percent, with a 0.7 percentage point increase.

The unemployment rate for people aged 15-64 was 10.8 percent, with a 0.7 percentage point decrease. The number of jobless aged 15 and over fell to 3.4 million, down 89,000 from the same month last year, TÜ K said. August's employment rate jumped 1.3 percent from the same period last year at 48 percent. The labor force participation rate was up 1.1 percentage point, year-on-year, to 53.7 percent.

Deputy Prime Minister Mehmet Şimşek said the government was working to bring unemployment down to single digits, after it hit a seven-year peak of 13 percent at the start of the year. The government's three-year medium-term program, which it renews each year, forecast unemployment at 10.8 percent in 2017, 10.5 percent in 2018 and dipping to single digits in 2019 and 2020.

## Turkey, Singapore agree to boost economic ties further

Anadolu Agency, 16.11.2017



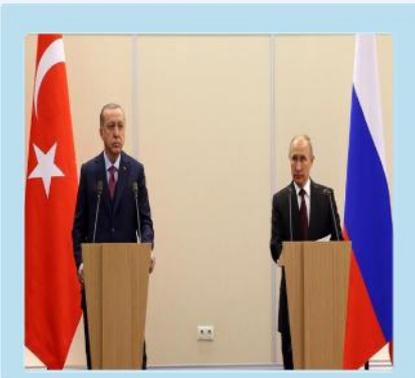
Turkish Development Minister Lütfi Elvan met Singaporean Trade and Industry Minister S. Iswaran on Nov. 15, and agreed to boost economic ties between the two countries further.

They discussed ways to deepen collaboration in education, science and technology sectors plus other priority areas. Following the bilateral meeting, Elvan visited Singapore's state-run giant JTC corporation to be briefed on the company's operations in petrochemicals, biomedical, clean technology, aerospace and international trade.

Turkish delegation also examined the Jurong Island -- operated under JTC -- which is an industrial zone that hosts over 100 companies and more than 16,000 employees with a processing capacity of 1.3 million barrels of crude oil.

## Turkey, Russia agree to deepen relations

Anadolu Agency, 14.11.2017



Ankara and Moscow have agreed to deepen bilateral ties, Turkey's president said on Monday. "We have agreed to deepen our relations," Recep Tayyip Erdogan told a news conference with his Russian counterpart Vladimir Putin at the presidential residence in the Black Sea coastal city of Sochi, following a meeting between the two leaders.

Erdogan added that he was "pleased" that relations between Ankara and Moscow have reached a "very advanced level". He said he had visited Russia three times this year and met Putin for the sixth time, adding that "intense" diplomacy continues.

"Of course, we do not find this level satisfactory. Both sides agree that our countries and people should be closer and have stronger cooperation in every area," he added. He reiterated Turkey's desire to increase bilateral trade to \$100 billion, but added to achieve this aim, "all restrictions [against Turkey], including the visa ban on businessmen," must be lifted. "At this point it is important to restore the visa exemption regime," Erdogan said. Erdogan said consultations between the countries for lifting all trade obstacles are continuing.

After Turkey shot down a Russian military jet over an airspace violation in November 2015, Moscow took several measures against Ankara, including banning the imports of Turkish agricultural products and ending visa-free travel for Turks. In June, Moscow lifted the ban on some agricultural produce as well as Turkish firms involved in construction, engineering, and tourism. Erdogan said he places “high” importance on joint defense industry efforts with Russia. Putin said that Russia and Turkey had reached “pre-crisis levels”. “The increase in the trade volume between our countries also indicates this,” he added.

Putin said the trade volume rose 36 percent in the first nine months of this year, adding: “We believe that we can totally compensate for the drop last year by the end of this year.” He said they discussed “in detail” lifting the remaining restrictions on Turkey. The leaders discussed bilateral relations and regional and international developments, particularly Syria, they said. “Especially we found an opportunity to evaluate the latest developments in the Syrian dispute,” Erdogan said.

He added that Turkey and Russia agreed that grounds have emerged for political resolution in Syria. Putin said joint work with Russia, Turkey, and Iran on Syria continues “successfully” and the level of violence there decreased. Turkey and Russia, together with Iran, are the guarantor countries who brokered a December cease-fire in Syria, which led to the Astana, Kazakhstan talks, which are being held in parallel to UN-backed discussions in Geneva to find a political solution to the six-year conflict.

## Russian TMK’s revenue up 31% in 1st 9 months of 2017

Anadolu Agency, 16.11.2017



Russia’s steel pipe manufacturing company for the oil and gas industry TMK increased its revenue by 31 percent in the first nine months of 2017 compared to the same period of 2016, it announced.

TMK said that its revenue for the nine months was around \$3.19 billion. The company’s adjusted earnings before interest and tax also increased by 14 percent year-on-year at \$444 million. TMK said the results were due to strong U.S. demand. “We are pleased to report a strong set of results for the third quarter with continued growth in the U.S. market,” Alexander Shiryayev, CEO of TMK, said.

He asserted that TMK’s financial performance in the fourth quarter would continue to be driven by strong demand in the U.S., with improvements also expected in the Russian market.

# Russia vetoes UN Syria chemical weapons extension

Washington Post, 16.11.2017



Russia cast its tenth veto of a UN Security Council resolution concerning the Syrian conflict Thursday, blocking the extension of a UN inquiry into responsibility for chemical attacks in the country.

The UN mechanism determined in October that forces loyal to Syrian President Bashar al-Assad were at fault for chemical weapons attack in northwestern Syria. Its mandate is set to expire. The U.S. draft text needed nine votes in favor to pass, and received 11. But it required none of the five permanent members of the council to issue a veto, which Russia did.

Russia's UN ambassador, Vasily Nebenzya, slammed the text, calling it unbalanced and unrealistic. Russia has been Assad's principal backer in the world body, and has supported him militarily in Syria with an extensive air campaign and ground forces. "By eliminating our ability to identify the attackers, Russia has undermined our ability to deter future attacks," Nikki Haley, the U.S.'s UN envoy said in a terse statement. "The message to anyone listening is clear: in effect, Russia accepts the use of chemical weapons in Syria."

Dozens of people died in the early April sarin gas attack on Khan Sheikhoun, and repeated accusations of chemical weapons use date back to 2013. Russia withdrew its own draft resolution after it failed to circumvent council rules to have it considered before the U.S. version. After the vote on the U.S. text Bolivia, a Russian ally, sought a vote on Moscow's proposal. It failed with only four votes in favor. Resolutions need nine votes to get through the council. Later, Japan circulated its own draft resolution asking for the investigative panel to be extended for one month, but it is unclear when that vote will take place.

# Greens ‘want last nuclear weapons withdrawn

Reuters, 15.11.2017



Germany’s Greens want the next coalition government to push for the removal of all nuclear warheads stationed in Germany, a document seen by Reuters showed on Nov. 15.

The Greens are holding exploratory discussions with Chancellor Angela Merkel’s conservatives and the pro-business Free Democrats with the goal of forming a three-way governing alliance after an election. The discussion paper on defense and foreign policy did not mention the United States, which is believed to have 20 nuclear warheads at a military base in Buechel in western Germany.

The Greens’ demands were highlighted in the document to make clear that their position was shared by neither Merkel’s conservative bloc nor the FDP. Merkel is trying to secure a fourth term through an unlikely coalition with the Greens and FDP after her conservative bloc lost support to the far-right in the election. In 2011, a Merkel-led government announced plans to shut all nuclear reactors by 2022 after the Fukushima disaster in Japan.

“Within NATO, we want to ensure that the remaining nuclear weapons in Germany are withdrawn and we want to suspend the modernization program,” read the section stating the Greens’ position. The three parties agreed however they would launch a diplomatic offensive pushing for nuclear disarmament. Former U.S. President Barack Obama had announced plans to modernize nuclear bombs, delivery systems and laboratories. His successor, Donald Trump, has said he wants to strengthen and expand his country’s nuclear capability.

## EU countries sign key defense pact

Agence France, 13.11.2017



The EU took a step towards closer defense ties yesterday, with 23 states signing a landmark pact aiming to boost cooperation after Brexit and as Russia flexes its muscles to the east.

The permanent structured cooperation on defense agreement seeks to improve EU coordination on defense and weapons systems development. It is part of efforts led by Germany and France to reboot the European Union after Britain's shock decision to quit and follows the announcement in June of a 5.5-billion euro (\$6.4 billion) European Defense Fund.

The EU's diplomatic chief Federica Mogherini hailed the agreement as "a new page of European defense," saying countries had already proposed more than 50 projects. Similar efforts to deepen military links have been frustrated for decades, partly by Britain's fierce opposition to anything that might lead to a European army. But Brexit and Russia's annexation of Crimea in 2014 has once again brought the need for a strong European security stance back into focus. The shift in U.S. policy under President Donald Trump -- who berated European partners on military spending at a NATO summit in May -- has also led many to question whether Washington can be relied upon to protect Europe as it has in the past.

"It was important for us especially after the election of the American president that we can organize ourselves independently as Europeans," German Defense Minister Ursula von der Leyen said. "This is complementary to NATO, but we also see that nobody will solve the security problems that Europe has in its neighbourhood -- we have to do it ourselves." NATO will retain its primary role, but Mogherini said the EU could offer resources the alliance does not have, such as navigating security and development issues in Africa. PESCO could, in theory, lead to the creation of a European operational headquarters or logistics base, but will first focus on projects to develop new military equipment such as tanks or drones.

The agreement commits countries to "regularly increasing defense budgets in real terms" as well as devoting 20 percent of defense spending to procurement and two percent on research and technology. Mogherini said that by coordinating their efforts, European countries would get better value for money in defense. "The real issue is not how much we spend but the fact we spend in a fragmented manner," she said.

## Trade between D-8 countries continues to grow: Minister

CNBC, 16.11.2017



Based Turkish Minister of Science, Industry and Technology Minister Faruk Ozlu Thursday said trade among D-8 countries has reached about \$100 billion and continues to improve.

“It is certainly possible for our trade volume to rise to \$500 billion when our total economic size is estimated at \$3.7 trillion and our members’ total population is estimated at 1.1 billion,” Ozlu said at the D-8 ministerial meeting in Abuja. “Domestic trade volume among D-8 countries is about \$100 billion. “The average annual growth rate of the D-8 countries continues to be around 5 percent.

Pointing out that member countries have a wide economic potential in several fields, including industrialization, agriculture, tourism, transport and energy, Ozlu emphasized that this potential should be mobilized and turned into an advantage. He added that the level of participation in D-8 countries meetings should increase and that private sector organizations should be included.

The D-8 was launched on June 15, 1997, after Turkey’s then-prime minister, Necmettin Erbakan proposed the creation of an economic group consisting of eight emerging economies from the Muslim world, including Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. At present, the organization has a combined GDP of \$3.7 trillion and includes more than one billion people -- around 15 percent of the world’s population. Two of its members -- Turkey and Indonesia -- belong to the world’s 20 biggest economies.

## Mugabe resisting military pressure to quit

Reuters, 16.11.2017



President Robert Mugabe is insisting he remains Zimbabwe’s only legitimate ruler and balking at mediation by a Catholic priest to allow the 93-year-old former guerrilla a graceful exit after a military coup, sources said on Nov. 15.

A political source who spoke to senior allies holed up with Mugabe and his family in his lavish “Blue House” Harare compound said Mugabe had no plans to resign voluntarily ahead of elections scheduled next year. “It’s a sort of stand-off, a stalemate,” the source said. “They are insisting the president must finish his term.”

The army's takeover signaled the collapse in less than 36 hours of the security, intelligence and patronage networks that sustained him through 37 years in power and built him into the "Grand Old Man" of African politics. The priest, Fidelis Mukonori, who has been mediating between Mugabe and the generals who seized power on Nov. 15 in a targeted operation against "criminals" in his entourage, had also made little headway, a senior political source told Reuters. The army appears to want Mugabe, who has led Zimbabwe since independence in 1980, to go quietly and allow a smooth and bloodless transition to former vice-president Emmerson Mnangagwa.

Still seen by many Africans as a liberation hero, Mugabe is reviled in the West as a despot whose disastrous handling of the economy and willingness to resort to violence to maintain power pauperised one of Africa's most promising states. A fighter, both literally and figuratively during a political career that included several assassination attempts, Mugabe now appears to have reached the end of the road. With the army against him and the police - once seen as a bastion of support - showing no signs of resistance, force is not an option.

## How China could shape the future of energy

Time, 14.10.2017



Changes to China's energy mix amid President Xi Jinping's push for an "energy revolution" have potential to accelerate the global transition away from fossil fuels to clean energy sources, according to a new report from the IEA.

The country has sought to move away from coal and other fossil fuels to address a pollution problem that leads to millions of premature deaths and foster economic development outside of heavy industry. China has also sought to position itself as the global leader in the fight against climate change.

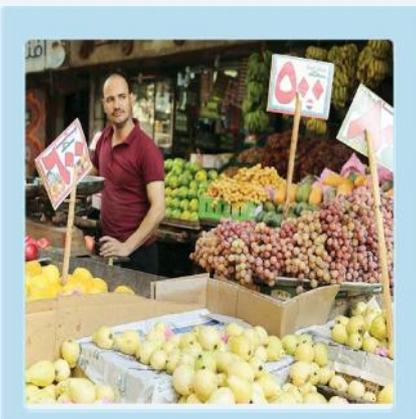
To that end, China will install a third of the new solar and wind power in the coming decades while its coal consumption continues to decline, according to the report. It will also generate a quarter of the growth in global natural gas demand, assuming the country continues to implement current policies and follows through on announced measures. And, despite a concerted push for electric vehicles, the country is expected to become the world's largest oil consumer around 2030.

Energy shifts in China are felt globally and those developments would reverberate quickly, crippling coal producers that rely on exports to China and expanding the market for clean energy technology in China, according to the report. Much of the clean energy investment could remain in China, however, as a result of the government's current posture investing billions in a wide range of new energy technology. The changes in China underscore a broader global transition toward renewable energy sources already underway. The cost of solar and wind power have been reduced by 70% and 25%, respectively, since 2010. Globally, renewables are expected to make up 40% of power generation by 2040.

The United States would benefit from China's new demand for natural gas as the country expands its exports of the natural resource in the coming years. The U.S. is already a net exporter of natural gas — a trend made possible by fracking and the shale revolution — and is expected to grow its exports. The U.S. is also expected to become a net exporter of oil in the coming decade.

## Egypt, IMF reach agreement on \$2 bln loan disbursement

Reuters, 10.11.2017



Egypt has reached a staff-level agreement with the International Monetary Fund for an instalment of about \$2 billion more from a three-year, \$12 billion loan program, the IMF said on Nov. 10.

The payment, still subject to IMF executive board approval, will bring total disbursements under the program to about \$6 billion. Egypt is pushing through ambitious economic reforms under the loan deal. As part of a second review, the IMF said broad reforms, which included a floatation of the pound currency, were beginning to pay off in terms of “macroeconomic stabilization and return of confidence.”

“While the reform process has required sacrifices in the short term, seizing the current moment of opportunity to transform Egypt into a dynamic, modern, and fast-growing economy will improve the living standards and increase prosperity,” it said in a statement. The IMF noted growth for the 2016/17 fiscal period had picked up to 4.2 percent compared to a forecast 3.5 percent, the current account deficit in dollar terms had narrowed and portfolio investments and foreign direct investment had increased. Egypt floated its currency a year ago, and the pound has roughly halved in value. As the currency dropped, inflation surged to record highs over 30 percent, though consumer prices have dipped in the last three months.

The economic outlook is key for Egyptian President Abdel Fattah al-Sisi who must balance IMF-austerity reforms to fix Egypt's economy while limiting the fallout on poorer Egyptians as he prepares for a possible re-election bid next year.

# Trump boasts of ‘great relationship’ with Philippines’ Duterte

Reuters, 13.11.2017



U.S. President Donald Trump said on Nov. 13 he had a “great relationship” with his Philippine counterpart, Rodrigo Duterte, while a White House official said human rights got only a brief mention when the two met on the sidelines of an Asian summit.

Their meeting was one of the most anticipated of the summit of East and Southeast Asian leaders in Manila, with human rights groups pressing Trump to take a tough line on Duterte over his bloody war on drugs, in which thousands of people have been killed.

“We are your ally. We are an important ally,” Duterte told Trump at the beginning of their talks, according to reporters allowed in to the meeting room. Trump replied: “We’ve had a great relationship. This has been very successful. And the ASEAN (Association of South East Asian Nations) conference has been handled beautifully by the president in the Philippines.” When a reporter asked Trump if he would raise human rights at the meeting, Duterte said: “Whoa, whoa. This is not a press statement. This is the bilateral meeting.”

A Philippines government spokesman later said human rights were not raised. However, White House spokeswoman Sarah Sanders said the topic was mentioned briefly. “The conversation focused on ISIL [Islamic State of Iraq and the Levant], illegal drugs, and trade. Human rights briefly came up in the context of the Philippines’ fight against illegal drugs.” On the sidelines of the summit in Manila, Trump also met with prime minister of Japan and Australia and said discussions at the meeting would include tensions on the Korean Peninsula and trade. In brief remarks prior to media being ushered out of the meeting, Australia’s Malcom Turnbull said North Korea’s “recklessness” needed to be stopped, while Japan’s Shinzo Abe said the most immediate challenge was to ensure regional peace and stability.

# Protesters disrupt U.S. pro-coal event at U.N. climate talks

Reuters, 14.11.2017



Protesters disrupted a pro-coal presentation by U.S. President Donald Trump's administration at climate change talks in Germany where almost 200 nations are trying to shift the world economy off fossil fuels.

The U.S.-sponsored event about "The Role of Cleaner and More Efficient Fossil Fuels and Nuclear Power in Climate Mitigation" jarred with many other nations, which want negotiations on the 2015 Paris Agreement to focus on renewable energies. "So you claim to be an American, but we see right through your greed," dozens of protesters suddenly chanted at a meeting of U.S. officials.

They said the United States should keep coal "in the ground" and then walked out, leaving the 220-seat meeting room half-empty. George David Banks, a special assistant to Trump on energy and the environment, said the panel was "only controversial if we choose to bury our heads in the sand and ignore the needs of the global energy system".

Trump, who doubts that man-made greenhouse gas emissions are the main driver of rising temperatures, said in June that he plans to pull out of the 2015 Paris Agreement and instead promote jobs in the fossil fuel industry. Coal now supplies a third of all energy used worldwide, according to the International Energy Agency, with big shares in China and India. "The question needs not to be 'if' we use coal but 'how'," said Holly Krutka of Peabody Energy, one of the panellists. "Fossil fuels are part of the energy mix for decades to come"

"Nuclear energy is a low-carbon energy," said Lenka Kollar, of nuclear engineering company Nuscale Power, a panellist who said she personally opposed Trump's decision to pull out of the Paris Agreement. Still, Trump's views on coal are mirrored in many nations, even though the Paris agreement has a goal of ending the fossil fuel era sometime from 2050-2100. Energy ministers of the Association of South East Asian Nations (ASEAN) issued a statement in September that "reaffirmed the need for increased promotion of clean coal technologies."

Earlier on Monday, scientists said world carbon emissions mainly from burning fossil fuels are set to rise 2 percent this year to a new record, dashing hopes that global emissions had already peaked. And opponents of Trump said the focus should be firmly on renewable energy. "No one is going to listen to someone who says climate change is a hoax," said Jay Inslee, the governor of Washington state, referring to past Tweets by Trump. Outside the U.S. meeting, other protesters who were unable to get in asked: "What do we want? Climate justice". Makoma Lekalakala, a delegate to the climate conference from South Africa, said: "They are climate criminals ... We should stop them promoting false solutions to climate change."



# Announcements & Reports

## *Sovereign Concentration Charges: A New Regime for Banks' Sovereign Exposures*

**Source** : Bruegel  
**Weblink** : <http://bruegel.org/2017/11/sovereign-concentration-charges-a-new-regime-for-banks-sovereign-exposures/>

## *Illegal, Unreported, and Unregulated Fishing as a National Security Threat*

**Source** : CSIS  
**Weblink** : <https://www.csis.org/analysis/illegal-unreported-and-unregulated-fishing-national-security-threat>

## *Actualising East: India in a Multipolar Asia*

**Source** : Brookings  
**Weblink** : <https://www.brookings.edu/research/actualising-east-india-in-a-multipolar-asia/>

# Upcoming Events

## *ETIP-SNET Regional Workshop South-Eastern Region*

**Date** : 24 December 2017  
**Place** : Greek Cyprus  
**Website** : <https://www.entsoe.eu/news-events/events/Pages/Events/etip-snet-regional-workshop-southern-eastern-region.aspx?EventWorkshopId=327>

## *Project TERRE open stakeholder meeting*

**Date** : 01 December 2017  
**Place** : Brussels - Belgium  
**Website** : <https://www.entsoe.eu/news-events/events/Pages/Events/Project-TERRE-open-stakeholder-meeting.aspx?EventWorkshopId=345>

## *Connecting the Dots Annual Conference '17*

**Date** : 5-6 December 2017  
**Place** : Brussels  
**Website** : <https://conference.entsoe.eu/>



## *ENTSOG Workshop on the Supply Potentials and Renewable Gases for TYNDP 2018*

**Date** : 07 December 2017  
**Place** : Brussels  
**Website** : <https://www.entsoe.eu/events/entsog-workshop-on-the-supply-potentials-and-renewable-gases-for-tyndp-2018#welcome>

## *Market EU Stakeholder Committee*

**Date** : 11 December 2017  
**Place** : Brussels - CEER  
**Website** : <https://www.entsoe.eu/news-events/events/Pages/Events/mesc-2017-12-11.aspx.aspx?EventWorkshopId=330>

## *Grid Connection EU Stakeholder Committee*

**Date** : 14 December 2017  
**Place** : Brussels – Martin's Brussels EU Hotel  
**Website** : <https://www.entsoe.eu/news-events/events/Pages/Events/GESC-2017-12-14.aspx.aspx?EventWorkshopId=331>