

President Erdogan, Putin discuss developments in Syria

Anadolu Agency, 12.04.2018



President Recep Tayyip Erdogan on Thursday discussed the recent developments in Syria with his Russian counterpart Vladimir Putin over the phone.

According to presidential sources, Erdogan and Putin agreed to stay in close contact. On Saturday, Douma, a Damascus suburb, was hit by a suspected chemical attack that left at least 78 people dead, according to the White Helmets civil-defense agency. The local civil defense agency blames Bashar al-Assad regime forces for the attack. French President Emmanuel Macron said.

There was “proof” chemical weapons were used by the Syrian regime in eastern Ghouta’s Douma district. Home to some 400,000 people, the suburb has remained the target of a crippling regime siege for the last five years. Earlier this month, a UN commission of inquiry released a report accusing the regime of committing war crimes in Eastern Ghouta, including the use of chemical weapons against civilians.

Turkey’s Borsa Istanbul up at open

Anadolu Agency, 13.04.2018



Turkey’s stock exchange rose 0.44 percent, or 479.88 points, to open at 110,715.29 points.

Among all sector indices, the textile leather index posted the best performance, up 2.45 percent. The BIST banking and holding indices increased by 0.64 percent and 0.41 percent, respectively. On Thursday, Borsa Istanbul’s BIST 100 index closed at 110.235,41, up 0.90 percent, with a 7.4 billion-Turkish lira (nearly \$1.8 billion) trade volume. The U.S. dollar/Turkish lira exchange increased to 4.0960 as of 9.30 a.m. local time (0630GMT) on Friday. It was 4.0910 at Thursday’s close.

The euro/lira exchange rate increased to 5.0510, compared with Thursday’s close of 5.0390. The price of Brent oil was \$71.88 per barrel as of 10 a.m. local time (0700GMT) Friday.

Global, geopolitical risks behind lira's plunge, measures to be taken: PM

Hurriyet Daily News, 11.04.2018



Global and regional uncertainties are the main reason behind steep fluctuations in market parities and the struggles of the Turkish Lira “do not comply with Turkey’s realities,” Turkish Prime Minister Binali Yıldırım has suggested.

Speaking at a summit in Istanbul on April 11, Yıldırım also said the Central Bank would take “necessary measures” to support the lira, without giving details. “Our economy’s real indicators do not comply with what is happening. What we are facing are temporary fluctuations that will have limited impacts.

We will take the required measures to raise our country’s predictability,” he added. The prime minister also stressed that the Central Bank is “responsible for monetary policy,” seeking to emphasize the Bank’s independence. “It has taken the necessary measures until now and it will continue to do so,” Yıldırım said. Regarding Turkey’s persistently high inflation, he also said it was “the government’s duty to ease it.” His comments came after the lira sank to record lows, battered by a number of structural concerns in investors’ minds, including a rising current account deficit. The lira, one of the worst-performing emerging market currencies this year, has also been pressured by a ruble sell-off and by the possibility of a U.S. missile strike on Syria. The lira hit an all-time low of 4.1944 against the dollar, a depreciation of 9.4 percent this year. Against the euro, it fell to a record low of 5.1914. Following Yıldırım’s comments, the lira eased to 4.1457 against the dollar and to 5.1327 against the euro. President Recep Tayyip Erdoğan has characterized the sell-off as an attack by Turkey’s enemies

“There are games being played on our economy,” Erdoğan said in a speech in Ankara on April 11. “I call on those attacking our economy: You will not succeed. Just like you failed before, you will fail again,” he added. In a televised interview on broadcaster BloombergHT earlier on April 11, Economy Minister Nihat Zeybekci urged “calm” to businesspeople. “Turkey’s tourism revenue will see a 35 percent year-on-year increase this year. Our services exports are also slated to rise to \$52 billion. Foreign direct investment [FDI] inflow to Turkey has been increasing. In the light of these facts, we can say that there is not any problem with foreign currency inflow to our country. The recent speculative moves do not reflect the realities in our economy,” Zeybekci said. “We should not make any hasty intervention. The parity moves will stop at some point,” he added. Regarding the government’s plans to combat inflation, Zeybekci said new measures would be taken to ease the food prices, especially meat prices.

“We are against methods that would tighten the demand. What we need to do is to raise the supply,” he added. Zeybekci also said some contacts have been made with top U.S. trade representatives about steel and aluminum tariffs. “We will hold face-to-face meetings with them in the near future. We have a firm hand in works to be exempted from the new tariffs. If the new tariffs continue to be imposed on Turkey’s iron and steel sector, we will think it is intentional and react accordingly,” he added.

Erdoğan blasts investors amid tumbling Turkish Lira

Hurriyet Daily News, 12.04.2018



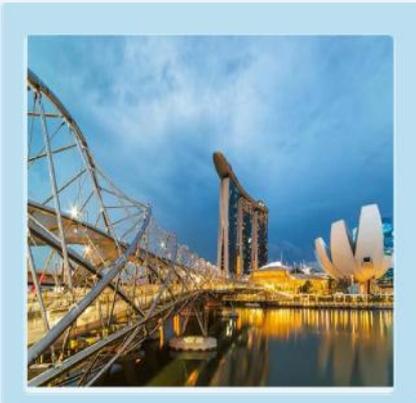
President Erdoğan hit out at international investors on April 12, saying “no one could bring Turkey to heel using exchange rates,” casting the recent sharp drop in the value of the Turkish Lira as a conspiracy by outside powers.

“Don’t worry, Turkey is continuing on its path with determined steps. Nobody can bring us to heel using exchange rates,” Erdoğan said in a speech in Ankara. “The rise in exchange rates has no reasonable, logical or regular explanation,” he added.

His comments came as the lira took a breather after plumbing record lows for five straight trading days. The lira, which has been highly sensitive to developments in neighboring Syria, recovered slightly to trade at 4.1010 per dollar after hitting a record low of 4.1920 on April 11, with investors’ anxiety over a threatened clash between Western powers and Russia in Syria easing. The lira is down 2 percent so far this week, also hit by concern about high inflation and the country’s current account deficit. The lira was the second worst performing emergency currency over the last month after Russian ruble with a nearly 7 percent loss in its value.

Singapore's central bank tightens monetary policy for first time in six years

Reuters, 11.04.2018



Singapore's central bank tightened monetary policy for the first time in six years on Friday, saying the city-state's economy should remain on a steady expansion path in 2018, even as it acknowledged risks from a possible escalation of U.S.-China trade tensions.

The Monetary Authority of Singapore (MAS) said it would slightly increase the slope of the Singapore dollar's policy band from zero percent previously, while keeping the width and mid-point of the band unchanged. Preliminary data also showed on Friday that Singapore's economy grew more than expected in the first quarter.

The economy expanded 1.4 percent in the January-March period on an annualized and seasonally adjusted basis, the Ministry of Trade and Industry said on Friday in a statement. Gross domestic product was expected to have grown 1.0 percent in annualized terms in January-March from the previous three months, according to the median forecast of a Reuters poll of economists. In the fourth quarter, GDP grew 2.1 percent on an annualized basis from the previous quarter. Growth for the 2017 full year was 3.6 percent, the largest increase since 2014. GDP in the first quarter grew 4.3 percent from a year earlier, matching forecasts in the Reuters poll. In the fourth quarter, Singapore's economy grew 3.6 percent from the year earlier.

Russia calls for emergency UN Security Council meeting

Washington Post, 13.04.2018



The immediate priority is to avert the danger of war,' says Vassily Nebenzia, Russia's UN envoy. Russia called for the UN Security Council to convene in an emergency session Thursday amid tensions over a suspected chemical attack in Syria.

Vassily Nebenzia told reporters at the UN this is the exact time when the council should be meeting. "The immediate priority is to avert the danger of war," Nebenzia said. "The second priority now is for the OPCW mission to reach Damascus and Douma, and to see what's really happened," he added.

Referring to the Organization for the Prohibition of Chemical Weapons. The meeting Russia is proposing is meant to address the possibility of potential U.S. military action in response to the alleged use of chemical weapons by the Bashar al-Assad regime. UN sources told Anadolu Agency that Russia is seeking to hold the meeting Friday. A team from the OPCW has been tasked with determining if a chemical attack took place but not determining responsibility. It confirmed its team is on its way to Syria and expects to commence work Saturday.

The White Helmets, a civil defense agency, blamed the Assad regime for a chemical attack Saturday night in the city of Douma in Eastern Ghouta which it said killed 78 civilians and injured hundreds of others. U.S. Defense Secretary James Mattis said Thursday that President Donald Trump has yet to decide on whether he will pursue military action in Syria. "We have not yet made any decision to launch military attacks into Syria," Mattis told lawmakers on the House Armed Services committee. "The president has not made that decision." Asked what worries him most about possible military action the U.S. might take, Mattis said: "On a strategic level, it's how do we keep this from escalating out of control." Earlier Thursday, Trump appeared to walk back previous comments in which he warned Russia to brace for missiles which he said "will be coming". "Never said when an attack on Syria would take place. Could be very soon or not so soon at all!" Trump said Thursday on Twitter. Later, he told reporters a decision will "be made fairly soon".

UN Security Council envoys to visit Bangladesh, Myanmar

Anadolu Agency, 13.04.2018



A delegation from the UN Security Council will travel to Bangladesh and Myanmar this month to get a first-hand look at the Rohingya refugee crisis.

Speaking at a daily press briefing, UN spokesman Stephane Dujarric said all 15 council ambassadors will make the April 26 to May 2 trip. Emphasizing his expectation that the ambassadors will unite over the crisis, Dujarric said he hopes the visit will also draw the international community's attention to the plight of Rohingya who were forced to flee Myanmar due to persecution and take refuge in Bangladesh.

The Rohingya, described by the UN as the world's most persecuted people, have faced heightened fears of attack since dozens were killed in communal violence in 2012. Since Aug. 25, 2017, some 750,000 refugees, mostly children and women, fled Myanmar when Myanmar forces launched a crackdown on the minority Muslim community, according to the UN. At least 9,000 Rohingya were killed in Rakhine state from Aug. 25 to Sept. 24, according to Doctors Without Borders. In a report published on Dec. 12, the global humanitarian organization said the deaths of 71.7 percent or 6,700 Rohingya were caused by violence. They include 730 children below the age of 5.

The UN has documented mass gang rapes, killings -- including of infants and young children -- brutal beatings, and disappearances committed by security personnel. In a report, UN investigators said such violations may have constituted crimes against humanity. Dujarric said the delegation will also visit Iraq to show support ahead of parliamentary and provincial assembly elections on May 12.

Spain rejects Armenian ‘genocide’ motion

Anadolu Agency, 12.04.2018



The Spanish parliament’s Foreign Affairs Committee on Thursday rejected a motion supporting the Armenian allegations on the incidents of 1915, in the last years of the Ottoman Empire.

The bill was defeated by a 17-9 vote, with nine abstentions. All but three of the 17 “no” votes were cast by the ruling People’s Party. The motion to recognize the Armenian “genocide” allegations was submitted in 2016 by the leftist, Catalanian ERC party. Turkey’s position on the events is that the deaths of Armenians in eastern Anatolia in 1915.

Occurred after some sided with invading Russians and revolted against Ottoman forces. A subsequent relocation of Armenians resulted in numerous casualties. Ankara does not accept the alleged “genocide” but acknowledges there were casualties on both sides during World War I. Turkey objects to the presentation of the incidents as “genocide” but describes the 1915 events as a tragedy for both sides. Ankara has repeatedly proposed the creation of a joint commission of historians from Turkey and Armenia plus international experts to tackle the issue.

Fed in March discussed ‘slightly steeper’ future rate hikes

Hurriyet Daily News, 12.04.2018



Federal Reserve officials signaled rising confidence last month that a strong economy will lift inflation closer to its 2 percent target and that they may accelerate the Fed’s pace of interest rate hikes as a result.

The minutes of the Fed’s March 20-21 meeting, which were released on April 11, showed that a number of participants believed that a stronger outlook for economic activity plus rising inflation implied that the path for the Fed’s key interest rate in coming years could be “slightly steeper” than expected.

The minutes showed that some Fed officials felt it might eventually choose to revise the Fed's policy statement to indicate a need to move past an "accommodative" level of rates to one that restrained economic activity slightly to keep inflation in check. At the March meeting, the central bank boosted its key policy rate by a quarter-point to a still-low level of 1.5 percent to 1.75 percent. It kept the same policy language that it has been using since starting to rates in December 2015, namely that it expected to be able to raise rates at a gradual pace in order to achieve the Fed's policy goal of having inflation rise at an annual rate of 2 percent. Inflation, by the Fed's preferred gauge, has persistently fallen below the 2 percent target over the past six years, reflecting a range of factors from the severity of the Great Recession to a temporary dip in global oil prices and a weak global economy.

However, at least some Fed officials believe that inflation has finally begun to move higher. "A number of participants indicated that the stronger outlook for economic activity, along with their increased confidence that inflation would return to 2 percent over the medium term, implied that the appropriate path for the (Fed's policy rate) over the next few years would likely be slightly steeper than they had previously expected," the minutes said. Indeed, the government reported on April 11 that consumer prices rose 2.4 percent in March compared to a year ago, the fastest 12-month advance in a year and one of several signs that inflation has begun to rise on a sustained basis. The meeting in March was the first led by Powell, who took over as chairman of the Fed in early February. He succeeds Janet Yellen, who was not offered a second term by President Donald Trump. The minutes showed that officials had a fairly upbeat view of the economic outlook and believe that a slowdown in consumer spending in the first quarter of this year would be temporary. However, officials expressed concerns about the potential economic impact of Trump's trade policies, which feature higher tariffs to punish countries the president has accused of violating global trade rules.

UK to work with US, France on Douma response

Anadolu Agency, 12.04.2018



The U.K. will continue its cooperation with the US and France to coordinate a response to the suspected chemical attack which killed nearly 80 people, a British government statement said.

The statement came following a Cabinet meeting summoned by Prime Minister Theresa May to discuss the options of a response to the Assad regime, which is believed to be behind last Saturday's deadly attack. "This afternoon Cabinet met and received an update on the attack against innocent civilians in Douma, Syria, on Saturday," the statement said.



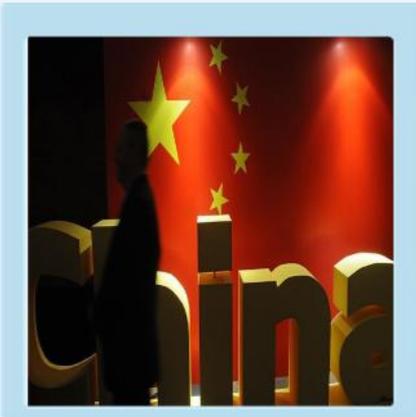
“The Prime Minister said it was a shocking and barbaric act which killed up to 75 people, including children, in the most appalling and inhumane way,” it said. The statement added that the Cabinet members “agreed that the Assad regime has a track record of the use of chemical weapons and it is highly likely that the regime is responsible for Saturday’s attack.” “The Prime Minister said it was a further example of the erosion of international law in relation to the use of chemical weapons, which was deeply concerning to us all,” it said.

The Cabinet also “agreed it was vital that the use of chemical weapons did not go unchallenged.” “Cabinet agreed on the need to take action to alleviate humanitarian distress and to deter the further use of chemical weapons by the Assad regime,” it warned. “Prime Minister should continue to work with allies in the United States and France to coordinate an international response,” the meeting also concluded, according to the statement. The leaders of Britain, the U.S. and France agree that the international community needs “to respond to uphold the worldwide prohibition on the use of chemical weapons,” the British government earlier this week said. The agreement came during separate talks on the phone between Prime Minister Theresa May, U.S. President Donald Trump, and French President Emmanuel Macron. The leaders “agreed that reports of a chemical weapons attack in Syria were utterly reprehensible and if confirmed, represented further evidence of the Assad regime’s appalling cruelty against its own people and total disregard for its legal obligations not to use these weapons,” the statement said.

“They [May, Trump and Macron] agreed that the international community needed to respond to uphold the worldwide prohibition on the use of chemical weapons,” it said. Assad regime forces struck targets in the Damascus suburb’s Douma district on Saturday midnight using a poisonous gas, leaving at least 78 civilians dead, according to the White Helmets. On Feb. 24, the UN Security Council unanimously adopted Resolution 2401 which called for a month-long cease-fire in Syria, especially in Eastern Ghouta to allow the delivery of humanitarian aid. Despite the resolution, the regime and its allies early this month launched a major ground offensive backed by Russian air power aimed at capturing opposition-held parts of Eastern Ghouta. Home to some 400,000 people, the suburb has remained the target of a crippling regime siege for the last five years. Earlier this month, a UN commission of inquiry released a report accusing the regime of committing war crimes in Eastern Ghouta, including the use of chemical weapons against civilians.

China says it will not back down from trade war with US

Anadolu Agency, 13.04.2018



A Chinese commerce official said Thursday that China would not back down from a trade row heating up with the United States and its president, Donald Trump.

“I hope some people in the U.S do not misjudge the situation,” Commerce Ministry spokesman Gao Feng told reporters. “If the United States takes any action to escalate the situation, China will not hesitate to fight back.” Gao was responding to questions about remarks made Tuesday by Chinese President Xi Jinping suggesting the country would open up its economy and decrease tariffs on some imported items like cars.

On Twitter, Trump said he was “very thankful” for Xi’s remarks, adding the two countries would “make great progress together!” Gao said Xi’s statements, however, were about the ongoing commotion surrounding trade between the two countries, hinting that Trump had mischaracterized Xi’s attitude. During a meeting Thursday with state governors and other lawmakers, Trump said Xi’s speech earlier in the week meant that China would soon remove some trade barriers, “maybe all of them”, he believed. “We’re doing really well with China,” Trump told reporters. “I think we’re having some great discussions, and we’ll see what happens.”

During his remarks, Trump reiterated criticisms against China he made earlier in the week about the latter’s 25 percent import duties on automobiles. Trump maintained that it was not fair because the U.S. only charges a 2.5 percent tariff on imported Chinese vehicles. Gao noted that international economic rules set by the World Trade Organization do not call for tariffs to be the same between trading nations. Also on Thursday, the White House confirmed that it is reappraising the Trans-Pacific Partnership (TPP), a trade agreement signed in 2016 between the U.S. and 11 other Pacific Rim nations. Trump pulled the U.S. out of the agreement last year and it was never ratified. A White House spokeswoman said Trump is “open to a substantially better deal”.

Lagarde warns against debt export through 'Silk Road'

Agance France, 12.04.2018



IMF chief Christine Lagarde warned China on april 12 about saddling other countries with a “problematic increase in debt” through its ambitious global trade infrastructure project.

Lagarde made the comments at a Beijing forum on Chinese President Xi Jinping’s signature Belt and Road initiative, a \$1 trillion road, rail and construction project spanning dozens of countries -- from Asia to Africa and Europe. But many of the colossal projects are being built by state-owned Chinese companies and financed by loans from China.

“These ventures can also lead to a problematic increase in debt, potentially limiting other spending as debt service rises, and creating balance of payment challenges,” Lagarde told the crowd of Chinese and foreign officials. “In countries where public debt is already high, careful management of financing terms is critical,” she said. Some countries like Sri Lanka have already ended up deeply in debt and been left with little choice but to turn over crucial assets to Beijing as way to restructure the loans. In Sri Lanka’s case, the island nation handed over a long term lease on the strategically located and bustling Hambantota Port to pay down debt.

Lagarde advocated greater transparency and cooperation to get all stakeholders on the same page to avoid such problems. “It’s not a free lunch, it’s something where everybody chips in, it’s not just honey for bees,” she said, warning that the large scale spending projects also come with corruption temptations for officials. “Projects can always present the risk of potentially failed projects and the misuse of funds. In some corners, it’s even called corruption,” Lagarde told the officials, many of whom preside over Belt and Road projects. The speech may ruffle feathers in Beijing where leaders have heaped praise on the project.

Fed's Evans says inflation will hit 2 percent, and gradual rate hikes will be appropriate

Reuters, 11.04.2018



Chicago Federal Reserve President Charles Evans one of the Fed's most dovish policymakers, said Saturday that he is optimistic inflation will reach the Fed's 2 percent goal and that slow, gradual rate increases will be appropriate.

The Fed next meets to set policy in June, by which time the Fed will have more inflation data in hand. If it remains on track for 2 percent, "continuing our slow gradual increases will be appropriate to get us to the point where monetary policy isn't really providing more lift to the economy," Evans said president of the U.S. Federal Reserve Bank of Chicago reported by Reuters.

US wholesale inventories increase solidly in February

Reuters, 10.04.2018



U.S. wholesale inventories increased a bit less than initially estimated in February, but still suggested that inventory investment would contribute to economic growth.

The Commerce Department said on Tuesday that wholesale inventories rose 1.0 percent instead of the 1.1 percent jump it reported last month. That was the biggest increase since October 2013. Stocks at wholesalers increased 0.9 percent in January. The component of wholesale inventories that goes into the calculation of gross domestic product wholesale stocks excluding autos surged 1.1 percent in February.

Inventory investment subtracted 0.53 percentage point from fourth-quarter GDP growth. The economy grew at a 2.9 percent annualized pace in the October-November period. A report last week showed manufacturer inventories increased 0.3 percent in February after rising 0.4 percent in January. Wholesale auto inventories dipped 0.1 percent in February, matching January's fall. There were increases in inventories of furniture, lumber and computer equipment. Sales at wholesalers rebounded 1.0 percent in February after slumping 1.5 percent in January. Sales of motor vehicles jumped 1.4 percent in February after gaining 0.3 percent in the prior month. At February's sales pace it would take wholesalers 1.26 months to clear shelves, unchanged from January.

Consumer prices post first drop in 10 months on weak gasoline

Reuters, 11.04.2018



U.S. consumer prices fell for the first time in 10 months in March, weighed down by a decline in the cost of gasoline, but underlying inflation continued to firm amid rising prices for healthcare and rental accommodation.

Previous headline compared CPI to the core estimate increase of 0.2 percent. The Labor Department said on Wednesday its Consumer Price Index slipped 0.1 percent last month, the first and largest drop since May 2017, after climbing 0.2 percent in February. In the 12 month through March, the CPI increased 2.4 percent.

That was the largest annual gain in a year and followed February's 2.2 percent increase. Annual inflation is rising as the weak readings from last year drop from the calculation. Excluding the volatile food and energy components, the CPI climbed 0.2 percent, matching February's increase. The so-called core CPI rose 2.1 percent year-on-year in March, the largest advance since February 2017, after increasing 1.8 percent in February. The core CPI is now well above the 1.8 percent annual average increase over the past 10 years. Economists had forecast the CPI unchanged in March and the core CPI rising 0.2 percent. The soft headline monthly inflation reading is likely to be temporary as a report on Tuesday showed producer prices rising solidly in March amid strong increases in healthcare and food costs. The Federal Reserve tracks a different index, the personal consumption expenditures price index excluding food and energy, which has consistently run below the central bank's 2 percent target since mid-2012.

But with the labor market tightening, the dollar weakening and the stimulus from a \$1.5 trillion income tax cut package and increased government spending still to impact on the economy, economists expect inflation will breach its target sometime this year. They argue that this scenario could compel the Fed to increase interest rates three more times this year. The U.S. central bank raised borrowing costs last month and forecast at least two more rate hikes in 2018. Gasoline prices tumbled 4.9 percent in March, the largest drop since last May, after falling 0.9 percent in February. Food prices edged up 0.1 percent after being unchanged in February.

The core CPI was lifted by rising rents and healthcare costs. Owners' equivalent rent of primary residence, which is what a homeowner would pay to rent or receive from renting a home, increased 0.3 percent last month after climbing 0.2 percent in February. Healthcare costs increased 0.4 percent, with prices for hospital care shooting up 0.6 percent and the cost of doctor visits rising 0.2 percent. Apparel prices fell 0.6 percent after two straight months of robust increases. There were also declines in the cost of telecommunication, used cars and trucks, tobacco and education.

US mission to OSCE calls on Turkey to end state of emergency

Hurriyet Daily News, 10.04.2018



The U.S. mission to the Organization for Security and Cooperation in Europe (OSCE) has called on Turkey to bring an end to the ongoing state of emergency, expressing deep concern about the deteriorating state of human rights.

“The United States calls on the Turkish government to end the protracted state of emergency, release those detained arbitrarily under emergency authorities, and take concrete steps to safeguard the rule of law, consistent with Turkey’s own domestic and international obligations and commitments,” Chargé d’Affaires of the U.S. mission to OSCE Michele M. Siders said at a meeting in Vienna.

The U.S. mission’s call came after the Turkish government signaled that the state of emergency would be extended for the seventh time next week. Turkey had imposed the state of emergency following a deadly coup attempt in July 2016, which killed more than 250 people and injured 2,000. Tens of thousands of people have since been arrested including military and civilian bureaucrats, journalists, civil society representatives and academics accused of having links to outlawed leftist groups or the Fethullahist Terrorist Organization (FETÖ), widely believed to have orchestrated the coup attempt. The European Union and Council of Europe have long been voicing concerns over the prolonged state of emergency in Turkey.

“The United States joins the European Union and other delegations in expressing deep concern about the deteriorating state of human rights in Turkey, in particular the Government of Turkey’s continuing efforts to restrict dissent,” Siders stressed. The chargé d’affaires of the mission said they were troubled by the ongoing pre-trial detention of Amnesty International Turkey Chairman Taner Kılıç, who has been detained since June 2017. “We are closely following Mr. Kılıç’s case, along with cases against other respected human rights defenders, journalists, civil society leaders, and opposition politicians — all of whose prosecution under the ongoing state of emergency has chilled freedom of expression. These cases raise serious concerns about respect for judicial independence and the fair trial protections enshrined in the Turkish constitution,” Siders stated.

Siders also noted that OSCE participating states committed “to maintain freedom of expression and freedom of information, consistent with their international obligations and commitments, with a view to enabling public discussion on the observance of human rights and fundamental freedoms as well as on lifting the state of public emergency.” “We firmly believe that freedom of expression, including for members of the media, strengthens democracy and must be protected, particularly in difficult times,” the diplomat said.

Trump yet to make ‘final decision’ on Syria strike

Reuters, 13.04.2018



President Donald Trump has yet to make a final decision on a potential military strike on Syria in the wake of a suspected chemical attack that killed dozens of people.

“We are continuing to assess intelligence and are engaged in conversations with our partners and allies,” White House spokeswoman Sarah Huckabee Sanders said Thursday in a statement. Trump had earlier met with his national security team to discuss the situation in Syria. He is expected to phone his British and French counterparts Thursday evening to continue discussions on a possible military response.

The White Helmets, a civil defense agency, blamed the Bashar al-Assad regime for a chemical attack Saturday night in the city of Douma in Eastern Ghouta which it said killed 78 civilians and injured hundreds of others. U.S. Defense Secretary James Mattis said he believes the suspected chemical attack took place but said the U.S. is still “looking for the actual evidence”. He said the U.S. has “a lot of media and social media indicators that either chlorine or sarin were used”.

A National Security Council spokeswoman told Anadolu Agency the symptoms the U.S. is evaluating from medical professionals and social media posts “are consistent with an asphyxiation agent and with a nerve agent of some type”. The comments follow an NBC News report claiming the U.S. has obtained blood and urine samples from a suspected chemical attack in Syria that have tested positive for both an unidentified nerve agent and chlorine gas exposure. Two anonymous officials were “confident” but not one hundred percent certain in the intelligence, NBC News reported.

The U.S. officials told the American news outlet that the Assad regime is known to have used a mixture of chlorine and the nerve agent sarin in previous attacks. They also said the U.S. in conjunction with other countries has compiled intelligence, including images, that indicates the Assad regime carried out last weekend’s fatal attack. The U.S. is currently assessing eight targets for a potential military response, sister news outlet CNBC separately reported. The sites reportedly include “two Syrian airfields, a research center and a chemical weapons facility”. Mattis said Thursday that Trump has yet to decide on whether he will pursue military action in Syria.

“We have not yet made any decision to launch military attacks into Syria,” Mattis told lawmakers on the House Armed Services committee. “The president has not made that decision.” Asked what worries him most about possible military action the U.S. might take, Mattis said: “On a strategic level, it’s how do we keep this from escalating out of control.” Earlier Thursday, Trump appeared to walk back comments in which he warned Russia to brace for missiles which he said “will be coming”. “Never said when an attack on Syria would take place. Could be very soon or not so soon at all!” Trump said Thursday on Twitter. Later, he told reporters a decision will “be made fairly soon”.

Trump says Syria attack could be ‘soon or not so soon’

Washington Post, 12.04.2018



U.S. President Donald Trump was evasive on April 12 over when the United States might fire missiles at Syria in retaliation for an alleged chemical weapons attack.

One day after warning regime-backer Russia that “missiles will be coming” to Syria, Trump in another early morning tweet storm wrote: “Never said when an attack on Syria would take place. Could be very soon or not so soon at all!” French President Emmanuel Macron said on April 12 that he had “proof” that the regime of Syrian President Bashar al-Assad had used chemical weapons, and would respond to it “at a time of our choosing.”

Macron has insisted he does “not want an escalation” and that any response would focus on Syria’s chemical capabilities, not on allies of the regime. British Prime Minister Theresa May was set to hold an emergency cabinet meeting amid speculation she will support U.S. action against the Syrian regime. Germany’s Angela Merkel said it was “obvious” that Syria hadn’t eradicated its chemical arsenal as it had earlier claimed. She said a “full spectrum of measures” will be considered in response to the gas attack, but ruled out any military deployment. “Germany will not participate militarily, but we will provide our support if the representatives in the UN Security Council ... were to take steps beyond diplomatic measures,” she said.

Germany has deployed reconnaissance and refuelling flights as part of the international operation against Islamic State of Iraq and the Levant (ISIL) in Syria. But any further military role would require parliamentary approval. Opponents of unilateral U.S. action called an emergency closed-door meeting of the U.N. Security Council. The White House has said that Trump holds Assad’s regime and its military backers Russia responsible for an alleged attack on Douma on April 7, which rescue workers said killed more than 40 people. Trump slammed Russia on April 11 for its military alliance with Assad, saying it should not “be partners with a Gas Killing Animal who kills his people and enjoys it.” U.S. officials have refused to rule out direct military engagement with Russia, with the White House saying that “all options are on the table.”

Defense Secretary Jim Mattis said on April 11 that the Pentagon was ready to provide options for a Syria strike but that the U.S. and its allies were still “assessing the intelligence” on the suspected chemical attack. A special hotline for the U.S. and Russian militaries to communicate about operations in Syria is active and being used by both sides, Moscow said on April 12. Kremlin spokesman Dmitry Peskov warned that it was “crucial to avoid any steps that could lead to heightened tensions” in Syria, saying this would have an “extremely destructive influence” on attempts to resolve the conflict. Assad warned on April 12 that threats of Western military action “will only contribute to further destabilization in the region.” Russia has warned the United States against carrying out a “military intervention on fabricated pretexts,” and has accused the White Helmets civil defense organization in Syria of staging a fake chemical weapons attack in Douma. The Russian army declared early on April 12 that the Syrian state flag was flying in Douma, where the alleged chemical attack took place. Moscow said this a “significant event in the history of Syria,” meaning that the whole of Eastern Ghouta had come under government forces’ control.

Rebels in Syria’s Eastern Ghouta surrendered their heavy weapons and their leader left the enclave, while the Syrian flag was raised over the central mosque, the Syrian Observatory for Human Rights monitoring group said. However Douma residents told AFP that a dispute subsequently erupted with shots fired and the flag was taken down from the mosque. United Nations Secretary General Antonio Guterres on April 11 said he had met with ambassadors from the five permanent members including Russia and the United States, and “stressed the need to avoid the situation spiraling out of control.” At the U.N. Security Council, Moscow and Washington have so far vetoed each other’s motions to set up an international investigation into chemical weapons use. Syria said it had invited the Organization for the Prohibition of Chemical Weapons, which has blamed the regime for previous attacks, to visit Douma.

Yellen and other economists say tax cuts are blowing up the budget

Reuters, 09.04.2018



Last year’s aggressive tax cuts are at the heart of a worsening budget situation that will see deficits surge in the years ahead, according to an op-ed by Janet Yellen.

The essay, published in Sunday’s Washington Post, rebuts a study from Stanford University’s Hoover Institution that blamed entitlement spending for the nation’s worsening financial picture. However, Yellen and a team of other economists reject the notion that Social Security, Medicare, Medicaid and veterans’ benefits are the prime culprit. Instead, they insist, the main problem is that Congress passed a tax cut bill at precisely the wrong time.



“As we focus on the long-run fiscal situation, our goal should be to put the debt on a declining path as a share of the economy. That will require running smaller deficits in strong economic periods — such as the present — to offset the larger deficits that are needed in recessions to restore demand and avoid deeper crises,” the group wrote. “Last year’s Tax Cuts and Jobs Act turned that economic logic on its head.” The other authors are Martin Neil Baily, Jason Furman, Alan B. Krueger and Laura D’Andrea Tyson — all former chairs of the White House Council of Economic Advisors.

The tax cut act sliced the corporate rate from 35 percent to 21 percent and reduced taxes for millions of Americans. Subsequent to that, President Donald Trump signed a \$1.3 trillion omnibus spending bill that he and other administration officials in recent days have talked of rescinding. The Congressional Budget Office said Monday that it expects the tax cuts to add \$1.6 trillion to the deficit over the next decade. “Eventually, ever-rising debt and deficits will cause interest rates to rise, and the portion of tax revenue needed to service the growing debt will take an increasing toll on the ability of government to provide for its citizens and to respond to recessions and emergencies,” the authors said. They recommend an approach similar to the 1986 tax reform measure, which cut rates and eliminated a plethora of long-standing tax deductions. While Fed officials for years had been pleading for fiscal help from Washington, Yellen and her colleagues now argue that the stimulus plan was ill-timed. “The economy was already at or close to full employment and did not need a boost,” they wrote. “This year’s bipartisan spending agreement contributed further to the ill-timed stimulus. The Federal Reserve will have to act to make sure the economy does not overheat.”

The essay offers no specific proposals, but generally suggests that spending goals be “based on the priorities of the American people and then set tax policy to realize adequate revenue.” Congress has battled in recent years over spending and the debt ceiling. In 2011, S&P downgraded the U.S. credit rating on concerns over the repeated debt disputes. Last week, though, Fitch Ratings reaffirmed its AAA rating for the country, even though it warned that “the outlook for public finances has deteriorated since the last review.” Fitch said that although the tax cuts and spending increases have put pressure on finances, the U.S. has a higher “debt tolerance” than other nations because of the U.S. dollar’s standing as the global reserve currency and the deep and liquid market for Treasuries.



Announcements & Reports

Japan-Turkey Dialogue on Global Affairs

Source : ORSAM
Weblink : <http://www.orsam.org.tr/files/Raporlar/207/207eng.pdf>

The Rise of the Social Enterprise

Source : Deloitte
Weblink : <https://hctrendsapp.deloitte.com/reports/2018/the-rise-of-the-social-enterprise.html>

Upcoming Events

Strengthening Institutions for Development

Date : 18 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/strengthening-institutions-development-lessons-seychelles>

2018 Human Capital Trends Event

Date : 19 April 2018
Place : Genevo
Website : <https://hctrendsapp.deloitte.com/events/>

Switzerland and the EU: Lessons for a Post-Brexit UK?

Date : 20 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/switzerland-and-eu-lessons-post-brexit-uk>

Zimbabwe's International Re-engagement and Socio-economic Recovery

Date : 23 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/zimbabwe-s-international-re-engagement-and-socio-economic-recovery>



Genes, Germs and Geography: The Future of Medicine

Date : 24 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/genes-germs-and-geography-future-medicine>

The State of the UN Security Council

Date : 02 May 2018
Place : London
Website : <https://www.chathamhouse.org/event/state-un-security-council>

HR Dbriefs webcast: 2018 Global Human Capital Trends

Date : 9 May 2018
Place : London
Website : <https://www2.deloitte.com/us/en/pages/dbriefs-webcasts/series/hr-executives.html>

Iranian Foreign Policy: Prospects for Change

Date : 09 May 2018
Place : London
Website : <https://www.chathamhouse.org/event/iranian-foreign-policy-prospects-change>