

## G-20 agenda to focus on energy, tourism, Turkish deputy PM tells ambassadors

Anadolu Agency, 27.01.2015



The G-20 agenda in 2015 under the Turkish presidency will include engagement groups on energy and tourism, as well as side projects for businessmen, labor unions, youth groups, think tanks and women, Ali Babacan has said.

Babacan was addressing ambassadors from G-20 countries in Ankara. Turkey assumed the G-20 presidency on Dec. 1, 2014. The first G-20 Finance Ministers and Central Bank Deputy Governors' level meeting will be held in Istanbul between Feb. 8-9, 2015. Babacan added that the World Tourism Organization wanted to organize a meeting under Turkey's presidency later this year.

As the official agenda of the G-20 is already heavy, Turkey plans to open the floor for unofficial groups like the B-20 – a working group for the business world. Other bodies will be the L-20 for labor unions, the T-20 for think tanks, the Y-20 for youth organizations, the C-20 for nongovernmental organizations and civil society groups, and the W-20 for boosting the participation of women in business and entrepreneurship.

Discussing the content of Turkey's G-20 agenda, Babacan said they divided its topics into three under the title "Three I's": Inclusiveness, implementation and investments. He said the first "I" – inclusiveness – included the two main pillars of "intra-national inclusiveness" and "international inclusiveness."

Emphasizing that they would give special importance to small- and medium-sized enterprises, Babacan said most employment was created by SMEs in G-20 countries, so the needs of SMEs would be taken into account during every agenda item of the G-20. Babacan said they had spoken to the International Chamber of Commerce to establish an international, permanent platform for SMEs to raise their voices globally.

He added that under the international dimension of the "inclusiveness" pillar of Turkey's G-20 agenda, they will discuss the situation of "low-income developing countries." "Under every G-20 agenda, we should ask ourselves whether their needs are adequately covered and addressed," said Babacan, adding that inequality and healthcare issues will be particularly discussed during the meetings.

Naming "implementation" as the second "I," Babacan pointed out that many countries are already aware of the importance of structural reforms and have prepared their agendas for the coming period. "They [the OECD and the IMF] expect that if the G-20 countries implement what they have already committed to, global growth will be 2 percent higher than the usual scenario in about five years' time," he said. The G-20 leaders' summit will be held in Antalya on Nov. 15-16, 2015.

# Turkish Central Bank signals early policy meeting, possible rate cut

Reuters, 27.01.2015



Turkey's Central Bank may hold an early monetary policy meeting next week to discuss an interest rate cut if inflation continues to fall sharply, Governor Erdem Başçı said.

Başçı, who are under pressure from the government to lower rates ahead of the June parliamentary elections, said the Central Bank could act as early as Feb. 4 if data due a day earlier shows January inflation slowing by more than 1 percentage point. The Turkish Lira weakened to 2.36 against the dollar on his comments, reversing earlier gains after he announced a cut in the bank's forecast for inflation this year to 5.5 percent from a previous 6.1 percent.

"We could hold a meeting to make a quick decision," he told a news conference called to announce the bank's quarterly inflation report. "If January inflation falls more than one (percentage) point and core (inflation) is good, we could even make an assessment on Feb. 4," he added. The next monetary policy committee meeting is scheduled for Feb. 24. Manik Narain, a strategist at UBS, said Başçı's comments were "very dovish."

"Considering emergency meetings in line with falling inflation does seem arguably a bit premature, given that their inflation target is 5 percent... It does create some medium-term risks," Narain said. The Central Bank lowered its main interest rate last week and drew a swift rebuke from government ministers who said the 50 basis point cut was not enough to support economic growth. The Bank cut its main one-week repo rate to 7.75 percent in response to slowing inflation, but left other rates on hold.

Başçı said inflation could drop to its lowest point in 45 years in 2015 and said the midpoint of the Bank's 2016 year-end inflation forecast was 5 percent. The decline in inflation is expected to accelerate from this month, approaching the Bank's 5 percent target in the middle of the year, he added. Finance Minister Mehmet Şimşek said he was sure the Central Bank had done the calculations properly at another meeting Jan. 27.

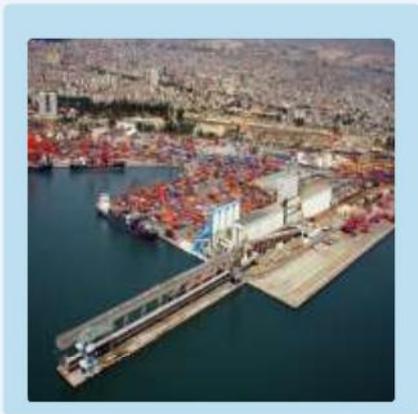
"We see many positive developments which will push the inflation rate lower. First of all, we do not forecast a draught this year, as opposed to what happened last year. This will affect the food prices positively. Secondly, we see a relative stability in exchange rates. And most importantly, oil prices have been decreasing significantly," Şimşek said.

The lira initially firmed to below 2.34 against the dollar following Başçı's comments on inflation, from 2.35 before he spoke, but it eased back to 2.36 after he raised the possibility of an early policy meeting. Turkish consumer prices fell 0.44 percent month-on-month in December for an annual rise of 8.17 percent and are expected to end this year at 6.82 percent, according to the latest Central

Bank survey of business leaders and economists. Başçı also said he expected a gradual increase in economic growth this year, spurred by domestic demand.

## Turkey's foreign trade deficit drops by 15.4 pct upon fall in oil imports, rise in exports to EU

Reuters, 30.01.2015



Turkey's foreign trade deficit has fallen 15.4 percent to \$84.5 billion in 2014, due to a rise in exports to the EU, dramatic decrease in gold imports and plunging oil prices, according to data released by TÜİK.

Turkey's exports increased to \$157.72 billion in 2014 by a 3.9 percent of increase from the previous year, the all-time highest in the country. The country's imports decreased to \$242.22 billion in 2014 by a 3.7 percent of decrease from the previous year. The export target for 2014 was announced as \$160.5 billion, for imports as \$244 billion and for trade deficit as 83.5 billion in the Medium-Term Economic Plan.

The deficit was announced at \$8.5 billion for December 2014 with a 14.6 percent decrease from the same period of the previous year, parallel with the expectations, according to the TÜİK data. Turkey's exports increased by 1.2 percent in December 2014 to \$13.33 billion from the previous period and imports decreased to \$21.83 billion with a 5.6 percent decrease.

Exports to the EU increased by 1.8 percent to \$5.4 billion, increasing the share of the EU countries in total exports to 40.2 percent in December 2014 from 40 percent in December 2013. Turkey's main exports market was Germany in December with \$1.2 billion, followed by Iraq with \$1.1 billion, the U.K. with \$763 million and the U.S. with \$722 million.

Turkey's imports from China stood at \$2.3 billion in December, followed by Germany with \$2.2 billion, Russia with \$2.1 billion and the U.S. with \$1.1 billion. Turkey's energy imports decreased to \$4.43 billion in December 2014 by 15.2 percent from the previous year. The country's energy imports fell to \$54.91 billion in 2014 by a 1.8 percent decrease from the previous year. Analysts expect more decrease in Turkey's energy imports in value in 2015 due to the decreasing trend in oil prices.

# Algeria, Turkey hold talks on Libya: Source

Hurriyet Daily News, 25.01.2015



Turkey held talks with Algeria on the crisis in Libya as part of efforts made by Algeria to convince rival parties in the restive Arab country to sit down at the negotiation table, according to an Algerian diplomatic source.

The source told that Algeria's deputy foreign minister, Abdel-Qadir Mesahel, met in Algiers with a Turkish delegation led by Turkish lawmaker and envoy to Libya, Emrullah İşler. "Both sides held a closed-door meeting at the Algerian Foreign Ministry and focused on months-long Algerian efforts to bring Libya's rivals together in coordination with the United Nations mission in Libya," the source added.

He added that the meeting also dwelt on Turkey's position on the crisis in Libya. 2014, Algerian President Abdelaziz Bouteflika and Turkish President Recep Tayyip Erdoğan outlined their opposition to foreign intervention in Libya during a visit by the latter to Algiers.

Libya has been dogged by political instability since Moammar Gadhafi's 2011 ouster and death. In the more than three years since, rival militias have frequently clashed in Libya's main cities, including capital Tripoli and the eastern city of Benghazi. The central government, meanwhile, has remained largely absent from the scene. The sharp political divisions have yielded two rival seats of government, each of which has its own institutions.

Two assemblies currently vie for legislative authority: a newly-elected House of Representatives, which convenes in the eastern city of Tobruk; and a General National Congress, which – though its mandate expired last summer – continues to convene in Tripoli. The two parliaments support two different governments respectively headquartered in the two cities. The U.N. recently sponsored a dialogue initiative in Geneva in an effort to reconcile the fractious country's warring rivals.

## Armenian president describes Turkey's April 24 invitation as 'cynical and shortsighted'

Hurriyet Daily News, 30.01.2015



Recep Tayyip Erdoğan's invitation to ceremonies marking the centenary of the Battle of Gallipoli in Çanakkale in late April, which coincides with the remembrance day for the victims of the 1915 mass killings of Armenians, was "cynical and shortsighted," Serzh Sargsyan has said.

"They say any measures are suitable in politics, but I believe Ankara offered a bad service to itself in this matter," Sargsyan said. Amid plans to hold large ceremonies to mark the centenary of the Battle of Gallipoli on April 23 and 24, rather than in the traditional March, Erdoğan sent out invitations to the leaders.

Sargsyan rebuffed the invitation in letter addressed to Erdoğan, recalling an invitation extended to the Turkish president to attend ceremonies to mark the 100th anniversary of the 1915 deportation and killing of Ottoman Armenians, which is considered "genocide" by Armenians and many historians.

## Turkey has no information about 5,000 fighters in Syria: Foreign Ministry

Hurriyet Daily News, 27.01.2015



Ankara has no information on about 5,000 of the foreign fighters believed to be in Syria, a Turkish Foreign Ministry spokesperson has said, while updating the number of foreigners blacklisted from entering Turkey over suspected jihadist links.

"There are around 15,000 foreign fighters in Syria. The number of people we have banned from entering Turkey as result of intelligence sharing is around 10,000. This means there is a gap of 5,000," spokesperson Tanju Bilgiç told. The "around 10,000" blacklisted people is an increase from last week, when Bilgiç announced the number as 7,833.

Ankara has been a constant target of criticism from Western countries, which accuse the government of not doing enough to stem the flow of foreigners joining the Islamists fighting in Syria and Iraq. The issue has become one of Europe's top priorities, particularly after the Charlie Hebdo attacks in early January, which revealed the severity of the threat from home-grown terrorists on the continent.

## Israel to build 430 new West Bank settler homes: NGO

Reuters, 30.01.2015



The Israeli government published tenders to build 430 new settler homes in the occupied West Bank, the head of an NGO that monitors settlement activity told AFP. "It's the opening of the settlement floodgates," said Daniel Seidemann, head of the Terrestrial Jerusalem group.

He said that the latest plans were the first to be announced in several months but unlikely to be the last before the March 17 general election, in which Prime Minister Benjamin Netanyahu's Likud is competing with other rightwing parties for the settler vote. "This could hardly be an accident," he said.

He added that the new homes were to be built in four existing settlements across the West Bank -- 112 in Adam, 156 in Elkana, 78 in Alfei Menashe and 84 in Kiryat Arba. A senior Palestinian official denounced the plan. "What the Israelis announced is part of a wider war... against the Palestinian people," Palestine Liberation Organisation (PLO) official Wassel Abu Yusef told. "This is a war crime which should push the settlements issue to the International Criminal Court."

Seidemann, whose group particularly monitors settlement in Israeli-annexed east Jerusalem, predicted that building plans there were likely to be announced soon. "Netanyahu has a tendency, especially when he's having trouble in the polls, to do something outrageous in Jerusalem," he said.

He pointed to Givat Hamatos, where settlement watchdog Peace Now revealed on October 1 that final approval had been granted for the construction of 2,610 settler homes. "I don't think it's over," Seidemann said. "I would be very concerned and keep a close eye on things like Givat Hamatos."

A poll published on Friday in the Jerusalem Post showed Likud rallying after weeks of lagging behind the Zionist Union alliance of Labour and the centrist HaTnuah party of former justice minister Tzipi Livni. The Post linked the surge to a Hezbollah missile strike on Wednesday which killed two Israeli soldiers, at the time the survey was being conducted by the Panels Research organisation. It gave Likud a projected 25 places in the 120-seat parliament, just ahead of the Zionist Union's 24.

“Last week the Zionist Union was ahead of the Likud by two seats and two weeks ago the lead was three,” the Post wrote. But in a contradictory finding not unusual in Israeli polls, it said that 52 percent of respondents did not want Netanyahu to remain premier. The poll of 514 respondents had a margin of error of 4.5 percentage points.

Israel occupied the West Bank in the 1967 Six-Day war. Building settlements there is illegal under international law and opposed by the United States and the international community as an obstacle to an eventual peace deal with the Palestinians.

## Saudi king orders payout to state employees, reshuffles cabinet

Reuters, 30.01.2015



Saudi Arabia’s new King Salman ordered a lavish payout to all state employees and reshuffled some top government jobs while keeping in place the oil, foreign, finance, defense and interior ministers.

The top oil exporter will pay two months of bonus salary to all state employees and pension to retired government workers, he said in a series of decrees read aloud on state television a week after Salman succeeded his brother Abdullah as king. He removed two of the late king’s sons from big jobs, making Faisal bin Bandar Riyadh governor instead of Turki bin Abdullah and reinstating Khaled al-Faisal.

The two jobs are usually held by senior princes and have sometimes been stepping stones to higher positions. In a possible indication of Salman’s approach to social reform, he also replaced several top religious officials, removing two clerics known as comparative liberals who headed the Justice Ministry and Religious Police.

He also appointed Mohammed Jadaan, a lawyer, as the new head of the Capital Market Authority, the state regulator for the stock market which will open to direct foreign participation later this year. He kept in place veteran Oil Minister Ali al-Naimi, Finance Minister Ibrahim Alassaf and Foreign Minister Prince Saud al-Faisal. The Labour, commerce, transport and economy and planning ministers were also kept unchanged.

He appointed new ministers of agriculture, education and information and a new head of the intelligence services. He also merged the education ministry and higher education ministry and abolished the Supreme Council for Petroleum and Minerals Affairs, replacing it with a new body, according to the text of a royal decree read out on state television. The king, who took power a week ago after Abdullah’s death early on Friday morning, also kept in place the late king’s son Miteb as Minister of the National Guard, an important strategic post.

## PYD leader cannot get visa from US

AFP, 30.01.2015



Despite praising the defeat of ISIL militants in the Syrian town of Kobane on the Turkish border, the U.S. has rejected a visa request from Salih Müslim, the leader of the party behind the Kurdish militia who fought against the jihadists.

U.S. authorities refused to cite a reason for refusal of PYD leader Salih Müslim. His effort to go to Washington goes back to 2012. However, his application to the U.S. Embassy in Stockholm was neither denied, nor confirmed until this recent decision. PYD has close links to PKK which the U.S. considers as a terror organization. In August last year, Müslim renewed his application in order to join a panel.

The process failed once again, as a letter to Foreign Minister John Kerry by the Kurdish-American Friendship Group of the U.S. Congress also did not yield a result. Katherine Wilkens, deputy director of the Middle East Program at the think tank, criticized the administration's decision. "We invited Müslim for a conference on Syria at the Carnegie Endowment to discuss the important contribution that Syrian Kurdish forces are making in the ground campaign against ISIL. Since we first issued the invitation, State Department officials have met with Mr. Müslim in Europe and our military has been coordinating the successful air campaign over Kobane with PYD representative," she said.

## Syria opposition, Assad representatives meet in Moscow: Syrian source

AFP, 28.01.2015



Syrian opposition figures and representatives of the regime of President Bashar al-Assad began talks in Moscow aimed at restarting long-stalled peace negotiations to end the country's brutal war.

The 32 members of various opposition groups tolerated by the authorities in Damascus and six members of the official Syrian delegation led by the ambassador to the United Nations Bashar Jaafari began their meeting at 0700 GMT, one of the opposition participants told AFP. The Kremlin-sponsored talks were not expected to yield a major breakthrough as the main opposition group.

The leading internationally-recognised opponents of Assad have stayed away, arguing that Russia - one of Assad's few remaining allies -- cannot be an honest broker. The opposition source at the meeting said that those attending were putting forward a "ten-point list" aimed at defusing the nearly four years of civil war that has claimed more than 200,000 lives since 2011. The source said that the opposition figures at the meeting would not immediately insist on establishing a transition government to ease Assad from power. After the meeting this morning, Russia's Foreign Minister Sergei Lavrov was set to meet the Syrian delegation.

## Iran-US nuclear talks resume in Switzerland

Reuters, 24.01.2015



Iranian and US diplomats resumed talks in Switzerland, as the pace intensifies towards a complex deal on Tehran's nuclear programme.

Two days of meetings between Iran's deputy foreign minister Abbas Araghchi and top US negotiator Wendy Sherman began in Zurich, a US spokesman told AFP. EU political director Helga Schmid was also taking part in the meetings, he added. The talks are taking place less than a week after Araghchi met with Sherman and representatives for five other global powers in Geneva in a bid to hammer out a comprehensive deal.

US Secretary of State John Kerry, who met last week in Geneva and then again in Paris with his Iranian counterpart Mohammad Javad Zarif to discuss the nuclear negotiations, also returned to Switzerland. He was scheduled to attend the World Economic Forum in Davos, but it was unclear if he would meet Zarif again there to hold another round of talks.

Under an interim deal agreed in November 2013 by Tehran and the so-called P5+1 powers -- Britain, China, France, Russia, the United States plus Germany -- Iran has frozen its uranium enrichment in exchange for limited sanctions relief. But two deadlines for a full accord cutting off Iran's possible pathway to an atomic bomb have been missed.

Among issues complicating negotiations are hardliners in Washington and Tehran who appear willing to torpedo the efforts. The new Republican-controlled US Congress is considering a fresh sanctions bill, despite strong opposition from President Barack Obama, who has threatened to veto any such legislation. If a sanctions bill does go through, some Iranian lawmakers have hinted they will push to resume unlimited uranium enrichment.

Top European diplomats on Thursday appealed for US lawmakers to hold off on the threatened new sanctions, pleading for time to allow the nuclear talks to succeed. "Introducing new hurdles at this critical stage of the negotiations, including through additional nuclear-related sanctions legislation

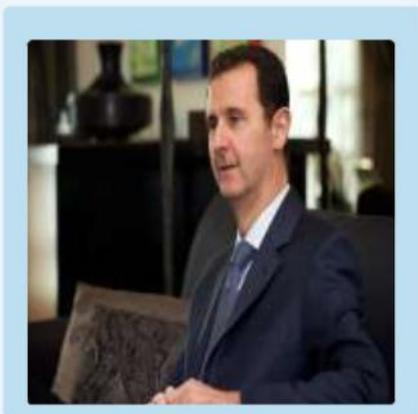
on Iran, would jeopardise our efforts at a critical juncture,” four European foreign policy chiefs warned in a joint op-ed in the Washington Post.

Their commentary echoed an appeal from Kerry, who on Wednesday warned that any new US sanctions could threaten the unity of the global powers negotiating with Iran. “The United States acting unilaterally is not always the best path to take,” he told reporters, cautioning that “this could all fall apart, including the sanctions regime. You lose the sanctions all together.”

The US government’s efforts to push forward towards a deal have meanwhile been complicated further by Israeli Prime Minister Benjamin Netanyahu’s plans to address Congress next month. Netanyahu has called Iran’s nuclear push the most “vital national security challenge” his nation faces, and Obama’s allies fear his trip could be used by Israel and the Republicans to rally opposition to a nuclear deal.

## Syria tells US to pressure Turkey over ‘support of Islamists’

Reuters, 26.01.2015



Syrian President Bashar al-Assad said Washington should pressure Turkey not to allow money and weapons into northern Syria, accusing Ankara and its president of backing “terrorists.”

The Syrian leader also criticized U.S. plans to train vetted rebels to fight the Islamic State of Iraq and the Levant (ISIL), warning it could backfire, in a Foreign Affairs magazine interview published. Questioning the seriousness of the U.S.-led campaign against the jihadists, al-Assad said, “What we’ve seen so far is just, let’s say, window-dressing, nothing real.”

“Did the United States put any pressure on Turkey to stop the support of al-Qaeda? They didn’t,” he said. He was referring to his government’s longstanding accusations that Ankara has backed rebel groups, including ISIL’s jihadist rivals, the al-Nusra Front, an affiliate of al-Qaeda.

When asked about his demands from the U.S., al-Assad insisted on “pressure on Turkey, pressure on Saudi Arabia and pressure on Qatar to stop supporting the rebels,” adding his expectation from Washington “to form a legal cooperation with Syria and begin by asking permission from our government to make such attacks.”

Al-Assad claimed his regime could easily defeat the rebels in the country if there were no “external support in supply and recruitment of new terrorists,” naming particularly Turkey as the main supporter of anti-al-Assad groups. “The problem is that they still have this continuous supply, mainly from Turkey,” he told the magazine. “Logistically, and about terrorist financing from Saudi Arabia

and Qatar, but through Turkey,” al-Assad said, when asked if Turkey is the country he is most concerned about.

Al-Assad also said he blames President Recep Tayyip Erdoğan personally, when asked about the Turkish leader. “Because he belongs to the Muslim Brotherhood ideology, which is the base of al-Qaeda; it was the first political Islamic organization that promoted violent political Islam in the early 20th century,” he said. “He belongs strongly and is a staunch believer in these values. He’s very fanatical, and that’s why he still supports ISIS [ISIL]. He is personally responsible for what happened.” The Syrian president said U.S. plans to train vetted rebels to fight ISIL were “illusory,” as they would eventually defect to the jihadists.

Washington has backed the Syrian opposition since early in the uprising and has unveiled plans to train more than 5,000 vetted rebels in Qatar, Saudi Arabia and Turkey to fight ISIL.

Al-Assad said the planned U.S.-trained force would be “illegal” and would be treated like any other rebel group. “They are going to be fought like any other illegal militia fighting against the Syrian army,” he said. “Bringing 5,000 [fighters] from the outside will make most of them defect and join ISIS [ISIL] and other groups. The idea itself... is illusory.” The Pentagon has itself acknowledged that identifying and vetting potential rebel recruits for training is a difficult task that cannot be accomplished quickly without significant risks.

## Nine Ukrainian soldiers killed in ‘tense’ eastern conflict: Kiev military

Reuters, 27.01.2015



Nine Ukrainian servicemen have been killed in fighting Russian-backed separatists in the past 24 hours, the Kyiv military said, as rebels fought to encircle a key town straddling transport routes between their two strongholds.

Violence in eastern Ukraine is at by far its worst since a ceasefire was agreed last September and Ukraine and the West accuse Russia of openly supporting the latest rebel advance with money, arms and troops on the ground. Military spokesman Vladislav Seleznyov said 29 servicemen had been wounded in addition to those killed, adding that fighting was the most intense near the strategic town of Debaltseve.

“The situation remains tense. In the past 24 hours illegal armed groups carried out 120 attacks on government positions,” he said in a televised briefing. In Kyiv, parliament was due to meet for an emergency session to vote on a statement that would call Russia an aggressor-state, lawmakers said. It was not immediately clear what implications such a declaration would have beyond its symbolism.

U.S. Ambassador to the United Nations Samantha Power said on Monday deadly attacks on the port city of Mariupol on the weekend show that Moscow's objective is to increase the Ukrainian territory it controls. Separatist Donetsk and Luhansk regions, known as the Donbass, together account for around 9 percent of Ukrainian territory, excluding the peninsula of Crimea, seized by Russia from Kyiv last March. Rebels control less than half of this area, but have made its two largest cities the capitals of their self-styled 'People's Republics.'

After months during which the truce was punctured by small-scale skirmishes on the front line, rebels said last week they were left with no choice but to launch an advance. Their main aim, they say, is to push back government forces that had been shelling rebel-held cities.

The Kyiv government sees the rebel advance as a repudiation of the ceasefire, restarting a war in which 5,000 people have died. Kyiv and NATO believe thousands of Russian troops are in eastern Ukraine fighting for the rebels with advanced weapons, despite Moscow's denials.

The rebels have vowed to encircle Debaltseve, a town with a pre-conflict population of around 46,000 that straddles key transport routes between the two separatist strongholds. So long as it is under the control of Kyiv troops, it weakens the separatists' frontline as it forms a "tongue", extending into rebel-controlled territory, separatist deputy commander Eduard Basurin told Reuters.

## Putin accuses Ukraine army of being 'NATO foreign legion'

AFP, 26.01.2015



Vladimir Putin sharply ramped up his anti-Western rhetoric, accusing the Ukrainian army of being "NATO's foreign legion" whose main purpose was to contain Russia.

Shortly after his spokesman warned the West against "blackmailing" Moscow with the threat of new sanctions over an upsurge in Ukraine violence, Putin accused Kyiv of being unwilling to seek a peaceful settlement to a war that has claimed more than 5,000 lives. "Who is really fighting there?" Putin said during a visit. "These are partly official units of the armed forces, but to a greater extent these are so-called 'voluntary nationalist battalions'," he said.

"In essence, this is not an army, this is a foreign legion -- in this particular case NATO's foreign legion, which of course does not pursue the objective of serving Ukraine's national interests. There are completely different goals there," he said, saying they aimed to achieve "Russia's containment". "Unfortunately, official Kyiv authorities are refusing to take the path of a peaceful settlement," he added.

The Kremlin strongman also said that “many” Ukrainian men of draft age did not want to take up arms and sought to leave for Russia instead. “They are seeking to move here, wait this out for some time,” Putin said. “And they are doing the right thing because they are simply being used there as cannon fodder.”

US President Barack Obama at the weekend threatened to pile on the pressure against Russia over the surge in fighting in Ukraine, saying Putin appeared “hell-bent on engaging in military conflicts”. Putin’s spokesman Dmitry Peskov, speaking to reporters earlier Monday, warned the West against what he called “economic blackmail.” “This is an absolutely destructive, unjustified and ultimately short-sighted policy.”

Washington and Brussels have already slapped several rounds of sanctions against Russia in an effort to force Moscow to drop its support for eastern Ukrainian separatists. Kyiv and the West have accused Moscow of sending regular troops to Ukraine to prop up the insurgency. Russia has denied the claim despite evidence to the contrary.

## Greek government to hold first talks with EU leaders

AFP, 29.01.2015



Greece’s radical new government is to hold its first talks with a foreign dignitary, hosting the head of the European parliament a day after announcing moves to roll back austerity measures.

In sweeping announcements two days after taking power, Prime Minister Alexis Tsipras began reversing many of the unpopular measures that underpin Greece’s 240-billion-euro bailout programme. His “national salvation” government said it was putting on hold plans to sell a majority stake in the ports of Piraeus and Thessaloniki, and would also halt the privatisation of the top electricity and petroleum companies.

The announcements sent the Athens stock market diving by more than 9.0 percent on Wednesday, with major banks tumbling by a quarter. Chinese media warned Tsipras over halting the privatisation of the Piraeus port, for which China’s COSCO group has bid, saying he was in a similar position to the Greek mythological figure of Phaeton, who was given the reins of the sun only to lose control and nearly destroy the earth.

European Parliament head Martin Schulz will visit Athens to hold talks with its new leaders, followed by Jeroen Dijsselbloem, the president of the Eurogroup club of Eurozone finance ministers. Ahead of the dignitaries’ visits, the president of the European Commission reiterated that cancelling Greece’s huge debt was not an option, urging Athens to “respect... the rest of Europe”.



“Greece must comply with Europe,” Jean-Claude Juncker said in an interview with French newspaper Le Figaro published Thursday, stressing that “there is no question of cancelling the debt”. “We respect the popular vote in Greece, but Greece must also respect others, public opinion and parliamentarians from the rest of Europe,” Juncker said. “Arrangements are possible, but they will not fundamentally alter what is in place.” “Tsipras promises that Greece will not accept austerity any more. The euro countries respond that there will be no more credit if Greece abandons its commitments,” he said.

Following Wednesday’s announcements, yields on Greek 10-year bonds rose above the symbolic 10-percent barrier, and ratings agency Standard and Poor’s put the country’s ‘B’ credit rating on watch for a possible downgrade, warning the government was heading for a confrontation with its international creditors. US President Barack Obama phoned Tsipras to congratulate him on his election victory -- which puts Greece on a potential collision course with Washington, as well as its European neighbours. “The president noted that the United States, as a longstanding friend and ally, looks forward to working closely with the new Greek government to help Greece return to a path of long-term prosperity,” a White House statement said.

Tsipras, whose Syriza party swept to power on Sunday pledging to end painful austerity after six years of recession, told his first cabinet meeting that Greece was no longer willing to bow to the “politics of submission”, in a clear swipe at creditors the EU and the International Monetary Fund. “Our people are suffering and demand respect... We must bleed to defend their dignity,” Tsipras told his ministers, largely a collection of academics who have never served in government. He said he wanted a “fair, mutually beneficial solution” with Brussels on the bailout.

The new finance minister, maverick economist Yanis Varoufakis, insisted there would be no “showdown” between Greece and the EU, but also called the austerity cuts a “toxic mistake” that ultimately benefited no-one in Europe. He said the Syriza-led government wanted “a pan-European New Deal” to encourage growth and help the continent deal with Greece’s crisis. The ruling Syriza party has made frequent references to a “New Deal”, harking back to the stimulus programme that pulled the United States out of the Great Depression in the 1930s.

In another measure, newly appointed Labour Minister Panos Skourletis said the minimum monthly wage be would be restored to 751 euros -- it had been cut to 589 euros in one of the key reforms demanded in exchange for the bailout. Following Wednesday’s drubbing of banks on the stock market, Deputy Prime Minister Giannis Dragasakis said that any decision on the Greek banking sector would be taken in consultation with private shareholders. “We are open to ideas and proposals from private shareholders, with the aim of strengthening the banks... and more generally developing our economy,” Dragasakis said at the end of an interdepartmental meeting with Tsipras.

Germany, seen in Greece as taking the hardest line over its massive debts, said European solidarity worked both ways and reminded Athens that other EU nations had helped bail out the crisis-hit country. The new coalition must address an end-of-February deadline set by the EU for Greece to carry out more reforms in return for a seven billion euro tranche of financial aid from the bloc and the IMF. Tsipras must decide soon whether to delay the deadline. Time is short. Outgoing finance minister Gikas Hardouvelis said Greece had “quite acute” financing needs in March and could not afford for negotiations to drag on until the summer.

# Germany halts arms exports to Saudi Arabia

AFP, 25.01.2015



Germany has decided to stop arms exports to Saudi Arabia because of “instability in the region,” German daily Bild reported.

Weapons orders from Saudi Arabia have either been “rejected, pure and simple,” or deferred for further consideration, the newspaper said. The decision was taken by the national security council, a government body that includes Merkel, Vice Chancellor Sigmar Gabriel and seven other ministers, it said. “According to government sources, the situation in the region is too unstable to ship arms there,” added the daily.

Its importance was made clear on Saturday when world leaders converged on Riyadh to offer condolences following the death of King Abdullah, including Britain’s prime minister and France’s president. Germany was represented by former president Christian Wulff.

The kingdom is “one of the most important clients of Germany’s arms industry,” with 360 million euros (\$400 million) of arms shipments authorised in 2013, Bild said. But it has also come under fire from human rights groups for its harsh treatment of religious minorities and women, as well as the lack of transparency in its legal system. A survey carried out for Bild found that 78 percent of Germans believe Berlin should stop selling arms to Saudi Arabia -- and a further 60 percent want to break off trade ties all together -- due to human rights violations.

# Boko Haram wages new Nigeria attacks as Kerry visits

AFP, 25.01.2015



Nigeria's military fought Boko Haram militants in the restive northeastern city of Maiduguri on Jan. 25, as US Secretary of State John Kerry jetted in to discuss fears about election-related violence.

Militants launched a dawn raid on Jintilo village on the outskirts of the Borno State capital, prompting soldiers to respond with heavy weaponry and air strikes while the entire city was put on lock-down. At the same time, Islamist fighters attacked Monguno, about 65 kilometres (40 miles) from the fishing town of Baga, where hundreds, if not more, people were killed in a devastating Boko Haram onslaught.

Amnesty International said civilians in the city and surrounding areas were now "at grave risk" and called for their "immediate protection". The renewed violence underscored the extent of the difficulties facing Nigeria as it scrambles for a solution to enable hundreds of thousands of people displaced by the unrest to vote next month. It also demonstrated the uphill battle facing President Goodluck Jonathan, who was at a campaign rally for the February 14 election in Maiduguri on Saturday, where he again vowed to end the six-year insurgency.

Kerry touched down in the financial capital, Lagos, and headed straight for separate meetings with Jonathan and the main opposition's presidential candidate, former military ruler Muhammadu Buhari. The Nigeria visit -- the first by a US secretary of state since Hillary Clinton in 2012 -- was announced on Friday during a speech in which Kerry warned of the dangers of Islamist extremists worldwide.

Kerry has previously described the attack on Baga as a "crime against humanity" while the United States has warned of the threat to Nigeria's sovereignty posed by the militants, who want to create a hardline Islamic state in northeast Nigeria. A senior US official told reporters travelling with Kerry that the insurgency, which is increasingly threatening neighbouring countries, would likely be raised with both candidates.

"We have been working very, very closely with the government of Nigeria to address Boko Haram, and I can say very clearly that no country has done as much as we have to support Nigeria's efforts," the official said. "And we would hope that both candidates will be able to address the insecurity and address Nigeria's response to Boko Haram."

But US involvement in Nigeria has been fraught, with criticisms in particular of the Nigerian government's slow response to the mass abduction of 276 girls from the town of Chibok in April last year. US drones were deployed and the Pentagon dispatched intelligence and surveillance specialists in the hope of finding the 219 teenagers' still being held but to no avail.

Assistant Secretary of State Linda Thomas-Greenfield has accused Nigeria's military of being in denial about the threat posed by Boko Haram, which has captured dozens of towns in the last six months.

Nigeria's ambassador to Washington has accused the United States of failing to provide the weaponry required to end the rebellion and Abuja also ended a US training programme for soldiers to take on the militants. But despite massive defence spending accounting for some 20 percent of the federal budget last year, Nigerian troops maintain that they lack the right weapons and equipment to take on the better-armed militants.

Boko Haram is thought to have increased the scope and intensity of its attacks this year to further undermine the credibility of the government, which it sees as illegitimate and un-Islamic. But Kerry was instead expected to address poll-related violence, which has blighted previous Nigerian elections and which it is feared could erupt again, given the closely fought race.

Some 1,000 people died at the last elections in 2011 during protests in central Nigeria, where the predominantly Christian south meets the mainly Muslim north. Both Jonathan and Buhari recently signed a non-violence agreement but that has not stopped sporadic outbreaks of unrest between supporters of their Peoples Democratic Party (PDP) and the All Progressives Congress (APC).

The US official said Washington expected free, fair and peaceful elections in Africa's most populous nation. "This election in Nigeria is being watched by the entire continent and in fact by the entire world," the official added. The United States has pressed for the elections to go ahead, despite the raging insurgency. This week, Nigeria's national security advisor Sambo Dasuki called for polling to be delayed as 30 million voter cards had yet to be distributed. But the electoral body maintained it was on track.

## Japan PM slams 'despicable' Islamist execution threat

AFP, 28.01.2015



An angry Japanese prime minister slammed as "utterly despicable" an Islamist militant threat to kill both a Japanese hostage and a Jordanian pilot unless Amman releases a jihadi bomber.

The clock was ticking towards the 24-hour deadline ISIL militants set in their latest chilling video, which warned they will execute freelance journalist Kenji Goto and airman Maaz al-Kassasbeh if they do not get their way. "This was an utterly despicable act, and I am appalled," Japanese premier Shinzo Abe told reporters. "I have instructed all ministers to work together for the early release of Mr Kenji Goto."



“The government, in this extremely serious situation, has been asking for the Jordanian government’s cooperation towards the early release of Mr Goto, and this policy remains unchanged,” he earlier told ministers. Tokyo has appealed for Jordan’s help since a video emerged at the weekend in which the extremist group announced it had murdered Haruna Yukawa, a self-employed contractor it had kidnapped in August.

After initially demanding a \$200 million ransom for the release of the two Japanese men, the group, which rules swathes of Syria and Iraq with a medieval form of Islam, said it wanted Jordan to free Sajida al-Rishawi, a would-be suicide bomber who has been on death row since 2006.

Analysts said the changing demands were an attempt to divide close allies of the US-led fight against extremism in the Middle East. They say the ISIL is forcing Jordan, a moderate Muslim country, into the position of trying to balance strong domestic pressure to bring its airman home with wariness of harming its important relationship with deep-pocketed Japan.

Kassasbeh was captured by ISIL on December 24 after his F-16 jet crashed while on a mission against the jihadists over northern Syria. In the latest video, Goto, a respected war reporter, is seen holding a photograph of Kassasbeh, while a voiceover, purportedly spoken by the Japanese hostage, warns that Jordan is blocking his release. The narrator says both captives will be killed within 24 hours if Rishawi is not freed, and urges the Japanese government to put pressure on Jordan.

Moments after the new video appeared, Goto’s mother Junko Ishido said: “I think the government should do whatever it can do.” “Kenji does not hold any animosity toward the Islamic State. He went to the Islamic State out of his extreme concern for Mr. Yukawa,” she told Japanese media.

Japan’s deputy chief cabinet secretary Katsunobu Kato indicated the government believed the video was genuine. Asked exactly when the 24-hour deadline expires he told reporters: Our government first noticed the message at 11pm, Japan time, (1400 GMT).” Tokyo appeared to be laying the ground for what it hoped could be the release of both men, taking on the Jordanian pilot’s cause.

“Both countries are closely cooperating towards the return of each of them to their countries,” deputy foreign minister Yasuhide Nakayama told reporters in Amman. Jordan’s King Abdullah pledged full cooperation with Japan during a meeting with Nakayama to ensure Goto’s release, Tokyo said. Tokyo is likely to face resistance from Washington over any kind of swap. Asked about recent developments, US State Department spokeswoman Jen Psaki said a prisoner exchange was “in the same category” as paying a ransom.

Rishawi, who is Iraqi, was sentenced to death by a Jordanian court in September 2006 for her part in triple hotel bombings in Amman the previous year that killed 60 people, mainly Jordanians. The ISIL has previously beheaded two US reporters, an American aid worker and two British aid workers, and committed numerous atrocities, including mass executions, but the killing of Yukawa was the first time a Japanese national has been targeted.

## Obama lands in Saudi Arabia for talks with new king

AFP, 27.01.2015



US President Barack Obama landed in Saudi Arabia to shore up ties with new King Salman and offer condolences after the death of his predecessor Abdullah.

Air Force One touched down at King Khalid International Airport in Riyadh, arriving from India where Obama cut short a state visit to travel to the ultra-conservative Muslim kingdom, a key US ally. Saudi television showed Salman welcoming Obama and his wife at the bottom of a red-carpeted ramp. In contrast to Saudi women, required to dress head-to-toe in black, Michelle Obama wore dark slacks and a blue top with her hair uncovered.

A row of stars and stripes flags flew beside Saudi Arabia's green standards. Salman's heir Crown Prince Moqren and Mohammed bin Nayef, the kingdom's powerful interior minister who is second in line to the throne, were among the officials who lined up to welcome the US delegation, television showed. Oil Minister Ali al-Naimi was also among the delegation. The US president then boarded a black limousine for talks with Salman at a palace in the city centre. Salman, 79, acceded to the throne after Abdullah died aged about 90.

## UN warns Ebola epidemic 'not yet contained'

AFP, 29.01.2015



The Ebola epidemic is decreasing but is still present in a third of the areas of the three worst affected West African nations, UN Ebola coordinator David Nabarro warned.

"The number of cases is decreasing week by week and getting to zero in many places... but we still see occasional flare-ups and we still see some surprises with new cases out of our contact lists," Nabarro told AFP. "That means that the epidemic is not contained yet," he said. Nabarro was speaking at the African Union headquarters, as leaders gather a day ahead of a summit meeting where Ebola is a key issue for discussion.



The worst outbreak of the virus in history has seen nearly 9,000 deaths in a year -- almost all in the three West African countries of Liberia, Guinea and Sierra Leone -- and sparked a major health scare worldwide. The three nations have been devastated by the outbreak, which began in December 2013, but all have seen recent signs that the virus is on the wane, with the number of new cases dropping weekly.

Liberia, once the country worst hit by the outbreak, hopes to have no new cases by the end of next month. "We must maintain the effort with even greater intensity, the forthcoming rainy season is a concern," Nabarro said. But he also said there were key lessons from the response to Ebola, and said that a proposals to set up an African equivalent to the United States' Centers for Disease Control and Prevention (CDC) would be a step forward. "I took us too long to be ready, we need a better response capacity," he said. "The African CDC will allow the AU to be much quicker."

African leaders are set to discuss the economic recovery of countries affected by Ebola, as well as the setting up a "solidarity fund" and planning the CDC centre, which in its initial phase would operate as an "early warning system". AU Commissioner for Social Affairs Mustapha Sidiki Kaloko, speaking Wednesday, promised it would be operational by mid-2015.

Oxfam has called for a "massive post-Ebola Marshall Plan" for affected west African nations, referring to the United States aid package to rebuild Europe after World War II. "It's clear that Africa's existing architecture for early disease detection, response and control is wholly inadequate," Oxfam said in a statement. The World Health Organization admitted earlier this month that the UN agency had been caught napping on Ebola and pledged reforms to avoid similar mistakes in future.



# Announcements & Reports

## ► *The Role of Diplomacy and Soft Power in Combatting Terrorism*

**Source** : SAM

**Weblink** : <http://sam.gov.tr/the-role-of-diplomacy-and-soft-power-in-combatting-terrorism-concepts-fighting-methods-and-case-studies/>

## ► *France's False Choice: Can Liberal Societies Come to Terms with Religious Liberalism?*

**Source** : Brookings

**Weblink** : <http://www.brookings.edu/research/opinions/2015/01/28-france-religious-illiberalism-hamid>

## ► *New Perspectives in Foreign Policy*

**Source** : CSIS

**Weblink** : <http://csis.org/publication/new-perspectives-foreign-policy-vol-8-winter-2015>

# Upcoming Events

## ► *Ageing and Health: Policy-making in an Era of Longevity*

**Date** : 09 February 2015

**Place** : London – United Kingdom

**Website** : <http://www.chathamhouse.org/conferences/ageing>

## ► *Security and Defense*

**Date** : 23 February 2015

**Place** : London – United Kingdom

**Website** : <http://www.chathamhouse.org/Defence2015>

## ► *Diversifying MENA Economies*

**Date** : 02 - 03 March 2015

**Place** : London – United Kingdom

**Website** : <http://www.chathamhouse.org/conferences/MENA-Economies>



► *Creating an Effective Financial System*

**Date** : 09 March 2015  
**Place** : London – United Kingdom  
**Website** :

► *Innovation Forum 2015*

**Date** : 26 March 2015  
**Place** : Chicago – USA  
**Website** : <http://www.economist.com/events-conferences/americas/innovation-2015>