

Babacan: Political polemics over currency rates push up risk premiums of a country

Hurriyet Daily News, 12.02.2015



Making currency rate policies become a point of daily political polemics in a country has many negative effects, pushing the country's risk premiums and rates up and making it less predictable, Deputy Prime Minister Ali Babacan said.

“It is good that Turkey's Central Bank communicates about currency rates when necessary,” Babacan said. Although the government has not defined a currency rate target, it is not possible for the Central Bank to not be interested in what is happening in the currency rates, as the main priority of the Bank is to maintain price stability, he added.

He noted that the global currency markets are very volatile at the moment and the recent sharp decrease in the value of the Turkish Lira was mainly caused by dramatic fluctuations in global markets. Babacan noted that the Central Bank will “do what is necessary” for the sake of price stability by closely following the currency rates, adding that ministers' currency rate targets are their own ideas, and the final addressee for assessments on currency rates should be the Central Bank.

The Monetary Policy Board of the Central Bank is composed of people with high technical capacities and the board members assess all criticisms, he said, adding that he won't make any comments about the board's possible interest rate decision in its February meeting. Babacan has emerged as one of the staunchest defenders of Central Bank independence in recent weeks, amid strong criticisms from senior government officials and President Recep Tayyip Erdoğan about its interest rate policies.

The deputy prime minister also said Turkey's current account deficit-to-GDP may decrease to 4 percent this year, from around 5.6 percent in 2014, as long as oil prices will be around \$50-60 per barrel. “Turkey's current account gap shrank by \$19 billion to \$46 billion in 2014. We have not seen the positive effects of oil prices yet,” Babacan said.

He also commented on the controversial recent seizure of Bank Asya, linked to the government's ally-turned-enemy the Gülen Movement, saying the documents of the bank's shareholders had not been submitted properly to the banking watchdog BDDK. “According to the 5th paragraph of the BDDK's banking law's 18th article, the watchdog had asked for a number of documents, which show whether the shareholders observe international standards to be a bank's shareholder. But the documents were not submitted to the banking watchdog properly. The documents of a majority of the bank's shareholders were not offered ... The banking watchdog will examine the entirety of the documents and information. Then it will make its final decision,” Babacan said. Shareholders in Turkey's Bank Asya began legal action on Feb. 11 in an attempt to regain control of the Islamic lender after regulators dismissed the board and took over its management.

Turkey's 2014 current account deficit narrows to \$45.84 billion

Doğan News Agency, 11.02.2015



Turkey's current account deficit has narrowed to \$45.84 billion, shrinking by \$18.82 billion from last year, in line with expectations, data from the Central Bank showed.

The current account deficit shrank by \$18.82 billion in 2014, from 64.66 billion dollars in 2013, due to the oil slump and lira depreciation of around 30 percent over the same period. These two factors hit imports and pushed the trade deficit down by 15.4 percent. "The decrease in the current account deficit is mainly attributable to the \$16.32 billion decrease in the foreign trade deficit, which is at around \$63.59 billion," said the Central Bank.

There was also a \$2.51 billion increase in the services surplus, which reached \$25.35 billion, as well as a \$263 million decrease in the primary income deficit, which was \$8.72 billion. With regard to the government's domestic debt securities, non-residents conducted net purchases of \$370 million, a sharp drop from the net purchases of \$4.13 billion in 2013. For bond issues in international capital markets, Turkish banks and other sectors borrowed a total of \$10.2 billion and \$3.18 billion, respectively. The deposits of nonresident Turkish citizens within the Central Bank recorded a net outflow of \$2.33 billion.

Turkey's lira drops to record low after US jobs data

Reuters, 09.02.2015



The Turkish lira sank to yet another all-time low, a fresh historic low of 2.4950 against the dollar, hit by expectations the U.S. Federal Reserve could raise interest rates mid-year, bolstering the dollar and reducing appetite for riskier emerging-market assets.

“Any easing in the policy stance looks less probable. The tightening in liquidity conditions will likely put additional pressure on the Turkish Central Bank to keep money-market rates close to the upper band of the interest-rate corridor for longer,” TEB-BNP Paribas strategist, Erkin Işık, wrote in a research note.

The main Istanbul share index fell 1.53 percent to 83,690.86. The two-year bond yield traded at 7.8 percent, up from 7.43 percent.

Turkey's industrial production increases

Anadolu Agency, 09.02.2015



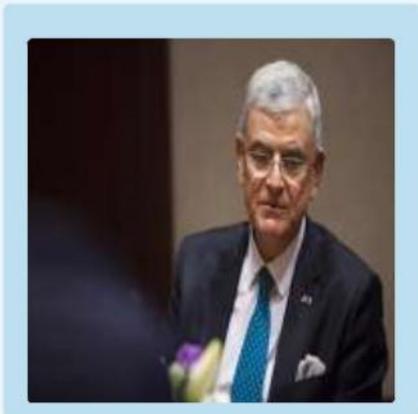
Turkey's industrial production increased by 2.6 percent in December, according to data from TÜİK released.

Industrial production increased by 2.6 percent compared with the same month last year, and 1.2 percent from the previous month. Mining output rose by 3.2 percent in December from the previous month, but output from utilities decreased by 1.9 percent. Manufacturing indexes increased by 1.6 percent in December. Industrial production decreased by 0.5 percent in the last quarter of 2014 compared with the previous quarter. In the last quarter of 2014, mining output increased by 6.6 percent, while utilities were up 2.5 percent.

“Especially in the decline to the EU, the regression in the parity played a big role. If the parity had remained the same, we would have added \$750 million worth of exports to the January exports,” Büyükekşi said. The most exports were made by the automotive sector in January with around \$1.73 billion. The sector was followed by the textile and confection sectors with \$1.39 billion and the chemical materials sector with \$1.2 billion.

Minister Bozkır: Turkey to lose \$5 billion annually if not included in transatlantic trade deal

Anadolu Agency, 07.02.2015



Turkey stands to lose roughly \$5 billion per year in direct losses alone if it is not included in a final free trade agreement between the EU and the U.S., Turkey's minister for EU Affairs said.

Minister Volkan Bozkır told a gathering at the German Marshall Fund in Washington that Turkey "cannot afford the damage that would be caused" to its economy if it was not included in the prospective deal. The eighth round of negotiations on the Transatlantic Trade and Investment Partnership were set to conclude in Brussels, with more than 200 negotiators representing.

If successful, the TTIP negotiators have the potential to integrate two of the world's largest economies. Turkey has been a party to the Customs Union deal with the EU since 1995, allowing goods into its borders. However, Turkey is not a party to the TTIP talks as it is not an EU member.

Turkish officials argue that future free trade agreements signed by the EU with other countries, such as the U.S., would effectively open Turkey's market to exports from these states, while effectively blocking Turkish exports from benefiting from tax advantages in those same states, if Ankara is not a party to free trade deals negotiated by the EU.

Bozkır said negotiations should continue, with an addition to the final TTIP agreement stating that it would also include Customs Union members. "That's what we're trying to explain. If [such an addition] is not there then we can't afford it, so we might have to think about some negative measures," he said, also adding that Turkey seeks to upgrade its Customs Union agreement with the EU to include agriculture, services and public procurement.

Increasing economic ties could boost the trade volume between the neighbors to \$300 billion from \$150 billion, and could provide relief from any negative fallout from the U.S.-EU free trade agreement, he said. "If we can manage to upgrade the Customs Union before the TTIP then we will have this article there so you won't have any problems when signing the TTIP, but the question is: Who will be faster? Turkey and the EU, or the EU and the U.S.?" Bozkır said.

Meanwhile, touching on the Cyprus impasse, the minister described the continued partition of the divided island as a "shame." "Turkey is ready to resolve this problem. We will do whatever necessary," he added.

TÜGİAD: Turkey's state subsidies center on a few cities, new growth system needed

Hurriyet Daily News, 12.02.2015



Turkey's state subsidies and economic incentives are centered on a few cities and the existing system does not cover less developed cities, the Turkish Young Business Association (TÜGİAD) said in written statement.

The association said Istanbul was the most preferred city for investment in 2014 with a share of 12.8 percent in the number of investment incentive documents. The northwestern city of Bursa followed Istanbul with 5.4 percent, followed by the capital Ankara with 4.1 percent and İzmir with 3.6 percent, according to data compiled by TÜGİAD from Economy Ministry figures.

Istanbul was also number one in terms of the volume of investment with a 14 percent of share in the total, followed by İzmir with 6.5 percent, Ankara with 5.9 percent, and both Manisa and Antalya with 5 percent. The lowest investment incentives in 2014 were offered in the Black Sea province of Bayburt, and the eastern provinces of Ardahan, Tunceli and Hakkari.

“One of Turkey's deepest problems is the income inequality between regions. While nothing is invested in some cities, record high investments are made in others. This is not good for us. The existing investment incentive system, which has continued since 2009, is not creating attraction for investments in several cities like Ardahan, Tunceli and Bayburt, despite many attractive points they offer. For such provinces, a new economic support and growth model based on a flourishing private sector should be developed and adopted,” said TÜGİAD head Ali Yücelen.

Small and medium-sized enterprises (SEMs) play a great role in the economy, Yücelen stressed. “If we want to narrow the regional welfare gap, our biggest leverage will be SMEs. In this vein, Turkey needs to take steps to make them more effective and productive,” he added.

The TÜGİAD head noted that the state has very detailed information about the cities and the economy. “It is important to assess this information. We do not have a healthy industry inventory, and unless we measure it we will not be able to manage it,” Yücelen said. Most investments in Turkey in 2014 were made in the energy, services, manufacturing, mining and agricultural sectors, according to the Economy Ministry data.

UN: Assad ‘part of the solution’ in Syria

AFP, 13.02.2015



Any resolution to the fighting in Syria must involve President Bashar al-Assad, the United Nations envoy to Syria Staffan de Mistura said in the first such acknowledgement by the UN.

“Assad is part of the solution,” de Mistura told a joint press conference with Austrian Foreign Minister Sebastian Kurz. “I will continue to have very important discussions with him,” he added, noting that “the only solution is a political solution.” This was the first time a UN envoy on Syria explicitly named Assad as part of a peaceful solution after nearly four years of fighting between government troops and rebels seeking the leader’s overthrow.

De Mistura, who was in Damascus this week meeting with Assad, is due to deliver a report on his mission to the UN Security Council. If no solution to the conflict is found, “the only one who takes advantage of it is (the Islamic State group) ISIS Daesh,” de Mistura said, referring to the jihadists who have taken over parts of Syria and Iraq.

The group is a “monster waiting for this conflict to take place in order to be able to take advantage,” he said. Kurz meanwhile agreed that “in the fight against IS it can be necessary to fight on the same side” but insisted that “Assad will never be a friend or even a partner.”

Human rights groups have accused Syria’s government of indiscriminate bombardment of civilians in rebel-held areas, including with crude “barrel bombs” -- allegations Assad denied in a BBC interview this week.

In the interview, he also complained that in the fight against IS, “there is no dialogue” with the US-led coalition, which began airstrikes in September. “There’s, let’s say, information, but not dialogue,” the embattled leader said.

In a poll, 53 percent of residents in opposition-held areas of Syria’s second city of Aleppo -- which has seen some of the country’s worst violence since July 2012 -- said they favored de Mistura’s October proposal of a “freeze” in fighting. But a great majority also said they were skeptical that a truce would hold. The Syrian conflict began as peaceful protests in March 2011, before descending into war that has since killed more than 210,000 people, with regime troops shelling rebel-held areas almost daily.

UAE warplanes back in action against ISIL jihadists

AFP, 10.02.2015



The United Arab Emirates launched air strikes from Jordan against ISIL as an important Arab ally in the US-led anti-ISIL coalition returned to combat operations.

The raids came after President Bashar al-Assad said Damascus was being informed about air strikes against jihadists in Syria and that they could help his government if they were “more serious”. Emirati F-16s that flew in to Jordan on Sunday carried out raids against ISIL, “hitting their targets and returning safely to base”, the UAE armed forces command said. It did not specify how many aircraft were in action, or where or what their targets were.

Following the December crash and capture of Jordanian F-16 pilot Maaz al-Kassasbeh, the UAE withdrew from the coalition’s strike missions over fears for the safety of its pilots. The jihadists later killed the airman by burning him alive, releasing gruesome video footage of his “execution”.

Abu Dhabi wanted more done in terms of search and rescue for downed pilots in the conflict zones, the New York Times reported, and the US military later deployed aircraft and troops to northern Iraq to boost its SAR capabilities. The Pentagon said coalition aircraft carried out one air strike in eastern Syria in the 24 hours to 0600 GMT, and also pounded the jihadists in Iraq with 11 strikes.

The US-led coalition launched air strikes against ISIL in Syria on September 23, but has pointedly refused to coordinate with Damascus. In an interview broadcast by the BBC, Assad confirmed that there was no cooperation with the coalition, members of which he accused of backing “terrorism” -- in an apparent reference to their support for other rebel groups fighting to overthrow him.

“There’s no direct cooperation” with the coalition, Assad said. “Sometimes, they convey a message, a general message. There is no dialogue. There’s, let’s say, information, but not dialogue.” Assad said such communication was through third parties. “More than one party, Iraq and other countries,” he said.

Damascus has grudgingly accepted the air strikes against ISIL on its territory, saying it was informed before they started, but has repeatedly criticized the coalition for failing to coordinate with it. It says the raids cannot defeat ISIL unless the international community starts cooperating with Syrian troops on the ground. Assad said the US-led strikes had the potential to help his government, but that so far they were not sufficiently “serious” to do so.

Analysts have said the anti-ISIL strikes have freed up Syria’s government to focus on other rebel groups. And Syrian opposition leaders have accused Washington of abandoning them by targeting the jihadists but not Assad’s forces.

Rights groups have accused Syria's regime of indiscriminate bombardment of civilians in rebel-held areas, including with barrel bombs -- crude munitions packed with explosives and shrapnel that are generally dropped by helicopter. But Assad flatly denied the allegation as a "childish story". "I haven't heard of (the) army using barrels, or maybe cooking pots," he said, laughing. "We have bombs, missiles and bullets. "There are no indiscriminate weapons. When you shoot, you aim, and when you shoot, when you aim, you aim at terrorists in order to protect civilians," Assad said.

He also denied claims that the government had used chemical weapons in an August 2013 attack outside Damascus that killed up to 1,400 people. "Who verified who threw that gas on who?" he asked. Challenged on whether his government did so, he said "definitely not," adding that the reported death toll was "exaggerated".

Since Syria gave up its chemical arsenal in a Russian and US-brokered deal after the 2013 attack, there have been persistent reports of the use of chlorine gas. But Assad said his forces were "definitely not" using chlorine as a weapon. More than 210,000 people have been killed in Syria since the conflict began with anti-government protests in March 2011. Two rounds of UN-sponsored talks have failed to achieve progress, but the UN's latest envoy on the conflict, Staffan De Mistura, was in Damascus on Tuesday to discuss his plan for a "freeze" of fighting in the main northern city of Aleppo.

Legarde: IMF, Ukraine in deal for \$17.5 billion bailout

Reuters, 12.02.2015



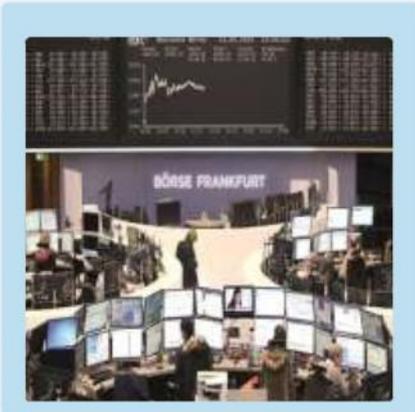
IMF and conflict-torn Ukraine have reached a preliminary deal on a new financial rescue plan worth \$17.5 billion dollars that could be a "turning point" for Kyiv, Christine Lagarde said.

Talks have been underway in Kyiv for days to reach an agreement on Ukraine's fourth IMF bailout in ten years, with the last package in April 2014 failing to stabilize Kiev's finances as it battles pro-Russian separatists in the east. "I am pleased to announce that the IMF team working in Kiev has concluded a staff-level agreement on a new economic reform programme that would be supported by an extended fund facility of about \$17.5 billion from the IMF," Lagarde told.

The announcement came as Ukraine's President Petro Poroshenko was holding marathon peace talks in Minsk with his Russian counterpart Vladimir Putin, German Chancellor Angela Merkel and French President Francois Hollande. Lagarde said the new arrangement would support "bold policy reforms" by Kyiv, which is under pressure from Western governments and creditors to cut corruption and overhaul its finances, even as it battles the rebels. "It is an ambitious program; it is a tough program; and it is not without risk," Lagarde said.

Eurozone economy grows as cheap oil takes hold

AFP, 13.02.2015



Economic activity in the Eurozone picked up slightly in fourth quarter, official EU data showed, in a sign that the benefits of cheap oil and stimulus by the European Central Bank are taking effect.

The official Eurostat agency said Eurozone economy expanded by 0.3 percent in the fourth quarter and 0.9 for all of 2014, slightly better than expected but too weak to convincingly signal a full-blown recovery. The data was higher than a forecast of 0.8 percent made by the European Commission last week. The data comes as renewed fears over the plight of heavily indebted Greece.

“Such an increase, while modest by international standards, would be the sharpest since the first quarter of 2011,” said Jennifer McKeown, senior European economist at Capital Economist. “This will add to hopes that the effects of the crisis in Greece have so far been offset by the benefits of falls in the oil price and the euro exchange rate,” she said.

The growth data also lands a month after the European Central Bank announced an unprecedented bond-buying programme to avert deflation in the Eurozone. The ECB’s version of so-called quantitative easing has already decreased government borrowing prices across most of the currency bloc and weakened the euro, which should help to boost exports in Europe.

“For the first time in two years, we can say that the region is going for solid growth,” Anna Maria Grimaldi, an economist at Intesa Sanpaolo SpA in Milan, told Bloomberg News. “The euro area is supported by the very strong tailwinds of the fall of the euro, the fall of oil prices and the fall of interest rates sparked by ECB QE.”

Growth was driven by an unexpectedly strong expansion in Germany and Spain. The German economy, Europe’s biggest, expanded surprisingly a strongly 0.7 percent in the fourth quarter of 2014, driven primarily by robust consumer spending, bringing full-year growth to 1.6 percent. Spain also grew a robust 0.7 percent in the fourth quarter, raising hopes that the alarming levels of unemployment may continue to fall from the current 24 percent.

“The recovery is likely to gather some pace over the coming quarters and a combination of positive shocks should sustain activity throughout the year,” Clemente De Lucia of BNP Paribas said in a note. Alarmingly however, Greece’s recovery stalled in the final quarter of last year as the economy contracted by 0.2 percent, even if growth hit 0.8 percent for the year. Italy, the third biggest economy in the eurozone, was also a source of concern. Output was unchanged from the previous quarter when it dropped 0.1 percent, though this was slightly better than a Bloomberg News survey of analysts that expected another 0.1 percent contraction.

From a year earlier, GDP fell 0.3 percent, but analysts said the recession in Italy was likely over. France's economy meanwhile expanded by a mere 0.4 percent last year as investment slumped. "It's obviously still too weak but conditions are met to allow a more definite upturn in activity in 2015," French Finance Minister Michel Sapin told reporters.

Tsipras: Greece, OECD to draft reform programme to boost growth

AFP, 11.02.2015



Alexis Tsipras announced plans to work with the OECD to draft a programme of reforms to boost growth in the debt-laden country, which is hoping to renegotiate its bailout commitments.

The programme will be based "not on what was previously decided but on popular mandate," he told a news conference after meeting Angel Gurría, head of OECD. Tsipras said it would also be anchored in the government policies presented to parliament, which include a raft of emergency social measures that would break the conditions of the bailout if implemented.

"I will be in Paris soon to officialise this cooperation and agree on the steps to take," he said. The meeting came as his finance minister Yanis Varoufakis was in Brussels for an extraordinary Eurogroup meeting on the bailout drama, amid fears that Greece would shirk its obligations. Gurría said the OECD was "here to work with and for Greece," adding: "Our message is, count on the OECD to implement your programme."

The Greek stock market opened down Wednesday and dropped more than 3.0 percent after the EU snubbed a leaked 10-point plan the radical left government was expected to present to Brussels. Tsipras was quick to reassure ordinary Greeks angry over perceived intervention from Germany and the EU that "this isn't someone from abroad coming here and telling us what to do." "We have aims in common with the OECD and we can cooperate closely to realize these aims," he said.

Greece raised 1.14 billion euros in three-month bonds on Wednesday, but rates were up and demand was down for the second time in a row for the new government, after difficulties in selling six-month paper last week. The rate was 2.5 percent, compared with 2.15 percent secured on comparable bonds issued.

UK's Prince Charles voices alarm at radicalization

AFP, 08.02.2015



Britain's Prince Charles said the numbers of vulnerable young Muslims being radicalized by "crazy stuff" on the Internet was "frightening", in an interview to be broadcast.

The heir to the throne also voiced concern about Christians fleeing the Middle East in droves, saying the situation might end with very few left. Charles said radicalization was "one of the greatest worries" and the issue could not be simply "swept under the carpet. "It's the extent which this is happening is the alarming part," and "You'd think that the people who have come here, born here, go to school here would abide by those values and outlooks." he said.

"But, the frightening part is that people can be so radicalized either through contact with somebody else or through the Internet and the extraordinary amount of crazy stuff which is on the Internet." He added: "Some aspect of this radicalisation is a search for adventure and excitement at a particular age."

The Prince of Wales said much of his own work with young people in deprived areas had been aimed at finding "constructive paths" for people to channel their energies. "There are some really interesting examples of how people can be de-radicalised once they become radicalised because I think sometimes they find they are horrified by what it leads to," he said. He said more people now realised they had to address prevention. "You can't just sweep it under the carpet."

Charles said the numbers of Christians in the Middle East was going "dramatically down", with people "intimidated to a degree you can't believe" where the Islamic State of Iraq and the Levant (ISIL) has taken control in northern Iraq. "There is a danger that there is going to be very, very few left," he said. "Christians have been in the Middle East for 2,000 years. Before Islam came in the 8th century. And have contributed an enormous amount, as many Muslims and others would agree. "So that makes it an even greater tragedy." Charles is visiting Jordan, Kuwait, Saudi Arabia, Qatar and the United Arab Emirates from Saturday to Thursday.

As first in line to become the British monarch, Charles is thus next in the line of succession to become the supreme governor of the Church of England under the title Defender of the Faith. He explained that he, as does his mother Queen Elizabeth II, interprets the role not as being "to defend Anglicism to the exclusion of other religions" but instead to protect all religions because "the Church has a duty to protect the free practice of all faiths in this country".

Boko Haram takes on Chadian forces in NE Nigeria town

AFP, 11.02.2015



Boko Haram launched a pre-dawn raid in Gamboru, northeastern Nigeria, looking to overwhelm Chadian troops who had pushed them out of the border town.

The military in N'Djamena said the militants were repelled but the counter-attack was an indication of the task facing regional forces aiming to crush the rebellion. Troops from Chad, Cameroon and Niger have been deployed to fight the Islamists, whose bloody insurgency has claimed. Nigeria's President Goodluck Jonathan was expected to make his first public comments since the ongoing operations were used as an excuse to delay the country's general election.

The head of state was due to talk about "current national issues" to a panel of journalists, with the question and answer session broadcast live on state-run television and radio. Jonathan and his government have come under fire after the country's electoral commission announced a six-week postponement to Saturday's predicted knife-edge vote.

Nigeria's national security advisor, Sambo Dasuki maintained that his advice to the Independent National Electoral Commission (INEC) was not politically motivated. He also told AFP in an interview that Boko Haram would effectively be crushed by the time of the rescheduled polling day, March 28.

Boko Haram's counter-attack on Gamboru, which has been repeatedly targeted in the past, is an established tactic from the militants, who have seized dozens of towns and villages since mid-2014. The extent of the rebels' control of the captured areas has been hard to verify, with claim and counter-claim that the authority has repeatedly switched between the insurgents and the military. Boko Haram's apparent ability to regroup is a sign of its transformation from a rag-tag guerrilla group carrying out hit and run strikes to a more effective fighting force.

The insurgents were initially pushed out of Gamboru, which lies on the Nigerian side of the border with Cameroon in the eastern fringe of Borno state. Chadian ground troops crossed over the bridge marking the frontier after days of sustained bombardment. The following day, rebel fighters counter-attacked in the Cameroon town of Fotokol. "The Boko Haram elements wanted to surprise us by attacking at about 4:00 am (0300 GMT)," a military source in N'Djamena told AFP of the latest attack. "We were aware of it from the day before and were prepared. They arrived with 14 vehicles and two armoured vehicles. We repulsed them and they retreated. "A helicopter was brought in to join the pursuit and destroy them."

One Chadian soldier and several Boko Haram fighters were killed, while eight troops were injured, the source said. Boko Haram has stepped up the frequency and intensity of its attacks since the turn of the year, in part to undermine the Nigerian elections.

A devastating attack on the fishing hub of Baga on January 3 has been seen as a turning point in regional cooperation, galvanising neighbouring powers into providing assistance to the Nigerian Army. Since then, there have been repeated attacks in northern Cameroon, while the Islamists last weekend opened up a new front across the border in Niger, attacking the border region of Diffa. Niamey imposed a 15-day state of emergency in Diffa, where thousands of Nigerians have fled the violence, heaping pressure on food supplies and infrastructure.

A journalist in the area said businesses, government offices and schools were shut as residents sought to flee. Nigeria maintains the involvement of troops from Chad, Cameroon and now Niger, after the parliament in Niamey approved the deployment of soldiers, is part of an existing agreement. At the same time, all four countries, whose borders converge on Lake Chad, with Benin, Nigeria's neighbour to the west, agreed to provide 8,700 personnel for an African Union-backed regional force.

Boko Haram leader Abubakar Shekau said in a video published on Monday that the group would defeat the regional forces. Cameroon's President Paul Biya, however, hit back, saying in a speech broadcast on Tuesday evening that the country would "emerge victorious" from the fight. "Friendly nations, countries passionate about freedom, the international community, global opinion are with us," he said on state television.

450 Afghan Imams expelled from Pakistan

Anadolu Agency, 13.02.2015



Pakistan has expelled 450 Imams of Afghan origin for alleged links to outlawed militant outfits since December, a police report said.

The expulsions follow a deadly school siege in the city of Peshawar in December that killed more than 100 people. All the expelled Imams were serving in different mosques and religious schools in Peshawar which borders neighboring Afghanistan and is home to high numbers of Afghan refugees. The Peshawar police chief Mian Saeed told that more than 40 other Afghan Imams were being scrutinized and could be deported soon.

He said the Afghan Imams had been expelled based on reports from Pakistan's intelligence agencies. More than 2.5 million Afghan refugees have been targeted since the Peshawar siege in December, with the government closing down nine refugee camps. According to the United Nations High Commission for Refugees some 2,200 Afghan families have crossed into Afghanistan since the attack on December 16, fearing persecution from Pakistani authorities.

Hundreds gather in US capital over murder of 3 Muslims

Anadolu Agency, 13.02.2015



Hundreds of mourners gathered in the U.S. capital Washington on Thursday night for three young Muslims who were shot dead in North Carolina.

The crowd, including close friends of the young students, displayed wedding pictures of Deah Barakat his wife Yusor Mohammad and of her sister Razan Mohammad Abu-Salha. Initial media reports of the shooting said the deaths were linked to a dispute over parking but the victim's father has suggested a hate-crime motive lay behind the triple homicide. Despite the cold weather, about 300 people joined the gathering.

Civil rights groups and different religious organizations, like, the Jewish Voice for Peace, or JVP, also took part in the gathering. "We all know that if a Muslim man had killed three Christians or Jews, Hindus or atheists it would be a terrorist act, a hate crime," said Zach Morris from the Jewish Voice for Peace. "The initial issue might have been a parking space, a barking dog or any other minor incident but only hatred and discrimination causes an otherwise normal person to commit such a horrible act."

Abdullah, 21, who is in his second year at Georgetown University, said he "feels threatened." "Despite Muslims being pictured as potential terrorists, they are actually the target for discriminations," he said. The three were shot dead in a residential complex in Chapel Hill on Tuesday evening. Forty-six-year-old Craig Stephen Hicks reportedly surrendered to police after the attack.

Barakat was a second-year student at the University of North Carolina's School of Dentistry, who was raising money on YouCaring.com, an online fundraiser site, to provide dental relief to Syrian refugees in Turkey. His wife, Yusor, was planning to begin her dental studies at the same school in the fall, and her sister, Razan, was a student at North Carolina State University.

Global gold demand down to five-year low in 2014

Reuters, 12.02.2015



The global demand for gold dropped to its lowest level in five years last year, the World Gold Council stated in a report released.

Consumer demand for gold fell by 4 percent from 2013, as slow economic growth in Asia dampened sales of jewelry. The council, a London-based non-profit association of the world's leading gold mining companies, said sales of gold in Europe were also affected by the reduced value of the euro, and the price of gold in the region rose 14 percent. In Russia, where the price of gold surged as the value of the ruble plunged, sales of jewelry and physical gold fell off as well.

The average gold price of \$1,266 per ounce in 2014 was down 10.3 percent compared to \$1,411 per ounce in 2013. The global jewelry demand, which represents more than half of total global gold demand, was down year-on-year to 2,153 tons, a decrease of 10 percent.

However, India, the largest consumer of gold in the world, saw jewelry demand surge 8 percent to 662 tons, the best year for jewelry since records began in 1995. This was "in spite of government measures designed to restrict gold imports being in place for much of the year," the council said.

In the U.S., where the economic recovery is well underway, demand for gold rose to highest for five years to 132.4 tons, an increase of nine percent from the previous year. Still, the council said the U.S. market remains far below pre-crisis levels of jewelry demand, which between 2000 and 2006 averaged 360 tons per year.

Annual global investment in bars, coins and exchange-traded funds was 885 tons, a rise of 2 percent compared to 885 tons in 2013, and central bank purchases totaled 477 tons, an increase of 17 percent. It was the fifth consecutive year in which central banks were net purchasers of gold. Marcus Grubb, managing director of investment strategy at the World Gold Council, pointed out that Asian consumers now buy more physical gold.

"What's particularly notable about 2014 is that the striking shift in physical gold demand from West to East is now being followed by gold infrastructure development in Asia. New products and trading platforms were introduced like the Shanghai Gold Exchange International Board, the 'Gold Send' mobile app in Turkey and the new kilobar contracts in Singapore and Hong Kong, all designed to make gold more accessible to greater numbers of buyers in the East," Grubb said.



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▶ *It's Not Just Russia: Currency Crisis in the Commonwealth of Independent States*

Source : Bruegel

Weblink : <http://www.bruegel.org/publications/publication-detail/publication/869-its-not-just-russia-currency-crisis-in-the-commonwealth-of-independent-states/>

▶ *China's "Second Wave" In South America*

Source : Baker Institute

Weblink : <http://bakerinstitute.org/research/chinas-second-wave-south-america/>

▶ *The Changing Political Climate For U.S. Science*

Source : Baker Institute

Weblink : <http://bakerinstitute.org/research/changing-political-climate-us-science/>

▶ *Clash For Civilization*

Source : CSIS

Weblink : <http://csis.org/publication/clash-civilization>

▶ *Countdown to Nigeria's Elections*

Source : CSIS

Weblink : <http://csis.org/publication/countdown-nigerias-elections>

▶ *The Uncertain Transition from Stability to Peace*

Source : CSIS

Weblink : <http://csis.org/publication/uncertain-transition-stability-peace>

Upcoming Events

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

Date : 16 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>