

## Turkey accuses Russia of hitting Syria rebels to bolster regime

AFP, 02.10.2015



Turkish PM Ahmet Davutoğlu accused Russia of targeting moderate Syrian rebels in its air strikes in Syria to prop up the regime of President Bashar al-Assad.

Speaking to Turkish reporters on his plane as he returned from the UN General Assembly in New York, Davutoğlu rejected Moscow's insistence that its campaign of air strikes launched was aimed at ISIL jihadists. "The outcome is very worrisome," Davutoğlu was quoted as saying in Hürriyet newspaper. "The operation has been entirely against positions of the FSA," said, referring to the main moderate armed group fighting Assad and which Turkey supports.

"This is clearly supporting the Syrian regime which is on the verge of collapse," he added. "I don't think it will be of benefit to destroy the moderate opposition," Davutoğlu added. Russia and Turkey have been at odds over the Syrian conflict since the unrest erupted in 2011, with Ankara calling for the ousting of Assad but Moscow one of his most important supporters. Davutoğlu said while Iran, Assad's other main international ally, was providing backing with military personnel on the ground, Russia was supporting the regime from the air.

"And until now, it was namely Russia and Iran who were speaking out against the need for outside intervention in Syria," he said. Turkey was initially wary of taking tough action against ISIL jihadists who have captured swathes of Syria. But Ankara is now seen as a full member of the US-led coalition against the jihadists and has carried out its own air strikes on their positions inside Syria.

Davutoğlu complained that the positions hit by Russia in its Syria air campaign would "benefit ISIL". The prime minister said that Russia's military support for the Assad regime had been no secret, pointing to the Russian warships that had been seen sailing through the Bosphorus in Istanbul in recent weeks. "What they were carrying and where they were going, everyone knows," said Davutoğlu. Russia's strikes in Syria came just a week after President Recep Tayyip Erdoğan visited Moscow to meet President Vladimir Putin and attend the opening of a new mosque. It is still unclear if Putin gave Erdogan any advance warning of Russia's plan for the air strikes at the talks. Davutoğlu said that Russia had still not provided a full report of "where the intervention had taken place".

## Turkey, coalition partners, call on Russia to cease air strikes in Syria

Hurriyet Daily News, 18.09.2015



Turkey and its partners in the US.-led coalition against ISIL called on Russia to cease its attacks on the Syria's opposition and focus on fighting Islamic militants, expressing "deep concern" over Moscow's air strikes. In a joint statement with the US, Britain, France, Germany and Gulf Arab allies, Turkey said Russia's actions constituted a "further escalation" of the conflict and would only fuel more extremism.

We call on Russia Federation to end its attacks on Syrian opposition and civilians immediately and focus on efforts for struggle against DAESH," read the statement.

## Turkish PM proposes international mechanism to handle Syrian refugee crisis

Hurriyet Daily News, 25.09.2015



Turkey has drawn up a document to establish a joint mechanism to handle the worsening Syrian refugee crisis affecting Europe and Turkey, Prime Minister Ahmet Davutoğlu has said, adding the proposal had been written in letters and sent to world leaders.

"A text is prepared for a proposal of the mechanism," Davutoğlu told. The PM also stressed the need for a three-step strategy to find a solution to the problem. He sent letters including the proposals for an action plan to world leaders and heads of international organizations, the prime minister said, adding they already received some positive feedback.

In his letters to the U.S. and the EU, he brought up some additional proposals on the issue, Davutoğlu stated. "We proposed establishing a tripartite mechanism between Turkey, the EU and the U.S., a working group examining the difficulties of refugees while they try to reach Europe," he said. The first phase of the strategy involved steps to prevent an influx of more refugees, he said, noting the root causes should be removed through political and diplomatic ways, including a solution to the Syrian crisis, eliminating political disagreements in Iraq and the struggle against the Islamic State of Iraq and the Levant (ISIL).

Davutoğlu reiterated a longstanding demand by Turkey to declare safe havens in northern Syria. “There is no solution for the refugee crisis unless secure regions are established for Syrian people... Fleeing Syrians should be contained in this safe zone. Unfortunately our interlocutors have ignored Turkey’s concerns on this issue for three years,” he stated. The prime minister recalled that the U.N. has not taken any steps with the common stance of the five permanent members of the Security Council.

The third phase would be arrangements for repatriation of refugees, he said. Otherwise, some 4-5 million of Syrians would spend decades without the right of citizenship and a lack of fundamental rights, as was seen with Palestinian refugees in 1948, Davutoğlu added.

## Patriot missiles to be pulled from Turkey as planned

AFP, 02.10.2015



Patriot missiles deployed in Turkey since 2013 to guard against rockets from Syria will be removed for planned upgrades in October, despite the ongoing crisis across the border, the Pentagon said. “The Patriots will be redeployed to the United States for critical modernization upgrades that will ensure our missile defense force remains capable of countering evolving global threats and protecting allies and partners including Turkey,” Defense Department spokeswoman Laura Seal said.

The US and Turkey had in August announced the withdrawal of the missiles, deployed under NATO authority in 2013.

Germany has also announced its intention to withdraw its two Patriot missile batteries from Turkey. NATO can still use a Spanish missile battery that has been deployed since January in Adana in the south of Turkey. Seal said that if needed, the United States could send the Patriot missiles and their personnel back to Turkey “within one week.” “We will also retain a persistent presence of US Navy multi-role Aegis ships in the eastern Mediterranean,” she added. The military situation in Syria is changing at a new pace, after Russia launched its first air strikes in the country. Patriots can shoot down tactical ballistic weapons, cruise missiles or planes.

## Erdoğan urges public, private sectors to invest jointly

Anadolu Agency, 02.10.2015



Turkish President Recep Tayyip Erdoğan has called for public-private partnerships for much-needed infrastructure investment across the world. Speaking at the G-20 energy ministers' conference in Istanbul, Erdoğan asked the private sector to cooperate "hand in hand" with the public sector.

"The private and public sectors should collaborate to meet the necessary financing for global infrastructure investments," he said. Erdoğan said the world needed to invest around \$70 trillion to \$90 trillion for infrastructure by 2030 to achieve sustainable growth, while developing countries should put in \$1.5 trillion annually.

"A new effort and a new mentality for cooperation are needed to achieve this," he added. The president said improving the private sector's confidence in such investment was important, calling for financial institutions to make funding more accessible for investors. The G-20 countries set a growth target of 2.1 percent by 2018 during a meeting last year in Australia, with the goal of adding \$2 trillion to global GDP. Erdoğan said the global targets would be reached if the agreed-upon growth strategies are implemented. The president also called for an acceleration of energy infrastructure investments, as delaying them would otherwise affect energy security.

## Turkish Central Bank's forex reserves decrease to three-year low

Hurriyet Daily News, 18.09.2015



The Turkish Central Bank's gross foreign currency reserves have decreased to below \$100 billion for the first time since 2012.

According to data from the bank, the reserves were announced at \$117.9 billion at the start of the week of Sept. 23, but only \$99.5 billion of the reserves are in foreign currency, with the remainder being comprised of gold reserves. The gross forex reserves had not dipped below the \$100 billion since November 2012. President Recep Tayyip Erdoğan first voiced the need to increase the bank's total reserves above \$100 billion in 2010.

While the gross forex reserves, which constitute the lion's share of the total, were around \$70 billion at the end of 2010, this figure rose to \$80 billion at the end of that year. The reserves surpassed the \$100 billion level on Nov. 30, 2012, reaching their highest level at \$115 billion in 2013. The total reserves, however, decreased by \$781 million to \$117.9 billion last week, while the bank's forex reserves also decreased from \$100.3 billion to \$99.5 billion over the same period of time.

"The Central Bank has asked state-run banks to prepare a report about how the foreign currency needs of energy-importing state-run entities, such as BOTAŞ, can be met by these banks, instead of the bank itself," a source told Reuters. Such a move was signaled by Central Bank Gov. Erdem Başçı. According to the bank's data, around \$9.23 billion of forex was sold to state-run energy importers by the bank between December 2014 and August 2015. The Central Bank tweeted that a majority of such entities' forex needs is still met by the Treasury and the bank itself if needed.

## TOBB head: Turkey, US should be closer

Hurriyet Daily News, 29.09.2015



Turkey and the United States should ally closer in security and military terms to overcome violence in the Middle East, said Union of Chambers and Commodity Exchanges of Turkey (TOBB) President Rifat Hisarcıkılıoğlu at an annual meeting of the American-Turkish Council (ATC) in Washington. "We need this alliance for our countries, for a better Middle East and for a more secure world," he said.

Saying a global coalition needs to be built against all kinds of terrorism, including attacks by the Kurdish Workers' Party (PKK), Islamic State of Iraq and the Levant (ISIL) and others, he noted that violent acts and killings must end.

"The refugee crisis is a natural result of the escalating violence. Turkey has been one of the worst affected from the refugee crisis, along with Jordan and Lebanon. This problem has recently started to affect Europe, but Europe seems not to be ready to resolve this issue yet. This crisis needs to be the main priority of all countries," he said. Noting that Turkey has been the president of the G-20 this year, he, as the head of the Business-20 (B-20) meetings, put the effects of the changing global system on G-20 countries as well as non-members on this year's agenda. U.S. Ambassador to Turkey John Bass and U.S. Senator John McCain also attended the 34th ATC meeting, along with leading politicians and businesspeople.

## Turkey's PM meets Obama, Putin

Hurriyet Daily News, 29.09.2015



Turkey's prime minister separately met the leaders of the U.S. and Russia to discuss developments in Syria, according to Prime Minister Ahmet Davutoğlu's aides. The summits were held during a luncheon hosted by U.N. Secretary General Ban Ki-moon in New York on the sidelines of the U.N. General Assembly meetings.

While Prime Ministry sources did not provide details about the meetings with U.S. President Barack Obama and Russian President Vladimir Putin, they confirmed that Davutoğlu also met Iraqi Prime Minister Haider al Abadi and Lebanese Prime Minister Temmam Salam.

Sources said Turkish Foreign Minister Feridun Sinirlioglu and the head of Turkish intelligence service, Hakan Fidan, were present during the 35-minute meeting with Abadi. Davutoglu meet for 20 minutes with his Lebanese counterpart at U.N. headquarters. No details about the content of the meetings were released.

## CEO: Borsa Istanbul becomes finance hub for companies

AFP, 01.10.2015



Borsa Istanbul has become a hub for companies that generated more than \$100 billion in profits between 2010 and 2014, its CEO said during the opening speech of the second International Borsa Istanbul Finance and Economics Conference.

Tuncay Dinç said Borsa Istanbul was ranked number two among developing countries' stock markets, with its trading volume exceeding \$3.5 trillion in 2014. The conference, "New Era in Capital Markets," covers issues, such as stock market law regulation. Stressing that Borsa Istanbul had taken steps to help SME and new companies obtain financing.

Dinç said the stock market had opened "a finance technopark" with Istanbul-based Bogaziçi University. He also said it was important for the economy and society that the finance market improves.

# Abbas threatens to upturn peace deals, but results unclear

AFP, 01.10.2015



Mahmud Abbas's UN declaration that he is no longer bound by accords with Israel has the potential to upturn what remains of the peace process, but there are doubts whether concrete actions will follow.

His speech at the UN General Assembly was seen as both an attempt to draw renewed focus to the Palestinian cause as well as a bid for leverage at a time when the world's attention is focused elsewhere. Pulling out of previous agreements, including the landmark Oslo accords of the 1990s, could mean drastic moves such as dismantling the Palestinian Authority or ending security coordination with Israel.

The Palestinian president, who reportedly vowed ahead of his speech that he would drop a "bombshell" at the UN, mentioned none of those details, however. "They leave us no choice but to insist that we will not remain the only ones committed to the implementation of these agreements, while Israel continuously violates them," he said. "We cannot continue to be bound by these signed agreements with Israel and Israel must assume fully all its responsibilities as an occupying power." Senior Palestinian official Mustafa Barghouti reiterated Abbas's declaration in an interview with AFP, saying the "Oslo accords are over. So are the rest of the agreements with Israel." Another official, Ahmed Majdalani, told Palestinian radio that "arrangements" will be made when Abbas returns from New York.

EU foreign affairs chief Federica Mogherini said she understood Abbas's declaration to be a conditional statement depending on Israel's actions. "There is an if, and on that if we are going to have to work," she told reporters, while also saying the speech underscored the "urgency" to act now. While laying out his argument at the UN, Abbas presented a bleak picture, pointing to the continued occupation of the West Bank, settlement expansion and Israel's blockade of the Gaza Strip. He also spoke of the July 31 firebombing of a Palestinian home by suspected Jewish extremists that killed an 18-month-old boy and his parents.

Meanwhile, peace talks remain moribund and Palestinian statehood is a long way from being realised. The Palestinian Authority was created by the Oslo accords as a temporary governing administration designed to be in place for five years, when a final agreement would be negotiated. Instead, two decades have now passed. Still, while Abbas's speech reflected Palestinian frustration, it contained few details. "It's very hard to know what it would mean in practice, and the reason for that is because I don't think that's what it is about," said Jonathan Rynhold of the Israeli-based Begin-Sadat Centre for Strategic Studies.

According to Rynhold, “the reason he keeps making these threats is to get the attention of the world because at the moment the world is more interested in ISIS [referring to the Islamic State of Iraq and the Levant] and in Iran. The Palestinians have gone way down the ladder of priorities.” Taking a step such as ending security cooperation with Israel could lead to chaos in the West Bank, Rynhold said, while pointing to the Gaza Strip, where the Islamist movement Hamas is now in power.

There is also the risk that it could provoke a total reoccupation of the West Bank by Israel, although some question whether it would be willing to commit the necessary money and manpower to do so. The so-called Middle East Quartet, including the United States, Russia, the European Union and the UN and intended to act as a mediator in the conflict, and “decided to revitalise” its activities, Mogherini said. She pointed to the clashes in recent weeks at the sensitive Al-Aqsa mosque compound in Jerusalem and the danger of a “dramatic inflammation”.

Mogherini called on Israel to implement existing agreements and for the Palestinians to engage in direct negotiations. For Abbas, who has pushed for a multilateral process and saw the Palestinian flag raised for the first time at the UN, “it is no longer useful to waste time in negotiations for the sake of negotiations”.

## Iran’s leader says Syria’s president must remain in power

The AP, 28.09.2015



Iran’s president said that Syrian leader Bashar Assad must remain in power to fight extremist groups like the Islamic State of Iraq and the Levant (ISIL) group and must not be weakened, putting him at odds with the United States and key nations who insist Assad must go in order to achieve peace.

Hassan Rouhani told a meeting with scholars and think tank experts that Iran will cooperate with any country that puts fighting and defeating “terrorism” as its top priority - but he said it cannot work with any government that makes a change in Syria’s regime its top priority. He said the Syrian government does need reform.

But he warned that if getting rid of Assad is the top goal, as soon as that happens “the terrorists will enter Damascus immediately” as well as other cities controlled by the government, and all will fall to Daesh, an Arabic acronym for the ISIL extremist group. Rouhani’s comments run counter to the roadmap to peace in Syria adopted by key nations in Geneva in June 2012. It calls for the formation of a transitional government with full executive powers “on the basis of mutual consent,” leading to elections, and would require Assad to relinquish power at some unspecified point. The Iranian president’s remarks came on the eve of the annual meeting of world leaders at the United Nations, where frustration is growing at the failure to launch talks to end the nearly five-year-old Syrian war.

They also follow a surprise Russian military buildup in Syria, a longtime ally, to help Assad's government combat the ISIL, a move that has raised serious concerns in Washington. And they came on the heels of France's announcement that it had carried out airstrikes in Syria for the first time, bombing an ISIL training camp in eastern Syria. Rouhani said he recently met Russian officials who told him that they wanted to enter the Syrian "scene" with a renewed determination to fight "Daesh and terrorists." He added that "Iran and the Russians have an almost compatible mindset and opinion about this because they have the same goal of fighting and defeating terrorism."

The ISIL extremist group already controls about two-thirds of Syria, and "has had the greatest safe havens and growth opportunities" in the country, he stressed. "If we are to succeed in defeating terrorism, the government in Damascus cannot be weakened," Rouhani stressed. "It must be able to carry on the fight." Rouhani said "the West's opinion about Syria has changed somewhat in recent months" and the insistence that Assad must leave "no longer has that many fans." But he said there is still no agreement on how to proceed.

The Iranian leader also said it is not feasible to fight "terrorists" by military means, using helicopter gunships, missiles or aerial bombardments because they go into the heart of villages, in rural areas and in homes and "they fool people." Months ago Iran produced a proposal to end the Syrian conflict, which has claimed more than 250,000 lives, and Rouhani said it is still under discussion with some unnamed countries.

## AFP journalist: New clashes at Al-Aqsa mosque compound

AFP, 28.09.2015



New clashes broke out morning between Israeli police and Palestinians at Jerusalem's flashpoint Al-Aqsa mosque compound, an AFP journalist said, with further trouble feared in the week ahead as Jews celebrate the Sukkot holiday.

Police were deployed to the compound, known to Jews as the Temple Mount, after clashes a day earlier. Al-Aqsa, is also the most sacred place in Judaism. Jews are allowed to visit but not to pray to avoid provoking tensions. Sunday's clashes involved Palestinian protesters preparing to "defend" the mosque during the eight-day Jewish festival of Sukkot, stocking stones inside the shrine and planning to sleep in it.

Young masked Palestinians "threw stones and fireworks at police and border police forces", who responded with "riot dispersal means", police said of Sunday's clashes. Calm returned to the compound later morning and most police were withdrawn, an AFP journalist reported.

Visits by Jews were stopped and age restrictions on Muslim men entering the compound lifted for the Muslim holiday of Eid al-Adha, but a ban on under-50s was re-imposed as Sukkot started. Muslims have been alarmed by an increase in visits by Jews and fear rules governing the compound will be changed. Recent weeks have seen a series of Jewish holidays during which there has been an uptick in visits by Jews that have sparked repeated clashes. The same situation is feared over Sukkot. Jews celebrate Sukkot, or the Fest of Tabernacles, to commemorate their journey through the Sinai wilderness to the Holy Land after their Exodus from Egyptian slavery.

According to Biblical tradition, the first and second Jewish temples were located at the site of the Al-Aqsa compound and destroyed by the Babylonians and the Romans. A hardline Jewish minority has sought to build a third temple. In past raids, Israeli police have briefly entered the mosque to close the door on stone-throwing rioters inside and restore calm to the compound. This month over the Jewish New Year holiday, or Rosh Hashanah, police raided the compound to stop what they said were plans by Palestinian youths to disrupt visits to the site. Clashes occurred over three consecutive days between rioters and police, provoking international calls for calm at the highly sensitive site. Israel seized east Jerusalem, where Al-Aqsa is located, in the Six-Day War of 1967 and later annexed it in a move never recognised by the international community.

## Greece must ‘quickly implement’ bailout deal says Tsipras

AFP, 25.09.2015



Greece must “quickly implement” the terms of a tough EU bailout agreed in July, Prime Minister Tsipras said. “We face the obligation to quickly implement what has been agreed,” Tsipras told his new government’s inaugural cabinet meeting.

In the closing days of Tsipras’ last administration, Athens signed up to more tax hikes and public spending cuts in return for a three-year, 86-billion-euro EU bailout. Stonewalling creditor proposals with an anti-austerity referendum in July, the leader brought Greece to the brink of exiting the eurozone before backing down.

The U-turn split Tsipras’ ruling Syriza party and forced him to step down, but he comfortably won re-election with a pledge to mitigate the impact of the bailout. “We are aware of the difficult points of the deal... we know how to find the right antidote where there are side effects,” Tsipras said. In a positive signal to creditors, Tsipras brought back the team that brokered the bailout -- with Euclid Tsakalotos returning as finance minister and top negotiator George Chouliarakis appointed junior finance minister. In the coming weeks, the government must present an overhaul to make the country’s underfunded pension system viable and introduce sweeping tax hikes. Greece’s new parliament, expected to convene on October 1, will also have to revise the 2015 budget, taking into account the reforms, including taxes on farmers’ income that are set to double by 2017.

The government must also finalise a procedure to recapitalise Greek banks by December, before new EU-wide bank rescue regulations that could affect depositors come into play in 2016. And Tsakalotos will have to move quickly to remove capital controls imposed in June to avert a deposit run. In late October, the lenders will conduct an audit to determine whether Athens is abiding by the reform programme. The release of a three-billion-euro (\$3.3-billion) tranche of aid depends on its findings. “It is critical not to lose an inch from the ground gained in the deal,” Tsipras said, telling ministers they had “no time” to lose, and urging them to stay off television. “I call you to immediately halt your constant television appearances... I selected you as ministers to solve problems, not to staff talk show panels,” the premier said.

Greece’s other immediate challenge is to find accommodation for refugees and migrants that continue to stream into the country, on the heels of over 310,000 people that have arrived since the beginning of the year. The UN refugee agency plans to open a 1,000-bed camp in the town of Idomeni on Greece’s border with Macedonia, the main transit point for northern Europe. Some 5,000 people daily pass through Idomeni on the Balkans route towards prosperous northern European economies, more than double the numbers seen a few weeks ago, according to police.

Registration centres will also open on the Aegean Sea islands of Lesbos, Kos and Leros, where tens of thousands of mainly Syrian refugees and migrants land from Turkey. Tsipras has criticised the heavy-handed response of eastern EU states such as Hungary, where tear gas and water cannon has been used to push back migrants. “The identity of Europe is at stake,” Tsipras said, adding that his administration was “against the logic of turning European borders into battlefields and our seas into watery graveyards”.

## Russia and US call urgent talks after Syria strikes

AFP, 01.10.2015



Russia and US agreed to call urgent military talks to head off the risk of clashes between their forces, after Moscow’s dramatic entrance into the Syrian war. Senior US officials expressed alarm after Russian warplanes began their first military engagement outside the former SU since the occupation of Afghanistan in 1979.

The Americans accused Russia of striking moderate rebel factions fighting Assad’s regime under cover on the ISIL. They complained the US-led coalition already fighting its air war against the jihadists had only been given a heads-up by a Russian general in Baghdad one hour before bombing began.



But, after sharp public comments in Washington and the United Nations, US Secretary of State John Kerry and his Russian opposite number Sergei Lavrov put a brave face on the dispute. Appearing together on the sidelines of the UN General Assembly in New York, they said they would hold “de-confliction” talks and had drawn up proposals to relaunch a Syrian political peace process. “We agreed on the imperative of as soon as possible -- perhaps even as soon as tomorrow, but as soon as possible -- having a military to military de-confliction discussion,” Kerry said.

Lavrov agreed their talks had been useful and both men said they would take their ideas for the political process back to their respective presidents, Russia’s Vladimir Putin and the US’s Barack Obama. But the narrow agreement to seek a mechanism to avoid accidental encounters between Russian and US-led forces could not disguise the deep divisions Moscow’s actions had revealed. Both Moscow and Damascus presented the operation as targeting Islamic State militants, an idea disputed by US officials. US Defense Secretary Ash Carter, said: “It does appear they were in areas where there were probably not ISIL forces.”

And he warned that Russia’s arrival in the bloody four-year-long civil war would “backfire” and only serve to prolong the conflict. Kerry told the United Nations Security Council that there would be “grave concern” in Washington if it turned out the targets were opposition fighter and not ISIL or Al-Qaeda, as claimed. France, which launched its first air strike against ISIL in Syria, also raised doubts over Russia’s objectives, echoing concerns that Moscow’s aims simply to keep Assad in power. The Russian defense ministry said it carried out 20 flight missions and hit eight ISIL targets.

But the head of Syria’s main opposition group told AFP that one bombing run killed 36 civilians -- including five children -- in central Homs province. “The Russians struck northern Homs and killed innocent people... who fought against extremism,” said Khaled Khoja, head of the National Coalition. Western powers consider Assad’s military responsible for the vast majority of the 240,000 deaths in the war, and say his presence makes a political settlement impossible. Russia meanwhile is urging countries to join an intelligence task force Moscow is setting up with Iran, Iraq and Syria, arguing that supporting Assad’s government is the only way to defeat ISIL.

Putin, who obtained parliamentary permission to use force abroad just hours before the strikes, warned that Moscow would hunt down ISIL militants before they target Russia. He pledged his country would not get sucked into a protracted military campaign and chief of staff Sergei Ivanov said the operation would be time-limited and not involve ground forces. Putin also said Assad should be ready for compromise with the opposition, “for the sake of his country and his people.

“NATO Secretary General Jens Stoltenberg expressed consternation. “I’m especially concerned because there has been no real effort by the Russian side to de-conflict the Russian air strikes in Syria,” he said, referring to the limited advance warning. Putin wants to muscle his way back onto the world stage after months of Western isolation following Russia’s seizure of Crimea and support for a separatist insurgency in eastern Ukraine. Russia’s powerful Orthodox Church voiced support for Moscow’s air strikes, calling it a “holy battle,” but some in Russia dared to accuse the Kremlin of short-sightedness. Alexander Konovalov of the Strategic Analysis Institute said Russia wanted to end its diplomatic isolation and may not realise the long-term consequences of intervention in the Middle East.

“We were going to Afghanistan for six months and stayed there for 10 years,” he told AFP, referring to a conflict that killed over 14,000 Soviet troops between 1979 and 1989. Sixty-nine percent of Russians are against Moscow’s deployment of troops in Syria, with just 14 percent in favour, according to a recent poll by the Levada Centre.

## Russia hit Bayırbucak Turkmen as well: Syrian Turkmen Council head

Reuters, 16.09.2015



Russian airstrikes hit Syrian Turkmen, Syrian Turkmen Council head Abdurrahman Mustafa has said. Mustafa stated that Russia hit the Free Syrian Army rather than the ISIL.

They have hit Türkmendağı, Humus and Hama, areas where many Turkmen live, he said, after contacting the regions via telephone. Nearly 9,000 Turkmen are living south of Hama, north of Humus, and in Talbisseh, Kanto and Zaafarani, he stated. Turkmen in the region plan to leave and migrate to Lebanon, Mustafa said. The Turkish authorities earlier stated that Turkish trucks were carrying assistance for Bayırbucak Turkmen when security forces seized the vehicles in 2014.

Russian warplanes carried out air strikes in three Syrian provinces along with regime aircraft, a debut move that came hours after a Russian mandate on the issue and following Moscow’s sharp diplomatic moves to back Bashar al-Assad against “terrorism.” “Russian and Syrian airplanes carried out numerous strikes against terrorist positions in the Hama, Homs and Latakia provinces,” according to Syrian security sources. Russian and U.S. sources also confirmed the attacks.

The sources said the strikes hit several areas in the central Homs and Hama provinces, as well as the coastal regime stronghold of the Latakia province. Earlier, the Syrian Observatory for Human Rights, a U.K.-based monitor, reported at least 27 civilians had been killed in air strikes in the Homs province. The group said the strikes hit Rastan, Talbisseh and Zaafarani in Homs, while the security source said the Russian strikes had hit Rastan and Talbisseh.

# Syrian security source: Russia strikes hit three Syria provinces

Hurriyet Daily News, 11.09.2015



Russian warplanes carried out air strikes Syrian provinces along with regime aircraft, a debut move that came hours after a Russian mandate on the issue and following Moscow's sharp diplomatic moves to back al-Assad against "terrorism."

"Russian and Syrian airplanes carried out strikes against terrorist positions in the Hama, Homs and Latakia provinces," according to Syrian security sources. Russian and U.S. sources also confirmed the attacks, with Moscow informing Washington and Ankara about them. The sources said strikes hit several areas in the central Homs and Hama provinces, as well as the coastal regime stronghold of the Latakia province.

Earlier, the Syrian Observatory for Human Rights, a U.K.-based monitor, reported at least 27 civilians had been killed in air strikes in Homs province. The group said the strikes hit Rastan, Talbisseh and Zaafarani in Homs, while the security source said the Russian strikes had hit Rastan and Talbisseh. At a meeting between U.S. president Barack Obama and his Russian counterpart, Vladimir Putin, parties agreed fundamental policies on Syria but failed to come to terms about the future role of Assad.

Turkey, which is a part of the U.S.-led coalition hitting Islamic State of Iraq and the Levant (ISIL) targets in Syria, insists that Assad's ousting is a must for resolution in the war-torn country. Control of Homs province is mostly divided between Syria's regime and ISIL, which holds the famed city of Palmyra and much of the area east of it. But none of the areas reportedly targeted by Russian strikes in any of the three provinces is known to have an ISIL presence, AFP reported.

The areas struck in Homs are mostly controlled by al-Qaeda affiliate al-Nusra Front, while those hit in Latakia are mostly controlled by a coalition known as the Army of Conquest, which includes al-Nusra. However, Russia's defense ministry claimed the country was bombing ISIL positions in Syria. Russia's upper chamber of parliament earlier gave the green light to President Vladimir Putin's request to send Russian troops to Syria.

President Putin said the Russian air force will be supporting the Syrian army in its offensive operations in Syria. Putin said comments reported by Russians agencies that Russia is "not going to plunge into this conflict head-on" and will help Assad's army as long as their offensive operation lasts. Putin also said he expects Assad to sit down and talk with the Syrian opposition about a political settlement in Syria. A Russian official in Baghdad told U.S. Embassy personnel that Russian military aircraft would begin flying missions over Syria against ISIL forces, U.S. State Department spokesman John Kirby said. In a statement, Kirby added that the Russian official, who he did not name, requested that U.S. aircraft avoid Syrian air space during Russian air missions.

“The U.S.-led coalition will continue to fly missions over Iraq and Syria as planned and in support of our international mission to degrade and destroy ISIL,” Kirby added. Meanwhile, a Syrian activist group said the first airstrikes by French warplanes in Syria earlier this week killed 30 militants at an ISIL training camp. President François Hollande said six French jet fighters destroyed the camp in a five-hour operation - the first action by France since it expanded its mission against ISIL. Until recently, France was only part of the airstrikes on ISIL targets in Iraq. Russia’s powerful Orthodox Church voiced support for Moscow’s decision to carry out air strikes in Syria against ISIL, calling it a “holy battle.”

“The fight with terrorism is a holy battle and our country is perhaps the most active force in the world fighting it,” said the head of the church’s public affairs department, Vsevolod Chaplin, quoted by the Interfax News Agency. French authorities have launched a criminal probe of Assad’s regime for alleged war crimes committed between 2011 and 2013, sources said.

## EU pledges 1 billion euros to refugee crisis, seeks more dialogue with Turkey

Hurriyet Daily News, 24.09.2015



European Union nations have agreed at a summit held in Brussels to give an additional 1.1 billion euros in aid to the United Nations’ agencies dealing with the refugee crisis in the Syria-neighboring countries, pledging greater cooperation and dialogue with Turkey, which has become the main route of migrants trying to reach European countries.

EU leaders said they would respond to the urgent needs of refugees in the region by helping the UNHCR, the World Food Program and other agencies with at least an additional 1 billion euros, according to a draft statement which came out of the summit, AFP reported.

EU President Donald Tusk had previously stated in his invitation letter to the summit the issue “could not wait” and appealed to countries to make pledges immediately. The World Food Program needed money to provide food to 11 million people in Syria and in the region, Tusk said, adding that the program had already substantially cut food support to refugees. British Prime Minister David Cameron said shortly after as he arrived at the summit that his country would give 40 million pounds (55 million euros or \$61 million) to the program, stating “because we must make sure people in refugee camps are properly fed and looked after.”

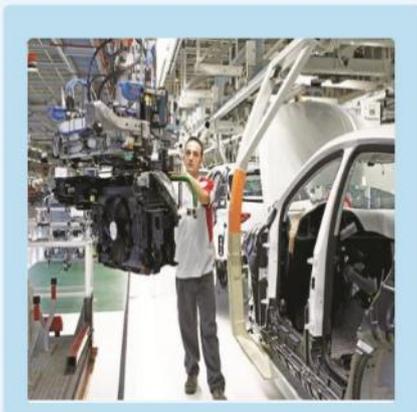
Cameron said they could help stop migrants from thinking of making a very difficult and dangerous journey to Europe, while German Chancellor Angela Merkel said on her way into the summit that the EU had to tackle problems including “combatting hunger in the refugee camps.” “Germany will play its part,” Merkel added.

Meanwhile, tensions escalated between Serbia and Croatia, as the longtime rivals struggled to come up with a coherent way to deal with tens of thousands of migrants streaming through the Balkan nations to seek sanctuary in other parts of Europe. Serbia banned imports from Croatia to protest Croatia's decision to close the border to cargo as the two countries criticized each other for their handling of migrants traveling through Serbia then onto Croatia on their way to Western Europe. Croatia responded by banning all Serbian-registered vehicles from entering the country.

About half a million migrants have arrived in Europe this year, with a plan to relocate 120,000 refugees throughout the EU, despite strong objections from the Czech Republic, Hungary and Slovakia, who oppose the scheme. Slovakia has vowed to mount a legal challenge against the decision. The European Union and its member states have pledged more than 4 billion euros (\$4.5 billion) for relief and recovery assistance to Syrians in their country and to refugees and their host communities in neighboring Lebanon, Jordan, Iraq, Turkey and Egypt since the conflict began.

## VW seeks to boost finances to meet emission scandal costs

Reuters, 01.10.2015



Volkswagen is looking at ways to cut costs and boost cash flow and could sell more shares if the price of clearing up a scandal over its rigging of diesel emissions tests puts its credit rating at risk.

The German carmaker's supervisory board has discussed ways of strengthening its finances, but has not talked about selling assets or brands, two sources close to the board told Reuters. One said raising money by selling shares would become likely if the cash costs of the scandal exceeded a "critical level", without elaborating. Volkswagen declined to comment.

Europe's largest carmaker has admitted cheating in diesel emissions tests in the United States and Germany's transport minister says it also manipulated them in Europe, where Volkswagen sells about 40 percent of its vehicles. The biggest crisis in the company's 78-year history has seen its shares plunge more than a third in value and forced out long-time chief executive Martin Winterkorn. It has also sent shockwaves through the global auto industry and the German establishment, which has for years held up Volkswagen as a model of the country's engineering prowess. The company has set aside 6.5 billion euros (\$7.2 billion) to help cover the costs of the scandal, but some analysts think the final bill could be much higher.

Volkswagen has said it will refit up to 11 million diesel vehicles containing software capable of cheating emission tests. It also faces potential fines from regulators and prosecutors, lawsuits from consumers and investors, and a possible hit to sales and prices from the damage to its reputation.



The sources said the board was worried that, without boosting its finances, its credit ratings might be downgraded, leading to higher borrowing costs. Moody's, SP and Fitch have all put negative outlooks on their credit ratings for Volkswagen, meaning they see a risk they might have to be cut. "The company has a fairly robust balance sheet -- but also has a very conservative approach to financing and its credit rating," Bernstein analyst Max Warburton said in a research note. "We believe that if the cash costs exceed 10 billion euros, a capital raise is highly likely." Warburton noted Volkswagen had 17.6 billion euros of cash at the end of the second quarter, plus 15 billion euros of marketable securities. But he also said it had suggested in the past that it needed a minimum of 10 billion euros in net cash to run the business.

Under existing company rules, Volkswagen could issue about 8 billion euros of preference shares, which do not carry voting rights, Warburton said. Beyond that level, it might have to issue ordinary shares, which could require the Piech-Porsche families and the German state of Lower Saxony -- the company's two largest shareholder groups -- to stump up cash. At an auto industry conference in Berlin, the mood was sombre, with the newly-appointed sales chief of Volkswagen's namesake brand and its head of future research pulling out. "This (scandal) is causing damage to the entire German car industry and to German engineering," Helmut Kluger, publisher of trade magazine *Automobilwoche*, told delegates. "There is no excuse whatsoever for the VW cheat. Toyota will remain the world's largest carmaker in the foreseeable future, that's clear now," he added, referring to Volkswagen's goal -- achieved in the first half of this year -- to overtake Japan's Toyota to become the world's biggest selling carmaker.

There is no evidence to date that other carmakers have used the same "cheat" software as Volkswagen. But the industry fears more costly regulations and a hit to sales of diesel vehicles. Klaus Froehlich, development chief at German rival BMW, told the conference the software used by Volkswagen was a "no-go" for his company. It was not all gloom, though. A project manager at a diesel engine component maker who declined to be named told Reuters he expected "lucrative" business from servicing Volkswagen cars.

Volkswagen, which is already implementing a 5 billion euro cost savings programme at its VW brand, imposed a hiring freeze at its financing arm and cut a shift at a German engine factory, in a sign it is bracing for a blow to its business. But the bad news keeps coming. France and Australia have joined other countries in launching investigations into Volkswagen, while an Italian consumer group has filed a class action lawsuit, accusing Volkswagen of deceiving car owners and potentially harming the environment.

A Texas county has also sued the company, accusing it of violating state environmental laws and seeking up to \$25,000 in damages per violation per day. New Chief Executive Matthias Mueller, a company veteran appointed to replace Winterkorn, is under huge pressure to get to grips with the scandal. The company has hired U.S. law firm Jones Day to lead an external investigation, a source close to the matter has said. The external probe is a key demand of some investors who have been critical of the board's decision to continue appointing insiders to top jobs in the wake of the crisis. Some analysts have suggested the company might sell off its trucks business or some brands such as Bugatti, Ducati and Lamborghini to raise money.

## Announcements & Reports

### ▶ *The Long War in Syria: The Trees, the Forest, and All the King's Men*

**Source** : CSIS  
**Weblink** : <http://csis.org/publication/long-war-syria-trees-forest-and-all-kings-men>

### ▶ *Southeast Asia from Scott Circle: Washington Debut: A Strategic Jokowi?*

**Source** : CSIS  
**Weblink** : <http://csis.org/publication/southeast-asia-scott-circle-washington-debut-strategic-jokowi>

### ▶ *Why is Europe Lagging on Next Generation Access Networks?*

**Source** : Bruegel  
**Weblink** : <http://bruegel.org/2015/10/why-is-europe-lagging-on-next-generation-access-networks/>

## Upcoming Events

### ▶ *12th Asia Europe Economic Forum (AEEF)*

**Date** : 01 October 2015  
**Place** : Brussels - Belgium  
**Website** : <http://bruegel.org/events/global-governance-of-public-goods-asian-and-european-perspectives/>

### ▶ *Secular Stagnation in Europe and Japan*

**Date** : 05 October 2015  
**Place** : Brussels - Belgium  
**Website** : <http://bruegel.org/events/secular-stagnation-in-europe-and-japan/>

### ▶ *The Role of The Nordic Social Model in The Future*

**Date** : 09 October 2015  
**Place** : Brussels - Belgium  
**Website** : <http://bruegel.org/events/the-role-of-the-nordic-social-model-in-the-future/>



### ► *Lebanon's Deepening Domestic Crisis*

**Date** : 12 October 2015  
**Place** : Washington DC – The USA  
**Website** : <http://www.brookings.edu/events/2015/10/12-lebanon-domestic-crisis>

### ► *The Politics of The Fed: Past, Present and Future*

**Date** : 22 October 2015  
**Place** : Washington DC – The USA  
**Website** : <http://www.brookings.edu/events/2015/10/22-politics-of-the-fed-past-present-and-future>

### ► *Supporting Military Families and Veterans, Sustaining The All-Volunteer Force*

**Date** : 29 October 2015  
**Place** : Washington – The USA  
**Website** : <http://www.brookings.edu/events/2015/10/29-military-families-veterans-lifestyle-survey>

### ► *Competitive Gains in the Economic and Monetary Union*

**Date** : 23 November 2015  
**Place** : Brussels - Belgium  
**Website** : <http://www.bruegel.org/nc/events/event-detail/event/534-competitive-gains-in-the-economic-and-monetary-union/>

### ► *The Future of Capitalist Democracy: UK-Japan Perspectives*

**Date** : 24 November 2015  
**Place** : London - UK  
**Website** : <http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives>

### ► *Emerging Markets and Europe: Time for Different Relationships?*

**Date** : 26 November 2015  
**Place** : Brussels - Belgium  
**Website** : <http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships/>

### ► *What future for Europe's Social Models?*

**Date** : 27 November 2015  
**Place** : Brussels - Belgium  
**Website** : <http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/>

### ► *Challenges for Growth in Europe*

**Date** : 28 November 2015  
**Place** : Brussels - Belgium  
**Website** : <http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/>



► *Global Governance of Public Goods: Asian and European Perspectives*

**Date** : 01 December 2015

**Place** : Paris - France

**Website** : <http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives/>

► *The Future of the Welfare State*

**Date** : 17 December 2015

**Place** : Berlin - Germany

**Website** : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>