

Turkish FM: We have a will to change and the power to do so

Hurriyet Daily News, 11.01.2016



The three main characteristics of Turkish foreign policy will be prioritizing human rights, staying loyal to universal values such as justice and taking responsibility and initiative through a realist approach, Turkey's foreign minister has said, adding that the government has the will to change and the power to do so, in order to reach its 2023 goals.

“We hope to see Turkey among the top ten economies of the world by 2023. We have realized so many things [that were] considered to be dreams. We'll reach these goals altogether. In this direction, we'll continue to follow our foreign policy over a positive line,” FM Mevlüt Çavuşoğlu said.

“First, we'll begin a consolidation process to strengthen our foreign policy gains. Then we'll adopt our capabilities against new threats and challenges. We have a will to change and power to do so. We'll continue to move logically, consistently, realistically and rationally,” he said. “There is no place for populism and valor in foreign policy. We'll always use a mild and cautious language and will bring about constructive and creative proposals. We'll continue to reject ethnic, religious and regional nationalism.”

Turkish foreign policy has long been slammed by both international and national political actors particularly on its ambitious political preferences in the Middle East, in moves that were seen as furthering to fuel the region's tension.

“Some dissident circles are calling us ‘dreamers.’ Yes, we have dreams. We have dreams and goals for our country, our people and humanity,” he said, adding that Turkey will continue to pursue its “human-centered” foreign policy in upcoming years as well. “We'll host the first ever U.N. Humanitarian Summit on May 23 and 24 in Istanbul. We'll evaluate all humanitarian issues in all dimensions. We'll discuss altogether what we can do to address global problems,” he said.

Minister Çavuşoğlu made comprehensive assessments on current top foreign policy issues starting from Syria, which he called the gravest tragedy of the 21st century. Defending Turkey's Syria policy in the face of Bashar al-Assad's use of chemical weapons and chlorine gas against own people, Çavuşoğlu called on all international actors to acknowledge that Assad has no place in Syria's future.

“As you know, the opposition has elected its negotiating delegation and its coordinator in meetings held in Riyadh. The regime and some circles are prolonging [the negotiations]. This kind of act can waste all efforts for a solution. We urge all of our counterparts on this.



The opposition did its job and now eyes are on the regime,” Çavuşoğlu said, referring to negotiations planned to begin in the upcoming months between the Syrian regime and the opposition as part of the Vienna agreement.

Regarding an ongoing bilateral problem between Ankara and Baghdad over the former’s deployment of troops to a base near Islamic State of the Iraq and Levant’s (ISIL) Mosul, Çavuşoğlu blamed Iraqi government’s sectarian policies for the mistrust between Sunni and Shiite groups in Iraq. “The Sunnis do not have confidence in Iraqis security forces. They even perceive them as occupying forces. This is a matter of fact,” he said.

That’s why Turkey begun training Sunni and peshmerga groups in the Bashiqa region upon the request of Mosul’s governor and within the knowledge of Iraqi authorities, the minister said, reiterating Turkey’s respect of Iraq’s territorial integrity and sovereignty.

Meanwhile, he also commented on the ongoing crisis with Russia, which occurred after Turkish air forces downed a Russian jetfighter on Nov 24. Çavuşoğlu said Turkey preferred not to further escalate tensions and called on the Russian side to use common sense. As to Israel, negotiations for the normalization of relations are continuing, he said, adding that no deal has been reached on meeting Turkey’s two remaining conditions to this end.

It’s no secret that Turkey and Iran have different perspectives on regional issues but this does not hinder a blunt discussion of all of these issues, Çavuşoğlu said. “We encourage them to follow more constructive policies on regional issues, particularly on Syria,” he added.

Concerning the tension between Saudi Arabia and Iran that could potentially exacerbate existent regional problems, the Turkish minister called the two parties to act with common sense and use all diplomatic channels. “The region does not need new confrontation but conciliations and cooperation. Our country is ready to exert all efforts for the removal of all problems between the two parties.”

2016 is the election year for the United States but some of presidential contenders’ anti-Islamic messages are a matter of concern for Turkey, Çavuşoğlu said, while evaluating bilateral relations between Ankara and Washington. “We are unsettled because of statements of some candidates that fuel [anti-Islamic sentiments] and that target Muslims. We don’t want the disease of Islamophobia to pass from Europe to the U.S.,” he said.

The minister was obviously referring to Republican candidate Donald Trump, though he did not reference the candidate by name. “On the other hand,” he said, “Europeans have to exert more effort to get rid of this disease by defending the founding values of Europe in the strongest way to address terrorism, discrimination and intolerance.”

Underlining the government’s number one agenda as reforms in line with the EU process, Çavuşoğlu said Turkey has never tried to shape its relationship with the EU on “daily” political needs. “The Turkey-EU relationship should be managed with a solid, consistent and long-term vision and not through short-term urgent plans,” he stressed, saying the two parties needed each other.

About Cyprus talks, the minister expressed his hope that Turkey would not have to wait too long for the settlement of the problem and added that Turkey and the Turkish Cypriots were doing their share to reach an agreement within this year.

Blaming anonymous circles for trying to ruin Turkey's image in the world, the minister vowed, "Those who try to complain and to isolate Turkey in international arena through baseless slanders have never been successful and never will be." Drawing attention to the government's fight against Fethullah Gülen's alleged terrorist group (deemed by the government to be a parallel state operating to take down the current government), Çavuşoğlu said the Foreign Ministry would continue to struggle determinedly against this organization, as this group is now considered an illegal structure.

Foreign Minister's statement also included harsh criticisms against Turkey's opposition parties because of their lack of endorsement of governmental policies on issues vital to the national interests of Turkey. "Political parties may have different views and approaches to foreign policy. This is only natural. But all political parties should be able to meet on common ground when it's about national interests," he said.

PM Davutoğlu: Turkey supports Libyan unity, solidarity

Anadolu Agency, 08.01.2016



Turkey will support Libyan unity and solidarity, Turkish Prime Minister Ahmet Davutoğlu said, in a meeting with the prime minister-designate of the Libyan Government of National Accord, Fayez al-Sarraj.

"Turkey will always take your side in the context of Libya's economic development and reconstruction when Libya gains stability," Davutoğlu said. The Turkish pm said the country had lent its support to those injured in a terror attack in the western Libyan city of Zliten, treating the wounded in Turkey. At least 50 people were killed and 127 others injured when a suicide bombing rocked a police training center in the city.

"Thank you so much for Turkey's support to the injured people," al-Sarraj said. Al-Sarraj added that political, economic and trade relations between Turkey and Libya had improved and there were many areas for cooperation between the two countries. Libya has remained in a state of turmoil since a bloody uprising ended the decades-long rule of Muammar Gaddafi in late 2011. Since then, the country's stark political divisions have yielded two rival seats of government, each with its own institutions and military capacities. The Libyan Political Agreement calls for a one-year transitional phase to last until a referendum on a new constitution and elections can be held. According to the terms of the agreement, a unity government was established to run the country during a transitional period.

Turkey's budget deficit at \$7.4 billion for 2015

Anadolu Agency, 15.01.2016



Turkey's government ran a 22.6 billion Turkish Liras (\$7.4 billion) budget deficit last year, Turkey's finance minister announced in a press conference.

The amount was 1.2 percent of the country's GDP, and less than 2 billion liras (\$656 million) than was forecast for 2015, Turkey's finance minister Naci Ağbal said. "We can say that last year was very successful in terms of budget revenue performance," he said. "The general government budget in 2015 will be a balanced budget and will be one of best performances in the last nine years," Turkey's finance minister Naci Ağbal said.

The December budget deficit was 17.1 billion liras (\$5.6 billion), with interest payments and personnel expenses such social insurance payments taking up a large part of revenue, Ağbal said. According to the ministry, Turkey's government budget revenue reached 483.4 billion liras (\$158.7 billion) in 2015, a 13.6 percent increase compared to 2014.

Budget expenditures for last year rose to 506 billion liras (\$166.1 billion), marking a 12.8 percent increase year-on-year. Interest expenses stood at 53 billion liras (\$17.4 billion) in that period, a 6.2 percent of increase from the previous year. The ministry estimated that budget expenses for the 2016 fiscal year would total 570.5 billion liras (\$188 billion), up by almost 10 percent compared to the 520.4 billion liras (\$170.8 billion) forecast for 2015.

"We forecast that the deficit will hit 1.2 percent of gross domestic product in 2016," Ağbal said. "We forecast the ratio of debt stock to GDP at 32.6 percent by the end of 2015. With this figure, we achieved a 0.9-point improvement compared to 33.5 percent in 2014," he added. The biggest share of the budget was allocated to the Education Ministry with 109.3 billion liras (\$36 billion), an increase of 24.9 percent from last year's allocation.

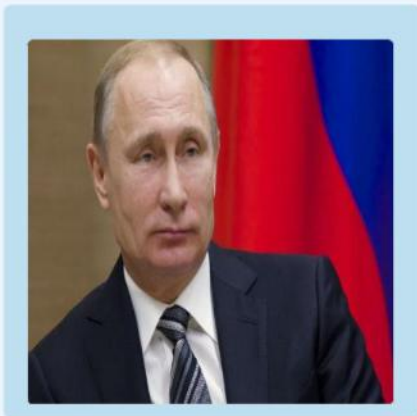
The country's Health Ministry will receive 95 billion liras (\$31.2 billion) from the budget, according to the ministry. The minister said the government budget for investment would increase by 24.2 percent over the year to reach 60.1 billion liras (\$19.7 billion). According to the Finance Ministry, the growth rate of Turkey's GDP will be 4.5 percent in 2016, while the forecast for inflation is 7.5 percent for the end of the year. The ministry estimated exports for the year at \$155.5 billion and imports at \$210.7 billion.

"Under the current conditions, we forecast that recovery in developed economies will continue and that growth in emerging commodity importer economies will strengthen while growth in commodity-exporting countries will slow down," Ağbal said.

The country's exports decreased by around 8.7 percent to \$143.7 billion in 2015 from the previous year due to exchange-rate volatility, a plunge in commodity prices and escalating geopolitical risks, according to data from the Exporters' Assembly of Turkey. The Turkish central government's budget ran a deficit of 22.7 billion liras (\$10 billion) in 2014.

Russia draws up draft of sanction exemption rules for Turkish companies

Hurriyet Daily News, 15.01.2016



Russia's Economic Development Ministry has drawn up a draft of sanction exemption rules for Turkish companies, following requests from large Russian companies.

The draft regulations comprise of rules for contracts signed with companies under Turkish jurisdiction and companies controlled by Turkish citizens that will be exempted from sanctions. Bilateral relations have nosedived since Turkey shot down a Russian jet. According to the draft, contracts may be exempted from sanctions if failure to execute them "affects the discharge of domestic or foreign commitments of Russia or Russian companies," the TASS reported.

Exemptions will also apply to contracts affecting the interests of Russia's security, or contracts affecting a wide range of consumers, or if it is not possible to make a replacement, or if it could result in significant complications in implementation of Russia's economic, technical, financial and innovation programs.

All contracts will be screened by the government sub-commission under the Russian Economic Development Ministry, and any decision to exempt the contract from sanctions will be made by a government resolution.

Several big companies have already requested that the Economic Development Ministry include them in the list of exemptions from anti-Turkey sanctions, Deputy Economy Minister Alexey Likhachyov said. "Many Russian companies are applying, including Sberbank, with the request of a possible exclusion from the Russian counter-measures," Likhachyov said, as quoted by TASS.

Russian officials have warned about a further deterioration in the country's economic conditions amid the oil price plunge and continued Western sanctions against Moscow. Speaking at an economic forum in Moscow, Russian Prime Minister Dmitry Medvedev said the country needed to steel itself for tough times. "One needs to prepare for the worst scenario," Medvedev said.

US: Turkish steel exporters exempt from special tariff

Anadolu Agency, 14.01.2016



U.S. Department of Commerce has ruled that Turkish steel exporters would be exempt from a special tariff imposed on foreign companies that receive subsidy payments, the Turkish Steel Exporters Association said in a statement.

In accordance with the preliminary results of a probe of hot-rolled flat steel products, the U.S. Department of Commerce decided that Turkish steel producers Çolakoğlu and Erdemir do not receive subsidies, the statement said. The probe was initiated on the application of American steel producers on Sept. 9. The probe reviewed companies in South Korea, Brazil and Turkey.

There was a separate anti-dumping probe for imports from Australia, Japan, Netherland, U.K., South Korea, Brazil and Turkey. “We wish to make clear at every opportunity that the Turkish steel industry does not benefit from subsidies and accusations to the contrary are unfair. This outcome once again proved the truth of our claims,” Steel Exporters Association head Namık Ekinci said.

In the same probe, the Commerce Department also exempted South Korean exporters from the special tariff, but decided to apply a 7.42 percent additional customs duty to products imported from Brazil. Ekinci said the Commerce Department had launched probes without fair justification, and the procedure slowed or blocked trade with Turkish steel producers.

“Even we proved that we don’t take advantage of any incentive from the government, these case procedures slow our exports. We believe that U.S. authorities are influenced by pressure from local producers, and this unfair influence should cease,” Ekinci concluded.

Philip Hammond to press Turkey over refugee crisis on Ankara visit

The Guardian, 14.01.2016



The foreign secretary, Philip Hammond, will urge the Turkish government to do more to stem the flow of migrants into the EU, but will also offer a message of solidarity following the Islamic State attack in Istanbul this week that killed 10 people including nine German tourists.

Hammond is visiting Turkey to meet both the president, Erdoğan, and the fm, Çavuşoğlu, in Ankara. He will later visit a refugee camp in southern Turkey. The visit has been given an added importance following signs that Isis has decided to target Turkey in response to Ankara's more aggressive efforts to help opposition fighters in northern Syria.

Hammond has applauded Turkey's generosity in hosting more than 2.5 million Syrian refugees and will hold out hope that a donor conference in London on 4 February not only will raise more international funds but will try to reach agreement on access to besieged starving towns in Syria.

"Turkey, a Nato ally, is a vital friend to the UK and critical partner in tackling Islamist extremism, as we have seen tragically in Istanbul this week," Hammond said. "We will be discussing how we can work even more closely together in tackling the flow of foreign fighters and funding to Daesh."

Ankara has been relatively neglected by Britain given Turkey's now critical political and security importance to the US and EU. By contrast, the French and Germans have been regular visitors, and the US vice-president, Joe Biden, is due in Ankara later this month.

Turkey is the main starting point for Syrian migrants trying to enter the European Union via Greece and has already been promised €3bn by the EU to act more decisively to stem the flow. Britain acknowledges Turkey has taken a more energetic role in disrupting supply lines to Isis, including the movement of foreign fighters into Syria as well as the illegal smuggling of Isis oil supplies on to the black market.

But the west needs to tread lightly in its criticisms since Turkey also has a pivotal diplomatic role through the leverage it has over Syrian opposition groups in peace talks due to start at the end of this month. There are huge doubts about the viability of those talks given the escalating disputes over the factions entitled to attend. Turkey can persuade Syrian opposition groups to approach the talks flexibly and strengthen the negotiating hand of the Syrian opposition by providing more support.

Senior US military officials have been in Turkey this week to discuss how to help opposition fighters, and Turkey has been exploring the basis for a long-term merger between the Free Syrian Army and elements of the Syrian government military if a ceasefire and peace talks ever start.

Erdoğan argues that Turkey has already paid a heavy price for the implosion of its southern neighbour. It has seen the Kurdish-Isis conflict in Syria encroach into Turkish territory, with two Isis atrocities against leftwing secular Kurds – in Ankara on 10 October and at the border town of Suruç on 20 July.

Turkey also insists it has tried to integrate hundreds of thousands of refugees mostly outside the 20 camps that it has set up in the south. It is expected there will be 1.9 million refugees inside Turkey this year, including 1.7 million Syrians. Half of the refugees are children, and most of these are not attending school. In an acknowledgement of the refugees' permanence, Turkey says it will now give some refugees work permits, one means of encouraging them not to leave the camps for jobs in Europe.

But there is also growing hostility in Turkey, as in parts of Europe, towards the refugees, likely to be made worse by the Isis suicide bomb in Istanbul this week, which dealt a serious blow to the tourism industry. The attack may persuade Turkey's government it has reached a point of no return and must do more to defeat Isis or else see Isis sympathisers become even more dangerous inside Turkey. Erdoğan has up to now seen Kurdish militants as the country's principal enemy and has refused to help them even though they have proved to be the most effective fighters against Isis in northern Iraq and Syria.

Significantly, Erdoğan quickly named a Syrian refugee as responsible for the Istanbul attack, making little effort to blame the Kurds as he has for other attacks. The Turkish government said the Isis attack may have been a reprisal for Turkey doing more militarily to help rebel forces. Downing Street believes Erdoğan has gone past a turning point and is genuinely cooperative in the fight against Isis. Turkey has already allowed US-led coalition planes to use bases at Incirlik to attack Isis in Syria. But the west thinks more could be done to seal the 560-mile border between Syria and Turkey. The Turks say they have spent \$100m on better lighting, fencing and ditches.

The European commission vice-president, Frans Timmermans, has said the number of Syrians crossing the Aegean Sea to EU member Greece is still far too high despite the €3bn deal agreed in November. The Netherlands has said it is far from satisfied with the degree of Turkish cooperation and will make the reduction of migration numbers the top issue of its six-month EU presidency.

EU fails to reach final deal on financial support for Turkey to stem migration

WSJ, 15.01.2016



Objections from Italy held up a final agreement by EU finance ministers on how to come up with €3 billion the bloc has promised to Turkey to help stem flow of refugees into the EU.

Italian Finance Minister Padoan said all of the €3 billion should come from the EU budget, rather than national governments having to put up funds, too. Under the current plan, €1 billion would come from the EU budget, while governments would have to pay for the remaining €2 billion. “We think there is still space in the budget as it stands now so that those 3 billion [euros] are fully covered by the budget,” Mr. Padoan said.

Italy also wants more information on how the money would be used, he added. Jean-Claude Juncker, the president of the European Commission, attacked Italy’s move to hold up the payment, which is meant to help improve living conditions for refugees within Turkey.

“The astounding Italian reserve on co-financing the fund for Syrian refugees in Turkey is something which I can’t totally explain myself,” Mr. Juncker said in a news conference Friday. Some payments to Turkey can already be made despite the Italian objection, by using the €1 billion from the EU budget, he added.

Mr. Juncker also said he would travel to Italy next month to address rising tensions between Brussels and Rome. “You know I have the greatest respect and love the Italian Prime Minister, and he does tend to demonize and criticize the commission whenever he gets the occasion. I don’t know really why he does this,” he said.

Germany’s finance minister, Wolfgang Schäuble, meanwhile, warned that the EU, including national governments, will have to put up “much more money” if they want to effectively deal with the refugee crisis and preserve open borders in the 26-country Schengen area. He also urged governments to step up the planned relocation of some 160,000 refugees across the EU. “If Schengen fails today, and we are close to that, this isn’t a question of years,” Mr. Schaeuble said.

Jeroen Dijsselbloem, the Dutch finance chief who presided over the ministers said he hoped Italy would lift its objections “very, very soon.” “There was a very strong feeling that we need this facility, we need it very quickly and we need to do more,” Mr. Dijsselbloem said.

Merkel to host Turkey's PM for talks Jan 22

AFP, 15.01.2016



Chancellor Angela Merkel will host Turkish Prime Minister Ahmet Davutoğlu for talks, her spokesman said, with discussions to centre on the suicide attack in Istanbul that claimed 10 German lives. The Jan. 12 “attack in Istanbul will play a central role” in the talks, said Steffen Seibert, spokesman for Merkel.

The two leaders will also discuss issues on both countries' priority lists, including their fight against terrorism and a record refugee influx to Europe. The talks are part of a series of so-called government consultations that Germany has with only a handful of countries, including India and China.

The Jan. 22 meeting would be the first with Turkey's cabinet and will include interior, foreign and defence ministers from both sides. Turkey has a special relationship with Germany as the biggest EU economy is not only home to around three million people with Turkish roots, but also its biggest trading partner.

Turkey, which shares a border with war-torn Syria, is also a key player in the current record migrant influx to Europe, with EU countries needing Ankara's help to stem the flow. It has also stepped up its involvement in the US-led coalition against the Islamic State of Iraq and the Levant (ISIL) through air strikes as well as the hosting of war planes.

US: Turkish artillery fires in Syria ‘very effective:’

Hurriyet Daily News, 15.01.2016



Turkish artillery strikes in the fight against the Islamic State of Iraq and the Levant (ISIL) in northern Syria have had a “very good effect,” said U.S.-led anti-ISIL coalition spokesperson.

“Well, we’ve seen the Turkish fire some artillery to very good effect in the Manbij pocket,” said Operation Inherent Resolve Spokesman Colonel Steve Warren via teleconference connecting from Baghdad. “We’re continuing to work with the Turks to tighten up our coordination with them on these artillery strikes that they do in that area, but yes, they are targeted,” he added.

The Manbij pocket is a 98 kilometer stretch along Turkey’s southern border with Syria, which Western powers criticize has not been sealed off. Commenting on improving the coordination between the Turkish forces and anti-ISIL coalition, Warren said that they wanted to exactly know where the Turkish artillery fires would hit beforehand.

“Well, we want to ensure that we know exactly where they’re [Turks] going to strike before they strike. And this is always the case in any – in any type of a large outfit with as many moving parts as we have in this coalition, that’s going to happen,” he said. “So we’ve identified is the Turks filling a need, right? There were some weather problems; we were having difficulty providing the type of air power we wanted to provide, and the Turks filled in with artillery fire. So it was perfect. It happened the way it was supposed to happen,” Warren added.

Hours before the teleconference with Warren, Turkish Prime Minister Ahmet Davutoğlu said that Turkey killed 200 ISIL militants in cross-border operations, during which Turkey fired 500 cannon shots at ISIL targets in Iraq and Syria over the past 48 hours, after an ISIL suicide bomber killed 10 German tourists in Istanbul’s historic Sultanahmet Square. Warren described the fight as “a World War I style situation.”

“You’ve got trench lines, bunkers, berms, and it’s a fairly static fight right now. There is - in small spots of tremendous tactical ferocity, but they’ll battle heavily over feet or inches even,” he said. The head of U.S. Central Command also commended Turkey’s effort to seal its border to prevent the flow of foreign fighters, noting the tough fight in northern Syria between ISIL and opposition groups. Gen. Lloyd Austin said Turkey, in cooperation with U.S. forces, has significantly slowed the flow of foreign fighters, state-run Anadolu Agency reported. Austin spoke during a press conference alongside U.S. Defense Secretary Ash Carter in Tampa, Florida, where the general’s retirement was announced. Carter said Austin will soon leave and U.S. President Barack Obama will nominate Special Operations Command Chief Joseph Votel to head Central Command.

Kerry stands by Saudis while urging diplomacy with Iran

The AP, 15.01.2016



U.S. Secretary of State John Kerry stood by ally Saudi Arabia in its widening rift with Iran over the execution of a Shiite cleric while urging the regional rivals to pursue a diplomatic solution.

The balancing act for Washington comes as the Obama administration readies billions of dollars' worth of sanctions relief for Iran and seeks the Islamic Republic's support in ending the Syrian civil war. Kerry met with Saudi Foreign Minister Adel al-Jubeir amid overlapping U.S. diplomatic efforts in the Middle East and America's own difficulties with the Sunni kingdom.

The talks also coincided with Shiite Iran's effort to completely satisfy the terms of last summer's nuclear deal. Once Iran completes the task, probably in coming days, it should begin to reap massive economic benefits.

Saudi Arabia, which expressed reservations over the July accord, is wary of an enriched and emboldened Iran. The United States has offered the Saudis additional security assurances but remains perturbed by the mass executions carried out, which sparked the latest crisis with Iran. After an Iranian mob stormed the Saudi Embassy in Tehran, the Saudis severed diplomatic ties.

During their talks in a London hotel, Kerry said countries in the Mideast should not interfere in the affairs of others, referencing Saudi charges that Iran foments Shiite unrest throughout the Sunni monarchies of the Persian Gulf. Kerry also emphasized the merits of diplomacy just days after his own frantic series of phone calls with Iranian Foreign Minister Mohammad Javad Zarif helped secure the release of 10 U.S. Navy sailors detained by Iran on a Gulf island.

Kerry told reporters that the U.S. understands "the challenges that the kingdom and other countries feel in the region about interference in their countries." Kerry said Washington stands by its friends, "but we also want to see diplomacy work. We want to try to see if there's a way, moving forward, to resolve some of these problems without moving to greater conflict."

"The last thing the region needs is more conflict, and I know the kingdom of Saudi Arabia agrees with that," Kerry said, describing that as a message he conveys in his regular phone conversations with Zarif. Al-Jubeir stressed the importance of U.S.-Saudi cooperation. "The most effective ways for us to work through these challenges is through our close partnership and alliance with the United States of America," he said, comparing the current regional instability to Saddam Hussein's invasion and occupation of Kuwait in 1990. He said the U.S. and Saudi Arabia would deal with the challenges "in a way that preserves the interests of our two great nations."

The Obama administration does not want to play mediator between the Saudis and Iranians, a reluctance that has invited criticism from left and right. Republican lawmakers in the U.S. Congress see the president as too concerned with protecting the nuclear agreement, his signature foreign policy achievement, and too willing to forsake the concerns of America's bulwarks of support in the Mideast, including Israel.

Human rights groups have tried in vain to achieve a strong condemnation of a Saudi justice system that sentenced a leading Shiite cleric and others to death. The Saudis are also in a bind. They are unhappy that the U.S. is increasingly looping Iran into efforts to stabilize Syria and combat the Islamic State of Iraq and the Levant (ISIL). But its long-term security interests rest to a large degree on Washington.

Al-Jubeir reiterated his support for Kerry's effort to broker a cease-fire between Syria's Iran-backed government and Saudi-allied rebel groups. Talks are scheduled to begin Jan. 25 in Geneva. "Our relationship with Iran is separate from the relationship we have with everyone else in terms of the Syrian cooperation group," al-Jubeir said.

The diplomats also condemned Thursday's attacks in the Indonesian capital of Jakarta. Five attackers and a Canadian and an Indonesian died in explosions and gunfire, and 19 people were injured. Police said the violence was probably linked to the ISIL group. "It should strengthen our resolve to work effectively together to combat the scourge of terrorism," al-Jubeir said. Kerry said governments wouldn't be intimidated. "There is nothing in any act of terror that offers anything but death and destruction," he said. He added: "The world will fight against that. The world will not accept that. And we will do what is necessary."

UN gets \$250 million to educate Syrian children, needs more

The AP, 13.01.2016



Donors have pledged \$250 million to educate over one million Syrian children this year but an additional \$500 million is urgently needed to fund the program in Turkey, Lebanon and Jordan, the U.N. envoy for global education said.

Gordon Brown warned that "death voyages to Europe" will soar in 2016 as long as Syria's two million refugee children and millions more displaced inside the country are exploited and don't have the opportunity for education. The organization Girls Not Brides recently reported that the child marriage rate among Syrian refugee girls has doubled from 12 percent to 26 percent, he said.

And a recent survey estimates that one in three refugee boys and girls have become child laborers. "It's urgent that we provide them education and avoid this exploitation and give these children hope for the future," Brown told a news conference by audio link from Europe.

When he was Britain's prime minister in 2009 and head of the Group of 20 leading economies, Brown recalled that a trillion dollars had to be raised to support the world economy, so "it ought to be possible to raise \$500 million for what is an excellent cause."

He pledged to try to raise the money at the World Economic Forum in Davos and an international pledging conference for Syria in London, on Feb. 4, among other places. Brown said Lebanon's introduction of double-shift classes in school has been the greatest success story, educating over 200,000 refugee children from Syria right now "from a negligible number a few months ago." The refugee youngsters go to school in late afternoon and evening, after Lebanese children are finished, he said.

The goal, he said, is to double the 200,000 Syrian refugee children now in school in Turkey to over 400,000, increase the number in Jordan from 130,000 to 200,000 in the next few months, and reach one million in 2016. "And by next year every single child refugee would be offered a place in school whether they be in Lebanon, Jordan or Turkey," Brown said.

France pays tribute to 2015 terrorism victims

Reuters, 10.01.2016



France honored the victims of Islamist militant attacks last year in a thinly attended silent ceremony on Jan. 10, almost a year to the day when more than a million people marched in Paris to protest killings at the satirical magazine Charlie Hebdo.

President François Hollande and Paris Mayor Anne Hidalgo laid a wreath by the statue of Marianne, symbol of the French republic, in Paris. The statue has become a shrine to the 17 victims of the January 2015 attacks on Charlie Hebdo and a Jewish deli, and to the 130 people shot dead by militants on Nov. 13 at a concert, and in restaurants in Paris.

"To the victims of the terrorist attacks in January and November ... In this place, the people of France pay their respect," read a metal plaque unveiled by Hollande and Hidalgo under a newly planted memorial oak tree on Place de la Republique in eastern Paris. Neither Hollande or Hidalgo spoke at the ceremony, but veteran French rock star Johnny Hallyday, accompanied only by a guitar, sang a song about the march on Jan. 11 last year, which brought out the biggest crowds in Paris since the liberation of Paris from Nazi Germany in 1944.

The French army choir sang late Belgian singer Jacques Brel's "Les Prenoms de Paris" (the First Names of Paris) and "Le temps des cerises", a song associated with the socialist Paris commune movement in 1871, while two young actors read a speech by 19th century writer Victor Hugo.

The huge square in eastern Paris, the focal point of the January 2015 march attended by dozens of world leaders walking arm in arm, was relatively empty during the ceremony. Hidalgo invited Parisians to come to the square with candles later in the day and said the Marianne statue - covered with flowers, candles and pictures of the victims - will be permanently lit from now on. "Paris is scarred, but we are still standing," she told French television after the ceremony.

Hollande, who stood stony-faced through the ceremony, later met with the families of the victims on the square. Interior Minister Bernard Cazeneuve said security forces remain on high alert as there is a real threat of more attacks. "We are facing an extremely high level of threat, higher than it has ever been," Cazeneuve said on iTELE television.

Merkel backs expelling refugees with suspended sentences, too

AFP, 09.01.2016



Chancellor Merkel backed a sharp toughening of expulsion rules for convicted refugees, saying that even those who have been given suspended sentences should be required to leave Germany.

"If a refugee flouts the rules, then there must be consequences, means that they can lose their residence whether they have a suspended sentence or a prison sentence," she said. "If the law does not suffice, then the law must be changed," said Merkel, over a shocking assaults on New Year's festivities in Cologne blamed on migrants.

She argued that toughening the rules was "not only in the interest of citizens, but also in the interest of refugees who are here." Merkel was speaking after a meeting with leading politicians at her CDU party, when they adopted a motion to ease the expulsion process for criminal asylum seekers.

Under current rules, convicted asylum seekers can only be expelled if they have received jail sentences of three years. In addition, their lives must not be at risk in their countries of origin. Any changes to laws would still have to be discussed within Merkel's grand left-right coalition, and some within junior partner the Social Democrats have already signaled opposition to any modifications. But public opinion has tipped towards backing tougher action against criminal migrants following the Cologne attacks. Germany's federal police have so far identified 32 suspects, 22 of whom are asylum seekers, in connection with 76 offences, 12 of which had a sexual nature, the interior ministry said. "Cologne has changed everything," said Volker Bouffier, deputy chair of the CDU.

Iran's oil tankers point towards India and Europe as clock ticks down on sanctions

Reuters, 15.01.2016



With Iran ready to resume business as usual with the world under a historic nuclear deal, Tehran will target India, Asia's fastest-growing major oil market, and old partners in Europe with hundreds of thousands of barrels of its crude.

Iran expects the UN nuclear watchdog to confirm it has curtailed its nuclear program, paving the way for unfreezing of billions of dollars of assets and an end to bans that have crippled its oil exports. Tehran plans to lift exports by 500,000 bpd post-sanctions and gradually raise shipments, and likely putting more pressure on oil prices which have already dropped 70 percent, to below \$30 per barrel.

Iran has 22 Very Large Crude Carriers (VLCCs) floating off its coast, with 13 fully or almost fully loaded, mapping data on Thomson Reuters' Eikon showed, carrying enough crude to meet India's import needs for almost a week. A senior Iranian source close to supply negotiations said that the country - which has the world's fourth-biggest proven oil reserves - was targeting India as its main destination for crude.

"Indian crude demand is growing faster than other Asian countries. Like our competitors, we see this country as one of the main targets for Asian sales," said the official, who spoke on condition of anonymity. Iran hopes to raise its exports to India by 200,000 bpd, up from the 260,000 bpd currently shipped under sanctions' restrictions, the official said.

At the right price, Indian refiners said they were keen to import more from Iran, as demand for fuel soars on 10 percent annual growth in car sales, a rate that is now faster than China's. "We have a long-lasting relationship with Iran and post lifting of sanctions we will evaluate the scenario," said L K Gupta, managing director of India's Essar Oil.

"It makes sense to buy oil from nearby options (like Iran)," said H. Kumar, managing director of another Indian oil firm, Mangalore Refinery and Petrochemicals, but added "intake will depend on prices." The Iranian official said there was not much room for major export increases to China, South Korea or Japan due to slowing demand and also because of a shift there towards more non-Middle East crudes.

Iran already trades limited amounts of oil mainly with Asian buyers legitimately under sanctions, but its crude exports have fallen to just over 1 million bpd, down from a peak of over 3 million bpd in 2011, pre-sanctions. The Iranian official said Tehran planned to revive supply deals with European partners in order to ramp up exports.

Prior to sanctions, Iran was exporting up to 800,000 bpd to Europe with the main buyers being oil majors Royal Dutch Shell , Italy's ENI and France's Total Greek Hellenic Petroleum and Spain's Repsol and Turkish firms. Most former buyers have repeatedly said they would be happy to resume imports but commercial details could be discussed only after sanctions are lifted.

Iran's Mehr news agency quoted officials from the National Iranian Tanker Company (NITC) as saying that as soon as sanctions are lifted some 200,000-220,000 bpd would be exported to France, Britain, Italy, Spain and Germany. Shipping industry association BIMCO confirmed that European clients would be among the first post-sanctions.

Trump, Cruz clash over White House eligibility in tense Republican debate

Reuters, 31.12.2015



U.S. Republican presidential front-runner Donald Trump and top challenger Ted Cruz clashed sharply over the Texas senator's eligibility to run for the White House during a tense debate weeks before voters start to pick the party's nominee.

Trump said Cruz's path to the presidency was in question because he was born in Canada. The U.S. Constitution mandates that only "natural born" citizens can become president of the US. Cruz, who was born in Alberta, accused Trump of bringing up his birthplace simply because Cruz was leading some polls in Iowa, which holds the first nominating contest in the run up to the November general election.

Cruz said Trump, who led the movement questioning whether the Hawaiian-born President Barack Obama was really from the United States, had asked his lawyers to look into the issue of Cruz's birth in September and concluded there were no issues. "Since September, the Constitution hasn't changed, but the poll numbers have," Cruz said. "And I recognize that Donald is dismayed that his poll numbers are dropping in Iowa, but the facts and the law here are really clear."

A Google snap poll showed viewers believed Trump, who in the most recent debates was at times less engaged, won the night with 37.3 percent to Cruz's 26.6 percent and Rubio's 12.1 percent. Until the Fox Business Channel debate in North Charleston, South Carolina, Trump and Cruz had been friendly because they have both been chasing conservatives of the Tea Party movement and did not want to anger them. Trump said Democrats would sue if Cruz were on the Republican ticket, putting their party's chances of winning at risk.

"There's a big question mark on your head," Trump told his rival, with whom he has had friendly relations over the past year on the campaign trail. "The Democrats are going to bring a lawsuit." He urged Cruz, who is a lawyer, to ask a court to put the question to rest. "I'm not going to be taking legal advice from Donald Trump," Cruz retorted.



Trump, who has proven to be a master at finding a perceived weakness in an opponent, has made an increasing issue of Cruz's Canadian birth. He admitted during the debate that he was doing so because of Cruz's improving political prospects. Cruz has steered clear of criticizing Trump during his rise to the top of the national polls, but that ended.

In addition to fighting back over his presidential eligibility, Cruz accused Trump of not being a conservative because he was born in New York and still lives there. "Everyone understands that the values of New York City are socially liberal, are pro-abortion, are pro-gay marriage," Cruz said. Trump rebutted Cruz's comments by referring to the Sept. 11, 2001 attacks. He said New Yorkers came together to support each other after thousands were killed and cleaned up the site of the destroyed 110-story World Trade Center's twin towers, enduring "the smell of death" for months. "That was a very insulting statement that Ted made," Trump said.

Announcements & Reports

► *Greece: A European Tragedy*

Source : Bruegel
Weblink : <http://bruegel.org/2016/01/greece-a-european-tragedy/>

► *Matching Research and Innovation Policies in EU Countries*

Source : Bruegel
Weblink : <http://bruegel.org/2015/12/matching-research-and-innovation-policies-in-eu-countries/>

► *Defense Department PAS Positions*

Source : CSIS
Weblink : <http://csis.org/publication/defense-department-pas-positions>

Upcoming Events

► *Central Banking After The Great Recession*

Date : 18 January 2015
Place : Brussels - Belgium
Website : <http://bruegel.org/events/monetary-policy-after-the-great-recession/>

► *The New Silk Road: What is in it For Europe*

Date : 18 January 2015
Place : Shanghai - China
Website : <http://bruegel.org/events/the-new-silk-road-what-is-in-it-for-europe/>

► *Competitive Gains in the Economic and Monetary Union*

Date : 18 January 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 January 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 January 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 January 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 January 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 : 28 January 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 : 29 January 2015
Place : Berlin - Germany
Website : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>