

Turkey's current account deficit widens in May

Anadolu Agency, 13.07.2017



Turkey's current account deficit was \$5.24 billion in May 2017, up \$2.13 billion year-on-year, official data revealed.

"The current account deficit recorded \$5.24 billion, indicating an increase of \$2.13 billion compared to May of the previous year, bringing the 12-month rolling deficit to \$35.3 billion," the Turkish Central Bank said. The bank stated this development in the current account was mainly attributable to the increase in the deficit in goods items by \$1.82 billion to \$5.64 billion, followed by a \$521 million rise in the primary income deficit to \$956 million in May.

Travel items, which are a major part under services, recorded a net inflow of \$1.21 billion in May, increasing by \$181 million compared to the same month of 2016, the bank added. Meanwhile, the country's current-account deficit in the first five months of this year stood at \$16.85 billion, up from some \$14 billion compared to the January-May 2016 period.

Turkey's annual current account deficit last year was around \$32.5 billion, relatively stable compared to the 2015 figure of \$32.1 billion. According to the central bank figures, the country's highest annual current account deficit in the last 20 years was \$74.4 billion in 2011.

Minister: Turkey's economic growth seen over 5 percent by end-2017

Anadolu Agency, 08.07.2017



Turkey's economic growth is expected to reach close to 6 percent in the second quarter of 2017 and exceed 5 percent by the end of the year, Turkish Science, Industry and Technology Minister Faruk Özlü has told Reuters.

"We expect growth of over 5 percent this year. There could also be strong growth in the second quarter; first indications lead us to this prediction. I expect close to 6 percent growth in the second quarter," Özlü said. Turkey's GDP growth rate increased by five percent in the first quarter of 2017 compared to figures in the same period last year, data from the Turkish Statistical Institute (TÜ K) showed.

The growth forecast for the country was 4 percent. A rebound in domestic demand and exports played a key role in pushing up the economic growth, according to TÜ K. Özlü said the government aimed for a sustainable growth rather than a temporary one.

“In a bid to achieve this goal, we will realize structural reforms. Our production reform is one of the steps on the road to reaching this goal. We expect a 1.5 billion lira additional financial source to pour into the industries. Our industry should grow at least 7 percent,” he added. He also said current interest rates were too high for the industrial sector to grow, adding that he expected a fall in the unemployment rate in July. “We will see the positive results of our campaign to boost employment by this month,” Özlü said.

Turkey’s unemployment rate was announced at 11.7 percent in the February-April period, dipping further from a seven-year high at the start of the year but up from 10.1 percent a year earlier, official data showed on June 15. Through an “employment campaign,” which was commenced in February, the government aims at decreasing unemployment rate to single-digit figures. Özlü also said the government aimed at creating the first indigenous car prototype by 2019, of which all intellectual property rights would be owned by Turkey.

PM Yıldırım: Local input to Turkish defense industry at 60 percent

Anadolu Agency, 09.07.2017



“Prime Minister Binali Yıldırım has said Turkey’s domestic contributions in the defense industry have surpassed 60 percent.”

Speaking at a logistics support ship launching ceremony in Istanbul on July 8, Yıldırım said the ship will “make the Turkish Navy more powerful.” “We have made great progress in the defense industry in the last 15 years. We have increased local contributions from 24 percent to over 60 percent. The target is even bigger,” he added.

According to Yıldırım, 50 years ago people were discussing whether or not Turkey could build ships, but today Turkey can not only build ships of every category, capacity and ability but they can even satisfy the needs of other countries. Among the 30 countries making up 90 percent of the world merchant marine fleet, Turkey has risen to 14th place. Turkey has completed 14 military ship projects in the last 15 years and provided more than \$30 billion to the national defense industry in the same period, the prime minister said.

Shipbuilder: Turkey builds hybrid ferries for Norway

Anadolu Agency, 13.07.2017



Turkey has so far built nine hybrid ferries for Norway, which is one of the world's leading maritime nations, the deputy board chairman of Yalova-Altinova Shipbuilders Inc. said.

“Norway is looking to replace [a part of] its fleet of ferries with hybrid ones until 2020,” Orhan Gülcek told state-run Anadolu Agency, adding that the Nordic country was preparing to get at least 80 new ferries. “Some 20-25 ships have already been built, of which nine have been built in Turkey,” Gülcek said, adding that this number would increase further considering Turkey's success in the area.

Noting that Turkey also built battery ferries, Gülcek said there had been an increasing demand for environmentally friendly ferries, especially in Nordic countries, and Norway was the biggest market in this area. “Hybrid ferry business is not only new for Turkey but for the world, too. Our biggest customer at the moment is Norway,” he said.

Gülcek said some of these ferries were being built in Norway using semi-finished products from Poland. “However, I believe a majority will be built in Turkey because Turkey has started to become big in this business. So far, eight to nine ferries have been built and delivered. This number will go up,” he added.

Economy Minister: Turkey has sent almost 200 cargo planes to Qatar since dispute began

Hurriyet Daily News, 12.07.2017



Turkey has sent 197 cargo planes, 16 trucks and one ship to Qatar since the crisis broke out last month between it and other Gulf states, Economy Minister Nihat Zeybekci stated.

“Turkey has so far sent a total of 197 cargo planes, 16 trucks and one ship to meet the daily needs of Qatar. We will keep meeting its daily or longer-term needs in the coming period,” Zeybekci said, as quoted by Reuters. Qatari Economy Minister Ahmed bin Jassim al-Thani said Doha’s sea and air trade was continuing without disruption despite sanctions, adding that both countries want to boost their bilateral ties.

Al-Thani said more opportunities would likely be created for Turkish companies in their activities in Qatar. Ankara has backed Qatar after Saudi Arabia, Egypt, the United Arab Emirates and Bahrain cut all economic and diplomatic ties with it, accusing Doha of supporting terrorism. The four Arab states leading the boycott of Qatar stated on July 11 that their sanctions would remain in place until Doha meets a list of tough demands, specifically saying they would keep a close eye on the tiny Gulf monarchy’s efforts to fight terrorism funding.

Turkish Airlines sees record 30.3 million passengers in first half of 2017

Anadolu Agency, 12.07.2017



The number of passengers Turkish Airlines carried in the first half of the year has hit 30.3 million people -- the highest ever, according to a statement released by the airline on July 11.

The national flag carrier said this year’s number of customers in June rose by 13.5 percent, reaching 5.7 million, compared with the same period in 2016. The airline said the number of customers in June rose by 15.3 percent on its international flights compared with June last year. Turkish Airlines flies to 120 countries in total, more than any other airline. Turkey’s flag carrier currently has 337 aircraft and flies to more than 302 destinations, over 250 overseas.

Istanbul's third airport firm signs 250-mln euro service deals

Anadolu Agency, 11.07.2017



Istanbul Grand Airport (GA), the operator of Istanbul's under-construction third airport, stated on July 11 that it had inked cargo and service deals with six companies worth a total of 250 million euros.

According to a statement by the firm, GA had clinched deals with MNG, PTT, Çelebi Hava Servisi, HAVA , Sistem Lojistik and Bilin Lojistik for services at the new airport. Under the deal the companies will construct buildings at the new airport's "cargo city and ground services campus," carrying out activities over a 200,000-square meter space.

"We signed service and cargo deals worth 250 million euros with six big companies from Turkey. We completed our duty-free deal last year. We are now in the process of a deal in catering spaces. We will go out to tender for advertising service spaces in the coming months. We have rented 50 percent of spaces that are available for rent as of now. Deals have been made with almost 100 companies so far," IGA Chair Hüseyin Keskin stated.

Keskin also said the new airport will have a cargo capacity of 2.5 million tons when it is opened and that figure will rise to 5.5 million tons once all phases of the facility are completed.

The airport will also have a total space for ground services of 150,000 square meters and space of 1.4 million square meters for cargo services, including freighter parking positions and the whole cargo city, the GA statement said.

GA Airports will operate the facility for 25 years, paying 1.05 billion euros in annual rent, before handing it over to the state. The new under-construction airport in Istanbul is planned to have two runways and one terminal. It is expected to reach a capacity of 150 million passengers after the completion of two more runways and additional facilities.

Once the first section opens next year, around 2,000 airplanes will be able to land and take off daily. The first section will also have a passenger capacity of 90 million and a terminal building that covers an area of 1.3 million square meters. Currently, almost 30,000 people are working on the site, where 8,000 construction machines are operating. The new airport will also facilitate flight to a total of 350 destinations in the world.

Official: US troops inside Raqa, ISIL Syria stronghold

Reuters, 13.07.2017



United States military advisers are operating inside Raqa, the Syria bastion of Islamic State of Iraq and the Levant (ISIL), a U.S. official has said.

The troops, many of them special operations forces, are working in an “advise, assist and accompany” role to support militants of the SDF, said Colonel Ryan Dillon, a military spokesman. YPG, which Turkey views as terrorist for its link to the outlawed PKK constitutes the backbone of the SDF. The U.S. troops are not in a combat role but are calling in air strikes and are working closer to the fight than did U.S. forces supporting the Iraqi military in Mosul.

“They are much more exposed to enemy contact than those in Iraq,” Dillon said. He said the numbers of U.S. forces in Raqa were “not hundreds” and that they had been working closely with SDF fighters since operations to encircle Raqa began. After months of capturing villages and surrounding terrain, operations to liberate Raqa started in November and on June 6 the SDF entered the city. With help from the U.S.-led coalition, the SDF this month breached an ancient wall by Raqa’s Old City, where diehard jihadists are making a last stand.

The SDF are a Kurdish-Arab alliance that is being trained by coalition experts and armed by the United States. Dillon said the coalition had seen IS increasingly using commercial drones that have been rigged with explosives. The jihadists employed a similar tactic in Mosul. “Over the course of the last week or two, it has increased as we’ve continued to push in closer inside of Raqa city center,” he said. The U.S. military is secretive about exactly how big its footprint is in Syria, but has previously said about 500 special operations fighters are there to train and assist the SDF.

Additionally, Marines are operating an artillery battery to help in the Raqa offensive. Meanwhile, an independent monitoring group said the civilian death rate soared last month as operations intensified in Raqa and Mosul. Airwars - a London-based collective of journalists and researchers that uses social media, eyewitness reports and other sources to compile its data - said the concurrent assaults on the cities were often “devastating.”

The group said as many as 744 civilians had been killed last month, though the number is completely at odds with that of the US military, which so far has acknowledged the accidental deaths of 603 civilians since coalition operations began in late 2014. Airwars director Chris Woods said the increased tempo of strikes in Mosul and Raqa accounted for some of the increase, but suggested the Pentagon’s goal of “annihilation” of the jihadists had placed civilians at greater risk of harm -- a claim the military disputes.

Dillon said a seven-person team reviews every civilian casualty allegation, many of which are self-reported through the military itself. The process “is very thorough and I will take our credible reports over any of the allegations that do come in,” he said.

US says Assad may be preparing chemical attack, warns ‘heavy price’

AFP, 13.07.2017



Syrian President Bashar al-Assad may be preparing another chemical weapons attack, one that would result in the “mass murder” of civilians, the White House said, warning the regime would pay a “heavy price” if it went ahead with such an assault.

The White House said the preparations were similar to those undertaken by the Assad regime ahead of an apparent chemical attack on a rebel-held town in April. Washington launched a retaliatory cruise missile strike days later against a Syrian airbase from where it said the chemical weapons attack was launched.

That assault with 59 Tomahawk missiles marked the first direct U.S. attack on the Syrian regime and Trump’s most dramatic military action since he took power in January. It also led to a quick downward spiral in ties between Washington and Moscow, which accused the U.S. of breaking international law.

Russia has supported the Syrian regime since 2015 with air strikes against what it says are Islamist extremists. “The United States has identified potential preparations for another chemical weapons attack by the Assad regime that would likely result in the mass murder of civilians, including innocent children,” spokesman Sean Spicer said in a statement late on June 26.

The two-paragraph communique did not offer any evidence justifying the sternly worded warning. “The activities are similar to preparations the regime made before its April 4, 2017 chemical weapons attack.” The suspected attack in April in the rebel held town of Khan Sheikhun killed at least 87 people, including many children, and images of the dead and of suffering victims provoked global outrage. The U.S. State Department said it amounted to a war crime.

State Department officials who would normally be involved in a big announcement such as Monday’s warning to Syria said they were caught by surprise, the Los Angeles Times reported. British Foreign Minister Michael Fallon told the BBC on June 27 that he would support U.S. military action in case of a Syria chemical attack. “As always in war, the military action you use must be justified, it must be legal, it must proportionate, it must be necessary. In the last case it was,” Fallon said. “If the Americans take similar action again, I want to be very clear -- we will support it.”

In early reaction from Moscow, Franz Klintsevich, deputy chairman of the defense commission of the upper house of the Russian parliament, said the U.S. warning heralded a new attack on Syrian forces under the pretext of the alleged preparations for a chemical attack. “This is clear. A cynical and unprecedented provocation is under way,” he said in Moscow.

Assad, backed by Russia, has strongly denied the allegation that his forces used chemical weapons against the town in April, describing it as a “100 percent fabrication.” He has said repeatedly that his forces turned over all chemical weapons stockpiles in 2013, under a deal brokered by Russia to avoid threatened U.S. military action. The agreement was later enshrined in a United Nations Security Council resolution. But U.S. Defense Secretary Jim Mattis previously warned that there was “no doubt” that Syria had in fact retained some chemical weapons. An Israeli military assessment also found that Assad’s regime was still in possession of “a few tonnes” of chemical weapons. “As we have previously stated, the United States is in Syria to eliminate the Islamic State of Iraq and the Levant (ISIL),” Spicer added in his statement on June 26. “If, however, Mr Assad conducts another mass murder attack using chemical weapons, he and his military will pay a heavy price.”

Syria’s war began in March 2011 with anti-government protests that spiraled into a complex and devastating conflict that has killed more than 320,000 people. Russia is flying a bombing campaign in Syria in support of Assad, while the U.S. is heading a coalition mainly targeting ISIL. Neither Washington nor Moscow have managed to find a solution to the conflict. Rebels are now on the back foot after regime advances with support from allies Russia and Iran. The U.S.-led coalition and allied fighters are battling to oust the ISIL group from its Syrian bastion Raqqa. The coalition is also backing a major assault on the last IS-held pockets of Mosul in neighboring Iraq.

The ‘What About Ukraine?’ Defense of Trump Jr.’s Russia Meeting

The Atlantic, 13.07.2017



Before welcoming Donald Trump Jr. onto his show, Sean Hannity boiled down his defense of the president’s son to one word: Ukraine.

In obsessing over whether Trump’s campaign colluded with Russian officials to interfere in the 2016 presidential election—and most recently whether it was ethical and legal for Trump Jr. to meet with a Russian lawyer in the hope of obtaining damaging information about Hillary Clinton from the Kremlin—Democrats and journalists “have completely ignored an example of actual election interference,” the Fox News host fumed.



A Democratic National Committee “operative and Ukrainian government officials tried to aid and assist Hillary Clinton and damage Donald Trump,” Hannity said, and the fact that nobody is talking about it demonstrates that the media is hysterical about Russia, hypocritical in its outrage, and hopelessly in the tank for the Democrats. The Ukraine rebuttal has been ricocheting across right-wing media in recent days, advanced by Trump aides such as Sebastian Gorka and Sarah Sanders and commentators like Rush Limbaugh and Kayleigh McEnany.

Despite this week’s revelations, there’s still “not a syllable, there’s not a vowel, there’s not a consonant of evidence” that Trump colluded with the Russians to boost his candidacy, Limbaugh declared on his radio show. And yet the Democrats’ collusion with the Ukrainians is written out in complete sentences for all to see: “We know for a fact that Ukraine did try to help Hillary sabotage Trump,” Limbaugh said.

The first involves the Ukrainian American political operative Alexandra Chalupa. As a paid consultant to the Democratic National Committee, Chalupa was tasked with something unrelated to Ukraine: helping the party reach out to various ethnic groups in the United States. But during her time in that role, which ended after the Democratic convention in July, she was also immersed in a side project: investigating Paul Manafort, Trump’s onetime campaign chairman, and the work he did advising the former pro-Russian Ukrainian President Viktor Yanukovich. Politico reports that as part of this effort, Chalupa cultivated a network of sources in Ukraine and the United States, including “investigative journalists, government officials, and private intelligence operatives.” She “occasionally shared her findings with officials from the DNC and Clinton’s campaign” and voiced her concerns about Manafort’s Russia ties with Ukraine’s ambassador to the United States, Valeriy Chaly, during a meeting at the Ukrainian Embassy.

A DNC official told Politico that the party didn’t incorporate Chalupa’s findings into its opposition research on Trump, and the Ukrainian Embassy has denied involvement in Chalupa’s inquiry. But relying on the account of a former Ukrainian Embassy staffer and several anonymous sources, Politico sketched out a triangle of interactions between Chalupa, the DNC, and the Ukrainian Embassy—one based on apparent sympathy with Chalupa’s research project, if not outright coordination:

[T]he former DNC staffer and the operative familiar with the situation agreed that with the DNC’s encouragement, Chalupa asked embassy staff to try to arrange an interview in which [Ukrainian President Petro] Poroshenko might discuss Manafort’s ties to Yanukovich.

While the embassy declined that request, officials there became “helpful” in Chalupa’s efforts, she said, explaining that she traded information and leads with them. “If I asked a question, they would provide guidance, or if there was someone I needed to follow up with.” But she stressed, “There were no documents given, nothing like that.”



Politico uncovered little concrete evidence of Chalupa's work having a major impact on the presidential campaign. Her attempt to launch a congressional investigation into the Trump campaign's connections with Russia didn't succeed. She served as a resource to journalists investigating Manafort but, as Politico noted, "it's not uncommon for outside operatives to serve as intermediaries between governments and reporters."

What had a greater impact on the campaign, according to Politico, was the decision by a Ukrainian anti-corruption agency to investigate a ledger that allegedly showed millions of dollars in off-the-books payments to Manafort when he was serving as a political adviser to Yanukovich—and the decision by one Ukrainian lawmaker in particular, Serhiy Leshchenko, to publicize the probe. News of the ledger and the investigation made its way into The New York Times and the Clinton campaign's talking points about Trump's troubling relationship with Russia, and Manafort soon resigned as Trump's campaign chief amid the fallout from these revelations and other reports of his activities in Ukraine.

The Ukrainian president has denied targeting Manafort (the government agency conducting the investigation is independent of the president's office). But Leshchenko, a member of the president's political bloc, admitted at the time that one of his goals in raising alarms about Manafort was to expose Trump as a "pro-Russian candidate who can break the geopolitical balance in the world" by allying with Moscow rather than longtime U.S. allies like Ukraine. And, as Politico notes, the investigation into the payments listed in the ledger—which in April were partially corroborated by the AP through wire transfers that Manafort claimed were legitimate—mysteriously faded after the U.S. election, raising questions about whether Ukrainian officials aired concerns about Manafort less to root out corruption than to undermine the Trump campaign.

The third way Ukrainian officials sought to influence the election is the most explicit and straightforward: A number of them made their preferences known. The Interior Minister Arsen Avakov, for example, dismissed Trump as a "dangerous marginal." Ukrainian Ambassador Valeriy Chaly may deny collaborating with Alexandra Chalupa on her Manafort research, but he can't exactly distance himself from an op-ed he wrote in The Hill in response to candidate Trump's suggestion that he might recognize Russia's annexation of the Ukrainian territory of Crimea.

Trump's remarks, Chaly wrote at the time, "call for appeasement of an aggressor and support the violation of a sovereign country's territorial integrity and another's breach of international law. In the eyes of the world, such comments seem alien to a country seen by partners as a strong defender of democracy and international order."

The public critiques of Trump by Chaly and other Ukrainian officials were arguably unwise and unconventional from a diplomatic perspective, but they're not all that different from German Chancellor Angela Merkel praising Hillary Clinton or Russian President Vladimir Putin calling Trump "bright" as they maneuvered to defend their interests in the presidential race. Such foreign involvement in elections is to be expected in a country whose politics is as internationally consequential as America's.

Weakened British PM reaches out to rivals

Reuters, 10.07.2017



British Prime Minister Theresa May acknowledged the “reality” of her weakened position on July 10 by appealing to other parties to help implement Brexit, as she sought to relaunch her year-old premiership.

One month after losing her parliamentary majority in a snap election, the Conservative leader said she was still committed to “bold action” to fulfil her promises of change. But as fresh rumors swirled of plans to oust her, May accepted that “the reality I now face as prime minister is rather different” than it was.

Her comments came in excerpts of a speech due to be delivered on July 11, the anniversary of her winning the Conservative Party leadership race after last year’s referendum vote to leave the EU. “In this new context, it will be even more important to make the case for our policies and our values, and to win the battle of ideas both in parliament as well as in the country,” May will say. “So I say to the other parties in the House of Commons... come forward with your own views and ideas about how we can tackle these challenges as a country.”

May has been struggling to maintain her authority since the June 8 election, which she called three years early only to lose seats, leaving her with a minority government. The Mail on Sunday reported that former Conservative chief whip Andrew Mitchell had told a private meeting of MPs that May was “dead in the water” and must quit. Justice Secretary David Lidington said this and other rumors were the result of politicians enjoying “too much sun and too much warm Prosecco” at summer parties.

May’s de facto deputy Damian Green insisted Monday that her call for cross-party cooperation was a “grown-up way of doing politics.” May had been accused of stifling dissent over her plans to take Britain out of Europe’s single market, end jurisdiction of the European Court of Justice, and leave the bloc without a deal in place. But members of her cabinet have been increasingly outspoken since the election, particularly finance minister Philip Hammond, who favors a more conciliatory approach amid fears of the damage a clean break could do to business.

A new cross-party parliamentary group was launched on July 10 calling for the “closest possible relationship” with the EU and demanding that “all options are kept on the table” in the negotiations, which began last month. It is co-chaired by opposition Labour MP Chuka Umunna and Conservative former minister Anna Soubry, both outspoken pro-Europeans, and backed by the smaller Liberal Democrats.

EU's Tusk says Europe turning the corner on anti-EU sentiment

Reuters, 09.07.2017



Europe is slowly turning a corner as a wave of anti-European Union movements peters out, Donald Tusk told.

Countries including Austria, the Netherlands, France and Italy have seen a sharp rise in popularity of parties with euroskeptic, often anti-immigration policies, but in recent months these have suffered decisive defeats in elections. Tusk, the president of the council of EU heads of states and governments, said the bloc was now again starting to be perceived as a solution, rather the problem, and that recent difficulties had served to strengthen it.

"It is fair to say that we will meet in a different political context from that of a few months ago, when the anti-EU forces were on the rise," Tusk wrote. "The current developments on the continent seem to indicate that we are slowly turning the corner. In many of our countries, the political parties that have built their strength on anti-EU sentiments are beginning to diminish," he said.

In Britain, the Conservative government of Prime Minister Theresa May lost its majority in parliament earlier this month, scuppering May's stated aim of bolstering her mandate for negotiating Britain's exit from the EU.

In France, Emmanuel Macron decisively won presidential and parliamentary elections on a agenda of support for the EU and reforms, soundly beating Marine Le Pen's far right National Front, which for the first time in its history reached a second round in a presidential vote.

"We are witnessing the return of the EU rather as a solution, not a problem. Paradoxically, the tough challenges of the recent months have made us more united than before," Tusk said.

Apart from Brexit, the EU is also facing a major immigration challenge which, though abated, is still fuelling anti-EU sentiment. Some blame the EU for not acting fast enough to stop the inflow of migrants arriving from the Middle East and Africa.

A series of attacks by Islamist militants in Britain, France, Sweden, Germany and Belgium, in which hundreds were killed, have added to concerns. To further stem migration flows, Tusk said the EU should give more money to support Libyan Navy Coastguards to help stop people being smuggled into the EU by sea. There is also discontent over unfettered global trade, perceived as a threat to jobs in Europe. "Therefore, during the upcoming European Council, I want us to move further on our policy response in these three areas," Tusk said in the letter to the leaders.

At least 19 killed in hotel attack in Somali capital

AFP, 13.07.2017



At least 19 people were killed when Islamist militants launched a car bomb and gun attack on a busy hotel and adjacent restaurant in the Somali capital, a police officer said.

A car driven by a suicide bomber rammed into the Posh Hotel in south Mogadishu on Wednesday evening before gunmen rushed into Pizza House, an adjacent restaurant, and took 20 people hostage. Posh Hotel is the only venue with a discotheque in the capital. District police chief Abdi Bashir told Reuters Somali security forces took back control of the restaurant at midnight after the gunmen had held hostages inside for several hours.

Five of the gunmen were killed, Bashir said. "We are in control of the hotel but it was mostly destroyed by the suicide bomber," he told Reuters by phone. Witnesses said there were bodies lying at the scene on June 15 as ambulances came to take them away. Another 27 civilians were taken to hospital with various injuries, ambulance services said. Witnesses said the attack was launched after the Iftar dinner for customers who are fasting for Ramadan. Most of them were still inside relaxing.

UN nuclear watchdog to open uranium bank that may have no clients

AFP, 12.07.2017



The U.N. global nuclear watchdog is about to open a uranium bank in the Central Asian state of Kazakhstan, but it may never have any customers.

The raw material used to make nuclear fuel and atomic bombs will be stored in a Soviet-era industrial plant where security was once considered so lax that all the highly enriched uranium kept there was removed in a covert U.S. operation in 1994. The International Atomic Energy Agency's goal now is the same as Washington's 23 years ago as it prepares for next month's launch of its Low Enriched Uranium Bank in the city of Oskemen.

But this time there will be no weapons-grade uranium involved and in the best-case scenario the \$150-million bank will never need to be used. IAEA member states will be able to “draw” low-enriched uranium at market prices if supplies of fuel to a nuclear power plant are disrupted “due to exceptional circumstances”, but the bank will be a lender of last resort.

The aim is to discourage nations from spending time and money on developing nuclear-enrichment technologies that might be used to purify uranium to weapons-grade levels, and to deter countries from trying to obtain uranium illegally. The IAEA wants to have a means to avert any new dispute similar to the standoff over Iran’s atomic program before world powers reached a deal with Tehran to limit its nuclear activities. “Does it guarantee that new countries will not create enrichment facilities? Of course not,” Anton Khlopkov, founding director of the Moscow-based Center for Energy and Security Studies, said of the new bank. “But it creates additional incentives for new nations not to set up enrichment facilities.”

Funding to build the low-enriched uranium bank in eastern Kazakhstan, about 1,000 kilometers from the capital Astana, came from several countries including the United States, and U.S. billionaire Warren Buffett contributed \$50 million.

Based in a small industrial building on the territory of the Ulba Metallurgical Plant (UMP), set up in the 1940s to produce components for the Soviet arms nuclear arms programme, the bank will store up to 90 tonnes of low-enriched uranium -- enough for a light-water reactor to power a large city for three years. Security will be tight. The bank, which has its own railway terminal, is surrounded by a metal netting fence that is about 3.5 meters high and packed with security cameras.

China ‘outraged’ by \$1.42 bln planned US arms sales to Taiwan

AFP, 04.07.2017



China urged the United States to revoke immediately its “wrong decision” to sell Taiwan \$1.42 billion worth of arms, saying it contradicted a “consensus” President Xi Jinping reached with his counterpart, Donald Trump, in talks in April in Florida.

The sales would send a very wrong message to “Taiwan independence” forces, China’s embassy in Washington said in a statement. A U.S. State Department spokeswoman said the administration had told Congress of seven proposed sales to Taiwan, the first under the Trump administration.

“The Chinese government and Chinese people have every right to be outraged,” the embassy said. China regards self-ruled Taiwan as a wayward province and has never renounced the use of force to bring it under its control. China’s Nationalists fled to the island after losing the civil war with China’s Communists in 1949.



The United States is the sole arms supplier to Taiwan. “The wrong move of the U.S. side runs counter to the consensus reached by the two presidents in and the positive development momentum of the China-U.S. relationship,” the embassy said. China’s Defense Ministry said Taiwan was the “most important, most sensitive core issue in Sino-U.S. ties”, warning the United States to end such sales to avoid further damaging peace and stability in the Taiwan Strait.

Trump was critical of China during his successful 2016 presidential campaign but his meeting at his Mar-a-Lago resort in Florida with Xi raised hopes for warmer relations. Trump later played up his personal relationship with Xi, calling him a “good man”, and stressed the need for China’s help in reining in a defiant North Korea’s development of nuclear weapons and missiles. China’s anger over the U.S. plan to supply Taiwan with weapons risks undermining Trump’s attempts to press China to help on North Korea.

The proposed U.S. package for Taiwan includes technical support for early warning radar, high speed anti-radiation missiles, torpedoes and missile components. Beijing’s relationship with Taiwan has been frosty since President Tsai Ing-wen took power in Taipei last year. Tsai leads an independence-leaning party that refuses to recognise Beijing’s “one China” policy. Tsai’s office said on June 30 that the planned sales increased Taiwan’s confidence and ability to maintain peace and stability across the Taiwan Strait.

Asked about the sales at an event on Thursday evening in Washington, Chinese Ambassador Cui Tiankai said the United States was “incorrigible” when it came to Taiwan, the official Chinese Communist Party People’s Daily newspaper reported on its website. “But we should still continue to instruct (them) and continue advancing on the right track of China-U.S. relations because this is what truly fits for both countries’ long term interests,” the paper quoted Cui as saying.

The sales, which require congressional approval, would be the first since a \$1.83 billion sale that former President Barack Obama announced in December 2015, also to China’s dismay. The previous package included two navy frigates in addition to anti-tank missiles and amphibious attack vehicles.

US military plane crashes in Mississippi, killing at Least 16

AFP, 11.07.2017



A U.S. military plane used for refueling crashed into a field in rural Mississippi, killing at least 16 people aboard and spreading debris for miles and creating a fiery wreckage, officials said.

Leflore County Emergency Management Agency Director Frank Randle told reporters at a late July 10 briefing that 16 bodies had been recovered after the KC-130 spiraled into the ground about 85 miles (135 kilometers) north of Jackson in the Mississippi Delta. Marine Corps spokeswoman Capt. Sarah Burns said in a statement that a KC-130 “experienced a mishap” Monday evening but provided no details.

Andy Jones said he was working on his family’s catfish farm just before 4 p.m. when he heard a boom and looked up to see the plane corkscrewing downward with one engine smoking. “You looked up and you saw the plane twirling around,” he said. “It was spinning down.”

Jones said the plane hit the ground behind some trees in a soybean field, and by the time he and other reached the crash site, fires were burning too intensely to approach the wreckage. The force of the crash nearly flattened the plane, Jones said. “Beans are about waist-high, and there wasn’t much sticking out above the beans,” he said. Jones said a man borrowed his cellphone to report to authorities that there were bodies across U.S. Highway 82, more than a mile from the crash site.

Greenwood Fire Chief Marcus Banks told the Greenwood Commonwealth that debris from the plane was scattered in a radius of about 8 kilometers. Jones said firefighters tried to put out the fire at the main crash site but withdrew after an explosion forced them back. The fire produced towering plumes of black smoke visible for miles across the flat region and continued to burn after dusk, more than four hours after the crash. Aerial pictures taken by WLBT-TV showed the skeleton of the plane burning strongly. “It was one of the worst fires you can imagine,” Jones said. He said the fire was punctuated by the pops of small explosions. Officials did not release information on what caused the crash or where the flight originated.



Announcements & Reports

Precautionary recapitalisation: time for a review?

Source : Bruegel
Weblink : <http://bruegel.org/2017/07/precautionary-recapitalisation-time-for-a-review/>

Trends in Extremist Violence and Terrorism in Europe through End-2016

Source : CSIS
Weblink : <https://www.csis.org/analysis/trends-extremist-violence-and-terrorism-europe-through-end-2016>

Actualising East: India in a Multipolar Asia

Source : Brookings
Weblink : <https://www.brookings.edu/research/actualising-east-india-in-a-multipolar-asia/>

Upcoming Events

13th Asia Europe Economic Forum (AEEF)

Date : 26 July 2017
Place : Beijing - China
Website : <http://bruegel.org/events/13th-asia-europe-economic-forum/>

Emerging Markets and Europe: Time for Different Relationships?

Date : 27 July 2017
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 July 2017
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 : 27 July 2017
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 July 2017
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 : 28 July 2017
Place : Berlin - Germany
Website : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>

Vision Europe Summit 2016

Date : 28 July 2017
Place : Lisbon - Portugal
Website : <http://bruegel.org/events/vision-europe-summit-2016/>