

Turkish Central Bank raises lending rate by 75 basis points

Hurriyet Daily News, 25.04.2018



Turkey's Central Bank has increased the lending rate by 75 basis points to 13.50 percent, despite calls from Turkish President Recep Tayyip Erdoğan for lower interest rates.

“Current elevated levels of inflation and inflation expectations continue to pose risks on the pricing behavior. Upside movements in import prices have increased such risks. Accordingly, the Committee decided to implement a measured monetary tightening to support price stability,” said a statement released on April 25 after a Monetary Policy Committee meeting. “Inflation expectations, pricing behavior and other factors affecting inflation will be closely monitored”

The late liquidity window, the rate it uses to set bank funding costs, was increased from 12.75 percent to 13.50 percent, according to the bank's statement. Policy makers of the bank kept the former MPC decision on short-term interest rates unchanged. The bank's policy rate, the one-week repo rate, was held at eight percent. The MPC also kept the marginal funding and overnight borrowing rates constant at 9.25 and 7.25 percent, respectively. At this year's first MPC meeting on Jan. 18 and the second meeting on March 7, the Central Bank kept all the interest rates unchanged. According to the bank's program, the next MPC meeting will be held on June 7, just 16 days before the elections. It will be followed by four other meetings this year.

Erdoğan, a staunch defender of lower interest rates, has repeatedly rebuked policy makers at the Central Bank for keeping the interest rates high. “We held a meeting on interest rates just before I went for an overseas trip. We spoke about how to lower them. But the Central Bank increased the rates when I was abroad. They always speak of ‘one-man rule’ [in Turkey] but what sort of a ‘one-man rule’ is this? They do not implement the decision we took. They have gone behind my back,” Erdoğan said on April 5. Meanwhile, the lira strengthened one percent by 4.0475 per dollar just after the decision of the MPC. The lira plunged to historically low levels, seven percent against the dollar and 10 percent against the euro, since the start of this year amid persistently high inflation rates and global risky developments. The key inflation rate is still more than double of the Central Bank's target of five percent.

Ankara fully committed to EU membership: Turkish PM

Anadolu Agency, 25.04.2018



The Turkish prime minister said Wednesday Ankara is still committed to getting membership in the EU, adding that a thaw in relations with Russia is not an alternative to Europe.

Binali Yildirim's remarks came at the Nueva Economía Forum held in Madrid, Spain, where he arrived Tuesday on an official visit. He said Turkey had been waiting for membership in the EU for more than 60 years. "We are NATO members. We are from a country that has been waiting for EU membership for more than 60 years. Everyone who applied after us has gained membership.

There is an ideological approach to Turkey," Yildirim said. Stating that the Turkey-Russia relation is essential for the security of Europe, Yildirim said EU cannot exclude Russia. "Eurasia region should be the center of peace," he said. Yildirim said Spain and Turkey understood each other the best in Europe. "Why? Because both Turkey and Spain have suffered terrorism for years. We know what terror does to a country." Criticizing some EU states for their support to the PKK terror group and Fetullah Terrorist Organization (FETO), Yildirim said: "To upset a great ally like Turkey is not a wise move in terms of the future of the EU. "It should be noted that opening up too much space for radical movements is the biggest future threat to Europe."

The PKK -- listed as a terrorist organization by Turkey, the U.S. and the EU -- resumed its armed campaign against Turkey in July 2015. Since then, it has been responsible for the deaths of more than 1,200 Turkish security personnel and civilians, including a number of women and children. FETO and its U.S.-based leader Fetullah Gulen orchestrated the defeated coup of July 15, 2016, which left 250 people martyred and nearly 2,200 injured. Ankara accuses FETO of being behind a long-running campaign to overthrow the state through the infiltration of Turkish institutions, particularly the military, police, and judiciary. Speaking at the forum's opening ceremony, Spanish Tourism Minister Alvaro Nadal said: "Turkey is a gate into Asia and the Middle East for Spaniards, while Spain is also used as a gate into Latin America for Turks." Nadal said Turkey and Spain are two important European countries. "Both countries have achieved great economic growth. Indeed, both countries have great touristic potentials." He added "Turkey is the fourth trading partner of Spain outside the EU. This show that these two countries have strong ties."

Turkey faces wave of Afghan migrants: Minister

Anadolu Agency, 25.04.2018



A wave of undocumented migrants from Afghanistan hit Turkey in the recent months, Turkish interior minister said on Wednesday.

“We have been facing in the recent months a wave of migrants especially from Afghanistan,” Suleyman Soylu said, addressing immigration officials in Turkey’s southern province of Adana. “Among the illegal migrants in 2018, 29,899 people are from Afghan origin. The total number of illegal Afghan migrants in 2017 was 45,259 people,” Soylu added. The interior minister said that Turkey arrested 4,641 migrant smugglers in 2017 while this number is 1,328.

Turkey currently hosts 3.5 million Syrian refugees, more than any other country in the world. It has been the main route for refugees trying to cross into Europe, especially since the beginning of the civil war in Syria.

Azerbaijani leader Aliyev lauds relations with Turkey

Anadolu Agency, 25.04.2018



Turkey-Azerbaijan relations are ‘at the best level ever’, says President Ilham Aliyev at Turkish parliament. Azerbaijani President Ilham Aliyev said on Wednesday that Turkey-Azerbaijan relations were “at the best level ever”.

Aliyev made this remark before a meeting with Parliament Speaker Ismail Kahraman at the Turkish parliament. Aliyev’s visit to Turkey represents his first foreign trip following his reelection earlier in April. During the visit, the strengthening of bilateral relations, regional and international developments will also be discussed.

Turkey rejects Trump's description of 1915 events

Anadolu Agency, 25.04.2018



Turkey on Wednesday rejected U.S. President Donald Trump's "inaccurate expressions and the subjective interpretation of history" regarding the 1915 events, according to a statement by the Foreign Ministry.

President Donald Trump issued an annual commemoration of the 1915 events using the Armenian term "Meds Yeghern" in a statement on Tuesday. "We reject the inaccurate expressions and the subjective interpretation of history in the written statement by Mr. Donald Trump, President of the USA, released on 24 April regarding the events of 1915."

The statement said that Turkey's expectation from the U.S. administration was a "fair assessment of a period during which all the peoples of the Ottoman Empire suffered tremendously". The statement reminded President Trump that "during the same period more than 500,000 Muslims were slaughtered as a result of the events in which Armenian insurgents took part". It added that Turkey continues to offer the establishment of a Joint Historical Commission "in order to shed light on this painful period of history and has opened its archives to researchers". The statement said that Ottoman Armenians who lost their lives during World War I were commemorated on April 24 in a ceremony held at the Armenian Patriarchate of Istanbul "suiting the respect they deserve and befitting the 800-year long friendship between Turks and Armenians".

It also recommended that U.S. administration consider the message of Turkish President Recep Tayyip Erdogan to the Armenian Church in Istanbul during the commemoration ceremony "addressing the descendants of Ottoman Armenians, which reflects Turkey's approach to this sensitive issue". The Turkish president offered condolences to the families of Ottoman Armenians who lost their lives during the 1915 events. He also offered condolences to the Turkish nation over the losses of life of millions of Ottoman citizens due to wars, migrations, conflicts, and diseases during the same period "Besides all these points, we think it is in line with common sense that the statement made by the U.S. president remained within international legal norms and did not refer to baseless genocide allegations," it added. Turkey's position is that the deaths of Armenians in eastern Anatolia in 1915 took place when some sided with invading Russians and revolted against Ottoman forces. A subsequent relocation of Armenians resulted in numerous casualties. Ankara does not accept the alleged genocide, but acknowledges that there were casualties on both sides during the events of World War I. Turkey objects to the presentation of the incidents as "genocide," but describes the 1915 events as a tragedy for both sides. Ankara has repeatedly proposed the creation of a joint commission of historians from Turkey and Armenia plus international experts to tackle the issue.

Turkey: Economic confidence down in April

Anadolu Agency, 27.04.2018



Economic confidence in Turkey slipped month-on-month in April, falling 2 percent, the TurkStat said on Friday.

According to a TurkStat statement, the economic confidence index dropped to 98.3, down from 100.2 in March. The decrease stemmed from drops in the real sector, services, retail trade, and construction confidence indices. The four indices declined in the month to 106.8, 97.1, 100.3 and 78.8, respectively. Meanwhile, the consumer confidence index was up 0.8 percent to 71.9 in April.

In August 2017, Turkey's economic confidence rose to its highest level -- 106.4 -- in more than five years, helping the Turkish lira strengthen against the dollar. According to TurkStat, the index indicates an optimistic outlook on the general economic situation when it is above 100, or a pessimistic outlook when it is below 100. "The economic confidence index is a composite index that encapsulates consumers' and producers' evaluations, expectations, and tendencies about the general economic situation," TurkStat said. The next economic confidence figures are due out on May 30.

Turkish Central Bank reserves drop to \$110.3B in March

Anadolu Agency, 27.04.2018



The Turkish Central Bank's official reserve assets dropped to \$110.3 billion in March, the bank announced on Friday. "Official reserve assets recorded \$110.3 billion, indicating a 3.7 percent decrease compared to the previous month," the bank said in its international reserves and foreign currency liquidity report.

According to the report, foreign currency reserves also declined 5.2 percent month-on-month in March to \$83.4 billion. The bank's gold reserves -- including gold deposits and, if appropriate, gold swapped -- increased 1 percent to reach \$25.3 billion during the same period.

At the end of March 2017, the bank's total reserves were \$105.7 billion, including \$87.13 billion in foreign currency along with \$17.1 billion in gold reserves. Over the last decade, the bank's official reserve assets soared by nearly 41 percent, from \$76.4 billion at the end of 2007 to last year's close of some \$107.6 billion. Short-term predetermined net drains of the central government and the Central Bank -- foreign currency loans, securities, and foreign exchange deposit accounts of residents abroad within the bank-- dropped 0.2 percent last month versus the previous month, reaching \$11.8 billion. "Of this amount, \$7.6 billion belongs to principal repayments and \$4.2 billion to interest repayments," it added.

The report also showed contingent short-term net drains on foreign currency inched down 0.1 percent to \$66.8 billion in March, compared to the previous month. According to the bank, contingent short-term net drains on foreign currency consist of collateral guarantees on debt due within one year and other contingent liabilities, which are the banking sector's required reserves in blocked accounts in foreign currency and gold, and letters of credit items on the bank's balance sheet.

Turkish-German group to hold conference on Rohingya

Hurriyet Daily News, 27.04.2018



A Turkish-German charity will organize a campaign next week to raise awareness of the humanitarian crisis of Rohingya Muslims fleeing violence in Myanmar, the group said on Friday.

Hasene IGMG, a nonprofit set up by Turkish people working in Germany, said in a statement that the conference of "Rohingya Crisis and Solutions" will be held on May 2 in the Western city of Cologne. The gathering will focus on the history of the Rohingya, crimes committed against Rohingya Muslims, as well as humanitarian and legal ways out of the situation.

It will host 20 speakers, including former ambassadors and government ministers, academics, historians, and activists who are interested in the Rohingya issue. Mesud Gulbahar, the group's head, said in the statement that no solution to the Rohingya crisis in the southeast Asian nation of Myanmar has been found. "We're holding a conference to draw attention to the persecution there, to promote the voice of oppressed people, to contribute to their demands for justice, and to put the situation on Europe's agenda," Gulbahar added. The Rohingya, described by the UN as the world's most persecuted people, have faced heightened fears of attack since dozens were killed in communal violence in 2012. Since Aug. 25, 2017, some 750,000 refugees, mostly children and women, have fled Myanmar since its forces launched a crackdown on the minority Muslim community, according to the UN.

At least 9,000 Rohingya were killed in Rakhine state from Aug. 25 to Sept. 24, according to Doctors Without Borders. In a report last December, the global humanitarian organization said the deaths of 71.7 percent or 6,700 Rohingya were caused by violence. They include 730 children below the age of 5.

Iran warns Trump it might withdraw from Non-Proliferation Treaty

Cyprus Mail, 24.04.2018



A senior Iranian official said on Tuesday that Tehran might quit a treaty designed to stop the spread of nuclear weapons if U.S. President Donald Trump scraps the nuclear accord Iran signed with world powers in 2015.

Trump has said that unless European allies fix what he has called “terrible flaws” in the accord by May 12, he will restore U.S. economic sanctions on Iran, which would be a severe blow to the pact. The other powers that signed it Russia, China, Germany, Britain and France have all said they want to preserve the agreement that curbed Iran’s nuclear return for the lifting of most international sanctions.

In a news conference broadcast on state television, the secretary of Iran’s Supreme National Security Council, Ali Shamkhani, said the Atomic Energy Organization of Iran was ready for some “surprising actions” if the nuclear deal was scrapped. Answering a question about the possibility of Tehran withdrawing from the Nuclear Non-Proliferation Treaty (NPT), Shamkhani said: “This is one of three options that we are considering.” The objective of the NPT, which took effect in 1970, is to halt the spread of nuclear weapons-making capability, guarantee the right of all members to develop nuclear energy for peaceful ends. The original five nuclear weapons powers — the United States, Russia, China, Britain and France — would also phase out their arsenals. Iran has been a non-nuclear-weapon state party to the NPT since 1970. Iranian President Hassan Rouhani also warned Trump on Tuesday to stay in the nuclear deal or face “severe consequences”

“I am telling those in the White House that if they do not live up to their commitments...the Iranian government will firmly react,” Rouhani said in a speech. “If anyone betrays the deal, they should know that they would face severe consequences,” he told a cheering crowd of thousands gathered in the city of Tabriz. “Iran is prepared for all possible situations,” he added. Iran has said it will ramp up its nuclear programme if the deal collapses. French President Emmanuel Macron is in Washington, trying to convince Trump not to tear up the accord. In a U.N. non-proliferation conference in Geneva, Russia and China submitted a draft statement expressing “unwavering support” for the Iran nuclear accord and said they hoped it would receive broad backing. The Russian Foreign Ministry’s Director General for Non-Proliferation and Arms Control, Vladimir Yermakov, told the meeting that the deal, known as the JCPOA, was fragile and any attempt to amend it would affect the global non-proliferation regime.

Russia begins production of S-400 system for Turkey

CNBC, 25.04.2018



Russia has started production of the S-400 air defense system for Turkey, head of the Russian manufacturing company, Rosoboronexport, said on Wednesday.

“We have started to execute the contract. We are not talking about the deliveries of S-400, the production of the air defense system has started,” General Director Alexandre Miheev said in Turkey’s resort city of Antalya, according to the state-controlled news agency, RIA Novosti. Last December, Turkey announced it had concluded an agreement with Russia for the purchase of two S-400 systems late 2019.

On April 3, Turkish President Recep Tayyip Erdogan and his Russian counterpart Vladimir Putin said in Ankara that they had agreed to shorten the duration of the systems’ delivery. The delivery is expected to start in late 2019 – early 2020. “We decided to shorten duration of S-400 missiles’ delivery [to Turkey] during our meeting with President Erdogan,” Putin had said. The S-400 system has been in the inventory of the Russian Army since 2007. The missile system can detect targets 600 kilometers (around 373 miles) away and eliminate threats from multiple sources such as stealth aircraft and ballistic missiles. The S-400 system is composed of at least one mobile operation command center, eight launchers and 32 missiles.

European Central Bank keeps interest rates unchanged

Anadolu Agency, 26.04.2018



The European Central Bank (ECB) on Thursday decided to keep interest rates steady.

Interest rates on the main refinancing operations were unchanged at 0.00 percent, according to a statement from the ECB’s Governing Council. The bank also did not change interest rates on the marginal lending facility or the deposit facility, standing at 0.25 percent and -0.40 percent, respectively. Speaking at a press conference, the bank’s head Mario Draghi said: “We continue to expect them to remain at their present levels for an extended period of time”

“Regarding non-standard monetary policy measures, we confirm that our net asset purchases, at the current monthly pace of €30 billion, are intended to run until the end of September 2018, or beyond, if necessary,” he said. “And in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim.” According to Eurostat, last month consumer prices in the eurozone rose 1.3 percent on a yearly basis. Among the EA19, an annual drop in consumer prices was seen only in the Greek Cypriot administration, down 0.4 percent, as the lowest hikes in year-on-year inflation were seen in Greece (0.2 percent) and Ireland (0.5 percent), while the highest rises were seen in Estonia (2.9 percent), Slovakia, and Lithuania (both 2.5 percent). Over the last decade, the highest annual inflation rate in the EU was seen in July 2008, up 4.4 percent. The lowest was in January 2015, at minus 0.5 percent, when prices were in fact dropping.

“The Eurosystem will continue to reinvest the principal payments from maturing securities purchased under the asset purchase program for an extended period of time after the end of its net asset purchases, and in any case for as long as necessary,” Draghi said. “This will contribute both to favorable liquidity conditions and to an appropriate monetary policy stance.” The ECB head also said the risks surrounding the euro area growth outlook remain broadly balanced, but risks related to global factors, including the threat of increased protectionism, have become more prominent. “In order to reap the full benefits from our monetary policy measures, other policy areas must contribute decisively to raising the longer-term growth potential and reducing vulnerabilities,” he said. Draghi stated that the implementation of structural reforms in euro area countries needs to be substantially stepped up to increase resilience, reduce structural unemployment, and boost euro area productivity and growth potential. “Against the background of overall limited implementation of the 2017 country-specific recommendations, greater reform effort is necessary in euro area countries,” he added.

EU moves to protect whistleblowers

Cyprus Mail, 23.04.2018



Whistleblowers exposing fraud, tax evasion, data breaches and other misdeeds will be given more protection from retaliation under new rules proposed by the European Commission on Monday.

The move by the EU executive comes in the wake of criticism from transparency campaigners about the lack of protection granted to individuals who report such breaches in EU laws. They cite the example of two former accounting firm employees who were prosecuted in 2016 for leaking data about Luxembourg’s tax deals with large corporations.

The conviction of one was overturned by Luxembourg’s highest court this year. Critics also point to British regulators’ relatively lenient treatment of Barclays’ chief Executive Jes Staley last week who was allowed to keep his job after trying to uncover an informant at the bank. The European Commission said its proposal was a game changer since it will require companies setting up internal channels for whistleblowers and also shield them from reprisals such as sackings, demotion and even litigation.

There are also safeguards against malicious or abusive reports. “There should be no punishment for doing the right thing,” Commission Vice President Frans Timmermans said. “In addition, today’s proposals also protect those who act as sources for investigative journalists, helping to ensure that freedom of expression and freedom of the media are defended in Europe.” The EU executive said the proposed rules would protect those who unmask illegal activities in public procurement, financial services, money laundering, nuclear safety, food safety, privacy and data protection among others. The proposal requires approval from EU countries and the European Parliament before it can become law. Currently only 10 EU countries offer full protection to whistleblowers. Transparency International said the proposal was a bold step in recognising the importance and rights of informants. The Association of Chartered Certified Accountants (ACCA) said increasing whistleblower protection will help businesses. “Companies have to see speak-up as something that would help them manage risks and avoid more serious issues such as violation of law, inappropriate conduct, crime or any type of harms,” ACCA head of corporate governance Jo Iwasaki said.

44 African countries agree free trade agreement, Nigeria yet to sign

Anadolu Agency, 23.04.2018



The African Heads of States and Governments pose during African Union (AU) Summit for the agreement to establish the African Continental Free Trade Area in Kigali, Rwanda.

The African Continental Free Trade Area (AfCFTA) has been signed by 44 African countries at a summit of the African Union in Kigali, Rwanda. 10 of the African Union’s (AU) 55 member states did not sign the agreement. The summit was a step forward for the AU’s 2063 project for closer African integration, with 27 member states also signing a commitment for the free movement of persons.

The AfCFTA has the potential to bring over 1.2bn people together into the same market. The bloc of 55 nations would be the largest in the world by member states. African leaders signed the agreement that is predicted to boost intra-African trade. If successful, it will be the biggest trade agreement since the formation of the World Trade Organization in 1995. By reducing barriers to trade, such as removing import duties and non-tariff barriers, African countries hope to boost intra-continental business. The AfCFTA could improve trade between African countries, which in 2016 estimates stated accounted for only 10%.

Nigeria has not joined the party. However, it wasn't all forward progress. In a set-back for the African Union, Nigeria, one of Africa's largest economies and the most populous, declined to sign the agreement. Commenting on Twitter, Nigeria's President Buhari said: "We will not agree to anything that will undermine local manufacturers and entrepreneurs, or that may lead to Nigeria becoming a dumping ground for finished goods." South Africa, also one of Africa's largest economies, did not sign the agreement, but President Ramaphosa stated his commitment to the agreement once the necessary legal processes were undertaken. The president did sign the Kigali agreement on the establishment of the AfCFTA. Albert M. Muchanga, AU commissioner for Trade and Industry, remained optimistic: "The other countries will come on board. We're very very certain about that." "The Labor movement, civil society, parliamentarians. They need to reach out to everybody," Muchanga said.

Jean-Louis Billon, VP of AfroChampions, a private sector group backing the initiative, told CNN: "There (are) too many barriers within the African continent and the only way for us to get to real development in the future is to boost trade and industry relations." The idea of a continent-wide trade agreement has been work in progress for decades, but has accelerated in the past few years by African leaders committed to Pan-African integration. "We started with the regional economic communities in the 70s and they were designated as the building blocks to the African economic community. Then in 1991 we had the Abuja Treaty in terms of the African economic community, with the indicative timeline of 34 years," Muchanga told CNN.

"Then in 2012, we decided to fast track the process and that's when it was it was decided that we should create the African Continental Free Trade Area," Muchanga said. The summit has been launched off the back of the Single African Air Transport Market (SAATM), unveiled in January. A total of 23 member states signed a commitment to bring air travel under a common regulatory framework.

Introduction of minimum wage in South Africa delayed, ministry says

Cyprus Mail, 20.04.2018



The introduction of a national minimum wage of 20 rand (\$1.66) an hour in South Africa could be delayed by up to two months as parliament is yet to approve necessary draft legislation, a spokesman for the labour ministry said.

The minimum wage – a policy championed by President Cyril Ramaphosa as an important step to tackle labour instability and wage inequality – was approved by the cabinet in November and meant to be introduced on May 1. Supporters of the minimum wage say it will reduce inequality and stimulate economic growth as workers can spend more.

But critics say it could lead to increased unemployment, already at record highs, with some employers unable to afford higher wage bills. Labour ministry spokesman Teboho Thejane said the ministry was focused on getting the minimum wage introduced. “The minimum wage will definitely be implemented. But it could be delayed by one or two months,” he said. On Friday parliament’s portfolio committee on labour was still discussing amendments to the policy. Sharome van Schalkwyk, acting chair of the committee, said the national minimum wage bill needed to be sent for redrafting. “The Department of Labour must take its time and rework the bill for submission again to the committee. This piece of legislation is critical in our country, not only in fighting inequality, but also addressing abuse of vulnerable workers in some sectors,” van Schalkwyk said in a statement on Friday. More than two decades after the end of apartheid in 1994, South Africa’s economy is still characterised by deep wealth inequality and high levels of unemployment.

Africa needs to know what it wants from China, expert says. Here are two key issues

CNBC, 25.04.2018



China has poured tens of billions of dollars into Africa’s development, but the continent’s countries need a better strategy in order to properly reap the benefits, according to an expert.

“China knows what it wants from Africa,” Ibrahima Diong, Senegal-born former regional co-ordinator for Africa at the World Bank, told CNBC on Friday. “But, most African countries don’t have a strategy vis-a-vis China.” For Diong, who has served as a China adviser to the Senegalese president and is currently chief executive of consulting firm Africa Consulting & Trading Afrique Group.

African countries need to adopt a two-pronged approach to managing China funded-development. African nations must make sure that such projects “will actually boost economic growth on the continent,” he said. “If you have energy problems, infrastructure, railways, and yet you go to China to get money to build a stadium — I’m not saying it’s not important — or to build a palace, the question is: who do you blame, the Chinese or actually the country that does not make sure that the support of the investment goes to areas that are actually being productive to the economy?”

The second stumbling block for African countries to address is negotiation, Diong said. “They have to make sure that they’re actually protecting their interests.” Strength comes from African unity, and the collective understanding that, “We are a sizeable market, how do we make sure that we negotiate with China?” he added. China is known for building infrastructure projects in Africa as part of its Belt and Road Initiative, a multi-billion dollar plan to resurrect ancient trading routes centred on China. The African Union headquarters in Addis Ababa, Ethiopia, is also Chinese built.

But, the Asian superpower has been accused of not hiring enough local African labor, or else exploiting those that they do, for example by paying too-low wages or not providing favorable working conditions. The seventh meeting of the Forum on China-Africa Cooperation is scheduled for this September in Beijing. The first took place in 2000. The last summit in 2015 resulted in Chinese President Xi Jinping pledging \$60 billion to industrialize the African continent. African countries' policy on China should be better integrated into governments, Diong said. "Most of the African countries should have at least a China desk — or a China ministry," he said, adding that regional bodies such as the Economic Community of West African States (ECOWAS) also needed to "help their member countries to get their strategy right."

Development in Africa needs to "leave something behind so we don't have to depend on the Chinese over and over again," Diong said. "That's really a matter for the Africans themselves, getting better organized." Diong said that Africa needed to hold China "accountable," and ensure that financing was directed into sectors that would be most economically beneficial, such as energy and infrastructure. The issue is about "knowing what you want, knowing how you get it," he added.

UK government borrowing hits its lowest level in more than a decade

CNBC, 24.04.2018



The U.K. budget deficit has shrunk to its smallest level in more than 10 years.

The shortfall between how much Prime Minister Theresa May's government spent and how much it earned from taxes in the last financial year has come in below £42.6 billion (\$59.5 bn). The Office for National Statistics (ONS) said the figure was 8 percent lower than the previous 12 months, at £45.2 billion, and the smallest difference since 2006/07. It also comfortably beat a £50 billion deficit target set in November by Finance Minister Philip Hammond.

Following the data release Tuesday, Hammond said in a statement that the result was down to the hard work of the British people. "Our economy is at a turning point with debt starting to fall and people's wages rising, as we build an economy that truly works for everyone," he added. Despite beating the official forecast of a £45.2 billion borrowing requirement, sterling was largely unmoved by the data. On a day-to-day basis, which excludes capital spending, the British government posted its first current account surplus since 2001/2002. Total U.K. public debt now stands at £1.798 trillion, about twice the level before the great financial crisis. That figure excludes public sector banks but does include for temporary Bank of England lending that was introduced to revive the country's economy.

US bond selloff ups borrowing costs higher in Eurozone

Reuters, 25.04.2018



Bond yields in the euro area rose yesterday as a selloff in U.S. Treasuries gathered pace, although a looming European Central Bank meeting injected a note of caution into regional debt markets.

The benchmark U.S. 10-year Treasury yield pushed further past 3 percent in early European trade, having broken the key level on April 24 as a strong U.S. economy stoked expectations that a three-decade long bond-bull market is nearing an end. Rising benchmark Treasury yields, used as a global yardstick for interest rates on everything from home loans to corporate bonds.

But analysts said they expected any selling in Europe to be limited a day ahead of the ECB meeting. Germany's benchmark 10-year bond yield rose 1.5 basis points to 0.65 percent, close to six-week peaks hit a day earlier. Other euro zone bond yields were 1-2 bps higher on the day. The ECB is not expected to make any significant changes to its monetary policy outlook on April 27 but its comments will be followed closely for further guidance on the timing of a scaling-back of massive monetary stimulus. In particular focus is what ECB chief Mario Draghi has to say about a recent softening in euro zone economic data, which has prompted investors to push back expectations for a rate rise further into 20.

U.S.-France relationship on climate change is strictly business

Washington Post, 24.04.2018



Climate change is strictly a business relationship between France and the U.S., French President Emmanuel Macron said at the White House on Tuesday.

"We know where we stand," Macron said at a joint press conference with President Trump. "But I think I can say that our businesses, our researchers can continue to work on, can create solutions in the field. We are both attached to that." Trump said nothing about climate change or his stated goal of withdrawing completely from the 2015 Paris climate change agreement during the press conference.

Macron said France would continue to do work through the United Nations process on implementing the climate deal. “France will continue to work on major pieces, including the global compact for the environment,” Macron said. Former Vice President Al Gore said Tuesday that he doubted Trump would change his stance on the Paris Agreement. “I don’t think he’s going to change on that,” Gore said at an Axios event Tuesday morning. Even with the one-year anniversary of Trump withdrawing from the Paris climate deal approaching on June 1, the U.N. process for leaving the accord is a multi-year affair that could mean little for Trump in the end, Gore said.

“The first day on which the U.S. could legally withdraw from the Paris Agreement happens to be the day after the next presidential election,” Gore said. “The new president could give 30 days notice and the U.S. is right back in the agreement.” Macron knows it will take at least three more years for Trump to pull the U.S. out of the deal. He also knows that Trump can’t renegotiate the terms of the U.S. obligations under Paris, because under the non-binding Paris agreement, a country can only increase its obligation to cut emissions, which Trump doesn’t appear willing to do. German Chancellor Angela Merkel, who, unlike Macron, does not have a great rapport with Trump, will be in Washington on Friday. The talks are supposed to center on tariffs and Iran, but there may be some room for climate change. Germany is a top supporter of the Paris deal. On the business side, the Trump administration led a trade delegation to Saudi Arabia this week to discuss the sale of nuclear energy components from U.S.-based companies. Nuclear energy is a zero-emission resource. The trip came as Saudi Arabia’s environment ministry kicked off its first sustainability conference on the effects of climate change as part of its major Vision 2030 plan to diversify the country’s economy.

At the same time, officials from the European Union were in Egypt to discuss clean energy cooperation. The European Commission wants access to the country’s huge natural gas resources from the Zohr gas field, which is one of the largest new natural gas finds in the world. The natural gas likely will help France’s economy and climate goals.

Consumer confidence rises to a better-than-expected 128.7 in April

CNBC, 24.04.2018



An index of U.S. consumer attitudes increased in April, recovering from a fall in March.

The Conference Board’s measure of consumer confidence increased to 128.7 this month, up from 127 in March. The April reading beat a forecast from Reuters analysts, who expected the index to slip further to 126. Consumer confidence fell in March, breaking a two-month streak of gains. “Consumers’ assessment of current conditions improved somewhat, with consumers rating both business and labor market conditions quite favorably,” said Lynn Franco.

Consumers' short-term expectations for their incomes also improved, Franco said in a statement. The index takes into account Americans' views of current economic conditions and their expectations for the next six months. Economists pay close attention to the numbers because consumer spending accounts for about 70 percent of U.S. economic activity.

Macron hopes Trump relationship can help make France great again

CNN, 24.04.2018



Donald Trump is not the only President who wants to make his country great again -- his first state dinner guest, Emmanuel Macron, wants to do the same.

That's why the young, pragmatic French President is giving the impression that there's nothing he'd rather do than spend time with his scandal-plagued US counterpart, offering him the respect and validation he craves. But he's not acting purely out of the goodness of his heart: To fulfill his goal of restoring France's prestige and global influence, he needs the United States -- and that means there is no choice but to deal with the man in the Oval Office.

It was a dynamic on display when Macron played a leading role alongside Washington in punishing chemical weapons strikes in Syria -- reinforcing the values of Western civilization that many Europeans believe Trump disdains. It's why Macron is so insistent that despite Trump's instincts, the United States cannot afford to withdraw its troops from Syria and leave an open playground for extremists like ISIS and regional superpowers like Iran.

And it explains why Macron, who greeted Trump with an air kiss on his cheek as he arrived for his state visit to the White House, has gone out of his way to be friendly to Trump, who is as unpopular in France as he is in the rest of Europe. On Monday, the leaders flew by helicopter past the monuments in Washington, a city laid out by French architect Pierre Charles L'Enfant before heading down the Potomac to dine with their wives at George Washington's mansion at Mount Vernon. The first state visit of the current presidency is intended by Trump to return the compliment offered by Macron when he made the President guest of honor at France's Bastille Day national celebration last July, at a time when other European leaders were still recoiling from the shock of Trump's "America First" revolution. Macron is making clear that the scandals afflicting the White House, and even questions about whether they will truncate Trump's presidency, have no effect on how he will approach the US President.



"I'm not the one to judge ... or to consider because of his controversies or because of his investigations your President is less credible for me, for my people and for the rest of the world," Macron said in a pre-visit interview with "Fox News Sunday." "I'm here to deal with the President of the United States and people of the United States elected Donald Trump." Such an unequivocal embrace must be music to the ears of Trump, who often behaves like he thinks that the legitimacy of his election is being undermined -- either by the Russia probe or by the attacks by his enemies. But Macron's warmth leaves Trump with a dilemma. If he really values Macron, and is interested in repaying his friendship, Trump may be forced to pay a political price himself. Does the recognition he gains from Macron justify compromises on positions that are indigenous to his own beliefs and appeal to his most loyal voters but are fundamentally opposed by America's closest European allies? It's a particularly testing question because in his dealings with his political allies, subordinates, Cabinet members and business associates, loyalty has sometimes seemed to flow toward Trump rather than from him.

To give Macron what he wants, Trump would have to go back on his vow to tear up the Iran deal by a deadline early next month, give the European Union a permanent waiver from US tariffs on aluminum and steel imports due to come into force next month or keep American troops in Syria even though he wants them home. Macron does not bring only his friendship as leverage. He's also arguing that the US, despite having a President whom foreign policy critics have seen as unilateralist and disdaining America's friends, needs friends. "I'm very simple. I'm straightforward," Macron told Fox News, in an apparent attempt to get his message to the avid viewer in the Oval Office before he arrived. "If you make war against everybody, you make (a) trade war against China, trade war against Europe, war in Syria ... come on, it doesn't work. You need allies. We are the ally," he said. The hard power realists in Trump's reconstituted National Security Council might also note that France is currently the most functional member of the EU, a key NATO power and a member of the UN Security Council.

With that in mind, Jeffrey Feltman, a former UN undersecretary-general for political affairs, told CNN's Christiane Amanpour on Monday that France "is extremely important to the Trump administration's ability to achieve its goals." As Macron landed at Andrews Air Force Base on Monday, US media bristled with reports about the "bromance" between two leaders who are as different in age, temperament and intellectual approach as it's possible to imagine. But the popular notion of Macron as a "Trump whisperer" doesn't do justice to the subtlety of his mission, the delicacy of dealing with a counterpart as volatile as Trump and the political risks that he is courting himself. If his effort to engage Trump and bind America firmly into the Atlantic alliance does not deliver, he will sooner or later begin to face questions back home, despite his currently strong political position. His strategy requires Macron to be close enough to win Trump's ear. Yet he cannot afford, for himself or France, to be seen as excessively under Trump's influence -- especially given the fact that many people who get too close to the unpredictable US President can get tarnished.

“It is neither good for Macron’s image nor for his effectiveness to be too close to Trump -- he should exercise the influence, not advertise it,” said Nicholas Dungan, who lectures at Sciences Po, a prestigious French research university. “Macron is the President of the French Republic -- he wants to make France great again — he cannot do that if Trump opposes him. He can only do it if Trump either supports him or stands aside or gets distracted by something else,” said Dungan, a non-resident senior fellow at the Atlantic Council. Macron’s branding of himself as Europe’s leader is partly down to the audacity of the 40-year-old who won election last year by reviving the political center and halting the tide of Trump-style populism rattling Western democracies. It’s also due to the partial eclipse of two of America’s other traditional allies in Europe. Its special relationship partner Britain is all but overwhelmed by its plans to leave the European Union -- a factor that is also diminishing its usefulness to the United States as a key continental power. Prime Minister Theresa May is hobbled by the fragility of her coalition government, and Trump’s extreme unpopularity among Britons has meant that he has yet to take up an invitation from Queen Elizabeth II to visit America’s closest ally.

German Chancellor Angela Merkel, who has made little secret of her belief that Trump does not share Western values, has a tenuous relationship with the US President after several frosty encounters. After she limped through re-election last year, she has even less leeway to re-create the twin pillars of the Western alliance that she forged with former President Barack Obama. Merkel’s diminished role in the transatlantic hierarchy will be on display when she visits Washington for a working visit on Friday that will have none of the glittering pomp of Macron’s state occasion.

Venezuelan refugees in Colombia exceed one million

Anadolu Agency, 25.04.2018



Colombia’s President Juan Manuel Santos said Tuesday there are now upwards of one million Venezuelan refugees in his country who had crossed the border to escape a severe economic crisis at home.

Before addressing a UN meeting in New York to discuss a peace deal underway with former Revolutionary Armed Forces of Colombia (FARC) guerrillas, Santos gave an interview to Bloomberg television where he revealed the extent of the Venezuelan refugee crisis in Colombia. “This is the most important challenge,” said Santos, speaking of the need for a peaceful transition of power.



“This is putting an extraordinary amount of pressure on our institutions, our health system, education system and even on the workforce here in Colombia. We are trying to manage this situation in the most pragmatic way possible. We have been studying other examples, but this represents a major challenge for us,” he said. Santos was quick to clarify that this number of over one million refugees is double that of all Syrians taken in by all of Europe and warned that the situation in Venezuela is critical and worsening as the number of Venezuelan refugees entering Colombia increases every day.

“Venezuela is on the edge of an implosion, and we hope that this is peaceful and not violent, as there will be a huge avalanche of Venezuelans fleeing to Colombia,” said Santos. However, he dismissed any talk of foreign intervention in Venezuela, saying his government would continue to support measures agreed to across the region, including the economic sanctions currently imposed by the U.S. government. He lamented that Venezuela, an oil producing nation, should be suffering from such extreme shortages of food and said that members of his administration had traveled to countries such as Turkey to learn from their experiences in attending to refugee crises such as the one Colombia is currently experiencing.



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Source : OIES
Weblink : <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/04/OEF-112.pdf>

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Source : Deloitte
Weblink : <file:///C:/Users/Beril%20S%C3%B6kal/Downloads/cip-2018-global-powers-retailing.pdf>

Upcoming Events

Nigeria's 2019 Elections: Conflict Risks, Prevention and Preparation

Date : 02 May 2018
Place : London
Website : <https://www.chathamhouse.org/event/nigerias-2019-elections-conflict-risks-prevention-and-preparation>

The State of the UN Security Council

Date : 02 May 2018
Place : London
Website : <https://www.chathamhouse.org/event/state-un-security-council>

HR Dbriefs webcast: 2018 Global Human Capital Trends

Date : 9 May 2018
Place : London
Website : <https://www2.deloitte.com/us/en/pages/dbriefs-webcasts/series/hr-executives.html>

Iranian Foreign Policy: Prospects for Change

Date : 09 May 2018
Place : London
Website : <https://www.chathamhouse.org/event/iranian-foreign-policy-prospects-change>



Russian Media and Journalism in Putin's Fourth Term

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