

Turkey's 2014 growth to be around 3 pct, says Finance Minister

Hurriyet Daily News, 12.01.2015



Turkey's economic growth in 2014 is expected to be around 3 percent, Finance Minister Mehmet Şimşek has predicted.

"Growth at around 3 percent is modest in itself, but high in the light of the existing economic problems in the European markets, Turkey's largest trade partners, and the geopolitical chaos and tensions in the neighboring region," Şimşek said. "Turkey grew 2.8 percent in the first nine months of the year. The third quarter rate was below our forecasts, as the shrinkage in the agricultural sector was higher than the previous expectations. The drought also hit growth rates, as well as our inflation." he added.

The budget deficit is expected to be 24.5 billion Turkish Liras (\$10.7 billion) for 2014, Şimşek also told broadcaster NTV, corresponding to 1.4 percent of GDP. With the current oil prices at around \$50, the inflation rate may drop below 5 percent, he added. "The year 2014 was the most arid of the last 13 years and this negatively affected food prices. Annual food prices increased by 14 percent last year, pushing the price index up," he said.

"Despite all these negativities, the Central Bank achieved keeping the inflation rate at 8.2 percent, although it was higher than the targets, by making monetary tightening policies and other measures," Şimşek said, noting that the lira is "not overvalued at the moment." "If the U.S. Federal Reserve makes an unexpected increase in rates or the U.S. dollar continues to gain value in global markets, our inflation rate may increase, but only temporarily," he added.

Şimşek also claimed that Turkey would benefit if the oil prices stay near \$50. "Our current account deficit decreases by \$4.5 billion with each \$10 decrease in oil prices," he said. The finance minister also vowed that there would be no increase in corporate or income taxes. "We'll be spreading the taxes to the bottom by making the law simpler and receiving taxes from several rents," he said.

Current account deficit exceeds expectations in November

Dogan News Agency, 13.01.2015



Turkey's current account deficit increased by 34 percent year on year to \$5.64 billion in November 2014 following months of decline, according to the Central Bank of Turkey.

Analysts and economists at banks and brokerage companies were expecting the November 2014 current account deficit to come in at between \$5.2 billion and 5.4 billion. A rise in gold imports in the month played a role in the increased deficit as a result of declining gold prices, according to banking professionals. The current account deficit rose to the year's highest level in November, while decreasing to \$38.72 billion in the January-November 2014 period from \$56.67 billion.

The deficit shrank for the first 10 months of last year as a weak lira made Turkish goods more competitive, but exports fell in November for the first time in 2014, hurt by weak demand in key markets, including Russia and Iraq.

EBRD says Turkey now biggest recipient of funds

Anadolu Agency, 15.01.2015



Turkey, where the European Bank for Reconstruction and Development (EBRD), has been active for only five years, has become the largest individual recipient of EBRD financing. Investments rose to 1.4 billion euros in 2014 from 920 million euros in the previous year, the EBRD said by a written statement.

The rise in EBRD financing to 8.9 billion euros from 8.5 billion euros in 2013 came despite a sharp fall in its investments in Russia following guidance from shareholders in July that they would, for the time being, consider no new projects in the country, said the Bank.

"As a result the Bank was able to invest more strongly in other countries that it serves. Demand is expected to remain high in 2015 with investments roughly in line with 2014 levels," it stated. Financing for Russia accounted for just seven percent of the total last year, with investments falling to slightly over 600 million euros from 1.8 billion euros in 2013.

The EBRD's investments increased in 2014 as emerging economies continued to suffer due to events surrounding Russia and Ukraine, a stubborn lack of recovery in the Eurozone and the global market turbulence that erupted towards the end of the year, the Bank said. There was a strong increase in activity for Central Asia, particularly in Kazakhstan, where the EBRD teamed up with the authorities to help re-energize the reform process, the EBRD said.

Investments also increased in countries in the Balkans, the Caucasus and in Eastern Europe, where the EBRD re-engaged energetically with Ukraine after the new administration embarked on a program of economic reform. Kiev also signed up to an Anti-Corruption Initiative, a major step forward in its bid to improve the investment climate.

New lending as well as renewed commitments to Ukraine exceeded 1.2 billion euros, including support for road transport as the EBRD resumed lending to the public sector, the bank said. The Bank has become involved in lending to upgrade Ukraine's gas transmission system. The EBRD continued to build up its presence in the southern and eastern Mediterranean region, where its portfolio has now topped 1.5 billion euros across Morocco, Tunisia, Jordan and Egypt as well. 2014 investments in Egypt, by far the largest economy in the region, rose to 593 million euros, primarily in the private sector, from 151 million euros in 2013. In regard to economic resilience, the Bank concluded agreements with authorities on measures to improve the investment climate and governance standards in Albania, Moldova and Serbia, in addition to launching the Anti-Corruption Initiative in Ukraine.

Turkish economy to progress if reforms made: World Bank

Hurriyet Daily News, 14.01.2015



Turkey could become a high-income nation within five years if the government boosts productivity and embraces much needed structural reforms to improve the rule of law, the World Bank's country director said.

The Turkish economy has enjoyed more than a decade of impressive growth under prime minister and now President Tayyip Erdoğan and his ruling AKP, Martin Raiser said. However, mounting global financial headwinds, along with a large current account deficit and lagging foreign investment, have taken their toll. The government has cut its growth forecasts for 2014 and 2015 to 3 percent and 4 percent.

Raiser told Reuters that he was hopeful Turkey can push per capita gross national income above the high-income threshold of \$12,746, from nearly \$11,000 in 2013. "I would argue that Turkey is now in a position where it wants to no longer be in the basket of the Nigerias, but rather the basket of the Polands and the Mexicos," he said. Last week, Raiser unveiled a new World Bank report showing that Turkey has attracted much less foreign capital since the global financial crisis, after

peaking in 2007. In 2013, the government promised a raft of reforms aimed at overhauling institutions to attract investment, diversify production and boost participation in the workforce. However, progress has largely stalled amid a bitterly contested election cycle and regional security challenges.

If reforms are enacted, and Turkey exploits its special ties with the European Union to bring its institutions into line with European standards, progress can resume, Raiser added. Turkey began EU accession talks in 2005 but they have largely stalled amid disputes over Cyprus, human rights and basic freedoms. Raiser said plummeting global oil prices risked making investors more risk-averse, but could also help Turkey, which relies heavily on imported energy, shave a percentage point off its current account deficit and lower inflation. Even the insecurity that has engulfed neighboring Iraq and Syria could present opportunities in the medium term, if Ankara can maintain regional trade links and establish itself as an energy hub, he suggested. “[Assuming] the region returns to some mode of stability, Turkey would clearly be very well placed to benefit economically from that,” Raiser said.

Turkish Central Bank should ‘immediately’ cut interest rates, says minister

Reuters, 13.01.2015



The Turkish Central Bank should immediately cut interest rates, Economy Minister Nihat Zeybekci said citing the country’s inflation target of 5 percent this year. A vocal critic of the Central Bank’s policies, Zeybekci told that rates could be cut to as low as 6 percent. The bank’s one-week repo rate currently stands at 8.25 percent.

The Central Bank left its main interest rates unchanged on Dec. 24, 2014, opting to keep policy tight as it awaits a sustained improvement in inflation expectations. Those expectations have come down due to falls in oil and commodity prices.

Zeybekci also said Turkey could grow higher than expected in 2015 on the back of higher exports and domestic demand. The government’s medium-term program forecasts 2015 growth of 4 percent.

NATO foreign ministers' meeting to take place in Antalya

Anadolu Agency, 15.01.2015



Turkey will host a NATO foreign ministers' meeting in the southern province of Antalya between May 13 and 14. Turkey previously hosted meetings of NATO foreign and defense ministers in 1994 and 2010 respectively, and the NATO Summit of Heads of State and Government in 2004.

On the sidelines of the meeting in Antalya, in addition to a North Atlantic Council session where the foreign ministers of 28 allies will engage in comprehensive consultations on major issues on NATO's agenda, a series of other sessions will take place with the participation of the foreign ministries of partner nations.

The decision on these additional sessions will be taken in the forthcoming months, in light of developments in international security. The fact that this meeting will be held in Antalya demonstrates the importance that Turkey, as an ally of 63 years, attaches to NATO's undertakings. It is also taking place at a time of heightened risks and threats on NATO's southern border, as the civil war in Syria and the advance of the Islamic State of Iraq and the Levant (ISIL) continue.

Netanyahu to French Jews after attacks: 'Israel is your home'

AFP, 11.01.2015



Israeli Prime Minister Benjamin Netanyahu told Jews in France, after 17 people were killed there in Islamist attacks, that Israel is their home and his government wants them to immigrate.

"To all the Jews of France, all the Jews of Europe, I would like to say that Israel is not just the place in whose direction you pray, the state of Israel is your home," he said in a statement, referring to the Jewish practice of facing Jerusalem during prayer. Four of the fatalities in France's three-day wave of violence were Jews killed in an attack on a kosher supermarket hours before the start of the Jewish Sabbath.

“This week, a special team of ministers will convene to advance steps to increase immigration from France and other countries in Europe that are suffering from terrible anti-Semitism. “All Jews who want to immigrate to Israel will be welcomed here warmly and with open arms. We will help you in your absorption here in our state that is also your state,” Netanyahu said in the statement. He added that radical Islam was a threat to western civilization, including the Jewish people. “Unless the world comes to its senses, terror will continue to strike in other places,” he added.

Netanyahu, accompanied by Foreign Minister Avigdor Lieberman, will join world leaders in Paris Sunday for a rally in tribute to the victims which is expected to draw more than a million people. Netanyahu named the four victims in Friday’s hostage drama as Yoav Hattab, Philippe Braham, Yohan Cohen and Francois-Michel Saada. “We express our deep sorrow for our Jewish brothers who were murdered simply because they were Jews,” he said. “(To) our brothers and sisters in the Jewish community of France we share your pain at the awful loss,” he added.

French Prime Minister Manuel Valls meanwhile sought to reassure his country’s half-million strong Jewish community, saying during a visit to the Paris area where the supermarket siege took place that “France without the Jews of France is not France.” While Valls acknowledged worrying anti-Semitic trends, he said France was home to “the largest Jewish community in Europe and the oldest, which has contributed so much to the republic.” Lieberman met Saturday evening with foreign ministry and security officials to discuss repercussions of the attacks in France. “The meeting discussed strengthening ties with the heads of the Jewish community in France and the security of the various institutions of the Jewish community there,” ministry spokesman Emmanuel Nahshon said in a statement.

Syria urges intelligence sharing to fight terrorism

Reuters, 14.01.2015



Syrian President Bashar al-Assad urged states fighting terrorism to share intelligence, Syrian state media reported on Jan. 14, saying European policies were responsible for attacks by Islamist gunmen in France.

Condemning the Paris attacks, Assad accused Western policymakers of being short sighted - criticism of their policy of support for the 2011 Syrian uprising that descended into an insurgency dominated by hardline Islamist militants. Around a third of Syria is now held by Islamic State, which shares the hardline Sunni Islamist vision of the gunmen who mounted last week’s attacks in France.

Western states including France have rejected past offers from the Syrian government to be part of the fight against the Islamic State group that has been targeted by U.S.-led air strikes in Syria since September. “There should be ... an exchange of information between the countries concerned with

fighting terrorism,” Assad said in excerpts of an interview with a Czech monthly magazine published by Syrian state media.

The Syrian government sees all armed opposition factions as terrorist groups. Assad said his country had been suffering from terrorism for four years. “We feel sympathy with the families of those victims,” he said, referring to the attacks in France. “We told the West: ‘You cannot support terrorism and provide a political umbrella for it because that will reflect on your countries and nations,’” Assad said in the interview the magazine, Literarni Noviny Newspaper. “We want to remind many in the West that we were talking about these consequences since the start of the crisis in Syria,” he said.

The Syrian government said last week the attacks in France showed the rising danger of the kind of Islamist militancy espoused by the groups fighting in the Syrian conflict, which the United Nations estimates has killed 200,000 people. The Syrian government, which is backed by Russia and Iran, had said it was ready to join international efforts to fight Islamic State. But French President Francois Hollande said last year Assad was no ally in that fight, echoing the U.S. position. France has said it has provided weapons to non-jihadist opposition groups in Syria. Assad said European policies were “responsible for what happened in our region and recently in France”.

US will send 400 troops to train moderate Syrian opposition

The Associated Press, 16.01.2015



The United States will send 400 troops to train moderate Syrian rebels this spring. Pentagon spokesman Maj. James Brindle confirmed the planned deployment early. The U.S. plan was first reported.

Last month, President Barack Obama signed into law a massive defense policy bill that endorsed his plan to fight militants of ISIL, including air strikes and training Iraqis and moderate Syrian rebels. The law authorized the training and equipping of moderate Syrian rebels battling the extremists for two years, and provided \$5 billion to train Iraqis battling the militants.

Fighting in east Ukraine kills 11, including six soldiers

Reuters, 16.01.2015



Fierce fighting in east Ukraine has killed at least 11 people over the past 24 hours, officials said as government forces and pro-Russian rebels battled for control of an airport.

A military spokesman reported six soldiers killed and 18 others wounded over the past day, adding that a civilian was left dead in a rebel strike on a checkpoint near Fashchivka in the Lugansk region. City officials in hard-hit Donetsk earlier said four civilians died after shelling sparked a fire at a warehouse there. “In the past day, six Ukrainian soldiers were killed. Eighteen more were wounded,” military spokesman Andriy Lysenko said.

Fierce fighting broke out on Thursday around the Donetsk airport, a wrecked shell repeatedly hit by battles but still of symbolic and strategic importance. After an overnight lull, there were reports of fresh fighting. Clashes have also hit other areas in the east as part of an upsurge in violence in recent days in a conflict that has killed more than 4,800 people.

Russia will not cut itself off from world: Medvedev

Reuters, 14.01.2015



Russia will not cut itself off from the world because any return to the past would be a “monstrous mistake,” Prime Minister Dmitry Medvedev said. Medvedev, whose country has been hit by Western sanctions over the Ukraine crisis that have aggravated an economic crisis, told a conference the Central Bank had all the instruments it needed to secure the stability of the ruble.

He said the Central Bank would not “eat up” Russia’s foreign exchange reserves and ruled out capital controls. He said Russia did not want Ukraine to default but Kiev should pay its debts.

At the same time, Russia’s finance minister called for a cut in planned spending to weather an economic crisis, warning of a more than \$45 billion drop in revenues this year if the average oil price



is \$50 a barrel. In comments underlining the government's growing concern at the downturn, Finance Minister Anton Siluanov said all budget expenditure should be cut by 10 percent except defense, a priority for President Vladimir Putin.

Adding to the gloom, Economy Minister Alexei Ulyukayev said there was a "pretty high" chance Russia's credit rating would be downgraded to junk and a deputy, Alexei Vedev, said he expected inflation to peak at 15-17 percent in March/April. A steep fall in the ruble, low prices for its main oil export and Western sanctions over Moscow's role in the Ukraine crisis have hit Russia's economy hard, and Siluanov said overall expenditure in 2015 must increase by 5 percent, not the 11.7 percent previously budgeted. "The state cannot have the kind of spending it used to have with economic growth ... (and) with the oil price at \$100 per barrel," Siluanov told a conference of state officials, economists and business chiefs.

But with Russia being starved of investment, pressure is mounting for stronger government action to pull it out of crisis. "We need a radical turn in economic policy," said German Gref, the head of Russia's biggest bank, Sberbank, demanding a "breakthrough" to improve the dire investment climate, stymied by state pressure on business and weak rule of law. Ulyukayev also highlighted the problems facing small and medium businesses, saying they must be supported to try to spur Russia's oil-dependent economy, which the World Bank expects to contract by 2.9 percent this year. "The global economy will never again be what it used to be in 2000-07 and the situation in Russia will never be the same," Ulyukayev said, referring to the economic boom years under Putin when the global oil price soared. "It will be much more complicated. It already is much more."

Russia's 2015 budget was based on an oil price of \$100 a barrel but prices are now close to six-year lows at just above \$46 a barrel. "Regardless of having already curbed 2015 spending, we will ask parliament to cut by 10 percent all expenditure apart from defense spending," Siluanov added. He said Russia needed to husband its reserves to overcome difficulties as the price of oil looked set to continue at low levels. The ruble, which fell about 40 percent against the dollar in 2014, has also continued its decline this year. "We think that with the (average) oil price at \$50 per barrel (in 2015) ... we will lose some 3 trillion rubles in revenues," he said.

Siluanov said the Reserve Fund, a rainy day fund of around \$90 billion to cover budget holes, would be increased by 370 billion rubles (\$5.60 billion) from last year's savings, but Russia would need to spend more than 500 billion rubles from it in 2015 to cover the budget gap. The 500 billion, currently invested in foreign currency assets, would be converted gradually on the forex market. Siluanov said the ministry could invest part of the Reserve Fund in ruble bank accounts to take advantage of the weak ruble and earn high interest. "We need to have a lot more resources so as not to spend, not to burn up the reserve funds," he said.

'We are all Germany', president tells Muslim rally

AFP, 14.01.2015



German President Joachim Gauck told the country's Muslim community that "we are all Germany" at a rally to condemn the Paris jihadist attacks and take a stand against rising Islamophobia.

About 10,000 citizens, religious leaders and politicians, among them Chancellor Angela Merkel, joined the event. Gauck used his speech to send a message of reassurance to Germany's four-million-strong Muslim community, a day after a record 25,000 people joined a protest march by a populist anti-Islamic movement. "We are all Germany," he said.

"We, democrats with our different political, cultural and religious backgrounds; we, who respect and need each other; we, who want to live life... in unity, justice and freedom," Gauck said in his speech at Berlin's Brandenburg Gate. "The vast majority of Muslims feel they belong to our open society... Germany has become more diverse through immigration -- religiously, culturally and mentally." "Our answer to the fundamentalism of the Islamist perpetrators of violence is democracy, respect for the law, respect for each other, respect for human dignity. This is our way of life!"

People at the rally applauded his message of inter-faith unity that came a day after the 12th rally by Germany's new right-wing movement the "Patriotic Europeans Against the Islamisation of the Occident", or PEGIDA, which has spawned smaller clone groups across Germany and as far as Norway. Merkel -- who this week stressed that "Islam is part of Germany" -- said earlier Tuesday that "hatred, racism and extremism have no place in this country... We are a country based on democracy, tolerance and openness to the world." Tuesday's vigil and rally was organized by the Central Council of Muslims under the banner "Let's be there for each other. Terror: not in our name!"

"Today we all want to express our solidarity with the French people," its chairman Aiman Mazyek said in his opening address. "The terrorists did not win and terrorists won't win in future. "Today we say, along with the French people and many people around the world: 'Je suis Charlie'," he added, employing the international message of solidarity with the artists killed at the Charlie Hebdo magazine.

The vice president of the Central Council of Jews in Germany, Abraham Lehrer, said in his speech that in the French attacks, cartoonists were murdered because they stood up for free expression, police because they sought to protect them, and Jews simply "because they were Jews". Lehrer said it would be wrong "to suspect all Muslims or even to disparage their religion. We completely condemn reprisals such as attacks on mosques." But he said it was up to Muslims to counter the fear and terror spread by "radicalised, fanatical Islam" in Asia, Africa and the Middle East.

After speeches by Christian, Jewish and Muslim religious leaders, all observed a minute's silence. The Muslim community rally came after 100,000 people took to the streets across Germany Monday in counter-demonstrations against PEGIDA, and to voice support for multiculturalism. Merkel, who is often known to avoid controversial issues, has weighed in strongly, condemning PEGIDA's leaders for having "hatred in the hearts". Her comments were broadly hailed in the media, but not everyone agreed.

"Naturally, Muslims belong in our society," said Merkel's former interior minister Hans-Peter Friedrich, a Bavarian conservative. "But the question is knowing what constitutes the identity of a country, and in Germany it is a Christian identity built on Judeo-Christian roots."

Bild, Germany's top-selling daily, said the Paris attacks seemed to have shaken the usually unflappable Merkel, a pastor's daughter who grew up in the communist East. "She has two issues where, when she speaks, she doesn't sound like she is simply droning on with platitudes: religion and freedom," it said, noting the rare public signs of emotion she showed with Hollande at Sunday's solidarity march. "She knows that gestures are now necessary... it is about freedom and protection from a terrorist war."

Bulgaria to extend border fence against migrant influx

Reuters, 14.01.2015



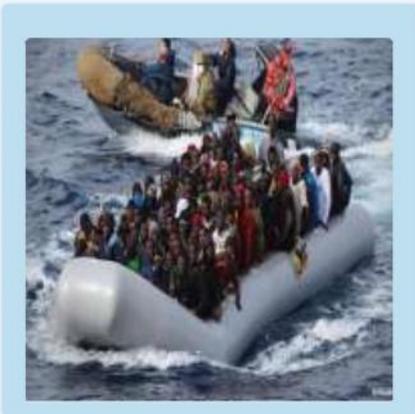
Bulgaria announced plans to extend a 30-kilometer fence along its border with Turkey, a major entry point for migrants trying to get into the European Union. The existing fence topped with razor wire along the easiest part of the border to cross cut the number of refugees making it into Bulgaria to around 6,000 in 2014 from 11,000 in 2013, interior ministry data showed.

But at the same time, authorities noted the number of attempts to cross Bulgaria's 275-kilometre border with Turkey doubled to 38,500. "The government firmly believes we need to extend it... by 82 kilometers" Prime Minister Borisov told.

The UN Refugee Agency (UNHCR) and rights groups have criticised the existing three-metre-high fence, saying it forces refugees to take more dangerous routes into the European Union such as by sea. A sudden influx of refugees in recent years has caused a humanitarian crisis in Bulgaria, already the poorest member of the EU. Many from war-torn Syria and elsewhere are having to endure freezing winter weather crammed into former army barracks and tents without heating, basic sanitation or enough food.

Nearly 300,000 irregular migrants entered EU last year

AFP, 14.01.2015



More than 276,000 irregular migrants entered the European Union last year, more than double in 2013, the bloc's commissioner for migration and home affairs, Dimitris Avramopoulos, said.

“In 2014, more than 276,000 migrants arrived in the EU, representing an increase of 138 percent compared to the previous year,” Avramopoulos told. He said some 207,000 of the arrivals landed on European shores via the Mediterranean Sea, where smugglers are now packing ships with hundreds of people fleeing Syria, other parts of the Middle East and Africa, then abandoning them on the water.

“Smugglers are finding new routes to Europe and are employing new methods in order to exploit desperate people who are trying to escape conflict and war,” Avramopoulos said in a speech. Since September, more than 12 cargo ships smuggling people have arrived in Europe, mainly Italy. In the past, traffickers used small boats. “Better coordination and a more comprehensive approach will help to address the roots of the current flows of irregular migrants and of smuggling,” he added. Avramopoulos said the EU was in close contact with officials in Ankara to “adapt our strategies” now that Turkey has become an alternative route for smugglers. He said EU member states have offered more than 36,000 places for Syrian refugees - some 3.5 million have already fled to neighbouring states - but Brussels must still “increase the number of refugees resettled in EU countries.”

Council of Europe says EU should be part of the European Convention on Human Rights

Hurriyet Daily News, 13.01.2015



The European Union should sign up for the European Convention on Human Rights, but recent negative advice from the Court of Justice of the European Union is worrying, according to Council of Europe Secretary-General Thorbjorn Jagland.

A recent advisory opinion of the Court of Justice of the EU ruled that the draft agreement on the accession of the EU to the European Convention on Human Rights is not compatible with EU law. The issue came up during a recent meeting at the 7th Turkish Ambassadors' Conference last week in Ankara.

When a Turkish ambassador raised the issue and asked the body's stance over the issue, Jagland told the diplomats that the EU should be part of the Convention. Jagland said he discussed the issue with Frans Timmermans, the First Vice-President of the EU Commission, and would have further talks with Commission officials in Brussels, a participant of the meeting who wanted to remain anonymous told the Hürriyet Daily News.

All 28 members of the EU are members of the 47-nation Council of Europe and are bound by the European Convention on Human Rights. The accession of the EU to the Convention, a legal obligation under the Treaty of Lisbon, would constitute a major step in the development of human rights in Europe. The issue has been discussed since the late 1970s and the accession has since become a legal obligation under the Treaty of Lisbon.

EU member state nationals cannot currently challenge EU laws and practices and cannot apply to the European Court of Human Rights (ECHR) if they suffer from the outcomes of community law. They can challenge national laws and practices, but if a member country defends legislation as being the result of EU law, the member cannot apply to the ECHR. In 2013, the European Commission asked the Court of Justice of the European Union for an opinion as to whether the draft agreement, negotiated between the Council of Europe and the EU Commission, is compatible with the EU Acquis.

The EU Commission, with its capacity given by the EU Council, can continue talks with the Council of Europe despite the Court's advice, according to Jagland, diplomatic sources told the Hürriyet Daily News. The Court observed that the accession of the EU to the Convention would make the EU subject to external control mechanisms provided for by the latter, thus accession will undermine the autonomy of EU law.

Foreign Minister Mevlüt Çavuşoğlu, who had a meeting with Jagland last week and discussed the issue, criticized the Court of Justice of the European Union's advice. The EU is an "advocate for human rights and the rule of law, but the Court rejects accession to a body that wants to be part of the Convention, which will maintain these values," Çavuşoğlu was quoted as saying by Anadolu Agency on Jan. 12. "These are contradictions of EU policies," he added.

Canadian FM, in Egypt, presses for journalist's release

Anadolu Agency, 15.01.2015



Canadian foreign minister John Baird said he had a "fruitful" meeting with his Egyptian counterpart to seek the release of a Canadian journalist imprisoned with two Al-Jazeera colleagues.

But Baird played down expectations that his visit could see Canadian-Egyptian Mohamed Fahmy freed imminently after more than a year in jail. "We are all working toward seeing a constructive resolution on that sooner rather than later," he said. "I didn't leave Canada with any expectation that we will solve the issue today, but we had an open constructive dialogue," said Baird.

Baird said last week that he was close to reaching a deal with Egypt on deporting Fahmy, who was jailed with Australian Peter Greste and Egyptian Baher Mohamed after a trial that sparked global condemnation. His office had said before his visit that he would meet Egyptian President Abdel Fattah al-Sisi, but a diplomat said Thursday that there would be no such meeting after all.

Fahmy and his two Al-Jazeera colleagues were convicted of aiding the blacklisted Muslim Brotherhood and defaming Egypt, and sentenced to between seven and 10 years in prison. An appeals court this month ordered a retrial but kept them in custody. The imprisonment of the journalists has embarrassed the Egyptian government, with Washington and the United Nations leading calls for their release.

Sisi, the former army chief who overthrew Islamist president Mohamed Morsi in 2013 and then won an election, has said he wished the journalists had been deported from the beginning. He has since enacted a law that allows Egypt to deport foreign nationals standing trial in Egypt, or convicted of crimes, to their home country. According to Fahmy's brother, a request has been submitted to have him deported from Egypt under the new law. Greste's lawyer has submitted a similar request, while Mohamed's wife has said she also is looking at ways to get her husband out of Egypt. Egyptian police arrested Fahmy, Greste and Mohamed in December 2013, at the peak of a diplomatic row between Cairo and Qatar, which owns Al-Jazeera.

The broadcaster had been critical of the deadly crackdown on Morsi's Muslim Brotherhood movement following the Islamist leader's overthrow. Qatar has since moved to mend ties with Egypt and Al-Jazeera shut down its Arabic-language Egyptian affiliate channel, which supported the Muslim Brotherhood. The rapprochement reflected growing international acceptance of the crackdown on Egypt's Islamist opposition and militants who have killed scores of policemen and soldiers since Morsi's overthrow. The crackdown, which has left at least 1,400 people dead, had tested Egypt's ties with the United States, which temporarily froze part of its annual \$1.3 billion military aid in 2013. Baird praised on Thursday "the significant leadership that the new government of Egypt is taking first in confronting the terrorist acts of the Muslim Brotherhood." The Brotherhood, once Egypt's largest political movement and the winner of several elections, denies it resorts to violence.

Former interior minister nominated as new Tunisia premier

Reuters, 11.01.2015



A former Tunisian interior minister has been nominated as prime minister to form a new government after an agreement among political parties in the newly elected parliament, congress speaker Mohamed Nacer said.

The nominee, Habib Essid, worked in the government of autocrat Zine El-Abidine Ben Ali but was also interior minister after the 2011 revolution that ended Ben Ali's one-party rule and forced him into exile. His nomination follows the election of Beji Caid Essebsi, also a former Ben Ali minister, as president. Essebsi's secular Nidaa Tounes party holds the most seats in the new parliament.

"We have chosen Essid because he is independent and has experience in the areas of security and the economy," Nacer told reporters outside the congressional palace. He will now appoint a government that must then be approved by a vote in the parliament. Tunisia has been praised as a model for its transition to democracy and its new constitution and free elections held since the 2011 uprising. The North African state has mostly avoided the political strife faced by other Arab Spring nations. Essid, a U.S.-educated agricultural economist, joins other former government officials making a comeback through the ballot box after parliamentary and presidential elections since October that were the final steps to full democracy. Critics worry their return is a setback for the 2011 revolution. President Essebsi promises to govern for all Tunisians and says he has the technocrat background to manage security and economic challenges.

Nigeria appeals for support after 'deadliest' Boko Haram attack

AFP, 11.01.2015



Nigeria's military has called for support in tackling Boko Haram after a major attack on a key northeast town that is feared could be the worst in the bloody six-year insurgency. There are still no independently corroborated figures for the huge numbers said to have been killed in Baga.

Defence spokesman Chris Olukolade said that the description of the assault as "the deadliest" in a conflict that has claimed more than 13,000 lives since 2009 was "quite valid". "The attack on the town by the bloodhounds and their activities since January 3rd, 2015, should convince well-meaning people all over the world" he said.

Nigeria's military -- West Africa's largest -- has faced repeated criticism for failing to end the six-year Islamist insurgency, as well as allegations of human rights abuses. Soldiers have complained of a lack of adequate weapons and even refused to deploy to take on the better-armed rebels, who want to create a hardline Islamic state in northeast Nigeria. With elections set for next month, Nigeria's government has also been accused of playing politics with the insurgency, as most of the areas worst affected by the violence are main opposition strongholds.

But Olukolade said: "The Nigerian military has not given up on Baga and other localities where terrorist activities are now prevalent. "Appropriate plans, men and resources are presently being mobilised to address the situation," he said on defenceinfo.mil.ng, in the military's first detailed comment on last weekend's attack.

The military and government often makes such statements, without giving specific details, yet there are reports of attacks on an almost daily basis. Two explosions rocked northeast Nigeria, including one at a crowded market in the Borno State capital, Maiduguri, by a girl suicide bomber thought to be just 10. Nineteen people were killed. The Baga attack, which local officials said forced at least 20,000 people to flee, also overran the headquarters of the Multinational Joint Task Force made up of troops from Nigeria, Niger and Chad. Nigerien and Chadian soldiers were not at the base at the time. Olukolade said 14 soldiers were killed and more than 30 injured as well as "several" insurgents. There was no credible estimate yet of the numbers of civilians killed, after huge numbers cited locally, he added. "It is necessary to reassure Nigerians that the Nigerian Armed Forces and security agencies are capable of flushing out the terrorists from Baga and all parts of the nation's territory where their activities are prevalent."

Boko Haram has seized dozens of towns and villages in northeast Nigeria in the last six months and now reportedly controls the border areas of Borno state with Niger, Chad and Cameroon. The territorial gains have led to fears of a total loss of government control in the remote region -- and a claim last year by a senior US diplomat that the military was in denial about the situation. Olukolade

maintained: “No portion of Nigeria’s territory has been or will be conceded to terrorists. “The use of all available resources within the armed forces will continue to be maximised to sustain the tempo of the counter-terrorism campaign towards containing and eradicating terrorism in the nation’s territory.”

Afghanistan names ‘unity’ cabinet after months of delay

AFP, 12.01.2015



Afghanistan’s new cabinet was unveiled after three months of wrangling following the election of President Ashraf Ghani and the formation of a “national unity government” in the wake of last year’s fraud-mired election.

Ghani was inaugurated after signing a power-sharing deal with his poll rival Abdullah Abdullah, but negotiations over ministerial posts brought politics to a stalemate and threatened to fuel the Taliban insurgency. The “unity government” deal was seen as saving Afghanistan from the risk of imminent civil war when both candidates claimed to have won the election in a stand-off.

Abdul Salam Rahimi, Ghani’s chief of staff, read out the names of the 25 new ministers at an event at the presidential palace in Kabul. The list will now go before parliament for approval. Three women were named in the cabinet, as ministers for higher education, information and culture, and women’s affairs. Allocating the ministries was fraught with difficulty due to Afghanistan’s ethnic divisions.

Ghani, a former World Bank economist, is largely backed by Pashtun tribes of the south and east, while Abdullah, a former anti-Taliban resistance fighter, draws his support from Tajiks and other northern groups. The breakthrough comes at a sensitive time as Taliban insurgents push to exploit the end of NATO’s combat mission on December 31 after 13 years of fighting. About 17,000 US-led foreign troops will remain in Afghanistan this year, focusing on training the Afghan security forces and conducting a limited counter-terrorism mission.

China arrests 10 Turks who may have helped terror suspects

Hurriyet Daily News, 14.01.2015



Turkish officials have confirmed that 10 citizens have been under arrest in Shanghai, with two of them charged with “organizing people to illegally cross the border.” Eight men and two women were taken into custody by local security authorities in Shanghai, diplomatic sources, speaking on condition of anonymity, told.

The issue went public after state media in China reported that police in Shanghai had arrested 10 Turkish nationals suspected of supplying fake passports to ethnic Uighurs from China’s far-western region of Xinjiang. The media described them as “terror suspects.”

Another 11 people, including nine Xinjiang terror suspects, were also detained in November while trying to leave China, after paying 60,000 yuan (\$9,686) for altered Turkish passports, the state-run Global Times reported. The newspaper said terrorism-related audio and video materials were found among the suspects and that some had been bound for Syria, Afghanistan and Pakistan.

Eight of those Turkish citizens have been charged for “selling travel documents,” while two of them have been charged with “organizing persons to illegally cross the border,” Turkish diplomatic sources said, noting that pre-trial detention custody for all of them took one month, in line with the legislation of China. Their file was sent to the prosecutor on Dec. 17, 2014 and they were eventually arrested on Dec. 24, 2014, Turkish officials said. The trial process is set to begin around Feb. 24, at least two months after the arrest requested by the prosecutor, they added, noting that all suspects are being held in a detention center in Shanghai. “The issue is being closely followed by our ministry,” a Turkish diplomat said, underlining that the Turkish Consulate General in Shanghai had visited the citizens twice since they were taken into custody.

Kerry hugs Hollande, says shares France's pain

AFP, 16.01.2015



The Secretary of State John Kerry clasped French President Francois Hollande in a warm embrace Jan. 16 and said the US shared France's pain after its deadliest attack in half a century.

In an unusual move, Hollande trotted down the steps of the Elysee Palace to greet Kerry, who hugged the French president in front of a phalanx of photographers. "I know you know that we share the pain and the horror of everything that you went through," said Kerry. Hollande said the French people "were victim of an exceptional terrorist attack," likening last week's events to the September 11, 2001 attacks.

"We must therefore together find the necessary response. And that is the (reason) for (our) meeting today beyond friendship," said Hollande. The United States faced criticism for not sending a top-level representative to last Sunday's march in Paris in the wake of the attacks, which drew 1.5 million people onto the streets of the French capital and dozens of world leaders. The White House was forced to admit it erred in sending only its ambassador when most countries were represented at head of state or ministerial level.

Kerry, a noted Francophile who also speaks French, told his counterpart Laurent Fabius that he was unable to come earlier because he was travelling in India and Bulgaria. Fabius told reporters that he had "apologised" for his absence, which prompted controversy on both sides of the Atlantic.

The top US diplomat and Fabius laid a wreath of red roses and carnations as well as white lilies at the Jewish supermarket where four people died in a siege, the last in a spate of Islamist attacks over three days in and around the French capital. In all, three Islamist gunmen killed 17 people, including 12 people at the offices of satirical magazine Charlie Hebdo and a young policewoman.

"We appreciate your comments about our common history. ... The American people watched you and your team indeed all of the (government) lead with great elegance and grace in this week," Kerry told Hollande. Kerry and Fabius later laid a wreath at the Charlie Hebdo offices, as the victims of that attack continued to be laid to rest.

The burials of three more members of the Charlie Hebdo team were taking place Friday, with bagpipes playing "Amazing Grace" ringing out at the funeral of Stephane Charbonnier, alias Charb, the editor-in-chief. Since the attacks, copies of the magazine have flown off the shelves with a print run of five million compared to a normal circulation of 60,000.

Finally, Kerry visited the scene outside the Charlie Hebdo offices where a Muslim policeman was gunned down by the two Islamist brothers Said and Cherif Kouachi. With ambassador Jane Hartley, Kerry placed a bowl of flowers on the spot which has also become a makeshift shrine.

He then stood silently for a minute with his head bowed before crossing himself. The Kerry visit came as the shell-shocked French capital remained on edge after last week's attacks. French authorities detained 12 people overnight in the suburbs of Paris, a judicial source said, in connection with the shootings. The nine men and three women were to be questioned about "possible logistic support" they may have given to the gunmen, in particular weapons and vehicles, the source said. Raids were still taking place in Montrouge just outside Paris, where gunman Amedy Coulibaly killed a policewoman last week, Grigny where he grew up, Fleury-Merogis south of the French capital and Epinay-sur-Seine north of the city.

Announcements & Reports

► *Analysis of developments in EU capital flows in the global context*

Source : Bruegel

Weblink : <http://www.bruegel.org/publications/publication-detail/publication/866-analysis-of-developments-in-eu-capital-flows-in-the-global-context/>

► *Cyber war, national security, and corporate responsibility*

Source : CSIS

Weblink : <http://csis.org/publication/pacnet-4a-cyber-war-national-security-and-corporate-responsibility>

► *What Might the Kremlin's Setback Bring in 2015?*

Source : Atlantic Council

Weblink : <http://www.atlanticcouncil.org/publications/reports/what-may-the-kremlin-s-setback-bring-in-2015>

► *Draghi's Dilemma*

Source : Brookings

Weblink : <http://www.brookings.edu/research/opinions/2015/01/15-draghi-dilemma-euro-central-bank-wessel>

► *Central Banks Must Target Growth Not Inflation*

Source : Brookings

Weblink : <http://www.brookings.edu/research/opinions/2015/01/15-central-banks-target-growth-not-inflation>



Upcoming Events

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

Date : 09 February 2015
Place : London – United Kingdom
Website : <http://www.chathamhouse.org/conferences/ageing>

► *Security and Defense*

Date : 23 February 2015
Place : London – United Kingdom
Website : <http://www.chathamhouse.org/Defence2015>

► *Diversifying MENA Economies*

Date : 02 - 03 March 2015
Place : London – United Kingdom
Website : <http://www.chathamhouse.org/conferences/MENA-Economies>

► *Creating an Effective Financial System*

Date : 09 March 2015
Place : London – United Kingdom
Website : <http://www.chathamhouse.org/conferences/financialsystem>

► *Innovation Forum 2015*

Date : 26 March 2015
Place : Chicago – USA
Website : <http://www.economist.com/events-conferences/americas/innovation-2015>