

Turkey's budget shows nearly \$13B deficit in 2017

Anadolu Agency, 15.01.2018



Turkey's central government's budget balance saw a deficit of 47.4 billion Turkish liras (\$12.9 billion) last year, Minister of Finance announced on Monday.

"We revised up our end year budget deficit forecast for 2017 to 2 percent of the country's GDP in the last Medium Term Program (MTP)," Naci Agbal said. "Fortunately, last year's budget balance around 1.5 percent of the GDP below the expectations," Agbal said. "It is quite satisfactory." Last September, the government introduced the country's new MTP, of which main objective is to catch sustainable growth.

This performance by maintaining macro-economic stability, resuming fiscal discipline, struggling inflation, rising the quality of human sources and the labor force. Despite the central government's annual budget deficit recorded a 58 percent hike in 2017, compared to 29.9 billion liras (\$9.8 billion) deficit of previous year, finance minister said that the government achieved the end-year deficit goal. The budget deficit/GDP ratio was 1.3 percent in 2016, and it was expected to be 61.7 billion Turkish liras (\$16.9 billion) in 2017. As noted in the country's MTP, the budget deficit/GDP ratio is targeted as 1.9 percent in 2018, 1.8 percent in 2019, and 1.6 percent in 2020. According to Turkey's Central Bank, the average USD/TRY exchange was 3.03 in 2016, while it was 3.65 last year.

Non-interest surplus is around \$2.5. Agbal stated that Turkey's budget revenue hit 630.3 billion Turkish liras (\$172.7 billion) last year, marking a 13.7 percent increase year-on-year. "The government's tax revenues reached 536 billion liras [\$146.8 billion] in 2017," Agbal said, noting that tax revenues saw nearly 16.8 percent yearly hike. "Turkey's central government expenditures without interest payments were 621 billion liras [\$170.1 billion] last year," he added. The government's annual budget balance saw a non-interest surplus of 9.3 billion Turkish liras (\$2.6 billion) last year, considering the interest expenditures of 56.7 billion liras (\$15.5 billion). According to the ministry, total expenditures increased by 16 percent on a yearly basis to 677.7 billion liras (\$185.6 billion) - including the interest payments.

"Consequently, according to these figures, the fiscal discipline was maintained with respect to the composition of the budget balance," he said. Agbal also said the Turkish economy will show a growth performance beyond expectations for 2017, adding that the average economic growth in the first three quarter of last year was the best performance among OECD countries. According to the Turkish Statistical Institute (TurkStat), Turkey's economy expanded 5.3 percent in the first quarter and 5.4 percent in the second quarter of 2017. In the third quarter, the Turkish economy became the fastest-growing among G20 countries by showing double-digit (11.1 percent) growth performance.

Turkey: Unemployment rate falls to 10.3 percent

Anadolu Agency, 15.01.2018



The unemployment rate in Turkey drops to 10.3 percent in October, down 1.5 point from the same month previous year, the Turkish Statistical Institute (TurkStat) announced Monday.

The number of unemployed people, aged 15 and above, in the country declined to nearly 3.3 million last October, a decrease of 360,000 from October 2016, when the unemployment rate stood at 11.8 percent, the statement said. The figure also showed a 0.3-percentage point drop from the previous month, when unemployment stood at 10.6 percent.

October's employment rate rose by 1.4 percentage point, from the same period previous year, to 47.6 percent. The labor force participation rate was also up by 0.7 percentage point year-on-year, going up to 53.1 percent. The number of women participating in the workforce climbed 1.1 percentage point from the previous year to 34.2 percent. Ziraat Bank's economist Bora Tamer Yilmaz pointed out that the positive effect of the employment mobilization program, launched by government in the beginning of last year, was reflected in the October numbers. "The employment mobilization program helped the country generate more jobs. This was a right move as we can see its results in the number of employed people last year," Yilmaz said.

Yilmaz cited that Turkey maintained its industry sector's employment rate unlike other developed countries and generated more jobs in the services sector. "Employment in agriculture decreased by 13,000 persons and construction decreased by 8,000 persons while industry increased by 49,000 persons and services increased by 107,000 persons," TurkStat said. Yilmaz added that October's unemployment data were a positive development for Turkey's healthy, sustainable growth. Ali Kirali, economic research and strategic planning director at Odeabank, said in a client note that he expected limited improvement in the unemployment rates of upcoming periods.

"While October period statistics point out to the ongoing resilience in economic activity and hence in the labor market, albeit at a slower pace in the last quarter of 2017, we anticipate the improvement in unemployment rate to be limited in the coming periods due to the deceleration in employment gains," Kirali said.

‘Turkey seeks to eliminate development gap in country’

Anadolu Agency, 13.01.2018



Prime Minister Binali Yildirim said one of the main goals of his government was to eliminate the development gap.

Speaking in the central Anatolian Nigde province, Yildirim pledged security and stability for everyone across the country. Referring to the suffering of people in eastern and southeastern Turkey due to terror threats, he said the government was trying to "bind up wounds". He highlighted the government's work to rebuild the districts destroyed by terrorists and said over 26,000 houses have been built in the region for the terror victims.

Yildirim said an investment of 2.5 billion Turkish liras (around \$667 million) was made in more than 90 district municipalities, where trustees were appointed by the government. He also highlighted the investment made in Nigde and announced new projects including a high-speed train and an airport in Bor district. Southeastern Turkey has seen numerous terror attacks by the PKK, which is listed as a terrorist organization by Turkey, the EU and U.S.

In its over three-decade terror campaign against Turkey, more than 40,000 people have been killed. The terrorist organization resumed its armed campaign in July 2015. Since then, it has killed more than 1,200 Turkish security personnel and civilians, including women and children. Yildirim once again reiterated Turkey's "determined fight" against terrorism and said any attacks on southern borders would get equal treatment in return. "Fighting terrorism is not only about fighting terrorists and taking security measures. We are also trying to meet the reasonable requests of our citizens on an equitable basis," the premier said.

In an later address at the provincial congress meeting of his ruling Justice and Development (AK) Party in the central Aksaray province, he said "terror groups" in Syria's northern territories along Turkey's border "have been harassing our country", adding that the attacks "will be answered". On Saturday, Turkish artillery units based in Turkey's southern Hatay province and Syria's Idlib province pounded PKK/PYD terror group positions -- a Syrian offshoot of the PKK -- in Syria's northwestern Afrin province. The forces fired at least 36 times during artillery bombardment from Reyhanli and Kirikhan districts of Turkey's southern province Hatay and a Turkish Armed Forces observation point in Idlib.

The prime minister said that Turkey "is a state of law and has the ability to confront all forms of terrorism" inside and outside of the country. "All these intentional initiatives will not be an obstacle to Turkey's pace" toward its development goals, he said. Yildirim also addressed the U.S. court conviction of a Turkish banker in New York. Last week, a New York jury found Hakan Atilla, a former deputy CEO of Turkey's public lender Halkbank, guilty on five counts related to conspiracy and bank fraud -- including alleged Iran sanctions violations -- but acquitted him of a money laundering charge.

Turkey has criticized the conviction as a political conspiracy lacking any real evidence and pushed by members and sympathizers of Fetullah Terrorist Organization (FETO), the group behind the 2016 defeated coup. The Fetullah Terrorist Organization (FETO) and its U.S.-based leader Fetullah Gulen orchestrated the defeated coup on 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, as well as having a large network of influence and intimidation abroad. Yildirim claimed that there was no legal basis in the case, adding: "The U.S. judges are almost in the hands of the FETO members. [The judges] act like they want." Richard Berman, the judge in the Hakan Atilla case, was backed by FETO, Turkey deputy prime Minister Bekir Bozdogan claimed last week.

Turkey's Central Bank holds interest rates constant

Anadolu Agency, 18.01.2018



The Central Bank on Thursday announced its Monetary Policy Committee (MPC) had decided to keep short-term interest rates constant.

The bank said in a statement that the one-week repo rate, also known as the bank's policy rate, was maintained at 8 percent. The marginal funding and overnight borrowing rates were also steady at 9.25 and 7.25 percent, respectively. The bank also kept late liquidity window interest rates unchanged the borrowing rate at 0 percent, and the lending rate at 12.25 percent.

Thursday's MPC meeting is the first of eight meetings scheduled for the year. According to the bank's program, the next meetings will be held on March 7, Apr. 25, June 7, July 24, Sept. 13, Oct. 25, and Dec. 13.

Turkey, Somalia sign economic partnership pact

Anadolu Agency, 12.01.2018



Turkey and Somalia on Friday signed a pact to boost their strategic economic partnership.

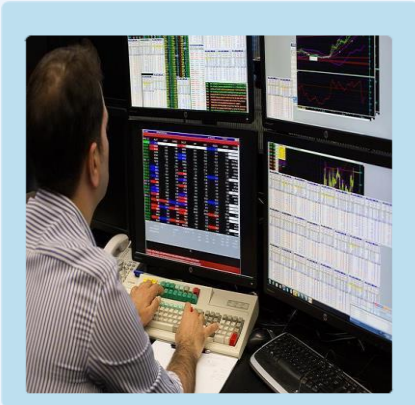
“We wish to deepen relations with Somalia. Turkey’s investment in Somalia stands at over \$100 million,” Turkish Deputy Prime Minister Recep Akdag told a signing ceremony alongside his Somali counterpart Mahdi Mohammed Gulaid. “This figure forms a foundation to prompt bigger cooperation in the days to come.” He predicted that the bilateral trade volume would rise to \$200 million from about \$120 million in 2016. He spoke at the opening of a Turkey-Somalia Joint Economic Commission meeting.

Akdag added that both countries should carry through 2016 memorandums of understanding in such areas as energy, mines, electricity, higher education, agriculture, and maritime affairs. He added an expected free trade agreement between the two countries would boost trade ties. Gulaid, for his part, said the meeting would maintain bilateral economic ties and bolster strategic cooperation in the years to come.

The countries also inked a memorandum of understanding on fishing and fisheries, signed by Turkey's Food, Agriculture and Livestock Minister Ahmet Esref Fakibaba and Somali's Fisheries and Marine Resources Minister Abdirahman Mohamed Abdi Hashi. "Now we have started work on the development of Somalia as well as [it] becoming a major economic power with the support of Turkey," Hashi said following the signing ceremony, adding that the pact would be the beginning of numerous future cooperation deals between the two countries. Under the deal, Turkish fishermen will be able to fish in Somalia's territorial waters. Turkey and Somalia have long enjoyed friendly relations, as Turkey has invested in many areas to help modernize Mogadishu, the capital of the Horn of Africa country. Last September, Turkey opened its largest military training academy abroad in Somalia. Located south of Mogadishu, the training facility took some two years to build. The facility spans over 4 square kilometers (1.54 square miles), and can train more than 1,500 troops at a time, according to the Somali government.

EBRD aims for 'strong investment' in Turkey in 2018

Anadolu Agency, 16.01.2018



The European Bank for Reconstruction and Development (EBRD) aims to have a “very strong investment” in Turkey this year, according to Suma Chakrabarti, the bank’s president.

“I think we will have a very strong investment in Turkey, around €1.5 plus-billion of investment I think,” Chakrabarti told Anadolu Agency on Tuesday, ahead of his two-day visit to Turkey on Jan. 18-19. Pointing to Turkey’s importance for bank’s future projects, he added: “Turkey is our largest market. If you take the last three years put together in Turkey, we have invested €5.4 billion over the three years.

This is a massive amount of investment. Even last year, which was the lowest of the years, there was €1.5 billion for 51 projects in a vast variety of sectors as well. So it is very, very important for us in terms of overall size and in terms of overall share of the portfolio.” Highlighting that the bank’s investments are driven by private sector demand, making it hard to predict the total volume of investments in Turkey, he added: “I would be surprised if we weren’t looking at a €1.5 billion-plus investment in euro terms this year.” He also said that his visit will mark the establishment of an EBRD-Turkey donor fund as the country becomes an EBRD benefactor, in addition to a founding shareholder and the bank’s largest country of operations by investment volume.

He said, “One of the most fundamental objectives is the sign this new technical cooperation fund that Turkey is putting together. €25 million for four countries: Turkey, Romania, Kyrgyzstan, and Azerbaijan. That is going to be enormously important for our project for those countries. I am very, very grateful to the Turkish government for that.” Praising Turkey’s recent economic growth performance, Chakrabarti said: “I’m someone who is really optimistic about Turkey. Look at Turkey in the last decade-and-a-half. What really happened in the last 15 years has been a takeoff. If you look at first the three quarters of last year alone, the growth is very, very impressive indeed.”

Pointing to Ankara’s stimulus playing a role in strong economic growth as well, he added: “I think the private sector has done its bit too. I am very proud of the EBRD, 97 percent of our investments have been in the private sector. Very much trying to get the private sector working. I think the prospects for the future are pretty good. The numbers are very good.” Saying that the bank’s projects in Turkey have played a significant role in implementing them elsewhere, he explained: “Turkey for us is a place for where we have innovated an enormous amount. Some of the things that we have tried in Turkey first, we have been able to take those ideas and innovations to other countries. One of my favorite happens to be the women in a business program for female entrepreneurs in Turkey.

“It really took off in Turkey. We helped through the local banks for that to change [getting access to funds]. That approach now has been taken up in 16 other countries, and it started in Turkey.” On Turkey’s aim to transform Istanbul into a regional and international finance hub, he said: “Istanbul and Turkey have all the ingredients to really transform itself into a financial hub. There is no doubt about that. For that, Borsa Istanbul [stock exchange] has to be the catalyst it quite clearly can be. I absolutely believe that Istanbul can be and should be the center of that financial hub for the region.”

Gaza economy ‘on verge of collapse’: Israeli officials

Anadolu Agency, 15.01.2018



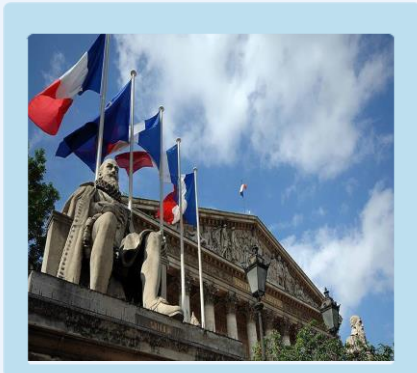
The economy of the Gaza Strip is on the verge of total collapse, Israeli security officials have warned.

According to Israeli daily Haaretz on Monday, security officials and military officers have voiced concern about the deteriorating situation in the Palestinian territory. One security officer said Gaza economy was “like from zero to below zero” and so is the enclave’s civilian infrastructure. Haaretz said Israeli politicians were acting as if military pressure can continue on Gaza, ignoring the worsening economic situation in the strip.

“In the long term, continually deteriorating infrastructure brings the risk of an uncontrollable blow-up in the Strip,” the daily said. The newspaper pointed out that the number of trucks crossing the Kerem Shalom crossing between Gaza and Israel dropped by half due to the decline in the purchasing power of the Palestinians living in Gaza. It said about 95 percent of Gaza’s water was undrinkable and that unemployment was inching toward 50 percent and was even higher among young people. Home to nearly two million Palestinians, the Gaza Strip has been reeling under a crippling siege by Israel since 2007.

France's state budget deficit hits lowest since 2008

Anadolu Agency, 16.01.2018



The French state's annual budget deficit fell by 1.3 billion euros in 2017 compared to 2016 to reach 67.8 billion euros, its lowest level since 2008.

The previous Socialist government had initially planned a budget deficit of 69.3 billion euros for 2017, but this objective had been revised upwards to 74.1 billion euros by the current government, due to unbudgeted expenses by the outgoing team. This figure reflects "the respect of the commitments made by the government in terms of control of expenditure and deficit reduction," said Gerald Darmanin in a statement.

The ministry explained the unexpected good news for Emmanuel Macron's government was due to the strong value added sales tax and corporate tax as the economy picked up speed in the second half of the year, while government spending was kept in check. In line with the rules set by the European treaties, the government has pledged to reduce the public deficit in 2017 to below 3 percent of gross domestic product (GDP), for the first time in 10 years.

EU28 trade surplus reaches \$9.4B in Nov: Eurostat

Anadolu Agency, 15.01.2018



The European Union's foreign trade balance recorded an €8-billion (\$9.4-billion) surplus in November 2017.

The EU28's exports of goods in November last year was €167.2 billion (\$195.6 billion), up 6.8 percent year-on-year, while imports from the rest of the world stood at €159.2 billion (\$186.2 billion) with a 5.4 percent yearly increase. The foreign trade surplus in November last year showed a 45 percent increase, compared with €5.5 billion (\$5.94 billion) in the same month in 2016. Official data also showed intra-EU28 trade last November climbed by 6.9 percent on a yearly basis, reaching some €300 billion(\$352 billion).

The average EUR/USD exchange rate was around 1.17 in November last year, while 1 euro was trading for \$1.08 on average in November 2016. Last year, from January to November, EU28 exports to the rest of the world reached some €1.72 trillion (\$1.92 trillion), marking an 8.7 percent rise over the same period in 2016, while imports stood at around €1.7 trillion (\$1.9 trillion) with an 8.7 percent yearly hike. The EU28 eleven-month foreign trade balance in 2017 recorded a surplus of €12.1 billion (\$13.5 billion) and trade volume within 28 member countries rose 7.5 percent year-on-year to approximately €3.1 trillion (\$3.4 trillion).

The average euro/dollar exchange rate was around 1.12 in the Jan.-Nov. period last year. According to Eurostat, the U.S. was the top export destination for the EU28 with exports worth €343.6 billion (\$384.8 billion), which accounts for nearly 20 percent of the 28 countries' exports between Jan.-Nov. last year. Official data showed China, Switzerland, Russia and Turkey following the U.S. in the list of main export markets of the EU. Over the same period, the EU28 imported most from China -- valued at €342.6 billion (\$383.7 billion) amounting to some 20 percent of total imports -- while the U.S., Russia, Switzerland and Norway were the EU28's top import partners.

UN Security Council renews support for Afghanistan

Anadolu Agency, 15.01.2018



The United Nations Security Council (UNSC) members on Monday renewed their commitment and continued support to the war-ravaged Afghanistan.

The delegation of the UNSC visited the Afghan capital Kabul on Jan 13-15 after over 7 years. It included representatives from all five permanent members -- China, France, Russian Federation, the United Kingdom, and the United States -- and ten non-permanent members from Bolivia, Ivory Coast, Equatorial Guinea, Ethiopia, Kazakhstan, Kuwait, Netherlands, Peru, Poland and Sweden.

"In this meeting, matters of regional cooperation were discussed and it was pointed out that for stability in Afghanistan, pressure would be increased on Pakistan", the Presidential Palace said in a statement. Kabul has long been blaming Pakistan for 'imposing undeclared war' against Afghanistan, a charge discarded by Islamabad. The communique added that besides the security matters, issues related to poppy cultivation, the democratic process and the anti-corruption measures were also discussed. President Ashraf Ghani told the visiting UNSC members that Kabul's government's endeavors for growth in economic ties with the Central Asia, China and Iran have yielded positive results.

“President Ghani pointed towards activities of terrorist groups, including Daesh, in Afghanistan and shared the examples and evidence about their motivation, activities, training and support from abroad,” the statement read. For his part, Tadamichi Yamamoto, the secretary-general’s special representative for Afghanistan, said “The Kabul Process” meeting planned for Feb. 1 offers an opportunity for regional cooperation and reaching a political settlement with the armed opposition. “This chance must not be missed...I once again call on the Taliban to express a clear willingness to begin negotiations towards a political settlement, and to start the initial dialogue,” he added. The U.S. Ambassador to the UN Nikki Haley was also among the UNSC members, who traveled to Afghanistan.

Haley has consistently supported efforts to bolster international support and cooperation for peace and security in Afghanistan and the region, the U.S. Embassy noted in a statement. Last month, the UNSC called for consolidating regional efforts for peace in Afghanistan. The UNSC on Dec. 21 deliberated upon threats to peace and security caused by terrorist acts in Afghanistan in line with the UN Secretary-General Antonio Guterres’ latest report on the situation in the war-ravaged country.

UK's ‘hostile’ undocumented migrants' policy criticised

Anadolu Agency, 15.01.2018



British parliamentarians are urging the government to end its reliance on its “hostile environment” policy towards undocumented migrants, as it is not only distressing those involved but it severely undermines the credibility of immigration enforcement.

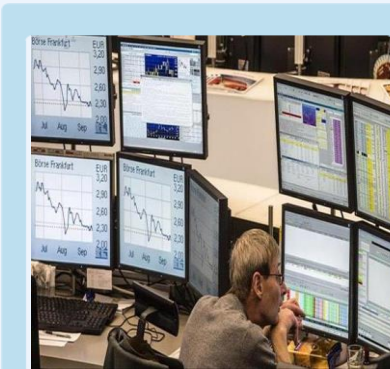
The House of Commons Home Affairs Select Committee said a lack of official analysis of the scale and nature of immigration through illegal routes to the U.K. had allowed anxiety over the issue to fester and it called for a publication of annual estimates of legal and illegal migratory flows.

The report, compiled by the cross-party committee, strongly criticized the Home Office’s “hostile environment” measures, which have included closure of bank accounts, revocation of driving licenses and denying access to rented accommodation to those listed as undocumented migrants. Moreover, it has discovered that some people were refused a new bank account because they were wrongfully included in a list of “disqualified people” by the Home Office and, therefore, at risk of being told to leave the country. The report cited a 10 percent error rate in the list compiled by the Home Office. MPs have warned that the credibility of immigration enforcement is at risk of being undermined due to high-profile reports of the Home Office threatening to deport individuals based on information that is highly inaccurate and before these individuals can appear before a legal appeal process.

The committee, chaired by the former Labour Cabinet Minister Yvette Cooper, has called for an annual report detailing migration flows, controls and targets, setting out the economic contribution from migration and what action is being taken to improve skills, training and integration. “The committee has a responsibility to build consensus and confidence on immigration rather than allowing this to be a divisive debate. “But that requires a transformation in the way that immigration policy is made as too often the current approach has undermined trust in the system,” Cooper said regarding the present system of immigration enforcement. “Most people think immigration is important for Britain, but they want to know that the system is under control, that people are contributing to this country and that communities and public services are benefiting rather than facing pressures. “And crucially, they have different attitudes to different kinds of migration. We believe people should be working together to build consensus on the benefits and address concerns about problems on immigration,” she added.

UK inflation rate falls to 3%

Anadolu Agency, 16.01.2018



Inflation in the U.K. fell for the first time since June 2017, according to data from the Office for National Statistics (ONS) released on Tuesday.

The inflation rate dipped to 3 percent in December after reaching a six-year high 3.1 percent in November . “The downward contributions were partially offset by an increase in tobacco prices, reflecting duty increases that came into effect following the Autumn Budget, along with an increase in petrol and diesel prices.” ONS said in it’s statement. The Bank of England had previously estimated.

Inflation would reach its peak by the end of last year and would slow down to a target rate of 2 percent within the year. The bank had increased its interest rate from all times record low 0.25 to 0.50 percent in November 2017.

Accelerating Africa's energy transition

New Times, 15.01.2018



For much of Africa, the transition from fossil fuels to cleaner forms of energy is seen as an environmental imperative.

But Africa's energy transition is economically urgent as well. Each year, oil subsidies consume 1.5% of the continent's GDP – roughly \$50 billion. That is enough money to provide solar power to some 300 million people. If the continent could rebalance its energy portfolio, moving away from hydrocarbons slowly, those subsidies could be reallocated in ways that would yield both environmental and economic benefits.

Today, neither oil exporters nor importers are adequately insulated from price shocks. When oil prices declined rapidly in 2015, for example, Africa's energy importers spent less on oil, while exporting countries suffered financially. When prices rebounded, the relationship switched: energy-exporting countries' revenues inched up, while importing countries struggled to maintain consumption levels. This is a needless cycle. Integrating cleaner power into national energy systems would not only raise local capacities; it would also free up hydrocarbons for export. The resulting revenue could then be invested into new forms of greener power. Such a transition, which would require cooperation with the oil sector, promises to boost socioeconomic progress. Among the biggest benefits would be the electrification of areas that, under current distribution systems, are literally in the dark. Today, just 30% of Africa has access to reliable electricity. But, with a total capacity estimated at around ten terawatts, installed solar capacity in Africa could broaden access dramatically. In fact, according to some estimates, the increase in solar generation by 2030 could range from 15 to 62 gigawatts.

Fossil fuels are not destined to be phased out anytime soon, but an energy mix that included a significant increase in solar power would have major economic advantages for Africa, especially in areas where agriculture is the largest economic sector. Electrifying agricultural areas would facilitate the storage and transportation of farmed products, improve food security, and increase farmers' earning capacity. In the drive to rebalance Africa's energy mix, the continent maintains one crucial advantage over developed economies: a clean slate. The relative absence of legacy investments is the principal reason why green power is Africa's best energy option. Although every country must balance its own energy needs, reliance on renewable sources, and solar power in particular, is the most cost-efficient strategy for fostering rapid economic development throughout the continent.

Evidence of this potential can be found in the few photovoltaic power plants that have begun operating in Africa. For example, the Senergy 2 solar plant in Senegal sells electricity to the Senegalese power utility at a price that lowers the cost of the energy mix by 50%. Similar solar solutions are being implemented by African telecoms to electrify communication towers. The best way to accelerate the transition from hydrocarbons to greener forms of energy would be to redirect a portion of national oil subsidies to renewables. This would create stronger incentives to reduce fossil-fuel consumption, while encouraging investment and growth in green-energy output. For Africa's rural regions, moreover, such policies would help bring communities out of darkness and lead to the installation of other critical infrastructure that economic growth requires. But while renewables hold the key to Africa's long-term prosperity, the continent's transition to cleaner power should not lead to an immediate, full-scale repudiation of hydrocarbons. The oil sector will still have an important role to play. The industry's experience on the continent will be needed to navigate the energy transformation. And, because fossil fuels will remain part of the continent's energy mix, the oil sector must be encouraged to clean up its own act.

This may sound like an impossible alliance. But as policymakers across the continent seek to secure adequate supplies of clean energy to ensure rapid, inclusive economic growth and environmental sustainability, they are likely to find that there is no alternative. Cooperation between old and new energy industries may be the only engine that is capable of powering Africa forward.

Niger receives \$ 43 million from the African Development Bank in budgetary support

ABC, 12.01.2018



Niger has received \$ 43 million from the African Development Bank to support its budget.

Export, consists of a \$ 23 million grant from the Transition Support Facility (TAF) and another \$ 20 million grant from the African Development Fund (ADF). All of this support will be used to support the first phase of the Reform and Economic Resilience Support Program (PARRE). This program covers the fiscal years from 2017 to 2019 in order to strengthen the country's resilience to food and nutrition insecurity through better water management and increased agropastoral productivity.

Approved by the Board of Directors of the Bank, the aid granted to Niger, a country whose economy has been weakened by the sharp fall in uranium its main product. The program also aims to improve domestic revenue mobilization, greater empowerment of women, job creation for youth and environmental protection. After hailing Niger's economic performance, the Director General of the African Development Bank (ADB) for West Africa, Janvier Litsé, justified the support given to the country, by the need for the Bank to support the efforts already made by the Government, despite the security challenges increasingly weighing on the country's financial resources. "The African Development Bank, Niger's strategic partner, is holding this budget support alongside the country, not only to reinforce the efforts already made, but also to accelerate results in priority sectors such as agriculture and electricity infrastructure, institutional capacities and governance," assured Mr. Litsé. In the long term, the program should lead to a clear improvement in the national tax burden, from 13.6% of Gross Domestic Product (GDP) in 2016 to 14.4% of GDP in 2019.

In addition to this improvement in tax collection, the Bank's support would reduce the rate of public contracts awarded without a call for tenders in Niger from 51% in 2016 to 15% in 2019. Added to this is the goal of improving agropastoral productivity, a major challenge for a country facing high birth rates and recurring cycles of drought and famine. The African Development Bank and Niger enjoy very strong partnership relations, which have been illustrated, for example, by the three-day official visit to Niamey by President Akinwumi Adesina and the Bank's decision to assume the role of head of state. Donors for the Kandadji Dam.

China economy rebounds in 2017 with 6.9 pct growth

Hurriyet Daily News, 18.01.2018



China's economy grew a forecast-beating 6.9 percent in 2017, picking up steam for the first time since 2010 despite its battles against a massive debt and polluting factories, official data showed on Jan. 18.

The world's number two economy eclipsed the official target of about 6.5 percent and picked up pace from the 6.7 percent growth seen in 2016, which was the slowest for more than a quarter of a century. The robust economic expansion indicated stability after slowing down since China last posted double-digit growth in 2010.

"The national economy has maintained the momentum of stable and sound development and exceeded the expectation with the economic vitality, impetus and potential released," National Statistics Bureau head Ning Jizhe said in a report. "We should also be aware that there are still difficulties and challenges confronting the economy and the improvement of quality and efficiency remains a daunting task," Ning said. The reading -- which beat the 6.8 percent predicted by analysts surveyed by AFP -- comes as China kicks its war on pollution into gear, halving industrial production for some steel smelters and mills this winter.

The battle has brought unusual blue skies to Beijing, with the density of dangerous pollution -- particulate PM2.5 -- dropping by more than 50 percent in the final quarter of 2017. But the latest data showed the economy expanding 6.8 percent in the last quarter of 2017, matching the third quarter figure though it was below the 6.9 percent from the first half of the year. Ning dismissed questions on the reliability of China's statistics raised after the coastal city of Tianjin and the autonomous region of Inner Mongolia admitted to inflating certain 2016 data. "The system for calculating China's statistics data is not affected by a small number of places, or some places, or some companies" having accuracy issues with their data, he said. The GDP reading follows strong trade data last week, which showed the humming global economy had propelled China's export machine.

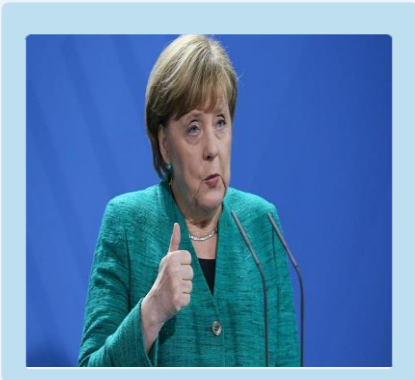
"This momentum, especially the part fuelled by external demand, may carry on well into 2018," said Wei Yao, chief China economist at Societe Generale. Serious credit crisis The country is also facing pressure to prevent a credit crisis, with local government debt growing 7.5 percent last year to \$2.56 trillion, according to figures released Jan. 17. China has largely relied on debt-fuelled investment and exports to drive its tremendous economic growth of the past four decades but it is now seeking to move its economy to more sustainable consumption-based growth. The latest figures show the services industry grew eight percent for the year with retail sales spiking 10.2 percent, good news for the transition.

The International Monetary Fund has repeatedly warned of risks stemming from China's ballooning debt, saying last year that each extra dollar of debt is producing diminishing returns for China's economy. China's leaders appeared to wipe away some of those concerns at a critical planning meeting in December. While vowing a crackdown on financial risk and local government debt, leaders called for a reasonable credit expansion this year. That flew in the face of IMF and other economists warnings that China must deleverage. Last year China brought down the pace of debt accumulation but allowed overall credit growth, analysts say.

"The bulls and the bears have never been so much in agreement since the financial crisis," said Larry Hu, head of China economics at Macquarie Group. "Most economists expect around 6.5 percent GDP growth in 2018," Hu said, though one of China's top state-affiliated think tanks last month forecast growth ticking slightly downwards to 6.7 this year. But potential headwinds and risks for China's economy are brewing. U.S. President Donald Trump is determined to change the balance of trade between the two large trading partners. China's trade surplus with the U.S. swelled 10 percent to \$275.8 billion last year, a record high. In a telephone call with President Xi Jinping this week, Trump "expressed disappointment that the United States' trade deficit with China has continued to grow", the White House said. "President Trump made clear that the situation is not sustainable." Trump has repeatedly insisted he will fight for more equitable trade with China. The U.S. is expected to release the results of a major investigation into China's intellectual property practices this year.

Merkel defends EU-Turkey refugee agreement

Anadolu Agency, 18.01.2018



German Chancellor Angela Merkel on Jan. 17 defended the EU-Turkey refugee agreement and called for more efforts regarding the resettlement of refugees.

Speaking at a joint press conference with her Austrian counterpart Sebastian Kurz in Berlin, Merkel said protecting the EU's external borders and providing support to countries hosting millions of refugees were important pillars in addressing the crisis. "I was very surprised to see a lot of criticism directed at the EU-Turkey agreement when we concluded it," she said.

It referring to criticism by several EU members, including Austria, two years ago. Kurz, who was the Austrian foreign minister in 2016, had criticized the deal, arguing it would make EU dependent on Turkey. Merkel added that the agreement proved successful in protecting the EU's external borders. "I don't think we can leave it to human traffickers and smugglers to decide who can arrive in Europe and who cannot," she added. The German chancellor also called for more efforts in overcoming current problems in the resettlement of refugees from Turkey and other countries hosting millions of refugees from conflict regions.

"We must achieve more through resettlement, through cooperation with the UNHCR, and agreements with the respective countries," she said. Merkel has long been a key supporter of the EU-Turkey agreement clinched in March 2016, which aimed at discouraging the irregular migration through the Aegean Sea by establishing stricter measures against human traffickers and improving the conditions of nearly 3 million Syrian refugees in Turkey.

Over 340 top political leaders to meet in Davos

Anadolu Agency, 16.01.2018



Turkish Deputy Prime Minister Mehmet Simsek and Economy Minister Nihat Zeybekci will attend an annual high-profile meeting in Switzerland next week focused on how to create a shared future in a fractured world.

U.S. President Donald Trump, widely accused of starting or exacerbating several diplomatic rows, is also set to attend. The annual World Economic Forum (WEF) meeting 2018 -- popularly known as Davos -- will take place in Davos-Klosters on Jan. 23-26 with the theme "Creating a Shared Future in a Fractured World." The meeting will focus on finding ways to reaffirm international cooperation on crucial shared interests.

Such as international security, the environment, and the global economy. Racist remarks by Trump at a meeting last week with U.S. lawmakers have drawn widespread international condemnation, making the U.S. leader even more unpopular worldwide. More than 1,000 people gathered in the Swiss capital, Bern, on Saturday to protest Trump's attendance with banners saying "Kill Trump With His Own Weapons!". Several other demonstrations are planned in Switzerland in the next days by anti-Trump protesters. Security for the meeting is expected to cost almost \$10 million. "Our world has become fractured by increasing competition between nations and deep divides within societies ... Our annual meeting aims to overcome these fault lines by reasserting shared interests among nations," WEF founder Klaus Schwab told a press conference in Geneva on Tuesday. Over 3,000 participants from more than 110 countries and more than 340 public figures, including more than 70 heads of state and government and 45 heads of international organizations, will attend the forum.

Ten heads of state or government from Africa, nine from the Middle East and North Africa, and six from Latin America will join about 40 Western leaders including French President Emmanuel Macron, Canadian Prime Minister Justin Trudeau, and British Prime Minister Theresa May in Davos. UN Secretary-General Antonio Guterres with the heads of the UN agencies and the World Bank and the International Monetary Fund (IMF) will also attend. The Syrian conflict will be discussed in a session in Davos with UN Syria Envoy Staffan de Mistura. The Israeli-Palestinian issue will also be addressed, with Israeli Prime Minister Benjamin Netanyahu and Palestinian Prime Minister Rami Hamdallah both set to attend.

Announcements & Reports

► *Precautionary recapitalisation: time for a review?*

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

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

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

► *Actualising East: India in a Multipolar Asia*

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

Upcoming Events

► *System Operation Guideline implementation: Stakeholder workshop on the methodology for Cost Benefit Analysis (CBA)*

Date : 15 January 2018
Place : Brussels - Belgium
Website : <https://www.entsoe.eu/news-events/events/Pages/Events/system-operation-guideline-implementation-stakeholder-workshop-on-the-methodology-for-cost-benefit-analysis-cba.aspx?EventWorkshopId=352>

► *NextGen SCADA Europe 2018*

Date : 30 January 2018
Place : Amsterdam
Website : <https://www.entsoe.eu/news-events/events/Pages/Events/NextGen-SCADA-Europe-2018.aspx?EventWorkshopId=337>

► *Internet of Energy*

Date : 06 March 2018
Place : Berlin
Website : [https://www.entsoe.eu/news-events/events/Pages/Events/\[Supported\]-Internet-of-Energy.aspx?EventWorkshopId=353](https://www.entsoe.eu/news-events/events/Pages/Events/[Supported]-Internet-of-Energy.aspx?EventWorkshopId=353)

► *Energy Statistics Course March 2018*

Date : 19 - 23 March 2018
Place : Paris
Website : <http://www.iea.org/workshops/energy-statistics-course-march-2018.html>

► *11th Energy Storage World Forum*

Date : 14 May 2018
Place : Berlin
Website : <https://www.entsoe.eu/news-events/events/Pages/Events/11th-Energy-Storage-World-Forum.aspx?EventWorkshopId=334>