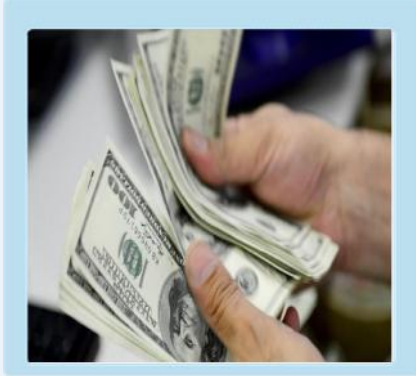


Turkey projects foreign debt payment at \$10.9B in 2018

Anadolu Agency, 01.11.2017



The Turkish Treasury said Tuesday it is projecting foreign debt at \$10.92 billion as part of 163.8 billion liras (\$43.1 billion) in debt service in 2018. "The total domestic debt service is expected to reach 122.4 billion liras (\$32.2 billion) while the total external debt service is expected at 41.5 billion liras (\$10.92 billion)," it said in a press release.

According to the program, payments of principal would total 97.2 billion liras (\$25.6 billion) with interest at 66.7 billion liras (\$17.6 billion). "Considering these projections, total domestic borrowing is planned as 134.3 billion liras (\$35.4 billion).

The Treasury said it plans to provide the equivalent of \$6.5 billion in external funding next year through bond issuances in international capital markets. The total borrowing amount was estimated at 162.3 billion liras (\$42.7 billion), of which 128.5 billion would be domestic and 33.8 billion external by the end of 2017, according to the program.

"Due to the increase in total debt service and developments in non-borrowing resources in 2017, the total borrowing amount increased compared to the initial announcement," the Treasury said. The Treasury now estimates that total borrowing for 2017 will increase to over 140 billion lira from 133 billion as first planned.

Turkish Central Bank lifts 2017 inflation forecast to 9.8 percent

Hurriyet Daily News, 01.11.2017



The Central Bank raised its year-end inflation forecast to 9.8 percent on Nov. 1, up from 8.7 percent, with Governor Murat Çetinkaya saying lira volatility and an oil price rise may push inflation higher in the short term.

In the presentation of its quarterly inflation report, the Bank also raised its mid-point forecast for end-2018 inflation to 7 percent, up from 6.4 percent in its previous report. The move came after Turkey's core inflation spiked to a 13-year high last month. The Bank said it would decisively maintain a tight monetary policy until the outlook improves significantly.

The Bank said it had strengthened the cautiousness of its stance on monetary policy and aimed to gradually bring inflation down to its target of 5 percent.

Turkey's trade deficit widens 85 percent to \$8.14 billion in September

Hurriyet Daily News, 31.10.2017



Turkey's trade deficit widened by 85 percent to \$8.14 billion in September from the same period a year earlier, data from the Turkish Statistical Institute (TÜ K) showed on Oct. 31.

In September 2017 compared to the same month of last year, Turkey's exports rose 8.7 percent to \$11.8 billion while imports climbed to \$19.9 billion - a 30.6 percent hike. The country's foreign trade volume reached \$284 billion between January and September this year, marking a 13.4 percent annual increase, according to provisional data produced by TÜ K and the Customs and Trade Ministry.

Imports climbed 15.5 percent to around \$169 billion, amounting to a foreign trade deficit of \$53.8 billion over the same period. Official data showed the percentage of imports covered by exports was 68.1 in the nine-month period. Compared with the same month of the previous year, exports to the EU-28 increased by 7.9 percent in September, from \$5.46 billion to \$5.9 billion.

However, the proportional share of exports for EU countries was 49.8 percent in September 2017, while it was 50.2 percent in September 2016, according to the TÜ K data. Turkey's main export market was again Germany in September, followed by the U.K., the U.S. and Iraq, official data also showed.

Turkey's tourism revenue rises nearly 40 pct in third quarter

Hurriyet Daily News, 31.10.2017



Turkey's tourism revenue has shown strong recovery in the third quarter of the year after a tough period amid a series of problems, data from the Turkish Statistical Institute (TÜ K) showed on Oct. 31.

In the third quarter of the year, the country's tourism revenue rose to \$11.4 billion with a year-on-year increase of 37.6 percent. With an ongoing rise in the number of foreign arrivals, especially from Russia, Turkey's tourism income started to increase in the second quarter of the year despite a sharp decrease in hotel incomes compared to the previous.

Although Turkey's tourism revenue regressed to \$3.4 billion in the first quarter of the year with a 17.1 percent year-on-year decrease, it rose to \$5.4 billion with an 8.7 percent year-on-year increase in the second quarter. Turkey's tourism revenue declined steeply to \$22.1 billion in 2016 with a nearly 30 percent year-on-year decrease.

The average expenditure of visitors stood at \$684 per capita in the third quarter, according to TÜ K data. In the third quarter, while the average expenditure of the foreigners was \$634 per capita, the average expenditure of the Turkish citizens residing abroad was \$900 per capita. The number of visitors who left Turkey in the third quarter reached nearly 16.66 million, a 38.1-percent increase when compared to the same period last year.

While some 82.6 percent of visitors - 13.77 million - were foreign, the remaining 17.4 percent were Turkish citizens residing abroad. The number of Turkish citizens visited abroad increased by 12.5 percent compared to same quarter of previous year and reached 2.5 million, TÜ K data also showed. The expenditure was \$621 per capita.

Five companies take part in consortium to make Turkey's first indigeneus car

Hurriyet Dailt News, 02.11.2017



The five companies taking part in consortium to make Turkey's first indigeneus car were announced on Nov. 2 in an Ankara meeting attended by Prime Minister Binali Yıldırım and President Recep Tayyip Erdoğan.

Anadolu Grup, BMC, Kiraça Holding, Turkcell and Zorlu Holding will be the five companies cooperating to produce Turkey's first indigeneus automobile. "I congratulate the brave firms that are involved in this initiative," President Erdoğan said in a meeting to announce the major plan.

Turkey's annual inflation climbs 11.9 pct in October

Anadolu Agency, 03.11.2017



Consumer prices in Turkey rose 11.90 percent in October year-on-year, the Turkish Statistical Institute (TurkStat) said Friday. The October figure was up from 11.2 percent in September. Last month, change in the consumer price index was a 2.08 percent increase on a monthly basis, a climb from 0.65 percent in September, official data showed.

"In October, the highest monthly increase was 11.51 percent in clothing and footwear," TurkStat said. The monthly rate of change in consumer prices for furnishing and household equipment was 2.96 percent while it was 2.61 percent for transportation, the institute noted.

Among the main expenditure groups, the highest monthly decrease was in recreation and culture with a 1.75 percent decline, TurkStat said. On a yearly basis, the highest inflation was seen in transportation prices -- up 16.79 percent -- and food and non-alcoholic beverages which went up 12.74 percent. "Miscellaneous goods and services with 12.63 percent, health with 12.21 percent and furnishing and household equipment with 11.65 percent were the other main groups where high annual increases [were] realized," TurkStat said.

On Wednesday, Turkey's Central Bank revised up its end-year inflation forecast from 8.7 percent to 9.8 percent amid increasing oil prices and depreciation in the Turkish lira. According to the bank, the inflation rate will fluctuate between 9.3 percent and 10.3 percent through the end of 2017. The U.S. dollar/Turkish lira exchange rate rose by nearly 5.6 percent in October, compared with the previous month. The average dollar/lira exchange rate was 3.66 last month and 3.47 in September, while the 10-month average rate was 3.61.

Since the beginning of this year, annual inflation saw its lowest level in January -- 9.22 percent -- and hit the highest level at 11.90 in October. The country's medium-term program, which was announced on Sept. 27, set annual inflation target of 5 percent in 2020, down from 8.5 percent in 2016.

Turkey, Azerbaijan solidarity keeps 'getting stronger'

Hurriyet Daily News, 31.10.2017



President Recep Tayyip Erdoğan on Oct. 31 hailed the strengthening of bonds of solidarity between Turkey and Azerbaijan. Speaking at a news conference with his Azerbaijani counterpart İlham Aliyev following the 6th Turkey-Azerbaijan High-Level Strategic Council meeting in the capital Baku, Erdoğan said:

"The solidarity between Turkey and Azerbaijan in political, military, economic, and cultural areas continues to get stronger." The president also praised the first official train service to connect Turkey, Azerbaijan and Georgia.

The Baku-Tbilisi-Kars (BTK) railway project - which was launched on Oct. 30. The 826-kilometer (513-mile) railway project connecting Baku with Turkey's northeastern province of Kars via Tbilisi was launched in 2007, and its construction began in 2008. Erdoğan said the railway line would not only serve passengers but also provide freight service that would lead to an economic boost. He noted that bilateral trade volume between the countries was \$1.6 billion, adding: "I believe that we will soon reach \$5 billion." About the Trans Anatolian Natural Gas Pipeline (TANAP), Erdoğan said work linked to the project was continuing "intensively."

"In a short period of time, Azeri gas will start to flow to Europe," he added. Aliyev said ties between Turkey and Azerbaijan were at the "highest" level. "There are no other countries that support each other like this," Aliyev added. He said consensus between the countries plays a "stabilizing" role in the region. Turkey's state lender Ziraat Bank launched officially in Azerbaijan, it announced on Oct. 31.

Nihat Zeybekci, the Turkish economy minister, and Elman Siraj Rustamov, governor of the Central Bank of the Republic of Azerbaijan, were present at the launch ceremony, the bank said in a statement, as reported by Anadolu Agency. The bank has been in the Azerbaijan market since 1995 as a partnership of Azer Turk Bank, the statement added. The bank got a license from the Central Bank of the Republic of Azerbaijan on Dec. 30, 2014 and has been operating in Azerbaijan since 2015. "Ziraat Bank Azerbaijan reached \$100 million assets, \$45 million of credit, \$50 million of deposit money and \$35 million of equity just in its second year," the bank said. "Ziraat Bank will play a significant role in the economic independence of both countries," said Zeybekci.

Turkey's YEKA plan to replace renewables scheme by 2020

Anadolu Agency, 01.11.2017



Turkish Renewable Energy Resources Support Mechanism (YEKDEM) will be replaced by a more competitive option, the Renewable Energy Resources Zone Areas (YEKA) by 2020, Turkey's Energy and Natural Resources Minister Berat Albayrak said on Wednesday.

Speaking at the 6th Turkish Wind Energy Congress in Ankara, Albayrak acknowledged that the YEKDEM had contributed much to the renewables sector during its operation, but advised that the mechanism needs to be replaced. The minister explained;

The Renewable Energy Resources Zone Areas (YEKA) will allow Turkey to progress in a more competitive manner. Turkey plans to supply most of its energy needs from domestic resources and to that end is holding wind and solar auctions for renewable energy resources for 1,000 megawatts each of installed capacity. Albayrak noted that the YEKA process provides support and allows incentives for investors that will positively impact public finances. He stressed that renewables will play an important role in decreasing Turkey's energy and mineral resources import bill, which on average reaches \$55 billion per annum. "In the last two years, in particular, 55 percent of new power capacity brought online in the country was from renewables in 2016 and 64 percent in 2017," he said.

This move towards renewables is poised to continue with further new wind tenders planned as part of the YEKA process, he explained, adding that 8 out of ten of the biggest companies in the world have applied for YEKA tenders in Turkey, reflecting the potential in the country. Albayrak announced plans to have the Trans-Anatolian Natural Gas Pipeline (TANAP) operational by the middle of 2018 with pipeline testing planned for the beginning of next year.

TANAP is a natural gas pipeline, currently under construction, and stretching from the Turkey-Georgia border to the Turkey-Greece border to supply natural gas both to Turkey and also to European countries. The project will start transporting natural gas from Azerbaijan to Turkey next year and to Europe in the first quarter of 2020 via the Trans Adriatic Pipeline (TAP). TANAP's initial capacity per year will be 16 billion cubic meters, out of which Turkey will utilize 6 billion cubic meters while the remaining 10 billion cubic meters will be delivered to Europe.

Borsa Istanbul hits another all-time high at open

Hurriyet Daily News, 02.11.2017



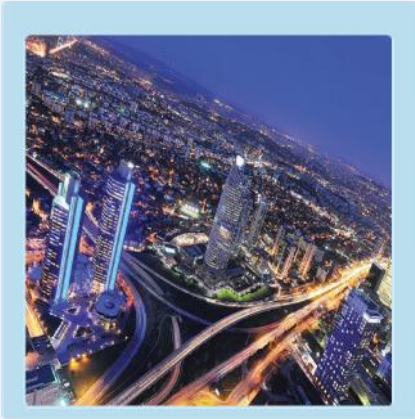
Turkey's benchmark stock index hit a new all-time high, climbing to 114,258.03 points in the Nov. 2 opening session. The news has come just hours before President Recep Tayyip Erdoğan is due to announce a joint automotive enterprise in which local companies will aim to produce the country's first indigenous car.

BIST 100 index rose 1,233.76 points or 1.09 percent in the opening session. The banking and holding sector indices rose 1.23 and 1.25 percent, respectively. All sector indices were up, however, the trade sector index performed the best, gaining 1.69 percent.

Turkey's benchmark stock index previously posted its highest ever close at 113,024.27 points along with the largest trade volume on Nov. 1. The U.S. dollar/Turkish Lira exchange rate dropped to 3.8080 at 9.30 a.m. local time (0630GMT) on Nov. 2, compared with 3.8210 at the Nov. 1 close. In addition, the euro/Turkish Lira exchange rate went up to 4.4430 at 9.30 a.m. local time on Nov. 2, compared with 4.4370 at the Nov. 1 close. The price of Brent crude oil price dropped to \$60.61 per barrel on Nov. 2 at 9.30 a.m. local time, down from \$60.90 at 6 p.m. local time (1500GMT) the previous day.

Turkey rises in World Bank's 'ease of doing business' index

Hurriyet Daily News, 01.11.2017



Turkey ranks 60th on the World Bank's latest "ease of doing business" index, up nine places from last year.

The main reasons behind the upgrade are methodology refinements and improvements in Turkey's business regulatory environment stemming from various reforms and data revisions, the World Bank said in a separate Turkey brief on Nov. 1. Turkey's score has gone from 67.19 in Doing Business 2017 to 69.14 in Doing Business 2018, using a comparable methodology, it noted. "Over the last year Turkey has improved business regulations in absolute terms, as defined by the Doing Business indicators.

This means that the country is approaching conformity with global regulatory standards," the World Bank noted. Last year governments in 119 economies carried out 264 business reforms to create jobs, attract investment and become more competitive, the World Bank Group's latest "Doing Business 2018: Reforming to Create Jobs" report stated. To mark its 15th anniversary, the report noted that 3,188 business reforms have been carried out since the World Bank began monitoring the ease of doing business for domestic small and medium enterprises around the world.

In its Turkey brief, the Bank said the country had implemented substantive changes in the local regulatory framework. "Turkey made registering property easier by lowering the costs of transferring property. It also strengthened access to credit by adopting a new law on secured transactions that establishes a unified collateral registry and allows out-of-court enforcement of collateral. Turkey also improved its credit reporting system by adopting a new law on personal data protection," it stated.

"On the other hand, Turkey made resolving insolvency more difficult by suspending applications for postponement of bankruptcy procedures introduced both before and during the state of emergency," it added. In its annual ease of doing business rankings, New Zealand, Singapore and Denmark retained the top three positions respectively, followed by Republic of Korea, Hong Kong SAR, China, United States, United Kingdom, Norway, Georgia; and Sweden. This year's top 10 improvers, based on reforms undertaken, are Brunei Darussalam (for a second consecutive year), Thailand, Malawi, Kosovo, India, Uzbekistan, Zambia, Nigeria, Djibouti and El Salvador.

Turkish banking sector's 9-month net profit up 28.6 pct

Anadolu Agency, 31.10.2017



Turkey's banking sector's net profit reached 37.2 billion Turkish Liras (\$10.5 billion) between January and September this year, according to data from the Banking Regulation and Supervision Agency (BDDK). Turkish banks' nine-month net profit recorded a yearly increase of 28.6 percent, compared with 28.9 billion Turkish liras (\$9.65 billion) net profit over the same period last year, the banking watchdog said on Oct. 31.

As of this September, the total assets of Turkey's banking sector were 3.05 trillion liras, rising 20.5 percent year-on-year. Loans given by banks—the biggest sub-category of assets stood at 1.99 trillion liras at the end of this September.

Deposits held at the country's banks amounted to 1.63 trillion liras (\$462.2 billion) as of Sept. 29, indicating a 22 percent rise on a yearly basis. The banking sector's regulatory capital to risk weighted assets ratio—a significant indicator to figure out minimum capital requirements of lenders—was at 17.2 percent last month, while it was 16.03 percent in September 2016.

BDDK figures showed that the ratio of non-performing loans to total cash loans—another crucial indicator shows how healthy the banking sector is—stood at 3.04 percent this September, down from 3.31 percent in the same month last year. The Turkish banking sector posted 37.5 billion liras (\$10.7 billion) net profit last year while total assets of the sector stood at 2.73 trillion liras (\$778 billion) as of Dec. 30, 2016.

Ocean drones are trawling for climate change data

CNN, 30.10.2017



A fleet of unmanned boats is traveling from the Arctic to the equator, gathering vital data on climate change. The autonomous vessels called “Saildrones” resemble bright red surfboards.

Each is fitted with a 20-foot-high carbon fiber sail, and 16 sensors that test variables including carbon dioxide, acidity, currents and water temperature. The drones, which cruise at a leisurely 3-5 miles per hour, are doing work typically reserved for manned research ships but for a small fraction of the cost. California-based Saildrone, which raised \$14 million in funding from impact investors last September.

Its drones can be operated for only 5% of the cost of a manned vessel. “Beyond its significant commercial demand in industries ranging from fishing to government, [Saildrone] is helping directly measure and thus combat the effects of climate change,” said Chamath Palihapitiya, founder and CEO of Social Capital, which has invested in Saildrone. It’s not the only company producing ocean drones. Liquid Robotics, which is owned by Boeing (BA), makes surfboard-like “Wave Gliders” that are propelled by wave and solar power, rather than wind. The smaller vessels have logged over 1.4 million nautical miles. Saildrones, meanwhile, have logged a more modest 100,000 nautical miles since the company was founded in 2012. This year, the firm has deployed 20 vehicles for clients including the U.S. National Oceanic and Atmospheric Administration (NOAA).

In July, NOAA sent two Saildrones on a six-month mission to the equator to study the weather phenomenon known as El Nino. Two more set sail for the Arctic Ocean to track melting ice and count fish, seals and whales. Saildrone also works with NASA to calibrate satellites that measure salinity from space, and the U.S. Navy to detect submarines that could be used to smuggle illegal drugs. “The idea is that a fleet of Saildrones can stay at sea essentially permanently ... and extend a sort of border control,” said Saildrone COO Sebastien de Halleux. The company’s ambition is to scale quickly. “Our goal is to deploy 1,000 Saildrones, and that would give us in real time -- in high resolution -- the pulse of the planet,” said de Halleux.

Astana Syria talks fail to reach deal on aid, captives

Anadolu Agency, 26.10.2017



A seventh round of Syria peace talks ended without an agreement on Tuesday in the Kazakh capital, Astana. Parties attending the talks failed to reach an agreement on uninterrupted humanitarian access to the regions under blockade, and the exchange of captives and prisoners, according to sources who attended the meeting.

The guarantor countries --Turkey, Russia and Iran -- agreed to continue to work on the two issues, the sources said. Reading a joint statement from the three countries, Kazakh Foreign Minister Kairat Abdrakhmanov said,

They welcomed progress in the implementation of the memorandum on the creation of de-escalation areas in Syria reached on May 4. The countries emphasized the “significant” reduction of violence on the ground in Syria as a result of measures taken to strengthen and maintain the cease-fire regime, including launching the de-escalation areas and creating the security zones, the Kazakh minister said.

The countries reaffirmed their determination to take all necessary measures to continue to fight against terrorism within and outside the de-escalation areas. They also agreed that there was “no” military solution to the Syrian issue and that it should be solved through political process. Abdrakhmanov said the countries agreed to discuss Russia’s proposal to convene a “Congress of the national dialogue”. He said conflicting parties needed to take “confidence-building measures” including the release of detainees/abductees and the handover of the bodies as well as identification of missing persons, to create better conditions for political process and lasting cease-fire.

The three countries also underlined the necessity to further increase the international humanitarian aid to Syria, and to provide rapid, safe and unhindered humanitarian access. During a news conference after the talks, Russian Special Envoy for Syria Alexander Lavrentiev said the National Dialogue Congress would be held in Russia’s Sochi city. The envoy said that the formation of a transitional government of national unity would be negotiated at the congress, adding “the initiation of constitutional reform in particular is very important”.

Lavrentiev said the issue was also discussed with UN Special Envoy for Syria Staffan de Mistura. “Mistura also said that we should focus on constitutional reform and elections.” According to the Russian Foreign Ministry, the congress will be held on Nov. 18. Addressing the Syrian opposition delegation, Lavrentiev said they did not want any preliminary conditions. “If they are going to set preliminary conditions, and not have a constructive attitude, then they will prove that they are turning down a helping hand. We do not want this to happen. “We will continue to work with the Syrian opposition ... If the opposition side does not attend, they will be at great risk and be out of the political process.”

Syria’s armed opposition, on the other hand, objected to Russia’s congress call saying that Russia should stop the killing of Syrian children in the first place, referring to recent attacks by the Syrian regime in the Damascus suburb of Eastern Ghouta. According to spokesman Yahya Al-Aridi, the opposition group wants to maintain the Geneva and Astana talks, with no changes to the process. As for joining the congress, Aridi said it was “not actually a choice.” “It’s not about choosing whether or not to attend it. There are definite boundaries. It is claimed to be led by the UN, but no one can predict who will join it,” he said.

The next round of Astana talks is expected to be held in the second half of December. The Astana talks, which focused on strengthening a cease-fire that came into effect on Dec. 30, were brokered by Turkey, which backs the opposition, and Russia and Iran, who support Bashar al-Assad’s regime. The two-day meeting in Astana also addressed the release of prisoners and hostages, and humanitarian action on mines. Representatives of the Syrian regime, armed opposition groups, the three guarantor countries, as well as delegations from the UN, Jordan and the U.S. attended the talks. By Selen Temizer, Muhammed Shekh Yusuf and Aliia Raimbekova in Astana, Kazakhstan.

Catalan leader accepts elections but stays in Brussels

Anadolu Agency, 01.11.2017



Carles Puigdemont, the dismissed president of Catalonia, said on Tuesday he plans to remain in Belgium until Spain offers him legal guarantees of a fair trial.

Puigdemont also announced he would accept the results of snap Catalan elections to be held on Dec. 21, called by Spanish Prime Minister Mariano Rajoy after Spain’s central government took direct control of the separatist region. “Wherever there are ballot boxes, we will be there,” said the pro-separatist politician, who could face 30 years behind bars after Spain’s public prosecutor announced on Monday.

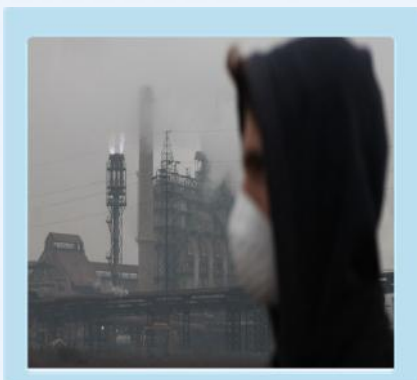
He is seeking charges of rebellion, sedition and misuse of funds against Catalan government leaders for last Friday's declaration of independence. The Catalan leader said on Tuesday he is not seeking asylum in Belgium, but will stay in Brussels until he can be sure he will get a fair trial in Spain. Five other dismissed Catalan politicians have accompanied him. "It's not a question of Belgium, it's that Brussels is the capital of Europe. I'm here to act with freedom and safety," Puigdemont said, adding he decided to leave so he would not subject his compatriots to a violent crackdown from Spain.

Puigdemont also announced that those pro-separatist politicians who remain in Catalonia will continue their work in the region, despite the fact that they have been fired by Spain's central government. Shortly after his speech, key Catalan politicians, including the former vice-president, appeared in the regional parliament in Barcelona according to images from local broadcasters. "None of us have abandoned our positions," Puigdemont added, after being widely accused of fleeing the country by Spanish media.

Puigdemont also called on groups throughout Catalonia, including trade unions, to non-violently resist Spain's direct rule and the possible "dismantling" of Catalan institutions. Later on Tuesday, Belgian Prime Minister Charles Michel insisted in a statement that Puigdemont had not been invited by the Belgian government, adding: "Mr. Puigdemont has the same rights and duties as all European citizens, no more, no less." This comes after Belgium's state secretary for asylum and immigration, Theo Francken commented on Sunday that Puigdemont could seek political asylum in Belgium, a comment later condemned by Michel.

UN calls for action to implement climate goals

Anadolu Agency, 31.10.2017



Governments and non-state actors need to deliver an urgent ambitious drive to ensure the Paris Agreement goals can still be met, according to a UN Environment Program statement on Tuesday.

The 8th edition of United Nations Environment's Emissions Gap report found that national pledges are only achieving a third of emissions reduction to meet climate targets by 2030 with private sector and sub-national action not increasing at a rate that would help close this worrying gap, the report showed.

The Paris Agreement looks to limit global warming to under 2 degrees Celsius, with a more ambitious goal of 1.5 degrees Celsius also on the table. The report found that current Paris pledges make 2030 emissions likely to reach 11 to 13.5 gigatonnes of carbon dioxide equivalent (GtCO₂eq) above the level needed to stay on the least-cost path to meeting the 2 degrees Celsius target.

“Meeting these targets would reduce the likelihood of severe climate impacts that could damage human health, livelihoods and economies across the globe,” the UN noted, adding that, however, even the entire implementation of current unconditional and conditional Nationally Determined Contributions makes a temperature increase of at least 3 degrees Celsius by 2100 very likely. Governments need to deliver much stronger pledges when they are revised in 2020, the UN asserted, warning that should the U.S. follow through with its stated intention to leave the Paris Agreement in 2020, the picture could become even bleaker.

Investing in technology is key to success to avoid overshooting the Paris goals. The UN declared that governments, including those that update their Paris pledges, the private sector, cities and others need to urgently pursue actions that will bring deeper and more-rapid cuts. The report lays out ways to do so, particularly in agriculture, buildings, energy, forestry, industry and transport.

“Technology investments in these sectors – at an investment cost of under \$100 per tonne of CO₂ avoided, often much lower – could save up to 36 gigatonnes of GtCO₂eq per year by 2030,” it explained. Much of the potential across the sectors comes from investment in a few areas: solar and wind energy, efficient appliances, efficient passenger cars, afforestation and stopping deforestation, it said, underlining that focusing only on recommended actions in these areas – which have modest or net-negative costs – could cut up to 22 GtCO₂eq by 2030. These savings alone would put the world “well on track” to hit the 2 degrees Celsius target and unlock the possibility of reaching the aspirational 1.5 degrees Celsius target, the UN asserted.

Norway's sovereign fund returns \$23.5 billion in 3Q17

Anadolu Agency, 31.10.2017



Norway's state pension fund returned 3.2 percent in profits, or 192 billion Norwegian kroner (\$23.5 billion), in the third quarter of 2017, the sovereign wealth fund's management, Norges Bank Investment Management (NBIM) announced on Tuesday.

NBIM said that equity investments returned 4.3 percent, while fixed-income investments returned 0.8 percent and investments in unlisted real estate returned 2.7 percent. Yngve Slyngstad, chief executive officer of Norges Bank Investment Management said;

“We have had positive results in all asset classes so far this year, and especially the return on our equity investments has been very good,” Slynstad said this quarter’s return on equity investments was driven by economic growth globally and good results from the companies. According to NBIM, the fund has seen positive returns over six consecutive quarters. However, Slynstad warned that, “We must be prepared for volatile stock markets, and cannot expect such a return every quarter.” As of Sept. 30, 2017, the fund’s market value totaled 7.9 trillion kroner (\$967 million), of which 65.9 percent was invested in equities, 31.6 percent in fixed income and 2.5 percent in unlisted real estate.

US job creation surges in October: Payroll firm

Washington Post, 01.11.2017



The U.S. private sector saw job creation rebound strongly in October, after being tamped down in the prior month by back-to-back hurricanes, payroll firm ADP reported Nov. 1.

The surge beat the consensus estimate among economists and was in line with analysts’ expectations for an even bigger rebound in the key government jobs report due out Friday. Total private employment jumped by 235,000 last month, after a rise of just 110,000 in September, which was the lowest in nearly a year and worse than originally reported, according to the data.

The increase was driven by huge improvements in the services sector, which added 150,000 new positions, and the goods producing sector, which increased by 85,000. Construction added 62,000 jobs, the biggest jump since February 2006, helped by hurricane recovery hiring. “The job market rebounded strongly from the hit it took from Hurricanes Harvey and Irma,” Mark Zandi, chief economist of Moody’s Analytics, said in a statement. “Resurgence in construction jobs shows the rebuilding is already in full swing.”

Ahu Yildirmaz, vice president and co-head of the ADP Research Institute, noted that small businesses “rebounded well from the impact of Hurricanes Harvey and Irma, posting very strong gains.” The data showed small businesses, with less than 50 employees, added 79,000 employees after seeing declines in September, while large business added 90,000. The two hurricanes wreaked havoc in Texas and Florida over a two-week period beginning in late August, although the damage in Florida was less severe than feared. Economists say the United States is likely to see a rebound in hiring in the months after the storms, with reconstruction efforts causing a bump in demand for services and labor.

The consensus forecast is for total nonfarm payrolls to surge 300,000 in October, with a slightly larger increase for private payrolls, after plunging 33,000 in September. The ADP report covers 411,000 firms and 24 million workers and as used as a signal on the overall labor market, even while it does not always track the official data closely, since they use different data.

US has 150 nuclear weapons in five NATO countries: Turkish Parliament report

Hurriyet Daily News, 31.10.2017



The United States has a total of 150 nuclear weapons in five NATO member countries, including Turkey, according to a report on worldwide nuclear arms prepared by the Turkish Parliament. The report, titled “Data on Nuclear Weapons,” said there were around 15,000 nuclear weapons at 107 sites in 14 countries as of July this year.

“Nearly 9,400 of these weapons are in arsenals for military use and the rest are standing idle to be destroyed,” the report read. It added that some 4,150 of the weapons in arsenals are ready to be used at any minute.

While 1,800 are in “high alarm” status, which means they can be prepared for use in a short period of time. According to the report, 93 percent of the world’s nuclear weapons belong to Russia and the U.S. The report also said that nuclear weapons belonging to the U.S. are present in five NATO countries that do not themselves have nuclear weapons.

Saying there are nuclear weapons belonging to the U.S. in five NATO countries that do not have nuclear weapons. “There are nearly 150 U.S. nuclear weapons in six air bases in Belgium, Germany, Italy, the Netherlands and Turkey, which are NATO countries that don’t themselves own nuclear weapons,” it added. The U.S., China, Russia, France and Britain are nuclear-armed state parties to the Treaty on the Prohibition of Nuclear Weapons, while India, Pakistan and Israel never became parties even though they own nuclear weapons.

According to the data in parliament’s report, Russia has 7,000 nuclear weapons, the U.S. has 6,800, France has 300, China has 260, Britain has 215, Pakistan has 130, India has 120, Israel has 80 and North Korea has 10 nuclear weapons. During the Cold War, the U.S. placed nuclear weapons in NATO countries, including Turkey, as part of the organization’s nuclear sharing program. Some of the nuclear weapons placed in the 1960s are still in Turkey today.

At the time, negotiations were carried out between Ankara and Washington in the 1950s and they were concluded at the beginning of the 1960s. Among those weapons, B61 type bombs are still in the Incirlik air base in the southern Turkish province of Adana. Nuclear warhead Jupiter missiles that were sent to the country during the same time period were only kept in the country between 1961 and 1963. According to data from the Federation of American Scientists (FAS), the number of B61s in Turkey is estimated to be nearly 50.

If the price of oil goes up, the appetite for social and economic reform will go down: IMF

CNBC, 31.10.2017



Changes abound in the Middle East and North Africa, but the pace of economic and social reforms needs to increase, according to one senior voice at the International Monetary Fund (IMF).

Global growth will be 3.6 percent for the fiscal year of 2017, with this falling to 2.6 percent for the Middle East, North Africa, Afghanistan and Pakistan region, according to the IMF's 2017 Regional Economic Outlook for the Middle East and Central Asia report out Tuesday. Jihad Azour, the IMF's director for its Middle East and Central Asia department, told:

"Reforms are now accepted by all as a positive move toward creating additional growth." But he added, "If we don't grow at 6 and 7 percent it's going to be very difficult to find enough jobs for the 25 million young men and women that will enter the labor market in the region in the next five years." Azour discussed Saudi Arabia's impetus to "genuinely move into a private sector-led economy." For him, the Kingdom needs to improve "access to finance, by reforming the financial sector; access to talent, by reforming education; (and) access to market by opening up the economy and improving the business environment."

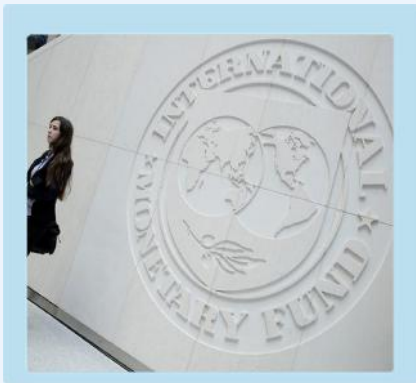
"Sequencing and keeping the momentum is important" in achieving this, he added. "The region is recognizing the importance of the new cycle," Azour said, referring to a broader global economic recovery. "Yet they need to do more reforms in order to fully benefit from it." A key challenge facing the MENAP region was complacency resulting from higher oil prices. "If the oil price will go up, then the appetite for reform will go down," Azour warned. Also pressing on decision-makers was conflict and geopolitical issues arising in the region, as well as global risks such as tightening monetary policy and "inward looking policies in the West."

Azour cited Egypt as an example of a country that had begun to turn its economy around, with capital flows, exports and tourism — among other things — on the up. But, he described the need to “consolidate” progress in the country. This included addressing structural issues in its business environment. The Egyptian state needs to become an “enabler, rather than an operator,” he said. Azour also cited social issues to be tackled, including education and allowing women to participate more in the economy. According to the IMF’s report, growth for Egypt, which has seen major political upheaval in recent years, remains unchanged at 4.3 percent for the fiscal year 2017.

Azour described the impact of sanctions imposed by several Arab countries on regional neighbor Qatar as “mostly muted,” due to the Qatari authorities responding quickly to cushion any blows to the state’s trade and capital flows. “The non-oil sector will grow at 4.7 percent, a little less than what we had expected six months ago,” he said. But overall, “the impact has been absorbed.” Azour disagreed that the crisis had been overblown, but said that its impact on the oil price was “minimum or even non-existent.”

IMF policies undermine human rights: UN expert

Washington Post, 25.10.2017



The International Monetary Fund’s lending policies are undermining United Nations human rights and development goals, an independent expert commissioned by the U.N. said on Oct. 18.

In nations facing poverty and health crises, the global crisis lender’s conditions on support can weaken social spending and hinder countries’ respect for human rights, increasing unemployment, lowering labor standards and harming public health and the environment, according to a report by the expert.

“The human rights dimension in lending can no longer be ignored,” said its author, Alfred de Zayas, appointed by the U.N.’s Human Rights Council and tasked with promoting fairness in the international order. “I deplore the fact that the lending practices of the international financial institutions sometimes go against the aims of the United Nations, not just in the field of human rights, but also in achieving the Sustainable Development Goals.”

In his report, de Zayas said the IMF insisted on aggressive privatization and austerity measures. Following political crises and in times of debt and economic distress in Greece, Argentina and Tunisia, the report said, IMF policies imposed “extreme conditions” that required cuts to social spending while millions lacked health care or were jobless but not receiving unemployment benefits. This year, according to de Zayas, the IMF suspended loan disbursements to Tunisia while demanding the privatization of state-owned banks and the abolition of 10,000 public sector jobs.

The U.N. expert also cited academic commentary according to which conditions on IMF support -- which required borrowers to demonstrate rapid growth and conservative fiscal policies -- weakened African countries' ability to respond to the 2014 Ebola epidemic. IMF representatives told AFP they had no comment on the U.N. report and referred questions to a recent statement from the Fund's steering committee, which welcomed IMF support for achieving the U.N. Sustainable Development Goals, which call for eradicating poverty by 2030.

Wall Street closes higher with rise in Nasdaq, tech

Anadolu Agency, 31.010.2017



Wall Street inched to a higher close Tuesday to end the month with gains, thanks to a rise in tech stocks and another record finish for Nasdaq.

The Dow added 28 points to end at 23,377. The S&P 500 rose two points to finish trading at 2,575. The Nasdaq increased 28 points to close at 6,727. The index has closed at record levels 62 days this year. That last time that happened was 1980. The Dow rose 4.3 percent in October, the S&P added 2.2 percent, and the Nasdaq gained 3.5 percent. Apple gained 1.4 percent to \$169.04 -- a new record for the company that now has a market capitalization of \$873 billion.

The firm with the world's biggest market value will have its newest iPhone X model in stores Friday, and may continue to see its shares climb, according to experts.

Trump expected to nominate Powell as Fed chair

Anadolu Agency, 31.10.2017



President Donald Trump will likely announce his intention to nominate Federal Reserve Governor Jerome Powell as the next head of the U.S. central bank, news reports said Monday.

Trump is expected to reveal his choice on Thursday. Stanford University economist John Taylor and current Fed chairman Janet Yellen, whose term expires in February, have also been under serious consideration. Markets are giving Powell an 82 percent chance of winning, according to political predictions website Predictit, which give both Taylor and Yellen less than 20 percent odds.

Powell is expected to continue the Fed's current monetary policies which have led to four interest rate hikes since December 2015. But he is also known for being close to Trump on the view that financial regulations are hurting the American economy. "Regulation should always take into account the impact it has on markets," he said at a conference on Oct. 5 hosted by the New York Fed. "More regulation is not the best answer to every problem."

Powell became a Fed governor in May 2012 after being a partner in private equity firm the Carlyle Group between 1997-2005. He also served as an assistant secretary and as undersecretary of the Treasury Department under President George H.W. Bush, according to his biography on the Fed's website.

Bitcoin hits new record after plans to offer futures

CNBC, 31.10.2017



Bitcoin climbed to a new record high Tuesday after one of the world's largest options and futures exchanges announced plans to offer contracts of the digital currency in the fourth quarter.

CME Group Chairman and CEO Terry Duffy said in a statement the company's decision was driven by the "increasing client interest in the evolving cryptocurrency markets." The cryptocurrency jumped nearly 5 percent to as high as \$6,420 after the announcement. As global demand for cryptocurrencies increases,

Bitcoin has attracted the most interest, rising 48 percent since the beginning of October, and approximately 560 percent year-to-date. The CME Group, which operates some of the largest exchanges in New York, Chicago, and London, said its decision is pending regulatory review. Bitcoin is a form of digital currency, created and held electronically. It is a decentralized digital currency without a central administrator and the move by CME raises questions about how much regulation may be introduced to the deregulated market. Bitcoin is currently not listed on any of the world's major exchanges.

The Chinese government in September banned initial coin offerings, a means of raising funds by selling off new digital tokens, and cryptocurrency exchanges. But in mid-October, China reportedly resumed the trading of Bitcoin and other cryptocurrencies by using more regulations.

Announcements & Reports

The time is right for a European Monetary Fund

Source : Bruegel
Weblink : <http://bruegel.org/2017/10/the-time-is-right-for-a-european-monetary-fund/>

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

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

Actualising East: India in a Multipolar Asia

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

Upcoming Events

13th Asia Europe Economic Forum (AEEF)

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

Emerging Markets and Europe: Time for Different Relationships?

Date : 27 December 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships/>

What future for Europe's Social Models?

Date : 27 December 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/>

Challenges for Growth in Europe

Date : 27 December 2017
Place : Brussels - Belgium
Website : <http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/>

Global Governance of Public Goods: Asian and European Perspectives

Date : 28 December 2017
Place : Paris - France
Website : <http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives/>

The Future of the Welfare State

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

Vision Europe Summit 2016

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