

## Turkey's Davutoglu visits KRG to boost ties

Today's Zaman, 05.03.2014



Turkish Foreign Minister Ahmet Davutoglu landed in Arbil, the capital of the Kurdistan Regional Government (KRG) of northern Iraq, on Tuesday, to boost already blossoming relations between the regional administration and Ankara as both sides move forward towards further cooperation in the field of energy.

Attending a regional meeting, the Sulaimaniya Forum, which is regarded as one of the rising summits bringing together businessmen and diplomats from the region, Davutoglu offered a gesture to the audience by delivering his opening remarks in KRG.

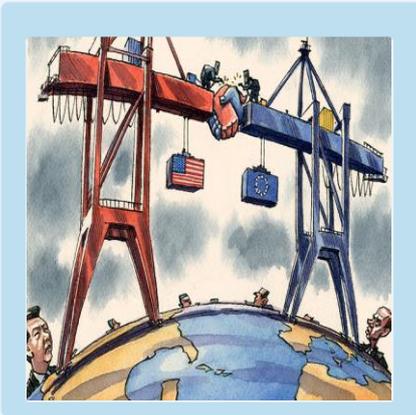
Davutoglu was given a standing ovation after finishing his remarks, in which he mostly focused on ways to improve relations in a number of fields. "Our generation grew up with the mentality deeming Kurds a threat (to Turkey). Kurds are not a threat but our friends. We no longer view anyone as a threat," said Davutoglu, adding that "Turk, Kurd have been left behind. We can only win if stand next to each other shoulder to shoulder. If we fight (each other), we all lose." Drawing a comparison to contemporary European history, Davutoglu said one individual one day will be able to travel from Istanbul to Basra without interruption at the border, just as Europeans experienced the lifting of the borders.

He also offered his best wishes to Iraqi President Jalal Talabani, who is undergoing medical treatment in Germany. Davutoglu said Ankara wants to see an end to the rift between Arbil and Baghdad, which have been locked in an unsettled dispute over oil exploration and export rights in northern Iraq, with the KRG claiming that it can strike deals with foreign companies without the approval of the central government in Baghdad as well as export oil to foreign countries, such as Turkey. The oil row has left recent oil transport deals between Arbil and Ankara in limbo, and a resolution is nowhere in sight. As death toll heavily takes on Iraq's fragile political and social stability, Davutoglu said sectarian strife must end, reiterating Turkey's commitment to preserving Iraq's territorial integrity.

Iraqi Foreign Minister Hoshyar Zebari and KRG Prime Minister Nechirvan Barzani also attended the meeting. Barzani argued that the KRG is determined to pursue its interests despite unending threats from Baghdad, claiming that the regional government's policies do not violate the Iraqi constitution. Commenting about the summit, Zebari pointed to the progress in Turkey's Kurdish issue, with a minister now addressing the audience in the Kurdish language, a rare gesture considering how a Kurdish deputy, Leyla Zana, was jailed in the early 1990s for speaking Kurdish in the Turkish Parliament.

# US wants Turkey to negotiate with EU to join Transatlantic trade pact

Hürriyet Daily News, 06.03.2014



US would prefer Turkey to join a U.S.-European Union trade pact by agreeing on a scheme with the latter, instead of signing a separate deal with Washington, the U.S. president's adviser has said.

Speaking during a press meeting held before an ICC board meeting held in Ankara March 6, Harold McGraw, who is also the chairman of McGraw-Hill Companies that owns the credit rating agency Standard & Poor's, answered reporters' questions over Turkey's role in a proposed Transatlantic Trade and Investment Partnership (TTIP) between the U.S. and EU and Turkey's economic outlook.

Saying both the EU and the U.S. were enthusiastic about the deal that would form a massive merchandise alliance, he said the negotiations could continue for at most 24 months but added that he hoped to achieve a result even earlier. The two account for almost half of the world economy and more than a third of global trade, with the two-way trade in goods alone worth more than \$2 billion a day. Regarding Turkey's role in such an agreement, McGraw said: "The situation depends on Turkey's relationship with the EU. If Turkey becomes an EU member, it would automatically become a member of the TTIP as well." Turkey has been asking to join the process, not only to join the world's biggest prospective trade alliance, but also to avoid the potential damage to the country because of its Customs Union agreement with the EU.

The free trade deals between the EU and third parties enable other countries' goods to enter Turkish markets via Europe with zero duties, yet the decision to provide the same privileges to Turkey is up to the third party. Ankara has supported a Turkey-U.S. free trade deal as an alternative formula in order to avoid Turkey's exclusion from the TTIP agreement. However, McGraw said March 6 that even if this were "possible," the U.S. would prefer Turkey's participation via Brussels. "It (the U.S.-Turkey trade deal) could happen, but our focus is on the Transatlantic and Turkey's inclusion into the partnership through the EU," he said. Touching on the tough time the Turkish economy has been experiencing in his remarks, McGraw dubbed the developments as "temporary," downplaying the impact of political risks on long-term growth.

# President Gul warns against new Cold War over Ukraine crisis

Hürriyet Daily News, 06.03.2014



Starting a new cold war is in nobody's interest and would be dangerous for everyone, President Gul warned March 5, referring to tension between Western and Russia over Ukraine. "Tension must be avoided and problems should be solved through diplomacy. International law must be observed for this objective," Gul said at a press conference.

The Polish president came to Turkey to celebrate the 600th anniversary of diplomatic relations between the two countries. Turkey believes in the political unity and territorial integrity of Ukraine, Gul said, adding that the Crimean peninsula was also part of Ukraine's territorial integrity.

Turkey and Poland are two countries with interests in the Black Sea, so developments in the region concern both nations, the president said, noting that Turkey was one of the first to establish contact with the new administration in Ukraine after President Viktor Yanukovich departed following demonstrations against his rule. For his part, Komorowski said Turkey and Poland agreed in their views regarding Ukraine, including Crimea. "We believe that Crimea should stay in Ukrainian territory." Elaborating on bilateral relations with Turkey, the Polish president said they wanted to strengthen business ties.

Meanwhile, Prime Minister Recep Tayyip Erdogan held a phone conversation with Russian President Vladimir Putin late March 4. Erdogan said it was largely up to Ukrainians to resolve their country's crisis, adding that instability in the Black Sea nation would have regional repercussions, according to Turkish sources. "Both sides expressed confidence that in spite of the aggressive actions by radical and extremist Maidan forces, interethnic and interfaith peace and order will be ensured in Crimea. Vladimir Putin and Recep Tayyip Erdogan agreed to maintain communication on this matter at various levels," a written statement from Russia's Ankara embassy said.

## Iran: Revolutionary Guard has multiple-warhead missiles

Haaretz, 05.03.2014



Western sanctions can't stop Iran from boosting its ability to deter attack, Tehran says. Iran said that its powerful Revolutionary Guard has acquired missiles with multiple warheads; a step that it said is a major boost of its defense capabilities.

The claim by Defense Minister Dehghan is the latest reported advance in Iran's domestic missile production program. He says Western sanctions have not stopped the Islamic Republic from augmenting its ability to deter its enemies from attacking it - a reference to Israel and the U.S. His comments were posted on the Revolutionary Guard website.

Iran regularly announces breakthroughs in military technology that are impossible to independently verify. But the Pentagon released a rare public report in 2012 noting significant advances in Iranian missile technology, acknowledging an improvement in accuracy and firing capabilities.

## Iran says Persian Gulf islands belonging to Iran rooted in history

Mehr News, 05.03.2014



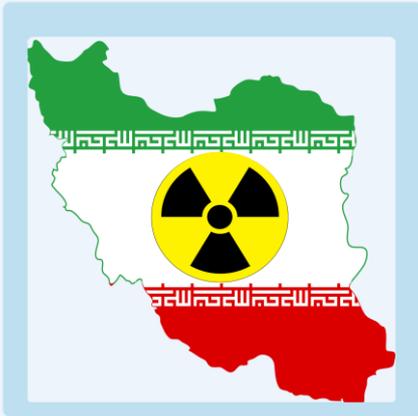
Iran's Foreign Minister Spokeswoman has said Wednesday the 3 Persian Gulf islands' belonging to Iran is an undeniable historical fact.

IRNA quoted Foreign Ministry Media Bureau that in reaction to the statement issued during the 131st Meeting of PGCC Foreign Ministers, she said that the three islands of Lesser and Greater Tunbs and Abu Musa belonged to Iran since the ancient times and repeated claims on them are baseless. "Accusations leveled against Iran regarding Bahrain's internal situation are totally unfounded," Afkham said.

Iran's principled policy regarding neighboring states are based on good neighborliness, mutual respect and non-interference in other countries' affairs, she said, noting that the efforts of the PGCC to attribute the problems in Bahrain to others originated from those officials' inattention towards legitimate public demands and are aimed at diverting public opinion from realities in the Arab state.

# Iran, powers start final expert level N-talks in Vienna

Mehr News, 05.03.2014



Iran and world Powers has started the 1st round of final expert level nuclear talks in Vienna. This round of negotiations is a prelude to upcoming negotiations on March 17-20 between Iran and Powers in Vienna.

Negotiations will be held in the sidelines of IAEA Board of Governors' meeting which will address Iran's Iran nuclear issue. International Atomic Energy Agency Director General Yukia Amano said earlier on Monday that nuclear deal between Iran and Powers was implemented as planned. The measures implemented by Iran, and the further commitments it has undertaken, represent a positive step forward.

But much remains to be done to resolve all outstanding issues, Amano said. Iran's head of nuclear expert level negotiating is Hamid Baidinejad who is Iran's chief of political office of foreign ministry. Two experts from Iran Atomic Energy Organizations are also accompanying Baidinejad. Speaking on the sidelines of 15th session of Assembly of Experts, Abbas Araghchi told Tuesday "this round of negotiations will be held in a framework of final negotiations between Iranian negotiators headed by Mr. Baidinejad and the world Powers in Vienna tomorrow." In accordance to the agreements between Iran and Powers both sides will hold 6 rounds of negotiations till July 2014 which is the designated dead line of the first interim deal in Geneva. Next round of negotiations will be held on March 17-20 between Iran and Powers with Iran's foreign minister Mohammad Javad Zarif and EU foreign policy chief Catherine Ashton as heads.

## A separated peace

Politics Syndicate, 05.03.2014



Back in 1996, Binyamin Netanyahu won a general election by mobilizing large constituencies against then-Prime Minister Shimon Peres's alleged intention to "divide Jerusalem." Nearly two decades later, Netanyahu remains committed to old, vacuous slogans about a "united Jerusalem" – a conviction that could, yet again, unravel the Israel-Palestine peace process.

As US Secretary of State John Kerry prepares to present a framework agreement for a conclusive round of Israeli-Palestinian peace negotiations, Netanyahu's hardline position on Jerusalem is simply a non-starter.

In a last-ditch effort to improve the proposal's chances of success, US President Barack Obama – who has largely avoided taking a proactive role in the peace process during his second term – met with Netanyahu at the White House to urge him to moderate his position. But changing Netanyahu's mind will not be easy – not least because of the domestic political pressure that he faces. Since Israel captured East Jerusalem in the 1967 Six-Day War, the country's political class has championed the city as Israel's "united eternal capital" – a vision that they remain unwilling to abandon. The problem is that no serious negotiation with the Palestinians could accommodate this position. Jerusalem's Arab population – which already accounts for more than 40% of the total – is growing by 3.5% annually, compared to 1.5% among Israelis.

Once this sizeable swath of voters begins participating in municipal elections – which they have so far avoided, lest they be viewed as legitimizing Israeli rule – control of the city council is likely to pass to a Palestinian majority. Peres understood that a Jerusalem united under exclusively Israeli rule was not feasible, assuring Norway's foreign minister in a 1993 letter – critical to the conclusion of the Oslo accords – that Israel would respect the autonomy of Palestinian institutions in East Jerusalem. Likewise, in 2000, Prime Minister Ehud Barak endorsed the Clinton Parameters, which called for Jerusalem's division into two capitals along ethnic lines. Prime Minister Ehud Olmert followed suit in his 2008 peace proposal to Palestinian Authority President Mahmoud Abbas; he also recommended internationalizing the Old City's administration.

Yet Netanyahu and his supporters remain adamant that Jerusalem will not be split. What they fail to grasp is that the 1980 Jerusalem Law, which declared the city – "united in its entirety" – to be Israel's capital did not actually result in unity. The subsequent effort to "Israelize" the city, by building a network of Jewish neighborhoods in Palestinian-dominated East Jerusalem, has failed to secure a solid Jewish majority, largely owing to the unwillingness of middle-class Israelis to settle there. Indeed, not only has the settlement project turned East Jerusalem into a hub of political and social tension, but the high financial cost – more than \$20 billion in total – forced the diversion of limited resources from growth-oriented investment in West Jerusalem. As a result, Jerusalem has become Israel's poorest city.



Unsurprisingly, the 200,000 members of Israel's liberal and prosperous middle class that abandoned the city in the last 20 years find Tel Aviv – Israel's economic capital, and a center of technology-driven growth – far more appealing. Complicating the situation further is the division between secular Israelis and the fanatic Orthodox communities whose rejection of the secular state and yearning for a society based on the strictest interpretation of Halacha epitomize a deep-seated fear of Arabs and an uncompromising distrust of gentiles. Such communities, which comprise 30% of Jerusalem's population, make the notion of a united, peaceful Jerusalem farfetched, at best. In 1966, a year before Israeli paratroopers ostensibly united Jerusalem, the composer Naomi Shemer sang of, "the city that sits solitary, and in its heart a wall." Today, the wall dividing Jerusalem is not made of concrete or brick – but that does not make it any less real.

This enduring division is exemplified in the contrast between municipal services and infrastructure in the city's Jewish and Arab neighborhoods. Of course, to some degree, Jerusalem's Palestinian residents benefit from Israel's advanced social-security and health-care systems, the likes of which their brethren in the Palestinian Authority can only imagine. Nonetheless, they continue to identify themselves as Palestinian, with only 10,000 of Jerusalem's 300,000 Palestinian residents having agreed to apply for Israeli citizenship. But the Jerusalem issue is subject to an even more fundamental confusion: What are Jerusalem's actual boundaries? In the cavalier spirit that prevailed after 1967, the Israeli government extended the city's boundaries from 10,875 acres to more than 31,000 acres.

Netanyahu's claim that this extended Jerusalem is the biblical capital of the Jewish people is a historical travesty. A Jerusalem controlled by non-productive Orthodox Jewish communities and disenfranchised Palestinians is destined for economic and political collapse. Kerry's plan to divide the city along ethnic lines amounts to Israel's last chance to avoid such an outcome and legitimize the city as its internationally recognized capital. By agreeing to a divided Jerusalem, Netanyahu would be initiating the long-overdue departure from the hubris and megalomania that has brought the city to its current state of stagnation and isolation. Giving up on a "united" Jerusalem is the only way to secure the city's "eternal" status.

## Russia's Crimean shore?

Politics Syndicate, 02.03.2014



In his 1979 novel *The Island of Crimea*, Aksyonov imagined the region's flourishing independence from the Soviet Union. Aksyonov, a dissident writer who immigrated to America shortly after the book's samizdat publication, is now lauded as a prophet. But his prophecy has been turned on its head: Today's Crimea does not want independence from Ukraine; it wants continued dependence on Russia.

Traditionally the gem in the imperial crown, a lavish playground of czars and Soviet commissars – and, more important, the home of the Russian Navy's Black Sea Fleet – Crimea became part of Ukraine under Nikita Khrushchev.

After the Soviet Union collapsed in 1991, Russian President Boris Yeltsin apparently forgot to claim it back, so Ukraine kept a territory in which nearly 60% of the two million inhabitants identify as Russians. In defense of Khrushchev, whether Crimea was part of Russia or Ukraine hardly mattered. After all, they were all part of the Soviet empire. But in the last 20 years, Russia has sought to retake the peninsula. The Kremlin has been rumored to expedite passport applications for Crimean residents, and its allies – for example, Aleksei Chalyi, Sevastopol's new mayor – populate its political offices. And now Ukraine's fugitive ex-president, Viktor Yanukovich, is reported to have taken refuge there as well.

Busy with the Sochi Olympics and wary of an international debacle, Russian President Vladimir Putin maintained almost complete public silence as Ukraine's crisis reached its bloody crescendo. In fact, Putin's manipulation of Yanukovich – forcing him to renege in November on Ukraine's plan to sign an Association Agreement with the European Union, and to enact a harsh anti-protest law the following month – ended in disgrace for the Kremlin: Kyiv is now firmly in the hands of pro-Western forces. But the seemingly spontaneous resolve of some Crimean Russians to rejoin Mother Russia is allowing Putin to wipe some of the egg off his face. After all, pleas from Crimea for fraternal Russian support appear to justify Putin's backing for the dithering, venal, and now widely despised Yanukovich.

So the big question now is whether Putin will seize on the restiveness of Russians in Crimea (and eastern Ukrainian cities like Kharkiv) to recover parts of former Soviet territory, as he did with Georgia's Abkhazia and South Ossetia regions after the 2008 war. If so, the long-term strategic costs could be enormous. The Northern Caucasus and its vicinity already is a tinderbox; acquiring more territory with disaffected Muslims would undoubtedly yield further security challenges. After all, the formerly Ottoman Crimea has long been home to the Tatars, who bear a massive historical grudge against the Kremlin, owing to their forced removal by Stalin to the Central Asian steppes. Today, they compose 12-20% of the Crimean population (depending on who is counting); but, threatened by Putin's repressive policies toward other Muslims, they might well renew their call for all Tatars to return.



If more Tatars do settle in Crimea, Russia's neo-imperial project, already facing an Islamist insurgency in Chechnya and Dagestan would become all but untenable. That much should be clear to virtually everyone, if not to Putin, whose obsession with short-term tactical victories – which usually take the form of poking the United States in the eye – can also be seen in Syria. Putin's gains there – arranging for chemical disarmament by June of this year, or orchestrating the Geneva talks on ending the civil war – have no beneficial endgame for Russia. The Geneva conference ended earlier this month in a stalemate between President Bashar al-Assad's government and its opponents. The regime's request to delay the elimination of its chemical-weapons arsenal has created a new disagreement, with Russia, China, and Iran calling for a flexible timetable, while the US and the European Union continue to insist on the June deadline.

In the meantime, Russia is increasingly loathed across the Middle East, including in strategically important Turkey, for backing the murderous Assad. Investing in incompetent or brutal partners is Putin's signature diplomatic trait. But perhaps even he has come to understand that backing such people is doomed to failure. A breakthrough of sorts may have come this past weekend when, after vetoing three previous resolutions, Russia finally agreed with Western and Arab-backed calls for Syria's government and opposition forces to provide immediate access to humanitarian aid. Or perhaps the possibility of regaining full sovereignty over Crimea has led Putin to reconsider the value of retaining Syria's Mediterranean port of Tartus for the Russian Navy.

But Putin's greatest strategic derangement concerns China. Voting with Russia against the West to keep Assad in power does not make the world's most populous country a reliable partner. If China concludes that its geopolitical interests, particularly in dealing with the US, would be best served by detaching itself from Putin, it will not hesitate to do so. Moreover, China still regards large chunks of Russian Siberia as its own stolen territory. If there is one objective that unites the Chinese political establishment, it is recovery of lost territory, no matter how long it takes. President Xi Jinping may smile and tell Putin how similar they are, but he will happily move to subordinate Russia with every passing year.

# Crimea votes to join Russia, setting referendum on March 16

Hürriyet Daily News, 06.03.2014



Crimea's Parliament voted to join Russia on March 6 and its Moscow-backed government set a referendum within 10 days on the decision in a dramatic escalation of the crisis over the Ukrainian Black Sea peninsula.

The sudden acceleration of moves to bring Crimea, which has an ethnic Russian majority and has effectively been seized by Russian forces, formally under Moscow's rule came as European Union leaders gathered for an emergency summit to find ways to pressure Russia to back down. The Crimean parliament voted unanimously "to enter into the Russian Federation with the rights of a subject of the Russia."

The Vice prime Minister of Crimea, home to Russia's Black Sea military base in Sevastopol, said a referendum on the status would take place on March 16. He said all state property would be "nationalized", the Russian roble could be adopted and Ukrainian troops would be treated as occupiers and be forced to surrender or leave. The announcement, which diplomats said could not have been made without Russian President Vladimir Putin's approval, raised the stakes in the most serious east-west confrontation since the end of the Cold War. The new Ukrainian government has declared the referendum illegal and opened a criminal investigation against Crimean Prime Minister Sergei Askynov, who was appointed in a closed session by the region's parliament last week.

The Ukrainian government does not recognize his authority or that of the Parliament. A Crimean Parliament official said voters will be asked two questions: should Crimea be part of the Russian Federation and should Crimea return to an earlier constitution (1992) that gave the region more autonomy? "If there weren't constant threats from the current illegal Ukrainian authorities, maybe we would have taken a different path," Deputy Parliament Speaker Sergei Tsekov told reporters outside the parliament building in Crimea's main city of Simferopol. "I think there was an annexation of Crimea by Ukraine, if we are going to call things by their name. Because of this mood and feeling we took the decision to join Russia. I think we will feel much more comfortable there."

U.S. President Barack Obama took steps to punish those involved in threatening the sovereignty and territorial integrity of Ukraine, ordering the freezing of their U.S. assets and a ban on travel into the United States. The U.S. Navy announced a guided-missile destroyer, the USS Truxton, was heading to the Black Sea in what it said was a long-planned training exercise and not a show of force. Russian Foreign Minister Sergei Lavrov, who had refused to meet his Ukrainian counterpart on March 6, had talks with U.S. Secretary of State John Kerry in Rome. Earlier, Kerry also met his counterparts from Britain, Germany, Italy and France to discuss Ukraine and inform them of U.S. plans to sanction individuals and officials.



The White House said the order was “a flexible tool that will allow us to sanction those who are most directly involved in destabilizing Ukraine, including the military intervention in Crimea, and does not preclude further steps should the situation deteriorate.” But the EU summit in Brussels seemed unlikely to adopt more than symbolic measures against Europe’s biggest gas supplier, because neither industrial powerhouse Germany nor financial center Britain is keen to start down that road. The short, informal EU summit will mostly be dedicated to displaying neither support for Ukraine’s new pro-Western government, represented by Prime Minister Yatsenyuk, who will attend even though Kiev is neither an EU member nor a recognized candidate for membership.

The European Commission has announced an aid package of up to 11 billion euros (\$15 billion) for Ukraine over the next couple of years provided it reaches a deal with the International Monetary Fund, entailing painful reforms like ending gas subsidies. Diplomats said that at most, the 28-nation EU would condemn Russia’s so far bloodless seizure of the Black Sea province and suspend talks with Moscow on visa liberalization and economic cooperation, while threatening further measures if Putin does not accept mediation efforts soon. Putin has said Russia reserves the right to intervene militarily in other areas of Ukraine if Russian interests or the lives of Russians are in danger.

Dropping diplomatic niceties on March 6, the U.S. State Department published a “fact sheet” entitled “President Putin’s Fiction: 10 False Claims about Ukraine.” “As Russia spins a false narrative to justify its illegal actions in Ukraine, the world has not seen such startling Russian fiction since Dostoyevsky wrote, ‘The formula “two plus two equals five” is not without its attractions,’” the State Department said in the document.

# In Kiev, Kerry visits protest sites, promises aid

Associated Press, 05.03.2014



In a somber show of U.S. support for Ukraine's new leadership, Secretary of State John Kerry walked the streets Tuesday where more than 80 anti-government protesters were killed last month, and promised beseeching crowds that American aid is on the way.

Kerry met in Ukraine with the new government's acting president, prime minister, foreign minister and top parliamentary officials. Speaking to reporters afterward, Kerry urged Russian President Vladimir Putin to stand down and said the U.S. is looking for ways to de-escalate the mounting tensions.

"It is clear that Russia has been working hard to create a pretext for being able to invade further," Kerry said. "It is not appropriate to invade a country, and at the end of a barrel of a gun dictate what you are trying to achieve. That is not 21st-century, G-8, major nation behavior." Kerry made a pointed distinction between the Ukrainian government and Putin's. "The contrast really could not be clearer: determined Ukrainians demonstrating strength through unity, and the Russian government out of excuses, hiding its hand behind falsehoods, intimidation and provocations. In the hearts of Ukrainians and the eyes of the world, there is nothing strong about what Russia is doing." He said the penalties against Russia are "not something we are seeking to do, it is something Russia is pushing us to do."

President Barack Obama, visiting a Washington, D.C., school to highlight his new budget, said his administration's push to punish Putin put the U.S. on "the side of history that, I think, more and more people around the world deeply believe in, the principle that a sovereign people, an independent people, are able to make their own decisions about their own lives. And, you know, Mr. Putin can throw a lot of words out there, but the facts on the ground indicate that right now he is not abiding by that principle." Speaking at a fundraiser later Tuesday, Obama said it might be possible for the situation to "de-escalate in the next several days and weeks."

Obama also spoke for more than an hour Tuesday with German Chancellor Angela Merkel, who has been in contact with Putin in recent days and whose country has deep economic ties with Russia. The Obama administration announced a \$1 billion energy subsidy package in Washington as Kerry was arriving in Kiev. The fast-moving developments came as the United States readied economic sanctions amid worries that Moscow was ready to stretch its military reach further into the mainland of the former Soviet republic. Kerry headed straight to Institutska Street at the start of an hours long visit intended to bolster the new government that took over just a week ago when Ukraine President Viktor Yanukovich fled.



Kerry placed a bouquet of red roses, and twice the Roman Catholic secretary of state made the sign of the cross at a shrine set up to memorialize protesters who were killed during mid-February riots. "We're concerned very much. We hope for your help, we hope for your assistance," a woman shouted as Kerry walked down a misty street lined with tires, plywood, barbed wire and other remnants of the barricades that protesters had stood up to try to keep Yanukovich's forces from reaching nearby Maidan Square, the heart of the demonstrations. Piles of flowers brought in honor of the dead provided splashes of color in an otherwise drab day that was still tinged with the smell of smoke. "We will be helping," Kerry said. "We are helping. President Obama is planning more assistance.

"The Ukraine government continued to grapple with a Russian military takeover of Crimea, a strategic, mostly pro-Russian region in the country's southeast, and Kerry's visit came as Putin said he wouldn't be deterred by economic sanctions imposed punitively by the West. Ukraine Foreign Minister Andrii Deshchychsia told reporters that Ukraine was in a much stronger position today than it was even a week ago, having rallied the support of the U.S. and the West. He said it's unlikely Kiev will ever go to war to prevent Russia from annexing Crimea but said doing so wouldn't be necessary, describing the economic penalties and diplomatic isolation more painful to Russians than bullets would be.

U.S. officials traveling with Kerry, speaking on condition of anonymity, said the Obama administration is considering slapping Russia with economic sanctions as soon as this week. Members of Congress say they're preparing legislation that would impose sanctions as well. Officials said the sanctions could be implemented in tiers, with an initial round of penalties targeted at individuals the U.S. says were involved in the ousted Ukrainian government's corrupt activities. Putin is almost certain to be excluded from those penalties, the officials said, adding that it is rare for the U.S. to directly target a head of state with them.

As Kerry arrived, the White House announced the package of energy aid, along with training for financial and election institutions and anti-corruption efforts. Additionally, the officials said, the U.S. has suspended what was described as a narrow set of discussions with Russia over a bilateral trade investment treaty. It is also going to provide technical advice to the Ukraine government about its trade rights with Russia. The officials spoke on condition of anonymity because they were not authorized to be quoted by name before the official announcement was made.

Putin pulled his forces back from the Ukrainian border on Tuesday, yet said that Moscow reserves the right to use all means to protect Russians in the country but hopes it doesn't have to. Putin declared that Western actions were driving Ukraine into anarchy and warned that any sanctions the West might place on Russia for its actions there will backfire. Speaking from his residence outside Moscow, Putin said he still considers Yanukovich to be Ukraine's leader and hopes Russia won't need to use force in predominantly Russian-speaking eastern Ukraine.

In Washington, the White House said the \$1 billion loan guarantee was aimed at helping insulate Ukraine from reductions in energy subsidies. Russia provides a substantial portion of Ukraine's natural gas and U.S. officials said they are prepared to work with Kiev to reduce its dependence on those imports. The assistance is also meant to supplement a broader aid package from the International Monetary Fund.

# Obama warns Putin on Crimea, orders sanctions over Russian moves in Ukraine

Hürriyet Daily News, 07.03.2014



President Obama ordered sanctions on officials responsible for Moscow's military intervention in Ukraine's Crimea Peninsula, including travel bans and freezing of their U.S. assets, and said a referendum by the region to join Russia would violate international law.

U.S. officials said a list of people targeted by the sanctions had not yet been drawn up but that Russian President Vladimir Putin was not going to be one of them. White House spokesman Jay Carney said he was not aware of a limit on the number of people listed. Obama spoke to Putin for an hour and said the situation could be solved diplomatically.

Escalating the crisis, Crimea's parliament on March 6 voted to join Russia and its Moscow-backed government set a referendum on the decision in 10 days. Obama signed an executive order aimed at punishing those Russians and Ukrainians responsible for the Russian military incursion into Crimea, which has triggered the worst crisis in U.S.-Russian relations since the end of the Cold War. Obama, appearing in the White House press room hours after signing the order, said the U.S. sanctions were meant to impose costs on Russia for its actions. He said the international community was acting together and warned that a referendum in Crimea would violate international law as well as the Ukrainian constitution. "Any discussion about the future of Ukraine must include the legitimate government of Ukraine," Obama said.

"In 2014, we are well beyond the days when borders can be redrawn over the heads of democratic leaders." Obama and administration officials emphasized that the U.S. sanctions could be adjusted or additional steps taken as Russian behavior changed. "While we take these steps, I want to be clear that there is also a way to resolve this crisis that respects the interests of the Russian Federation, as well as the Ukrainian people," the president said, calling for international monitors to be allowed into Ukraine as well as direct talks between Moscow and Kiev. "Russia would maintain its (military) basing rights in Crimea, provided that it abides by its agreements and respects Ukraine's sovereignty and territorial integrity.

And the world should support the people of Ukraine as they move to elections in May," he said, calling that the "path to de-escalation." Obama made the same argument in his call with Putin. "President Obama emphasized that Russia's actions are in violation of Ukraine's sovereignty and territorial integrity, which has led us to take several steps in response, in coordination with our European partners," the White House said in a description of the call. President Vladimir Putin, meanwhile said both countries still stood far apart over Ukraine. He stressed, however, that the two countries should not sacrifice relations over a disagreement on an individual, albeit very important, international problem.

In a statement issued by the Kremlin on March 7, the Russian leader told U.S. President Barack Obama in a telephone call on March 7 that Ukraine's new leaders, who had come to power in an anti-constitutional coup, had imposed "absolutely illegitimate decisions on the eastern, southeastern and Crimea regions." On March 7 parliament in Ukraine's southern Crimea region voted to join Russia and hold a referendum on becoming part of the Russian federation on March 16, moves which pro-Western leaders in Kiev said would violate international law. "Russia cannot ignore calls for help in this matter and it acts accordingly, in full compliance with the international law," Putin said.

"(He) stressed the paramount importance of Russian-American relations to ensure stability and security in the world. These relations should not be sacrificed for individual differences, albeit very important ones, over international problems." Putin has stridently defended Russia's moves in Ukraine, a country he calls "a brotherly nation", saying Moscow was not behind the seizure of Crimea, home of Russia's Black Sea Fleet. He has denied western accusations that his troops have captured state buildings there, saying the armed men were member of local self-defence units. Putin said he agreed with Obama that Foreign Minister Sergei Lavrov and U.S. Secretary of State John Kerry should continue "intensive contacts" on Ukraine.

## US Navy destroyer heads to Black Sea for pre-planned exercises

Hürriyet Daily News, 06.03.2014



The USS Truxtun, a U.S. Navy guided-missile destroyer, is heading to the Black Sea for what the U.S. military on March 6 described as a "routine" deployment that was scheduled well before the crisis in Ukraine.

The announcement came a day after Turkish authorities confirmed having given permission to a U.S. Navy warship to pass through the Bosphorus within the next two days. Also on March 5, the Pentagon unveiled plans to put more U.S. fighter jets on a NATO air patrol mission in the Baltics, moving to reassure allies alarmed by Russia's effective seizure of the Ukrainian peninsula of Crimea.

Crimea is home to Russia's Black Sea military base in Sevastopol. The U.S. Navy said in a statement that the Truxtun left Greece on Thursday en route to the Black Sea and would conduct training with Romanian and Bulgarian naval forces. "While in the Black Sea, the ship will conduct a port visit and routine, previously planned exercises with allies and partners in the region," the Navy said in a statement, without offering additional details. "Truxtun's operations in the Black Sea were scheduled well in advance of her departure from the United States." The ship, which has a crew of about 300 sailors, is part of an aircraft carrier strike group that deployed from the United States in mid-February.

# Putin rebuffs Obama as Ukraine crisis escalates

Today's Zaman, 07.03.2014



President Vladimir Putin rebuffed a warning from US President Barack Obama over Moscow's military intervention in Crimea, saying on Friday that Russia could not ignore calls for help from Russian speakers in Ukraine.

After an hour-long telephone call, Putin said in a statement that Moscow and Washington were still far apart on the situation in the former Soviet republic, where he said the new authorities had taken "absolutely illegitimate decisions on the eastern, southeastern and Crimea regions." Russia cannot ignore calls for help and it acts accordingly, in full compliance with international law," Putin said.

The most serious east-west confrontation since the end of the Cold War escalated on Thursday when Crimea's parliament, dominated by ethnic Russians, voted to join Russia. The region's government set a referendum for March 16 - in just nine days' time. European Union leaders and Obama denounced the proposed referendum as illegitimate, saying it would violate Ukraine's constitution. Before calling Putin, Obama announced the first sanctions against Russia since the start of the crisis, ordering visa bans and asset freezes against so far unidentified persons deemed responsible for threatening Ukraine's sovereignty.

Japan endorsed the Western position that Russia's actions constitute "a threat to international peace and security" on the crisis after Obama spoke to Prime Minister Shinzo Abe. The EU, Russia's biggest economic partner and energy customer, adopted a three-stage plan to try to force a negotiated solution but stopped short of immediate sanctions. Brussels and Washington also rushed to strengthen the new authorities in economically shattered Ukraine, announcing both political and financial assistance. In their telephone call, Obama said he urged Putin to accept the terms of a potential diplomatic solution, and said the dispute over Crimea could be resolved in a way that took account of Russia's legitimate interests in the region.

Putin was defiant on Ukraine, where he said pro-Russian President Viktor Yanukovich had been overthrown in an "anti-constitutional coup" last month. But he stressed what he called "the paramount important of Russian-American relations to ensure stability and security in the world", the Kremlin said. "These relations should not be sacrificed for individual differences, albeit very important ones, over international problems," Putin said. He maintained Moscow was not behind the seizure of Crimea, home of Russia's Black Sea Fleet. Russia says the troops without national insignia that have surround Ukrainian bases are "local self-defence units". The West has ridiculed this argument.



After talks in Rome on Thursday, US Secretary of State John Kerry said Russian Foreign Minister Sergei Lavrov was personally delivering proposals to Putin to end the crisis. Kerry said the executive order signed by Obama on Thursday provided a legal framework for imposing sanctions but also left open the door for dialogue. The 28-nation EU welcomed Ukrainian Prime Minister Arseny Yatseniuk to its emergency summit, even though Kiev is neither a member nor a recognized candidate to join the bloc, and agreed to bring forward the signing of the political parts of an agreement on closer ties before Ukraine's May 25 elections.

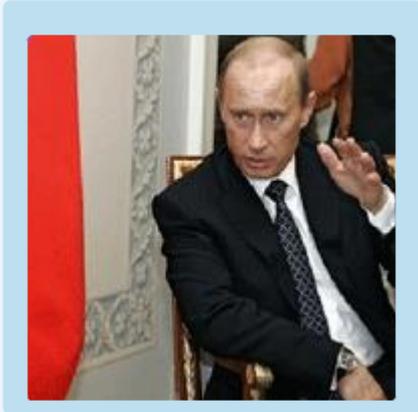
"No one will give up Crimea to anyone," Yatseniuk told a news conference in Brussels, while Ukraine's acting president, Oleksander Turchinov, called the planned referendum "a farce, a fake, a crime". The European Commission said Ukraine could receive up to 11 billion euros (\$15 billion) in the next couple of years provided it reaches agreement with the International Monetary Fund, which requires painful economic reforms like ending gas subsidies. Despite Putin's tough words, demonstrators who have remained encamped in Kiev's central Independence Square to defend the revolution that ousted Yanukovich said they did not believe Crimea would be allowed to secede.

Some said they were willing to go to war with Russia, despite the mismatch between the two countries' armed forces. "We are optimists. Crimea will stand with us and we will fight for it," said Taras Yurkiv, 35, from the eastern city of Lviv. "How we will fight depends on the decisions of our leadership. If necessary, we will go with force. If you want peace, you must prepare for war." Alexander Zaporozhets, 40, from central Ukraine's Kirovograd region, put his faith in international pressure. "I don't think the Russians will be allowed to take Crimea from us: you can't behave like that to an independent state. We have the support of the whole world. But I think we are losing time. While the Russians are preparing, we are just talking."

On the ground in Crimea, the situation was calm although 35 unarmed military observers dispatched by the pan-European Organisation for Security and Cooperation in Europe were denied entry into the peninsula after landing in the southern Ukrainian port of Odessa. A UN special envoy who travelled to the regional capital Simferopol on Tuesday was surrounded by pro-Russian protesters, some of them armed, and forced to leave on Tuesday. The United Nations said it was sending its assistant secretary-general for human rights to the region soon. In eastern Ukraine, police on Thursday ejected pro-Russian demonstrators who had occupied government headquarters in the city of Donetsk, Yanukovich's home town, ending a siege that Kiev saw as part of a Russian plan to create a pretext to invade.

## Putin's Kampf

Politics Syndicate, 03.03.2014



Russia's seizure of Crimea is the most naked example of peacetime aggression that Europe has witnessed since Nazi Germany invaded the Sudetenland in 1938. It may be fashionable to belittle the "lessons of Munich," when Neville Chamberlain and Édouard Daladier appeased Hitler, deferring to his claims on Czechoslovakia.

But if the West acquiesces to Crimea's annexation – the second time Russian President Vladimir Putin has stolen territory from a sovereign state, following Russia's seizure of Georgia's Abkhazia and South Ossetia regions in 2008 – today's democratic leaders will surely regret their inaction.

In Western capitals, the response so far has been mixed. The punishments being considered – expulsion from the G-8, for example – would be laughable were the threat to Europe's peace not so grave. Putin regards the breakup of the Soviet Union as the greatest catastrophe of modern times, and he has sought relentlessly to refashion Russia's lost empire. If the West intends to be taken seriously, it needs to act as decisively as Putin has. Putin's many successes in his imperial project have come virtually without cost. His Eurasian Economic Community has corralled energy-rich states like Kazakhstan, Uzbekistan, and Turkmenistan into Russia's camp. Georgia was dismembered in 2008. Armenia's government was bullied into spurning the European Union's offer of an Association Agreement.

Now the greatest geostrategic prize of all may fall into Putin's hands. Russia without Ukraine, former US National Security Adviser Brzezinski wrote, "ceases to be an empire, but Russia with Ukraine suborned and then subordinated, Russia automatically becomes an empire." And, because the vast majority of Ukrainians have no desire to join Putin's empire, we can be certain that the state Putin will lead from this point on will be a highly militarized one, rather like the Soviet Union but without the ruling Communist Party. Given the scale of Putin's adventurism, the world's response must be commensurate. Canceled summits, trade deals, or membership in diplomatic talking shops like the G-8 are not enough. Only actions that impose tangible economic sanctions that affect Russian citizens offer any hope of steering the Kremlin away from its expansionist course.

Which sanctions might work? First, Turkey should close the Dardanelles to Russian shipping, as it did after the 2008 Russo-Georgian War. Back then, Turkey closed access to the Black Sea to prevent the US from intervening, though the US, it is now clear, had no intention of doing so. Today, it should close the Turkish straits not only to Russian warships, but to all commercial vessels bound for Russia's Black Sea ports. The impact on Russia's economy – and on Putin's military pretensions – would be considerable. Turkey is permitted to close the Dardanelles under a 1982 amendment to the 1936 Montreux Convention. Indeed, Turkey could turn Putin's justification for seizing Crimea – against him, by arguing that it is protecting its Turkic Tatar kin, who, given Russia's ill treatment of them in the past, are anxious to remain under Ukrainian rule.



Turkish Foreign Minister Ahmet Davutoglu turned his plane around in mid-air this week to fly to Kyiv to offer support to the new interim government. Prime Minister Erdogan, no pushover himself, as Putin well knows, should follow up on that gesture of support by immediately closing the straits to Russian shipping – until Putin recalls all troops in Crimea to their Sevastopol bases or to Russia proper. And Turkey should be offered an Article 5 guarantee from NATO should Russia seek to intimidate it. Second, US President Barack Obama should impose the type of financial sanctions on Russia that he has imposed on Iran for its nuclear program. Those sanctions have crippled Iran's economy. Similarly, denying any bank that does business with a Russian bank or company access to the US financial system would create the kind of economic chaos last seen in Russia immediately after the fall of Communism.

Ordinary Russians should be made to understand that permitting Putin – whose primary claim to leadership is that he ended the penury of the first post-Soviet years – to continue with his imperialist aggression will cost them dearly. Third, Obama should emphasize to the Chinese their stake in Eurasian stability. Putin may regard the Soviet Union's disintegration as a tragedy, but for China it was the greatest geostrategic gift imaginable. At a stroke, the empire that stole millions of hectares of Chinese territory over the centuries, and that threatened the People's Republic with nuclear annihilation, simply vanished. Since then, Central Asia's independent states, and even Ukraine, have become important trading partners for China.

Russia's conquests in Georgia greatly displeased China, as was seen at the post-war summit of the Shanghai Cooperation Organization (a regional grouping that includes ex-Soviet countries that share borders with China and Russia). Russia pushed the SCO to recognize the independence of Abkhazia and South Ossetia. But the SCO balked. The group's Central Asian members – Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – would not have stood up to the Kremlin without China's support. Today, however, Chinese President Xi Jinping may need to be less cryptic in his response to Putin's adventurism. Indeed, the real test of China's claim that it is a responsible stakeholder in the world community will come soon at the United Nations. Will it back Putin's clear flouting of international law, or will it back Ukraine's territorial integrity?

There are other possible punitive measures. Visas can be denied and canceled for all Russian officials. Assets can be frozen, particularly those laundered by oligarchs close to Putin. Only when the pain becomes intolerable, particularly for the elite, will Putin's *kampf* be defeated. The cost of inaction is high. Countless countries, from Japan to Israel, rely on America's commitment to act robustly against grave breaches of the peace. Moreover, when Ukraine surrendered its nuclear weapons in 1994, it did so with the express understanding that the US (and the United Kingdom, France, and Russia) would guarantee its territorial integrity. Should Crimea be annexed, no one should gainsay Ukraine if it rapidly re-nuclearized its defense.

When Chamberlain returned from Munich, Winston Churchill said, "You were given the choice between war and dishonor. You chose dishonor and you will have war." Obama and other Western leaders face a similar choice. And if they choose dishonor, one can be certain that an undeterred Putin will eventually give them more war.

# China prioritizes Ukraine's 'ethnic groups' over its 'territorial integrity'

The Diplomat, 07.03.2014



U.S. National Security Adviser Susan Rice and Chinese State Councilor Yang Jiechi spoke on the phone today, with the Ukraine crisis at the top of agenda.

According to Reuters, a statement from the White House said that Rice and Yang “agreed that the United States and China share an interest in supporting efforts to identify a peaceful resolution to the ongoing dispute between Russia and Ukraine that is based on respect for international law and upholds Ukraine’s sovereignty and territorial integrity.” The report in Xinhua had a rather different tone. The brief article pointedly did not include the word “agreed.”

Instead, the article simply said that “Rice briefed Yang on the U.S. view and position. Yang, for his part, expounded China’s principled stand on Ukraine’s situation.” There’s no agreement implied in Xinhua’s write-up—a marked contrast from statements on Foreign Minister Wang Yi’s conversation with his Russian counterpart. Although China didn’t go quite as far as the Russian Foreign Ministry did in noting the “coincidence of positions,” FM spokesman Qin Gang did mention that “Both believe that a proper settlement of the Ukrainian crisis is of vital importance to regional peace and stability.” The absence of a similar admission of agreement, however anodyne, regarding Rice and Yang’s conversation is telling.

Interestingly, the Xinhua write-up did not even include a mention of China’s support for the Ukraine’s sovereignty and territorial integrity, even though Foreign Ministry spokespeople have previously offered such comments. A March 2 statement by Qin Gang affirmed China’s “respect (for) the independence, sovereignty and territorial integrity of Ukraine.” Since then, however, this expression of support has disappeared from China’s official remarks. Qin has been asked repeatedly about China’s position on the Ukraine, including at the March 3, March 4, and March 6 press conferences. Despite ample opportunities, Qin did not once repeat China’s position of respect for Ukraine’s “independence, sovereignty and territorial integrity.”

Instead, China’s Foreign Ministry appears to have switched to expressing support for “the lawful rights and interests of all ethnic communities in Ukraine,” a phrase that appeared both in Qin’s March 6 press conference and the Xinhua write-up of Yang’s conversation with Rice. It’s interesting that China is backing away from expressing support for Ukraine’s sovereignty and territorial integrity just as Russia seems to be gaining the upper hand in Crimea. On Thursday, the Crimean parliament voted unanimously to join Russia, with a full referendum scheduled to be held within 10 days. If it happens, such a move would be an obvious blow to Ukraine’s territorial integrity.



However, since Russia argues that it is moving to protect ethnic Russian populations, the situation would not be cause for alarm under China's newly adopted position of support for "all ethnic communities" rather than for "territorial integrity." China has geostrategic reasons for supporting Russia's actions in the Crimea peninsula, but doing so goes against China's core foreign policy principle of "non-interference" as well as its customary insistence on respect for each country's sovereignty and territorial integrity. As I wrote earlier, the result is that China has refrained from directly backing Russia, but is also carefully avoiding using even customary diplomatic language that might imply China doesn't support Russia.

Thus, China's Foreign Ministry Spokesman has repeatedly added qualifiers to expressions of China's principles. On March 3, he told the press that "With respect to the Ukrainian issue, we uphold China's long-standing diplomatic principles and basic norms governing international relations, and also take into account the history and complexity of the issue." On March 6, Qin explicitly said that China's principles were not the only thing guiding its position on Ukraine: "Our decision is made not only based on our long-standing principles, but also on the cause and effect as well as the merit of the issue." Given that Chinese state-run media articles place the blame for the Ukraine crisis squarely on the EU and U.S., it's not hard to extrapolate what China's consideration of "cause and effect" means for its overall stance.

All countries base their foreign policy decisions on realist concerns rather than solely acting on principle. U.S. support for Ukraine's new government, for instance, is a happy fusion of U.S. support for democratic movements and its geostrategic interests—but in cases where the two do conflict, as in Bahrain, the U.S. will side with its interests over its principles. It's not surprising that China is qualifying its non-interference stance to allow Beijing to tacitly support Moscow. What is surprising is the logical quandary China's Foreign Ministry seems to have gotten itself into by changing its customary rhetoric. It's no secret that China's core principles of non-interference and respect for sovereignty and territorial integrity stem from China's hope that other countries will accord China the same courtesy.

Now China is allowing this position to be softened based on "the history and complexity of the issue." In addition, China has shifted its public stance from calling for respect for territorial integrity to demanding that the "the legitimate rights and interests of all ethnic groups" be protected. Why is this dangerous for China? Take these two statements—accounting for historical complexity and the rights of ethnic groups—and apply them to Xinjiang and Tibet. By parroting China's own logic, Tibetan and Uyghur separatists could make a pretty good case for themselves. For China, it's particularly dangerous to bend on the principles of non-interference and territorial sovereignty because there are groups who would very much like to alter China's governance system, and still others who want to split off from the PRC.

# NATO announces review of cooperation with Russia as EU freezes assets of ousted leader

Hürriyet Daily News, 06.03.2014



NATO announced a full review of its cooperation with Russia to try to pressure Moscow into backing down on Ukraine and said it would suspend planning for a joint mission linked to Syrian chemical weapons. Meanwhile the EU froze assets held in the 28-nation bloc by 18 Ukrainians accused of embezzlement, including ousted president Yanukovich.

NATO Secretary-General Anders Fogh Rasmussen said alliance officials would no longer hold lower-level meetings with their Russian counterparts, while stepping up engagement with the civilian and military leadership of Ukraine, not a NATO member.

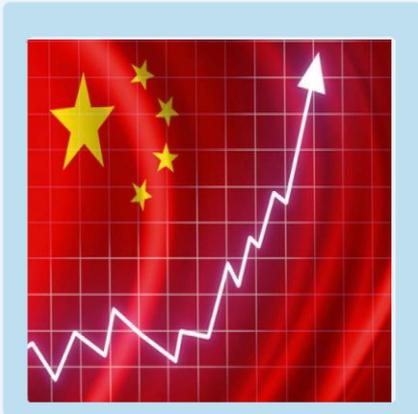
“We have also decided that no staff-level civilian or military meetings with Russia will take place for now,” Rasmussen told reporters after a meeting between NATO and Russian officials in Brussels March 5. “The situation in Ukraine presents serious implications for the security of the Euro-Atlantic area,” he said. NATO has been in talks with Russia on a possible joint mission to protect the U.S. cargo ship Cape Ray that will destroy Syria’s deadliest chemical weapons. Under a U.S.-Russia deal reached after a chemical attack killed hundreds of people around Damascus last year, Syrian President Bashar al-Assad’s government should have handed over 1,300 tons of toxic chemicals by Feb. 5 for destruction abroad.

NATO’s ties with Russia have improved since the Cold War ended but deteriorated following the defense alliance’s eastward expansion to take in former Communist-ruled countries in Eastern Europe and Moscow’s war in Georgia in 2008. The alliance briefly suspended formal cooperation on security threats after the war but resumed it in 2009. Russia’s envoy to NATO accused the alliance of applying double standards and “Cold War” stereotypes to Russia after the NATO announcement. “This meeting proved that NATO still has a double standard policy. And Cold War stereotypes are still applied towards Russia,” Alexander Grushko told reporters.

After announcing the sanctions, EU leaders were to hold an emergency summit in Brussels March 6 to discuss the crisis in Ukraine’s Black Sea peninsula of Crimea. The freeze, decided March 5, targets people “identified as responsible” for misappropriating Ukrainian state funds, an EU statement said. The sanctions, which will apply for an initial 12 months, “also contain provisions facilitating the recovery of the frozen funds,” the statement added, without offering further details. But an EU source said member states would be able to return seized money only if Ukraine first issued judicial rulings identifying the missing funds. All those named were cited for “embezzlement of Ukrainian state funds and their illegal transfer outside Ukraine.”

# China government targets 7.5 percent economic growth for 2014

I24 News, 05.03.2014



Dozens World's second-largest economy grew 7.7 percent in 2013, worst rate of growth since 1999. China is targeting growth of about 7.5 percent in 2014, Premier Li Keqiang said Wednesday, unchanged from last year as the government tempers expectations for an economy transitioning to a more balanced, sustainable model.

The announcement came in Li's speech to the annual session of the National People's Congress, China's rubberstamp legislature. "We must keep economic development as the central task and maintain a proper growth rate," Li said, according to his text.

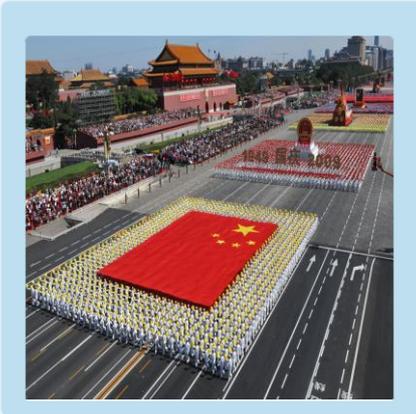
"On the basis of careful comparison and repeatedly weighing various factors as well as considering what is needed and what is possible, we set a growth target of around 7.5 percent." The world's second-largest economy grew 7.7 percent in 2013, the same as in 2012 -- which was the worst rate of growth since 1999. Rising prosperity is a key part of the Communist Party's claim to legitimacy in China, and the government usually sets a conservative growth target that it regularly exceeds. The economic growth estimate figure is closely watched by analysts for insight into the leadership's thinking about the economy and how they expect it to perform. The "around 7.5 percent" goal came after soft recent economic data, with a key manufacturing index slipping to an eight-month low in February, the government said Saturday.

"We believe China can achieve 7.5 percent GDP growth this year," economists with Bank of America Merrill Lynch said in a research note, despite what they described as recent "negative news and data" such as manufacturing declines. They said they would maintain their slightly higher forecast of 7.6 percent. China's leadership says it wants to transform the country's economic growth model away from an over-reliance on often wasteful investment, and instead make private demand the driver for the country's future development. They expect the change to result in slower but more sustainable rates of expansion. "This target... will boost market confidence and promote economic structural adjustment," Li said in the speech, his first work report since becoming premier at last year's NPC.

"Boosting domestic demand is both a major force driving economic growth and an important structural adjustment," he added. China's once regular annual double-digit growth rates have been on a slowing trend, and the 2013 result meant GDP growth had been in single figures for three consecutive years for the first time since 2002. Li reiterated the government's commitment to economic reform. "Reform has brought us the greatest benefits," he said. Li also said the government would keep the target for the increase in the consumer price index (CPI) at about 3.5 percent, the same as last year's. Inflation was tame in 2013, with CPI rising 2.6 percent for the year.

# China announces military spending increase

Aljazeera, 05.03.2014



China has announced its biggest rise in military spending in three years, a strong signal from President Xi Jinping that Beijing is not about to back away from its growing assertiveness in Asia, especially in disputed waters.

The government said on Wednesday it would increase the defence budget by 12.2 percent this year to \$131.57bn, partly to develop more high-tech weapons and to beef up coastal and air defences. Keqiang said the government would “strengthen research on national defence and the development of new- and high-technology weapons and equipment” and “enhance border, coastal and air defences”.

“We will comprehensively enhance the revolutionary nature of the Chinese armed forces, further modernise them and upgrade their performance, and continue to raise their deterrence and combat capabilities in the information age,” Li told the National People’s Congress. The increase follows a nearly unbroken run of double-digit hikes in the Chinese defence budget, second only to the United States in size, for the past two decades. “This is worrying news for China’s neighbours, particularly for Japan,” said Rory Medcalf, a regional security analyst at the independent Lowy Institute in Sydney.

Those who thought Xi might prefer to concentrate on domestic development over military expansion in a slowing economy had “underestimated the Chinese determination to shape its strategic environment”, he added, according to Reuters news agency. “The transparency of China’s defence policy and military capacity, or lack thereof, has become a matter of concern for the international community, including Japan,” Chief Cabinet Secretary Yoshihide Suga said, according to AFP news agency. China and Japan are increasingly locking horns over uninhabited rocky islands each claims in the East China Sea. Beijing also claims 90 percent of the 3.5 million square kilometre South China Sea, which is believed to be rich in oil and gas.

The Philippines, Vietnam, Malaysia, Brunei and Taiwan claim parts of those waters. The 2014 defence budget is the first for Xi since he became president. The spending increase is the biggest since a 12.7 percent jump in 2011. China’s military spending has allowed Beijing to create a modern force that is projecting power not only across the disputed waters of the East and South China Seas, but further into the western Pacific and Indian Oceans. Much military spending likely takes place outside the budget, however, and many experts estimate real outlays are closer to \$200bn. The US Defence Department’s base budget for fiscal 2014 is \$526.8bn.



# Announcements & Reports

## ▶ *A Project of Welfare and Stability-Shah Deniz 2*

**Source** : HASEN

**Weblink** : [http://www.hazar.org/UserFiles/yayinlar/HazarWorld/HAZAR\\_BASKI\\_SON\\_016\\_LOW.pdf](http://www.hazar.org/UserFiles/yayinlar/HazarWorld/HAZAR_BASKI_SON_016_LOW.pdf)

## ▶ *Zooming in on Syria: Adapting US Policy to Local Realities*

**Source** : Atlantic Council

**Weblink** : [http://www.atlanticcouncil.org/images/publications/20140305\\_Zooming\\_in\\_on\\_Syria\\_ItniRosenblatt.pdf](http://www.atlanticcouncil.org/images/publications/20140305_Zooming_in_on_Syria_ItniRosenblatt.pdf)

## ▶ *The Prospects for Natural Gas as a Transportation Fuel in Europe*

**Source** : The Oxford Institute for Energy Studies

**Weblink** : <http://www.oxfordenergy.org/wpcms/wp-content/uploads/2014/03/NG-84.pdf>

## ▶ *Governing Uranium in the United States*

**Source** : Center for Strategic and International Studies

**Weblink** : [http://csis.org/files/publication/140228\\_Squassoni\\_GoverningUranium\\_WEB.pdf](http://csis.org/files/publication/140228_Squassoni_GoverningUranium_WEB.pdf)



# Upcoming Events

## ► *8th International Turkish - African Congress*

**Date** : 16 – 17 April 2014  
**Place** : Accra-Ghana  
**Website** : [http://www.tasam.org/en/Icerik/5010/the\\_8th\\_turkish\\_-\\_african\\_congress\\_in\\_ghana](http://www.tasam.org/en/Icerik/5010/the_8th_turkish_-_african_congress_in_ghana)

## ► *9th International Turkish - African Congress*

**Date** : 24 – 25 April 2014  
**Place** : Turkey  
**Website** : [http://www.tasam.org/en/Etkinlik/592/9th\\_international\\_turkish\\_-\\_african\\_congress](http://www.tasam.org/en/Etkinlik/592/9th_international_turkish_-_african_congress)

## ► *3rd World Turkic Forum*

**Date** : 28 – 30 May 2014  
**Place** : Edirne – Turkey  
**Website** : [http://www.tasam.org/en/Etkinlik/579/3rd\\_world\\_turkic\\_forum](http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum)

## ► *Feeding the World Summit*

**Date** : 13 February 2014  
**Place** : London - UK  
**Website** : <http://www.economistinsights.com/sustainability-resources/event/feeding-world-2014?region%5B4%5D=4&region%5B7%5D=7>

## ► *The Lisbon Summit*

**Date** : 18 February 2014  
**Place** : Lisbon - Portugal  
**Website** : <http://www.economistinsights.com/countries-trade-investment/event/lisbon-summit?region%5B4%5D=4&region%5B7%5D=7>

## ► *Arctic Summit 2014*

**Date** : 4 March 2014  
**Place** : London - UK  
**Website** : <http://www.economistinsights.com/sustainability-resources/event/arctic-summit-2014?region%5B4%5D=4&region%5B7%5D=7>

## ► *The CFO Summit 2014*

**Date** : 6 March 2014  
**Place** : London - UK  
**Website** : <http://www.economistinsights.com/business-strategy/event/cfo-summit-2014?region%5B4%5D=4&region%5B7%5D=7>



### ► *The Azerbaijan Investment Summit*

**Date** : 11 March 2014

**Place** : Baku - Azerbaijan

**Website** : <http://www.economistinsights.com/countries-trade-investment/event/azerbaijan-investment-summit?region%5B4%5D=4&region%5B7%5D=7>

### ► *9th International Turkish - African Congress*

**Date** : 24 – 25 April 2014

**Place** : Turkey

**Website** : [http://www.tasam.org/en/Etkinlik/592/9th\\_international\\_turkish\\_-\\_african\\_congress](http://www.tasam.org/en/Etkinlik/592/9th_international_turkish_-_african_congress)

### ► *European Energy Horizons 2014*

**Date** : 8 May 2014

**Place** : Stockholm - Sweden

**Website** : <http://www.economistinsights.com/energy/event/european-energy-horizons-2014?region%5B4%5D=4&region%5B7%5D=7>

### ► *3rd World Turkic Forum*

**Date** : 28 - 30 May 2014

**Place** : Edirne - Turkey

**Website** : [http://www.tasam.org/en/Etkinlik/579/3rd\\_world\\_turkic\\_forum](http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum)

### ► *World Water Conference*

**Date** : 11 November 2014

**Place** : Edirne - Turkey

**Website** : <http://www.economistinsights.com/sustainability-resources/event/world-water-forum?region%5B4%5D=4&region%5B7%5D=7>