### Politics & Economics Bulletin

**▶** 04.07.2014



# August presidential election campaign kick starts next Friday

Anadolu Agency, 03.07.2014



The presidential poll will be the centerpiece of a busy election schedule in between March's local elections and a general election in July next year. The three candidates in the race to become Turkish president will begin their month long campaign next Friday, the first time the Turkish public will be able to vote for its president .

Current Prime Minister Erdogan, 60, is ruling Justice and Development (AK) Party candidate. The candidate from the two opposition parties CHP and MHP is 71-year-old former head of the Organization for Islamic Cooperation, Ekmeleddin Ihsanoglu.

Selahattin Demirtas, 41, is the left-wing opposition Peoples' Democracy Party (HDP) candidate. The first round of elections is scheduled for August 10 and the public campaign will continue until August 9. Should none of the candidates takes more than 50 per cent and a second round takes place on August 24, the campaigns will be extended between August 11 and 23. Turkish citizens living abroad will be able to participate in the elections for the first time.

Candidates will be able to conduct their campaign in the Turkish press and on their websites. Any poll predicting in the last ten days by the candidates is not allowed. Propaganda materials such as banners, flyers or brocures containing any religious content or Turkish flag are banned. Other than propaganda materials, neither parties nor candidates will be able to distribute any gifts or samples. Candidates will be able to receive up to 9,000 Turkish liras -- nearly \$4000 -- from each donor for the electoral campaign, Turkey's elections authority Supreme Election Board also announced.

Only Turkish citizens will be able to donate, while foreigners, international institutions and legal persons will not have such a right. Candidates will only be able to use financial aid and the money should be put into a bank account titled "elections account" and reported to the board in advance. The money received as aid could only be spent for electoral campaigns. The candidates are required to declare their financial status to the board for any personal wealth or property worth more than 32 thousand Turkish liras -- nearly 15,000 dollars.



# Turkish opposition fears power grab as Erdogan stands for presidency

The Guardian, 01.07.2014



Recep Tayyip Erdogan, who wants to increase presidential powers, to be ruling party's nominee for next head of state.

Turkey's worst-kept political secret was revealed when the ruling Justice and Development party (AKP) announced that the current prime minister, Recep Tayyip Erdogan, will be its official candidate to become the country's next president. Six weeks ahead of the country's first direct presidential elections, the AKP announced Erdogan's candidacy on Tuesday to a cheering crowd of party members. Erdogan's nomination, kept under wraps until Tuesday, has long been rumored among political analysts and the media.

The nomination was revealed at an extravagant and emotionally charged event in the capital, Ankara, where the prime minister's long-time political ally Mehmet Ali Şahin, former parliamentary speaker and justice minister, addressed a more than 4,000 party members. Sahin stressed that the decision had been unanimous. "In order to designate a presidential candidate, at least 20 signatures of party MPs are needed," he said. "We were able to gather all signatures of all our [party MPs]." The deputy prime minister, Bulent Arinc, was unable to hold back his tears at the announcement, prompting mockery on social media.

The Turkish head of state was previously chosen by parliament but a 2010 referendum gave Turks the possibility to choose their president by a direct vote. For the first time more than three million Turks living abroad are also able to cast their ballot. The post has always been largely ceremonial, but Erdogan has already announced that he wishes to increase the presidential powers. Erdogan, 60, has been in power since 2003. Barred by party rules to seek a fourth term as prime minister, he has faced multiple challenges to his 11-year-rule amid growing opposition to his authoritarian style. In response to allegations of corruption against the government and his close family, Erdogan chose a divide-and-rule strategy, separating the country into loyalists and "traitors". He purged the police and judiciary of critics and passed laws that weakened constitutional checks and balances on the executive.

The embattled prime minister repeatedly blamed "outside forces" – namely the movement around the self-exiled Turkish preacher Fethullah Gulen – for wanting to topple his government. In his acceptance speech on Tuesday , he renewed his promise to eradicate the Gulen movement and not to allow a "parallel state". Critics accuse Erdogan of an increasingly authoritarian and polarizing style, fearing that his election as president might result in a Putin-style maneuver to remain at the helm of Turkish politics. Speaking at a party meeting on Tuesday, the leader of the main opposition Republican People's party (CHP) Kemal Kilicdaroglu warned that Erdogan should not stand as a candidate: "Someone who does not believe in the separation of powers cannot be president," he said.



### Panel talks on Kurdish reform bill open with turbulence

Hurriyet Daily News, 02.07.2014



A parliamentary debate on Turkey's peace process unsurprisingly started with acrimony on July 2 with the Nationalist Movement Party (MHP) and the People's Democratic Party (HDP) trading accusations.

The MHP says the bill is part of a series of concessions given by the government to the outlawed Kurdish Workers' Party (PKK), arguing that the government and especially Prime Minister Recep Tayyip Erdogan has been tolerant to the extent of going soft on PKK demands because he needs the support of the PKK and its jailed leader for his presidential ambitions.

Briefing Parliament's Internal Affairs Commission over the content of the bill on the opening day of debates, Deputy Prime Minister Besir Atalay said the bill would expand the sphere of politics, indicating that it would thus weaken popular support for the armed struggle. The commission level debates over the bill began only a day after Erdogan launched a charm offensive aimed at winning the confidence of Kurdish voters after being installed on July 1 as the ruling party's presidential candidate. In the morning during the opening of the debates, MHP Deputy Chair Oktay Vural, a nonmember attending the meeting, objected to the commission chair, ruling Justice and Development Party (AKP) deputy Mehmet Ersoy, saying "You cannot begin [debates]."

"Can the commission work upon threats from the terrorist organization?" asked Vural, sparking severe reaction from HDP deputies and prompting HDP deputy Hasip Kaplan to say: "Nobody can show off here. Opinions are discussed here." Amid the quarrel between MHP and HDP deputies, MHP deputy Ozcan Yeniceri called out to Ersoy: "Here, are you the counterpart? Who are these?" The address angered Kaplan. "We came with the elections. Who are you? Don't disrespect the will of the nation." With cameras being taken out of the hall afterwards, the commission began a procedural debate concerning Vural's objection.

Later in the afternoon session, AKP Deputy Parliamentary Group Chair Ahmet Aydın, also a nonmember argued that Turkey was on the eve of liberating itself from a century-old problem. "We hold the whip hand for resolving the problems that have become shackles on our feet," Aydın said. As recently as July 1, Erdogan declared his intention of proceeding with his government's assertive initiative, the resolution/peace process intended to end the three-decade-long conflict between Turkey's security forces and the PKK in order to pave the way for a peaceful resolution to the Kurdish issue. PKK leader Abdullah Ocalan, who has been serving a life sentence on the Imrali Island prison in the Marmara Sea since he was captured in 1999, has been in dialogue with both state officials and the Peace and Democracy Party (BDP), and later also with its sister party, the HDP, at least since late 2012, as part of the peace process.



AKP and HDP deputies reiterated their well-known support for the bill, while the MHP repeated its strong objection to the bill. For its part, meanwhile, the main opposition Republican People's Party (CHP) also raised its reservations over the bill, which it said was just a "maneuver" for Erdogan's presidential ambitions. "It is not possible to know what kind of an approach he will assume after the elections. Nobody knows which steps will be taken after the bill is adopted," CHP Deputy Parliamentary Group chair Akif Hamzacebi said. Parliament's summer recess, which was originally scheduled to begin on July 1, was already extended to July 25 upon an initiative by the ruling AKP. The extension is widely considered as an indication of the government's willingness to ensure the bill is approved before the two-round presidential elections in August in a bid by Erdogan to garner votes from Kurdish voters.

### Deputy PM expresses hope for release of Turkish hostages in Ramadan

Hurriyet Daily News, 01.07.2014



Deputy Prime Minister Bulent Arinc has said he hopes the Turkish hostages in Iraq will be released in the "near future; [hopefully] during Ramadan."

Comprehensive efforts are underway for the release of 80 Turkish nationals in Mosul who were abducted by the Islamic State of Iraq and the Levant (ISIL), Arinc told reporters at a press conference late June 30. "There are no positive developments yet for our citizens abducted. They are in good health, their requirements have been met. But I can still say the time to embrace them has yet to arrive," Deputy Prime Minister Arinc said.

Some 49 Turkish citizens, including three consul generals in Mosul and several members of the Turkish Special Forces, were taken hostage by ISIL and transferred to an undisclosed location June 11. Additionally, 31 Turkish truck drivers were also kidnapped and taken hostage by an unknown group after militants seized the northern Iraqi city of Mosul on June 11.



### Turkey pledges to defend Iraq hostages

CNN, 26.06.2014



Turkey's leaders meet to discuss the rise of Isis and its taking of Turkish hostages in Mosul, which threaten its interests in Iraq and represent failure of foreign policy.

Turkey's leaders have held emergency meetings to discuss the mass seizure of hostages, including staff and children from its consulate in Mosul, in the militant takeover of parts of Iraq. The kidnapping by ISIS, the Islamic State of Iraq and al-Sham, of the consul-general and 47 other people, including three children, along with 28 lorry drivers captured earlier, is the gravest reflection of the crisis on the borders of Turkey, a Nato member.

Turkey has allowed fighters to cross its borders freely to take on the regime of President Bashar al-Assad, including militants. But many of those have split away from other rebel groups to join first Jabhat al-Nusra, an al-Qaeda affiliate, and then ISIS, an even more extreme variant. As the militants captured territory on the desert border with Iraq, ISIS's fight with the governments in Iraq and Syria merged into one — and Turkey, which has major economic interests in Iraq and particularly KRG, also suffered the backlash. Ahmet Davutoglu, the Turkish foreign minister, was forced to cut back a trip to the United States to deal with the crisis. He defended the government's handling of the seizure of the consulate, saying an evacuation order had been issued but had been impossible to fulfil because of the fighting around Mosul.

The consul-general, Ozturk Yilmaz, had completed the evacuation plan on Tuesday, but by that time the ISIS forces were only 200 yards away, according to reports in Turkish media. The authorities say the captives have been taken to a militant base and that they have received assurances through contacts that they are unharmed. Mr Davutoglu said the Turkish state would "retaliate in the strongest way" should any harm come to them or other Turkish citizens."No one should test Turkey's resolve," he said. But the emergence of ISIS and its new "caliphate" on Turkey's borders is a significant failure of Mr Davutoglu's foreign policy. He emerged as one of the strongest critics of President Assad, but the failure of Turkey to channel the military supplies sent by Gulf states and individual supporters to moderate groups who could win the support of America and the West has dogged the rebellion.

With ISIS and, at times, Jabhat al-Nusra emerging as the strongest forces in the north of Syria, President Obama has refused to countenance the delivery of major quantities of heavy weaponry such as anti-aircraft missiles to other parts of the opposition, including by allies such as Saudi Arabia and Qatar. Ironically, shortage of supplies has only helped the more militant groups establish their dominance. The Syrian war has coincided with growing ties between the Turkish government and regional governments in the north of Iraq. The 28 lorry drivers seized were delivering diesel to power plants in Mosul, while Turkey is also cooperating with KRG's efforts to export its oil direct rather than through the Iraqi central authorities, much to the fury of the authorities in Baghdad.



# Opposition deputies react to government blackout on kidnapped Turks in Iraq

Hurriyet Daily News, 03.07.2014



Opposition party lawmakers have raised questions at Parliament's Foreign Affairs Commission about the blackout by the Turkish government on the Turkish nationals kidnapped by Islamist militants in northern Iraq.

At the commission on July 3, main opposition Republican People's Party (CHP) deputies hit out at ruling Justice and Development Party (AKP) deputies over a controversial court decision to ban media coverage of the kidnapping of staff from the Turkish Consulate in Mosul by militants of the Islamic State (IS), previously known as the Islamic State of Iraq and the Levant (ISIL).

Speaking to the Hürriyet Daily News, CHP deputy Mehmet Ali Edipoglu said the issue was a hot debate at the gathering, with opposition parties questioning why a media blackout was necessary for the safety of the hostages, if they are secure as ministers have claimed. CHP and Nationalist Movement Party (MHP) lawmakers also criticized the government for allegedly turning a blind eye to the "splitting of Iraq into three parts, which [will] lead to the formation of a Kurdish state," he said. At a recent gathering of the commission on June 25, CHP and MHP deputies walked out of the meeting in protest at the ruling AKP.

The opposition deputies were reacting against flaws in a briefing in the commission, either made by the Foreign Ministry or by an individual governmental official, with regard to details of the seizure of the Turkish Consulate in Mosul. Speaking at Parliament on July 2, MHP deputy Tugrul Turkes asked why Foreign Minister Ahmet Davutoğlu had not informed Parliament about the abduction for three weeks. In reply, the chair of the Foreign Affairs Commission and AKP deputy, Volkan Bozkir said, said some issues should remain confidential. "One should make a choice between risking people's lives and informing the deputies," he added.



# Interagency report warns over huge funding gap for Syrian refugees in Turkey

Hurriyet Daily News, 04.07.2014



Despite hosting the second largest Syrian refugee population, Turkey has received the lowest level of funding compared to other countries hosting Syrian refugees.

The report demonstrates the necessity for robust support from the international community as a sign of solidarity and responsibility sharing with Turkey. Massoud Barzani recently Underfunding for Turkey would not only have dramatic consequences for the Syrian refuges, but would also eventually pose a heightened threat to regional peace and security, said a joint press release yesterday by the interagency "Syria Regional Response Plan for Syrian Refugees".

RRP, Turkey is a collaborative effort between Turkey, seven U.N. agencies and the International Organization for Migration (IOM), as well as refugees and host communities, under the overall leadership of Turkey and the UNHCR, in close coordination with the donor community, partners and NGOs. Having released the 6th revision of the RRP covering 2014, which has been reviewed by more than 155 partners, the group noted that the partners have been compelled to reduce requirements by more than \$500 million, bringing the budget requirements to \$3.74 billion for the region. In the RRP6, Turkey's requirement was set as \$522,379,683 in the beginning of the year, and after the mid-year revision, the required amount was revised to \$497,290,571.

"It is important to note that Turkey is hosting the second largest Syrian refugee population, but has only received 17 percent funding, which is the lowest funding level compared to other countries hosting Syrian refugees [funding levels of other countries hosting Syrian refugees in the region are: Jordan 40 percent, Lebanon 33 percent, Iraq 24 percent, Egypt 23 percent]," the U.N. agencies said, while also drawing attention to the fact that RP partners estimate there will be 3.59 million refugees by December 2014, of whom 1 million are foreseen to be registered in Turkey. "Failing to provide the required level of humanitarian support to Syrian refugees through the RRP would not only have dramatic consequences for each Syrian refugee, girl, woman, boy and man, but would also ultimately represent a heightened threat to peace and security in the region," they warned.

Turkey estimates the total number of Syrians in the country to be over 1 million. As of July 2, 2014, Turkey is hosting over 795,500 registered refugees, both in and out of camps from Syria. This represents 28 percent of all Syrian refugees in the region. The U.N. agencies listed remarkable consequences of underfunding for Turkey, for every \$1 million not mobilized as below: "26,300 children will not have sustained access to schooling, which will increase the risk of child labor, early marriage, heighten the potential for involvement in criminal activities, recruitment into armed groups and exposure to sexual and gender-based violence. "Communicable disease surveillance and response, including immunization, to mitigate morbidity and mortality cannot be strengthened, affecting an average of 192,000 Syrians, as well as members of host communities.



# Number of Syrian refugees to grow to 3.6 million by end of 2014

ITAR-TASS, 04.07.2014



There are currently 2.9 million Syrian refugees registered in neighboring countries, with numbers growing at a rate of 100,000 people each month. The United Nations lowered the forecast on the number of Syrian refugees: in line with new assessments, their number will total 3.6 million by the end of 2014 against the figure of 4.1 million mentioned earlier by the Office of the United Nations High Commissioner for Refugees (UNHCR).

According to the UNHCR, there are currently 2.9 million Syrian refugees registered in neighboring countries, with numbers growing at a rate of 100,000 people each month.

In line with the UNHCR-published Syria Regional Response Plan, the highest number of Syrian refugees - some 1.1 million - are in Lebanon. It is followed by Turkey (770,000), Jordan (600,000), Iraq (227,000) and Egypt (137,000). The UN refugee agency said "failure to close the funding gap to meet the needs of the growing number of people fleeing the conflict in Syria could mean grave risks for the refugees, as well as for the stability of the region". The warning came as the UN High Commissioner for Refugees was preparing to present an updated 2014 Syria Regional Response Plan on Friday in Geneva, urging donors to fund a \$3.74 billion program across Lebanon, Jordan, Turkey, Iraq and Egypt.

"Failing to provide enough humanitarian support for Syrian refugees by the end of 2014 could result in dramatic consequences for refugees and the stability of the entire region, including a serious security threat to Lebanon," High Commissioner for Refugees Antonio Guterres said. "We have a situation of heightened volatility in the region, a spillover of the conflict into Iraq, and continued outflows of refugees into neighboring countries grappling with very complex security and humanitarian issues," Guterres said. International donors allocated \$1.1 billion in contributions to the Syria Regional Response Plan, and the UNHCR and its partners have been able to provide for many of the food, health, education and protection needs of refugees.

But, the agency noted that this amount constitutes only 30% of the required funds. Fighting between Syrian government troops and militants has left over 100,000 people dead and displaced millions since its start in 2011, according to UN statistics. The first two rounds of an international peace conference on Syria, dubbed Geneva II, organized by Russia and the United States and designed to negotiate a solution to the Syrian crisis, brought no particular progress in January and February. The parties to the Syrian conflict agreed to continue discussions.



# Iraqi Kurds lay the groundwork for independence

Financial Times, 03.07.2014



The president of Iraq's semi-autonomous Kurdish Regional Government called on the regional parliament to lay the legal groundwork for a popular referendum on independence as he ramps up efforts to secede from war-torn Iraq.

Speaking in the KRG parliamentary chambers on Thursday, Kurdish president Masoud Barzani asked MPs to work as quickly as possible to enact a law to create an electoral commission for the poll. If held, a referendum is widely expected to approve separating from Iraq, which is now grappling with a Sunni militant insurgency sweeping through regions south of KRG.

"The time has come for us to determine our own fate and not wait for others," he told the parliamentary chamber, in televised comments. "We have many friends, but there may be some risks." With the rest of Iraq mired in chaos, some Kurdish leaders have said the time is ripe to move forward with independence, in spite of powerful neighbours such as Iran and Turkey, who have long been wary such a move would encourage separatism among their own Kurdish populations. Turkey has shown more openness to independence in recent weeks, but Iran is firmly against the move. Mr Barzani vowed to help Iraq find a way out of its crisis, but made it clear the region was unwilling to co-operate with Prime Minister Nouri al-Maliki's government.

"We will try to help our Shia and Sunni brothers get Iraq out of this crisis, but we need to deal with new people who have respect for the constitution and democracy," he said. Tensions between Mr Barzani and Mr Maliki mean the central government can wield little pressure over the regional leader. Baghdad cut state funding to the region in January due to a dispute over oil exports. Some analysts have said the public calls for a referendum and independence may be a strategy to pressure the Shia Arab-led government in Baghdad to make concessions and force Mr Maliki to step down. It is still not clear how quickly the KRG could hold a referendum, which may potentially drag on for months.

"If the situation goes on like this without a deal on the government in Baghdad, they will press on for independence – they can say that well, Iraqi is now already divided. Unless Maliki gives big concessions, it will be difficult to get back the Kurds," said Wladimir Van Wilgenburg, a KRG analyst based in Erbil. Many Kurds were expecting an official announcement of a referendum, or even independence on Thursday, so the call for legal steps suggests Kurdish politicians want to leave themselves room to manoeuvre in the event they can make a deal with Baghdad. "Independence is a historic dream but the issue still needs more study," said Sherko Jawdat, an MP from the Kurdish Islamic Union. "We will work as quickly as possible but it will take at least two to three months to set up the commission."



Mr Barzani also called for a referendum on Iraq's "disputed territories", which both Baghdad and the KRG claim as their own. Kurdish peshmerga forces seized the areas amid the Isis offensive – most significantly Kirkuk, which sits atop large oilfields that would help make the bid for independence economically viable. "It looks like the Kurds are moving to finish the issue of disputed territories on their own, without any involvement from Baghdad," Mr Van Wilgenburg said.

### ISIS advance reverses decade of growth in Middle East trade

Financial Times, 02.07.2014



The rise of jihadis in Iraq and Syria is disrupting trade routes across the Middle East and casting a shadow over economic prospects as trucks queue at borders, food and energy prices increase and exports falter.

The rapid advance of the Islamic State of Iraq and the Levant, known as Isis, in Iraq is causing economic difficulties for Turkey and Jordan, as well as in Iraq itself. It is also reversing a decade of growth in trade across the broader region. Iraq has become Turkey's second biggest export market after Germany, with \$12bn of sales last year – although about 70 per cent of this was to the KRG in the country's north.

Because of fighting in Iraq, and neighbouring Syria, where Isis also holds territory, many Turkish exports to the Gulf have been diverted to roll-on roll-off ferries from the Mediterranean port of Iskenderun and onward to Egypt or through the Suez Canal to Saudi Arabia. A few also disembark at the Israeli port of Haifa to access the Jordanian market, although this route gives only limited access to the Gulf, where imports passing through Israel are banned. About 1,700 trucks a day were passing through Habur, Turkey's main crossing into KRG, last week but beyond the boundaries of the KRG the country can be perilous: the Turkish foreign ministry and the country's chambers of commerce are working together to evacuate Turkish executives and workers from areas of danger.

"There is no problem with our trade with KRG but to get our trucks down to the rest of Iraqi territory will be very difficult," says Serif Egeli, a Turkish businessman who has been travelling to Iraq for four decades. Turkish trucks formed an 11km (7 mile) long, 880 vehicle, queue at a crossing on the border with Iran at Gurbulak, near the Turkish city of Agri, which is an alternative route to Baghdad and southern Iraq via Iran. However, it adds more than 1,000km to the journey and costs an extra \$2,000 per truck, according to Turkey's International Transporters' Union, which represents drivers. Mr Egeli adds that the broader crisis in Iraq will also damp demand for Turkish goods and services – particularly in building, an area where the country's companies have specialised. "As long as there is no government in Baghdad, it is very difficult to go on with projects and if there are no projects, you can't sell much more than textiles and food," he says.



Jordan also faces the economic consequences of Isis's rise – particularly since the militant group advanced through Iraq's Anbar province to within a few kilometres of its eastern frontier. Amman, which buys some of its oil from Iraq at a discount, is bracing itself for higher energy prices. "Individual businesses will hurt," says Yusuf Mansur, head of Envision Consulting Group, a consultancy in the Jordanian capital. "It will come in the context of an increase in the price of electricity." Initial reports last week that Isis controlled the Iraqi side of Jordan's main border post at Traibil were not confirmed: traffic appears to run in both directions and the Iraqi side of the border is reportedly in the hands of Sunni tribesmen. But in a sign of its concern, Jordan has deployed more security and military personnel to the area.

In Iraq itself, overland routes from the north are vital to keeping the economy going and the population fed. The country receives only 25 per cent of its imports via sea, according to the World Bank. Already, says Shanta Devarajan, the World Bank's chief economist for the Middle East and north Africa, there are signs of rising food prices in Baghdad and that is likely to continue. "What this is going to end up doing is creating an increase in food prices in Iraq, one way or another," he says. "Either the food supply will be interrupted or it will have to be re-routed and transport costs will rise."

Rising food prices are likely to push the vast number of Iraqis living just above the poverty line below it, Mr Devarajan says, adding to dissatisfaction with the Baghdad government. They are also likely to lead to a rise in the number of people relying on government food programmes, raising the fiscal cost for the Baghdad government. The crisis also comes at a time when the region was already trying to find new ways to boost what was already subpar intra-regional trade. The World Bank called, in a March report, for increased trade and investment within the region to help create a "new Levant". As Mr Devarajan points out: "The trade within the region is not that great to begin with." Only about 5 per cent of trade has been with other regional countries, he says.

There had been signs in the past decade that trade levels were increasing, particularly as Turkish businesses sought new trading ties with Arab neighbors. From 2000 to 2002, trade between the seven territories in the region – Egypt, Turkey, Iraq, Jordan, Lebanon, Syria and the Palestinian Territories – averaged just \$4.2bn annually, according to the World Bank. From 2008 to 2010, that trade soared to an annual average of \$29.7bn. The bank announced in December a \$355m project to improve Iraq's main transport corridors and facilitate trade. But now, as Isis spreads across Syria and Iraq, with big economic consequences as well as great human cost, the trend is running in the other direction.



# Israel warns Hamas against more violence as tension spikes

AFP, 04.07.2014



Israel warned Hamas Thursday against any escalation in violence, reinforcing its Gaza border amid continued rocket fire and heightened tensions after the murder of three Israeli youths and a Palestinian teenager.

"We are looking for calm, not escalation, but if Hamas chooses to act against us, we shall be ready," armed forces chief Lieutenant General Benny Gantz said in remarks tweeted by the army. "We are prepared for two possibilities in the south," army radio quoted Prime Minister Netanyahu as telling a July 4 reception at the United Statesa ambassador's residence.

"That the fire at our communities will stop and our activities will also stop, or that the fire at our residents of the south will continue and then the reinforced troops which are in place will act forcefully." Israeli warplanes pounded targets inside Gaza on Thursday and militants fired 34 rockets into Israel, the army said. It said another two were intercepted by the Iron Dome defense system and four more failed to clear the border. Netanyahu denounced Abu Khder's killing as "despicable" and urged both sides "not to take the law into their own hands". Four Israeli soldiers who allegedly used social media to call for revenge and to "annihilate terrorists" have been jailed for 10 days.

Outgoing Israeli President Shimon Peres in a statement called for restraint. "People who are engaged in incitement are not always aware where it can lead, to more sorrow, to more dangers," he said. Witnesses told AFP they saw Abu Khder being forced into a black Honda Civic by "two Israelis" with a third in the driving seat. It then drove off at high speed, evading two cars which tried to follow. The killing drew condemnation from around the world, including from the UN and the International Committee of the Red Cross, which said the abduction and murder of civilians "must stop now". A rally in central Tel Aviv called by leftist Israeli groups to protest against violence and counter calls for revenge had a poor turnout, with witnesses estimating the crowd at no more than 2,000.

Police said "hundreds" attended a similar event outside Netanyahu's official residence in Jerusalem. Tensions have soared since June 12 when the three Israelis disappeared in the West Bank, triggering a vast search and arrest operation. Their bodies were found on Monday, but the hunt for the killers continues, with troops arresting another 13 Palestinians on Wednesday night, the army said. Separately, the International Monetary Fund on Thursday said the economy in the West Bank and Gaza was weakening, urging Israel to lift restrictions on the Palestinians. IMF mission chief Christoph Duenwald said the global donor community needed to step up to help fill a "sizeable" financing gap this year for the authority.



### Announcements & Reports

► Pacific Partners Outlook: Fiji's New Forum Offers Challenges, Opportunities for Washington and its Partners

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

Weblink : http://csis.org/publication/pacific-partners-outlook-fijis-new-forum-offers-challenges-opportunities-washington-and-

▶ Not 'Legitimate' Yet: The Need for Continued Commitment after the Afghan Elections

**Source**: Chatham House

Weblink : http://www.chathamhouse.org/publication/not-%E2%80%98legitimate%E2%80%99-yet-need-continued-commitment-after-afghan-elections

#### ▶ What Really Happened in Iran

**Source**: Foreign Affairs

**Weblink** : http://www.foreignaffairs.com/articles/141527/ray-takeyh/what-really-happened-in-iran

#### ► New World Order

**Source**: Foreign Affairs

Weblink : http://www.foreignaffairs.com/articles/141531/erik-brynjolfsson-andrew-mcafee-and-michael-spence/new-world-order



### **Upcoming Events**

### ▶ 27th Annual Conference of the Congress of Political Economists International (COPE)

Date : 06 - 12 July 2014
Place : Zurich – Switzerland

**Website** : http://www.copeintl.org/copenewsite\_files/Page776.htm

### ► ECPEL 2014 - The European Conference on Politics, Economics and Law

**Date** : 16 – 19 July 2014

Place : Brighton – United Kingdom

Website : http://iafor.org/ecpel

### ► International Interdisciplinary Business-Economics Advancement Conference (IIBA 2014)

Date : 16 – 19 July 2014
Place : Istanbul - Turkey
Website : http://iibaconference.org

#### ► Finance and Economics Conference 2014

Date : 13 – 15 August 2014 Place : Munich, Bavaira, Germany

Website : http://www.lcbr-fec.org/

#### ▶ International Conference on Business Strategy and Social Sciences

Date : 16 – 17 August 2014
Place : Kuala Lumpur - Malaysia
Website : http://www.pakrdw.com/?ic=details&id=3

Supported by PETFORM

#### ► All Energy Turkey- 2014 (in Turkey)

**Date** : 24 – 25 September 2014

Place: Istanbul – Turkey

Website : http://www.all-energy-turkey.com/?lang=tr

