## **Politics & Economics Bulletin**

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# More Turkish infrastructure to be privatized

#### Anadolu Agency, 06.10.2014



The Turkish government has begun preparing for major privatizations, mainly consisting of national infrastructure, Finance Minister Mehmet Simsek said. The sectors to be privatized include highways, bridges, power plants, ports, a state-run insurance firm and the Erzurum winter sports facility for the short run.

The income from the privatization of Halk Emeklilik, the pension branch of state-run Halk Bankasi, will go directly into the coffers of the state-run bank. The government will withdraw from many fields in the upcoming period and hand them over to the private sector.

This claims will operate them more effectively and productively. "Our goal is to maintain more productive operations, create more jobs for our people, build a competitive environment, increase quality and come up with a structure that would benefit everyone," Simsek said. He particularly praised the recent sale of the power grid, saying losses from power leakage losses had declined and the state's revenues increased due to privatizing the grids. However, several grid privatizations were canceled before all were sold, due to some of the buyers' financial problems. The government has also faced similar problems in the gas grid sale, as the process has yet to be completely finalized. In recent years, the Turkish state has withdrawn from the petrochemicals, iron, steel, alcohol, tobacco and power distribution industries, while reducing its share in a number of others including banking, insurance, telecommunications and air freight.

Simsek said he had recently discussed privatizations with Prime Minister Ahmet Davutoglu and the two have decided to totally withdraw the state from lottery games. Turkey's Supreme Board of Privatizations approved the privatization of the operating rights of the national lottery, Milli Piyango, to the Net Sans-Hitay consortium for up to 10 years on a revenue-share basis, according to a statement issued in the Official Gazette on Aug. 29. The planned share is 25 percent of the annual revenue from lottery sales after the deduction of value-added tax and 28 percent for other revenues. The national lottery reached over 2.2 billion Turkish Liras in sales revenue in 2012. Spor-Toto, a sports-based draw still held by the state, and bids on horse races will also be privatized, Simsek said, adding the state will only take a regulating role in lottery draws.

The sale of 25 sugar factories and five machinery makers are also on the agenda, he added. A number of real estate agencies and state-owned facilities, including the Gulluk Marina in the Aegean province of Mugla, are also set to be offered to local and international investors. Along with the tenders, the government's plans to publicly offer the cable TV operations run by Turksat, the transfer of lines owned by the pipeline company Botas, some 49 percent of the state-owned stake in the Turkish Electricity Transmission Company (TEIAS), and the Turkish Petroleum Corporation (TPAO).



The Finance Ministry is currently waiting for a response from the energy minister on the privatization of sulfuric acid and boric acid facilities owned by Eti Maden, Simsek said. His ministry is also still working on the controversial privatization of Haydarpasa, an urban project at the historic Haydarpasa Train Station on the Anatolian side of Istanbul. The future of the building is still at stake with projections varying from turning it into a hotel and mall, to using the building as part of a railroad system, which is still under redevelopment. Successive Turkish governments have raked in a total of around \$70 billion from privatizations since 1986.

# Turkish economy has an improved outlook, Fitch says

### Anadolu Agency, 08.10.2014



Turkey's economy is ready for faster growth in a more stable environment, Fitch Sovereign Ratings Director, Gergely Kiss said. "We affirmed Turkey's "BBB-" rating and we see the outlook as 'stable.' Supporting this view is the relatively strong Turkish credit profile." Kiss said.

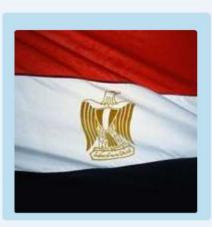
"It is important to see that Turkey has a strong fiscal position, its debt has declined over the last 2 years and also the deficit is below 3 percent of the GDP," Kiss explained. Fiscal consolidation has been managed with considerable success in Turkey, according to studies by the Organization for Economic Co-operation and Development.

Kiss noted also that the economy continues to show encouraging signs of rebalancing, notably a moderation in the current account deficit and credit growth with stable capital inflows. Kiss warned, however, that Turkish exports are suffering from the continuing conflict in Iraq. In the last two years, Iraq has became the second-largest export market for Turkey, and the violence in Iraq is affecting its import performance. However, Turkish exports increased by 6.5 percent in September compared with the same period in the previous year, according to the Turkish Exporters' Assembly. For Turkey's credit outlook to improve, Kiss pointed out the importance of controlling inflation, stimulating growth and narrowing the current account deficit. "Less reliance by lenders of foreign capital, which would reduce the current account deficit, and further progress on income distribution, would be two factors that would make for a positive improvement," Kiss said. Regarding Turkish economic growth, Kiss said that performance would hit rock bottom with 2.7 percent this year and then start to speed up again next year.



# Egyptians call for boycott of Turkish products

#### Anadolu Agency, 30.09.2014



Egyptian writers and political movements have called for a boycott of Turkish products in response to what they describe as "unjustified" attacks on Egypt by Turkish President Recep Tayyip Erdogan. Advocates of the boycott note that Egypt is a major importer of Turkish products and that a boycott of the products would take a toll on the Turkish economy.

Egyptian lawyer Samir Sabri filed a lawsuit last week to force the Egyptian government to ban the entry of Turkish products into the country. A court is expected to rule on the case on Dec. 2.

Television anchor and writer Gamal Anayet has also called for a boycott of Turkish products and has even encouraged Egyptians to drop Turkey as a tourist destination. "A boycott is a simple and thorough [means by] which we can affect Turkish policies," Anayet said during his "New Evening" talk show on the private al-Tahrir channel. "Turkish products have alternatives in Egypt," he added, inviting Egyptians to buy local products instead of their Turkish counterparts. Political analyst Michel Fahmi, for his part, called for a "strong public boycott" of all products, services and arts coming from Turkey. He said striking at the economic interests of those who "harbor inimical" attitudes toward Egypt would cause them pain. "Economic sanctions will be much tougher than political sanctions," Fahmi said. Bassem Halaqa, the head of Egypt's Tourist Guides Union, also called for a boycott of Turkey as a tourist destination, saying that supporting Egyptian tourism and the national economy were "patriotic duties."

Despite political tensions between the two states, some 30,125 Egyptians visited Turkey between January and April of this year, compared to 37,299 who visited the country in the corresponding period last year, according to Turkey's Tourism Ministry. The ministry added that some 10,600 Turkish tourists visited Egypt between January and April this year, compared with 25,289 who visited in the corresponding period last year. Trade exchanges between Egypt and Turkey, meanwhile, reached a total of \$5 billion last year, including \$3.5 billion of Turkish exports to Egypt, according to Egypt's Trade Ministry. Around 418 Turkish companies also operate in Egypt, especially in the textile, food and petrochemical sectors.

Female writer Reem Eidi and the Congress Party, founded by former presidential candidate Amr Moussa, also joined the boycott calls for Egyptians, but they raised the stakes further, extending a call to the whole Arab world. "The appropriate response will come through an Egyptian-Arab public boycott campaign against Turkish products and TV serials," Congress Party Vice Chairman Tamer al-Zaydi said in a statement. "Egyptians and Arabs must also stop travelling to Turkey." Relations between Egypt and Turkey took a turn for the worse after Egypt's military ousted elected President Mohamed Morsi in July of last year.



Tensions between the two countries reached their nadir last November, when Egypt declared the Turkish ambassador in Cairo "persona non grata" and Turkey responded in kind. While addressing the U.N. General Assembly late last week, Erdogan again lashed out at the new regime in Egypt. He accused the international community of lending legitimacy to Egyptian President Abdel-Fattah el-Sisi, widely seen as the architect of Morsi's ouster last year.

# Turkish government gets OK for military operations in Syria, Iraq

Hurriyet Daily News, 02.10.2014



A comprehensive motion authorizing the government to deploy the Turkish army into Iraq and Syria and to allow the deployment of foreign troops on Turkish soil was approved Oct. 2 in Parliament, providing the necessary legality for Turkey's potential contribution to the international coalition's efforts to destroy jihadists. The motion received 298 votes in favor and 98 against.

Justice and Development Party (AKP) and Nationalist Movement Party (MHP) lawmakers voted in favor of the motion while the Republican People's Party (CHP) and the People's Democracy Party (HDP) voted against the mandate.

The Iraq-Syria motion gives a green light for the use of Turkish troops in Iraq and Syria, as well as for foreign forces to be deployed on Turkish military bases and to transit through Turkish territory in operations against Islamic State of Iraq and the Levant (ISIL) militants. The mandate to begin tomorrow will last for one year. The government merged two existing motions on Syria and Iraq into one, arguing that the threats and risks posed by terrorist organizations are using both countries' territories. "The threat against Turkey has gained a new dimension. It's our obligation to take measures against this threat and to protect our citizens in the frame of international law," Defense Minister Ismet Yilmaz told Parliament. Yilmaz cited the efforts of the international coalition to battle against extremist jihadists in Syria and underlined that Turkey was also part of these efforts.

But just hours before the parliamentary session, Yilmaz stressed that the adoption of the motion did not mean that Turkey would take immediate steps in line with the scope of the motion. The three priorities Turkey has already outlined are to establish safe havens inside Syria to provide humanitarian assistance to Syrians in their own country, establish no-fly zones for the protection of these zones and train and provide logistics to the Free Syrian Army (FSA) in Turkey. Turkey is yet to decide what measures it will take in this framework but it has made it clear that all such potential measures to be carried out with the participation of coalition forces should also target the Syrian government. "The main source of ISIL is the Syrian regime," Yilmaz said, adding that Damascus had increased its oppression against dissidents in the country, committing massacres against its own citizens in various ways.



"The developments in Iraq have proven that there is a need of a holistic and comprehensive strategy to respond to the regional clashes and humanitarian tragedy. The region will be dragged into further conflict in the event the international community does not take a decisive step," he added. Mehmet Sandir, a deputy parliamentary group leader of the MHP, stressed that they were voting in favor of the motion because of their sensitivity to national causes and security while adding that that did not mean that it approved the ruling party's foreign policy line. "If there is a possibility of an attack against our country, we should take measures to defend our country," Sandir said.

Akif Hamzacebi, deputy parliamentary group leader of the CHP, described the motion as a "battle cry" and stressed that it was not aimed at fighting against ISIL but the Bashar al-Assad regime, which could drag Turkey into war with Syria. "Where is ISIL in this motion? Mr. President was caught red-handed yesterday with his address to Parliament as he outlined that their main objective was to topple the regime," Hamzacebi said. "We simply do not want to draw Turkey into this fire." Faruk Logoglu, speaking on behalf of the CHP, termed the point Turkey arrived at a crossroads that would negatively affect the future of Turkey and the region. "This motion is the result of an adventurous foreign policy. And we should all vote against it," Logoglu said.

Ertugrul Kurkcu, a lawmaker from the HDP, argued that the Turkish government did have any concerns over ISIL's existence in Iraq and Syria and that the motion was just an attempt to show off on behalf of Turkey for its regional ambitions. "You were bystanders to the ISIL massacres. You had no such issue until Barack Obama targeted ISIL," Kurkcu said. "You were the ones who supported ISIL, and you are still supporting it." Linking the ongoing Kurdish resolution process to the clashes between ISIL and the Syrian Kurds' Democratic Union Party (PYD) in the Kobane region of northern Syria, Kurkcu said, "If Kobane fails, the resolution process will also fail."



## At least 30 die in Turkey's street protests

#### Anadolu Agency, 08.10.2014



The death toll has risen to 30 from the protest violence in Turkey that started on Wednesday. Four people, including a woman, have died in random violence during the demonstratons in Turkey's southeastern Gaziantep province.

The protests stemmed from the support of the Kurdish Workers Party combat against Islamic State of Iraq and the Levant forces besieging the border town of Kobani. Terrorist violence also killed six people in the eastern city of Bingol Thursday, including two police officers. The policemen in Bingol were doing damage assessment from the protests when they were shot dead with long barrelled weapons.

The four terrorists who killed the police were shot while being pursued by police, Bingol Governorate said in a written statement. Bingol province Police Chief Atalay Urker, Deputy Police Chief Atif Sahin, Chief Inspector Huseyin Hatipoglu and police officer Ugur Adli were the victims of the attack. Deputy Police Chief Sahin died on the scene, while Chief Inspector Hatipoglu died in Bingol State Hospital. Police Chief Urker is taken to Turkish capital with an air ambulance while police officer Ugur Adli is being treated at Bingol State Hospital. Turkish officials have said the country was against supporting PYD (an offshoot of PKK in Syria) fighters in Kobani with military and financial aid, even if they are fighting against ISIL.

The PKK is listed as a terrorist organization by Turkey as well as by the U.S. and the European Union. The nationwide protests broke out after ISIL- militants penetrated the Syrian Kurdish town of Kobani, known as Ayn al-Arab, on Monday. The protesters have used the pretext that the Turkish government has allegedly done nothing to halt the relentless advance of the militant group in the Syrian city, which has become a scene of fierce street battles between Kurdish groups and ISIL militants. Turkish Agriculture Minister Mehdi Eker stated Thursday that 116 people had been arrested in the violence, and charges were brought against an additional 294 people who had violated the curfew.



# 7 terrorists captured in police operation in SE Turkey

#### Anadolu Agency, 10.10.2014



Seven terrorists have been wounded and captured during an overnight police operation on Thursday in Diyarbakir city. Police forces had learned that six terrorists from the outlawed Kurdish Workers Party came to the city center and two others came to Silvan to attend the pro-Kurdish protests that took place on Wednesday and to organize terrorist operations, according to provincial security sources.

The police operation was conducted with the aim of halting the terrorists in the city center. A clash erupted after the terrorists opened fire on the police forces, and six terrorists were wounded and captured.

Meanwhile in the Silvan district, one terrorist was also injured and captured after clashing with security forces and another got away. As part of the anti-terror operation, the police tightened security measures in the city. They confiscated five grenades, three long-barreled guns and two Glock pistols after a search of a suspicious car in Diyarbakir's Baglar district. The police also took four people in the car into custody. Earlier on Thursday evening, two policemen were shot dead by terrorists in the eastern province of Bingol. The protests, which began on Monday, were to demand that the Turkish government support the terrorist group PKK's military actions in the besieged Kobani near Turkey-Syria border.

The pro-Kurdish protesters have used the pretext that the Turkish government is accused of inaction in halting the relentless advance of the militant group in the Syrian city, which has become a scene of fierce street battles between Kurdish groups and ISIL militants. The death toll from the protests now stands at 30, along with over 150 more were injured, while some 368 people were detained across the country, according to the latest statements by Gaziantep governor Erdal Ata and Turkish Agriculture Minister Mehdi Eker.



## Turkish tanks take up position on Syrian border next to besieged Kurdish town



#### Agence France-Presse/Reuters, 29.09.2014

Turkish tanks took up position on a hill overlooking the besieged Syrian border town of Kobane on Sept. 29 after several shells hit Turkish territory as militants of the Islamic State in Iraq and the Levant (ISIL) fired on the town, a Reuters correspondent said.

At least 15 tanks were positioned, some with their guns pointed towards Syrian territory, near a Turkish military base near Kobane. Plumes of smokes rose up as shells hit both the eastern and western sides of Kobane. A mortar shell fired from Syria landed in Turkish soil - up to two kilometres from Mursitpinar, without causing damage.

But a mortar shell that hit a house in a Turkish village on the Syrian border late Sept. 28 left three people wounded, the military said on its website. It said Turkey's armed forces responded in kind. Meanwhile, the Turkish Parliament is set to discuss joining anti-ISIL coalition. The government said Sept. 29 it was likely to submit motions to parliament within 24 hours requesting extended mandates for military action in Iraq and Syria, so Ankara can join the U.S.-led international coalition against ISIL militants. "The motions have not yet been sent to parliament. They may come tomorrow," parliamentary speaker Cemil Cicek was quoted as saying by NTV television. Prime Minister Ahmet Davutoglu has said the motions will be debated on Oct. 2.

Turkey refused to join a broad coalition led by the United States to defeat the jihadist fighters while dozens of its citizens including diplomats and children were being held by ISIL militants having been abducted from the Turkish consulate in the northern Iraqi city of Mosul. After securing their freedom in a top-secret operation which reportedly resulted in the release of 50 ISIL fighters, President Recep Tayyip Erdogan said Turkey's position had changed, signalling a more robust stance towards the group. "We will hold discussions with our relevent institutions this week. We will definitely be where we need to be," Erdogan said on Sept. 28. "We cannot stay out of this."

The government hopes the motions will be passed by parliment before the Muslim Eid holiday which begins on Sept. 27. In a rare move, Turkey's top general, Necdet Ozel, will speak to the cabinet on Sept. 30, to be followed by a security summit chaired by Erdogan. Turkey has so far accepted over 160,000 refugees who fled the ISIL assault near the town of Ain al-Arab, and has called for a safe zone and buffer zone to help civilians inside Syria. Turkey has already taken in more than 1.5 million refugees who fled the regime of President Bashar al-Assad.



# Turkish PM blames opposition, world powers as protest death toll rises

Hurriyet Daily News, 08.10.2014



Turkish Prime Minister Ahmet Davutoglu has defended his government on its policies on Syria, as the death toll in the worst street unrest in Turkey's recent past hit 22.

"The ones who were silent in the face of the death of 300,000 people in the past 3.5 years, ignoring the use of chemical weapons, SCUD missiles and barrel bombs [in Syria], are suddenly putting an effort to create an international perception as if Turkey must immediately solve the problem in Kobane itself," Davutoglu said. He pointed at Turkey's opposition parties, as well as the five permanent members of the United Nations Security Council.

He also declared calls to hold rallies in support of Kobane to be "against democracy." Chief of General Staff Gen. Necdet Ozel, deputy prime ministers Bulent Arinc, Ali Babacan and Yalcin Akdogan, Foreign Minister Mevlut Cavusoglu, Interior Minister Efkan Ala, National Defense Minister Ismet Yilmaz were among the senior officials who attended the meeting. The meeting was focused on the aftermath of the violent protests against the advance of the Islamic State of Iraq and the Levant (ISIL) on the Kurdish town of Kobane near Syria's border with Turkey. The death toll rose to 21 late Oct. 8 with two more bodies found in the emptied streets of Mardin, one of the six southeastern provinces in which the government declared a curfew to quell the unrest, mainly fueled by the supporters of the outlawed Kurdish Workers' Party (PKK) and Hizbullah, a radical Islamist group in Turkey whose members are mostly Kurdish.

"I would like all our citizens to know about our resolute position for the solution process [to solve Turkey's Kurdish question]. We can't sacrifice the solution process to any vandalism. However, we also can't take a position that will tolerate violence for the sake of the solution process," Davutoglu added. Meanwhile, Turkey detained dozens of Kurds who crossed the border from the besieged Syrian town of Kobane on suspicion of links to the outlawed Kurdish Workers' Party (PKK), officials said on Oct. 8, according to Agence France-Presse. A local official in the Turkish border town of Suruc told AFP around 265 people were taken into custody for fingerprint identification after they crossed from the mainly Kurdish town, which is under attack from ISIL.

"Their fingerprints will be identified entirely for security purposes. They could be members of the organization," he said, referring to the PKK, which Turkey's government refuses to name. He said they had not been placed under formal arrest. "This is a routine procedure we also applied to Turkmen soldiers who fled to Turkey," he added. Turkey fears the standoff around Kobane could lead to the creation of a Kurdish fighting force overlapping the Turkish and Syrian borders. Syriabased Kurds fighting with the People's Defense Units (YPG) against ISIL are affiliated to the PKK militants who have fought the Turkish authorities for the last three decades in an insurgency that has claimed 40,000 lives.



"From now on, whoever comes from the other side of the border will be either from the PKK or the YPG. We are talking about the country's security," the Turkish official said. Kurdish officials earlier this week said all civilians had already fled Kobane. The Turkish government has prevented Kurds from crossing into Syria to join the fight against ISIL, infuriating locals and fueling deadly protests across Turkey. Idris Nahsen, a Kurdish official from Kobane who fled to Turkey after escalating clashes between Kurds and ISIL insurgents, said hundreds had been detained after crossing the border.

"Some 350 civilians crossed to Turkey overnight but the Turkish intelligence captured them, accusing them of links with the PKK," he told AFP by telephone. He said the detainees, currently being held in two different schools in Suruc, burned blankets on Oct. 7 night and were threatening to set themselves on fire. One of those detained, Mustafa Bali, another former official from Kobane who crossed into Turkey last week, said many detainees were on hunger strike. "The civilians, including journalists, women, children and other men were arrested and placed in a hall," he said. "We have been under arrest for three days. The YPG asked us to evacuate the city because they declared Kobane a military zone and the Turkish authorities took us to this hall in Suruc," he said, adding that they were barred from going outside. "We are packed in here, with no air. They don't open any windows or doors. Four people got sick because of the inhumane conditions," he said.

The Turkish official, however, denied a hunger strike, saying the detainees refused to eat only Tuesday night. Meanwhile, the Turkish army said it had seized three Kalashnikovs from a group of five YPG "terrorists" who were traveling across the border from Syria to Turkey. Bali said the army was now assuming that any Kurd still remaining in Kobane was a YPG fighter. "They ask us why we fled, accusing us of belonging to YPG. We are supposed to be refugees but they don't set us free," he said. Turkey was already struggling to cope with the Syrian refugees even before more than 180,000 residents of Kobane have fled to Turkey over the past three weeks. More than a million Syrian refugees in Turkey may go without food, medicine and shelter unless there is an increase in international funding, the U.N. refugee agency said on Oct. 8, according to Reuters.

Carol Batchelor, the U.N. High Commissioner for Refugees (UNHCR) representative in Turkey, said there was a global responsibility to look after the refugees, as the inflow has now far exceeded the international support Ankara has received. "The basic needs of the Syrian refugees vastly outweigh the support and funding from the international community," Batchelor told Thomson Reuters Foundation. The majority of the 1.5 million Syrian refugees in Turkey live outside refugee camps, and Batchelor said this was one of the biggest challenges facing the country. "While there are 22 refugee camps hosting 220,000 people across Turkey, this means more than a million Syrians are in temporary shelters like mosques, schools and parks," Batchelor said in a telephone interview from Ankara.

"These are the people who need urgent help, but the longer the conflict goes on, the worse their situation will become." Turkey received only 37 percent of the funding it requested as part of the 2014 Syria Regional Refugee Response Plan (RRP6), Batchelor said. RRP6, coordinated by the United Nations, brought together more than 155 donors to help Syrian refugees and the local communities hosting them in Turkey, Egypt, Jordan, Lebanon and Iraq. Batchelor said that while \$3.5 billion had been spent on the Syria crisis in the last 3.5 years, less than \$300 million of international funding had been allocated to Turkey.



Extra funding is needed not only for food, medicine and shelter, but also to provide basic education to child refugees, who account for more than half the Syrian refugees in Turkey, Batchelor said. The UNHCR has been working closely with the Turkish authorities to help the refugees get shelter, hospital care and translation services, but Batchelor said the burden of looking after Syrian refugees should not fall on Turkey alone. "Turkish people have been very welcoming and supportive, and international solidarity must be equally forthcoming to ensure this unprecedented number of refugees is looked after." The UNHCR protects and supports refugees at the request of a government or the United Nations itself and assists in their voluntary repatriation, local integration or resettlement to a third country.

## Turkish army should stay out of Syria



#### Hurriyet Daily News, 08.10.2014

Turkey's main opposition Republican People's Party (CHP) leader Kemal Kilicdaroglu has warned the government not to make Turkey a part of the war in Syria while giving humanitarian assistance to the Kurdish-populated town of Kobane (Ayn al-Arab), which has been under heavy attack by forces from the Islamic State of Iraq and the Levant (ISIL) for over two weeks.

Speaking to the Hurriyet Daily News in a telephone interview, Kilicdaroglu said Turkish soldiers should not enter Syrian soil and added that he believed the Turkish army is of the same opinion.

The CHP head accused Prime Minister Ahmet Davutoglu of using the fight against ISIL as a justification of the government's first priority, overthrowing the Syrian regime. He said President Recep Tayyip Erdogan, meanwhile, was trying to build an "extraordinary leader" image for himself through a "cheap war" in Syria. Here are Kilicdaroglu's words on the Kobane situation and the government's stance on the ISIL-Syria issue:

\* "A CHP delegation has visited Kobane in recent weeks, but according to the latest reports we have received from there, not many civilians remain in the town. Turkey should, of course, give every kind of humanitarian assistance to Kobane, but it should not become a part of the war there and should not enter this war.

\* "I believe the government is still helping ISIL. There is some information showing that some of the weapons and money ISIL has is of Turkish origin. ISIL spokesmen do not refrain from speaking about that [assistance] openly. If you pay attention, you will notice that U.S. Vice President Joe Biden did not apologize for saying that Turkey had helped [ISIL]; he apologized for making a conversation between himself and Erdogan public that was supposed to be confidential. The statement from the U.S. shows that too.



\* "ISIL militants [wounded in clashes] are being treated in Turkey. From a humanitarian point of view, there is no doubt that you have to give medical assistance to everyone in need. Bu you must not let that militant go back to fight after recovering. You should arrest them and keep them in custody if necessary. What is the government doing? They are sending the militants back; this means helping them. If the government wants to fight against ISIL, it must first stop helping them. It should control the cells recruiting people for ISIL in Turkey; it should close the borders to militants traveling here from abroad and joining ISIL. In summary, the government should take measures against ISIL in Turkey and on its borders.

\* "The [Turkish] government's priority is not ISIL, but the Syrian regime. The priorities of the U.S. and the Western alliance are not Syria, but ISIL. We made this point clear during the motion debate [in Parliament]. Now, Davutoglu has announced this himself as a fact. The government wants to fight Syria with the justification of fighting ISIL. I don't give much credence to the notion that the U.S. would go to a war in Syria, or would like to see Turkey going to war with Syria. Look at the reports about the lack of any reference to land units in the NATO statement the other day. There might also be a secret agreement between the U.S. and Russia on Syria; we have information about that.

\* "Turkish soldiers should not enter Syrian soil. There are those who want to drag Turkey into the Syrian soil, into the atmosphere of war in the Middle East. Turkey should not play this game. I believe the Turkish military thinks the same way.

\* "Erdogan wants to become an 'extraordinary leader' through the dream of a 'cheap war' in Syria. Like many 'extraordinary leaders' in history, he is trying to keep his power consolidated by creating 'extraordinary situations' - or illusions of extraordinary situations - one after another. First, it was the suspicion of a coup against himself using court cases like Ergenekon and Balyoz. Then, there was the illusion of another coup attempt using the Gezi protests, and finally there are the claims of a 'parallel structure' against the government. The last in this series is the dream of a cheap war in Syria. But when it became clear that this war would not be so cheap, he was late in putting the brakes on. God save Turkey from leaders considering themselves 'extraordinary,' and God save Turkey from war."



## Turkish Deputy PM Babacan warns of 'global impact' of Syria, Iraq crises

Anadolu Agency, 29.09.2014



Deputy Prime Minister Ali Babacan told a World Economic Forum (WEF) meeting that Turkey sees the importance of "networks for solidarity and cooperation" across the Middle East and North Africa, warning that the ongoing crises in Iraq and Syria may have "global" spillover effects.

Delivering a wide-ranging speech at a WEF Special Meeting, Babacan said a major principle for Turkey in the region was to support the peaceful settlement of all disputes. "In this geography multiculturalism is the key, as well as respecting differences and seeing diversity as richness, [something] that we have achieved for centuries," he said.

"We are very hopeful for the future. That is why we have lifted visas and have signed free trade agreements with many countries in the region; we did so to allow an easier circulation of people goods and services ... Turkey has certain principles whenever it approaches the region and we continue to respect those principles regardless of developments," Babacan added. Upon a question on how the ongoing crises in Syria and Iraq would affect the global economy, Babacan described the developments on Turkey's southern borders as "one of the biggest geopolitical threats to the global economy and a long-term issue [to be solved]." "[The crisis in] Syria and Iraq is a huge humanitarian problem that we are observing. Some 20,000 people are dead already. Iraq and neighboring countries are nations rich in natural resources, and problems with oil supplies or transportation routes could cause higher oil prices which will affect the global economy,"

The Islamic State of Iraq and Levant (ISIL) launched an offensive in mid-September, capturing large swathes of land in Iraq and Syria and declaring what it calls a cross-border Islamic "caliphate," killing thousands and displacing millions in the two countries. It has posted graphic online videos of mass executions, as well as the beheading of Western hostages. Additionally, ISIL has already captured a number of oil-producing areas in northern Iraq. Meanwhile, pointing out that Turkey has undergone a major economic and political transformation in the last 12 years, Babacan stressed that the accession process to the EU had helped Turkey with this reform process. "Accession to the EU increased the quality of democracy and the practice of human rights in Turkey.

The EU criteria acted as a guide to further reform," he said, hailing the EU as "an important 20th and 21th century project for civilization." "But still, we have a lot to do. We need to improve the quality of democracy, to make sure that fundamental rights and freedoms are even more widely practiced and to ensure that Turkey sees real rule of law," Babacan added. Touching on unemployment figures, Babacan claimed that over million Turks had found work between June 2013 and 2014, and he emphasized that the government offers incentives to employers that hire young people and women. The deputy prime minister also noted that while Turkey's growth rates in recent years have been impressive, consumption should be in line with earnings.



# Turkey prepares for bigger role in fight against Islamic State

#### The Guardian, 29.09.2014



After months of hanging back amid angry accusations of collusion, Turkey is gearing up for a bigger role in the fight against Islamic State (Isis) that could include sending Turkish ground troops across the border into Syria and Iraq.

But counter-terrorism aside, Turkey's leaders have another motive for getting involved: preventing independent-minded Syrian and Iraqi Kurds, who have links to Turkish Kurd separatists, from further strengthening and exploiting their position as key western allies. Turkish President Recep Tayyip Erdogan spoke after meetings with the Obama administration at the UN general assembly in New York.

He said: "The logic that assumes Turkey would not take a position militarily is wrong." He said negotiations were under way about a potential ground operation in tandem with US-led air strikes. "You can't finish off such a terrorist organisation only with air strikes. Ground forces are complementary ... You have to look at it as a whole ... If there's no ground force, it would not be [a] permanent [solution]," Erdogan said. This week Turkey's parliament is expected to renew "hot pursuit" powers allowing Turkish armed forces to enter Syria and Iraq. Erdogan and the prime minister, Ahmet Davutoglu, will meet military commanders to finalise a "road map" spelling out Turkey's strategy, following the release this month of 46 Turkish hostages held by Isis. "We had said we would have a different road map once we save our hostages. Now a different road map is being put in place, it will inshallah begin [to be implemented]," Erdogan said.

Ankara wants to set up a buffer area inside Syria, protected by a no-fly zone, in part to halt the flow of refugees. An estimated 1.5 million Syrians are now in Turkey, including 160,000 Syrian Kurds who fled the recent fighting with Isis around Kobani. Ankara is also concerned that the international campaign against Isis may bolster the Alawite regime in Damascus of Bashar al-Assad, whose resignation it has demanded. But under pressure from the US, Turkish attitudes are hardening. Turkey had an "obligation to fight", Erdogan said in Istanbul on Sunday. Recalling his UN talks last week, he went on: "All leaders, either in private talks or bilateral meetings, all said Turkey must be in." In separate remarks, Davutoglu echoed Barack Obama and David Cameron in terming Isis "barbaric" and un-Islamic.

Direct Turkish military engagement, and the creation of a Turkish-controlled buffer zone, could serve to curb growing Kurdish self-rule aspirations, which Ankara fears may inflame Turkey's large Kurdish minority and possibly wreck the current ceasefire with the separatist Kurdish Workers' party (PKK). Turkey has tried to prevent Turkish Kurds from crossing the border to help Syrian Kurds, prompting accusations of collusion with Isis. Omer Taspinar, a columnist for the Turkish daily Today's Zaman, wrote: "Ankara is concerned the American-led campaign against Isis will achieve two things. First, it will strengthen the Syrian Kurds, who maintain close ties with Kurdish separatits.



Second, it will strengthen the regime in Damascus ... Ankara will decide to play an active role in the coalition only if it gets serious commitments about reversing these dynamics." Commentator Gokhan Bacik said the Kurds' fight against Isis was rapidly increasing their international legitimacy. "As a direct consequence, the Kurdish groups are becoming more organised, to the point that they are acting as a quasi-state." Rather than take fright, Turkey's wisest course would be to forge a grand alliance with the Kurds, said analyst Sahin Alpay. "A sound policy requires that Ankara hastens the peace process with the PKK to meet the common democratic demands of the Kurds of Turkey in return for the PKK laying down arms against Turkey. It must also refrain from a policy of playing the Kurds of Turkey, Iraq and Syria against each other and instead strive for friendship and solidarity with all."

## US responds to Davutoglu, says stance on ISIL fight unchanged

Hurriyet Daily News, 07.10.2014



The United States has said its position on the fight against the Islamic State of Iraq and the Levant (ISIL) has not changed, hours after Turkish Prime Minister Ahmet Davutoglu said the operation should target the Syrian regime.

"Our position hasn't changed. Our focus is on ISIL. We certainly are continuing to support the Syrian opposition, but I don't have anything new on that regard," U.S. Department of State Spokesperson Jen Psaki said on Oct. 6 during a press briefing. The question was about remarks Davutoglu made during an interview on Oct. 6 with CNN's Christiane Amanpour.

Ground troops can be used in the operation targeting ISIL as part of a comprehensive strategy also targeting the Bashar al-Assad regime, Davutoglu said in the interview. He also said Turkey will join the coalition against ISIL "only with [the establishment of] a no-fly zone and safe havens inside Syria." When asked about the plans for safe havens, Psaki reiterated the U.S.'s stance. "Part of our focus right now is on having a discussion with our coalition partners, including Turkey, about what the needs are, what roles they can play moving forward.

Nothing has changed since I addressed this question last week in terms of a no-fly zone or a buffer zone and what is and isn't under consideration," she said. Psaki recalled last week's vote in the Turkish Parliament authorizing cross-border operations and the stationing of foreign troops in Turkey. "The leaders of Turkey have indicated over the past several weeks that they want to play a more prominent, active role in the coalition. We're having discussions with them about what that role is, what ideas they have. And they had a vote in Parliament, we'll see what happens," Psaki said.



# Assad removal proviso for Turkish boots in Syria

#### Anadolu Agency, 06.10.2014



Turkey is prepared to send ground forces to help eradicate ISIL in Syria if it gets international assurances for its borders and the removal of the Syrian regime, Prime Minister Ahmet Davutoglu said. The prime minister said that without the removal of Syrian President Bashar Assad, the Syrian regime's ongoing offensives posed as big a threat as that caused by the Islamic State of Iraq and the Levant.

"We are ready to do everything as long as there is a clear strategy that after ISIS we can be sure that our borders will be protected," he said. "We don't want the regime on our border any more, pushing people against -- towards Turkey."

"If ISIS goes, another radical organization may come in as long as Assad stays in his seat," he added. "Davutoglu emphasized the need for a comprehensive international strategy to defeat the terrorist elements threatening the entire region and displacing millions of people, especially in the last few months. "So our approach should be ... not just to punish -- to satisfy our public opinion -- to punish one terrorist organization, but to eliminate all terrorist threats in the future, and also to eliminate all brutal crimes against humanity committed by the regime," he said. Turkey has been pushing for the establishment of a no-fly zone and safe haven in Syria near the Turkish border as a priority which it sees necessary if the international U.S.-led coalition wants to join forces with Ankara against ISIL.

The coalition recently mounted airstrikes against the terror group in Iraq and Syria. "We want to have a no-fly zone. We want to have a safe haven on our border. Otherwise, all these burdens will continue to go on the shoulders of Turkey and other neighboring countries," Davutoglu said. Obama administration officials have reiterated that neither a no-fly zone nor a safe haven within Syria are currently part of the coalition's approach to defeating ISIL. In Washington, State Department spokeswoman Jen Psaki said, "Our position hasn't changed. Our focus is on ISIL. We certainly are continuing to support the Syrian opposition, but I don't have anything new on that regard." The recent massive influx of Syrian Kurds from the border town of Kobani was one of the main underlying reasons for the two preconditions for Turkey's joining coalition forces in a possible ground operation, he said.

More than 180,000 Kurdish refugees have taken shelter in Turkey since the country opened its border Sept. 19, according to Davutoglu. "Those who request something from us should understand our needs as well. This is not a one-sided relation," he added. The head of the Turkish government objected to concentrating on only one region in Syria or Iraq and ignoring others, stressing the need to formulate an integrated strategy to root out the terrorist threat in the wider Middle East. "If there is a need of intervention in Kobani, we are saying that there is a need of intervention in all Syria, along all of our border," he said.



The Turkish parliament accepted a motion Thursday authorizing military action in Syria and Iraq against any terrorist group, including ISIL. The motion allows military incursions into Syria and Iraq against a threat to Turkey and allows foreign forces to use Turkish territory for possible operations against ISIL. Asked whether Turkey would send in ground troops to save Kobani, Davutoglu reiterated that Turkey was ready to do whatever was necessary for Kobani, but said sending troops was another decision. "We will do everything possible to help people of Kobani because they are our brothers and sisters. We don't see them as Kurds, Turkmens or Arabs," he said. The Turkish premier stated that Turkey's priorities in Kobani were to save the lives of people escaping ISIL.

"Of course, we are now working with the coalition members on what to do next against ISIS, not only in Kobani," he said. The prime minister also criticized what he described "a lack of proper action" by Western countries regarding the rise of radicalism in Syria, against which he said Ankara had warned them "several times." Davutoglu also responded to the recent row about allegations by the U.S. Vice President Joe Biden regarding weapons aid to Syrian fighters, which he called "a really unfair accusation." During an address at Harvard University last Thursday, Biden accused America's key allies in the Middle East, including Turkey, of having allowed the rise of ISIL.

"Our allies in the region were our largest problem in Syria," Biden said, claiming that certain Middle Eastern countries had provided "hundreds of millions of dollars and tens of thousands of tons of weapons" indiscriminately to anyone who would fight against Assad, thus instigating a Sunni-Shiite conflict. Davutoglu said, "What we expect are two things: fairness and empathy. First empathy. The U.S. has a border with Mexico and there are two states on both sides. Is it easy to control all the border?" In a phone call Saturday, Biden apologized to Turkish President Recep Tayyip Erdogan "for any implication" that Turkey or other allies in the region supplied or facilitated the development of ISIL.

## Protestors attack Turkish consulate in Austria



Demonstrators attacked a Turkish consulate in Austria on Monday October 6 at night as they protested against Turkey's lack of support for Kurdish fighters in the besieged Syrian town of Kobani. Masked protestors hurled stones through the windows of the consulate in the town of Bregenz, western Austria.

Up to 50 demonstrators had gathered to protest, chanting slogans of the outlawed Kurdish Workers' Party, known as the PKK. The party is recognized as a terrorist group in Turkey, the EU and the U.S. No consular staff were present in the building and the protest was dispersed by police.

#### Anadolu Agency, 07.10.2014



## Airstrikes target ISIS near Kobani: 'Finally, they are hitting the right places'

CNN, 07.10.2014



Airstrikes targeting ISIS struck near the crucial Syrian city of Kobani overnight. Five airstrikes near that city targeted groups of ISIS fighters, U.S. Central Command said. There were another four strikes elsewhere in Syria and four in Iraq.

"Finally, they are hitting the right places," one local fighter against ISIS said after the airstrikes near Kobani, which is close to the Turkish border and key to ISIS' effort to extend its terrain. Were Kobani to fall, ISIS would control a complete swath of land between its self-declared capital of Raqqa, Syria, and Turkey -- a stretch of more than 100 kilometers.

Outnumbered and outgunned by ISIS, local fighters trying to defend the Kurdish-dominated city have tried to flee into Turkey. Airstrikes against the radical Islamist group in Kobani can be challenging because many targets there are too close to the Turkish border or Kurdish forces to strike, a senior U.S. military official said.

Central Command listed the overnight strikes in a news release:

- •1 south of Kobani destroyed three ISIS armed vehicles and damaged another
- •1 southeast of Kobani destroyed an ISIS armed vehicle carrying anti-aircraft artillery
- •2 southwest of Kobani damaged an ISIS tank
- •1 south of Kobani destroyed an ISIS unit

Elsewhere in Syria, two strikes west of al-Hasakah hit multiple ISIS buildings, one near Deir Ezzor struck an ISIS staging area and IED production facility, and one southwest of Rabiyah struck a small group of ISIS fighters. The United States, Saudi Arabia, and the UAE all participated in the strikes, Central Command said. In Iraq, Dutch forces participated for the first time in airstrikes against ISIS. Dutch forces dropped three bombs on armed ISIS vehicles that were shooting at Kurdish Peshmerga forces in northern Iraq on Tuesday morning, the Dutch Defense Ministry said in a statement. The vehicles were destroyed, and ISIS fighters may have been killed, the ministry said. U.S. Central Command said Belgium participated in overnight airstrikes in Iraq as well.

More than 400 people have been killed in the fight for Kobani since mid-September, the Syrian Observatory for Human Rights said Tuesday. The group said it has documented the deaths of 219 ISIS jihadists, 163 members of the Kurdish militia, and 20 civilians. A northern Iraqi hospital has received the bodies of at least 29 suspected ISIS militants, the head of the Tal Afar hospital said Tuesday. Danial Qassim said most were killed in U.S.-led coalition airstrikes overnight. Tal Afar is about 70 kilometers west of Mosul. Mosul has also been overtaken by ISIS, which calls itself the Islamic State. U.S. military airstrikes against ISIS in Iraq and Syria have cost more than \$62 million so far, according to data provided by the U.S. Defense Department.



## **US mistaken about Iraqi army and ISIL**

#### Anadolu Agency, 29.09.2014



The U.S. underestimated the rise of the Islamic State of Iraq and Levant, ISIL, and overestimated the ability of the Iraqi army to repel the militant group, said U.S. President Barack Obama.

Obama, quoting U.S. Director of National Intelligence James Clapper, said they both underestimated the rise of ISIL terror group and overestimated the ability of the Iraqi army to avert the terror group's threat. "ISIL represents a sort of hybrid of not only a terrorist network, but one with territorial ambitions and with some of the strategy and tactics of an army," Obama said.

He explained the al-Qaeda group in Iraq went underground after the U.S. squashed them with the help of Sunni tribes, but over the past couple of years, during the chaos of the Syrian civil war where huge swathes of the country were ungoverned, they were able to reconstitute themselves and take advantage of the chaos. As the group attracted thousands of foreign fighters, Obama said Syria "became ground zero for jihadists around the world." He also noted that as the militants were expunged from the Iraqi military after Saddam Hussein's fall, they have "traditional military capacity." "That's why it's so important for us to recognize part of the solution here has to be through military means," he said. When it comes to Iraq, he said the U.S. left Iraqis "with a democracy that was intact, a military that was well-equipped and the ability then to chart their own course."

However, he added "that opportunity was squandered over the course of five years or so because the prime minister, [Nouri al] Maliki, was much more interested in consolidating his Shi'a base." He claimed that it would take generations to overcome the political intolerance within Iraq and the Middle East, and said they have now created an environment in which the youth can make a change. In response to Kroft's questions on U.S. arming and training the Syrian opposition, Obama said that Syria's Bashar al-Assad should go, but ISIL now presents a more immediate threat which has to be dealt with. "We are not going to stabilize Syria under the rule of Assad because the Sunni areas inside of Syria view Assad as having carried out terrible atrocities," Obama said. "On the other hand, in terms of immediate threats to the United States, ISIL, the Khorasan group (a group of al-Qaeda veterans who have moved into Syria) those folks could kill Americans."

The U.S. and several Arab states, as part of a more than 50-nation U.S-led coalition, since last week have conducted several airstrikes on ISIL targets and the Khorasan Group in Syria, an umbrella name coined for Islamists opposition groups alleged to be affiliated to al-Qaeda. During the interview Obama also spoke about Russia's actions in Eastern Europe and U.S.-Russia relations. He said that Moscow violated the sovereignty of Ukraine and noted that the cease-fire that was brokered by Western powers under U.S. leadership through the imposition of economic sanctions is still holding. However, he does not anticipate that a military confrontation between Russia and NATO countries will materialize.



# ISIS fighter says U.S. airstrikes aren't effective

CNN, 29.09.2014



The United States may be touting its strikes on ISIS targets in Syria, but one of the terror group's fighters says the hits are trivial at best. In an exclusive interview with CNN, a Syrian ISIS fighter using the pseudonym Abu Talha said the militant group has been preparing for such attacks.

"We've been ready for this for some time," Abu Talha said. "We know that our bases are known because they're tracking us with radars and satellites, so we had backup locations." He taunted the U.S.-led coalition that has been pummeling ISIS targets in Syria over the past week, including attacks on mobile oil refineries and vehicles.

"We have revenues other than oil. We have other avenues, and our finances are not going to stop just because of oil losses," the 28-year-old militant said. "They thought they knew everything. But thank God, they don't know anything. And God willing, we will defeat the infidels." Abu Talha said he was among the ISIS fighters who took over Mosul, Iraq's second-largest city, in June. He said even if coalition attacks impede ISIS, they're not enough to stop ISIS' mission of fortifying an Islamic state across Sunni parts of Syria and Iraq. "They hit us in some areas, and we advance in others," Abu Talha said. "If we are pushed back in Iraq, we advance in northern Syria. These strikes cannot stop us, our support or our fighters." U.S. President Barack Obama admitted the quick rise of ISIS in Syria had been underrestimated at first.

In an interview that aired Sunday on CBS' "60 Minutes," Obama said the U.S. government "underestimated what had been taking place in Syria" during its civil war -- allowing the country to become "ground zero for jihadists around the world." One man who recently left the ranks of ISIS also said the militants took precautions before coalition strikes. "They almost entirely emptied out the headquarters," the defector, using the name Abu Omar, told CNN's Arwa Damon in Turkey. "Some equipment they hid in civilian neighborhoods. Some they hid underground." Abu Omar also said ISIS relies heavily on foreign members -- including Westerners -- to carry out its mission. "The French, they have so much control -- they're even more extreme than we are," the defector said.

"They come from France, but it's as if they have been part of the 'Islamic State' for years." The 29year-old said he believed in ISIS' goal of creating an Islamic state and left his wife and 3-year-old son behind to go fight. Abu Omar initially tried to defend the group's atrocities -- including crucifixions, beheadings and indiscriminate killings. But eventually, the brutally became too much for him. "I used to hope that they would fix their mistakes," he said. "If they had, it wouldn't be like this." When the United States and Arab partners started pounding the ISIS stronghold of Raqqa last week, many militants scattered. And Abu Omar found an opportunity to flee. But he still trembles when he talks, fearful he has a target on his back.



## **Pro-ISIS sympathies simmer in Jordanian** city

#### CNN, 30.09.2014



The quiet, sandy streets of the southern Jordanian city of Ma'an belie the pro-jihadi sentiments simmering just under the surface. Black graffiti showing the ISIS flag defaces walls and shopfronts on the main road, the backstreets where children walk to school, and roundabouts where cars packed with families speed past.

Ma'an has always been known as a rebellious city in Jordan. For decades it has been at the center of repeated episodes of violent riots and confrontations with the security forces. But Ma'an is also an important city, historically a key base of tribal support for Jordan's Hashemite monarchy.

In recent months, videos of small but vocal pro-ISIS demonstrations have circulated on social media, with some Ma'an residents waving the black flag of the hardline extremist group which has taken massive swaths of land in Syria and Iraq. Demonstrators brazenly called for an Islamic state and chanted anti-government slogans. The government says it has the situation in Ma'an under control, despite the apparent tensions. "The very few Jordanians who carried ISIS flag were arrested," government spokesman Mohammad al-Momani told CNN on Tuesday of the demonstrations. According to a government official who spoke on condition of anonymity, "the majority of people who showed sympathy with ISIS were arrested."

The official said a total of 71 sympathizers had been arrested over the past couple of weeks across the country. For years Jordanians have joined the ranks of extremist groups like al-Qaeda in the wars in Afghanistan and Iraq and more recently in Syria. Jordan, a key U.S. ally, has been on high alert along its borders with both Iraq and Syria, beefing up security and foiling a number of infiltration attempts, according to the government. But many in the kingdom fear the threat from within is now only going to rise after Jordan joined the U.S. led coalition in its fight against the terror group in Iraq and Syria. Like many Jordanians, the mayor of Ma'an is concerned about the repercussions of the country going on the offensive against ISIS in neighboring countries.

"The Salafi jihadi movement has been in Jordan for years, not just in Ma'an but also in other cities ... if this movement in Iraq or Syria declares a war on Jordan, they will not hesitate to carry out operations in Jordan," Mayor Majed al-Sharari told CNN in his office on Monday. The government downplays these concerns and insists it has the situation under control. "All Jordanian institutions and security agencies work continuously to stop and arrest any Jordanian that carries an extremist ideology, and Jordan has a good record of facing this phenomenon and dealing with it through its judicial system and security apparatus," al-Momani told. At least 11 Jordanians were detained over allegations of being in direct contact with ISIS in Syria days before the start of the coalition's airstrikes last week.



In Ma'an, the mayor insists pro-jihadist residents are not in the majority, but warns that unless the grievances of the people in his city are seriously addressed, there is potential for more unrest. "The unrest over the years in Ma'an is caused by political reasons, the economic situation and for years this city and Ma'an Governorate has been marginalized for a long time by consecutive governments," he said. He said the population of more than 60,000 suffers high unemployment and poverty, and very few opportunities. Al-Momani said the government was working to address such inequalities. He said Ma'an and some other cities in Jordan "suffer from fair distribution of development, which the government continues to play close attention to." Hardline Islamists in Ma'an's main market area were not hard to find. One after the other, they came forward to voice support for ISIS, which calls itself the Islamic State.

One man said ISIS is the only solution to Ma'an's troubles. Another declared: "We hope the mujahideen come here and enforce Islamic, Sharia law we want Sharia law." Not surprisingly, most there were opposed to Jordan joining the U.S.-led coalition against ISIS. "For almost four years our brothers in Syria have been bombed, civilians and children killed, mosques destroyed and we haven't seen the United States, Jordan's apostate military and the infidel Arab armies move to support our brothers in Syria ... but when it came to the mujahideen, they mobilized all their armies and started striking," said another man. Some residents told CNN that heavy-handed measures by the government were behind the anger in Ma'an. But al-Momani, the government spokesman, said, "We are talking about a small number of residents which the security agencies are after.

The majority of those were already arrested. "Ma'an is an important and dear city to all Jordanians and the government needs to ensure security in order to introduce economic development." The spokesman disputed an assertion, raised by some Ma'an residents, of a lack of police or security forces in the city. "There is a security and police force in the city that is there to ensure the security and safety of the city and residents, and the work continues to support the security agencies with any of their needs," al-Momani said.

While Ma'an has been described as restive, its streets do not appear dangerous. While there is no visible police presence to speak of, there is at least one checkpoint on the road between Amman and Ma'an. Women, mostly covered, walk freely in the streets of Ma'an. Children run past in school clothes. A few minutes into any conversation, residents will insist on buying juice or soda for visitors, even offer a lunch invitation. But their famous hospitality does not mask the dark message emanating from the graffiti on the city walls. "The Islamic State is here to stay," states one. Another, referring to the leader of ISIS, reads, "Abu Bakr Al-Baghdadi is our prince."



# **Obama admits ISIS threat was misjudged as U.S. splits emerge**

CNN, 29.09.2014



A week after U.S.-led airstrikes in Syria began, lawmakers continued to question President Barack Obama's strategy for defeating the militant group ISIS, which he admitted was more powerful than the U.S. initially believed.

Echoing sentiments also expressed by James Clapper, the head of U.S. intelligence services, Obama said the government "underestimated what had been taking place in Syria" during its civil war, allowing Syria to become "ground zero for jihadists around the world" and that the terrorists were remnants of al Qaeda in Iraq, which after being diminished by U.S. forces "went back underground."

"Over the past couple of years, during the chaos of the Syrian civil war, where essentially you have huge swaths of the country that are completely ungoverned, they were able to reconstitute themselves and take advantage of that chaos," Obama said, adding later the U.S. also overrated Iraq's security forces, which were quickly overrun by ISIS when it took over the northern city of Mosul this summer. The President stressed that the issue in Iraq is not simply a military problem; it's a political one. "This is America leading the international community to assist a country with whom we have a security partnership with, to make sure that they are able to take care of their business," he told "60 Minutes." The President added: "If we do our job right and the Iraqis fight, then over time our role can slow down and taper off."

Obama spent much of last week rallying international support for his mission against ISIS at the United Nations, telling leaders there the fighters represent a "network of death" that must be defeated. An air campaign, which began last week and included coalition support from five Arab nations, continued over the weekend with strikes on the northern Syrian city of Ayn al-Arab, where Kurdish forces have been battling ISIS. The mission is meant to "degrade and ultimately destroy" ISIS, Obama says. The White House has remained adamant there won't be any U.S. combat forces deployed in Iraq or Syria, though military "advisers" have been sent to Iraq in the hopes of fortifying local security forces. The President warned the campaign probably won't conclude any time soon.

"There is a cancer that has grown for too long that suggests that it is acceptable to kill innocent people who worship a different God. "And that kind of extremism, unfortunately, means that we're going to see for some time the possibility that in a whole bunch of different countries, radical groups may spring up -- particularly in countries that are still relatively fragile, where you had sectarian tensions, where you don't have a strong state security apparatus. "And that's why what we have to do is, rather than play whack-a-mole and send U.S. troops wherever this occurs, we have to build strong partnerships," Obama told "60 Minutes." Aides to Obama have been careful to underscore that the military operation in the Middle East won't resemble the wars of the past decade, which left many Americans skeptical of intervention abroad.



"We're doing this in a very different way than in the past," Tony Blinken, a deputy national security adviser, said on CNN's "State of the Union" with Candy Crowley. "We're not sending in hundreds of thousands of American troops," Blinken continued. "We're not spending trillions of American dollars. What we are doing is empowering local actors with some of the huge assets we can bring to this, like our airpower, intelligence, training and equipping, advising and assisting." The "no boots on the ground" mantra was questioned Sunday by House Speaker John Boehner, who said if local forces aren't trained to battle ISIS quickly enough, U.S. troops would be required. "Maybe we can get enough of these forces trained and get 'em on the battlefield. But somebody's boots have to be there," the Republican leader said on ABC's "This Week." Boehner added later that if Obama advanced a new resolution authorizing the military action in Syria, he would be willing to call lawmakers back from the campaign trail to vote on it.

Obama claims he doesn't need Congress' permission for the air campaign under way in Iraq and Syria, citing the 2001 authorization to go after al Qaeda. He has said he would "welcome" Congress showing its support for the mission. Sen. Chris Murphy, a Democrat from Connecticut, said Sunday an authorization vote would allow lawmakers -- and by turn the American public -- to hear more about long-term plans in Syria. "I think the reason that we need to have the debate is so that we can get a better explanation as to what the endgame is in Syria," Murphy, who sits on the Foreign Relations Committee, said on "State of the Union." "In the end, that's the check on a war without end: a Congress speaking for the American people who can put an end date on an authorization for military force or put a limitation, so that you can't use ground troops," he said.



# Israel approves \$4 billion privatization plan for next three years

Reuters, 06.10.2014



Israel plans to issue minority stakes of up to 49 percent in state-owned companies on the Tel Aviv Stock Exchange over the next three years, a move the Finance Ministry said would bring in revenue of \$4.1 billion.

The socioeconomic cabinet, headed by Prime Minister Benjamin Netanyahu, approved the proposal, which aims to sell off stakes in Israel's electric company, water provider, railway, post office and defense contractors and pay down the national debt. The move, which is common in many other Western countries, is also expected to develop and strengthen Israel's capital market, the Finance Ministry said.

"This is another step in stopping the politicization of government companies and reducing corruption in the companies," Finance Minister Yair Lapid said. Netanyahu said the reform would allow for greater transparency for government companies. Israel in 2015 will seek to sell a minority stake in Israel Natural Gas Lines and the state postal company and privatize Israel Military Industries, the port of Ashdod, and several smaller companies with proceeds expected at 4 billion shekels. Among the companies planned for privatization in 2016 are the port of Haifa and Israel Aerospace Industries (IAI), which would bring in revenue of 5 billion shekels. In 2017, the state aims to privatize defense firm Rafael and Israel Electric Corp (IEC), sales that could net some 6 billion shekels.

The ministry said some companies, such as IEC, IAI, Israel Railways, water provider Mekorot, Israel Post and Rafael, would be sold through the Tel Aviv Stock Exchange while others - the ports and IMI - would be sold at one time or in stages in a private sale. IEC's privatization requires a cabinet decision on a change in the company's structure, while the government will establish a committee to examine how best to privatize Israel Railways. When Netanyahu was finance minister a decade ago, he made privatization a key part of Israel's move to a free market economy, selling off banks, airline El Al and phone company Bezeq Telecom.



## **Eurozone inflation hits five-year low**

#### Anadolu Agency, 30.09.2014



Annual inflation in the Eurozone fell to 0.3 percent in September, its lowest level since October 2009, according to the European Union Statistical Authority. The figure in Tuesday's report indicates the moderate economic recovery seen in the zone's 18 countries may come under pressure in the near future.

"Euro area annual inflation was 0.3 percent in September 2014, down from 0.4 percent," Eurostat reported. The zone's highest annual rate of 1.1 percent affected services while food prices rose to 0.2 percent and alcohol and tobacco goods fell to -0.3 percent.

With inflation hovering close to zero, anticipation of a period of deflation has led consumers to delay spending in the hope of cheaper prices in the near future, reducing the flow of money in the economy. Within the zone, unemployment remained unchanged at 11.5 percent for August while unemployment in the European Union fell to 10.1 percent. According to Eurostat, the Eurozone's seasonally adjusted unemployment rate remained stable compared to July. Unemployment in the zone fell by 137,000 in August to an 18.3 million total, almost 834,000 less than the same time last year. Across the 28-country EU bloc unemployment fell to 10.1 percent, the lowest value since February 2012.

The lowest unemployment rate was in Austria with 4.7 percent while highest rates were seen in Greece, on 27 percent, and Spain with 24.4 percent. The largest decrease was registered in Hungary, with a fall from 10.2 percent to 7.8 percent between July last year and July 2014. Hungary was followed by Portugal, from 16.1 percent to 14 percent, and Spain, from 26.1 percent to 24.4 percent. Youth unemployment, a particular problem for EU states such as Spain, stood at 4.9 million in the union in August, 3.3 million in the Eurozone. Compared to August last year, youth unemployment dropped 602,000 in the EU and 210,000 in the Eurozone.



# IMF urges greater infrastructure spending after 30-year decline

The Guardian, 30.09.2014



A decline in infrastructure spending over the last thirty years needs to be reversed to boost growth, according to the International Monetary Fund (IMF), which meets next week in Washington against a backdrop of slowing global growth.

The IMF said the benefits of debt-financed infrastructure projects could give an important boost to economic growth especially when the world is threatened by a long period of stagnation. In documents released before its revised economic outlook, it urged governments to examine where infrastructure investments could benefit the longer-term growth.

It said: "Debt-financed projects could have large output effects without increasing the debt-to-GDP ratio, if clearly identified needs are met through efficient investment. In other words, public infrastructure investment could pay for itself if done correctly." The report singles out the US and Germany as in need of large-scale infrastructure investment following a stream of critical reports from the business community over the upkeep of road and rail networks. It says the US needs to act to arrest the decline in its network of roads. "As the American Society of Civil Engineers notes, 32% of major roads in the US are now in poor or mediocre condition, and the US Federal Highway Administration estimates that between \$124bn [£76bn] and \$146bn annually in capital investment will be needed for substantial improvement in conditions and performance – considerably more than the \$100bn spent on capital improvements at all government levels," it said.

George Osborne is likely to take some comfort from the analysis, which brackets the UK with Canada, Italy, France and Japan as having an improving level of infrastructure, "albeit from relatively low levels". The IMF, which acts as lender of last resort to struggling countries, has been a keen supporter of infrastructure investment since the financial crash as a way to boost employment and increase productivity. Better roads and rail, digital infrastructure and power networks support local businesses and help them increase output at lower costs. However, in its most recent study it is more circumspect with its recommendation, cautioning governments to make an assessment of how good they are at implementing large-scale projects.

It warns that many infrastructure projects can be bedevilled by a lack of competence and duplication of effort that leads to cost overruns. A debate over the relative merits of private versus public investment is made difficult in developing countries by a lack of reliable information, but it is clear that in developed countries public investment can provide much-needed infrastructure projects alongside the private sector, it says. Even the massive public spending by Japan in the 1990s to counter the recession of the late 1980s, which has been much derided in rightwing circles, is defended in the report, which says it made a positive contribution to GDP growth and provided a platform for investment and productivity gains.



The report spares Germany the embarrassment of highlighting some of its recent failures, though it could have pointed to the much delayed and still not completed Berlin international airport and the threat of an energy crisis in the next decade when a generation of nuclear power stations are due to be switched off. In a separate report, the IMF highlights how the large imbalances in the world economy have reduced in the five years since the financial crash, but have left the world economy vulnerable to further shocks and trapped some countries into a period of low growth. It welcomes the halving of the US deficit with China and the halving of the surpluses racked up each year by China and Japan from trade and investments abroad.

It says these welcome developments could be reversed in the next few years because many countries have reduced their reliance on imports by depressing internal domestic consumption. Spain, Greece and many European countries have reduced their balance of payments deficits following a sharp cut in demand. A recovery in the domestic consumption of foreign goods and services could generate a rise in imbalances again unless those countries affected change their behavior. The report also points out that imbalances have shrunk, but not reversed, leaving some countries that grew quickly following a large inflow of funds to suffer even bigger deficits.

## Hong Kong protests persist as National Day approach

### Anadolu Agency, 30.09.2014



Anti-government protesters continued in Hong Kong after police withdrew from some areas and refrained from further use of tear gas and pepper spray. Overnight, the protesters many of them university and high school students - sat in small groups dispersed across eight-lane thoroughfares singing songs, listening to speeches, and playing cards.

They are demanding that Beijing loosen its control over the territory, an international financial center that was a British colony from 1842 to 1997. They want genuine universal suffrage for the 2017 election of the city's leader, in accordance with an earlier promise from Beijing.

The occupation started late Friday, after students had boycotted classes for a week in an effort to pressure Beijing into concessions. Protesters, many of whom dressed in black – the traditional color of anti-government protests in the city – numbered around 50,000 at their peak Saturday, according to organizers. "Hong Kong is becoming more like China," Priscilla Cheung, a 23-year-old waitress at an Italian restaurant who came to the protest with her boyfriend, told the Anadolu Agency. "China controls our media more and more. We are losing our freedoms." In the stillness of 3 a.m. Tuesday (10 p.m. Monday Turkish local time), while many of her fellow protesters slept, Cheung described the quietness to AA as eerie. She worried that authorities were planning an operation to clear the occupied areas before China's National Day, on Wednesday. "There are many rumors and false reports," she said. "People are scared."



Police fired tear gas 87 times at nine locations around the city from 6 p.m. local time Sunday until early Monday, authorities said without revealing how many canisters were used, according to local media reports Tuesday. The movement has since been dubbed the "umbrella revolution," because protesters have en-masse used umbrellas to defend themselves against pepper spray. Authorities said 41 people had been injured in clashes, including 12 police officers. The police's use of force failed to disperse the protesters for anything more than short periods of time. Police were vastly outnumbered, and found impossible to control the crowds, who were spread over large areas in multiple districts. Authorities then changed tactic, taking a more accommodating stance towards the protesters and withdrawing from many areas.

"As those people gathering on these roads have generally calmed down, the police have stood down the anti-riot deployment," the Hong Kong government said in a statement Monday, according to the South China Morning Post. On Tuesday morning, some police officers even chatted and joked with protesters. Asked why he was engaging, one officer said he had received an order to do so from his boss. Schools in areas affected by the protests would be closed for a second day Tuesday because of safety concerns, the government said. Dozens of bus routes have been disrupted by the peaceful civil disobedience movement. The passive non-violent nature of the protests was one organizers and protesters repeatedly pointed out. And it was true – no fires had been lit and no shop windows had been smashed.

Moreover, around ten police vans and two public buses abandoned in areas controlled by protesters had been left undamaged. The average age of the protesters was young, with most either teenagers or in their twenties. That reflected one of the schisms in Hong Kong society. "My father told me not ruin my own country by coming out to protest," Jim So, a 22-year-old who spoke English in a confident manner, told AA. "He thinks this government and society is already good enough. We, the protesters, don't agree. There's a generational divide." The protesters are also demanding that the city's unpopular leader, Chief Executive Leung Chun-ying, resign. Posters calling for him to step down festooned the protest areas. Another poster was addressed to the Chinese president: "Shut your mouth, Xi Jinping, [and stay out of Hong Kong affairs]."



## **Announcements & Reports**

### ► US strategy against ISIS and its potential implications for Iraq & Syria

Source	: 0	RSAM
Weblink	: htt	tp://www.orsam.org.tr/en/enUploads/Article/Files/2014924_rapor191ing.pdf

### ► EY's attractiveness survey Africa 2014

 Source
 : Ernst & Young

 Weblink
 : http://www.ey.com/Publication/vwLUAssets/EY-attractiveness-africa-2014/\$FILE/EY-attractiveness-africa-2014.pdf

### Differenciating for success

Source : Ernst & Young Weblink : http://emergingmarkets.ey.com/wp-content/uploads/downloads/2014/02/IEMS\_Securing-top-talent-in-the-BRICs\_Ir\_FINAL2.pdf

### ► European banking barometer – 1H14

Source	1	Ernst & Young
Weblink	1	http://www.ey.com/Publication/vwLUAssets/EY-european-banking-barometer-1h14/\$FILE/EY-european-banking-barometer%E2%80%931h14.pdf

### Global powers of consumer products

Source	: Deloitte
Weblink	http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-powers-cons-products-2014.pdf

### ► Global powers of retailing 2014

Source	1	Deloitte
Weblink	1	http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/dttl-CB-GPR14STORES.pdf

### ► Equipped for the future: re-inventing your organisation

Source	:	PwC
Weblink	:	http://www.pwc.com/gx/en/financial-services/publications/assets/pwc-equipped-to-compete.pdf

### ► Brazil's presidential elections

Source	1	CSIS
Weblink	1	http://csis.org/files/publication/141001_Meacham_BrazilPresElections_Web.pdf



## **Upcoming Events**

### Track-Two Diplomacy Toward An Israeli-Palestinian Solution

Date	: 13 October 2014
Place	: Texas – USA
Website	http://bakerinstitute.org/events/1666/

### ► Europe's Strategic Choices: Building Prosperity and Security

Date	: 17 – 19 October 2014
Place	: Berlin - Germany
Website	http://www.chathamhouse.org/Berlin2014

### ► The New Shape of Banking: Regulation, Reform and Resilience

Date	: 20 October 2014
Place	: Berlin - Germany
Website	http://www.chathamhouse.org/Banking

### ▶ Beyond Sectarianism: The New Middle East Cold War

Date	: 21 October 2014
Place	: Doha - Qatar
Website	http://www.brookings.edu/events/2014/10/21-beyond-sectarianism-cold-war

### ► 7<sup>th</sup> International Energy Congress Expo

Date	: 24 - 25 November 2014
Place	: Ankara - Turkey
Website	http://www.energy-congress.com

# ► The Comprehensive Assessment, the ECBs' New Role and Limits of a Common Supervision in the EU

Date	: 30 October 2014
Place	: Berlin – Germany
Website	http://www.bruegel.org/nc/events/event-detail/event/461-the-comprehensive-assessment-the-ecbs-new-role-and-limits-of-a-common-supervision-in-the-eu/

### ► The New EU Political Cycle: Addressing the Growth Agenda

Date	: 12 – 13 November 2014
	: Bratislava – Slovakia
Website	http://www.bruegel.org/nc/events/event-detail/event/464-the-new-eu-political-cycle-addressing-the-growth-agenda/



### ► Food Security: Mapping Risks, Building Resilience

Date	ŝ	01 – 02 December 2014
Place	ŝ	London – United Kingdom
Website	÷	http://www.chathamhouse.org/foodsecurity2014

### ▶ 11th Asia Europe Economic Forum

Date	i	05 December 2014
Place	i	Tokyo – Japan
Website	ł	http://www.bruegel.org/nc/events/event-detail/view/460/

## Security and Defense

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