

## Fitch: Redirection of South Stream positive for Turkey

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The possibility of exporting Russian gas to Italy and Greece through Turkey could make the country a significant energy transit route, the global rating agency Fitch said. Fitch Ratings released a report about the diversion of the South Stream Pipeline, which was planned to go from Russia to Bulgaria and on to Austria.

Russian President Vladimir Putin announced on his visit to Turkey at the beginning of this week that the pipeline, export the Russian gas to Italy and Greece, will now connect Russia to Turkey. The newly redirected pipeline will have the same capacity of 63 billion cubic meters a year.

Russian gas could potentially be exported to Italy and Greece through Turkey, which has aroused questions about whether or not Turkey could be a significant energy transit route in the future. Fitch said that Turkey becoming a transit route depends on the demand of gas markets in Italy and Greece for extra natural gas. The original South Stream project had a capacity of 63 billion cubic meters and of this total capacity, 14 billion cubic meters will be earmarked for Turkey's own consumption. Gazprom will offer Turkey a 6 percent price discount as part of the deal, although the rates of discount have not been determined yet.

## Ground operation necessary to stop ISIL, Erdogan says

Anadolu Agency, 29.11.2014



Airstrikes alone would not stop ISIL unless accompanied with a ground operation, Turkish President Recep Tayyip Erdogan has said. The president's remarks came on Saturday at the fourth Turkish-British Tatli Dil Forum, an annual meeting which was inaugurated between the governments of Britain and Turkey at the prime minister level in 2011.

The event, which brings together senior figures from politics and business world as well as scholars and artists, aims at "strengthening and institutionalizing the civil dialogue" between Turkey and the United Kingdom, Turkey's U.K. embassy says.

"ISIL has currently 40 percent of Iraq under control. We have a similar situation in Syria as well. Airstrikes are not enough to stop this occupation," Erdogan said, adding that a ground operation was in order. Erdogan also stressed the significance of establishing no-fly and safe zones in both Iraq and Syria to "get results," in addition to training and equipping forces fighting against the terrorist group. "We cannot consider them, Iraq and Syria, apart if we want to succeed against terror; and take care of the (Bashar) Assad regime which conducts state terrorism," he said. Erdogan also urged the U.N. Security Council and the international community to take more responsibility in stopping the ongoing bloodshed and preventing more humanitarian tragedies. "The instability and conflict in the region affects the whole world. ISIL is not only a regional threat; it is also a threat against global security and stability," he said.

"Turkey is determined to fight against this threat, and we expect the same determination from the international community." Erdogan said that British Prime Minister David Cameron was going to visit Turkey on Dec. 9 with a view to further strengthening bilateral relations. "This visit is not only important for Turkey-U.K. relations, but for the peoples of countries and regions going through a difficult period," he said. Erdogan called for an "intense cooperation" between the two countries "in order to take stable, constructive and conclusive steps" in regional and global matters. "Our strategic cooperation is of vital importance for global peace, stability and democracy", he said. Erdogan said that economic relations were one of the areas that need to be developed further in this regard, and said that the goal was to increase the trade volume between the two countries up to \$19 billion by 2015. "We expect further joint projects between Turkish and British businesses in construction and engineering whether in Turkey or third countries."

## Turkey nuclear plant to last 100 years

Anadolu Agency, 30.11.2014



Turkey's first nuclear power plant to be built on country's southern coast will be operational for 100 years, said a Russian Rosatom company official. "We give 60 years of guarantee for the Akkuyu nuclear plant, but I'm sure that it will have a lifespan of 80-100 years," said Sergey Kiriyyenko, chief executive officer of Rosatom.

"We have signed an agreement that undertakes mutual commitments for over 100 years," he added. Rosatom, the state-run atomic energy corporation of Russia, signed an agreement with Turkey in 2011 to build and operate a four-reactor nuclear power plant in the Mersin province.

"Russia will provide four billion dollars from its state budget for this project. We will not reduce the financial support of this project," Kiriyyenko said. "Russian and Turkish investors will be preferred at first. The project is expected to draw 50-70 percent of investment. This will happen through investors mostly, not bank loans," he added. The Akkuyu plant, which is a sister project to Russia's Novovoronezh plant in Voronezh Oblast, central Russia, will require \$22 billion with construction beginning in 2016 and it becoming operational in 2020. Kiriyyenko stated that the use of Russian

expertise and technology for Turkey's first nuclear power plant is a sign of "trust" for Russia, adding that the plant is significant for the strategic cooperation between the two countries, while it will contribute to Turkey's energy needs. Turkey's energy import costs totaled \$239 billion in the past five years, and rose to \$56 billion in 2013, according to the Turkish Statistical Institute data. The project is expected to produce about 35 billion kilowatt-hours per year, and scheduled to become fully operational in 2023, the 100-year anniversary of the founding of the Turkish republic.

Reminding that Russia is giving nuclear energy training to 250 Turkish experts, Kiriienko emphasized that Russia will help Turkey for technical and infrastructural aspects. Turkey's Ministry of Energy and Natural Resources sends nuclear engineering students to Russia every year, who will be trained for seven years in nuclear power plants, nuclear theory and language skills, and will later staff Turkey's first nuclear power plant. Kiriienko stated that they are well aware of the security concerns with nuclear power plants, recalling the Fukushima nuclear disaster. Fukushima Daiichi nuclear power plant in Japan was hit by an earthquake and tsunami in 2011, causing a meltdown and radiation leak that affected its region and east coast of Japan in the Pacific. "We have drawn valuable lessons from Fukushima, and preparing our security measures accordingly. We must be ready against the strongest natural disasters, and on the possibility of them happening concurrently," Kiriienko said. Kiriienko will visit Turkish capital Ankara on December 1 to attend the fifth meeting of the Turkish-Russian High Level Cooperation Council.

## Turkey and Greece support resumption of Cypriot talks despite lingering differences

Anadolu Agency, 30.11.2014



Ankara and Athens are of the same mind about the importance of Cypriot negotiations' continuing, Turkish and Greek top diplomats say, though they maintain their opposing views for a solution of the ongoing gas dispute.

Appearing at a joint press conference in the Turkish capital of Ankara on Nov. 29, Turkish Foreign Minister Mevlüt Çavuşoğlu and his Greek counterpart Evangelos Venizelos called for the resumption of reunification talks, which came to a halt when the Greek Cypriot administration withdrew from the table in October over tension regarding drilling off of the island.

The Greek Cyprus administration suspended talks over the divided island on Oct. 7 after Turkey sent a ship to the waters off the coast of Cyprus for oil and gas exploration. "The negotiations continued through even the hardest times. We wish to restart the talks in this period as well," Çavuşoğlu said during the news conference. "We desire an understanding and solution that will protect the rights of both nations and our efforts for this will continue," he stressed. The minister repeated Turkey's objection to Greek Cyprus' hydrocarbon searches off Cyprus, which he dubbed a "violation of Turkish Cypriot people's legitimate rights." The minister also criticized Greek Cyprus for



suspending peace talks, questioning the government's intentions. "This negotiations have been kicked for a solution on the island and the framework of the solution is included in the joint declaration," referring to a statement announced by the U.N. mission in Cyprus on Feb. 11.

The declaration that marked the inauguration of stalled talks says a settlement between the two sides "will be based on a bi-communal, bi-zonal federation with political equality." "Amid focus on this solution, the Greek side's one-sided drilling activities that don't guarantee Turkish Cypriots' rights are not a well-intended. If we want a solution, why we don't focus on this?" he said. "If we must do this urgently, if there are good intentions, there are many solutions. But if there is no good intention, if there will be an approach like 'I am an EU member, so I can use these rights,' these are no use for a solution," he said. Both of the governments of Turkey and Turkish Cypriot oppose Greek Cyprus' exploitation of offshore energy reserves before a deal is reached to solve the decades-long division of the east Mediterranean island and argues the resources belong to both governments on the island. However, the Greek side insists Turkish Cypriots can share in the potential gas bounty and the minerals can be piped to Turkey only after a reunification accord is achieved, stressing that it could act as an incentive for peace.

For his part, Venizelos also pledged support for the resumption of talks, saying "It's our duty to exert efforts to restart the negotiations," however drew a red line at the protection of "Greek Cyprus' sovereign rights." "I always believe there is opportunity to avoid tension and [to find a] solution to the problems," he stated. "But these efforts shouldn't hurt Greek Cyprus' sovereignty rights." "Cyprus, a member of United Nations and European Union, has national sovereignty and national rights. Within the framework of maritime law, undersea resources belong to this state," the minister asserted, reiterating Greek calls for the establishment of a resource distribution scheme after reunification talks. The minister also claimed the gas to be excerpted by Greek Cyprus will be shared with the Turkish side as well. "This state holds the responsibility of management of these resources in advantage to both Greek and Turkish citizens living in Cyprus. This happens in the equality and balance scope. Moreover, the distribution of natural gas is decided to also be in favor of Cyprus Turks, We should do these in a way to distribute equal rights to all citizens of Cyprus," he said. "Moreover, there will be a federation and constitution as a result of the political solution that will be reached," he added, also noting the "importance of respect to Cyprus' sovereign right to reach before and reach this point." Venizelos' visit came less than a week before senior Turkish and Greek officials will meet in the third edition of the "High-Level Cooperation Council," which will take place in Athens on Dec. 5-6.

# Russian investment fund eyeing more joint ventures with Turkey

Hurriyet Daily News, 03.12.2014



Defying rising pressure on Ankara from Western powers to join economic sanctions against Moscow, Turkey and Russia took another bold step toward deepening their joint investment cooperation. A top executive of the state-run \$10 billion Russian Direct Investment Fund (RDIF) expressed his admiration for Turkey's "entrepreneurial spirit."

"Right now, what is interesting is some investors don't invest in Russia and wait. Other investors see there is actually an opportunity to invest when other people are not investing" Kirill Dmitriev, CEO of the sovereign wealth fund RDIF, said on Dec. 1.

"So we have quite a bit of interest from China and the Middle East to invest, from Turkey and frankly, those countries are taking away some of the positions that other countries had," he continued, soon after signing a deal with Turkey's Renaissance Holding, a leading construction and development firm. According to Dmitriev, Turkish companies are on the right track to make investments in their Black Sea neighbor, since it will strengthen their country's position in Russia and solidify their position in the market. Having signed the Dec. 1 agreement on the sidelines of Russian President Vladimir Putin's official visit to the Turkish capital, Renaissance Holding and Russia's state-backed private equity fund agreed to jointly invest \$400 million in Russia, in sectors such as healthcare and commercial real estate. Despite taking pains to stay out of the uncharted waters of Russia's political showdown, Dmitriev was clear in his appreciative remarks on the boldness of the Turkish private sector. "Turkey is strengthening its position in Russia by investing in difficult times and by really solidifying its position in the market, while some other partners and some other countries lose their position in Russia. Time will tell which strategy is right," Dmitriev told.

Later in the same day, speaking at a joint press conference with his Russian counterpart, Turkish President Recep Tayyip Erdoğan once more affirmed the joint will of the two countries, who are major trading partners, to increase their two-way trade volume from \$33 billion to \$100 billion by 2023. On the same day, in Brussels, NATO Secretary General Jens Stoltenberg said more countries should join the U.S., EU and their allies by imposing economic sanctions on Russia. But NATO member-state Turkey had already made clear that it will only impose United Nation sanctions. The U.S. and the 28-nation EU have both imposed sanctions on Russia's financial, defense and energy sectors over Moscow's annexation of Crimea and its support for the separatists in eastern Ukraine. Many Western companies have been paring back their activities in Russia after the sanctions were imposed over Moscow's role in the Ukraine crisis, with the sanctions having a wider negative impact on Russia's economic outlook. Dmitriev has maintained that it was European businesses that suffered from the sanctions on Russia, while underlining that there are no sanctions on the investment sector. "I think Turkey is doing very wisely to just obviously abide by sanctions,

but there are no sanctions on investing. Renaissance, for example, has really built its position now, which is very strategic and very wise,” he added, emphasizing that they targeted joint projects such as the construction of private healthcare centers, transportation, infrastructure and commercial real estate projects, including the development of new shopping centers.

## Turkey's inflation slows some but remains high

Anadolu Agency, 03.12.2014



Consumer prices in Turkey rose less than analysts had expected in November. Consumer price index was up 0.18 percent in November compared with 9.15 percent during the same month last year, the Turkish Statistical Institute said.

“The 12-month moving average inflation stood at 8.8 percent in November 2014,” according to Turkstat. Enver Erkan, a research analyst at ALB Security, a leading brokerage firm in Turkey, said the reading was lower than the market’s expectations” “Higher inflation, which stood at 9.15 percent in November, continues because of high food prices, clothing and footwear,” Erkan said.

Analysts, however, expect lower oil prices to reduce inflation in the coming months. “In December, declining oil prices will affect inflation rates positively, but food inflation may limit the overall improvement,” Erkan said. Central Bank Governor Erdem Basci said in October that inflation would reach 8.9 percent in 2014, which is 1.3 percent higher than the central bank’s previous estimate of 7.6 percent. He said the rise was mainly caused by high food prices, due to the lack of rain. Basci estimated the 2015 annual inflation rate would be between 4.6 and 7.6 percent, with an exact figure closer to 6.1 percent. The inflation rate is one of the main reasons Turkey’s central bank left its benchmark interest rate at 8.25 percent for a fourth month in a row in November. Interest rates are a matter of debate in Turkey, with government officials repeatedly criticizing the central bank’s policies as limiting economic growth. The central bank is insisting on maintaining high interest rates until it sees clear signs of improvement in the inflation outlook.

# **‘Inclusivity, Implementation and Investment for growth’ are goals of the Turkish G20 presidency**

Anadolu Agency, 02.12.2014



Turkey assumed the G20 presidency on Monday, and Prime Minister Ahmet Davutoglu explained the goals his government intends to achieve. “The G20 membership has devised a comprehensive policy framework in a variety of areas, and put forward substantial commitments to achieve our common objective of strong, sustainable and balanced growth,” Davutoglu says.

“Now is the time to act. As the G20 Chair, Turkey will spare no effort in fulfilling its critical responsibilities, to steer the platform so that we achieve our ambitious targets” he continued his speech.

According to Davutoglu, the Turkish presidency of the G20 will focus its efforts on ensuring inclusive and robust growth through collective action. “This can be formulated as the three I’s of the Turkish Presidency: Inclusivity, Implementation and Investment for growth,” Davutoglu stated in a message in the G20’s website. “Inclusiveness has both domestic and global dimensions. At the domestic level, we must ensure that the benefits of growth and prosperity are shared by all segments of the society. For this purpose, we will emphasize issues specific to small and medium-sized enterprises, follow up our commitment on strengthening gender equality in employment as well as addressing youth unemployment,” Davutoglu explained. “In the same way, for a number of work streams within the G20, including financial regulation, international tax, and international financial architecture, words have played their part. 2015 will be the time for action, and the year of implementation,” Davutoglu said.

In November 2014, the G20 agreed to the Brisbane Action Plan, and pledged to undertake about 1000 initiatives which, if fully implemented, will add more than \$2 trillion to the global GDP and generate millions of additional jobs by 2018. Davutoglu also stated that Turkey would put a firm emphasis on investment as a powerful driver of growth. “Building on existing projects, we will introduce a new narrative that will address the investment gaps of the member countries via concrete and ambitious investment strategies,” he added. Strengthening the global recovery, and increasing the potential for recovery, enhancing resilience and buttressing sustainability, will be the three pillars of the 2015 agenda under the Turkish Presidency. Turkey will host a summit in Antalya, a southwestern province which is home to its biggest international sea resort. Turkey’s Deputy PM said Monday that “Singapore and Spain will be invited to the summit, as they are important countries in the global economic system. We will also be inviting Azerbaijan,” Ali Babacan said.



According to Babacan, the leaders of the world's twenty largest economies will discuss the following topics in 2015: "Strong, sustainable and balanced economic growth, infrastructure investments, financial regulation, international financial architecture, international tax issues, energy, trade, employment, financing climate change, development and the fight against corruption." The G20 summit, which is a forum of world's richest nations, brings together political and economic leaders from 20 major economies, including 19 individual countries -- Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, the United States -- and the European Union. Turkey took over the presidency of the G20 from Australia, and China will in turn preside over the summit in 2016. The G20 is a grouping of the world's largest economies accounting for around 90 per cent of global GDP, two thirds of the world's population and 80 percent of international trade. It is a key group for tackling the world's economic challenges, such as unemployment and income inequality, and is responsible for continuing to direct the global economy as it emerges from the recent financial crisis.

## Turkey reiterates support for Ukraine, Crimean Tatars

Anadolu Agency, 04.12.2014



Turkey's Foreign Minister Mevlut Cavusoglu said his country does not recognize the de facto situation in Crimea. Cavusoglu made his comments at the OSCE, Ministerial Council meeting in Basel.

"Turkey believes that the solution to the crisis in and around Ukraine should be a negotiated political settlement respecting the independence, sovereignty, political unity and territorial integrity of Ukraine," he said. More than 4,000 people have been killed and around 9,000 wounded in the conflict between the Ukrainian government and pro-Russian separatists in eastern Ukraine according to a UN report.

The conflict has also caused massive damage to infrastructure which, the Ukrainian government said in September, will cost around \$800 million to restore. "We also do not recognize the de facto situation in Crimea," Cavusoglu added. "The crisis in Ukraine has undermined European security and challenged its basic principles." A referendum on the status of Crimea was held on March 16, 2014. A majority of the Crimean population voted to become part of the Russian Federation. The U.S. and EU denounced the referendum as illegitimate, as the region was occupied by Russian soldiers at the time. According to Turkey's Foreign Ministry, there are 280,000 Crimean Tatars in the autonomous Republic of Crimea, which constitutes close to 13 percent of the total population. The foreign minister also highlighted OSCE's activity, saying that the crisis in and around Ukraine underlined the organization's relevance in an environment increasingly characterized by risks and challenges. "The OSCE has proven its importance in our common quest for security, stability and the rule of law in our expansive region," he said.



On the sidelines of the meeting, Cavusoglu talked with Albanian and Austrian foreign ministers as well. Cavusoglu congratulated his Albanian counterpart Ditmir Bushati on his country's presidency of the Southeast European Cooperation Process. During his meeting with his Austrian counterpart Sebastian Kurz, the two ministers discussed the recent developments in Syria and Iraq and how to stop terrorist group Islamic State of Iraq and the Levant. The diplomatic sources said the two ministers also underscored the importance of preventing western fighters entering Syria and Iraq through neighboring countries' borders. According to the German authorities, some 3,000 citizens from Western European countries, including 400 Germans, have joined the ranks of the Islamic State of Iraq and Levant, among them 1,000 French nationals. Cavusoglu also held talks with Belgian Foreign Minister Didier Reynders about Turks living in Belgium. According to the diplomatic sources, the two ministers agreed that Turks in Belgium are an "important bridge" between the two countries. The Turkish foreign minister also held talks with his Serbian, Maltese and Thai counterparts about bilateral relations between Turkey and their countries. The two-day OSCE Ministerial Council meeting will continue tomorrow in Basel, with a debate on the fight against terrorism.

## Iran bombs Isis targets in Iraq, says Pentagon

The Guardian, 03.12.2014



Iran's air force has attacked targets of Islamic State (Isis) in eastern Iraq but Tehran has denied that it acted in coordination with the United States, which is leading a western-Arab coalition to defeat the jihadi group. News of air strikes in Iraq's Diyala province came from the Pentagon in Washington, which said that it was the first time such operations had taken place since Isis captured the Iraqi city of Mosul in June.

Rear Admiral John Kirby, the Pentagon spokesman, insisted that the United States has not coordinated military activities with Iran.

He said the US continued to fly its own missions over Iraq and that it was up to the Iraqi government to avoid conflicts in its own airspace. "Nothing has changed about our policy of not coordinating military activity with the Iranians," Kirby told reporters in Washington. In Tehran, the deputy chief of staff of Iran's armed forces, Brigadier-General Massoud Jazayeri also denied any collaboration. Iran considered the US responsible for Iraq's "unrest and problems", he said, adding that the US would "definitely not have a place in the future of that country". Kirby's comments followed reports that American-made F4 Phantom jets from the Iranian air force had been targeting Isis positions in Diyala. It had earlier been reported that Iran sent three Su-25 fighter jets to Iraq designed for close support of ground troops and that Iranian pilots flew Iraqi aircraft on combat missions.

The anti-Isis campaign has raised the intriguing possibility that the US and Iran, enemies since the 1979 Islamic Revolution, might work together against a common foe. The model has been seen as their brief cooperation against al-Qaida in Afghanistan after the 9/11 attacks. Talks about Iraq have taken place in the margins of the so-far inconclusive international negotiations about Iran's nuclear programme. But the US has repeatedly denied coordinating with Iran. Last month, following a personal letter sent by President Barack Obama to Iran's supreme leader, Ayatollah Seyed Ali Khamenei, the US national security adviser, Susan Rice, said that "we are in no way engaged in any coordination – military coordination – with Iran on countering Isil [another name for Isis]". The two countries remain at odds over the crisis in Syria, with the US calling for the removal of Bashar al-Assad and backing rebel forces. Iran, displaying far greater commitment, provides military and financial support for his regime. Tacit cooperation between Washington and Tehran over Iraq is seen as a classic example of the notion of "my enemy's enemy becoming my friend". Key US allies in the Middle East, especially Israel and Saudi Arabia, fear any kind of US-Iranian rapprochement.

The US has not invited Iran to join the coalition fighting Isis, and Iran has said it would not join in any case. The grouping includes the UK, France and Australia as well as Saudi Arabia, Jordan, the UAE and Bahrain – Sunni Arab states which are deeply suspicious of Iran's regional ambitions. Iran has been actively involved in supporting the Shia-led Baghdad government and in recent weeks has gradually raised the profile of its semi-covert presence in Iraq, especially the activities of General Qasim Suleimani, commander of the al-Quds force of the Revolutionary Guards Corps. Suleimani has coordinated the defence of Baghdad and worked with Shia militias and Kurdish troops. The US-led air campaign against Isis began on 8 August in Iraq and was extended into Syria in September. But several countries, including the UK, which operate in Iraq, refuse to do so in Syria - highlighting confusion about overall strategy. News of Iran's apparently widening role emerged as ministers from the coalition met at the Nato HQ in Brussels for a summit chaired by the US secretary of state, John Kerry. Talks are focusing on military strategy as well as ways to stem the flow of foreign fighters joining Isis and how to counter its slick propaganda, disseminated on social media. The meeting will discuss ways to send "counter-messages" to de-legitimise Isis, a senior US state department official told AFP.

## First batch of Iraqi Peshmerga in Kobani return home

Anadolu Agency, 04.12.2014



The first batch of Iraqi Peshmerga forces that were sent to fight in the Syrian town of Kobani in October through Turkey have returned to Iraq, official sources said. According to sources, the Peshmerga forces arrived at the Erbil International Airport via a private plane from Turkey's southeastern Sanliurfa province.

Erbil is the capital of Iraq's semiautonomous Kurdistan Regional Government. The batch was replaced by fresh Peshmerga troops. The Iraqi Peshmerga fighters in Kobani are fighting alongside Syrian Kurdish groups against the Islamic State of Iraq and the Levant, or the ISIL terrorists.

The Iraqi army and Peshmerga have been battling the ISIL in Iraq since mid-June, when the terrorists took control of Mosul, the second largest city in Iraq. The militant group is now said to be in control of large swathes of territory in Iraq and Syria.

## No safe zone agreement yet, Kerry says

Anadolu Agency, 04.12.2014



Secretary of State John Kerry said that there has not yet been any decision to move forward with any form of a safe zone for Syrian refugees. "There's a lot of discussion going on about the way we will go forward. But it is premature to suggest at this moment of time that we are close to making a decision or moving forward with any form of a safe zone or a buffer zone at this moment in time," he said.

Almost one year since ISIL took control of areas in Iraq and Syria, politicians and diplomats from more than 60 countries and international organizations met in Brussels to discuss the strategy against the terror group.

Kerry's comments appear to be another attempt this week by the Obama administration to make clear its position regarding a buffer zone that has been pushed by Turkey. The Wall Street Journal reported that the U.S. and Turkey have come close to an agreement on using the Incirlik airbase in southern Turkey, and other airbases, to patrol a zone in Syria alongside Turkish border, which would be off limits to Syrian President Bashar al-Assad regime's forces. Bloomberg news also claimed that the U.S. envoy leading the anti-ISIL coalition, Gen. John Allen, negotiated an "air-exclusion zone" inside Syria along the Turkish border that would be protected against ISIL and Assad forces. Following the reports, the administration seemed to fumble its response with different officials issuing contradictory statements. "On the issue of no-fly zone and so forth, the United States remains extremely engaged in its discussions with Turkey," Kerry said. "We are continuing our discussions with our Turkish allies in order to have conversations about how we best bolster security in the region and deal with the problem of Syria," he said. The Turkish government insists on the establishment of a no-fly zone to halt attacks by the Assad regime on Syrian opposition forces. Turkey also wants to establish a safe haven near the Turkey-Syrian border for refugees fleeing ISIL attacks in Syria. A US-led airstrike campaign was launched Aug. 9 against ISIL targets in Iraq, with the support of France, the U.K. and Belgium, along with Saudi Arabia and the United Arab Emirates.

## Israeli coalition close to collapse as Benjamin Netanyahu threatens elections

The Telegraph, 30.11.2014



Israel's government was on the verge of collapse on Sunday night as a split over a controversial new law designating the country a Jewish state deepened into an all-out assault by cabinet rivals on the Prime Minister, Benjamin Netanyahu. Mr Netanyahu signalled that he was ready to call an early general election to stifle the rebellion, led by ministers from centrist coalition partners to his right-wing Likud Party.

He publicly accused Yair Lapid, leader of the Yesh Atid party, of playing "petty politics" while ignoring weighty issues such as the budget and Israel's foreign relations in the latest in a series of rancorous exchanges.

"Recently, hardly a day passes without us running into dictats or threats of resignation, or ultimatums and such, as ministers attack the government and its prime minister," Mr Netanyahu told Sunday's cabinet meeting. "I hope that we will be able to return to proper conduct. This is what the public expects of us because only thus is it possible to run the country, and if not, we will draw conclusions." His comments were the clearest sign yet that the country was heading towards an early poll less than two years after Mr Netanyahu formed a mostly Right-wing coalition in which Mr Lapid headed the second-biggest party. Opinion surveys have indicated that Mr Netanyahu's Likud party would again emerge as the largest party in a fresh poll, giving him a fourth term as premier,



despite falling approval ratings. After days of talk of a “coalition crisis”, sources close to the Israeli leader said the country was “98 per cent into an election”, the liberal newspaper Haaretz reported. The open talk of an election followed threats from Tzipi Livni, the justice minister, and Mr Lapid to resign if a bill to declare Israel “the nation state of the Jewish people” becomes law. The prime minister says the law is necessary to fend off Palestinian opposition to Jews’ right to live in Israel but Mr Lapid and Ms Livni say it is a threat to the country’s democratic character since it would reduce Arabs to second-class citizenship, and that it has been introduced by electioneering purposes. Amid the political manoeuvring, a parliamentary vote on the bill scheduled for Wednesday has been postponed, government insiders suggested. In a unabashed personal attack, Mr Lapid told an audience in Tel Aviv that he had not spoken Mr Netanyahu outside cabinet meetings for five weeks. “The major issues are stuck and the prime minister isn’t doing anything about the state budget, Israel’s international relations, personal security and housing,” he said. “Instead we are dealing with the pettiest of politics. The prime minister needs to decide that he doesn’t want elections. This crisis can be solved in a conversation between us.”

Nahum Barnea, an influential columnist with the mass circulation Yedioth Ahronoth newspaper, criticised the prime minister in even more graphic terms, writing: “He has gone into what people who know much more than me about psychology call a manic-depressive state....There are ministers who are certain that he is no longer functional.” The cabinet approved the Jewish nation state bill last week against a backdrop of increasing tensions between Jews and Arabs and concerns over outbreaks of anti-Arab racism. Those worries were highlighted over the weekend after arsonists attacked a mixed school in Jerusalem that promotes co-existence between the two communities. Saturday’s attack at the Hand-in-Hand bilingual school resulted in severe fire damage to a classroom for first-grade children. The attackers also sprayed anti-Arab graffiti, including “Death to Arabs” and “There’s no coexistence with cancer” in Hebrew on walls inside the school. Mr Netanyahu condemned the incident.

## Bulgaria says it is suffering from EU sanctions on Russia

Euractiv, 05.12.2014



EU member states such as Bulgaria, Hungary and Slovakia, which are heavily dependent on Russian energy, have only reluctantly gone along with the sanctions, imposed over Russia’s annexation of Ukraine’s Crimea region. The measures targeted Russia’s financial, defense and energy sectors, and Russia hit back by banning most food imports from the EU.

Boiko Borisov, who leads a minority coalition government, said he hoped the sanctions had “already played their role and relations will be soon normalised” he told a news conference in Brussels.

“I don’t know how Russia is affected by the sanctions, but Bulgaria is affected severely,” he told. Russia accounted for 2.7 percent of Bulgaria’s exports last year, mostly machinery, pharmaceuticals and agricultural produce. Bulgaria’s exports to Russia were down 22 percent in August from a year earlier, while overall EU exports to Russia were down 18 percent, according to the EU statistics office Eurostat. Even before sanctions, Bulgaria was struggling to revive economic growth while dealing with a bank crisis. “Due to the embargo, we cannot export meat ... Bulgaria is facing not only political and economic and financial problems, we are facing global problems and that is why we need serious support,” Borisov said. Last year, more than a quarter of the 2.6 million tourists who came to Bulgaria were Russians - a number likely to fall in future because of the weakness of the rouble, though that stems more from a plunge in the oil price than from Western sanctions. Russia said on Monday it was scrapping the South Stream gas pipeline, which had been due to enter the EU via Bulgaria, although Borisov and European Commission President Jean-Claude Juncker both said they believed the project could still go ahead. Bulgaria had hoped the pipeline would not only protect it against possible disruptions in the supply of Russian gas being piped through Ukraine, but also create jobs in its construction.

## EU sanctions 13 more Ukrainian rebels

Anadolu Agency, 29.11.2014



European Union officials have agreed to slap sanctions on 13 more Ukrainian pro-Russian separatist individuals and five organizations, the Council of the European Union has announced. The council said in a press release on Friday that asset-freezes would be applied against the separatists and organizations while the individuals would also face travel bans.

It said in a statement: “This decision brings the total number of persons subject to EU sanctions over Ukraine’s territorial integrity to 132 and the number of entities under EU asset-freeze to 28.”

“The legal acts ... will enter into force upon publication in the EU Official Journal on 29 November.” The names of the people and organizations sanctioned were not disclosed. Foreign ministers from the EU member countries met in Brussels last week and called for sanctions on Ukrainian separatists following presidential and parliamentary elections on November 2 in eastern Ukraine by pro-Russian rebels. Both the EU and Ukrainian President Petro Poroshenko have denounced the polls as “farce” and “illegitimate”. NATO has said Ukrainian separatists have repeatedly violated several cease-fires and that Russia has sent tanks and troops to Ukraine. While the EU has stepped up action against Ukrainian separatists, it remains divided over imposing economic sanctions on Russia which is the 28-nation bloc’s main energy-supplier.

# NATO and Ukraine condemn Russia's activities

Hurriyet Daily News, 02.12.2014



NATO countries and Ukraine strongly condemned on Dec. 2 a Russian military build-up in Crimea, accusing Russia of “deliberate destabilization” of eastern Ukraine.

“We condemn Russia’s military build-up in Crimea, as well as the worsening human rights situation on the Crimean peninsula. We call on Russia to reverse its illegal and illegitimate self-declared ‘annexation’ of Crimea, which we do not and will not recognize,” the ministers said in a statement after a meeting in Brussels. “We are also concerned about Russia’s stated plans for further military build-up on the Black Sea,” they added.

NATO foreign ministers also condemned Russia’s “continued and deliberate destabilization of eastern Ukraine in breach of international law, including the provision of tanks, advanced air defense systems and other heavy weapons to the separatists.” The ministers gathered for a meeting of NATO-Ukraine Commission to discuss the priorities of the new Ukrainian government and to show the Alliance’s continued firm and strong support for Ukraine’s sovereignty, independence and territorial integrity. NATO Foreign Ministers were expected to announce on Dec. 2 the launch of a new advisory mission for Afghanistan and continuous NATO presence in Eastern Europe, with events in Afghanistan and Ukraine dominating the agenda. NATO Secretary-General Jens Stoltenberg said the alliance would assess whether Ukraine fulfills the necessary standards if the country applies for membership. “We are still committed to an open door policy,” Stoltenberg added. The ministers will announce progress in trust funds to support Ukraine, with the aim of helping build capacity in areas such as command, control, communications, cyber defense and medical rehabilitation.

Stoltenberg earlier said he expected four outcomes from the meeting: an agreement on boosting forces in the east to counter a rising Russia; a deal on an interim NATO quick reaction force; more support for Ukraine; and a deal on a support mission in Afghanistan. Accustomed to long-term threats, members of the alliance agreed at a September summit to launch a “spearhead” force of around 4,000 troops by 2016 in response to new challenges of hybrid warfare and political upheaval. The force, initially led by Germany, the Netherlands and Norway, will pave the way for a Readiness Action Plan and aims to have a small number of troops respond to security challenges within days. Afghan President Ashraf Ghani and Chief Executive Abdullah Abdullah are also joining the talks to prepare for NATO’s transition from a combat to a training role in Afghanistan by 2015. The ministers are expected to formally launch the Resolute Support Training and Advice Mission, which will kick off on Jan. 1, 2015, and leave security responsibility to Afghan forces. Foreign Minister Mevlüt Çavuşoğlu had bilateral meetings with his counterparts from Germany, Italy, Bulgaria and the Netherlands on the sidelines of the gathering.

# Putin: Crimea is to Russia what Jerusalem is to Muslims, Jews

Anadolu Agency, 04.12.2014



Russia will not bow to Western pressure, Vladimir Putin said, defending the annexation of Ukraine's Crimea region. "Crimea is to Russia what Jerusalem is to Muslims and Jews," Putin said in a speech at parliament.

Russia took over Crimea in March after a controversial referendum, which drew the ire of international observers because Russian soldiers occupied the region during the voting process. More than 4,000 people have been killed and at least 9,000 wounded in the conflict between the Ukrainian government and pro-Russian separatists in Eastern Ukraine since mid-April, according to the UN.

The EU and the U.S. have imposed sanctions on Russia because of its alleged role in stirring unrest in Ukraine. "The West was unable to find other pretexts to curb Russia's influence," Putin added. Russia called the Kiev-based protests leading to the ouster of the pro-Russian government in February a coup. Putin said his country is open to foreign investors, but due to the unrest in Ukraine, Western powers have imposed sanctions on Russia, preventing its energy industry from seeking financial resources from Western institutions. In addition, Russian energy companies are not allowed to import high-tech drilling equipment for energy exploration and production activities.



## ‘Up to 10,000’ Russian soldiers fighting in east Ukraine

Anadolu Agency, 05.12.2014



Up to 10,000 Russian soldiers are fighting against the Ukrainian army in the eastern regions of the country, a major-general from the Ukrainian General Staff said. Major-general Aleksandr Rozmaznin said in a statement that the Ukrainian army is fighting against more than 32,000 pro-Russian separatists, six to 10,000 of which are Russian soldiers.

He said that, aside from the Russian soldiers, thousands of Russian citizens are also participating in the fighting. Rozmaznin added that around a thousand foreign volunteers, including those coming from U.S., France, and Russia, are helping the Ukrainian Army in fighting terrorist groups.

A new cease-fire between pro-Russian separatists in Luhansk in far-east Ukraine and the Ukrainian army is set to begin on Friday, Dec. 5., the Organization for Security and Co-operation in Europe said. The previous cease-fire between Kiev and pro-Russian separatists was signed on Sept. 5 in Minsk, but it was violated numerous times and the conflict which has left thousands dead continued. Between mid-April and Oct. 6, at least 3,600 people have died and 8,700 people have been injured during the conflict between the Ukrainian government and rebels, the UN Human Rights Office said in a report in October.

## Sanctions have hurt Russian economy, says Kerry

Anadolu Agency, 03.12.2014



Western sanctions on Russia did not prevent its support for pro-Russian separatists, but they have damaged its economy, U.S. Secretary of State John Kerry said. “The ruble is at the lowest level in history, I believe, measured against the euro since its introduction in 1991 or so, and clearly the economy is feeling the impact of these sanctions,” Kerry said.

He added: “We do not want to be in this situation where the only choice available, other than violence, engaging in combat, in order to change illegal international behavior is to inflict a broad-based sanction on any country, on any people.”

NATO accuses Moscow of providing pro-Russian rebels in eastern Ukraine with tanks, advanced air defense systems and other heavy weapons – allegations that Russia denies. The Alliance also said pro-Russian separatists had repeatedly violated the cease-fire agreement signed in September in the Belarusian capital of Minsk. Russia has the opportunity to make a different choice, according to Kerry. European Union officials agreed Friday last week to slap sanctions on 13 more Ukrainian pro-Russian separatist individuals and five organizations, bringing the number of people sanctioned to 132 and the number of entities under EU asset-freeze to 28. However, as the EU has stepped up action against pro-Russian separatists, it remains divided over imposing more economic sanctions on Moscow, which is the 28-nation bloc's main energy-supplier.

## Merkel rallies EU member states to drive Europe's Industry 4.0

Euractiv, 05.12.2014



Angela Merkel called for more support for the digitisation of Europe's economy. Digitisation is an opportunity to combat youth unemployment and slowing growth in Europe, Merkel emphasised at an event in Berlin. “Far more jobs will be created than will be lost as classical economies digitise.”

Despite her clear optimism, Merkel's message also contained a clear warning that Europe has fallen much too far behind in certain areas – “for example in its ability to produce chips and establish large internet search-engines”. As a result, the Chancellor's goal is to facilitate the foundation of startup ventures in the IT sector.

“State support programmes can only bridge the gap to long-term jobs,” Merkel pointed out. European countries must agree on which tax benefits are possible without leading to a case of state aid. At the same time, Merkel said it is not enough “to simply have money”. The appropriate regulatory framework must also be in place, she indicated. Prompt consultations over the basic Data Protection Regulation are also very important, the centre-right politician stated.

It is not the first time Merkel has called on the EU for more support of digitisation. Not long ago, after Jean-Claude Juncker announced plans for a €315 billion growth package, the Chancellor explained that digitisation should be at the top of the agenda. Neelie Kroes, Günther Oettinger's predecessor as Digital Commissioner, dragged her feet too often on issues like net neutrality and roaming fees, Merkel emphasised. But member states also shared the blame, the Chancellor said. Germany and Europe both have high hopes for Industry 4.0 – the fourth industrial revolution, driven by the Internet – to help boost the struggling economy. German Economic Affairs Minister Sigmar Gabriel recently committed the industry and economy to preparing Germany, as a location for industry, for the digital future.

The latest statistics on EU growth show weak rates, with 90% of economic growth taking place outside the bloc. Europe is particularly hard hit by unemployment among young people. Unemployment rates among 15-24 year-olds is currently around 22%. Overall, around five million people under 25 are out of work. This trend could have devastating effects for future productivity of national economies, warn economists like former Nobel Prize Winner for Economics Joseph Stiglitz. But even these young people, for whom the internet is a fact of life do not only see the benefits of digitization. Recent surveys suggest that only 15% of Europe's younger generation believe new technology could bring new jobs. Many even fear the technology will eliminate jobs. One survey showed that 33% of Germans between the ages of 18 and 30 reject a career in the digital economy. A number of experts in the field also see digitization as a threat to a large number of jobs. "Jobs requiring creativity might be difficult to automate," said Michael Osborne from University of Oxford. "But low-paid, low-qualified jobs will be the most threatened by digitization. And that is a lot of jobs." According to Osborne, more education and new competences are urgently needed to prevent a large number of jobs from being lost in the development toward Industry 4.0. "But," he emphasized, "digitization itself helps to make education more accessible. Online courses are an example of this so-called 'MOOCs' but also the broad scope of good educational software."

## Eurozone banks' corporate lending faces nine-year stagnation

The Telegraph, 01.12.2014



The Eurozone's beleaguered companies face a nine-year stagnation until banks lend them as much as they did before crisis enveloped the currency, according to forecasts. Loans to the corporate sector from banks in the 18-currency bloc will not surpass the levels they saw at the beginning of 2009 for another four years, although they should begin to improve in 2015.

Forecasters at EY expect lending to the Eurozone's corporates to increase by 3.3pc next year – the first rise since 2011. However, they will not reach the €4.9bn (£3.9bn) peak seen in January 2009 until some point in 2018.

By the end of this year, they will have fallen to a low of €4.3bn. The 12pc decline seen in the last five years masks much bigger falls in countries including Spain and Greece. The Eurozone's banks have recently been subjected to the biggest tests of financial strength in their history, and many have reined in lending in order to meet requirements. However, Marie-Laure Delarue, a banking partner at EY, said that banks could not take all the blame for poor lending figures, since there had been a lack of demand for credit from businesses. "The completion of marks the end of a period of capital preservation by banks - and opens the way to renewed lending growth but is there really the demand for lending?" she said. "Business confidence may have been overlooked in the rush to pin the blame on banks." EY predicted that Germany would see the biggest rebound in corporate lending next year, up 5.2pc.

# Euro zone manufacturing falls as Germany contracts

CNBC, 01.12.2014



Euro zone manufacturing activity missed forecasts and slowed in November, with German activity contracting -- hitting hopes of a pick-up in the bloc's largest economy. Markit's euro zone manufacturing PMI was nearly flat at 50.1 in November, missing analysts' forecasts of 50.4. This was a fall from the 50.6 recorded in October.

The latest figures will raise concerns among policymakers at the European Central Bank (ECB) who are battling extremely low inflation in the single currency bloc. Three of the euro zone's largest economies -- Germany, France and Italy -- saw manufacturing activity contract in October.

Germany's November manufacturing PMI came in at 49.5, France's reading was 48.4, and Italy's figure was at 49, all below the 50 mark that signifies growth. "With the final PMI coming in below the flash reading, the situation in euro area manufacturing is worse than previously thought. Not only is the performance of the sector the worst seen since mid-2013, there is a risk that renewed rot is spreading across the region from the core," Chris Williamson, chief economist at Markit, said in a press release. "The sector has more or less stagnated since August, but we are now seeing, for the first time in nearly one-and-a-half years, the three largest economies all suffering manufacturing downturns." The near-stagnant euro zone-wide PMI figure was driven by falling levels of new business and lackluster export orders, Markit said, alongside signs of slowing global growth. The fall in manufacturing growth also came amid continued price pressures with factories continuing to cut prices. There were some bright spots, however, with Ireland, Spain and Netherlands showing positive PMI readings. Spain's 54.7 figure marked an 89-month high.

Low price growth has dogged the ECB for months, and continued in November when the flash estimate of euro area inflation slipped to 0.3 percent. This figure is way below the ECB's target of 2 percent. To combat this, the central bank is undertaking a number of easing measures, including the purchase of asset-backed securities - but has so far stopped short of full-blown quantitative easing (QE) or sovereign debt purchasing. ECB President Mario Draghi is not expected to announce a shift in current policy at the central bank's policy meeting on Thursday, however, despite a continuing fall in prices, unemployment at 11.5 percent and growth in the third quarter almost flat at 0.2 percent. "I would be surprised if the ECB do anything else other than the measures they have announced," Michael Hewson, chief market analyst at CMC Markets, told CNBC by phone. "The bar for QE still remains high. I think it is a step too far at the moment for Germany and for a number of other central banks who remain unconvinced that it will have a significant long-term effect."



## Belgium to recognize Palestine statehood

Anadolu Agency, 04.12.2014



Belgium's main political parties are reportedly working on a resolution to recognize Palestine as a state, a Belgian daily reported. *Le Soir* reported that Belgium's coalition government reached an agreement earlier this week. The Belgian parliament will reportedly debate a resolution on the subject as early as next week.

However, the draft text for the planned motion to recognize Palestine as a state does not set a date. The recognition will happen when "deemed appropriate". If the motion is adopted then Belgium will become the second EU member country after Sweden to recognize Palestine as a state.

Sweden recognized Palestine statehood on Oct. 20, a move followed by the French parliament's lower house which passed a non-binding motion last Tuesday encouraging the French government to do the same.

## China drafts bank deposit insurance in move to free rates

Bloomberg, 01.12.2014



China will start an insurance system for bank deposits, a move toward scrapping remaining controls on interest rates and allowing lenders to fail in a more market-driven economy. The government will insure deposits of as much as 500,000 yuan (\$81,367) per saver at each bank covered, the People's Bank of China said in a draft rule on its website on 30 November.

It didn't give a start date or detail what premiums banks may pay, saying only that they may differ depending on lenders' management and risk conditions. The PBOC is seeking feedback through Dec. 30.

Deposit insurance erodes an implicit government guarantee behind China's state-controlled banks and clears the way for the nation to deregulate savings rates, increasing competition for funds. That may exacerbate a liquidity shortage at smaller banks and boost their chance of failure as savings shift to the biggest lenders. "We are ever closer to the long-awaited monumental step of interest-

rate liberalization,” Yao Wei, a Paris-based China economist at Societe Generale SA, wrote in a report today. Introducing deposit insurance and allowing banks to fail “could significantly increase the chance of a severe financial crisis if not managed deftly.” China’s savers had piled up 112 trillion yuan of local-currency deposits as of Oct. 31, while bad loans have climbed to a six-year high, pointing to stresses within the financial system. The dominance of state-controlled lenders has left savers believing in an implicit government guarantee. China is the only major economy in Asia without a formal deposit insurance system.

Such systems can help to prevent bank runs. At the same time, by acknowledging the possibility of bank failures, the plan may encourage depositors with balances exceeding 500,000 yuan at small lenders to shift to larger ones seen as more stable. The system can “promote the establishment of market-based risk prevention and resolution mechanisms,” the central bank said in the statement. Shares of Chinese banks dropped in Hong Kong. Industrial & Commercial Bank of China Ltd., the nation’s largest, fell 1.7 percent as of 10:25 a.m. local time, while China Construction Bank Corp. (939) declined 1.9 percent. The insured amount proposed will be enough to cover all the bank deposits of 99.6 percent of savers, the central bank said in a separate statement. BNP Paribas SA has estimated that a system of the type planned may cover 46 percent of deposit balances, based on past PBOC data. Authorities may adjust the 500,000 yuan ceiling, which includes both principal and interest, in line with economic and financial conditions, the statement said.

The rule would apply to all deposit-taking financial institutions and covers both local and foreign-currency deposits, according to the draft. A deposit insurance fund management agency, to be decided by the State Council, will set the premium rates. The ratios will be “much lower than” the starting level or current level in most countries with a deposit insurance system, and the financial impact on lenders is “very small,” the PBOC said in a separate statement. Assuming premium rates of 0.05 percent to 0.11 percent for different types of banks, the deposit insurance system may reduce China banks’ 2015 earnings by 1.53 percent and their net interest margin by 26 basis points on average, Barclays Plc analyst May Yan estimated. Money in the plan could only be held by the central bank or invested in government bonds, PBOC notes, high-rated debentures or other channels approved by the State Council.

Foreign lenders’ branches in China and Chinese banks overseas units aren’t covered, the statement said. Interbank deposits by other financial institutions and deposits by senior bank management in their own bank aren’t insured. The central bank on Nov. 22 moved further toward freeing interest rates by raising the deposit-rate cap to 1.2 times the benchmark from 1.1 times. Revamping deposit rates is the “riskiest” part of liberalization, the PBOC said in July 2013, when it allowed banks to freely price loans. “Deposit insurance is not only standard in all developed banking markets but in addition it is one of the least contentious of banking reforms -- this looks like an ‘easy win’ for financial sector reform,” Jim Antos, a Hong Kong-based analyst at Mizuho Securities Asia Ltd., said before the announcement. “China needs deposit insurance now because the mainland economy is less robust and there is, implicitly, a greater risk of small banks having a liquidity crisis.”

China’s economy is poised for the weakest expansion since 1990 and Communist Party leaders have discussed reducing the 2015 growth target from this year’s 7.5 percent goal, a person familiar with the matter said in November. Deposit insurance is “a clearly defined exit strategy for troubled banks,” Judy Zhang, a Hong Kong-based analyst at BNP Paribas, said in a Nov. 28 note. “It protects the public interest and shows the government is accelerating financial reform to gradually

break its implicit guarantee of the financial system. However, it may lead to a deposit shift from small banks to large and medium-sized banks in the short term.” Smaller banks face the risk of withdrawals by corporate depositors to counterparts with strong capital bases and extensive distribution networks, Zhang said. Besides liquidity risk, smaller lenders may have to bear higher funding costs to keep customers, putting pressure on their earnings, she said. The deposit insurance system will “significantly” enhance smaller banks’ credibility and competitiveness and create a fair environment for them to compete, according to the PBOC statement.

## Japan defends use of climate finance for coal projects abroad

Bloomberg, 04.12.2014



Japan said its support for coal-fired power projects in developing countries using funds set aside to combat climate change is a necessary step in their economic development.

The country was named by environmentalists this week as the recipient of the so-called “Fossil Award” for funding power stations using coal, which emits more carbon dioxide blamed for global warming. It came as climate envoys from world governments, including Japan, gather for United Nations talks in Lima, Peru, on how to tackle climate change.

“We are aware that there are various opinions” about supporting coal power plants, Junya Nakano, an official in charge of climate change policy at Japan’s Ministry of Foreign Affairs, said by phone today. “In reality, though, some developing countries rely on coal. Can they shift to renewables just like that?” Japan, which is promoting exports of its technology that claims to reduce coal emissions, has provided funds to build at least three coal-fired power plants in Indonesia. The money was allocated from a \$30 billion fund to combat climate change that developed nations agreed to provide to poorer states between 2010 and 2012.

The country, the world’s third-biggest economy, provided about \$14 billion to help developing countries respond to climate change between Oct. 2009 through the end of 2012, according to the ministry. For the period between 2013 and 2015, Japan plans to contribute another \$13 billion, the ministry said. In total, developed states have pledged to channel \$100 billion a year to climate-related projects in developing countries by 2020.

# US House passes \$585 billion defense spending bill

Anadolu Agency, 05.12.2014



The House of Representatives approved a \$585 billion defense spending bill on Thursday, green lighting President Barack Obama's plan to expand military action against ISIL. The 300-119 vote sanctions Obama's plan to send an additional 1,500 troops to Iraq to train and assist local forces, and increase U.S. airstrikes against the extremists – providing \$5 billion for the airstrikes, and \$1.6 billion for the increased troop deployment.

It also extends for two years congressional authorization to train and equip vetted members of the armed Syrian opposition.

"The security threats our nation faces are as grave as they are prolific, and it is imperative that we provide our military men and women the tools they need to keep America safe," House Speaker John Boehner said in a statement following the passage of the National Defense Authorization Act. The bill authorizes \$521.3 billion for Defense Department operations, and an additional \$63.7 billion for overseas contingency operations. It continues to prevent prisoners held at the U.S. military facility in Guantanamo Bay, Cuba, from being transferred to the United States. A vote in the Senate is expected next week.



## Announcements & Reports

### ► *Japan and Turkey in the International Community: Cooperation and Potential*

**Source** : ORSAM

**Weblink** : <http://www.orsam.org.tr/en/showReport.aspx?ID=2732>

### ► *Banking Banana Skins*

**Source** : PWC

**Weblink** : [http://www.pwc.com/en\\_GX/gx/banking-capital-markets/banana-skins/assets/pwc-banking-banana-skins-2014-v2-april.pdf](http://www.pwc.com/en_GX/gx/banking-capital-markets/banana-skins/assets/pwc-banking-banana-skins-2014-v2-april.pdf)

### ► *Five Reasons for the Iraqi-Kurdish Oil Deal*

**Source** : Brookings Institute

**Weblink** : <http://www.brookings.edu/blogs/markaz/posts/2014/12/03-iraq-kurds-oil-revenue-sharing-agreement>

## Upcoming Events

### ► *18<sup>th</sup>. Middle East Iron and Steel Conference*

**Date** : 08 December 2014

**Place** : Dubai – United Arab Emirates

**Website** : <http://www.woodmac.com/public/events>

### ► *PONI 2014 Winter Conference*

**Date** : 09 - 10 December 2014

**Place** : Washington – USA

**Website** : <http://csis.org/event/poni-2014-winter-conference>

### ► *Ageing and Health: Policy-making in an Era of Longevity*

**Date** : 09 February 2015

**Place** : London – United Kingdom

**Website** : <http://www.chathamhouse.org/conferences/ageing>

### ► *Security and Defense*

**Date** : 23 February 2015

**Place** : London – United Kingdom

**Website** : <http://www.chathamhouse.org/Defence2015>

### ► *Diversifying MENA Economies*

**Date** : 02 - 03 March 2015  
**Place** : London – United Kingdom  
**Website** : <http://www.chathamhouse.org/conferences/MENA-Economies>

### ► *Creating an Effective Financial System*

**Date** : 09 March 2015  
**Place** : London – United Kingdom  
**Website** : <http://www.chathamhouse.org/conferences/financialsystem>

### ► *Innovation Forum 2015*

**Date** : 26 March 2015  
**Place** : Chicago – USA  
**Website** : <http://www.economist.com/events-conferences/americas/innovation-2015>