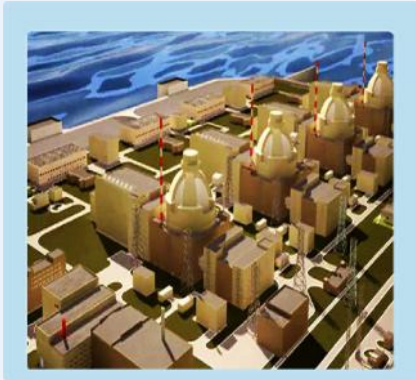


Turkish consortium pulls out of Akkuyu nuclear project

Hurriyet Daily News, 30.01.2018



Three Turkish companies who have partnered with Russia's Rosatom for the construction of Turkey's first nuclear power plant, Akkuyu Nuclear Power Plant (NPP), have pulled out of the project, company officials told Anadolu Agency on Feb. 6.

Rosatom holds the majority share of the plant with 51 percent, while the remaining 49 percent stake was to be divided among the Turkish consortium of contracting conglomerates, which includes Cengiz-Kolin-Kalyon (CKK). However, the CKK consortium pulled out of the project citing the inability to agree on commercial terms in the project.

The Turkish consortium signed a draft agreement with Rosatom for the transfer of 49 percent of shares in the project last June. Since then however, the sides have failed to reach a final agreement. Rosatom plans to construct Turkey's first nuclear power plant, Akkuyu, in the country's southern province of Mersin on the Mediterranean coast. The plant will have a capacity of 4,800 megawatts in four units and a working life of 8,000 hours per year. In the first phase of construction, two units with a capacity of 2,400 megawatts are planned.

Turkey's crude steel production hits historic high

Hurriyet Daily News, 07.02.2018



As Crude steel production in Turkey rose to an all-time-high in 2017, reaching over 37.5 million tons, according to data from the Turkish Steel Producers Association.

The output soared by 13.2 percent last year, up from 33.2 million tons in 2016, the data showed. Turkey's crude steel exports also increased in volume by 8.4 percent from 2016 and reached 18.3 million tons last year. The country earned \$13.4 billion from its crude steel exports in 2017, up 24.1 percent compared with 2016.

The import of crude steel declined in volume by 6.8 percent to 16.3 million tons in the same period. However, in value terms, crude steel imports rose 13.6 percent year-on-year to \$12.4 billion in 2017. Gazi Bilgin, acting secretary-general of the TÇÜD, told Anadolu Agency the production had reached a historic high level with the help of rise in global demand and recovery in the domestic market since April 2017.

Bilgin noted that the sale of higher quality and value added steel products had led to the rise in exports in terms of value and volume. He added that China's decision on reducing its capacity utilization last year positively affected steel production in Turkey as well as other countries.

Erdoğan again takes aim at high interest rates, signals new Ankara plan

Hurriyet Daily News, 07.02.2018



Turkish President Recep Tayyip Erdoğan has once again taken aim at interest rates, repeating his unorthodox claim that high rates cause high inflation.

“My stance on this is clear: Interest rates are the cause and inflation is the result. We will make no concessions, we will reduce rates,” Erdoğan told reporters on the return journey from an official trip to Italy on Feb. 5. Amid persistently high inflation rates, he noted that inflation has not declined to single-digits for a long time and suggested that it would not do so “unless the mentality changes.”

Erdoğan criticized the fact that some banks are charging up to 20 percent interest, warning that such expensive credit “discouraged investments and job creation.” “How could employment conditions improve in these circumstances? There will be no jobs unless there is investment,” he said. “Recently a bank posted a profit of 6 billion liras. Are we working for the interest rate lobby? Customers who take loans from banks are suffering,” Erdoğan added. Interest rates have long been a bugbear of the Turkish president, who has repeatedly suggested that an international “interest rate lobby” is working to hold the country back. Erdoğan said he recently held meetings with government officials to discuss interest rates, adding that there would be “another meeting when officials finalize their studies.”

“The Central Bank, the Banking Regulatory and Supervision Agency [BDDK] and state-owned banks must play an active role in this. We will reduce interest rates and when we do that inflation will fall,” he claimed. Turkey's annual inflation eased to 10.4 percent in January, from December's 11.9 percent, driven by a strong base effect, data from the Turkish Statistics Institute (TÜİK) showed on Feb. 5. At its latest monetary policy committee meeting on Jan. 18, the Central Bank kept its key rates on hold. The Bank left the repo rate at 8 percent, the overnight borrowing rate at 7.25 percent and the late liquidity window rate at 12.75 percent.

Turkey's industrial production rises in December

Anadolu Agency, 08.02.2018



Turkey's calendar-adjusted industrial production rose 8.7 percent in December 2017, compared to the same month last year, the Turkish Statistical Institute (TurkStat) announced on Thursday.

Industrial output is considered a vital indicator for the economy as it is seen as a preliminary gauge for GDP growth. Among three main sub-indexes, the mining and quarrying index rose the most --14 percent. The annual increase in the manufacturing index was 8.9 percent, while the electricity, gas, steam and air conditioning supply index was up 5.7 percent.

The term "calendar-adjusted" is used to refer to data without calendar and holiday-originated effects. The seasonal- and calendar-adjusted production level was also up compared with the same figure for December 2017. "Industrial production increased by 0.9 percent compared with the previous month," TurkStat said. Among the sub-sectors, only the electricity, gas, steam and air conditioning supply sector contributed negatively to the monthly reading, slipping 1.1 percent, according to data.

On a monthly basis, the mining and quarrying index rose 2.6 percent while the manufacturing index climbed 1.2 percent in December. TurkStat also said calendar-adjusted industrial production rose 7.8 percent in the fourth quarter of last year over the same period in 2016. In a survey by Anadolu Agency's Finance Desk on Tuesday, a group of 11 economists projected the calendar-adjusted industrial production index would rise 6.4 percent year-on-year. On an annual basis, industrial production in Turkey saw the biggest rise in July, up 14.5 percent. In Turkish manufacturing activity, the Purchasing Managers' Index (PMI) for Turkey's manufacturing sector hit a seven-year high of 55.7 in January amid strong demand and accelerated output growth, according to a Feb. 1 report by London-based global data company IHS Markit co-prepared with the Istanbul Chamber of Industry. In December, Turkey's exports rose to \$13.87 billion, up 8.6 percent from the same month in the previous year, TurkStat said on Jan. 31.

Turkey's animal production surges 8.6 percent in 2017

Hurriyet Daily News, 07.02.2018



The total number of animals in Turkey amounted to 60.7 million last year, an 8.6 percent rise year-on-year, according to the country's statistical authority on Feb. 7.

The Turkish Statistical Institute (TÜK) said the number of bovine animals—including cattle and buffalo—reached 16.1 million in 2017, marking an annual increase of 13.2 percent. “In the group of bovine animals, the number of cattle increased by 13.2 percent and became 15.9 million and the number of buffalo increased by 13.6 percent to 161,439,” the institute said.

The official data showed the total number of ovine animals rose by 7.2 percent over the same period, reaching 44.3 million, including nearly 33.7 million sheep and 10.6 million goats. The figures also revealed there were over 0.3 million donkeys, horses, mules, camels and pigs in Turkey as of the end of 2017. Meanwhile, the country produced 20.7 million tons milk, up 12 percent year-on-year, and 114,471 tons honey with an annual hike of 8.3 percent. Turkey's exports of dairy products, bird eggs and natural honey amounted to over \$700 million, while imports stood at around \$120 million in 2017. As noted in the report, the number of poultry animals—chickens, turkeys, ducks, and geese—stood at nearly 350 million, rising 4.4 percent from the end of 2016.

Some 221 million broiler hens and 121 million laying hens were counted under chickens, which constitute 98.5 percent of all poultry animals in Turkey. The TÜK releases animal production statistics twice a year. The data are collected through province and district directorates of Turkey's Food, Agriculture and Livestock Ministry. In recent months, the country has been debating the purchase of meat from overseas due to the rising prices in the domestic markets. “I don't want to give a timeframe, however, Turkey won't import meat for sure. I believe we will be one of the countries that export meat,” said Turkish Food, Agriculture and Livestock Minister Ahmet Ersoy, speaking at the Anadolu Agency editor's desk last month. In 2017, Turkey's live animal exports stood at nearly \$35 million, while the country imported \$1.2 billion worth of live animals, compared to the previous year's imports amounting to \$600 million and exports worth around \$30 million.

Greece returns to debt market with seven-year bond

Agence France, 08.02.2018



Greece on Feb. 8 made another tentative return to markets with a seven-year bond, its first sale of the sort since the start of the economic crisis, officials said. A finance ministry source confirmed the issue, while another source with knowledge of the sale said Greece seeks to raise around 3.0 billion euros.

The last seven-year bond, sold at an interest rate of six percent, was issued in April 2010 -- days before the country publicly requested the first of its three EU-IMF bailouts. Greece currently has no real need to draw money.

From the bond markets as it is still receiving financial support at lower rates under its international bailout that ends in August. However it is a psychological milestone, demonstrating that Greece is back on the road to weaning itself off bailout aid, as well as building a precautionary cash cushion. In July, Greece made its first return to debt markets after a three-year hiatus, selling three billion euros' worth of five-year bonds at 4.625 percent, lower than its previous outing in 2014 Athens had geared the sale for Feb. 6 but it was postponed amid global stock market turmoil earlier this week.

Russia's central bank cuts key interest rate to 7.5 percent

CNBC, 02.02.2018



Russia's central bank cut its key interest rate to 7.5 percent on Friday after lower inflation gave it scope to reduce lending costs ahead of a presidential election next month.

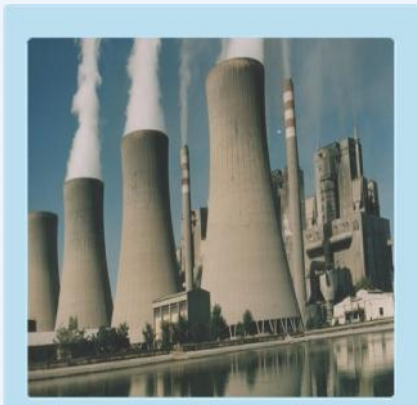
The central bank said it would also consider further cuts to the rate this year as annual inflation, which stood at 2.2 percent in January, was "sustainably low." The bank cut its key rate six times last year as inflation, once stubbornly high and at double-digit levels, slipped below its target of 4 percent. Friday's 25 basis point cut was in line with predictions from 18 of 20 analysts and economists polled by Reuters beforehand.

“Annual inflation remains sustainably low. Inflation expectations are diminishing progressively. Short-term pro-inflationary risks have abated. Therefore the balance of inflationary and economic risks has shifted slightly towards the risks to economic growth,” the central bank said in a statement. “This year annual inflation is much less likely to exceed 4 percent. In this environment the Bank of Russia will continue to reduce the key rate and may complete the transition from moderately tight to neutral monetary policy in 2018.” The rouble firmed to 57.92 versus the dollar after the decision, compared to a rate of 58.11 shortly before. Lower rates are beneficial for Russia as they spur economic growth by boosting consumer demand through cheaper lending.

That could please voters ahead of a presidential election on March 18 by making consumer credit and mortgages cheaper. While incumbent Vladimir Putin is widely expected to be re-elected, some analysts say lower living standards could prompt voters to stay away from the polls in protest, frustrating the Kremlin which is keen to ensure a high turnout. A decision by the United States to hold off imposing sanctions on Russian sovereign debt allowed the central bank to stick to its rate-cutting policy. Elvira Nabiullina, the central bank’s governor, said last week that the regulator might trim rates faster than previously thought as inflationary risks related to external factors had eased. The next rate-setting meeting is scheduled for March 23.

Russia’s Rosatom in talks to bring Turkey’s power producer into nuclear project

Reuters, 05.02.2018



Russian state nuclear company Rosatom said it is in talks about bringing in Turkish state electricity producer EÜA as a new shareholder in a project to build Turkey’s first nuclear power plant.

Rosatom, which is leading the Akkuyu nuclear project, said last year it would sell 49 percent of Akkuyu Nükleer A. Ş., which will construct and operate the plant, to a consortium made up of three companies: Kolin İnşaat, Kalyon İnşaat and Cengiz Holding. However, the final agreement was never signed. Rosatom said that Kolin and Kalyon decided to pull out of the project after studying the deal in detail.

Cengiz remains in the project as a contractor. Rosatom is also in talks with Cengiz over other ‘partnership options’, Rosatom said. The Russian company said it expects new investors to join the Akkuyu project during 2018. “This could be a single investor for the entire 49 percent stake, or a smaller stake or a couple of companies (could become new partners),” Rosatom said. “One of the companies with which Rosatom is discussing the possibility of taking part in the project is EÜA Ş.” the company said. “We would be delighted if, as a result of the negotiations, EUAS were to join the investors and shareholders in the Akkuyu nuclear power plant project.”

During a news conference with Turkish President Recep Tayyip Erdoğan in November 2017, Russian President Vladimir Putin said the countries planned to launch the first reactor at Akkuyu in 2023 and that construction would begin in the near future. Asked whether talks with the new partners could delay the project, Rosatom said that it expected to obtain a general construction license this year, which would allow the immediate start of works. The cost of the plant is estimated at \$20 billion. Rosatom officials said last year that the project will be financed by Rosatom and its partners and will involve loans from export-import agencies and banks. The company did not reply directly to a Reuters question about whether the change in shareholders would affect the cost. Power from the project's four 1,200 megawatt reactors will be sold mostly to the state with a small amount to be offered on the open market. Akkuyu is expected to meet 6-7 percent of Turkey's electricity demand.

Germany's potential coalition partners agree on energy, wrangle over health

Reuters, 03.02.2018



German Chancellor Angela Merkel's conservatives and the Social Democrats (SPD) reached agreement on energy and agriculture on Saturday, but were still in dispute over healthcare during talks to form a government.

The two camps aim to seal a deal by the end of Sunday to renew the "grand coalition" that has governed since 2013, although some politicians say they could run into Monday or Tuesday. Speaking at the end of talks on Saturday, conservative politician Michael Grosse-Broemer said the two blocs intended to stick to the timeframe but issues like labor policy, healthcare and rents still needed to be resolved.

"The coalition treaty is slowly taking shape but we'll only be able to say with more certainty tomorrow whether it will come to a conclusion," he said. SPD deputy Manuela Schwesig urged the conservatives to compromise on abolishing fixed-term contracts for workers and reforming Germany's public-private healthcare system. "I don't think Mrs Merkel can explain why there can't be any movement there," she said as she arrived for talks. The SPD wants to prove to its skeptical members that it would be able to push through those core policies in the role of junior partner to make another "grand coalition" more appealing.



Many of the SPD's 443,000 members - who will get to vote on any coalition deal - would prefer their party to revamp in opposition rather than join another alliance with Merkel after suffering their worst post-war election result in September. Healthcare is a big stumbling block and party sources said Merkel and her Bavarian ally Horst Seehofer discussed the issue before meeting the SPD. Most Germans have public health insurance, but a minority, mainly high earners, have private insurance instead. The SPD wants to replace the system with one insurance system for all, a change the conservatives reject. Talks are now expected to focus on improving public healthcare, such as by changing billing rules for doctors, who earn more by treating private patients.

The parties are not expected to come to an agreement on the most controversial issues, which include healthcare and labor market policy, until the near the end of negotiations. The conservatives have offered to ban the repeated renewal of fixed-term contracts but do not want to prevent employers from using them as the SPD demands. The two camps made some progress on labor policy on Friday by agreeing that employees in companies with more than 45 workers should have the right to move seamlessly back and forth between full- and part-time employment.[nL8N1PS4JF]

In a sign they are getting closer to a deal, the parties reached an accord on energy and the environment, agreeing to set legally binding climate targets for sectors like energy, transport, agriculture and construction to reach by 2030. Environment Minister and SPD member Barbara Hendricks said national climate targets for 2020 would not be quite reached but the new targets, which would be written into law in 2019, would ensure Germany can remain a "climate protection pioneer". They also agreed on agriculture, saying they wanted to put an end to the use of weedkiller glyphosate as quickly as possible and ban the cultivation of genetically modified plants. They reached a deal on migration on Friday, agreeing to stick to the wording of January's coalition blueprint that said the parties did not expect annual migration to exceed 220,000 per year. But the two blocs were still wrangling over its meaning on Saturday, with Joachim Herrmann - a member of Merkel's CSU Bavarian allies who have called for an upper limit - telling the Rheinische Post his party had secured a migrant cap. SPD deputy Ralf Stegner said the number was merely a prediction, writing on Twitter: "The fact remains that the SPD has not agreed to any upper limit and will not do so." Migration is a sensitive issue given the influx of more than a million migrants since mid-2015 and the conservatives' subsequent loss of support to the anti-immigrant Alternative for Germany (AfD) in September's national election.

State of emergency declared in Maldives

Reuters, 06.02.2018



Maldives President Abdulla Yameen declared a 15-day state of emergency in the honeymoon islands on Feb. 5, before heavily armed troops stormed the country's top court and a former president as well as the top judge were arrested in a deepening political crisis.

The tiny tourist archipelago has been plunged into chaos recently, with the president pitted against the Supreme Court after he refused to comply with its Feb. 1 order to release nine political dissidents. The tense standoff comes amid a years-long government crackdown on dissent.

It has battered the image of the upmarket holiday paradise, with the president jailing almost all the political opposition since he came to power in 2013. On Feb. 5, Maldives police arrested Yameen's estranged half-brother and former president Maumoon Abdul Gayoom, who had sided with the main opposition and was campaigning against him. The Maldives' top judge was arrested on Feb. 6 as security forces stormed the Supreme Court at dawn after Yameen declared the state of emergency in the honeymoon islands. The detention of Chief Justice Abdulla Saeed and another Supreme Court judge raised the stakes in a dramatic clash.

Macedonia 'ready to change its name'

Reuters, 07.02.2018



People display Greek flags during a demonstration near the parliament on Feb 4, calling on the government not to back up in a row with Macedonia. Macedonia is ready to add a geographical qualifier to its name to help resolve a dispute with Greece that has held up its prospects of joining the European Union and NATO, Prime Minister Zoran Zaev has said.

Macedonia joined the United Nations in 1993 with the provisional name "The Former Yugoslav Republic of Macedonia".

Because its neighbor Greece objected to the one-word name saying it implied a territorial claim to a Greek province of the same name. "I would like the negotiations (with Greece) to succeed ... We are ready for a geographical qualifier in the name," he told reporters in the capital Skopje on Feb. 6. He had pledged a speedy solution to the dispute last month during the World Economic Forum in Davos. Most countries refer to the country that declared independence in 1991 from the former Yugoslavia as Macedonia. Diplomats say Northern Macedonia, New Macedonia or Upper Macedonia could be now acceptable to both sides.

Zaev also said his government has renamed the main airport and a key highway, which had both been named after Alexander the Great. That riled Athens as Macedonia was also the name of an ancient Greek kingdom ruled by Alexander. Zaev said the airport will be renamed "International Airport Skopje" and the highway will be called Friendship. "With today's decision ... we are confirming our step towards building friendship and confidence with Greece," he told reporters in the capital Skopje. On Feb. 5, hundreds of thousands of people demonstrated in northern Greece against any solution that would include the term "Macedonia."

Egypt warns Turkey over East Med economic interests

Cyprus Mail, 07.02.2018



Egypt on Wednesday warned Turkey against any infringement of its economic rights in the eastern Mediterranean under a maritime border demarcation agreement signed in 2013 with Cyprus that allows exploration for gas in the area.

The discovery of the massive Zohr gas field in 2015 has spurred a race for exploration in the eastern Mediterranean, an area that is believed to hold big natural gas deposits crucial for energy-hungry Europe. Turkish Foreign Minister Mevlut Cavusoglu appeared to raise objections.

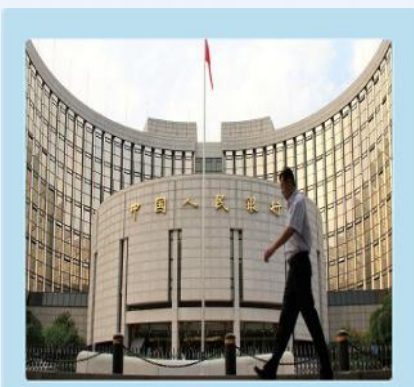
Over the 2013 agreement when he announced that Turkey was planning to start exploration work in the eastern Mediterranean soon. Cavusoglu accused Greek Cypriots of conducting "unilateral hydrocarbon activities in the eastern Mediterranean". He was speaking in an interview with Greek Kathimerini newspaper published on Sunday. "Turkish Cypriots, as co-owners of the island, have inalienable rights to the natural resources around it," he told the newspaper. Turkey claims a part of Cyprus' Exclusive Economic Zone (EEZ) as belonging to its continental shelf.

In addition, Ankara maintains that exploiting the island's resources can only take place after a comprehensive settlement, where both communities can share in the wealth. But Egypt's Foreign Ministry spokesman Ahmed Abu Zeid warned on Wednesday against any attempt to contest the 2013 accord and said it had been deposited with the United Nations. "Abu Zeid warned against any attempt to infringe or diminish Egypt's rights in that area," the statement said, adding that any such attempt "was rejected and would be confronted". Relations between Cairo and Ankara have been strained since then army chief Abdel-Fattah al-Sisi toppled President Mohamed Mursi of the Muslim Brotherhood in 2013 after mass protests against his rule. Egypt has started production from the massive Zohr gas field, which was discovered by Italy's Eni with an estimated 30 trillion cubic feet of gas.

ENI and Total may have also made a substantial gas discovery at their Calypso prospect in Cyprus' offshore block 6, according to reports in the foreign press. Israeli financial daily Globes reported on Monday that the Calypso field may contain an estimated 170-230 billion cubic metres – corresponding to between 6 and 8.1 trillion cubic feet (tcf). By comparison, Cyprus' Aphrodite prospect in block 12 holds an estimated 4.5 tcf of natural gas. The Globes article comes on the back of statements made late last week by energy minister Giorgos Lakkotrypīs, who hinted at a gas find in block 6. Lakkotrypīs had said the findings were encouraging, but that more time was needed for analysis in order to provide final confirmation. But he did go on to suggest that an announcement from the companies could be imminent. Citing unnamed Israeli energy sector sources, Globes said rumours of a gas discovery in Cyprus leaked as long as two weeks ago. State broadcaster CyBC said the minister will announced the results on Thursday.

China's central bank releases nearly 2 trillion yuan in temporary liquidity

Reuters, 09.02.2018

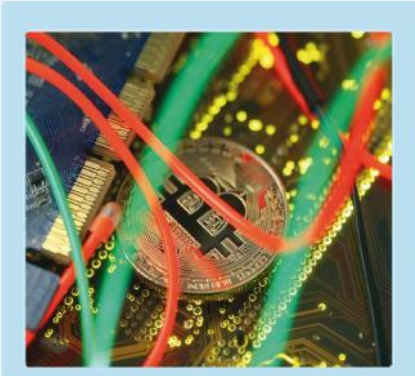


China's central bank said on Friday that it has released temporary liquidity worth almost 2 trillion yuan (\$316.28 billion) to satisfy cash demand before the long Lunar New Year holidays.

The People's Bank of China had announced in December that it would allow some commercial banks to temporarily keep less required reserves to help them cope with the heavy demand for cash ahead of the festivities, which begin later next week. Interbank liquidity levels will remain reasonably stable, the PBOC said on its official microblog.

China looks to stamp out cryptocurrency trading

Agence France, 05.02.2018



China plans to stamp out all remaining cryptocurrency trading in the country by blocking access to overseas-based websites and removing related applications from app stores.

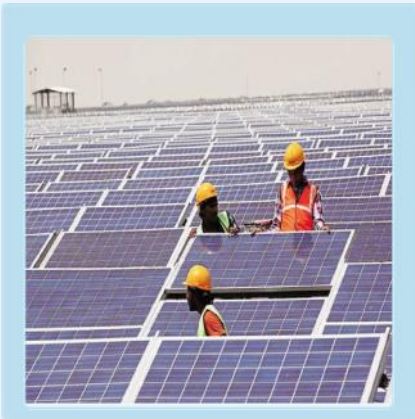
The moves were outlined in a report on Feb. 4 by Financial News, a publication under the People's Bank of China, which said the aim was to snuff out the “dying cinders” of cryptocurrency trading and initial coin offerings “which are glowing once more.” Faced with Chinese citizens who continue to trade cryptocurrency on platforms operated beyond the country's reach.

Furthermore, take part in initial coin offerings, authorities will “ratchet up oversight in a sustained manner,” the report said. After launching a campaign last year, authorities eliminated most cryptocurrency trading in the country. China's share of trading plummeted from 90 percent of the world to less than one percent, the report said. That crackdown sent Chinese cryptocurrency traders to overseas platforms operated in Hong Kong and Japan, beyond Beijing's reach. The latest regulatory moves aim to cut off access to them. Financial regulators will work with telecommunications regulators to shut down websites and mobile apps offering trading in illegal initial coin offerings, the report said.

Regulators will also take unspecified action against websites of foreign and domestic cryptocurrency trading platforms. The People's Bank of China has also ordered operators of payment systems to launch a “rectification” campaign and ensure their tools were not being used to funnel money into cryptocurrency trading. The report added a warning to any companies within China providing services to ease trading. “This is not in line with what is stipulated in the current policies,” it said. The international value of bitcoin and other cryptocurrencies have plunged this year amid fears of a crackdown in Asia and concerns that many currencies' rapid rise in value last year could reflect an bubble. On Feb. 5 the price of bitcoin on Coinbase had tumbled to \$7,950, two months after breaking through the \$20,000 mark.

Chinese solar firm LONGi to invest \$309 million in Andhra Pradesh facility

Live Mint, 08.02.2018



LONGi Green Energy Technology Co. Ltd will be the first Chinese company to set up a solar equipment manufacturing facility in India, the company said in a statement.

LONGi will set up the facility in Andhra Pradesh with an investment of around Chinese renminbi (RMB) 1.94 billion (\$309 million) for manufacturing 1GW of monocrystalline silicon cells and modules each. Such modules account for nearly 60% of a solar power project's cost. Monocrystalline silicon is more efficient and expensive than multicrystalline silicon and is widely used globally to set up solar power projects.

It also improves the average efficiency of a solar panel, resulting in better capacity utilization factor of a solar project. The world's largest monocrystalline solar wafer maker's plans come against the backdrop of the Indian government conducting an anti-dumping investigation on solar equipment imports from China, Taiwan and Malaysia. Additionally, India is considering levying a 70% provisional safeguard duty on imported solar panels and modules from China and Malaysia, as recommended by the directorate general of safeguards. A final decision by the government is awaited. Also, India plans to make it mandatory for firms to have local manufacturing capability to bid for the world's largest solar tender of 20 gigawatts (GW).

"This investment is to generate annual revenues of RMB 2.42 billion and annual net profit of RMB 120 million. The projects will help LONGi to tap into overseas market further and improve its overseas sales as well as global mono market share," the emailed statement said. Mint reported about the Shanghai Stock Exchange listed company's India plans on 14 December. India is running the world's largest clean energy programme, with an ambitious target of putting in place 175GW of clean energy capacity by 2022. Of this, 100GW will come from solar projects. "The module factory will be completed and come into production in the end of August 2019, while the cell factory will be completed in the end of 2019 and will commence production in January 2020," the statement added.

US President Donald Trump's January decision to levy tariff on imported solar panels will also hurt Chinese module makers. For China's solar panel manufacturing industry, with an estimated capacity of around 70GW per year, the US and India are major markets. The Indian solar module market is dominated by Chinese firms, with domestic manufacturers accounting for only 10.6% market share, according to consulting firm Bridge to India. There has been growing interest from companies to set up manufacturing facilities in India. The other Chinese firms that have been looking at solar equipment manufacturing in India include GCL-Poly Energy Holdings Ltd and Trina Solar Ltd. Also, yoga guru Baba Ramdev's Patanjali Ayurved Ltd, the consumer goods products upstart, plans to diversify into solar power equipment manufacturing, Mint reported on 4 December.

SpaceX's rocket soars in debut test launch from Florida

New York Times, 07.02.2018



The world's most powerful rocket, SpaceX's Falcon Heavy, roared into space through clear blue skies on its debut test flight on Feb. 6 from a Florida launch site in another milestone for billionaire entrepreneur Elon Musk's private rocket service.

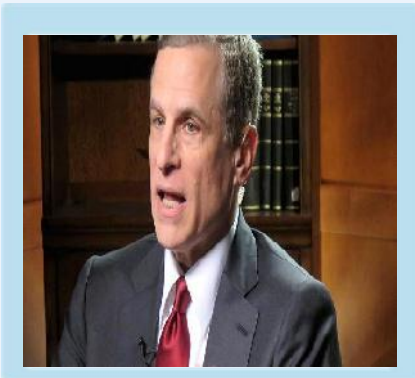
The 23-story-tall jumbo rocket, carrying a cherry red Tesla Roadster from the assembly line of Musk's electric car company as a mock payload, thundered off its launchpad in billowing clouds of steam and rocket exhaust at 3:45 p.m. local time from the Kennedy Space Center in Cape Canaveral.

Within three minutes, the Falcon Heavy's two side boosters separated from the central rocket in one of the most critical points of the flight. Then, capitalizing on cost-cutting reusable rocket technology pioneered by SpaceX, the two boosters flew themselves back to Earth for safe simultaneous touchdowns on twin landing pads at Cape Canaveral Air Force Station, about eight minutes after launch. Each rocket unleashed a double sonic boom as it neared the landing zone. The center booster rocket, which SpaceX had predicted was less likely to be salvaged, slammed into the Atlantic at about 483 kilometers per hour, showering the deck of the nearby drone landing vessel and destroying two of the ship's thrusters, Musk told a post-launch news conference. Still, the Silicon Valley mogul known for self-deprecating understatement hailed the launch as a victory and "a big relief."

While the Falcon Heavy's initial performance appeared, by all accounts, to have been near flawless, it remained to be seen whether the upper stage of the vehicle and its payload would survive a six-hour "cruise" phase to high Earth orbit through the planet's radiation belts. The successful liftoff was a key turning point for Musk's privately owned Space Exploration Technologies, which stands to gain a new edge over the handful of rivals vying for lucrative contracts with NASA, satellite companies and the U.S. military. Adding to the whimsy, SpaceX planted a space-suited mannequin in the driver's seat of the convertible Tesla Roadster. Musk mused that "it may be discovered by some future alien race." The white spacesuit was real, he said.

Fed's Kaplan: Higher wages may not push up prices

Reuters, 08.02.2018



Higher wages in the United States will not necessarily lead to faster inflation, Dallas Fed President Robert Kaplan said in Frankfurt on Wednesday.

His comments countered widespread market speculation that the brisk wage growth in almost nine years in the United States would drive up inflation, paving the ground for further policy tightening by the Federal Reserve. "Were facing wage pressures right now in the United States because of a tight labor market," Kaplan, a dove and a non-voting member of the Fed's policy committee, told an audience in Frankfurt.

"I am less convinced that this will necessarily translate into higher prices because businesses have much less pricing power," he added. Among the factors curbing pricing power, he cited technological advances such as cloud computing, which allowed smaller companies to break into concentrated markets. Expectations of higher Fed rates have been credited for contributing to a market rout earlier this week, which saw U.S. stock indexes post some of their biggest daily drops since the financial crisis. Kaplan said he did not expect the market gyrations to have repercussions on the economy and described them as a "healthy" corrections from high valuations.

Still, he cautioned the Fed should continue reducing its monetary accommodation to avoid the build-up of excesses. "If you have significant enough overshoot of full employment, history shows that usually other excesses and imbalances build," Kaplan said. "It'd be wise for us to be removing accommodation, although in a patient and gradual manner."

US weekly jobless claims total 221,000, vs 232,000 expected

Reuters, 09.02.2018



The number of Americans filing for unemployment benefits unexpectedly fell last week, dropping to its lowest level in nearly 45 years as the labor market tightened further, bolstering expectations of faster wage growth this year.

Initial claims for state unemployment benefits decreased 9,000 to a seasonally adjusted 221,000 for the week ended Feb. 3, the Labor Department said on Thursday. Claims fell to 216,000 in mid-January, which was the lowest level since January 1973. Economists polled by Reuters had forecast claims rising to 232,000 in the latest week.

Last week marked the 153rd straight week that claims remained below the 300,000 threshold, which is associated with a strong labor market. That is the longest such stretch since 1970, when the labor market was much smaller. The labor market is near full employment, with the jobless rate at a 17-year low of 4.1 percent. The tighter labor market is starting to exert upward pressure on wage growth. The Labor Department reported last week that average hourly earnings jumped 2.9 percent year-on-year in January, the largest gain since June 2009, after advancing 2.7 percent in December. Strong wage growth supports optimism among Federal Reserve officials that inflation will increase toward the U.S. central bank's 2 percent target this year. U.S. financial markets expect the Fed will raise interest rates in March.

Fed's Dudley: Market drop is 'small potatoes,' economy still strong, rates going up

CNBC, 06.02.2018



The recent tumult in stocks has not changed New York Fed President William Dudley's view that the economy is likely to continue to grow above its normal pace.

"So far I'd say this is small potatoes," the central bank official told. A rise in bond yields combined with a fall in stock prices is a market adjustment to stronger global economic growth and correlating expectations that the Federal Reserve will continue to raise interest rates, he said. Dudley spoke as the markets suffered another substantial drop, with the Dow Jones industrials down around 650 points, or more than 2.5%

"Clearly the market is adjusting to the fact that the global economy is growing quite quickly and as a consequence of that, monetary authorities around the world are either starting to remove accommodation or thinking about starting to remove accommodation, and that's a little different than the environment we were in the prior seven or eight years," he said.

Even with the Dow nearly touching correction territory of a 10 percent decline, Dudley said his views about the Fed needing to normalize rates have not wavered. Markets widely expect the central bank to enact a quarter-point hike in March, then perhaps two more the rest of the year. "I have more confidence in the durability of the expansion and more confidence that the Federal Reserve is going to have to continue to more monetary policy accommodation," he said. If he saw the stock sell-off persist and threaten to choke off business and household spending, Dudley said he might change his view. But, he added, "that's not likely."

Strategic Management of New and Expanding Nuclear Power Programmes

IAEA, 05.02.2018



Challenges that countries face when introducing or expanding a nuclear power programme were discussed at an IAEA meeting in Vienna last week.

Among them are developing a regulatory and legal framework, establishing an effective owner/operator organization, involving all stakeholders to build public confidence in nuclear power, and training a well-qualified workforce. The annual Technical Meeting on Topical Issues in the Development of Nuclear Power Infrastructure, held from 31 January to 2 February 2018.

When it attracted some 100 representatives from both embarking and operating countries and international organizations. Senior officials from national government organizations, regulatory bodies and owner/operator organizations presented updates on their activities, shared good practices and lessons learned as they embark on, or consider introducing or expanding nuclear power. “In 2017, we saw considerable progress in the area of nuclear power programme development,” said Milko Kovachev, Head of the IAEA Nuclear Infrastructure Development Section. “Two countries new to nuclear power, the United Arab Emirates (UAE) and Belarus, are about to complete constructing their first nuclear power plants. The UAE will be the first newcomer country to start commissioning in years.” He added that a key for success is that the relevant nuclear infrastructure is developed at the same the pace as the nuclear power plant project.

At the same time, Bangladesh began constructing its first unit in November 2017. Turkey is expected to start construction of its first plant soon, subject to regulatory approval. Egypt has signed contracts for its first nuclear power plant, while other newcomer countries are at different stages of making preparatory steps for their nuclear power programme. There were also significant developments in operating countries expanding their programmes last year. “We expect that advanced, first-of-a-kind designs are scheduled to be commissioned in a number of countries this year, such as the AP1000 in China and the EPR1600 in China and France,” Kovachev pointed out. Both designs are advanced pressurized water reactors.

Participants discussed a number of key areas that are also part of the IAEA Milestones Approach, a three-phase process for developing the necessary infrastructure for a safe, secure and sustainable nuclear power programme. Involving different groups of stakeholders at various stages of programme development is a crucial aspect in successful programme implementation, participants heard. IAEA Member States are using a combination of common tools and approaches to meet stakeholder needs, including social media, and aim at creating positive and open relationships with local communities. The IAEA offers a wide range of guidance materials and training activities for national experts and policymakers and is developing new services including a training course in stakeholder involvement.



Modelling human resource needs plays an important role in preparing plans for adequate staffing of national organizations at different stages of programme development, participants agreed. The IAEA offers a nuclear power human resource model and has already trained many national experts in its application. The owner/operator organization for the nuclear power plant project needs to be planned from the very beginning and established during the project development phase (Phase 2 of the IAEA Milestones Approach), participants heard. They agreed that the owner/operator organization must be a 'knowledgeable customer' with sufficient capabilities to hire services from contractors and oversee them. Building capabilities for regulatory oversight must start early on, during the project development phase, to be expanded during the construction phase. A sufficient number of qualified staff is crucial for national regulators to perform their functions effectively. The IAEA offers support and guidance in this area. "Having a transparent, open and trusted regulatory body is one of the most important aspects of a nuclear power programme," stressed Stewart Magruder of the Regulatory Activities Section, IAEA Division of Nuclear Installation Safety.

Several countries are considering small modular reactor technology for their nuclear power programmes. These advanced reactors that produce electricity up to 300 MW(e) per module are better suited for smaller electricity grids and for remote or isolated locations. Also, they have shorter construction times and may require less initial investment. However, participants also recognized that, for example, licensing would include first-of-a-kind features, the regulatory processes would be complex and although there are about 50 small and medium-sized or modular reactor designs and concepts, three of which are in advanced stages of construction, they are lacking operating experience. The IAEA offers a forum for exchange of the most recent research and development results in this technology.

The IAEA continues to provide support to newcomer and expanding countries through a wide range of guidance, services and review missions. Participants learned that an Integrated Nuclear Infrastructure Review (INIR) mission for countries being close to completing construction of their nuclear power plant (Phase 3 of the Milestones Approach) has been developed. The UAE and Belarus will be the first countries to benefit from this new service. Representatives from many countries highlighted their cooperation with the IAEA and emphasized the importance of INIR missions. "The pathway for us to move forward has become much clearer after an INIR mission in 2017," said Nii Kwashi Allotey, Director of the Nuclear Power Institute in Ghana. "We are now working on the mission's recommendation and have a better understanding of where we need to commit more resources." To date, the IAEA has conducted 22 INIR missions in 16 countries.

In closing the meeting, Mikhail Chudakov, Deputy Director General and Head of the Department of Nuclear Energy, emphasized the importance of strong government commitment to nuclear power and of developing a skilled national workforce: "Countries are responsible for the safety of their nuclear power plants, so it is important to have competent staff and regulatory bodies and make suitable arrangements with vendors to help in this matter," he called on the meeting participants. Challenges related to the implementation of nuclear power programmes were also discussed at the highest level at the International Ministerial Conference on Nuclear Power in the 21st century in Abu Dhabi last year. The Conference's President concluded that nuclear power is a proven, clean, safe and economical energy source for many countries and will have an important role to play in achieving the UN Sustainable Development Goals and meeting the targets of the Paris Agreement.



Announcements & Reports

Meeting the China Challenge

Source : Bruegel
Weblink : <https://www.csis.org/analysis/meeting-china-challenge/?block4>

Drones and the European Union: Prospects for a Common Future

Source : Chatham House
Weblink : <https://www.chathamhouse.org/publication/drones-and-european-union-prospects-common-future>

The New Global Agenda and The Future of The Multilateral Development Bank System

Source : Brookings
Weblink : https://www.brookings.edu/wp-content/uploads/2018/02/epg_paper_on_future_of_mdb_system_jan301.pdf

Upcoming Events

NextGen SCADA Europe 2018

Date : 10 February 2018
Place : Amsterdam
Website : <https://www.entsoe.eu/news-events/events/Pages/Events/NextGen-SCADA-Europe-2018.aspx?EventWorkshopId=337>

Internet of Energy

Date : 06 March 2018
Place : Berlin
Website : [https://www.entsoe.eu/news-events/events/Pages/Events/\[Supported\]-Internet-of-Energy.aspx?EventWorkshopId=353](https://www.entsoe.eu/news-events/events/Pages/Events/[Supported]-Internet-of-Energy.aspx?EventWorkshopId=353)

Energy Statistics Course March 2018

Date : 19 - 23 March 2018
Place : Paris
Website : <http://www.iea.org/workshops/energy-statistics-course-march-2018.html>

11th Energy Storage World Forum

Date : 14 May 2018
Place : Berlin
Website : <https://www.entsoe.eu/news-events/events/Pages/Events/11th-Energy-Storage-World-Forum.aspx?EventWorkshopId=334>



Future of Work 2018

Date : 24 May 2018
Place : London, United Kingdom
Website : <https://www.chathamhouse.org/conferences/future-work-2018>

Competition Policy 2018

Date : 11 June 2018
Place : London, United Kingdom
Website : <https://www.chathamhouse.org/conferences/competition-policy-2018>

Cyber 2018

Date : 28 June 2018
Place : London, United Kingdom
Website : <https://www.chathamhouse.org/conferences/competition-policy-2018>