

## Babacan: Turkey's average per capita income exceeds \$19,000

Hurriyet Daily News, 09.07.2014



Turkey's average per capita income now exceeded \$19,000 based on purchasing power parity, meaning that the country had reached 60 percent of EU and Japanese average level of prosperity, according to the saying of Deputy Prime Minister Ali Babacan.

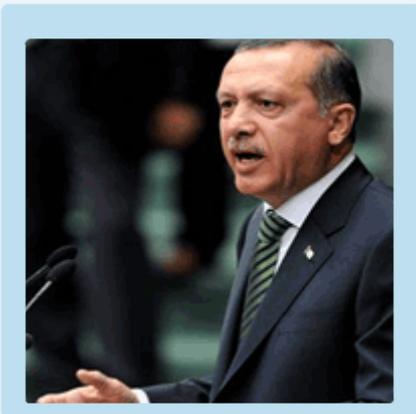
Babacan's comments came in a wide-ranging speech during a fast-breaking iftar meal organized by the Independent Industrialists' and Businessmen's Association (MUSIAD) in Ankara. He said the biggest challenge ahead of the Turkish economy was the high current account deficit, blaming rising oil prices and low savings levels.

Babacan also promised that Turkey would have an intense "reform agenda" in the forthcoming period to deal with issues "especially in energy, where Turkey has challenges to decrease its imports, increase its efficiency and invest in nuclear energy." He said the future electoral schedule would be convenient for realizing these reforms. "After the 2015 election, there will be no elections from 2015 to 2019 and 2019 to 2023. So if the country benefits from this efficiently and introduces the necessary reforms it will be very easy to reach its objectives by 2023," he said. The first round of Turkey's presidential election will be held on Aug. 10 and the country's 18th general elections are due to be held in June 2015 to elect 550 new members of Parliament.

Turkey aims to become one of the top 10 economies in the world by 2023 and to increase its annual exports to \$500 billion. Pointing to "difficult periods" experienced by the world economy in the last seven years, Babacan said the "largest economic crisis of the past 100 years was still not over." "Developed countries' high debt stock will remain on the agenda as a problem for many years ... We're seeing signs of recovery in these countries but this recovery, particularly in Europe, is not on a firm footing," he said. According to the World Bank, the combined stock of developing countries' external debt increased by \$464 billion to \$4.9 trillion at end-2011.

# Turkish PM slams Israel over Gaza airstrikes

Anadolu Agency, 10.07.2014



Relations between Turkey and Israel will never normalize as long as Israel continues its offensive against Palestinians, Turkish Prime Minister and presidential candidate Recep Tayyip Erdogan said Thursday.

“First you have to stop this cruelty; otherwise it is impossible to achieve normalization,” Turkish Prime Minister Recep Tayyip Erdogan told a packed crowd of supporters during a rally in the central Anatolian city of Yozgat. Turkish Prime Minister Erdogan’s remarks came right after that Israeli forces launched a large scale military offensive on the Gaza strip since late Monday.

“If the world is longing for peace, here is an Israel which has been assaulting with hundreds of thousands of bombs by using disproportionate force against innocent and oppressed people,” Erdogan said. “For how long will you continue to remain silent on this?” The Turkish-Israeli relations have been strained since Israeli commandos killed eight Turks along with Turkish-American in May 2010 when they attacked an aid flotilla including Turkish ship Mavi Marmara while she was in international waters off Gaza.

Erdogan has said that although Israel fulfilled two of the three conditions -- apology and compensation -- which Turkey had set for the normalization of the ties after the attack, it remains unwilling to fulfill the third condition, which is lifting the embargo over the Gaza Strip. The Gaza flotilla attack led to international outrage and soured Turkish-Israeli ties. Last year, obligated by the U.S., Israeli Prime Minister Benjamin Netanyahu offered an apology to Turkey during a phone conversation with Erdogan.

The two states then started negotiations on a compensation deal for the families of the victims. Israel reportedly offered \$20 million compensation to the families of those Turks who died in the raid. Since late Monday, Israeli warplanes have pounded the Gaza Strip as part of a military offensive -- dubbed “Operation Protective Edge” -- with the stated aim of ending rocket fire from Gaza. At least 86 Gazans have been killed and hundreds injured since Monday by unrelenting Israeli airstrikes. The latest escalations follow the disappearance and death of three teenage Jewish settlers in the West Bank last month and the subsequent murder by Jewish extremists of a 16-year-old Palestinian boy.

# Turkey parliament passes bill on ‘solution process’

Anadolu Agency, 10.07.2014



The bill authorizes government to assign organizations to establish dialogue with any individual or group related with the issue. The Turkish parliament has passed a bill to support the country’s ongoing “solution process” to end terrorism.

“What the nation is expecting from us is to find a resolution to the issue,” Agriculture Minister Mehdi Eker told the general assembly. He said the bill would contribute to the normalization of Turkey. The government initiative called “solution process” began early last year with a ceasefire between the Turkish government and the terrorist organization PKK.

“The Nationalist Movement Party leader Devlet Bahçeli also attended the general assembly to show his party’s strong opposition to the passing of the bill. The Republican People’s Party and pro-Kurdish Peoples’ Democratic Party deputies voted “yes” on the bill. “We have a purpose. We want peace, right now and for everyone,” deputy group chairman of the Republican People’s Party, Engin Altay, said.

## The draft bill comprises the following measures:

- The government to determine the necessary political, judicial, socio-economic and cultural steps to be taken in its bid to end terrorism and strengthen social cohesion.
- If necessary, it will have the authority to assign any individual, group or institution both from Turkey and abroad to maintain contact, dialogue and talks with any individual, group or institution.
- It will take the necessary measures to ensure that those who lay down their arms will return home and participate in social life.
- It will provide the public with fast and accurate information regarding the measures taken as part of the process.
- It will monitor the outcome of the measures taken and maintain coordination with relevant groups and institutions.
- Necessary works will be done in terms of introducing new legislations regarding the process.

## Turkish FM dismisses support for ‘terrorists’ in Iraq

Anadolu Agency, 10.07.2014



Turkey has never taken sides on violence nor supported any radical groups in Syria or Iraq, Turkish Foreign Minister Ahmet Davutoglu has reiterated during a visit to Uzbekistan.

Davutoglu was asked about Turkey’s foreign policy in Iraq and Syria on Thursday, and his reply was as following: “The (Assad) regime uses bombs and chemical weapons against opponents, which has led to millions of people becoming refugees.” Turkish Foreign Minister underlined the fact that about 70 percent of those fleeing the conflict were women and children and that Turkey by no means can close its doors to them.

Referring to the abduction of Turkish consulate staff in Iraq by the Islamic State of Iraq and Levant (ISIL) militants in early June, he said: “We do not have any influence on the radical groups. What we want is their safety and peace.” Syria has been gripped by almost constant fighting since the Bashar al-Assad regime launched a violent crackdown in response to anti-government protests in March 2011, triggering a conflict that has spiraled into a bloody civil war. In addition, Iraq has seen a significant increase in sectarian violence between Sunni and Shia Muslims since June, when a coalition of armed opposition groups led by ISIL took control of large swathes of the country’s predominantly Sunni provinces.

# Kurdish Independence: Harder than it looks

The New York Review, 10.07.2014



The jihadist blitz through northwestern Iraq has ended the fragile peace that was established after the 2007-2008 US surge. It has cast doubt on the capacity of the Iraqi army control the country, and it could bring down the government of Prime Minister Nouri al-Maliki, whose eight-year reign has been marred by mismanagement and sectarian polarization.

But for Iraqi Kurds, the offensive by the Islamic State of Iraq and Greater Syria (ISIS) and other groups has offered a dramatic opportunity to expand their own influence beyond Iraqi Kurdistan and take possession of other parts of northern Iraq they've long claimed as theirs.

At the heart of these “disputed areas” is the strategic city of Kirkuk, which the disciplined and highly motivated Kurdish Peshmerga took over in mid-June, after Iraqi soldiers stationed there fled in fear of advancing jihadists. A charmless city of slightly less than one million people, Kirkuk betrays little of its past as an important Ottoman garrison town. The desolate ruin of an ancient citadel, sitting on a mound overlooking the dried-out Khasa River, is one of the few hints of the city's earlier glory. Yet Kirkuk lies on top of one of Iraq's largest oil fields, and with its crucial location directly adjacent to the Kurdish region, the city is the prize in the Kurds' long journey to independence, a town they call their Jerusalem. When their Peshmerga fighters easily took over a few weeks ago, there was loud rejoicing throughout the Kurdish land.

But while the Kurds believe Kirkuk's riches give them crucial economic foundations for a sustainable independent state, the city's ethnic heterogeneity raises serious questions about their claims to it. Not only is Kirkuk's population—as with that of many other Iraqi cities, including Baghdad itself—deeply intermixed. The disputed status of its vast oil field also stands as a major obstacle to any attempt to divide the country's oil revenues equitably. To anyone who advocates dividing Iraq into neat ethnic and sectarian groups, Kirkuk shows just how challenging that would be in practice.

The definitive loss of Kirkuk and the giant oil field surrounding it could precipitate the breakup of Iraq, and while the present government in Baghdad is in no position to resist Kurdish control, a restrengthened leadership might, in the future, seek to retake the city by force. For the Kurds, the sudden territorial gains may also not be the panacea they seem to think they are. The Kurdish oil industry is still much in development, and if the Kurdish region loses access to Baghdad's annual budget allocations without a ready alternative, it is likely to face a severe economic crisis. Moreover, the same jihadist insurgency that has enabled Kurdish advances in the disputed territories is also a potent new threat to the Kurds themselves. So the taking of Kirkuk poses an urgent question: how important is Iraq's stability to the Kurds' own security and long-term aims? I first visited Kirkuk some twenty-three years ago, driving from Baghdad and entering from the west.



Coming up from the capital in those days one had little doubt that one was in Arab areas all the way to the outskirts of Kirkuk, while the city itself, like many urban conglomerations in the wider region, was home to many different ethnic and religious groups, none of them dominant. There were Shia mixed in with Sunnis, and along with three major ethnicities—Arab, Kurdish, and Turkic—the city contained a smaller population of Chaldo-Assyrian Christians, who claimed to be original inhabitants of what was known in ancient times as Arrapha. In fact, despite the Kurds' strong presence in Kirkuk today, they were relatively late arrivals, having settled mostly in the years since the oil industry first took hold in the 1930s.

Kurdish nationalists had long made it a quest to incorporate Kirkuk into the Kurdish region. But in 1991, with Saddam Hussein still in power after the Gulf War ended, Iraqi forces reasserted control over the north, brutally crushing the Kurdish uprising. I was one of the first Western visitors to the town after these tragic events, traveling for Physicians for Human Rights. The detritus of recent conflict was everywhere: earthmovers systematically flattening a Kurdish neighborhood; dead bodies and overturned tractor carts strewn along the road to Erbil; maimed victims of landmines in a Suleimaniya hospital; a grimacing Kurdish fighter bound to something that looked like a telephone pole being carried, face down, into a Chamchamal police station.

To behold such agony, one could only feel sympathy for the Kurds. In seven decades of being Iraqis, they had never had control of their own destiny. Instead, their villages had been destroyed and their population subjected to gas attacks and mass killings amounting to genocide. In Kirkuk, successive Iraqi regimes had uprooted many Kurds and resettled Arabs from the south to supplement indigenous tribes. Following the Gulf War, when the US enforced a no-fly zone and Baghdad withdrew its troops, the Kurdish autonomous region to the north of Kirkuk gained de facto independence (while being economically suffocated by its neighbors); after the 2003 US invasion it became a region in a federal Iraq.

But Kirkuk was not part of this region, its status being left to a referendum to be carried out before the end of 2007; the inability of the federal government in Baghdad and the Kurdish regional government in Erbil to resolve their differences ensured that such a referendum never took place. The Kurds have tried to play down the importance of Kirkuk's oil revenues, but the city's overriding economic value is clear. Until recently, revenue from the Kirkuk oil field (which in 2013 came to about \$6 billion from the export of 180,000 barrels per day, far below the field's potential) was the only wealth to be derived in Iraq's north, and it landed in Baghdad's coffers. Since 2003, foreign companies have also been busy prospecting for oil in the Kurdish region, registering major finds and thereby in theory diminishing the singular value of Kirkuk to the Kurdish government. This year, the completion of a new pipeline from Iraqi Kurdistan to Turkey has allowed the Kurds to begin shipping Kurdish oil from its own fields directly to Turkey without seeking Baghdad's approval.

Yet it remains unclear how readily this Kurdish oil can be sold in the international market, as buyers fear litigation by the national government in Baghdad. The stranded oil tanker carrying the first shipment of Kurdish crude—it has been stuck off the coast of Morocco, prevented from discharging its load—is emblematic of the difficulty a non-state entity faces in finding buyers in defiance of a sovereign state's export policy. In the meantime, the Kurdish region's economic boom has been financed far less by its own oil revenue than by its share in Iraq's national budget, which derives instead from the sale of oil from the country's vast oil fields in the south.



As part of an ongoing political dispute between the central government and the Kurds, Baghdad has withheld Erbil's budget since the beginning of this year, a situation that, if it continues, could make Kurdish authorities all the more desperate to establish their own independent revenue stream. Until recently, the Baghdad-controlled North Oil Company piped Kirkuk's oil westward to Baiji, then northward to the Turkish border and on to the Mediterranean. Now, with the Kirkuk oil field in the hands of Kurdish Peshmerga, the Kurds have a historic opportunity to send the city's oil through the new pipeline to Turkey instead, thus bypassing Arab territory and therefore any sort of Arab control, whether from Baghdad or jihadist insurgents.

Moreover, having seized the city, they will try to accelerate its accession to the Kurdish region by council vote and local referendum. As Falah Mustafa Bakir, the Kurds' de facto foreign minister, declared in an interview, "the border has changed. The political reality has changed. The power balance has changed. And...Baghdad is far away." If the Kurds manage to find buyers for their oil and the Iraqi government remains paralyzed by sectarian war, the Kurds will be taking one giant step toward independence, with Kirkuk included in their new state. Abandoning all his customary reluctance to be called out on the statehood question, the regional president, Masoud Barzani, has now said he would like to see a referendum on Kurdish independence within months. But there are many obstacles to such a plan.

The first is the Obama administration, which does not want to see Iraq break up and could try to block further sales of Kurdish oil. The US is seeking to contain the conflict between the country's competing ethnic and religious groups within the national borders established almost a hundred years ago. Thus Washington is now pushing for a truly inclusive power-sharing government in Baghdad that could be supported by Iran. (For this, the next prime minister would have to be a Shia Islamist, like Maliki.) If such a national compact can be reached and upheld—that holy grail of the post-2003 US enterprise in Iraq—the Kurds will have to play an essential part in it.

It is therefore more likely that, rather than making a beeline for an independence that neither the US nor Turkey seems to support, the Kurds will find themselves negotiating again in Baghdad, but this time with a significantly stronger card in their hands: their control of Kirkuk oil. As long as they are hitched to Iraq, the Kurds will demand guarantees for the timely and full delivery of the region's annual budget allocation, the right to export and sell Kurdish oil, and Baghdad's acquiescence to their permanent stewardship of Kirkuk and its resources. Of course, these are conditions that in and of themselves would advance their march toward independence, with their own oil-produced income gradually replacing the budget allocations derived from southern oil, and any would-be Iraqi leader who agrees to them could be committing political suicide. Negotiations toward a new government will therefore be hard and difficult.

Another obstacle to the Kurds' quest for Kirkuk is the unresolved matter of the location of the future independent entity's boundary. This is where oil deposits become pivotal, especially in an economy where a single commodity accounts for over 90 percent of national income (in both Iraq and the Kurdish region). Finally, having taken over Mosul and other cities in northern Iraq, Islamist militants are facing off with the Kurds along a line the length of the Kurdish region. In Kirkuk, the jihadists are virtually at the city gates. For now, their attention is trained on the Shias in Baghdad, but this could change. Already, there have been deadly clashes near Khanaqin, in the far eastern sector of the disputed territories on the Iranian border. Other areas with a mix of population groups, such as Tuz Khurmatu, will be equally susceptible to lethal confrontations. The threat posed by these groups suggests that, for the moment, Baghdad and the Kurds need each other.

## The Iraqi conundrum

Hurriyet Daily News, 10.07.2014



On June 30, after taking control of various cities in Syria and Iraq, the Islamic State of Iraq and the Levant (ISIL), now known as the Islamic State (IS), declared an Islamic state and proclaimed its leader, Abu Bakr al-Baghdadi, as the Caliph of this new state. This is a new phase in the Iraqi conundrum.

The tumultuous atmosphere in the country has already sparked debates regarding the possibility of it being divided into three states: A Kurdish state in the northeast, a Shiite state in the south, and a Sunni state in the middle with links to Syria. Hopes for safeguarding a united Iraq much longer into the future have weakened.

Amid the disturbances caused by the IS, the Kurdish Regional Government (KRG) strengthened its political clout in the northern part of the country as the central government was collapsing, taking control of the oil-rich city of Kirkuk. Gaining leverage over the central government and taking control of the long disputed city increased expectations among the Kurdish people for their ultimate goal of independence. Fittingly, Mr. Masoud Barzani, the president of the KRG, called for parliament to prepare for a "referendum on the right of self-determination." Neighboring Turkey seems reconciled to the idea while the U.S. has warned against any hasty moves. Even though different groups in Iraq are gearing towards various partition scenarios, this would not be the end of crisis either in Iraq or in the wider region.

Boundaries, economic and social structures, political cultures, sharing of natural resources, and the impact of partition on regional and international politics would be some of the issues that would keep many busy for a long time, and the repercussions of Iraq's dismemberment could take a long time to run in the Middle East. As it might bring further instability into an already volatile region, the U.S. seems rather reluctant to allow such a scenario to run its course. Currently, the KRG is sharing its entire southern and western border with the IS, which creates a security problem for the Kurds. Until now, the Kurdish forces were able to defend several cities against the IS probing; yet the group has been strengthening its capabilities through the acquisition of new weapons systems. Without the support of the Iraqi army, protecting KRG territory against IS-led attacks in the long run might prove to be difficult.

The positions of the Sunni tribes are also complicated, since they face a dilemma between supporting either the extremist IS or another Shia-dominated government in Baghdad. While the silence of the Sunni tribes in the face of IS brutality stems from their desire to get rid of Nouri al-Maliki, who has fueled the sectarian division and increased dissatisfaction among Sunnis, most Sunni tribal leaders are clearly not willing to accept the self-declared leadership (or Caliphate) of the IS. Under the circumstances, the way out, or at least part of the attempt, is to try to form an inclusive government that would allay some of the grievances of the Sunnis. However, while the Iraqi parliament met on Monday for the first time since the elections, its attempt to elect a speaker, the first step in the process of forming a government, ended in failure.

At this point, the involvement of regional and international actors with various parties becomes crucial. The mistrust and hostility resulting from the previous al-Maliki governments and its policies, as well as the unwillingness of Kurdish groups to compromise, acting out of their advantageous position, hamper the progress in forming a new government. What is needed is urgent international pressure on various actors to focus on government creation, as well as desperately needed confidence building measures in Iraq. Otherwise, we are coming towards the end of the Iraqi saga that was started back in the early 20th century.

## Rebels fear the Syrian government will lay siege to biggest prize

CNN, 09.07.2014



**Syria's opposition says the once-bustling commercial capital of Aleppo might soon fall victim to a crushing siege if government troop advances continue unabated.**

**Fears of encirclement rose after the Syrian army, backed by pro-government militias, wrested control of the Sheikh Najjar neighborhood and the nearby village of Kafr Saghir, a strategic industrial area at the northeastern entrance to Aleppo city. Government troops also advanced toward central Aleppo from the western suburbs, most of which it controls, including the Hamdaniya district along the key Damascus-Aleppo Highway.**

Rebels called the defeats a strategic withdrawal and announced the formation of a 600-strong elite force to combat the escalating offensive, the opposition-run Aleppo Media Center reported. The Syrian military is focused on capturing the Handaraat settlement, which links the opposition-controlled neighborhoods of Aleppo city with the Turkish border. If successful, the Syrian government will be in a position to besiege an estimated 300,000 civilians and isolate fighters from a vital supply line, the Aleppo Provincial Council tells CNN. "The rebels are fortifying themselves on the edge of the city" Mohammed Wisam, a spokesman for the Aleppo Media Center told CNN, "but residents fear a siege." Fighters from the National Defense Forces, a Syrian paramilitary group, and the Lebanese Shiite militia Hezbollah arrived in Aleppo ahead of what activists believe will be a full-scale assault on Handaraat.

"This will be the route to death," Abdul Rahman Dadam, head of Aleppo's Provincial Council, tells CNN, "The humanitarian crisis will be huge, and the civilians will pay the price." The United States accuses Syria of a "kneel or starve" tactic on areas that turned against the government of President Bashar al-Assad during the country's more than three-year uprising turned civil war. A nearly two-year encirclement of the Old District of Homs drew widespread international condemnation earlier this year when activists reported hungry families were forced to pick grass for food, and in the still besieged Damascus suburbs, dozens have died because of a lack of basic medical supplies and food, doctors inside Syria told CNN earlier this year.



An altogether different threat faces rebels in the western Aleppo countryside, where the ultra radical Islamic State of Iraq and Syria controls three main cities, including a key position in Jarabalus along the Turkish border. The group recently launched an offensive on much of the Kurdish eastern countryside of Aleppo after announcing the creation of a so-called “Islamic State” stretching from central Syria to Falluja, Iraq, with the head of the group Abu Bakr al-Baghdadi as the self-styled Caliph. Militants captured three Kurdish villages in Aleppo province near the ethnic minority’s stronghold of Ayn al-Arab this week, according to the London-based monitoring group the Syrian Observatory for Human Rights.

The People’s Protection Unit, a Kurdish militia, evacuated about 2,000 civilians from the area and clashed with ISIS on Tuesday in an attempt to recapture the villages. At least three elderly civilians who refused to leave their homes were captured and executed by ISIS, the observatory and Kurdish activists reported. “The whole area has been turned into a battle ground, but the people have no choice. They must stay strong, and we must defend ourselves,” Omar Alloush, the head of external relations in the local branch of the Democratic Union Party, which administers Ayn al-Arab, told CNN. After ISIS captured tanks and American Humvees in a sweeping campaign on the Sunni heartland of Iraq, the group intensified its march on Kurdish and rebel-held parts of Aleppo province in Syria, multiple activists tell CNN.

“We do not want anything from ISIS; we just want them to not come into our areas and impose their rule. We do not want their caliphate,” Alloush said. The intensification of fighting stalled talks for the release of more than a 120 Kurdish students kidnapped in May by ISIS and forced to take daily classes in ultraradical Islamic theology. The families of the abducted ninth grades say their children are being brainwashed and have appealed to the international community for help. “I still have hope the children will be released. We remain steadfast, and we ask ISIS to call a cease-fire for just 24 hours so we can find a way to return the students to their families,” Alloush said.

For civilians, the skies are the third and arguably the most threatening front in the battle for Aleppo. “Fear God!” an elderly women yells on a social media post after her neighborhood of Tariq al Bab was barrel-bombed by government warplanes, “They have destroyed our homes and killed our children.” The Syrian army appears to have escalated the use of barrel bombs, crudely constructed weapons packed with explosives and dropped indiscriminately, on Aleppo since the launch of the ground offensive last week, activists tell CNN. “Where in the world is it OK to drop hundreds of kilos of explosives from thousands of meters in the sky on a densely populated civilian area?” Dadam tells CNN. “The international community must stop the killing.”

Syria’s protracted civil war has claimed the lives of at least 140,000 people, including hundreds killed by barrel bombs, human rights groups report. Thousands more fled what the opposition dubs the “barrels of death” to join the more 2.9 million refugees struggling to survive in neighboring countries. “The regime is fighting us with rockets and bombs from the sky and ISIS is firing mortar and tank shells on the ground. How can the revolution stand up to all this? Dadam tells CNN. “This is why we need the international community to intervene. To stop the bloodshed.”

# Gaza death toll rises as Israel escalates aerial assault

The Guardian, 11.07.2014



Palestinian medias say that more than 80 killed we killed during the Israeli assault, while Obama offers to help broker ceasefire and rockets are fired from Lebanon. Israel dramatically escalated the scope of its aerial assault in Gaza on Thursday, hitting hundreds of Hamas targets as the Palestinian death toll, including many civilians, continued to rise.

Barack Obama phoned Israel's prime minister, Binyamin Netanyahu, expressing concern about the risk of an escalation of hostilities and offering to help negotiate a ceasefire.

"The United States remains prepared to facilitate a cessation of hostilities, including a return to the November 2012 ceasefire agreement," the White House said after the call. In two air raids, Palestinians reported at least 16 people killed in strikes that demolished two neighboring homes – occupied by the same family – and a beachside cafe in the south of Gaza. Palestinian hospital officials put the death toll at more than 80 and claimed half of those killed were women and children. Some accounts of the death toll said it had passed 90. There have been no reported Israeli casualties from the Hamas rockets being fired across the border.

On Friday the Israeli military said rockets had been fired into Israel from Lebanon and it had responded with artillery fire back across the Lebanese border. Israeli military spokesman Lt Col Peter Lerner confirmed that Israel had struck more than 320 Hamas targets over Wednesday night and into Thursday morning, bringing the total number of targets hit to more than 750 in three days. Lerner said Israel had mobilised 20,000 reservists for a possible ground operation into Gaza, but will for the time being remain focused on maximizing its air campaign. A ground invasion is a high-risk strategy that would doubtless lead to heavy Palestinian civil casualties and endanger Israeli ground troops. Amid a rapidly mounting human cost, some in Gaza have been miraculously lucky even as their neighbours have died. Mohammad Halabi was drinking coffee in his living room when the two missiles came.

A trim and well-dressed man – a salaried employee of the Palestinian Authority – said the blast took off the front of the building, knocking down another separating wall and blowing a hole through into a room where his daughters were. "It was 1.25 am. I was in the living room drinking coffee with my wife. The three children were in the bedroom. I can't tell you if it was two missiles or three," he said, his face pale and drawn, still stunned that his family had survived a strike that killed eight of his neighbours, including four women. The target of the strike, Yassir al-Hajj, believed to be a member of Hamas's military wing, was not at home when the attack came. The Israeli media has reported that the al-Hajj family were delivered a warning shot before the strike, but there was no warning for Halabi or his other neighbours before the bombs flew in.



Despite claims from the Israeli military that its strikes have exclusively targeted militants, health officials in Gaza say that half of those to have died so far have been women and children. Halabi said he had spent some \$25,000 on an extension to his home a year and a half ago to accommodate his brothers' family. In his living room, the armchairs are coated with a thick layer of fine grey dust; a picture, blasted off the wall, lies on the floor, its glass broken. In Halabi's daughters' room, the narrow beds are scattered with rubble. "Praise God, we were lucky! No one was injured in the house. But now we are staying with relatives. We have no choice," he said.

Asked about his dead neighbours, the al-Hajj family, he explained: "Everyone has an affiliation here. The man who lived there was Hamas. But not a senior leader. If he was, I would not have stayed living in my house. But that is no excuse for what they [Israel] did ... "In any case, it was not Yassir but his relatives who died, including two women, aged 22 and 59, and two young girls. Almost as bloody was another attack on Khan Younis that came an hour or so earlier. A group of young men, their homes without electricity, had gone to watch the World Cup semi-final between Argentina and the Netherlands at a small beach cafe – a basic place offering little more than a canopy and a generator – when they were hit with an Israeli missile.

Nothing is left of the cafe now but a pile of sand, which on Thursday evening was still being combed by mechanical diggers looking for bodies. "There was a strike further up the beach," said Mohammad al-Aqad, 23, who had been watching television in one of the neighbouring cafes. "We heard a jet and then the missile landed. They were neighbours and friends." "We only ask for help from God," said Mahmoud Sawali, who said he lost at least two of his brothers in the attack. "I have two brothers who are martyrs, and I'm looking for the third."

The intensification of Israeli air strikes has been met with a increase of rocket salvos fired from Gaza into Israel – the Israeli military said 442 projectiles had been fired since Tuesday, including nearly 100 on Thursday alone. Nine Israelis have been treated for injuries, dozens more for shock. Israeli casualties have been prevented, in part, by the interception of Palestinian rockets by the US-funded Iron Dome aerial defence system. The anti-missile system has intercepted at least 70 projectiles destined for population centres in Israel. The wail of air raid sirens has paralysed business in southern communities and sent hundreds of thousands of people scrambling for shelter in Tel Aviv, the country's commercial capital, where two rockets were shot down on Thursday. Offices and shops have remained open and roads are clogged with traffic. The rapidly rising number of Palestinian civilian casualties has prompted senior Israeli figures to defend their strategy of targeting houses in densely populated civilian neighbourhoods, where the risk of civilian deaths is high.

Yigal Palmor, a spokesperson for the Israeli foreign ministry, accused Hamas of firing rockets from "within houses and streets and neighbourhoods which are populated with civilians ... exposing these civilians to retaliation and to backfire." The Israeli military has said it will investigate both the strikes on the al-Hajj family home and the beachside cafe, but has not offered an explanation as to why it is using missiles in densely populated neighbourhoods – a policy human rights groups say violates international human rights law.

According to Israeli media reports, the military intends to continue attacking the homes of senior militants. "The military's successes so far have been very significant," defence minister Moshe Yaalon said on Thursday. "We will continue until they understand that this escalation is not beneficial to them and that we will not tolerate rocket fire toward our towns and citizens."

# Separatists plan to evacuate Donetsk as Ukraine army nears

Financial Times, 10.07.2014



Pro-Russia separatists massing in Donetsk, the biggest city in Ukraine's breakaway eastern regions, on Thursday revealed their plans to evacuate residents as they prepared for a showdown with the Ukrainian army.

Igor Strelkov, the separatists' Muscovite commander, vowed that his armed rebels would not surrender the city, where they took refuge this week after fleeing under fire from their previous stronghold in Slavyansk. "The enemy is trying to surround Donetsk . . . to encircle it," Mr Strelkov said at a joint press conference with Alexander Borodai. "Our aim is to protect our positions."

Alexander Borodai is the prime minister of the self-declared Donetsk People's Republic the separatists established in eastern Ukraine after a May referendum. Mr Borodai said plans to "evacuate tens of thousands" of residents to Russia were necessary as the city could face a humanitarian catastrophe. He said "more than 70,000" people had already left. The Ukrainian army's triumph in Slavyansk, with a population of 100,000, appeared to mark a turning point in a three-month campaign to root out the rebels who have taken hold of the country's eastern regions.

Ukraine's military claimed to have recaptured another eastern town, Siversk, while also suffering three more fatalities in overnight attacks, including an ambush of a military convoy. The army has been bolstering positions around Donetsk and Lugansk, another regional capital, as part of a plan to "blockade" the last remaining separatist strongholds. Ukrainian forces on Thursday also advanced towards Donetsk from the south, setting up a highway checkpoint with about a dozen tanks and armoured vehicles about 15km from the city. "Our fighting spirit is strong," a commander of the squad said. Mr Strelkov, who has emerged as a nationalist hero in Russia, told journalists that he served as an agent in Russia's FSB intelligence service but quit recently – presumably before the Ukraine crisis flared up.

His admission could buttress accusations from Kiev and the west of Russian involvement in the separatist movement. Ukrainian officials have repeatedly accused Russia of funnelling arms and rebels to the separatist movement. Returning to Donetsk after spending several days in Moscow, Mr Borodai repeated calls for Russia to intervene on the separatists' behalf. "We hope the Russian Federation will help us more," he added. Russia has condemned Ukraine for its military crackdown on the separatist movement but facing the prospect of economic sanctions from the west, has refrained from direct military intervention. Mr Borodai claimed to have known Mr Strelkov since the 1990s, saying they met in Transnistria, the breakaway region of Moldova where Russia maintains a military presence. Mr Strelkov admitted to fighting in that conflict as well as in the Balkans and Chechnya.

## Three Ukrainian soldiers killed in further clashes in the east

Reuters, 10.07.2014



Three Ukrainian soldiers have been killed and 27 wounded in clashes with pro-Russian separatist rebels in the east of the country, the military reported last Thursday. Government forces have recently gained the upper hand in the three-month conflict against separatists in the Russian-speaking eastern regions in which more than 200 government troops have been killed as well as hundreds of civilians and rebel fighters so far .

The heavily armed separatists have dug in in Donetsk, a city of 900,000 people, and remain active in and around Luhansk on the Russian border.

The government's "anti-terrorist operation" said that one soldier was killed late on Wednesday when rebels fired machine-guns at a truck carrying soldiers at Muratova near Luhansk. "The vehicle was ambushed. In the course of the fighting one serviceman was killed and three were wounded," it said in a statement. Separately, two soldiers were killed and six wounded when their armored vehicle was blown up by a landmine near Chervona Zorya, near Donetsk, it said.

Buoyed by the success in Sloviansk, President Petro Poroshenko is pressing forward with a military offensive against the rebels who are appealing, apparently in vain, for help from Russia, though they say they are recruiting new fighters from among the local population. Poroshenko has ruled out air strikes and artillery bombardment because of the large civilian population in Donetsk. His military nonetheless say they have a plan to deliver a "nasty surprise" to the rebels and "liberate" Donetsk and Luhansk. The separatists are occupying administrative buildings in the two cities and have dug into positions on the outskirts of Donetsk.

# NATO looks at combat readiness after Russian ‘aggression’

Hurriyet Daily News, 08.07.2014



NATO is drawing up plans to ensure its members can respond more quickly to crises in the aftermath of Russia’s “aggression” in Ukraine, the alliance’s chief said Monday.

Secretary General Anders Fogh Rasmussen said the transatlantic alliance would review a proposed readiness “action plan” and also predicted European members were poised to reverse a long decline in military spending dating back to the Cold War. “Obviously Russia’s aggression against Ukraine will put a lot of emphasis on the need for a strong, collective defense,” Rasmussen said at a Washington think tank, the Atlantic Council.

“That’s why at the summit I hope we will adopt a readiness action plan which will improve our ability to respond swiftly,” he told the audience. “We are looking closely at how we deploy our forces for defense and deterrence. What combination of forces we need. Where they should be deployed. And their readiness,” he said. Rasmussen said the proposal would enable NATO to respond to a range of threats and crises, not only on the borders of Eastern European states but across the Middle East and North Africa. The plan would examine pre-positioning equipment, intelligence sharing and early-warning procedures, as well as bolstering a NATO rapid response unit and special forces, he said. “We are also developing a new exercise schedule, adapted to the new security environment,” the former Danish prime minister said.

Russia’s annexation of Ukraine’s Crimean peninsula in March, which Moscow claimed was meant to safeguard Russian speakers there, took Western countries by surprise and triggered punitive economic sanctions against Moscow. Rasmussen said a “revisionist” Russia had dealt a “dangerous blow” to the international legal order built over decades. NATO needs to rally around its democratic principles while renewing its commitment to transatlantic ties, in both economic and military terms, he added. “NATO is an insurance policy against instability. All members must pay their premiums. And that premium has just gone up,” he said. At the NATO summit in September, Rasmussen said he expected members to “turn the corner” on years of shrinking military budgets.

“At our summit in Wales, I expect all alliance leaders to commit to change course on defense spending. His comments came as tensions spiked in Ukraine, with Kiev’s security forces forcing the retreat of pro-Russian insurgents to the eastern city of Donetsk, and the United States and France urging President Vladimir Putin to press the rebels to hold truce talks. The NATO chief warned that Europe had become overly reliant on Russia’s oil and gas and said “putting an end to that dependency is now of the utmost strategic importance.” He added: “We have burned our way into a position of dependence. And as we see in Ukraine, Russia is quite capable of turning off the taps.” In a question and answer session, Rasmussen said Russia’s intervention in Ukraine had combined traditional military methods as well as covert operations and psychological operations.

The proposed readiness plan would address the tactics employed by Moscow in Ukraine as “it is necessary to be able to counter such hybrid warfare,” he said. He also promised NATO would “step up cooperation” with all of its Eastern European neighbors and to use alliance military expertise to improve those countries’ armies. Rasmussen said he believed the initiative should include assistance to Ukraine’s military but it was unclear if NATO states would endorse such a move. “Personally I hope that our initiative could also apply to Ukraine, but we will see,” he said. “It’s clear to everybody, the Ukrainian armed forces need modernization and further capability development.”

## Tajikistan urges Kyrgyzstan to remove border checkpoint where clash takes place

ITAR-TASS, 11.07.2014



On Thursday, Kyrgyz border guards clashed with border guards from the neighbouring republic, as a result a man was killed and six others were wounded near Tamdyk. Tajikistan’s authorities demand Kyrgyzstan should remove border checkpoint Tamdyk situated in Kyrgyzstan’s south-western Batken region, public relations department of Kyrgyz Border Guard Service told ITAR-TASS on Friday.

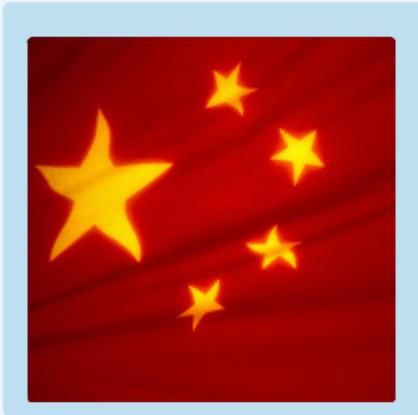
“At the Thursday talks between the chiefs of the border services of the two countries Tajikistan demanded to remove Kyrgyz border checkpoint Tamdyk and withdraw our border guards from there,” the public relations department said

The public relations department also noted that “Otherwise, around 30 Tajik citizens are ready to attack this border checkpoint and Tajik authorities will not bear responsibility for their actions.” On Thursday, Kyrgyz border guards clashed with border guards from the neighbouring republic, as a result a man was killed and six others were wounded near Tamdyk. Bishkek shouldered responsibility for this incident on Tajik citizens who started hurling stones at Kyrgyz servicemen. This incident stirred up an armed clash.

Chief of Kyrgyz Border Service Rayimberdi Duishenbiev refused strongly to fulfil this demand and remove the border-crossing point, Kyrgyz border officials said. Meanwhile, he insisted that Tajikistan “should do explanatory work with local residents of border districts and avert illegal actions.” “The situation on Kyrgyz-Tajik section of the state border remains tense, Ak-Sai-Vorukh road remains closed,” the public relations department noted.

# China, US vow to end old rivalries in high-level talks

Hurriyet Daily News, 09.07.2014



Top US and Chinese officials meet in Beijing to discuss the cooperation between the world's two biggest economies, the USA and China. Given their different histories and cultures "it is natural that China and the U.S. may have different views and even frictions on certain issues," Chinese President Xi Jinping Xi told the opening of the two-day annual talks in Beijing.

The sixth Strategic and Economic Dialogue comes as tensions have risen in recent months, racked by maritime disputes between China and its neighbors as well as U.S. fears over cybersecurity and Chinese hacking.

"Our interests are more than ever interconnected," Xi insisted, saying the two "stand to gain from cooperation and lose from confrontation." "If we are in confrontation it will surely spell disaster for both countries and for the world," he said, adding the Pacific powers needed to "break the old pattern of inevitable confrontation." In a statement sent to the opening of the meetings, U.S. President Barack Obama agreed, saying: "The United States and China will not always see eye-to-eye on every issue." That was "why we need to build our relationship around common challenges, mutual responsibilities, and shared interests, even while we candidly address our differences," Obama said.

Obama, who has made the so-called pivot to Asia a focus of his administration, will return to Beijing in November when it hosts a summit of Asia-Pacific leaders. Topping the agenda July 8 were discussions on how to tackle climate change, as the two largest emitters of the greenhouse gases blamed for global warming agreed to launch eight pilot projects aimed at reducing their carbon footprints. "People around the world are demanding action," U.S. Secretary of State John Kerry told a working group on the issue. "Climate change respects no borders, no boundaries, and affects the entire planet. For better or worse, we are now aware of the consequences of inaction in ways that we never have before." U.S. special envoy for climate change Todd Stern said the two sides had had some "constructive" talks before a U.N. meeting in Paris next year due to set new global gas emissions targets for after 2020.

Xie Zhenhua, vice chairman of the National Development and Reform Commission, told reporters that Beijing was working on setting its targets. China has long argued that it remains a developing country despite its economic clout, and as such should not have to shoulder the same burden for reducing greenhouse gases. Kerry, who is leading Washington's team with Treasury Secretary Jack Lew, earlier sought to address Chinese concerns that the U.S. was seeking to rein in the country, insisting "the United States does not seek to contain China." Kerry will also try to persuade China to reinstate a cybersecurity working group in a bid to draw up rules for using and protecting the Internet.

# China's exports rise 7.2% as imports rebound from May's decline

Bloomberg, 10.07.2014



China's exports trailed estimates in June, suggesting support for growth from global demand will be limited as leaders try to defend their economic - expansion goal of about 7.5 percent this year.

Overseas shipments gained 7.2 percent from a year earlier, the customs administration said today in Beijing, compared with the 10.4 percent median estimate in a Bloomberg News survey of economists. Imports have risen 5.5 percent, leaving a \$31.6 billion trade surplus. This has clearly put pressure on the Communist Party which has to consider stronger stimulus.

International Monetary Fund chief Christine Lagarde said this week that world investment spending remains lackluster, signaling the institution will cut its global growth forecasts this month. "External demand can support China's economy, but that support isn't strong," said Chen Xingdong, chief China economist at BNP Paribas SA in Beijing. "To drive China's growth we still have to go back to the domestic market." In South Korea, the central bank today cut its forecasts for that nation's economic growth for this year and next. Asia's fourth-largest economy will expand 3.8 percent in 2014, the Bank of Korea said, down from a previous estimate of 4 percent.

The yuan has weakened about 2.3 percent this year against the dollar, the worst performance among 11 major Asian currencies tracked by Bloomberg, trading at 6.1961 per dollar as of 12:33 p.m. local time today. As top Chinese and U.S. officials met in Beijing, Finance Minister Lou Jiwei said yesterday that the nation can't stop intervention in the yuan because economic growth is too weak and capital flows aren't steady enough to warrant changes. Central bank Governor Zhou Xiaochuan said today that intervention will be cut "noticeably" once conditions are ready.

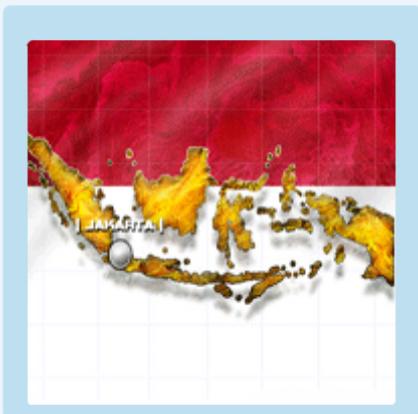
China's export growth will accelerate this quarter from the previous period, the customs administration said in a statement. Government policies have helped boost exporters' confidence and supported a recovery in trade, Zheng Yuesheng, a spokesman for the agency, said at a briefing in Beijing. There are signs that exports so far in July have been "very good," he said, without elaborating. Estimates for exports from 47 analysts ranged from a decline of 1.3 percent to an increase of 17.6 percent, following May's gain of 7 percent.

The median projection for imports (CNFRIMPY) was for a 6 percent increase, within a range of a 0.5 percent drop to a 14.3 percent jump. Imports fell 1.6 percent in May from a year earlier. The trade surplus was projected at \$36.95 billion, based on the median estimate of economists. China's trade data were distorted in the first few months of this year after figures in early 2013 were inflated by falsified invoices used to disguise capital flows, triggering a government crackdown on the practice. The issue of inflated trade data may not be finished.

The State Administration of Taxation said yesterday that it found instances of fraudulent exports used to obtain tax rebates by some companies. Premier Li Keqiang said July 7 that while China's economic performance in the second quarter improved from the previous period, the nation can't lower its guard against downward pressure and will increase the strength of targeted measures. China won't adopt strong stimulus and can achieve annual goals of economic and social development for 2014, Li said at a press conference with German Chancellor Angela Merkel in Beijing. China's economy has shown signs of stabilization after measures dubbed a "mini-stimulus" by some analysts. Factory-gate prices fell in June at the slowest pace in more than two years, according to government data released yesterday. Two gauges of manufacturing rose to the highest levels this year, reports showed on July 1. China will release second-quarter gross domestic product data on July 16. The economy probably grew 7.4 percent from a year earlier, the same pace as the previous three months, according to the median estimate of analysts in a Bloomberg News survey in June.

## Indonesia Holds Key Interest Rate to Curb Current-Account Gap

Bloomberg, 10.07.2014



Indonesia's central bank held its key interest rate for an eighth straight meeting, maintaining a tight policy setting to help narrow a current-account deficit that has depressed the rupiah. Bank Indonesia Governor Agus Martowardojo and his board maintained the reference rate at 7.5 percent, the central bank said in Jakarta today, a decision predicted by all 21 economists surveyed by Bloomberg News.

The monetary authority has signaled it will maintain a tight monetary stance this year after raising the benchmark rate last year, even as inflation eased to a one-year low lately in June.

It refrained from adjusting policy a day after Indonesia's presidential election, with both Jakarta Governor Joko Widodo and ex-general Prabowo Subianto claiming victory ahead of official results due later this month. "The election won't have affected the BI's decision," Damhuri Nasution, a Jakarta-based economist at PT Danareksa Sekuritas, said before the decision. "Its policy is to focus on curbing the current-account deficit and inflation." Consumer prices gained 6.7 percent from a year earlier in June, slowing from 7.32 percent the previous month. Policy makers aim to narrow the current-account deficit to 2.5 percent of gross domestic product by the end of this year from 3.3 percent in 2013.

# Obama rejects criticism over border crisis

Reuters, 09.07.2014



President Barack Obama rejected demands from Texas Governor Rick Perry and others that he visit the border where a child migrant crisis is clearly unfolding and he underlined the fact that his critics should get behind his request for \$3.7 billion if they want to solve the current problem.

“Are folks more interested in politics or are they more interested in solving the problem,” President Barack Obama said he told Texas Governor Rick Perry. “If they are interested in solving the problem then this can be solved. If the preference is for politics then it won’t be solved.”

Obama visited Texas for the first time since the influx of child migrants from Central America overwhelmed border resources. He had talks with Perry aboard his Marine One helicopter and in a group meeting with local officials that Obama called constructive. In a brief news conference after the meeting, Obama dismissed criticism from Perry, a potential 2016 Republican presidential candidate, that he should personally visit the border region for a first-hand look. “This isn’t theater. This is a problem. I’m not interested in photo ops. I’m interested in solving a problem,” he said.

The president, on a three-day trip out of Washington, is spending much time raising money for Democratic congressional candidates, leading to criticism that he should spend some time visiting the border. Obama said he is getting plenty of information from top advisers who are visiting the area. “There’s nothing that is taking place down there that I am not intimately aware of and briefed on,” he said. Obama is battling political pressure from supporters and opponents alike to halt a growing humanitarian crisis along the Texas border with Mexico.

His request for emergency funds on Tuesday was the most aggressive step yet by his administration to take care of the children who have come from Central America illegally while accelerating the process to have them deported. The money, however, must be approved by the Democrat-controlled Senate and Republican-led House of Representatives. Republicans, who have pressed the White House to do more to tackle the crisis, gave the proposal a wary reception. “The House is not going to just rubber-stamp what the administration wants to do,” said Representative Mario Diaz-Balart of Florida, who is a member of Speaker John Boehner’s border crisis task force.

Republican Representative Mick Mulvaney criticized the funding request and suggested foreign aid should be docked to pay for it. “I think it’s a charade. I think the president has set it up to make it look as though the only reason he’s not enforcing the border is because he doesn’t have the money. And that’s not accurate,” Mulvaney said. Obama said he emphasized to Perry that he was largely in agreement with the Republican’s suggestion that more border patrol agents be moved to the crisis zone.



Perry quickly issued a statement after the talks saying he demanded that Obama dispatch 1,000 National Guard troops to the border. "Securing the border is attainable, and the president needs to commit the resources necessary to get this done," Perry said. Obama said he would consider Perry's demand that National Guard troops be deployed to the area. "The bottom line actually is there is nothing the governor indicated that he'd like to see that I have a philosophical objection to," Obama said. The greater challenge, he said, is whether Congress is prepared to approve his funding request. He urged Perry to appeal to the Texas congressional delegation to seek passage of the \$3.7 billion package.

"These days in Washington everybody is always concerned about everything falling victim to partisan politics," Obama said. "If I sponsored a bill declaring apple pie American, it might fall victim." The child migrant crisis has made the debate over immigration reform even more divisive. Without government action, the administration projects more than 150,000 unaccompanied children under the age of 18 next year could be fleeing to the United States from poverty and drug- and gang-related violence in Honduras, El Salvador and Guatemala.

# Kerry faces uphill battle to defuse Afghan election standoff

Reuters, 10.07.2014



U.S. Secretary of State John Kerry will arrive to a skeptical audience in Afghanistan this week to try to resolve a deepening crisis over a disputed presidential election which has stirred ethnic tensions in the fragile country.

Afghanistan has plunged into political chaos in recent months as a protracted election process to pick a successor to President Hamid Karzai has run into a deadlock between two leading candidates, Abdullah Abdullah and Ashraf Ghani. Preliminary results put Ghani, a former World Bank official, in the lead with 56.4 percent of the vote, but Abdullah has rejected the count.

Kerry is expected to arrive in the Afghan capital Kabul on Friday to try to mediate between the feuding camps, according to Abdullah, although U.S. officials have not confirmed the trip. Kerry is currently in neighboring China. Ghani's camp, confident in its victory, is wary of Kerry's mediation efforts, while Abdullah, who has alleged widespread fraud in the vote, welcomes the initiative. The United States, Afghanistan's biggest foreign donor, is in the process of withdrawing its forces from the country after 12 years of fighting Taliban insurgents, and it is unclear what leverage Kerry would have in resolving deep-seated rivalries.

Abdullah's camp, angry with Ghani's lead in the vote, has threatened to announce its own parallel government, a dangerous prospect for Afghanistan, already split along ethnic lines. In a clear warning to Abdullah, Kerry said this week Washington would withdraw financial and security support if anyone tried to take power illegally. That would be a massive blow given about 90 percent of the Afghan budget comes from foreign aid. Abdullah has put off announcing his government until after Kerry's visit, and his camp welcomes U.S. involvement because it hopes it could help pressure election officials into throwing out suspicious votes and thus change the outcome of the vote. Abdullah has accused the outgoing president, who has an uneasy relationship with the United States, of backing Ghani and playing a role in rigging the vote in his favor.

"His Excellency John Kerry is coming ... so we welcome any effort to differentiate between clean votes and invalid votes," said Haji Mohammad Mohaqiq, Abdullah's second vice president and the leader of Afghanistan's ethnic Hazara minority. "I don't say that they should interfere but they should cooperate in transparency. They should provide us political and technical support," he told Reuters at his vast house in Kabul. U.S. support is crucial for Afghanistan because it depends on foreign donors to fund everything from road-building to schoolteachers' salaries and security, with Washington paying the lion's share of the bill. U.S. President Barack Obama and Kerry, who is touring Asia this week, have spoken to both candidates to encourage them to find a compromise and stop the country sliding into further political chaos.



“The goal is to help the parties find a way forward that ensures that the next president of Afghanistan has a credible mandate to lead a unified Afghanistan,” State Department spokeswoman Jen Psaki told Reuters. “The United States has made clear that our preference is to continue our strong support and assistance to Afghanistan and the Afghan people, but if the leaders of Afghanistan are unwilling to abide by their own constitution that could impact the kind of financial and security assistance the United States provides.” The White House has added, however, it expects “a thorough review of all reasonable allegations of fraud to ensure a credible electoral process”. Former U.S. special envoy for Afghanistan James Dobbins, in an address to the Asia Society in Washington on Wednesday, said Obama had spoken to both candidates.

“On the one hand assured them that Secretary Kerry would be arriving for discussions with them at the end of this week; and cautioned in particular Dr. Abdullah about moving pre-emptively in an unconstitutional fashion.” Abdullah, a former anti-Taliban resistance fighter, draws his support mainly from the Tajik minority in northern Afghanistan while Ghani, a former World Bank economist, represents Pashtun tribes in the south and east of the country. Abdullah’s refusal to accept the outcome of the vote has created a deadlock in Afghanistan, risking to split the country along ethnic lines and setting the stage for a possibly bloody standoff or even succession in parts of the country.

The lack of political unity in Afghanistan has prompted observers to draw parallels with Iraq, where a one-sided government has failed to represent all parts of the political spectrum, weakening the country and allowing an al Qaeda offshoot to capture large swathes of Iraq in recent weeks. Mohaqiq from Abdullah’s camp blamed any possible repeat of Iraq’s scenario in Afghanistan on the Karzai administration. “We don’t want Afghanistan to repeat Iraq but all parties have to think about it. It is not only our responsibility. The government has been here for 13 years ... and still they do not want to leave the power democratically,” he said. “If anything bad happens to Afghanistan the responsibility will be on President Karzai’s monopolistic team.”



# Announcements & Reports

## ► *Resource revolution: Tracking global commodity markets*

**Source** : Mc Kinsey & Company

**Weblink** : [http://www.mckinsey.com/insights/energy\\_resources\\_materials/resource\\_revolution\\_tracking\\_global\\_commodity\\_markets](http://www.mckinsey.com/insights/energy_resources_materials/resource_revolution_tracking_global_commodity_markets)

## ► *Moscow Forum Report*

**Source** : Energy Charter

**Weblink** : <http://www.encharter.org/index.php?id=653&L=0>

## ► *Iraq in Crisis*

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

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

## ► *Complexity, strategy and the national interest*

**Source** : Chatham House

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

## ► *Crisis in Ukraine*

**Source** : Foreign Affairs

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



# Upcoming Events

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

**Date** : 16 – 19 July 2014  
**Place** : Brighton – United Kingdom  
**Website** : <http://iafor.org/ecpel>

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

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

► *Finance and Economics Conference 2014*

**Date** : 13 – 15 August 2014  
**Place** : Munich, Bavaria, Germany  
**Website** : <http://www.lcbr-fec.org/>

► *International Conference on Business Strategy and Social Sciences*

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

► *Fifth Annual Conference in Political Economy, “The Crisis: Scholarship, Policies, Conflicts and Alternatives”*

**Date** : 16 - 18 September 2014  
**Place** : Naples – Italy  
**Website** : [http://iippe.org/wp/?page\\_id=1943](http://iippe.org/wp/?page_id=1943)