

Action plan to support Turkish Lira underway, Turkey's Treasury Minister Albayrak says

Anadolu Agency, 13.08.2018



Turkey's Treasury and Finance Minister Berat Albayrak has said that an action plan is coming into effect starting early Aug. 13 to support the Turkish Lira.

"From Monday morning onwards our institutions will take the necessary steps and will share the announcements with the market," Albayrak said in an interview for daily Hürriyet's editor-in-chief Vahap Munyar late Aug. 12. The minister also said a plan has been prepared for banks and the "real" economy.

It is including small to mid-sized businesses which are most affected by the foreign exchange fluctuations. "We will be taking the necessary steps with our banks and banking watchdog in a speedy manner," he said. Albayrak dismissed any suggestion that Turkey might intervene in dollar-denominated bank accounts, saying any seizure or conversion of those deposits into lira was out of the question, warning that "legal action will be taken against those who spread rumors and lies." In the interview Albayrak described the lira's weakness as "clearly an attack," echoing Turkish President Recep Tayyip Erdoğan. After Albayrak's statement, the Turkish lira traded stronger than 6.80 to the dollar, pulling back from a fresh low of 7.24 overnight.

Turkey: Banking watchdog puts new limits on FX swaps

Anadolu Agency, 15.08.2018



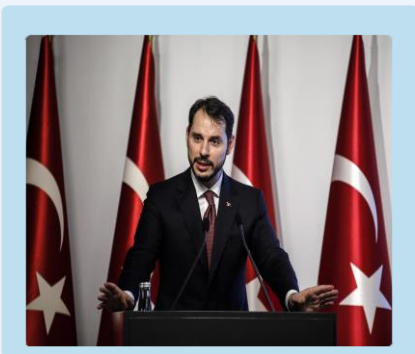
Turkish banks' foreign currency swap transactions cannot pass over 25 percent of their equities, Turkey's Banking Regulation and Supervision Agency (BDDK) announced.

"Total notional principle amount of banks' currency swaps and other similar products (spot + forward FX transactions) with foreign counterparties where at the initial date local banks pay Turkish lira and receive FX should not exceed 25 percent of the bank's regulatory capital," the agency said. "In this regard, unless current excess is eliminated, no further transactions of these types could be executed and maturing transaction should not be renewed," it added.

On Monday, the agency had put a limit to these transactions at 50 percent of the bank's equities.

Albayrak vows cooperation with int'l stakeholders, Central Bank independence on Turkey's new economic model

CNN, 10.08.2018



Treasury and Finance Minister Berat Albayrak has vowed to execute Turkey's new economic model together with "all national and international stakeholders," while stressing that a "decisive" approach and the Central Bank's independence would be maintained.

"One of the most important elements of our new economic approach is that it is a decisive approach," Albayrak told leading private sector representatives as he revealed his plans at Istanbul's Dolmabahçe Palace on Aug. 10

“In this process, we will finely work every single detail as a wide spectrum including all national and international stakeholders,” he said in the first part of his speech, referring to Turkey’s Medium-Term Economic Plan (OVP), which will soon be renamed. “Another of our main principles is to establish full independence of monetary policy. I refrain from talking about the Central Bank as much as I can and when I have to speak, I use a sensitive language. The Central Bank’s independence should always continue as a principle. Its independence is very important. Reinforcing financial stability will be one of our high priority targets,” he added. The new set of economic steps are aimed at securing an economic growth of 3-4 percent in 2019, and decreasing the inflation rate to single digits, the ministry said in a press release on Aug. 9.

“It is expected that the current account deficit would be balanced at around 4 percent,” the ministry said, adding that a saving program in the public sector, which was launched this year, will continue in the medium-term. The ministry added that it will continue to take steps to cut budget deficit to around 1.5 percent of the country’s GDP. “The inclusion of foreign investors and foreign funding will be sought specifically in infrastructure projects,” read the release.

Turkey to boycott US-made electronic products: Erdogan

Anadolu Agency, 14.08.2018



President Recep Tayyip Erdogan on Tuesday announced Turkey will boycott American electronic products. The announcement came in his address to a symposium organized by the Foundation for Political, Economic and Social Research (SETA) on the 17th foundation anniversary of the ruling Justice and Development (AK) Party.

“We will boycott American electronic products,” Erdogan said, adding that Turkey would produce a better version of every product previously bought with foreign currencies and export them.

“They do not hesitate to use the economy as a weapon against us, as they [also] tried in the diplomatic or military field, and efforts to sow social and political instability,” he added. Turkey and the U.S. are currently experiencing rocky relations following Washington’s imposition of sanctions on Interior Minister Suleyman Soylu and Justice Minister Abdulhamit Gul for not releasing American Pastor Andrew Brunson, who faces terrorism charges in Turkey. U.S. President Donald Trump on Friday ramped up his attack on Turkey by doubling U.S. tariffs on Turkish aluminum and steel imports to 20 percent and 50 percent, respectively. Lambasting the “economic attack” on Turkey, Erdogan said: “Our country today has one of the most solid banking systems in the world in all respects.” The president said the reasons for the economic attack have nothing to do with the Turkish economy, but that behind the attack lie “some other plans.” To fight off this attack, Erdogan stressed economic and political steps.

“We took and will take the necessary measures in the economy ... The second, and the most significant point to me, is to keep our political stance strong,” Erdogan added. On recent economic developments in Turkey, Erdogan said: “Whether one is local or a foreigner, friend or foe, anyone could see that there is something strange in our economic data.” The president also urged businesses to do more exports. “I call on our people and especially our business world that the best answer you could give to economic hitmen is to fully embrace your business.

Tariffs on Turkish imports ‘pose serious risks’ for US

Hurriyet Daily News, 15.08.2018



Raising tariffs on imports from Turkey “poses serious risks” for the United States, an official at the U.S. Chamber of Commerce said Tuesday.

In a statement, Myron Brilliant, executive vice president and head of international affairs, said the Chamber of Commerce has warned for months that “alienating our allies in a tit-for-tat trade war would harm the U.S. economy and undermine American global leadership, and evidence of that harm to U.S. workers, farmers, and businesses is mounting”.

President Donald Trump announced on Twitter last Friday that he would double the tariffs on steel and aluminum imports from Turkey. The two countries have been close allies for more than 60 years while Turkey has been a strong member of NATO. “Recent developments in the U.S.-Turkey relationship threaten both countries’ economic interests and put at risk an alliance that has proven its value over decades,” Brilliant said. “Actions that heighten these tensions risk spreading today’s financial challenges to other emerging markets, to European banks, and, ultimately, to the U.S. economy.” The U.S. Chamber of Commerce has been home since 2013 to the U.S.-Turkey Business Council, which represents more than 60 of the largest American companies doing business in Turkey, according to the statement.

Turkey raises tariffs on US-origin products

Anadolu Agency, 15.08.2018



Turkey has increased tariffs on several U.S.-origin products, including alcohol and tobacco products and cars, according to a new presidential decree published early Wednesday in the official gazette.

Under the decree, Turkey will raise tariffs to 100 percent on imports of the products. The new decree amends a presidential decree on July 11. "Tax rates on imports of some products have been increased on a reciprocal basis against the U.S. administration's deliberate attacks on our economy," Vice President Fuat Oktay said on Twitter.

Among the products are cars, rice, some alcohol and tobacco products and some cosmetic products like sun creams. On Friday, Turkey's Foreign Ministry said Turkey would retaliate against the raising of steel and aluminum tariffs by the U.S. administration. Foreign Ministry Spokesman Hami Aksoy said on Twitter that President Donald Trump's decision, which also violates World Trade Organization rules, does not comply with "state seriousness". Trump ramped up his attack on Turkey by raising steel and aluminum tariffs to 50 percent and 20 percent respectively.

The U.S. decision is another salvo in the growing dispute between Turkey and the U.S. Last week, a Turkish delegation returned from Washington with no movement on the detention of American pastor Andrew Brunson, who is under house arrest in Turkey over terrorism charges. Brunson's charges include spying for the PKK -- listed as a terrorist group by both the U.S. and Turkey -- and the Fetullah Terrorist Organization (FETO), the group behind the defeated coup attempt in Turkey of July 2016. Turkey and the U.S. are currently experiencing rocky relations following Washington's imposition of sanctions on Interior Minister Suleyman Soylu and Justice Minister Abdulhamit Gul for not releasing Brunson. The two NATO allies have been at odds since the defeated coup, which Ankara accused U.S.-based Fetullah Gulen and FETO of masterminding.

Turkish private sector's foreign long-term loans drop

Anadolu Agency, 15.08.2018



Turkish private sector's outstanding long-term loans from abroad dropped \$36 million to reach at \$221.7 billion as of June, versus the last year-end.

Meanwhile, the private sector's pending short-term loans from abroad climbed to \$19.1 billion, up \$486 million compared to the end of 2017. By definition, short-term loans have an original maturity of one year or less while long-term loans have an original maturity of more than one year. The bank said financial institutions constituted more than half of long-term loans -- 50.1 percent.

"In the same period, of the total short-term loans in the amount of \$19.1 billion, 79 percent consists of liabilities of the financial institutions, whereas 21 percent consists of liabilities of the non-financial institutions," the bank said. Regarding currency composition, 59.7 percent of the total long-term loans were U.S. dollar loans, 34.4 percent consisted of euro, 4.3 percent were in Turkish lira and 1.6 percent from other currencies, it said. "And of the total short-term loans in the amount of \$19.1 billion, 44.4 percent consists of dollars, 34 percent consists of euro, 21.5 percent consists of Turkish lira and 0.1 percent consists of other currencies," it said. The bank also noted that principal repayments for the next 12 months by the end of June amounted \$69.6 billion. The Central Bank periodically releases data for the private sector's long and short-term loans from abroad by gathering details from credit based forms submitted by resident financial institutions and companies.

Turkey: Unemployment slips to 9.7 pct in May

CNN, 15.08.2018



Turkey's unemployment rate dropped to 9.7 percent in May, down 0.5 percentage points compared to same month last year, the country's statistical authority announced on Wednesday.

The Turkish Statistical Institute (TurkStat) said the number of unemployed persons aged 15 years and above -- 3.1 million last May -- slipped by 89,000 year-on-year. Official data also showed that non-agricultural unemployment decreased 0.6 percentage points to 11.6 percent during the same period.

The youth unemployment rate, including persons aged 15-24, was 17.8 percent, down 2 percentage points on a yearly basis in May. TurkStat said unemployment for the 15-64 age group was also down 0.5 percentage points to 9.9 percent in the same period. In May, employment rate rose by 0.4 percentage point from the same month last year up to 48.1 percent. "The number of employed persons rose by 650,000 to 29.1 million persons in the period of May 2018 compared with the same period of the previous year," TurkStat said. The labor force participation rate was also up by 0.3 percentage point year-on-year, going up to 53.3 percent in the month. Official figures showed that the labour force participation rate for males was flat at 72.6 percent and for females it was 34.4 percent with an annual rise of 0.5-percentage point. TurkStat also reported that the rate of unregistered employment -- people working without social security related to their principal occupation -- was 33.7 percent in May, marking a 0.5-percentage point decrease from May 2017. The institute will release next report on this subject on Sept. 17.

Iran slams Trump's tariffs decision targeting Turkey

Anadolu Agency, 12.08.2018



Iranian Foreign Ministry spokesman Bahram Qassemi on Aug. 11 criticized U.S. President Donald Trump's decision to impose additional tariffs on Turkey.

"The will of the nations cannot be changed by bullying and threats," Qassemi told Iranian television, emphasizing the importance of cooperation between the countries of the region, Turkey's state-run Anadolu Agency has reported. Qassemi's remarks followed those of Iranian Foreign Minister Javad Zarif, who had said: "Trump's jubilation in inflicting economic hardship on its NATO ally Turkey is shameful. The U.S. has to rehabilitate its addiction to sanctions."

"We've stood with neighbors before, and will again now," Zarif wrote on his official Twitter account. Zarif's remarks came a day after Trump doubled U.S. tariffs on Turkish aluminum and steel imports to 20 percent and 50 percent, respectively. Turkish Foreign Ministry spokesman Hami Aksoy on Aug. 10 said in a statement that Trump's decision, which disregards World Trade Organization rules, "cannot be associated with seriousness expected from a state". "All the steps taken against Turkey will be given a befitting response as they have been given before," Aksoy added.

Iraq stops trading with Iran in dollar due to sanctions

Anadolu Agency, 12.08.2018



Iraq has stopped trading with Iran in the U.S. dollar after Washington imposed economic sanctions on Tehran, according to the country's central bank on Saturday.

The Central Bank of Iraq has notified to all banks in the country that using dollars with Iranian banks has been banned. "While there are sanctions on Iran, it will be difficult to preserve the trade relations [with Iran]," Iraqi government spokesman Saad al-Hadithi said. New methods will be applied to ease the effects of the sanctions on trade, al-Hadithi added.

On Tuesday, the U.S. had re-imposed the first round of economic sanctions on Iran, which mainly target the country's banking sector. The sanctions are intended to hinder Tehran's acquisition of U.S. currency; its precious metals trade; bank transactions denominated in the Iranian rial; activities related to Iran's sovereign debt; and the country's automotive sector. In a tweet posted earlier this week, President Donald Trump wrote: "Anyone doing business with Iran will NOT be doing business with the United States. I am asking for WORLD PEACE, nothing less!"

Russia backs use of national currencies for bilateral trade after Erdoğan's call

Reuters, 13.08.2018



The Kremlin said on Aug. 13 that Russia favoured bilateral trade with all countries in their national currencies, rather than the dollar, but that the idea needed detailed work before being implemented.

Turkish President Recep Tayyip Erdoğan said on Aug. 11 Turkey was preparing to conduct trade through national currencies with China, Russia and Ukraine. Asked about Erdoğan's proposal, Kremlin spokesman Dmitry Peskov said Russia had been pushing for such an arrangement with all countries.

He said the issue had been raised on more than one occasion during bilateral talks between Turkey and Russia.

India to launch first manned space mission by 2022

The Guardian, 15.08.2018



India will launch its first manned space mission by 2022, the country's Prime Minister Narendra Modi announced on Wednesday morning in his Independence Day speech to the nation.

India could become the fourth country in the world after the U.S., Russia and China if it successfully sends the space mission. India is celebrating its 71st years of independence on Wednesday, with flag hoisting ceremonies and cultural programs being organized across the country. "By 2022 when India completes 75 years of Independence, or before that"

"A son or daughter of India will go to space with a tricolor in their hands," PM Modi said in his speech from the ramparts of the historical Red Fort in the Indian capital New Delhi, where he also unfurled the national flag. "We have resolved that by 2022, before we celebrate 75 years of Independence Day, India will place an Indian in space," he added. Wednesday speech was the last Independence Day speech of Modi as the country will go for general elections in 2019. In his speech, there was no mention of any foreign country, including Pakistan, and he mostly talked about the domestic issues. The prime minister also announced that his government would launch a health care insurance scheme for poor from Sept. 25. Under the scheme, there will be an annual benefit cover of Rs. 500,000 (\$7,099) per family. "The healthcare initiatives of the government of India will have a positive impact on 50 crore Indians. It is essential to ensure that we free the poor of India from the clutches of poverty due to which they cannot afford health care," he said.

Commenting about the punishment for those involved in rape incidents, Modi said: "We have to free our society and country from this disgusting mentality of rape." "Rule of law is supreme and no can take law in their hands," the prime minister added. According to the 2016 report by National Crime Records Bureau, 38,947 rapes were reported in the country. Recently, Indian President cleared a bill which provides stringent punishment, including death penalty for those convicted of raping minor below the age of 12 years.

Trump's global policy a string of abandoned commitments

CNBC, 15.08.2018



President Donald Trump has made no secret of his disdain for the international order, pledging before entering office to upend multilateral accords and recalibrate U.S. participation.

He has made good on one of his most central vows: to scrap the nuclear accord world powers struck with Iran in 2015, roiling close transatlantic allies in the process. Trump's actions, emboldened by close aide John Bolton, have inched the U.S. closer to confrontation with Tehran while at the same time increasing the likelihood of Washington sanctioning European allies who are working to salvage the deal and its curbs on Iran's nuclear program.

Economically, Trump has unilaterally removed Washington from one of the world's largest free trade pacts and vowed to scrap another if it cannot be renegotiated. The president has further slashed U.S. funding for the UN by \$285 million following a vote that condemned his unilateral recognition of Jerusalem as Israel's capital and has removed the U.S. from two major UN bodies and is working to undermine another. Here is a list of major international agreements the American president has nixed or threatened to remove Washington from, the countries that were affected, and key UN bodies the U.S. has taken umbrage with. The Trans Pacific Partnership – The now defunct free trade agreement among Pacific Rim countries that was abandoned after the U.S. withdrew; 11 remaining countries formed a new trade agreement after the U.S. decision. Countries affected: Japan, Malaysia, Vietnam, Singapore, Brunei, Australia, New Zealand, Canada, Mexico, Chile and Peru.

Shortly after Trump signed off on the order, leading Republican Senator John McCain slammed the decision as "a troubling signal of American disengagement in the Asia-Pacific region at a time we can least afford it". "President Trump's decision to formally withdraw from the Trans-Pacific Partnership (TPP) is a serious mistake that will have lasting consequences for America's economy and our strategic position in the Asia-Pacific region," McCain said. Paris Climate Agreement – Historic effort to combat climate change; U.S. cannot exit until November 2020 under the terms of the pact despite Trump's efforts. Countries affected: the rest of the world. Former President Barack Obama, who spearheaded the Paris effort, slammed his successor's decision, saying the countries still within the agreement will "reap the benefits in jobs and industries created. "Even in the absence of American leadership, even as this Administration joins a small handful of nations that reject the future, I'm confident that our states, cities and businesses will step up and do even more to lead the way and help protect for future generations the one planet we've got," he said.



North American Free Trade Agreement – Free trade agreement between the U.S., Canada and Mexico that has been in effect since 1994. Trump has threatened to scrap it if it cannot be renegotiated; talks ongoing as Canada and Mexico reject separate individual pacts with U.S. Countries affected: Canada and Mexico. “Canada very much believes in NAFTA as a trilateral agreement,” Canadian Foreign Affairs Minister Chrystia Freeland said. “It has been in place for near a quarter century.” The agreement has allowed the three countries to integrate trading and supply chains that have benefited all involved, she said. Joint Comprehensive Plan of Action - Nuclear deal brokered by P5+1 group of world powers and Iran in 2015 giving Tehran billions of dollars in sanctions relief in exchange for intensive inspection regime. Countries affected (directly): Iran, Germany, Russia, China, France, the UK and the EU; global trade also impacted. Following re-imposition of first round of pre-deal nuclear sanctions, the EU vowed to protect Europeans doing business with Iran.

"We are determined to protect European economic operators engaged in legitimate business with Iran, in accordance with EU law and with UN Security Council Resolution 2231," the bloc said. Cuba detente – Effort to restore relations between Cold War rivals begun under President Barack Obama; Trump has curbed travel to island nation, as well as commerce. Countries affected: U.S., Cuba. The tighter U.S. regulations were met with criticism by Senator Patrick Leahy, who said they are "what one would expect of a paranoid totalitarian government, not a democracy like ours". “The hypocrisy of the White House ideologues is glaring. It is stunning," the Democratic senator said in a statement. “Far from promoting human rights in Cuba, these new regulations will hurt fledgling entrepreneurs and the rest of the Cuban people by discouraging Americans from traveling there.” US participation in UNHRC – Trump pulled the U.S. out of the UN’s Geneva-based human rights body in June, in part because of the council's criticism of Israel. Following the U.S. exit, UN Secretary General Antonio Guterres and Russian Foreign Minister Sergey Lavrov urged the U.S. to return to the Human Rights Council. "We of course would much prefer the U.S. to remain in the Human Rights Council. And I believe that the human rights architecture is a key tool at the present moment in order to promote and protect human rights around the world," Guterres said. US participation in UNESCO – The U.S. announced it was exiting the UN’s world heritage organization in October 2017, citing alleged Israel bias. UNESCO Director-General Irina Bokova expressed "profound regret" about Washington's action, saying despite the decision to withhold funding, the U.S.-UNESCO relationship has continued to strengthen.

"At the time when the fight against violent extremism calls for renewed investment in education, in dialogue among cultures to prevent hatred, it is deeply regrettable that the United States should withdraw from the United Nations agency leading these issues," Bokova said. US funding for UNRWA – The Trump administration halved an installment payment to the UN’s Palestine refugee agency in January, giving only \$60 million of a planned \$125 million. Senior Trump officials are working to dismantle the agency altogether as legislation winds its way through Congress. A senior western official warned that one of two pieces of legislation seeking to shift UNRWA’s activities to the UN’s main refugee agency (UNHCR) could undermine Washington’s objectives. “Be very careful what you wish for, because for UNHCR, the preferred priority or choice would be for refugees to go back home, which is not something I suppose these American congresspeople would want,” the diplomat told Anadolu Agency, referring to the right of return, which Israel and its allies in Washington reject outright.

US trade policy moves leave economists puzzled

Anadolu Agency, 15.08.2018



U.S. sanctions on Turkish ministers and decision of increasing tariffs on aluminium and steel imports from Turkey have puzzled economists about President Donald Trump's unpredictable trade and foreign policy.

“The Trump administration has been pushing back [or some would say ‘lashing out’] at countries that it feels have been enjoying an ‘unfair’ trading advantage over the U.S.,” GKFX Senior Market Strategist David Morrison told Anadolu Agency on Tuesday. Morrison said that the U.S. was now using trade wars and economic sanctions for political reasons.

“I believe that this is why Trump is using them not just against major trading partners such as China, Canada, Mexico and the EU, as a method of righting perceived unfairness over trade, but also against countries where there are political disagreements - Russia, Iran and now Turkey. “The imposition of sanctions has followed Turkey’s refusal to return [American Pastor Andrew] Brunson to the U.S. While it is a surprise that any country would apply sanctions to a fellow NATO member, Trump has made it clear he’s no great fan of the organization while he sees sanctions as effective,” he added. FXTM Global Head of Currency Strategy and Market Research Jameel Ahmad said: “The world economy is very inter-connected in the current day and age, and other economies/economic powers might be able to make trade deals away from the United States to offset the pressures U.S. tariffs might have on their respective economies.” Noting that concerns over the trade war is on the rise, Ahmad said: “There are high concerns that the continuous trade war threats could spark the greatest risk to the global financial world since the global financial crisis of 2008, so we certainly shouldn’t underestimate the impact that the trade war threats could have on the global economy.”

How the UK sees opportunity and profit in Sisi's repressive Egypt

Middle East EY, 15.08.2018



Five years ago on 14 August, the new Egyptian military regime under General Abdel Fattah el-Sisi crushed a protest at Rabaa al-Adawiya Square in Cairo, killing at least 817 people.

Since then, increasing repression has enabled Sisi to consolidate his rule while maintaining the support of his main Western backers, the US and UK. Britain's policy towards Egypt in the past five years has been remarkable, confirming that Whitehall not only turns a blind eye to, but often has a preference for, repressive systems that help advance its commercial interests in the Middle East.

Human Rights Watch observed that the Rabaa killings were "perhaps the largest mass killing of protesters on a single day in modern history, worse even than Tiananmen Square". Security forces used armoured cars, bulldozers and snipers to attack the makeshift camp and gun down protesters staging a sit-in in support of the ousted government of Mohamed Morsi, Egypt's first democratically elected president. Since then torture, deaths in detention and restrictions on civil society and journalists have become common. A 2017 British government report noted that there were 60,000 political detainees in the Egypt. For the British government, the repression has presented a new opportunity. Indeed it seems as though for Downing Street, the Wu-Tang Clan's anthem applies: cash rules everything around me. In March 2015, British multinational oil giant BP signed a massive \$12bn investment deal for an oil and gas project in the West Nile Delta. The agreement, the largest foreign direct investment in Egypt, enables BP to develop five trillion cubic feet of gas resources. The deal was first announced in 2010 under the previous regime of Hosni Mubarak and was confirmed by the Morsi government after the 2011 revolution. However, BP was forced to put the project on hold after local residents mobilised against the plan to build a mega-gas plant next to their homes, blocking roads and occupying the building site.

At the same time, the Morsi government introduced an obstacle by objecting to BP's proposed terms that it should have direct ownership over the resources and accrue 100 percent of the profits. By mid-2013, just weeks before the coup, the Morsi government was engaged in talks with BP demanding better terms. Sisi's seizure of power changed everything. The new deal offers BP exceedingly generous terms and has moved Egypt away from a long-used production-sharing model, in which companies and countries typically split profits 20:80, to a tax royalty scheme that essentially hands control of natural resources to private companies.



BP's project can also resume because of the Sisi regime's repression. The new anti-protest law threatens multi-year prison terms for street protests and has largely silenced many NGOs and opposition forces, including those opposing the BP deal. Within a year of seizing power, Egypt's oil minister announced that BP's stalled project had restarted; production began in May 2017. BP is not just any investor in Egypt. It has projects in the North African country worth around \$30bn. It basically controls the nation's energy supplies. BP produces close to 50 percent of Egypt's natural gas consumption and, with the Egyptian General Petroleum Company, almost 40 percent of its oil production. BP and its partners operate across 55,000 square kilometres of the country - an area around the size of Croatia. Neither is BP just another company. Rather, it has connections at the highest levels of the British state. On BP's board sits John Sawers, the former director of the Secret Intelligence Service (MI6), who took up his BP role in 2015 after serving as head of MI6 from 2009-14. Sawers also has strong links to Egypt, having served as British ambassador there from 2001 to 2003. John Manzoni, the UK cabinet secretary, spent 24 years at BP and was previously on its board. Former BP chief executive Lord Browne later became the lead non-executive director of the Cabinet Office.

The UK has long been the largest investor in Egypt, but "we are hungry for more," the British ambassador in Cairo, John Casson, has said. In February, the British trade envoy to Egypt, Jeffrey Donaldson, arrived in Cairo, heading up the largest British trade delegation in nearly two decades, involving more than 50 companies. The scale of its commercial interests makes Britain probably the leading apologist for Sisi's regime. When Sisi won an "election" in April with 97 percent of the vote - a figure that would have impressed Soviet leaders - Theresa May "congratulated President Sisi on the chance to take Egypt further along the path of democratic transition". May's support is especially shocking, since Sisi ran virtually unchallenged after other candidates were arrested or pulled out, in a process where there were no public debates. May's apologia for Sisi follows his visit to the UK in 2015 and a stream of recent high-level military visits. The British government said last month that "military cooperation between Egypt and the UK has increased significantly in recent years as the UK and Egypt work to deepen their cooperation in the face of the shared threat of terrorism". It has also announced that it hopes to train "hundreds" of Egyptian military officers in Britain. These relations are with officers intimately involved in the overthrow of the Morsi government: Egypt's new defence minister, Lieutenant General Mohamed Ahmed Zaki, personally arrested Morsi during the 2013 coup.

Whitehall is perfectly aware of the deteriorating human rights situation, but Casson has apparently convinced himself that Egyptians "are building a more stable, more prosperous and more democratic country". Casson has even been quoted in the Egyptian media approving of Egypt's "tough security measures". Peter Osborne notes that the British ambassador has never publicly complained about the murder of Egyptian citizens by the regime or about the torture and rape of political prisoners. What the diplomat does do, however, is stress that Britain is "Egypt's number one investment partner". London says it has raised concerns about human rights in Egypt, but its policy doesn't change as a result. After the 2013 Rabaa massacre, the UK government revoked some arms export licences, but left larger licences in place; arms sales soon resumed at normal levels. Some £72m (\$92m) in arms have been supplied by the UK in the past three years.



The British government says it is "not aware of any Egyptian accountability processes relating to" the Rabaa massacre. Indeed, no security officers have been held accountable for the killings. Rather, last month, the Egyptian parliament provisionally approved legislation that exempts senior army officers from prosecution for acts committed in the period following the July 2013 military coup. Egyptian journalist Mohannad Sabry has noted that the Sisi regime, far from fighting terrorism, is "creating and sustaining a state of desperation and hopelessness, crushing the already dwindling belief that change can be accomplished through peaceful means, and leaving a vacuum for terrorist groups to fill". As elsewhere in the Middle East, we are witnessing British policies that are both unethical and go against the basic British - and Egyptian - public interest.



Announcements & Reports

▶ *The Evolution of U.S. Defense Posture in North and West Africa*

Source : CSIS
Weblink : <https://www.csis.org/analysis/evolution-us-defense-posture-north-and-west-africa>

▶ *Turkey Risks Escalate: What It Might Mean for Other Emerging Markets*

Source : CSIS
Weblink : <https://www.csis.org/analysis/turkey-risks-escalate>

Upcoming Events

▶ *The Economic Impact of Fighting Corruption in Guatemala*

Date : 17 August 2018
Place : CSIS HQ
Website : <https://www.csis.org/events/economic-impact-fighting-corruption-guatemala>

▶ *U.S. Arms Transfer Policy*

Date : 17 August 2018
Place : CSIS HQ
Website : <https://www.csis.org/events/us-arms-transfer-policy>

▶ *Fighting Financial Crime 2018*

Date : 10 September 2018
Place : London
Website : <https://www.chathamhouse.org/conferences/fighting-financial-crime-2018>

▶ *Digitalization in the Industrial Sector: Implications for Energy, Technology, and Policy*

Date : 18 July 2018
Place : CSIS Headquarter
Website : <https://www.csis.org/events/digitalization-industrial-sector-implications-energy-technology-and-policy>



► *Illicit Financial Flows 2018*

Date : 01 October 2018
Place : London
Website : <https://www.chathamhouse.org/conferences/illlicit-financial-flows-2018>

► *Climate Change 2018*

Date : 15 October 2018
Place : London
Website : <https://www.chathamhouse.org/conferences/climate-change-2018>

► *Global Trade 2018*

Date : 01 November 2018
Place : London
Website : <https://www.chathamhouse.org/conferences/global-trade-2018>

► *The Future of London as a Financial Centre*

Date : 12 November 2018
Place : London
Website : <https://www.chathamhouse.org/conferences/future-london-financial-centre>